UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS
SECOND SESSION

VOLUME 122—PART 1

(JANUARY 19, 1976 TO JANUARY 27, 1976)

(PAGES 1 TO 1234)

OCT 26 1978

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1976

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
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PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, SECOND SESSION

SENATE—*Monday, January 19, 1976*

The 19th day of January being the day prescribed by House Joint Resolution 749, as amended, for the meeting of the 2d session of the 94th Congress, the Senate assembled in its Chamber at the Capitol.

The VICE PRESIDENT called the Senate to order at 12 o'clock noon.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our help in ages past, our hope for years to come, we know not what the future holds, but we know who holds the future. Thou art our God, the same yesterday, today, and forever. Quicken all our human insights, skills, and energies by a pervading awareness of Thy presence. Brood over this Republic until we are born again, not to the life which once we knew, but to a higher life than we yet have known. May Thy spirit so move through the President, the Congress, and all who are in authority that our program and our work may become the program and work of Thy kingdom.

In the Redeemer's name, we pray. Amen.

ORDER FOR RECOGNITION OF THE VICE PRESIDENT TO MARK THE BEGINNING OF THE BICENTENNIAL YEAR

Mr. MANSFIELD. Mr. President, after a quorum has been called and achieved, I ask unanimous consent, on behalf of the distinguished Republican leader and the majority leader, that the Vice President of the United States, the Presiding Officer of this body, be allowed to proceed for not to exceed 5 minutes to mark the beginning of the Bicentennial Year.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The second assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 1 Leg.]

Allen
Baker
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Durkin
Eagleton
Ford
Goldwater
Gravel
Griffin
Hansen
Haskell
Hatfield
Hathaway
Helms
Hruska
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Mansfield
Mathias
McClellan
McClure
Muskie
Pastore
Proxmire
Randolph
Ribicoff
Scott, Hugh
Sparkman
Stafford
Stevens
Talmadge
Thurmond
Weicker
Young

The VICE PRESIDENT. A quorum is not present.

Mr. MANSFIELD addressed the Chair.

The VICE PRESIDENT. The distinguished Senator from Montana.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the presence of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Bartlett
Beall
Bellmon
Brock
Burdick
Case
Chiles
Clark
Culver
Curtis
Dole
Domenici
Fannin
Garn
Glenn
Hollings
Huddleston
Humphrey
Magnuson
McIntyre
Metcalf
Montoya
Morgan
Nelson
Nunn
Percy
Roth
Scott, William L.
Stevenson
Stone
Symington
Taft
Tower

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. GARY W. HART), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. MCGEE), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PELL), the Senator from Mississippi (Mr. STENNIS), the Senator from California (Mr. TUNNEY), the Senator from New Jersey (Mr. WILLIAMSQ, and the Senator from Delaware (Mr. BIDEN) are necessarily absent.

I also announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Hawaii (Mr. FONG), the Senator from Nevada (Mr. LAXALT), the Senator from Oregon (Mr. PACKWOOD), the Senator from Kansas (Mr. PEARSON), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

The VICE PRESIDENT. A quorum is present.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, may we have order?

The VICE PRESIDENT. The Senate will come to order.

Under the previous order, the Chair will now make a statement.

REMARKS OF THE VICE PRESIDENT AT THE OPENING OF THE 2D SESSION OF THE 94TH CONGRESS

The VICE PRESIDENT. I am grateful to the joint leadership for offering me the opportunity to say a few words of greeting at this first meeting of the Senate in this Bicentennial Year.

I consider it one of the fortunate experiences of my life to be privileged to serve with this great body.

For the Senate of the United States is, unquestionably, one of the greatest deliberative and legislative bodies in the history of democratic government.

Two hundred years ago, a valiant band of dedicated patriots on the fringe of this continent determined to make this New World a place of freedom and opportunity for ordinary men and women.

Their vision, their faith, and their energy created not only a land of liberty but also a system of enterprise that has produced an abundance and quality of living never known before.

Two hundred years ago, most of America was a wilderness. One hundred years ago, we had spanned the continent and begun to forge our industrial strength. But we were still 70 percent a rural nation with but a small population in this vast expanse.

Today, we are the largest, the freest, the strongest democracy in human history and the acknowledged leader of free peoples.

Today, also, we face unparalleled problems—problems in their way as grave as those that faced our forebears two centuries ago.

But this is no time for pessimism, no time for anguish. America has always seen her problems as opportunities and regards what others fear as challenges.

Our third century will not be a period

of decline. It will mark a new era of growth.

The strength of American science and technology, the might of our productive enterprise system, and most of all the energy and intelligence of our free people will make it so.

America will always be a frontier nation. When it encompassed the limits of this continent, it moved to the frontiers of science and technology.

It will continue to extend its frontiers and therewith to enlarge the spectrum of individual opportunity and the realm of the human spirit—not only for Americans but also for the people of the entire world.

[Applause, Senators rising.]

NOTIFICATION TO THE PRESIDENT

Mr. MANSFIELD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 344) was considered and agreed to, as follows:

S. RES. 344

Resolved, That a committee consisting of two Senators be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

The VICE PRESIDENT. Pursuant to Senate Resolution 344, the Chair, on behalf of the Vice President, appoints the Senator from Montana (Mr. MANSFIELD) and the Senator from Pennsylvania (Mr. HUGH SCOTT) as members of a committee to join the committee of the House of Representatives to wait upon the President of the United States and inform him that a quorum is assembled and that Congress is ready to receive any communication he may be pleased to make.

NOTIFICATION TO THE HOUSE

Mr. HUGH SCOTT. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution? There being no objection, the resolution (S. Res. 345) was considered and agreed to as follows:

S. RES. 345

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

HOUR OF DAILY MEETING

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution, and I ask unanimous consent that it be immediately considered.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 346) was considered and agreed to, as follows:

S. RES. 346

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian unless otherwise ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, the distinguished Republican leader and I will report shortly to the Senate the result of our conversation and notification to the President of the United States.

Mr. President, it is my understanding that at the present time we will now proceed to business on the usual basis. What is the business?

The VICE PRESIDENT. There is an order for morning business.

ROUTINE MORNING BUSINESS

The VICE PRESIDENT. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 1 hour, with statements therein limited to 5 minutes.

DISAPPROVAL OF S. 2350—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

The VICE PRESIDENT. As the first item, on January 6, 1976, the Senate received from the President his veto message on S. 2350, a bill to amend the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council, which the Chair lays before the Senate and directs the clerk to read. It will also be spread in full upon the Journal.

The legislative clerk proceeded to read the message from the President.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President's veto message be considered as read and that it be spread upon the record.

There being no objection, the veto message was ordered to be printed in the RECORD, as follows:

To the Senate of the United States:

I return without my approval S. 2350, a bill "To amend the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council."

The National Security Council is one of the most important organizations in the Executive Office of the President. The Council's function, under the law, is to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security. The President, the Vice President, the Secretary of State, and the Secretary of Defense are the statutory members of the Council. In addition, the President may, under the law, appoint by and with the advice and consent of the Senate the Secretaries and Under Secretaries of other executive departments and of the military departments to serve at his pleasure. No President has ever exercised this latter authority.

In my judgment, enactment of S. 2350 is not necessary. From its establishment in 1947, each President has invited from time to time additional officers to participate in National Security Council deliberations when matters specifically relating to their responsibilities have been considered. In line with this practice, the President invites the Secretary of the Treasury to participate in Council affairs when issues of substantial interest to the Department of the Treasury are involved. Thus, existing arrangements provide for adequate participation of the Secretary of the Treasury in National Security Council matters.

Furthermore, additional mechanisms exist to assure that the President receives advice which takes into account the proper integration and coordination of domestic and international economic policy with foreign policy and national security objectives. Both the Economic Policy Board and the Council for International Economic Policy provide the President with high level advice on economic matters. The Secretary of the Treasury is the Chairman of these two bodies on which the Secretary of State also serves.

I believe that S. 2350 is undesirable as well as unnecessary. The proper concerns of the National Security Council extend substantially beyond the statutory responsibilities and focus of the Secretary of the Treasury. Most issues that come before the Council on a regular basis do not have significant economic and monetary implications.

Moreover, a large number of executive departments and agencies have key responsibilities for the programs affecting international economic policy. From time to time these programs influence importantly our foreign policy and national security decisions. The Treasury Department does not and could not represent all those interests. Extending full statutory membership on the National Security Council to the Secretary of the Treasury would not achieve the purpose of bringing to bear on decisions the full range of international economic considerations.

For these several reasons, I am concerned that increasing the statutory membership of the Council might well diminish its flexibility and usefulness as a most important advisory mechanism for the President.

In sum, S. 2350 is unnecessary, since adequate arrangements for providing advice to the President on the integration of economic and foreign policy already exist, and it is undesirable because the proposed arrangement is inconsistent with the purposes of the National Security Council and would lessen the current and desirable flexibility of the President in arranging for advice on the broad spectrum of international and national security policy matters.

GERALD R. FORD.

THE WHITE HOUSE, *December 31, 1975.*

ORDER TO HOLD S. 2350 AND VETO MESSAGE AT THE DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the veto message and the bill, S. 2350, be held at the desk.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR VOTE ON PRESIDENT'S VETO ON S. 2350

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, at the hour of 12 o'clock noon on Thursday next, the Senate take up the bill now being held at the desk and dispose of the President's veto of that measure one way or the other.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR SYMINGTON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Senator SYMINGTON be recognized for not to exceed 15 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TUNNEY ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, after the two leaders or their designees have been recognized under the standing order, Senator TUNNEY be recognized for not to exceed 15 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

SOVIET INVOLVEMENT IN ANGOLA IS NOT PERIPHERAL TO DÉTENTE

Mr. ROBERT C. BYRD. Mr. President, Secretary of State Kissinger departs today for Moscow for discussions with Soviet officials aimed primarily at obtaining progress on the next phase of the strategic arms limitations talks. He has stated that he feels that the issue of arms limitations is too important for the dispute over Angola to postpone further these conversations.

In essence, Mr. Kissinger has reduced the matter of Soviet interference in Angola to a peripheral status in Soviet-American relations. For the sake of the appearance of continued success in the pursuit of the policy of détente, Mr. Kissinger seems to have chosen to ignore the fact that the current Soviet-Cuban involvement in the internal affairs of Angola is a major irritant in Soviet-American relations.

The policy of détente between the United States and the Soviet Union has, from its inception, been heralded as the dawn of a new era in East-West relations. Accompanied by much publicity, diplomats from both sides have conferred regularly and announced that their efforts have met with glowing success.

In reality, however, the Soviet Union has used the facade of détente as a cover by which to forward the same policies that she has followed since the Bolshevik Revolution. The Soviet position in Eastern Europe has been consolidated with Western concurrence; the historic Baltic nations of Lithuania, Latvia, and Estonia have been delivered permanently into Russian hands on a de facto basis; the failures of Soviet agriculture have been cloaked from the view of the Russian people by American grain at the expense of the American taxpayer; and many American military experts have raised serious questions about Soviet intentions to abide by any arms limitations agreements.

In the region of the Indian Ocean, Soviet naval and diplomatic activities have increased significantly in recent years. At present, action by the Soviet navy in that area is almost four times as great as that of the navy of the United States. The Soviet Union has established a missile base at Berbera in Somalia. Soviet efforts in the Indian Ocean, coupled with direct commitments in the civil war in Angola, suggest reasons for serious concern over Soviet intentions in the whole Southern Hemisphere.

If détente is to be anything more than an added weapon in the Soviet diplomatic arsenal, I urge that Secretary Kissinger insist that the Soviet Union demonstrate its commitment to easing East-West tensions by withdrawing its support from the Popular Movement in Angola and by applying pressure on Cuba to remove its estimated 6,000–8,000 troops from Angola. Angola is not a peripheral matter in world affairs; the civil war there has the potential of exploding into a conflict that could engulf the southern end of Africa.

Mr. President, arms limitation must be a major long-range concern of this Nation. However, détente will be no more than a charade if Mr. Kissinger returns from Moscow without obtaining some positive concessions from the Soviet Union on Angola. I urge Secretary Kissinger to impress on the leaders of the Soviet Union the urgency of a resolution of the Angolan dispute.

Mr. President, I suggest the absence of a quorum.

Mr. President, I withdraw that.

Mr. SPARKMAN. Will the Senator yield to me for about 2 minutes?

Mr. ROBERT C. BYRD. I yield.

SENATOR ALLEN TO BE NAMED 1975 MAN OF THE YEAR IN SERVICE TO ALABAMA AGRICULTURE

Mr. SPARKMAN. Mr. President, we have a very fine farm journal down in the State of Alabama called the Progressive Farmer. It is published in other States, too. Every year, the Progressive Farmer selects some Alabamian to be recognized as the outstanding farm leader in the State of Alabama for that year.

I am pleased to say that the designee for 1975 is our colleague, Senator JAMES B. ALLEN, who has made quite a name for himself during his 7 years in this Chamber.

He has a well-earned reputation for defending his convictions to the end. One of his primary interests is in the field of agriculture, as evidenced by his outstanding work on the Committee on Agriculture and Forestry, and as chairman of its Subcommittee on Agricultural Research and General Legislation. In recognition of Senator ALLEN's efforts in behalf of agriculture, agri-business, and particularly farmers, Progressive Farmer magazine has named him their 1975 Man of the Year in Service to Alabama Agriculture.

Mr. President, I ask unanimous consent that the January 1976 Progressive Farmer article announcing Senator ALLEN's selection be printed in the RECORD.

Mr. ROBERT C. BYRD. Mr. President, I join in that unanimous-consent request.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

1975 MAN OF THE YEAR IN SERVICE TO ALABAMA AGRICULTURE

" 'Congress must act soon and decisively to raise existing target price and loan support levels for basic farm crops,' Senator Jim Allen declared today at opening hearings by the Senate Agriculture Committee on amendments to the Agriculture and Consumers Protection Act."

This news release that appeared in newspapers throughout the United States is typical of many quotes on the subject of agriculture attributed to Senator James B. Allen from Alabama in a steady stream of news media reports. When agriculture is involved, it's a sure bet that Senator James B. Allen will be in the middle of the action and will have a public comment to make—a comment strongly backing agriculture, agribusiness, and the individual farmer.

Now in his second term as U.S. Senator, Allen is a member of the Senate Committee on Agriculture and Forestry and chairman of its Subcommittee on Agricultural Research and General Legislation. He's also on two other committees—Government Operations, and Rules and Administration.

With an uncanny knack for tying all our problems together into one—and for seeing interrelationships—he has many times called attention to his pledge "to work to develop a sound long-range food and agricultural policy for this Nation that will restore some semblance of balance, stability, and economic incentive within our agricultural food and fiber system.

"Congress must first put our Nation's agricultural house back in order if it hopes to be successful in putting our Nation's economic house back in order," Allen says.

In his role as spokesman for agriculture, Allen also gets right down to the specifics. He was among the first and most vocal, for instance, to warn that the fertilizer shortage could mean our production goals for wheat, feed grains, and cotton would not be reached. Besides calling for maximizing the productive capacity of our nation's fertilizer plants, he demanded that attempts be made to assure distribution of available supplies on as equitable a basis as possible.

The Senator spends enough time back home—making frequent visits to all parts of the state—to keep an accurate pulse on the needs of Alabama farmers. Even as a first-term Senator, he unhesitatingly took the floor of the Senate to speak up for agriculture and for the people of Alabama.

His political career began in 1938 when he was elected to the Alabama House of Representatives. At the time he was a young lawyer in Gadsden.

He resigned from the house in 1942 to join the Navy. Upon his return, he was elected to the state senate (1946), then served two terms as Lieutenant Governor before winning the U.S. Senate seat in 1968.

Since that time he has gained a reputation for being a quiet, hard-working Senator who won't back down when he knows he's right. He gets things done and continues to push for what he believes in and what he believes his constituents believe in—even when he's in the minority in the Congress.

For his role as agriculture's spokesman and for his deep knowledge and interest in farmers, *Progressive Farmer* is delighted to name Senator James B. Allen as Man of the Year in Service To Alabama Agriculture.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. THURMOND. Mr. President, I wish to associate myself with the laudatory remarks made by the distinguished senior Senator from Alabama about the distinguished junior Senator from Alabama. The junior Senator from Alabama (Mr. ALLEN) is not only interested in farmers and has stood by the farmers firmly and well, but he has also made a distinguished record here in the Senate as one of the ablest Members of this body.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LEAHY. I would also like to be associated with those remarks in commendation of my distinguished colleague on the Committee on Agriculture and Forestry and the chairman of the subcommittee of that committee on which I serve.

Mr. RANDOLPH obtained the floor.

Mr. ROBERT C. BYRD. Mr. President, will my distinguished senior colleague yield for a unanimous-consent request?

Mr. RANDOLPH. I am delighted.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER (Mr. DURKIN). Without objection, it is so ordered.

ORDER FOR RECOGNITION OF MR. JAVITS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the Senator from Missouri (Mr. SYMINGTON) is recognized under the order previously entered, the Senator from New York (Mr. JAVITS) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT OF COMMITTEE APPOINTED TO WAIT UPON THE PRESIDENT

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Republican leader and myself, I report, from the committee appointed to join a similar committee from the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House has assembled, that the President has informed us he intends to report to Congress on the state of the Union this evening at 9 p.m.

ORDER FOR RECESS FROM CONCLUSION OF BUSINESS TODAY UNTIL 8:20 P.M., AND FOR ADJOURNMENT FOLLOWING THE STATE OF THE UNION ADDRESS UNTIL 12 O'CLOCK NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business this afternoon, it stand in recess until the hour of 8:20 this evening, and that at the conclusion of the President's speech the Senate stand in adjournment until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FEDERAL AID HIGHWAY ACT

Mr. RANDOLPH. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 8235, the Federal Aid Highway Act.

The PRESIDING OFFICER (Mr. DURKIN) laid before the Senate H.R. 8235, an act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice by its title, and the Senate will proceed to its immediate consideration.

Mr. RANDOLPH. Mr. President, I move that the text of S. 2711 as passed by the Senate be substituted for titles I and II of H.R. 8235.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

Mr. GRIFFIN. Mr. President, I understand from the distinguished Senator from West Virginia that this is a technical procedural matter that is required in order to have the measure go to conference, one that was not taken earlier, and that this motion has the approval of the ranking Republican member, the Senator from Tennessee (Mr. BAKER).

Mr. RANDOLPH. The minority whip is entirely correct.

This matter has been cleared by the ranking minority Member (Mr. BAKER) and we have had discussions with the chairman and ranking member of the Senate Finance Committee.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 8235) was read the third time, and passed.

Mr. RANDOLPH. Mr. President, I move that the Senate insist on its amendment to H.R. 8235, the Federal Aid Highway Act, and request a conference with the House of Representatives, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BENTSEN, Mr. RANDOLPH, Mr. GRAVEL, Mr. MUSKIE, Mr. BURDICK, Mr. CULVER, Mr. STAFFORD, Mr. BAKER, Mr. BUCKLEY, Mr. DOMENICI, and Mr. MCCLURE conferees on the part of the Senate.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that H.R. 8235, as amended, be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. I ask unanimous consent that the action of the Senate in passing S. 2711 be vacated, and that further consideration of S. 2711 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I would like to take this opportunity to express my appreciation to the distinguished ranking minority member of the Committee on Public Works (Mr. BAKER) for his assistance in bringing the Federal Aid Highway Act of 1975 (S. 2711) before the Senate for consideration. Senator BAKER ably assisted the committee as we resolved many of the difficult issues presented in the development of this important extension of our Federal-aid highway program. Without the help of the Senator from Tennessee, our deliberations on this measure might not have come to fruition as quickly and as effectively as they did.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. DURKIN). The Chair, on behalf of the Vice President, pursuant to Public Law 86–42, appoints the following Senators to attend the Canadian-United States Interparliamentary Conference, to be held in Key Biscayne, Fla., January 29–February 2, 1976: the Senator from Alaska (Mr. GRAVEL), the Senator from Maine (Mr. HATHAWAY), the Senator from Nebraska (Mr. CURTIS), and the Senator from Alaska (Mr. STEVENS).

QUORUM CALL

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FINANCIAL STATEMENT OF SENATOR ALLEN

Mr. ALLEN. Mr. President, in January of each year I insert into the RECORD my financial statement. This has been my practice each year since I came to the Senate, starting within days after I took the oath of office as one of Alabama's Senators on January 3, 1969.

This statement lists my assets, my liabilities, and my net worth, and the sources of my income.

During 1975, I received no honoraria, expense payments, or reimbursements of any sort, nor did I receive nor did any person or committee for me receive any contributions, political or otherwise, during such year. I have never, during my service in the Senate or at any time prior thereto, accepted any honoraria or expense payments or reimbursements of any sort. This will continue to be my policy during the time I serve in the Senate.

This statement is made to show the absence of any conflict of interest between my ownership of assets and my service in the Senate in the public interest, to keep the public advised as to my financial status, and to disclose the extent to which I have benefited financially during my public service.

I give a recapitulation of my net worth during the last 8 years, as of the end of each year during all the time I have served in the Senate. I ask unanimous consent that this financial statement be printed in the RECORD.

There being no objection, the financial statement was ordered to be printed in the RECORD, as follows:

FINANCIAL STATEMENT

(District of Columbia, City of Washington)

I, James B. Allen, Gadsden, Alabama, do hereby certify that the following is a true and correct statement of my financial condition as of December 31, 1975.

ASSETS

Home at 1321 Bellevue Drive, Gadsden, Alabama—cost 1959	$32,500.00
Furniture, furnishings, books	5,000.00
Automobile	2,500.00
State of Alabama; City of Huntsville, Ala. bonds, $30,000 face amount (estimated value)	25,000.00
U.S. Savings bonds, at cost	600.00
Residence at 7405 Hallcrest Dr., McLean, Va.—1970 cost	47,700.00
Bank Accounts (exact):	
Personal	873.43
Household	163.00
Office (100% personal funds)	625.98
Accumulated rent collections on rental of Alabama home	1,754.69
Property tax and insurance account on Alabama and Virginia residences	563.89
Total	3,980.99
Certificate of deposit, First State Bank of Altoona, Alabama, maturing 1/6/76 with accrued interest	5,150.00
Payments into Civil Service Retirement account (exact)	23,461.28
Life insurance surrender value (all but $2,000 is term)	200.00
Total assets	146,092.27

LIABILITIES

Indebtedness on residence at 7405 Hallcrest Dr., McLean, Va. to First State Bank of Altoona, Alabama and Exchange Bank of Attalla, Alabama, monthly payment loan (exact)	36,425.06
Mortgage–First State Bank of Altoona, Alabama on home at 1321 Bellevue Drive, Gadsden, Alabama, monthly payment loan (exact)	31,585.94
Total liabiilties	68,011.00
Net worth	78,081.27

I am not an officer, director, stockholder, employee or attorney for any person, firm, company or corporation, nor am I a member of any law firm, nor am I engaged in the practice of law in any form.

My income is limited to my Senate salary, rent on our Alabama home and interest on U.S., State of Alabama and municipal bonds listed above. During 1975, I received no honoraria or expense payments or reimbursements of any sort, nor did I receive nor did any person or committee for me receive any contributions, political or otherwise during such year. I have never during my service in the Senate, or at any time prior thereto, accepted any honoraria or expense payments or reimbursements of any sort. This will continue to be my policy during the time I serve in the Senate.

This statement is made pursuant to a declared policy of filing annually with the Secretary of the U.S. Senate, the Secretary of State of the State of Alabama, the Probate Judge of Etowah County, Alabama (my home county), a statement of my assets and liabilities, and income. A similar statement will be filed each year during my service in the Senate, this being the eighth such annual statement I have filed since coming to the Senate in January 1969.

The purpose of this statement is two-fold:

1. To show the absence of any conflict of interest between my ownership of assets and my service in the Senate in the public interest.

2. To keep the public advised as to my financial status, and to disclose the extent to which I have benefited financially during my public service.

I believe the public is entitled to this information from me as a United States Senator in the discharge of this public trust.

Recapitulation of past years' net worth:

End of 1968, as I came to the Senate	$92,984.81
End of 1969	87,750.00
End of 1970	87,243.34
End of 1971	85,939.09
End of 1972	85,265.70
End of 1973	79,443.92
End of 1974	78,758.77
End of 1975	78,081.27

JAMES B. ALLEN.

Sworn to and subscribed before me on this 5th day of Jan., 1976.

PETER L. HUBER,
Notary Public.

My Commission Expires May 14, 1978.

TRIBUTE TO ROBERT E. LEE ON HIS 169TH BIRTHDAY

Mr. ALLEN. Mr. President, today is a legal holiday in the State of Alabama, because today, January 19, 1976, marks the 169th birthdate of one of America's greatest sons, Robert E. Lee. I call attention to this fact so that, along with tens of millions of other Americans, I may pay tribute to him and reaffirm my admiration for him. Americans everywhere and with varying views recognize Robert E. Lee's outstanding virtues of courage, patriotism, and selfless devotion to duty and his unmatched contributions in helping heal the wounds of the most tragic conflict of our Nation's history. He was a man of conscience and principle by whose example our once splintered Nation was ultimately reunited in a spirit of tolerance and respect and forgiveness. I consider him to have been one of America's greatest leaders and most exemplary characters.

Today as we begin the 2d session of the 94th Congress, and as we are challenged by almost unbelievably complex problems of our fast-paced, often confusing, and chaotic modern society, I believe that by profiting by the character of this great man, and drawing strength from the fine example he set, we shall meet and conquer many of our problems.

History has recorded General Lee as a giant among the world's greatest soldiers and probably the most eminent American military strategist. It is a fact of history that no American military leader in victory ever achieved the stature of Robert E. Lee in defeat. He believed "duty" to be the sublimest word in the English language; he lived by this conviction and always went where duty called. But, although he was an acknowledged military genius, foremost he was a man of peace. Even as he saw his beloved country drifting apart, his wish was that War Between the States could be avoided, a fact he stated forcefully in a letter to his sister on the day, April 20, 1861, he resigned his commission in the U.S. Army. He wrote:

> . . . Now we are in a state of war which will yield to nothing. The whole South is in a state of revolution, into which Virginia, after a long struggle, has been drawn; and though I recognize no necessity for this State of things, and would have forborne and pleaded to the end for redress of grievances, real or supposed, yet in my own person I had to meet the question whether I should take part against my native State. . . .

General Lee's ability was so respected that, two days before he resigned his commission, Francis P. Blair, a close friend and adviser to President Lincoln, offered him the field command of the U.S. Army on orders from President Lincoln. General Lee declined, stating that his conscience would not permit him to bear arms against his native State of Virginia.

True to his convictions, Robert E. Lee, after the war, devoted his genius and his remaining years in helping restore the economic, cultural, and political life of the South. Shunning politics, and reading little about the war—although he at one time planned to write a history of the campaigns of his Army of Northern Virginia—he set an example for his fellow Americans of obedience to civil authority, consistently urging his former comrades-in-arms to work hard, to keep the peace, and to obey the laws of the land. He applied for a pardon and restoration of his U.S. citizenship on June 13, 1865. Because of the loss of a single document located only last year it was to be 110 years before the U.S. Congress restored full citizenship to General Lee. The U.S. Senate on April 10, 1975, gave its approval to Senate Joint Resolution 23, a resolution introduced by Virginia's great senior Senator Harry F. Byrd, Jr., restoring posthumously full rights of citizenship to General Lee.

Following the war, General Lee accepted the presidency of Washington College in Lexington, Va., now known as Washington and Lee University. While he was distinguished as an educator, his place in history is that of a noble Christian gentleman and a great soldier. The fundamentals of humility, prayer, faith, and kindness were his code of daily conduct. His equanimity, his unique relations with the men who served under him, his affection for children and young people and his dignified courtesy to all are illustrated by countless stories which have become part of the spiritual treasury of America.

His example of industry, patience, temperance, and self-control could serve us well as we come to grips with the problems of 1976, and of the future, and as we attempt to stabilize and bring some order to a troublesome era of American history. To me, his example seems particularly relevant to the present day though our task in seeking to unite our people should be a much less difficult task than that faced by Robert E. Lee, more than 100 years ago.

Mr. President, Robert E. Lee was endowed with a mind of rare capacity which was enriched by diligent study and careful cultivation. His truthfulness and honesty of purpose, his manliness, nobility, simplicity, character, and charity are, in my judgment, characteristics worthy of our study and of our emulation.

Robert E. Lee, no less than Abraham Lincoln, now "belongs to the ages."

Mr. RANDOLPH. Mr. President, will my colleague from Alabama yield at this point?

Mr. ALLEN. Yes, I am delighted to yield to the distinguished Senator from West Virginia.

Mr. RANDOLPH. Mr. President, Robert E. Lee, after he had met defeat in the War Between the States, the Civil War, was approached, of course, by many persons and organizations asking that he lend his considerable influence to certain projects and programs, so-called enterprises. One project, commonly known as the Louisiana gambling enterprise, was brought to his attention by those who would hope to have the force of his character in connection with a solicitation or an announcement of the undertaking. They indicated to him that a considerable sum of money would be paid not for his services, but for the use of only his name.

He did not say to these men: "I will take this under consideration. I will ask that you give me time to check on the possibility of my joining you." He replied very quickly, and it is supposedly recorded in a documentary way: "Gentlemen, I have nothing left but my name. It shall never be for sale."

It is important for us at a time like this to remember the character of Robert E. Lee who was present in what is now the State of West Virginia many times with his troops and on other missions.

I believe that the Senator from Alabama (Mr. Allen) correctly calls attention to this gallant and great man.

I add only these words. As I have studied his life, I have come to the conclusion that in a sense he worked as if he were to live forever and he lived as if he were to die tomorrow.

A tribute such as is given today by the Senator from Alabama (Mr. Allen) is in good character and appropriate for the date.

Mr. ALLEN. I thank the distinguished senior Senator from West Virginia for this tremendous tribute that he has given to General Robert E. Lee. I might state, and I am sure that the distinguished Senator from West Virginia would agree, that had Robert E. Lee accepted this offer he would not be the great national hero that he is today and the Senators from West Virginia and Alabama would not be here today praising his character and his great name as a national hero.

I thank the distinguished Senator from West Virginia.

A PERSONAL MESSAGE TO THE PEOPLE OF ALABAMA

Mr. ALLEN. Mr. President, this month I have sent to the people of Alabama the 77th newsletter I have issued since my election to the U.S. Senate.

My latest newsletter contains a personal message to the people of Alabama and outlines my position on various issues of interest to them.

Mr. President, I ask unanimous consent to have the newsletter printed in the Record.

There being no objection, the newsletter was ordered to be printed in the Record, as follows:

Newsletter

A PERSONAL MESSAGE TO THE PEOPLE OF ALABAMA

This month I entered the eighth year during which I have had the privilege of representing you in the United States Senate. As I contemplate the opportunities and challenges of 1976, I meditate approvingly on something said by Edward Everett Hale, Chaplain of the Senate some two generations ago: "I am only one, but I am one. I can't do everything, but I can do something. And what I can do, I should do. And what I should do, by the Grace of God, I shall do."

So, during 1976 and thereafter, I am going to try to serve God and my fellowman more zealously. I'm going to work harder and seek to represent the people of Alabama and the Nation more forcefully and more effectively in the Senate. I resolve to work hard for a strong national defense and to do what I can to promote economic recovery in our Nation and more jobs for our people; to put love of Country and a stand for principle above any party or political consideration; to promote fiscal responsibility on the part of government, more local control, less government bureaucracy and less government regulation.

I resolve, God willing, to attend every session of the Senate during 1976, but at the same time to get back to Alabama as often as possible during recesses to stay in touch with you to enable me properly to represent you in the Senate.

Respectfully,

Jim Allen.

VOTING ATTENDANCE IN 1975

During the First Session of the 94th Congress, the Senate had a total of 611 record votes. This is the highest number of recorded votes, in any one year, in the history of the U. S. Senate. I was present and voted on 91.9 percent of these issues.

My percentage was not quite as high this year as it has been during my previous years of service due to the fact that on two occasions during the year I had to be in the hospital. I had an eight day stay in the Diabetic Hospital in the University Medical Center in Birmingham in September and a nine day stay in the National Naval Medical Center in Bethesda, Maryland, in December. Next year, I hope to get my attendance record at or near 100 percent.

For the seven years I have served as your United States Senator, my attendance has averaged 95.6 percent.

"NO" ON SITUS PICKETING BILL

One of the most controversial bills to pass the Congress this session was the so-called situs picketing bill which would have allowed employees of a contractor with a grievance against such contractor to picket not only that contractor, as allowed at present, but also all other contractors on the same construction site even though the employees of the other contractors might have no quarrel about their own pay and work conditions. I oppose this bill, which passed the Senate by a vote of 52–45, because I do not think it is fair for the striking employees of one contractor to throw out of work employees of another contractor who are not dissatisfied with their pay or work conditions and who have no connection with or stake in the original dispute. Furthermore, instead of benefiting union members, I believe the bill would, in many instances, have the effect of forcing original contractors to use non-union subcontractors only, thereby throwing union members out of work. The President has vetoed the bill, and, since opinion in the Senate is so evenly divided, there is no chance of a veto override.

"NO" ON U.S. INVOLVEMENT IN ANGOLAN CIVIL WAR

Angola, on the West Coast of Africa, is a country that is not well known to the American people just as Vietnam was not well known to the American people in the late fifties and early sixties. The lessons of Vietnam suggest strongly to me that we should not become involved in the Angolan Civil War by backing the two factions that are seeking to overthrow the Soviet and Cuba-backed government, and I voted accordingly on this issue in the Senate in the closing days of the First Session of the 94th Congress.

The Vietnam War started on a small scale and look how it escalated. If we did intervene we would be allied with Zaire (formerly the Belgian Congo) South Africa, and Communist China. What a combine!

In the short history of independent Africa, Russia has had extreme difficulty in turning African friendships into tangible strategic advantages. The spirit of nationalism is strong in Angola, and Angolans will not readily accept domination by any foreign power. Let's let this be one time when we don't get involved in a civil war in another country. The actions of Russia and Cuba in seeking to take over Angola show clearly that our policy of détente with Russia is a bankrupt policy and that resumption of relations with Cuba is unthinkable.

ECONOMIC OUTLOOK FOR 1976

The year 1976 gives promise of being a somewhat better year for most people than

1975. The New Year should set new records for employment, spendable earnings, farm income, and corporate profits. People on fixed incomes, however, will be further squeezed by rising prices, though the rate of inflation should be lower than in 1974 or 1975. A record number of people will have jobs but it is doubtful if the number of unemployed will go below 7,000,000. It is tragic that in this land of wealth and opportunity there should be so many of our citizens without employment. Hopefully, the business recovery will be strong enough that this unemployment figure will be reduced. Prices of agricultural products at the farm continue to be depressed while the retail price of such products continues to climb. I hope that the farmer can get a larger percentage of the retail dollar of agricultural products in 1976.

1975 TAX CUTS CONTINUED

One of the last actions by Congress before its recess last month was to extend until July 1, 1976, the income tax cuts of some $17 billion per year made by Congress in early 1975. Originally the tax cuts were to apply only for 1975. If the tax cuts had not been extended then withholding rates for taxpayers would have gone up on January 1, 1976. Many economists believed that this added withholding would have been extremely detrimental to our economic recovery. Certainly it would have been a blow to every wage earner in the Nation. A compromise was reached between the President and the Congress that the cuts would be extended for six months in return for which Congress stipulated in the bill that if these cuts are extended beyond next July 1, or other cuts made, there would be a corresponding reduction in expenditures. Congress conveniently left a loophole in the language, so it remains to be seen if expenditures will be cut. Knowing Congress as I do, I would have to say—Don't count on it!

EIGHTH ANNUAL FINANCIAL STATEMENT

In fulfillment of my pledge to make an annual public report of my assets and liabilities, I have filed my eighth annual financial statement with the Alabama Secretary of State, the Secretary of the U.S. Senate, the Probate Judge of Etowah County (my home county), and as soon as the Congress reconvenes on January 19, I will place a copy of the financial statement in the Congressional Record where it will be a available for anyone who wishes to see it. Anyone desiring a detailed copy of the statement can obtain one by requesting a copy from me.

My one and only business is representing the people of Alabama in the United States Senate, for I am not an officer, director, stockholder, employee or attorney for any person, firm, company or corporation, nor am I a member of any law firm, nor am I engaged in the practice of law in any form.

My income is limited to my Senate salary and income on assets listed in the annual financial statement. During 1975, I received no honoraria or expense payments or reimbursements of any sort, nor did I receive nor did any person or committee for me receive any contributions, political or otherwise during such year. I have never during my service in the Senate, or at any time prior thereto, accepted any honoraria or expense payments or reimbursements of any sort. This will continue to be my policy during the time I serve in the Senate.

PRIVILEGE OF THE FLOOR—S. 961

Mr. GRAVEL. Mr. President, I ask unanimous consent that Mr. Jerry Udell, Mr. Bill Hoffman, and Mr. Peter Huessy, have access to the floor during consideration of S. 961.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I make a similar request with regard to Robert Turner of my staff.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

INTER-AMERICAN CONVENTION ON GRANTING OF POLITICAL RIGHTS TO WOMEN, EX. D, 81ST CONGRESS, 1ST SESSION; CONVENTION ON THE POLITICAL RIGHTS OF WOMEN, EX. J, 88TH CONGRESS, 1ST SESSION; INTERNATIONAL TELECOMMUNICATION CONVENTION, 1973, WITH ANNEXES AND FINAL PROTOCOL, EX. J., 93D CONGRESS, 2D SESSION; TELEGRAPH AND TELEPHONE REGULATIONS, WITH APPENDICES AND FINAL PROTOCOL, EX. E, 93D CONGRESS, 2D SESSION, AND PARTIAL REVISION OF THE RADIO REGULATIONS (GENEVA 1959) WITH FINAL PROTOCOL, EX. G, 94TH CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the Senate proceed to the consideration of the five treaties on the Executive Calendar.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The Senate, as in Committee of the Whole, proceeded to consider the following conventions and protocols, which were read the second time:

INTER-AMERICAN CONVENTION ON THE GRANTING OF POLITICAL RIGHTS TO WOMEN

The Governments represented at the Ninth International Conference of American States,

Considering: That the majority of the American Republics, inspired by lofty principles of justice, have granted political rights to women;

That is has been a constant aspiration of the American community of nations to equalize the status of men and women in the enjoyment and exercise of political rights;

That Resolution XX of the English International Conference of American States expressly declares:

"That women have the right to political treatment on the basis of equality with men";

That long before the women of America demanded their rights they were able to carry out nobly all their responsibilities side by side with men;

That the principle of equality of human rights for men and women is contained in the Charter of the United Nations,

HAVE RESOLVED:

To authorize their respective Representatives, whose Full Powers have been found to be in good and due form, to sign the following articles:

ARTICLE 1. The High Contracting Parties agree that the right to vote and to be elected to national office shall not be denied or abridged by reason of sex.

Article 2. The present Convention shall be open for signature by the American States and shall be ratified in accordance with their respective constitutional procedures. The original instrument, the English, French, Portuguese and Spanish texts of which are equally authentic, shall be deposited with the General Secretariat of the Organization of American States, which shall transmit certified copies to the Governments for the purpose of ratification. The instruments of ratification shall be deposited with the General Secretariat of the Organization of American States, which shall notify the signatory Governments of the said deposit. Such notification shall serve as an exchange of ratifications.

RESERVATIONS

Reservation of the delegation for Honduras

The Delegation of Honduras makes a reservation with respect to the granting of political rights to women, in view of the fact that the political Constitution of its country grants the prerogatives of citizenship to men only.

Declaration of the delegation of Mexico

The Mexican Delegation, in expressing its appreciation of the spirit that inspires the present Convention, declares that it abstains from signing it inasmuch as, according to Article 2, the Convention is open to signature by the American States. The Government of Mexico reserves the right to adhere to the Convention when, taking into consideration existing constitutional provisions of Mexico, it considers such adherence appropriate.

GRANTING OF POLITICAL RIGHTS TO WOMEN

For Guatemala: L. Cardoza y Aragón, Virgilio Rodríguez Beteta, J. L. Mendoza, M. Noriega M.: 2 de mayo de 1948.

For Chile: Julio Barrenechea: 2 de mayo de 1948.

For Uruguay: Dardo Regules, Nilo Berchesi, Blanca Mieres de Botto, Ariosto D. González, Gen. Pedro Sicco, R. Piriz Coelho: 2 de mayo de 1948.

For Cuba: Ernesto Dihigo, Carlos Tabernilla, E. Pando: 2 de mayo de 1948.

For the United States of America: Norman Armour, Williard L. Beaulac, William D. Pawley, Walter J. Donnelly, Paul C. Daniels: 2 de mayo de 1948.

For the Dominican Republic: Arturo Despradel, Temístocles Messina, Minerva Bernardino, Joaquín Balaguer, E. Rodríguez Demorizi, Hector Incháustegui C.: 2 de mayo de 1948.

For Peru: A. Revoredo I., Luis Fernán Cisneros, 2 de mayo de 1948.

For Panama: Mario de Diego, Roberto Jiménez, Eduardo A. Chiari: 2 de mayo de 1948.

For Costa Rica: Emilio Valverde, Rolando Blanco, José Miranda: 2 de mayo de 1948.

For Ecuador: A. Parra V., Homero Viteri L., P. Jaramillo A., H. García O.: 2 de mayo de 1948.

For Brazil: João Neves da Fontoura, A. Camillo de Oliveira, Elmano Gomes Cardim, Arthur Ferreira dos Santos, Gabriel de R. Passos, Jorge Felippe Kafuri, Salvador César Obino: 2 de mayo de 1948.

For Venezuela: Mariano Picón Salas: 2 de mayo de 1948.

For the Argentine Republic: Pedro Juan Vignale: 2 de mayo de 1948.

For Colombia: Carlos Lozano y Lozano, Domingo Esguerra, Jorge Soto del Corral: 2 de mayo de 1948.

I hereby certify that the foregoing document is a true and faithful copy of the authentic texts in English, French, Portuguese and Spanish, of the Inter-American Convention on the Granting of Political Rights to Women, signed at the Ninth International Conference of American States, held at Bogota, Colombia, from March 30 to May 2, 1948, and that these texts have been duly examined for purposes of coordination by the Special Commission appointed to that end by the Council of the Organization of American States.

Washington, D.C., September 30, 1948.

William Manger,
WILLIAM MANGER,
Secretary of the Council
of the Organization of American States.

CONVENTION ON THE POLITICAL RIGHTS OF WOMEN

The Contracting Parties,

Desiring to implement the principle of equality of rights for men and women contained in the Charter of the United Nations,

Recognizing that everyone has the right to take part in the government of his country, directly or indirectly through freely chosen representatives, and has the right to equal access to public service in his country, and desiring to equalize the status of men and women in the enjoyment and exercise of political rights, in accordance with the provisions of the Charter of the United Nations and of the Universal Declaration of Human Rights,

Having resolved to conclude a Convention for this purpose,

Hereby agree as hereinafter provided:

ARTICLE I

Women shall be entitled to vote in all elections on equal terms with men, without any discrimination.

ARTICLE II

Women shall be eligible for election to all publicly elected bodies, established by national law, on equal terms with men, without any discrimination.

ARTICLE III

Women shall be entitled to hold public office and to exercise all public functions, established by national law, on equal terms with men, without any discrimination.

ARTICLE IV

1. This Convention shall be open for signature on behalf of any Member of the United Nations and also on behalf of any other State to which an invitation has been addressed by the General Assembly.

2. This Convention shall be ratified and the instruments of ratification shall be deposited with the Secretary-General of the United Nations.

ARTICLE V

1. This Convention shall be open for accession to all States referred to in paragraph 1 of article IV.

2. Accession shall be effected by the deposit of an instrument of accession with the Secretary-General of the United Nations.

ARTICLE VI

1. This Convention shall come into force on the ninetieth day following the date of deposit of the sixth instrument of ratification for accession.

2. For each State ratifying or acceding to the Convention after the deposit of the sixth instrument of ratification or accession the Convention shall enter into force on the ninetieth day after deposit by such State of its instrument of ratification or accession.

ARTICLE VII

In the event that any State submits a reservation to any of the articles of this Convention at the time of signature, ratificaton or accession, the Secretary-General shall communicate the text of the reservation to all States which are or may become parties to this Convention. Any State which objects to the reservation may, within a period of ninety days from the date of the said communication (or upon the date of its becoming a party to the Convention), notify the Secretary-General that it does not accept it. In such case, the Convention shall not enter into force as between such State and the State making the reservation.

ARTICLE VIII

1. Any State may denounce this Convention by written notification to the Secretary-General of the United Nations. Denunciation shall take effect one year after the date of receipt of the notification by the Secretary-General.

2. This Convention shall cease to be in force as from the date when the denunciation which reduces the number of parties to less than six becomes effective.

ARTICLE IX

Any dispute which may arise between any two or more Contracting States concerning the interpretation or application of this Convention which is not settled by negotiation, shall at the request of any one of the parties to the dispute be referred to the International Court of Justice for decision, unless they agree to another mode of settlement.

ARTICLE X

The Secretary-General of the United Nations shall notify all Members of the United Nations and the non-member States contemplated in paragraph 1 of article IV of this Convention of the following:

(a) Signatures and instruments of ratifications received in accordance with article IV;

(b) Instruments of accession received in accordance with article V;

(c) The date upon which this Convention enters into force in accordance with article VI;

(d) Communications and notifications received in accordance with article VII;

(e) Notifications of denunciation received in accordance with paragraph 1 of article VIII;

(f) Abrogation in accordance with paragraph 2 of article VIII.

ARTICLE XI

1. This Convention, of which the Chinese, English, French, Russian and Spanish texts shall be equally authentic, shall be deposited in the archives of the United Nations.

2. The Secretary-General of the United Nations shall transmit a certified copy of all Members of the United Nations and to the nonmember States contemplated in paragraph 1 of article IV.

In faith whereof the undersigned, being duly authorized thereto by their respective Governments, have signed the present Convention, opened for signature at New York, on the thirty-first day of March, one thousand nine hundred and fifty-three.

For Afghanistan:

For Argentina: [Translation by the Secretariat of the United Nations] With reservations with respect to article IX. Rodolfo Munõz.

For Australia:

For the Kingdom of Belgium:

For Bolivia: Carmen S. B de Lozada: 9 de abril de 1953.

For Brazil:

For the Union of Burma:

For the Byelorussian Soviet Socialist Republic: [Translation by the Secretariat of the United Nations] With reservations[1] to articles VII and IX made in a special protocol drawn up on the occasion of the signing of the present Convention. K. V. Kiselyov.

For Canada:

For Chile: Rudecindo Ortega, Gabriela Mistral.

For China:

For Colombia:

For Costa Rica: Tattenbach.

For Cuba: Dr. Emilio Núñez Portuondo.

For Czechoslovakia: [Translation by the Secretariat of the United Nations]. Subject to the reservations[2] with regard to articles VII and IX set forth in the protocol of signature. J. Nosek.

For Denmark:

For the Dominican Republic: Joaquín E. Salazar, Minerva Bernardino.

For Ecuador: [Translation by the Secretariat of the United Nations]. "The Government of Ecuador signs this Convention subject to a reservation with respect to the last phrase in article I, "without any discrimination", since article 22 of the Political Constitution of the Republic specifies that "a vote in popular elections is obligatory for a man and optional for a woman." José V. Trujillo.

For Egypt:

For El Salvador:

For Ethiopia: Ato Zawde Gabre Heywot.

For France: [Translation by the Secretariat of the United Nations]. Subject to the reservation[3] set forth in the protocol of signature. M. H. Lefaucheux.

For Greece: Alexis Kyrou: 1 avril 1953.

For Guatemala: [Translation by the Secretariat of the United Nations]. With the reservations with respect to article IX of the Convention, which will apply, in accordance with the Political Constitution of Guatemala, to women of Guatemalan citizenship. Eduardo Castillo Arriola.

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[1] [Those reservations are worded as follows:]

"*As regards article VII:* The Government of the Byelorussian Soviet Socialist Republic declares its disagreement with the last sentence of article VII and considers that the juridical effect of a reservation is to make the Convention operative as between the State making the reservation and all other States parties to the Convention, with the exception only of that part thereof to which the reservation relates.

"*As regards article IV:* The Government of the Byelorussian Soviet Socialist Republic does not consider itself bound by the provisions of article IX which provides that disputes between Contracting Parties concerning the interpretation or application of this Convention shall at the request of any one of the parties to the dispute be referred to the International Court of Justice for decision, and declares that for any dispute to be referred to the International Court of Justice for decision the agreement of all the parties to the dispute shall be necessary in each individual case."

[2] [Those reservations are worded as follows:]

"The Government of the Czechoslovak Republic declares its disagreement with the last sentence of article VII and considers that the juridical effect of this reservation is to make the Convention operative as between the State making the reservation and all the other signatories of the Convention, with the exception only of that part of the paragraph to which the reservation relates.

"The Government of the Czechoslovak Republic does not consider itself bound by the provisions of article IX which provides that disputes between Contracting Parties concerning the interpretation or application of this Convention shall at the request of any one of the parties to the dispute be referred to the International Court of Justice for decision, and declares that for any dispute to be referred to the International Court of Justice for decision the agreement of all the parties to the dispute shall be necessary in each individual case."

[3] [This reservation is worded as follows:]

"The French Government, having regard to the religious customs and traditions existing in certain territories, reserves the right to postpone the application of this Convention in respect of women living in those territories who invoke such customs and traditions."

For Haiti:

For Honduras:

For Iceland:

For India: With the following reservation: "Article 3 of the Convention shall have no application as regards recruitment to, and conditions of service in any of the Armed Forces of India or the Forces charged with the maintenance of public order in India." Rajeshwar Dayal: 29th April 1953.

For Indonesia: L. N. Palar.

For Iran:

For Iraq:

For Israel:

Abba Eban: April 14, 1953.

For Lebanon:

For Liberia:

For the Grand Duchy of Luxembourg:

For Mexico: [Translation by the Secretariat of the United Nations]. With the reservation set forth in the statement[4] made this day. Rafael de la Colina.

For the Kingdom of the Netherlands:

For New Zealand:

For Nicaragua:

For the Kingdom of Norway:

For Pakistan:

For Panama:

For Paraguay:

For Peru:

For the Philippine Republic:

For Poland: [Translation by the Secretariat of the United Nations.] Subject to the reservations[5] with regard to articles VII and IX set forth in the special protocol drawn up on signature of this Convention. H. BIRECKI.

For Saudi Arabia:

For Sweden:

For Syria:

For Thailand:

For Turkey:

For the Ukrainian Soviet Socialist Republic: [Translation by the Secretariat of the United Nations]. With reservation[6] to articles VII and IX made in a special protocol drawn up on the occasion of the signing of the present Convention. A. M. Baranovsky.

For the Union of South Africa:

For the Union of Soviet Socialist Republics:

[Translation by the Secretariat of the United Nations]

With reservations[7] to articles VII and IX made in a special protocol drawn up on the occasion of the signing of the present Convention. V. A. Zorin.

For the United Kingdom of Great Britain and Northern Ireland:

For the United States of America:

For Uruguay:

For Venezuela:

For Yemen:

For Yugoslavia: Leo Mates.

Certified true copy.

For the Secretary-General:

C. A. STAVROPOULOS,
Principal Director in Charge
of the Legal Department.

INTERNATIONAL TELECOMMUNICATION CONVENTION

FIRST PART—BASIC PROVISIONS

Preamble

While fully recognizing the sovereign right of each country to regulate its telecommunication, the plenipotentiaries of the Contracting Governments, with the object of facilitating relations and cooperation between the people by means of efficient telecommunication services, have agreed to establish this Convention which is the basic instrument of the International Telecommunication Union.

Chapter I—Composition, purposes and structure of the union

Article 1—Composition of the Union

1. The International Telecommunication Union shall comprise Members which, having regard to the principle of universality and the desirability of universal participation in the Union, shall be:

a) any country listed in Annex 1 which signs and ratifies, or accedes to, the Convention;

b) any country, not listed in Annex 1, which becomes a Member of the United Nations and which accedes to the Convention in accordance with Article 46;

c) any sovereign country, not listed in Annex 1 and not a Member of the United Nations, which applies for Membership of the Union and which, after having secured approval of such application by two-thirds of the Members of the Union, accedes to the Convention in accordance with Article 46.

2. For the purpose of 5, if an application for Membership is made by diplomatic channel and through the intermediary of the country of the seat of the Union, during the interval between two Plenipotentiary Conferences, the Secretary-General shall consult the Members of the Union; a Member shall be deemed to have abstained if it has not replied within four months after its opinion has been requested.

Article 2—Rights and Obligations of Members

1. Members of the Union shall have the rights and shall be subject to the obligations provided for in the Convention.

2. Rights of Members in respect of their participation in the conferences, meetings and consultations of the Union are:

(*a*) all Members shall be entitled to participate in conferences of the Union, shall be eligible for election to the Administrative Council and shall have the right to nominate candidates for election to any of the permanent organs of the Union;

(*b*) each Member shall have one vote at all conferences of the Union, at all meetings of the International Consultative Committees and, if it is a Member of the Administrative Council, at all sessions of that Council;

(*c*) each Member shall also have one vote in all consultations carried out by correspondence.

Article 3—Seat of the Union

The seat of the Union shall be at Geneva.

Article 4—Purposes of the Union

1. The purposes of the Union are:

(*a*) to maintain and extend international cooperation for the improvement and rational use of telecommunications of all kinds;

(*b*) to promote the development of technical facilities and their most efficient operations with a view to improving the efficiency of telecommunications services, increasing their usefulness and making them, so far as possible, generally available to the public;

(*c*) to harmonize the actions of nations in the attainment of those ends.

2. To this end, the Union shall in particular:

(*a*) effect allocation of the radio frequency spectrum and registration of radio frequency assignments in order to avoid harmful interference between radio stations of different countries;

(*b*) coordinate efforts to eliminate harmful interference between radio stations of different countries and to improve the use made of the radio frequency spectrum;

(*c*) coordinate efforts with a view of harmonizing the development of telecommunications facilities, notably those using space techniques, with a view to full advantage being taken of their possibilities;

(*d*) foster collaboration among its Members with a view to the establishment of rates at levels as low as possible consistent with a efficient service and taking into account the necessity for maintaining independent financial administration of telecommunication on a sound basis;

(*e*) foster the creation, development and improvement of telecommunication equipment and networks in developing countries by every means at its disposal, especially its participation in the appropriate programmes of the United Nations;

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[4] [Statement:]

"It is expressly understood that the Government of Mexico will not deposit its instrument of ratification pending the entry into force of the amendment to the Political Constitution of the United Mexican States which is now under consideration, providing that citizenship rights shall be granted to Mexican women."

[5] [Those reservations are worded as follows:]

"The Government of the People's Republic of Poland declares its disagreement with the last sentence of article VII and considers that the jurdicial effect of this reservation is to make the Convention operative as between the State making the reservation and all the other signatories of the Convention, with the exception only of that part of the parargaph to which the reservation relates.

"The Government of the People's Republic of Poland does not consider itself bound by the provisions of article IX which provides that disputes between Contracting Parties concerning the interpretion or application of this Convention shall at the request of any one of the parties to the dispute be referred to the International Court of Justice for decision, and declares that for any dispute to be referred to the International Court of Justice for decision the agreement of all the parties to the dispute shall be necessary in each individual case."

[6] [Those reservations are worded as follows:]

"As regards article VII: The Government of the Ukrainian Soviet Socialist Republic declares its agreement with the last sentence of article VII and considers that the juridical effect of a reservation is make the Convention operative as between the State making the reservation and all Other States parties to the Convention, with the exception only of that part thereof to which the reservation relates.

"As regards article IX: The Government of the Ukrainian Soviet Socialist Republic does not consider itself bound by the provisions of article IX which provides that disputes between Contracting Parties concerning the interpretation or application of this Convention shall at the request of any one of the parties to the dispute be referred to the International Court of Justice for decision, and declares that for any dispute to be referred to the International Court of Justice for decision the agreement of all the parties to the dispute shall be necessary in each individual case."

[7] [Those reservations are worded as follows:]

"As regards article VII: The Government of the Union of Soviet Socialist Republics declares its disagreement with the last sentence of article VII and considers that the juridical effect of a reservation is to make the Convention operative as between the State making the reservation and all other States parties to the Convention, with the exception only of that part thereof to which the reservation relates.

"As regards article IX: The Government of the Union of Soviet Socialist Republics does not consider itself bound by the provisions of article IX which provides that disputes between Contracting Parties concerning the interpretation or application of this Convention shall at the request of any one of the parties to the dispute be referred to the International Court of Justice for decision, and declares that for any dispute to be referred to the International Court of Justice for decision the agreement of all the parties to the dispute shall be necessary in each individual case."

f) promote the adoption of measures for ensuring the safety of life through the cooperation of telecommunication services;

g) undertake studies, make regulations, adopt resolutions, formulate recommendations and opinions, and collect and publish information concerning telecommunication matters.

Article 5—Structure of the Union

The Union shall comprise the following organs:

1. the Plenipotentiary Conference, which is the supreme organ of the Union;

2. administrative conferences;

3. the Administrative Council;

4. the permanent organs of the Union, which are:

a) the General Secretariat;

b) the International Frequency Registration Board (I.F.R.B.);

c) the International Radio Consultative Committee (C.C.I.R.);

d) the International Telegraph and Telephone Consultative Committee (C.C.I.T.T.).

Article 6—Plenipotentiary Conference

1. The Plenipotentiary Conference shall be composed of delegations representing Members. It shall be convened at regular intervals and normally every five years.

2. The Plenipotentiary Conference shall:

a) determine the general policies for fulfilling the purposes of the Union prescribed in Article 4 of this Convention;

b) consider the report by the Administrative Council on the activities of all the organs of the Union since the previous Plenipotentiary Conference;

c) establish the basis for the budget of the Union and determine a fiscal limit for the expenditure of the Union until the next Plenipotentiary Conference after considering a programme of the administrative conferences and meetings of the Union foreseen in that period;

d) fix the basic salaries, the salary scales and the system of allowances and pensions for all the officials of the Union; and, if necessary, provide any general directives dealing with the staffing of the Union:

e) examine the accounts of the Union and finally approve them, if appropriate;

f) elect the Members of the Union which are to serve on the Administrative Council;

g) elect the Secretary-General and the Deputy Secretary-General and fix the dates of their taking office;

h) elect the members of the I.F.R.B. and fix the dates of their taking office;

i) revise the Convention if it considers this necessary;

j) conclude or revise, if necessary, agreements between the Union and other international organizations, examine any provisional agreements with such organizations concluded, on behalf of the Union, by Administrative Council, and take such measures in connection therewith as it deems appropriate;

k) deal with such other telecommunication questions as may be necessary.

Article 7—Administrative Conferences

1. Administrative conferences of the Union shall comprise:

a) world administrative conferences;

b) regional administrative conferences.

2. Administrative conferences shall normally be convened to consider specific telecommunication matters. Only items included in their agenda may be discussed by such conferences. The decisions of such conferences must in all circumstances be in conformity with the provisions of the Convention.

3. (1) The agenda of a world administrative conference may include:

a) the partial revision of the Administrative Regulations mentioned in 571;

b) exceptionally, the complete revision of one or more of those Regulations;

c) any other question of a worldwide character within the competence of the conference.

(2) The agenda of a regional administrative conference may provide only for specific telecommunication questions of a regional nature, including instructions to the International Frequency Registration Board regarding its activities in respect of the region concerned, provided such instructions do not conflict with the interests of other regions. Furthermore, the decisions of such a conference must in all circumstances be in conformity with the provisions of the Administrative Regulations.

Article 8—Administrative Council

1. (1) The Administrative Council shall be composed of thirty-six Members of the Union elected by the Plenipotentiary Conference with due regard to the need for equitable distribution of the seats on the Council among all regions of the world. Except in the case of vacancies arising as provided for in the General Regulations, the Members of the Union elected to the Administrative Council shall hold office until the date on which new Administrative Council is elected by the Plenipotentiary Conference. They shall be eligible for re-election.

(2) Each Member of the Council shall appoint a person to serve on the Council who may be assisted by one or more advisers.

2. The Administrative Council shall adopt its own rules of procedure.

3. In the interval between Plenipotentiary Conferences the Administrative Council shall act on behalf of the Plenipotentiary Conference within the limits of the power delegated to it by the latter.

4. (1) The Administrative Council shall take all steps to facilitate the implementation by the Members of the provisions of the Convention, of the Administrative Regulations, of the decisions of the Plenipotentiary Conference, and, where appropriate, of the decisions of other conferences and meetings of the Union, and perform any duties assigned to it by the Plenipotentiary Conference.

(2) It shall ensure the efficient coordination of the work of the Union and exercise effective control over its permanent organs.

(3) It shall promote international cooperation for the provision of technical cooperation to the developing countries by every means at its disposal, especially through the participation of the Union in the appropriate programmes of the United Nations, in accordance with the purposes of the Union, one of which is to promote by all possible means the development of telecommunications.

Article 9—General Secretariat

1. (1) The General Secretariat shall be directed by a Secretary-General, assisted by one Deputy Secretary-General.

(2) The Secretary-General and the Deputy Secretary-General shall take up their duties on the dates determined at the time of their election. They shall normally remain in office until dates determined by the following Plenipotentiary Conference, and they shall be eligible for re-election.

(3) The Secretary-General shall take all the action required to ensure economic use of the Unions resources and he shall be responsible to the Administrative Council for all the administrative and financial aspects of the Union's activities. The Deputy Secretary-General shall be responsible to the Secretary-General.

2. (1) If the post of Secretary-General falls vacant, the Deputy Secretary-General shall succeed to it and he shall remain in office until a date determined by the following Plenipotentiary Conference. He shall be eligible for election to that office.

(2) If the post of Deputy Secretary-General falls vacant more than 180 days prior to the date set for the convening of the next Plenipotentiary Conference, the Administrative Council shall appoint a successor for the balance of the term.

(3) If the posts of the Secretary-General and the Deputy Secretary-General fall vacant simultaneously, the Director of the International Consultative Committee who has been longer in office shall discharge the duties of Secretary-General for a period not exceeding 90 days. The Administrative Council shall appoint a Secretary-General and, if the vacancies occur more than 180 days prior to the date set for the convening of the next Plenipotentiary Conference, a Deputy Secretary-General. An official thus appointed by the Administrative Council shall serve for the balance of the term for which his predecessor was elected. Such officials shall be eligible for election as Secretary-General and/or Deputy Secretary-General at the Plenipotentiary Conference.

3. The Secretary-General shall act as the legal representative of the Union.

4. The Deputy Secretary-General shall assist the Secretary-General in the performance of his duties and undertake such specific tasks as may be entrusted to him by the Secretary-General. He shall perform the duties of the Secretary-General in the absence of the latter.

Article 10—International Frequency Registration Board

1. The International Frequency Registration Board (I.F.R.B.) shall consist of five independent members, elected by the Plenipotentiary Conference. These members shall be elected from the candidates sponsored by countries, Members of the Union, in such a way as to ensure equitable distribution amongst the regions of the world. Each Member of the Union may propose only one candidate who shall be a national of its country.

2. The members of the International Frequency Registration Board shall serve, not as representing their respective countries, or of a region, but as custodians of an international public trust.

3. The essential duties of the International Frequency Registration Board shall be:

a) to effect an orderly recording of frequency assignments made by the different countries so as to establish, in accordance with the procedure provided for in the Radio Regulations and in accordance with any decision which may be taken by competent conferences of the Union, the date, purpose and technical characteristics of each of these assignments, with a view to ensuring formal international recognition thereof;

b) to effect, in the same conditions and for the same purpose, an orderly recording of the positions assigned by countries to geostationary satellites;

c) to furnish advice to Members with a view to the operation of the maximum practicable number of radio channels in those portions of the spectrum where harmful interference may occur, and with a view to the equitable, effective and economical use of the geostationary satellite orbit;

d) to perform any additional duties, concerned with the assignment and utilization of the geostationary satellite orbit, in accordance with the procedures provided for in the Radio Regulations, and as prescribed by a competent conference of the Union, or by the Administrative Council with the consent of a majority of the Members of the Union, in preparation for or in pursuance of the decisions of such a conference;

e) to maintain such essential records as may be related to the performance of its duties.

Article 11—International Consultative Committees

1. (1) The duties of the International Radio Consultative Committee (C.C.I.R.) shall be to study technical and operating questions relating specifically to radiocommunication and to issue recommendations on them.

(2) The duties of the International Telegraph and Telephone Consultative Committee (C.C.I.T.T.) shall be to study technical, operating and tariff questions relating to telegraphy and telephony and to issue recommendations on them.

(3) In the performance of its studies, each Consultative Committee shall pay due attention to the study of questions and to the formulation of recommendations directly connected with the establishment, development and improvement of telecommunication in developing countries in both the regional and international fields.

2. The International Consultative Committees shall have as members:

a) of right, the administrations of all Members of the Union;

b) any recognized private operating agency which, with the approval of the Member which has recognized it, expresses a desire to participate in the work of these Committees.

3. Each International Consultative Committee shall work through the medium of:

a) its Plenary Assembly;

b) study groups set up by it;

c) a Director, elected by a Plenary Assembly and appointed in accordance with the General Regulations.

4. There shall be a World Plan Committee, and such Regional Plan Committees as may be jointly approved by the Plenary Assemblies of the International Consultative Committees. These Plan Committees shall develop a General Plan for the international telecommunication network to facilitate coordinated development of international telecommunication services. They shall refer to the International Consultative Committees questions the study of which is of particular interest to developing countries and which are within the terms of reference of those Consultative Committees.

5. The working arrangements of the International Consultative Committees are defined in the General Regulations.

Article 12—Coordination Committee

1. (1) The Coordination Committee shall assist and advise the Secretary-General on all administrative, financial and technical cooperation matters affecting more than one permanent organ, and on external relations and public information, keeping fully in view the decisions of the Aministrative Council and the interest of the Union as a whole.

(2) The Committee shall also consider any important matters referred to it by the Administrative Council. After examining them, the Committee shall report, through the Secretary-General to the Council.

2. The Coordination Committee shall be composed of the Deputy Secretary-General, the Directors of the International Consultative Committees and the Chairman of the International Frequency Registration Board and shall be presided over by the Secretary-General.

Article 13—Elected Officials and Staff of the Union

1. (1) In the performance of their duties, neither the elected officials nor the staff of the Union shall seek or accept instructions from any government or from any other authority outside the Union. They shall refrain from acting in any way which is incompatible with their status as international officials.

(2) Each Member shall respect the exclusively international character of the duties of the elected officials and of the staff of the Union, and refrain from trying to influence them in the performance of their work.

(3) No elected official or any member of the staff of the Union shall participate in any manner or have any financial interest whatsoever in any enterprise concerned with telecommunications, except as part of their duties. However, the term "financial interest" is not to be construed as applying to the continuation of retirement benefits accruing in respect of previous employment or service.

2. The Secretary-General, the Deputy Secretary-General and the Directors of the International Consultative Committees and desirably also the members of the International Frequency Registration Board shall all be nationals of different countries, Members of the Union. At their election, due consideration should be given to the principles embodied in 87 and to the appropriate geographical distribution amongst the regions of the world.

3. The paramount consideration in the recruitment of staff and in the determination of the conditions of service shall be the necessity of securing for the Union the highest standards of efficiency, competence and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible.

Article 14—Organization of the Work and Conduct of Discussions at Conferences and Other Meetings

1. For the organization of their work and the conduct of their discussions, conferences and the Plenary Assemblies and meetings of the International Consultative Committees shall apply the Rules of Procedure in the General Regulations.

2. Each conference and Plenary Assembly or meeting of an International Consultative Committee may adopt such rules of procedure in amplification of those in the Rules of Procedure as it considers to be indispensable. Such additional rules of procedure must, however, be compatible with the Convention and General Regulations; in the case of those adopted by Plenary Assemblies and study groups, they shall be published in the form of a resolution in the documents of the Plenary Assemblies.

Article 15—Finances of the Union

1. The expenses of the Union shall comprise the costs of:

a) the Administrative Council and the permanent organs of the Union;

b) Plenipotentiary Conferences and world administrative conferences.

2. The expenses of the Union shall be met from the contributions of its Members, each Member paying a sum proportional to the number of units in the class of contribution it has chosen from the following scale:

30 Unit class
25 Unit class
20 Unit class
18 Unit class
15 Unit class
13 Unit class
10 Unit class
8 Unit class
5 Unit class
4 Unit class
3 Unit class
2 Unit class
1½ Unit class
1 Unit class
½ Unit class

3. Members shall be free to choose their class of contribution for defraying Union expenses.

4. No reduction in a unit classification established in accordance with the Convention can take effect during the life of this Convention.

5. Expenses incurred by the regional administrative conferences referred to in 42 shall be borne in accordance with their unit classification by all the Members of the region concerned and, where appropriate, on the same basis by any Members of other regions which have participated in such conferences.

6. Members shall pay in advance their annual contributory shares, calculated on the basis of the budget approved by the Administrative Council.

7. A Member which is in arrear in its payments to the Union shall lose its right to vote as defined in 9 and 10 for so long as the amount of its arrears equals or exceeds the amount of the contribution due from it for the preceding two years.

8. The provisions which apply to the financial contributions by recognized private operating agencies, scientific or industrial organizations and international organizations are in the General Regulations.

Article 16—Languages

1. (1) The official languages of the Union shall be Chinese, English, French, Russian and Spanish.

(2) The working languages of the Union shall be English, French and Spanish.

(3) In case of dispute, the French text shall prevail.

2. (1) The final documents of the Plenipotentiary and administrative conferences, their final acts, protocols, resolutions, recommendations and opinions, shall be drawn up in the official languages of the Union, in versions equivalent in form and content.

(2) All other documents of these conferences shall be issued in the working languages of the Union.

3. (1) The official service documents of the Union as prescribed in the five official languages.

(2) All other documents for general distribution prepared by the Secretary-General in the course of his duties shall be drawn up in the three working languages.

4. At conferences of the Union and at meetings of the International Consultative Committees and of the Administrative Council, the debates shall be conducted with the aid of an efficient system of reciprocal interpretation between the five official languages. When, however, all participants in a conference or in a meeting so agree, the debates may be conducted in fewer than the five languages mentioned above. Interpretation between these languages and Arabic shall be effected at Plenipotentiary and administrative conferences of the Union.

Article 17—Legal Capacity of the Union

The Union shall enjoy in the territory of each of its Members such legal capacity as may be necessary for the exercise of its functions and the fulfillment of its purposes.

Chapter II—General provisions relating to telecommunications

Article 18—The Right of the Public to Use the International Telecommunications Service

Members recognize the right of the public to correspond by means of the international service of public correspondence. The services, the charges and the safeguards shall be the same for all users in each category of correspondence without any priority or preference.

Article 19—Stoppage of Telecommunications

1. Members reserve the right to stop the transmission of any private telegram which may appear dangerous to the security of the State or contrary to their laws, to public order or to decency, provided that they immediately notify the office of origin of the stoppage of any such telegram or any part thereof, except when such notification may appear dangerous to the security of the State.

2. Members also reserve the right to cut off any other private telecommunications which may appear dangerous to the security

of the State or contrary to their laws, to public order or to decency.

Article 20—Suspension of Services

Each Member reserves the right to suspend the international telecommunication service for an indefinite time, either generally or only for certain relations and/or for certain kinds of correspondence, outgoing, incoming or in transit, provided that it immediately notifies such action to each of the other Members through the medium of the Secretary-General.

Article 21—Responsibility

Members accept no responsibility towards users of the international telecommunication services, particularly as regards claims for damages.

Article 22—Secrecy of Telecommunications

1. Members agree to take all possible measures, compatible with the system of telecommunications used, with a view to ensuring the secrecy of international correspondence.

2. Nevertheless, they reserve the right to communicate such correspondence to the competent authorities in order to ensure the application of their internal laws or the execution of international conventions to which they are parties.

Article 23—Establishment, Operation, and Protection of Telecommunication Channels and Installations

1. Members shall take such steps as may be necessary to ensure the establishment, under the best technical conditions, of the channels and installations necessary to carry on the rapid and uninterrupted exchange of international telecommunications.

2. So far as possible, these channels and installations must be operated by the methods and procedures which practical operating experience has shown to be the best. They must be maintained in proper operating condition and kept abreast of scientific and technical progress.

3. Members shall safeguard these channels and installations within their jurisdiction.

4. Unless other conditions are laid down by special arrangements, each Member shall take such steps as may be necessary to ensure maintenance of those sections of international telecommunication circuits within its control.

Article 24—Notification of Infringements

In order to facilitate the application of the provisions of Article 44 Members undertake to inform one another of infringements of the provisions of this Convention and of the Regulations annexed thereto.

Article 25—Priority of Telecommunications Concerning Safety of Life

The international telecommunication services must give absolute priority to all telecommunications concerning safety of life at sea, on land, in the air or in outer space, as well as to epidemiological telecommunications of exceptional urgency of the World Health Organization.

Article 26—Priority of Government Telegrams and Telephone Calls

Subject to the provisions of Articles 25 and 36 government telegrams shall enjoy priority over other telegrams when priority is requested for them by the sender. Government telephone calls may also be given priority, upon specific request and to the extent practicable, over other telephone calls.

Article 27—Secret Language

1. Government telegrams and service telegrams may be expressed in secret language in all relations.

2. Private telegrams in secret language may be admitted between all countries with the exception of those which have previously notified, through the medium of the Secretary-General, that they do not admit this language for that category of correspondence.

3. Members which do not admit private telegrams in secret language originating in or destined for their own territory must let them pass in transit, except in the case of suspension of service provided for in Article 20.

Article 28—Charges and Free Services

The provisions regarding charges for telecommunications and the various cases in which free services are accorded are set forth in the Administrative Regulations annexed to this Convention.

Article 29—Rendering and Settlement of Accounts

The settlement of international accounts shall be regarded as current transactions and shall be effected in accordance with the current international obligations of the countries concerned in those cases where their governments have concluded arrangements on this subject. Where no such arrangements have been concluded, and in the absence of special agreements made under Article 31, these settlements shall be effected in accordance with the Administrative Regulations.

Article 30—Monetary Unit

The monetary unit used in the composition of the tariffs of the international telecommunication services and in the establishment of the international accounts shall be the gold franc of 100 centimes, of a weight of 10/31 of a gramme and of a fineness of 0.900.

Article 31—Special Arrangements

Members reserve for themselves, for the private operating agencies recognized by them and for other agencies duly authorized to do so, the right to make special arrangements on telecommunication matters which do not concern Members in general. Such arrangements, however, shall not be in conflict with the terms of this Convention or of the Administrative Regulations annexed thereto, so far as concerns the harmful interference which their operation might be likely to cause to the radio services of other countries.

Article 32—Regional Conferences, Arrangements and Organizations

Members reserve the right to convene regional conferences, to make regional arrangements and to form regional organizations, for the purpose of settling telecommunication questions which are susceptible of being treated on a regional basis. Such arrangements shall not be in conflict with this Convention.

Chapter III—Special provisions for radio

Article 33—Rational Use of the Radio Frequency Spectrum and of the Geostationary Satellite Orbit

1. Members shall endeavor to limit the number of frequencies and the spectrum space used to the minimum essential to provide in a satisfactory manner the necessary services. To that end they shall endeavour to apply the latest technical advances as soon as possible.

2. In using frequency bands for space radio services Members shall bear in mind that radio frequencies and the geostationary satellite orbit are limited natural resources, that they must be used efficiently and economically so that countries or groups of countries may have equitable access to both in conformity with the provisions of the Radio Regulations according to their needs and the technical facilities at their disposal.

Article 34—Intercommunication

1. Stations performing radiocommunication in the mobile service shall be bound, within the limits of their normal employment, to exchange radiocommunications reciprocally without distinction as to the radio system adopted by them.

2. Nevertheless, in order not to impede scientific progress, the provisions of 132 shall not prevent the use of a radio system incapable of communicating with other systems, provided that such incapacity is due to the specific nature of such system and is not the result of devices adopted solely with the object of preventing intercommunication.

3. Notwithstanding the provisions of 132, a station may be assigned to a restricted international service of telecommunication, determined by the purpose of such service, or by other circumstances independent of the system used.

Article 35—Harmful Interference

1. All stations, whatever their purpose, must be established and operated in such a manner as not to cause harmful interference to the radio services or communications of other Members or of recognized private operating agencies, or of other duly authorized operating agencies which carry on radio service, and which operate in accordance with the provisions of the Radio Regulations.

2. Each Member undertakes to require the private operating agencies which it recognizes and the other operating agencies duly authorized for this purpose to observe the provisions of 135.

3. Further, the Members recognize the desirability of taking all practicable steps to prevent the operation of electrical apparatus and installations of all kinds from causing harmful interference to the radio services or communications mentioned in 135.

Article 36—Distress Calls and Messages

Radio stations shall be obliged to accept, with absolute priority, distress calls and messages regardless of their origin, to reply in the same manner to such messages, and immediately to take such action in regard thereto as may be required.

Article 37—False or Deceptive Distress, Urgency, Safety or Identification Signals

Members agree to take the steps required to prevent the transmission or circulation of false or deceptive distress, urgency, safety or identification signals, and to collaborate in locating and identifying stations transmitting such signals from their own country.

Article 38—Installations for National Defense Services

1. Members retain their entire freedom with regard to military radio installations of their army, naval and air forces.

2. Nevertheless, these installations must, so far as possible, observe statutory provisions relative to giving assistance in case of distress and to the measures to be taken to prevent harmful interference, and the provisions of the Administrative Regulations concerning the types of emission and the frequencies to be used, according to the nature of the service performed by such installations.

3. Moreover, when these installations take part in the service of public correspondence or other services governed by the Administrative Regulations annexed to this Convention, they must, in general, comply with the regulatory provisions for the conduct of such services.

Chapter IV—Relations with the United Nations and with international organizations

Article 39—Relations with the United Nations

1. The relationship between the United Nations and the International Telecommunication Union is defined in the Agreement concluded between these two organizations, the text of which appears in Annex 3 to this Convention.

2. In accordance with the provision of Article XVI of the above-mentioned Agreement, the telecommunication operating services of the United Nations shall be entitled to the rights and bound by the obligations of this Convention and of the Administrative Regulations annexed thereto. Accordingly, they shall be entitled to attend all

conferences of the Union, including meetings of the International Consultative Committees, in a consultative capacity.

Article 40—Relations with international organizations

In furtherance of complete international coordination on matters affecting telecommunication, the Union shall cooperate with international organizations having related interests and activities.

Chapter V—Application of the Convention and the Regulations

Article 41—Basic Provisions and General Regulations

In the case of an inconsistency between a provision in the first part of the Convention (Basic Provisions, 1 to 170) and a provision in the second part of the Convention (General Regulations, 201 to 571) the former shall prevail.

Article 42—Administrative Regulations

1. The provisions of the Convention are completed by the Administrative Regulations which regulate the use of telecommunication and shall be binding on all Members.

2. Ratification of this Convention in accordance with Article 45 or accession in accordance with Article 46 involves acceptance of the Administrative Regulations in force at the time of ratification or accession.

3. Members shall inform the Secretary-General of their approval of any revision of these Regulations by competent administrative conferences. The Secretary-General shall inform Members promptly regarding receipt of such notifications of approval.

4. In case of inconsistency between a provision of the Convention and a provision of the Administrative Regulations, the Convention shall prevail.

Article 43—Validity of Administrative Regulations in Force

The Administrative Regulations referred to in 147 are those in force at the time of signature of this Convention. They shall be regarded as annexed to this Convention and shall remain valid, subject to such partial revisions as may be adopted in consequence of the provisions of 44 until the time of entry into force of new Regulations drawn up by the competent world administrative conferences to replace them as annexes to this Convention.

Article 44—Execution of the Convention and Regulations

1. The Members are bound to abide by the provisions of this Convention and the Administrative Regulations in all telecommunications offices and stations established or operated by them which engage in international services or which are capable of causing harmful interference to radio services of other countries, except in regard to services exempted from these obligations in accordance with the provisions of Article 38.

2. They are also bound to take the necessary steps to impose the observance of the provisions of this Convention and of the Administrative Regulations upon private operating agencies authorized by them to establish and operate telecommunications and which engage in international services or which operate stations capable of causing harmful interference to the radio services of other countries.

Article 45—Ratification of the Convention

1. This Convention shall be ratified by the signatory governments in accordance with the constitutional rules in force in their respective countries. The instruments of ratification shall be deposited, in as short a time as possible, with the Secretary-General by diplomatic channel through the intermediary of the government of the country of the seat of the Union. The Secretary-General shall notify the Members of each deposit of ratification.

2. (1) During a period of two years from the date of entry into force of this Convention a signatory government, even though it may not have deposited an instrument of ratification in accordance with 154, shall enjoy the rights conferred on Members of the Union in 8 to 10.

(2) From the end of a period of two years from the date of entry into force of this Convention, a signatory government which has not deposited an instrument of ratification in accordance with 154 shall not be entitled to vote at any conference of the Union, or at any session of the Administrative Council, or at any meeting of any of the permanent organs of the Union, or during consultation by correspondence conducted in accordance with the provisions of the Convention until it has so deposited such an instrument. Its rights, other than voting rights, shall not be affected.

3. After the entry into force of this Convention in accordance with Article 52, each instrument of ratification shall become effective on the date of its deposit with the Secretary-General.

4. If one or more of the signatory governments do not ratify the Convention it shall not thereby be less valid for the governments which have ratified it.

Article 46—Accession to the Convention

1. The government of a country, not a signatory of this Convention, may accede thereto at any time subject to the provisions of Article 1.

2. The instrument of accession shall be deposited with the Secretary-General by diplomatic channel through the intermediary of the government of the country of the seat of the Union. Unless otherwise specified therein, it shall become effective upon the date of its deposit. The Secretary-General shall notify the Members of each accession when it is received and shall forward to each of them a certified copy of the act of accession.

Article 47—Denunciation of the Convention

1. Each Member which has ratified, or acceeded to, this Convention shall have the right to denounce it by a notification addressed to the Secretary-General by diplomatic channel through the intermediary of the government of the country of the seat of the Union. The Secretary-General shall advise the other Members thereof.

2. This denunciation shall take effect at the expiration of a period of one year from the day of the receipt of notification of it by the Secretary-General.

Article 48—Abrogation of the International Telecommunication Convention (Montreaux, 1965)

This Convention shall abrogate and replace, in relations between the Contracting Governments, the International Telecommunications Convention (Montreaux, 1965).

Article 49—Relations With Non-Contracting States

Each Member reserves to itself and to the recognized private operating agencies the right to fix the conditions on which it admits telecommunications exchanged with a State which is not a party to this Convention. If a telecommunication originating in the territory of such a non-contracting State is accepted by a Member, it must be transmitted and, in so far as it follows the telecommunication channels of a Member, the obligatory provisions of the Convention and Administrative Regulations and the usual charges shall apply to it.

Article 50—Settlement of Disputes

1. Members may settle their disputes on questions relating to the interpretation or application of this Convention or of the Regulations contemplated in Article 42, through diplomatic channels, or according to procedures established by bilateral or multilateral treaties concluded between them for the settlement of international disputes, or by any other method mutually agreed upon.

2. If none of these methods of settlement is adopted, any Member party to a dispute may submit the dispute to arbitration in accordance with the procedure defined in the General Regulations or in the Optional Additional Protocol, as the case may be.

Chapter VI—Definitions

Article 51—Definitions

In this Convention unless the context otherwise requires:

a) the terms which are defined in Annex 2 to this Convention shall have the meanings therein assigned to them;

b) other terms which are defined in the Regulations referred to in Article 42 shall have the meanings therein assigned to them.

Chapter VII—Final provisions

Article 52—Effective Date and Registration of the Convention

The present Convention shall enter into force on 1 January 1975 between Members in respect of which instruments of ratification or accession have been deposited before that date.

In accordance with the provisions of Article 102 of the Charter of the United Nations, the Secretary-General of the Union shall register the present Convention with the Secretariat of the United Nations.

SECOND PART—GENERAL REGULATIONS

Chapter VIII—Functioning of the Union

Article 53—Plenipotentiary Conference

1. (1) The Plenipotentiary Conference shall be convened at regular intervals and normally every five years.

(2) If practicable, the date and place of a Plenipotentiary Conference shall be set by the preceding Plenipotentiary Conference; failing this, they shall be fixed by the Administrative Council with the concurrence of the majority of the Members of the Union.

2. (1) The date and place of the next Plenipotentiary Conference, or either one of these, may be changed:

a) when at least one-quarter of the Members of the Union have individually proposed a change to the Secretary-General, or

b) on a proposal of the Administrative Council.

(2) In either case a new date or place or both shall be fixed with the concurrence of a majority of the Members of the Union.

Article 54—Administrative Conferences

1. (1) The agenda of an administrative conference shall be established by the Administrative Council with the concurrence of a majority of the Members of the Union in the case of a world administrative conference, or of a majority of the Members belonging to the region concerned in the case of a regional administrative conference, subject to the provisions of 225.

(2) This agenda shall include any question which a Plenipotentiary Conference has directed to be placed on the agenda.

(3) A world administrative conference dealing with radio-communication may also include in its agenda an item concerning instructions to the International Frequency Registration Board regarding its activities and a review of those activities.

2. (1) A world administrative conference shall be convened:

a) by a decision of a Plenipotentiary Conference which may fix the date and place of its meeting;

b) on the recommendation of a previous world administrative conference if approved by the Administrative Council;

c) at the request of at least one-quarter of the Members of the Union, who shall individually address their requests to the Secretary-General; or

d) on a proposal of the Administrative Council.

(2) In the cases specified in 210, 211 and 212 and, if necessary, in the case specified in 209, the date and place of meeting shall be determined by the Administrative Council with the concurrence of a majority of the Members of the Union, subject to the provisions of 225.

3. (1) A regional administrative conference shall be convened:

a) by a decision of a Plenipotentiary Conference;

b) on the recommendation of a previous world or regional administrative conference if approved by the Administrative Council;

c) at the request of at least one-quarter of the Members belonging to the region concerned, who shall individually address their requests to the Secretary-General; or

d) on a proposal of the Administrative Council.

(2) In the cases specified in 215, 216 and 217 and, if necessary, in the case specified in 214, the date and place of meeting shall be determined by the Administrative Council with the concurrence of a majority of the Members of the Union belonging to the region concerned, subject to the provisions of 225.

4. (1) The agenda, or date or place of an administrative conference may be changed:

a) at the request of at least one-quarter of the Members of the Union in the case of a world administrative conference, or of at least one-quarter of the Members of the Union belonging to the region concerned in the case of a regional administrative conference. Their requests shall be addressed individually to the Secretary-General, who shall transmit them to the Administrative Council for approval; or

b) on a proposal of the Administrative Council.

(2) In cases specified in 219 and 220 the changes proposed shall not be finally adopted until accepted by a majority of the Members of the Union, in the case of a world administrative conference, or of a majority of the Members of the Union belonging to the region concerned, in the case of a regional administrative conference, subject to the provisions of 225.

5. (1) The Administrative Council may deem it advisable for the main session of an administrative conference to be preceded by a preparatory meeting to draw up proposals for the technical bases of the work of the conference.

(2) The convening of such a preparatory meeting and its agenda must be approved by a majority of the Members of the Union in the case of a world administrative conference, or by a majority of the Members of the Union belonging to the region concerned, in the case of a regional administrative conference, subject to the provisions of 225.

(3) Unless the Plenary Meeting of a preparatory session of an administrative conference decides otherwise, the texts finally approved by it will be assembled in a report which will also be approved by a Plenary Meeting and signed by the Chairman.

6. In the consultations referred to in 206, 213, 218, 221, and 223 Members of the Union who have not replied within the time limits specified by the Administrative Council shall be regarded as not participating in the consultations, and in consequence shall not be taken into account in computing the majority. If the number of replies does not exceed one-half of the Members consulted, a further consultation shall take place the results of which shall be decisive regardless of the number of votes cast.

Article 55—Administrative Council

1. (1) The Administrative Council is composed of Members of the Union elected by the Plenipotentiary Conference.

(2) If between two Plenipotentiary Conferences a seat becomes vacant on the Administrative Council, it shall pass by right to the Member of the Union from the same region as the Member whose seat is vacated, which had obtained at the previous election the largest number of votes among those not elected.

(3) A seat on the Administrative Council shall be considered vacant:

a) when a Council Member does not have a representative in attendance at two consecutive annual sessions of the Administrative Council;

b) when a Member of the Union resigns its membership on the Council.

2. The person appointed to serve on the Council by a Member of the Administrative Council shall, so far as possible, be an official serving in, or directly responsible to, or for, their telecommunications administration and qualified in the field of telecommunication services.

3. The Administrative Council shall elect its own Chairman and Vice-Chairman at the beginning of each annual session. They shall serve until the opening of the next annual session and shall be eligible for re-election. The Vice-Chairman shall serve as Chairman in the absence of the latter.

4. (1) The Administrative Council shall hold an annual session at the seat of the Union.

(2) During this session it may decide to hold, exceptionally, an additional session.

(3) Between ordinary sessions, it may be convened, as a general rule at the seat of the Union, by its Chairman at the request of a majority of its Members or at the call of the Chairman under the conditions provided for in 255.

5. The Secretary-General and the Deputy Secretary-General, the Chairman and the Vice-Chairman of the International Frequency Registration Board and the Directors of the International Consultative Committees may participate as of right in the deliberatons of the Administrative Council, but without taking part in the voting. Nevertheless, the Council may hold meetings confined to its own members.

6. The Secretary-General shall act as secretary of the Administrative Council.

7. The Administrative Council shall make decisions only in session.

8. The representative of each Member of the Administrative Council shall have the right to attend, as an observer, all meetings of the permanent organs of the Union mentioned in 26, 27 and 28.

9. Only the traveling and subsistence expenses incurred by the representative of each Member of the Administrative Council in this capacity at Council sessions shall be borne by the Union.

10. In the discharge of its duties prescribed in the Convention, the Administrative Council shall in particular:

a) in the interval between Plenipotentiary Conferences, be responsible for effecting the coordination with all international organizations referred to in Articles 39 and 40 and to this end, shall conclude, on behalf of the Union, provisional agreements with the international organizations referred to in Article 40, and with the United Nations in application of the Agreement between the United Nations and the International Telecommunication Union; these provisional agreements shall be submitted to the next Plenipotentiary Conference in accordance with 39;

b) decide on the numbers and grading of the staff of the General Secretariat and of the specialized secretariats of the permanent organs of the Union, taking into account the general directives given by the Plenipotentiary Conference;

c) draw up such regulations as it may consider necessary for the administrative and financial activities of the Union; and also the administrative regulations to take account of current practice of the United Nations and of the specialized agencies applying the Common System of pay, allowances and pensions;

d) supervise the administrative functions of the Union;

e) review and approve the annual budget of the Union, taking account of the limits for expenditures set by the Plenipotentiary Conference and ensuring the strictest possible economy but mindful of the obligation upon the Union to achieve satisfactory results as expeditiously as possible through conferences and the work programmes of the permanent organs; in so doing, the Council shall also take into account the work plans mentioned in 286 and any cost-benefit analyses mentioned in 287:

f) arrange for the annual audit of the accounts of the Union prepared by the Secretary-General and approve them, if appropriate, for submission to the next Plenipotentiary Conference;

g) adjust as necessary:

1. the basic salary scales for staff in the professional categories and above, excluding the salaries for posts filled by election, to accord with any changes in the basic salary scales adopted by the United Nations for the corresponding Common System categories;

2. the basic salary scales for staff in the general services categories to accord with changes in the rates applied by the United Nations and the specialized agencies at the seat of the Union;

3. the post adjustment for professional categories and above, including posts filled by election, in accordance with decisions of the United Nations for application at the seat of the Union;

4. the allowances for all staff of the Union, in accordance with any changes adopted in the United Nations Common System;

5. the contributions payable by the Union and the staff to the United Nations Joint Staff Pension Fund, in accordance with the decisions of the United Nations Joint Staff Pension Board;

6. the cost-of-living allowances granted to beneficiaries of the Union Staff Superannuation and Benevolent Funds on the basis of practice in the United Nations;

h) arrange for the convening of Plenipotentiary and administrative conferences of the Union in accordance with Articles 53 and 54;

i) offer to the Plenipotentiary Conference of the Union any recommendations deemed useful;

j) review and coordinate the work programmes as well as their progress and the working arrangements, including the meeting schedules, of the permanent organs of the Union and take such action as it deems appropriate;

k) provide for the filling of any vacancy in the office of Secretary-General and/or Deputy Secretary-General in the situation described in 59 or 60, at a regular meeting, if held within 90 days after a vacancy occurs, or at a meeting convened by the Chairman within the time periods specified in 59 or 60;

l) provide for the filling of any vacancy in the office of Director of either of the International Consultative Committees at the next regular meeting following the occurrence of such a vacancy. Directors so selected shall serve until the next Plenary Assembly as provided for in 305 and shall be eligible for elections to such posts;

m) provide for the filling of vacancies for members of the International Frequency Registration Board in accordance with the procedure in 297;

n) perform the other functions prescribed for it in the Convention and, within the framework of the Convention and the Administrative Regulations, any functions deemed necessary for the proper administration of the Union or its permanent organs taken individually;

o) take the necessary steps, with the agreement of a majority of the Members of the Union, provisionally to resolve questions not covered by the Convention, the Administrative Regulations and their annexes and which cannot await the next competent conference for settlement;

p) submit a report on the activities of all the organs of the Union since the previous Plenipotentiary Conference;

q) send to Members of the Union, as soon as possible after each of its sessions, summary records on the activities of the Administrative Council and other documents deemed useful.

Article 56—General Secretariat

1. The Secretary-General **shall:**

a) coordinate the activities of the different permanent organs with the advice and assistance of the Coordination Committee referred to in 80 with a view to assuring the most effective and economical use of personnel and of the financial and other resources of the Union;

b) organize the work of the General Secretariat and appoint the staff of that Secretariat in accordance with the directives of the Plenipotentiary Conference and the rules established by the Administrative Council;

c) undertake administrative arrangements for the specialized secretariats of the permanent organs of the Union and appoint the staff of those secretariats in agreement with the Head of each permanent organ; the appointments shall be made on the basis of the latter's choice, but the final decision for appointment or dismissal shall rest with the Secretary-General;

d) report to the Administrative Council any decisions taken by the United Nations and the specialized agencies which affect Common System conditions of service, allowances and pensions;

e) ensure the application of the financial and administrative regulations approved by the Administrative Council;

f) provide legal advice to the organs of the Union;

g) supervise, for administrative management purposes, the staff of the Headquarters of the Union with a view to assuring the most effective use of personnel and the application of the Common System conditions of employment for the staff of the Union. The staff appointed to assist directly the Directors of the Consultative Committees and the International Frequency Registration Board shall work under the direct orders of those senior officials concerned but in accordance with general administrative directives of the Administrative Council and of the Secretary-General;

h) in the interest of the Union as a whole and in consultation with the Chairman of the International Frequency Registration Board or the Director of the Consultative Committee concerned, temporarily reassign staff members from their appointed positions as necessary to meet fluctuating work requirements at Headquarters. The Secretary-General shall report such temporary reassignments including the financial implications thereof, to the Administrative Council;

i) undertake secretarial work preparatory to, and following conferences of the Union;

j) provide, where appropriate in cooperation with the inviting government, the secretariat of conferences of the Union, and provide the facilities and services for meetings of the permanent organs of the Union in collaboration with their respective Heads; drawing from the Union's staff as he deems necessary in accordance with 269. The Secretary-General may also when so requested, provide the secretariat of other telecommunication meetings on a contractual basis;

k) keep up to date the official lists, compiled from data supplied for this purpose by the permanent organs of the Union or by administrations, with the exception of the master registers and such other essential records as may be related to the duties of the International Frequency Registration Board;

l) publish the principal reports of the permanent organs of the Union, the recommendations and the operating instructions derived from such recommendations for use in the international telecommunications services;

m) publish international and regional telecommunication agreements communicated to him by the parties thereto, and keep up-to-date records of these agreements;

n) publish the technical standards of the International Frequency Registration Board, as well as such other data concerning the assignment and utilization of frequencies as are prepared by the Board in the discharge of its duties;

o) prepared, publish and keep up to date with the assistance, where appropriate, of the other permanent organs of the Union:

1. a record of the composition and structure of the Union;

2. the general statistics and the official service documents of the Union as prescribed by the Administrative Regulations;

3. such other documents as conferences or the Administrative Council may direct;

p) collect and publish, in suitable form, data, both national and international, regarding telecommunication throughout the world;

q) assemble and publish, in cooperation with the other permanent organs of the Union, both technical and administrative information that might be specially useful to developing countries in order to help them to improve their telecommunication networks. Their attention shall also be drawn to the possibilities offered by the international programmes under the auspices of the United Nations;

r) collect and publish such information as would be of assistance to Members regarding the development of technical methods with a view to achieving the best possible use of radio frequencies so as to diminish interference;

s) publish periodically, with the help of information put at his disposal or which he may collect, including that which he may obtain from other international organizations, a journal of general information and documentation concerning telecommunication;

t) determine, in consultation with the Director of the International Consultative Committee concerned or, as appropriate, the Chairman of the International Frequency Registration Board, the form and presentation of all publications of the Union, taking into account the nature and the contents as well as the most suitable and economical means of publication;

u) arrange the timely distribution of the published documents;

v) after having made what economies are possible, prepare and submit to the Administrative Council annual budget estimates which, after approval by the Council, shall be transmitted for information to all Members of the Union;

w) prepare and submit to the Administrative Council future work plans comprising the main activities at the Headquarters of the Union according to directives of the Administrative Council;

x) to the extent the Administrative Council finds it appropriate, prepare and submit to the Administrative Council cost-benefit analyses of the main activities at the Headquarters of the Union;

y) prepare a financial operating report and accounts to be submitted annually to the Administrative Council and recapitulative accounts immediately preceding each Plenipotentiary Conference; these accounts, after audit and approval by the Administrative Council, shall be circulated to the Members and be submitted to the next Plenipotentiary Conference for examination and final approval;

z) prepare an annual report on the activities of the Union which, after approval by the Administrative Council, shall be transmitted to all Members;

aa) perform all other secretarial functions of the Union.

2. The Secretary-General or the Deputy Secretary-General may participate, in a consultative capacity, in Plenary Assemblies of the International Consultative Committees and in all conferences of the Union; the Secretary-General or his representative may participate in a consultative capacity in all other meetings of the Union; their participation in the meetings of the Administrative Council is governed by 235.

Article 57—International Frequency Registration Board

1. (1) The members of the International Frequency Registration Board shall be thoroughly qualified by technical training in the field of radio and shall possess practical experience in the assignment and utilization of frequencies.

(2) Moreover, for the more effective understanding of the problems coming before the Board under 67, each member shall be familiar with geographic, economic and demographic conditions within a particular area of the world.

2. (1) The election procedure shall be established by the conference responsible for the election as defined in 63.

(2) At each election any serving member of the Board may be proposed again as a candidate by the country of which he is a national.

(3) The members of the Board shall take up their duties on the date fixed by the Plenipotentiary Conference which elected them. They shall normally remain in office until the date fixed by the conference which elects their successors.

(4) If in the interval between two Plenipotentiary Conferences which elect members of the Board, an elected member of the Board resigns or abandons his duties or dies, the Chairman of the Board shall request the Secretary-General to invite the countries, Members of the Union, of the region concerned to propose candidates for the election of a replacement at the next annual session of the Administrative Council. However, if the vacancy occurs more than ninety days before the session of the Administrative Council, the country of which the member concerned was a national shall designate, as soon as possible and within ninety days, a replacement who shall also be a national of that country and who will remain in office until the new member elected by the Administrative Council takes office. The replacement shall be eligible for election by the Administrative Council.

(5) In order to safeguard the efficient operation of the Board, any country a national of which has been elected to the Board, shall refrain, as far as possible, from recalling that person between two Plenipotentiary Conferences which elect members of the Board.

3. (1) The working arrangements of the Board are defined in the Radio Regulations.

(2) The members of the Board shall elect from their own numbers a Chairman and a Vice-Chairman, for a period of one year. Thereafter the Vice-Chairman shall succeed the Chairman each year and a new Vice-Chairman shall be elected.

(3) The Board shall be assisted by a specialized secretariat.

4. No member of the Board shall request or receive instructions relating to the exercise of his duties from any government or a member thereof, or from any public or private organization or person. Furthermore, each Members must respect the international

character of the Board and of the duties of its members and shall refrain from any attempt to influence any of them in the exercise of their duties.

Article 58—International Consultative Committees

1. Each International Consultative Committee shall work through the medium of:

a) the Plenary Assembly, preferably meeting every three years. When a corresponding world administrative conference has been convened, the Plenary Assembly should meet, if possible, at least eight months before this conference;

b) study groups, which shall be set up by the Plenary Assembly to deal with questions to be examined;

c) a Director elected by the Plenary Assembly initially for a period equal to twice the interval between two consecutive Plenary Assemblies, i.e. normally for six years. He shall be eligible for reelection at each subsequently Plenary Assembly and if re-elected shall then remain in office until the date of the next Plenary Assembly, normally for three years. When the position becomes unexpectedly vacant, the following Plenary Assembly shall elect the new Director):

d) a specialized secretariat, which assists the Director;

e) laboratories or technical installations set up by the Union.

2. (1) The questions studied by each International Consultative Committee, on which it shall issue recommendations, shall be those referred to it by the Plenipotentiary Conference, by an administrative conference, by the Administrative Council, by the other Consultative Committee, or by the International Frequency Registration Board, in addition to those decided upon by the Plenary Assembly of the Consultative Committee itself, or, in the interval between its Plenary Assemblies, when requested or approved by correspondence by at least twenty Members of the Union.

(2) At the request of the countries concerned, each Consultative Committee may also study and offer advice concerning their national telecommunication problems. The study of such problems should be in accordance with 308.

Article 59—Coordination Committee

1. (1) The Coordination Committee shall help the Secretary-General in the duties assigned to him under 282, 285, 288 and 289.

(2) The Committee shall be responsible for ensuring coordination with all the international organizations mentioned in Articles 39 and 40 as regards representation of the permanent organs of the Union at conferences of such organizations.

(3) The committee shall examine the progress of the work of the Union in technical cooperation and submit recommendations, through the Secretary-General, to the Administrative Council.

2. The Committee shall endeavor to reach conclusions unanimously. The Secretary-General may, however, take decisions even when he does not have the support of two or more other members of the Committee, provided he judges that decision of the matters in question cannot await the next session of the Administrative Council. In such circumstances he shall report promptly in writing on such matters to the members of the Administrative Council, setting forth his reasons for such action together with any other written views submitted by other members of the Committee.

3. The Committee shall meet when convened by its Chairman and, normally, at least once a month.

Chapter IX—General provisions regarding conferences

Article 60—Invitation and Admission to Plenipotentiary Conferences When There Is an Inviting Government

1. The inviting government, in agreement with the Administrative Council, shall fix the definitive date and the exact place of the conference.

2. (1) One year before this date, the inviting government shall send an invitation to the government of each country Member of the Union.

(2) These invitations may be sent directly or through the Secretary-General or through another government.

3. The Secretary-General shall send an invitation to the United Nations in accordance with Article 39 and to any of the regional telecommunication organizations mentioned in Article 32 if requested by it.

4. The inviting government, in agreement with or on a proposal by the Administrative Council, may invite the specialized agencies of the United Nations and the International Atomic Energy Agency to send observers to take part in the conference in an advisory capacity, on the basis of reciprocity.

5. (1) The replies of the Members must reach the inviting government not later than one month before the date of opening of the conference and should include whenever possible full information on the composition of the delegation.

(2) These replies may be sent directly to the inviting government or through the Secretary-General or through another government.

6. Any permanent organ of the Union shall be entitled to be represented at the conference in an advisory capacity when the conference is discussing matters coming within its competence. If necessary, the conference may invite an organ which has not considered it necessary to be represented.

7. The following shall be admitted to Plenipotentiary Conferences:

a) delegations as defined in Annex 2;

b) observers of the United Nations;

c) observers of regional telecommunication organizations in conformity with 318;

d) observers of the specialized agencies and of the International Atomic Energy Agency in conformity with 319.

Article 61—Invitation and Admission to Administrative Conferences When There Is an Inviting Government

1. (1) The provisions of 315 to 321 shall apply to administrative conferences.

(2) However, the time limit for the despatch of invitations may be reduced to six months if necessary.

(3) Members of the Union may inform the private operating agencies recognized by them of the invitation they have received.

2. (1) The inviting government, in agreement with or on a proposal by the Administrative Council, may notify the international organizations which are interested in sending observers to participate in the conference in an advisory capacity.

(2) The interested international organizations shall send an application for admission to the inviting government within a period of two months from the date of notification.

(3) The inviting government shall assemble the requests and the conference itself shall decide whether the organizations concerned are to be admitted.

3. The following shall be admitted to administrative conferences:

a) delegations as defined in Annex 2;

b) observers of the United Nations;

c) observers of regional telecommunicaiton organizations mentioned in Article 32;

d) observers of the specialized agencies and of the International Atomic Energy Agency in conformity with 319;

e) observers of international organizations admitted in accordance with 330 to 332;

f) representatives of recognized private operating agencies, duly authorized by the Member to which they belong;

g) permanent organs of the Union, subject to the conditions set forth in 322.

Article 62—Procedure for Calling World Administrative Conferences at the Request of Members of the Union or on a Proposal of the Administrative Council

1. Any Member of the Union wishing to have a world administrative conference convened shall so inform the Secretary-General, indicating the proposed agenda, place and date of the conference.

2. On receipt of similar requests from at least one-quarter of the Members of the Union, the Secretary-General shall inform all Members thereof by telegram, asking them to indicate, within six weeks, whether or not they agree to the proposal.

3. If a majority of the Members, determined in accordance with 225, agree to the proposal as a whole, that is to say, if they accept the agenda, date and place of the proposed meeting, the Secretary-General shall so inform the Members of the Union by circular telegram.

4. (1) If the proposal accepted is for a conference elsewhere than at the seat of the Union, the Secretary-General shall ask the government of the country concerned whether it agrees to act as inviting government.

(2) If the answer is in the affirmative, the Secretary-General, with the assent of the government concerned, shall take the necessary steps to convene the conference.

(3) If the answer is in the negative, the Secretary-General shall request the Members desiring the conference to make alternative suggestions for the place of the conference.

5. Where the proposal accepted is for a conference at the seat of the Union, the provisions of Article 64 shall apply.

6. (1) If the proposal as a whole (agenda, date and place) is not accepted by a majority of the Members, determined in accordance with 225, the Secretary-General shall inform the Members of the Union of the replies received, requesting them to give a final reply on the point or points under dispute within six weeks of receipt.

(2) Such points shall be regarded as adopted when they have been approved by a majority of the Members, determined in accordance with 225.

7. The procedure indicated above shall also be applicable when the proposal to convene a world administrative conference is initiated by the Administrative Council.

Article 63—Procedure for Convening Regional Administrative Conferences at the Request of Members of the Union or on a Proposal of the Administrative Council

In the case of a regional administrative conference, the procedure described in Article 62 shall be applicable only to the Members of the region concerned. If the conference is to be convened on the initiative of the Members of the region, it will suffice for the Secretary-General to receive concordant requests from a quarter of the total number of Members in that region.

Article 64—Provisions for Conferences Meeting When There Is No Inviting Government

When a conference is to be held without an inviting government, the provisions of Articles 60 and 61 apply. The Secretary-General shall take the necessary steps to convene and organize it at the seat of the Union, after agreement with the Government of the Swiss Confederation.

Article 65—Provisions Common to All Conferences

Change in the date or place of a conference

1. The provisions of Articles 62 and 63 shall apply, by analogy, when a change in the date or place of a conference is requested by Members of the Union or is proposed by the Administrative Council. However, such changes shall only be made if a majority of the Members concerned, determined in accordance with 225, have pronounced in favour.

2. It shall be the responsibility of any Member proposing a change in the date or place of a conference to obtain for its proposal the support of the requisite number of other Members.

3. Where the issue arises, the Secretary-General shall indicate, in the communication referred to in 341, the probable financial consequences of a change in the date or place, as, for example, when there has been an outlay of expenditure in preparing for the conference at the place initially chosen.

Article 66—Time-Limits for Presentation of Proposals to Conferences and Conditions of Submission

1. Immediately after the invitations have been despatched, the Secretary-General shall ask Members to send him, within four months their proposals for the work of the conference.

2. All proposals the adoption of which will involve revision of the text of the Convention or Administrative Regulations must carry references identifying by their marginal numbers those parts of the text which will require such revision. The reasons for the proposal must be given, as briefly as possible, in each case.

3. The Secretary-General shall communicate the proposals to all Members as they are received.

4. The Secretary-General shall assemble and coordinate the proposals received from administrations and from the Plenary Assemblies of the International Consultative Committees and shall communicate them to Members at least three months before the opening of the conference. The Secretary-General, the Directors of the International Consultative Committees and the members of the International Frequency Registration Board shall not be entitled to submit proposals.

Article 67—Credentials for Delegations to Conferences

1. The delegation sent by a Member of the Union to a conference shall be duly accredited in accordance with 360 to 366.

2. (1) Accreditation of delegations to Plenipotentiary Conferences shall be by means of instruments signed by the Head of State, by the Head of the Government or by the Minister for Foreign Affairs.

(2) Accreditation of delegations to administrative conferences shall be by means of instruments signed by the Head of State, by the Head of the Government, by the Minister for Foreign Affairs or by the Minister responsible for questions dealt with during the conference.

(3) Subject to confirmation prior to the signature of the Final Acts, by one of the authorities mentioned in 360 or 361, delegations may be provisionally accredited by the Head of the diplomatic mission of the country concerned to the government of the country in which the conference is held. In the case of a conference held in the country of the seat of the Union, a delegation may also be provisionally accredited by the Head of the Permanent Delegation of the country concerned to the United Nations Office at Geneva.

3. Credentials shall be accepted if they are signed by the appropriate authority mentioned under 360 or 362, and fufill one of the following criteria:

they confer full powers;

they authorize the delegation to represent its government, without restrictions;

they give the delegation, or certain members thereof, the right to sign the Final Acts.

4. (1) A delegation whose credentials are found to be in order by the Plenary Meeting shall be entitled to exercise the right to vote of the Member concerned and to sign the Final Acts.

(2) A delegation whose credentials are found not to be in order by the Plenary Meeting shall not be entitled to exercise the right to vote or to sign the Final Acts until the situation has been rectified.

5. Credentials shall be deposited with the secretariat of the conference as early as possible. A special committee shall be entrusted with the verification thereof and shall report on its conclusions to the Plenary Meeting within the time specified by the latter. Pending the decision of the Plenary Meeting thereon, a delegation of a Member of the Union shall be entitled to participate in the conference and to exercise the right to vote of the Member concerned.

6. As a general rule, Members of the Union should endeavour to send their own delegations to conferences of the Union. However, if a Member is unable, for exceptional reasons, to send its own delegation, it may give the delegation of another Member powers to vote and sign on its behalf. Such powers must be conveyed by means of an instrument signed by one of the authorities mentioned in 360 or 361.

7. A delegation with the right to vote may give to another delegation with the right to vote a mandate to exercise its vote at one or more meetings at which it is unable to be present. In such a case it shall, in good time; notify the Chairman of the conference in writing.

8. A delegation may not exercise more than one proxy vote.

9. Credentials and the transfer of powers sent by telegram shall not be accepted. Nevertheless, replies sent by telegram to requests by the Chairman or the secretariat of the conference for clarification of credentials shall be accepted.

Chapter X—General provisions regarding international consultative committees

Article 68—Conditions for Participation

1. The members of the International Consultative Committees referred to in 73 and 74 may participate in all the activities of the Consultative Committee concerned.

2. (1) The first request from a recognized private operating agency to take part in the work of a Consultative Committee shall be addressed to the Secretary-General who shall inform all the Members and the Director of that Consultative Committee. The request from a recognized private operating agency must be approved by the Member recognizing it. The Director of the Consultative Committee shall advise the recognized private operating agency of the action taken on its request.

(2) A recognized private operating agency may not act on behalf of the Member which has recognized it unless that Member informs the Consultative Committee concerned in each particular case that it is authorized to do so.

3. (1) International organizations and regional telecommunication organizations mentioned in Article 32 which coordinate their work with the International Telecommunication Union and which have related activities may be admitted to participate in the work of the Consultative Committees in an advisory capacity.

(2) The first request from an international organization or regional telecommunication organization mentioned in Article 32 to take part in the work of a Consultative Committee shall be addressed to the Secretary-General who shall inform by telegram all the Members and invite Members to say whether the request shall be granted; the request shall be granted if the majority of the replies of the Members received within a period of one month are favourable. The Secretary-General shall inform all the Members and the Director of the Consultative Committee concerned of the result of the consultation.

4. (1) Scientific or industrial organizations, which are engaged in the study of telecommunication problems or in the design or manufacture of equipment intended for telecommunication services, may be admitted to participate in an advisory capacity in meetings of the study groups of the Consultative Committees, provided that their participation has received approval of the administrations of the countries concerned.

(2) The first request from a scientific or industrial organization for admission to meetings of study groups of a Consultative Committee shall be addressed to the Secretary-General who shall inform all the Members and the Director of that Consultative Committee. The request must be approved by the administration of the country concerned. The Director of the Consultative Committee shall advise the scientific or industrial organization of the action taken on its request.

5. Any recognized private operating agency, international organization, regional telecommunication organization or scientific or industrial organization allowed to take part in the work of an International Consultative Committee has the right to denounce such participation by notifying the Secretary-General. Such denunciation shall take effect at the end of one year from the date when notification is received by the Secretary-General.

Article 69—Duties of the Plenary Assembly

The Plenary Assembly shall:

a) Consider the reports of study groups and approve, modify or reject the draft recommendations contained in these reports;

b) consider existing questions as to whether or not their study should be continued, and prepare a list of the new questions to be studied in conformity with 308. In formulating new questions it shall be borne in mind that, in principle, their consideration should be completed in the period which is twice the interval between two Plenary Assemblies;

c) approve the programme of work arising from the consideration in 383, determine the order of questions to be studied according to their importance, priority and urgency;

d) decide in the light of the approved programme of work derived from 384 whether or not existing study groups should be maintained or dissolved and whether or not new study groups should be set up;

e) allocate to study groups the questions to be studied;

f) consider and approve the report of the Director on the activities of the Committee since the last meeting of the Plenary Assembly;

g) approve, if appropriate, for submission to the Administrative Council, the estimate of the financial needs of the Committee up to the next Plenary Assembly, as submitted by the Director in accordance with 416;

h) consider any other matters deemed necessary within the provisions of Article 11 and of this Chapter.

Article 70—Meetings of the Plenary Assembly

1. The Plenary Assembly shall normally meet at a date and place fixed by the preceding Plenary Assembly.

2. The date and place, or either, of the meeting of the Plenary Assembly may be changed with the approval of the majority of the Members of the Union replying to the Secretary-General's request for their opinion.

3. At each of these meetings, the Plenary Assembly shall be presided over by the Head of the delegation of the country in which the meeting is held or, in the case of a meeting held at the seat of the Union, by a person elected by the Plenary Assembly itself. The Chairman shall be assisted by Vice-Chairmen elected by the Plenary Assembly.

4. The Secretary-General shall be responsible for making the necessary administrative and financial arrangements, in agreement with the Director of the Consultative Committee concerned, for meetings of the Plenary Assembly and the study groups.

Article 71—Languages and Right to Vote in Plenary Assemblies

1. (1) The languages used in the Plenary Assemblies shall be as provided in Articles 16 and 78.

(2) The preparatory documents of study groups, the documents and minutes of Plenary Assemblies and the documents published after these Assemblies by the International Consultative Committees shall be issued in the three working languages of the Union.

2. The Members which are authorized to vote at sessions of Plenary Assemblies of the Consultative Committees are those to which reference is made in 9 and 155. However, when a country, Member of the Union, is not represented by an administration, the representatives of the recognized private operating agencies of that country shall, as a whole, and regardless of their number, be entitled to a single vote, subject to the provisions of 376.

3. The provisions of 370 to 373 concerning the transfer of powers shall apply to Plenary Assemblies.

Article 72—Study Groups

1. The Plenary Assembly shall set up and maintain as necessary study groups to deal with questions to be studied. The administrations, recognized private operating agencies, international organizations and regional telecommunication organizations admitted in accordance with 377 and 378 which desire to take part in the work of the study groups shall give in their names either at the meeting of the Plenary Assembly or, at a later date, to the Director of the Consultative Committee concerned.

2. In addition, and subject to the provisions of 379 and 380, experts of scientific or industrial organizations may be admitted to take part in an advisory capacity in any meeting of any study group.

3. The Plenary Assembly shall normally appoint a Chairman and one Vice-Chairman of each study group. If the workload of any study group requires, the Plenary Assembly shall appoint such additional Vice-Chairmen as it feels necessary for such study group or groups. If, in the interval between two meetings of the Plenary Assembly, a group Chairman is unable to carry out his duties and only one Vice-Chairman has been appointed, then such Vice-Chairman shall take the Chairman's place. In the case of a study group for which the Plenary Assembly has appointed more than one Vice-Chairman, the study group at its next meeting shall elect a new Chairman from among such Vice-Chairmen and, if necessary, a new Vice-Chairman from among the members of the study group. It shall likewise elect a new Vice-Chairman if one of the Vice-Chairmen is unable to carry out his duties during that period.

Article 73—Conduct of Business of Study Groups

1. Study groups shall conduct their work as far as possible by correspondence.

2. (1) However, the Plenary Assembly may give directives concerning the convening of any meetings of the study groups that may appear necessary to deal with large groups of questions.

(2) As a general rule, study groups shall hold no more than two meetings between sessions of the Plenary Assembly, including the final meetings held before that Assembly.

(3) Moreover, if after a Plenary Assembly a group Chairman considers it necessary for his study group to hold one or more meetings not provided for by the Plenary Assembly to discuss orally questions which could not be solved by correspondence, he may, with the approval of his administration and after consultation with the Director concerned and the members of his study group, suggest a meeting at a convenient place bearing in mind the need to keep expenses to a minimum.

3. Where necessary, the Plenary Assembly of a Consultative Committee may set up joint working parties for the study of questions requiring the participation of experts from several study groups.

4. The Director of a Consultative Committee, after consultation with the secretary-General, and in agreement with the Chairmen of the various study groups concerned, shall draw up the general plan of meetings of groups of study groups which are to meet in the same place during the same period.

5. The Director shall send the final reports of the study groups to the participating administrations, to the recognized private operating agencies of the Consultative Committee and, as occasion may demand, to such international organizations and regional telecommunication organizations as have participated. These shall be sent as soon as possible and, in any event, in time for them to be received at least one month before the date of the next meeting of the Plenary Assembly. This provision may be waived only when study group meetings are held immediately prior to the meeting of the Plenary Assembly. Questions which have not formed the subject of a report furnished in this way shall not appear on the agenda for the meeting of the Plenary Assembly.

Article 74—Duties of the Director, Specialized Secretariat

1. (1) The Director of a Consultative Committee shall coordinate the work of the Plenary Assembly and study groups, and shall be responsible for the organization of the work of the Consultative Committee.

(2) The Director shall be responsible for the documents of the Committee and arrange for their publication, in the working languages of the Union, with the Secretary-General.

(3) The Director shall be assisted by a secretariat composed of a specialized staff to work under his direction and to aid him in the organization of the work of the Committee.

(4) The staff of the specialized secretariats, laboratories and technical installations of the Consultative Committees shall be under the administrative control of the Secretary-General in accordance with the provisions of 268.

2. The Director shall choose the technical and administrative members of the secretariat within the framework of the budget as approved by the Plenipotentiary Conference or the Administrative Council. The appointment of the technical and administrative personnel is made by the Secretary-General in agreement with the Director. The final decision for appointment or dismissal rests with the Secretary-General.

3. The Director shall participate as of right, but in an advisory capacity, in meetings of the Plenary Assembly and of the study groups. He shall, subject to the provisions of 393, make all necessary preparations for meetings of the Plenary Assembly and of the study groups.

4. The Director shall submit to the Plenary Assembly a report on the activities of the Consultative Committee since the last meeting of the Plenary Assembly. After approval, this report shall be sent to the Secretary-General for transmission to the Administrative Council.

5. The Director shall submit to the Administrative Council at its annual session a report on the activities of the Committee during the previous year for the information of the Council and of the Members of the Union.

6. The Director after consultation with the Secretary-General shall submit for the approval of the Plenary Assembly an estimate of the financial needs of the Committee up to the next meeting of the Plenary Assembly; this estimate, after approval by the Plenary Assembly, shall be sent to the Secretary-General for submission to the Administrative Council.

7. The Director shall prepare, for inclusion by the Secretary-General in the annual budget of the Union, an estimate of the expenses of the Committee for the following year, based on the estimate of the financial needs of the Committee approved by the Plenary Assembly.

8. The Director shall participate as necessary in technical cooperation activities of the Union within the framework of the Convention.

Article 75—Proposals for Administrative Conferences

1. The Plenary Assemblies of the International Consultative Committees are authorized to submit to administrative conferences proposals arising directly from their recommendations or from findings on questions under their study.

2. The Plenary Assemblies of the Consultative Committees may also make proposals for modification of the Administrative Regulations.

3. Such proposals shall be sent to the Secretary-General in good time for assembly, coordination and communication, as laid down in 358.

Article 76—Relations of Consultative Committees Between Themselves and With Other International Organizations

1. (1) Plenary Assemblies of Consultative Committees may set up joint study groups to study and make recommendations on questions of common interest.

(2) The Directors of Consultative Committees may, in collaboration with the group Chairman, organize joint meetings of study groups of both Consultative Committees, to study and prepare draft recommendations on questions of common interest. Such draft recommendations shall be submitted to the next meeting of the Plenary Assembly of each Consultative Committee.

2. When one of the Consultative Committees is invited to participate in a meeting of the other Consultative Committee or of another international organization, the Plenary Assembly or the Director of the invited Consultative Committee is authorized to make arrangements for such representation

in an advisory capacity, taking into account the provisions of 311.

3. The Secretary-General, the Deputy Secretary-General, the Chairman of the International Frequency Registration Board, and the Director of the other Consultative Committee, or their representatives may attend meetings of a Consultative Committee in an advisory capacity. If necessary, a Consultative Committee may invite to attend its meetings, in an advisory capacity, representatives of any permanent organ of the Union which has not considered it necessary to be represented.

Chapter XI—Rules of Procedure of Conferences and Other Meetings

Article 77—Rules of Procedure of Conferences and Other Meetings

1. Order of seating

At meetings of the conference, delegations, shall be seated in the alphabetical order of the French names of the countries represented.

2. Inauguration of the Conference:

1. (1) The inaugural meeting of the conference shall be preceded by a meeting of the Heads of delegations to prepare the agenda for the first Plenary Meeting.

(2) The Chairman of the meeting of Heads of delegations shall be appointed in accordance with the provisions of 429 and 430.

2. (1) The conference shall be opened by a person appointed by the inviting government.

(2) When there is no inviting government, it shall be opened by the oldest Head of delegation.

3. (1) The Chairman of the conference shall be elected at the first Plenary Meeting; generally he shall be a person nominated by the inviting government.

(2) If there is no inviting government, the Chairman shall be chosen, taking into account the proposal made by the Heads of delegations at the meeting described in 427.

4. The first Plenary Meeting shall also:

a) elect the Vice-Chairmen of the conference;

b) set up the conference committees and elect their respective Chairmen and Vice-Chairmen;

c) constitute the conference secretariat, made up of the staff of the General Secretariat of the Union, and, in case of need, of staff provided by the administration of the inviting government.

3. Powers of the Chairman of the Conference:

1. The Chairman, in addition to the other prerogatives conferred upon him under these Rules of Procedure, shall open and close the meetings of the Plenary Meeting, direct the deliberations, ensure that the Rules of Procedure are applied, give the floor to speakers, put questions to the vote, and announce the decisions adopted.

2. He shall have the general direction of all the work of the conference, and shall ensure that order is maintained at Plenary Meetings. He shall give his ruling on motions of order and points of order and, in particular, he shall be empowered to propose that discussion on a question be postponed or closed, or that a meeting be suspended or adjourned. He may also decide to postpone the convening of a Plenary Meeting should he consider it necessary.

3. It shall be the duty of the Chairman to protect the right of each delegation to express its opinion freely and fully on the point at issue.

4. He shall ensure that discussion is limited to the point at issue, and he may interrupt any speaker who departs therefrom and request him to confine his remarks to the subject under discussion.

4. Appointment of Committees:

1. The Plenary Meeting may appoint committees to consider matters referred to the conference. These committees may in turn appoint sub-committees. Committees and sub-committees may form working groups.

2. However, sub-committees and working groups shall be formed only when it is absolutely necessary.

5. Budget Control Committee:

1. At the opening of each conference or meeting, the Plenary Meeting shall appoint a budget control committee to determine the organization and the facilities available to the delegates, and to examine and approve the accounts for expenditure incurred throughout the duration of the conference or meeting. In addition to the members of delegations who wish to participate, this committee shall include a representative of the Secretary-General and where there is an inviting government, a representative of that government.

2. Before the budget approved by the Administrative Council for the conference or meeting is exhausted, the budget control committee, in collaboration with the secretariat of the conference or meeting, shall present an interim statement of the expenditure to the Plenary Meeting. The Plenary Meeting shall take this statement into account in considering whether the progress made is sufficient to justify a prolongation of the conference or meeting after the date when the approved budget will be exhausted.

3. At the end of each conference or meeting, the budget control committee shall present a report to the Plenary Meeting showing as accurately as possible, the estimated total expenditure of the conference or meeting.

4. After consideration and approval by the Plenary Meeting, this report, together with the observations of the Plenary Meeting, shall be transmitted to the Secretary-General for submission to the Administrative Council at its next annual session.

6. Composition of Committees:

6.1 Plenipotentiary Conferences

Committees shall be composed of the delegates of Members and the observers referred to in 324, 325 and 326 who have so requested or who have been designated by the Plenary Meeting.

6.2 Administrative Conferences

Committees shall be composed of the delegates of Members and the observers and representatives referred to in 334 to 338 who have so requested or who have been designated by the Plenary Meeting.

7. Chairman and Vice-Chairmen of Sub-Committees:

The Chairman of each committee shall propose to this committee the choice of the Chairmen and Vice-Chairmen of the sub-committees which may be set up.

8. Summons to Meetings:

Plenary Meetings and meetings of committees, sub-committees and working groups shall be announced in good time in the meeting place of the conference.

9. Proposals presented before the Opening of the Conference:

Proposals presented before the opening of the conference shall be allocated by the Plenary Meeting to the appropriate committees appointed in accordance with Section 4 of these Rules of Procedure. Nevertheless, the Plenary Meeting itself shall be entitled to deal with any proposal.

10. Proposals or Amendments presented during the Conference:

1. Proposals or amendments presented after the opening of the conference much be delivered to the Chairman of the conference or to the Chairman of the appropriate committee, as the case may be. They may also be handed to the secretariat of the conference for publication and distribution as conference documents.

2. No written proposal or amendment may be presented unless signed by the Head of the delegation concerned or by his deputy.

3. The Chairman of a conference or of a committee may at any time submit proposals likely to accelerate the debates.

4. Every proposal or amendment shall give, in precise and exact terms, the text to be considered.

5. (1) The Chairman of the conference or the Chairman of the appropriate committee shall decide in each case whether a proposal or amendment submitted during a meeting shall be made orally or presented in writing for publication and distribution in accordance with 451.

(2) In general, the texts of all major proposals to be put to the vote shall be distributed in good time in the working languages of the conference, in order that they may be studied before discussion.

(3) In addition, the Chairman of the conference, on receiving proposals or amendments referred to in 451, shall refer them to the appropriate committee or to the Plenary Meeting as the case may be.

6. Any authorized person may read, or may ask to have read, at a Plenary Meeting any proposal or amendment submitted by him during the conference, and he shall be allowed to explain his reasons therefor.

11. Conditions required for Discussion of, and Vote on, any Proposal or Amendment:

1. No proposal or amendment submitted prior to the opening of the conference or by a delegation during the conference may be discussed unless it is supported by at least one other delegation when it comes to be considered.

2. Each proposal or amendment duly supported shall be submitted to a vote after discussion.

12. Proposals or Amendments passed over or postponed:

When a proposal or an amendment has been passed over or when its examination has been postponed, the delegation sponsoring it shall be responsible for seeing that it is considered later.

13. Rules for Debates of the Plenary Meeting:

13.1 Quorum

For a valid vote to be taken at a Plenary Meeting, more than half of the delegations accredited to the conference and having the right to vote must be present or represented at the meeting.

13.2 Order of debates

(1) Persons desiring to speak must first obtain the consent of the Chairman. As a general rule, they shall begin by announcing in what capacity they speak.

(2) Any person speaking must express himself slowly and distinctly, separating his words and pausing as necessary in order that everybody may understand his meaning.

13.3 Motions of order and points of order

(1) During debates, any delegation may, when it thinks fit, submit a motion of order or raise a point of order, which shall at once be settled by the Chairman in accordance with these Rules of Procedure. Any delegation may appeal against the Chairman's ruling, which shall however stand unless a majority of the delegations present and voting are against it.

(2) A delegation submitting a motion of order shall not, during its speech, discuss the substance of the matter in question.

13.4 Priority of motions of order and points of order

The motions and points of order mentioned in 465 and 466 shall be dealt with in the following order:

a) any point of order regarding the application of these Rules of Procedure;

b) suspension of a meeting;

c) adjournment of a meeting;

d) postponement of debate on the matter under discussion;

e) closure of debate on the matter under discussion;

f) any other motions of order or points of order that may be submitted, in which case it shall be for the Chairman to decide the relative order in which they shall be considered.

13.5 Motion for suspension or adjournment of a meeting

During discussion of any question, a delegation may move that the meeting be suspended or adjourned, giving reasons for its proposal. If the proposal is seconded, the floor shall be given to two speakers to oppose the suspension or adjournment and solely for that purpose, after which the motion shall be put to the vote.

13.6 Motion for postponement of debate

During discussion of any question, a delegation may move that the debate be postponed for a stated period. Once such a proposal has been made, any discussion thereon shall be limited to no more than three speakers not counting the person submitting the proposal, one for the motion and two against, after which the motion shall be put to vote.

13.7 Motion for closure of debate

A delegation may at any time move that discussion on the point at issue be closed. In such cases the floor may be given to not more than two speakers opposing the motion, after which the motion shall be put to vote.

13.8 Limitation of speeches

(1) The Plenary Meeting may, if necessary, decide how many speeches any one delegation may make on any particular point, and how long they may last.

(2) However, as regards questions of procedure, the Chairman shall limit the time allowed for a speech to a maximum of five minutes.

(3) When a speaker has exceeded the time allowed, the Chairman shall notify the Meeting and request the speaker to conclude his remarks briefly.

13.9 Closing the list of speakers

(1) During the debate, the Chairman may rule that the list of speakers wishing to take the floor be read. He shall add the names of other delegations who indicate that they wish to speak and he may then, with the assent of the Meeting, rule that the list be closed. Nevertheless, as an exceptional measure, the Chairman may rule, if he thinks fit, that a reply may be made to any previous statement, even after the list of speakers has been closed.

(2) The list of speakers having been exhausted, the Chairman shall declare discussion on the matter closed.

13.10 Questions of competence

Any question of competence that may arise shall be settled before a vote is taken on the substance of the matter under discussion.

13.11 Withdrawal and resolution of a motion

The author of a motion may withdraw it before it is put to a vote. Any motion, whether it be amended or not, which has been withdrawn from debate may be resubmitted or taken up by the author of the amendment or by another delegation.

14. Right to Vote:

1. At all meetings of the conference, the delegation of a Member of the Union duly accredited by that Member to take part in the work of the conference shall be entitled to one vote in accordance with Article 2.

2. The delegation of a Member of the Union shall exercise the right to vote under the conditions described in Article 67.

15. Voting:

15.1 Definition of a majority

(1) A majority shall consist of more than half the delegations present and voting.

(2) In computing a majority, delegations abstaining shall not be taken into account.

(3) In a case of a tie, a proposal or amendment shall be considered rejected.

(4) For the purpose of these Rules of Procedure, a "delegation present and voting" shall be a delegation for or against a proposal.

15.2 Non-participation in voting

Delegations which are present but do not take part in a particular vote or expressly state they do not wish to take part shall be considered neither as absent, for the purpose of determining a quorum as defined in 462, nor as abstaining for the purpose of 491.

15.3 Special majority

In cases where Members of the Union are to be admitted, the majority described in Article 1 shall apply.

15.4 Abstentions of more than fifty per cent

When the number of abstentions exceeds half the number of votes cast (for, against, abstentions), consideration of the matter under discussion shall be postponed to a later meeting, at which time abstentions shall not be taken into account.

15.5 Voting procedures

(1) The following voting procedures shall be adopted except in the case provided for in 495:

a) by a show of hands, as a general rule;

b) by roll call, if the above-mentioned procedure shows no clear majority or if so requested by at least two delegations.

(2) Votes by roll call shall be taken in the alphabetical order of the French names of the Members represented.

15.6 Secret ballot

Voting shall be by secret ballot when at least five of the delegations present and entitled to vote so request. In such cases, the secretariat shall at once take steps to ensure the secrecy of the vote.

15.7 Prohibitions of interruptions during votes

No delegation may interrupt once a vote has begun, unless to raise a point of order in connection with the way in which the vote is being taken.

15.8 Reasons for votes

The Chairman shall authorize any delegations which so request to give the reasons for their vote, after the vote has been taken.

15.9 Voting on parts of a proposal

(1) When the author of a proposal so requests, or when the meeting thinks fit, or when the Chairman, with the approval of the author, so proposes, that proposal shall be sub-divided and its various sections put to the vote separately. The parts of the proposal which have been adopted shall then be put to the vote as a whole.

(2) If all the sections of a proposal are rejected the proposal shall be regarded as rejected as a whole.

15.10 Order of voting on concurrent proposals

(1) When there are two or more proposals on any one matter, they shall be put to the vote in the order in which they were presented, unless the meeting decides to the contrary.

(2) After each vote, the meeting shall decide whether or not the following proposal shall be voted on.

15.11 Amendments

(1) Any proposal for modification consisting only of a deletion from, an addition to, or a change in, a part of the original proposal shall be considered an amendment.

(2) Any amendment to a proposal accepted by the delegation submitting the proposal shall at once be embodied in the original proposal.

(3) No proposal for modification shall be regarded as an amendment if the meeting considers it to be incompatible with the original proposal.

15.12 Voting on amendments

(1) When an amendment to a proposal is submitted, a vote shall first be taken on the amendment.

(2) When two or more amendments to a proposal are submitted, the amendment furtherest from the original text shall be put to the vote first; of the remainder, that furthest from the proposal shall then be put to the vote and the same procedure shall be followed until all the amendments submitted have been considered.

(3) If one or more amendments are adopted, the proposal thus amended shall then be put to the vote.

(4) If no amendment is adopted, the original proposal shall be put to the vote.

16. Committees and Sub-Committees—Rules for Debates and Voting Procedures:

1. The Chairman of all committees and sub-committees shall have powers similar to those conferred by Section 3 of the present Rules of Procedure on the Chairman of the conference.

2. The provisions set forth in Section 13 of the present Rules of Procedure for the conduct of debates in the Plenary Meeting shall also apply to the discussions of committees and sub-committees, except in the matter of the quorum.

3. The provisions set forth in Section 15 shall also apply to votes taken in committees and sub-committees.

17. Reservations:

1. As a general rule, any delegation whose views are not shared by the remaining delegations shall endeavour, as far as possible, to conform to the opinion of the majority.

2. However, if any decision appears to a delegation to be of such a nature as to prevent its government from ratifying the Convention or from approving the revision of the Regulations, the delegation may make reservations, final or provisional, regarding this decision.

18. Minutes of Plenary Meetings:

1. The minutes of Plenary Meetings shall be drawn up by the secretariat of the conference, which shall endeavour to ensure their distribution to delegations as early as possible before the date on which they are to be considered.

2. After the minutes have been distributed, delegations may submit in writing to the secretariat of the conference the corrections they consider to be justified; this shall be done in the shortest possible time. This shall not prevent them from presenting amendments orally during the meeting at which the minutes are approved.

3. (1) As a general rule, the minutes shall contain only proposals and conclusions, together with the principal arguments for them presented in terms as concise as possible.

(2) However, any delegation shall have the right to require the insertion in the minutes, either summarized or in full, of any statement it has made during the debates. In this case, the delegation should, as a general rule, announce this at the beginning of its statement in order to facilitate the work of the reporters and must itself hand in the text to the secretariat of the conference within two hours after the end of the meeting.

4. The right accorded in 517 regarding the insertion of statements in the minutes shall in all cases be used with discretion.

19. Summary Records and Reports of Committees and Subcommitees:

1. (1) The debates of committees and subcommittees shall be summarized, meeting by meeting, in summary records drawn up by the secretariat of the conference in which shall be brought out the essential points of the discussion, and the various opinions of which note ought to be taken, together with any proposals or conclusions resulting from the debate as a whole.

(2) Nevertheless, any delegation shall be entitled to invoke 517.

(3) The right referred to above shall in all circumstances be used with discretion.

2. Committees and sub-committees may prepare any interim reports they deem necessary and, if circumstances warrant, they may submit, at the end of their work, a final recapitulating in concise terms the proposals and conclusions resulting from the studies entrusted to them.

20. Approval of Minutes, Summary Records and Reports:

1. (1) As a general rule, at the beginning of each Plenary Meeting, or meeting of a committee, or sub-committee, the Chairman shall inquire whether there are any comments on the minutes of the previous meeting, or, in the case of committees or sub-committees, on the summary record of the previous meeting. These documents shall be considered approved if no amendments have been handed in to the secretariat and no objection is made orally. Otherwise, the appropriate amendments shall be made in the minutes or summary record as the case may be.

(2) Any interim or final report must be approved by the committee or sub-committee concerned.

2. (1) The minutes of the last Plenary Meeting shall be examined and approved by the Chairman of that meeting.

(2) The summary record of the last meeting of each committee or sub-committee shall be examined and approved by the Chairman of the committee or sub-committee.

21. Editorial Committee:

1. The texts of the Final Acts, which shall be worded as far as practicable in their definitive form by the various committees, taking account of the views expressed, shall be submitted to an editorial committee charged with perfecting their form without altering the sense and, where appropriate, with combining them with those parts of former texts which have not been altered.

2. The texts shall be submitted by the editorial committee to the Plenary Meeting, which shall approve them, or refer them back to the appropriate committee for further examination.

22. Numbering:

1. The numbers of the chapters, articles and paragraphs of the texts subjected to revision shall be preserved until the first reading in Plenary Meeting. The passages added shall bear provisionally the number of the last paragraph in the original text, with the addition of "A", "B", etc.

2. The final numbering of the chapters, articles and paragraphs shall be entrusted to the editorial committee after the adoption at the first reading.

23. Final Approval: The texts of the Final Acts shall be considered final when they have been approved at the second reading in Plenary Meeting.

24. Signature: The final texts approved by the conference shall be submitted for signature, in the alphabetical order of the French names of their countries, to the delegates provided with the powers defined in Article 67.

25. Press Notices:

Official releases to the press about the work of the conference shall be issued only as authorized by the Chairman or a Vice-Chairman of the conference.

26. Franking Privileges:

During the conference, members of delegations, members of the Administrative Council, senior officials of the permanent organs of the Union attending the conference, and the staff of the secretariat of the Union seconded to the conference shall be entitled to postal, telegraph and telephone franking privileges to the extent arranged by the government of the country in which the conference is held in agreement with the other governments and recognized private operating agencies concerned.

Chapter XII—Other Provisions

Article 78—Languages

1. (1) At conferences of the Union and at meetings of its permanent organs and of the Administartive Council, languages other than those mentioned in 100 and 106 may be used:

a) if an application is made to the Secretary-General or to the Head of the permanent organ concerned to provide for the use of an additional language or languages, oral or written, provided that the additional cost so incurred shall be borne by those Members which have made or supported the application;

b) if any delegation itself makes arrangements at its own expense for oral translation from its own language into any one of the languages referred to in 106.

(2) In the case provided for in 535, the Secretary-General or the Head of the permanent organ concerned shall comply to the extent practicable with the application, having first obtained from the Members concerned an undertaking that the cost incurred will be duly repaid by them to the Union.

(3) In the case provided for in 536, the delegation concerned may, furthermore, if it wishes, arrange at its own expense for oral translation into its own language from one of the languages referred to in 106.

2. Any of the documents referred to in 102 to 105 of the Convention may be published in languages other than those there specified, provided that the Members requesting such publication undertake to defray the whole of the cost of translation and publication involved.

Article 79—Finances

1. (1) At least six months before the Convention comes into force, each Member shall inform the Secretary-General of the class of contribution it has chosen.

(2) The Secretary-General shall communicate this decision to Members.

(3) Members who have failed to make known their decision in the time specified in 540 shall retain the class of contribution previously chosen.

(4) Members may at any time choose a class of contribution higher than the one already adopted by them.

2. (1) Every new Member shall, in respect of the year of its accession, pay a contribution calculated as from the first day of the month of accession.

(2) Should the Convention be denounced by a Member, its contribution shall be paid up to the last day of the month in which such denunciation takes effect.

3. The amounts due shall bear interest from the beginning of each financial year of the Union at 3% (three per cent) per annum during the first six months, and at 6% (six per cent) per annum from the beginning of the seventh month.

4. The following provisions shall apply to contributions by recognized private operating agencies, scientific or industrial organizations and international organizations:

a) Recognized private operating agencies and scientific or industrial organizations shall share in defraying the expenses of the International Consultative Committees in the work of which they have agreed to participate. Recognized private operating agencies shall likewise share in defraying the expenses of the administrative conferences in which they have agreed to participate, or have participated, in accordance with 338;

b) International organizations shall also share in defraying the expenses of the conferences or meetings in which they have been allowed to participate, unless exempted by the Administrative Council on condition of reciprocity;

c) Recognized private operating agencies, scientific or industrial organizations and international organizations, which share in defraying the expenses of conferences or meetings in accordance with 547 and 548, shall freely choose from the scale in 92 of the Convention their class of contribution for defraying Union expenses, and inform the Secretary-General of the class chosen;

d) Recognized private operating agencies, scientific or industrial organizations and international organizations which share in defraying the expenses of conferences or meetings may at any time choose a class of contribution higher than the one already adopted by them;

e) No reduction in the number of contributory units shall take effect during the life of the Convention;

f) In the case of denunciation of participation in the work of an International Consultative Committee, the contribution shall be paid up to the last day of the month in which such denunciation takes effect;

g) The amount of the contribution per unit payable by recognized private operating agencies and scientific or industrial organizations or international organizations towards the expenses of the International Consultative Committees in the work of which they have agreed to participate shall be fixed annually by the Administrative Council. The contributions shall be considered as Union income. They shall bear interest in accordance with the provisions of 546;

h) The amount of the contribution per unit payable towards the expenses of administrative conferences by recognized private operating agencies which participate in accordance with 338 and by participating international organizations shall be fixed by dividing the total amount of the budget of the Conference in question by the total number of units contributed by Members as their share of Union expenses. The contributions shall be considered as Union income. They shall bear interest from the sixtieth day following the day on which accounts are sent out, at the rates fixed by 546.

5. Expenses incurred by laboratories and technical installations of the Union in measurements, testing, or special research of individual Members, groups of Members, or regional organizations or others, shall be borne by those Members, groups, organizations or others.

6. The sale price of publications sold to administrations, recognized private operating agencies or individuals, shall be determined by the Secretary-General, in collaboration with the Administrative Council, bearing in mind that the cost of printing and distribution should, in general, be covered by the sale of the publications.

Article 80—Rendering and Settlement of Accounts

1. Administrations of Members and recognized private operating agencies which operate international telecommunication services, shal come to an agreement with regard to the amount of their credits and debits.

2. The statements of accounts with respect to debits and credits referred to in 557 shall be drawn up in accordance with the provisions of the Administrative Regulations, unless special arrangements have been concluded between the parties concerned.

Article 81—Arbitration: Procedure

(See Article 50)

1. The party which appeals to arbitration shall initiate the arbitration procedure by transmitting to the other party to the dispute a notice of the submission of the dispute to arbitration.

2. The parties shall decide by agreement whether the arbitration is to be entrusted to individuals, administrations or governments. If within one month after notice of submission of the dispute to arbitration, the parties have been unable to agree upon this point, the arbitration shall be entrusted to governments.

3. If arbitration is to be entrusted to individuals, the arbitrators must neither be nationals of the parties involved in the dispute, nor have their domicile in the countries parties to the dispute, nor be employed in their service.

4. If arbitration is to be entrusted to governments, or to administrations thereof, these must be chosen from among the Members which are not parties to the dispute, but which are parties to the agreement, the application of which caused the dispute.

5. Within three months from the date of receipt of the notification of the submission

of the dispute to arbitration, each of the two parties to the dispute shall appoint an arbitrator.

6. If more than two parties are involved in the dispute, an arbitrator shall be appointed in accordance with the procedure set forth in 562 and 563, by each of the two groups of parties having a common position in the dispute.

7. The two arbitrators thus appointed shall choose a third arbitrator who, if the first two arbitrators are individuals and not governments or administrations must fulfill the conditions indicated in 561, and in addition must not be of the same nationality as either of the other two arbitrators. Failing an agreement between the two arbitrators as to the choice of a third arbitrator, each of these two arbitrators shall nominate a third arbitrator who is in no way concerned in the dispute. The Secretary-General shall then draw lots in order to select the third arbitrator.

8. The parties to the dispute may agree to have their dispute settled by a single arbitrator appointed by agreement; or alternatively, each party may nominate an arbitrator, and request the Secretary-General to draw lots to decide which of the persons so nominated is to act as the single arbitrator.

9. The arbitrator or arbitrators shall be free to decide upon the procedure to be followed.

10. The decision of the single arbitrator shall be final and binding upon the parties to the dispute. If the arbitration is entrusted to more than one arbitrator, the decision made by the majority vote of the arbitrators shall be final and binding upon the parties.

11. Each party shall bear the expense it shall have incurred in the investigation and presentation of the arbitration. The costs of arbitration other than those incurred by the parties themselves shall be divided equally between the parties to the dispute.

Chapter XIII—Administrative regulations

Article 82—Administrative Regulations

The provisions of the Convention are completed by the following Administrative Regulations:

Telegraph Regulations,
Telephone Regulations,
Radio Regulations,
Additional Radio Regulations.

IN WITNESS WHEREOF the respective plenipotentiaries have signed the Convention in each of the Chinese, English, French, Russian and Spanish languages, in a single copy in which, in case of dispute, the French text shall prevail, and which shall remain deposited in the archives of the International Telecommunication Union, which shall forward a copy to each of the signatory countries.

Done at Malaga-Torremolinos, on 25 October 1973.

ANNEX 1

(See Number 3)

Afghanistan (Republic of)
Albania (People's Republic of)
Algeria (Algerian Democratic and Popular Republic)
Germany (Federal Republic of)
Saudi Arabia (Kingdom of)
Argentine Republic
Australia
Austria
Bangladesh (People's Republic of)
Barbados
Belgium
Byelorussian Soviet Socialist Republic
Burma (Union of)
Bolivia (Republic of)
Botswana (Republic of)
Brazil (Federative Republic of)
Bulgaria (People's Republic of)
Burundi (Republic of)
Cameroon (United Republic of)
Canada
Central African Republic
Chile
China (People's Republic of)
Cyprus (Republic of)
Vatican City State
Colombia (Republic of)
Congo (People's Republic of the)
Korea (Republic of)
Costa Rica
Ivory Coast (Republic of the)
Cuba
Dahomey (Republic of)
Denmark
Dominican Republic
Egypt (Arab Republic of)
El Salvador (Republic of)
United Arab Emirates
Ecuador
Spain
United States of America
Ethiopia
Fiji
Finland
France
Gabon Republic
Ghana
Greece
Guatemala
Guinea (Republic of)
Equatorial Guinea (Republic of)
Guyana
Haiti (Republic of)
Upper Volta (Republic of)
Honduras (Republic of)
Hungarian People's Republic
India (Republic of)
Indonesia (Republic of)
Iran
Iraq (Republic of)
Ireland
Iceland
Israel (State of)
Italy
Jamaica
Japan
Jordan (Hashemite Kingdom of)
Kenya (Republic of)
Khmer Republic
Kuwait (State of)
Laos (Kingdom of)
Lesotho (Kingdom of)
Lebanon
Liberia (Republic of)
Libyan Arab Republic
Liechtenstein (Principality of)
Luxembourg
Malaysia
Malawi
Maldives (Republic of)
Malagasy Republic
Mali (Republic of)
Malta
Morocco (Kingdom of)
Mauritius
Mauritania (Islamic Republic of)
Mexico
Monaco
Mongolian People's Republic
Nauru (Republic of)
Nepal
Nicaragua
Niger (Republic of the)
Nigeria (Federal Republic of)
Norway
New Zealand
Oman (Sultanate of)
Uganda (Republic of)
Pakistan
Panama (Republic of)
Paraguay (Republic of)
Netherlands (Kingdom of the)
Peru
Philippines (Republic of the)
Poland (People's Republic of)
Portugal
Qatar (State of)
Syrian Arab Republic
German Democratic Republic
Ukrainian Soviet Socialist Republic
Roumania (Socialist Republic of)
United Kingdom of Great Britain and Northern Ireland
Rwanda (Republic of)
Senegal (Republic of the)
Sierra Leone
Singapore (Republic of)
Somali Democratic Republic
Sudan (Democratic Republic of the)
Sri Lanka (Ceylon) (Republic of)
South Africa (Republic of)
Sweden
Switzerland (Confederation of)
Swaziland (Kingdom of)
Tanzania (United Republic of)
Chad (Republic of the)
Czechoslovakia Socialist Republic
Thailand
Togolese Republic
Tonga (Kingdom of)
Trinidad and Tobago
Tunisia
Turkey
Union of Soviet Socialist Republics
Uruguay (Oriental Republic of)
Venezuela (Republic of)
Viet-Nam (Republic of)
Yemen Arab Republic
Yemen (People's Democratic Republic of)
Yugoslavia (Socialist Federal Republic of)
Zaire (Republic of)
Zambia (Republic of)

ANNEX 2

Definition of certain terms used in the convention and in the regulations of the International Telecommunication Union

(In French and alphabetical order)

Administration: Any governmental department or service responsible for discharging the obligations undertaken in the Convention of the International Telecommunication Union and the Regulations.

Harmful Interference: Any emission, radiation or induction which endangers the functioning of a radionavigation service or of other safety services,[1] or seriously degrades, obstructs, or repeatedly interrupts a radiocommunication service operating in accordance with the Radio Regulations.

Public Correspondence: Any telecommunication which the offices and stations must, by reason of their being at the disposal of the public, accept for transmission.

Delegation: The totality of the delegates and, should the case arise, any representatives, advisers, attachés, or interpreters sent by the same country.

Each Member shall be free to make up its delegation as it wishes. In particular, it may include in its delegation in the capacity of delegates, advisers or *attachés*, persons belonging to private operating agencies which it recognizes or persons belonging to other private enterprises interested in telecommunications.

Delegate: A person sent by the government of a Member of the Union to a Plenipotentiary Conference, or a person representing a government or an administration of a Member of the Union at an administrative conference, or at a meeting of an International Consultative Committee.

Expert: A person sent by a national scientific or industrial organization which is authorized by the government or the administration of its country to attend meetings of study groups of an International Consultative Committee.

Private Operating Agency: Any individual or company or corporation, other than a governmental establishment or agency, which operates a telecommunication installation intended for an international telecommunication service or capable of causing harmful interference with such a service.

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[1] Any radiocommunication service used permanently or temporarily for the safeguarding of human life and property.

Recognized Private Operating Agency: Any private operating agency, as defined above, which operates a public correspondence or broadcasting service and upon which the obligations provided for in Article 44 of the Convention are imposed by the Member in whose territory the head office of the agency is situated, or by the Member which has authorized this operating agency to establish and operate a telecommunication service on its territory.

Observer: A person sent by:

The United Nations in accordance with Article 39 of the Convention;

One of the international organizations invited or admitted in accordance with the provisions of the Convention to participate in the work of a conference;

The government of a Member of the Union participating in a nonvoting capacity in a regional administrative conference held under the terms of Articles 7 and 54 of the Convention.

Radio: A general term applied to the use of radio waves.

Radiocommunication: Telecommunication by means of radio waves.

Representative: A person sent by a recognized private operating agency to an administrative conference, or to a meeting of an International Consultative Committee.

Broadcasting Service: A radiocommunication service in which the transmissions are intended for direct reception by the general public. This service may include sound transmissions, television transmissions or other types of transmission.

International Service: A telecommunication service between telecommunication offices or stations of any nature which are in or belong to different countries.

Mobile Service: A service of radiocommunication between mobile and land stations, or between mobile stations.

Telecommunication: Any transmission, emission or reception of signs, signals, writing, images and sounds or intelligence of any nature by wire, radio, optical or other electromagnetic systems.

Telegram: Written matter intended to be transmitted by telegraphy for delivery to the addressee. This term also includes radiotelegrams unless otherwise specified.

Government Telegrams and Government Telephone Calls: Telegrams or telephone calls originating with any of the authorities spefied below:

The Head of a State;

The Head of a government and members of a government;

Commanders-in-Chief of military forces, land, sea or air;

diplomatic or consular agent;

the Secretary General of the United Nations; Heads of the principal organs of the United Nations;

the International Court of Justice.

Replies to government telegrams as defined herein shall also be regarded as government telegrams.

Service Telegrams: Telegrams exchanged between:

a) administrations;

b) recognized private operating agencies;

c) administrations and recognized private operating agencies;

d) administrations and recognized private operating agencies, on the one hand, and the Secretary-General of the Union, on the other;

and relating to public international telecommunication.

Private Telegrams: Telegrams other than government or service telegrams.

Telegraphy: A system of telecommunications which is concerned in any process providing transmission and reproduction at a distance of documentary matter, such as written or printed matter or fixed images, or the reproduction at a distance of any kind of information in such a form. For the purposes of the Radio Regulations, however, unless otherwise specified therein, "telegraphy" shall mean "A system of telecommunications for the transmission of written matter by the use of a signal code".

Telephony: A system of telecommunications set up for the transmission of speech or, in some cases, other sounds.

ANNEX 3

(See Article 39)

Agreement Between the United Nations and the International Telecommunication Union

Preamble

In consideration of the provisions of Article 57 of the Charter of the United Nations and of Article 26 of the Convention of the International Telecommunication Union at Atlantic City 1947, the United Nations and the International Telecommunication Union agree as follows:

Article I

The United Nations recognizes the International Telecommunication Union (hereinafter called "the Union") as the specialized agency responsible for taking such action as may be appropriate under its basic instrument for the accomplishment of the purposes set forth therein.

Article II—Reciprocal Representation

1. The United Nations shall be invited to send representatives to participate, without vote, in the deliberations of all the Plenipotentiary and Administrative Conferences of the Union. It shall also, after appropriate consultation, be invited to send representatives to attend international consultative committees or any other meetings convened by the Union with the right to participate without vote in the discussion of items of interest to the United Nations.

2. The Union shall be invited to send representatives to attend meetings of the General Assembly of the United Nations for the purposes of consultation on telecommunication matters.

3. The Union shall be invited to send representatives to be present at the meetings of the Economic and Social Council of the United Nations and of the Trusteeship Council and of their commissions or committees, and to participate, without vote, in the deliberations thereof with respect to items on the agenda in which the Union may be concerned.

4. The Union shall be invited to send representatives to attend meetings of the main committees of the General Assembly when matters within the competence of the Union are under discussion and to participate, without vote, in such discussions.

5. Written statements presented by the Union shall be distributed by the Secretariat of the United Nations to the Members of the General Assembly, the Economic and Social Council and its commissions, and the Trusteeship Council as appropriate. Similarly, written statements presented by the United Nations shall be distributed by the Union to its Members.

Article III—Proposal of Agenda Items

After such preliminary consultation as may be necessary, the Union shall include on the agenda of Plenipotentiary or Administrative Conferences or meetings of other organs of the Union, items proposed to it by the United Nations. Similarly, the Economic and Social Council and its commissions and the Trusteeship Council shall include on their agenda items proposed by the Conferences or other organs of the Union.

Article IV—Recommendations of the United Nations

1. The Union, having regard to the obligation of the United Nations to promote the objectives set forth in Article 55 of the Charter and the function and power of the Economic and Social Council under Article 62 of the Charter to make or initiate studies and reports with respect to international economic, social, cultural, educational, health and related matters and to make recommendations concerning these matters to the specialized agencies concerned and having regard also to the responsibility of the United Nations, under Articles 58 and 63 of the Charter, to make recommendations for the co-ordination of the policies and activities of such specialized agencies, agrees to arrange for the submission, as soon as possible, to its appropriate organ for such action as may seem proper of all formal recommendations which the United Nations may make to it.

2. The Union agrees to enter into consultation with the United Nations upon request with respect to such recommendations, and in due course, to report to the United Nations on the action taken by the Union or by its Members to give effect to such recommendations or on the other results of their consideration.

3. The Union will co-operate in whatever further measures may be necessary to make co-ordination of the activities of specialized agencies and those of the United Nations fully effective. In particular, it agrees to co-operate with any body or bodies which the Economic and Social Council may establish for the purpose of facilitating such co-ordination and to furnish such information as may be required for the carrying out of this purpose.

Article V—Exchange of Information and Documents

1. Subject to such arrangements as may be necessary for the safeguarding of confidential material, the fullest and promptest exchange of appropriate information and documents shall be made between the United Nations and the Union to meet the requirements of each.

2. Without prejudice to the generality of the provisions of the preceding paragraph:

a) the Union shall submit to the United Nations an annual report on its activities;

b) the Union shall comply to the fullest extent practicable with any request which the United Nations may make for the furnishing of special reports, studies or information;

c) the Secretary-General of the United Nations shall, upon request, consult with the appropriate authority of the Union with a view to providing to the Union such information as may be of special interest to it.

Article VI—Assistance to the United Nations

The Union agrees to co-operate with and to render all possible assistance to the United Nations, its principal and subsidiary organs, in accordance with the United Nations Charter and the International Telecommunication Convention, taking fully into account the particular position of the individual Members of the Union who are not Members of the United Nations.

Article VII—Relations With the International Court of Justice

1. The Union agrees to furnish any information which may be requested by the International Court of Justice in pursuance of Article 34 of the Statute of the Court.

2. The General Assembly authorizes the Union to request advisory opinions of the International Court of Justice on legal questions arising within the scope of its competence other than questions concerning the mutual relationships of the Union and the United Nations or other specialized agencies.

3. Such request may be addressed to the Court by the Plenipotentiary Conference or the Administrative Council acting in pursuance of an authorization by the Plenipotentiary Conference.

4. When requesting the International Court of Justice to give an advisory opinion the Union shall inform the Economic and Social Council of the request.

Article VIII—Personal Arrangements

1. The United Nations and the Union agree to develop as far as practicable common personnel standards, methods and arrangements designed to avoid serious discrepancies in terms and conditions of employment, to avoid competition in recruitment of personnel, and to facilitate any mutually desirable interchange of personnel in order to obtain the maximum benefit from their services.

2. The United Nations and the Union agree to co-operate to the fullest extent possible in achieving these ends.

Article IX—Statistical Services

1. The United Nations and the Union agree to strive for maximum co-operation, the elimination of all undesirable duplication between them, and the most efficient use of their technical personnel in their respective collection, analysis, publication, standardization, improvement and dissemination of statistical information. They agree to combine their efforts to secure the greatest possible usefulness and utilization of statistical information and to minimize the burdens placed upon national governments and other organizations from which such information may be collected.

2. The Union recognizes the United Nations as the central agency for the collection, analysis, publication, standardization, improvement and dissemination of statistics serving the general purpose of international organizations.

3. The United Nations recognizes the Union as the central agency responsible for the collection, analysis, publication, standardization, improvement and dissemination of statistics within its special sphere, without prejudice to the rights of the United Nations to concern itself with such statistics so far as they may be essential for its own purposes or for the improvement of statistics throughout the world. All decisions as to the form in which its service documents are compiled rest with the Union.

4. In order to build up a central collection of statistical information for general use, it is agreed that data supplied to the Union for incorporation in its basic statistical series or special reports should so far as practicable be made available to the United Nations upon request.

5. It is agreed that data supplied to the United Nations for incorporation in its basic statistical series or special reports should so far as practicable and appropriate be made available to the Union upon request.

Article X—Administrative and Technical Services

1. The United Nations and the Union recognize the desirability in the interests of the most efficient use of personnel and resources, of avoiding, whenever possible, the establishment of competitive or overlapping services, and when necessary to consult thereon to achieve these ends.

2. Arrangements shall be made between the United Nations and the Union in regard to the registration and deposit of official documents.

Article XI—Budgetary and Financial Arrangements

1. The budget or the proposed budget of the Union shall be transmitted to the United Nations at the same time as such budget is transmitted to the Members of the Union and the General Assembly may make recommendations thereon to the Union.

2. The Union shall be entitled to send representatives to participate, without vote, in the deliberations of the General Assembly or any committee thereof at all times when the budget of the Union is under consideration.

Article XII—Financing of Special Services

1. In the event of the Union being faced with the necessity of incurring substantial extra expense as a result of any request which the United Nations may make for special reports, studies or assistance in accordance with Article VI or with any other provisions of this agreement, consultation shall take place with a view to determining the most equitable manner in which such expense shall be borne.

2. Consultation between the United Nations and the Union shall similarly take place with a view to making such arrangements as may be found equitable for covering the costs of central administrative, technical or fiscal services or facilities or other special assistance requested by the Union and provided by the United Nations.

Article XIII—United Nations Laissez-passer

Officials of the Union shall have the right to use the laissez-passer of the United Nations in accordance with special arrangements to be negotiated between the Secretary-General of the United Nations and the competent authorities of the Union.

Article XIV—Inter-Agency Agreements

1. The Union agrees to inform the Economic and Social Council of the nature and scope of any formal agreement contemplated between the Union and any other specialized agency or other inter-governmental organization or international non-governmental organization, and further will inform the Economic and Social Council of the details of any such agreement, when concluded.

2. The United Nations agrees to inform the Union of the nature and scope of any formal agreement contemplated by any other specialized agencies of matters which might be of concern to the Union and further will inform the Union of the details of any such agreement, when concluded.

Article XV—Liaison

1. The United Nations and the Union agree to the foregoing provisions in the belief that they will contribute to the maintenance of effective liaison between the two organizations. They affirm their intention of taking whatever measures may be necessary to this end.

2. The liaison arrangements provided for in this agreement shall apply, as far as appropriate, to the relations between the Union and the United Nations, including its branch and regional offices.

Article XVI—United Nations Telecommunications Service

1. The Union recognizes that it is important that the United Nations shall benefit by the same rights as the Members of the Union for operating telecommunication services

2 The United Nations undertakes to operate the telecommunication services under its control in accordance with the terms of the International Telecommunication Convention and the regulations annexed thereto.

3. The precise arrangements for implementing this article shall be dealt with separately.

Article XVII—Implementation of Agreement

The Secretary-General of the United Nations and the appropriate authority of the Union may enter into such supplementary arrangements for the implementation of this agreement as may be found desirable.

Article XVIII—Revision

On six months' notice given on either part, this agreement shall be subject to revision by agreement between the United Nations and the Union.

Article XIX—Entry into Force

1. This agreement will come into force provisionally after approval by the General Assembly of the United Nations and the Plenipotentiary Telecommunication Conference at Atlantic City in 1947.

2. Subject to the aforementioned approvals, the agreement will formally enter into force at the same time as the International Telecommunication Convention concluded at Atlantic City in 1947 or at some earlier date as may be arranged for by a decision of the Union.

FINAL PROTOCOL[*]

To the International Telecommunication Convention (Malaga-Torremolinos, 1973)

At the time of signing the International Telecommunication Convention (Malaga-Torremolinos, 1973), the undersigned plenipotentiaries take note of the following statements forming part of the Final Acts of the Plenipotentiary Conference (Malaga-Torremolinos, 1973):

I

For the Republic of Afghanistan:

The Delegation of the Government of the Republic of Afghanistan to the Plenipotentiary Conference of the International Telecommunication Union (Malaga-Torremolinos, 1973) reserves for its Government the right not to accept any financial measure which might lead to an increase in its contributory share to defraying the expenses of the Union; and to take any measures it may deem necessary to protect its telecommunication services should any Member fail to observe the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973).

II

For the Kingdom of Swaziland:

The Delegation of the Kingdom of Swaziland reserves the right of its Government to take any action it deems necessary to safeguard its interests in the event of Members or Associate Members failing in any way to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or the Annexes and Regulations annexed thereto or should reservations by other countries jeopardize its telecommunication services.

III

For Greece:

The Greek Delegation declares on behalf of its Government that it accepts no consequences of any reservations made by other Governments, which might lead to an increase in its share in defraying the expenses of the Union.

It also reserves for its Government the right to take such action as it may consider necessary to protect its interests, should certain Members of the Union not take their share in defraying Union expenses, or in any other way fail to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973), its Annexes or Protocols attached thereto, or if the reservations made by other countries should jeopardize the proper operation of its own telecommunication services.

IV

For Pakistan:

The Delegation of the Government of Pakistan to the Plenipotentiary Conference of the International Telecommunication Union (Malaga-Torremolinos, 1973) reserves the right of accepting the implications that might arise through the non-adherence by any other Member of the Union to the provisions of the Convention (1973) or of its related Regulations.

V

For the Republic of Indonesia:

The Delegation of the Republic of Indonesia hereby reserves the right of its Government to take:

(*) *Note by the General Secretariat:* The texts of the Final Protocol are shown in the chronological order of their deposit.

In the Table of Contents these texts are grouped in the alphabetical order of country names.

1. any action it deems necessary to safeguard its interests should Members in any way fail to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or should reservations by other countries jeopardize its telecommunication services;

2. further action in accordance with the Constitution and Laws of the Republic of Indonesia.

VI

For the Republic of Cyprus:

The Delegation of Cyprus declares that the Government of the Republic of Cyprus cannot accept any financial consequences that might arise as a result of reservations made by their governments taking part in the Plenipotentiary Conference (Malaga-Torremolinos, 1973).

It also reserves for its Government that right to take any action it deems necessary to safeguard its interest should Members in any way fail to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or should reservations by other countries jeopardize its telecommunication services.

VII

For the Kingdom of Laos:

The Delegation of the Royal Government of Laos to the Plenipotentiary Conference of the International Telecommunication Union reserves its Government's right to refuse to accept any financial measure which might lead to an increase in its contributory share in defraying Union expenses and to take any action it deems necessary to safeguard its interests should Members of the Union in any way fail to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973).

It also reserves the right not to share in any payment, irrespective of the amount, of debts owed to the Union by Member countries.

VIII

For Chile:

The Delegation of Chile expressly states that, whenever the International Telecommunication Convention, its Annexes and Regulations, or documents of any kind, mention, or refer to "Antarctic Territories" as dependencies of any State, the said mentions or references do not, and cannot, apply to the Chilean Antarctic Sector, which is an integral part of the national territory of the Republic of Chile, over which that Republic holds inalienable rights.

IX

For Jamaica:

The Delegation of Jamaica reserves for its Government the right not to accept any financial measure which might lead to an increase in its contributory share to defraying the expenses of the Union, and the right to take such action as it may consider necessary to safeguard its interests should certain Members not share in defraying the expenses of the Union, or should they fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Protocols thereto or should reservations by other countries jeopardize the telecommunication services of Jamaica.

X

For the Kingdom of Lesotho:

The Lesotho Delegation hereby declares on behalf of the Lesotho Government:

1. that it will not accept any consequences resulting from any reservation made by and country, and reserves the right to take any action it deems fit;

2. that it reserves the right to take such action as it may consider necessary to protect its interest, should any other country not observe the provisions of this Convention (Malaga-Torremolinos, 1973).

XI

For the Republic of Liberia:

The Delegation of the Republic of Liberia reserves the right of its Government to take any action it may deem necessary to safeguard its interests should Members in any way fail to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973), its Annexes or Protocols attached thereto, or should reservations by other countries jeopardize the telecommunication services of the Republic of Liberia or lead to an increase in its share towards defraying the expenses of the Union.

XII

For Malawi:

The Delegation of Malawi reserves the right of its Government to take such action as it may consider necessary to safeguard its interests, should certain Members not share in defraying the expenses of the Union or should they fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Protocols attached thereto, or should reservations by other countries jeopardize its telecommunications services.

XIII

For the Republic of Rwanda:

The Delegation of the Republic of Rwanda reserves for its Government the right:

1. not to accept any financial measure which might lead to an increase in its contributory share in defraying the expenses of the Union;

2. to take such action as it may deem necessary to protect its interests, should Members fail to observe in any way the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or should the reservations made by other countries jeopardize the proper operation of its telecommunication services.

XIV

For the Republic of Singapore:

The Delegation of the Republic of Singapore reserves for its Government the right to take such action as it may consider necessary to safeguard its interests should any country fail in any way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or should reservations by any country jeopardize its telecommunication services or lead to an increase in its share towards defraying the expenses of the Union.

XV

For the Byelorussian Soviet Socialist Republic, the People's Republic of Bulgaria, Cuba, the Hungarian People's Republic, the Mongolian People's Republic, the People's Republic of Poland, the German Democratic Republic, the Ukrainian Soviet Socialist Republic, the Czechoslovak Socialist Republic and the Union of Soviet Socialist Republics:

The Delegations of the above-mentioned countries state as follows on behalf of their respective Governments:

inasmuch as there are two zones and two administrations in South Viet-Nam (the Provisional Revolutionary Government of South Viet-Nam and the Saigon Administration), signature of the Convention and of other Final Acts of the Plenipotentiary Conference by the delegates of the Saigon Administration cannot be considered to be a signature in the name of South Viet-Nam;

the South Korean authorities do not represent the whole of Korea and cannot sign the Convention and other Final Acts of the Plenipotentiary Conference in the name of Korea.

XVI

For Barbados:

The Delegation of Barbados reserves for its Government the right to take such action as it may consider necessary to safeguard its interests, should any Member or Members not share in defraying the expenses of the Union, or should they fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Protocols attached thereto, or should reservations by other Members jeopardize the telecommunication services of Barbados.

XVII

For the People's Republic of Bangladesh:

1. Upon signing the Final Protocol of the International Telecommunication Convention (Malaga-Torremolinos, 1973), the Delegation of the People's Republic of Bangladesh reserves the right for its Government not to accept any financial consequences which might lead to an increase in its contributory share to defray the expenses of the Union that might arise as a result of reservations made by other Governments taking part in the Plenipotentiary Conference (Malago-Torremolinos, 1973).

2. It also reserves for its Government the right to take any action it deems necessary to safeguard its interest, should any Member in any way fail to comply with the requirements of the International Telecommunication Convention (Malago-Torremolinos, 1973), its Annexes or Protocols attached thereto, or should reservations made by other Governments jeopardize the proper operation of its own telecommunication services.

3. It further reserves for its Government the right to adhere to all or to some of the provisions of the Telegraph, Telephone, Radio and Additional Radio Regulations referred to in Article 82 of the General Regulations.

XVIII

For Malaysia:

The Delegation of Malaysia hereby:

1. reserves the right of its Government to take any action it deems necessary to safeguard its interests should Members in any way fail to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or should reservations by other countries jeopardize its telecommunications services;

2. declares that the signature, and possible subsequent ratification by the Government of Malaysia to the said Convention above, is not valid with respect to the Member appearing in Annex 1 under the name of Israel and in no way implies its recognition.

XIX

For the United Kingdom of Great Britain and Northern Ireland:

The Delegation of the United Kingdom of Great Britain and Northern Ireland reserve for their Government the right to take such action as they may consider necessary to safeguard their interests should certain Members not share in defraying the expenses of the Union, or should any Members fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Protocols attached thereto, or should reservations by other countries jeopardize their telecommunication services.

XX

For Turkey:

The Delegation of the Government of Turkey to the Plenipotentiary Conference of the International Telecommunication Union (Malaga-Torremolinos, 1973) reserves the right of its Government to take any action it may deem necessary to protect its interests if reservations made by other Members of the Union lead to an increase in its contributory share in defraying the expenses of the Union.

XXI

For the Socialist Federal Republic of Yugoslavia:

The Delegation of the Socialist Federal Republic of Yugoslavia states on behalf of its Government that:

1. since two Regions and two Administrations exist in South Viet-Nam, the Provisional Revolutionary Government of the Republic of South Viet-Nam and the Saigon régime, the Convention and other Acts of the Plenipotentiary Conference (Malaga-Torremolinos, 1973), signed by the representatives of the Saigon regime, cannot be considered as signed on behalf of South Viet-Nam;

2. the representatives of South Korea have no right to sign the Convention and other Acts of the Plenipotentiary Conference (Malaga-Torremolinos, 1973) on behalf of the whole of Korea.

XXII

For the Socialist Republic of Roumania:

A

The Delegation of the Socialist Republic of Roumania declares, on behalf of its Government, that:

1. it considers the claims of the representatives of South Korea to speak on behalf of the whole of Korea within the International Telecommunication Union to be without foundation and completely devoid of legal validity, since the Seoul régime does not and cannot represent the Korean people;

2. the Saigon Administration cannot unilaterally represent South Viet-Nam;

The Delegation of the Socialist Republic of Roumania considers that the sole legal representative of Cambodia is the Royal Government of National Union of Cambodia.

B

The Delegation of the Socialist Republic of Roumania reserves for its Government the right to take any action it considers necessary to safeguard its interests and to accept or not to accept the financial consequences of any reservations made by other countries.

XXIII

For Malaysia:

The delegation of Malaysia reserves for its Government the right to take such action as it may deem necessary to safeguard its interests should certain Members not share in defraying the expenses of the Union.

XXIV

For Thailand:

The Delegation of Thailand reserves the right of its Government to take any action that it deems necessary to safeguard its interests should any country fail, in any way, to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or should reservations made by any country jeopardize its telecommunication services or lead to an increase in its share towards defraying the expenses of the Union.

XXV

For the Malagasy Republic:

The Delegation of the Malagasy Republic reserves for its Government the right to take any action it deems necessary to safeguard its interests should Members of the Union fail in any way to observe the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or should reservations by other countries jeopardize its own telecommunication services.

It also reserves for its Government the right not to accept any financial consequences of reservations made by other Governments taking part in the present Conference.

XXVI

For Guatemala:

The Delegation of the Government of Guatemala to the Plenipotentiary Conference of the International Telecommunication Union (Malaga-Torremolinos, 1973) reserves for its Government the right not to accept any financial measure which might lead to an increase in its contributory share in defraying the expenses of the Union; it also reserves the right in connection with the payment of the sums owed by Members of the Union whatever the amount.

XXVII

For Trinidad and Tobago:

The Delegation of the Government of Trinidad and Tobago reserves, on behalf of its Government, the right not to accept any financial measures which might lead to an increase in its contributory share and to take such action as it may consider necessary to safeguard its interests should certain Members not share in defraying the expenses of the Union or should they fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or its Annexes or the Protocols attached thereto or should reservations by other countries jeopardize its telecommunications services.

XXVIII

For the Islamic Republic of Mauritania:

The Delegation of the Government of the Islamic Republic of Mauritania to the International Telecommunication Union Plenipotentiary Conference (Malaga-Torremolinos, 1973) reserves for its Government the right not to accept any financial measure which might lead to an increase in its contributory share in defraying the Union expenses and to take any measures it deems necessary to protect its telecommunication services if any Members do not observe the terms of the International Telecommunication Convention (Malaga-Torremolinos, 1973).

XXIX

For the Federal Republic of Germany, Austria, Belgium, Denmark, Finland, Iceland, the Principality of Liechtenstein, Norway, the Kingdom of the Netherlands, Sweden and the Confederation of Switzerland:

The Delegations of the above-mentioned countries formally declare with regard to Article 82 of the International Telecommunication Convention (Malaga-Torremolinos, 1973), that they maintain the reservations made on behalf of their administrations when signing the Regulations mentioned in Article 82.

XXX

For Somali Democratic Republic:

The Delegation of Somalia declares that the Government of Somali Democratic Republic cannot accept any financial consequences that might arise as a result of reservations made by other Governments taking part in the Plenipotentiary Conference (Malaga-Torremolinos, 1973).

It also reserves for its Government the right to take any action it deems necessary to safeguard its interest, should Members in any way fail to comply with the requirements of the International Communication Convention (Malaga-Torremolinos, 1973) or should reservations by other countries jeopardize its telecommunication services.

XXXI

For Nicaragua:

The Delegation of Nicaragua declares that it reserves its Government's right to accept, or not to accept, the consequences of any reservation which would lead to an increase in its contributory share in defraying the expenses of the Union.

XXXII

For the United Republic of Cameroon:

The Delegation of the United Republic of Cameroon to the Plenipotentiary Conference of the International Telecommunication Union (Malaga-Torremolinos, 1973) declares on behalf of its Government that it reserves the right to take all necessary measures to safeguard its interests should the reservations made by other delegations on behalf of their Governments or failure to comply with the Convention tend to jeopardize the proper operation of its telecommunication services.

Moreover the Government of the United Republic of Cameroon accepts no consequence of any reservations made by other delegations to this Conference which would lead to an increase in its share in defraying Union expenditure.

XXXIII

For the Republic of Kenya:

The Delegation of the Republic of Kenya reserves the right of its Government to take any action it deems necessary to safeguard its interests in the event of Members failing in any way to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or should reservations by other countries jeopardize its telecommunications services or lead to an increase in its contributory share in defraying the expenses of the Union.

XXXIV

For the Republic of Uganda:

The Delegation of the Government of the Republic of Uganda reserves the right of its Government to take any action it deems necessary to safeguard its interests in the event of a Member failing in any way to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or should reservations by a Member jeopardize its telecommunication services or lead to an increase in its contributory share in defraying the expenses of the Union.

XXXV

For the United Republic of Tanzania:

The Delegation of the United Republic of Tanzania reserves the right of its Government to take any action it deems necessary to safeguard its interests in the event of Members failing in any way to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or should reservations by other countries jeopardize its telecommunications services or lead to an increase in its contributory share in defraying the expenses of the Union.

XXXVI

For Italy:

The Delegation of Italy declares that the Government of Italy cannot accept any financial consequences that might arise as a result of reservations made by other Governments taking part in the Plenipotentiary Conference (Malaga-Torremolinos, 1973).

It also reserves for its Government the right to take any action it deems necessary to safeguard its interest, should Members in any way fail to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or should reservations by other countries jeopardize its telecommunication services.

XXXVII

For Algeria (Algerian Democratic and Popular Republic), the Kingdom of Saudi Arabia, the Arab Republic of Egypt, the United Emirates, the Republic of Iraq, the State of Kuwait, Lebanon, the Libyan Arab Republic, the Kingdom of Morocco, the Islamic Re-

public of Mauritania, the Sultanate of Oman, Pakistan, the Somali Democratic Republic, the Democratic Republic of the Sudan, Tunisia, the Yemen Arab Republic, the People's Democratic Republic of Yemen:

The above-mentioned Delegations declare that the signature, and possible subsequent ratification by their respective Governments of the International Telecommunication Convention (Malaga-Torremolinos, 1973), are not valid with respect to the Member appearing in Annex 1 to this Convention under the name of Israel, and in no way imply its recognition.

XXXVIII

For the United States of America:

The United States of America formally declares that the United States of America does not, by signature of this Convention on its behalf, accept any obligations in respect of the Telephone Regulations or the Additional Radio Regulations referred to in Article 42 of the International Telecommunication Convention (Malaga-Torremolinos, 1973) and in Article 82 of the General Regulations thereof.

XXXIX

For the Republic of Afghanistan:

The Government of the Republic of Afghanistan reserves the right to make any statement or reservation until the time of ratification of the Convention (Malaga-Torremolinos, 1973) by its Government.

XL

For the Federal Republic of Nigeria:

In signing this Convention, the Delegation of the Federal Republic of Nigeria hereby declares that its Government reserves the right to take any action which it considers necessary to safeguard its interests should certain Members not share in defraying the expenses of the Union, or should they fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes, or the Protocols attached thereto, or should reservations by other countries endanger the telecommunications services of the Federal Republic of Nigeria.

XLI

For Mauritius:

The Delegation of Mauritius reserves for Government the right to take such action as it considers necessary to safeguard its interests, should certain Members not share in defraying the expenses of the Union, or should they fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Protocols attached thereto, or should reservations by other countries jeopardize the telecommunication service of Mauritius.

XLII

For Denmark, Finland, Iceland, Norway and Sweden:

The Delegations of the above-mentioned countries declare on behalf of their respective Governments that they accept no consequences of any reservations which would lead to an increase in the shares they take in defraying the expenses of the Union.

XLIII

For the People's Democratic Republic of Yemen:

The Delegation of the People's Democratic Republic of Yemen reserves the right of its Government to take any action that it deems necessary to safeguard its interests should any country fail in any way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or should reservations by any country jeopardize its telecommunication service or lead to an increase in its share towards defraying the expenses of the Union.

XLIV

For the Republic of India:

1. Upon signing the Final Acts of the International Telecommunication Plenipotentiary Conference (Malaga-Torremolinos, 1973), the Republic of India does not accept any final implications resulting from any reservation that might be made on the budgetary matters of the Union by any Member.

2. The Delegation of the Republic of India further reserves the right of its Government to take appropriate steps if necessary to ensure proper functioning of the Union and its permanent organs and implementation of the General Regulations and Administrative Regulations of the Convention, should any country reserve and/or not accept the provisions of the Convention and of the Regulations mentioned above.

XLV

For Sierra Leone:

The Delegation of Sierra Leone hereby declares, that it reserves for its Government the right not to accept any financial measure which might lead to an increase in its contributory share to defraying the expenses of the Union.

It further reserves for its Government the right to take any action which it deems necessary to safeguard its interests, should Members of the Union in any way fail to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or should reservations by other Member countries jeopardize its telecommunications services.

XLVI

For the People's Republic of the Congo:

The Delegation of the People's Republic of the Congo reserves for its Government the right not to accept any financial measure that might lead to an increase in its contributory share in defraying Union expenses, and the right to take such action as it deems necessary to safeguard its interests should certain Members not share in defraying the expenses of the Union or should they fail to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973).

XLVII

For the Republic of Botswana:

The Delegation of the Republic of Botswana reserves the right of its Government to take any action it considers necessary to safeguard its interest, should any Member or Members not share in defraying the expenses of the Union, or in the event of Members failing in any way to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Regulations, Annexes or Protocols attached thereto, or should reservations by other countries jeopardize its telecommunications services.

XLVIII

For Ghana:

1. The Ghana Delegation declares that its signature of the International Telecommunication Convention (Malaga-Torremolinos, 1973), and subsequent ratification of that document by its Government do not in any way imply the recognition of the Government of South Africa and do not entail any obligations towards that Government.

2. The Ghana Delegation also reserves for its Government the right to take any measures it considers necessary to protect its interests should the noncompliance of and reservations from the said Convention by other Members jeopardize its telecommunication services.

XLIX

For the Byelorussian Soviet Socialist Republic, the People's Republic of Bulgaria, Cuba, the Hungarian People's Republic, the Mongolian People's Republic, the People's Republic of Poland, the German Democratic Republic, the Ukrainian Soviet Socialist Republic, the Socialist Republic of Roumania, the Czechoslovak Socialist Republic and the Union of Soviet Socialist Republics:

The Delegations of the above-mentioned countries declare in the name of their respective Governments that, in signing the International Telecommunication Convention (Malaga-Torremolinos, 1973), they leave open the question of the acceptance of the Radio Regulations (Geneva, 1959).

L

For the People's Republic of Bulgaria, Cuba, the Hungarian People's Republic, the Mongolian People's Republic, the People's Republic of Poland, the German Democratic Republic and the Czechoslovak Socialist Republic:

The Delegations of the above-mentioned countries reserve for their Governments the right to take such action as they deem necessary to safeguard their interests should reservations made by other countries lead to an increase in their shares in defraying the expenses of the Union or should certain Members of the Union not bear their share of the expenses of the Union.

LI

For Cuba:

The Delegation of Cuba to the Plenipotentiary Conference (Malaga-Torremolinos, 1973) declares on behalf of its Revolutionary Government that it recognizes no legal or moral value in the signature of the Final Acts by the puppet delegation of the Lon Nol régime. The only persons entitled to represent Cambodia and sign the Final Acts of the Conference on its behalf are the representatives of the Royal Government of National Unity of Kambudja (G.R.U.N.K.).

LII

For the Republic of the Ivory Coast:

The Delegation of the Republic of the Ivory Coast declares that it reserves the right to accept or not accept the consequences of any reservations made by other Governments to this Convention (Malaga-Torremolinos, 1973) which might lead to an increase in its contributory share in defraying the expenses of the Union or which might jeopardize its telecommunication services.

LIII

For Australia:

The Delegation of Australia reserves the right of its Government to take such action as it considers necessary to safeguard its interests in the event of certain Members not sharing in defraying the expenses of the Union in respect of existing debts and the interest thereon and in respect of future subscriptions or should they fail in any other way to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or the Annexes, Protocols or Regulations attached thereto or should reservations by other countries jeopardize its telecommunication services.

LIV

For New Zealand:

The Delegation of New Zealand reserves for its Government the right to take such action as it may consider necessary to safeguard its interests should certain Members not share in defraying the expenses of the Union, or should they fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Protocols attached thereto or should reservations by other countries jeopardize the telecommunication services of New Zealand.

LV

For the Republic of the Niger:

The Delegation of the Republic of the Niger to the Plenipotentiary Conference of the International Telecommunication Union declares that it cannot accept any increase in its contributory share in the budget of the Union due to the failure of any other Member to pay its contributions and other related charges.

It also reserves for its Government the right to take all necessary action to safeguard its telecommunication interest should any Member of the Union fail to observe the provisions of the Convention of Malaga-Torremolinos, 1973.

LVI

For the People's Republic of the Congo:

The Delegation of the People's Republic of the Congo declares on behalf of its Government that:

1. Since South Viet-Nam consists of two zones coming under two administrations (the Provisional Revolutionary Government of the Republic of South Viet-Nam and the Saigon authorities), the Delegation of the Saigon authorities cannot possibly be regarded as signing the Convention and the other Final Acts of the Plenipotentiary Conference on behalf of the whole of South Viet-Nam.

2. Since the southern part of Korea does not represent the whole of Korea, the delegates of South Korea cannot be regarded as signing the Convention and the other Final Acts of the Plenipotentiary Conference on behalf of Korea.

LVII

For the Republic of Sri Lanka (Ceylon):

The Delegation of the Government of Sri Lanka (Ceylon) to the Plenipotentiary Conference of the International Telecommunication Union (Malaga-Torremolinos, 1973) reserves for its Government:

1. the right not to accept any financial measure which might lead to an increase in its contributory share to defraying the expenses of the Union;

2. the right to take any action it deems necessary to protect its interests in the event of Members failing in any way to comply with the provisions of the International Telecommunication Union Convention (Malaga-Torremolinos, 1973) or the Annexes and Regulations annexed thereto or should reservations by other countries jeopardize its telecommunications services;

3. to take any further action in accordance with the Constitution and Laws of the Republic of Sri Lanka (Ceylon) whenever necessary.

LVIII

For the Khmer Republic:

The Khmer Delegation reserves the rights of its Government with respect to the ratification of the Final Acts of the Conference because of the reservations made by certain delegations concerning the Government of the Khmer Republic.

It further declared that it cannot accept any financial measure which would lead to an increase in its contributory share.

LIX

For the People's Republic of China:

The Delegation of the People's Republic of China wishes to state as follows:

1. The traitorous Lon Nol clique is a handful of Cambodian national scum and is illegal from the very beginning. It has no right whatsoever to sign the International Telecommunication Convention (Malaga-Torremolinos, 1973), on behalf of the Cambodian people.

The Paris Agreement on Viet-Nam has in fact recognized the existence of two administrations in South Viet-Nam, that is, the Provisional Revolutionary Government of the Republic of South Viet-Nam and the Saigon Administration. In the present circumstances, the unilateral representation of the Saigon Administration in the I.T.U. Conference is inappropriate. In the circumstances in which agreement in principle has been reached between the North and the South of Korea on the independent and peaceful reunification of the country, it is unreasonable for the South Korean authorities to be represented in the I.T.U. Conference on its own. In view of the above, the representatives of the Saigon Administration and the South Korean authorities have no right to sign the International Telecommunication Convention (Malaga-Torremolinos, 1973), on their own.

2. The Chinese Delegation makes reservations on the provisions in the International Telecommunication Convention (Malaga-Torremolinos, 1973), concerning the assignment and utilization of radio frequencies as well as the assignment and recording of the positions of geostationary satellites.

LX

For the Union of Burma:

The Delegation of the Union of Burma, in signing this Convention, reserves for its Government the right to take any action it considers necessary to safeguard its interests if reservations made by other countries should lead to an increase in its contributory share in defraying Union expenses.

LXI

For the Republic of Viet-Nam:

The Delegation of the Republic of Viet-Nam reiterates the statements which it made at the Fourth Plenary Meeting and to the Credentials Committee.

Since 1951, when the Republic of Viet-Nam acceded to the I.T.U., our Government has provided every proof of its representativity.

We regret that, for propaganda purposes, some delegations have seen fit to indulge in political polemics which have nothing to do with the I.T.U.

It is false to cite the Paris Agreement as an argument in favour of the so-called Provisional Revolutionary Government of South Viet-Nam, which consists of a handful of men with the sole task of spreading terror, death, ruin and devastation throughout the country.

The Paris Agreement, the main purpose of which is to bring about a cease-fire in Viet-Nam and thus produce a favourable climate for negotiations for the prompt establishment of lasting peace once more in South Viet-Nam, in no way sanctions the so-called Provisional Government as such. The Paris Agreement did not invest, nor was it in its power to invest, the Provisional Revolutionary Government as a "legal" government in Viet-Nam. Nor did it alter, as it was not in its power to alter, the legal and constitutional character of the Government of the Republic of Viet-Nam.

The title of Provisional Revolutionary Government is only a name invented for itself by the so-called Liberation Front of South Viet-Nam, which was set up by Lao-Dong of North Viet-Nam at its Third Congress in Hanoi in September 1960.

Under the name of the National Liberation Front or the Provisional Revolutionary Government, this organization is merely the tool of Hanoi and a completely artificial creation sustained by the expeditionary forces of North Viet-Nam.

We deplore the attitude of the delegations of those countries which, while condemning the policy of aggression, have never made the slightest endeavour—quite the contrary, in fact—to end this painful fratricidal struggle which has been waged in our territory for far too long.

The Delegation of the Republic of Viet-Nam declares that it is the only legitimate representative of South Viet-Nam and that it has been recognized as such by the Conference since the accession of the Republic of Viet-Nam to the I.T.U.

All the statements which have been submitted in connection with this Convention or which have been attached thereto and which are incompatible with the position of the Republic of Viet-Nam are illegal and therefore null and void.

Our delegation also reserves for its Government the right not to accept any financial measures which may lead to an increase in its contributory share in defraying Union expenses and to take all action it may deem necessary to safeguard its interests.

LXII

For the Central African Republic:

The Delegation of the Central African Republic to the Plenipotentiary Conference (Malaga-Torremolinos, 1973) declares that its Government reserves the right to take all necessary action to safeguard its interests should certain Members of the Union fail to observe the provisions of this International Telecommunication Convention and making any abnormal reservations which might lead to an increase in the contributory shares of the Central African Republic in defraying the expenses of the Union.

LXIII

For the Republic of Equatorial Guinea:

The Delegation of the Republic of Equatorial Guinea reserves for its Government the right:

1. not to accept any financial measure which might lead to an increase in its contributory share in defraying Union expenses;

2. to take any action it deems necessary to protect its telecommunication services should any Member fail to observe the terms of the International Telecommunication Convention (Malaga-Torremolinos, 1973).

LXIV

For the Republic of Burundi:

The Delegation of the Republic of Burundi declares that it reserves for its Government the right to accept or not to accept any measures taken to increase its contributory share in defraying the expenses of the Union.

LXV

For the Republic of the Chad:

The Delegation of the Republic of the Chad to the Plenipotentiary Conference of the International Telecommunication Union (Malaga-Torremolinos, 1973) reserves for its Government the right:

1. not to accept any financial measure which would lead to an increase in its contributory share in defraying Union expenses;

2. to take any action it deems necessary to protect its interests should any Member fail in any way to observe the terms of this Convention.

LXVI

For the Republic of Iraq:

The Delegation of the Republic of Iraq declares that its Government reserves the right to take such action as it may consider necessary to protect its interests, should a Member fail in any way to observe the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or should the reservations made by such Member jeopardize its telecommunication services or lead to an increase in Iraq's share in defraying the expenses of the Union.

LXVII

For the Togolese Republic:

The Delegation of the Togolese Republic reserves for its Government the right to take any action it deems advisable should any country not observe the terms of this Convention or should any reservations handed in by Members during the Conference (Malaga-Torremolinos, 1973) or on signature or accession lead to situations prejudicial to its telecommunications services or to an increase which it deems too large in its contributory share in defraying the expenses of the Union.

LXVIII

For the Republic of Dahomey:

The Delegation of the Republic of Dahomey reserves for its Government the right:

1. not to accept any financial measure which might lead to an increase in its contributory share in defraying Union expenses;

2. to take any action it deems necessary to protect its telecommunication services should any Member fail to observe the terms of the International Telecommunication Convention (Malaga-Torremolinos, 1973).

LXIX

For the People's Republic of the Congo:

The Delegation of the People's Republic of the Congo to the Plenipotentiary Conference (Malaga-Torremolinos, 1973) declares on behalf of its Revolutionary Government that it recognizes no legal or moral value in the signature of the Final Acts by the delegation of the reactionary Lon Nol régime. The only persons entitled to represent Cambodia and sign the Final Acts of the Conference on its behalf are the representatives of the Royal Government of National Unity of Kampuchea (G.R.U.N.K.).

LXX

For Papua New Guinea:

Papua New Guinea reserves the right to take such action as it may consider necessary to safeguard its interests should certain Members not share in defraying the expenses of the Union, or should they fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Protocols attached thereto, or should reservations by other countries jeopardize their telecommunication services.

LXXI

For the Republic of El Salvador:

The Delegation of El Salvador reserves for its Government the right to formulate any statement or reservation while this Convention is being ratified and declares that it does not accept any consequence of reservations made by other countries which adversely affect the interests of El Salvador.

LXXII

For the State of Israel:

The declarations made by the Delegations of Algeria (Algerian Democratic and Popular Republic), the Kingdom of Saudi Arabia, the Arab Republic of Egypt, the United Arab Emirates, the Republic of Iraq, the State of Kuwait, Lebanon, the Libyan Arab Republic, Malaysia, the Kingdom of Morocco, the Islamic Republic of Mauritania, the Sultanate of Oman, Pakistan, the Somali Democratic Republic, the Democratic Republic of the Sudan, Tunisia, the Yemen Arab Republic, and of the People's Democratic Republic of Yemen being in flagrant contradiction to the principles and purposes of the International Telecommunication Union and, therefore, void of any legal validity, the Government of Israel wishes to put on record that it rejects these declarations outright and will proceed on the assumption that they can have no validity as to the rights and duties of any Member State of the International Telecommunication Union.

In any case, the Government of Israel will avail itself of its rights to safeguard its interests should the Governments of Algeria (Algerian Democratic and Popular Republic), the Kingdom of Saudi Arabia, the Arab Republic of Egypt, the United Arab Emirates, the Republic of Iraq, the State of Kuwait, Lebanon, the Libyan Arab Republic, Malaysia, the Kingdom of Morocco, the Islamic Republic of Mauritania, the Sultanate of Oman, Pakistan, the Somali Democratic Republic, the Democratic Republic of the Sudan, Tunisia, the Yemen Arab Republic and the People's Democratic Republic of Yemen in any way violate any of the provisions of the Convention, or the Annexes, Protocols or Regulations attached thereto.

LXXIII

For the Republic of Korea:

The Delegation of the Republic of Korea, on behalf of its Government, hereby:

1. declares that any reservation made in connection with, or any declaration made against the validity of its representation of the Republic of Korea in I.T.U. or this Plenipotentiary Conference is without foundation and without legal effect; and

2. reserves the right of its Government to take such action as it may consider necessary to safeguard its interests should certain Members not share in defraying the expenses of the Union, or should any Members fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Protocols attached thereto, or should reservations by other countries jeopardize its telecommunication services.

LXXIV

For Belgium:

The Delegation of Belgium reserves for its Government the right to take such action as it may deem necessary to safeguard its interests, should certain Members not share in defraying the expenses of the Union, or should they fail in any other way to comply with the provisions of this Convention, or its Annexes or the Protocols attached thereto, or should reservations by other countries be likely to increase its share in defraying the expenses of the Union or jeopardize its telecommunications services.

LXXV

For the Libyan Arab Republic:

The Delegation of the Libyan Arab Republic reserves for its Government the right to accept or refuse to accept the consequences of any reservations made by other countries which might lead to an increase in its contributory share in defraying the Union expenses, and to take any measure it deems necessary to protect its interests if any Member or Associate Member fail in any way to observe the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or of its related Regulations.

LXXVI

For the Gabon Republic:

In signing the International Telecommunication Convention (Malaga-Torremolinos, 1973), the Delegation of the Gabon Republic reserves for its Government the right to take such action as it may consider necessary to safeguard its interests, should reservations by other Governments lead to an increase in its contributory share in defraying the expenses of the Union, or jeopardize its telecommunication services.

LXXVII

For the Republic of Upper Volta:

The Delegation of the Republic of Upper Volta to the Plenipotentiary Conference of the International Telecommunication Union (Malaga-Torremolinos, 1973) reserves for its Government the right to refuse any financial measure likely to increase its contributory share in defraying the expenses of the Union and to take any action considered necessary to safeguard its interests, should other Members fail to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Regulations included.

LXXVIII

For the Republic of Mali:

The Delegation of the Republic of Mali to the Plenipotentiary Conference of the International Telecommunication Union declares that it cannot accept any increase in its contributory share in the budget of the Union due to the failure of any other Member to pay its contributions and other related charges.

It also reserves for its Government the right to take all necessary action to safeguard its telecommunication interests should any Member of the Union fail to observe the provisions of the Convention of Malaga-Torremolinos, 1973.

LXXIX

For Nepal:

The Delegation of Nepal reserves for its Government the right to take such action as it may deem appropriate for safeguarding its interest should its annual contributory share amount increase due to any reason whatsoever.

LXXX

For the United Arab Emirates:

The Delegation of the United Arab Emirates declares that its Government reserves the right to take such action as it may deem necessary to protect its interests, should a Member fail in any way to observe the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or should the reservations made by such Member jeopardize its telecommunication services or lead to an increase in United Arab Emirates' share in defraying the expenses of the Union.

LXXXI

For the Oriental Republic of Uruguay:

In signing this Convention, the Delegation of the Oriental Republic of Uruguay reserves for its Government the right to take any action it considers necessary to safeguard its interests, should other Members fail to observe the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Protocols attached thereto, or should reservations by other countries jeopardize the telecommunication services of the Oriental Republic of Uruguay.

LXXXII

For the Republic of Bolivia:

In signing this Convention, the Delegation of the Republic of Bolivia reserves for its Government the right to take such action as it may consider necessary to safeguard its interests, should other Members fail to observe the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or its Annexes or the Protocols attached thereto, or should reservations by other countries jeopardize the interests of the Republic of Bolivia, more particularly its telecommunication services.

It also states that its Government reserves the right to make any reservation until the Convention is ratified.

LXXXIII

For the Republic of Senegal:

The Delegation of the Republic of the Senegal declares, on behalf of its Government, that it accepts no consequences of any reservations made by other governments at the present Conference which might lead to an increase in its share in defraying Union expenditure.

Furthermore, the Republic of the Senegal reserves the right to take any action it deems fit to safeguard its interests if the reservations made by other countries, or failure to respect the Convention, should jeopardize the proper working of its telecommunication services.

LXXXIV

For the Argentine Republic:

A

The Delegation of the Argentine Republic reserves for its Government the right:

1. to refuse to accept any financial measure which may entail an increase in its contribution;

2. to take such action as it may consider necessary to protect its telecommunication

services should Member countries fail to observe the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973).

B

The Delegation of the Argentine Republic reserves the right for its Government to enter any reservations which it may consider necessary concerning the texts to be included in the International Telecommunication Convention (Malaga-Torremolinos, 1973) which may affect its sovereignty either directly or indirectly.

LXXXV

For the Republic of Guinea:

The Delegation of the Republic of Guinea reserves for its Government the right to take such action as it may consider necessary to safeguard its interests should Members fail, in any way whatever, to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or should reservations by other countries jeopardize its telecommunication services, the right to accept, or not to accept, the financial consequences that might possibly arise from those reservations.

LXXXVI

For Spain:

The Delegation of Spain states in the name of its Government that, so far as it is concerned, the word "country" used in the Preamble, Article 1, and other provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) is synonymous with the phrase "sovereign state" and has the same value, scope, legal and political content as the latter phrase.

LXXXVII

For the Argentine Republic:

In signing this Convention, the Delegation of the Argentine Republic states on behalf of its Government that any reference in the Final Protocol of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or in any other document of the Conference to the Malvinas Islands, the South Georgia Islands and the South Sandwich Islands under the erroneous denomination of "Falkland Islands Dependencies" in no way prejudices the absolute and inalienable sovereign rights of the Argentine Republic thereover. Their occupation by the United Kingdom of Great Britain and Northern Ireland as the result of an act of force never accepted by the Argentine Republic led the United Nations in Resolution 2065 (XX) to call on both parties to seek a peaceful solution to the dispute over sovereignty over the islands.

It must also be made clear that any reference in these documents to the so-called "British Antarctic Territories" in no way prejudices the rights of the Argentine Republic in the Argentine Antarctic Sector and that the same point is made in Article IV of the Antarctic Treaty signed in Washington on 1 December 1959, to which the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland are signatories.

LXXXVIII

For Algeria (Algerian Democratic and Popular Republic):

The Delegation of the Algerian Democratic and Popular Republic to the Plenipotentiary Conference of the International Telecommunication Union (Malaga-Torremolinos, 1973) reserves for its Government the right to take such action as it may consider necessary to protect its interests, should certain Members fail in any way to observe the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or should the reservations made by other Members jeopardize its telecommunication services or lead to an increase in Algeria's share in defraying the expenses of the Union.

LXXXIX

For Peru:

The Delegation of Peru declares that Peru will under no circumstances feel itself to be bound by the provisions in the Convention concerning arbitration between Members of the Union for the settlement of disputes.

The Delegation of Peru also reserves for its Government the right:

1. to take such actions as it may consider necessary to protect its interests, should other Members fail in any way to comply with the provisions of the Convention or its Regulations, or should the reservations made by them jeopardize Peru's telecommunication services;

2. to accept or not to accept the consequences of any reservations which might lead to an increase in its share in defraying the expenses of the Union;

3. to accept or not to accept all or any of the provisions of the Administrative Telegraph, Telephone and Radio Regulations and Additional Radio Regulations mentioned in the Convention.

XC

For Iran:

The Delegation of Iran reserves the right of its Government to take such action as it considers necessary to safeguard its interests in the event of certain Members not sharing in defraying the expenses of the Union in respect of existing debts and the interest thereon and in respect of future subscriptions or should they fail in any other way to comply with the provisions of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or the Annexes, Protocols or Regulations attached thereto or should reservations by other countries jeopardize its telecommunication services.

XCI

For the Byelorussian Soviet Socialist Republic, the People's Republic of Bulgaria, Cuba, the Hungarian People's Republic, the Mongolian People's Republic, the People's Republic of Poland, the German Democratic Republic, the Ukrainian Soviet Socialist Republic, the Socialist Republic of Roumania, the Czechoslovak Socialist Republic and the Union of Soviet Socialist Republics:

The Delegations of the above-mentioned countries consider that the provisions of No. 5 of the International Telecommunication Union Convention (Malaga-Torremolinos, 1973) are not in conformity with the principle whereby multilateral international treaties whose aim and purpose concern the international community as a whole, as is the case with telecommunications (see Article 4 of the above-mentioned Convention), should be open to universal participation.

XCII

For the Republic of the Philippines:

The Delegation of the Republic of the Philippines reserves for its Government the right to take such action as may be necessary to safeguard its interests should certain Members fail to pay their shares in the expenses of the Union which may result to an increase in its contribution or to any consequences of reservations made by other countries which shall adversely affect the interests of the Philippines.

XCIII

For the Federal Republic of Germany:

The Delegation of the Federal Republic of Germany reserves for its Government the right to take such action as it may deem necessary to safeguard its interests, should certain Members not share in defraying the expenses of the Union, or should they fail in any other way to comply with the provisions of this Convention, or its Annexes or the Protocols attached thereto, or should reservations by other countries be likely to increase its share in defraying the expenses of the Union or jeopardize its telecommunications services. The Delegation also reserves the right for its Government, in the event of the Union's ordinary budget being charged with expenses for technical cooperation purposes, to take appropriate consequential action.

XCIV

For France:

The French Delegation reserves for its Government the right to take such action as it may consider necessary to safeguard its interests, should certain Members not share in defraying the expenses of the Union, or should they fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Protocols attached thereto, or should reservations by other countries jeopardize the efficient operation of its telecommunication services.

XCV

For Monaco:

The Delegation of Monaco reserves for its Government the right to take such action as it may consider necessary to safeguard its interests, should certain Members not share in defraying the expenses of the Union or should they fail to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or its Annexes or the Protocols attached thereto, or should reservations by other countries jeopardize the smooth and efficient operation of its telecommunication services.

XCVI

For Austria, Luxembourg and the Kingdom of the Netherlands:

The Delegations of the above-mentioned countries reserve for their Governments the right to take any action which they may consider necessary to safeguard their interests should certain Members not share in defraying the expenses of the Union or should they fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973), or its Annexes or the Protocols attached thereto, or should reservations by other countries be liable to cause an increase in their contributory shares in defraying Union expenses, or, finally, should reservations by other countries jeopardize their telecommunication services.

XCVII

For the Socialist Federal Republic of Yugoslavia:

The Delegation of the Socialist Federal Republic of Yugoslavia reserves for its Government the right:

1. to take any action that it deems necessary to safeguard the interests of its telecommunications should certain Members fail to comply with the provisions of this Convention, or should reservations by other countries jeopardize its telecommunication services;

2. to take any action it may consider necessary to safeguard its interests should certain Members not share in defraying the expenses of the Union, or should any reservations by other countries be liable to cause an increase in its contributory share in defraying Union expenses.

XCVIII

For the Confederation of Switzerland and the Principality of Liechtenstein:

The Delegations of the above-mentioned countries reserve for their Governments the right to take the necessary action to safeguard their interests should any reservations made or other measures adopted have the effect of jeopardizing their telecommunication services or lead to an increase in their contributory shares in defraying Union expenses.

XCIX

For the State of Israel:

The State of Israel reserves its position with respect to Resolution No. 48 in the light of the following facts:

1. The Resolution was based on unsupported accusations, by countries conducting open warfare and unrestricted hostilities against the State of Israel—without a single shred of proof being placed before the meeting.

2. The draft Resolution was considered on Saturday, 20 October—on the background of inflammatory speeches, wild accusations, and implied threats—all this on the Sabbath day, when the accusers were well aware that the only representative of Israel would be absent, for religious observances. Israel was thus made to appear that it was admitting the baseless charges, because it did not take the floor to deny them. In fact, Israel is advised that this was remarked upon in the debate and referred to in Document No. 341 by Malaysia.

3. The religious reasons, which accounted for the absence of the representative of Israel, had been fully explained to the Chairman on the preceding day; the Chairman solemnly promised, that if anything of concern to Israel were to come up on Saturday, he would do all that was in his power to delay consideration—in order to enable the Delegation of Israel to exercise its right to express itself, vide No. 670 of the Convention, Montreaux 1965, which reads as follows:

"It shall be the duty of the Chairman to protect the right of each delegation to express its opinion freely and fully on the point of issue".

4. When this course had not been followed the Delegation of Israel followed orderly procedure, and on the occasion of the first reading of the draft Resolution—in the Plenary Meeting of 22.10.73—set forth in its statement the relevant facts, and formally requested the rejection of the draft Resolution—pursuant to paragraph 692 of the Convention. The Chairman refused to proceed to a vote in the course of the reading of the draft, and ruled the delegate of Israel out of order—contrary to the provisions of the Convention and to common practice. Furthermore, the assembled delegations have thus been deprived of the opportunity to vote on the matter after hearing from both sides.

5. In its statement presented in the Plenary Meeting of 22.10.73, and which was fully reproduced in the Summary Record of that meeting, Israel put forward, *inter alia*, the following:

a) On the same day as the allegation of sabotage of the Beirut submarine cables was made, the Israel spokesman officially denied any responsiblity whatsoever for this occurrence.

b) The cable itself is owned, in large part, by European as well as United States interests, whose sympathy and understanding Israel seeks. Why should Israel wish to endanger these sympathies, and damage the property of friendly nations?

c) Why, also if Israel wished to carry out such an action, would she undertake it so close to shore, where detection would be easy and repair relatively simple?

d) In this case as in the past, acts of sabotage of internal origin have taken place. Oil pipelines have been damaged before, embassies of Arab States have been invaded, high officials of Arab States have been assassinated, planes have been hijacked and hostages have been taken. In all these instances, it was one group within the Arab States acting against another. Here, too, the facts lend themselves to such conclusions. Dissident Arab groups do operate in Lebanon. On those very days such a group, in Beirut, took as hostages some 50 innocent local inhabitants, and played around with their lives. These groups have the minimum skills necessary to handle explosives and to perform this kind of sabotage, and the means to reach the points where the damage allegedly took place. In one stroke they can take revenge for wrongs, real or imagined, and in the current climate place the blame on Israel.

e) It was understood that when Lebanon first reported the cable break, and asked ITALCABLE for assistance in restoration of service via alternate routes, they themselves referred to the cable break as an act of sabotage. Only later, did it occur to them, that this incident could be utilized for propaganda purposes.

In view of the foregoing, the State of Israel considers the so-called Resolution No. 48, as unlawfully and improperly attached to this Convention, as well as having no meaning or effect whatever.

The State of Israel is confident that all fairminded Members of the Union share its views, and will treat the so-called Resolution accordingly.

For Denmark, Finland, Iceland, Norway and Sweden:

The Delegations of the above-mentioned countries reserve for their Governments the right to take such action as they may consider necessary to safeguard their interests should certain Members of the Union not share in defraying the expenses of the Union, or should any Members fail in any other way to comply with the requirements of the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or the Protocols attached thereto, or should reservations by other countries jeopardize their telecommunication services.

For Italy:

1. The Delegation of Italy reserves for its Government the right to take such action as it may deem necessary to safeguard its interests, should certain Members not share in defraying the expenses of the Union, or should they fail in any other way to comply with the provisions of this Convention, or its Annexes or the Protocols attached thereto, or should reservations by other countries be likely to increase its share in defraying the expenses of the Union or jeopardize its telecommunications services. The Delegation also reserves the right for its Government, in the event of the Union's ordinary budget being charged with expenses for technical cooperation purposes, to take appropriate consequential action.

2. Italy reserves the right not to share in defraying any additional costs that the International Telecommunication Union may incur in future Pleniplotentiary and Administrative Conferences through the use of a sixth language of interpretation in accordance with Resolution No. 39 of this Conference.

CII

For the United Kingdom of Great Britain and Northern Ireland:

A

The Delegation of the United Kingdom of Great Britain and Northern Ireland notes the statement of the Delegation of Chile with regard to Antarctic Territories. Insofar as this may be intended to refer to the British Antarctic Territory, Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland have no doubt as to their sovereignty over the British Antarctic Territory.

B

The Delegation of the United Kingdom of Great Britain and Northern Ireland declares that it does not accept the statement of the Argentine Delegation contained in its declaration insofar as this statement disputes the sovereignty of Her Majesty's Government in the United Kingdom over the Falkland Islands and the Falkland Islands Dependencies and the British Antarctic Territory and it wishes formally to reserve the rights of Her Majesty's Government on this question. The Falkland Islands and the Falkland Islands Dependencies and the British Antarctic Territory are and remain an integral part of the territories for the international relations of which the Government of the United Kingdom of Great Britain and Northern Ireland are responsible.

The United Kingdom Delegation also cannot accept the view expressed by the Argentine Delegation that the denomination "Falkland Islands Dependencies" is erroneous nor, insofar as that view refers to the denomination "Falkland Islands", that that denomination is erroneous. The United Kingdom Delegation, moreover, cannot accept the view expressed by the Argentine Delegation that the term "(Malvinas)" should be used in association with the name of the Falkland Islands and the Falkland Islands Dependencies. The decision of the United Nations Special Committee to add "(Malvinas)" after this name related solely to the documents of the United Nations Special Committee on the situation with regard to the implementation of the Declaration on the granting of independence to colonial countries and peoples and has not been adopted by the United Nations for all United Nations documents. It therefore in no way affects the International Telecommunication Convention (Malaga-Torremolinos, 1973) or its Annexes or any other documents published by the International Telecommunications Union.

With regard to Resolution 2065 (XX) of the United Nations the United Kingdom Delegation does not accept the reason given by the Argentine Delegation for that Resolution.

The United Kingdom Delegation notes the reference by the Argentine Delegation to Article IV of the Antarctic Treaty signed in Washington on 1 December 1959 but wishes to state that this Article in no way supports or bears out the dominion or sovereignty of any particular Power over any Antarctic territory: Her Majesty's Government are in no doubt as to the United Kingdom's sovereignty over the British Antarctic Territory.

CIII

For the Republic of Panama:

The Delegation of the Republic of Panama states that it does not accept any declaration made by any country in the International Telecommunication Convention (Malaga-Torremolinos, 1973) or in any other document which affects its sovereign rights over the Panama Canal Zone.

CIV

For the Socialist Republic of Roumania:

In signing the International Telecommunication Convention (Malaga-Torremolinos, 1973), the Roumanian Delegation declares that the maintenance of certain territories in a state of dependence, as referred to in the provisions of Additional Protocol III, is not in conformity with the documents adopted by the United Nations on the granting of independence to colonial countries and peoples including the Declaration relating to the principles of international law concerning friendly relations and cooperation between States in accordance with the United Nations Charter, which was unanimously adopted by United Nations General Assembly Resolution 2625 (XXV) of 24 October 1970 and which solemnly proclaims the obligation of States to promote the implementation of the principle of the equality of rights of peoples and their right to self-determination, with a view to putting a speedy end to colonialism.

CV

Chairman of the Conference:

The Chairman of the Conference deplores the terms employed in the statement made by Israel at the Plenipotentiary Conference, Malaga-Torremolinos, 1973, and included in its Final Protocol, commenting on the application of the Rules of Procedure of Conferences embodied in the General Regulations annexed to the Montreux Convention, 1965.

Number 670 of the Montreux Convention states in fact that "it shall be the duty of the Chairman to protect the right of each delegation to express its opinion freely and fully on the point at issue". This provision clearly relates to delegations which are "present" at the discussion, which does not apply in this case to the Delegation of Israel which, on religious grounds worthy of the highest respect did not attend the Plenary Meeting held on Saturday, 20 October despite the reasons which it had on the evening before to presume that the draft Resolution contained in Document No. 326 submitted by the Delegation of Lebanon would be debated at that meeting. It should be added in this connection that at his meeting with the Delegate of Israel, Mr. Sakked, on Friday, 19 October, the Chairman had been unable to offer any guarantee concerning a postponement of the debate on the draft resolution in question and had merely said that he would hold consultations, which proved unsuccessful, aimed at having the debate deferred until Monday, 22 October.

As the Plenary Meeting of Monday, 22 October, the Delegate of Israel, in the first reading of Resolution No. 48 submitted by the Editorial Committee and contained in Document No. 351, asked for a fresh vote on the content of this draft resolution, basing its request on 692 of the Montreux Convention.

The Chairman's interpretation was that the Plenary Meeting had before it the text of the resolution, before final consideration under 763 of the Montreux Convention, but that it was not dealing with the substance of the matter, which had already been settled at the meeting held on Saturday, 20 October after a roll-call vote in which there were 64 votes in favour and 3 against with 46 abstentions.

The chairman based his ruling on 697 of the Montreux Convention (1965).

IN WITNESS WHEREOF, the respective plenipotentiaries have signed this Final Protocol in each of the Chinese, English, French, Russian and Spanish languages, in a single copy, which shall remain deposited in the archives of the International Telecommunication Union, which shall forward a copy to each of the signatory countries.

Done at Malaga-Torremolinos, 25 October 1973.

The signatures following the Final Protocol are the same as those which follow the Convention.

TELEGRAPH REGULATIONS

ARTICLE 1

Purpose of the telegraph regulations

1.(1) The Telegraph Regulations lay down the general principles to be observed in the international telegraph service.

(2) In implementing the principles of the Regulations, Administrations [1] should comply with the C.C..I.T.T. Recommendations, including any Instructions forming part of those Recommendations, on any matters not covered by the Regulations.

2. These Regulations shall apply regardless of the means of transmission used, so far as the Radio Regulations and the Additional Radio Regulations do not provide otherwise.

ARTICLE 2

Definitions

International Route

An international route comprises the circuits to be used for telecommunication traffic between two international terminal exchanges or offices.

International Public Telegram Service

The service which provides for the exchange of various classes of international telegrams.

International Telegraph Service

Denotes the generality of the various kinds of international telegraph-type services therein comprised, including the telegram and radiotelegram services, the phototelegraph service, the telex service, the data transmission service, the scheduled radiocommunications service and the leased telegraph circuit service.

Ordinary Private Telegrams

Ordinary private telgrams are obligatory private telegrams other than safety of life telegrams, meteorological telegrams and telegrams concerning persons protected in time of war by the Geneva Conventions of 12 August 1949.

Accounting Rate

The accounting rate is the rate agreed between Administrations [1] in a given relation which is used for the establishment of international accounts.

Collection Charge

The collection charge is the charge established and collected by Administrations [1] from its customers for the use of the international telecommunication service.

Instructions

Instructions consist of a Recommendation (or a group of Recommendations) prepared by the C.C.I.T.T. and dealing with practical procedure for operation and rate-fixing, which may be published in the form of a separate manual and made available to Administrations and recognized private operating agencies for use by their operational services.

ARTICLE 3

International system

1. The circuits and installations provided for the international telegraph service shall be sufficient to meet all requirements of the service.

2. Administrations [1] shall cooperate in the establishment, operation and maintenance of the circuits and installations used for the international telegraph service to ensure the best possible quality of service.

ARTICLE 4

Services offered to users

1. (1) The following classes of telegrams shall be obligatory in the international public telegram service:

1. Telegrams relating to the safety of life.
2. Government telegrams and telegrams relative to the application of the United Nations Charter.
3. Meteorological telegrams.
4. Telegrams concerning persons protected in time of war by the Geneva Conventions of 12 August 1949.
5. Ordinary private telegrams.
6. Telegraph service correspondence.

(2) Provisions concerning these classes of telegrams are contained in the Annex.

2. Administrations [1] have the option of accepting other telegrams and telegrams with special services referred to in C.C.I.T.T. Recommendations.

3. Administrations [1] which do not accept telegrams and/or telegrams with special services referred to in 6 in their own services must admit them in transit except in case of suspension of service provided for in Article 33 of the Convention (Montreux, 1965).

4. Administrations [1] may, subject to the applicable national law, provide telex, phototelegraph, data transmission and/or other telegraph services and may place international circuits at the exclusive disposal of users in those relations where circuits remain available after the needs of the public telecommunication services have been satisfied.

5. Administrations [1] may come to bilateral and regional agreements with a view to improving services available to the users, provided that such agreements are not in conflict with Article 10 of these Regulations.

ARTICLE 5

General operating provisions for telegrams

1. The original telegram must be written in characters which are used in the country of origin and which have an equivalent in the table of telegraph signals given in C.C.I.T.T. Recommendations.

2. Each telegram must have an address containing all particulars necessary to ensure delivery of the telegram to the addressee without enquiries or requests for information.

3. Each telegram must contain a text and may contain a signature. The text and the signature may be expressed in plain language or in secret language. These languages may be used together in the same telegram.

4. All Administrations [1] shall accept, in all their relations, telegrams in plain language. They may refuse to admit, in both acceptance and in delivery, private telegrams wholly or partly in secret language, but they must allow these telegrams to pass in transit, except in the case of suspension defined in Article 33 of the Convention (Montreux, 1965).

5. The sender of a telegram in secret language must produce the code from which the text or part of the text or the signature of the telegram is compiled if the office of origin or the Administration to which this office belongs asks him for it. This provision shall not apply to Government telegrams and service telegrams, both of which may be expressed in secret language in all relations.

6. Everything that the sender asks to have transmitted shall be chargeable, with the exception of the route indication and the name of the code used for the wording of a secret language telegram, when this information is required by the country of origin or by the country of destination.

7. Telegrams shall be delivered according to their address, by any means available, either to a private house, office, business house, etc., of the addressee, or to the place where he is living or staying temporarily (hotel, etc.) or telegraph restant, or poste restante or to a post office box.

8. Telegrams may be delivered either to the addressee, to an adult member of his family, to any person in his service, to his lodgers or guests, or to the receptionist or porter at the hotel or house, unless the addressee has designated in writing a special representative.

9. When a telegram cannot be delivered to the addressee, the telegraph office of destination shall send, with minimum delay, a service advice (see Annex, paragraph 6.2) to the office of origin, stating the cause of the non-delivery.

10.(1) Subject to the application of the provisions of Articles 39 and 49 of the Convention (Montreux, 1965), Administrations and recognized private operating agencies shall take the necessary steps to secure a special priority for telegrams relative to the application of the provisions of Chapters VI, VII and VIII of the United Nations Charter, exchanged in an emergency, between the following persons:

The President of the Security Council,
The President of the General Assembly,
The Secretary-General of the United Nations,

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[1] Or recognized private operating agency(ies).

[1] Or recognized private operating agency(ies).

[1] Or recognized private operating agency(ies).

The Chairman of the Military Staff Committee,

The Chairman of a regional sub-committee of the Military Staff Committee,

A representative to the Security Council or to the General Assembly,

A member of the Military Staff Committee,

The Chairman or the Principal Secretary of a committee set up by the Security Council or the General Assembly,

A person performing a mission on behalf of the United Nations,

A head of State,

A minister member of a Government,

The administrative head of a trust territory designated as a strategic area.

(2) Telegrams mentioned in (1) above but which do not fall under the class of government telegrams shall be regarded as government telegrams.

ARTICLE 6

Stoppage of telegrams

1. The right to stop transmission of certain private telegrams as provided for in Article 32 of the Convention (Montreaux, 1965), shall be exercised by the terminal or transit telegraph offices subject to reference to the appropriate authority which shall decide without appeal.

2. Safety of life telegrams, government telegrams and service telegrams shall be entitled to transmission as of right. Telegraph offices shall exercise no control over such telegrams.

3. Administrations[1] shall undertake to stop, at their respective offices, the acceptance, transmission and delivery of telegrams addressed to telegraphic reforwarding agencies and other organizations set up to forward telegrams on behalf of third parties so as to evade full payment of the charges due for the complete route. The office stopping the telegram shall at once inform the office of origin.

ARTICLE 7

Archives

1. The original or facsimile copies of telegrams and the relevant documents relating to handing in, transmission (if practicable) and delivery which are required to be retained by the Administrations[1] shall be preserved with all precautions necessary to ensure secrecy, until the accounts relative thereto are settled and, in any case, for at least six months counted from the month after that in which the telegram was handed in. Administrations[1] may preserve the information by any other means, e.g. magnetic or electronic records.

2. However, should an Administration[1] deem it desirable to destroy such documents before the above-mentioned period, and hence is not in a position to carry out an enquiry in respect of the services for which it is responsible, such Administration[1] shall bear all the consequences both as regards refund of charges and any difference in international accounts which might otherwise have been observed.

3. Subject to the exceptions contemplated in Article 35, paragraph 2, of the Convention (Montreux, 1965), originals or copies of telegrams may be shown only to the sender or the addressee, after verification of his identity, or to the authorized representative of one of them.

ARTICLE 8

Accounting rates for telegrams

1. The Administrations[1] shall fix their terminal and transit rates for telegrams taking into account the Recommendations of the C.C.I.T.T. and the cost. The terminal rates fixed by an Administration[1] for a relation with another country shall be the same regardless of the route used.

2. The overall accounting rates shall be made up of the sum of:

(a) The terminal rates of the countries of origin and destination;

(b) The transit rates of intermediate Administrations[1] whose territory, installations or circuits are used for the transmission of telegrams;

(c) Where the case arises, the rates for any connecting circuits provided by radio, by submarine cable or by any other means.

3. The overall accounting rate to be applied between two countries should, in principle, be that which, by addition of the rates above, gives the lowest sum.

4. Administrations[1] may, by agreement, fix the overall accounting rate applicable in a given relation and may divide that rate into terminal shares payable to the Administrations[1] of the terminal countries and, where appropriate, into transit shares payable to the Administrations[1] of the transit countries.

5. The overall accounting rate shall exclude any fiscal tax or duty. Any country which for its own benefit levies a fiscal tax on international telegrams shall collect this tax in addition to the charges and only from senders of telegrams deposited in its territory.

ARTICLE 9

Collection charges for telegrams

Each Administration[1] shall, subject to the applicable national law, fix the charges to be collected from its customers; in fixing these charges Administration[1] should make every effort to avoid too great a dissymmetry between the charges applicable in each direction of the same relation.

ARTICLE 10

Prohibition of rebates for telegrams

Members and Associate Members of the Union undertake to prohibit the granting, in any form whatsoever, of rebates on the rates appearing in the official tariff lists of Administrations,[1] and reserves the right to take action against recognized private operating agencies, which either directly or through the medium of their agents or subagents, grant to senders or addressees, in any way whatsoever (for example, per word, per telegram, by the addition of words through paid service advices, by means of discounts, etc.) rebates having the effect of reducing the above-mentioned rates. Such action may involve the suspension of service with these private operating agencies.

ARTICLE 11

Accounting[2]

1. Unless otherwise agreed upon, the Administration[1] responsible for collecting the charges shall establish a monthly account showing all the amounts due and send it to the Administrations[1] concerned.

2. The accounts shall be sent as promptly as possible but in any case before the end of the third month following that to which they relate.

3. In principle, an account shall be considered as accepted without the need for specific notification of acceptance to the Administration[1] which sent it.

4. However, any Administration[1] shall have the right to question the contents of any account but only to the extent necessary to bring differences within mutually agreed limits.

5. The payment of the balance due on an account shall not be delayed pending settlement of any query on that amount. Adjustments which are later agreed shall be included in a subsequent account.

6. In relations where specific agreements do not exist, a quarterly settlement statement showing the balances from the monthly accounts for the period to which it relates shall be prepared as quickly as possible by the creditor Administration[1] which, after verification, shall return one of the copies endorsed with its acceptance.

7. Payments shall be effected as promptly as possible but in no case later than six weeks after the day on which the quarterly settlement statement is received by the debtor Administration.[1] Beyond this period the creditor Administration[1] shall have the right to charge interest at the rate of 6 per cent per annum, reckoned from the day following the date of expiration of the said period.

ARTICLE 12

Reimbursements of telegram changes

On request or following a complaint regarding the performance of the service, reimbursement shall be made to the person who made the payment, taking into account the Recommendations of the C.C.I.T.T. All claims for a refund must be presented within four months from the date on which the telegram was handed in.

FINAL PROVISIONS

ARTICLE 13

Completion of the regulations

1. These Regulations may, in pursuance of Resolution 37 of the Plenipotentiary Conference (Montreux, 1965), be completed by a further Appendix, which shall form an integral part of these Regulations, containing:

Such provisions as the 1974 Maritime World Administrative Radio Conference may deem necessary to incorporate in these Regulations;

Such provisions of the Radio Regulations and Additional Radio Regulations (1971 Revision), as the said Conference may see fit to transfer;

Any amendment to these provisions or any new provisions of the Radio Regulations or of the Additional Radio Regulations which may be adopted by the 1974 Maritime World Administrative Radio Conference.

2. However, no provision so transferred by the Maritime World Administrative Radio Conference and embodied in the Appendix referred to in 44 shall in any way be construed to amend or alter any provisions contained in these Regulations and, in the event of any conflict, these Regulations shall overrule such provision.

ARTICLE 14

Annex and appendices

The Telegraph Regulations are completed by the Annex and Appendices 1 and 2, which form an integral part of these Regulations.

ARTICLE 15

Entry into force of the regulations

1. These Regulations shall enter into force on 1 September 1974, with the exception of the Appendix, if any, referred to in 44 which shall enter into force on such a date as the 1974 Maritime World Administrative Radio Conference shall determine.

2. In signing these Regulations, the respective delegates declare that if an Administration makes reservations with regard to the application of one or more of the provisions thereof, other Administrations shall be free to disregard the said provision or provisions in their relations with the Administration which has made such reservations.

IN WITNESS WHEREOF the respective delegates have signed these Regulations in a single copy which together with the Appendix referred to in 44 shall remain deposited in the archives of the International Telecommunication Union, which shall forward a certified copy to each of the signatory countries.

DONE at Geneva, 11 April 1973.

APPENDIX 1

Payment of balances of accounts

In the absence of special arrangements between Administrations and/or recognized private operating agencies, the currencies used for the payment of balances of international telecommunication accounts—which pursuant to the International Telecommunication Convention (Montreux, 1965) are required to be drawn up in gold francs—and the methods of conversion into such currencies shall be as follows:

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[1] Or recognized private operating agency(ies).

[1] Or recognized private operating agency (ies).

[2] See also Appendix 1.

1. The payment of balances of international telecommunication accounts shall be made in the currency selected by the creditor after consultation with the debtor. If there is disagreement the choice of the creditor shall prevail in all cases subject to the provisions in 6.1. If the creditor does not specify a currency the choice shall rest with the debtor.

2. The amount of the payment, as determined hereafter, in the selected currency shall be equivalent in value to the balance of the account.

3. If the balance of the account is expressed in gold francs, the amount of the selected currency which is equivalent in value to that balance shall be determined by the relationship in effect on the day before payment between the value of the gold franc and:

(a) the gold par value of the selected currency approved by the International Monetary Fund (hereafter designated as I.M.F.). If, however, a central rate of the selected currency has been established under I.M.F. Executive Board decision subsequent to the approval given by the I.M.F. to the gold par value, the gold value of that central rate shall be used in determining the equivalent value. (See Note, page 52);

(b) Or the gold par value of the selected currency fixed unilaterally by the appropriate Government or official issuing authority (hereafter designated as fixed unilaterally). If, however, a central rate of the selected currency has been established unilaterally subsequent to the unilateral fixing of a gold par value, the gold value of that central rate shall be used in determining the equivalent value. (See Note, page 52).

3.1 If the selected currency does not have a value of the kind shown in 3, or if the margins recognized by the Articles or Executive Board decisions of the I.M.F. 3(a), or established beforehand by the appropriate Government or issuing authority 3(b) are not being observed, the equivalent value of the selected currency shall be determined by its relationship on the official or generally accepted foreign exchange market, as provided in 6, to another currency with a value of the kind shown in 3.

4. If the balance of the account is expressed in a currency other than gold francs and the selected currency is the same as the currency of the balance of the account, the amount of the selected currency for payment shall be the amount of the balance of the account.

5. If the balance of the account is expressed in a currency other than gold francs and the selected currency for payment is different from the currency in which the balance is expressed, the amount of the selected currency for payment shall be determined by relating the gold value of the currency of the balance of the account to the gold value of the selected currency by reference to their respective values as in 3.

5.1 If either or both of the currencies mentioned in 5 do not have a value of the kind shown in 3, or if the margins recognized by the Articles or Executive Board decisions of the I.M.F. or established beforehand by the appropriate Government or issuing authority are not being observed, the equivalent value of one currency to the other shall be determined by their relationship on the official or generally accepted foreign exchange market, as provided in 6.

6. For the purpose of determining the official or generally accepted foreign exchange market equivalent referred to in 3.1 and 5.1, the rate used shall be the closing rate for currency which can be used in the majority of merchandise trade transactions for spot delivery cable transfers in the official or generally accepted foreign exchange market of the main financial centre of the debtor country on the day prior to payment or the most recent rate quoted.

6.1 If a creditor selects a currency with a gold par or central rate fixed unilaterally or a currency the equivalent value of which is to be determined by its relationship to a currency with a gold par or central rate fixed unilaterally, the use of the selected currency must be acceptable to the debtor.

7. The debtor shall transmit, on the date of payment, the amount of the selected currency as computed above by a bank cheque, transfer or any other means, acceptable to the debtor and the creditor. If the creditor expresses no preference, the choice shall fall to the debtor.

8. Provided the periods of payment are observed Administrations or recognized private operating agencies may by mutual agreement settle their balances of various kinds by offsetting credits and debits in their relations with other Administrations and/or recognized private operating agencies. The offsetting may be extended by mutual agreement to debts arising from postal services where both Administrations or recognized private operating agencies operate both postal and telecommunication services.

9. The payment charges imposed in the debtor country (taxes, clearing charges, commission, etc.) shall be borne by the debtor. The charges imposed in the creditor country, including payment charges imposed by banks in intermediate countries, shall be borne by the creditor.

10. If, between the time the remittance (cheque, etc.) is effected and the time the creditor receives it, a variation occurs in the equivalent value of the selected currency calculated as described in 3, 3.1, 5, 5.1 or 6 and if the difference resulting from such variation exceeds 5% of the amount due as calculated following such variation, the total difference shall be shared equally between debtor and creditor.

11. If there should be a radical change in the international monetary system (e.g. a substantial general change in the official price of gold, or if gold ceased to be used generally as a basic reference for currencies) which invalidates or makes inappropriate one or more of the foregoing paragraphs. Administrations and recognized private operating agencies shall be free to adopt, by mutual agreement, different procedures for the payment of balances of accounts, pending a revision of this Appendix.

(NOTE.—Where the central rate is in terms of another I.M.F. member's currency (hereafter described as such other currency), the amount of the selected currency shall be determined by first reading the gold franc amount to the I.M.F.—approved par value of such other currency and then by relating the resulting amount of such other currency to the selected currency for payment. Where such other currency has no I.M.F.—approved par value in effect, 6 shall apply.)

APPENDIX 2

GENERAL SECRETARIAT RECIPROCAL COMMUNICATIONS

Relations of administrations with one another throught the medium of the General Secretariat

1. Administrations[1] shall notify the General Secretariat, by telegraph, of any suspension of services carried out under Article 33 of the Convention (Montreux, 1965), or other abnormal circumstance affecting the flow of traffic, and also of the return to normal conditions.

2. The Secretary-General shall bring such information to the attention of all other Administrations[1] immediately by telegraph.

3. Administrations or recognized private operating agencies who are authorized by Administrations shall notify the General Secretariat of their terminal and transit rates and of any subsequent changes in these rates.

4. Changes in rates shall be notified sufficiently in advance, if necessary by telegraph, to enable the Secretary-General to inform Administrations,[1] by means of the Operational Bulletin, within the periods laid down in C.C.I.T.T. Recommendations.

5. Administrations[1] shall notify the General Secretariat of the opening of new routes and the closing of existing routes insofar as they concern the international service. The Secretary-General shall publish this information in the Operational Bulletin.

6. The General Secretariat shall also publish other information and statistics relating to the international services in pursuance of agreements between Administrations and/or recognized private operating agencies and resolutions of competent Administrative Conferences and taking into account the Recommendations of Consultative Committees.

7. Administrations[1] shall notify the General Secretariat of any additions, amendments or deletions to the above information and statistics. So far as practicable, amendments to the relevant documents shall be notified in the form required for these documents. Questionnaires will be issued to Administrations[1] when the statistics or other information is to be presented in tabulated form.

8. Administrations[1] shall reply fully and promptly to requests by the Secretary-General for information to be included in these documents.

ANNEX

(See Article 4)

1. Telegrams relating to the safety of life

1.1 In accordance with the provisions of Article 39 of the Convention (Montreux, 1965) telegrams relating to the safety of life on land, at sea, in the air and in outer space, and exceptionally urgent epidemiological telegrams of the World Health Organization shall have absolute priority over all other telegrams.

1.2 Such telegrams from government agencies or from private persons shall relate to the safety of life in the cases of exceptional emergency being obviously of common interest.

1.3 Telegrams relating to the safety of life sent by the Headquarters of the World Health Organization or by the regional epidemiological centres of that Organization shall be certified as being truly telegrams of exceptional urgency relating to the safety of life.

1.4 The text and signature of telegrams relating to the safety of life handed in at a telegraph office shall be in plain language.

1.5 Administrations[1] shall deliver immediately telegrams relating to the safety of life.

2. Government telegrams and telegrams relative to the application of the United Nations Charter

2.1 Government telegrams are those defined as such in the Convention (Montreux, 1965).

2.2 Government telegrams must bear the seal or stamp of the authority which sends them. This formality shall not be required when the genuineness of the telegram cannot give rise to doubt.

2.3 Replies to Government telegrams shall also be regarded as Government telegrams. The right to send a reply as a Government

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[1] Or recognized private operating agency (ies).

[1] Or recognized private operating agency (ies).

telegram shall be established by the production of the original Government telegram.

2.4 The telegrams of consular agents carrying on private business shall only be regarded as Government telegrams when they are addressed to an official person, and relate to official matters. Telegrams from such consular agents which do not fulfill these conditions shall, however, be accepted by telegraph offices and transmitted as Government telegrams; but these offices shall at once report the matter to the Administration to which they are subject.

2.5 Number 19 of these Regulations defines telegrams relating to the application of the United Nations Charter to which a special priority is to be secured and which are to be treated as Government telegrams.

2.6 Administrations[1] shall deliver immediately Government telegrams, for which the sender has requested priority in transmission.

3. Meteorological telegrams

The term "meteorological telegram" denotes a telegram sent by an official meteorological service or by a station in official relation with such a service, and addressed to such a service or to such a station, and which consists solely of meteorological observations or forecasts. A telegram of this kind must always be regarded as drawn up in plain language.

4. Telegrams concerning persons protected in time of war by the Geneva Conventions of 12 August 1949

4.1 These shall include:

(a) telegrams addressed to prisoners of war, civilian internees or their representatives (prisoners' representatives, internee committees) by recognized relief societies assisting war victims;

(b) Telegrams which prisoners of war and civilian internees are permitted to send or those sent by their representatives (prisoners' representatives, internee committees) in the course of their duties under the Conventions;

(c) Telegrams sent in the course of their duties under the Conventions by the National Information Bureaux or the Central Information Agency for which provision is made in the Geneva Conventions, 12 August 1949, or by delegations of such Bureaux or Agency, concerning prisoners of war, civilians who are interned or whose liberty is restricted, or the death of military personnel or civilians in the course of hostilities.

4.2 Telegrams sent by prisoners of war, civilian internees or their representatives shall bear the official stamp of the camp or the signature of the camp commander or one of his deputies.

4.3 Telegrams sent by the above-mentioned Bureaux or Agency, or by delegations thereof, as well as telegrams sent by recognized relief societies assisting war victims, shall bear the official stamp of the Bureau, Agency, delegation or society which sends them.

5. Ordinary Private Telegrams

Ordinary private telegrams are obligatory private telegrams, other than safety of life telegrams, meteorological telegrams and telegrams concerning persons protected in time of war by the Geneva Conventions of 12 August 1949.

6. Telegraph Service Correspondence

Telegraph service correspondence comprises service telegrams, service advices and paid service advices:

6.1 *Service telegrams* are telegrams which relate to public international telecommunications and are exchanged between:

6.1.1 Administrations,

6.1.2 Recognized private operating agencies,

6.1.3 Administrations and recognized private operating agencies,

6.1.4 Administrations and recognized private operating agencies on the one hand and the Secretary-General of the I.T.U. on the other hand.

6.2 *Service advices* are telegrams which relate to details of service or to the working of circuits and telegraph offices and to transmission of traffic. They shall be exchanged between telegraph offices.

6.3 *Paid service advices* are telegrams initiated by the sender or addressee of any telegram to obtain information or to give instructions about that telegram.

TELEPHONE REGULATIONS

ARTICLE 1

Purpose of the telephone regulations

1. (1) The Telephone Regulations lay down the general principles to be observed in the international telephone service.

(2) In implementing the principles of the Regulations, Administrations[1] should comply with the C.C.I.T.T. Recommendations, including any Instructions forming part of those Recommendations, on any matters not covered by the Regulations.

2. These Regulations shall apply regardless of the means of transmission used, so far as the Radio Regulations and the Additional Radio Regulations do not provide otherwise.

ARTICLE 2

Definitions

International Route

An international route comprises the circuits to be used for telecommunication traffic between two international terminal exchanges or offices.

Accounting Rate

The accounting rate is the rate agreed between Administrations[1] in a given relation which is used for the establishment of international accounts.

Collection Charge

The collection charge is the charge established and collected by Administrations[1] from its customers for the use of the international telecommunication service.

Instructions

Instructions consist of a Recommendation (or a group of Recommendations) prepared by the C.C.I.T.T. and dealing with practical procedure for operation and rate-fixing, which may be published in the form of a separate manual and made available to Administrations and recognized private operating agencies for use by their operational services.

ARTICLE 3

International system

1. All Administrations[1] shall promote the provision of telephone service on a worldwide scale and shall endeavour to extend the international service to their national network.

2. Administrations[1] shall designate the exchanges in the territory they serve which are to be regarded as international exchanges.

3. The circuits and installations provided for the international telephone service shall be sufficient to meet all requirements of the service.

4. Administrations[1] shall cooperate in the establishment, operation and maintenance of the circuits and installations used for the international telephone service to ensure the best possible quality of service.

5. The Administrations[1] shall determine by mutual agreement which routes are to be used.[2]

ARTICLE 4

Services offered to users

1. Administrations[1] shall determine by mutual agreement the classes of calls, special facilities and special transmissions using telephone circuits to be admitted in their reciprocal international telephone relations observing the provisions of Articles 39 and 40 of the Convention (Montreaux, 1965). To this end, the Administrations may conclude bilateral or regional agreements with a view to improving services available to users.

2. Administrations[1] shall determine by mutual agreement the conditions under which they place international telephone-type circuits at the exclusive disposal of users for an appropriate charge in those relations where telephone-type circuits remain available after the needs of the public telecommunication services have been satisfied.

ARTICLE 5

Operating methods

Administrations[1] shall agree among themselves upon the operating methods best suited to the needs of the international relations which concern them, taking account of the conditions and the possibilities of operation.

ARTICLE 6

Accounting rates

1. Accounting rates shall be made up of terminal rates and any transit rates.

2. Administrations[1] shall fix their terminal and transit rates.

3. However, Administrations[1] may by agreement fix the overall accounting rate applicable in a given relation and may divide that rate into terminal shares payable to the Administrations[1] of terminal countries, and where appropriate, into transit shares payable to the Administrations[1] of transit countries.

4. If no agreement as mentioned in 13 is reached, the overall accounting rate shall be determined in accordance with 11 and 12 above.

5. When an Administration[1] has acquired the right to utilize, by lease or by other arrangement, a part of the circuits and/or installations of another Administration[1], the former shall fix the rate as mentioned in 11 and 12 above for this part of the relation. Similarly, under the provisions of 13 above, the share of the overall accounting rate for this part shall accrue to the Administration[1] which has acquired the right to utilize the circuits and/installations of another Administration[1]. The same provisions shall apply when several Administrations[1] have jointly acquired the right to utilize a part of the circuits and/or installations of another Administration.[1]

ARTICLE 7

Collection charges

1. Each Administration[1] shall, subject to the applicable national law, fix the charges to be collected from its customers. In so doing, Administrations[1] should make every effort to avoid too large a dissymmetry between the charges applicable in each direction of the same relation.

2. The charge to the customer for a call should in principle be the same, in a given relation, regardless of the route used.

ARTICLE 8

Accounting[2]

1. Unless otherwise agreed, the Administration[1] responsible for collecting the charges shall establish a monthly account showing all the amounts due and send it to the Administrations[1] concerned.

2. The accounts shall be sent as promptly as possible but in any case before the end of the third month following that to which they relate.

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[1] Or recognized private operating agency (ies).

[2] Pending mutual agreement, see Recommendation No. 2 concerning the treatment of outgoing traffic.

[2] See also Appendix 1.

3. In principle an account shall be considered as accepted without the need for specific notification of acceptance to the Administration[1] which sent it.

4. However, any Administration[1] shall have the right to question the contents of an account for a period of two months after the receipt of the account but only to the extent necessary to bring the differences within mutually agreed limits.

5. The payment of the balance due on an account shall not be delayed pending settlement of any query on that account. Adjustments which are later agreed shall be included in a subsequent account.

6. In relations where specific agreements do not exist, a quarterly settlement statement showing the balances from the monthly accounts for the period to which it relates shall be prepared as quickly as possible by the creditor Administration[1] and be sent in duplicate to the debtor Administration[1] which, after verification, shall return one of the copies endorsed with its acceptance.

7. Payments shall be effected as promptly as possible but in no case later than six weeks after the day on which the quarterly settlement statement is received by the debtor Administration.[1] Beyond this period, the creditor Administration[1] shall have the right to charge interest at the rate of 6% per annum, reckoned from the day following the date of expiration of the said period.

FINAL PROVISIONS

ARTICLE 9

Completion of the regulations

1. These Regulations may in pursuance of Resolution No. 37 of the Plenipotentiary Conference (Montreux, 1965), be completed by a further Appendix, which shall form an integral part of these Regulations, containing:

Such provisions, if any, as the 1974 Maritime World Administrative Radio Conference may deem necessary to incorporate in these Regulations;

Such provisions of the Radio Regulations and Additional Radio Regulations (1971 Revision) as the said Conference may see fit to transfer;

Any amendment to these provisions or any new provisions of the Radio Regulations or of the Additional Radio Regulations adopted by the 1974 Maritime World Administrative Radio Conference.

2. However, no provision so transferred by the Maritime World Administrative Radio Conference and embodied in the Appendix referred to in 25 shall in any way be construed to amend or alter any provision contained in these Regulations and, in the event of any conflict, these Regulations shall overrule such provision.

ARTICLE 10

Appendices

The Telephone Regulations are completed by Appendices 1 and 2, which form an integral part of these Regulations.

ARTICLE 11

Entry into force of the regulations

1. These Regulations shall enter into force on 1 September 1974 with the exception of the Appendix, if any, referred to in 25 which shall enter into force on such a date as the 1974 Maritime World Administrative Radio Conference shall determine.

2. In signing these Regulations, the respective delegates declare that if an Administration makes reservations with regard to the application of one or more of the provisions thereof, other Administrations shall be free to disregard the said provision or provisions in their relations with the Administration which has made such reservations.

IN WITNESS WHEREOF the respective delegates have signed these Regulations in a single copy which, together with the Appendix referred to in 25, shall remain deposited in the archives of the International Telecommunication Union, which shall forward a certified copy to each of the signatory countries.

DONE at Geneva, 11 April 1973.

(The signatures following these Regulations are the same as those which follow the Telegraph Regulations.)

APPENDIX 1

Payment of Balances of Accounts

In the absence of special arrangements between Administrations and/or recognized private operating agencies, the currencies used for the payment of balances of international telecommunication accounts—which pursuant to the International Telecommunication Convention (Montreaux, 1965) are required to be drawn up in gold francs—and the methods of conversion into such currencies shall be as follows:

1. The payment of balances of international telecommunication accounts shall be made in the currency selected by the creditor after consultation with the debtor. If there is disagreement the choice of the creditor shall prevail in all cases subject to the provisions in 6.1. If the creditor does not specify a currency the choice shall rest with the debtor.

2. The amount of the payment, as determined hereafter, in the selected currency shall be equivalent in value to the balance of the account.

3. If the balance of the account is expressed in gold francs, the amount of the selected currency which is equivalent in value to that balance shall be determined by the relationship in effect on the day before payment between the value of the gold franc and:

(a) The gold par value of the selected currency approved by the International Monetary Fund (hereafter designated as I.M.F.). If, however, a central rate of the selected currency has ben established under I.M.F. Executive Board decision subsequent to the approval given by the I.M.F. to the gold par value, the gold value of that central rate shall be used in determining the equivalent value. (See Note, page 72);

(b) Or the gold par value of the selected currency fixed unilaterally by the appropriate Government or official issuing authority (hereafter designated as fixed unilaterally). If, however, a central rate of the selected currency has been established unilaterally subsequent to the unilateral fixing of a gold par value, the gold value of that central rate shall be used in determining the equivalent value. (See Note, page 72).

3.1 If the selected currency does not have a value of the kind shown in 3, or if the margins recognized by the Articles or Executive Board decisions of the I.M.F. 3(a), or established beforehand by the appropriate Government or issuing authority 3(b) are not being observed, the equivalent value of the selected currency shall be determined by its relationship on the selected currency shall be determined by its relationship on the official or generally accepted foreign exchange market, as provided in 6, to another currency with a value of the kind shown in 3.

4. If the balance of the account is expressed in a currency other than gold francs and the selected currency is the same as the currency of the balance of the account, the amount of the selected currency for payment shall be the amount of the balance of the account.

5. If the balance of the account is expressed in a currency other than gold francs and the selected currency for payment is different from the currency in which the balance is expressed, the amount of the selected currency for payment shall be determined by relating the gold value of the currency of the balance of the account to the gold value of the selected currency by reference to their respective values as in 3.

5.1 If either or both of the currencies mentioned in 5 do not have a value of the kind shown in 3, or if the margins recognized by the Articles or Executive Board decisions of the I.M.F. or established beforehand by the appropriate Government or issuing authority are not being observed, the equivalent value of one currency to the other shall be determined by their relationship on the official or generally accepted foreign exchange market, as provided in 6.

6. For the purpose of determining the official or generally accepted foreign exchange market equivalent referred to in 3.1 and 5.1, the rate used shall be the closing rate for currency which can be used in the majority of merchandise trade transactions for spot delivery cable transfers in the official or generally accepted foreign exchange market of the main financial centre of the debtor country on the day prior to payment or the most recent rate quoted.

6.1 If a creditor selects a currency with a gold par or central rate fixed unilaterally or a currency the equivalent value of which is to be determined by its relationship to a currency with a gold par or central rate fixed unilaterally, the use of the selected currency must be acceptable to the debtor.

7. The debtor shall transmit, on the date of payment, the amount of the selected currency as computed above by a bank checque, transfer or any other means, acceptable to the debtor and the creditor. If the creditor expresses no preference, the choice shall fall to the debtor.

8. Provided the periods of payment are observed, Administrations or recognized private operating agencies may by mutual agreement settle their balances of various kinds by offsetting credits and debits in their relations with other Administrations and/or recognized private operating agencies. The offsetting may be extended by mutual agreement to debts arising from postal services where both Administrations or recognized private operating agencies operate both postal and telecommunications services.

9. The payment charges imposed in the debtor country (taxes, clearing charges, commission, etc.) shall be borne by the debtor. The charges imposed in the creditor country, including payment charges imposed by banks in intermediate countries, shall be borne by the creditor.

10. If, between the time the remittance (cheque, etc.) is effected and the time the creditor receives it, a variation occurs in the equivalent value of the selected currency calculated as described in 3, 3.1, 5, 5.1 or 6 and if the difference resulting from such variation exceeds 5% of the amount due as calculated following such variation, the total difference shall be shared equally between debtor and creditor.

11. If there should be a radical change in the international monetary system (e.g. a substantial change in the official price of gold, or if gold ceased to be used generally as a basic reference for currencies) which invalidates or makes inappropriate one or more of the foregoing paragraphs. Administrations and recognized private operating agencies shall be free to adopt, by mutual agreement, different procedures for the payment of balances of accounts, pending a revision of this Appendix.

(NOTE.—Where the central rate is in terms of another I.M.F. member's currency (hereafter described as such other currency), the amount of the selected currency shall be determined by the first relating the gold franc amount to the I.M.F.—approved par value of such other currency and then by relating the resulting amount of such other currency to the selected currency for payment. Where such other currency has no I.M.F.—approved par value in effect, 6 shall apply.)

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[1] Or recognized private operating agency(ies).

APPENDIX 2

GENERAL SECRETARIAT RECIPROCAL COMMUNICATIONS

Relations of administrations with one another through the medium of the General Secretariat

1. The General Secretariat shall publish information and statistics relating to the international services in pursuance of agreements between Administrations and/or recognized private operating agencies and resolutions of competent Administrative Conferences, and taking into account the Recommendations of Consultative Committees.

2. Administrations[1] shall notify the General Secretariat of any additions, amendments or deletions to the above information and statistics. So far as practicable, amendments to the relevant documents shall be notified in the form required for these documents. Questionnaires will be issued to Administrations[1] when the statistics or other information is to be presented in tabulated form.

3. Administrations[1] shall reply fully and promptly to requests by the Secretary-General for information to be included in these documents.

Final protocol

At the time of signing the Final Acts of the World Administrative Telegraph and Telephone Conference (Geneva, 1973), the undersigned delegates take note of the following statements forming part of the Final Acts of the Conference:

I

(Telegraph Regulations)

For the United States of America

1. The United States of America formally declares that the United States of America does not, by signature of the Telegraph Regulations (Geneva Revision, 1973) on its behalf, or by ratification thereof, accept any obligation in respect of the application of any provision of the Regulations to service within the United States with respect to telegraph service between the United States, on the one hand, and Canada, Mexico, and Saint-Pierre and Miquelon Islands, on the other hand, and to the rates applicable to such service.

2. The United States of America formally declares that the United States of America does not accept any obligation in respect of the application of any provision of the Telegraph Regulations (Geneva Revision, 1973) to service over telecommunication channels other than those open to public correspondence.

II

(Telephone Regulations)

For the United States of America

1. The United States of America formally declares that the United States of America does not, by signature of the Telephone Regulations (Geneva Revision, 1973) on its behalf, or by ratification thereof, accept any obligation in respect of the application of any provision of the Regulations to service within the United States with respect to telephone service between the United States, on the one hand, and Canada, Mexico, and Saint-Pierre and Miquelon Islands, on the other hand, and to the rates applicable to such service.

2. The United States of America formally declares that the United States of America does not accept any obligation in respect of the application of any provision of the Telephone Regulations (Geneva Revision, 1973) to service over telecommunication channels other than those open to public correspondence.

III

(Telegraph and Telephone Regulations)

For Algeria (Algerian Democratic and Popular Republic)

In signing the Final Acts of the World Administrative Telegraph and Telephone Conference (Geneva, 1973), the delegation of the Algerian Democratic and Popular Republic declares that it reserves the right of its country to take all measures it may deem necessary to protect its interests should any country not observe the provisions of the Telegraph and Telephone Regulations.

IV

(Telegraph and Telephone Regulations)

For Jamaica

In signing the Final Acts of the World Administrative Telegraph and Telephone Conference (Geneva, 1973), the Jamaican delegation reserves the right of its Administration to accept or to reject all or some of the provisions of the Telegraph and Telephone Regulations.

V

(Telegraph and Telephone Regulations)

For the Libyan Arab Republic

Signature of the Final Acts (Telegraph Regulations, Telephone Regulations and the Final Protocol) of the World Administrative Telegraph and Telephone Conference (Geneva, 1973) by the Libyan delegation is subject to the approval of the Government of the Libyan Arab Republic, as specified in the delegation's credentials.

VI

(Telegraph and Telephone Regulations)

For Mexico

In signing the Telegraph and Telephone Regulations, Mexico reserves the right to apply the Recommendations of the C.C.I.T.T. insofar as they may solve problems of a world-wide international character and meet regional requirements.

VII

(Telegraph and Telephone Regulations)

For the Socialist Republic of Roumania

In signing the Final Acts of the present World Administrative Telegraph and Telephone Conference, that is the Telegraph Regulations, the Telephone Regulations and the Final Protocol, the Roumanian delegation declares that its signature is subject to approval by the Government of the Socialist Republic of Roumania.

VIII

(Telegraph and Telephone Regulations)

For the Somali Democratic Republic

In signing the Final Acts of the World Administrative Telegraph and Telephone Conference (Geneva, 1973), the delegation of the Somali Democratic Republic declares that it reserves the right to take all measures it may deem necessary to protect its interests should any delegations not observe the provisions of the Telegraph and Telephone Regulations adopted by the Conference.

IX

(Telegraph and Telephone Regulations)

For the Democratic Republic of the Sudan

In signing the Final Acts of the World Administrative Telegraph and Telephone Conference (Geneva, 1973), the delegation of the Democratic Republic of the Sudan declares that it reserves the right of its Government to take all measures it may deem necessary to protect its interests should any country not observe the provisions of the Telegraph and Telephone Regulations adopted by the Conference.

X

For the Bielorussian Soviet Socialist Republic, the People's Republic of Bulgaria, the Hungarian People's Republic, the People's Republic of Poland, the German Democratic Republic, the Ukrainian Soviet Socialist Republic, the Czechoslovak Socialist Republic, the Union of Soviet Socialist Republics

The Bielorussian Soviet Socialist Republic, the People's Republic of Bulgaria, the Hungarian Peoples' Republic, the People's Republic of Poland, the German Democratic Republic, the Ukrainian Soviet Socialist Republic, the Czechoslovak Socialist Republic, the Union of Soviet Socialist Republics declare that the delegates of the Saigon Administration do not represent South Viet-Nam, since there are two zones and two administrations in South Viet-Nam; the Provisional Revolutionary Government of the Republic of South Viet-Nam and the Saigon Administration.

Signature of the Final Acts by the delegates of the Saigon Administration cannot therefore be regarded as signature on behalf of South Viet-Nam.

XI

For the People's Republic of China

1. The Paris Agreement on Viet-Nam recognizes in fact the existence in South Viet-Nam of two administrations, namely the Provisional Revolutionary Government of the Republic of South Viet-Nam and the Saigon authorities. Under the present political situation, it is inappropriate for the Saigon authorities to be unilaterally represented at any meetings of I.T.U. We therefore express our regret.

The signatures affixed by the representatives of the Saigon authorities to the Telegraph Regulations and to the Telephone Regulations are therefore null and void.

2. The South African white authorities enforcing colonial rule is imposed on the South African people. It is by no means qualified to participate in any meetings of I.T.U. in the name of the South African people. Its signatures to the Telegraph Regulations and to the Telephone Regulations are therefore illegal.

XII

For the People's Republic of Albania

1. The delegation of the People's Republic of Albania protests against the presence at this Conference of the delegation of the so-called Republic of Viet-Nam as that delegation does not represent the Vietnamese people.

2. The delegation of the People's Republic of Albania wishes to declare that it considers the credentials issued by the racist Government of the Republic of South Africa to be null and void.

XIII

For the Socialist Republic of Roumania

1. The delegation of the Socialist Republic of Roumania declares that the Saigon Administration cannot represent South Viet-Nam at the World Administrative Telegraph and Telephone Conference. Consequently the Roumanian delegation considers the signature of the Acts of the Conference by the representatives of the Saigon authorities to be null and void.

2. The delegation of the Socialist Republic of Roumania also considers that the delegation of the Republic of South Africa does not represent the interests of the South African people and therefore cannot act on its behalf.

XIV

For the Socialist Federal Republic of Yugoslavia

The delegation of the Socialist Federal Republic of Yugoslavia declares that the delegation of Viet-Nam does not have the right to sign the Final Acts of this Conference on behalf of all of Viet-Nam.

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[1] Or recognized private operating agency(ies).

XV

For the Republic of Viet-Nam

1. The delegation of the Republic of Viet-Nam categorically rejects the tendentious statements made by certain delegations and deplores the misuse of the World Administrative Telegraph and Telephone Conference by these delegations for political and propaganda purposes.

2. The delegation of the Republic of Viet-Nam reiterates the statement it made to the Credentials Committee and considers the statements of the above-mentioned delegations to be null and void.

XVI

For Algeria (Algerian Democratic and Popular Republic), United Republic of Cameroon, Central African Republic, People's Republic of the Congo, Republic of Dahomey, Ethiopia, Kenya, Libyan Arab Republic, Malagasy Republic, Republic of Mali, Kingdom of Morocco, Federal Republic of Nigeria, Uganda, Republic of the Senegal, Somali Democratic Republic, Democratic Republic of the Sudan, United Republic of Tanzania, Togolese Republic, Tunisia

The delegations mentioned above consider that the delegation attending this Conference on behalf of the Republic of South Africa does not represent the interests of the South African people. It therefore cannot act on their behalf.

Consequently, its signature of the Final Acts of the World Administrative Telegraph and Telephone Conference is illegal.

XVII

For the Bielorussian Soviet Socialist Republic, the People's Republic of Bulgaria, the Hungarian People's Republic, the People's Republic of Poland, the German Democratic Republic, the Ukranian Soviet Socialist Republic, the Czechoslovak Socialist Republic and the Union of Soviet Socialist Republics

The above-mentioned delegations support without reservation the statement of a group of African countries concerning the condemnation of the racist policy of the South African Republic and the illegality of the participation of the delegation of the South African Republic in the work of the Conference.

IN WITNESS WHEREOF, the respective delegates have signed this Final Protocol in each of the Chinese, English, French, Russian and Spanish languages in the single copy, which shall remain deposited in the archives of the International Telecommunication Union, which shall forward a copy to each of the signatory countries.

DONE at Geneva, the 11th of April 1973.

(The signatures following the Final Protocol are the same as those which follow the Telegraph Regulations.)

PARTIAL REVISION OF THE RADIO REGULATIONS[1]

In its Recommendation No. Mar 6, the World Administrative Radio Conference to deal with Matters Relating to the Maritime Mobile Service held in Geneva in 1967, recommended:

1. That a World Administrative Radio Conference be convened:

To establish on the basis of single sideband operation a new Frequency Allotment Plan for high-frequency radiotelephone coast stations, covering the channels in the present Appendix 25 as well as the new high-frequency channels made available for maritime radiotelephony;

To amend the associated provisions of the Radio Regulations;

2. That such a conference be convened in 1973;

3. That the Administrative Council determine the exact date and place of such a conference, in accordance with No. 64 of the International Telecommunication Convention (Montreux, 1965);

4. That this Conference be preceded by a preparatory meeting, in accordance with No. 73 of that Convention.

At its 25th Session (1970), the Administrative Council, after consulting the Members of the Union, decided, in its Resolution No. 678, that the Conference should be held at the beginning of 1974 and that the work of the preparatory meeting referred to in Recommendation No. Mar 6 should be replaced by studies carried out by the I.F.R.B. and the competent C.C.I.R. Study Groups.

At its 26th Session (1971), the Administrative Council instructed the Secretary-General to request administrations to send him their views on the contents of the agenda of this Conference and any other suggestions for the inclusion of particular items in that agenda.

At its 27th Session (1972), the Administrative Council, after examining the replies of administrations to the Secretary-General's enquiry, adopted Resolution No. 704 containing the agenda of the Conference and stipulating that it should meet on 22 April 1974 for a period not in excess of seven weeks.

The World Maritime Administrative Radio Conference accordingly convened on the appointed date, considered and revised, in conformity with its agenda, the relevant parts of the Radio Regulations and of the Additional Radio Regulations. Particulars of the revision of the Radio Regulations are given in Annexes 1 to 56 hereto.

The revised provisions of the Radio Regulations shall form an integral part of the Radio Regulations which are annexed to the International Telecommunication Convention. They shall come into force on 1 January 1976, upon which date the provisions of the Radio Regulations which are canceled or modified by this revision shall be abrogated.

The delegates signing this revision of the Radio Regulations hereby declare that, should an administration make reservations concerning the application of one or more of the revised provisions of the Radio Regulations, no other administration shall be obliged to observe that provision or those provisions in its relations with that particular administration.

Members of the Union shall inform the Secretary-General of their approval of the revision of the Radio Regulations by the World Maritime Administrative Radio Conference, Geneva, 1974. The Secretary-General will inform Members of the Union regarding receipt of such notifications of approval as they are received.

In witness whereof the delegates of the Members of the Union represented at the World Maritime Administrative Radio Conference, Geneva, 1974, have signed in the names of their respective countries this revision of the Radio Regulations in a single copy which will remain in the archives of the International Telecommunication Union and of which a certified copy will be delivered to each Member of the Union.

Done at Geneva, 8 June 1974.

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the five treaties be considered as having been passed through the various parliamentary stages up to and including the presentation of the resolutions of ratification, with the understanding that a vote will occur on Thursday on these five treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the resolution of ratification will be read.

The assistant legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Inter-American Convention on The Granting of Political Rights to Women, Formulated at the Ninth International Conference of American States, and signed at Bogota, Colombia, on May 2, 1948, by the Plenipotentiaries of the United States of America and by the Plenipotentiaries of other American States (Ex. D, 81st Congress, 1st session).

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the accession by the United States of America to the Convention on the Political Rights of Women, signed at New York, March 31, 1953 (Ex. J, 88th Congress, 1st session).

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to ratification of the International Telecommunication Convention, with Annexes and Final Protocol to the Convention, reached at Malaga-Torremolinos on October 25, 1973 (Ex. J., 93–2), subject to the United States declaration at Article XXXVIII of the Final Protocol:

The United States of America formally declares that the United States of America does not, by signature of this Convention on its behalf, accept any obligations in respect of the Telephone Regulations or the Additional Radio Regulations referred to in Article 42 of the International Telecommunication Convention (Malaga-Torremolinos, 1973) and in Article 82 of the General Regulations thereof.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to ratification of the Telegraph Regulations and the Telephone Regulations along with the Appendices thereto and a final Protocol to those Regulations, done at Geneva, April 11, 1973 (Ex. E., 93–2), subject to the United States declarations as set forth in the Final Protocol to the Regulations:

(I) TELEGRAPH REGULATIONS FOR THE UNITED STATES OF AMERICA

1. The United States of America formally declares that the United States of America does not, by signature of the Telegraph Regulations (Geneva Revision, 1973) on its behalf, or by ratification thereof, accept any obligation in respect of the application of any provision of the Regulations to service within the United States with respect to telegraph service between the United States, on the one hand, and Canada, Mexico and Saint-Pierre and Miquelon Islands, on the other hand, and to the rates applicable to such service.

2. The United States of America formally declares that the United States of America does not accept any obligation in respect of the application of any provisoin of the Telegraph Regulations (Geneva Revision, 1973) to service over telecommunications channels other than those open to public correspondence.

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[1] Namely the Radio Regulations, Geneva, 1959, as partially revised by the Extraordinary Administrative Radio Conference to allocate frequency bands for Space Radiocommunication purposes (Geneva, 1963), by the Extraordinary Administrative Radio Conference for the preparation of a revised allotment plan for the Aeronautical Mobile (R) Service (Geneva, 1966), by the World Administrative Radio Conference to deal with Matters Relating to the Maritime Mobile Service (Geneva, 1967) and by the World Administrative Radio Conference for Space Telecommunications (Geneva, 1971).

(II) TELEPHONE REGULATIONS FOR THE UNITED STATES OF AMERICA

1. The United States of America formally declares that the United States of America does not, by signature of the Telephone Regulations (Geneva Revision, 1973) on its behalf, or by ratification thereof, accept any obligation in respect of the application of any provision of the Regulations to service within the United States with respect to telephone service between the United States, on the one hand and Canada, Mexico, and Saint-Pierre and Miquelon Islands on the other, and to the rates applicable to such service.

2. The United States of America formally declares that the United States of America does not accept any obligation in respect of the application of any provision of the Telephone Regulations (Geneva Revision, 1973) to service over telecommunications channels other than those open to public correspondence.

Resolved, (*two-thirds of the Senators present concurring therein*), That the Senate advice and consent to ratification of the Partial Revision of the Radio Regulations (Geneva, 1959), with a Final Protocol signed on behalf of the United States at Geneva on June 8, 1974 (Ex. G, 94–1), subject to the following reservation:

The Delegation of the United States of America formally declares that the United States of America does not, by signature of these Final Acts on its behalf, accept any obligation in respect of the Frequency Allotment Plan for Coast Radiotelephone Stations Operating in the Exclusive Maritime Mobile Bands between 4000 kHz and 2300 kHz and the associated implementing procedures to the extent practicable, pending the results of a future World General Administrative Radio Conference, the United States of America reserves its right to take such measures as may be necessary to protect its maritime radiotelephony interests.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in executive session, that appropriate extracts from committee reports in respect to the five treaties be printed in the RECORD.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

REPORT

[To accompany Ex. D, 81st Cong., 1st sess.; and Ex. J, 88th Cong., 1st sess.]

MAIN PURPOSE

The Inter-American Convention on Granting of Political Rights to Women provides that the right to vote and to be elected to a national office shall not be denied or abridged by reason of sex.

The Convention on Political Rights of Women provides that women shall be eligible for election, and shall be entitled to hold public office, without discrimination and on equal terms with men.

PROVISIONS

Inter-American Convention on Granting Political Rights to Women

The operative paragraph of this convention read as follows:

Article 1. The High Contracting parties agree that the right to vote and to be elected to national office shall not be denied or abridged by reason of sex.

[The 19th Amendment to the U.S. Constitution reads: "The right . . . to vote shall not be denied or abridged . . . on account of sex."]

Convention on Political Rights of Women (*Ex. J, 88th Cong., 1st sess.*)

The substantive provisions of this convention, consisting of 11 articles, are the first three which provide—

(1) Women shall be entitled to vote in all elections on equal terms with men, without any discrimination;

(2) Women shall be eligible for election to all publicly elected bodies, established by national law, on equal terms with men, without any discrimination; and

(3) Women shall be entitled to hold public office and to exercise all public functions, established by national law, on equal terms with men, without any discrimination.

It is to be noted and stressed here that the rights enumerated in articles II and III apply only to bodies, offices, and functions established by *national law*. For the United States, this means that State and local offices, bodies, or functions are not included in the scope of this convention.

Other articles concern signatures and ratifications (art. IV), accessions (art. V), entry into force (art. VI), reservations (art. VII), denunciation (art. VIII), notifications (art. X), and deposits of the convention in the archives of the United Nations (art. XI).

The terms of article IX, relating to disputes, deserve separate mention. They provide that any dispute which may arise between any two or more contracting states concerning the interpretation or application of this convention, and which is not settled by negotiations, shall, at the request of any one of the parties to the dispute, be referred to the International Court of Justice for decision, unless the parties agree to another mode of settlement. The provisions of the statute of the International Court which would apply in such an instance would be article 36, paragraph 1. The so-called Connally amendment—which reserves to the United States the right to determine what questions it considers to be within its domestic jurisdiction—is a restriction on the jurisdiction of the Court under Paragraph (2) of article 36 and therefore, would not apply to disputes referred to the Court under article 36, paragraph 1.

According to the administration, no implementing legislation is required. The right of women to vote is set forth in the 19th amendment to the U.S. Constitution: "That right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex." While there is no specific national legislation that complies with articles 2 and 3 of the Political Rights of Women Convention, the eligibility of women to be elected and to be appointed to public office established by national law in the United States has long been recognized in practice and in law.

At the time this convention was submitted to the Senate, in 1963, it was recommended by the administration that the resolution of ratification contain an understanding that in article III the phrase "public office" does not include military service, and the phrase "public function" is coterminous with "public office." However, at the time of the hearing on the convention, the administration expressed the belief that the legislative history of the convention is sufficiently explicit as to make an understanding unnecessary. The administration relies on statements made by Mrs. Roosevelt during the course of the negotiations on the convention, particularly the following:

A question does arise, however, as to whether the term "public office" is intended to include military service. My delegation believes it is not so intended. Almost all countries make some distinctions in the kinds of military duty they regard as suitable for women. The most usual distinction, and a natural and proper one, is that women are not used as combat troops and are not appointed to certain posts which might involve the direction of combat operations. Our attitude towards article 3 is, therefore, based on the understanding that it does not include military service. (28 State Department Bulletin 30 (1953).)

BACKGROUND

The Committee records do not show why the Inter-American Convention, which has been pending almost 27 years, was not taken up in the years right after its submission. In a letter dated April 19, 1967, the State Department commented:

The Inter-American Convention has only one substantive article, based on the nineteenth Amendment to the United States Constitution, stating that "the right to vote and to be elected to national office shall not be denied or abridged by reason of sex." United States ratification would make a positive contribution to our hemispheric relationships.

The Convention entered into force on April 22, 1949, and as of August 1975, seventeen American Republics had ratified, or adhered to, the treaty. The major non-parties are the United States, Bolivia, Mexico, and Venezuela.

While the United States delegates participated in the drafting of the other convention in the United Nations, it was not signed by the U.S. in line with the following statement by Secretary of State John Foster Dulles, testifying on the Bricker amendment before the Senate Judiciary Committee on April 6, 1953:

"This Administration does not intend to sign the Convention on Political Rights of Women. This is not because we do not believe in the equal political status of men and women, or because we shall not seek to promote that equality. Rather it is because we do not believe that this goal can be achieved by treaty coercion or that it constitutes a proper field for exercise of the treatymaking power. We do not now see any clear or necessary relation between the interest and welfare of the United States and the eligibility of women to political office in other nations"

Previously at the same hearing, Secretary Dulles had said:

"This administration is committed to the exercise of the treatymaking power only within traditional limits. By 'traditional' I do not mean that to imply that the boundary between domestic and international concerns is rigid and fixed for all time."

The Kennedy Administration reviewed this decision and on July 22, 1963, recommended that the United States accede to the Convention.

A Subcommittee of the Committee (chaired by the Senator Dodd) held hearings on the United Nations convention on February 23 and March 8, 1967, receiving favorable testimony from the following:

Benbow, Terence H., chairman, Committee on International Law, the New York State Bar Association.

Biemiller, Andrew J., director of legislation, AFL–CIO, Washington, D.C.

Bitker, Bruno V., attorney at law, Milwaukee, Wis.

Carter, Mrs. Eunice, National Council of Women of the United States, New York, N.Y.

Clayman, Jacob, administrative director, industrial union department, AFL–CIO, Washington, D.C.

Gardner, Richard N., the Ad Hoc Committee on Human Rights and Genocide Treaties.

Goldberg, Hon. Arthur J., U.S. Ambassador to the United Nations; accompanied by Richard D. Kearney, deputy legal adviser, Department of State; Hon. Joseph J. Sisco, Assistant Secretary of State for International Organization Affairs; Robert Starr, attorney, Office of the Legal Adviser; and Hon. Esther Peterson, Assistant Secretary of Labor for Labor Standards (for Mrs. Peterson's remarks, see p. 64).

Martin, Mrs. George, American Baptist Convention, Summit, N.J.

Nies, Miss Judith, Women's International League for Peace and Freedom.

Proxmire, Hon. William, U.S. Senator from Wisconsin.

Read, James, president, Wilmington College (Ohio), Friends Committee on National Legislation.

Rice, Andrew E., chairman, International affairs commission, American Veterans Committee.

Schick, Marvin, American Civil Liberties Union.

Taylor, Mrs. Betty Kaye, National Community Relations Advisory Council, accompanied by Maurice Weinstein, Richard Maass, Phil Baum, and Harrison Jay Goldin.

On June 5, 1967, the Subcommittee voted to report the convention favorably to the full Committee. Subsequently the American Bar Association, which adopted a resolution against ratification after the Subcommittee hearings, was heard on September 13, 1967. On October 11, 1967, the full Committee voted to table the treaty by a vote of 12–4.

The convention entered into force on July 7, 1954, and to date 80 countries have become parties to it.

CURRENT COMMITTEE ACTION AND RECOMMENDATIONS

Noting that 1975 has been designated International Women's Year, Senator Percy suggested in a letter to the Chairman that the Committee on Foreign Relations return to the consideration of the question of political rights of women. Accordingly, on December 2, 1975, a new hearing was held during the course of which oral testimony was offered by:

Mr. Stephen M. Schwebel, Deputy Legal Adviser, Department of State, accompanied by Paul Mickel and Ms. Alison Palmer.

Mrs. Ray Tucker, Chairwoman, Constitutional Rights Section, National Council of Jewish Women.

Dr. Irene Tinker, Director, Office of International Science, American Academy for the Advancement of Science, for the Federation of Organizations for Professional Women.

Mrs. Michael Shapiro, Past International President, B'nai B'rith Women, Member, Executive Committee, U.S. Committee for Cooperation, Inter-American Commission of Women.

Miss Elizabeth Athanasakos, Member, National Commission on the Observance of International Women's Year, 1975.

Mrs. Rita Johnston, U.S. Delegate to and Vice Chairman of the Inter-American Commission of Women.

Written statements were received from:

Congresswoman Bella Abzug.

Ellen S. Overton, President, National Capital Chapter, Women's Equity Action League.

American Association of University Women.

National Council of Catholic Women. U.S. Catholic Conference.

While the American Bar Association did not request to be heard, the Committee was informed that there has been no reversal of its 1967 position on the United Nations Convention. The Association's Committee on International Human Rights of the Section on International Law is currently, however, further considering the Bar Association's position. No formal action has ever been taken on the Inter-American convention.

Inasmuch as the American Bar Association is the only group to have testified against the convention in the past, particular attention was devoted at the December 12 hearing to the reasons for its opposition, which was stated succinctly in 1967: "It is difficult to conceive of any area more closely confined with the domestic jurisdiction of a country, than the right to determine the qualifications of its voters, and those of persons who may hold public office within its own borders." (1967 hearings, Part 2, p. 4)

Deputy Legal Adviser of the Department of State asserted that "the ABA has, we respectfully submit, underestimated the range of this country's international interests and obligations.

To insist that domestic legislation must be the sole guardian of the principle of nondiscrimination between the sexes is to deny that international affirmation of fundamental principles of human rights can have a salutary and indeed legal effect on international relations.

He and other witnesses pointed out that the Supplementary Slavery Convention, approved by the Senate in 1967, dealt, among other practices, with such subjects as the buying, selling, and inheritance of women, and the exploitation of women. Matters dealing with women and their rights were then clearly perceived to be a proper subject for international covenanting. He also reminded the Committee of Secretary Dulles' 1953 statement, that "the boundary between domestic and international concerns is [not] rigid and fixed for all time."

To illustrate the broadening concern, since 1967, over the status of women, domestically and internationally, witnesses cited Title IX of the 1972 Education Amendments eliminating sex discrimination in education, the joint resolution proposing the Equal Rights Amendment to the Constitution, the Percy Amendment to the Foreign Assistance Act on integrating women into national economies of countries, and the World Plan of Action adopted by the World Conference on International Women's Year in Mexico City which called for: "Enactment of legislation on voting and eligibility for election on equal terms with men and equal opportunity and conditions of employment including remuneration and an equality in legal capacity and exercise thereof."

Other witnesses reminded the Committee that the ABA's 1967 resolution was adopted at a time when it had few women members, after cursory debate, and by a closely divided vote of 115 to 92. Furthermore, many of the witnesses both in 1967 and 1975 were members of the ABA strongly supporting ratification in their individual capacities. Previously, in 1967 also, two reports of bar groups were submitted for the record—those of the Committee on International Law of the New York State Bar Association and of the Committee on International Law of the Bar of the City of New York. Other communications were received from the New Jersey State Bar Association, the board of trustees of the Los Angeles County Bar Association, the Alaska Bar Association and the Philadelphia Bar Association. All of these statements and communications recommended favorable action.

And finally, as already noted, appropriate groups of the American Bar Association are in the process of reexamining the Bar's position on this matter.

With respect to other points raised by the Bar Association, such as the effect on Federal-State powers, Mr. Schwebel referred to prior testimony in 1967 by Justice Goldberg "that absolutely no prerogative would be lost to the states" by United States adherence. "The equal right of women to vote is already protected in both federal and state spheres by the Nineteenth Amendment to the federal Constitution," Mr. Schwebel stated and added: "Thus the specter of a federal-state imbalance is a singularly gossamer objection to the ratification of the two conventions."

The Committee finds these arguments persuasive and concurs that there is no constitutional bar to adherence to these treaties.

While ratification may be a largely symbolic gesture, the Committee nevertheless believes that it will have positive results. Witnesses referred to the following:

It will remove an anomaly and source of embarrassment that the United States, which speaks so deeply about human rights in international forums, is one of the few nations not to have become a party to something as basic as a treaty guaranteeing political rights to women.

United States ratification can encourage other nations to adhere to the convention. The Committee notes in passing that the other non-parties to the United Nations Convention come mainly from the Moslem and African areas.

It will put us in a better legal and moral position to protest infringement by other parties to the conventions of the particular rights with which they deal.

Ratification will increase U.S. credibility in the process, still continuing, of drafting international legal norms.

Acting on these beliefs, the Committee on Foreign Relations, on December 18, 1975, ordered the conventions reported favorably to the Senate by voice vote with the recommendation that it give its advice and consent to accession and ratification by an overwhelming vote.

The United States was instrumental in proposing The World Conference of the International Women's Year held at Mexico City this summer. In the concluding words of Mr. Schwebel, "the time could scarcely be more propitious for ratification of these two treaties."

REPORT

[To accompany Ex. J, 93–2; Ex. E, 93–2; Ex. G, 94–1]

PURPOSE

The major purpose of each of these agreements is to improve the efficiency and effectiveness of earlier arrangements and understandings taking into consideration technical improvements which have occurred recently as well as further developments in the field of international organization. For the most part, these revisions of earlier agreements amount to refinements aimed at correcting deficiencies in arrangements, maintaining international cooperation, enhancing the smooth flow of the world's telecommunications and promoting technological development.

BACKGROUND

The International Telecommunications Union (ITU) is the oldest international organization still in existence. Twenty European states created the International Telegraph Union in 1865, and twenty years later extended it to cover telephone service. A few years later, the International Radiotelegraph Union (IRU) was formed and in 1932, recognizing that the same general principles were common to telegraph, telephone and radio communications, the two organigations were merged to form ITU. The United States has participated since 1912, first in the IRU and, since 1934, in the ITU.

The ITU holds a Plenipotentiary Conference every five to eight years at which time a new Convention is drawn up and regulations for its permanent organizations are updated. These subordinate units are:

The International Radio Consultative Committee (CCIR);

The International Telegraph and Telephone Consultative Committee (CCITT);

The International Frequency Registration Board (IFRB); and the General Secretariat.

The Plenipotentiary Conference also elects a new Secretary General, his deputy and members of the ITU's Administrative Council, and determines the Union's budget, administrative and operating plans.

The International Telecommunication Convention with Annexes and a Final Protocol reached at Malaga-Torremolinos on October 25, 1973 will abrogate and replace the International Telecommunication Convention of 1965. It generally follows the provisions of the 1956 Montreux Convention but includes a considerable number of minor improvements and a few major modifications. The principal modifications are those which would affect the functioning of the Union and its several organs. The International Telecommunication Convention (Montreux, 1965) provides, *inter alia*, in Article 7 for the convening of World Administrative Conferences for the purpose of complete revision of one or more of the Administrative Regulations listed in Article 15 of that Convention.

Pursuant to those provisions, the World Administrative Telegraph and Telephone Conference of the International Telecommunication Union met in Geneva, April 2–11, 1973 for the purpose of making a complete revision of the 1958 Telegraph and Telephone Regulations along with the appendices thereto.

The 1958 Regulations were found to have been too detailed and too inflexible to meet the requirements of rapidly advancing telecommunications technology. Further, as the elaborate 1958 Regulations had treaty status, the technical provisions contained therein could not be readily amended. It was partially for this reason that the United States did not become a party to the 1958 Telephone Regulations. The 1973 Regulations are greatly simplified, updated versions of the 1958 Regulations with much more of the operational details to be governed by the International Telegraph and Telephone Consultative Committee (CCITT) Recommendations.

The International Telecommunication Union called the World Maritime Administrative Radio Conference to meet between April 22 and June 8, 1974 in Geneva. The principal maritime nations generally agree to the need to maintain an up-to-date maritime communication system to meet the requirements of voice and public correspondence (personal and corporate), safety of life at sea and navigation. The original Radio Regulations were drawn up in Geneva in 1959 and after the Senate's approval, came into force for the United States in 1961 (TIAS 4393). These were later updated in 1969 (Ex. E., 90–2) in the same manner as they were in 1974.

The U.S. had three broad objectives in advancing its proposals for the 1974 Maritime Conference, namely: (1) to press forward with the adoption of radio regulations that would enable all countries to realize, as rapidly as possible, the benefits to be derived from modern telecommunications techniques and that would enhance the smooth flow of the world's maritime communications, (2) to adopt up-to-date regulations that would provide for greater safety of life and shipping on the high seas, and (3) to adopt the minimum necessary regulations for the introduction of maritime satellite communications in an orderly manner.

The U.S. put forth a large number of specific proposals at the Conference to carry out these objectives. With one exception, concerning the Frequency Allotment Plan for Coast Radiotelephone Stations, the results of the Conference achieved U.S. objectives. The revisions are found in a total of 71 annexes, 23 resolutions and 21 recommendations.

MAJOR PROVISIONS

International Telecommunication Convention, Torremolinos, 1973

(Ex. J., 93–2)

The Torremolinos Convention generally follows the Montreux Convention (TIAS 6367) and leaves unchanged its main purposes. In sum, these are: (1) to extend international cooperation for the improvement of all telecommunication systems, (2) to develop better technical facilities, and (3) to harmonize the actions of nations for these purposes.

Part One, moderately revised, has seven chapters containing provisions relating to ITU's composition, purpose and structure and to its relations with other interntaional organizations.

Part Two, entitled "General Regulations," contains those most likely to need future revision. In the Montreux Convention they appeared as an Annex.

This Convention has three Annexes. The first lists the nations entitled to be members upon ratification. The second defines terms. The third is an agreement recognizing the International Telecommunication Union as a United Nations specialized agency.

Major changes are found in the organization of the International Telecommunication Union and the functions of its subordinate agencies. The Administrative Council's membership is increased from 29 to 36 seats, with the understanding that there be no provision for rotation of members.

The membership of the International Frequency Registration Board would remain at five, or one for each of the five regions established for the election of the Administrative Council; namely, the Americas, Western Europe, Eastern Europe and Northern Asia, Africa, and Asia/Australasia.

The Conference deleted from the new Convention the Territories of Portugal, Spain, the United Kingdom, France, and the United States, as members of the Union. Because the respective Territories have heretofore had, in addition to voting powers equivalent to those of any other member of the Union, their own distinct financial obligations to the Union, the exclusion of the territories will necessitate the redistribution of financial obligations. Where the contribution of the United States and the Territories of the United States has previously totaled approximately 11½ percent of the total contributions, the total United States contribution under the new Convention will now equal approximately 1 percent of the total contributions.

The Final Protocol to the International Telecommunication Convention contains statements, including certain reservations or understandings, made on behalf of a number of the signatories at the time of the signing of the Convention. The United States declaration in the Final Protocol is as follows:

ARTICLE XXXVIII

For the United States of America:

The United States of America formally declares that the United States of America does not, by signature of this Convention on its behalf, accept any obligations in respect of the Telephone Regulations or the Additional Radio Regulations referred to in Article 42 of the International Telecommunication Convention (Malaga-Torremolinos, 1973) and in Article 82 of the General Regulations thereof.

The Administration recommends that the United States ratification of the Malaga-Torremolinos Convention be subject to that declaration. However, at the present time, the Telephone and Telegraph Regulations (done in Geneva, April 11, 1973) are also before the Senate for advice and consent to ratification with the recommendation that, for the first time, the United States become a party to the Telephone Regulations as well as the Telegraph Regulations. In the event that, pursuant to Senate advice and consent, the United States ratifies and becomes a party to the Telephone Regulations, so much of the above declaration as refers to the Telephone Regulations will be superseded and will be withdrawn.

In addition to the Convention and Final Protocol, there are also various Additional Protocols and Resolutions, Recommendations, and Opinions relating to transitional matters, procedures, temporary arrangements, salaries and other personnel matters, financing and accounting rules and procedures within the Union, and a variety of other matters. Senate action with a view to ratification is not considered necessary with respect to these other Final Acts.

Telegraph and telephone regulations, Geneva, 1973

(Ex. E., 93–2)

These Telegraph & Telephone Regulations are two of four sets of Administrative Regulations which are referred to in Article 42 of the International Telecommunication Convention (Malaga-Torremolinos, 1973). The United States first became a party to the Telegraph Regulations following their revision in 1949. The Paris 1949 revision of the Telegraph Regulations was succeeded by the Geneva revision of 1958 and the latter was in turn superseded by the 1973 revision.

Both the 1949 and 1958 revisions were extensive documents containing precise provisions concerning telegraph, and more particularly, telegram operations. The result was that both the 1949 and 1958 revisions were subject to numerous United States reservations because they were considered so detailed and lacking in flexibility, that they would be too restrictive both for the Government and the United States carriers providing telecommunications service.

Prior to 1973, the United States had not signed the Telephone Regulations. In 1949, at the same international conference where both the Telegraph and Telephone Regulations were then being revised, the American delegation pointed out that the Telephone Regulations had been developed over the years to meet the operating needs of the governments and companies engaged in providing telephone service within Europe and that while Europe had its telephone rules in treaty form, in North America the private operating companies in the United States, Canada, Cuba, and Mexico had their own set of operating arrangements to which governments were not a party, although they were subject to government controls.

The pending Regulations are simplified, completely revised versions of the 1958 Regulations and will make it easier for the international business system guided by the Regulations to keep pace with rapidly advancing telecommunications technology.

Provisions: The two sets of Regulations provide the same substantive framework for continued international traffic in both telegraph and telephone services. Both require:

That sufficient international telegraphic or telephonic systems be maintained;

That specified services be provided to users;

That certain operating procedures be followed;

That the determination of rates and charges and the accounting of the collection of same follow standardized practices.

The Telegraph Regulations prohibit rebates on rates set by the general official tariff list and grant the right to terminal and transit telegraph offices to stop certain private telegrams, subject to reference to appropriate authorities, but not safety-of-life, service or government telegrams.

At the time of signing the Regulations, the United States delegation added two almost identical statements relative to the Telegraphic and Telephonic Regulations which are found as I and II of the Final Protocol of the Regulations. These reservations had their origin in the 1949 Paris Revision of the Telegraph Regulations.

The declaration is proposed to make it clear that telegraphic service and telephone service on the North American continent is generally considered to fall within the scope of domestic service and is not governed by the Telegraph and Telephone Regulations.

The purpose of the proposed declaration II is to insure that the Regulations will not be applicable to the aeronautical service. The Telegraph and Telephone Regulations pertain mainly to the public correspondence service, whereas aeronautical service is principally a private communications service. Therefore, the second reservation is designed primarily to make certain that the treaty provisions will not interfere with the operational communications of the airline industry although the language is broad enough to exempt other communication channels not open to the public correspondence.

An Appendix on Payment of Balances of Accounts appears in both sets of Regulations. The procedures for converting currencies for the balances of international telecommunication accounts have been subject of a United States reservation in the past. However, this Appendix has been revised in recent years at international meetings in which the United States has played a leading role. It is recognized that in the present world monetary situation, with its evolving system of floating currencies that are already moving away from direct, official links to gold, the proposed payments procedures are less than wholly effective. The Appendix contains an escape clause in Paragraph 11, however, which provides that the prescribed settlement procedures need not be observed should there be a "radical change in the international monetary system." Recent decisions in the International Monetary Fund toward demonetizing gold and the consequent possibility of market valuation of official values can be considered to be such radical changes. In such cases the carriers may settle accounts by whatever way they may mutually agree in the event they consider the procedures contained in the Appendix to be inappropriate. Consequently a reservation was thought to be unnecessary.

Partial revision of the radio regulations

(Ex. G., 94–1)

The tests of the Partial Revision, with Annexes, and the Final Protocol are contained in a bound volume, designated Final Acts, which also includes texts of a Partial Revision of the Additional Radio Regulations (Geneva 1959), to which the United States is not a party, and of resolutions and recommendations which do not require action with a view to ratification on the part of the United States.

Provisions: The Partial Revision is highly technical with most provisions dealing with such items as the reallocation of frequency channels for radiotelephone or for narrow-band direct printed telegraphy and facsimiles (maps), for intra-ship radio communications and the like, plus power limitations for such channels.

Some of the specific provisions which are included in the Revision were summarized as follows by FCC Commissioner Robert E. Lee in testimony before the Committee:

1. Digital selective calling provisions are adopted, including two complements of frequencies and provisions whereby the International Radio Consultative Committee (CCIR) will develop technical and operational details.

Digital selective calling is an automated system for selectively calling a ship at sea when a shore station has a message for that ship only, or a ship has a message for a shore station. This technique will eventually replace the traditional Morse code or voice calls which, because they are not selective, go to all ships within range of the calling signal. Selective calling, when associated with narrow-band direct printing, makes it possible to have a fully automatic ship-to-shore communications system similar to the widely used telex system for sending printed messages between shore offices.

2. Thirty-seven new duplex radiotelephone channels are provided at the expense of telegraphy channels and by reducing channel spacing of existing telephony channels. In response to the expanding need for maritime voice radiotelephone communications, the Conference agreed that thirty-seven new two-way radio frequencies should be provided between ship and shore. These new channels were acquired by (a) narrowing the spacing between existing frequencies in the maritime telephone service, and (b) reallocating frequencies from the Morse code of communications for use in lieu of voice communications.

3. Provisions are made for operational use of narrow band direct printing telegraphy. Narrow band direct printing is a teletype which will make possible a fully automated ship-to-shore communication system. Instead of using a radio operator to copy Morse code, ships will have a printing device on board to receive and send printed teletype messages. Paired frequencies for this purpose are tabulated in Appendix 15A. The major advantage of this system is more rapid handling of a higher volume of messages. In addition, when fully automated the system can work around the clock whether or not it is continuously manned by the radio operator.

4. The Radio Regulations are modified to provide for on-board or intra-ship radio communications and six radio frequencies were so designated.

Intra-ship, or on-board radio communications, a type of seagoing walkie-talkie system, are intended to solve the problem of communicating among personnel on large modern ships, particularly tankers, where the old fashioned methods of shouting through a megaphone or using a ship's telephone are not good enough. Those specified frequencies, although used with low power, are included in the international regulations because ships travel and enter ports on a worldwide basis.

5. Oceanographic data transmission provisions are retained unchanged. Ocean data buoys float on the high seas and by radio relay information on tides, wind and sea conditions in general. There was considerable pressure at the Conference to move ocean data communications to different frequencies in order to make room for radio-telephone. Taking into consideration the fact that this would have required an extensive re-engineering of ocean data buoy systems, the Radio Regulations conferees decided not to change the provisions.

6. The provisions for ship wideband facsimile and special transmission systems are retained. The transmission of facsimile pictures, data information, and multi-channel teletype systems require broad bands of frequency spectrum. In 1959, provisions were made in the Radio Regulations for such wide-band systems which are used primarily by the U.S. and several NATO countries for naval communications systems. At the 1974 Conference, there was pressure to reduce substantially the spectrum for those wide-band operations, again to provide more frequencies for radio-telephony. In the end it was decided, with some adjustments in frequencies, to retain these bands at their present size.

7. An improved voice maritime distress system is adopted pertaining to the use of the common voice distress frequency of 2181 kHz. The U.S. pressed for conversion of this frequency to the single sideband technique to provide a better signal and a greater range of communications. Most other countries were opposed to a mandatory conversion at this time because they were not sure the benefits were sufficient to warrant adjusting or replacing existing equipment. It was finally agreed that the Regulations should be amended to gain experience with the new technique while maintaining the existing system of normal double sideband watches. In a separate action, provision was made for worldwide silent periods on this frequency so that weak distress signals can be heard.

8. Technical parameters for maritime, single sideband, high frequency transmitters are updated. Tolerances for ship radio-telephone operations are tightened to permit the use of narrower channeling of frequencies. New high frequency tolerance figures go into effect on January 1, 1978; medium frequency figures in 1982. Improvements in receiver and transmitter characteristics will apply to new equipment purchased after 1978.

9. Maximum power limits are agreed for High Frequency ship and coast stations respectively. The Conference agreed on maximum power limits of 1.5 kw for ships and 10.0 kw for coast stations for high frequency telephone operations. The U.S. attempted unsuccessfully to get the coast station power reduced to 5 kw to permit more effective spectrum usage.

10. Supplementary High Frequencies for distress purposes are agreed for use in various areas of the world, including in particular Mexico, Central America, South America, and the South Pacific.

In some parts of the world, primarily in the tropical areas, 2181 kHz does not provide adequate coverage due to more difficult propagation conditions. Hence countries like Australia have used 4136.3 kHz and 6204 kHz as additional voice distress frequencies. The revised Regulations upgrade the use of these frequencies "to supplement the carrier frequency 2181 kHz for distress and safety purposes". In view of potential interference problems associated with this change, the Regulations set forth geographical areas in which each of these frequencies can be used. Although no water areas contiguous to the United States are included, the new Regulations permit Mexican coast stations to use one of these frequencies, thus possibly affecting U.S. usage adjacent to Mexican waters. If Mexico actually uses this frequency, a coordinated arrangement will be required.

11. An international distress, safety, and calling frequency for the maritime mobile Very High Frequency radiotelephone service is designated. Because so many distress situations occur within short distances of coast lines, primarily involving pleasure craft, the U.S. has for some time successfully used a VHF frequency for short range voice distress communications. In accordance with proposals by the United States and others, this frequency was designated by the Conference as an international distress, safety, and calling frequency for maritime mobile VHF radiotelephone. A Recommendation is incorporated in the Radio Regulations regarding the voluntary establishment of coast station watches on this VHF channel. The Radio Regulations are also modified to make this frequency comparable in status to other distress, safety and calling frequencies.

12. Provisions are made in the Radio Regulations for a new Ship Movement Service which will be radio regulatory basis for operations of vessel traffic systems in the United States. The establishment of a maritime mobile safety service called the Ship Movement Service will augment the present Port Operations Service. VHF frequencies are designated, and messages are restricted to those relating to the movement of ships. This Service will benefit the United States' effort to establish a Vessel Traffic Service for the safe handling of ships approaching U.S. coastal confluences and entering U.S. ports. As it does with airport traffic control systems, the Federal Communications Commission will license U.S. ship radio stations and regulate their communications. The Coast Guard will, in general, be responsible for operating Vessel Traffic Service Areas because of the maritime safety aspects.

13. Several modifications were made to the Radio Regulations to provide for improved communications between ships and aircraft, particularly for on-scene search and rescue operations. These provisions are intended primarily to cover operations where (*a*) helicopters and light aircraft work with ships, and (*b*) ships and aircraft work together in a coordinated search and rescue effort.

14. Provision 14 concerns an entirely new A–1 Morse telegraphy calling system adopted to set up a worldwide procedure to expedite and improve the establishment of communications between ships at sea and shore stations. Calling frequencies are specified. Procedures are established for the even distribution of calls and for maintenance of watches on the calling frequencies by coast stations. The new calling arrangements are expected to become fully operational on June 1, 1977.

15. Minimum provisions to implement

maritime satellites are adopted. Satellites offer a new technology that promises to improve greatly maritime communications, but not enough experience has been gained yet to set down detailed Radio Regulations. Accordingly, the revised Radio Regulations contain only minimal regulations considered necessary for their orderly introduction into operational service.

16. A new Radio Operators General Certificate was adopted. This will broaden the operator's responsibility and his understanding of new maritime radio and electronics technology so that modern telecommunications can be used effectively aboard ships to mitigate risks at sea.

American labor unions took a forward-looking approach not only by supporting and contributing to the United States proposals, but also through the assistance of one of their representatives, Mr. Harvey Strichartz, who was on the United States Delegation. Mr. Strichartz helped with the negotiations of the radiocommunication operator requirements and told the Committee that the revisions relating to Operator's Certificates reflect those proposed by the U.S. They will permit the introduction of new maritime telecommunications techniques such as maritime satellites, direct printing telegraph, and selective calling, which have been referred to earlier. These amendments also addressed qualifications of Radio Officers on shipboard. According to Mr. Strichartz, adoption of these amendments constitutes domestic and international recognition that the maintenance of equipment used for radiocommunication and radionavigation is a safety activity on a par with the standing of safety radio watches. In other words, a Radio Officer able to perform maintenance on his more complex, sophisticated equipment likewise contributes to safety of life at sea.

The Final Protocol contains a United States reservation relating to Appendix 25 Mar2 "Frequency Allotment Plan for Coast Radiotelephone Stations Operating in the Exclusive Maritime Mobile Bands between 4000 and 23000 kHz".

It reads as follows:

ARTICLE XII

UNITED STATES OF AMERICA

The Delegation of the United States of America formally declares that the United States of America does not, by signature of these Final Acts on its behalf, accept any obligations in respect of the Frequency Allotment Plan for Coast Radiotelephone Stations Operating in the Exclusive Maritime Mobile Bands between 4000 kHz and 23000 kHz and the associated implementing procedures, and that, although the United States of America will observe the provisions of the Plan and implementing procedures to the extent practicable, pending the results of a future World General Administrative Radio Conference, the United States of America reserve its right to take such measures as may be necessary to protect its maritime radio telephony interests.

The Conference adopted the Frequency Allotment Plan for Coast Radiotelephone Stations contained in Appendix 25 over the objections of the United States and several other delegations. This Plan, which incorporates the principle of equal rights without regard to validity of requirements, had become a highly politicized issue by the end of the Conference and created impractical frequency sharing arrangements both within the United States and externally.

Due to the multitude of allotments (up to thirty-six countries) on each frequency channels, the elimination of use priorities, the adoption of unworkable implementation procedures, and the authority given to the International Frequency Registration Board to make allotments on a highly arbitrary basis, the United States found the revised Allotment Plan and its associated procedures incompatible with its official and public correspondence needs. The United States Reservation found in the Final Protocol, means that the United States is not bound by the provisions of the Plan and its associated implementing procedures. However, as indicated by the language of the Reservation, the intent is to observe the Allotment Plan and its associate procedures to the extent practicable, meanwhile hoping to negotiate a more realistic Plan at a later Conference. According to the Administration the Reservation in no way detracts from the effectiveness of the remainder of the revisions to the Radio Regulations negotiated last year.

Belgium, Brazil, France, Israel, Italy, The Netherlands, and the United Kingdom also entered Reservations of their own with regard to the Allotment Plan.

DATES OF ENTRY INTO FORCE

Article 52 of the International Telecommunication Convention, (Torremolinos 1973) provides that the new Convention entered into force on January 1, 1975 between Members who had deposited instruments of ratification or accession before that date.

The Telegraph and Telephone Regulations, (Geneva, 1973) entered into force on September 1, 1974, in respect to those countries and groups of territories which by that date, had taken the final action necessary to become parties thereto.

The Partial Revision of Radio Regulations (Geneva, 1974) will come into force on January 1, 1976, for Governments which by that date have notified the Secretary General of the International Telecommunication Union of their approval.

COMMITTEE ACTION

On December 9, 1975, the Committee on Foreign Relations held a public hearing on the International Telecommunication Convention, the Telegraph and Telephone Regulations and the Partial Revision of the Radio Regulations. At that time, Mr. John Eger, Acting Director of the Office of Telecommunications Policy of the Executive Office of the President spoke in favor of all three; Ambassador Jacob D. Beam testified in support of the first Convention; Commissioner Robert E. Lee of the Federal Communications Commission spoke in support of the last two, and Mr. Harvey Strichartz, Technical Director of the American Radio Association, AFL–CIO and Radio Officer's Union of the United Telegraph Workers, AFL–CIO, recommended the Senate approve the Partial Revision of the Radio Regulations. Mr. Eger's prepared statement, covering as it does all three conventions, is reprinted in the Appendix of this report while those of the other three witnesses have been summarized and included in the body of the report.

Besides these witnesses, the Committee received for the record a letter in support of the Partial Revision from Mr. James J. Reynolds, President of the American Institute of Merchant Shipping (AIMS). AIMS, however, is concerned that implementing regulations resulting from an erroneous interpretation of the 1974 World Maritime Administrative Radio Conference might require another expensive change of radio equipment. AIMS urges that in the implementation of Provision 14, the new A–1 Morse Telegraphy Calling System, the United States regulatory agencies should permit either of two options: (1) the continued use of existing equipment with the assignment of nationally assigned, harmonically related calling frequencies and crystals appropriately related to whatever voyages a ship may undertake; or (2) the installation of new shipboard synthesizers capable of meeting the frequency plan. AIMS recommends that two national assignments of frequencies should be made to each vessel: one for use in the Harmonic Relationship Scheme, the other for use when the vessel converts to a synthesizer. The full text of Mr. Reynolds's letter is on file in the Committee's offices, as are the statements of the other witnesses.

All three Administration witnesses expressed regret that political activity of certain nations intruded into the deliberations of the ITU and its subordinate agencies. Two aspects of that politicization directly affecting American interests in the Partial Revision of Radio Regulations have already been discussed. In all three conventions, however, political activism became strident, disruptive and time consuming.

The Montreux Convention of 1965 had adopted a resolution excluding South Africa from all ITU meetings. As Ambassador Beam told the Committee, it was to be expected that the Torremolinos Plenipotentiary would do no less. That was the case and a resolution to this effect was passed which applied also to Portugal because of its colonial policies in Africa at that time.

The United States, several Western European countries and others argued that expulsions were illegal since neither the Convention nor ITU statutes provide for such action. The anti-colonialist bloc carried the day, however, and both countries were excluded from participation in ITU meetings until June 1975 when it was agreed to readmit Portugal to full membership in view of the change in that country's colonial policy. South Africa remains subject to the ban.

FINANCIAL IMPACT

A consequence of this drive to exclude South Africa and Portugal was a campaign to cancel the membership of "territories and groups of territories" by confining memberships to countries. Such entities as the Commonwealth of Puerto Rico, the Virgin Islands and Guam, taken together, had provided the United States with an additional membership in the Union. Four other nations also had territorial membership in addition to their own.

Over the opposition of the United States, France, the U.K. and others, the Conference majority voted to deprive territories of ITU membership. Against the background of indignation over Portugal's colonial rule, the retention of territories as separate members was an anachronism, so in this respect the western countries did little more than bow to the inevitable. A result of the action is that the United States is relieved of the financial burden of the contributions it has been making on behalf of its territories. The U.S. contributions has dropped from about 11½% of the budgetary total to approximately 7%; and the U.S. is fully able to protect the interests of its dependent areas through its single membership in the ITU.

The Convention also reflects a position strongly favored by the United States, and one that was under challenge during the Plenipotentiary, namely, retention of a system of voluntary contributory units under which a member is free to select the size of its contribution from stated optional categories. There was an energetic effort on the part of several Members to change this voluntary system to other methods, such as pegging shares to the United Nations scale, telephone traffic or the number of telephones, or to a nation's Gross National Product. After lengthy debate and parliamentary maneuvering, however, it was agreed to retain the existing system of voluntarily-chosen contributory units.

Another area in which the Torremolinos Plenipotentiary dealt responsibility was the question of technical assistance programs. Despite strong pressures from the developing countries for large ITU-funded programs of technical assistance, the United States, along with others, was successful in having the Convention provide that the Union's technical cooperation budget should come solely from United Nations Development Program funding, thus eliminating the risk of having to pay twice for the same kind of project.

Ambassador Beam also testified that Torremolinos dealt with the problem of arrearages in members' contributions. At that time they totaled about 9,000,000 Swiss francs. The Montreux Convention had contained little incentive or enforcement mechanism to stimulate payment. The Torremolinos Conference wrote off part of the arrearage and put the remainder in a special account charging no interest. More importantly, it contains a provision that a member shall lose its right to vote when its arrears equal or exceed the amount of the contribution due from it for the preceding two years.

As of December 1974, the 6,500,000 Swiss francs earlier arrearages transferred to a non-interest account had been reduced by almost 1.5 million Swiss francs; and the December 1974 current arrearage contributions account totaled 800,000 Swiss francs.

The Committee was told by the Administration witnesses that while the political disruptions were annoying, the Torremolinos Plenipotentiary and the present Convention reflect and consolidate the substantial and real benefits provided by the ITU and its subordinate units. American membership costs are low. World communications and the United States economy profit from the practical work performed within the International Consultative Committees and ancillary organs of the Union which make use of the private sector, particularly through the participation of American industry.

On December 18, 1975, the Committee considered the three Conventions in open session and by a voice vote without dissent ordered them reportedly favorably to the Senate for its advice and consent to ratification.

Mr. MAGNUSON. Mr. President, what time will we be expected to vote on Thursday?

Mr. ROBERT C. BYRD. I cannot answer that question at the moment. Very shortly, I shall be able to respond.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have cleared the following request with the distinguished assistant Republican leader (Mr. Griffin).

As in executive session, I ask unanimous consent that on Thursday, immediately after the vote on the override of the Presidential veto, a matter which has been alluded to earlier today in legislative session, the Senate proceed to vote on the five treaties; that the vote on the five treaties be encompassed in one rollcall vote, that one vote to count as five, as it is spread on the pages of the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM WEDNESDAY, JANUARY 21 UNTIL THURSDAY, JANUARY 22, AT 11:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Wednesday, it stand in adjournment until the hour of 11:30 a.m. on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON THURSDAY, JANUARY 22, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders or their designees have been recognized on Thursday under the standing order, there be a period for the transaction of routine morning business not to extend beyond the hour of 12 o'clock meridian, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR DIVISION OF TIME AND LIMITATION OF DEBATE ON THURSDAY, JANUARY 22, AND FOR VOTE TO OCCUR AT 1 P.M.

Mr. ROBERT C. BYRD. Mr. President, did the distinguished majority leader get an order earlier today to the effect that, beginning at the hour of 12 o'clock meridian on Thursday, the Senate would proceed to debate the override of the Presidential veto?

The PRESIDING OFFICER. Yes; he did.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that the time for debate on overriding the Presidential veto be divided between Mr. Thurmond and Mr. Stennis, and that it be limited to 1 hour, with a vote to occur at the hour of 1 o'clock on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—S. 961

Mr. MAGNUSON. Mr. President, I ask unanimous consent that James Walsh, Lynn Sutcliffe, John Hussey, and Carolyn Agnew of the committee staff be allowed the privileges of the floor during consideration of S. 961.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES TO RECEIVE A MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 524.

The PRESIDING OFFICER (Mr. Durkin) laid before the Senate House Concurrent Resolution 524, providing for a Joint Session of the House and Senate on Monday, January 19, 1976, to receive the President of the United States.

The PRESIDING OFFICER (Mr. Durkin) laid before the Senate House Concurrent Resolution 524, which reads as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress assemble in the Hall of the House of Representatives on January 19, 1976, at 9 o'clock postmeridian, for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 524) was agreed to.

RESCISSION AND DEFERRALS—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

The VICE PRESIDENT laid before the Senate a message from the President of the United States communicated to the Senate on January 6, 1976, during the adjournment, and under authority of the order of December 19, 1975, which was referred jointly, pursuant to the order of January 1, 1975, to the Committees on Appropriations, Budget, Banking, Housing and Urban Affairs, Armed Services, Labor and Public Welfare, Finance, and Commerce, and ordered to be printed. The message is as follows:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of the uncommitted balances of the Rehabilitation Loan Fund administered by the Department of Housing and Urban Development. In addition, I am reporting nine new deferrals totalling $669.8 million in budget authority and eleven changes to deferrals previously transmitted that increase the amount deferred by $17.3 million.

The activities financed by the Rehabilitation Loan Fund are also eligible for support under the Community Development Block Grant Program. Experience has now shown that block grant recipients are using—as was the intent of the Housing and Community Development Act of 1974—their grants to support rehabilitation activities. Approval of this rescission, therefore, will result in expenditure savings of $18.4 million this year and $34.0 million in the transition quarter and 1977 without adverse effect on the availability of housing rehabilitation assistance.

Seven of the nine new deferrals are routine in nature and affect programs of the Departments of Defense, State, and Transportation and the Interstate Commerce Commission.

The remaining two new deferrals and all eleven revised deferrals are for programs of the Department of Health, Education, and Welfare. The new deferrals establish and the revised deferrals extend through the third quarter funding levels that differ from the general levels allowed by the continuing resolution. In so doing, these deferrals preserve—until enactment of the regular appropriations—the possibility of conducting the reported programs in 1976 at the levels I have recommended and, in four cases, at the level the Congress has recommended.

The details of the proposed rescission and the deferrals are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *January 6, 1976.*

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

On December 22, 1975, pursuant to the authority of Senate Resolution 343, 94th Congress, 1st session, a message was received from the House of Representatives stating that the House had passed the bill (H.R. 8235) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, in which it requests the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also stated that the Speaker has signed the following enrolled bills and joint resolutions:

S. 322. An act to establish the Hells Canyon National Recreation Area in the States of Oregon and Idaho, and for other purposes;

S. 1469. An act to provide, under or by amendment of the Alaska Native Claims Settlement Act, for the late enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing regional corporations, and for other purposes;

S. 2327. An act to amend the Real Estate Settlement Procedures Act of 1974;

S. 2718. An act to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes;

H.R. 4016. An act to provide for the disposition of funds appropriated to pay certain Indian Claims Commission judgments in favor of the Sac and Fox Indians, and for other purposes;

H.R. 4287. An act to provide for additional law clerks for the judges of the District of Columbia Court of Appeals;

H.R. 6673. An act to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes;

H.R. 8304. An act to amend the national reading improvement program to provide more flexibility in the types of projects which can be funded, and for other purposes;

H.R. 9968. An act to change certain income tax provisions of the Internal Revenue Code of 1954, and for other purposes;

H.R. 10035. An act to establish the Judicial Conference of the District of Columbia;

H.R. 10284. An act to amend title XVIII of the Social Security Act, and for other purposes;

H.R. 10355. An act to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes;

H.R. 10727. An act to amend the Social Security Act to expedite the holding of hearings under titles II, XVI, and XVIII by establishing uniform review procedures under such titles, and for other purposes;

S.J. Res. 157. A joint resolution to provide a 2-month extension of the exemption for loans made to finance the acquisition of previously occupied residential dwellings from the prohibition against financing by federally-related financial institutions for property located in communities not participating in the national flood insurance program;

H.J. Res. 749. Joint resolution to provide for the beginning of the second session of the 94th Congress and for other purposes.

The enrolled bills and joint resolutions were signed on December 22, 1975, by the Acting President pro tempore (Mr. METCALF).

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of December 19, 1975, on January 6, 1976, during the adjournment of the Senate, Mr. TOWER, from the Committee on Armed Services, submitted a report on the nomination of George Bush, of Texas, to be Director of Central Intelligence (together with minority views) (Exec. Rept. No. 94–21).

Under authority of the order of December 19, 1975, on January 16, 1976, during the adjournment of the Senate, Mr. SPARKMAN, from the Committee on Foreign Relations, submitted a report on the International Telecommunication Convention, Torremolinos, 1973 (Exec. J., 93–2); the Telegraph and Telephone Regulations, Geneva, 1973 (Exec. E, 93–2); and the Partial Revision of the Radio Regulations, Geneva, 1974 (Exec. G, 94–1) (Exec. Rept. No. 94–22).

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of December 19, 1975, on January 16, 1976, during the adjournment of the Senate:

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

H.J. Res. 406. Joint resolution for the presentation by the United States to Israel of a statue of Abraham Lincoln to be donated by Leon and Ruth Gildesgame, of Mount Kisco, N.Y. (Rept. No. 94–588).

MESSAGES FROM THE HOUSE

At 1:39 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has passed the concurrent resolution (H. Con. Res. 524) providing for a Joint Session of the House and Senate on Monday, January 19, 1976, to receive the President of the United States, in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the following resolutions:

H. Res. 954. That the Clerk of the House inform the Senate that a quorum of the House is present and that the House is ready to proceed with business.

H. Res. 955. That until otherwise ordered, the daily hour of meeting of the House of Representatives shall be at 12 o'clock meridian.

At 3:30 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House has agreed to the following resolutions:

H. Res. 910 expressing disapproval of proposed deferral D76–68, relating to the Department of Agriculture, Agricultural Research Service;

H. Res. 911 expressing disapproval of proposed deferral D76–69, relating to the Department of Agriculture, Animal and Plant Health Inspection Service;

H. Res. 912 expressing disapproval of proposed deferral D76–70, relating to the Department of Agriculture, Agricultural Conservation Program;

H. Res. 914 expressing disapproval of proposed deferral D76–72, relating to the Department of Agriculture, Rural Water and Waste Disposal Grants;

H. Res. 915 expressing disapproval of proposed deferral D76–73, relating to the Department of Agriculture, Watershed and Flood Prevention Operations;

H. Res. 916 expressing disapproval of proposed deferral D76–74, relating to the Department of Agriculture, Resource Conservation and Development;

H. Res. 920 expressing disapproval of proposed deferral D76–79 for the Environmental Protection Agency, Research and Development;

H. Res. 921 expressing disapproval of proposed deferral D76–80 for the Environmental Protection Agency, Research and Development;

H. Res. 922 expressing disapproval of proposed deferral D76–81 for the Environmental Protection Agency, Abatement and Control;

H. Res. 923 expressing disapproval of proposed deferral D76–82 for the Environmental Protection Agency, Abatement and Control; and

H. Res. 924 expressing disapproval of proposed deferral D76–83 for the Environmental Protection Agency, Abatement and Control.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 11045) to amend the Rehabilitation Act of 1973 to extend the authorizations of appropriations contained in such act; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PERKINS, Mr. BRADEMAS, Mrs. MINK, Mr. MEEDS, Mrs. CHISHOLM, Mr. LEHMAN, Mr. CORNELL, Mr. BEARD of Rhode Island, Mr. ZEFERETTI, Mr. MILLER of California, Mr. HALL, Mr. QUIE, Mr.

Bell, Mr. Peyser, Mr. Jeffords, and Mr. Pressler were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

Cumulative Report on Rescissions and Deferrals—January 1976

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals, January 1976 (with an accompanying report); to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, the Committee on Banking, Housing and Urban Affairs, the Committee on Interior and Insular Affairs, the Committee on Public Works, the Committee on Commerce, the Committee on Finance, the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Aeronautical and Space Sciences, jointly, pursuant to the order of January 30, 1975, and ordered to be printed.

Release of Impounded Budget Authority

A letter from the Assistant Comptroller General of the United States, reporting, pursuant to law, on the release of $202.8 million in impoundment budget authority required to be made available for obligation by section 1013(b) of the Impoundment Control Act of 1974; to the Committee on Appropriations and the Committee on the Budget, jointly, pursuant to the order of January 30, 1975, and ordered to be printed.

NASA and Aerospace Related Employment

A letter from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report of the present and former NASA employees who have filed reports with NASA pertaining to their NASA and aerospace-related industry employment for the fiscal year ended June 30, 1975 (with an accompanying report); to the Committee on Aeronautical and Space Sciences.

Costs of Producing Selected Crops, 1974

A letter from the Director of Agricultural Economics, Office of the Secretary, Department of Agriculture, transmitting, pursuant to law, a report on costs of producing selected crops in the United States, 1974, Economic Research Service, Department of Agriculture (with an accompanying report); to the Committee on Agriculture and Forestry.

Report of the National Forest Reservation Commission

A letter from the President, National Forest Reservation Commission, transmitting, pursuant to law, the annual report of the National Forest Reservation Commission for the fiscal year ending June 30, 1975 (with an accompanying report); to the Committee on Agriculture and Forestry.

Status of Research Facilities Funds Summary

A letter from the Deputy Assistant Secretary of Agriculture, transmitting, pursuant to law, a summary of status of research facilities funds (Public Law 88–74) as of June 30, 1975 (with an accompanying summary); to the Committee on Agriculture and Forestry.

Department of Agriculture Statements Concerning Certain Loan Guarantees

Four letters from the Administrator, Rural Electrification Administration, Department of Agriculture, transmitting, pursuant to law, information relating to certain loan guarantees (with accompanying documents); to the Committee on Appropriations.

Six letters from the Acting Administrator, Rural Electrification Administration, Department of Agriculture, transmitting, pursuant to law, information relating to certain loan guarantees (with accompanying documents); to the Committee on Appropriations.

Interim Report of the Senate Select Committee on Intelligence Operations

A letter from the Director, Central Intelligence Agency, relating to a review of the record of the debate in the Senate on Thursday, November 20, 1975, on the interim report of the Senate Select Committee on Intelligence Operations; to the Committee on Armed Services.

Report on NROTC Flight Instruction Program

A letter from the Secretary of the Navy, transmitting, pursuant to law, a report on the NROTC flight instruction program, fiscal year 1975 (with an accompanying report); to the Committee on Armed Services.

Proposed Sale of Certain Naval Vessels to the Government of Greece

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes (with accompanying papers); to the Committee on Armed Services.

Proposed Sale of Certain Naval Vessels to the Republic of China

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes (with accompanying papers); to the Committee on Armed Services.

Report of the Department of Defense

A letter from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report on retired military officers, former military officers, former civilian employees whose salaries were equal to or above the minimum GS–13, and former employees of or consultants to defense contractors who during the last fiscal year were employed by DOD at salaries equal to or above minimum GS–13, pursuant to section 410(b) of Public Law 91–121 (with an accompanying report); to the Committee on Armed Services.

Proposed Construction Projects for the Naval and Marine Corps Reserve

A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report of proposed construction projects for the Naval and Marine Corps Reserve, fiscal year 1976 (with an accompanying report); to the Committee on Armed Services.

Report of Military Construction Projects

A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report of military construction projects placed under contract in fiscal year 1976 in which it was necessary to exceed the amount authorized for the project by the Congress by more than 25 percent (with an accompanying report); to the Committee on Armed Services.

Report of Procurement From Small and Other Business Firms by DOD

A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report of the Department of Defense procurement from small and other business firms for July–August 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Board of Governors, Federal Reserve System on Truth in Lending

A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting, pursuant to law, the seventh annual report of the Board of Governors of the Federal Reserve System on truth in lending (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

HUD Report on Emergency Homeowners' Relief Act

A letter from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the third report to the Congress on the Emergency Homeowner's Relief Act, December 30, 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

HUD Report on Community Development Block Grant Program

A letter from the Secretary of Housing and Urban Affairs, transmitting, pursuant to law, the first annual report on the community development block grant program, December 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Interstate Commerce Commission

A letter from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, the eighty-ninth annual report of the Interstate Commerce Commission (with an accompanying report); to the Committee on Commerce.

Report on Hydroelectric Projects

A letter from the Chairman, Federal Power Commission, transmitting, pursuant to law, a report showing information on the permits and licenses for hydroelectric projects issued by the Federal Power Commission during the fiscal year ended June 30, 1975; financial statements of proceeds derived from licenses issued by authority of the Federal Power Act; and the names and compensation of persons employed by the Commission during that period (with an accompanying report); to the Committee on Commerce.

Expansion of the War Risk Insurance Program

A letter from the Secretary of Transportation, relating to investigation and study of possible expansion of the war risk insurance program under title XIII of the Federal Aviation Act of 1958, as amended; to the Committee on Commerce.

National Transportation Safety Board Employment Level

A letter from the Chairman, National Transportation Safety Board, relative to requested additional positions for the Safety Board for fiscal year 1976 (with an accompanying document); to the Committee on Commerce.

Report on the Implementation of the Marine Protection, Research and Sanctuaries Act

A letter from the Secretary of Commerce, transmitting, pursuant to law, the third report on implementation of Title III (Marine Sanctuaries) of the Marine Protection, Research and Sanctuaries Act of 1972 (with an accompanying report); to the Committee on Commerce.

A letter from the Secretary of Commerce, transmitting, pursuant to law, enclosures inadvertently omitted from a letter dated December 23, 1975, transmitting the third report on implementation of title III (Marine Sanctuaries) of the Marine Protection, Research and Sanctuaries Act of 1972 (with accompanying documents); to the Committee on Commerce.

Proposed Legislation To Authorize Use of Travel Grants for Foreign Participants in Familiarization Tours to the United States

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend the International Travel Act of 1961, as amended to authorize the use of travel grants for foreign participants in familiarization tours to the United States (with accompanying papers); to the Committee on Commerce.

Report of the Economic Development Administration

A letter from the Assistant Secretary for Economic Development, Department of Commerce, relating to delay in processing of the annual report of the Economic Development Administration for fiscal year 1975; to the Committee on Public Works.

Report of Amtrak Requirements for Acquisition and Operation of the Northeast Corridor Passenger Service

A letter from the President, National Railroad Passenger Corporation, transmitting, pursuant to law, a report of Amtrak requirements for the acquisition and operation of the Northeast Corridor Passenger Service consistent with the provisions of the Railroad Revitalization Act of 1975 (with an accompanying report); to the Committee on Commerce.

Reports of the National Railroad Passenger Corporation

A letter from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on total itemized revenues and expenses, revenues and expenses of each train operated, and revenue and total expense attributable to each railroad over which service is provided, for the month of September 1975 (with an accompanying report); to the Committee on Commerce.

A letter from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, for the month of November 1975 (with an accompanying report); to the Committee on Commerce.

Report of the Chesapeake & Potomac Telephone Co.

A letter from the vice president and general manager, the Chesapeake & Potomac Telephone Co., transmitting, pursuant to law, the report of the Chesapeake & Potomac Telephone Co. for the year 1975 (with an accompanying report); to the Committee on the District of Columbia.

Report of Certain Actions by the Council of the District of Columbia

Two letters from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, certain actions taken by the Council of the District of Columbia (with accompanying documents); to the Committee on the District of Columbia.

Report of the Metrorail Construction Program

A letter from the general manager, Washington Metropolitan Area Transit Authority, transmitting, pursuant to law, the seventh quarterly report on the Metrorail construction program, November 1975 (with an accompanying report); to the Committee on the District of Columbia.

Report of the Renegotiation Board

A letter from the Chairman, the Renegotiation Board, transmitting, pursuant to law, the 20th annual report of the Renegotiation Board, covering the fiscal year ended June 30, 1975 (with an accompanying report); to the Committee on Finance.

Proposed Amendment of the Trade Act of 1974

A letter from the Chairman, International Trade Commission, transmitting a draft of proposed legislation to amend section 608(e) of the Trade Act of 1974 (with accompanying papers); to the Commitee on Finance.

Report on Trade Between the United States and the Nonmarket Economy Countries

A letter from the Chairman, International Trade Commission, transmitting, pursuant to law, the fourth quarterly report on trade between the United States and the nonmarket economy countries (with an accompanying report); to the Committee on Finance.

Report of the East-West Foreign Trade Board

A letter from the Chairman, East-West Foreign Trade Board, transmitting, pursuant to law, the third quarterly report of the East-West Foreign Trade Board, covering the third quarter of calendar year 1975 (with an accompanying report) to the Committee on Finance.

Annual Report on the State of the Finances

A letter from the Secretary of the Treasury, transmitting, pursuant to law, the annual report on the state of the finances of the U.S. Government for the fiscal year ended June 30, 1975 (with an accompanying report); to the Committee on Finance.

Report of Receipts, Expenditures and Balances of the U.S. Government

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report of combined statement of receipts, expenditures, and balances of the U.S. Government for the fiscal year ended June 30, 1975 (with an accompanying report); to the Committee on Finance.

Report of the Advisory Commission on International Educational and Cultural Affairs

A letter from the Chairman of the Advisory Commission on International Educational and Cultural Affairs transmitting, pursuant to law, a report relating to the Final Act of the Conference on Security and Cooperation in Europe (with an accompanying report); to the Committee on Foreign Relations.

Report of the Overseas Private Investment Corporation

A letter from the Executive Vice President of the Overseas Private Investment Corporation transmitting, pursuant to law, a preliminary report relating to transmitting OPIC activities to the private sector (with an accompanying report); to the Committee on Foreign Relations.

Report of the Department of State

A letter from the Assistant Secretary of State for Congressional Relations transmitting, pursuant to law, a report on excess defense articles delivered to foreign governments in the first quarter of fiscal year 1976 (with an accompanying report); to the Committee on Foreign Relations.

International Agreements Other Than Treaties

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

Report of the Department of the Treasury

A letter from the Deputy Fiscal Assistant Secretary of the Treasury transmitting, pursuant to law, a report on inventory of nonpurchased foreign currencies as of June 30, 1975 (with an accompanying report); to the Committee on Foreign Relations.

Report of the Department of Housing and Urban Development

A letter from the Secretary of Housing and Urban Development transmittinng, pursuant to law, a report relating to the intention to alter a system of personal records (with an accompanying report); to the Committee on Government Operations.

Report of the National Science Foundation

A letter from the Director of the National Science Foundation transmitting, pursuant to law, a report on a planned addition to the system of records for review (with an accompanying report); to the Committee on Government Operations.

Report of the Department of the Treasury

A letter from the Assistant Secretary of the Treasury transmitting, pursuant to law, a report on the installation of a communications network (with an accompanying report); to the Committee on Government Operations.

Reports of the Comptroller General

Thirteen letters from the Comptroller General of the United States transmitting, pursuant to law, reports as follows: (1) list of reports of the General Accounting Office for the month of November 1975; (2) "Federal Assistance for Presidential Transitions: Recommendations for Changes in Legislation"; (3) "Causes of Excessive Profits on Defense and Space Contracts"; (4) "Progress and Problems in Allocating Funds under Titles I and II—Comprehensive Employment and Training Act"; (5) "Part-Time Employment in Federal Agencies"; (6) "Improvements Needed in the Land Disposal of Radioactive Wastes—A Problem of Centuries"; (7) "Substantial Improvements Needed in the Government Printing Office's Services to Federal Departments and Agencies"; (8) "Worker Protection Must Be Insured When Employers Request Permission To Deviate from Safety and Health Standards"; (9) "Operations Auditing by the Defense Contract Audit Agency—Accomplishments, Problems, and Actions To Improve"; (10) "Navy Aircraft Overhaul Depots Could Be More Productive"; (11) "Improvements Still Needed in Coal Mine Dust-Sampling Program and Penalty Assessments and Collections"; (12) "How To Improve Management of U.S.-Financed Programs To Develop Free Labor Movements in Less Developed Countries"; and (13) "Southeastern Federal Power Program—Financial Management and Program Operations" (with accompanying reports); to the Committee on Government Operations.

Report of the Comptroller General—(S. Doc. No. 94–336)

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on budget authority and outlay reductions contained in proposed rescissions and deferrals transmitted with the President's eighth fiscal year '76 special message, December 1, 1975 (with an accompanying report); to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, the Committee on Banking, Housing and Urban Affairs, the Committee on Labor and Public Welfare, the Committee on Commerce, the Committee on Public Works, the Committee on Aeronautical and Space Sciences, and the Committee on Foreign Relations, jointly, pursuant to the order of January 1, 1975, and ordered to be printed.

Report of the Department of the Interior

A letter from the Director of the Bureau of Land Management transmitting, pursuant to law, a report of negotiated sales contracts for the disposal of materials during the period January 1, 1975 through June 30, 1975 (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report with respect to the recommendations contained in the report entitled "First Annual Report" from the National Advisory Council on Indian Education (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF THE FEDERAL ENERGY ADMINISTRATION

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report relating to changes in market shares for petroleum products (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED CONTRACT ON RECLAMATION PROJECTS

A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, a proposed contract for certain drainage and minor construction work on Federal reclamation projects (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Secretary of the Interior transmitting, pursuant to law, a report entitled "Alaskan Natural Gas Transportation Systems" (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

A letter from the Administrator of the Law Enforcement Assistance Administration transmitting, pursuant to law, the annual report of the Administration (with an accompanying report); to the Committee on the Judiciary.

REPORT OF THE FEDERAL JUDICIAL CENTER

A letter from the Director of the Federal Judicial Center transmitting, pursuant to law, the annual report of the Center for the year 1975 (with an accompanying report); to the Committee on the Judiciary.

REPORT OF THE ATTORNEY GENERAL

A letter from the Attorney General of the United States transmitting, pursuant to law, a report on the administration of the Foreign Agents Registration Act for the calendar year 1974 (with an accompanying report); to the Committee on the Judiciary.

PROPOSED LEGISLATION BY THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to authorize and request the President to proclaim annually the seven-day period beginning June 1 as "National Safe Boating Week" (with accompanying papers); to the Committee on the Judiciary.

ORDERS OF THE IMMIGRATION AND NATURALIZATION SERVICE

Three letters from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders entered concerning visa petitions (with accompanying papers); to the Committee on the Judiciary.

REPORT OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

A letter from the Chairman of the Equal Employment Opportunity Commission transmitting, pursuant to law, the annual report of the Commission for the fiscal year ending June 30, 1974 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF THE ENVIRONMENTAL PROTECTION AGENCY

A letter from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report entitled "Preliminary Assessment of Suspected Carcinogens in Drinking Water" (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORTS OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Two letters from the Secretary of Health, Education, and Welfare submitting reports on health care costs and financing; health resources; utilization of health resources; health of the nation's people; and poverty-related research and demonstration projects (with accompanying reports); to the Committee on Labor and Public Welfare.

PUBLISHED REGULATIONS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Executive Secretary and a letter from the Acting Executive Secretary of the Department of Health, Education, and Welfare transmitting, pursuant to law, copies of proposed regulations regarding various aid to education programs (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT OF THE SECRETARY OF THE TREASURY

A letter from the Acting Secretary of the Treasury transmitting, pursuant to law, a report on the experience of Federal agencies under the new program for self-insuring fidelity losses of Federal personnel (with an accompanying report); to the Committee on Post Office and Civil Service.

U.S. CUSTOMHOUSE IN NEW ORLEANS, LA.

A letter from the Administrator of General Services transmitting, pursuant to law, a proposed amendment to the approved prospectus for the U.S. Customhouse in New Orleans, Louisiana (with accompanying papers); to the Committee on Public Works.

REPORTS OF THE SECRETARY OF TRANSPORTATION

Two letters from the Secretary of Transportation; the first requesting a 90-day extension for the delivery of a report on the highway safety needs; and the second transmitting, pursuant to law, a report entitled "Special Bridge Replacement Program": (with accompanying report); to the Committee on Public Works.

REPORT OF THE GENERAL SERVICES ADMINISTRATION

A letter from the Acting Project Manager of the General Services Administration concerning the postponement of a hearing relating to the Government Printing Office Relocation Project; to the Committee on Public Works.

REPORT OF THE FOUR CORNERS REGIONAL COMMISSION

A letter from the Cochairman of the Four Corners Regional Commission transmitting, pursuant to law, the annual report of the Commission (with an accompanying report); to the Committee on Public Works.

REPORT OF THE TENNESSEE VALLEY AUTHORITY

A letter from the Director of the Tennessee Valley Authority transmitting, pursuant to law, the annual report of the Authority for the fiscal year ending June 30, 1975 (with an accompanying report); to the Committee on Public Works.

REPORT OF THE SECRETARY OF DEFENSE

A letter from the Secretary of Defense transmitting, pursuant to law, a report on the Federal Voting Assistance Program (with an accompanying report); to the Committee on Rules and Administration.

BUDGET REQUEST OF THE FEDERAL ELECTION COMMISSION

A letter from the Assistant Staff Director for Administration of the Federal Election Commission transmitting, pursuant to law, the Budget request of the Commission for the fiscal year 1977 (with accompanying papers); to the Committee on Rules and Administration.

REPORT OF THE NATIONAL ACADEMY OF SCIENCES

A letter from the President of the National Academy of Sciences transmitting, pursuant to law, the second interim report on the study of health care resources in the Veterans' Administration (with an accompanying report); to the Committee on Veterans' Affairs.

SUPPLEMENTAL FUNDING FOR THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

A letter from the Administrator of the Energy Research and Development Administration transmitting a justification for supplemental authorization and appropriation for the weapon's program of ERDA (with accompanying papers); referred jointly, by unanimous consent, to the Committees on Appropriations and Budget and the Joint Committee on Atomic Energy.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a communication transmitted by the Administrator of the Energy Research and Development Administration, relative to supplemental funding for the ERDA weapons program, be referred jointly to the Committees on Appropriations and Budget and the Joint Committee on Atomic Energy.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT OF THE PENSION BENEFIT GUARANTY CORPORATION

A letter from the Chairman and Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the first annual report of the Pension Benefit Guaranty Corporation (with an accompanying report); referred jointly, by unanimous consent, to the Committee on Labor and Public Welfare and the Committee on Finance.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a communication transmitted by the Chairman and Executive Director of the Pension Benefit Guaranty Corporation, transmitting the first annual report of the Pension Benefit Guaranty Corporation, be referred jointly to the Committee on Labor and Public Welfare and the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED LEGISLATION BY THE SECRETARY OF THE TREASURY

A letter from the Secretary of the Treasury transmitting a draft of proposed legislation to correct timing problems in the transfer and withdrawal of obligated and unobligated fund balances for any fiscal year or years ending on or before June 30, 1976 (with accompanying papers); referred jointly, by unanimous consent, to the Committees on Appropriations and Budget.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a communication transmitted by the Secretary of the Treasury, relative to proposed legislation to amend 70 Stat. 647 (31 U.S.C. 701) be referred jointly to the Committees on Appropriations and Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT OF THE FEDERAL TRADE COMMISSION

A letter from the Chairman of the Federal Trade Commission transmitting, pursuant to law, a report entitled "A Report on Agricultural Cooperatives" (with an accompanying

report); referred jointly, by unanimous consent, to the Committees on Commerce, Agriculture and Forestry, and the Judiciary.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a communication transmitted from the Federal Trade Commission, relative to a report on agricultural cooperatives, be refered jointly to the Committees on Commerce, Agriculture and Forestry, and the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAYMENTS FROM PRESIDENTIAL ELECTION CAMPAIGN FUND

A letter from the General Counsel of the Treasury advising interested persons of procedures the Treasury presently intends to follow with respect to payments from the Presidential Election Campaign Fund; referred jointly, by unanimous consent, to the Committees on Rules and Administration and Finance.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a communication transmitted by the General Counsel of the Treasury, relative to payments from the Presidential Election Campaign Fund in accordance with certifications made by the Federal Election Commission, be referred jointly to the Committees on Rules and Administration and Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The VICE PRESIDENT laid before the Senate the following petitions which were referred as indicated:

Resolution No. 193 adopted by the Legislature of the Territory of Guam; to the Committee on Interior and Insular Affairs:

"RESOLUTION No. 193

"Relative to respectfully requesting the United States Senate to concur in the covenant negotiated by the United States and the Northern Mariana Islands

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the United States since 1947 has been the administering authority of the Northern Mariana Islands pursuant to the trusteeship agreement entered into between the United States and the United Nations; and

"Whereas, the terms of the trusteeship agreement provide in pertinent part that the administering authority shall 'foster the development of such political institutions as are suited to the trust territory and shall promote the development of the inhabitants of the trust territory toward self-government or independence as may be appropriate to the particular circumstances of the trust territory and its peoples and the freely expressed wishes of the people concerned;' and

"Whereas, in the course of fulfilling its responsibilities as set forth in the above quoted language the United States, through the President's personal representative for Micronesia status negotiations, and representatives of the Northern Mariana Islands prepared during three years of earnest negotiation a covenant that would result in these islands being made a Commonwealth of the United States and grant United States citizenship to the residents thereof; and

"Whereas, in a United Nations-observed and freely conducted election, the people of the Northern Mariana Islands, after 400 years of foreign domination, chose, by an overwhelming majority, to join with the United States in political union; and

"Whereas, this vote can only be interpreted as a vote of confidence in the American political system and a manifestation of the deep seated desire to assure to the islands and its people the fundamental freedoms that American political system assures; and

"Whereas, the people of the Northern Mariana Islands, not only by the recent plebescite, but by other recorded actions and expressions have expressed an unequivocal yearning for more than 20 years to be assimilated into the American body politic; and

"Whereas, the physical remoteness of Guam from the Continental United States has not proved an insurmountable barrier in maintaining the ties of the mother country to Guam and should thus not be an impediment to an enduring relationship between the Northern Mariana Islands and the Continental United States; and

"Whereas, in the course of fulfilling its responsibilities as set forth in the above quoted language the United States, through the President's personal representative for Micronesia status negotiations, and representatives of the Northern Mariana Islands prepared during three years of earnest negotiation a covenant that would result in these islands being made a Commonwealth of the United States and grant United States citizenship to the residents thereof; and

"Whereas, in a United Nations-observed and freely conducted election, the people of the Northern Mariana Islands, after 400 years of foreign domination, chose, by an overwhelming majority, to join with the United States in political union; and

"Whereas, this vote can only be interpreted as a vote of confidence in the American political system and a manifestation of the deep seated desire to assure to the islands and its people the fundamental freedoms that American political system assures; and

"Whereas, the people of the Northern Mariana Islands, not only by the recent plebescite, but by other recorded actions and expressions have expressed an unequivocal yearning for more than 20 years to be assimilated into the American body politic; and

"Whereas, the physical remoteness of Guam from the Continental United States has not proved an insurmountable barrier in maintaining the ties of the mother country to Guam and should thus not be an impediment to an enduring relationship between the Northern Mariana Islands and the Continental United States; and

"Whereas, the people of Guam are pleased that their cousins in the Northern Mariana Islands, to whom they are bound by blood, history, culture and language, have successfully negotiated a covenant under which they are willing to live as citizens of the United States; now, therefore, be it

"Resolved, that the Guam Legislature does respectfully request that the United States Senate concur in the covenant so that it may be implemented; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the President of the United States Senate; to the Chairman of the Senate Committee on Interior and Insular Affairs; to the Chairman of the Senate Committee on Foreign Relations; to the Chairman of the Senate Committee on Armed Services; to the Secretary of the Interior; Ambassador F. Hayden Williams, President's personal representative for Micronesian status negotiations; to the High Commissioner of the Trust Territory of the Pacific Islands; to the President of the Marianas District Legislature; to the Chairman of the Marianas Political Status Commission; to Congressman Antonio B. Won Pat; and to the Governor of Guam."

Resolution No. 177 adopted by the Legislature of the Territory of Guam; to the Committee on Interior and Insular Affairs:

"RESOLUTION No. 177

"Relative to requesting the United States Congress to continue in effect the provision in Guam's Organic Act that the Governor and Lieutenant Governor must be elected by a majority vote

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the Legislature of the Virgin Islands has recently requested that the Organic Act of the Virgin Islands be amended to allow the Governor and Lieutenant Governor of that territory to be elected by a plurality of the votes cast; and

"Whereas, the acting director of Territorial Affairs of the United States Department of the Interior has indicated that the Department of Interior would not object to such a change in the Organic Act of the Virgin Islands; and

"Whereas, if the Congress were to entertain such an amendment to the Organic Act of the Virgin Islands, it appears likely that it would also consider making a similar change in the Organic Act of Guam; and

"Whereas, the Legislature believes the best interest of the people of the Territory of Guam is served when the Governor of the Territory has been elected by a majority vote; and

"Whereas, the Legislature believes it to be in the best interest of the people to continue the provision of the Organic Act which requires that the Governor and Lieutenant Governer be elected by a majority vote; now, therefore, be it

"Resolved, that the Legislature respectfully informs the United States Congress that the provision of Guam's Organic Act which calls for the Governor and Lieutenant Governor to be elected by a majority vote is satisfactory and need not be changed; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to Antonio B. Won Pat; to Senator J. Bennett Johnston; to Fred Zedar, Director of Territorial Affairs, Department of Interior; to the Speaker of the House of Representatives; to the President Pro Tempore of the Senate; and to the Governor of Guam."

Resolutions Nos. 106 and 107 adopted by the Legislature of the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs:

"RESOLUTION No. 106–1975

"A resolution respectfully urging the United States Senate to take prompt action on the joint resolution to approve the covenant to establish the Commonwealth of the Northern Mariana Islands in political union with the United States of America

"Whereas, the Charter of the United Nations and the Trusteeship Agreement between the United Nations and the United States of America require that the inhabitants of the Trust Territory be promoted toward self-government or independence as may be appropriate to the particular circumstances; and

"Whereas, for the past 400 years the people of the Mariana Islands have lived under the autocratic rules of foreign powers without the right to speak out on the important matters which faced them, such as the nature of their government, the development of their economy and their future political destiny; and

"Whereas, the coming of the United States in the Marianas under the auspices of the United Nations Trusteeship ushers in a new era for the people of the Mariana Islands and introduces the spirit and principles of democracy, the Bill of Rights and the ideals which have sustained the United States for almost 200 years; and

"Whereas, the United States Administration of the Trust Territory of the Pacific Islands has brought to the people of the Marianas economic development, education, health care and political maturity and has taught the people how to live as free men and women; and

"Whereas, the people of the Mariana Islands have over the past twenty years or more expressed their fervent desire and aspiration to join the United States of America in a close and permanent political relationship; and

"Whereas, the future political status desired by the people of the Mariana Islands District is far different from that which has been chosen by the people of the other districts of the Trust Territory as expressed by their representatives in the Congress of Micronesia; and

"Whereas, it has been repeatedly recognized within the Mariana Islands District, in the other districts of the Trust Territory, and within the United Nations that the people of the Mariana Islands District desire a political status which is far different from that desired by the people of the other districts of the Trust Territory; and

"Whereas, in May, 1972 the Mariana Islands District Legislature created the Marianas Political Status Commission, which consists of representatives of all the people of the Northern Mariana Islands; and

"Whereas, in accordance with the desires of the people, the Mariana Islands District Legislature instructed the Marianas Political Status Commission to negotiate with the United States concerning the terms of a close, permanent and enduring political relationship between the United States and the Northern Mariana Islands; and

"Whereas, over the past three years the President's Personal Representative and the people of the Marianas conducted political status negotiations which culminated in the signing of a Covenant to Establish the Commonwealth of the Northern Mariana Islands in Political Union with the United States of America; and

"Whereas, on June 17, 1975 in a free and democratically held plebiscite, the people of the Marianas voted overwhelmingly 78.8% to approve the said Covenant; and

"Whereas, approval of the Covenant by the United States Congress will fullfill the inalienable and sovereign right of self-determination by the people of the Mariana Islands District and conclusively fulfilling their desire for a close and permanent political relationship with the United States; and

"Whereas, in the Covenant, specific provisions are included to enable the people of the Mariana Islands District to formulate and adopt their own constitution and to undertake certain essential transitional studies and programs toward self-government which are all contingent upon approval of the Covenant by the Congress of the United States; and

"Whereas, the Covenant has been favorably acted upon by the House of Representatives, United States Congress and the United States Senate Committee on Interior and Insular Affairs; and

"Whereas, in order not to delay the establishment of the constitutional government of the Marianas that has been sought by the people thereof for more than a quarter of a century, prompt action on the passage of the Joint Resolution to approve the "Covenant to Establish the Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" without delay will be in the best interest of all concerned;

"Now, therefore, be it resolved by the Fourth Mariana Islands District Legislature, Seventh Regular Session, that the United States Senate is hereby respectfully urged and requested to take prompt and favorable action on the Joint Resolution to Approve the "Covenant to Establish the Commonwealth of the Northern Marianas in Political Union with the United States of America";

"And be it further resolved that the President certify to and the Legislative secretary attest the adoption hereof and thereafter transmit a copy of this resolution to the Chairman and members of the Senate Foreign Relations Committee and Chairman and members of the Senate Armed Services Committee, the President and the members of the United States Senate."

"RESOLUTION No. 107–1975

"A resolution relative to expressing the desire of the people of the Northern Mariana Islands to have the Northern Mariana Islands administered separately from the remaining five districts of the Trust Territory of the Pacific Islands as soon as possible

"Whereas, on June 17, 1975 the people of the Marianas overwhelmingly approved the Covenant to Establish a Commonwealth of the Northern Marianas in Political Union with the United States of America; and

"Whereas, the administration of the Mariana Islands District separately from the other districts of the Trust Territory is necessary and an appropriate step by which the Mariana Islands District can prepare for and move toward its future political status; and

"Whereas, in order to make the transition of their respective new political relationship and responsibilities as successful as possible for both the Mariana Islands District and the other districts of the Trust Territory, it is necessary to prepare for the new political relationship and responsibilities before they come into effect; and

"Whereas, by mutual understanding between the parties to the Marianas Status Negotiations, an Ad Hoc Committee for Administration Contingency Planning for the Marianas Separation has been created and charged with the responsibility to identify various administrative matters entailed in such separation; and

"Whereas, in order to facilitate the smooth transition from a trust area to a functioning entity in the American political family, there is a need to effect separate administration of the Northern Marianas as expeditiously as possible;

"Now, therefore, be it resolved by the Fourth Mariana Islands District Legislature, Seventh Regular Session, that the desire of the people of the Northern Mariana Islands is hereby expressed to have the Northern Mariana Islands administered separately from the remaining five districts of the Trust Territory of the Pacific Islands as soon as possible;

"And be it further resolved that the President certify to and the Legislative Secretary attest the adoption hereof and thereafter transmit a copy of this resolution to the Chairman and members of the Senate Foreign Relations Committee and Chairman and members of the Senate Armed Services Committee, the President and members of the United States."

Resolution No. 6(1)–4 adopted by the Legislature of Palau; to the Committee on Interior and Insular Affairs:

"A Resolution Relative to Requesting the Territorial Office of the Department of the Interior, the Micronesian War Claims Commission and the Department of the Trust Territory Government To Expedite the Payment of Certified Micronesian War Claims

"Whereas, most of the inhabitants of the Trust Territory who were old enough to own property that was destroyed during World War II are advancing in age and unless these payments are made within the near future most of the real beneficiaries will not be able to enjoy their claims payments; and

"Whereas, some certified claims have not been paid for a period of 7 to 8 months; now, therefore,

"Be it resolved by the Sixth Palau Legislature, First Regular Session, November-December, 1975 that the Territorial Office of the Department of the Interior, the Micronesian War Claims Commission and the Department of Finance of the Trust Territory Government be and are hereby requested to expedite the payment of certified war claims; and

"Be it further resolved that certified copies of this resolution be sent forthwith to the Territorial Office of the Department of the Interior, the Micronesian War Claims Commission, the Department of Finance of the Trust Territory Government, and the Senate of the United States Congress."

A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Interior and Insular Affairs:

"RESOLUTIONS MEMORIALIZING CONGRESS TO TAKE SUCH STEPS AS MAY BE NECESSARY TO ESTABLISH AND DESIGNATE BOSTON HARBOR AS A NATIONAL HISTORIC SITE

"Whereas, Boston Harbor is of such great historical significance as it is so closely associated with the early heroic struggle of the inhabitants of the Commonwealth of Massachusetts and of the colonists for their independence; and

"Whereas, These waterways, foreshores and islands are an irreplaceable natural resource of the Commonwealth, are of great historic, ecological, economic and aesthetic value to the state, and to the nation which recognizes and appreciates this area as America's Heritage; therefore be it

"Resolved, That the Massachusetts House of Representatives respectfully requests the Congress of the United States to take such steps as may be necessary to establish and designate Boston Harbor and more particularly the area referred to begins at the upper limits of the foreshores at East Point, Nahant, Massachusetts at position 42°25′12″ north latitude and 70°54′09″ west longitude, then drawing a line to the northeast Grave of the Graves at position 42°22′43″ north latitude and 70°51′39″ west longitude, then continuing to the upper limits of the foreshores at Point Allerton, Hull, Massachusetts, to position 42°18′42″ north latitude and 70°52′56″ west longitude; thence: westerly following the contours of the mainland to the first bridge seaward over every river, stream and creek, to include all foreshores, that part which lies between the high and low water marks, as a National Recreational and Historic Site in commemoration of the Bicentennial Observance of the founding of our Country; and be it further

"Resolved, That a copy of these resolutions be sent by the Clerk of the House of Representatives to the President of the United States, the Secretary of the Interior, the presiding officer of each Branch of Congress and to each member thereof from this Commonwealth."

A resolution adopted by the Senate of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION REPEALING THE EXEMPTION GRANTED TO INSURANCE COMPANIES UNDER CERTAIN ANTI-TRUST LAWS

"Whereas, The people of the Commonwealth have, over the years, been subject to ever increasing motor vehicle insurance rates; and

"Whereas, The current motor vehicle insurance rates are placing a serious burden on the finances of Massachusetts motor vehicle owners; and

"Whereas, The exempting of insurance companies from the provisions of the federal anti-trust law under the McCarran-Ferguson Insurance Regulation Act has allowed certain insurance companies acting in concert and with the full deployment of their economic resources to continue to threaten to leave a large number of Massachusetts motorists with a potential loss of motor vehicle insurance coverage; and

"Whereas, The resources of the commonwealth are not capable of meeting the concentrated economic wealth of such companies. Federal action is required to prevent the repetition of such activities by insurance companies and to promote competition among insurance companies rather than collusion to restrict benefits to the public; now therefore, be it

"Resolved, That the Massachusetts Senate respectfully urges the Congress of the United States to enact legislation repealing the exemption of insurance companies from antitrust provisions of federal law; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the presiding officer of each branch of the Congress and to each member thereof from the commonwealth."

A joint resolution rejected by the Legislature of the State of South Carolina; to the Committee on the Judiciary:

"A JOINT RESOLUTION

"Ratifying a Proposed Amendment to the Constitution of the United States of America Providing that Equality of Rights Under the Law Shall Not be Denied or Abridged on Account of Sex

"*Resolved* by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"Section 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"Section 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

"Section 3. This amendment shall take effect two years after the date of ratification." Now, therefore,

"*Be it enacted* by the General Assembly of the State of South Carolina:

"SECTION 1. The proposed amendment to the Constitution of the United States of America, providing that equality of rights under the law shall not be denied or abridged on account of sex, is hereby ratified. Certified copies of this resolution shall be forwarded at once by the Secretary of State of South Carolina to the Administrator of General Services, United States Government, Washington, D.C., to the President of the United States Senate and to the Speaker of the House of Representatives of the United States."

A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Post Office and Civil Service:

RESOLUTIONS MEMORIALIZING THE POSTMASTER GENERAL OF THE UNITED STATES TO RESCIND THE DECISION OF THE UNITED STATES POSTAL SERVICE TO ISSUE THE "SPIRIT OF '76" BICENTENNIAL COMMEMORATIVE STAMP IN PASADENA, CALIFORNIA, AND MAKE APPROPRIATE PLANS FOR ITS ISSUANCE IN MARBLEHEAD, MASSACHUSETTS

"Whereas, The home of Archibald M. Willard's historic and famous painting entitled the 'Spirit of '76' is located in the town hall of Marblehead; and

"Whereas, The hundreds of thousands of Americans and foreign visitors who have viewed the painting in the town hall of Marblehead have fond memories of the painting and associate it with this historic seaport town; and

"Whereas, The Town of Marblehead played a major role in the success of the American Revolution; and

"Whereas, Many brave and fearless Marbleheaders fought on land and sea for the independence of our nation; and

"Whereas, The Town of Marblehead has loved, protected and cared for this painting which has and will always proclaim to the Nation and the World the dedication of the revolutionary heroes to the principles of freedom, patriotism, and loyalty; therefore be it

"Resolved, That the Massachusetts General Court hereby respectfully memorializes the Postmaster General of the United States to support this resolution and make appropriate plans for the issuance of the Spirit of '76 Bicentennial Stamp in the Town of Marblehead; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the Clerk of the House of Representatives to Postmaster General F. Bailar, Director of Stamps Gordon Morison, The Citizens Stamp Advisory Committee, The Presiding Officer of each branch of Congress, and to each member thereof from this Commonwealth."

House Concurrent Resolution No. 292 adopted by the Legislature of the State of Michigan; to the Committee on Public Works:

"HOUSE CONCURRENT RESOLUTION NO. 292

"A Concurrent Resolution urging the United States Congress to take immediate steps to halt the dumping by Reserve Mining of Minnesota of 67,000 tons of taconite tailings daily into Lake Superior

"Whereas, The Reserve Mining Company of Silver Bay, Minnesota, is presently discharging 67,000 tons of taconite tailings into Lake Superior on a daily basis, degrading the quality of a unique and valuable resource which is directly shared by numerous communities, three states, and two countries; and

"Whereas, The physical health of many citizens of the Upper Peninsula, as well as the area's economic well-being, is largely dependent upon a clean and environmentally healthy Lake Superior, a resource we cannot afford to lose; and

"Whereas, The Reserve Mining Company should be compelled by law to make on-land disposal of taconite tailings similar to the laws covering mining company operations in the State of Michigan which prohibit the dumping of tailings in any Great Lake or natural inland lake; and

"Whereas, The low cost method of dumping taconite tailings in Lake Superior by the Reserve Mining Company is a very low cost technical method of disposing of tailings and thereby gives the Reserve Mining Company an unfair competitive position with mining companies in Michigan and other states; now, therefore, be it

"Resolved by the House of Representatives (the Senate concurring), That the Michigan Legislature does hereby urge the United States Congress to take immediate steps to halt the dumping of 67,000 tons of taconite tailings daily into Lake Superior and does hereby urge the immediate adoption of an on-land disposal system for the tailings of the Reserve Mining Company of Minnesota; and be it further

"Resolved, That copies of this resolution be transmitted to the Secretary of the United States Senate, the Clerk of the United States House of Representatives, the President of the United States, members of the Michigan delegation to the United States Congress, the Governor of the State of Minnesota, and the United States Army Corps of Engineers."

A resolution adopted by the Oklahoma City (Oklahoma) Chamber of Commerce relating to national defense; to the Committee on Appropriations.

A petition of the National Conference of State Legislatures relating to the ConRail Final System Plan; to the Committee on Commerce.

A resolution adopted by the Board of Directors of the American Trucking Associations, Inc., relating to deregulation; to the Committee on Commerce.

A resolution adopted by the Commissioners' Court of Cherokee County, Texas, relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the Fluvanna County Board of Supervisors, Palmyra, Virginia, relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the Mayor and City Council of Gaithersburg, Maryland, relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the Board of Commissioners of Dearborn County, Indiana, relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the Council of the City and County of Denver, Colorado, relating to general revenue sharing: to the Committee on Finance.

A resolution adopted by the Board of Trustees of the Village of Pawnee, Illinois, relating to general revenue sharing; to the Committee on Finanace.

A resolution adopted by the City Council of Hyattsville, Maryland, relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the Beverly Hills (Florida) Jewish Center relating to a resolution adopted by the United Nations concerning Zionism; to the Committee on Foreign Relations.

A resolution adopted by the City Council of Miami Beach, Florida; condemning United Nations action relating to Zionism; to the Committee on Foreign Relations.

A resolution adopted by the American Dental Association relating to the resolution adopted by the United Nations concerning Zionism; to the Committee on Foreign Relations.

A resolution adopted by the Board of Directors of the Men's Club of the Jewish Community Center of West Hempstead, New York, relating to foreign assistance; to the Committee on Foreign Relations.

A petition from several citizens of the State of Montana seeking a redress of grievances; to the Committee on Government Operations.

A petition from a citizen of Saipan, Mariana Islands, seeking a redress of grievances; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Daniel Memorial Baptist Church, Jackson, Mississippi, relating to gun control; to the Committee on the Judiciary.

A resolution adopted by the membership of Atlanta Metropol, Inc., Decatur, Georgia, in support of the FBI; to the Committee on the Judiciary.

A resolution adopted by the National Association of State Directors for Disaster Preparedness relating to disaster planning; to the Committee on Public Works.

Resolutions adopted by the B'nai B'rith Women National Executive Board; referred jointly, by unanimous consent, to the Committees on Foreign Relations, Labor and Public Welfare, Post Office and Civil Service, and Finance.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that certain resolutions transmitted by the B'nai B'rith Women National Executive Board be referred jointly to the Committees on Foreign Relations, Labor and Public Welfare, Post Office and Civil Service, and Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that he presented to the President of the United States the following joint resolution:

On January 19, 1976:

S.J. Res. 121. A joint resolution to provide for quarterly adjustments in the support price for milk, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PROXMIRE:

S. 2841. A bill for the relief of Sameek Keshary Ray. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 2842. A bill for the relief of Miss Yun Ho Lee; and

S. 2843. A bill for the relief of Brian E. McCagh. Referred to the Committee on the Judiciary.

By Mr. BURDICK (for Mr. McGee):

S. 2844. A bill to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. McINTYRE (for himself, Mr. Hathaway, Mr. Nelson, Mr. Abourezk, Mr. Javits, Mr. Brooke, Mr. Pell, Mr. Bumpers, Mr. Hatfield, Mr. Kennedy, Mr. Humphrey, Mr. Gary Hart, and Mr. Haskell):

S. 2845. A bill to reorganize the activities of the executive branch of the Federal Government to provide small business concerns and individual inventors with increased opportunities to participate in activities carried out by the Energy Research and Development Administration, to stimulate competition in the energy industries, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 2846. A bill to amend the Communications Act of 1934, as amended, with respect to commissioners and Commission employees; and

S. 2847. A bill to amend section 318 of the Communications Act of 1934, as amended, to enable the Federal Communications Commission to authorize translator broadcast stations to originate limited amounts of local programming, and to authorize FM radio translator stations to operate unattended in the same manner as is now permitted for television broadcast translator stations. Referred to the Committee on Commerce.

By Mr. ROBERT C. BYRD (for Mr. Abourezk):

S. 2848. A bill for the relief of Badr Ahmed Awadh. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McINTYRE (for himself, Mr. Hathaway, Mr. Nelson, Mr. Abourezk, Mr. Javits, Mr. Brooke, Mr. Pell, Mr. Bumpers, Mr. Hatfield, Mr. Kennedy, Mr. Humphrey, Mr. Gary Hart, and Mr. Haskell):

S. 2845. A bill to reorganize the activities of the executive branch of the Federal Government to provide small business concerns and individual inventors with increased opportunities to participate in activities carried out by the Energy Research and Development Administration, to stimulate competition in the energy industries, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

ENERGY RESEARCH AND DEVELOPMENT—FREE ENTERPRISE ACT OF 1976

Mr. McINTYRE. Mr. President, Senators Hathaway, Nelson, Abourezk, Javits, Brooke, Pell, Bumpers, Hatfield, Kennedy, Humphrey, Gary Hart, and Haskell are joining me today in introducing a bill, the Energy Research and Development Free Enterprise Act of 1976. Representative Ronald M. Mottl will introduce identical legislation in the House.

Our bill has one objective: to encourage massive innovation in the development of new energy sources and technologies. To accomplish that objective, the bill reorganizes certain activities of the executive branch of the Federal Government:

First, to enable the Nation to more fully profit from the innovative propensity of small businesses and individual inventors; and

Second, to expand competition and reduce concentration in the energy field through the programs of the Energy Research and Development Administration—ERDA.

Last March, the Select Committee on Small Business began an extensive investigation on the role of small business in energy research and development. Senator Nelson, Senator Hathaway, and I held hearings on the emerging solar energy industry during 1975 in Washington on May 13 and 14, October 8 and 22, and November 18.

The committee's first interim report on this subject, entitled "The Rcle of Small Business in Solar Energy Research, Development, and Demonstration, of October 7, 1975, concluded that—

> Until very recently, the Federal government . . . left solar up to the small business pioneers and individual innovators who, acting on their own initiative, with virtually no government support, were responsible for almost all of the solar energy research, development, and demonstration work that occurred in this country prior to 1973.
>
> Now that the Federal government has decided to embark on an accelerated program for solar energy development, one might think that the pioneers would finally get their rightful share of the participation, but that has rarely been the case. The Federal departments and agencies charged with the development of solar energy have not adequately considered the needs and capabilities of small business. The agencies have not sufficiently consulted the Small Business Administration, have not established small business set-asides, and have usually relied on and favored big business concerns and giant universities.

As a result of our hearings, changes have been made in the way that Government agencies view small business research and development. But no comprehensive small business program has been put in place. This bill would establish such a program.

TECHNOLOGICAL INNOVATION

Since the oil embargo of 1973, we have heard virtually endless pleas for the necessity of rapid technological innovation throughout our energy industries in order to maintain our high standard of living. The President's idea for spurring tecnological innovation is quite simple. It is called energy policy. The taxpayers give their tax dollars, through Government programs, to big business for big profits. But what will we get? More of the expensive, dirty, and nonrenewable energy we now get and know we will run out of.

None of us in the Senate would deny that Federal assistance to the private sector is essential to decrease our dependence on nonrenewable energy sources. However, commonsense dictates that the Government should encourage the development of healthy, competitive companies if we are going to spend $6 billion on energy development.

Current Federal policy is heading in the opposite direction.

Giant corporations continue to receive an inordinate share of the moneys award by the Energy Research and Development Administration to the private sector. The policy means that large corporations, including big oil, will continue to control the Nation's energy sources, including solar energy.

ERDA's policies mean the perpetuation of the giant oil company cartel that has brought us high energy prices and shortages.

Further, these policies mean that energy self-sufficiency may never be reached, since they ignore the fundamental factors contributing to technological innovation. And, we have known about these factors for years.

Probably the most exhaustive survey and analysis of these factors was a 1967 report by the U.S. Panel on Invention and Innovation. This was an ad hoc panel created by the Department of Commrece in 1964. The panel analyzed a number of previous studies on the factors governing innovation. According to its report, "Technological Innovation: Its Environment and Management":

> Studies were unusually consistent in indicating that independent inventors (including inventor-entrepreneurs) and small technologically based companies are responsible for a remarkable percentage of the important inventions and innovations of this century—a much larger percentage than their relative investment in these activities would suggest.

Among the panel's major conclusions were that:

First, small firms and independent inventors are better innovators than large firms; and

Second, most innovations occur outside the industry being changed.

Both conclusions have been amply

demonstrated. In 1958, Prof. John Jewkes, working with a research team, selected 61 important inventions and innovations of the 20th century for intensive analysis. Their discovery: over half were the results of work by small business companies or individual inventors.

In a study by Prof. Daniel Hamberg of the University of Maryland, it was shown that small firms and independent inventors provided over two-thirds of the major inventions between 1946 and 1955. With the helicopter, the Polaroid camera, the gyrocompass, and the continuous hot-strip rolling of steel, small businesses and independent inventors have made indispensable contributions to technological progress.

As for the panel's second conclusion, I need only quote a recent report by Prof. Robert Gilpin of Princeton University prepared for the Subcommittee on Economic Growth of the Joint Economic Committee:

> A major factor stimulating innovation in an industrial setting is the entry of new firms with radical innovations. Examples of entrants introducing innovations that established firms failed to develop or actually suppressed are legend: the incandescent lamp, Edison; the electric typewriter, IBM; the transistor radio, Sony.
>
> Most highly concentrated industries are inconducive to rapid innovative progress.

We must allow and we must encourage the entry of new participants, new competitors and new innovators if we are to bring change into energy technology.

HISTORY OF FEDERAL R. & D. SPENDING

One might logically conclude that Federal R. & D. policy would be structured to capitalize on the creativity of small business. But, with the possible exception of the Defense Department, that has rarely been the case.

Since World War II, the Federal Government has awarded over $270 billion in R. & D. money. According to the National Science Foundation, big business received about 90 percent of Federal R. & D. funds between 1957 and 1972. Have we ever stopped to think of the political, economic and social consequences of doling out hundreds of billions of dollars to giant corporations? Have we ever considered the effects of these policies on our free enterprise system and our small business community?

Mr. President, I have said many times that we need to reduce concentration and increase competition in the energy industries. In 1972, I introduced the first bill in over 30 years to force divestiture of the big oil barons. We have seen support for measures like this continue to grow. In early 1974, I suggested before an audience of oil jobbers and marketers that we consider setting up a domestic development bank for energy and natural resources to help small businesses participate in the Nation's energy R. & D. effort.

Today, I am proposing a positive program designed to reverse the historical pattern of cartelization and monopolization, merely by unleashing the enormous productive power of our free enterprise system.

In the emerging solar energy industry over 70 percent of Federal R. & D. funds to profitmaking corporations was awarded during the last 2 years to companies ranking among the 200 largest in the Nation. Less than 6 percent went to small firms. Yet, small business is primarily responsible for most of the technological developments in the industry.

The Energy Research and Development Free Enterprise Act of 1976 would assure that small businesses participate in the Nation's R. & D. effort.

Small businesses and individual inventors would receive a minimum of 20 percent of ERDA funding dollars—50 percent in the solar energy program. With this set-aside, ERDA would retain the flexibility to determine the best level of small business participation in each of its programs and prevent big business from getting more than its fair share. Let it be emphasized that 20 percent is a minimum figure.

In the solar energy program, which is particularly well-suited to small business participation because of its potential for diverse and decentralized applications, small business would receive a minimum of 50 percent of the total funds. By guaranteeing a certain amount of funds for small business, this legislation would help to: First, generate the entry of new firms; second, increase competition; and third, stimulate the development of mass-production techniques. Not only would this lower the cost of solar equipment to the consumer, but it would save the country a fortune in the long run. An added benefit is that it would encourage big businesses to begin investing more of their own funds toward solar energy development.

ASSISTANT ADMINISTRATOR FOR SMALL BUSINESS

In ERDA, as in most Federal agencies, the small business advisor operates out of the procurement office. It is difficult for small businesses and individual inventors to have access to the policymakers at ERDA, not only because they lack the time and money to travel great distances to Washington, but also because they lack prestige and recognition. Hence, small businesses need a spokesman who can emphasize their essential role in technological innovation and who can participate in policymaking. This provision would give small businesses and individual inventors a say in policymaking by establishing an Assistant Administrator for small business concerns and individual inventors in ERDA. The small business advisor would be well-versed in all forms of contractual arrangements affecting small business. Also, small businesses would have a spokesman—or watchdog—who could cut across organizational lines and approach other Assistant Administrators on an equal footing.

ROLE OF SMALL BUSINESS ADMINISTRATION

The doors of Government are far from open to the small business community. Perhaps the single greatest block to the increased participation of small business and individual inventors in Federal energy programs is the enormous size and complexity of the application forms which must be filled out in order to qualify for financial assistance. The small business cannot afford to hire a professional to fill out these forms.

A large business often has an entire staff just for the purpose of applying for Federal grants. This bill would provide at least 40 personnel in regional and selected district offices of SBA to: First, assist small business in deciphering these forms; second, advise them about rules and regulations affecting them; and third, inform them to opportunities for financial aid.

ERDA would be required to consult with SBA concerning the inclusion of small business in all energy programs.

This provision would merely strengthen already existing statutes which direct ERDA to consult with SBA "to the extent practicable." ERDA has largely ignored these studies. In hearings before the Senate Small Business Committee in October of 1975, SBA testified that it was not even asked by ERDA to participate in the drafting of the "National Plan for Solar Heating and Cooling," although 14 other agencies were directly involved. The plan does, however, state that SBA has a management role in the program, since solar heating and cooling is probably the area of energy technology with the greatest potential for small business participation. This provision would insure that ERDA takes advantage of the wide resources which SBA has at its disposal.

GAO PROGRAM EVALUATION

The Comptroller General would evaluate the small business programs established under this proposed act.

Not later than 1 year after the date upon which a person is appointed as the first Assistant Administrator for small business concerns and individual inventors, the General Accounting Office would be directed to audit the progress of the Administrator in implementing the small business provisions of the act.

The purpose of the evaluation would be to determine whether the procedures and guidelines of the Administrator satisfy the intent of Congress in passing this legislation. Also, it would give both Congress and the executive branch an independent analysis of the effects of the small business provisions on the rate of development of energy resources and technology.

CONFLICTS OF INTEREST

Greater competition in the energy industries would give all Americans a wider number of sources of energy to choose from at a lower net cost.

ERDA would be required to determine that all contracts awarded by ERDA would neither decrease competition, increase concentration, create barriers to new firm entry, nor result in a conflict of interest.

Under this legislation, the Federal Trade Commission and the Department of Justice would be required to submit criteria to ERDA for making this determination within 60 days after the bill becomes law. ERDA would then have another 30 days to submit its own criteria to Congress based on the advice received from the FTC and Justice. Congress would then have up to 30 legislative days to refuse to accept ERDA's proposed criteria. This would allow ERDA to draw upon the expertise of the executive agencies primarily responsible for the enforcement of the antitrust laws while allowing ERDA the independence to develop criteria based upon its own perceptions. At the same time, Congress would still have the ability to maintain proper oversight.

The purpose of this bill is not to restrict giant energy companies from developing new sources of energy. But in awarding contracts to the private sector, the Administrator of ERDA must determine that companies having an interest in delaying or altering the results of a contract are ineligible to participate within that area of energy technology. For example, if a company has the majority of its investments tied up in nuclear power, it would probably be unable to obtain a Federal grant to develop solar electricity. But if the same company applied for a contract to develop, say, a safer method for storing nuclear waste products, the company would have every opportunity to participate.

DISCLOSURE OF INFORMATION

Without access to certain information, the Administrator would be unable to determine whether a proposed contract could result in an adverse economic impact.

Thus, ERDA would have the authority to require any participant to disclose whatever the Administrator determines to be necessary in order to carry out his responsibilities under this act as a condition of obtaining Federal financial assistance.

Corporations would not be required to disclose any information unless they were applying for a contract, and then only if specifically requested to do so by the Administrator. Yet, since much of this information is proprietary in nature, it requires the Administrator to provide adequate safeguards against unauthorized disclosure of information. Also, in order to avoid excessive paperwork demands on the private sector, it would require the Administrator to obtain this information from other Federal agencies when available.

ECONOMIC IMPACT ANALYSIS

This bill would allow committees with legislative jurisdiction or oversight responsibilities in any of ERDA's energy programs to, by majority vote, direct ERDA to submit an economic impact evaluation for any contract or group of contracts.

This provision is designed to act as a check on the Administrator's authority to award contracts. It would give Congress greater oversight capability for ERDA energy programs without creating another massive bureaucracy. The Administrator of ERDA would be on notice that Congress could demand a contract analysis anytime it so desires. The economic impact evaluation would contain a full and complete analysis of the effects of a contract on competition, concentration, and barriers to new firm entry.

ANTITRUST REVIEW

All contracts proposed to be awarded to companies with assets over $250,000,000 would be reviewed by the Department of Justice. The Attorney General would then issue an opinion stating the enforcement intention of the Department of Justice with respect to antitrust and competitive aspects of the proposed contract.

This is another measure designed to act as a check on the Administrator's power to award contracts which could result in restraints of trade. The procedure for the review is precisely that used for the Department of Justice's Business Review letter. Again, the purpose of this bill is to prevent Federal policy from being used as an instrument to promote concentration in the energy industries, without creating another regulatory agency, and without increasing bureaucratic costs.

Because antitrust problems are generally more prevalent among giant corporations, this would establish interagency controls without requiring the Department of Justice to examine thousands of contracts. If the Attorney General decided that he would file antitrust action if ERDA was to enter into the contract, the Administrator who processed such a contract could, along with the corporation, be subject to charges of conspiracy to violate the antitrust laws. This review process should be beneficial from the point of view of the Administrator and the corporation, because if antitrust action were to occur at a later date, it could show that they were acting in good faith.

CONGRESSIONAL OVERSIGHT OF OFFICERS

Mr. President, the Energy Reorganization Act of 1974 which established ERDA contains a provision which allowed ERDA to appoint eight additional officers above and beyond the six Assistant Administrators specifically mentioned in the bill. The six Assistant Administrators specifically outlined are required to be appointed by and with the advice and consent of the Senate. But the additional eight need not obtain such consent. Therefore, ERDA, if it wished to, could circumvent Congressional intent by vesting real power in the hands of officials who have not been carefully scrutinized by the Senate as to whether their appointment would best serve the public interest.

Since the passage of that act, ERDA has appointed four additional Assistant Administrators: One for planning and analysis, one for laboratory and field coordination, one for administration, and one for international affairs. Each of these areas is of critical importance to the security, prosperity, and welfare of the Nation. This bill would not abolish these positions. Rather, it would simply incorporate them into this act. This would permit ERDA to continue to organize its operations in a manner which it deems to be effective while restoring an essential oversight role to the Congress.

LIMITATIONS OF AWARD OF CONTRACTS

Under this legislation the Administrator would be required to determine that all companies which desire to participate in ERDA energy programs will be contributing their fair share. The Federal Government should always be the financier of last resort. When a company demonstrates to the Administrator's satisfaction that it cannot obtain private financing at reasonable rates of interest, and that it is willing to contribute its fair share to the project, it would then be eligible for financial assistance. This would for all intents and purposes prevent handouts and give the money instead to those who really need it.

Also, it would require the Administrator to be certain that these are limited opportunities to induce timely development of an energy source or technology by the private sector through regulatory actions, tax and price incentives, and other alternatives to direct Federal financial assistance.

In conclusion, I believe that the Energy Research and Development Free Enterprise Act of 1976 would give this Nation what it needs—a method for public and private sector cooperation that will stimulate the development of new sources of energy without stimulating the demise of our free enterprise system.

Mr. President, I have some exhibits that I would like to share with my colleagues. I ask unanimous consent that these exhibits be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

[Excerpt from Technological Innovation: Its Environment and Management, U.S. Department of Commerce, Panel on Invention and Innovation, January 1967]

SOME IMPORTANT INVENTIVE CONTRIBUTIONS OF INDEPENDENT INVENTORS AND SMALL ORGANIZATIONS IN THE 20TH CENTURY

Xerography: Chester Carlson.
DDT: J. R. Geigy & Co.
Insulin: Frederick Banting.
Vacuum Tube: Lee De Forest.
Rockets: Robert Goddard
Streptomycin: Selman Waksman.
Penicillin: Alexander Fleming.
Titanium: W. J. Kroll.
Shell Molding: Johnannes Croning.
Cyclotron: Ernest O. Lawrence.
Cotton Picker: John & Mack Rust.
Shrink-proof Knitted Wear: Richard Walton.
Dacron Polyester Fiber "Terylene": J. R. Whinfield/J. T. Dickson.
Catalytic Cracking of Petroleum: Eugene Houdry.
Zipper: Whitcomb Judson/Gideon Sundback.
Automatic Transmissions: H. F. Hobbs.
Gyrocompass: A. Kaempfe/E. A. Sperry/S. G. Brown.
Jet Engine: Frank Whittle/Hans Von Ohain.
Frequency Modulation Radio: Edwin Armstrong.

Self-Winding Wristwatch: John Harwood.

Continuous Hot-Strip Rolling of Steel: John B. Tytus.

Helicopter: Juan De La Cierva/Heinrich Focke/Igor Sikorsky.

Mercury Dry Cell: Samuel Ruben.

Power Steering: Francis Davis.

Kodachrome: L. Mannes & L. Godowsky Jr.

Air Conditioning: Willis Carrier.

Polaroid Camera: Edwin Land.

Heterodyn Radio: Reginald Fessenden.

Ball-Point Pen: Ladislao & Georg Biro.

Cellophane: Jacques Brandenberger.

Tungsten Carbide: Karl Schroeter.

Bakelite: Leo Baekeland.

Oxygen Steelmaking Process: C. V. Schwarz/J. Miles/R. Durrer.

EXHIBIT 2

SOLAR ENERGY PRIME CONTRACTS AWARDED OR AUTHORIZED FOR NEGOTIATION BY THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION (ERDA), OR TRANSFERRED TO ERDA BY THE NATIONAL SCIENCE FOUNDATION (NSF), TO GOVERNMENT AGENCIES, BUSINESSES, OR NONPROFIT INSTITUTIONS, BY NUMBER, DOLLAR AMOUNT, AND PERCENTAGE OF TOTAL CONTRACTS

		Business contracts				Nonprofit institution contracts			
	Government Agency contracts [6]	Giant corporation contracts [7]	Small business contracts [9]	All other contracts	Total business contracts	College and university contracts [11]	Independent nonprofit organization contracts [12]	Total nonprofit contracts	Total contract
Contracts awarded or authorized for negotiation by ERDA prior to May 14, 1975:									
Dollars [1]	4,790,400	5,294,000	1,134,000	863,000	7,271,000	2,044,373	357,000	2,401,373	14,482,773
Percent [2]	33.1	36.6	7.8	6.0	50.2	14.1	2.5	16.7	100
Number [3]	29	22	6	10	38	17	4	21	88
Contracts awarded by NSF and transferred to ERDA:									
Dollars [4]	4,630,900	2,046,167	253,648	858,164	3,157,979	1,254,935	40,200	1,295,135	9,084,014
Percent	51.0	22.5	2.8	9.5	34.8	13.8	0.4	14.3	100
Number	9	10	3	6	19	14	1	15	43
Total contracts awarded or authorized for negotiation administered by ERDA:									
Dollars [5]	9,421,300	[8] 7,340,167	[10] 1,387,648	1,721,164	10,428,979	3,299,308	397,200	3,696,508	23,566,787
Percent	40.0	31.2	5.9	7.3	44.3	14.0	1.7	15.8	100
Number	38	32	9	16	57	31	5	36	131

[1] Dollar amount of contracts awarded or authorized for negotiation.

[2] Percentage of total dollar amounts of contracts awarded or authorized for negotiation by ERDA prior to May 14, 1975.

[3] Number of contracts in category or combined category.

[4] Percentage of total dollar amounts of contracts awarded by NSF and transferred to ERDA for administration prior to May 14, 1975.

[5] Percentage of combined total dollar amounts of contracts awarded or authorized for negotiation by ERDA and transferred to ERDA by NSF.

[6] For the purposes of this tabulation, "Government Agency" is defined as (a) any organization listed in "The U.S. Government Manual, 1975–76;" (b) any nonprofit institution listed as an "integral unit" of a Government Agency in the "Research Centers Directory, Fifth Edition," Gale Research Co., 1975; or (c) any State, county, or municipal government including Puerto Rico.

For the purposes of this tabulation, "Giant corporation" is defined as any business together with any of its affiliates ranking (a) in the top 200 of "The 500 Largest Industrial Corporations," Fortune, May 1975; or (b) in the top 10 of "The Fifth Largest Utilities," Fortune, July 1975.

[8] This category contains 72.2 percent of all business contracts.

[9] For the purposes of this tabulation, "Small business" is defined as any business which, together with affiliates, reported gross sales of $25,000,000 or less, according to (a) the "Dun & Bradstreet Million Dollar Directory," Dun & Bradstreet, Inc., 1975; or (b) information received through direct telephone contact with companies not listed in the "Million Dollar Directory."

[10] 72 percent of all funds in this category were contracted to 1 firm.

[11] For the purposes of this tabulation, "Colleges and universities" include any organization listed as an "integral unit" of a college or university according to the "Research Centers Directory, op. cit."

[12] For the purposes of this tabulation, "Independent nonprofit organization" is defined as (a) any institution listed as such, in the "Research Centers Directory, op. cit.;" or (b) any institution describing itself as an independent nonprofit organization in direct telephone contact.

Source: Appendixes to statement by Dr. John M. Teem, assistant administrator for solar, geothermal and advanced energy systems, ERDA, before the Senate Select Committee on Small Business, May 14, 1975. See Hearings on Energy Research and Development and Small Business—Pt. 1, Solar Energy: How Much? How Much from Small Business? How Soon? Why Not More? Why Not Sooner? Senate Select Committee on Small Business, 94th Cong., 1st sess. (1975), pp. 224–233. Table by Frank Shooster, staff of the Senate Select Committee on Small Business, and Karl Gawell and David Leiko, staff of Representative Ronald M. Mottl.

Mr. HATHAWAY. Mr. President, I am pleased to join in support of the bill being introduced today, the Energy Research and Development Free Enterprise Act of 1976.

Throughout our history, we have relied chiefly on the innovations of small businessmen for our technological progress. This was certainly true 200 years ago; and it is just as true today. Government and private studies bear out the superior innovative talent of small enterprises. A recent article by Irving Kristol in the Wall Street Journal summarizes this:

> Economically, small business plays a critical role in the process of innovation. When one surveys the new products and new processes of the past 25 years, it is extraordinary how many of them were introduced by aggressive entrepreneurs or smaller business firms. The Xerox copier, the Polaroid camera, the mini-computer, high-fidelity recordings, frozen foods, wash-and-dry clothing, etc.—the list is long and impressive. Nor is it only product innovation that small business is so good at. It also rates high marks for conceptual innovation, for coming up with a new way of organizing older services. Containerization; the discount store; the motel; franchising the sale of hamburgers, fried chicken, and other food products—these, among others, were ideas in the head of an individual that proved fruitful and beneficial because our economic system permitted them to compete with existing ideas as to how things should be done. Obviously, not all the innovations of entrepreneurs succeed; indeed, most of them fail, as they are bound to, in a high-risk, high-payoff situation. But this brash willingness to risk failure is itself one of the major merits of a system of "free enterprise."

Last spring and this fall, the Small Business Committee held hearings on the topic of small business and Federal energy research and development policy. The problems confronted by innovators and small businesses in dealing with the Federal bureaucracy were mentioned again and again throughout these hearings. This legislation addresses these problems, and will help to effectively implement the large task which we have given ERDA in coordinating our energy research and development program.

Specifically, the bill will insure that the Energy Research and Development Administration allot a fair percentage of its funds—at minimum 20 percent—to small business. The legislation will also provide that ERDA contracts will not erode the competitive possibilities of new sources of energy, and will place an assistant administrator for small business in the ERDA contract process. Safeguards against potential conflicts of interest in the award of ERDA funds, as well as improved congressional oversight of ERDA programs are also included.

With the evidence that smaller concerns are a more productive and efficient user of Federal research money, as well as the most efficient source of technological innovation, this bill will enhance the effectiveness of our energy research and development programs, and provide the taxpayers with the most progress for their dollars.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 2846. A bill to amend the Communications Act of 1934, as amended, with respect to Commissioners and Commission employees. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, by request, for myself and Senator PEARSON, I introduce a bill to amend the Communications Act of 1934, as amended, with respect to Commissioners and Commission employees. I ask unanimous consent to have printed in the RECORD a letter of transmittal from the Federal Communications Commission, and an explanation of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., September 5, 1975.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: The Commission has adopted as part of its Legislative Program for the 94th Congress a proposal to amend Section 4 of the Communications Act of 1934, as amended, with respect to commissioners and Commission employees.

The bill essentially is designed to permit financial interests in mutual funds and companies which are subject to the licensing provisions of the Communications Act only because they make some incidental use of radio communications as an aid to their business operations. It would prohibit financial interests in broadcast stations, cable television systems, and communications common carriers or mutual funds whose investments are concentrated substantially in those areas.

The Commission's draft bill to accomplish the foregoing objective was submitted to the Office of Management and Budget for its consideration. We have now been advised by that Office that from the standpoint of the Administration's program there would be no objection to the presentation of the draft bill to the Congress for its consideration. Accordingly, there are enclosed six copies of our draft bill and explanatory statement on this subject.

The consideration by the Senate of the proposed amendment to the Communications Act of 1934 would be greatly appreciated. The Commission would be most happy to furnish any additional information that may be desired by the Senate or by the Committee to which this proposal is referred.

Sincerely yours,

RICHARD E. WILEY,
Chairman.

EXPLANATION OF BILL TO AMEND SECTION 4 OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED, WITH RESPECT TO COMMISSIONERS AND COMMISSION EMPLOYEES

This proposal would amend subsection 4 (b) of the Communications Act of 1934, as amended, with respect to commissioners and Commission employees.

Subsection 4(b) of the Communications Act provides as follows:

(b) Each member of the Commission shall be a citizen of the United States. No member of the Commission or person in its employ shall be financially interested in the manufacture or sale of radio apparatus or of apparatus for wire or radio communication; in communication by wire or radio or in radio transmission of energy; in any company furnishing services or such apparatus to any company engaged in communication by wire or radio or to any company manufacturing or selling apparatus used for communication by wire or radio; or in any company owning stocks, bonds, or other securities of any such company; nor be in the employ of or hold any official relation to any person subject to any of the provisions of this Act, nor own stocks, bonds, or other securities of any corporation subject to any of the provisions of this Act. Such commissioners shall not engage in any other business, vocation, profession, or employment. Any such commissioner serving as such after one year from the date of enactment of the Communications Act Amendments, 1952, shall not for a period of one year following the termination of his service as a commissioner represent any person before the Commission in a professional capacity, except that this restriction shall not apply to any commissioner who has served the full term for which he was appointed. Not more than four members of the Commission shall be members of the same political party.

Proposed paragraph (1) of subsection (b) includes, without substantive changes, all existing provisions of that subsection concerning commissioners except as to their financial interests. Proposed paragraphs (2) and (3) revise the provisions concerning the financial interests of commissioners and employees. Paragraph (4) explains that the Commission is not restricted by this Act from imposing restrictions in addition to those set forth in Public Law 87–849 and other laws or Executive Orders. Paragraph (5) affords the Commission the opportunity to waive certain provisions of subsection 4 (b) to avoid hardships which could arise in exceptional circumstances.

Conflict of interest provisions in the law have the highly salutary purpose of ensuring that Government officials act in the public interest and maintain their affairs so that no actual or apparent personal financial motivation cloud their official decisions. We are in full accord with this objective.

However, subsection 4(b) of the Communications Act, adopted in 1934 under quite different circumstances than prevail today, is far more restrictive than recent Congressional and Administrative pronouncements and is substantially inconsistent with current national policy.

Congress in 1962 extensively revised chapter 11 of Title 18, U.S.C., dealing with bribery, graft, and conflicts of interest (Public Law 87–849, approved October 23, 1962). Section 208 of that revision requires nonparticipation by officers or employees in matters in which they have financial interests. It reads:

"(a) Except as permitted by subsection (b) hereof, whoever, being an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, participates personally and substantially as a Government officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization in which he is serving as officer, director, trustee, partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest.

"Shall be fined not more than $10,000, or imprisoned not more than two years, or both.

"(b) Subsection (a) hereof shall not apply (1) if the officer or employee first advises the Government official responsible for appointment to his position of the nature and circumstances of the judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by such official that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from such officer or employee, or (2) if, by general rule or regulation published in the Federal Register, the financial interest has been exempted from the requirements of clause (1) hereof as being too remote or too inconsequential to affect the integrity of Government officers' or employees' services."

This statute of general applicability is not as restrictive as section 4(b) of the Federal Communications Act. We recognize, however, that in certain highly specialized fields, such as communications, some additional restrictions may be appropriate with respect to, for example, investments of commissioners and employees in companies regulated by the agency. In this respect, the Communications Act, proscribing certain activities and investments of commissioners and Commission employees, is much more restrictive than are the statutes of other regulatory agencies, which as a general rule apply only to commissioners.[1]

Past announcements of the executive branch and the Congress lend vital support to the view that conflict-of-interest provisions, while they must adequately protect the public interest, need not go beyond what is necessary to ensure that protection. Congress has also expressed its attitude with respect to this general problem in the legislative history of the 1962 amendments to the conflict-of-interest statutes. The House Report (H. Rept. No. 748, 87th Cong., 1st Sess., p. 6) states:

"It is also fundamental to the effectiveness of democratic government, that, to the maximum extent possible, the most qualified individuals in the society serve its government. Accordingly, legal protections against conflicts of interest must be so designed as not unnecessarily or unreasonably to impede the recruitment and retention by the Government of those men and women who are most qualified to serve it. An essential principle underlying the staffing of our governmental structure is that its employees should not be denied the opportunity available to all other citizens, to acquire and retain private economic and other interests, except where actual or potential conflicts with the responsibility of such employees to the public interest cannot be avoided."[2] [footnote added]

Thus, the Commission is not seeking any special treatment in this area. We are endeavoring to have the antiquated provisions of this statute modified to reflect the present general law and to avoid obvious inequities which, through changed circumstances since its enactment, give the Communications Act potentially greater coverage than was either intended or envisioned.

There is no legislative history to explain the meaning Congress attached to section 4 (b). Since its enactment, however, far-reaching changes have occurred in the communications art, and the Commission now has more than a million licensees. Thus, every executive's airplane equipped with radio communication must have a license from the FCC. States and municipalities are licensees of police and fire systems. In fact, practically every segment of the American economy (farming, mining, fishing, manufacturing, transportation, public utilities, etc.) uses radio communication as an aid to business operation, and is, therefore, subject to the licensing provisions of the Communications Act. The full import of this vast growth in licensing activity is in itself sufficient to cause a re-evaluation of the inequitable restrictions of section 4(b).

Another factor also tending to broaden the potential coverage of the section's existing language is the increased diversification of activity and financial interests of companies which has occurred in the three decades since the section's enactment. Thus, many companies, through a complex of corporate inter-relationships and business organizations, have remote interests in various licensees of the Commission. Although such an interest might not be readily apparent, stock ownership in these companies could conceivably be violative of section 4(b) of the Act.

The proposed amendment would therefore

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[1] The more liberal provisions of the ICC Act (49 U.S.C. § 305) apply to members, examiners and members of a joint board; the CAB prohibition applies only to members of the Board (49 U.S.C. § 1321(b); restrictions at FAA are on the Administrator and Deputy Administrator but not on employees of the agency (49 U.S.C. §§ 1341(b) and 1342(b)); restrictions against financial interests with respect to the Federal Power Commission apply only to commissioners (16 U.S.C. § 792).

[2] Senate Report No. 2213, 87th Cong., 2d Sess., notes as the "consensus" of views that some of the conflict-of-interest statutes create wholly unnecessary obstacles to recruiting qualified people for government service.

make clear that section 4(b) is not intended to cover the multitude of companies whose use of radio is incidental or whose relationship to companies subject to the Act is remote.

Even as to companies directly involved in broadcasting or communications common carriers, the effect of mutual fund development must be considered. Thus, almost any mutual fund would likely contain some shares in American Telephone and Telegraph Company, General Electric, Radio Corporation of America, or a similar company. Where the mutual funds' investments are not concentrated substantially in broadcasting companies, communications common carriers, or companies engaged in the manufacture or sale of apparatus for wire or radio communication, the Communications Act should be clarified to permit commissioners and Commission employees to purchase shares of such mutual funds.

The effects of such wide disparity between the potential reach of section 4(b) of the Communications Act and existing national policy are difficult to evaluate. It is believed that its broad restrictions may tend to discourage some potential applications for employment with the Commission and to limit unfairly the investment opportunities available to Commission employees.[3]

The proposed amendment would continue to prohibit commissioners and Commission employees from having a direct financial interest in, employment by, or any official relation to (i) any person engaged in radio broadcasting. "Radio" as used in the Communications Act includes television; (ii) any person engaged in the distribution of programs over wire (which would include cable television systems); (iii) communications common carriers; (iv) persons a substantial part of whose activities consist of the manufacture or sale of apparatus for wire or radio communication; (v) mutual funds, holding companies, or other investment companies whose investments are concentrated substantially in the entities included in paragraphs (i), (ii), (iii), and (iv). As an additional safeguard, the amendment also specifically states that nothing herein shall limit the authority of the Commission under Public Law 87–849 (87th Congress, approved October 23, 1962) or other law or Executive Order to restrict further the financial interests or official relations of its employees.

The proposal has a provision similar to the one in 18 U.S.C. § 208(b) which would permit the appointing authority to waive the prohibitions in certain cases. This provision would permit the avoidance of injustice or hardship which could arise in exceptional circumstances. For example, if a Commission employee were to be named beneficiary of a trust containing, among other things, a few shares of stock of an interstate communications common carrier, he could be in violation of the Act if he continued in the Commission's employ. Yet he might have no control over the trust and not be able to get the trustees to sell the prohibited shares. Other factual situations, each one unique, could arise and could be remedied under this waiver proviso.

Finally, the proposal would repeal as unnecessary the second sentence of subsection (j) of section 4, which appears redundant in the light of section 208 of Title 18,[4] to which the members and employees of the Commission would continue to be subject.

The Commission agrees that actual or apparent conflicts of interest should be avoided and prohibited. However, as shown, we believe the restrictions of section 4(b) potentially go far beyond what was ever envisioned and the section's prohibitions are certainly more extensive than required in order to avoid actual conflicts of interest or even the "appearance of evil."

The general conflict-of-interest laws as revised in 1962, together with the additional restrictions contained in section 4(b) as proposed, will provide adequate statutory standards to protect the public interest and insure impartial and unbiased conduct.

Adopted: October 9, 1974.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 2847. A bill to amend section 318 of the Communications Act of 1934, as amended, to enable the Federal Communications Commission to authorize translator broadcast stations to originate limited amounts of local programing, and to authorize FM radio translator stations to operate unattended in the same manner as is now permitted for television broadcast translator stations. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, by request, for myself and Senator PEARSON, I introduce a bill to amend section 318 of the Communications Act of 1934, as amended, to remove the licensed operator requirement for FM translators and FM transmitters and to permit the carrying of certain kinds of programing on FM and TV translators. I ask unanimous consent to have printed in the RECORD a letter of transmittal from the Federal Communications Commission, and an explanation of the proposed amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., September 16, 1975.
The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: The Commission has adopted as part of its Legislative Program for the 94th Congress a proposal to amend Section 318 of the Communications Act of 1934, as amended, to remove the licensed operator requirement for FM translators and FM transmitters and to permit the carrying of certain kinds of programming on FM and TV translators.

Section 318 now requires a licensed operator for all broadcast stations except those "engaged solely in the function of rebroadcasting the signals of television broadcast stations." This excepts TV translators from the licensed operator requirement provided no material is originated on the translator. The Commission believes that FM translators, like TV translators should be included in the exception.

Technical development now enables FM transmitters without a licensed operator on duty to operate without causing interference to other radio services. The Commission believes that Section 318 should reflect this advanced technology by excepting FM broadcast transmitters from the licensed operator requirement.

We also believe that certain kinds of material should be permitted to originate on TV and FM translators operating without a licensed operator. Deletion of the word "solely" from the quoted provision would permit translators to broadcast announcements relevant to the local community.

The Commission's draft bill to accomplish the foregoing objective was submitted to the Office of Management and Budget for its consideration. We have now been advised by that Office that from the standpoint of the Administration's program there would be no objection to the presentation of the draft bill to the Congress for its consideration. Accordingly, there are enclosed six copies of our draft bill and explanatory statement on this subject. The consideration of the Senate of the proposed amendment to the Communications Act of 1934 would be greatly appreciated. The Commission would be most happy to furnish any additional information that may be desired by the Senate or by the Committee to which this proposal is referred.

Sincerely yours,
RICHARD E. WILEY,
Chairman.

EXPLANATION OF PROPOSED AMENDMENT TO SECTION 318 OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED, TO ENABLE THE COMMISSION TO AUTHORIZE TRANSLATOR BROADCAST STATIONS TO ORIGINATE LIMITED AMOUNTS OF LOCAL PROGRAMING, AND TO AUTHORIZE FM RADIO TRANSLATOR STATIONS TO OPERATE UNATTENDED IN THE SAME MANNER AS IS NOW PERMITTED FOR TELEVISION BROADCAST TRANSLATOR STATIONS

Translator stations are low-power broadcasting stations which receive the incoming signals of a television or FM radio station, amplify the incoming signals, convert—or "translate"—them to a different output frequency, and retransmit the signals to the community or area which it is desired to serve. Translators are needed in certain areas of the country where, because of terrain or extreme distances, it is not possible to receive directly the signals of the originating television or FM radio station. They were conceived as simple, inexpensive devices which could be made available to small communities where the demand for television or FM radio service was great and financial resources were meager. In such areas, translators frequently provide local residents with their only source of television or FM radio reception.

Section 318 of the Communications Act of 1934, as amended, 47 U.S.C § 318, (clause (3) of the first proviso), limits translators to rebroadcasting the signals of their primary stations without any significant alteration of the characteristics of the incoming signals. Although the Commission has interpreted Section 318 to allow UHF television translators to broadcast twenty seconds of commercial advertising per hour, the origination is restricted to slide announcements, and no program origination is permitted. Consequently, translator stations are not self-supporting and must depend on public generosity for their support. In addition, Section 318's prohibition of program origination in many instances deprives those people dependent on translator stations for their television or FM radio reception of news of local political interest or events which vitally affect them. We believe the proposal's substitution of the word "primarily" for "solely" will allow the Commission to authorize limited amounts of local origination in keeping with the public interest.

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[3] Unlike the general conflict-of-interest statute (18 U.S.C. § 208), section 4(b) does not presently have a provision for waiver of insubstantial financial interest.

[4] That sentence provides: "* * * No commissioner shall participate in any hearing or proceeding in which he has a pecuniary interest." It would seem that non-participation by a commissioner in any hearing or proceeding in which he has a pecuniary interest [section 4(j) of the Communications Act] is, if anything, not as broad as the non-participation in a wider variety of activities enumerated by 18 U.S.C. § 208 in which, to his knowledge, he, his spouse, minor child, etc., has a financial interest.

We recognize the proposal does not set any specific limitations as to the amount of local origination to be permitted. We believe, however, that such a limitation could be best determined in a rulemaking proceeding conducted by the Commission to implement this legislation during which the comments received from all interested parties could be analyzed and evaluated. In deciding upon such a limitation the Commission would, of course, be bound by the requirement of Section 318 that origination be limited to the extent necessary to insure that translator stations retain their primary characteristic as rebroadcast stations.

It should be noted that cable television interests have expressed their concern to the Commission with respect to what effect our proposal might have on the relationship of translators and cable systems. Cable operators expressed particular concern with regard to possible interference between VHF television translator stations (those operating on output channels 2 through 13) and cable television systems when broadcast channels are authorized for translator use. We cannot perceive that this proposal would have any effect whatsoever on the matter of electrical interference as it would merely enable the Commission to promulgate rules to authorize program origination by translators. This would have no effect on the frequencies on which translators operate. In any event, if the proposal is enacted into law, the cable operators would have ample opportunity to present their views at the rule-making proceeding the Commission would institute before adopting any rules to effectuate the statute.

We also propose striking the word "television" from Section 318. As previously noted, translators were conceived as simple, inexpensive devices designed to provide broadcast signals to the residents of sparsely populated, rural, remote, or mountainous areas. To make such stations economically feasible, Congress enacted Section 318 in 1960 to enable the Commission to permit television translator stations to operate without a licensed operator. At that time, there were only television translator stations. However, technological advances through the past decade have made FM translator stations possible and, in 1970, the Commission authorized such stations. Now, in order to make the FM translator stations economically feasible, it is necessary to amend Section 318, as proposed, to authorize the FM translators to operate unattended in the same manner as is now permitted for television translator stations.

In sum, the Commission believes the public interest would be served by adoption of the proposed amendment.

Adopted: October 9, 1974.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1736

At the request of Mr. McIntyre, the Senator from Washington (Mr. Jackson) and the Senator from Wyoming (Mr. Hansen) were added as cosponsors of S. 1736, a bill to grant a Federal charter to the National Ski Patrol Systems, Inc.

S. 1776

At the request of Mr. Hugh Scott, the Senator from New York (Mr. Buckley) was added as a cosponsor of S. 1776, a bill to establish a national historical park at Valley Forge, Pa.

S. 2135

At the request of Mr. Thurmond, the Senator from New York (Mr. Buckley) was added as a cosponsor of S. 2135, a bill to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, D.C.

S. 2258

At the request of Mr. Brock, the Senator from South Carolina (Mr. Thurmond) and the Senator from New York (Mr. Buckley) were added as cosponsors of S. 2258, a bill to establish a method whereby the Congress may assure a more effective use of tax dollars.

S. 2260

At the request of Mr. Robert C. Byrd (for Mr. Tunney), the Senator from Arkansas (Mr. Bumpers), the Senator from Missouri (Mr. Eagleton), the Senator from New Jersey (Mr. Williams), and the Senator from Indiana (Mr. Hartke) were added as cosponsors of S. 2260, a bill to establish improved programs for the benefit of producers and consumers of rice.

S. 2617

At the request of Mr. Johnston, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of S. 2617, the Minority Business Development and Assistance Act of 1975.

S. 2631

At the request of Mr. McIntyre, the Senator from Idaho (Mr. Church) was added as a cosponsor of S. 2631, a bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes.

S. 2662

At the request of Mr. Humphrey, the Senator from Arkansas (Mr. Bumpers) and the Senator from Wisconsin (Mr. Nelson) were added as cosponsors of S. 2662, the International Security Assistance and Arms Export Control Act of 1975.

S. 2744

At the request of Mr. Brock, the Senator from New York (Mr. Buckley) was added as a cosponsor of S. 2744, a bill to establish a procedure under which proposed regulations of the Secretary of Health, Education, and Welfare, to implement the Social Security Act, will be submitted to appropriate congressional committees for study and review, and under which either House of Congress, by adopting a resolution of disapproval, can prevent any such regulation from taking effect.

S. 2765

At the request of Mr. Nelson, the Senator from Arkansas (Mr. Bumpers) was added as a cosponsor of S. 2765, a bill to repeal authority for provisional listings of commercially established colors and additives.

SENATE RESOLUTION 197

At the request of Mr. Leahy, the Senator from Tennessee (Mr. Brock) was added as a cosponsor of Senate Resolution 197 to establish a Select Committee on Federal Responsiveness and Accountability.

SENATE RESOLUTION 307

At the request of Mr. Leahy, the Senator from Tennessee (Mr. Brock) and the Senator from New Hampshire (Mr. McIntyre) were added as cosponsors of Senate Resolution 307, to amend the Standing Rules of the Senate.

SENATE RESOLUTION 302

At the request of Mr. Griffin, the Senator from Wyoming (Mr. Hansen), the Senator from Idaho (Mr. McClure), and the Senator from North Dakota (Mr. Young) were added as cosponsors of Senate Resolution 302, a resolution to establish a select committee of the Senate to conduct an investigation and study of the extent, if any, to which criminal or other illegal, improper or unethical activities are engaged in by any persons acting individually or in combination with others in the field of labor-management relations or in related groups or organizations established for the benefit of employees or employers.

SENATE RESOLUTION 329

At the request of Mr. Haskell, the Senator from Utah (Mr. Moss) was added as a cosponsor of Senate Resolution 329, a bill to prohibit Members of the Senate, their employees, and employees of standing committees and select committees of the Senate from being paid or reimbursed for the difference between the cost of first-class accommodations with respect to air travel and the cost of other air travel accommodations, except for reasons described in section 2, and to make possible a reduction in the amount of funds necessary to defray travel expenses of such Senators and employees as a result of such prohibition.

AMENDMENTS SUBMITTED FOR PRINTING

FISHERIES MANAGEMENT AND CONSERVATION ACT—S. 961

AMENDMENT NO. 1327

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL submitted an amendment intended to be proposed by him to the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain areas in order to conserve and protect such fish from depletion, and for other purposes.

FOREIGN ASSISTANCE ACT OF 1975—S. 2662

AMENDMENT NO. 1328

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. NELSON. Mr. President, I submit for printing an amendment to S. 2662.

Mr. President, the full Committee on Foreign Relations is expected to complete markup this week of S. 2662, the International Security Assistance and Arms Export Control Act, offered by the distinguished chairman of the Subcommittee on Foreign Assistance, Mr. HUMPHREY.

S. 2662 takes several significant strides toward more effective congressional scrutiny of this Nation's arms sales to foreign governments.

For some time now I have been alarmed at the exponential growth in the volume of military equipment and arms sold abroad by the United States. In fiscal year 1975, for example, U.S. foreign military sales orders totaled $9.5 billion. Only 5 years before in 1970, the foreign military sales program accounted for less than $1 billion worth of equipment transferred to foreign countries. All indications are that this trend will continue and intensify.

Clearly arms sales of such proportions have major foreign policy implications. Yet the Congress has not been adequately involved in the formulation of policy governing such sales.

In 1973, I first introduced legislation giving Congress a voice in arms sales policy, and in 1974, Congress adopted the amendment allowing Congress to veto proposed foreign military sales of $25 million or more within 20 calendar days of notification.

That was a good beginning in the difficult task of bringing Congress into arms sales policy in an effective and responsible manner. The legislation offered by our distinguished colleague from Minnesota, Mr. HUMPHREY, represents another important step in the right direction.

S. 2662 strengthens the existing congressional veto procedure, extends that procedure into commercial sales, and requires additional reports on sales, as well as an annual country-by-country justification for the sales program along lines I had previously suggested.

I am concerned, however, that as presently drafted S. 2662 may not yet provide adequate time for Congress to consider proposed arms sales through governmental and commercial channels. Under existing law, as noted above, Congress has 20 calendar days in which to block a proposed sales by concurrent resolution—week-ends and recesses included.

Our most significant experience to date with existing procedure came late last summer and early fall with the proposal to sell Hawk missiles to Jordan. Without recounting all the details of that episode at this time, I believe it perfectly reasonable to conclude that the Hawk sale established at least one thing for certain: 20 calendar days is an inadequate time for both Houses of Congress to act.

My original proposal in 1973, and that of 1974—which passed the Senate on three different occasions, but was weakened in conference—allowed more time. Again, in June 1975, I introduced amendment 581 to S. 1816—the President's proposed military assistance bill for which S. 2662 was subsequently substituted. That amendment would have allowed Congress 30 calendar days of continuous session to block a proposed sale. The continuity of a session was defined as broken only by adjournment of the Congress sine die, and the amendment stipulated that "the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 30-day period."

That precise formula has been adopted in S. 2662 with regard to several types of resolutions of disapproval. Curiously, however, that formula does not apply to resolutions blocking proposed FMS or commercial sales or to resolutions giving Congress a role in the third-party transfers of U.S.-supplied defense equipment. On those resolutions Congress has only 30 straight calendar days to act, again recesses included.

I seriously doubt this is adequate time. In practice it adds only a few more working days to the existing 20 calendar days, and fails to solve the problem of recesses.

Out of all the debate that has transpired during this past year, I believe that perhaps the most basic point we ought to realize is that Congress must allow itself adequate time to consider proposed arms sales. Allowing 30 calendar days of continuous session as defined is a modest step in that direction. Since this exact formula is contained elsewhere in S. 2662, and since the formula has passed the full Senate previously, I hope the full Committee on Foreign Relations will see fit to adopt this amendment extending that formula to resolutions of disapproval on proposed sales and third-party transfers of U.S. equipment.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1324

At the request of Mr. NELSON, the Senator from Arkansas (Mr. BUMPERS) was added as a copsonsor of amendment No. 1324, to ban the use of polychlorinated biphenyls, intended to be proposed to S. 776, the Toxic Substances Control Act.

NOTICE OF HEARING

Mr. FORD. Mr. President, the Subcommittee on Aerospace Technology and National Needs of the Committee on Aeronautical and Space Sciences began its hearing today on solar power from satellites. Another hearing will be held on Wednesday, January 21, 1976, in room 235 of the Russell Senate Office Building at 10 a.m.

Witnesses today discussed various means of using satellites to collect sunlight in space and to beam the power down to Earth via microwave to supplement our source of electrical power. The witnesses were:

Dr. Peter Glaser of Arthur D. Little, Inc.;

Richard W. Taylor and Ralph Nansen of the Boeing Aerospace Co.;

Prof. Gerard K. O'Neill of Princeton University; and

G. Harry Stine, an engineer and author from Phoenix, Ariz.

On Wednesday the witnesses will discuss the economics of these satellites and what NASA is planning to do to explore further these concepts. The witnesses will be:

Dr. Edward Greenblat and Mr. Gregg Fawkes of ECON, Inc., accompanied by Dr. Klaus P. Heiss, president, ECON, Inc.,

Dr. John M. Teem, Assistant Administrator for Solar, Geothermal, and Advanced Energy Systems, Energy Research and Development Administration, and

Dr. George M. Low, Deputy Administrator, National Aeronautics and Space Administration and Dr. William B. Lenoir, scientist-astronaut, Johnson Space Center, Tex.

NOTICE OF HEARINGS

Mr. NELSON. Mr. President, I wish to announce that the Monopoly Subcommittee of the Senate Small Business Committee has scheduled a hearing for January 27 on alleged restrictive and anticompetitive practices in the cosmetic industry and their effects on specific small business firms and the public.

The hearing will be held in room 318—Caucus Room—of the Russell Senate Office Building beginning at 10 a.m. The witnesses will be announced later.

NOTICE OF HEARINGS

Mr. ALLEN. Mr. President, the Subcommittee on Agricultural Research and General Legislation, of the Committee on Agriculture and Forestry, will hold hearings on contamination by the agricultural chemical Kepone.

The hearings will be held on Thursday and Friday of this week, January 22 and 23, and on Monday through Wednesday of the following week, January 26, 27 and 28. Hearings will begin at 9:30 a.m. on each day, in room 6202 of the Dirksen Building on January 22 and 23, and in room 457 of the Russell Building on January 26, 27, and 28.

NOTICE ON HEARINGS ON THE SMALL BUSINESS ADMINISTRATION 8(a) PROGRAM

Mr. NELSON. Mr. President, I wish to announce that the Senate Small Business Committee will hold hearings on the SBA 8(a) procurement program on January 21 in room 457, Russell Senate Office Building, beginning at 9 a.m.

Senator JAVITS has been designated to hold these hearings and will focus on Federal contract procurement problems facing socially and economically disadvantaged small businesses and the effectiveness of the SBA 8(a) program in alleviating these problems.

A representative of the Small Business Administration as well as representatives of various small businesses and associations have been invited to testify.

ADDITIONAL STATEMENTS

THE PASSING OF PREMIER CHOU EN-LAI

Mr. MANSFIELD. Mr. President, on January 8, between the end of the 1st session of the 94th Congress and the beginning of the 2d session of the same Congress, Premier Chou En-lai passed away. With his departure from this world, another one of the great statesmen of our time in history has gone from our midst.

Our paths first crossed in Chungking in late December of 1944. Since then, Mrs. Mansfield and I have had the opportunity to meet with the late Premier twice in Peking. On our first visit in 1972, he was in good health and was able to attend to his multitude of duties; on our second visit in December 1975, we met with him for a little over an hour in his hospital room in Peking. His parting words to us at that time were: "The door between our two countries should never have been closed."

Mr. President, I believe great credit should go to former President Richard M. Nixon for the initiative he displayed in opening the door to China and bringing about normalization of relations between our two countries. Mr. Nixon stated to the joint congressional leadership after his return from Peking in 1972 that, in his opinion, Premier Chou En-lai was one of the world's most able statesmen, that his knowledge was encyclopedic, and that his grasp of world events was second to none. Since that time, these sentiments have been echoed by other distinguished foreign visitors to the People's Republic of China.

The death of Premier Chou En-lai was not unexpected. Aware of his age and illness, he, along with Chairman Mao Tse-tung, made every preparation for a continuation of the process of government. It is anticipated and expected that what has been wrought over the past quarter-century will continue into the indefinite future and that the gains made by the Chinese people by their own efforts will be carried into the decades ahead. For the first time in modern history, the Chinese people look upon themselves as part of a nation—a nation which they helped to bring into being and a nation which they worked to achieve. In this effort, the late Premier played a very large and significant part and, because of his efforts and success he will be long and favorably remembered. His life is now gone, his body has been cremated, his ashes have been strewn over his native land, but his achievements remain.

Mr. President, the door which should never have been closed is now open and it is to be anticipated that the initiatives undertaken in 1972 will be carried forward to fruition in the years and the decades ahead.

INCREASED SOVIET MILITARY POWER

Mr. THURMOND. Mr. President, the January 1, 1976, issue of the Washington Post included an article by Jack Anderson and Les Whitten entitled "Assessing Our Soviet Relations."

This column provided a succinct yet easily discernible analysis of growing Soviet military strength.

This article is worthy of the attention of every Member of Congress and the American people as a whole.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Assessing Our Soviet Relations

(By Jack Anderson and Les Whitten)

At this crossroads in time, we need to take a hard look at the path we are traveling with our Soviet adversaries.

Certainly, we support policies that seek a reduction in tensions. We also appreciate Secretary of State Henry A. Kissinger's desire to take advantage of the opportunities for maneuver created by the Sino-Soviet split. And of course, detente is preferable to nuclear suicide.

But the lessons of the past should have put our leaders on guard against stimulating euphoria. Kissinger has shown us too many bear hugs, clinking glasses and smiling cosmonauts.

To advance the spirit of detente, the United States has in recent years surrendered many advantages. We have permitted our military posture to sag dangerously—from superiority over the Soviets to parity, and now to overall inferiority.

We have accepted the short end of the stick in arms limitations. We have bailed out the Kremlin from repeated agricultural catastrophes at the cost of inflating our food prices. We have given the Soviets valuable economic credits and technological know-how in return for tours of fluttering ballerinas and gymnasts.

And we have compromised our honor by giving positive sanction, through a giddy profusion of pacts, trade missions and spectacles of diplomatic bonhomie, to the tightening of the Kremlin screws on the peoples of Eastern Europe and the Soviet Union.

In return for this, we were told, a new spirit of cooperation and exchange would flow, accompanied by a gradual liberalization of life behind the Iron Curtain. This has not come to pass.

Instead, we see a step-up of Soviet repression at home, increased exploitation of Eastern Europe, renewed pressure aimed at the annexation of Yugoslavia, revived emphasis on revolutionary action in the West and an ambitious drive to take over Angola as part of a wider scheme to recolonize Africa under the hammer and sickle.

And throughout the period of detente, a mighty Soviet arms buildup has been going on. It will continue, moreover, under the new five-year plan, with its emphasis on heavy industry over consumer products.

James R. Schlesinger, Jr., the savvy former Secretary of Defense, paints this picture: "We as a nation are indulgent, in an ostrich syndrome, in burying our heads in the sand and not observing what is going on.

"The Soviets have increased their military establishment to over 4 million men . . . They have, in recent years, produced four times as many subs and surface combatants as we have. They are producing 70 per cent more tactical aircraft. In ground-forces equipment, it is a production ratio of 7 and 8 to 1 . . .

"What we have is a flight from reality."

There is no sadder illustration of this flight than America's inability to keep a clear, cold eye focused on the nature of Soviet rule. Our political leaders, reacting perhaps to the pendulum aspect of American mass psychology, have promoted an imagery that disarms us into regarding the communists as not much different from ourselves, except for a peculiarity of political dogma here and there.

Meanwhile, our intelligence agents have been gathering data that show the unbroken continuity of Kremlin barbarism. We have followed these reports over the years.

There was an incident, for example, from former Premier Nikita S. Khrushchev's time when Eskimos at Yakutsk were contaminated with radiation from Soviet H-bomb tests. The commissars, not wanting the word to spread, had the Eskimos slaughtered.

More recent reports show how the tradition of Yakutsk continues. Near the Siberian-Chinese border, a group of timber workers, provoked by hunger, marched into the nearest town in a peaceful protest. They were mowed down by Red Army border guards on the pretext that they were trying to flee to China.

And at Karaganter, when laborers at a metalurgical factory building site were driven by hunger to riot, no mediator or bread was provided. The protest was immediately crushed by Soviet tanks, artillery and helicopters.

But far more significant than the occasional machine-gunnings is the pervasive, almost universal silence of the Soviet masses. So conditioned are they by six decades of tyranny that only unbearable hunger provokes mass protests. Individual dissidents, such unbreakable giants as Alexander Solzhenitsyn and Andrei Sahkarov, are rare.

A tomb-like silence, the obedient listlessness stretching from the Baltic Sea to the Sea of Japan betokens the most fearful crime of Lenin and his successors. By joining utter ruthlessness to the repressive devices of modern technology and communications, they have largely succeeded in imposing a slave mentality on a whole people.

So we learn once again that all our smiles and favors won't melt the iceberg. But how the iceberg has grown and how we have shrunk since last we realized this.

PRESERVATION OF BUILDINGS

Mr. JOHNSTON. Mr. President, I ask unanimous consent that an article entitled "Politics and People," appearing in the Wall Street Journal of January 8, 1976, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Jan. 8, 1976]

Spare That Building

(By Allan L. Otten)

Washington.—The old train station in New London, Conn., designed by eminent architect H. H. Richardson, was scheduled for demolition. A local citizens group is remodeling it instead for train service, shops, a museum and a restaurant.

The wrecking ball was poised to swing at St. Louis' Wainwright Building, a magnificently-planned early steel-frame skyscraper. Now the state of Missouri is renovating the interior for state offices.

In a decaying inner city area in Detroit, residents are saving 18 charming Victorian houses—restoring their exteriors and rehabilitating the interiors into modern apartments. Plans are under way for 104 harmonizing new apartment units, as part of a major neighborhood revival.

"Preservation is a growth industry," exultantly declares James Biddle, president of the National Trust for Historic Preservation.

The trust, chartered by Congress in 1949, labors diligently to educate the public on preservation values, to serve as a center of information and experience on preservation practice, and, with expert advice and small grants and loans, to catalyze local groups into an ever-enlarging array of preservation projects such as those in New London, Detroit, and St. Louis.

As Mr. Biddle suggests, the preservation movement is indeed growing, and in several different ways. The trust's duespaying membership has surged from 50,000 in mid-1974 to 90,000 today. Federal grants for preservation work have increased from a few hundred thousand dollars a decade ago to $20 million this year. Fewer than 2,500 public and private organizations struggled on behalf of preservation projects in 1966; now over 6,000 do.

The movement's upper-class, elitist image is slowly being shed. The grande dames who long fought the preservation battles alone have more recently been joined by architects, lawyers, businessmen, students, young married couples. "We see more blue jeans at our meetings, and less blue hair," one preservationist declares.

Instead, preservation now stresses "adaptive reuse"—not just keeping something as it is or putting it back to what it was, but figuring out how to put it to new or better uses right now. There's still the effort to save the "George Washington slept here" home, but more often the activity is far broader: reviving a culturally unique but dying neighborhood, stripping Main Street's stores of their homogenized aluminum siding and bringing back their former architectural variety, modernizing the interior of structurally sound old houses or office buildings that are architecturally unique or architecturally typical, recycling into useful office space or shops an empty factory or abandoned schoolhouse that typifies an important part of America's past.

"There is a growing sophistication about it all," Mr. Biddle believes. "People have come to realize that preservation is more than a single historic building, that it's a whole urban or rural environment, the whole character of a neighborhood or town."

A slender, elegant man of 46, he came to the preservation cause from a job as curator of the American wing of New York's Metropolitan Museum. Suddenly, he became involved in a fight to save Olana, the Hudson River home of painter Frederic Edwin Church, "and it made me realize that you can't preserve America by moving it into a museum and putting it under glass."

Several factors contribute to the new public appreciation of preservation. Even before Bicentennial planning began, America had started looking more favorably on its old buildings and landmarks. "It's not nostalgia," Mr. Biddle insists. "It's far deeper than that. Americans have suddenly realized that they have a past, and that they don't have to be ashamed of it. They don't have to look to Europe for it. And maybe the period we've just gone through, when so many old values were questioned, reenforces the feeling. The past gives a sense of stability that all societies need."

Soaring costs of new construction have made the renovation and rehabilitation of sound old homes and office buildings far more attractive economically. Concerns about pollution, overpopulation and similar problems have popularized the idea that "new isn't necessarily better." The monotony of the new glass-box office buildings, the high rise apartments and sprawling shopping malls have made many Americans see new value in earlier structures, even some of the most ornate and rococo.

The National Trust is clearly a vital factor in the preservation explosion. Its most visible activity is operating a dozen or so house-museum type properties it's bought or inherited—a plantation mansion in a Louisiana bayou, sculptor Daniel Chester French's home in Massachusetts, a Gothic revival castle on the Hudson, an elegant Georgian country home in suburban Philadelphia.

But its other operations are probably far more fruitful. Its experts in Washington and three field offices endlessly counsel community groups on the costs and feasibility of particular local projects. Small grants help these groups hire consultants, and low-interest loans may help them get the projects under way.

An avalanche of publications and an army of speakers spread the preservation gospel. At special seminars and conferences, experts explore new approaches and ordinary citizens exchange actual experiences. One new program for which Mr. Biddle has high hopes: special "corporate associate" memberships for large business firms.

Despite the rise in preservation activity, many people still argue that preservation blocks progress—that "valuable land is wasted" or that "hideous old buildings are left standing."

"Progress doesn't always have to be something new" Mr. Biddle replies. "Progress is taking the best advantage of the assets you have. Preservation is progress."

MARYLAND LOCAL GOVERNMENT LEADERS SPEAK OUT ON REDTAPE AND REVENUE SHARING

Mr. BEALL. Mr. President, I believe that local governments serve as the foundation for our Federal system. Being close to the people, they often can best reflect the needs and desires of their constituencies far better than State or Federal Governments.

For that reason, I recently solicited the comments of selected local officials in the State of Maryland with respect to their opinions on the quality of delivery of governmental services at the local level.

I have become deeply concerned about the massive amounts of redtape which have become an integral part of our government, particularly at the Federal level. Government has become extremely inefficient. Programs designed to help our citizens have grown like topsy, and more often than not, have failed to meet problems which they were designed to solve.

One method which the Federal Government has followed in recent years, and which is a concept that I strongly support, is Federal revenue sharing. Revenue sharing, which is, of course, up for renewal this year and which, I hope, we act favorably on as soon as possible, has enabled local governments to take Federal funds and apply them in the most efficient manner possible. These funds are spent on legitimate local needs, as determined by local citizens, and to me this presents a far better course to follow than proliferating outmoded categorical grant programs. Without exception, the local leaders of Maryland praised revenue sharing, and called for its speedy extension.

The leaders also expressed extreme concern over the increasing amount of redtape and bureaucracy which accompany Federal programs. If we are to meet the needs of our people, we must find a way, and find it quickly, to cut through this redtape. Unless we do, all Government will be strangled.

Mr. President, I ask unanimous consent that the text of the letters I have received from these officials be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Montgomery County, Md.,
November 13, 1975.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator: I appreciate your letter of November 3rd requesting suggestions from Montgomery County on reducing the amount of red tape and bureaucratic delay associated with many of the Federal programs. We are gathering this information together and will submit it to you in the very near future.

The other matter which I do wish to address quickly is on general revenue sharing. As you may recall, I sent you a copy of a response to Senator Brock on October 9, a copy of which its attached. I know you have been a strong supporter of general revenue sharing and I would like to urge you to continue all possible efforts to have this program continued. As I indicated to Senator Brock in the letter of October 9th, the County did raise the tax rate 34½ cents during the current year and next year's estimates indicate that, without a further substantial increase in the tax rate, we will have to severely cut programs.

As you are well aware, many of our problems with regard to the cost of local government are directly associated with items over which we have no control and which are really more of a national concern, such as inflation and cost-of-living salary increases granted to Federal employees when we are competing for like employees. Also, Federal programs require the County to spend additional funds. I would like to further point out that even with some severe curtailment of services to our citizens in the current year and no cost-of-living increases to our employees, we will still be in a fiscal bind if revenue sharing is not immediately enacted. Next year we will have approximately one-half of this year's entitlement due to the expiration of the program.

I would like to point out there can be many misinterpretations of Federal revenue sharing funds because of reporting requirements. For example, we have designated revenue sharing funds to be utilized for police protection in order to make certain we fully comply with Federal requirements, such as funds must be spent within 24 months; it cannot be used to match other Federal funds, etc. However, by having the additional Federal funds in the amount of approximately $5 million a year, we have been able to expand not only our police and public safety functions, but have substantially added to such vital programs as control of drug abuse, social services, health services and other programs. Additionally, it has freed up funds which could be utilized for educational purposes.

We believe that Montgomery County has made excellent use of these funds and without such assistance, would not have been able to increase services to the poor, to the aging, day care centers and health services for the poor and elderly and other significant people programs.

I would like to suggest that there be some provision for increases in the formula, either based upon CPI or other measure to help counteract the inflationary spiral.

In conclusion, let me state that the strings attached to revenue sharing have not been nearly as burdensome as in most Federal programs and do not create a tremendous reporting problem to us. I would be happy to give you any possible assistance to expedite this legislation as it is absolutely vital to allow Montgomery County to continue to develop as a community without a further increase in the real estate tax.

Sincerely,

JAMES P. GLEASON,
County Executive.

PRINCE GEORGES COUNTY, MD.,
December 1, 1975.

Senator J. GLENN BEALL, JR.,
U.S. Senate,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR BEALL: Thank you for your letter of November 3, 1975 soliciting our comments on ways of improving the delivery of federal assistance to local governments.

There are, as you know, three basic programs of federal assistance: categorical aid, block grants, and general revenue sharing. The amount of paperwork, delay, confusion, and administrative costs are significantly higher for categorical programs than for either the block grant programs or revenue sharing. Even more difficult is the uncertainty of future funding in the categorical programs, uncertainty that makes long range, or even mid range budget forecasting difficult. Nevertheless, the citizens of Prince George's County have benefited from these programs, and we would hope the difficulties could be resolved by simplified procedures, rather than by phasing-out the programs.

It is our hope that as the various block grant programs come up for extension or reenactment, Congress will allow the local governments a stronger voice in decisions involving use of the block funds. Some of the programs require so much state control that we experience the same frustrating red tape and delays working with state agencies that we do in working with federal agencies on the categorical grant programs. Recently I sent a set of recommendations on changes in the Law Enforcement Assistance Administration (LEAA) structure to Senator Roman Hruska. I am enclosing a copy of that letter for your consideration. The difficulties with the LEAA procedures are rather typical, and the comments would apply in a general way to other programs.

We have also experienced delays in federal approvals of on-going projects originally funded through the model cities program but now proposed for block grant funds. An example would be our vision screening program, which we understand is awaiting HUD approval along with other programs that require environmental impact statements. The vision screening program itself, of course, has no environmental impact but it is tied up in HUD with other programs that are to be funded from the same block grant. The rigid adherence to regulations, whether they are applicable or not, causes tremendous frustrations for our operating agencies and the clients they serve.

We in Prince George's County are well aware of your support for general revenue sharing, and are most grateful for your sponsorship of S. 11 and S. 1625. It is particularly disturbing to us that no House action seems forthcoming this year.

I have exchanged correspondence on this subject with our Congresswomen, and am enclosing copies of my letters to them, as well as an enclosure showing how we have used general revenue sharing funds. It is vital to Prince George's County that revenue sharing be continued.

Sincerely,

WINFIELD M. KELLY, Jr.,
County Executive.

BALTIMORE COUNTY, MD.,
November 17, 1975.

Hon. J. GLENN BEALL, Jr.,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BEALL: Thank you for your letter of November 3 on the subject of federal assistance to local jurisdictions.

I am in complete accord with your statement that "local governments are in the best possible position to respond to the needs and desires of our citizens". I also agree that red tape imposed by federal bureaucrats often delays programs and increases the cost.

However, I would not throw out the baby with the bath. The answer is not to do away with federal assistance, rather the objective should be to devise laws and regulations that reflect the varying levels and types of government and their varying capabilities.

A major problem often results from excessive regulation writing after a good bill has been passed by Congress. There are many examples of illogical regulation, but I will cite only a few:

1. The CETA legislation created the PSE program. A county is given millions of dollars to hire the unemployed, but an unrealistic limit is imposed on the amount of funds we can use to equip this person to do the job. In a tight budget, Congress and the Department of Labor pass the burden onto local government.

2. In the LEAA program, regulations on competitive bidding for such services as professional counseling, group homes, and other services are unrealistic. They apply very well to purchasing dump trucks or tanks but not to services as described above.

3. In the environmental area, the regulations surrounding P.L. 92-500 (Water Pollution) are unrealistic and do not recognize the difference between a large metro area and a small county. The regulations apply to all jurisdictions on an equal basis. Thus, industrial cost recovery may be a good idea to prevent a small jurisdiction from constructing a treatment plant to benefit a single industry; but to require the Baltimore Region to recover cost from every industry, large and small, is almost unworkable.

I could go on. My main point is that I believe regulations and laws are often written without a complete understanding of the local government's needs and capabilities.

If you desire further examples and suggestions, please do not hesitate to contact us. Larry Walsh, the County Development Coordinator, handles our federal grants and he will be glad to work with your staff to assist in this area.

Thank you for your concern and I appreciate your assistance.

Sincerely,

THEODORE G. VENETOULIS,
County Executive.

HAGERSTOWN, MD.,
November 4, 1975.

Hon. J. GLENN BEALL, Jr.,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BEALL: I would like to comment relative to your advocation of the return of power to local governments. I feel very strongly about this subject as you may remember from my Square address on August 21, of this year; and, I believe that the actions taken by the City of Hagerstown during the last two and a half years reflect these feelings. The City of Hagerstown has gratefully accepted and used its Federal Revenue Sharing funds for necessary expenditures to maintain our City services to our citizens. We support the continuation of this program without any strings attached. I have on file, additional correspondence of mine which reflects my feelings as it relates to the application of taxes and other factors which go into the determination of these funds.

I don't believe that any level of government should have to contend with the obstacles that are placed in our way by the many levels of bureaucracy on the state and federal level. I would cite the Davis-Bacon Act, as an example. Another, is the HUD regulations which relate to so many things that HUD can't even determine what they require, themselves. I would also make reference to Community Development Revenue Sharing. Our City was recently awarded approximately $250,000 from this fund. However, it will probably cost us from $25,000 to $50,000 to administer this award just to assure some bureaucratic diplomat that we are abiding by the rules. These additional costs placed upon us will only insure us of $100,000 to $150,000 of value for $250,000 spent.

Should you care to discuss the matter further, I will be glad to do so at anytime convenient to your schedule.

Best regards,

VARNER L. PADDACK,
Mayor.

SALISBURY, MD.,
November 18, 1975.

Senator J. GLENN BEALL, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BEALL: Thank you for your letter of November 3, 1975 in which you asked if we were having any problems with red tape and bureaucratic delay plus our input on how important Revenue Sharing is to my community.

We anticipate some bureaucratic problems with the Department of Housing and Urban Development. I have attached a copy of the HUD Draft Grantee Performance Report. We have been informed by the Baltimore HUD Office that will be required to complete this report in the next few months. I feel that this extensive performance report is unfair to a community of my size with a limited staff. During the past six months we received two Grants from HUD under the provisions of the Housing and Community Development Act of 1974. One Grant was for $73,000, entitlement funds, and this has been designated for a street paving and sidewalk project on East Church Street in my City. We received another $40,000 Grant under the discretionary funding provisions of the same Act for a street paving and sidewalk project on Delaware Avenue. These projects total: $113,000.

The only qualified staff I have available at this time is my Executive Secretary and his temporary assistant to complete this Grantee Performance Report. I have recommended to Mr. Reger of the HUD Baltimore Office that his agency develop a smaller and shorter form for smaller communities of my size that receive modest grants. My recommendation has not been accepted and HUD is going to require the same performance report from smaller communities as they will from large communities who are receiving millions of dollars. Anything you can do to reduce this requirement would be appreciated.

I have found that Revenue Sharing is the best Federal Program in which my City has participated and Revenue Sharing has provided the most benefits to all of our residents. Early in the program the City used Revenue Sharing Funds for capital improvement projects, eg., development of our Urban River Project, refurbishing of some tennis courts, the installation of new water and sewer mains and a portion of the cost of a new Water Plant. The Urban River Project is the beautification of our local River which runs through the center of our Central Business District. The Project includes bulkheading of the shoreline, open space and walkways along the River and landscaping. The purpose of the project is to attract new commercial and residential development in the Central Business District which will increase our tax base and provide more jobs for our residents. Two years ago we used some Revenue Sharing Funds to pay salaries in the Water and Sewer Department so that we could raise water and sewer rates gradually and reduce the impact of inflation on our tax payers. We also subsidized our local Bus Company. This same procedure was used in this year's budget. In addition, we were able to partially fund the development of a new street called Eastern Shore Drive and to fund the landscaping for a portion of our Urban River Plan. These projects will eventually assist in improving the tax base of the City and provide more jobs. This year we found that we had to fund a portion of the salaries for the Fire Department, Ambulance Service and Police Department so that we could keep up a fair salary for these employees and keep abreast of inflation. All of these measures have been used to keep the property tax from being raised for our City residents. We have raised water and sewer rates during the past two budgets but this has not been adequate to keep abreast of rising costs.

In our next budget I expect to have to raise property taxes and water and sewer rates just to provide a minimum salary increase for our employees. For your information the City Council and I have declared a hiring moratorium and are not creating any new positions for City employment. The amount of the property tax increase and the water and sewer rate increase depends on whether we have Revenue Sharing Funds available for the second half of Fiscal Year 1977. If we do not have Revenue Sharing Funds available we will have to raise property taxes even higher and layoff 10% of the City's staff.

I appreciate your support on Revenue Sharing. I am growing increasingly concerned about the lack of action on the part of Congress to renew the Revenue Sharing Program. As an interim measure I propose that you sponsor a short term extension of the Revenue Sharing Program which would carry us though Fiscal Year '77 and Fiscal Year '78. This would enable my City to plan effective and efficient budgets for the next two years.

Sincerely yours,

Elmer F. Ruark,
Mayor.

Elkton, Md.,
November 17, 1975.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: In response to your letter of November 3, 1975, regarding problems the Federal Government has in assisting local governments, I have indicated some of the major problems below and also one specific problem we have had with the EDA.

It appears that congressional inability to appropriate funding before the beginning of the fiscal year is a frequent problem. This necessitates the adjustment or amendment of contracts causing more paperwork.

Many small communities must rely on outside help to develop applications, which means expenditure of local monies with little or no chance of an equitable return.

Regional offices of most federal agencies are in existence, supposedly well staffed to cut down on review and process, but instead, seem to only prolong the time lag. Possibly these regional offices should be given more authority concerning final approval and delivery of funds.

Based on our dealings with the Economic Development Administration, a major problem which I'm sure exists in other government agencies, is their ability to provide timely feedback to local governments regarding status of grant applications. This is particularly burdensome to a County such as ours with a small economic base and significant unemployment aggravated by the closing of a major military installation. Because our resources are so limited, we sought assistance from EDA for an industrial development program. After preliminary discussions with EDA we submitted an application for a $93,000 grant under EDA Title IX on July 24, 1975. As of November 7, 1975, we had not even had an acknowledgement, let alone any decision. Obviously, with perhaps limited staff and hundreds of applications to review, the EDA Regional Office cannot act overnight. But good management practice might be employed to the extent that the agency could provide some timely feedback to the local county as to the status of their application and particularly a date when a decision would be reached. Such knowledge would be of value to the community's own planning and budgeting efforts. For example, if action on Cecil County's application is deferred much longer, we will be forced to use dollars reserved as local matching funds for regular operations.

There is no reason why federal agencies cannot program their evaluation procedures so that they can tell a community, upon submission of a grant, application, a date by which that application will be approved or denied. Such a lack of communication reinforces local attitudes about the inability of the federal bureaucracy to respond adequately to local needs. It also contributes to the now widely held local skepticism and outright derision that often accompanies the federal ballyhoo and flowery promises at the time any new assistance program is announced.

The County Commissioners strongly support general revenue sharing. We feel it should be made into a permanent program, including an inflationary factor. Revenue sharing has enabled Cecil County to accomplish the following without raising the tax rate:

1. The building of a transfer station.
2. Maintenance of the County Jail.
3. The building of roads.
4. It enabled us to have extra money for a recreation department.
5. Maintenance on school buildings.
6. The purchase of a County bookmobile.

Thank you for the opportunity to comment on these very important matters.

Sincerely yours,

Mrs. Mary A. Maloney,
President.

Poolesville, Md., November 14, 1975.

Hon. J. Glenn Beall, Jr.,
Old Russell Building,
Washington, D.C.

Dear Senator Beall: Thank you for consulting with us on the matters of delivery of assistance to local communities and the matter of revenue sharing. Our Commission is in full agreement with the thesis that local governments are most sensitive to the needs and desires of their citizens.

On the point of delivery of federal assistance, I am certain you would not wish a book-length dissertation on Poolesville's experience with various federal agencies—though—I would be glad to discuss them personally, since my office is in downtown Washington. However, I think one point needs to be made: There is a very great need for federal agencies to realize that very small communities, such as Poolesville, simply do not have the staff and facilities that are often needed to fill out voluminous forms, reports and other papers that may be no great problem for larger communties. As a result, many of the smaller Town governments of which I am aware have actually avoided efforts to obtain federal help, because of the enormous and often impossible burden involved. Perhaps every federal assistance organization ought to have some part of its staff devoted specifically to the problems of very small communities (of 5,000 or less, perhaps).

As to revenue sharing, there is no question that this has been useful to our community, or that our local government is certainly better able to apply the small funds available than would any larger and nonlocal group. In our case, development of Town-owned park areas.

Sincerely,

E. E. Halmos, Jr.,
President.

Hampstead, Md.,
November 17, 1975.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: We are especially glad to hear from you in your letter of November 1, 1975. We are in the process of answering a questionnaire from Senator Brock of Tennessee on Federal Revenue Sharing and enclose a copy of our reply for your information.

As to your request for our opinion on other governmental agencies, our experience is limited for one reason; our most urgent need is money to finance expansion and updating of our water system originally installed in 1936.

At present, the only Federal Agency that will consider financial aid for this work is the Department of Agriculture through the Farmers Home Administration. We note this is the only agency at present that has money available for *WATER* sources. There are several with *sewer* money but our interest lies wholly in water. The delay encountered in getting approval from FHA is such that the cost of a project is 25 to 50% higher by the time you actually start construction, thus, in some cases, you would be better off without the grant.

As you are well aware, Carroll County is a part of Western Maryland in attitude and background. Unfortunately, or maybe fortunately, as you may see it, Carroll County is fast becoming a bed-room community for the industrialized Baltimore-Washington Metropolitan area.

We, in Hampstead, have been taking a good look at the future. We see ground water sources serving our needs at least until the year 2000 but by that time we will require a backup of surface water. This takes money.

Our little community, about 1200 population, has an extremely large portion of our taxpayers (about 40%) in the age bracket 65 and over.

Over the years, we, the Mayor and Council, have been operating on a budget so tight we can only realize a little surplus. Thus, Revenue Sharing is like being remembered in a will. That $6,000 a year has permitted us to start planning some capital improvements that have been deferred by lack of funds. However, there are certain drawbacks. The requirement that it be spent within two years makes it necessary for piece-meal appropriations. At $6,000 a year, you can't buy much engineering even with two years accumulation of funds.

The next most critical area to us is the requirements when any project uses more than 25% in Revenue Sharing Funds. As you are aware, in our locale, there are any number of competent but small engineering firms and construction companies that will not meet the requirements of minority hiring, simply because there are not that many minority members in the local work force. This 25% participation requirement forces us to go to big, non-local firms who can, by sheer size, meet these requirements, but cost more.

These two regulations, usage within two years and stringent requirements with over 25% revenue sharing participation, deprives us of seeking the best possible bargain for our taxpayers.

Cut red tape, that is the answer.

Continue aid to local governments direct. As you so aptly put it in your first paragraph, local governments are in the best possible position to respond to the needs and desires of the citizens. Lincoln once said that the Federal Government should not do for the citizens that which could be better done by themselves.

We hope our comments will be of help to you and we appreciate the opportunity to give them.

Sincerely yours,

Oden A. Kemp,
Mayor.

Brock Revenue Sharing Questionnaire

1. Do you support renewal of general Revenue Sharing? Yes.

2. Do you think the program should be changed? Yes.

Comments: Eliminate 2 year limit on accumulation and restrictions that apply with 25% participation of revenue sharing funds.

3. Does the program allow state and local officials to use funds in most needed programs? Yes.

4. Is this program important to your government? Yes.

5. What priority would you assign to Revenue Sharing? 2nd.

6. Would your government have to raise taxes without Revenue Sharing? Yes.

How much: 0.165¢.

7. Would your government have to cut back on programs without general Revenue Sharing? Yes.

Name: Oden A. Kemp, Mayor,
Address: 1112 Main St, P.O. Box 171,
City/State: Hampstead, Md. Zip: 21074.
Position or title: Mayor.
(Please see enclosed letter for details.)

P.S.—This questionnaire requires no postage. Just detach, fold where indicated, and mail. Thanks again.

Brunswick, Md.,
November 6, 1975.

Hon. Senator J. Glenn Beall, Jr.,
Senate Office Building,
Washington, D.C.

Dear Senator Beall: In reference to assisting in helping with local projects, due to red tape and bureaucratic delay, the Federal Government is not doing what it should. For example, the delay in remitting to the Town of Brunswick $11,700.00 of which you have knowledge and has been held up for over a period of two years "Final Settlement and Inspection of Our Sewerage Treatment Plant." As of this date, we have not received this money, although promises have been made, just recently after contact by you with the EPA in Philadelphia and our State Department of Health.

In addition to the above, I am wholeheartedly in agreement with Revenue Sharing being continued beyond the expiration date as set forth by Congress. In other words, I cannot see how a municipality can exist under present inflationary conditions which now prevail unless Federal Assistance is given promptly and as promised.

If I can be of further assistance, now or in the future, please do not hesitate to call on me.

Yours truly,

Jess D. Orndorff,
Mayor.

Brookeville, Md.,
November 20, 1975.

Hon. J. Glenn Beall,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: Your letter of November 3, 1975, to Clyde W. Unglesbee, president of Commissioners, has been referred to me for reply.

As a very small municipality we find little occasion to call on the federal government for assistance. The general revenue sharing program, however, has become a budgetary item that has helped us through the fiscal problems facing all governments.

The planned and actual use reports that must be published do detract from the flexibility of the use of monies, especially for towns receiving small amounts, say under $10,000.00. It would be helpful to many communities if this lower limit were part of a new bill.

We hope for your continued support of the general revenue sharing program. Despite some drawbacks, it does allow federal monies to be used more effectively at the local level.

Sincerely yours,

James A. Crabtree,
Secretary, Commissioners of Brookeville.

Anne Arundel County, Md.,
December 29, 1975.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: Thank you for your letter of November 3. Our Council has taken a position in favor of revenue-sharing, and a copy of the Resolution has been forwarded to you. The only suggested change in this program is that the grants should be given outright, thereby cutting down on administrative costs.

I was glad to know of your concern about unnecessary red tape and consequent delays in the channeling of federal money to the subdivisions. Our Public Works Department's Wastewater Division is concerned about the complexity and duplication of the new EPA procedures. We feel that many of the EPA regulations are excellent and we support the safeguards that they are attempting to create in sewer and wastewater programs. However, we feel that their new regulations should be applied only to new projects. We have a number of projects for which federal money has been appropriated and all requirements met under the old guidelines. Now the EPA insists that the county begin its application all over again under the new procedures.

This would create a burden for the county in cost increases as well as unnecessary delays in a time factor which is critical for many of these sewer projects.

Is there any way to smooth the process for the disbursal of funds for programs which have already been approved? We would be grateful for your assistance in this area.

Sincerely,

Virginia Clagett.

La Plata, Md.,
December 8, 1975.

Senator J. Glenn Beall, Jr.,
Russell Building,
Washington, D.C.

Dear Senator Beall: You are certainly correct in acknowledging that local governments do sometimes encounter red tape and bureaucratic delay by the federal government in the federal funding process.

We have given a great deal of thought to the information that you requested in your letter of November 3, 1975. Listed below are several suggestions that we would like to make in an effort to improve the federal funding process:

1. Consolidate numerous categorical grant programs into a few block grant programs. This would allow local governments to prepare the necessary application with supporting documentation and be accountable for a single source of funds rather than handling the paperwork necessary for categorical grants.

2. Instruct federal agencies to allow a sufficient amount of time for the local government to review the federal program guidelines, prepare the application and obtain A-95 Review Comments. In some instances programs become available but there is not sufficient time for us to become knowledgeable about the programs, which may be a new program or it may be one with which we have not previously been involved, prior to submitting the application.

3. Request that federal agencies distribute to local governments an application properly completed that could serve as a sample application. The HUD Baltimore Area Office distributed a sample application to us for the Section 8 Housing Assistance Payment Program at their pre-application conference. It proved very helpful and time-saving to us.

4. Advise federal agencies to not request data from the nation's smaller counties that is readily available to only the larger counties. Often times in the grant process a federal agency requests data that is readily available to only larger counties.

These items that are outlined above address areas that we believe should receive your attention. If met, they could help to reduce the red tape and bureaucracy involved in the federal grant process.

On the matter of general revenue sharing, which you also asked about, we would advise you to review the resolution that we enacted and forwarded to you a few weeks ago. The general revenue sharing program allows us a great deal of latitude which is very helpful to us in determining program funding.

If we can be of any additional assistance to you, please do not hesitate to contact us.

Very truly,

Raymond T. Tilghman,
President.

Chestertown, Md.,
December 15, 1975.

Hon. J. Glenn Beall, Jr.,
U.S. Senator,
Washington, D.C.

Dear Senator Beall: In response to your letter, I contacted the administrators of Kent-Queen Anne's Hospital and Magnolia Hall; the superintendent of the Kent County School Board; the director of Social Services for Kent County; and the Kent County Health Officer. Those that responded have permitted me to send their comments on to you.

You must know from your own experience that HEW would be the major area of concern when you consider total dollars involved. For every piece of legislation enacted in this area, a separate bureau and regulations are established to implement that legislation. On top of this Maryland will then create a corresponding bureau and regulations to implement the Federal program. By the time it gets down to us (the local level or the individual) the bureaus and regulations are regarded and administered as law. The waste of tax dollars in accomplishing any concrete program is then diluted and we are caught in a maze of bureaucracy.

Frankly, Glenn, I feel that you know all of this better than we do. You, your staff and other legislators should be able to review the various federal bureaus without any specific guidance from us. Just open your eyes and ears and you'll know where to begin and what to do.

You can be assured that the individual resentment toward federal and state bureaucratic waste is growing stronger every day. The waste and the erosion of personal freedom is repugnant to all reasonable people. If those (such as you) in a position to correct these abuses do not act, the voters are going to demonstrate their feelings at the polls. It requires much more than lip service as is the habit of many elected official. I sincerely hope that you are not one of them.

Sincerely yours,

C. David Haacke.

Charlestown, Cecil County, Md.
December 1, 1975.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Committee on Labor and Public Welfare,
Washington, D.C.

Dear Senator Beall: In response to your letter of November 3rd, 1975 I believe as you do that local Government is in the best position to know the needs of the citizens. However, conveying this knowledge and the true needs of these citizens to the State and Federal Government is a very difficult task. In many cases a complete explanation in letter form could accomplish much more than all the forms required to implement a program requiring financial assistance. Perhaps it is not possible, but if coordination between Federal Government and local Government could be more on a personal basis, with direct contact between representatives of each meeting where the problem could be reviewed, accompanied by plans, a better understanding could be reached. When a community has a definite and legitimate need for financial assistance, a letter outlining all pertinent facts, and submitted to the proper agency, should be all that is necessary to start that agency on an investigation to determine if the program really would be of benefit to the citizens of the community, and if so, how and to what extent they could help the community implement this program.

Perhaps I have tried to over simplify a complex problem, and I have no doubt that, at best, it is a complex problem. However, I feel that more representatives in the field doing personal contact work could be of some benefit.

In Revenue Sharing I feel it is a definite and direct benefit to a community or local Government when it is applied to a worthy cause. In the case of our small community of Charlestown we receive in Fiscal 75–76 $3,828.00 which is entirely applied to Police protection, and I feel this amount, in our case is very well applied, and needed.

When a local Government can apply its proportionate share of Revenue Sharing to a worthy program and not just any program in order to use this money, then I believe Revenue Sharing is a definite need. This again, I feel calls for personal contact in some form.

The personal ideas I have related probably would apply more to smaller communities rather than larger cities, whose problems I am not at all familiar with.

Thanking you for your concern.

Sincerely,

Edgar A. McMullen,
President, Board of Town Commissioners.

Rockville, Md.,
November 7, 1975.

Hon. J. Glenn Beall, Jr.,
Senate Office Building,
Washington, D.C.

Dear Senator: Thank you for your letter of November 3 with respect to cutting red tape and delay on Federal grant programs.

As you appear to be fully aware, the biggest thing the Federal Government has done to reduce the red tape and delay is the General Revenue Sharing. That program does the most in this direction and I think quite well, though some adjustments still need to be made to focus clearly on need, and to avoid grants to small governmental units that may need no help at all. This is a difficulty with any mechanical formula, which is of course necessary to avoid long questionnaires and difficult evaluations and delays.

In Montgomery County Revenue Sharing has been used to fund the police department, which is simply an accounting device, as it really relieves to a degree the fiscal stringency in which we find ourselves.

For Montgomery County of course the big problem in the fiscal situation, aside from the factors of simultaneous inflation and recession, is the set of restraints the State places on our ability to raise revenue. In addition just now of course we suffer from Federal and State cutbacks of grant programs, in the face of rising costs due to inflation.

I will try to give you some response on specific problems we have had with particular grant programs at a later date. Most of them involve substantial difficulty and delay, of which I have noted most are connected with Environmental Impact Statements and those involved in Urban Redevelopment Grants.

Thank you for your consideration of our problems.

Sincerely,

Neal Potter,
Montgomery County Council.

Perryville, Md.,
November 6, 1975.

Sen. J. Glenn Beall, Jr.,
U.S. Senate,
Senate Office Building,
Washington, D.C.

Dear Senator Beall: Thank you for your letter of November 3, 1975 regarding the red tape local government must go through when requesting federal assistance, and also our thoughts on the revenue sharing program.

As to the red tape situation, it would appear quite simple a matter to have a set format to follow when requesting federal assistance. For example, one organization should be the coordinator of all such requests and the one to which the local governments could contact with regard to their requests. They should be the one to send to the local government the exact prerequisites for obtaining federal assistance. It seems to me that a step-by-step format should be made available and that each step should be so outlined that there would be no room for confusion.

As to the general revenue sharing program, let me say that it has helped us tremendously in our roads and streets repair program. It is hoped that this revenue will continue to the local government as it enables us to complete necessary tasks which otherwise would not be completed.

Thank you for your interest in our thoughts in these several matters.

Very truly yours,

Domonick J. Cifaldo,
President.

Oakland, Md.,
November 13, 1975.

Senator J. Glenn Beall, Jr.,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Beall: Thank you very much for your letter of November 3, 1975, requesting our in-put on the issue of Federal Government "Red Tape" and on General Revenue Sharing.

It has been my observation that, as you stated in your letter, the Federal level programs, which are utilized by the County, inevitably result in unnecessary paper work. It is difficult for me to suggest any solution; however, I do feel that many developments come about because of middle level attempts by Federal employees to implement policies which in many cases have already been addressed by local efforts. For example, at the State and Federal level it is not unusual for funding requests to be delayed several months by individuals reviewing the grants who feel they need more information or that the approach is the wrong one to take, yet they do not communicate back to the applicant their needs. Naturally this results in considerable frustration as we attempt to "trace" the application to determine what the foul up is. I believe that a firmly enforced policy by the Federal Funding Agencies on their own personnel to communicate with the applicants would go a long way toward solving paper work problems.

I personally believe General Revenue Sharing is one of the best Federal level programs that I have seen while serving as Commissioner. The benefits to Garrett County have been immense, and I would like to elaborate on some of these. We have devoted most of our Revenue Sharing funds to the operating budgets of the County with most of the funds going to the County Roads Department. This has enabled Garrett County to maintain a top notch road construction and maintenance program during a period when we have been faced with rapidly rising costs. We have applied Revenue Sharing funds to the operating budget of the Sheriff's Department and other public safety program. I recently calculated that because of the manner in which we have applied our Revenue Sharing funds, we have been able to deliver high quality County services while saving at least a 40¢ increase in the property tax rate. Because of the non-categorical nature of General Revenue Sharing, paper work and administrative costs have been held to a minimum and the dollar has been more directly applied to the benefit of the general public.

I hope this information helps you in your deliberation. Thank you very much for allowing me the opportunity to express myself on these matters.

Sincerely,

Wayne B. Hamilton,
Chairman.

Indian Head, Md.,
November 12, 1975

Hon. J. Glenn Beall,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: Thank you for your letter of November 3, 1975 soliciting the views of the Indian Head Board of Town Commissioners relative to the "red tape and bureaucratic delay" within the Federal Government and our views on Revenue Sharing.

In general, as the chief elected officials of a small municipality which must deal with a daily diet of bureaucratic correspondence, we have accumulated a few observations which we would like to share with you.

First, we have found that the federal sector does not have the flexibility necessary to deal with political subdivisions of differential size, population, etc. This inflexibility adds thousands of dollars yearly to the cost of government for each of our nation's smaller municipalities.

For example, while we applaud the purpose of the Public Safe Drinking Water Act, the publication and administrative requirements inherent in the Act will add to our municipalities financial burden in attempting to provide quality drinking water to our citizens.

Additionally, many local governments eschew the many federal assistance oriented programs available because of time delays, excessive hearings, and administrative paper work associated with these giant programs.

A prime example of government delay and bureaucratic red tape is the disposition of the Naval Ordnance Station Surplus Property at Indian Head (GSA control Number D-MD-4224). Disposition of this land has taken over four years and remains, despite having been declared surplus over a year ago, in the hands of the Department of Defense. The Town has received correspondence from both the Department of the Interior officials and General Services Administration indicating that the Town will be a recipient of a large portion of the Surplus Property. More than a year ago, the Town, at its own expense and using its own resources compiled a lengthy application of over fifty pages to the Department of Interior for a portion of the property. The Town has even selected a recreation oriented planning architectural firm to provide a master plan for the area along with the specifications and contracts for an amphitheater, ball fields, picnic area, and camping facilities. We also have assurances from the State for Project Open Space funds to complete most of the planned facilities. Every year these costs increase because of excessive and meaningless delay. According to the General Services Administration most of the problems have been generated from the Naval Ordnance Station which has recently increased the already excessive number of stipulations and easements which are required of the transferee following the transfer of the property.

We have enclosed this list as an example of the excessive red tape which you spoke of in your letter of November 30, 1975. Your assistance in accelerating the transfer of this property to the Town in order that we might begin the recreation improvements which will be of such tremendous public benefit to the surrounding community would be appreciated.

Finally, the Town of Indian Head appreciates your support of the reenactment of General Revenue Sharing. We urge you to continue in this effort. The Town of Indian Head has utilized General Revenue Sharing funds for the construction of a third well to augment our potable water supply and distribution. It is important to note that because the new well generates no new debt service, the Town was able to fiscally support new recreation programs for our citizens of all ages, i.e., the construction of a park on the Mattowoman Creek complete with picnic facilities and a playground. It is imperative that those analyses attempting to gauge the efficacy of the General Revenue Sharing program, examine not only the programs and facilities directly supported through Revenue Sharing funds but also those new programs indirectly the result of Revenue Sharing funding.

Thanking you for the opportunity to discuss the aforementioned issues and problems, we remain,

Sincerely yours,
William T. McGuigan,
President.
Earl G. Maddox,
Commissioner.
Roy L. Budd,
Commissioner.

Rockville, Md.,
November 12, 1975.

Honorable J. Glenn Beall, Jr.,
Senate Office Building,
Washington, D.C.

Dear Senator Beall: Thank you for your letter of November 3 concerning federal programs. Instead of a complaint, we would like to voice a compliment to the Department of HUD for the helpful way in which it has treated us regarding the Community Development Block Grant.

Our most important concern regarding a federal issue is for the prompt re-enactment of General Revenue Sharing in its present form. Revenue Sharing represents our second largest source of outside funding, second only to the Community Development Block Grant, and constitutes 5% of the City Budget. It has been used to good end in Rockville, primarily in increasing our Public Safety efforts through expansion of our Police Department, creating new and badly needed Senior Citizen services and maintaining our Parks and Open Spaces.

It is important that the Revenue Sharing program be continued as a general purpose fund. Specialized purposes can be met through categorical programs, but the Revenue Sharing program is necessary because the federal government has a greater capacity to raise money, while local governments have increasing responsibilities coupled with a regressive tax base. Revenue Sharing should become an integral permanent part of the intergovernmental funding system.

I am seriously concerned about possible delays in the re-enactment of the General Revenue Sharing legislation. Our fiscal year, like that of all municipalities in the State of Maryland, is set by law to begin July 1. Therefore, we must prepare the budget by March and know our anticipated revenue by February. Because our Revenue Sharing expenditures have been an integral part of many important activities within the City budget, including the underwriting of critical salaries, the loss of these funds would be highly disruptive. As you know, funds under the present Act are provided only through the first half of Fiscal Year 1977. Because we must anticipate our revenues for the whole year when we enact the budget, we would have to anticipate alternative sources to make up the difference no later than February if renewed revenue sharing funds are not made available. Given the extraordinary inflationary pressures we face, the anticipated revenue loss would undoubtedly mean layoffs and the termination of important programs in Rockville.

I urge you to assist us by encouraging your colleagues in the Congress to give speedy consideration to the re-enactment of authorizing legislation for this important program at the earliest possible time, but in any case, prior to March 1, 1976. Without information as to the level of Revenue Sharing monies for the second half of Fiscal Year 1977 by March, our budget process and that of many other municipalities will be highly speculative at best and totally disrupted at worst.

Thank you for all the support you can give to Revenue Sharing.

Sincerely,
William E. Hanna, Jr.,
Mayor.

Chestertown, Md.,
November 17, 1975.

Hon. J. Glenn Beall, Jr.,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Beall: I acknowledge receipt of your letter of November 3, 1975. In reply I would like to say that one program we found very beneficial to the county was the Manpower Training and Employment Program which provided both training and employment so vitally needed in this area of high unemployment.

Revenue Sharing has enabled us to provide for additional environmental health programs and additional police protection for our residents.

I urge your continued support of this program.

Very truly yours,
Kathryn N. Pinder,
Administrative Assistant.

Funkstown, Md.,
November 28, 1975.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: Thank you for your letter of November 3rd about the difficulties of small towns in dealing with the federal government. We welcome the opportunity to respond.

We find it extremely difficult to deal with the Environmental Protection Agency in matters dealing with sewage treatment and disposal. EPA seems to require more from the small towns than they do from the cities; in no way can a small town comply with their regulations.

We also find it virtually impossible to please all of the agencies involved in federal assistance for flood damage which occurred in September.

We favor the continuance of the revenue sharing program. Our town uses the funds to provide garbage collection. We would be unable to continue the service if the revenue sharing program is stopped.

Again, we thank you for expressing your concern for the problems of the small towns.

Sincerely yours,
Gerald C. Hicks,
Town Clerk.

Takoma Park, Md.,
November 24, 1975.

Hon. J. Glenn Beall, Jr.,
U.S. Senate,
Russell Office Building,
Washington, D.C.

Dear Senator Beall: Many thanks for your letter of November 3, inviting our views on issues and concerns.

At the moment, our principal concern is in regard to general revenue sharing. However, we do know of your support for this legislation, so I will not comment any further.

I appreciate your gracious invitation to submit comments, and I certainly shall feel free to do so, as the need arises.

With best personal good wishes,
John D. Roth,
Mayor.

Federalsburg, Md.,
November 24, 1975.

Senator J. Glenn Beall, Jr.,
Russell Office Building,
U.S. Senate,
Washington, D.C.

Dear Senator: In regards to your inquiry concerning the elimination of Federal red tape, I have several ideas. One being that Federal assistance would be forthcoming in the same fashion as Revenue Sharing. There is a list of eligible and ineligible activities; the planned use and actual use reports are conspicuously published and all interested citizens are invited to reply. This program is a minimum of hassle for everyone concerned.

Other avenues of Federal Funding are more complicated. The number of advertisements and public hearings related to grants are expensive and time consuming. While I see their need, philosophically, practically speaking, they are read by no one and attended by very few, if any at all. An example of confusing red-tape Federal Funding is the Community Development Block Grant. For a small community like Federalsburg to stay on top of all regulations, transmittal notices and records that must be kept, is a herculean feat. If such records and plans must be kept, perhaps the instructions could be chronologically listed in words that a non-lawyer could grasp with little difficulty.

Federal and State mandates are such that communities are compelled to get into Federal grantsmanship. Smaller towns are not equipped with the manpower to cope with all the requirements. Perhaps appropriate legislation may be drafted to ease these complications.

Sincerely,

Jennifer Bodine,
City Administrator.

Bel Air, Md.,
November 7, 1975.

Senator J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: Thank you for your letter of November 3, 1975 concerning financial federal assistance to local governments. Much can be said about red tape and bureaucrtic delay in the federal funds coming to localities, but I am not going to comment or make any suggestions to alleviate them.

One comment I do wish to advance to you is that for those programs that are federally funded, local governments should be advised nearer the time of budget preparation of the approximate amount of money a particular county will receive. For example, it is always a problem for us in preparing the budget in January and February of each year that the amount of the federally impacted area fund (PL874) is never known until long after the budget has been adopted. Another example is General Revenue Sharing. Information for our County was not available until May 1st, one month following the submission of the budget to the County Council.

In general, laws that have been passed providing monies to political subdivisions should be accomplished in a more timely manner.

Very truly yours,

William O. Whiteford,
Director of Administration.

Mount Rainier, Md.,
November 21, 1975.

Hon. J. Glenn Beall, Jr.,
U.S. Senator of Maryland,
Senate Office Building,
Washington, D.C.

Dear Senator Beall: In reference to your letter of November 3, 1975 you are right in the belief that the local governments are in the best position to respond to the needs and desires of our citizens. I have been Mayor and Councilman in Mt. Rainier for the past eighteen years and know most of our citizens personally and they express their opinions and desires to me on many occasions. The Mayor and Council try to respond in an efficient manner to these desires for the benefit of our citizens to the best of our ability.

Mt. Rainier is a small city, approximately 10,000 population, nevertheless we do have to contend with the paperwork that is demanded by our Federal Programs. Not as great a degree as a big city but we are required to prepare the same forms.

Particularly in the area of Equal Opportunity and Affirmative Action Programs. We do practice and have for years tried to practice equal opportunity in our city administration but being a small city our resources are limited. To establish long range goals as required by the Affirmative Action Plan is difficult to do with our limited personnel and our small administrative staff.

On the matter of general revenue sharing the Mayor and Council strongly support it and have found it very helpful to our city.

With the revenue sharing funds we were able to have our curbs and sidewalks repaired throughout the city; and we were able to purchase three police cruisers. Without this funding it would have been necessary to raise our city tax rate and further burden our citizens.

We feel and strongly urge that Revenue Sharing should be continued and the paperwork required not too burdensome. We have felt that if the Revenue Sharing Funds could be placed in the General Fund without any restrictions this could be an improvement.

Thanking you for this opportunity to express our views, I remain.

Sincerely yours,

Roy W. Callaway,
Mayor.

Fruitland, Md.

Hon. J. Glenn Beall,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: In correspondence from your office concerning mail delivery for the Citizens of Fruitland you requested to know of the problems encountered with other Federal agencies. The following is a list of problems and time consuming attempts that were made to correct these problems:

(1) Mail Delivery—Postal Dept. Corrected through cooperation from our two U.S. Senators and Congressman Bauman. Nearly two years passed before correction and there was no postal policy that prohibited these changes of address and zip code except that the Salisbury District Office wanted to help create problems rather than solve them.

(2) Farmers Home Administration's loan of $550,000.00 for Capital Improvement, for storm drainage, street rehabilitation and municipal building. It took over 18 months from the date that final application was submitted to get final approval. Assistance was requested from Congressman Bauman who was instrumental in the process.

(3) FHA's 50% Grant—50% loan for Municipal Water System with Farmers Home Administration. The City called on Congressman Robert Bauman to assist in the matter, after a meeting in August of 1975 revealed that the application had just been set aside. No action had been taken since its final submission in October of 1974.

(4) EPA's closing of Contract 556-B (Wastewater Treatment Facility). This project has been explained in the accompanying letter.

Although Fruitland claims the title of "City", a population of 2,315 persons does not necessarily justify such a claim. However, it is a community struggling for identity and maintaining economic stability. All and/or any of the four problems discussed affects the entire community. Aid problems as discussed present questions of credibility on these federal agencies and their ability to do the job they are required to do.

Hopefully your office can help in some way to reduce the amount of red tape and wasted time within these federal agencies.

Respectfully,

Duffy McKenzie, Sr.,
City Council President.

A SALUTE TO THE LATE, GREAT CONRAD E. SNOW

Mr. McINTYRE. Mr. President, while we were in recess a great and courageous American and a native of my New Hampshire passed away, and I would like to pay tribute to him now by reminding my colleagues of what his courage meant at a time when courage was in short supply.

I speak of the late Conrad E. Snow, who died at his home in Gilmanton Iron Works, N.H., on December 21, 1975. General Snow was 86 at the time of his passing, and his time of prominence in the news has long since passed.

But I think it is important and appropriate, at this juncture of our history, to consider what his presence on the national scene meant back in the 1950's, for he was one of very few voices raised then to remind us of what this country is all about.

He was one of the first, and one of the most effective, opponents of McCarthyism, and it was his steadfast and outspoken determination to hold the line against this poisonous phenomenon that encouraged others to do the same.

I salute his great contribution to America as I mourn his passing. And I ask unanimous consent to have printed in the Record the Washington Post article of December 24, 1975, that reported his death and reviewed his career.

There being no objection, the article was ordered to be printed in the Record, as follows:

Conrad E. Snow, 86, Dies; Had Opposed McCarthyism

(By Bill McAllister)

Conrad E. Snow, a State Department lawyer who publicly tangled with Sen. Joseph R. McCarthy over the senator's charges of disloyalty in the department, died Sunday at his home in Gilmanton Iron Works, N.H. He was 86.

Mr. Snow, who served as chairman of the State Department's loyalty security board from its inception in 1947 to its disestablishment in 1953, had retired from the department in 1956.

A family member said yesterday that Mr. Snow's death was believed to have been caused by an aneurysm and was not believed related to an operation he had undergone about a year ago for cancer of the prostate.

At the height of McCarthy's charges in the early 1950s, Mr. Snow, a retired Army brigadier general, came forward and vigorously defended the department and the actions of the review board he headed. In a 1952 speech, he accused McCarthy of trying to "smear the department" with "rumor, half-truths, invention or no truths at all."

When Sen. Pat McCarran (D-Nev.), a McCarthy ally, suggested that Mr. Snow should be ousted for attacking McCarthy in public, Mr. Snow stood his ground, saying that he had a right to reply to senatorial charges "which impugn the operation of my public office."

His stance won the applause of The Washington Post, which in an editorial described Mr. Snow as "a bureaucrat who will not be bullied" and a man "who will not be intimidated."

"Mr. Snow's courage and his understanding of his basic rights as a citizen should give new hope to those who have been harassed and intimidated of late by a noisy few on Capitol Hill," said the editorial, entitled, "Right to Talk Back."

In 1952 testimony before a Senate Foreign Relations Committee, Mr. Snow said that if there were any communists in the State Department, "the loyalty security board is uninformed of their existence." In reviewing 246 "loyalty cases," Mr. Snow said the board had found two employees to be security risks and five others had resigned with charges pending against them.

Mr. Snow had joined the department in 1946, after serving as a brigadier general during World War II. He was an officer during World War I, and had returned to his home in New Hampshire after the war to practice law and to serve two years in the state legislature.

Mr. Snow also served as a member of an advisory U.S. board on clemency for German war criminals and as chairman of a similar board for Japanese war criminals.

While he was in the State Department he would walk daily from his home on N. 1st Road in Arlington to his office, a distance of three miles.

Born in Haverhill, N.H., Mr. Snow received degrees from Dartmouth College in 1912, and Oxford University in 1915 and 1929, where he was a Rhodes scholar. He graduated from Harvard University law school in 1917 where he was editor of the Harvard Law Review.

He is survived by his wife, the former Katherine Hartley; two daughters, Constance Klefos of Hanover, N.H., and Katherine Cima of Silver Spring, and a son, Navy Lt. Cdr. Richard C. Snow of Dahlgren, Va.

ROY TASCO DAVIS

Mr. MATHIAS. Mr. President, an eminent Marylander whose career spanned diplomacy, education and elective office is lost to us. Roy Tasco Davis was as well known in the councils of government in Latin America as he was in the halls of Annapolis. His continuing involvement with education was reflected in many posts ranging from service on the Montgomery County school board and college administrative positions to leadership of public and private educational programs for Latin America. His political involvement included a term in the Maryland Senate and long service to the State's Republican Party. The career of Roy Davis is emblematic of the public involvement which this Nation must seek and find from its talented citizens.

Equally important, he never let his public and professional activities interfere with the formation and preservation of friendships with many people. Consequently, he was highly regarded, and his memory will be cherished, by a wide circle to which I am proud to belong.

The Washington Post of December 29, 1975, published an account of his life listing his many and varied activities. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RETIRED DIPLOMAT, ENVOY

Roy Tasco Davis, 86, a retired ambassador, educator and Montgomery County Republican politician, died Saturday after a stroke at his daughter's Silver Spring home, where he had lived the past two years.

Mr. Davis had long careers as a diplomat in Latin America and as a school administrator. He was active in Maryland politics in the 1940s and early 1950s. He retired in 1960.

Born in Ewing, Mo., Mr. Davis received bachelor's degrees from LaGrange College in Missouri and Brown University. As a youth, he was a page in the Missouri legislature and the U.S. House of Representatives.

In 1914, he became secretary and business manager of Stephens College in Columbia, Mo., where he remained for eight years. He returned to the college in 1933 after several diplomatic assignments for an additional four years. He was assistant to the college president, public relations director and later vice president.

Between his two administrative tours at Stephens College, he served as U.S. minister to Guatemala, Costa Rica and Panama. In 1928, he was chairman of a commission to settle a boundary dispute between Guatemala and Honduras.

Mr. Davis took over the National Park College, a fashionable girls' junior college at Forest Glen, Md., in 1937. He was the school's president until 1942, when the government bought it under emergency war powers and converted it to an annex of Walter Reed Army Medical Center.

For the next 10 years, Mr. Davis was director of the Inter-American Schools Service of the American Council on Education. The organization assisted American-sponsored schools in Latin America.

He left the agency in 1953, when he was named ambassador to Haiti. He resigned as ambassador in 1957, and later directed a State Department project here designed to instruct Americans in Latin American affairs.

As a Montgomery County political figure, he served in the Maryland State Senate 1946 to 1950, and waged a brief and unsuccessful compaign in 1950 for the Republican gubernatorial nomination. He was a member of the county board of education for two years.

Mr. Davis leaves his daughter, Mrs. Robert Lowe, of 2802 Linden Lane, Silver Spring; a son, Roy Tasco Jr., of Tucson, Ariz.; a sister, Mrs. Grover Poole, of Silver Spring, and six grandchildren.

CRITERIA FOR LOCATION OF THE SOLAR ENERGY RESEARCH INSTITUTE—A GIANT STEP FORWARD FOR MINNESOTA

Mr. HUMPHREY. Mr. President, as author of the Solar Energy Research, Development and Demonstration Act of 1974 (Public Law 93–473), I am justifiably proud of its provision calling for the establishment of a Solar Energy Research Institute—SERI. This may be this legislation's most important single provision. SERI will provide the foundation for a fruitful, efficient and broad-based national effort to rapidly realize the limitless potential of solar energy.

The Energy Research and Development Administration is in the midst of evaluating parameters surrounding the establishment of SERI. This is an exciting process, due to be completed this spring with site selections for a central SERI administrative facility and field stations. I have closely monitored this ongoing evaluation process and am delighted with the well-thought-out, comprehensive procedure being used by ERDA. And what an opportunity this is for ERDA—to design from the ground up a research mechanism to exploit heretofore ignored technology in a deliberate, but not dilatory, fashion.

ERDA has the opportunity, also, to avoid many of the problems for example, associated with the development of nuclear energy—the necessity of choosing isolated, inconvenient research sites to satisfy safety criteria. And ERDA, to all indications, will be utilizing this opportunity to the maximum should they follow the well-reasoned guidance offered recently by the National Academy of Sciences.

As a part of its procedure to select sites for SERI and SERI field stations, ERDA called upon the National Academy of Sciences to evaluate the requirements for a successful, rapid establishment of SERI. That evaluation by NAS's SERI Committee culminated in a report entitled, "Establishment of a Solar Energy Research Institute," released in October.

Of particular interest to me, and of particular value to ERDA, is chapter 5 which sets forth criteria for the location of SERI.

Critiques of this chapter by others have revealed some degree of confusion regarding the appropriate criteria to be used in selecting the SERI's administrative facility. It has also revealed some confusion regarding the term "solar energy," a term covering a wide variety of wind, oceanic and bioconversion energy sources and not only energy produced through direct exposure to, and conversion of energy, from sunlight.

In fact, the criteria of locating SERI noted by the NAS represents a giant step forward in the broad-based-statewide Minnesota effort to become the site of SERI's central administrative facility.

The NAS, in adopting the concept of field stations, specifically rejected the thesis that abundant sunlight is a prime geographic prerequisite for SERI's location. To quote, "The provision for field stations eliminates any close link between the location of SERI itself and the local climate or weather," and "Indeed, our—NAS—inquiry makes us believe that much of the work of SERI would require the use of analysis and physical and analytical simulation to supplement, and in large part replace, experiments using natural sunlight; and these, too, allow independence of season, climate, and time of day."

So, in short, the variety of solar energy concepts to be tested and the need to accelerate research using sunlight simulators, negates the thesis that SERI must be located at a relatively sunlight-abundant site—field stations for some types of solar technology, yes, but SERI, no.

In fact, the NAS clearly considers physical characteristics to be a secondary consideration. To quote, "for SERI itself, geographic location is not so important as intellectual atmosphere, technical suppliers, and the availabilty of services for a substantial laboratory."

The NAS enumerates a number of specific site criteria for SERI, including the convenience of travel and communications to supporting universities, industry and so on; the desirability for SERI personnel and families of local schools, housing, cultural environment and health facilities; the availability of ongoing education facilities for SERI personnel; the extent of existing local industry infrastructure, labor force and technical support personnel; land availability and cost; and hotels and conference room availability.

I will not dwell on the very high degree to which Minnesota satisfies each of these specific criteria.

Let me note, however, that the Twin Cities metropolitan area of Minnesota is a major national communications and transportation hub. In fact, it is the only such regional center within 2 hours of each coast. Nine major universities are located in Minnesota, including the University of Minnesota, a pioneer in solar energy research. My State is repeatedly cited as having the most attractive residential environment in our Nation.

Minnesota is the location of three major solar energy research and technical fabrication firms—Honeywell, Sheldahl, and 3M—with the labor and support on hand commensurate with such a concentration.

A number of these points are reviewed in detail in a letter to me from Mr. John C. McKay, dated September 4, a consultant to the Minnesota Energy Agency.

The National Academy of Sciences also evaluates highly the prospect that SERI can also serve (a) as a field station site and (b) that it enjoys a varied, seasonal climate.

The potential solar technologies are based on direct sunlight, wind power, and ocean thermal gradients. There is no one area nationally which satisfies the earlier noted criteria for SERI, while also enjoying substantial seasonal climatic variations, and which could serve as a field station for even two of the three solar technologies.

Minnesota, however, does satisfy all these criteria, including a seasonal climate, and could well serve as a field station site for wind power—perhaps, the solar technology closest to full realization.

Woven throughout the National Academy of Sciences' evaluation of SERI site criteria is the theme of local interest and the ability and willingness of a locality to support SERI. Minnesota's ability to service SERI has been noted. And its willingness can best be confirmed by the actions of Gov. Wendell R. Anderson, who, on October 22, 1975, established a 16-person task force on the Solar Energy Research Institute.

In sum, Minnesota satisfies, and I contend, uniquely satisfies, the criteria set forth for the site of SERI by the independent National Academy of Sciences.

Mr. President, I ask unanimous consent to conclude my remarks by having Executive Order No. 123 by the Honorable Wendell R. Anderson, Governor of Minnesota, printed in the Record, as well as a copy of Mr. McKay's letter to me of September 4, 1975.

There being no objection, the material was ordered to be printed in the Record, as follows:

Executive Order No. 123

ESTABLISHING A GOVERNOR'S TASK FORCE ON THE SOLAR ENERGY RESEARCH INSTITUTE

I, Wendell R. Anderson, Governor of the State of Minnesota, by virtue of the authority vested in me by the Constitution and applicable Statutes, hereby issue this Executive Order:

Whereas, the Energy Research and Development Administration has announced its intention to construct a Solar Energy Research Institute to develop practical and economic usage of solar energy, and

Whereas, Minnesota, more than many other states in the nation, faces a critically decreasing supply of traditional fuels, and

Whereas, Minnesota possesses unique educational, economic, industrial, social, climatic and environmental resources necessary to the support and successful operation of a Solar Energy Research Institute:

Now, therefore, I order:

1. the establishment of a Governor's Task Force on The Solar Energy Research Institute, consisting of:

(a) The Director of the Energy Agency or his representative as chairperson;

(b) Nine citizens appointed by me representing physics, mechanical engineering, architecture, biology and other related fields;

(c) Three members of the House of Representatives which the Speaker of the House is hereby requested to appoint;

(d) Three members of the Senate which the Senate Committee on Committees is hereby requested to appoint;

2. the terms for the citizens' members shall be one year each ending on the first Monday in January next following their appointment; the terms of state officials shall continue during their terms of their respective offices for the duration of this Order;

3. the duties of the Task Force to be:

(a) To identify those persons, institutions and corporations in this State which possess unique or suitable expertise relating to the usage of solar energy;

(b) To identify those social, economic, educational and cultural resources in this State which are necessary and suitable to support a Solar Energy Research Institute;

(c) To communicate effectively with officials of the federal Energy Research and Development Administration and with other federal officials concerning establishment of the Solar Energy Research Institute in Minnesota;

(d) To take such other necessary measures to ensure that Minnesota's unique advantages for a Solar Energy Research Institute are fully and fairly considered by those federal officials and agencies which will decide where such a facility shall be built;

(e) To develop a plan for a Solar Energy Research Institute that meets all announced requirements for such a facility, including without limitation description of physical facilities, site location, organization chart, available research facilities in nearby institutions, and other appropriate information;

(f) To report to me periodically regarding the progress of the task.

This Order shall be effective on the date of signature and shall be in force until December 31, 1978.

In testimony whereof, I hereunto set my hand on this 22nd day of October, 1975.

Wendell R. Anderson.

September 4, 1975.

Hon. Hubert H. Humphrey,
U.S. Senate,
Old Senate Office Building,
Washington, D.C.

Dear Senator Humphrey: I enjoyed the opportunity to visit with you on Friday, August 29, relative to the location of a Federal Solar Energy Research Institute in Minnesota.

We recognize that virtually every state would hope to attract to within its borders the proposed Energy Research Institute, but we believe that an outstanding case can be made for Minnesota as the home for this all important new energy research facility.

If someone were to ask, "Why Minnesota?", the answer would be that our Senator Humphrey sponsored the legislation to make such a facility possible and then list the background, the experience and the expertise that are here already and are available to carry such a project forward with a minimum of lead time and without disrupting the normal flow of business and commerce. Here is a partial list, by no means complete, of the available resources to support such a research activity:

1. The Twin Cities area is a center of learning for the great Midwest.

a. University of Minnesota.
b. Macalester College.
c. St. Thomas College.
d. Hamline University.
e. Augsburg College.
f. St. Catherine's College.
g. Bethel College.
h. Carleton College, Northfield.
i. Gustavus Adolphus, St. Peter.
j. Many Vo.-Tech. schools and specialized schools serving the area.

2. Available expertise and experience.

a. University of Minnesota, Dr. R. Jordan; Dr. E. Ekert; and Dr. C. Sparrow.
b. Honeywell, Inc. Roger Schmidt and Dr. Ramsey.
c. Sheldahl, Inc. D. E. Anderson.
d. 3M Company. Central Research Laboratory and Product Laboratories.

3. Broad industrial base and available manufacturing facilities in:

a. Production and coating of thin films.
b. Electroplating.
c. Steel fabrication.

4. Great need for solar energy.

a. No oil or gas produced in Minnesota.
b. Severe winters and long heating season.
c. Large agricultural industry in need of an alternate energy source (typical of many states in the U.S. breadbasket).

5. Desirable cultural center, year-round recreational area to which many research people have already been attracted.

6. Home of a large University with strengths in many disciplines related to solar energy such as:

a. Agriculture.
b. Engineering.
c. Physics.
d. Chemistry.
e. Forestry.
f. Medicine.
g. Law.
h. Social sciences.

7. Favorable minority relationships.

8. Favorable attitudes toward solar energy by public utility companies.

I am attaching a letter from Dr. Richard C. Jordan, Professor and Head, Department of Mechanical Engineering of the University of Minnesota, wherein he outlines at some considerable length the case for locating the Solar Energy Research Institute in Minnesota. Let me, to the extent that I can, summarize some of his opinions and facts as succinctly as possible.

The University has been engaged with ERDA in monitoring a contract on solar heating and cooling for an underground library building on the Minnesota campus.

The Mechanical Engineering Department of the University has been involved in solar energy research continuously since 1952. Three particular areas have been underscored, areas in which the University has become a leader. One is the use of solar-assist heat pump systems. The second is the study of the potential of mechanical energy from solar energy; and the third is a study of the actual availability of solar energy in our section of the country.

Currently the University of Minnesota is engaged in a solar thermal power system study, together with Honeywell, financed by the National Science Foundation. They've also recently consummated a contract with ERDA for "Solar Heating and Cooling Applied to a Large Underground Building in Minnesota", an expansion of their earlier contract referred to above. The Electrical Engineering Department is strongly involved in solar energy research through a contract which has involved Sheldahl, NSP and the Electrical Engineering Department on a central power concept. Dr. Richard Jordan is co-author of a solar book which will be entitled "Applications of Solar Energy for Heating and Cooling of Buildings," a book which will be used by and is of interest to the National Science Foundation and HUD. Various chapters of this book are being prepared by eminent solar energy engineers and scientists from all over the world, men regarded as international authorities in the area of solar research.

The Mechanical Engineering Department at the University has been rated in the Carter report as among the top five mechanical engineering graduate programs in the United States. Much of this ranking has been the result of their extraordinarily strong heat and mass transfer division. In his letter, Dr. Jordan lists numerous outstanding scientists and professors at the University who could contribute to the impact of the Institute.

Minnesota is blessed with some outstanding industrial complexes presently heavily involved with solar energy research. Honeywell, 3M and Sheldahl are all internationally known researchers and producers of solar energy hardware and all serve on the Minnesota Energy Agency's Task Force on Solar Energy.

The solar environment in Minnesota is excellent. We duplicate at some time during the calendar year virtually every solar condition experienced in any other part of the country. Some of our highest availability comes in the months of December, January and February and therefore we are ideally situated for the conducting of solar space heating tests.

The ratio of the total number of scientists and engineers in the total population of the metropolitan community is among the top five in the country and is surpassed by Washington, D.C. and the Boston area. Only they and the Houston, Texas and the bay area of California equal Minnesota in this respect. We are also more centrally located than any other region with excellent transportation advantages for travel to and from Minnesota.

This is a preliminary presentation, Senator, and we will follow almost immediately with further documentation of Minnesota's highly advantageous solar energy research position. If in the meantime you find other areas which you feel should be explored or about which you need further information or research, please contact us at your very earliest convenience. The location of the Solar Energy Research Institute, in whole or in part, in Minnesota would make sense from almost every physical, scientific, personnel or climatic reference point.

Thank you very much, Senator Humphrey, for your interest and your assistance in this important matter.

Sincerely,

JOHN C. MCKAY,
Consultant, Minnesota Energy Agency, St. Paul, Minnesota.

ON THE HORIZON

Mr. THURMOND. Mr. President, I have before me an excellent editorial entitled "On the Horizon," which appeared in the January 5, 1976 Marlboro Herald Advocate, Bennettsville, S.C. It was written by Mr. William Light Kinney, Jr., who is the editor and publisher.

Mr. President, Bill Kinney is an outstanding young journalist who knows the pulse of smalltown, rural America. I submit these are the people for whom he writes, that they are the backbone of our country, and that we should weigh carefully their concerns. I am afraid that we too often forget how smalltown America views questions of National policy.

As we prepare to resume the business of the 94th Congress, we would do well to consider the problems about which Mr. Kinney warns us.

Mr. President, in order to share this editorial with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ON THE HORIZON

As the New Year dawned, we fully expected to greet it with enthusiasm for the year which would see our nation reach its 200th birthday.

However, the arrival of January 1st did not evoke such emotions when we considered our nation, her stature, her concerns and her role in the world today.

During the past 12 months, we have witnessed a steady parade of events that have seemed to reflect that this great and powerful country cannot muster its resources to maintain its position as the leader of the moral and civilized world.

From our withdrawals in Southeast Asia, we have indicated that our people no longer possess the determination to effect free government wherever it is threatened.

Terrorism at home, such as was seen last week at New York's LaGuardia Airport, is a further symptom of our unwillingness to deal with distasteful problems on a national level.

Our President has been the target of a handful of assassination attempts and terrorists attacks during the year and yet there is no groundswell of public indignation against these.

Crime continues to increase at alarming rates and all too often weak-willed jurists and crowded penal institutions obstruct efforts to remove many unwanted criminals from the public sector.

Is not our system right now more intent on protecting the rights of the perpetrators of crime than it is on preventing recurrences of such acts?

And, what nationally infamous criminal cannot attract the services of one of the new breed of lawyers, which we have allowed to emerge, which can utterly prevent justice from taking its course?

Yet, the specter of insufficient preparedness in the event of world aggression hangs even more gloomily over our nation's dawn as her Bicentennial Year arrives.

A Charleston columnist wrote on New Year's Day that he was willing to predict that "there will be another world war and the United States will either be in it or will surrender to the world power which initiates it" during 1976.

Ashley Cooper went on to clarify this by saying that this nation will be engaged in a global struggle for its very existence when Russia or some other big power thinks that it can defeat us.

Just look backward at 1975 and see what has occurred during the year to cause him to think this way:

1. Our withdrawal from Southeast Asia and the subsequent collapse of freedom there.
2. The undermining of our national and international intelligence sources as Congressional leaders have attacked, investigated, and ridiculed the CIA and FBI.
3. Their refusal to appropriate sufficient funds for national defense which our military leaders have said were necessary to remain strong and free.
4. Rampant inflation and spiraling national debts to support boondoggled handout programs, which have usurped funding desperately needed for defense purposes.

"How can all of this come about?" you ask.

It's hard to say; however, much of the blame justly lies with some members of Congress who seem to have no overview of the nation as a whole, but devote their time and energies to seeing just how much the federal government can do for their own constituents, regardless of the effects on the rest of us.

Sure, we elect Senators and Congressmen to represent us; however, we rightfully expect them to do nothing that would weaken the fiber of the nation.

Dr. Billy Graham, in an interview published last week, said that he was greatly concerned about the moral fiber and national will of the American people.

He said that we, as a people, seem to turn a deaf ear and a cold shoulder to happenings at home and in countries around the world which can drastically affect us.

He called for the Bicentennial Year to be a time when we as Americans reflect upon the things that have made this nation what she is today and to find ways to apply these great principles to the problems of 1976.

This is a Presidential election year as well as our nation's Bicentennial.

What better time for you to put your back into living and find ways to do more for your government instead of finding ways to ask more and more of her.

We'd better take a new look if we want the United States to survive.

And, that means not only here at home, but in the halls of the Congress where so much of this responsibility lies.

OUR RECLAIMABLE VALUES

Mr. RANDOLPH. Mr. President, shortly before the beginning of 1976, the 200th year since the founding of our Nation, an editorial by William Randolph Hearst, Jr. appeared in the Hearst Newspapers. It called for a revival of the Spirit of 1776 and the patriotism that sparked the creation of our Republic. Mr. Hearst wrote:

> If we are to endure, we must return quickly to the basic values established 200 years ago by the struggling citizens of an infant nation. Among them are the values of hard work, self-denial, ambition and trust in heaven.

With every passing day, I sense a growing feeling among our citizens that we have gone too far in self-indulgence, in permissiveness, in wasteful and nonproductive enterprise. The backbone of this Nation still is the character of the majority of its people, who have faith in God, who uphold moral principles, who support freedom of enterprise, who practice honesty in their dealings, and who vote for integrity in government.

These simple but basic values can be reclaimed as a standard of performance for our citizens in this Bicentennial Year. We must reaffirm the principles for which our forefathers fought and died; we must re-establish our American philosophy of citizens who are self-reliant and self-disciplined and who not only want freedom, but who have the courage to accept the responsibility of freedom.

Mr. President, the editorial "Our Reclaimable Values" sets forth in clear language a worthy goal for this Bicentennial Year. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SAN SIMEON, CALIF.—In three days all of us will celebrate the advent of a New Year. It should not be the customary observance where we assess what transpired in the past 12 months and look wishfully forward with hope and faith to what the New Year will bring.

Wednesday at Midnight we will not be embarking on the unknown waters of an ordinary New Year. At that precise moment we will embark on a year-long observance of the 200th anniversary of the birth of this nation.

We end this year 1975 deluged by words uttered and written that express doubts, misgivings and cynicism about this wondrous country, this greatest of all nations, this living testimony that man can himself be free and give equal opportunity and administer equal justice for all.

I have spent my entire adult life practicing the profession of journalism which consists pretty much of observing and reporting the actions and the thoughts of Americans as well as the people all around the globe.

As a result, I must admit at being disheartened by the gloomy mood in America, the groundless and often faddish disenchantment that people profess as we end our second century as a united nation. It seems to me now is a good, perhaps ideal time to revive the Spirit of 1776 and reclaim it and the patriotism which nourished it and reburnish it into the Spirit of 1976.

We have every reason to be proud of what our ancestors and we have achieved in two short centuries.

We have not been a selfish people, as some would have us believe. We have made many mistakes, several of them in recent times, but that has little to do with our national achievements. If we are to endure, we must return quickly to the basic values established 200 years ago by the struggling citizens of an infant nation. Among them are the values of hard work, self-denial, ambition and trust in heaven.

We are a good people. We have been and still are hard-working and productive. We know the secret of prosperity and how to gain it, though we have yet to learn how to avoid recession. What we forget is that a recession for us would be prosperity for nearly anyone else on the globe. We have, in the past, with but few exceptions, exercised the wisdom to choose great leaders and honest, reliable public servants. That was because we, ourselves, were dedicated and patriotic Americans who cared.

Thus we built our nation. My wish for you on the eve of the 200th year of mankind's most noble experiment in freedom, is that all of us may restore and rededicate ourselves and our nation at the font of reason that has nurtured us for two centuries. And with this, I wish you a Happy and Healthy New Year.

JOSEPH A. BERTORELLI

Mr. MATHIAS. Mr. President, Baltimore and the State of Maryland last week learned with regret of the passing of Joseph A. Bertorelli, one of the most durable leaders produced by the city's "Fighting First" district, with whom I was glad to serve in the general assembly. The decline of vigorous politics at the local level in America has not necessarily been an improvement when it costs the people the intimate contact and direct access to the political process that obtains to this day in parts of Baltimore City, and nowhere more than the district represented for many years by Joe Bertorelli. His own popularity is attested to by his continuous service in elective offices from 1946 until his retirement in 1974. Even a stroke, suffered in 1961, which paralyzed much of one side, did not prevent his eventual return to the State senate to take up his role as chairman of the Baltimore City delegation there. Joe Bertorelli will be missed by many of us who came in contact with him over the years, as well as his loyal neighbors and constituents in Baltimore City. The Sunpapers issue of January 12, 1976, detailed his career and his political milieu. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOSEPH BERTORELLI DIES; WAS 1ST DISTRICT SENATOR

Joseph A. Bertorelli, 64, a former state senator from East Baltimore's First district and longtime chairman of the city's Senate delegation, died yesterday at Mercy Hospital after a long illness.

A mass of the resurrection has been scheduled Wednesday at 10 A.M. at St. Leo's Church in Little Italy.

Mr. Bertorelli had been partially crippled since 1961 when he had a stroke while in his parked automobile downtown. The attack paralyzed his right side.

In the rough and tumble political world of the "Fighting First" district, Mr. Bertorelli started as a doorbell ringer and used his personal popularity as a musician and a friendship with Thomas J. D'Alesandro, Jr., to succeed.

He was once described as a "brass knuckles, knees and elbows politician."

He was what he needed to be to succeed in the First district, a large slice of East Baltimore with a polyglot constituency of Italians, Poles, Germans, Greeks, Lumbee Indians, blacks and Irish where Republicans rarely bother to file for elective offices and Democratic primaries often resemble a civil war.

In 1958, running for his second term as senator, Mr. Bertorelli was opposed by Fernando Bertalo, a tugboat man. Politicial observers suspected Mr. Bertalo was put up by Mr. Bertorelli's opponents to take advantage of the similarity of names.

However, Mr. Bertalo turned out to be an unwilling candidate. Declaring he was "shanghaied," he agreed to withdraw from the race when Mr. Bertorelli's supporters approached him. Later, however, others persuaded him to withdraw his withdrawal. A judge finally ordered Mr. Bertalo stricken from the ballot.

To make sure he would not be plagued by such shenanigans again, Mr. Bertorelli introduced a bill that was passed in the next legislative session preventing candidates from withdrawing from a race after the deadline for filing, then changing their minds.

From 1946 on, he held elective office successively as a member of the House of Delegates, as a city councilman and as state senator from 1956 to 1974, when he retired.

In 1960, he made an unsuccessful bid to unseat Representative Edward A. Garmatz in a bitter campaign in the Third Congressional district. Mr. Garmatz held his seat by winning the primary election.

Between 1938 and 1949 Mr. Bertorelli held jobs in the record office and as bailiff to the Board of Municipal and Zoning Appeals. For two years he was secretary to Mr. Garmatz.

Mr. Bertorelli was appointed special assistant to Mayor D'Alesandro in 1955 and later held the same post under Mayor J. Harold Grady.

He was born here June 10, 1911, and attended Public School No. 2 at Stiles street and Central avenue, then went on to high school and the YMCA College of Commerce. His first job was as a newsboy.

On November 26, 1936, he married Mary Ann Granese in St. Leo's Church in East Baltimore. They lived at 314 South High street, in Little Italy. They have two children, Joseph, Jr., and Patricia.

Mr. Bertorelli served in the Navy during World War II—January 1944, to August 1945.

He belonged to Local 40, American Federation of Musicians. As a state senator he once sought an appropriation to help support the Baltimore Symphony Orchestra.

Outspoken, his views were known on a variety of subjects. He favored movie censorship, opposed the 1959 Blue Cross rate increase, favored a state center for alcoholics someplace else than at City Hospitals in his home district, opposed, for a time, the municipal court bill for Baltimore.

In 1956, his last-minute vote switch pushed through the Senate the controversial bill allowing for seizure of public utilities to avert work stoppages.

Despite his stroke, he recovered to lead many floor fights on the General Assembly for his favorite causes.

Besides his wife and children, he is survived by three grandchildren.

FARM BUREAU LEADER HAS "SENSE OF HISTORY"

Mr. HARRY F. BYRD, JR. Mr. President, through the years the Virginia Farm Bureau Federation has been an excellent organization. It has had sound leadership and sound ideas.

Two weeks ago in St. Louis the president of the Virginia Farm Bureau Federation, Robert B. Delano, of Warsaw, Va., was elected a national vice president of the 2.5-million-member American Farm Bureau Federation.

Virginians are proud that one of our citizens was elected to this high office.

I know Bob Delano well and hold him in high regard. He has served well his State as president of the 37,700-member Virginia Farm Bureau Federation, and I predict he will serve well his Nation and the Nation's farmers as vice president of the American Farm Bureau Federation.

Yesterday, the Richmond Times-Dispatch published an excellent profile on Mr. Delano. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the profile was ordered to be printed in the RECORD, as follows:

FARM BUREAU LEADER HAS A "SENSE OF HISTORY"

(By Joseph Gatins)

WARSAW.—You don't usually find Robert B. Delano at the 400-acre Level Green Farm near here during the day—or at his hilltop home several hundred yards away.

He's customarily in Richmond at work or taking trips out of state.

Two weeks ago, Delano, 51, was in St. Louis having "lunch with Butz and Ford," as he put it. Shortly before the meeting, he won election as national vice president of the 2.5 million-member American Farm Bureau Federation, making him the first Virginian to hold that position. He defeated a Michigan delegate for the job at the bureau convention.

In Richmond, Delano serves as head of the 37,700-member Virginia Farm Bureau Federation. He has been a member of the board since 1962.

For part of last week, though, the soft-spoken Delano was back on the soybean and small grain farm that he works in partnership with his brother. "I can sometimes work the schedule to stay home every so often," he said.

Joining him were his father, Randolph O. Delano, 78, and his son, Robert Jr., 19.

"My grandfather owned all this land," Delano said, sweeping his arm to encompass most of the visible acreage surrounding Level Green Farm. He later toured the property, pointing out which fields were properly drained, which ones were growing winter wheat, listing the names of the neighbors and ending his drive at Wellford's Wharf on the Rappahannock River.

The 1,350-foot wharf once served as the jumping off point for a ferry to Ware's Wharf in Essex County and a stopping place for steamboats plying the waters between Washington, Baltimore, Norfolk and Fredericksburg. Only one piling remains to show what once was. The Delano Ice Co., likewise, is no longer there.

"I work all this into talks I give . . . being a Virginian and having a sense of history," said Delano, a native of the Northern Neck. "It reminds people how it was years ago, so they see the mistakes from that time."

Delano said he had also discovered who owned the first tractor and the first thresher in Richmond County in connection with a bicentennial-related local history in the making. "Things sure have changed a lot," he said.

But one thing has not changed he said. "The name of the game is profit."

That is perhaps why Delano, speaking for himself and the national Farm Bureau, repeatedly defended the American farmer's right to export agricultural goods to anywhere in the world—including the Soviet Union—while simultaneously attacking the Soviet system as unable to adequately feed its people.

"I don't think a Communist nation can continually feed its people at the level they desire," said Delano, later noting wryly the Russian claim to be the No. 1 wheat-growing country of the world.

"Our main concern is an opportunity to compete in world markets," he said, adding again that this does not mean Farm Bureau approval of the American methods and the American officials responsible for U.S.-Soviet detente.

Delano does not want the current administration, for example, "to make deals with grain that isn't theirs," referring to the latest round of negotiated grain sales to the Russians.

"President Ford gave us assurances in St. Louis that we could meet with some of his top men," continued Delano, "men like Secretary of Agriculture Earl Butz and special representative for trade negotiations, Frederick B. Bent.

One bureau concern, Delano, said was that Secretary of State Henry A. Kissinger not sit in on these meetings. "We're worried that he's trading off too many of our options."

But, Delano defends the grain sales to the Soviet Union in 1972 as the "best thing we ever did, from an economic standpoint," for both farmers and taxpayers.

Delano also spoke of balanced budgets, free trade, regulation of natural gas prices and the national balance of payments in terms of a farmer's world where the individual and corporate farm could survive side by side.

A student at Virginia Polytechnic Institute and State University during World War II, Delano graduated at 19, and joined the "horse cavalry branch" of the U.S. Army, serving in the India-Burma theater. He later worked as a VPI extension agent in Dinwiddie, Prince George and Nottoway counties before returning to Warsaw.

SOCIAL SECURITY COST-OF-LIVING INCREASES

Mr. BUCKLEY. Mr. President, I have long been concerned with the problems caused by increases in the cost of living caused by the inflationary deficits that the Congress continues to vote.

It was because of this concern that I have introduced legislation that would amend the Internal Revenue Code and other provisions of law to provide for "indexing," or automatic cost-of-living adjustments, in income tax rates, amounts of exemptions, and other areas, which would help to protect the American citizen from effective increases in taxation which result when inflation pushes them into a higher tax bracket—even when real earnings are unchanged.

Today I would like to speak briefly about another problem of similar origin: the effect of "cost-of-living" increases under social security which trigger reductions in some other form of compensation to the same individual.

The intent of the Congress in approving cost-of-living increases under social security was obviously to prevent the social security recipient from suffering losses in real income, losses which he would inevitably suffer in a chronically inflationary economy. This intent is clearly negated when the individual's cost-of-living increase under social security is simultaneously subtracted from him via another avenue.

It has been my pleasure to join as a cosponsor of two recent bills which would eliminate particularly unfortunate examples of this type of injustice.

S. 1406 would eliminate the automatic reduction in veterans' pensions and compensation caused by the increases in social security, and would thereby allow the veteran to receive the same relative gain from social security increases as is currently received by any other citizen. The veteran has always been unfairly penalized in this regard, in that the calculation of his pension is based on the actual income—which includes social security—earned in the previous calendar year. Reductions in pension benefits to correspond to social security increases thus have the effect of reducing the real income of the veteran, which clearly circumvents the intent of the Congress. In an inflationary economy, the retired veteran who finds his total income thus held at a static dollar level is obviously in trouble. S. 1406 would extend much-needed assistance to him, and I am delighted to have cosponsored it.

S. 2389 would eliminate a situation in which the cost-of-living increase under social security would be cancelled out by a matching reduction in disability payments under disability compensation plans maintained by employers. This situation—a situation in which the social security increase which Congress authorized to enable the individual to keep pace with the cost-of-living, is used instead as the mechanism by which an insurance company reduces the disability payment due to its policyholder—is clearly an aberration which leaves the affected individual deprived of the adjustment which Congress intended for him to have. S. 2389 would correct this situation and would do so in a manner which would not destroy the traditional jurisdiction of the States over the insurance industry. This legislation would be very helpful to thousands of disabled Americans, and I am very pleased to join in its sponsorship.

COLUMBIA VA HOSPITAL GROUND BREAKING

Mr. THURMOND. Mr. President, on January 10, 1976, ground was broken for a new $45 million VA hospital in Columbia, S.C.

It was an auspicious occasion. It represented the culminations of a long and hard effort to bring a new VA hospital to Columbia

Of particular note was the fact that the Administrator, the Deputy Administrator, and the Chief Medical Director of the VA were in attendance. Administrator Roudebush made the principal address.

Mr. President, no man in America better understands the needs of America's veterans than Richard L. Roudebush. His work on behalf of his fellow veterans has consumed most of his adult life. He has been a service officer for the VFW, national commander in chief of the VFW, Associate Deputy Administrator, Deputy Administrator, and now, Administrator of Veterans' Affairs. For 10 years, he rendered distinguished service as a Congressman from Indiana's 6th, 10th, and 5th Districts.

"Rowdy," as he is affectionately known by his colleagues in the VA and by thousands of veterans, was nominated to be VA Administrator on August 19, 1974. He was unanimously confirmed by the Senate.

As Administrator, he heads one of the largest agencies in the Federal Government. The VA has an annual budget of more than $19 billion and over 200,000 employees. Since he became Administrator, he has launched a major campaign to improve morale in the VA, and has worked to make that agency responsive to the needs of individual veterans. He has done an outstanding job in both areas.

Mr. President, part of his philosophy about service is contained in the excellent address which he delivered at the ground breaking ceremonies in Columbia. I would like to share his remarks with my colleagues. In order to do so, Mr. President, I ask unanimous consent that they be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Remarks by Hon. Richard L. Roudebush, Administrator of Veterans Affairs

This is a day we all have looked forward to for a long time . . . a day that is important to the Veterans Administration and to the veterans of South Carolina.

I am sure that all who are present here have shared my anticipation and that you take great satisfaction in the fact that we are beginning this most important project.

Today we make an official start toward providing a facility that will be among the best in the Veterans Administration's hospital system, a facility that will be both a worthy successor to the hospital that has served this area for so long and a worthy complement to the University of South Carolina's new school of medicine.

It is good to greet you and to be a participant in an event that holds so much promise and that will be so long remembered.

I feel it a great personal honor to appear with the distinguished persons who have preceded me on this program.

I think their presence indicates not only strong and widespread support for the new hospital we give a start to today, but also underscores the fact that this is an undertaking of such scope and such significance that it requires more than the efforts of a single agency of government, or even a single level of government.

And, equally important, this will not only be an institution that will serve those who are its direct beneficiaries but will enrich the community and the surrounding area and improve the lives of residents, veteran and non-veteran alike.

We of VA are grateful for the messages pledging involvement voiced by those who represent the city of Columbia, the University of South Carolina and the state of South Carolina.

We are even more grateful for their many past demonstrations of interest and cooperation and for the many existing policies and programs that unite us both as neighbors and as professional colleagues and co-workers.

We of VA are grateful for the kind words of your distinguished senior Senator in behalf of our efforts here and elsewhere, my dear friend and great American, Strom Thurmond.

We are even more grateful for the devoted and unstinting service he gives the Senate Veterans Affairs Committee for his understanding of VA matters and for his dedication to the requirements of those special citizens the VA serves.

I guess one would have to occupy my desk to realize the contributions of this great man. Without him, it is quite likely we wouldn't be here today breaking ground for this hospital.

For many years the present Columbia VA Hospital has met the needs . . . faithfully and well . . . of those residents of South Carolina who answered a call to duty in our armed forces, citizens who defended and protected their nation in time of danger.

Today it is our very pleasant task to give a symbolic beginning to a new facility that will enable us to meet these needs in better and more complete fashion . . . a facility that will give VA personnel greater ability to perform their jobs and achieve their goals, a facility that South Carolina veterans greatly deserve.

I think it is appropriate that we look both to the past and to the future today.

We are beginning a new era that holds much promise for our accomplishing great things . . . for improving health and extending life, for reducing suffering, for rehabilitating the disabled, for learning to combat and control illness.

But as we prepare for the future, we do not plan to break with the past and we will not neglect the present. The traditions of good treatment and good service that have characterized the present hospital will continue until they can be passed along to its replacement.

Further, it is our intention to do what we can to improve the care we provide each day that we serve this area and this state. We have no intention of marking time or resting along the way as we wait for new construction.

I say this because I think it is important that we recognize that, as significant as this day is, it is just one more day in the lives of those who need the help that VA has to offer.

And, significant as this day is, it is a day that symbolizes only physical change.

I do not minimize the importance of physical improvement. We are here to proclaim it, to celebrate it.

But I think it is fitting on this day . . . a day when we derive great inspiration from the possibilities that new construction will bring . . . that we look to the non-physical qualities and characteristics of a great hospital and rededicate ourselves to their preservation and perpetuation here.

I speak of the knowledge and skill of the professional staff and of their understanding and compassion.

I speak of quality administration, of good employee performance, of an easy and cordial relationship among employees and patients, of a friendly atmosphere.

I speak of the practice of good medicine. I speak of high morale.

I speak of a hospital knowing its purpose and its mission and of all persons who are a part of it devoting themselves to what it is trying to accomplish.

The things that make a great hospital we have in abundance here. It is VA's resolve that these characteristics remain intact, develop and grow in the months and years ahead as the facilities we break ground for today are made ready to give us great new opportunities for service.

I would like to point out, however, that the future success of the Columbia VA Hospital is not entirely in the hands of VA . . . just as past accomplishments have not been entirely the work of VA.

I said earlier that a project of this scope is one that is too large for just one agency or just one level of government. We look to community involvement, to a close working relationship with the University of South Carolina and to the continued interest of your State government.

I am sure we will not be disappointed in any of these expectations.

It is appropriate that I also recognize the fact that the present hospital could not function in the manner that it does without the solid support and the untiring efforts of the great veterans organizations of this community and this area.

We are grateful for what they do. Our work would be much more difficult without them at our side. The hospital could not, in fact, operate at its present level without the willing hands their volunteers provide.

We look for . . . and will need . . . even greater participation from them in the future.

I would like before concluding my remarks to express my appreciation to those who work at the Columbia VA Hospital for the service they give and have given . . . some for a great many years.

I speak to both professional and non-professional employees when I say that what has been accomplished here has been largely your doing and that what accomplishment the future holds is in great part up to you.

I hope you take great personal satisfaction in the fact that you have been able to help countless persons overcome illness and injury and return to full and productive lives. I hope that you derive happiness from the chance for happiness you have brought others.

It is a great pleasure for me to be here today to participate in a ceremony that will ultimately enable you to carry out your duties more effectively. I know that you appreciate this occasion, also.

To all who are here today, let me express my gratitude and that of the VA for your interest.

We are here to start the construction of a a building that will be attractive, convenient, serviceable and modern in all respects . . . that will be as good as we know how to provide.

But we are here to do just a little bit more. We are here to reaffirm our belief in the mission of this hospital, to rededicate ourselves to that mission and to its future success.

We are here to proclaim that the VA wants . . . and that the American people want . . . the very best health care possible for veterans of this area.

With these thoughts in mind, let us get on with the activities.

May God bless you all and may his blessings be in abundance on this new hospital

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on this opening day of the 2d session of the 94th Congress, I again want to take up my fight on behalf of the International Convention on the Prevention and Punishment of the Crime of Genocide. The Genocide Convention, which sought to combat genocide by treating it as an international crime, was the first Human Rights Treaty to pass the United Nations. In 1948, the General Assembly of the U.N. unanimously approved the Genocide Convention. In June 1949, President Harry S Truman gave executive ratification to the Convention, and asked the Senate to give its consent to the treaty. At that time the President declared that—

> By giving its advice and consent to my ratification of this convention, which I urge, the Senate is prepared to take effective action on its part to contribute to the establishment of principles of law and justice.

The Senate failed then and has failed since to ratify the Convention. For more than a quarter of a century we have failed to formalize our Nation's abhorrence of genocide.

The dangers which some have perceived as inherent in the Conventon have not dissuaded 87 nations of the world from entering into this expression of humanitarian ideals. In the coming weeks I will systematically discuss these alleged dangers in ratification of the Convention to demonstrate why the continued failure of our body to ratify this document is unjustifiable. The addition of the signature of the United States to the Convention will not necessarily insure the prevention of genocide or the punishment of those who perpetrate this crime in the future. What our signature will represent is a national commitment to the inviolability of the right of existence for all national, ethnical, racial, or religious groups.

I am hopeful that the Senate will allow the United States to join the ranks of nations pledged to defend the inalienable rights of all groups. In this anniversary year of the birth of our Nation, let us reaffirm to ourselves and to our world constituents our dedication to the very principles upon which our own Nation was founded.

THE CONDITION OF THE JUDICIARY

Mr. THURMOND. Mr. President, at the beginning of the year Chief Justice Warren E. Burger made his annual report on the condition of the judiciary. Among other things, Justice Burger noted that the average caseload has increased from 317 cases per judgeship in 1970 to 402 cases per judgeship in 1975. Additionally, it is projected that for 1976, the average number of cases per judgeship will be about 450. This is an increase of 42 percent since 1970.

Mr. President, Congress has not created any additional district judgeships since 1970. The Senate Judiciary Committee, of which I am a member, has approved legislation to provide 45 additional district judgeships. The Senate has yet to consider this legislation.

Mr. President, the people of this country must continue to have confidence in their Federal court system. If the Congress refuses to create sufficient judges to handle the workload of our courts, trials, both criminal and civil, will be delayed and citizen confidence eroded. I urge the Senate to act quickly, and act favorably, on the legislation now before it to create 45 additional district judgeships. Further delay will hamper the cause of justice and is unconscionable.

Mr. President, I ask unanimous consent that Chief Justice Burger's report, entitled "The Condition of the Judiciary," be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

The Condition of the Judiciary—Year-end Report

(By Chief Justice Warren E. Burger)

At our 200th anniversary of nationhood we find, in common with most other countries, that confidence in our institutions, public and private, seems to be eroded. The judicial system by and large, however, is working well, and this is reflected in the relatively high popular esteem of the courts. The faults and frailties of our judicial branch are, for the most part, recognized and correctable—and there is much activity toward improvement.

The tendency of Americans to try to resolve every sort of problem in the courts continues. Overwhelmed by increased demands for regulatory legislation, for broadened governmental programs of all kinds, Congress enacts legislation, much of which reaches the courts for resolution. There the legislation increasingly presents difficult questions of interpretation because of the uniqueness of the issues.

In specific terms the figures of the federal courts tell a concrete aspect of this story of judicial burdens:

(a) In fiscal year 1975, 160,602 new cases were filed in the United States District Courts, making an average of 402 cases per judgeship, an unrealistic number for one judge.

(b) In 1970, the comparable figure was only 317 cases per judgeship.

(c) Based on preliminary data, 180,000 filings in the district courts are projected for the 12 months ending next June, and this will constitute about 450 cases per judgeship, an increase of 42% since 1970. (No additional judgeships have been provided since 1970.)

A wide range of changes in procedures and methods, and longer hours of work, produced one large improvement. The average disposition per judgeship in 1975 was 371 cases, up 27% from 292 in 1970. Nevertheless, the rising tide of new filings outdistanced the increased output, so that 355 cases per judgeship awaited disposition in 1975, compared to 285 in 1970.

A similar situation prevails in the courts of appeals. Congress last increased appellate judgeships in 1968, when about 282 appeals per judgeship were filed; in 1975, the figure was 515. Projections suggest about 19,400 appellate filings this year, or 600 per judgeship, a phenomenal 113% increase since 1968, the year the present number of courts of appeals judgeships was established. In 1968, 6,615 cases awaited disposition in the eleven courts of appeals, and as of July 1, 1975, it was 12,128.

These figures are presented in terms of judgeships, the one constant by which we gauge judicial workload, and an obviously crucial element in our ability to provide the kind of justice the public expects. The number of judgeships is therefore a vital consideration.

In 1972, in compliance with an act of Congress, the federal courts presented detailed statistics elaborating on the figures recited above along with projections for 1972–1976 anticipated filings. Those figures showed a need for 52 additional judgeships and 13 additional courts of appeals judgeships to meet the swiftly growing burdens. There have been various unsuccessful legislative attempts to provide even a fraction of the additional judgeships recommended by the Judicial Conference in 1972. Currently, legislation to provide 45 additional district judgeships, approved by the Committee on the Judiciary chaired by Senator Eastland, awaits full Senate action and a bill to provide 7 additional appellate judgeships has cleared the Senate and awaits action by the House Judiciary Committee chaired by Peter Rodino. However, no judgeships have been created. The same act of Congress that required submission of these figures four years ago on needs of the courts now requires that we submit, in 1976, the figures to measure the needs for 1976–1980. What can be expected by way of congressional action to meet 1976–1980 needs when the 1972–1976 needs have not been met is problematical.

The Judicial Conference of the United States and the courts it represents have thus long since done their part. The enormous increase in court work has been recognized in part by the Senate Judiciary Subcommittee which made a painstaking, comprehensive study of the need. The Judicial Conference and the judges can do nothing more, except wait on Congress and urge prompt action. Action taken in 1967 on 1972 needs and projected needs is hardly a reasonable response.

Some areas of litigation present an especially dramatic picture: bankruptcies rose 34.3% in fiscal 1975, leaving 262,283 such cases awaiting decision as the year ended. Since then, in July through September, defaults requiring judicial intervention rose an additional 13.2% over the same period a year ago.

The picture is not all dark. There are encouraging factors:

Computerization. Experiments being conducted by the Federal Judicial Center demonstrate that an appropriate use of computers may be helpful to the courts in meeting the requirements of the 1974 Speedy Trial Act and perhaps in many other ways, including the transcribing of court reports, the monitoring of dockets, and avoiding conflicts in the schedules of attorneys.

United States Magistrates. Much work done by federal judges themselves in the past can and should be performed by other professional support personnel, including United States magistrates. Now in its fifth year, the magistrates program has proved its value. In fiscal 1975 the magistrates disposed of 255,061 matters that otherwise would have rested with federal judges. This was a one-year rise of 5%. Thirteen full-time magistrate positions were added this past year by the Judicial Conference, making 143 such magistrates in addition to the part-time magistrates.

Three-Judge District Courts. Congress has modified the statutes relating to these courts, reducing their availability and the consequent right of direct appeal to the Supreme Court. However, the law still permits use of 3-Judge District Courts for cases that could better be tried by a single judge, subject to review by the courts of appeals. The Senate has enacted remedial legislation and it awaits House action.

Prisoner Petitions. Fully a sixth of the 117,000 cases of the civil docket* of federal courts (19,000) are petitions from prisoners, most of which could be handled effectively and fairly within the prison systems. Norman Carlson, Director of the Federal Bureau of Prisons, has developed simple, workable internal procedures to deal with prisoner complaints, and the past year's experience demonstrates their value. Perhaps as a result of these procedures the rise in petitions from federal prisoners in fiscal 1974 slacked off to 1.2% in fiscal 1975. The flood of such petitions from state institutions continued to rise, however. There were 14,260 such requests from state prisoners in the fiscal year ending June 30, a 6.2% rise in a year. Federal judges should not be dealing with prisoner complaints which, although important to a prisoner, are so minor that any well-run institution should be able to resolve them fairly without resort to federal judges.

State Courts. The state courts, which have been without a strong, central spokesman and supporter, now have the National Center for State Courts to study their common problems and chart improvements. In its fifth year, it is still supported primarily by private and federal funding, and soon the states must assume this as their proper obligation.

Supreme Court. The Supreme Court continues to face problems. Month after month the Justices of the Court face a caseload almost four times as much as that which confronted the Court in 1920's and 1930's. Measured by whatever standard, the Court's work has vastly expanded. (One yardstick is the number of full signed opinions. In the first three years of Chief Justice Earl Warren's tenure, 1953–55, there were an average of 91 signed opinions each year. In the past three years the average has been 134.

Congressional action is needed on:

(1) The abolition of the remaining category of three-judge federal district courts, thus eliminating direct appeals from them to the Supreme Court.

(2) Removal of diversity cases from the federal courts. Availability of federal courts simply because the opposing litigants happen to be residents of different states is no longer founded on a realistic basis of need and "diversity cases" (representing nearly a fifth now of the 160,602 district court cases) belong in the state courts. Congress should act to amend the statutes relating to diversity jurisdiction of federal courts. Congress should promptly transfer all diversity of citizenship cases, representing 20% of the caseload on 403 federal trial judges to the state courts where they would be divided among more than 5,000 state trial judges. Obviously, this would add no undue burden on the latter.

The gross inequity toward salaries of federal judges, in common with 12,000 other high-level federal officials, continues, relieved only by the 5% increase late in 1975. At the same time, retired federal judges have received only a 5% increase since 1969, in common with active judges. By contrast, all other retired federal employees have received a 69% increase in their retirement pensions. During the past two years more federal judges resigned for economic reasons to return to private life than in the previous 35 years. This will continue unless Congress acts to remedy this grave unfairness.

All this makes up a long catalog of problems balanced in part by some heartening developments, but in the large perspective of two centuries of national life we can at least take heart. No nation has done more to protect private freedom while conducting successfully the experiment of self-government begun in 1776. As we try to look forward into what another century will bring, we can be optimistic about the prospects of justice in this country provided we relate the burdens placed on the courts to their capacity to perform and provide the necessary tools and personnel.

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*Habeas corpus petitions are *civil*, not *criminal* proceedings.

TWIN CITIES IS PACE-SETTER IN LOW INCOME HOUSING PROGRAM

Mr. HUMPHREY. Mr. President, in 1975 Congress enacted the Housing and Community Development Act to provide Federal assistance for housing and community facilities in urban and rural areas. One of the provisions of the bill included a new low-income housing program, known as section 8, which is designed to give low and moderate income families a greater variety of housing from which to choose their place of residence. While HUD has been extremely slow in implementing this program, the first signs of life are finally appearing.

I am proud to say that the 13 communities in the Twin Cities region of my State have taken the lead in utilizing the section 8 program to provide true equal opportunity housing. While city and suburbs in other regions have been struggling over who should house the low-income residents, these 13 communities have cooperated, allowing low-income recipients of the subsidy program to bid for housing in the core city or the surrounding suburbs.

Other areas are already watching the Twin Cities model closely, in the hope that they can pattern their own low-income housing programs after the fine example of the Twin Cities.

Mr. President, I recommend that my colleagues study the innovative and creative cooperation that the communities in the Twin Cities region have developed in executing their low-income housing program. Since I think the example they set is of national interest, I ask unanimous consent to have printed at this point in the Record a recent article from the New York Times by Ernest Holsendolph titled, "Minneapolis Area Begins Rent Plan." I urge all of my colleagues to read this informative article.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Nov. 23, 1975]

Minneapolis Area Begins Rent Plan—U.S. Subsidy To Enable Poor To Get Suburban Housing

(By Ernest Holsendolph)

St. Paul, November 22.—Housing officials in this far north metropolitan community have begun a plan to use the 1974 Housing and Community Development Act to promote racial and economic residential integration in a way that could become a national model.

The mechanism for the plan is the rent subsidy section of the housing act, which permits the Housing and Urban Development Department to assist low-income families in paying rents that would normally be out of their reach.

In typical applications of the rent subsidy program, residents of a city may apply for rent subsidies for apartments within the city borders. But in 13 communities in the Minneapolis-St. Paul area, any low income resident in the subsidy program may bid for an apartment either in the two core cities or in surrounding suburbs.

The Minneapolis-St. Paul plan, which may soon be duplicated by Louisville and Jefferson County in Kentucky, fits the spirit of the Section 8 housing program, which was designed to give a choice to poor and minority families as to where they will live.

FOCUS OF INTEREST

Of national interest in the Twin Cities program is the question of how the poor and the minorities will select housing. Trudy McFall, housing manager for the Metropolitan Council of Government of the Twin Cities, and her staff have community surveys that show that minorities and the poor prefer to live in suburbs, if given a choice.

The studies have attracted some skepticism. Gleason Glover, executive director of the Minneapolis Urban League, says: "We think there is a correlation between education level and income, and the willingness of an individual to live in the suburbs. Most of the blacks who qualified for the program will not be interested in moving out of the city."

The council, which is administering the program, has been authorized to give rent supplements to 500 families in the initial phase. The annual cost to the Government will be $1.1 million over the next five years. Families will be limited to "safe, sanitary but modest" apartments, according to Mrs. McFall.

LIMIT ON RENT

In this area the limit on the price of apartments will be $194 for a two-bedroom unit, the price to include all utilities except telephones. This is the established "fair market" rent for this area.

Families would pay no more than 25 percent of their income for rent, with the Federal housing agency paying for the difference between the family contribution and the "fair market rent."

When the Metropolitan Council advertised its 500 rent-subsidy units, 900 applicants came forward immediately, Mrs. McFall said in a recent interview, about 250 from the inner city.

"We will give priority to the poorer applicants," she said. "We are especially concerned about giving our center-city residents more choice and mobility."

Census figures show that the 32,000 black residents of the Twin Cities are about 6 percent of the population and that 98 percent of the blacks in the metropolitan community live in the two large cities, with the remainder in the suburbs.

The number of black citizens in the community equals the other minority groups—Spanish-speaking, Indians and others—combined.

MINORITY CONCENTRATION

The Twin Cities contain no rundown neighborhoods comparable to those in many other major cities with larger minority populations. The greatest minority "concentrations" are in the near North Side of Minneapolis and in South Minneapolis, officials say but even in those areas blacks are only about 50 percent of the community populations.

Under the program, participants will shop for their own housing, negotiate the occupancy terms and sign leases with the landlords.

Mr. Glover said he is concerned about the effect of the direct-subsidy programs on central-city housing programs. He hopes that the subsidy program will spur the rehabilitation of central-city housing so that poorer families can choose between those units and public housing.

Almost no one expects that animosity against minorities will be a large factor. "We are not afraid of the race issue here," said Richard A. Brustad, the director of Minneapolis Housing and Redevelopment.

But Minneapolis officials, fully aware of the interest in their program, say they will study it carefully and present progress reports from time to time.

THE PITTSBURGH STEELERS

Mr. HUGH SCOTT. Mr. President, although I have always considered myself a graceful winner, I feel compelled to advise the few Members of this distinguished body who may have missed yesterday's National Football League's contest that the Keystone State's Pittsburgh Steelers dealt a mighty blow to the Lone Star State's unsuccessful challenge in Super Bowl X.

I do not mean to dwell on this obviously one-sided contest but I did want everyone, especially the distinguished senior Senator from Texas, to realize the significance of yesterday's debacle.

The game is already being labeled the finest of all the Super Bowls of the past decade. And indeed it was. Rarely have I seen such a unified team effort both defensively and offensively. At times it reminded me of our Republican efforts to fight excessive legislation. And as with our efforts, right inevitably conquers might.

Because the Commonwealth of Pennsylvania is blessed with professional teams like the Steelers, Flyers, and Pirates this type of victory speech is becoming a routine for us Pennsylvania legislators. Therefore, I thought it might be appropriate if for future victories we produce a tape recording for distribution to all our colleagues. I am sensitive to how very painful these defeats must be to everyone and I thought Members might prefer to listen to our soliloquies in the privacy of their offices.

Unfortunately for Senator Tower, the remorse is not yet complete. At 2 today directly outside this Chamber the senior Senator from Texas will proudly sport a Steelers' black and gold jersey for all to admire. I invite all Members to join me in applauding one of the Senate's best dressed men as he again proves the worthiness of that title.

I guarantee the fashion show will be as entertaining as yesterday's romp in Miami.

THE FAIRNESS DOCTRINE: BIG BROTHER IN THE NEWSROOM

Mr. PROXMIRE. Mr. President, an article in the December 1975 issue of the American Bar Association Journal, "The Fairness Doctrine: Big Brother in the Newsroom," does a good job of summarizing the arguments for and against governmental control of broadcast news.

The author, Jerome L. Wilson, is a practicing attorney in New York City and a former broadcaster.

I cannot say that I agree with everything he writes in this article. Yet, it is worth reading and pondering. I especially question his "appealing middle-ground" solution to the constitutional problem of governmental regulation of broadcast content. That middle ground "is to preserve the requirement that broadcasters have an affirmative duty to provide news coverage of public issues but to eliminate the fairness doctrine's second requirement as to how that is done."

My objection is not that broadcasters do not have such a duty. I believe they have. But there are two kinds of duty: that required by a moral obligation and that required by a legal obligation. To make news coverage a legal obligation flies in the face of the first amendment. For to keep such a duty in the United States Code is to beg governmental action, and the Constitution forbids the diminution of press freedom by the Government.

The duty Mr. Wilson would retain in the law is one that the Federal Communications Commission has never enforced, according to Henry Geller, a former General Counsel of the FCC.

Reason dictates that if the duty to program news of public issues were the sole remaining requirement left in the law that it would be enforced. And that enforcement would soon be the subject of the same type of web of administrative law that now exists. We would have a distinction without a difference.

The primary reason the first amendment protects speech and the press is to protect the citizens from their Government's assuming more powers than granted by the governed. A secondary reason is to recognize that people think for themselves. That, in turn, is premised on the conviction that most people will reason justly and that they will carry that reasoning into the voting booth.

Last July in a statement on this floor I noted that a Federal court panel had ruled unconstitutional parts of the New York State Fair Campaign Code that sought to control what a candidate says, even when leveling racial attacks on an opponent or when deliberately misrepresenting the qualifications of his opponent.

The court panel said that—

> When the State through the guise of protecting the citizen's right to a fair and honest election tampers with what it will permit the citizen to see and hear even that important state interest must give way to the irresistible force of protected expression under the First Amendment.

Now the Supreme Court of the United States has allowed that lower court decision to stand.

Surely if the Supreme Court can tolerate racial slurs and lies by political candidates in order to protect the greater good for not interfering with the citizen's right to think for himself and herself the Court someday must also recognize the parallel to broadcasting.

So far, the Supreme Court has tolerated governmental control over the content of broadcasting.

The "enormous power" of the networks Mr. Wilson discerns as the fear of those who support governmental controls over broadcast content is a fictional monster. This fear makes two basic assumptions that are wrong: That every person thinks the same; that persons are incapable of disagreeing with what they see and hear.

Why is it that the courts can understand that a voter can decide for himself or herself whether a candidate lies but cannot understand that a radio listener or a television viewer can make the same judgment about an untruthful newscast or documentary? It is not the government's role in a democracy to arbitrate truth.

Mr. President, I ask unanimous consent that Mr. Wilson's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Bar Association Journal, Dec. 1975]

THE FAIRNESS DOCTRINE: BIG BROTHER IN THE NEWSROOM

(By Jerome L. Wilson)

From both ends of the political spectrum come pot shots at the fairness doctrine—that web of rules of the Federal Communications Commission that has its greatest effect in the radio and television newsroom. It is inhibiting sound journalistic coverage of the news, but it needn't be thrown out entirely. There is an appealing middle ground good for both the broadcasters and the public.

It's open season on the fairness doctrine. In fact, in some circles if you don't take a ritualistic pot shot at it once in a while, someone might think—God forbid—that you're soft on the First Amendment. Why the fuss over what is a fragile and some would say feeble attempt by the Federal Communications Commission to set up some kind of outer limits as to what goes out over the public airways? And why do politicians ranging from Sen. William Proxmire to Sen. Roman Hruska, from left to right, so to speak, come down so hard on what is at first blush a modest federal guideline?

One answer to this conundrum may be that the arguments against the fairness doctrine have a beguiling simplicity. They read like a textbook syllogism: (1) A fairness doctrine for newspapers would not be countenanced because of the "free press" provisions of the First Amendment. (2) Television and radio have been held to have First Amendment "free press" protections. (3) Therefore, to permit a fairness doctrine for radio and television is to countenance a constitutionally impermissible double standard.

The defenders of the doctrine, on the other hand, have a tougher road. Theirs is to defend a jerry-built structure of longish F.C.C. pronouncements, a backhanded recognition by the Congress that the doctrine does indeed exist, and F.C.C. case law that is at best unsettling. The whole teeters rather precariously on a disputable premise, namely, that there is a scarcity of broadcast outlets in the country today. All this is in the name of the elusive concept that broadcasters can be made to treat public issues fairly—to a standard set by a federal commission.

But before entering the fray to defend, or perhaps to offend, the fairness doctrine, we should describe what it is. In a way the doctrine is a two-pronged fork used to poke at broadcasters. One prong requires that the operator of a radio or television station devote a reasonable percentage of the station's air time to the coverage of public issues. The second prong requires that this coverage be "fair," in that contrasting points of view should be aired. This is really the "fairness" aspect of the doctrine.

Many times this second prong is confused with the catchier concept of "equal time," even by broadcasters themselves. But unlike the fairness doctrine, the equal time provisions of Section 315 of the Communications Act (47 U.S.C. § 315(a)) applies only to programs featuring candidates for public office, and regular news shows are exempt from equal time provisions. The fairness doctrine, on the other hand, applies to all of a station's public affairs programing, including news broadcasts.

The equal time rule, however, is by no means inconsequential. It applies to any station-sponsored, political debate, and it can represent stop watch journalism at its worst. For under equal time all candidates for a particular office, no matter how minor the office or the candidate, must be given equal air time, right down to the second, if any one of the other candidates is given time. As a consequence, many stations and the networks avoid these debates altogether. Since "equal time" has come to mean "no time," Section 315 is hardly more than a bad joke that Congress has played on broadcasters and the public. Furthermore, it remains to be seen whether the recently approved F.C.C. exemptions to the equal time rule—for political debates not sponsored by broadcasters and for candidate press conferences—restrain the rule's current inhibitory effect.

COVER THE NEWS, BROADCASTER

The fairness doctrine, on the other hand, is no joke. In fact, even its critics should be willing to acknowledge that it is an earnest attempt by our representative government to trammel what is an awesome power in private hands. Who is to gainsay, for example, that without the fairness doctrine the commercial networks would not abandon their costly news divisions and replace Cronkite, Chancellor, and Reasoner with round-the-clock "I Love Lucy," Cher, and other popular entertainment? Some have charged that the doctrine's first requirement—the affirmative obligation to give reasonable coverage to public issues—somehow inhibits broadcast journalism. But, in point of fact, broadcast journalism may owe its very existence to this aspect—which says in effect: Cover the news, broadcaster, or lose your license.

Actually, it's the second requirement of the doctrine—the one about requiring airing contrasting viewpoints—that causes most of the trouble. For here the F.C.C. gets into *how* broadcast journalists are to cover the news, not *whether*.

THE F.C.C. REGULATES THE NEWS

The F.C.C. maintains in its latest fairness doctrine pronouncement, 48 F.C.C. 2d 1, 7 (1974), that this second aspect of the fairness doctrine should not inhibit broadcast journalism any more than the first. But this assurance has not been followed in practice. Marching under the banner of balancing viewpoints, the commission has made one foray after another into the precincts of broadcast journalism. Most frequently these incursions have been over the terrain of the prime-time network news specials. On occasion fairness attacks have come in other areas; a few years ago a right-wing radio station, for example, was pitched off the air because of unfairness. But this is not the typical case.

What is typical is the F.C.C.'s sitting in judgment as to whether the C.B.S. news documentary, "Hunger in America," was slanted to exaggerate the hunger problem, or whether another news documentary by C.B.S., "The Selling of the Pentagon," was deliberately distorted to be unfair. More recently, the F.C.C. considered and then found wanting the N.B.C. news documentary, "Pensions: The Broken Promise," for not giving adequate time to the more cheerful aspects of the nation's pension picture.

These F.C.C. examinations, and in the N.B.C. "Pensions" case condemnations, were all made by an agency that purports to believe that individual broadcasters should exercise wide journalistic discretion. But journalistic discretion in many instances is clearly out the window when it comes to fairness compliance. In fact, in its own regulations the F.C.C. promulgates a very nondiscretionary checklist for broadcasters. Among the questions: Is the subject of the news documentary sufficiently important, and controversial, to require fairness? Are contrasting viewpoints presented? Was a good faith effort made to find them if they were not presented? Are more than two contrasting viewpoints appropriate? Are genuine partisans used? And, finally, is the amount of air time granted to each side reasonable?

EQUAL TIME BY THE BACKDOOR

This last question, the F.C.C. protests, does not mean strict equal time. The commission admits, however, that frequently in judging "fairness" complaints, it gets down to "weighing the time allocated to each side." The danger here is obvious—the fairness doctrine is becoming an equal time requirement by the backdoor. More ominously, "fairness" brand of "equal time" applies to newscasts and news documentaries—categories specifically exempt from the "equal time" law. No wonder some broadcasters get "fairness" and "equal time" confused. When you get down to the level of the newsroom, they frequently end up meaning the same thing.

In addition to its guidelines, the F.C.C. in its case holdings and in dicta sets out elaborate directives for broadcast journalists. They include how film interviews should be edited, how many times news sources should be checked, rules for investigative reporters, and prohibitions against staging news events. The result is that scarcely a broadcast news decision is made without a backward glance to the F.C.C. and its fairness bulldog. To cover a fire, a broadcaster does not have to afford air time to pyromaniacs, but let there be an investigative news report of a societal wrong—typical of the best of American journalism—and woe be to the broadcaster who doesn't put on a spokesman able to discredit the entire effort and say that everything is just rosy.

A CONSTITUTIONAL CHALLENGE BECOMES MOOT

This whole situation dampens journalistic enterprise, turns the F.C.C. into a big brother editor, and exposes the entire fairness scheme to constitutional attack. As a matter of fact, recently the Supreme Court in *Miami Herald Publishing Company* v. *Tornillo*, 418 U.S. 241 (1974), held unconstitutional what amounted to a fairness doctrine for newspapers, throwing out a Florida right-to-equal-space law for persons attacked by a newspaper. The statute was found to violate the First Amendment's guarantee of a free press.

When the logic of *Tornillo* is coupled with the editorial freedom of broadcast journalists, specifically recognized by the Supreme Court in *Coumbia Broadcasting System* v. *Democratic National Committee*, 412 U.S. 94 (1973), there is clearly the makings of a constitutional case. Although the roar of *Red Lion* may protect the doctrine itself from a challenge (*Red Lion Broadcasting Company* v. *F.C.C.*, 395 U.S. 367 (1969)), the F.C.C.'s expansive interpretations of the doctrine's contrasting viewpoints requirement could well be vulnerable. And the F.C.C. may know it.

Recently the United States Court of Appeals for the District of Columbia Circuit agreed to another hearing of its reversal of the F.C.C.'s finding against N.B.C. in the "Pensions" case. But the F.C.C. begged off. It lamely told the court that N.B.C.'s fairness violations were now moot because Congress had since passed pension reform legislation. Sensing weakness, N.B.C.'s lawyers contested the mootness suggestion, but the court, mercifully for the F.C.C., vacated both the commission's original order and its own reversal, thus wiping the slate clean.

THE FUTURE OF THE FAIRNESS DOCTRINE

What then should be the future of the fairness doctrine? Should it be discarded entirely, leaving broadcasters with no more restrictions than those on the publishers of newspapers or magazines, or should a government regulatory body continue to be given the task of deciding what is journalistically "fair" over the public airways?

Notwithstanding F.C.C. Chairman Richard E. Wiley's recent suggestion that the doctrine experimentally might be taken off the backs of big city radio stations (a proposal that may never see the light of day), the commission appears determined to stay in the fairness business.

For all the talk in *Red Lion* about the scarcity of broadcast outlets, what it really gets down to is whether you trust the networks to use their enormous power wisely. If you feel, as Sen. John Pastore does, that without the fairness doctrine the national airways would become the private propaganda preserves of the networks, then obviously you want regulation. On the other hand, if you feel the broadcast journalists have come of age and their place is secure, then your choice could well be abolition.

But there is also an appealing middle ground. This is to preserve the requirement that broadcasters have an affirmative duty to provide news coverage of public issues but to eliminate the doctrine's second requirement as to how that is done. In short, throw out the contrasting viewpoints formulation but keep the rest. This would protect broadcast news operations from commercial extinction, and at the same time it would pull back a federal regulatory agency from an area in which constitutionally it is probably in way over its head.

Of course, there are those who would be distrustful of even this proposal. But perhaps they should heed the language of Chief Justice Burger in the *C.B.S.* case. Referring to both newspaper and broadcast news editors, the chief justice said:

"Calculated risks of abuse are taken in order to preserve higher values. The presence of these risks is nothing new; the authors of the Bill of Rights accepted the reality that these risks were evils for which there was no acceptable remedy other than a spirit of moderation and a sense of responsibility—and civility—on the part of those who exercise the guaranteed freedoms of expression.

Such is the dare of the First Amendment. Rightly or wrongly it is left to private journalists to determine what is the news. At the very least the fairness doctrine should be made to conform with this traditional concept of "free press."

CONGRESS IS TRYING TO RIVAL SANTA

Mr. THURMOND. Mr. President, columnist John Chamberlain published an article December 24, 1975, in the Augusta Chronicle newspaper, Augusta, Ga., entitled, "Congress Is Trying To Rival Santa."

This article points out that the present Congress is quick to provide all types of benefits to our citizens but has no will to balance the Federal budget.

Unfortunately, this policy which is being followed by a majority of the Members will eventually lead the U.S. Government to the type of financial problems faced by New York City.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Augusta Chronicle, Dec. 24, 1975]

Congress Is Trying To Rival Santa

(By John Chamberlain)

Congress, as the year draws to a close, is still trying beat Santa Claus at his eleemosynary game. The difference between our legislators and the legendary Saint Nick, however, is that Christmas, to the average Congressman, is a one-shot proposition. It's this year's stocking that Congress wants to fill, not the stockings that will be hung by the chimney throughout all the decades to come.

Everywhere you look the game is to take the short-run gain at the expense of the long future. Congress wants to give the voters a tax cut. That will be a most welcome gift in anyone's stocking. But Congress has no will to balance the Federal budget, which means that the inflationary printing presses must run to destroy the buying power of our money for all the Christmases of the later '70s.

The supporters of detente are all well-meaning Santas. They want to give us a present of peace. Their desire is quite in the spirit of Christmas, and the money they save by cutting down on the military budget will be gratefully accepted by all the beneficiaries of HEW when it is transferred to the welfare side of the ledger. But Admiral Elmo Zumwalt, for one, has detailed the probable future cost of playing Santa with money that should be going to keep the U.S. from becoming a second-rate military power.

The odds are two to one that the Soviet navy will be able to cut essential sea lanes leading to the U.S. in case of a repetition of the Cuban missile crisis of 1962. We let the Russians make a quantitative gain in missile strength at the SALT I conferences. Under SALT II we propose to bargain away whatever qualitative margin we still possess.

In case of a confrontation, the Soviets are surely in a position to make us back down without a fight. So we'll get the gift of peace. Unfortunately, Soviet control of the seas would also mean control of the 40 per cent of our oil supply that comes from foreign sources. The Russians already have naval support facilities in Somaliland that threaten our oil line to the Persian Gulf. Soon, if our well-meaning Santas have their way, we may lose the capacity of keeping the Soviets from building their own naval bases in Angola, or even in Portugal.

Willy-nilly, our Santas in Congress seem bent on giving us the gift of isolation. So, when we are dependent on our own domestic sources of energy, what suffering will be forced upon us? Congress wants to give U.S. automobile users the gift of cheap gasoline for 1976. It is likely to be a short-run present. We are in our fifth consecutive year of decline in domestic production of oil.

When the oil industry was denied its old depletion allowances, the demand for drilling tools declined 25 per cent in three months. Since deeper wells must be drilled to tap new supplies, the cost of producing a new barrel of oil is $12.84, according to an Energy Research Associates Group speaking for the Texas Independent Oil Producers. The $5.25 that the government allows for oil discovered before 1971, which represents some 60 per cent of our reserves, can hardly finance the drilling of new wells.

Our Santas want to give us natural gas at a low controlled price of 52 cents per 1,000 cubic feet for interstate shipments. The gift, however, is essentially meaningless, for gas can be sold inside a producing state for three times what it brings in the national market. New Texas wells have been coming in at 13,400 feet. To pay the cost of drilling at that depth the gas must be sold to Texas users. So our Santas are dealing in illusion when they profess to make a present of cheap natural gas to industries in the industrial Northeast.

Since 'tis the season to be jolly, one risks being confused with Scrooge by asking our Congressional Santas to think of the future as well as of the present. Scrooge, however, said "bah, humbug" to every manifestation of charity. We say "bah, humbug" only to the false charity that impels Congress to the disastrous course of filling stockings with other people's money seized by a very un-Christian type of compulsion. Christmas is supposed to be for the real Santa Claus, not for Robin Hood in a fake white beard.

THE SOCIAL COSTS OF UNEMPLOYMENT

Mr. HUMPHREY. Mr. President, we are ignoring one of the most significant undesirable aspects of unemployment. Our debates have in the Senate, in the House, and especially within the administration, focused on the direct economic costs of unemployment—lost wages, lost production, higher welfare costs, and idle capacity in our plants and mines.

These are all significant costs, and do, in fact, accurately reflect the diminution of living standards from unemployment. But they are far from the only costs of unemployment.

I and many of my colleagues have suspected for years that unemployment breeds crimes against property. We have also long suspected that some illnesses—perhaps mental depression or fatigue—become more prevalent in times of economic recession.

Proof of many of these so-called social costs of unemployment has heretofore been lacking. The data relating unemployment to mental disorders, or fluctuations in real GNP to aggression or infant mortality, has been scarce, inconsistent in form and expensive to compile. As a result, there are literally only a handful of researchers evaluating these aspects of the social costs of unemployment.

This is a topic that I and the Joint Economic Committee will be devoting resources to in the next few months. We intend to quantify as much as possible the social costs of unemployment—the impact of social unemployment on a wide variety of social indicators such as suicides, homicides, mental illnesses, crimes against property, heart and kidney disease, and so on.

There has been some excellent, preliminary work done in this field by Dr. M. Harvey Brenner of the Johns Hopkins School for Public Health. Dr. Brenner has agreed to provide a focus for the Joint Economic Committee's efforts in this area.

Dr. Brenner testified Monday, December 8, before the Joint Economic Committee's field hearing in Atlanta, along with Dr. Allen Ault, director of Georgia Department of Offender Rehabilitation. The impact of their testimony was striking, and I want to share it with my colleagues.

In summary, Dr. Brenner noted the results of several published and unpublished statistical studies he has conducted, to wit:

Mental hospital admissions in New York State over the past 125 years rose and fell directly with economic down- and up-turns.

An identical relationship exists for all States since 1928 when adequate data first became available nationwide.

Suicides by males and females fluctuate directly with economic downturns, with a lag of only 1 or 2 years.

Cardiovascular-renal disease mortality—heart, cerebrovascular, and kidney disease deaths—peak consistently 3 years on average after economic downturns—regardless of size.

Renal kidney disease mortality peaks 1 to 2 years following economic downturns while cerebrovascular disease peaks 7 to 9 years following each economic downturn.

Distilled spirit consumption—excluding beer and wine—peak less than a year following economic slowdowns.

Cirrhosis of the liver mortality increases approximately 2 years following recessions.

I ask unanimous consent to have printed in the RECORD copies of testimony by Drs. Brenner and Ault on December 8, as well as two studies by Dr. Brenner entitled "Economic Changes and Heart Disease Mortality" from the American Journal of Public Health, volume 61, No. 3, March 1971; and, "Fetal, Infant, and Maternal Mortality During Periods of Economic Instability," from the International Journal of Health Services, volume 3, No. 2, 1973.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOCIAL STRESS AND THE NATIONAL ECONOMY: RECENT FINDINGS ON MENTAL DISORDER, AGGRESSION, AND PSYCHOSOMATIC ILLNESS

(Testimony by M. Harvey Brenner, Ph. D., the Johns Hopkins University, Baltimore, Md.)

ABSTRACT

There is now substantial evidence that trends in national economic indicators have a profound influence on the state of mental and physical health of the general population, as well as on aggression and other criminal behaviors. These basic relationships were discovered during the past three years at The Johns Hopkins University, and earlier at Yale University, by Brenner and his associates. In general, the national rate of unemployment, adverse changes in per capita personal income, and the annual rate of inflation (in that order) have the most serious effects on national levels of health and well-being.

In this testimony, some of the effects of adverse changes in the economy were presented. Examples of these effects related to mental disorders, suicide, homicide, heart and other vascular diseases, alcoholism, and infant and maternal disorders.

In November of 1973 the book *Mental Illness and the Economy*, by M. Harvey Brenner, was published by Harvard University Press. This work offered the first findings that a major indicator of change in the incidence of mental disorders in the population is related to instabilities in the national economy. In fact, it was found that national economic trends were the single most important factors in trends of admissions to mental hospitals in New York State annually from 1841 to 1967. The strategy of research in this work was meant to deal with two outstanding issues in the causation of mental disorder. One was the strong assumption, traditional in the mental health professions, that social environmental stress is an important precipitant of mental disorder; yet an equally strong tradition assumed that a "defective" personality structure, associated with aberrant child rearing practices or biogenetic influence, is most responsible for the development of mental disorder.

The second major issue was based on the consistent finding in over 40 studies in as many years that the prevalence of mental disorder was found in inverse proportion to the socioeconomic structure of the population. This finding, that the lower the socioeconomic status of a population sub-group the higher was its rate of mental disorder, was perhaps the most consistent finding in the field of psychiatric epidemiology. The question was raised as to whether social environmental stresses, presumably greater at lower socioeconomic levels of the population, were in fact responsible for this relationship. A major alternative hypothesis was that the causal connection in the major relationship may be opposite from the initial assumption; that is, mental disorder may bring about lowered socioeconomic status rather than decreased socioeconomic status increasing the level of mental disorder. In this alternative hypothesis the mentally ill population was thought to be less competent in a competitive labor market, and the relative incompetence of this population allegedly pushed it into lower socioeconomic positions.

Mental Illness and the Economy was an attempt to grapple with both of these major questions. It began with the position that both the biogenetic and aberrant child rearing schools of thought, as well as the environmental stress school were correct in their formulation of the causation of mental disorder. The problem was that they had earlier been thought to be competitive rather than interactive formulations. In the new formulation, each group of factors was seen to be necessary in the causation of mental disorder, but only in interaction with other factors was a sufficient explanation possible. The theoretical position of *Mental Illness and the Economy* was therefore that biogenetic and aberrant socialization factors were largely responsible for an individual's being predisposed toward a pathological (or mentally disordered) reaction to environmental stress. However, the environmental stress was necessary in order to stimulate pathological reactions.

The second major issue was, in this conception, linked to the first. That environmental stress is a necessary factor in the causation of pathological reactions (especially depressive, schizophrenic, involutional, psychoneurotic, and transitional situational reactions) is crucial in the problem of whether or not lowered socioeconomic status precipitates mental disorder. An answer to this question would depend on whether downward changes in the socioeconomic status of individuals would lead to increases in the incidence of mental disorder among those individuals. Fortunately, much of the history of economic research over the previous fifty years has demonstrated that the socioeconomic status of populations depends heavily on the progress of economic development and the stability of the national economy.

The hypothesis was then offered that downward changes in the level of employment and income for a population would be followed by increases in the rate of pathological reactions. The measure of change in the incidence of mental disorder used in *Mental Illness and the Economy* was the traditional indicator, and indeed the only extant indicator for lengthy historical periods. It was first admissions to state and private mental hospitals for specific categories of mental disorders. The data were obtained for New York State because that state has had one of the best data collection systems in the country, is one of the few states to have such data continuously back to the mid-nineteenth century, and until recently has had the largest mental health system of any state in the United States.

The hypothesized inverse relationship between economic changes and a principal indicator of the incidence of mentally disordered reactions was found for New York State, annually, for over a century and a quarter. Subsequent to publication of *Mental Illness and the Economy*, the question was raised as to whether the relation between economic downturns and mental hospital admissions was in some way peculiar to New York State or could be found for the United States as a whole. This question was investigated using the data for the United States as a whole and separately for each state for 1928–1968. The findings of the United

States study were nearly an exact replica of those for the state of New York, particularly when age-specific mental hospital admissions were considered. The total United States study (awaiting publication) was again followed by an analysis that brought the findings as nearly up-to-date as is possible given the availability of data for the United States as a whole or any state (1970–1973), depending on the availability of data from each specific state.

This work on the relation of changes in the economy to mental hospital admissions in turn raised two issues. The first is whether among many types of environmental stress, adverse changes in the economic situation was among the most important, or encompassed many other types of stress. The second question was whether adverse changes in the economy were actually producing an increased rate of psychopathological reactions or only increases in the rate of mental hospitalization. The empirical evidence from a careful examination of the detailed findings on mental hospitalization (by age, sex, ethnicity and prior history of mental disorder) tended to support the view that increased psychopathology followed downturns in the economy no matter how small. Nevertheless, the mental hospitalization studies did not provide prima facie evidence of the link between the economy and symptoms of mental disorder.

In an effort to find "obvious" measures of the incidence of psychopathology in the population, mortality data were examined by myself and others. Specifically, mortality associated with psychopathology itself or psychosomatic illness became the object of intense analysis. These sources of mortality included suicide, homicide, cardiovascular-renal disease and cirrhosis of the liver. Suicide has long been associated with clinical depression and represents one of the greatest concerns of the mental health professional for his patient. Homicide is an extreme manifestation of aggressive behavior and occurs with greatest frequency within families or among individuals known to one another.

The cardiovascular-renal diseases (heart disease, cerebrovascular disease, and kidney disease) have long been associated with the influence of mental stress through the mechanisms of hypertension and elevated serum cholesterol levels. Most important, however, is that mortality from the cardiovascular-renal diseases account for 70–80 percent of mortality in modern industrialized societies. Cirrhosis of liver mortality has been associated with bouts of extraordinarily heavy use of alcohol—a phenomenon which has been found related to periods of severe mental stress.

Overall, then three general areas were investigated in terms of the impact of national economic changes on mortality: direct indicators of psychopathology, indicators of severe aggression, and indicators of psychophysiologic disturbance. The findings for suicide and for homicide were similar to those for mental hospital admissions in the United States. The suicide rate in fact shows very little lag (within a year) after a given economic downturn, although the female suicide rate shows a significantly greater lag than the male. The homicide rate shows a distributed lag pattern, reaching a peak of 1-2 years following economic downturns.

The first findings indicated a 2–3 year lag of heart disease (especially coronary artery disease) mortality to national and regional economic trends. Since publication of the heart disease findings, research has continued and expanded the area to include all cardiovascular-renal diseases. The findings (awaiting publication) are that total cardiovascular-renal disease mortality shows a peak of substantial increase 3–5 years following economic downturns (regardless of the size of the downturn). More specifically, following economic downturns renal disease mortality shows a 1–2 year lag of increase, and cerebrovascular disease shows an average 7–9 year peak lag of increase.

Finally, cirrhosis of liver mortality shows increases approximately 2 years following economic recessions. This 2 year lag in cirrhosis mortality is also related to markedly increased consumption of distilled spirits (as distinguished from wine and beer) within less than a year following economic recessions. The logic in the relationships linking economic adversity to increased consumption of distilled spirits and subsequently to increased cirrhosis mortality may be as follows. There is a very long-term increase in the level of consumption of distilled spirits (and wine and beer) related to long-term prosperity in the United States population. Within the long-term growth rates of the economy which correspond to prosperity, there are episodic economic downturns during which there is an especially great increase in the consumption of distilled spirits. This increased consumption of distilled spirits specifically during economic downturns may indicate the use of alcohol among a large minority of the population as a depressant drug used frequently in an effort to alleviate economic stress.

The development of cirrhosis of the liver however requires a considerably longer period of time, perhaps 20–35 years. The theory would therefore be that cirrhosis was originally produced through major waves of heavy drinking over a period of 20–35 years. It would then be after such a period of long-term heavy drinking—but in response to the episodic character of economic adversity—that the liver would be so damaged that a final major bout of heavy drinking, during a fresh period of economic adversity, would ultimately bring about rapid degeneration of the liver and mortality within the relatively short period of 2 years. Clearly, the problem of alcohol abuse and alcoholism has important implications for the criminal justice system. It is reported that alcohol abuse is associated with approximately 50 percent of arrests, approximately 50 percent of automobile accidents, and up to 30 percent of mental hospital admissions.

Since publication of *Mental Illness and the Economy*, the sources of funding of these studies have included the United States Public Health Service's National Center for Health Services Research, the United States Department of Labor, National Institute of Mental Health and the United Nations. Two of the articles on this later work have been published—one representing the first findings on heart disease and one on the relation of economic change to fetal, infant, and maternal mortality. Several papers presented at national scientific meetings are awaiting publication and include the areas of cardiovascular-renal diseases and alcohol-abuse related illnesses. The findings on suicide, homicide and related acts of aggression as identified through criminal justice system sources will be presented at future scientific meetings and subsequently published in book form under contract with the Harvard University.

The issues surrounding this work have become particularly timely since the United States and other Western countries are in the most severe economic recession since the depression of the 1930's. From the standpoint of health planning and economic policy planning, it has become especially important to attempt to estimate the probable impact of the recession on mental and physical health. Indeed, from a purely economic standpoint it may be less costly in the long run to alleviate some of the harsher impacts of economic stress rather than pay the costs through the mental and physical health care systems and the criminal justice system. This estimate does not even speak to the issues of emotional stress and decreased productivity for which the indicators of hospitalization and mortality represent only the tip of the iceberg.

The findings in the above discussion are based on the most recently available government figures (although these are occasionally 2–3 years behind the current date, due to the lags in national data gathering and publication.) These findings have most recently been used by the United Nations, the National Institute of Mental Health, the National Institute of Alcohol Abuse and Alcoholism, the United States Department of Justice to estimate the effects of the current recession on problems of mental health and criminal justice. These findings have represented the major source of data on effects of economic recession on health by the United States Department of Health, Education and Welfare in Senate and Congressional testimony on the issue of national health insurance coverage for individuals experiencing extended economic adversity during the current recession.

Economic Changes and Heart Disease Mortality

(By M. Harvey Brenner, Ph. D.)

[Charts not printed in Record]

INTRODUCTION

Much speculation and an increasing amount of empirical research has been devoted to the issue of psychophysiological factors in the incidence of, and mortality from heart disease.[1-6] Among the major social stresses that may be involved in heart disease incidence or mortality are those which originate in adverse changes in the economic status of individuals. Adverse changes in economic status would restrict the degree to which individuals would be able to procure a great proportion of the goods and services valued in the society—from the most basic—such as food, clothing, and shelter—to the more lofty, including participation in the cultural, intellectual, and artistic life of the society.

The economic status of individuals is to a large extent dependent on the economic standing, growth rate, and economic stability of the society as a whole. Periods of instability, particularly periods of economic recession, force a sizable portion of the population either out of the economy, as in unemployment, or into a situation of decreased income. In either case, the effect of an economic downturn is to substantially reduce the ability of segments of the population to procure fundamental, as well as highly valued, products and services of the society. We may therefore hypothesize that the various types of stress inherent in an economic downturn might lead to an increase in heart disease mortality.

It is also a reasonable speculation that heart disease mortality might increase during an economic downturn as a result of the decreased availability, in economic terms, of medical care services. Thus, it is possible that, in reduced financial circumstances, some individuals would be less inclined to utilize medical and hospital services even in the event of rather painful and incapacitating symptoms which result in death. A larger hypothesis of the present study, therefore, suggests that either, or both, psychophysiological stress and decreased financial resources for medical care would increase the rate of heart disease mortality during an economic downturn.

DATA

The present study investigated the relationship between economic change and heart disease mortality in New York State[7] and the United States[8] over the period 1900–1967. The measure of economic change in New York State was the employment index for nonagricultural industries which was available

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Footnotes at end of article.

for the period 1915–1967.[9] Several economic studies, in addition to this one, have shown that fluctuations in the manufacturing employment index are closely related to, and highly indicative of, fluctuations in several major national economic indicators, including gross national product, industrial production, personal income, and annual wages earned and hours worked.[10, 11] For the United States as a whole, the indicator of economic change used is based on an estimate of unemployment for the United States since 1900,[12] which is unfortunately not available for New York State until 1929. In order to make the United States unemployment index consistent with other major but positive economic indicators, the inverted unemployment index was used; namely, 100.00 minus the percentage of persons unemployed. Figures 1 and 2 show the highly precise positive relationship, over time, between fluctuations in the manufacturing employment index, New York State, and the inverted unemployment index for the United States. Figure 1 shows this relationship in terms of 8- to 10-year cycles (or 4- to 5-year changes) while Figure 5 represents the relationship within smaller, 4- to 5-year cycles (or 2- to 3-year changes).

ANALYSIS

Figure 3 shows the inverse relationship between fluctuations in the New York State employment index and changes in the rate of total heart disease mortality in New York State, 1915–1967. Four different techniques were used to measure the inverse relationship between economic change and heart disease mortality. These methods included: (1) matching the economic and heart disease mortality data after long-term trends in employment and heart disease mortality were algebraically subtracted; (2) matching the economic and heart disease mortality data in terms of 3- and 5-year changes; (3) the economic and heart disease mortality data were transformed into annual changes (or first differences, in statistical terms) and examined in terms of variously sized moving averages as determined by polynomial curve-fitting; and, finally, (4) after the earlier procedures indicated the general range of the correlations and the lag between economic change and heart disease mortality, Fourier analysis [13] was used to determine the spans of time for which the relationship, based on annual changes, was optimally predictable. Thus, for example, the first three statistical procedures determined that a relationship within the −0.80 to −0.90 range of Pearsonian correlation was to be found for the New York State heart disease mortality rate.[14]

Furthermore, it appears that patterns of change in heart disease mortality lag behind changes in employment by two years. The estimate of the interval of this lag is based on the observation that the inverse relationships were found to reach their optimum negative correlation when the mortality data are lagged by approximately two years. A peak in heart disease mortality, for example, will generally occur two years after a trough in the employment index.

The next procedure was to determine, by Fourier analysis, the optimal large and small time intervals for which the relationship could be reliably observed. In the case of total heart disease for New York State, the inverse relationship is reliable for cycles as long as 8 to 10 years, or intervals of 4 to 5 years, and as short as 4- to 5-year cycles, or 2- to 3-year intervals. Figure 3, for example, shows the relationship between economic change and heart disease mortality in New York State for an interval of 4 to 5 years (represented by a sixth order Fourier curve of approximately 8- to 10-year cycles), with heart disease mortality lagging two years behind the employment index. The Pearsonian correlation coefficient for this relationship is −0.834, controlling for the effects of autocorrelated residuals.[14] Relationships very similar to the one shown in Figure 3 were found for total heart disease mortality in New York City, and for New York State except for New York City. Figure 4, for example, shows the inverse relationship, represented by a 13th order Fourier curve, between heart disease mortality in New York State, except for New York City, as against the New York State employment index. As distinguished from Figure 3 which showed the relationship in terms of an 8- to 10-year cycle, or 4- to 5-year interval, Figure 4 shows the relationship in terms of approximately a 3- to 5-year cycle or 2- to 3-year interval. Apart from the consistent cycle-for-cycle inverse relationship between the series, this relationship is slightly disturbed during the Second World War period when heart disease mortality apparently increased.

For the United States as a whole, total heart disease mortality, cross-classified by age, sex, and race, was examined in relationship to the inverted unemployment index. In order to maximize the accuracy of observation of the inverse relationship, it was necessary to subdivide total heart disease mortality into major diagnostic classifications and then into age, sex, and racial subcategories. The major diagnostic subgroupings included rheumatic heart disease, arteriosclerotic heart disease, arteriosclerosis, and diseases of coronary arteries. Among these diagnostic classifications the inverse relationship between economic change and heart disease mortality was most consistent for age and sex classifications of coronary artery disease. Figure 5 shows the inverse relationship between 3- to 5-year cycles (or 2- to 3-year changes) in the inverted United States unemployment index and coronary artery disease mortality in the United States of 60- to 64-year-old white males, as represented by a sixth order Fourier curve. Once again we may note the slight disturbance in this relationship that occurred during the Second World War and that produced a minor increase in mortality despite increased economic prosperity. Nearly the identical picture (see, e.g., Figure 6) can be observed for all 5-year age groupings of whites between the ages of 35 and 95. For blacks, the relationship is somewhat less consistent among age and sex groupings, but is nevertheless strongly inverse.

CONCLUSION

The findings of the present study clearly indicate that economic downturns are associated with increased mortality from heart disease and that, conversely, heart disease mortality decreases during economic upturns. It is difficult, at this point in the study, to ascertain whether the factors linking economic change and heart disease mortality are entirely related to psychophysiologic stress, whether economic factors in the utilization of health services have given a minor impact, or whether the relationship has some other basis. The second possibility, in any case, would not explain the 68-year inverse relationship between economic changes and heart disease mortality, especially in the case of coronary artery disease; it is only in the last six or seven years that even moderately effective methods of treating coronary artery disease have been introduced.

ACKNOWLEDGMENTS

The author wishes to thank Drs. A. M. Ostfeld and R. M. Acheson, of the Department of Epidemiology and Public Health, Yale School of Medicine, and Professor F. J. Anscombe, of the Department of Statistics, Yale University, for their consultation and critical reviews of the manuscript; E. A. Lew, of the Metropolitan Life Insurance Company, for guidance; and W. B. Leng and S. H. Markowitz for assistance in computer programing.

FOOTNOTE

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(Dr. Brenner is Assistant Professor, Department of Epidemiology and Public Health, Yale University School of Medicine (60 College St.), New Haven, Conn. 06510, and in the university's Department of Sociology.

(This investigation was supported under Contract No. 81–07–69–22, Manpower Administration, U.S. Department of Labor. Points of view or opinions stated do not necessarily represent the official position or policy of the Department of Labor.

(This paper was presented at the Forty-Third Scientific Sessions of the American Heart Association in Atlantic City, N.J., November 13, 1970. It was submitted for publication in January, 1971.)

FETAL, INFANT, AND MATERNAL MORTALITY DURING PERIODS OF ECONOMIC INSTABILITY

(By M. H. Brenner)

(One of the most sensitive indicators of the general socioeconomic level of a nation is the infant mortality rate. For industrialized societies, however, the problem of adapting to economic growth concerns less the level of economic growth than whether that growth is relatively smooth or chaotic. Thus, if there is in fact a continuing inverse relationship between economic growth rates and trends in infant mortality, such a relationship should be most accurately observed in comparisons between short and intermediate fluctuations in trends in infant mortality and in the economy. The results of this analysis indicate that significant changes in the trends in perinatal, neonatal, and postneonatal and maternal mortality occur regularly in the United States as a result of environmental change associated with economic fluctuations. The evidence indicates that economic recessions and upswings have played a significant role in fetal, infant, and maternal mortality in the last 45 years. In fact, economic instability has probably been responsible for the apparent lack of continuity in the decline in infant mortality rates since 1950.)

BACKGROUND AND CENTRAL ISSUES

The infant mortality rate has long been regarded as one of the most sensitive indicators of the general socioeconomic level of a nation (1–4). This generalization continues to be accepted despite substantial controversy in recent years (1–10). The most important evidence linking rates of infant mortality with low socioeconomic level has been derived from observations of long-term trends. Indeed, in all industrialized countries for which data are available, the secular trend of industrial growth has seemed to be inversely related to the long-term trend in infant mortality rates (3, 11–15). This phenomenon is most striking when one compares the long-term decline in infant mortality in industrialized countries with the relatively slow decline—and in some cases absence of decline—in age-specific mortality rates over age 25.[1] This is to say that, in general, the lower the age category, the stronger the secular inverse relationship between economic development and mortality rates.

Furthermore, since the Second World War, corroboration of the strong inverse relationship between economic development and mortality rates has been found in countries recently emerging from nonindustrial status; as these countries progress to a mechanized agricultural economy, there are remarkable decreases in the infant mortality rate (3, 13–17). Finally, despite a few contradictory findings (3, 7, 18–20), it is generally accepted that even within industrialized countries, at any point in time, there is an inverse relationship between individual socioeconomic status and infant mortality (6, 21–26).

A fresh source of statistical data has, however, cast some doubt on the importance of the inverse relationship between socioeconomic status and infant mortality for the years following 1950.

"The outstanding characteristic of the trend in the infant mortality rate in the United States since 1950 has been the lack of large-scale reductions in the rate for any segment of the population. This is true whether one considers geography, race, or such parameters of infant mortality as prior pregnancy history, and birth weight (27)."

The vital statisticians conclude that even if all socioeconomic groups had experienced similar reductions in their death rates, the decrease in the total infant mortality rate would still have lagged far behind the improvement in the 1940s. These results raise a serious issue: Why is it that during the 1950s, a period of great economic advancement and expanding allocation of economic resources to medical care, the infant mortality rate showed only minor reductions? On the basis of these findings, some researchers drew the conclusion that, given the present advanced status of medical knowledge and practice, the irreducible minimum in infant mortality was being approached (3, 6, 9, 21).

Moreover, a number of studies of infant mortality in specific geographic areas, and at single points in time, had found that since the 1950s the expected inverse relationship between socioeconomic status and infant mortality was weaker than at earlier times, and occasionally not to be found at all. Again the question was raised whether infant mortality was actually as sensitive an indicator of socioeconomic level as had been supposed. The question became particularly pertinent in light of the fact that those causes of infant mortality which are most susceptible to environmental influence (i.e. accidents, infectious, and digestive and respiratory diseases) had undergone very sharp reductions since the 1930s. Thus the only means of further influencing the overall infant mortality rate appeared to lie in efforts to deal with physiologically- and genetically-based causes of perinatal mortality in which premature birth was implicated particularly (27, 28).

Yet additional data were brought to bear on the controversy over the question of the inverse relationship between socioeconomic status and infant mortality over time. The new evidence consisted of international comparisons of perinatal and postperinatal mortality by cause (11–15, 21). Comparison of the United States with Western European countries indicated relatively high mortality rates in the United States for causes which are associated with the environment and which are therefore theoretically preventable. Also, the mortality trends for postnatal asphyxia and atelectasis, and for the cause group which includes respiratory distress syndrome and hyaline membrane diseases sharply distinguished the experience of the United States from that of other countries. Together, these cause groups represented a substantial proportion of neonatal mortality in the United States and they appeared to be increasing in sharp contrast to the historical experience prior to 1950(21). These international comparisons revealing the relatively poor showing of the United States since 1950 would seem to indicate at least that environmental factors, which distinguish Western European countries from the United States, have a bearing on the trend of infant mortality.

In all this general controversy, however, no question appears to have been raised as to the precise rate and stability of economic growth in the United States since 1950, especially as compared with Western European countries. It was taken for granted that economic growth since 1950 has generally continued the pace of long-term development since the depression of the 1930s. Furthermore, the model of economic growth assumed in these studies is that type of rapidly growing economy characteristic of newly industrializing nations. This model of economic growth contrasts sharply with the experience of modern industrialized nations, a model generally characterized by economic movements in the overall direction of growth but subject to "instabilities" or cycles of upswing and recession. These upswings and recessions have not as yet been subject to investigation in terms of relationships with infant mortality although they are highly appropriate independent variables in the experience of economically developed nations.

For industrialized societies the problem of adapting to economic change concerns less the level of economic growth than whether that growth is relatively smooth or chaotic. Thus, if there is in fact a continuing inverse relationship between economic growth rates and trends in infant mortality, such a relationship should be most accurately observed in comparisons between short and intermediate fluctuations in trends in infant mortality and in the economy. In investigating the suggested relationship between economic instability and mortality under one year of age, the following hypotheses are raised:

There is a short-to-intermediate range relationship of approximately 3–11 years between economic trends of fluctuations and trends in infant mortality rates. This relationship has historically been an important component of the inverse relationship between socioeconomic status and infant mortality.

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[1] Annual and usually long-term data are available in *The Statistical Yearbooks* of nearly all European countries and the United States, Canada, Japan, Australia, and New Zealand since at least 1921. For the United States, these data are summarized in reference 16.

This 3–11 year relationship has become more important in influencing infant mortality trends since 1950. This may have occurred as a result of the relative decline in the beneficial impact of secular economic growth in an economy that is already highly developed.

METHODS

For the purposes of this study, the economic indicator must describe the short and intermediate trends representing not economic growth alone but "economic instability"(29). For the aggregate of the population, the implications of economic instability include fluctuation in average income, level of employment, and distribution of economic resources (including purchasable medical services). For the United States, fluctuations in employment and unemployment indices are closely related to and are highly indicative of fluctuations in several major national economic indicators, including gross national product, industrial production, personal income, and annual wages earned and hours worked (30, 31). Thus, the indicator of economic change used in this study is based on an estimate of unemployment for the United States since 1902(32).[2] In order to make the United States unemployment index consistent with other major but positive economic indicators (a technique traditionally used in studies of economic cycles (30, 31)), the inverted unemployment rate was used; namely, 100.00 minus the percentage of persons unemployed. Inverted unemployment indices were examined from at least 1920 to 1968(37) (the latest year for which data are available). To test the applicability of the hypotheses to the full age-range of infant and fetal mortality, the following categories were examined:

infant mortality under 1 day, by race;
infant mortality under 28 days, by race;
infant mortality over 28 days through 11 months, by race;
fetal mortality, by race.

Method of trend comparisons

The results of three different methods of time series analysis were compared.

(Charts not printed in RECORD.)

Long-term Trends. First, long-term linear or nonlinear trends in the mortality and economic data were estimated (by least-squares methods). The secular trends were then algebraically subtracted from the raw data (Fig. 1), and the residuals (or short- and intermediate-range trends) were investigated graphically and with regression analysis. For fetal and infant mortality, the trends were estimated by a procedure which determines the best-fitting mathematical equation, among several types. These equations describe the following models: (1) linear ($Y=a\pm bx$), (2) logarithmic ($Y=a\pm b \log X$, $\log Y=a\pm bx$, $\log Y=a\pm b\log X$), (3) reciprocal ($Y=1/a\pm bx$), and (4) logistic ($Y=a/1\pm bx^{-ct}$). The curves representing each of these equations are fitted, by least-squares techniques,[3] to the mortality data. The mathematical model of the long-term trend which best fits the raw mortality rates, as judged by the product-moment correlation coefficient, is used to describe the long-term trends (Table 1). So estimated, the long-term trends are then algebraically subtracted from the raw mortality rates, and what remains are the intermediate-sized and short trends in these data.

By the use of multiple regression procedures, the effect on mortality under 1 year of age of economic fluctuations lagged from 0–5 years was estimated. (Multiple regression treats the economic indicators as six independent variables in a distributed-time-lag analysis (39–41).) In addition, regression (zero-order) was performed at the lag at which the relationship between economic change and mortality was most stable (transforming the data, when necessary, to control for effects of autocorrelated residuals).[4]

3–11 Year Trends. The second type of analysis compared 3–11 year trends in mortality and the economy, in fluctuations of different sizes, categorized in percentage changes occurring at intervals of 3, 5, 7, 9, and 11 years. This is a "moving difference" method which allows observation, over time, of annual, 3-year, 5-year, and greater percentage changes (Figs. 2–4). Thus, to obtain moving annual percentage changes, the change from each year to the next is estimated as the absolute difference between the two, divided by the value for the first year (expressed in percentages) (44). Similarly, 3-year moving changes are calculated as the percentage difference between the rate (of mortality or employment) at *each* year and that of 3 years later, on a continuous basis for the entire series. In this way, the values representing every set of 4 years are expressed as the differences between the first and fourth years in 3-year percentage changes.

TABLE 1.—ESTIMATES OF STABILITY AND RANGE OF INVERSE RELATIONSHIPS BETWEEN FLUCTUATIONS IN UNEMPLOYMENT INDEX/INVERTED AND THOSE IN FETAL, INFANT AND MATERNAL MORTALITY RATES, UNITED STATES, 1915-67[a]

[Estimated secular trend subtracted from mortality series]

Mortality rates	Equations used to detrend mortality rates	R^{2b}	Range of lag relationships	Optimum lag of mortality	Number of years $r<^{c}-0.65$
Maternal:					
Total	$\Delta Y=Y_{t-1}+0.11871\ Y_{t-1}-0.00015Y^2_{t-1}$	0.506	0-5	1	46
White	$\Delta Y=Y_{t-1}+0.12807\ Y_{t-1}-0.00016Y^2_{t-1}$	.498	0-5	1	46
Nonwhite	$\Delta Y=Y_{t-1}+0.11099\ Y_{t-1}-0.00008Y^2_{t-1}$	.305	0-5	3	37
Fetal:					
Total	$Y=40.50398-0.56008\ X$	.189	0	0	39
White	$Y=38.95745-0.67776\ X$	.082	0	0	26
Nonwhite	$\Delta Y=Y_{t-1}+0.04885\ Y_{t-1}-0.00044\ Y^2_{t-1}$[d]	.561	0	0	39
Infant<1 day:					
Total	$Y=16.30377-0.13536\ X$	.615	0-2	1	47
White	$Y=16.35591-0.15537\ X$	.584	0-2	1	41
Nonwhite	$Y=16.68441-0.06530\ X$	.424	0-2	1	40
Infant<28 days:					
Total	$\log Y=3.85845-0.02062\ X$	.502	0-2	1	40
White	$\log Y=3.82637-0.02217\ X$	.416	0-2	1	49
Nonwhite	$\log Y=4.09548-0.01866\ X$	.384	0-2	1	39
28 days-11 mo:					
Total	$\log Y=4.03501-0.04556\ X$	.499	3-5	4	33
White	$\log Y=4.02297-0.05391\ X$	.482	3-5	4	29
Nonwhite	$Y=117.21743-26.34443\ X$	.522	0-5	2	31
0-1 yr:					
Total	$\log Y=4.61284-0.03026\ X$	.297	0-2	1	35
White	$\log Y=4.58276-0.03221\ X$	.231	0-2	1	35
Nonwhite	$Y=201.83781-40.91139\ X$	.593	0-2	1	37

[a] Data on fetal mortality rates are for 1922-67.

[b] All relationships are inverse, as judged by (negative) sign of regression coefficients.

[c] r between −0.65 and −1.00. Only correlations not significantly affected by autocorrelation of residuals, as measured by Durbin-Watson statistic, are included.

[d] The full equation is $Y_t=Y_{t-1}+\Delta Y$. This is a computational form of the general logistic equation $Y_t=a/1\pm bx^{-ct}$. For derivation see H. T. Davis, *Analysis of Economic Time Series*. Cowles Commission Monograph Series No. 6, pp. 17 ff., pp. 247 ff. Trinity University Press, 1941.

These estimates of moving percentage changes include some important features of moving averages including the aggregation of several years of data (3 to 11 in this study) in order to control for the effects of "random" fluctuation within any year or very short period. Such estimates also enable assessment of the trends encompassed in intervals of different sizes. In general, the larger the time-interval involved, the greater is the absolute level, or percentage, of change that tends to occur. Most importantly, for this study, this type of data transformation allows more precise inquiry into temporal effects of the expected relationships. Are the relationships of short duration—where only minimal variaton in the data can take place—or do they also involve the larger fluctuations of as much as 11 years?

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[2] Primary sources for historical statistics unemployment series: 1900–1928, reference 33; 1929–1939, reference 34; 1940–1957, reference 35; 1958–1968, reference 36. For all of the above series, estimates are first made of the civilian labor force, then of employment; the difference between the two provides the estimates of unemployment. The figures for decennial census years are used as benchmarks with interpolations made for intercensal years from a variety of available sources.

[3] Detailed descriptions, with mathematical derivations, of the curve-fitting procedures are given in reference 38.

[4] The effects of autocorrelated residuals were estimated by the Durbin-Watson test described in reference 42. Transformations used to reduce the effects of autocorrelation are described in reference 43.

Cyclical Trends. Finally, a third technique, borrowed from the field of geophysics and employed increasingly in econometrics, was used for fitting and detrending of large-scale and intermediate sized trends in the economic and mortality data. This technique makes use of Fourier analysis to describe a variable number of "cyclical" movements (trends which encompass a period of growth *and* a period of decline) of variable duration.[5] In this procedure, conventional methods of spectral analysis are used to describe (fit) nonlinear trends of large scale or short-term duration after the data have been detrended for the secular movement by transformation to annual changes (i.e. first differences calculated without first subtracting the estimate of secular trend). This technique was used to determine the spans of time for which the relationship, based on annual changes, was optimally predictable (Fig. 5).

FINDINGS

Results of the three techniques are in agreement that:

There is an inverse relationship between national economic changes and infant mortality under 1 year in each of the major age categories.

This relationship occurs at even the smallest interval calculated (i.e. annually); however, the larger the change in the economic indicator, the stronger is the relationship.

There are differential lags of fetal and infant mortality behind economic fluctuations which are age-specific. Increases in fetal mortality rates generally occur within the same year in which the national economic indicator declines. Increases in infant mortality rates under 1 day tend to lag approximately 1 year behind any given year of an economic downturn. Increases in postneonatal mortality rates tend to lag from 3 to 5 years behind any given year of an economic downturn. (The lag-relationship for late neonatal mortality and economic changes has not as yet been ascertained.)

The short- and intermediate-range relationship betwen economic changes and perinatal mortality has become increasingly stronger since the Second World War. In fact, prior to 1929 the relationships for fetal and infant mortality generally have not been sufficiently stable for precise measurement by linear correlation procedures. Postneonatal mortality has shown a strong inverse relationship with economic changes since the 1920s. This relationship has not shown substantial increase in strength since the 1940s. Also, some differences in sensitivity of mortality to economic changes by race were observed. Nonwhites appear to carry a greater risk of fetal mortality than whites during economic downturns. However, in all major age categories of infant mortality, the races show overall similarity in sensitivity to economic changes, with the whites at somewhat greater risk (Table 1).

DISCUSSION

The increasing lag of fetal and infant mortality behind economic fluctuations with increases in age suggests that the causal mechanisms linking mortality to economic change are different at least for perinatal as distinguished from postneonatal mortality. For perinatal mortality, the lag is at a maximum of 1 year following the economic downturn, while for postneonatal mortality there is a minimum lag of 3 years, and a maximum of 5 years.

These data suggest that the causes of mortality under 1 day of age are affected differently by economic changes than are the more typically "environment-related" causes of postneonatal mortality including infections, respiratory and digestive diseases, and accidents. The data are furthermore consistent with the assumption that, in an industrialized society in which some prenatal and postnatal care is typical, substantial change in an individual's or family's socioeconomic circumstances or family structure would be required in order to greatly increase the risk of environment-related infant mortality. Such change might not occur within a year of an economic downturn. However, if the effects of unemployment or income loss were so severe as to continue into a second or third year, the damage to socioeconomic status might be such as to make routine infant care financially or otherwise infeasible.

Mortality under 1 day of life, on the other hand, allows comparatively little time for the effects of environmental changes to operate directly on the condition of the infant. It would seem, therefore, that the environmental effects of economic change on mortality under 1 day largely influence the mother's condition. Factors which may eventually be implicated in perinatal mortality related to economic change would probably affect the rate of congenital malformations and prematurity and would include lack of prenatal care (51–57), physical or emotional health of the mother (53, 58) and a number of responses on the part of the mother to the psychologic stress of economic loss. Such possible stress responses might include alterations in diet (59), smoking (60, 61), hypertension (58, 62–64), and use of depressants such as alcohol or tranquilizing drugs (65–67).

The possibility that the effects of economic instability influence perinatal mortality or morbidity through first disturbing the mother's health also receives support from the present study. Maternal mortality rates from 1920 to 1967 were examined in relation to economic changes with the same statistical procedures used for the investigation of fetal and infant mortality rates (Table 1). The relationship for maternal mortality is very complex with a range of 0–5 years of lag of mortality behind economic changes.

Further conjectures as to possible causal mechanisms in the case of mortality under 1 year of age are at this point premature and must await thorough study in relation to economic changes by detailed causes cross-classified by age. Apart from the present project's work in this area, however, only the research of MacMahon and Yen (65) has considered this area. These researchers found increased rates of certain congenital malformations during the depression of the 1930s, a finding consistent with the results of this study.

A second problem in need of study concerns the increasing strength of the inverse relationship between economic changes and perinatal mortality. One possibility follows the opinion of those who argue that the secular benefits of economic development toward reducing infant mortality are approaching a point of termination, and that the long-term effects of improved nutrition, sanitation, and medical care have been used to nearly maximum benefit for the population as a whole. If this is true, and yet we continue to observe relatively high rates of infant mortality by comparison with Western European countries of generally similar socioeconomic level, then it may be that the major remaining sources of fluctuations in fetal and infant mortality are largely related to the effects of economic instability.

The fact that the relationship between economic changes and postneonatal mortality has not increased dramatically introduces consideration of other factors which, since the 1950s, may have strongly affected perinatal mortality. It is possible, for example, that the use of medications (perhaps to relieve mental stress) may have become more common since 1950. Similarly, cigarette smoking or the eating of certain foods may have heightened the effects of other consequences of economic instability.

IMPLICATIONS

The results of this analysis indicate that significant changes in the trends in perinatal, neonatal, and postneonatal mortality occur regularly as a result of environmental change associated with economic fluctuations. Although the benefits of secular trends in economic development for reduction of mortality within the first year of life may have gradually decreased, economic recessions and upswings have played a significant role in infant mortality in the last 45 years. In fact, economic instability has probably been responsible for the apparent lack of continuity in the decline in infant mortality rates since 1950.

This lack of continuity is particularly important by comparison with the striking decline in infant mortality during the 1940s. The period of the 1940s included the single strongest economic upswing in the United States in the 20th century, based to a large extent on the acceleration of production in the service of the world war economy. Following the extraordinary economic upswing of the Second World War period, however, a major recession ensued, involving the dislocation and redirection of massive human and material resources. The low point in this economic downturn occurred in the late 1940s and early 1950s (depending upon the specific industry and region of the United States).

The economic instabilities of the late 1950s and 1960s, while not as extensive as those of the 1940s and early 1950s, nevertheless had a measurable influence on the course of infant mortality. In fact, it is apparent that the recessions following the Second World War have had a greater influence on mortality under 1 year of age than those recessions preceding the war—at least since 1920.

The types of nationwide economic trends that helped to generate and maintain the prewar secular decline in infant mortality are of a different sort from those which have predominated since the Second World War. While long-term economic growth underlies the overall level of goods, services, purchasing power and trained health manpower in the society, the shorter economic fluctuations have influenced the allocation and distribution of societal resources among the various industrial, occupational, and ethnic segments of society. Thus, when a significant number of persons are losing income and employment, as in economic recession, there is a contraction of the societal distribution of financial, social, and medical resources that brought the society as a whole to its current level of health.

The United States is not yet at a point in the trend of infant mortality that the only significant future influences will result from advances in basic medical knowledge. The data of this study focus on a population at increased risk of fetal, infant, and maternal mortality during economic downturns. The demographic identity of the population at risk is to a large extent ascertainable through routinely gathered statistics on trends in employment and earnings.[6] Efforts at prevention of infant mortality, including prenatal and postnatal care, might therefore be directed particularly at individuals or families who have recently sustained major economic loss. However, trends in fetal, infant, and maternal mortality are tied sufficiently closely to instability in the national economy that they are also affected by national economic policy. It may be possible to influence the trend in infant mortality by dealing with some of the more direct economic effects of loss of income and employment resulting from economic recession, e.g. through manpower and unemployment-benefit programs. It is also possible that, through government influence on the level of economic activity, via monetary and fiscal policy for example, the related trend in infant mortality rates in the United States might compare more favorably with rates observed since 1950 in several Western European countries.

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[5] Fourier analysis is a technique frequently used in electrical engineering and geophysics to determine the components of a complex trend. It is the first time, to this writer's knowledge, that these procedures have been used in the analysis of mortality data. For general references the reader is directed to references 45 and 46. General treatments of the application of techniques of spectral analysis to economic data are found in references 38, 47, and 48. Examples of the use of several of the detrending procedures referred to are found in references 49 and 50.

[6] The U.S. Department of Labor, Bureau of Labor Statistics, is the prime source of these data for the United States as a whole.

Acknowledgments. I thank Professor Francis J. Anscombe of the Department of Statistics, Yale University and Drs. Donald A. Cornely and David M. Paige of the Johns Hopkins University Departments of Maternal and Child Health and Pediatrics for their reviews of the manuscript, and William B. Leng and Diccon R. E. Bancroft of Yale University for assistance in computer programming.

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[Dr. Allen Ault, testimony before the Joint Economic Committee, Atlanta, Ga., Dec. 8, 1975]

MANPOWER AND CRIME: A STATE PERSPECTIVE

The same unemployment rate which restricts state tax revenues contributes to the dramatic increase in the demand for state services. Departments of Corrections face one of the most dramatic examples of this low resource, high demand phenomenon. Just when state governments can least afford increased budget allocations, the number of public offenders has skyrocketed. Throughout the country, governors, legislators, judges, and appointed officials are facing ever more acute social problems, such as the increase in property crimes, with inelastic or even decreasing public resources. A nation with many citizens out of work is an anxious and frustrated audience for an increasing public dialogue which may best be termed "The Survival of State and Local Government in America."

In 1967, Georgia had a prison population of only 8500. Today, we are approaching a 12,000 inmate figure. In 1967, there were about 72,000 unemployed Georgians. During this recessionary period, the figures have swollen to 200,000. Unfortunately, these figures display a steady and continuous relationship to each other, the fact that each set of numbers represents the tip of an iceberg notwithstanding. The majority of crimes go undetected or fail to result in conviction. Unemployment data grossly underestimates the actual manpower needs of the state because it relies upon active job-seeking as a major indicator, and many low income citizens have long since given up looking for a job.

The result of our steady economic relapse is a rapidly expanding "shadow economy" of burglars, thieves, and drug merchants. Preying on the disadvantaged and the discouraged, these underworld entrepreneurs are eagerly recruiting from the crowded masses of idle and under-employable young men and women who have immigrated to our cities in search of expanded opportunities. To the extent that we fail to provide legitimate economic opportunities for these young people, we are forfeiting our right to expect a stable and productive society. The economic survival of our new "urban immigrants" and the financial survival of our state government institutions are twin issues which together demand a serious national policy of full employment.

Men and women in prison are seriously disadvantaged and, in economic terms, the least competitive members of society. In Georgia, for example, there are three offenders who were either unemployed or only minimally employed at the time of arrest for every one offender who had a legitimate, full-time job. The average age for incarcerated adult public offenders is twenty-eight years of age. Most of these men and women were convicted for property offenses and, with an average education of only the ninth grade level, the decision to steal for a living cannot be said to be a completely irrational personal choice.

Half of the men and women who leave Georgia prisons will be back within three years. Studies of this totally unacceptable rate of recidivism reveal that simply having a lengthy criminal record plus the individual's average earnings upon release are reliable predictors of post-release success or failure. If the ex-offender can overcome the stigma of his or her criminal record and if the ex-offender can find and hold a job, the chances of being returned to the prison system are considerably decreased. A young, black, and unskilled ex-con does not present a winning combination of employment credentials in today's increasingly technical job market.

One mission of state Departments of Corrections is to maximize any potential for successful reintegration into the social and economic system. The public statements of Georgia prisoners consistently convey the message that "If I come out of prison with no more skills than I had when I came in, how can anyone expect that I won't be back?" How indeed?

One response to this need for skills development is to provide vocational and academic education programs for incarcerated offenders. State revenues to date have limited this effort, and, today, only one inmate in five is actively involved in either of these essential skills attainment programs. The specifics are even more distressing. With a state prison population approaching 12,000, Georgia has only 272 C.E.T.A. training slots for incarcerated inmates. With an alarming increase in the number of women offenders, our state has been able to draw only two vocational training programs for incarcerated adult women, and these two programs are included in the C.E.T.A. totals cited above.

Of course, not all skills development training must take place within the prison walls. C.E.T.A. does fund 210 part-time and full-time referral slots to area vocational training schools. Many private agencies, such as O.I.C., have accepted ex-offenders into their training programs. The Department of Corrections/Offender Rehabilitation itself sponsors work and educational release programs for offenders who are about to leave the prison system. But here, once again, the demand for services or for work itself so far outstrips the supply of resources for training or jobs, that the high quality of our programs is almost totally eclipsed by the meager quantity of what we can afford to offer.

The diseconomies of this decision to withhold public training and employment monies are staggering. In terms of the state economy as a whole, even the $3,000 which employed ex-offenders earn in this state produces beneficial public and private spinoffs. Sales tax, beverage taxes, and income tax revenues are at least somewhat enhanced if the ex-offender or potential offender is working. As the income is spent, private enterprise is stimulated, often in an inner-city environment which most needs a high capital flow.

Demands for services are desirably affected by employment as well. In stark contrast to the incarcerated offender who's family must go on welfare, the employed "urban immigrant" or ex-offender can often support his or her dependents. The same employment which increases the supply and turnover of capital in the urban setting reduces the demand for public assistance monies which increasingly simply aren't available.

The incarcerated public offender is, of course, a double investment liabilty because he fails to produce usable income and generates a vast expenditure of public revenue for his maintenance. Even excluding capital outlay expenditures, it costs more than $4,000 a year to imprison a public offender in this state. This cost, plus the welfare spinoff of a perhaps newly indigent family, must be added to the loss of $3,000 income and its multiplier effects in computing the costs of the failure to develop a comprehensive manpower program.

The costs of not making the hard-nosed, practical decisions which will "put America back to work" are far too great for anyone to continue with a "Business as Usual" outlook. A large proportion of our new "urban immigrants" are caught up in a revolving door of unemployment and crime. Every dollar which we save in depriving individuals and state governments of the resources which they need to survive costs us many more dollars down the road.

We need to act on two well known fronts: more jobs and more training. Until and unless we open up the system to the undereducated and the disillusioned, we are going to have to incarcerate a growing proportion of our citizenry. I have a personal and professional interest in stopping this fruitless waste of our human capital.

As far as the prison system in this state is concerned, I will continue to insist that our public officials and the people who they represent wake up to the fact that the crime problem is no less their responsibility than it is mine. We can no longer afford to take the attitude of locking men and women up and forgetting about them in this or any other state. We have neither the conscience nor the money to take that attitude, and the warehousing of public offenders must step.

If we do not pay for the job creation and training of offenders and the less competitive members of society more generally today, we will most certainly pay for the consequences later. In pursuit of the goals of full employment and safer, more productive communities, we need a revitalized partnership of state, local, and federal government in planning for the future. Otherwise, we will gain by default the kind of society which none of us wants, a society which none of us wants, a society which inprisons the have-nots and taxes the productively employed citizenry into bankruptcy.

"JO" BADEN RETIRES

Mr. MATHIAS. Mr. President, a Marylander was recently honored by her fellow workers after 47½ years with the Federal Government. The dragon of a faceless, sterile bureaucracy was slain last month by Chairman of the International Trade Commission, Will E. Leonard, Jr., and his colleagues when they bid a warm and appreciative farewell to "Jo" Baden, Commissioner Leonard's confidential assistant of Baden, Md.

Miss Baden, who had been with the Trade Commission for 45 years, received outstanding performance ratings every year since 1965, the most ever received by an employee of the International Trade Commission. The Baltimore News American carried two stories on Miss Baden and the Commission and I ask unanimous consent that the columns written by Ned Young be printed in the RECORD.

There being no objection, the columns were ordered to be printed in the RECORD, as follows:

FEDERAL LOG

(By Ned Young)

Miss Mattie Minerva "Jo" Baden has retired after 47½ years of federal service, including 45 years with the United States International Trade Commission, formerly known as the U.S. Tariff Commission.

During her career, Miss Baden has served as confidential assistant to key staff members and commissioners, including the present one, Will E. Leonard.

In the past, she served in the same capacity to Commissioners George McGill, Glenn Sutton and Italo Ablondi.

She retired briefly in 1972, but was called back to work by Commissioner Leonard.

Miss Baden was born, reared and attended school in Baden, Md., a Prince Georges county community founded by her ancestors.

She worked briefly for the Internal Revenue Bureau, now the Internal Revenue Service (IRS), and the War Veterans Bureau, now the Veterans Administration (VA).

On Aug. 13, 1929, she was hired as a GS-3 stenographer by the U.S. Tariff Commission and thus began what is certainly a distinguished federal career.

Her retirement party featured a "This Is Your Life" presentation that featured many of her relatives and former bosses.

Miss Baden has received outstanding performance ratings every year since 1965, the most ever received by an employe of the Commission.

In about 1948, the Commission loaned Miss Baden at the request of the State Department to the United Nations Delegation on Trade and Employment in Havana, Cuba.

Now that she is finally retired, there may be some more traveling for her in the future—hopefully purely for pleasure.

We plan to say some more about Miss Baden, hopefully before next year.

Federal Log

(By Ned Young)

When Miss Mattie Minerva "Jo" Baden retired from the United States International Trade Commisison after 47 years of federal service, it was decided to give the building housing the Commission a second name.

The building is now known to Commission employes and, no doubt, others as "The Jo Baden Building". For the retirement ceremonies for Miss Baden, Irving Raines, executive director of the Commission, felt it appropriate to compose "A Brief History of the Jo Baden Building".

The composition by Mr. Raines, we feel, is a literary gem. It follows:

"The Jo Baden Building is one of the hysteric landmarks in the National Capital.

"Situated between E and F Streets, N.W., the building stands—or leans, depending upon one's perspective—in the center of a decrepit commercial district.

"Until about 1880, however, the homes of many prominent citizens were located in the area, including that of the notorious Mattie Minerva 'Jo' Baden.

"In the early 19th century, a building known as Blodgett's Brothel stood on the south portion of the site. Here the first go-go performance in the National Capital was presented.

"The cornerstone of the building was laid (pardon) in 1795, shortly after the City of Washington was selected to be the capital.

"The site and the building were prizes in a crooked lottery designed to promote the sale of lots in the federal city.

"1810, Blodgett's was purchased by a government official (actually Blodgett's nephew) to house the Post Office Department, the City Post Office and the Patent Office.

"On Aug. 24, 1814, the British Army invaded Washington at about six o'clock one evening in a raging blizzard.

"That night they burned the Capitol, the White House, the Treasury, State and Navy Department Buildings, and a number of private houses on Capitol Hill to keep warm.

"The British intended to burn Blodgett's also, but an unnamed heroine jollied them out of it.

"The building continued to be well used until 1836 when it was burned—as rumor has it—by an irate wife.

"On April 1, 1845, in a structure located on Seventh Street, Samuel F. B. Morse opened and operated the first public telegraph office in the United States. The site is marked by a bronze plaque on the east wall of the building.

"From the foregoing originated the belief that Mr. Morse transmitted his first telegraph message, 'What hath God wrought?', from Seventh Street.

"That message, however, was sent from the U.S. Capitol.

"The message actually sent from Seventh Street was, 'If GSA doesn't get the lead out, it will take 30 years to complete the Jo Baden Building'.

"In point of fact this turned out to be the case.

"The present building was designed by Robert Baden Mills and constructed under the supervision of Thomas Baden Walter, one of the architects of the Capitol.

"Its cost exceeded $2 million.

"Construction on the south portion (the section along E Street) began in 1839.

"When it was completed construction on the north portion began. Its completion, in about 1869, was celebrated on the roof of the new building with speeches, a flag raising, band music and four barrels of single distilled Kentucky grain juice.

"Several employees were lost overboard during the revelry and the agency continues to be understaffed to this very day.

"The architecture of the building is Roman Baden—named after one of Jo's relatives, an itinerant peddler who traveled extensively, generally by request of the local authorities.

"Only four stories high, the proportions of the building approach perfection.

"The ground or basement story is in rustic laid masonry forming a solid base for its upper structure.

"The south portion of the upper stories is faced with New York marble, and the north with Maryland marble.

"In the center of each facade is a recessed portico supported by light, delicate columns.

"All interior walls of the building are at least 20 inches thick, of solid stone or brick and plaster, and the outside walls are even more massive.

"The courtyard walls are granite.

"Care has been taken to preserve the balance of the window arrangement and each facade of the courtyard presents a pleasing appearance.

"Certainly pleasing to generations of pigeons lo these many years.

"Because both the south and north portions are in Roman Baden design, the exterior doesn't match any other buildings in town.

"Inside the building along the corridors, the demarcation between the south and north portions is not only visible, but also hazardous for many staff members to negotiate after lunch.

"There are marked differences between the two sections in the design of the ceilings and doors.

"The blocks of stone, four feet thick, that once formed the outside walls of the south portion can be discerned in second floor rooms on the Eighth Street side where they were placed by some pranksters.

"Within the older part of the building, the corridor ceilings are groined and vaulted, and an interior frieze adorns the break at the top of the wall.

"This break has grown noticeably worse with the construction of the Seventh Street Subway.

"The two stairways have long been admired for their beauty and structural uncertainty.

"Constructed of granite, apparently unsupported, they spring upward in wide curves with airy lightness. The risers and treads are of white marble.

"It has been necessary to install an anachronistic elevator in one of the stairwells hiding the graceful sweep of the stairs.

"Fortunately the elevator doesn't work.

"The fireplaces that were boarded up and no longer used for heating are clearly visible in some rooms and felt in other rooms when the wintry winds blow down the chimneys.

"In the attic of the building are brick, lowceilinged, windowless 'cells' which can be entered through low archways.

"Between 1897 and 1917, the General Land Office of the Interior Department, which was then literally 'doing a land office business', and the Bureau of Education occupied the building.

During World War I, Gen. Enoch Crowder, who was in charge of the National Selective Draft Board, occupied offices in the building.

"On his return from France, General Pershing made it his headquarters.

"All of the above eventually moved on to better things after they conned the Tariff Commission into occupying the premises.

"The Tariff Commission took up quarters in the building in 1921, at first occupying only the south half of the third floor. By 1930 the third floor was fully occupied by the Commission.

"Following the passage of the Tariff Act of 1930, the activities of the Commission expanded, and in 1932 the second floor and most of the basement were added to the Commission's space.

"During World War II, several rooms on the first floor were occupied by the Commission, but after the war these rooms were reassigned to other agencies.

"In 1956, some rooms on the first floor were again assigned to the Commission.

"By dint of arduous empire building, most of the office space was absorbed by Commission personnel by 1961.

"In 1973, the Commission authorized a major renovation program to convert basement storage space to prime office space.

"The most obvious change wrought through this ambitious undertaking is that the floor reference has been changed from Basement to Ground.

JOHN W. FOLEY, JR.—35 YEARS OF SERVICE TO HIS COUNTRY

Mr. McINTYRE. Mr. President, John W. Foley, Jr. has just retired from Government after 35 years of distinguished service.

Retirements take place every day, and obviously time and space do not allow us the privilege of recognizing and commenting on each one.

But there are instances when the exemplary service of an individual leads me to want to recognize such service and bring it to the attention of my colleagues. Too often, I fear that people who faithfully and diligently serve their Nation are unnoticed and the headlines go to those who were less than top flight in their service.

John Foley, born in New York City, graduated summa cum laude from Dartmouth College. John was in my class and he was one of the most brilliant in the Class of '37. He was further rewarded with election to Phi Beta Kappa. He went from Dartmouth to the London School of Economics and then to the Yale Graduate School.

Then, in 1940, John began his Government career. He was asked to join the State Department and served for a time as a Research Assistant there.

With the outbreak of World War II he began 5 years of military service. He was with the 3d Marine Division, 3d Marine Regiment, and saw fighting in the South Pacific. He was decorated with two bronze stars and received a Presidential citation. He is still a colonel in the Marine Corps Reserve.

In 1946 John returned to the State Department and was immediately assigned as a treaty technician at the San Francisco Peace Conference. Then began years of service overseas in Egypt, Ghana, Nigeria and South Africa. He became one of the real experts on the continent of Africa and at the time of his retirement was one of the top officers on the African desk at the Department. He has received special awards for his work in this important assignment.

I am sure that John looks back with great satisfaction on the years of accomplishment and at the same time looks forward to years of good health and deserved rest and freedom in his retirement.

I am sure we all join in telling John; "A job well done. Your Nation thanks you."

UNANSWERED QUESTIONS ABOUT WATERGATE

Mr. THURMOND. Mr. President, a recent report published by Accuracy In Media, Inc. referring to unresolved questions about Watergate and the possibility that political misdeeds were a two-way street deserves attention by Congress and the American public. The AIM report refers to portions of a book by Fred D. Thompson who was the Chief Minority Counsel for the Senate's Special Watergate Committee.

In an effort to seek balance and a complete understanding of that sordid chapter in our political history, AIM has cited Mr. Thompson's interesting revelation about foreknowledge of campaign misdeeds. The information in Mr. Thompson's book does, as he said, raise questions which the special committee did not resolve.

The AIM report about Mr. Thompson's book and the unresolved questions left by the committee takes to task the Nation's news organizations for failing to pursue this subject adequately. However, it was the ultimate responsibility of Congress to seek and find complete answers to questions raised about both sides of the political fence.

Mr. President, in order that my colleagues may have the opportunity to read this AIM report about Mr. Thompson's revelation, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

A WATERGATE COVER-UP BY THE MEDIA

A recently published book reveals that there is evidence that officials of the Democratic National Committee and gossip columnist Jack Anderson were among those who had knowledge of the Watergate bugging many weeks before the break-in of June 17, 1972.

The book is *At That Point in Time* and the author is Fred D. Thompson, Chief Minority Counsel of the Ervin Committee, the special committee created to investigate the Watergate scandal.

Thompson devotes an entire chapter to the intriguing evidence that the victims of the Watergate bugging were warned several weeks in advance of what was planned. This evidence was developed by the minority staff of the Ervin Committee. Sworn testimony was taken in executive session from three officials of the Democratic National Committee, columnist Jack Anderson, and the two individuals who gave the warning, A. J. Woolston-Smith, a New York private detective, and William F. Haddad, a former official in the Kennedy and Johnson Administrations.

The staff prepared a summary of its findings, but it was never included in the final report of the Ervin Committee. The majority did not think the findings were sufficiently conclusive. We have learned that a copy of the summary fell into the hands of a reporter for CBS News, but that news organization chose not to divulge the story.

The transcripts of the secret testimony became available to the public, and AIM acquired a set, but the major media showed no interest in them and the story they contained. We have discussed the story with many people, including a number of reporters. The reaction is always one of astonishment and interest. But with one or two exceptions the reporters have failed to probe the evidence and inform the public about it.

WHO WAS IN THE KNOW?

We will give you the story in some detail so that you may judge its newsworthiness for yourself.

First, we must point out that those who dug into this matter were frustrated by witnesses who contradicted themselves and each other, who had incredible lapses of memory, who claimed to have kept no records or poor records of important matters, and who misplaced important documents. But it is precisely the obvious effort to conceal and confuse on the part of the witnesses that strengthens the conclusion that there was some real fire beneath the clouds of smoke that some of the witnesses were blowing.

If investigative reporters had devoted a fraction of the time they spent on other aspects of Watergate to investigating how the Democrats and Jack Anderson found out about the bugging in advance, it is conceivable that they might have uncovered either a double agent, some counterbugging, or even an unindicted co-conspirator.

Here is the story, partly as told by Fred Thompson, but supplemented by our own analysis of the once-secret testimony.

A private detective in New York named A. J. Woolston-Smith apparently became aware of the Republican plans to bug the Democrats as early as December 1971 or January 1972. He conveyed this information to William F. Haddad, publisher of a small New York weekly, the Manhattan Tribune, who had previously given Woolston-Smith assignments to detect suspected wiretapping. Haddad had held high positions in both the Kennedy and Johnson Administrations. Satisfied that Woolston-Smith had reliable information, Haddad sent this letter to his friend Lawrence O'Brien, then Chairman of the Democratic National Committee, on March 23, 1972:

"I am hearing some very disturbing stories about GOP sophisticated surveillance techniques now being used for campaign purposes and of an interesting group here in New York where some of this "intelligence" activity is centered. The information comes from a counter-wire tapper who helped me once in a very difficult situation in Michigan and who had come to me highly recommended from two lawyers, Gallagon (sic) and Shapiro.

"Can you have someone call me so you can get the info first hand and take whatever actions you deem necessary. If you want, I will go a little deeper into the situation, but I would prefer that you evaluate the same information I have received, and from the same source, before taking further steps."

O'Brien turned the matter over to a member of his staff, John Stewart, the DNC's director of communications, appending this note to Haddad's letter: "Could you follow up on the attached and put in a call to Bill?"

Stewart had phone conversations with both Haddad and Woolston-Smith. A meeting with them was arranged in Haddad's New York office on April 26, 1972. It was attended by Stewart, Haddad, Woolston-Smith, and Ben Winter, the vice president of a New York bank who was a friend of Haddad's. Haddad said Winter had nothing to do with the matter. He just happened to be in his office, and he invited him to sit in on the meeting "to hear something fascinating."

WHAT WAS KNOWN

Woolston-Smith testified that Haddad did most of the talking. Haddad testified under oath that the discussion included plans of the Republicans to bug the Watergate offices of the DNC, the involvement of Cubans, ways in which the funding of the espionage operation might be traced, and a Republican organization in New York called the November Group that had some connection with G. Gordon Liddy. He also said that the name of former Attorney-General John Mitchell had been mentioned.

Woolston-Smith's sworn testimony also indicated that these were among the matters discussed, but he did not mention John Mitchell's name being brought up. He did, however, say that James McCord, who participated in the Watergate burglary, had been mentioned at the meeting. Woolston-Smith claimed that nearly everything discussed by Haddad was based on his information except for the Cuban involvement. He thought that information could have come from Haddad's friend, Jack Anderson.

Ben Winter, the banker, recalled that Woolston-Smith had displayed a "sophisticated bug" at the meeting and had handed it to Stewart and Haddad. Winter thought Woolston-Smith's information appeared to be hard evidence of surveillance, not just a theory. Woolston-Smith himself tried very hard to put the investigators off with an incredible story that he had presented nothing but a theory. He changed his tune when interrogated a second time, but the staff never felt that he had given them a true statement about the source of his information. He insisted that he did only "defensive wiretapping," i.e., detection of bugging. The bug he exhibited at the meeting, he said, was only a fake model intended to show the type of equipment available in the market.

Two days after this meeting, Haddad addressed a letter to John Stewart, saying that Woolston-Smith had "good information" and that it was his judgment "that the story is true and explosive." Seeming to answer a question from Stewart about whether Woolston-Smith wanted to be paid for continuing his investigation, Haddad wrote: "Yes, he did want to cover expenses . . ." Haddad said: "Instead of pursuing this with money, I decided to see what a good investigative reporting operation could do with it now. So I went ahead along these lines. If they draw a blank, I'll be back to you on how to proceed, and I'll keep you informed."

Haddad testified that he made copies of all the material in his file and sent it to columnist Jack Anderson with a covering letter. Strangely, neither Anderson nor Haddad could locate any copies of the material Haddad sent or of the letter. It had all mysteriously vanished. Haddad says he sent Anderson his "file," everything he had. Anderson said all he received was a one-page letter.

WHAT WAS DONE

Having been warned that there were plans afoot to bug their offices, did the Democrats notify the police, have the office swept for bugs, hire a night watchman, or even ask the staff to take precautions?

The answer is that they did none of these. Officials have given various explanations for the seeming total lack of reaction to the warning. Stanley Griegg, then Deputy Chairman of the National Committee, said that John Stewart had told him that Woolston-Smith had warned that there might be electronic surveillance and possibly breaking and entering, but that what he said was very fragmentary. Griegg said he told Stewart that he could not conceive of the opposition conducting that type of campaign. He said he told him that they did not have money to hire guards or buy sophisticated security equipment.

They took great pains to create the impression that they did not really take the warning too seriously, and that they could not afford protective measures. No one seems to have asked why they did not complain to the authorities, but the answer would probably have been that they lacked hard evidence of any crime. However, the fact was that they did have evidence of crimes. Mr. Griegg testified that the office had been broken into and documents and checks stolen in the first week of May. On another occasion there had been an unsuccessful attempt to force the locks. Under these circumstances, total inaction with regard to the bugging warning would be strange. No one has admitted it, but it is conceivable that a search was made for bugs and that one was found in Larry O'Brien's office. The break-in on June 17 was made because that bug was not functioning properly. Perhaps it did not die a natural death.

ELATION AFTER BREAK-IN

Woolston-Smith testified that the DNC's interest in his information continued right up to the time of the June 17 break-in. He said he was in regular telephone contact with John Stewart—once or twice a week. He said his last discussion before the break-in was along the line of "something is about to happen." He also said that after the break-in Stewart called him and was "elated." Asked what he was elated about, Woolston-Smith said: "Elated that we had more or less called it the way it happened."

When asked to elaborate further, Woolston-Smith said: "This enthusiasm seemed to have been, well, we may not have this election, but boy, we have got them in real great position." He said this was because Stewart thought there was definite involvement of the Committee to Re-elect the President. He added: "They are expecting the newspapers to develop it."

John Stewart painted a very difficult picture. According to his testimony, his contact with Woolston-Smith was extremely limited, and he really obtained no definitive information from him. He indicated that he had only one telephone conversation with him before Watergate. He could not remember any meeting with him prior to June 17. It was only when he was told that the others had testified that Stewart had met with Haddad, Woolston-Smith and Winter prior to Watergate that he would admit that and then only as a possibility. Stewart also had trouble remembering the letter Haddad had sent to him dated April 28, right after the meeting in New York. The letter characterized Woolston-Smith's story as "true and explosive," but Stewart had no recollection of ever having seen it, even though he was sure that he must have.

Stewart insisted repeatedly that his only meeting with Woolston-Smith was after Watergate. He claims to have forgotten about him, but after the burglary he recalled his warning. He had his assistant find his name and number and give him a call. He arranged to meet him in New York, together with Haddad.

While Haddad and Woolston-Smith frequently gave the impression of being fuzzy and less than candid in their testimony, Stewart seemed to go to unusual lengths to downplay his meetings and conversations with Haddad and Woolston-Smith. His testimony was so lacking in credibility that one is bound to wonder what he was afraid of. Would an admission that they took the advance warning seriously be so damaging?

The answer is probably yes. If they took the warning seriously, they would have had to have known more about the source of the information. No one has been willing to come up with a credible story about how Haddad and Woolston-Smith managed to assemble such accurate information in advance. Thompson and his staff were strongly inclined to suspect some leak from the CIA. Or did they have access to information obtained by electronic surveillance? Or was there a double agent within the ranks of the CRP group? Suspicions have fallen on McCord, who bungled the break-in, confessed to Judge Sirica and ended up serving very little time in jail. They have fallen on another member of his team, Alfred Baldwin, the lookout man, who was never prosecuted. Baldwin was a flop as a lookout, and he was also the source of extensive information about the Wategate operation that provided the basis for a press conference by Larry O'Brien on September 7, 1972, according to Fred Thompson's book. Thompson was inclined to doubt that Baldwin was a double agent only because he had done so many things that risked compromising the operation.

Finally, if the DNC took the warning seriously, it would be harder to explain why no obvious defensive measures were taken. Woolston-Smith did not accept the idea that there was no money for security. He pointed out that field force meters could have been acquired to detect bugs at little cost. He noted that while the committee was saying it could not afford money for security, it was spending $45,000 for a motor launch as a gift. His conclusion was that they had a plan to let the bugging take place and capitalize on it.

THE ANDERSON ANGLE

Haddad, as we noted above, says he turned his file on the bugging plans over to Jack Anderson, expecting that he would be able to develop more detailed information. Anderson admitted that he received some information from Haddad in an article he published in *Parade* magazine July 22, 1973, a little more than a year after the break-in. He also mentioned it in a book he wrote.

Anderson claimed that he was not able to develop any information on the basis of what Haddad had given him. He claimed he ran into a stone wall and just dropped the matter. Unfortunately neither Anderson nor Haddad produced the documents that Haddad says he sent to Anderson. Haddad says that he would have given him everything he had. That would have included the name of McCord. It would have included information about Cuban involvement, if, indeed, that information had not originated with Anderson, as Woolston-Smith seemed to think.

By strange coincidence, Anderson had a very close friend in the Cuban community who knew a great deal about the Watergate matter. He was Frank Sturgis, a member of the burglary team who was caught in the Watergate on June 17. Anderson went personally to the Washington, D.C. jail to see Sturgis as soon as he heard of the Watergate arrests. In fact he got there before the jailers even had Sturgis's correct name. He was still booked under the alias he used, Anderson testified, and he had a hard time finding him. Anderson said he learned of Sturgis's arrest from the papers, and this would suggest that the press had printed his correct name before the jailers became aware of it.

Anderson tried to get Sturgis released to his custody, but he did not succeed. He visited him at his home in Miami while Sturgis was out on bail, and he also testified that he had telephone contacts with him during that period. On the eve of Sturgis's trial, Anderson was at the Arlington Towers Apartment one night while the Cubans were discussing whether they should plead guilty or not guilty. Anderson testified that he did not participate in that discussion, but from time to time one of the participants would emerge and report to him on what was happening. He offered to bring Sturgis's wife to Washington and have her stay in his home. He visited Sturgis twice in the Rockville, Md. jail. He stayed in contact with Sturgis's attorney after Sturgis was sent to prison in Danbury, Conn. All of this is based on Anderson's sworn testimony.

Why this intense interest in Frank Sturgis? Anderson said he was trying to get an exclusive story. He was trying to find out what Sturgis was up to at the Watergate.

But actually Jack Anderson published very little in his column about Watergate. Despite his unique connection with Frank Sturgis, he seems to have contributed nothing to the breaking of the Watergate story. Indeed, the first column that he wrote on the subject that we were able to find was not published until August 25, 1972, more than two months after the break-in. It dealt with funds used to finance the bugging having been traced to a Minnesota businessman who had also been a financial backer of Hubert Humphrey. That is not the sort of thing Sturgis would have known about.

In December 1972 and January 1973, Anderson did publish three columns about the pressure on the defendants to plead guilty, and he intimated that they might reveal embarrassing secrets if they did not get more help. This appears to have been the only journalistic harvest Anderson reaped from all his attention to Sturgis.

DID ANDERSON MISS THE BOAT?

Anderson's unusual reticence in the treatment of the Watergate story raises an intriguing question. Was he quiet because he knew so little, or was he quiet because he knew so much?

If he had heard in the spring of Cuban involvement in the bugging plans, Sturgis would have been the logical person to whom he would have turned for information. Anderson testified that the first he knew of Sturgis's involvement in the Watergate bugging was when he read his name in the paper after the arrests. But he also testified that he had, by chance, met Sturgis at National Airport in Washington, D.C. on June 16, 1972, as Sturgis was arriving from Miami to participate in the break-in.

This was an innocent chance encounter, the way he described it. But there was a question about why Mr. Anderson was at the airport. Here is how the testimony went.

Q: And were you at the airport to travel yourself, you were leaving town?

A: Yes, I was on my way to keep an engagement in Cleveland.

Q: A speaking engagement?

A: Yes.

Q: Where was that?

A: Cleveland.

Q: Where in Cleveland?

A: I do not recall. I have been to Cleveland three or four times to speak. We have a very enterprising paper there, the *Cleveland Press*, and they are always arranging speaking engagements for me.

A spokesman for the Cleveland Press denied that it had sponsored or arranged for a speaking engagement for Mr. Anderson in June 1972, or at any other time. A search of their files did reveal that Mr. Anderson had spoken in Cleveland on June 1, 1972, at the Park Synagogue. The Cleveland Press had carried a big story about the affair on June 2. But there was no similar evidence of a speech by Mr. Anderson in Cleveland on June 16 or soon thereafter. If Mr. Anderson did not have a speaking engagement in Cleveland on June 16, why did he say that he did? Why did he say the Cleveland Press arranged for the speech? What was he doing at National Airport that day? Those are questions the Ervin Committee investigators did not get around to asking.

The mystery deepens when one notes that *The Washington Post* of June 22, 1972, quoted Anderson as saying that he "happened to bump into Sturgis at the airport just several days before the bugging incident." Asked about this on a Washington television program, Mr. Anderson stuck to the June 16th date for the encounter and denied that he had ever given a different date.

The June 22nd article discussed a column Anderson had published two days before that had carried highly confidential information about the expense accounts of Lawrence O'Brien, Chairman of the Democratic National Committee. It stated that a spokesman for the Committee said the information in the column could only have come from a file that was missing from the Committee's headquarters at the Watergate. Democratic officials also noted Anderson's close ties to Frank Sturgis. Anderson denied that the information had been provided by Sturgis.

THE PRESS DOES NOT PRESS

Fred Thompson titled his chapter on the prior knowledge aspect of Watergate, "Unanswered Questions." Some of the unanswered questions he listed were these:

1. Did McCord deliberately leave the tape on the door?
2. Did somewhat alert Shoffler (one of the arresting officers who was voluntarily working overtime when the call about the Watergate break-in came over the radio)?
3. Did the information pass from Sturgis to Anderson to Haddad to the DNC, or had the offices of the November Group been bugged, with information from conversations of McCord or Liddy, or both, combined with Haddad's "other sources" to put the story together before June 17?
4. Or was it some combination of these things?
5. And why had Jack Anderson been so mysteriously quiet?

Thompson said: "We agreed that we had come close but that we had fallen short. To borrow still another Watergate expression, we had been unable to find the smoking gun in anyone's hands."

True enough. But the major missing ingredient was the lack of interest on the part of the press. Thompson's small staff was not up to pursuing every lead and forcing a reconciliation of every contradiction. They let the matter drop, with many intriguing questions unanswered, "and with a gnawing feeling in our stomachs."

The investigative reporters who pursued other Watergate stories so doggedly, showed no interest in probing for the answers to Thompson's questions. Indeed, they had no interest in even reporting the existence of the questions. A reporter for *The Washington Post* told us that he had not pursued the matter because he understood that Senator Howard Baker thought there was nothing to the story. That conflicts with what Fred Thompson says, and he was close to Senator Baker.

An investigative reporter for *The Washington Star* expressed amazement and interest when the story was outlined to him, but he reported back that his editors had dismissed it as "old stuff." He could not say when *The Star* had ever said a word about it.

A reporter for *The New York Times* reacted similarly. He was very excited about the story, especially since he had just written a story about Bill Haddad getting a new job for the New York State Legislature which involved investigating such things as electronic surveillance. But his interest apparently waned quickly. *The New York Times* owns Quadrangle, the publisher of Fred Thompson's book. That gave them access to the galley proofs of the book and the right to a scoop on any news it might contain. Not only has *The Times* not done a news story on the book, but as we go to press it has not even published a review of it. (The same is true of *The Washington Post*).

News is what the editors decide is news. As with Senator Goldwater's story about KGB activities on Capitol Hill, the editors seem to have decided with virtual unanimity that the "prior knowledge" side of Watergate shall not be treated as news. It may be interesting. It may be intriguing. It may be of historical importance. But news it is not. *The Times, The Post,* the wire services, the networks and the news magazines have so decreed.

It is an illustration of a point Leopold Tyrmand makes in his provocative article, "Media Shangri-La," in the winter 1975 issue of *American Scholar*. He writes:

"It took the bloody atrocities of the totalitarian movements to enforce the unaninimity of their communication system in the name of faith and orthodoxy. The American media achieved like-mindedness by entrenching themselves as a separate power in the name of freedom and variety of opinion. This cartel of solid, preordained thinking is a threat to democracy, all the worse because it occurs in its name, speckled with bogus paraphernalia, democratic in word but not in spirit."

COLEMAN'S RETREAT AND THE POLITICS OF GOOD INTENTIONS

Mr. HARRY F. BYRD, JR. Mr. President, the repudiation by Dr. James S. Coleman last summer of his 1966 report, "Equality of Educational Opportunity," has led finally to a careful inspection of that original study and a critical reappraisal of the use of sociological research as a basis for public or judicial policy.

One of the many perceptive articles on this subject was published in the November issue of Phi Delta Kappan, monthly journal of the Phi Delta Kappa professional education fraternity, by Biloine Whiting Young and Grace Billings Bress. It is entitled "Coleman's Retreat and the Politics of Good Intentions."

In a courageous observation on the traditional reticence of the academic community to speak out against the misuse and abuse of sociological research, the authors note:

> So strong have been both the sense of white guilt and the desire to correct the wrongs of the past that some social scientists have published exaggerated claims for their research; in some cases data has been distorted to serve predetermined political goals. Although some social scientists have expressed reservations about this misuse of research data, most have remained publicly silent, expressing their skepticism and reservations only in private.

The article reviews the molding of the Coleman report into an instrument of political advocacy for racial balance as an educational goal. It gives valuable insights into the intentional efforts by some Washington bureaucrats and officials to distort the findings of the Coleman report so that it could be used to support mandatory racial balance in public schools—something that the report specifically rejected as significant to the attainment of a quality education.

In addition, the authors inspect carefully the public vacillations of Doctor Coleman on the findings of his work.

It is most significant that they burst the bubble on the theory that children learn more from each other than they do from anything else. The authors note:

> This statement finds no support whatsoever in the Coleman data.

Yet, Doctor Coleman, with the great weight of his apparent authority on the subject, stated publicly that his research proved this fiction to be fact.

The authors conclude with an observation that expresses one of the supreme ironies of our times:

> It is a paradox of history, one more in the long list of tragedies for black Americans, that the good intentions and noble goal of equal educational opportunity have become distorted into the futile and largely counterproductive symbolic gesture of imposing racial quotas to "prove" an absence of discrimination.

Racial quotas cannot end discrimination. They can only increase it.

In 1954, the Supreme Court announced that government-imposed preferential treatment on the basis of race was unconstitutional. It is just as unconstitutional now.

I ask unanimous consent that the article from Phi Delta Kappan be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Coleman's Retreat and the Politics of Good Intentions

(By Biloine Whiting Young and Grace Billings Bress)

> ". . . [T]he material [in the Coleman Report] is difficult to master, even for those . . . [with] the time, facilities, and technical equipment to try. As a result, in these technical areas society must depend upon the judgment of experts. . . . Increasingly, the most relevant findings concerning the state of society are the work of elites, and must simply be taken—or rejected—by the public at large, at times even by the professional public involved, on . . . faith."
>
> —Frederick Mosteller and Daniel P. Moynihan[*]

Since World War II, governmental bodies have grown increasingly dependent on experts, especially social scientists, to provide scholarly background for policy decisions on complex social problems. Judges, politicians, bureaucrats, and legislative bodies have come to rely heavily on social science writings and testimony as to the likely outcome of proposed educational or social interventions. The influence of social scientists, especially during the 1960s, has directly affected the lives of millions of Americans, perhaps most visibly in public education.

Yet dependency on experts for "the truth," like all dependency, exacts its price. It renders lay audiences vulnerable to manipulation in the direction the expert wishes. For, as Daniel P. Moynihan has pointed out, the typical American social scientist has a "dual nature. He is an objective seeker after truth. But he is also likely to be a passionate partisan of social justice and social change to bring it about."[1] The problem for nonexperts, who rely on this testimony, has been to distinguish between the scholarship and the advocacy.

It is difficult for judges, journalists, and other laymen to evaluate the quality of a

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Footnotes at end of article.

social scientist's research, his objectivity, his understanding of alternate hypotheses, the reliability of his conclusions. The social scientist who is strongly committed to a certain course of action may, without his lay audience's realizing it, blur his summary of the scholarly evidence into advocacy that nudges his "facts" toward the policy intervention he sees as socially desirable.

The close alliance of many American social scientists with the goals of the civil rights movement has contributed to the blurring of scholarship into advocacy. In fact, as L. Paul Metzger says, "The convergence of liberal and sociological thought in the area of race relations is striking and raises serious questions about the 'value-free' character of sociological inquiry in this area." [2] A further complicating factor has been the existence among some social scientists of a dogmatic conventional wisdom on certain politically sensitive research questions, especially those having to do with race, class, and class-cultural differences. The nonexpert audience hearing testimony in these areas may assume that it is getting the results of free scholarly inquiry into controversial questions, whereas in fact it may be receiving a summary of partial, overstated, or biased evidence that reflects an ideologically entrenched orthodoxy of opinion among the dominant senior scholars in a field. As Joseph J. Spengler, an economist at Duke University, explains, "[Social science research] tends to remain under the empire of a self-sustaining elite which, with the assistance of governmental and foundation funds, controls the perimeters of inquiry, at least on the part of those in search of support, status, and promotion . . . thereby . . . making for licensure, monopoly, and thought control." [3]

So strong have been both the sense of white guilt and the desire to correct the wrongs of the past that some social scientists have published exaggerated claims for their research; in some cases data have been distorted to serve predetermined political goals. Although some social scientists have expressed reservations about this misuse of research data, most have remained publicly silent, expressing their skepticism and reservations only in private.

Mandatory racial balance in the public schools is a policy that developed out of social science advocacy. During the 1960s, the civil rights movement in education expanded its focus from the South's de jure, segregated, dual school systems to the de facto, racially imbalanced neighborhood schools of the North. Out of a deep personal commitment to the goal of full citizenship and socioeconomic equality for black Americans, many social scientists willingly allied their scholarly expertise with advocacy of mandatory racial balance as a policy they believed would lead to equal academic achievement for black students—and thus to full participation in mainstream American society.

Along with many other social scientists, James S. Coleman fell victim to this conflict between neutral, "value-free" scholarship (concerned with finding "the truth") and commitment to what he perceived as desirable social policy (promoting "the good"). His example is important, because he was probably the most influential social scientist-advocate of the sixties, a scholar whose research and recommendations were translated into political, social, and educational interventions on a national scale. In the past decade Coleman has testified, or his first "Report" (officially titled *Equality of Educational Opportunity*) has been cited, in many of the most important congressional hearings and desegregation cases. His testimony, writings, interviews, and public statements have carried enormous weight with fellow experts, the education establishment, judges, lawyers, politicians, and the press.

The Coleman Report's most widely publicized assertion, though not its best documented finding, was that integration will improve the academic achievement of black students. This assertion, disseminated by Coleman and other social scientists who shared a moral commitment to aid blacks in their struggle for civil rights, became the "scientific" rationale for court-mandated plans to impose racial quotas in Northern schools. Based on an inadequate and largely theoretical body of research evidence, the "integration hypothesis" assumed that school integration would raise black academic performance to match white norms and would improve race relations among students through "equal status contact." Without being adequately tested or evaluated through small-scale experiments, the integration hypothesis quickly gained acceptance among educators, journalists, and judges. It became the educational justification for judicial intervention in "racially imbalanced" Northern school districts. The ironic result has been a massive reorganization of large city school systems for the sole purpose of assigning children to schools on the basis of racial quotas, in a direct contradiction of the colorblind spirit of the Brown decision. (The Supreme Court, in its Brown decision of 1954, had already outlawed de jure segregation and racially separate school systems on the constitutional ground that they violated the legal principle of equal protection of the law.)

After years of support for and identification with the policy of mandatory racial balance as an educational goal, Coleman has, within the past few months, dramatically altered his position. In a widely publicized public turnabout, he has disassociated himself and his Report from the legal and political decisions that were engendered by it. In separate interviews published in the *National Observer* and the *New York Times* (both dated June 7, 1975), Coleman asserted that his Report has been misused by the courts as a scientific rationale for reorganizing school systems to achieve racial balance. He explained that his more recent research on middle-class flight from the cities has brought him to the conclusion that forced integration has contributed heavily to the racial and socioeconomic resegregation of America's large cities and has thus reinforced the racial isolation it was meant to overcome. (In a second interview in the *Times*, Coleman admitted that his data on middle-class flight were "unverified" but repeated that he thought his basic thesis was still correct.)

When the *National Observer* interviewer inquired if Coleman felt "a sense of remorse or guilt, some responsibility for what has happened in the past few years," Coleman declined to accept responsibility for his Report's influence on the courts: "I think the problem is not with the Report but with the courts, which have used the *expected* benefit of improved minority achievement as a rationale for reorganizing school systems" (emphasis added).

When the reporter persisted, "But the Report gave them the rationale," Coleman responded, "No, the evidence in my Report is not relevant in any way to the question properly before the courts. . . . *I think the courts were wrong to consider the Report in any way*. . . . Courts are taking a very precarious path when they make research results about the achievement consequences of school integration a basis for reorganizing a school system" (emphasis added).

Coleman's reversal comes at the same time that a Superior Court judge in Inglewood, California, has rescinded his own 1970 court order mandating racial balance. The judge explained that, in five years, the racial composition of the district schools had changed from 38% minority to 80% minority and that integration with whites was therefore no longer a realistic possibility.[4] In Philadelphia the Board of Education, on the last day of a court-ordered deadline for a racial balance plan, refused to file a plan and declared racial balance of the schools to be impossible: "There's just no way," said one board member. "We've tried every possible angle and nothing has worked and nothing is going to work." [5]

In more and more American cities, courts and communities have reached a stalemate over the conflicting principles of mandatory racial balance and individual rights.

How did the goal of equal educational opportunity embodied in the *Brown* decision become distorted into a judicial demand for the imposition of racial quotas? A large part of the answer lies in the molding of the Coleman Report into an instrument of political advocacy for racial balance as an educational goal and in the vigorous dissemination of the Report's assertions by Coleman himself.[6]

Authorized by the Civil Rights Act of 1964 to bring back evidence "concerning the *lack* of availability of equal educational opportunities for individuals by reason of race, color, religion, or national origin" (emphasis added), Coleman and his coworkers undertook the huge survey expecting to find major differences in the economic resources and facilities of the schools attended by black and white children. They also expected that these inequalities of "input" would be statistically related to the "output" of student achievement. Instead of these small observed differences among school facilities, the factors that appeared to correlate most strongly with differences in academic achievement were socioeconomic class and family background of the individual students. The Report stated:

"This is the implication that stems from the following results taken together: 1) the great importance of family background for achievement; 2) the fact that the relation of family background to achievement does not diminish over the years of school; 3) the relatively small amount of school-to-school variation that is not accounted for by differences in family background, indicating the small independent effect of variations in school facilities, curriculum, and staff upon achievement; . . .

"Taking all of these results together, one implication stands out above all: that schools bring little influence to bear on a child's achievement that is independent of his background and general social context.[7]"

This wholly unexpected outcome of the study caused consternation in the Department of Health, Education, and Welfare, where the overwhelming political pressure in 1966 was for school desegregation. The Coleman data seemed to indicate that schools were already offering "equality of educational opportunity" in the traditional meaning of that phrase. However, they were clearly not producing "equal educational results" in terms of equal average achievement scores for children of all racial groups, and the data suggested that they were not likely to do so. Given the great importance of family background, the schools' influence appeared to be slight indeed. (This is *not* to say that "schools don't make a difference" for individual children, one of many popular misunderstandings of the Coleman data. What schools have not yet been able to do is *equalize* academic results among students from widely differing family backgrounds.) Black children and other members of minority groups, except Oriental Americans, were entering school already markedly behind white children in achievement on tests given at the beginning of first grade, before school influences could have been at work. This achievement gap did not narrow as schooling went on but in fact increased, so that the average black student in twelfth grade demonstrated less than a ninth-grade

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competence in basic skills such as reading. Overall, scores for black children were very similar in all schools, regardless of the percentage of white classmates.

Researchers looking for evidence to support integration on grounds of academic achievement noted that black students in majority-white classrooms appeared to be scoring roughly two points higher than other children in all-black or majority-black schools. Sometimes, however, the average scores of black children in all-black schools were higher than the scores of other black children in majority-white schools.

In short, the Coleman data on what correlated most strongly with student achievement were turning out to be troublesome in a document intended to be used as a scientific rationale for racially balancing the schools. The lawyers in HEW needed a report stressing the importance of integration if minority students were to achieve up to the average of the white majority. What they got, instead, was a document that identified social class and family background as the critical factors in individual academic achievement.

The problem was resolved through a political decision to emphasize the finding that schools throughout America were "racially imbalanced" (without defining that term), and to ignore, if not distort, the central finding: namely, the huge importance of class and family background in perpetuating inequalities. In a remarkable piece of detective work, Gerald Grant has uncovered the struggles within the Office of Education and the Department of Health, Education, and Welfare to shape the Coleman Report into an instrument of advocacy: "Under the Johnson administration, the Coleman Report [was] trumpeted to the point of distortion by both HEW and the Civil Rights Commission to make it as powerful a weapon as it could be in the desegregation effort." [8]

A key factor in the distortion of the Coleman Report's most important findings was the "Summary," which went through a number of versions before being released to newsmen several weeks before the Report itself. According to Grant, the first draft of the Summary was too emotional and was not scientifically accurate. The second attempt was politically weak; it did not make a sufficiently strong case for desegregation and was therefore unsatisfactory. The Summary that was eventually produced and accepted by HEW documented the wide extent of racial imbalance in the nation's schools and, while making no overtly erroneous statements, succeeded in obscuring the heart of the survey.

When an acceptable Summary was finally ready, it was presented to the press by Commissioner of Education Harold Howe, who was nervous and uncertain about its meaning. In what Grant calls "an astonishingly candid recollection of his mood at the time," Howe later explained:

"I think the reason I was nervous was because I was dealing with something I didn't fully understand. I was not on top of it. You couldn't read the Summary and get on top of it. You couldn't read the whole damn thing, so you were stuck with trying to explain publicly something that maybe had all sorts of implications, but you didn't want to say the wrong thing; yet you didn't know what the hell to say, so it was a very difficult situation for me." [9]

Members of the press were similarly confused. Unlike the release of other government reports, the Summary of the Coleman Report was handed to the press without any accompanying explanation or analysis. Reporters were reluctant to draw policy implications when none had been offered by the commissioner of education. Most of them published stories on the extent of racial imbalance and ignored the less obvious but far more significant conclusions about the large importance of family background and the relatively small importance of school factors as correlates of differences in individual student achievement. Worried public relations men in the Office of Education were relieved at the unchallenging press acceptance of what they had hoped would be taken as the major finding of the survey. One public relations man wrote in a memorandum, "[The Coleman Report] has reinforced the Office of Education effort to accelerate schol desegregation." [10]

The Coleman Report would have suffered the fate typical of other commission reports and sunk into obscurity had it not been for Daniel P. Moynihan, who resurrected it because its emphasis on family influence paralleled some of his own observations. (Moynihan's contribution to disseminating the assertions of the Coleman Report was probably second only to Coleman's). At Moynihan's invitation, Coleman wrote a policy-oriented article for *The Public Interest* and followed this up with testimony before Senator Abraham Ribicoff's Intergovernmental Affairs Subcommittee. When Moynihan went to the White House with President Nixon's administration, Coleman went along, testifying before the House Committee on Education and before Senator Walter Mondale's Select Committee on Equal Educational Opportunity. He became a consultant to the Cabinet Committee on School Desegregation, where he acted as the principal administration spokesman for the Emergency School Aid Act of 1970 and participated in the administration's decision to transfer the responsibility for enforcement from HEW to the courts.

It was during this period that Coleman's advocacy role expanded. As Grant explains:

"The Coleman Report is a landmark in the history of social science for many reasons, not least because it signalled a new relationship between social science and social policy. Although Coleman's message was first muffled and then subject to selective distortion, it eventually made a significant impact on federal policy and influenced major court decisions. This result . . . was, in part, an outcome of Coleman's assumption of an advocacy role as a White House advisor." [11]

Coleman appears to have had considerable difficulty with his dual and sometimes conflicting roles as scientist and advocate. His vacillating and contradictory public statements and writings between 1967 and 1975 on the relationship between black academic achievement and racial balance can be interpreted as a conflict between his scholarly commitment to the truth and his equally strong commitment to promoting policies he believed would be beneficial to blacks in their struggle for equal educational and economic results in American society.

A key problem was the Report's meager evidence on the relationship between racial composition of a classroom and minority academic performance, the same troublesome issue that had created so much difficulty for those writing the Summary. The Summary of the Report had stated: "If a minority pupil from a home without much educational strength is put with schoolmates with strong educational backgrounds, his achievement is likely to increase". Yet even the cautious words "is likely to increase" form too strong a conclusion to be supported by the slender cross-sectional data in the Coleman survey. As statistician Henry S. Dyer of the Educational Testing Service (the organization that produced the tests used in the survey) has emphasized:

"One of the principal weaknesses of the Coleman Report is that it failed to put sufficient emphasis on the fact that its findings, being based only on cross-sectional data [that compare the different performances of different children in different educational environments], could be regarded as no more than *highly tentative hypotheses and therefore highly inadequate grounds for any firm decisions* about the future direction that American education ought to take. Rational decisions on long-term educational policy must rest on nothing less than long-term [longitudinal] studies of educational practices which follow samples of the *same* children through large segments of their school experience—say four or five years. For only so is it possible to get a reasonably dependable check on the relative importance of the *innumerable factors that are in fact shaping pupil development.*[12] (Emphasis added)

What was apparently not sufficiently understood by the Office of Education and HEW staffs was that the cross-sectional survey nature of the Coleman data could only provide statistical *estimates of correlation* among variables. It is an elementary rule of statistics that correlation is not causation. The Coleman survey provided evidence of "differences" (termed "small" in the Summary) between the test scores of different children in different educational environments. It did not provide any longitudinal evidence that *moving* a black child from a majority-black environment to a majority-white environment would increase his academic achievement. "Quite the contrary," Dyer has written. "There is nothing whatever in the Coleman analysis that can justify such an inference." [13]

Nevertheless, Coleman, in his writings and public statements on the integration data of the Report, blurred these important distinctions, overstating the statistical estimates of his Report so that they sounded like and were interpreted by lay people as proof of a causal connection.[14]

For example, a year after publication of the Report, Coleman, testifying as an expert witness in the important Washington, D.C., school desegregation case *Hobson* v. *Hansen*, stated, "As the racial composition of the school is a higher proportion of white, the Negro students in the school *will achieve more* than if the racial composition of the school is predominantly Negro . . ." (emphasis added).[15]

Yet in that same year, 1967, writing in the fall issue of *The Public Interest* for a small, scholarly audience, Coleman appeared to draw back from the overstatement of his testimony in the court case and emphasized the limitations of integration for improving minority performance:

> Some observers have inferred from the Report that through racial integration of schools, and *only* [emphasis in original] through racial integration, will Negroes' educational achievement begin to match that of whites. . . . I believe that *such inferences are mistaken* and that the recommendations following from them are self-defeating. . . . The task of increasing achievement of lower-class children *cannot be fully implemented by school integration*, even if integration were wholly achieved. . . . [*I*]*ntegration is not the only means, nor even necessarily the most efficient means, for increasing lower-class achievement*. Integration . . . takes only a *small step* toward equality of educational opportunity.[16] (Emphasis added)

Three years later, in an interview printed in the *New York Times* for March 9, 1970, Coleman said: "School integration is vital, not merely for some vague, generalized social purposes, but because *it is the most consistent mechanism for improving the quality of education of disadvantaged children. . . . Integration alone reduces the existing gap between black and white children by 30%*. All the other school factors together don't add up to nearly that much" (emphasis added).

A month later, in his testimony before Senator Mondale's Select Committee on Equal Educational Opportunity, Coleman was less confident about integration's effects: ". . . [T]he survey results don't say . . . that the average Negro child or other minority child will begin to perform at the same

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level as the average white child if he attends the same school. First of all, his achievement *increases only slowly*, and is greater the longer he has been in an integrated school setting. Secondly, according to our estimates, the gap between the average Negro and the average white *will be narrowed only by about 20% to 25%* by the Negro's increased achievement due to school integration" (emphasis added).[17]

Two years later, in an interview in the *Educational Researcher* that was reported in the *New York Times* for April 9, 1972, Coleman was again less positive about the academic value of integration: "I think judges have looked at that study [the Coleman Report] and used the results more strongly than the results warrant. . . . There is not sufficient evidence to show that the kind of benefits to lower-class children that arise from a socioeconomically heterogeneous or racially heterogeneous school can't also be provided by other means. . . . I don't think a judge can say there is prima facie evidence of inequality in educational opportunity on achievement grounds if there is school segregation."

This cautious attitude was abandoned a month later, in an interview in the *Saturday Review*, May 27, 1972. For that publication, Coleman claimed: "The research results indicate that a child's performance, especially a working-class child's performance, *is greatly benefited* by his going to school with children who come from educationally stronger backgrounds. . . . I guess what I'm saying is that a child's learning is a function more of the characteristics of his classmates than of those of his teacher" (emphasis added).[18]

Coleman's statement about "a child's learning [being] a function more of the characteristics of his classmates than of those of his teacher" repeats one of the most widely quoted and erroneous ideas that emerged from the Coleman Report. As usually stated by Coleman (and as repeated by Elliot Richardson when he was secretary of HEW and by Senator Mondale when he was chairman of the Senate committee investigating equal educational opportunity), the false assertion is that "children learn more from each other than they do from anything else."[19] This statement finds no support whatsoever in the Coleman data. The idea behind the mistaken causal inference is that differences in the variable of student body composition *correlate* statistically more strongly with differences in individual achievement than do differences observed in any other school-related variable.[20] No casual inference is justified. It would be a patent absurdity, for example, to claim that children learn more algebra, geography, biology, or Latin from each other than from their teachers.[21] A reanalysis of the Coleman data by Marshall Smith found that, because of some mislabeling of variables, the correlate of peer-group influence (and thus the size of the hypothesized effects of integration) had been overstated in the original Report and family background influence understated.[22] The conclusion of the Rand Corporation, which reviewed the Coleman Report and other available studies, is: "There is no strong evidence that student-body effects exist. In particular, there is no evidence that the racial composition of a student body affects the performance of individual members of that student body."[23]

Coleman's next public statement was a letter that appeared in *The Public Interest* for the summer of 1972. Coleman had written the letter to clarify his remarks reported in the *New York Times* story of April 9. When the *Times* declined to publish the letter, *The Public Interest* printed it in order to get it on the public record. In his letter, Coleman made these points:

". . . 1. The [Coleman] Report found . . . that the academic achievement of children from lower socioeconomic backgrounds (black or white) *benefited* from being in schools with children from high socioeconomic backgrounds (black or white). 2. This achievement increment is *not nearly sufficient* to overcome the educational disadvantage of children from lower socioeconomic backgrounds. . . . My opinion . . . is that the results stated . . . above have been used inappropriately by the courts to support the premise that equal protection for black children is not provided unless racial balance is achieved in schools. . . . Most of the inequality of opportunity originates in the home . . . and the state can hope only to add opportunity in such a way that these inequalities are not increased but reduced. This does mean, of course, that actions of the state that have increased racial or socioeconomic segregation should be corrected by the courts, but not on the *mistaken assumption* that they are thereby creating equal educational opportunity."[24] (Emphasis added)

Yet many judicial decisions ordering racial balance are apparently based on this "mistaken assumption." As sociologist Eleanor P. Wolf points out, "The constitutional interpretation underlying . . . [many Northern school 'racial imbalance' decisions] seems to a layman to be . . . that black children are deprived of equal educational opportunity if they are, whatever the cause, separated from whites. Did American sociology make a contribution to this view? I believe that we did." One of the few social scientists to speak out on the use and misuse of social science evidence in legal decisions that support civil rights goals, Wolf believes that social scientists must accept responsibility for "the miseducation of judges" on complex social issues. She writes:

"It is difficult to document the process by which influence is exercised, but we know that the efforts, after 1960, to remedy through legislative or administrative action what was then called de facto segregation in public education rested mainly upon research findings. These data were used in a way which exaggerated the impact of mixture upon both scholastic performance and interracial 'understanding' while minimizing or ignoring negative evidence."[25]

Coleman's widely publicized overstatements about integration benefits for black students clearly contributed to the confusion of judges and others as to the importance of racial mixture for equal educational opportunity. (The multiple legal and educational meanings residing in the phrase "equal educational opportunity" were a large part of the problem; sometimes the phrase was used to mean what it said, sometimes to mean "equal educational results," and sometimes to mean both concepts at the same time.)

In his recent article in the *Phi Delta Kappan* (October, 1975) Coleman has clarified some distinctions that were earlier blurred. He is careful to distinguish the constitutional principle of equal protection of the law from the separate, educational goal of improving black achievement. He explains, "It is certainly necessary to insure equal protection under the Fourteenth Amendment. . . . But *once equal protection is assured, then school desegregation must be justified in terms of its consequences* [emphasis added]. The achievement benefits of integrated schools appeared substantial when I studied them in the middle 1960s. But subsequent studies of achievement in actual systems that have desegregated . . . have found smaller effects, and in some cases none at all. I believe the achievement effects do exist; but they are not so substantial that in themselves they demand school desegregation, whatever the other consequences." (The "achievement benefits" Coleman refers to were described as "small differences"—not "substantial"—in the Summary of the Coleman Report.)

The 1970s are a revisionist period in which many of the cherished assumptions behind the sixties' social interventions are being reexamined. "It is a characteristic of the seventies to try to figure out what went wrong with the sixties," Christopher Jencks has said. One of the things that went wrong was that experts and government were too eager to intervene in complex, interrelated social problems on the basis of too little knowledge about human behavior and social ecology. Experts thought they knew enough, and politicians and judges believed their self-confident assertions. In addition, dogmatic orthodoxies among social scientists hampered genuinely free scholarly inquiry into such politically sensitive areas as class-cultural differences and minority learning problems. For, as George Orwell wrote so presciently in 1945:

"At any given moment there is an orthodoxy, a body of ideas which it is assumed that all right-thinking people will accept without question. It is not exactly forbidden to say this, that, or the other, but it is "not done" to say it, just as in mid-Victorian times it was "not done" to mention trousers in the presence of a lady. Anyone who challenges the prevailing orthodoxy finds himself silenced with surprising effectiveness. A genuinely unfashionable opinion is almost never given a fair hearing, either in the popular press or in the highbrow periodicals. . . . If liberty means anything at all, it means the right to tell people what they do not want to hear."[26]

For many years it has not been academically respectable to question the conventional wisdom embodied in the integration hypothesis.[27] "Although . . . there is even more skepticism among social scientists concerning these claims than was the case in 1964, it is still rare for a reputable scholar to express this publicly, especially in polarized political situations . . .," explains sociologist Wolf. She believes that many social scientists have acquiesced in perpetuating a benign silence on the misuse of social science evidence out of confused emotions of guilt, fear, and a deep desire not to hinder civil rights progress or give aid and comfort to bigots:

"I suspect that our silences grow in part from pervasive generalized feelings of guilt, which we share (I think mistakenly) with many other liberals on this issue. There is also the fear of being labeled an Uncle Tom; the fear of being stereotyped as a *white liberal*, or, even worse, as a *moderate;* fear of all the standard jokes made at one's expense: "I'm-for-civil-rights-but, etc." Many of us who have had a long-time interest in race relations have developed close ties of friendship and loyalty to people in the civil rights movement and the intergroup relations agencies. On the whole these ties have been highly beneficial and stimulating on both sides. . . . But they have had some dysfunctional consequences as well. Social scientists have had considerable experience in being unpopular—but mostly with people for whom we had contempt. Now we must learn to endure upon occasion some measure of unpopularity from people we like."[28]

In his recent public statements revising some of his earlier scholarly judgments, James Coleman is "telling people what they do not want to hear" and is experiencing "some measure of unpopularity" from his former colleagues in education and civil rights. Coleman's recent studies on population changes (summarized in the October *Kappan*) have convinced him that resegregation by class and race is a concomitant of induced integration efforts. Class/culture differences between middle-class and stable working-class families, on the one hand, and lower-class families, on the other, operate strongly against judicial efforts to impose and maintain quotas of class mixture in schools and neighborhoods, he explains:

". . . [D]isorder clearly comes from low-

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er-class schools . . . [M]any observations of ghetto-school classrooms describe an enormous degree of disorder in those classrooms. It is very hard to blame any white parents, or any black parents for that matter, who would like to see their children out of that classroom, given the degree of disorder and the degree to which schools as they're presently constituted have failed to control lower-class black children. . . . The theory is that children who may themselves be undisciplined, coming into classrooms that are highly disciplined, would take on the characteristic of their classmates and be governed by the norms of the classrooms. So that the middle-class values would come to govern in the integrated classrooms. . . . What sometimes happens, however, is that characteristics of the lower-class black classroom—namely, a high degree of disorder—come to take over and constitute the values and characteristics of the classroom in the integrated school. . . . If 70% or 80% [of the students] are disciplined, then you're all right, unless you have a situation in which white teachers are afraid to discipline lower-class black children. . . ." [29]

Yet judges and school officials have been slow to grasp the importance of class/cultural factors in desegregation disputes, preferring to see the problems of white resistance and middle-class flight from the older and simpler "Southern" perspective of race prejudice alone.[30] Courts continue to reshuffle the available racial deck in America's increasingly black big cities, in the sincere, unexamined faith that juggling quotas—even, as in Detroit, when white students are in a minority—will somehow benefit black students.[31]

It is a paradox of history, one more in the long list of tragedies for black Americans, that the good intentions and noble goal of equal educational opportunity have become distorted into the futile and largely counterproductive symbolic gesture of imposing racial quotas to "prove" an absence of discrimination. As Americans in the 1970s become more aware of the complexities and uncertainties surrounding social intervention, we may develop, as have ecologists, more respect for the interrelatedness of many unseen forces and more awareness of the likelihood that each well-intentioned intervention may have large and unanticipated consequences.

FOOTNOTES

*From "A Pathbreaking Report," in *On Equality of Educational Opportunity: Papers Deriving from the Harvard University Faculty Seminar on the Coleman Report* (New York: Random House, Vintage Books, paperback, 1972), p. 32. Mosteller and Moynihan edited the volume as well as contributing this essay.

[1] Quoted in Tom Alexander, "The Social Engineers Retreat Under Fire," *Fortune*, October, 1972, p. 133.

[2] L. Paul Metzger," American Sociology and Black Assimilation: Conflicting Perspectives," *American Journal of Sociology*, January, 1971, p. 629.

[3] Joseph J. Spengler, "Social Science and the Collectivization of *Hubris*," *Political Science Quarterly*, March, 1972, p. 9.

[4] *New York Times*, June 22, 1975.

[5] *New York Times*, June 8, 1975.

[6] Space does not permit a similar analysis of the writings, testimony, public statements, and influence of such other scholar-advocates and desegregation experts as Thomas Pettigrew, Meyer Weinberg, Robert Crain, Neil Sullivan, and Harold Flannery. The contribution of Kenneth B. Clark, architect of the somewhat discredited social science evidence on the psychological effects of racial isolation used in the *Brown* suit, has already been evaluated by Hadley Arkes in the November, 1974 issue of *Commentary*.

[7] James S. Coleman et al., *Equality of Educational Opportunity* (Washington, D.C.: U.S. Government Printing Office, 1966), p. 352.

[8] Gerald Grant, "Shaping Social Policy: The Politics of the Coleman Report," *Teachers College Record*, September, 1973, p. 39.

[9] Ibid., p. 29.

[10] Ibid., p. 31.

[11] Ibid., p. 17.

[12] Henry S. Dyer, "Some Thoughts About Future Studies," in Frederick Mosteller and Daniel P. Moynihan, eds., *On Equality of Educational Opportunity: Papers Deriving from the Harvard University Faculty Seminar on the Coleman Report* (New York: Random House, Vintage Books, paperback, 1972), pp. 405, 406.

[13] Henry S. Dyer, "School Factors and Equal Educational Opportunity," *Harvard Educational Review*, Winter, 1968, p. 53. What was not often noticed, apparently, or commented on in news summaries was that black students in majority-white schools were still performing far below (about 1.5 standard deviations) their white classmates.

[14] The researchers who wrote the "Technical Appendix to Section 3.2" of the Coleman Report were clearly aware of the potential for misinterpretation of the data through confusing correlation with causation and overstating apparent statistical relationships. They warned on p. 326: "3. Even if association of the variables we are studying with some 'explanatory' variable is firmly established, this establishment cannot of itself settle the question of causation . . . [since] either variable may 'cause' the other, or both may share a common cause. . . . In the present case, studies of *change* in achievement level [through longitudinal experiments] could give more direct evidence than the present cross-sectional survey." On p. 327, the researchers emphasized again: "Point (3) is a point of very general application that must be borne in mind in all kinds of studies. Answers about causation are too often unclear, even when a *clear answer as to cause may be essential* in assessing the *likely value of a proposed corrective measure*" (emphasis added). Part of the problem for nonstatisticians in attempting to understand the Coleman Report data is unfamiliarity with the technical statistical meaning of terms like "accounts for," "explains," and "effects." To nonexperts, these terms sound as if they involved the idea of causation. They are not so interpreted by statisticians.

[15] Quoted in *Beckett* v. *School Board of the City of Norfolk*, 308 F. Supp. 1274, 1969.

[16] James S. Coleman, "Toward Open Schools," *The Public Interest*, Fall, 1967, pp. 22, 23.

[17] Coleman's written statement before the Select Committee on Equal Educational Opportunity of the United States Senate, Ninety-first Congress, Part 1A, p. 133 (testimony delivered on April 21, 1970).

[18] Interview with Dick Hubert.

[19] See Coleman's testimony before the Mondale committee, op. cit., p. 122.

[20] Statistician Robert E. Sherman, reviewing the analytic methods of the Coleman Report, has observed that "Coleman's estimated effect of student body influence is in the nature of a 4% contribution to the variation of student achievement. This is extremely small. A statistician with a good package of computer programs could muck about in any large mass of data and almost surely come up with relationships which were 'statistically significant.' In such *post hoc* data analyses, statistical tests become to some unknown degree reflections on the ingenuity or persistence of the researcher. Of course, real statistical relationships can be uncovered in this process, but judgment should await independent confirmation whenever the [estimated] relationships are small, of doubtful consistency, or serve to advance the researcher's acknowledged bias. This seems to describe the Coleman 'peer group' effect precisely" (personal communication).

[21] The question of the importance of teachers' contributions to the actual learning gains of children was never addressed in the Coleman survey because the data were set up to try to reveal what *differences* in variables connected with teachers might be statistically related to *differences* in student achievement. Not finding a statistical "effect" that appearedto correlate with differences among teachers is not a demonstration that teachers are not effective.

[22] Marshall Smith, "Equality of Educational Opportunity: The Basic Findings Reconsidered," in Mosteller and Moynihan, op. cit., especially p. 270.

[23] Harvey A. Averch et al., *How Effective Is Schooling? A Critical Review and Synthesis of Findings* (Santa Monica, Calif.: The Rand Corporation, 1972).

[24] James S. Coleman, letter to the editor, *The Public Interest*, Summer, 1972, pp. 127, 128.

[25] Eleanor P. Wolf, "Civil Rights and Social Science Data: Problems in the Use of Research Data To Support Civil Rights Propositions," *Race*, October, 1972, pp. 176,177.

[26] "The Freedom of the Press," *New York Times Magazine*, October 8, 1972.

[27] Nor has it been politically respectable for liberal politicians to question the integration hypothesis. At the Mondale hearings on equal educational opportunity, proponents of mandatory racial quotas were disproportionately invited to testify. Among the few witnesses to challenge some of the optimistic assumptions and predictions was the late Alexander Bickel, professor of law at Yale. Compare Mondale's sharp and even hostile questioning of Bickel with his deferential treatment of Kenneth B. Clark and James S. Coleman.

[28] Wolf, op. cit., p. 177 and pp. 163, 164.

[29] *The National Observer*, op. cit.

[30] See Michael Novak, "Tom Wicker's Attica," *Commentary*, May, 1975, for an illumnating exploration of "Southern" and "Northern" perceptions of race and class problems.

[31] According to desegregation researcher Nancy St. John in her newly published evaluation of 120 studies on the effects of school desegregation on children, the academic and social benefits hypothesized and hoped for have so far failed to find pragmatic confirmation. See *School Desegregation: Outcomes for Children* (New York: John Wiley, 1975). The validity of the "equal status contact" theory has been questioned by Eleanor Wolf (op. cit., p. 169): "The old sociological generalization that "equal-status contact" tends to improve interracial attitudes' contains a certain element of circularity; if *equal*-status contacts are widespread, "success" has already been attained. Racial mixture in schools, however, is—according to many of its proponents—primarily necessary because so many black pupils, disproportionately from low-income families, are doing so *poorly* that they need the stimulating presence of others. This is not "equal status' contact."

A Note on Terminology

(By Grace B. Bress and Biloine W. Young)

In the September *Kappan*, George E. Fitch accuses us of misuing the terms "desegregation" and "integration." He writes, "Throughout the article, Young and Bress were apparently referring to desegregation but used the term integration."

Not so. We use the term "desegregation" in its original, specific, de jure sense: to denote the undoing through legal remedy of the previous legal and moral wrong of de jure segregation of children, solely on the basis of their race, in separate black and white schools.

As we emphasized in our April article, we believe that it is inappropriate, inexact, and misleading to extend the terms "segregation" and "desegregation" beyond their original, specific, de jure meanings to include Northern racial and socio-economic concentrations in different neighborhoods and thus in different neighborhood schools. Complex factors are involved in these population "imbalances," not least being the "own group preferences" of the families involved.

We use the term "integration" in an inclusive, general sense to refer to racial mixing in schools or society, the positive action of people getting together. Our use of the term does not specify either (1) why the people happened to be apart (whether voluntarily or kept apart by law) or (2) how or why they happen to be getting together now (whether voluntarily or ordered by law). "Integration" in this commonly accepted general sense is a very handy term to use in the many contexts in which it is not necessary or desirable to spell out precisely what the previous reasons for racial isolation were.

We are aware that some other writers on the complex subject of desegregation/integration would like to restrict the term "integration" to the attainment of benign racial attitudes on the part of the students involved and not use it to describe the current, arduous *process* that we as a nation are struggling with. These writers tend to use the term "desegregation" in a very broad sense, as Fitch does, thus blurring the important legal and moral distinctions between de jure segregation in dual school systems and racial and socioeconomic concentrations (with their large voluntary component). Taking the useful general term "integration" out of current circulation would leave us only the inadequate substitutes, "racial mixing" or "racial balance." (Balance for whom? In what sense? In practice, "racial balance" appears to mean that black students must never be in a school situation in which they form a majority!)

A "clean," standardized terminology in dealing with this complex subject is urgently needed.

A SYMBOL FOR AMERICA IN ITS BICENTENNIAL

Mr. MATHIAS. Mr. President, history records man's continuing search through the ages for symbols to evoke the spirit of the times. In an article published in the New York Times, Prof. John Higham of the Johns Hopkins University calls for a new symbol to express a pluralistic America in search of a more stable, peaceful, and cooperative relationship with its environment, a symbol which dignifies America's roots, but also its ability to grow in diverse directions.

Professor Higham points out that America ought to return to the symbol of the Liberty Tree which Thomas Paine in 1775 called the temple of friendship of free men. The image of Uncle Sam, Miss Columbia and the Eagle all served to express sentiments of simple loyalty, noble duties, and burgeoning empires. Many things have changed for Americans of the late 20th century and the Bicentennial comes at a time when we search daily for signs of self-renewal. We attempt to define ourselves in a new image when perhaps a very old one will do.

One of the original Liberty Trees still stands in Annapolis, a symbol of colonial resistance to British oppression during the birth of our Republic. It is also recorded that in 1652, the Susquehannocks made peace with our forefathers under the same Liberty Tree in Annapolis. In fighting for their own liberty, the first European-Americans had to plant their roots in someone else's soil. Thus, the Liberty Tree can recall not only our own struggles with tyranny, but can also renew in us a humility and a sense of our own human aspirations in searching for new beginnings.

We find that 200 years after our Nation's birth that we cannot really be happy or productive in the resources we inherited no longer exists. It has taken that long and more to realize that we cannot have the peaceful, stable, and cooperative existence within our environment which Professor Higham calls for, if we are not willing to make some sacrifice.

The Liberty Tree, therefore, can be our Bicentennial symbol. It evokes our complex past and offers us the hope that as a Nation we can like it—self-renewing, stable, and able to continue growing through diverse experiences. And we must also let it remind us of the fragility and beauty of a cooperative relationship of a people to its environment.

I ask unanimous consent that the article by Professor Higham be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Dec. 18, 1975]

SYMBOLIZING THE UNITED STATES

(By John Higham)

BALTIMORE.—Uncle Sam has not been much in evidence lately. If he does turn up, he is likely to look pretty sick. The last time I saw him in a cartoon he was slumped in a doctor's office. Looking depressed, he was complaining, "Sometimes, for no reason, I suddenly burst into tears." Gone is the sprightly old codger of jaunty stance and belligerent gesture, whom we used to know on Army recruiting posters and on the cover of The Saturday Evenuing Post. What became of him? Partly, I think, he faded away when Americans could no longer identify themselves with the kindly, simple-hearted uncle. But Sam's demise was, undoubtedly insured by limitations of ethnic origin and gender. He could never be anything but a white Anglo-Saxon male. As a symbol of America he was already a quaint anachronism before women's liberation went to work on male authority. So enfeebled was the poor old fellow that the new feminists never deemed him worthy of scorn.

Before Uncle Sam sprang to life in the middle years of the 19th century, Americans usually represented the national spirit as a woman. She was the goddess Liberty, sometimes known as Miss Columbia. She wore the flowing robes of antiquity, and on some early American coins she sat on the globe while holding a pole or standard topped with a Phrygian cap. Always noble, and judicious, she was never in the modern sense liberated.

In the late 19th and early 20th centuries Columbia complemented Uncle Sam nicely. He incarnated American activity; she was the emblem of American ideals. But her general usefulness as a national symbol ended well before this. After World War I, women climbed down from their pedestals and threw away their halos. Thereafter our transcendent female could embody the sacred meaning of America only in a very special and particular context. As a statue in New York Harbor, she became the patron saint of immigrants.

To look for another personification of America, a substitute for our broken-down uncle, would be pointless. In the pluralistic America of the late 20th century neither male nor female, neither black nor white, neither frontier scout nor Indian chief nor any other distinctive human type can provide a compelling symbol of American identity.

Fortunately American culture has also drawn its icons and images from nature. All along, we have had a third national symbol, often more powerful and evocation than either Uncle Sam or Miss Columbia. In 1782 Congress adopted the American bald eagle for the Great Seal of the United States. Ever since, eagles have swelled their breast and thrust out their beaks whenever patriotic emblems were required. Today the eagle is in trouble too.

A symbol is sooner or later affected by changes in the reality it utilizes. The eagle, once sacred to Zeus, has become an endangered species. It no longer conveys an image of unconquerable power. What is perhaps worse, the eagle's peculiar attributes have lost much of the charm they had in the 19th century. Many Americans could then rejoice in the essentially aggressive, expansionist associations of that bird of prey.

In a young republic, striving to possess a continent, the eagle's soaring flight suggested dominion over nature and the command of boundless space. Today Americans need to pledge themselves to a more stable, peaceful, and cooperative relationship with their environment.

Happily the country has, buried in its revolutionary past, exactly the symbol it needs. The Tree of Liberty was the first symbol of colonial resistance to British oppression. From earliest times people have seen in trees a sacred power of fertility and renewal. Long before the settlement of America, Europeans celebrated that power by erecting a fresh-cut tree on the village green on May Day.

Often a pole, the Maypole, was substituted for a tree. Americans in 1765 and later converted the May Tree (or Maypole) to political purposes, by using a designated tree in one of the town squares as a rallying-point to protest British actions. The tree would be decked with slogans and effigies of unpopular officials.

Tom Paine, the foremost agitator for American independence, published in 1775 a widely circulated poem, which declared that the Goddess of Liberty had herself planted the Liberty Tree in America. A stanza:

> The fame of its fruit drew the nations around,
> To seek out this peaceable shore.
> Unmindful of names or distinctions they came,
> For freemen like brothers agree,
> With one spirit endued they one friendship pursued.
> And their temple was Liberty tree.

In Annapolis, Md., one of the original Liberty Trees still stands. In the American imagination, however, the Liberty Tree withered. Better suited to the spirit of the 19th century was the more dynamic image of the eagle. But the time has come to reclaim our noble tree. We need its rootedness and its perennial promise of renewal. Linking the birth-time of the nation with the most ancient rituals of spring, the Liberty Tree is both cosmopolitan and peculiarly American. As a symbol of the potential harmony between nature and society, it speaks for an ecologically responsible patriotism. On another level, the relation between the branches and the trunk suggests the joining of unity with diversity, which is the genius of America.

What better project might the Bicentennial commissions take up?

DRY WEATHER THREATENS WINTER WHEAT CROP

Mr. HUMPHREY. Mr. President, I wish to share with my colleagues an article by Seth King in the December 23 edition of the New York Times entitled "Winter Wheat Crop Seen Shrinking 9 Percent."

Mr. President, the article points out a fact that we have grown increasing conscious of in recent years; namely, the importance of weather conditions throughout the world in our agricultural production. The lack of adequate moisture in the fall and winter has been a serious factor in the Midwest in terms of getting our winter wheat crop off to a good start.

The article points out, however, that a good snow cover and adequate moisture in the springtime could remove much of the damage which has already taken place. However, there also has been a great deal of speculation concerning the possibility of a drought in the Midwest during next summer.

And, of course, the Soviet Union has experienced less than favorable fall weather conditions for its wheat plantings. The outcome of the Soviet harvest will, of course, play a major part in determining next year's world food supply situation.

Thus, the weather of these two major countries is of extreme importance in determining food supply availabilities, livestock production, and food prices.

Mr. President, with this in mind, I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Winter Wheat Crop Seen Shrinking 9 Percent—Dry Weather Said To Threaten Harvest—Planting Is Largest Since 1949

(By Seth S. King)

Chicago, December 22.—America's winter wheat crop, on which so much of the world depends for its bread, is suffering from dry weather and is in danger of being smaller than this year's record crop.

In its first estimate of the size and condition of the 1976 crop, the Agriculture Department reported today that American farmers had planted more acreage in winter wheat this fall than last year, when they produced the largest wheat crop in history. The department estimate that 57.2 million acres had been planted, 1.1 million more than last year and the largest planting since 1949.

But growing conditions as of Dec. 1 indicated a winter wheat yield of 1.496 billion bushels, or 9 percent below the 1975 yield of 1.651 billion bushels.

WEATHER UNFAVORABLE

It still would be a bumper crop, but while the amount of wheat in storage on American farms and elevators is at least 20 percent greater than last year at this time, the world's wheat reserves are still near record lows.

In the Western half of the great winter wheat belt that stretches from Nebraska and eastern Colorado through Kansas and western Oklahoma and Texas, the rainfall at planting time was below even the meager amount that is considered normal.

Thousands of acres in this area were "dusted in" under dangerously dry conditions. Much of the wheat had not sprouted to its normal height before the first freezes made it dormant. Unless there is adequate rainfall next spring in these areas, the stunted plants will be vulnerable to the wind and in danger of being blown out as many crops were in the drought years of the mid-1930's and mid-1950's.

And again this year, many farmers planted all the land they had available instead of fallowing, or leaving idle, half their wheat acreage, as they normally do.

Unless it is fallowed every other year, land in the drier sections does not hold as much moisture and yields often drop as a result.

And many farmers cut back on the amount of fertilizer used at planting time, another factor that would reduce per acre yields.

LATE AND TOO DRY

"I've never seen conditions any worse than they are right now:" said Earl Rosenbaum one of the larger wheat growers in the normally productive area of Pratt County, in central Kansas. "It was so dry in October that we couldn't plant when we usually do. So a lot of this wheat went in late and in too-dry ground. If it doesn't rain hard next March, the real testing time we're in trouble."

But veteran wheat farmers always caution forecaster that winter wheat—planted in the fall, harvested the following summer, and accounting for three fourths of the total crop—has nine lives.

"While it looks bad now, I've also seen some miracle crops around here. What we really need now is a few inches of snow to cover those plants and keep them warm and damp. Then we'd be back smiling, though I'm sure nobody around here is expecting yields like we've had the past two years."

American farmers usually export two-thirds of their wheat, with the remaining third consumed domestically as bread and pastry. As of mid-December, exports from the 1975 crop were still running at record rates.

The Soviet Union is committed to buy between 6 and 8 million tons of wheat and corn from next year's crop.

If the 1976 winter wheat crop does reach the total the Agriculture Department now predicts, there would be enough to fill this commitment and continue to supply America's other large foreign customers.

To date, the Soviet Union has bought about 4.3 million tons of American wheat and 8.7 million tons of corn and other feed grains, bringing total purchases in the past few months to 13 million tons, almost as great as in 1972, the year Russian purchases helped wipe out American surpluses and send grain prices soaring.

The Soviet Union has stopped buying for the moment, but Soviet grain production this past fall has been far below original predictions and grain brokers here expect some further Russian buying, probably by February.

Even with what has been purchased to date, the American corn and wheat crops this fall were so large that the market has been declining. As of this week, American farmers were selling these crops for at least $1 a bushel less than last year.

THE CONCORDE

Mr. BUCKLEY. Mr. President, 2 weeks ago I presented, at hearings conducted by Secretary Coleman of the Department of Transportation, the reasons why I felt it would not be in the public interest for the United States to permit even a limited number of daily flights of the Concorde into the United States at this time. As I believe this is a matter that ought to be of concern to every Member of this body, I ask unanimous consent that my testimony be printed at this point in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Senator James L. Buckley's Testimony on the Concorde at Hearings Conducted by the Hon. William Coleman, Secretary of Transportation

I wish to thank you, Mr. Secretary, for this opportunity to testify once again on the proposed flights of the Concorde into this country.

I fully appreciate the difficulties that you face in deciding whether or not to permit the Concorde to initiate scheduled flights into the John F. Kennedy and Dulles airports. If you should grant the permit, you would, in effect, have to waive regulations designed to protect the public from excessive noise and vibrations caused by aircraft. (I recognize, of course, that, at this moment, we have no regulations affecting commercial supersonic aircraft, there is nothing to be waived. This, of course, is a technicality as to what is sought to be regulated is noise, not aircraft.) If, on the other hand, you should deny the permit, you risk the accusation that the United States has frustrated a commercial venture of great importance to the two countries with which we have had our closest historical ties. It is my hope, however, that on the basis of these hearings and of the detailed environmental studies now completed, you will conclude that it would be against the public interest to permit, at this time, the inauguration of commercial flights by the Concorde into this country.

We must recognize at the outset that there is nothing frivolous about our existing laws and regulations governing the sound levels permitted aircraft using our airports. Excessive sound is not merely a source of annoyance. It comprises a positive, measurable danger to human health. Therefore those regulations, which are designed to protect the public health, ought not to be waived lightly.

The first question to be asked, then, is whether the proposed flights would impose a significant additional burden on persons living in the vicinity of JFK and Dulles. Are we dealing, in other words, with something more than a technicality? Speaking on behalf of the several hundred thousands of New Yorkers living under the flight paths into JFK, the answer is a clearcut "Yes".

It is proposed that Concordes be allowed to fly in and out of JFK four times per day—and this is only for starters, as the FAA has estimated that by 1987, JFK would be scheduling 50 Concorde flights daily. In its draft environmental impact statement (EIS), the FAA calculated that current flight operations expose 375,000 persons to what it deems "acceptable" noise levels, while exposing an additional 50,500 to clearly "unacceptable" levels, all within an impacted area of approximately six square miles. The presence of only four Concorde flights in and out of JFK per day would extend the impacted area to approximately seven square miles and would raise the total number of persons exposed to so-called "acceptable" noise levels to 379,500 and the number exposed to "unacceptable" levels to 53,100.

In his May 22nd letter to the FAA's draft EIS, EPA Administrator Russell Train stated:

"At the F.A.R. 36 measuring points, the Ldn is currently greater than 85, well above the levels document criterion of 75 for protection against hearing impairment. It is therefore not correct to state that such a population is only slightly affected because of a small increase in noise levels. At such high levels, *any* increase, however small, constitutes a significant impact, especially in light of Federal efforts to reduce noise immediately in such highly impacted areas."

It should be emphasized here that we are not dealing with an aggravation that can lightly be dismissed. Studies have established that the constancy and volume of noise around JFK already has had seriously detrimental effects upon job performance, school work, family relationships and human heath. I have received hundreds of letters from civic groups, business and homeowners associations, and concerned individuals—people who have long and tirelessly worked to reduce aircraft noise through Federal legislation and operation restrictions at the local level—violently protesting the noise they must now live with on a twenty-four hour basis. They ask legitimate questions that are very hard to answer: How can a government that is actively engaged in reducing noise levels even consider granting landing rights to an aircraft that generates two to four times as much noise as the subsonic aircraft that are now stretching the limits of what can be considered tolerable? How can a government that is continuing to allocate men and money to develop a retrofitting system capable of bringing a sizeable reduction in noise from older subsonic aircraft at the same time consider a move that would seriously negate much of the benefit to be derived from this effort?

In this connection, the FAA's final environmental impact statement contains an interesting chart projecting conditions at JFK in 1987 under various assumptions. Among other things, it indicates that with retrofitting and no Concorde flights, 5,000 persons will be subject to unacceptable levels of noise. Retrofitting plus 50 Concorde flights a day, however, would increase that figure almost five-fold, to 24,000 persons.

It is not only the level of noise that has caused such vehement opposition to the Concorde; it is its capacity to cause vibrations. Thousands of individuals living in the impacted areas around JFK are currently disturbed twenty-four hours a day by the rattling of dishes, pictures, and lamps. The FAA's final environmental impact statement confirms that the Concorde can be expected to cause up to five times the vibrations generated by long range subsonic aircraft.

Although the exact levels of tolerance are not now known, it is clear that low vibration noise has an adverse effect on health that is real and immediate. The final EIS states that low-vibration sound produces a vibration which is "felt" in various parts of the body; that steady or continuous low vibration noise results in "arterial tension, a downward trend in venous pressure and reduced peripheral resistance"; and that intermittent low vibration noise produced "hypertension, rising arterial pressure and frequent capillary spasms".

From all this data it is clear that a significant number of people will be subjected, on a daily basis, to unacceptable levels of noise and vibrations if the Concorde is allowed to operate on even the limited basis now proposed. This alone ought to raise serious question as to whether current regulations designed to protect their health ought to be waived. But there are other potential environmental hazards that must also be taken into consideration in reaching a decision on this matter.

Four flights per day would increase total aircraft emission pollution at JFK by 4.39% daily. Per landing/takeoff cycle, a Concorde emits 790 pounds of carbon monoxide as compared with 187 pounds for a B–747 which carries three times as many passengers, or 72 pounds for a DC–10 which carries twice as many passengers. Ambient air quality levels of carbon monoxide in New York City are already such that transportation control plans are required to control excessive emissions. Furthermore, emissions of nitrogen oxides from the Concorde, a possible cause of ozone reduction, are three times greater than those of the B–707 or DC–8, and 32% greater than the combined averages of the B–707, B–747, DC–8 and DC–10. Given the serious implications of any major reduction in the ozone layer, it seems to me that elementary prudence would require that we delay commercial flights of supersonic aircraft until 1978 when we should have the results of studies testing the theories of ozone depletion that have been advanced in recent years.

In the light of these actual and potential costs to human health and the environment, what are the reasons offered to justify the decision to permit the Concorde to make scheduled flights into JFK and Dulles? Basically, they come down to two: Maintaining good relations with France and Great Britain, and catering to the convenience of transatlantic travelers.

With respect to the first, I do not see how these countries can consider themselves illused if we do no more than insist that the Concorde meet the same requirements with respect to noise levels that we impose on our own subsonic aircraft. The regulations are not discriminatory in their application or intent, and there is simply no basis for an argument that they are designed to protect American plane manufacturers and airlines from competition from foreign manufacturers and operators of supersonic aircraft. Such a charge might be made if we were to exclude supersonic aircraft that otherwise met all the standards that we impose on ourselves in order to protect the health of our own citizens. But the Concorde does not meet these standards, and no suggestion has been made that those we have established are unreasonably strict.

I fully understand that denying the Concorde landing rights may jeopardize the entire investment that the British and French have made in the aircraft, just as I understand the importance of maintaining good relations with these traditional friends. But I honestly do not see how we can be held accountable for the collapse of what appears in retrospect to have been an ill-considered commercial venture. Great Britain and France are, after all, sophisticated industrial nations. They must have understood that the Concorde would be required to meet existing standards in the countries they expected to service. It is just as unreasonable to expect other countries to discriminate in favor of the Concorde as it would be for other countries to discriminate against it.

With respect to the convenience of transatlantic travelers, I cannot for the life of me see why thousands of New Yorkers should be expected to put up, day in and day out, with high levels of noise and rattling dishes just so that a few hundred passengers a day can shave two or three hours off a trip to or from Europe. Their marginal convenience simply does not add up to the kind of overriding public interest that can justify waiving regulations that are bringing some measure of relief to thousands of Americans who live in the vicinity of our major airports.

As I stated earlier, it is my strong hope that after you have reviewed all the arguments and data, Mr. Secretary, you will conclude, as I have, that the reasons offered in support of allowing the Concorde permission to conduct even limited operations into this country are far outweighed by the actual and potential costs they would impose on the environment and on the health of our citizens.

RIGHT TURN ON RED

Mr. BUMPERS. Mr. President, energy conservation has monopolized a considerable amount of this body's time, as it should, and like many of my colleagues I have worked long and hard to develop practical ways to conserve our dwindling energy resources. One method that I hit upon last summer and which I consider to be eminently sound is to encourage those 32 States and the District of Columbia that do not have a generally permissive right-turn-on-red system to adopt one. I introduced a bill to accomplish this, but, as it happens, this issue came up as part of the conference committee's negotiations on S. 622, the energy conservation bill, and the conference accepted the suggestion, and included in the bill a requirement that individual States, to the extent feasible, include as part of their energy plans submitted to the Federal Energy Office, a section dealing with how that particular State is utilizing the right-turn-on-red.

In light of this history, I was interested to read in the November 27 issue of the Washington Post a comment by Bill Gold regarding his recent experience with right-turn-on-red. Of particular interest in this column is the fact that a comprehensive study has recently been completed by the Virginia Highway and Transportation Research Council estimating that 3.1 million gallons of gasoline could be saved in that State alone, should the State convert from limiting right-turn-on-red to intersections where a sign specifically permits it, to the general permissive system which would allow it in all instances, unless a sign specifically prohibited it.

I commend this article to my colleagues' attention, since it contains a good synopsis of the Virginia report and a brief summary of the salutary and practical benefits that can be derived from generally permitting right-turns-on-red in all States.

One of the primary reasons I have endorsed such a system so strongly, aside from the considerable energy savings, is because lack of uniformity in traffic procedures and regulations often presents a hazardous situation increasing the chances of both property damage and personal injury. For example, in the immediate area we have the District of Columbia which has no right-turn-on-red procedure, the State of Maryland which permits right-turn-on-red by sign only, and the State of Virginia which is contemplating adoption of a general permissive system and probably will enact such legislation in the very near future. So to the thousands of motorists like me who regularly pass through the three jurisdictions, there is considerable confusion and ultimately, in my considered opinion, an enhanced potential for accidents.

Mr. President, I ask unanimous consent that this column be printed in the RECORD in order to remind my colleagues of the tremendous benefit we can derive from a uniform right-turn-on-red system throughout the country, both in terms of energy conservation and human safety.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 27, 1975]

THE DISTRICT LINE

(By Bill Gold)

After the Virginia Highway and Transportation Research Council recommended that right turns be permitted on red lights (except at intersections posted as exceptions) we discussed the matter in this space.

I said I had some personal reservations because the turns are supposed to be made only after a full stop—but many drivers don't seem to know the difference between "stop" and "slow down a little."

Nevertheless, I said I'd be inclined to go along with any recommendation traffic experts might make.

Two interesting things happened a few days later. The first was that I was almost in an auto accident.

I was driving back into Washington after a trip out Massachusetts Avenue extended, I was moving about 30 miles an hour in a 35-mile-an-hour zone. It was raining and traffic was rather heavy.

The light at Fort Sumner Drive turned green for us about a half-block before we got there, so all of us just continued on through it at 30. My attention had already switched to another traffic light just ahead when I became uncomfortably aware that something was amiss.

A woman in a Cadillac who had come down the hill from Sumner just wasn't stopping. She made a sharp right turn into Massachusetts Avenue, breaking into the stream of traffic just ahead of me. Fortunately I have good peripheral vision and was able to brake quickly. But the near-miss really shook me.

I turned off Massachusetts Avenue at the first opportunity and went back to examine that intersection. Facing the woman in the Cadillac, I soon learned, had been a sign that told her she could "Turn Right After Stop."

Stop? She hadn't even slowed much.

That's the sort of thing that worries me about right-on-red legislation.

However, the other interesting thing that happened soon after I wrote that column about the right-on-red recommendation was thot I got a letter from research engineer Martin R. Parker Jr. He was co-author of the study and recommendation.

He commended me for suggesting that we laymen ought to be slow to take sides on a technical issue like right-on-red. The researchers had to spend six months collecting data before they could form an opinion.

Parker also sent along a copy of the full report, from which I learned these things:

1. The wording of the recommended new law would require those turning right on red to do more than just "come to a full stop." Turners would also be enjoined to enter the intersection "cautiously" and to yield the right of way to both pedestrians and vehicles moving on the green light.

2. Where right turns are now permitted on red, there has been no significant increase in accidents.

3. Permitting right-on-red would really save 3 million gallons of gas a year. That wasn't just a number pulled from a hat; there is a sound statistical basis for it.

4. Synchronizing traffic lights would probably save an even greater amount of gasoline. The researchers found many signals out of synchronization and many others that allotted the wrong amount of time for the traffic flows they were supposed to regulate.

5. To make right-on-red work properly, there must be widespread publicity about it for at least six months so that drivers will know that they have new rights and new obligations.

AIR FORCE GOLF COURSES

Mr. GOLDWATER. Mr. President, several times during 1975 Members of Congress made comments about military golf courses and the comments were not complimentary; in fact, the main thrust of them were aimed at why have them at all? Having been president of a golf club at one time and having served on a city council where recreation was a very important matter, I feel I know something about the subject. Consequently, I have looked into the matter of golf courses in the Air Force alone, and I find to begin with that golf courses are operated in accordance with Department of Defense Directive 1330.2. It is Air Force policy that golf facilities offset all nonappropriated fund expenses related to course operation and produce a reasonable net income. This income supplements appropriated funding support to other morale, welfare, and recreation activities and programs such as libraries, athletics, and recreational centers, which are not self-sufficient. In many cases, golf facility earnings have resulted in the survival of these programs and services which are vital to the morale and physical well-being of Air Force personnel.

At this point in my discussion, I ask unanimous consent that a compilation of Air Force golf course statistics for 1974 be printed in the RECORD.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

AIR FORCE GOLF COURSE STATISTICS FOR CALENDAR YEAR 1974

Base	Number of holes	Playing season (months)	Rounds played		Total rounds
			Weekdays	Weekends	
UNITED STATES					
Altus AFB, Okla	9	12	8,613	6,656	15,269
Andrews AFB, Md	36	12	60,030	24,648	84,678
Arnold AFS, Tenn	9	12	13,050	7,800	20,850
Barksdale AFB, La	18	12	29,232	25,480	54,712
Beale AFB, Calif	9	12	13,050	15,600	28,650
Bergstrom AFB, Tex	18	12	19,575	20,800	40,375
Blytheville AFB, Ark	9	10	7,047	4,472	11,519
Brooks AFB, Tex	9	12	16,965	14,500	31,465
Cannon AFB, N. Mex	9	12	4,211	10,080	14,291
Carswell AFB, Tex	18	12	42,021	22,880	64,901
Chanute AFB, Ill	18	7	12,026	7,924	19,950
Charleston AFB, S.C	18	12	35,235	23,400	58,635
Columbus AFB, Miss	9	12	9,657	4,992	14,649
Craig AFB, Ala	9	12	10,440	15,500	26,040
Davis-Monthan AFB, Ariz	18	12	65,250	31,200	96,450
Dover AFB, Del	18	7	28,710	16,640	45,350
Dyess AFB, Tex	18	12	20,880	13,520	34,400
Edwards AFB, Calif	18	12	23,490	15,080	38,570
Eglin AFB, Fla	27	12	39,672	26,000	65,672
Eglin Aux. Fld., Fla	18	12	19,836	18,200	38,036
Eielson AFB, Alaska	9	Austere facility—participation figures not maintained			
Elmendorf AFB, Alaska	18	6	13,624	6,342	19,966
England AFB, La	9	12	11,745	7,800	19,545
F.E. Warren AFB, Wyo	18	7	8,100	6,740	14,840
George AFB, Calif	9	12	5,220	4,160	9,380
Grand Forks AFB, N. Dak	9	7	26,100	18,200	44,300
Griffiss AFB, N.Y	9	7	8,600	3,744	12,344
Grissom AFB, Ind	9	7	8,664	3,172	11,836
Hill AFB, Utah	18	5	18,909	8,619	27,528
Holloman AFB, N. Mex	9	12	21,402	11,128	32,530
Homestead AFB, Fla	18	12	28,710	15,496	44,206
Keesler AFB, Miss	18	12	24,742	14,982	39,724
Kelly AFB, Tex	18	12	12,267	8,424	20,691
Kincheloe AFB, Miss	9	7	19,575	14,560	34,135
Kirtland AFB, Tex	18	12	18,270	10,920	29,190
K. I. Sawyer AFB, Mich	9	7	19,575	15,600	35,175
Lackland AFB, Tex	18	12	41,760	26,000	67,760
Langley AFB, Va	36	12	42,021	37,960	79,981
Laughlin AFB, Tex	9	12	11,223	5,616	16,839
Little Rock AFB, Ark	18	12	17,487	10,608	28,095
Loring AFB, Maine	9	7	12,160	9,150	21,310
Lowry AFB, Colo	18	12	15,000	7,500	22,500
MacDill AFB, Fla	18	12	49,590	24,960	74,550
March AFB, Calif	18	12	32,625	22,048	54,673
Mather AFB, Calif	18	12	27,666	43,160	70,826
Maxwell AFB, Ala	36	12	130,500	66,560	197,060
Minot AFB, N. Dak	9	7	15,200	7,930	23,130
Moody AFB, Ga	9	12	8,613	9,256	17,869
Mountain Home AFB, Idaho	9	7	10,440	12,480	22,920
Myrtle Beach AFB, S.C	9	12	18,270	11,440	29,710
McChord AFB, Wash	18	7	19,575	8,840	28,415
McClellan AFB, Calif	9	12	18,270	14,560	32,830
McConnell AFB, Kans	9	12	10,440	10,400	20,840
McGuire AFB, N.J	18	8	26,100	15,600	41,700
Nellis AFB, Nev	18	12	22,185	12,480	34,665
Norton AFB, Calif	18	12	26,100	14,560	40,660
Offutt AFB, Nebr	27	7	25,840	21,350	47,190
Patrick AFB, Fla	18	12	78,300	34,944	113,244
Pease AFB, N.H	18	7	5,624	14,884	20,508
Peterson Field, Colo	9	12	20,880	8,528	29,408
Plattsburgh AFB, N.Y	18	7	7,600	9,150	16,750
Pope AFB, N.C	9	12	4,698	3,952	8,650
Randolph AFB, Tex	18	12	36,540	23,400	59,940
Reese AFB, Tex	9	12	12,300	9,880	22,180
Richards-Gebaur AFB, Mo	18	9	17,487	7,072	24,559
Rickenbacker AFB, Ohio	18	7	22,800	17,080	39,880
Robins, AFB, Ga	18	12	26,100	26,000	52,100
Scott AFB, Ill	18	12	20,358	9,360	29,718
Seymour Johnson AFB, N.C	18	12	19,575	15,600	35,175
Shaw AFB, S.C	18	12	52,200	31,200	83,400
Sheppard AFB, Tex	18	12	19,575	15,600	35,175
Tinker AFB, Okla	18	12	52,200	31,200	83,400
Travis AFB, Calif	18	12	24,795	17,160	41,955
Tyndall AFB, Fla	18	12	12,430	6,905	19,335
USAF Academy, Colo	18	12	57,420	26,208	83,628
Vandenberg AFB, Calif	18	12	27,405	20,904	48,309
Webb AFB, Tex	9	12	6,264	6,656	12,920
Whiteman AFB, Mo	9	12	15,660	8,320	23,980
Williams AFB, Ariz	9	12	17,226	7,384	24,610
Wright-Patterson AFB, Ohio	27	12	44,370	20,488	64,858
OVERSEAS					
Albrook/Howard AFB, Canal Zone	18	12	13,050	17,680	30,730
Andersen AB, Guam	9	12	20,619	15,912	36,531
Aviano AB, Italy	9	12	5,220	6,340	11,460
Clark AB, Philippine Islands	18	12	62,640	31,824	94,464
Hahn AB, Germany	9	12	16,965	11,960	28,925
Hickam AB, Philippine Islands	27	12	80,910	48,464	129,374
Incirlik AB, Turkey	9	12	15,660	14,560	30,220

AIR FORCE GOLF COURSE STATISTICS FOR CALENDAR YEAR 1974—Continued

Base	Number of holes	Playing season (months)	Rounds played		Total rounds
			Weekdays	Weekends	
OVERSEAS—Continued					
John Hay AB, Philippine Islands	18	12	9,135	7,280	16,415
Johnston Atoll, Johnston Island	9	12	2,610	2,600	5,210
Kadena AB, Japan	18	12	45,675	31,200	76,875
Karamursel AB, Turkey	9	12	26,100	13,000	39,100
Kunsan AB, Korea	9	7	4,900	21,000	25,900
Misawa AB, Japan	18	7	31,320	21,320	52,640
Osan AB, Korea	9	12	32,625	26,000	58,625
RAF Lakenheath, England	9	12	16,182	16,848	33,030
Ramstein AB, Germany	18	12	18,270	27,040	45,310
San Vito AB, Italy	9		Under construction		
Spangdahlem AB, Germany	9	12	15,660	10,400	26,060
Torrejon AB, Spain	18	12	11,745	18,720	30,465
Wiesbaden AB, Germany	18	12	26,100	33,800	59,900
Yokota AB, Japan	18	12	43,065	17,680	60,745
Zaragoza AB, Spain	9	12	20,880	12,480	33,360

Mr. GOLDWATER. Mr. President, these statistics cover all of the golf courses now being operated by the Air Force. I ask my colleagues to look down the list and particularly find courses that are operated in their own States and then, if they want to go further into it, they could ask the local golf course or courses if they could handle that much additional playing in a year. For example, take Mountain Home Air Force Base in Idaho where they only have nine holes and can only play for 7 months of the year and yet the total rounds played were nearly 23,000. To begin with, I do not believe that the golf courses at Boise, the nearest city, could handle this many additional players even if the players could drive the miles that exist between the Air Force base and the city. I know, for example, in Tucson, Ariz., where Davis-Monthan Air Force Base is located, even though there are at least five golf courses, there is no way that they could accommodate nearly 100,000 additional rounds of golf in a year. Realizing that these courses are self-supporting, the question I am forced to ask at this point is whether or not those people who object to miltary golf courses want the men in uniform to have any recreation at all? From their general attitude toward the man in the military, I am forced to assume that they do not. Now turning to the costs of maintaining these courses, I ask unanimous consent that the Air Force golf course financial data, which I have compiled, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AIR FORCE GOLF COURSE FINANCIAL DATA

Base	Through September 1975	CY 1974
Altus AFB, Okla	$5,429	$5,610
Andrews AFB, Md	54,777	65,374
Arnold AFS, Tenn	11,742	9,910
Barksdale AFB, La	46,371	54,722
Beale AFB, Calif	13,518	5,848
Bergstrom AFB, Tex	56,920	58,109
Blytheville AFB, Ark	6,298	9,990
Brooks AFB, Tex	32,967	35,577
Cannon AFB, N. Mex	10,397	8,990
Carswell AFB, Tex	25,091	24,975
Chanute AFB, Ill	15,930	13,255
Charleston AFB, S.C	59,606	51,094
Columbus AFB, Miss	18,709	16,643
Craig AFB, Ala	17,026	17,095
Davis-Monthan AFB, Ariz	68,027	62,359
Dover AFB, Del	18,984	22,143
Dyess AFB, Tex	28,090	23,637
Edwards AFB, Calif	26,251	37,767
Eglin AFB, Fla	32,871	36,321
Eglin Aux. Fld., Fla	16,882	1,853
Eielson AFB, Alaska	0	0
Elmendorf AFB, Alaska	44,390	20,855
England AFB, La	9,871	10,849
F. E. Warren AFB, Wyo	25,718	21,310
George AFB, Calif	6,521	4,049
Grand Forks AFB, N. Dak	$7,905	($2,710)
Griffiss AFB, N.Y	12,805	10,191
Grissom AFB, Ind	14,084	13,294
Hill AFB, Utah	24,423	46,408
Holloman, AFB, N. Mex	15,850	10,978
Homestead AFB, Fla	57,309	61,913
Keesler AFB, Miss	21,649	28,523
Kelly AFB, Tex	47,312	39,936
Kincheloe AFB, Mich	11,041	3,666
Kirtland AFB, Tex	26,021	17,323
K. I. Sawyer AFB, Mich	11,173	10,582
Lackland AFB, Tex	57,021	57,261
Langley AFB, Va	56,123	80,459
Laughlin AFB, Tex	15,458	19,331
Little Rock AFB, Ark	40,551	51,146
Loring AFB, Maine	5,809	3,939
Lowry AFB, Colo	47,401	49,964
MacDill AFB, Fla	79,625	84,369
March AFB, Calif	45,683	28,537
Mather AFB, Calif	83,513	81,260
Maxwell AFB, Ala	33,320	65,836
Minot AFB, N. Dak	18,469	9,984
Moody AFB, Ga	19,549	28,923
Mountain Home AFB, Idaho	17,111	9,845
Myrtle Beach AFB, S.C	31,126	30,827
McChord AFB, Wash	36,835	32,862
McClellan AFB, Calif	16,751	25,211
McConnell AFB, Kans	17,402	28,149
McGuire AFB, N.J	21,616	30,872
Nellis AFB, Nev	40,386	32,797
Norton AFB, Calif	69,266	73,478
Offutt AFB, Nebr	68,789	37,588
Patrick AFB, Fla	53,611	40,279
Pease AFB, N.H	20,190	16,770
Peterson Field, Colo	44,771	34,886
Plattsburgh AFB, N.Y	17,766	7,909
Pope AFB, N.C	18,092	15,994
Randolph AFB, Tex	69,864	84,978
Reese AFB, Tex	23,173	17,137
Richards-Gebaur AFB, Mo	13,404	18,692
Rickenbacker AFB, Ohio	21,810	29,203
Robins AFB, Ga	38,964	25,267
Scott AFB, Ill	23,596	26,903
Seymour Johnson AFB, N.C	35,676	40,738
Shaw AFB, S.C	28,406	35,697
Sheppard AFB, Tex	42,209	24,168
Tinker AFB, Okla	55,978	73,316
Travis AFB, Calif	13,678	8,677
Tyndall AFB, Fla	21,455	29,755
USAF Academy, Colo	100,410	105,231
Vandenberg AFB, Calif	23,616	23,502
Webb AFB, Tex	5,016	11,813
Whiteman AFB, Mo	10,988	(971)
Williams AFB, Ariz	30,396	35,900
Wright-Patterson AFB, Ohio	34,646	48,683
OVERSEAS		
Albrook/Howard AFB, Canal Zone	26,326	27,397
Andersen AB, Guam	21,208	6,401
Aviano AB, Italy	13,630	4,211
Clark AB, P.I	45,865	59,523
Hahn AB, Germany	17,704	5,355
Hickam AB, P.I	51,637	151,054
Incirlik AB, Turkey	15,357	883
John Hay AB, P.I	2,755	26,420
Johnston Atoll, Johnston Island	0	0
Kadena AB, Japan	19,433	70,639
Karamursel AB, Turkey	13,377	(327)
Kunsan AB, Korea	2,728	3,709
Misawa AB, Japan	45,605	48,749
Osan AB, Korea	10,353	33,331
RAF Lakenheath, England	13,740	10,719
Ramstein AB, Germany	37,684	15,654
San Vito AB, Italy	10,088	(12)
Spangdahlem AB, Germany	8,326	(825)
Torrejon AB, Spain	29,834	2,370
Wiesbaden AB, Germany	34,379	6,444
Yokota AB, Japan	91,321	99,985
Zaragoza AB, Spain	5,413	(350)
Total	2,988,232	3,046,834

Mr. GOLDWATER. Mr. President, the total amount spent in 1974 was slightly over $3 million, and through September of 1975 it approached $3 million. I do not shrug that off as a small amount of money, but let us compare that, for example, to the amount of money spent by staff members alone on overseas junkets. While I do not know the figure, I would make a small wager that it would approach the amount I have mentioned or exceed it. Again, do the people in Congress who are constantly attacking the man in uniform want him to have any enjoyment in life at all, or, if they do, do they want to burden the overburdened taxpayers of the community to provide additional golf facilities?

DÉTENTE AND THE SOVIET NAVY

Mr. THURMOND. Mr. President, while we become more preoccupied with chasing the shadow of détente, the Soviets go steadily forward, building a mighty navy. It is time to look at what the U.S.S.R. is doing—not what they are saying.

Looking at the past decade gives us a good grasp of what the Soviet Union is doing. There was a significant increase in the capabilities of warships, a similar increase in operations at sea, and intensified use of naval forces to support political goals.

Basic comparative sizes of the two navies in January 1976, was as follows:

	U.S.	*Soviet Union*
Surface warships (Escorts and larger)	177	225
Small combatants	15	850
Submarines (including nuclear submarines)	116	330
Amphibious ships (over 200 ft)	61	85

It is estimated we will be well into the 1980's before we see any slackening in the current rate of Soviet warship construction. Détente becomes another "buzz word" when we look at actions and not listen to words.

I do not lightly label détente a "buzz word." It is done with serious concern today over Soviet and Soviet-sponsored Cuban aggression in Angola. It is done in the context of neglect of our Navy for almost a decade. Since 1968, the Navy has suffered consistent and planned erosion in battle strength of the fleet. During these years, when we consider carriers, surface combatants, attack submarines, amphibious ships, auxiliaries, minecraft, patrol vessels and replenishment ships, the U.S. Navy has been reduced across the board by an average of 50 percent; a far cry from 1945 when the Navy outnumbered the coastally oriented Navy of the Soviet Union by 5 to 1.

Mr. President, Capt. John Moore's article, "Jane's Ranks Soviet Navy Above All" from the Washington Star of January 2, 1976, is most worthy of the attention of my colleagues, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Jane's Ranks Soviet Navy Above All

London.—The Soviet navy has the greatest fire power of any fleet that ever has existed, but it might be hard pushed to fight a long conventional war, the editor of Jane's Fighting Ships said today.

Capt. John Moore, a former deputy chief of British naval intelligence and current editor of the authoritative "Jane's Fighting Ships," said American seamanship is almost certainly better than that of the Russians.

In a new book he has written, "The Soviet Navy Today," Moore said: "The Soviet navy is the most potent in fire power of any fleet that ever existed."

"American seamanship is almost certainly better," Moore said, "but Russia can menace all the sea lanes of the world and could do so all the more easily if she were to gain bases in Angola."

He said available evidence suggests that the standard of maintenance is mediocre, but Soviet navy ships remain at sea for long periods.

In a preface to the book, Prof. John Erickson, director of defense studies at Edinburgh University and one of Britain's leading authorities on Soviet forces, refers to the emphasis on convoy maneuvers during the Soviet navy's exercises last spring.

"Since Soviet interest in their own convoyed shipping can only be minimal in view of their general self-sufficiency, it can only be assumed that this phase represented a method of investigating attack procedures against Western shipping," Erickson said.

A MAVERICK'S VIEWS

Mr. HASKELL. Mr. President, on January 8, 1976, the food section of the Washington Post ran a fascinating interview with one of Colorado's foremost citizens and a good friend of mine, Mr. Kenneth Monfort of Greeley, Colo.—a man known both in industry and political circles as an independent thinker of uncommon foresight and honesty with a penchant for straight talk and facing the facts.

Until recently Ken was president of the world's largest cattle feeding operation, Monfort of Colorado, which also slaughters and packs its own beef. He has now retired himself to the position of cochairman of the board. In the Post article Ken offers his ideas about what the future holds for his industry, where it is today and where he thinks it should be heading.

As he freely admits, his views are unorthodox for a cattleman, but I think they hold special interest for those of us in Congress who have been wrestling these past few years with the extremely difficult problems of the beef industry and rising food prices. We are going to have to come to grips with the questions discussed in this interview soon, and I think Ken Monfort's views are well worth our consideration.

I commend this article to my colleagues and I ask unanimous consent that the interview entitled "A Maverick's Views," from the January 8, 1976 Washington Post be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Maverick's Views

(By Marian Burros)

"We have finite resources and infinite desires."

"Maybe I'm a nut, but I think the real crisis in the last 20 years of this 20th century will be food, not fuel."

Greeley, Colo.—Ken Monfort, who is given to philosophizing, is neither a leader of a vegetarian movement, nor a world population control expert, consumer activist, clergyman, nor even a politician.

Rather, until Jan. 1, he was president and chief executive officer of the largest cattle feeding operation in the United States, started by his father in 1930. There are over 3000 acres on which about 500,000 head of cattle will graze this year. After 16 years in the job, the 47-year-old Monfort retired himself to cochairman of the board of directors of Monfort of Colorado, which for the last six years has been a publicly held corporation.

In those 16 years, the company has gone from a cattle-feeding operation to one which in addition slaughters, packages, and distributes portion-controlled beef cuts along with other foods.

Ken, as all of his employees call him, is considered "odd" by fellow cattlemen, who disagree with him vigorously about this country's priorities in general and the cattle industry specifically.

"They think I'm only being negative on the future of the industry when I say consumption (of beef) will drop," he said recently during a wide-ranging interview in his plush wood panelled offices here. Per capita consumption for 1975 is estimated at 123 pounds. Monfort sees a dramatic drop to 110 pounds by 1980.

The surprisingly unpicturesque, unpastoral 50-mile ride northeast from Denver to Monfort's headquarters represents one reason why he predicts such a decline. "Civilization" is enroaching in the form of light industry, gas stations and roadside truck stops.

"We lose land whenever we build a new suburb, every time we keep an area primitive or because of bad irrigation and we're not gaining any," Monfort said. "The big story in the next 20 years is who gets the water—people, industry or agriculture. Agriculture will end up getting what's left.

"Everyone," he said, "is overlooking what's going to be a major problem. Food is a scarce item. It will be scarcer. Production will not keep up with population growth. Someone in Washington is literally going to have to decide who will starve and who will not."

Such global issues are not typical concerns of Monfort's fellow cattlemen, nor was his stand in the '60's against the Vietnam war as a candidate in the Democratic senatorial primary.

But then, Monfort of Colorado is unique. There is no corporate voice. Officials of the company are free to express their opinions publicly. This confuses the opposition. One of the company's executives is in charge of the Fred Harris presidential compaign in the area. Harris is opposed to just the kind of vertical integration (the control of every stage of production from raw materials to finished products) in which Monfort is engaged. The easy-going Monfort laughs. "Harris is the one who wants to put people like us out of business."

Monfort believes that the United States has an obligation to reserve some of its grain for humanitarian purposes. "We need to be very involved in areas of disaster, like Africa, but be very careful about being food or feed supplier for those who haven't got the potential to take care of themselves like Southeast Asia.

"Such areas, which have had little success with population control," he said, "we should not supply. I think Malthus was right: we're going to have mass starvation without a decrease in birthrate."

In addition, Monfort said we have an obligation to our foreign customers as well as our farmers and he wants a "free hand in exporting (food) to the world . . . tempered so that our own populace does not face shortages . . . or hunger."

Conceivably, he is the only cattleman who believes more grain must go directly for human consumption. Livestock should be fed "the grain that's available. As far as I'm concerned they're last on the list. It's obvious humans come first."

It's not obvious to the American National Cattlemen's Association which has said: "There is a serious misconception in this country and abroad that cattle are literally taking food from mouths of hungry humans. This is not so."

Monfort calls their argument "beside the point. Whether you call what are fed to cattle food or feed grains" he explained, "they take up land that could be used for food grains."

He also takes exception to the association's argument that it takes less than four pounds of grain to produce one pound of beef (protein). In Monfort's annual report he wrote, "Beef cattle are not economical converters of grain to protein. It takes nine pounds of grain to achieve one pound of live cattle weight. . . ."

But if feeders will shorten the grain feeding period and keep the cattle on forage longer, forage which only animals can convert to protein, then "we can change the conversion figures . . . to two pounds of grain to one live weight . . .," he said.

Monfort acknowledges that "we went overboard on feeding. When we began (in the late 1940s and early '50s) it wasn't to make the cattle more desirable, but to keep the cattle longer." Beef consumption was about 60 pounds per capita between 1910 and 1950.

Before the '50s "everything came to market in the fall and prices were low. My dad couldn't sell his hay or barley so he started buying cattle to feed it to them and spread out the market year. Hold the cattle until the price was better. It was almost by accident that people decided that beef out of the farmers' pens was more tender and flavorful than that right off the range," he said.

"Our industry brags about beef consumption, but what we should brag about is production. Whatever is produced is consumed and production is up because substantial numbers of old cows are being slaughtered. Beef consumption is weighted more heavily this year to hamburger and stew meat. There are less of the expensive cuts of meat.

"But production will be down after the culling is over and," Monfort said, "it will stay down because grain has become too high-priced for us to base our beef production on it."

A change in cattle feeding methods has been underway since 1973 when the cost of grain skyrocketed. "The fed part of the market is under 50 per cent in 1975," Monfort said. "In 1973 it was up to 75 per cent."

As production declines, prices will rise in the classic supply and demand pattern, Monfort said. In his view, by 1980 sirloin steak will be 50 per cent higher; ground beef 70 per cent higher, chuck roasts 30 per cent higher.

While reduced consumption could decrease his company's profits, Monfort thinks the firm can "do a better job by increasing productivity and diversifying further." The company lost money in 1973 along with most others in the industry, but its return on investment in 1974 was a hefty 23 per cent.

No matter the cost of grain, Monfort recommends a return to the production methods of 25 or 30 years ago: Cattle come to the feedlots from grass when they are 26 or 27 months old and stay for three or four months, instead of coming at 14 months and staying for six months.

"Such cattle have less fat on them and that's what people want now," Monfort said. The current grading system "forces cattle to use more grain than needed."

If USDA's revised grading standards go into effect, he thinks "there will be more choice meat and prices will go down. I honestly believe cattle and meat business is *laissez faire*. Sure there is some rigging in prices," he admitted, "but by in large it's the purest supply and demand.

Monfort's attitude toward the hormone diethylstilbestrol (DES) is somewhat more rational than most of his industry, which considers it perfectly safe.

"All I want is someone to figure out if it's unsafe. If unsafe, how unsafe? If need be, they can condemn those cattle where traces of it show up. But we have to get away from a blanket doing away with things that are suspicious."

DES, which has caused cancer in the offspring of women who took it during their pregnancies, is given to cattle to stimulate growth. Without DES, he said, "We'd have to feed our cattle longer and use more grain. There are going to be shortages of food. Therefore, all the tools which produce food more economically are a plus for consumers. As long as no one can use DES, it doesn't make any difference to me," he added.

Monfort will testify at Congressional hearings on DES this month.

He is also at odds with his fellow beef producers over the creation of a beef board to promote the sale of beef. Consumer groups oppose the board as an indirect, added expense to the cost of beef. Monfort doesn't think it's "a good idea because it will be stimulating sales of something that is in short supply."

Generally, Monfort is "appalled" at his fellow cattlemens' perceptions. "Cattlemen have no realization of the other side of the coin. Their gripes should be more involved in the increase in costs because of non-food costs in chain stores such as advertising, packaging, coupons—all those gimmicks."

On the other hand he "is appalled by how little consumers know about the real world." He said he can't understand why consumers are willing to pay $2 a pound for certain fluff like Sara Lee cakes, and argue about paying $1 a pound for something like a chuck roast. To me there are basic costs in food and the more they want us to do for them, the less value they're getting."

At the same time, Monfort acknowledged that consumers are trading down. "People are ahead of politicians in their expectations.

"We're all going to have to lower our expectations."

Strange talk from a man whose company's future is supposed to depend on greater and greater consumption.

A MAVERICK SPEAKS

Some of Kenneth Monfort's unconventional beliefs:

"The movement of people from agribusiness to USDA is inappropriate and bad."

"There's no saving in shipping beef in a bunch of cardboard boxes over shipping hanging cuts. The real savings only come because you ship the cuts where they belong, instead of having to reship them."

"Selling frozen beef doesn't save anything pricewise and is probably more expensive than retailers' packaging."

"It is now almost totally impossible to get a label on beef if we want to mark it 80 per cent lean and 20 per cent fat. The labeling requirements are ridiculous. Isn't it better to try to tell people the percentage, instead of marking it extra-lean?"

"We think advertising is a waste of money. We try to dazzle them with the consistent quality of our products, cheap prices and what nice people we are."

"To say that more is better, is not necessarily so."

"Earl Butz is one of the more capable secretaries, but awfully wrong in many cases. He gets by fairly well without delivering."

"I probably eat twice as much beef as the average, a couple of hundred pounds a year. I love a little fat; I eat too much butter and I smoke cigarettes. We're so used to being told it's bad, we ignore it."

WHAT I SAW AT THE ABORTION

Mr. BUCKLEY. Mr. President, in all my experience as an observer of and a participant in the national debate over abortion on demand. I have never come across a more moving description that conveys the truth of what is involved in an abortion than I did in reading "What I Saw at the Abortion," which appeared in the January 1976, Esquire magazine. The article, written by Richard Seltzer, a surgeon who is also a gifted and sensitive writer, is an unforgettable piece of reporting. This article ought to do for the issue of abortion what "Uncle Tom's Cabin" did for the issue of slavery, and that is awaken the conscience of the Nation. The only difference between the two works is that "Uncle Tom's Cabin" is fiction—the article by Richard Seltzer is fact.

Mr. President, I ask unanimous consent that this article be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT I SAW AT THE ABORTION

(By Richard Selzer)

I am a surgeon. Particularities of sick flesh is everyday news. Escaping blood, all the outpouring of disease—phlegm, pus, vomitus, even those occult meaty tumors that terrify—I see as blood, disease, phlegm, and so on. I touch them to destroy them. But I do not make symbols of them.

What I am saying is that I have seen and I am used to seeing. We are talking about a man who has a trade, who has practiced it long enough to see no news in any of it. Picture this man, then. A professional. In his forties. Three children. Lives in a university town—so, necessarily, well—enlightened? Enough, anyhow. Successful in his work, yes. No overriding religious posture. Nothing special, then, your routine fellow, trying to do his work and doing it well enough. Picture him, this professional, a sort of scientist, if you please, in possession of the standard admirable opinions, positions, convictions, and so on—on this and that matter—on abortion, for example.

All right.

Now listen.

It is the western wing of the fourth floor of a great university hospital. I am present because I asked to be present. I wanted to see what I had never seen. An abortion.

The patient is Jamaican. She lies on the table in that state of notable submissiveness I have always seen in patients. Now and then she smiles at one of the nurses as though acknowledging a secret.

A nurse draws down the sheet, lays bare the abdomen. The belly mounds gently in the twenty-fourth week of pregnancy. The chief surgeon paints it with a sponge soaked in red antiseptic. He does this three times, each time a fresh sponge. He covers the area with a sterile sheet, an aperture in its center. He is a kindly man who teaches as he works, who pauses to reassure the woman.

He begins.

A little pinprick, he says to the woman.

He inserts the point of a tiny needle at the midline of the lower portion of her abdomen, on the downslope. He infiltrates local anesthetic into the skin, where it forms a small white bubble.

The woman grimaces.

That is all you will feel, the doctor says. Except for a little pressure. But no more pain.

She smiles again. She seems to relax. She settles comfortably on the table. The worst is over.

The doctor selects a three-and-one-half-inch needle bearing a central stylet. He places the point at the site of the previous injection. He aims it straight up and down, perpendicular. Next he takes hold of her abdomen with his left hand, palming the womb, steadying it. He thrusts with his right hand. The needle sinks into the adbominal wall.

Oh, says the woman quietly.

But I guess it is not pain that she feels. It is more a recognition that the deed is being done.

Another thrust and he has speared the uterus.

We are in, he says.

He has left the muscular wall of the organ gripping the shaft of his needel. A further slight pressure on the needle advances it a bit more. He takes his left hand from the woman's abdomen. He retracts the filament of the stylet from the barrel of the needle. A small geyser of pale yellow fluid erupts.

We are in the right place, says the doctor. Are you feeling any pain? he says.

She smiles, shakes her head. She gazes at the ceiling.

In the room we are six: two physicians, two nurses, the patient, and me.

The participants are busy, very attentive. I am not at all busy—but I am no less attentive. I want to see.

I see something!

It is unexpected, utterly unexpected, like a disturbance in the earth, a tumultuous jarring. I see something other than what I expected here. I see a movement—a small one. But I have seen it.

And then I see it again. And now I see that it is the hub of the needle in the woman's belly that has jerked. First to one side. Then to the other side. Once more it wobbles, is *tugged*, like a fishing line nibbled by a sunfish.

Again! And I *know!*

It is the *fetus* that worries thus. It is the fetus struggling against the needle. Struggling? How can that be? I think: *that cannot be*. I think: the fetus feels no pain, cannot feel fear, has no *motivation*. It is hereby reflex.

I point to the needle.

It is a reflex, says the doctor.

By the end of the fifth month, the fetus weighs about one pound, is about twelve inches long. Hair is on the head. There are eyebrows, eyelashes. Pale pink nipples show on the chest. Nails are present, at the fingertips, at the toes.

At the beginning of the sixth month, the fetus can cry, can suck, can make a fist. He kicks, he punches. The mother can feel this, can *see* this. His eyelids, until now closed, can open. He may look up, down, sideways. His grip is very strong. He could support his weight by holding with one hand.

A reflex, the doctor says.

I hear him. But I saw something. I saw something in that mass of cells *understand* that it must bob and butt. And I see it again! I have an impulse to shove to the table—it is just a step—seize that needle, pull it out.

We are not six, I think. I think we are *seven*.

Something strangles *there*. An effort, its effort, binds me to it.

I do not shove to the table. I take no little step. It would be . . . well madness. Everyone here wants the needle where it is. Six do. No, *five* do.

I close my eyes. I see the inside of the uterus. It is bathed in ruby gloom. I see the creature curled upon itself. Its knees are flexed. Its head is bent upon its chest. It is in fluid and gently rocks to the rhythm of the distant heartbeat.

It resembles . . . a sleeping infant.

Its place is entered by something. It is sudden. A point coming. A needle!

A spike of *daylight* pierces the chamber. Now the light is extinguished. The needle comes closer in the pool. The point grazes the thigh, and I stir. Perhaps I wake from dozing. The light is there again. I twist and straighten. My arms and legs *push*. My hand finds the shaft—grabs! I *grab*. I bend the needle this way and that. The point probes, touches on my belly. My mouth opens. Could I cry out? All is a commotion and a churning. There is a presence in the pool. An activity! The pool colors, reddens, darkens.

I open my eyes to see the doctor feeding a small plastic tube through the barrel of the needle into the uterus. Drops of pink fluid overrun the rim and spill onto the sheet. He withdraws the needle from around the plastic tubing. Now only the little tube protrudes from the woman's body. A nurse hands the physician a syringe loaded with a colorless liquid. He attaches it to the end of the tubing and injects it.

Prostaglandin, he says.

Ah, well, prostaglandin—a substance found normally in the body. When given in concentrated dosage, it throws the uterus into vigorous contraction. In eight to twelve hours, the woman will expel the fetus.

The doctor detaches the syringe but does not remove the tubing.

In case we must do it over, he says.

He takes away the sheet. He places gauze pads over the tubing. Over all this he applies adhesive tape.

I know. We cannot feed the great numbers. There is no more room. I know, I know. It is woman's right to refuse the risk, to decline the pain of childbirth. And an unwanted child is a very great burden. An unwanted child is a burden to himself. I know.

And yet . . . there is the flick of that needle. I *saw* it. I saw . . . I *felt*—in that room, a pace away, life prodded, life fending off. I saw life avulsed—swept by flood, blackening—then *out*.

There, says the doctor. It's all over. It wasn't too bad, was it? he says to the woman.

She smiles. It is all over. Oh, yes.

And who would care to imagine that from a moist and dark commencement six months before there would ripen the cluster and globule, the sprout and pouch of man?

And who would care to imagine that trapped within the laked pearl and a dowry of yolk would lie the earliest stuff of dream and memory?

It is a persona carried here as well as person, I think. I think it is a signed piece, engraved with a hieroglyph of human genes.

I did not think this until I saw. The flick. The fending off.

We leave the room, the three of us, the doctors.

"Routine procedure," the chief surgeon says.

"All right," I say.

"Scrub nurse says first time you've seen one, Dick. First look at a purge," the surgeon says.

"That's right," I say. "First look."

"Oh, well," he says, I guess you've seen everything else."

"Pretty much," I say.

"I'm not prying, Doctor," he says, "but was there something on your mind? I'd be delighted to field any questions. . . ."

"No," I say. "No, thanks. Just simple curiosity."

"Okay," he says, and we all shake hands, scrub, change, and go to our calls.

I know. I know. The thing is normally done at sixteen weeks. Well, I've seen it performed at that stage, too. And seen . . . the flick. But I also know that in the sovereign state of my residence it is hospital policy to warrant the procedure at twenty-four weeks. And that in the great state that is adjacent policy is enlarged to twenty-eight weeks.

Does this sound like argument? I hope not. I am not trying to argue. I am only saying I've *seen*. The flick. Whatever else may be said in abortion's defense, the vision of that other defense will not vanish from my eyes.

What I saw I saw as that: a *defense*, a motion *from*, an effort *away*. And it has happened that you cannot reason with me now. For what can language do against the truth of what I saw?

DRUGS AND PUBLIC POLICY

Mr. BROCK. Mr. President, one of the still growing problems of our society today is that of drugs. The drug scene is even filtering down to low-teens, and pre-teens. Yet, this Government has not adequately responded. The Washington Post recently editorialized in this regard, and their suggestions make excellent sense. I ask unanimous consent that the Post editorial, "Drugs and Public Policy," be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Drugs and Public Policy

Those in a position to know about hard narcotics and street life say the supply of heroin is as great today as it was before the demise of the legendary "French Connection." The newest and most commonplace form of the drug is Mexican "brown" heroin, which has replaced the Turkish "white" heroin that used to reach the streets of America by way of southern France.

The copious supply of Mexican heroin is reaching the U.S. at a time when the federal effort to combat the influx of harmful drugs (and to treat the victims of those drugs) is virtually leaderless. With rare exceptions, the same can be said of most local efforts. The result is that little headway is being made against the drug problem. Some believe the problem, in fact, is getting worse.

There can be no serious or effective anti-drug program without strong federal leadership. But as matters now stand, the federal government has no mechanism for mounting a serious effort. In consequence, the dozen or so agencies and offices concerned with parts of the problem of heroin abuse are each going their own way. Some do not even communicate with other agencies that have related responsibilities. One example involves the Drug Enforcement Administration and the Customs Service. Their enmity is so bitter and of such long standing that a White House task force on drug abuse had to suggest to the President that he step in and somehow settle the squabble. As far as we know, the President has yet to act on that recommendation.

That is but one of the many examples of the policy disagreements that abound concerning an admittedly disagreeable subject. On Capitol Hill, the disagreement concerns the form federal leadership should take. The House has passed a bill that would extend the life of something called the Special Action Office on Drug Abuse Prevention, which went out of business last June. Some in the Senate argue that the Special Action Office was doing things that should be done by departments such as Health, Education and Welfare, and not by an agency lodged in the White House. Others on the Hill are arguing for a high-level White House office with the conferred influence of the President to "knock heads" between agencies and somehow to hammer out a coherent policy with respect to both the law enforcement and treatment aspects of drug abuse. They want the President to give the issue high visibility and to make it clear to cabinet and bureaucracy alike that he expects progress, and that he expects cooperation among and from the agencies.

The White House, leery of a highly visible and "activist" drug abuse office in its midst, wants a "cabinet committee" that would meet from time to time to discuss problems and a lower ranking working group that would see that the cabinet's wishes are carried out. But after all the various governmental parties have said what they wish to see, one thing stands out clearly: Nothing is possible unless the President makes his own intentions very clear to all his subordinates in the White House and in the agencies. And he must spell out his plans to Congress as well. Since the task force report, President Ford has been silent on the subject of drug abuse and how it should be dealt with. His task force produced a report that was widely admired for its candor and its pragmatic tone. If the President were to match that tone with utterances of his own, we might get past the arguments to some results.

The White House task force made it plain that federal policy should not be cast in terms of a "war on drugs" and that it should not be predicated on the notion that drug abuse can be eliminated totally. Instead, it argued for sensible priorities in attacking those drug problems that are the most serious and in applying public resources judiciously. Those goals are only attainable if a firm hand is applied to both the law enforcement and the treatment problems. As a model, the President might want to examine the kind of coordinative power to be found, for example, in the Office of Telecommunications Policy. If Congress can be persuaded that the administration means business, it sems to be in a mood to give it the tools. But the next move is up to the White House. Until Mr. Ford makes his wishes known and his interest felt, bickering and the chaos will only grow worse—and so will the drug problem.

FLOOD INSURANCE

MR. EAGLETON. Mr. President, this week, the Senate will take up H.R. 9852—mobile home bill—to which I will propose an amendment to modify the Federal flood insurance program.

The purpose of my amendment is to correct some of the worst inequities and excesses of the act as it now is administered. It would do two things: Rescind the prohibition on loans from federally regulated lending institutions to property owners in noncomplying areas, and allow owners of existing homes and businesses to purchase insurance if they agree to comply with HUD standards on their own property even if the community as a whole declines to go along.

It is important to note that under this amendment, there would remain strong incentives for participation in this program. Any community or individual which chose to stay out would forfeit the right to obtain all Federal construction assistance in the flood area—VA, FHA, EPA, Hill-Burton, et cetera—and most forms of Federal flood disaster relief.

As the hearings on this program clearly showed, however, there are many good reasons why a community may not adopt the restrictive HUD land use standards which are the price of admission to the flood insurance program. For one, the community may lack legal authority to enact the HUD zoning ordinances and be unable to persuade the State legislature or the voters in referendum to grant it. Other communities believe the economic impact of the HUD restrictions far outweigh any possible flood loss even if totally borne by the community. Still other communities have protested their designation as flood prone, pointing out there has never been a damaging flood in their entire history.

None of these reasons are cause for exemption from the sanctions of the present inflexible program. What is more, the sanctions are applied against every property owner in the flood designated area no matter how willing they may be themselves to participate with respect to their own homes and businesses.

My amendment would eliminate this gross injustice to individuals and restore some degree of choice to communities which can be presumed to be the best judge of local interests. So long as no Federal tax funds are directly involved—and there would not be under my amendment—I believe local communities and individual property owners should have the right to make their own judgments and take their own risks.

At a time when more and more concern is being expressed about Federal intrusions on local and private affairs, I think it is important for the Congress to remedy excesses of bureaucratic control wherever it finds them. It can begin in 1976 with Federal flood insurance.

It is not surprising that the Department of Housing and Urban Development opposes any weakening of its unparalleled power to force its dictates on local communities. It is distressing to me, however, that the Department continues to circulate misleading statements about the intent and the effect of this modest effort to restore some sense of balance and flexibility to the flood insurance program. Most recently, a letter was circulated from Secretary of Housing and Urban Development Carla Hills, repeating these same arguments. I ask unanimous consent that the summary of these objections together with my responses, be printed in the Record.

I further ask unanimous consent that recent editorials from the St. Louis Post Dispatch and the Progressive Farm magazine be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Federal Bail Out

OBJECTION

The Eagleton amendment would return us to the voluntary program that existed prior to 1973 and the Federal government would be back in the business of bailing out communities and individuals who don't buy insurance.

ANSWER

The argument is baseless. Prior to 1973, a person who did not buy flood insurance was, nevertheless, eligible to receive federal disaster loans and construction aid.

Under the Eagleton amendment, this would not be the case. If an individual does not buy or does not agree to buy flood insurance, he cannot come to Washington asking for loans and grants to rebuild.

The Eagleton amendment makes no change whatsoever in this aspect of the present program. It remains exactly as it is.

The only thing the Eagleton amendment would do is to give every owner of an existing building who wants to buy flood insurance and who is willing to meet HUD standards the opportunity to buy it.

IMPOSSIBLE TO ADMINISTER

Objection

It would take an army of bureaucrats to enforce compliance with HUD standards if insurance is sold on an individual basis.

Answer

This is a smokescreen. Compliance would be more or less self-enforcing since it would be a condition of the insurance contract. If an individual agreed to meet HUD rebuilding standards and then failed to, the insurance company would either withhold benefits or sue to recover payment.

It is important to understand two points:

1. Under the Eagleton amendment, only structures existing as of date of enactment are eligible for insurance on an individual basis. *New construction is not.*

2. Nothing in this program requires modification of existing buildings. Flood-proofing and elevation standards are entirely prospective in application. A person must comply with those standards *only* when substantial improvement to the structure (defined by regulation as work exceeding 50 percent of the building's market value) is needed.

It would be a simple matter for the insurance company to determine whether a house has been rebuilt above the 100-year flood line which is about the only requirement a homeowner has to meet.

In the case of businesses, where flood-proofing is a second option, present regulations already require certification by a professional architect or engineer that the flood-proofing meets HUD standards. Again, unless that certification was forthcoming or unless proof the structure was rebuilt above the 100-year flood line was available, the insurance company would either not pay off or sue to recover.

That's how most insurance works. For example, if you agree as a condition of a life insurance policy not to pilot an airplane and later die in a plane crash and the company determines you were the pilot, it doesn't pay off.

A better example is the crime insurance and urban property insurance programs administered by this same agency—the Federal Insurance Administration. These policies are sold on an individual basis and the insurance companies are left to enforce the conditions that go with the policies.

It is nonsense to suggest that the Federal government would have to inspect each flood-plain structure to determine that rebuilding standards were complied with.

After all, shouldn't the insurance companies which are being heavily subsidized by this program do something for the approximately $100 million they will receive from Uncle Sam this year. That subsidy, by the way, could reach $640 million a year when the program is fully implemented, according to the GAO.

Even if some federal check on compliance were required, how would that differ from the individual inspections made by the Federal Housing Authority before it agrees to insure a mortgage? FHA is an arm of the same department as FIA. FHA hasn't experienced any great problems.

ENCOURAGES NEW CONSTRUCTION

Objection

The amendment would remove incentives for communities to adopt HUD standards and the result would be massive new development in the flood plains.

Answer

There would remain ample incentive under the Eagleton amendment for communities as a whole to come into the program. If they do not, they would be ineligible for any form of federal construction aid in their flood-designated areas including EPA water treatment grants; SBA, VA, FHA and FmHA construction loans, and Hill-Burton hospital construction grants. A town that opted to stay out of the program could not get a new post office or any other federal building if it was to be located in the flood-designated area.

Moreover, the town would be ineligible for federal benefits under the Consolidated Disaster Assistance Program which authorizes grants and loans for such things as repair of public buildings, bridges and roads, clearing debris and numerous other important forms of assistance.

The charge that there would be a great surge of new construction in flood plains if we remove the sanctions against private bank loans is a red herring.

Knowing the new structure is ineligible for any form of federal construction or disaster aid and knowing it can't be insured, what bank is going to loan money on a building which stands a good chance of being wiped out in a flood two or three years hence? If there is a serious risk of losing the collateral to a flood, no bank I am familiar with would consider such a loan. They may have been willing to do it in the past when there was the backup of federal disaster aid and construction assistance. But, under the Eagleton amendment, that backup is eliminated and the risk is entirely on the bank.

Now, there may be cases where the flood risk is so minimal and the chance of any significant damage occurring so remote, that a bank would take on the risk of such a loan. But why not? Remember, that under the present program no distinction is made between two inches of water and 20 feet of water. It's all the same to FIA. Either situation, if it could occur even once in 100 years, is enough to force a community into this program and to trigger the no-growth, no-improvement sanctions that attend noncompliance with HUD land use standards.

The facts are, however, many communities forced into this program have never had a flood in their recorded history and have never collected a dime in federal disaster aid. What the undiscriminating HUD standard regards as a flood risk may, in fact, be only a chance of an occasional storm sewer runoff which dampens a few lawns and basements but creates no measurable damage.

Remember too, that these flood maps are drawn by HUD consultants who in most cases have never seen the town in question. As the hearings revealed, the maps are full of errors. At best, they are crude guesses based on whatever old Army Corps maps are laying around and, as often as not, old newspaper clippings.

Local people and local bankers know what the local situation is. If they want to undertake to improve their downtown area or do any other building and are willing to forego all forms of federal construction and flood disaster aid, they should have that right. Because some Washington bureaucrat who has never set foot in the town thinks the project may not be prudent based on his crude map shouldn't be the basis for stopping all local development. So long as there is no federal money involved, the federal government has no business intruding on these local and private decisions.

As to potential buyers of flood-plain property who may not be aware of the hazard, Congress provided in the 1974 Housing Act for full disclosure of flood risks and the consequences of buying such property in terms of loss of federal flood or construction aid.

EAGLETON AMENDMENT WOULD LEAD TO FEDERAL LAND USE CONTROL

Objection

The present program leaves specific land use ordinances and enforcement up to local communities. Eagleton would require Federal government to set and enforce standards for individual properties.

Answer

Who is kidding whom? Localities are given about as much option as a Zebra has about its stripes. Federal regulations spell out the requirements in minute detail taking up 13 pages of fine print in the Federal Register. Not only must a community adopt each one of these land use and control measures, but they are required to submit the ordinances to the FIA Administrator for approval. If he doesn't think they measure up to federal standards, he can require the local governing body to make changes on threat of the community being suspended from the program.

Moreover, if a community ever wants to grant a variance from one of these restrictions, that too must be submitted to the Administrator for approval.

If that isn't federally-imposed land use control, then I don't know what it is.

To argue that the Eagleton amendment, which gives communities a degree of free choice at least to the extent of being able to get private bank credit, is somehow a worse form of land use control borders on the comical.

I would only note that SBA and FHA loans carry far more conditions and standards with respect to construction and use of property than are involved in this program. There is a big difference, however. With SBA and FHA loans, an individual is free to find other financing if he doesn't like the conditions. With flood insurance, it doesn't matter whether he accepts the federal aid or not. He is still bound by HUD restrictions. In fact, the restrictions are even more onerous if he declines to accept the aid.

BEYOND PERSUASION

Senator Eagleton has proposed two amendments to the Federal Flood Insurance Act which, if adopted, would eliminate two blatant inequities in the statute. The changes would make it easier for individuals to purchase flood insurance and would remove the unfair prohibition on conventional credit which the law imposes on flood plain communities that do not participate in the federal program.

The program requires any area designated by the Department of Housing and Urban Development as having one chance in 100 years of being flooded to adopt certain land use and flood control measures which conform with federal standards. Not only are communities which fail to adopt such measures ineligible for flood insurance but individual homeowners and businessmen in the community similarly are barred from the program. Moreover, communities which fail to enact these measures are subject to the loss of almost all mortgage and construction credit from lending agencies regulated by the Government.

These and other provisions in the law are intended to persuade communities to participate in the program and to limit the damage and the amount of reconstruction necessary after floods. In some cases, unfortunately, individuals lacking insurance have tried but failed to get their counties to meet federal zoning rules. The individuals should not be penalized for their counties' failures.

Hence Mr. Eagleton would allow individuals who complied with federal standards on their property to purchase flood insurance regardless of what their communities did and would rescind the restrictions on conventional credit. But to avoid insuring new building on unzoned flood plains, the Eagleton bill would cover only those structures existing as of the date of enactment. His measure deserves enactment into law.

LET US SAVE THE PATIENT

No one would deny that floods cause untold misery and millions of dollars in damage to property owners and taxpayers every year. Nearly everyone would agree, too, that some action should be taken to curb this annual tragedy. It seems, however, that the Federal Government's approach to solving the problem is like feeding the patient arsenic to cure his cancer.

The program implemented by the Department of Housing and Urban Development (HUD) undoubtedly would reduce the costs of flood damage. But it is questionable whether or not the expense of administering the program will exceed the savings. The loss in individual rights and community freedom would be awesome.

Briefly, any land that has a likelihood of being flooded even once every 100 years is tagged as a flood hazard area. A community has one year to decide whether or not to participate in the National Flood Insurance Program.

It's the old "carrot-and-stick" technique. The carrot, in this case, is availability of low-cost federally subsidized flood insurance.

But the stick is more like a crushing machine. If the community fails to enforce rigid construction controls on buildings in the flood hazard area, it faces severe economic sanctions. It forfeits right to most federal grants, subsidies, and loans. It couldn't collect federal emergency relief aid (even for nonflood disasters).

Worst of all, neither the community nor any of its property owners could obtain mortgage loans on buildings in the 100-year flood plain from any federally regulated lending institution. Name one that isn't! ! !

In other words, any community that chooses not to march to HUD's drumbeat will be disinherited—left high and dry with no sources of mortgage funds and completely helpless in the event of a natural disaster.

A growing chorus of congressional voices denies that these sledge hammer tactics were the aim and intent of the bill they passed.

It's once again the case of a power-hungry bureaucracy using a well intentioned but loosely constructed bill to force its own standards on the helpless public.

Admittedly, some regulation is necessary to control helter-skelter development in areas subject to frequent flooding. Taxpayers shouldn't be required financially to bail out those builders and developers who disregard common sense in flood hazard areas. Bills have been introduced in both Houses of Congress that would put participation in the National Flood Insurance Program on a voluntary basis and would remove the severe economic sanctions that HUD now threatens. Hearings are to be held shortly.

A better approach to HUD's "bone crusher," Congressman Bob Casey of Texas suggests, is to make flood insurance benefits so attractive that people will want to participate in the program rather than being forced into it.

We agree. We urge you to become familiar with these bills and let your Senators and Congressmen know how you feel. There's still time—but precious little—to cure the disease without killing the patient.

ISRAEL: A FRIEND OF DEMOCRACY

Mr. BROCK. Mr. President, our country has drawn much strength over the past 200 years from its allies, those that have stood with it through wars and through difficult economic times. We have exchanged ideas and ideals; and as democracies can and will do, we have quarreled and made up. We have tried to nurture emerging democracies throughout the world and have a mixed record of success.

It is seldom that we are able to view heroism as constant and unremitting as that of our ally, the tiny state of Israel. Through a succession of wars, some declared, others undeclared, and as victims of unprovoked attacks, the Israelis served the interests of democracy by repelling those who would have the light of democracy snuffed out. I have had the privilege of reading an address by the Minister of Defense, the Honorable Shimon Peres, given recently in New York. To me, it characterizes the strengths of the people of Israel in their determination for peace. Mr. Peres takes up Israel's options in seeking resolution of its problems and underlines its determination to just and lasting solutions.

I would commend the reading of this speech to all and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY HON. SHIMON PERES, MINISTER OF DEFENSE OF THE STATE OF ISRAEL AT THE UNITED JEWISH APPEAL

My very dear friends, there is almost no country in the world which does not face weighty problems and serious dangers. However, Israel was and remains the only country on earth whose very existence is threatened by vast forces.

I remember the words of the poet: "All agonies created from the first day have wandered hungry searching the world for us. . . . Is our Messiah one to unleash these agonies?"

Nevertheless, the message I can bring to this important conference is that Israel can overcome it. We know that Israel will have to face even harder trials than she has undergone and we see ahead of us a period of prolonged struggle, a struggle which will include disappointments and will demand sacrifices, but I know that deep in our hearts, in yours and in ours, despite all doubts and complaints, we are prepared and capable to withstand this struggle, overcome it, and emerge from it stronger than ever.

What is the nature of this struggle?

It certainly has a military aspect. Our sovereignty has been militarily assailed four times in a quarter of a century. The camp within which the military threat sprang and grew is an impressive one. It comprises 21 Arab states. Those of which confront Israel have today a vast force: 21 armored divisions, 40 tank brigades, 8100 tanks, 4800 artillery pieces, about a thousand ground-to-ground missiles, similar to the Pershing—I should mention it—1500 attack aircrafts, 150 helicopters, 12 submarines, 65 airfields, and 22 naval bases, a million and a half soldiers; for every man, boy, and child in Israel there is one Arab soldier.

The Arab world has the money and the sources of supply to acquire more weapons, modern and plentiful. Since the Yom Kippur War, ten Arab states have signed arms agreements amounting to $19 billion, half from the West and half from the East. This force, numerically speaking, is larger than the NATO force.

Now, while we should not underestimate it, we can and shall repulse it. First of all, because we don't take it lightly, neither the possibility of attack nor the wishes of the Arab side.

Along the borders of our country, our boys are on guard night and day surveying the horizons: are they dangerous, are they tranquil? Sophisticated electronics are tuned in to decipher every signal, sound, wave, movement, and assess the situation daily. Democracies, as we know, have paid heavily at the outbreak of wars because they preferred to be deaf, blind and optimistic. This we must avoid. The Yom Kipper War taught us to appreciate the value of early warning.

And furthermore, we mobilize every able-bodied man—more than half a million people in the regular army and in the reserves. These men undergo rigorous training, and aside from the high taxes they pay, they have to serve 90 days a year in their reserve units.

David did not vanquish Goliath because he was smaller but because he was better trained and because his motivation was self-defense, not glory.

I believe this is the best organized reserve army existing today in the world, highly motivated, an army based upon a cadre of experienced, courageous, and, I am sure, wise commanders.

About 30 to 40 percent of the arms they hold are made in Israel. Aircraft, missiles, artillery, electronics, and ammunition. But we are still dependent on supplies from the United States, a fact which has political and financial aspects.

Not just Americans but the Israelis as well ask themselves, why should the United States assist us militarily? Can the free world, or more correctly, can freedom prevail in our world in the face of Soviet menace without American involvement? Can the United States maintain its posture and policies without a free world? The answering parties are many. The reply is one. Neglect or disregard for one free country means the neglect of freedom at large. On the face of it, one may claim that without Israel the United States would have fewer problems, But without Israel, the Middle East and the Persian Gulf would already have become a Soviet arena, and the free world would lose by being excluded from the area and by the area becoming a card in the Soviet deck.

Egypt would not have turned to the United States without hoping to free itself from Soviet auspices, to open an avenue towards peace and obtain territory from Israel. I admit that these relations do impose burdens on both sides. For us, because of our dependence on the United States assistance and for the United States because it has to deal with an independent and sometimes conflicting Israel. In that we are not easy customers but I can say one thing in favor of Israel, we are probably the only country on earth that, despite the fact that the United States helped us, we remained pro-American. That's rather rare.

Yet, as democracy based on international solidarity and national independence is preferable to discipline and obedience in a dictatorial bloc, while solidarity is replaced by commands and independence by secret police.

And there is the financial side. We just had a visit of a group of Senators and Congressmen, headed by Senator McIntyre. He rejected a little criticism about the preparedness of the United States. He says, "What do you want?" We have enough tanks, we have enough missiles, we have planes, and then added, now we are building a nuclear submarine, the Trident, which will cost us a billion and a half dollars.

I told him that the assistance Israel asks for is no more than the price of one aircraft carrier, and I suggested that America will look upon us as a carrier for peace and freedom, and a dependable one.

I am sure that a militarily strong Israel will be an Israel that will negotiate until a peace settlement will be achieved and a politically weak Israel will be an Israel that will fight until a complete victory is achieved. It is not arms that will dictate our policy but strength and courage; negotiations and lack of it may lead to belligerency.

Israel has stood the test of wars. She has the strength to do it again if necessary, and to the best of my judgment, she will retain this ability, this strength for the foreseeable future.

My dear friends, don't be impressed by reports in the papers and other places. I can't go into details but I believe that this is a serious and a factual judgment that we possess and we shall possess these strengths. We should not lose our heart because an army we do have.

Nevertheless we prefer the diplomatic, not the military, route, although this is a road filled with obstacles. The Arab world is united only on the extreme Palestinian approach and is divided on the willingness for peace. Opposing Israel is a united Arab world. Facing peace there are 21 different Arab positions. I think we have to clarify our position on the Palestinian issue. I know it becomes a burning issue here, and I shall ask some basic questions: Does Israel recognize the Palestinian identity? The answer is simple: It is the Arabs, not Israel, who must decide on their identity. Is it Arab, Jordanian, Syrian, Palestinian? It is an Arab decision, not a Jewish one.

Is Israel prepared to negotiate with the Jordanians or the Palestinians?

The answer is yes.

We have negotiated and we are negotiating with them. We meet on a daily basis with the leaders of the West Bank and Gaza, and the difference between the elected mayors of the West Bank and the terroristic leaders in Lebanon is that the former live in Israel, the latter outside of the country.

The mayors talk; the terrorists shoot.

Is Israel prepared to reach a compromise on the Jordanian-Palestinian issue? Yes, undoubtedly. Israel stated clearly that she supports the existence of two states, that a peace agreement with Jordan would be based on the existence of two independent states, Israel with its capital, in the united Jerusalem, and Arab state, Jordanian and Palestinian, on its east. Then, why should Israel refuse to speak with the PLO? For the following reasons:

First, because the PLO is not an elected body but a coalition of armed factions who resort to violence.

Secondly, because it is impossible to carry out a meaningful negotiation with them. Matters agreed upon with Arafat may not be accepted by Habash or Jabril, or Hawatma, or vice versa, and if Habash does not agree with Arafat, he will go shooting and killing with or without a stamp of approval.

Thirdly, because the PLO does not recognize the State of Israel, it wants to do away with it, to destroy the only Jewish state in the world which, as everyone knows, is racist, and to put instead a Moslem state, which, as everyone knows, is secular and democratic, what else.

I know that many people say what will happen if the PLO recognize Israel? It is highly theoretic. You may ask me what will happen if a tiger will become a cat. I shall say I am patient to wait and then decide. There are those who propose the establishment of a Palestinian state, not in place of Israel but a part of Israel, in Judea, in Samaria and Gaza. For this proposal may I say that there is no need for the PLO. The Arabs not only the Jews living in Israel, don't want to face the fear of terror.

Respected Arab leaders in the West Bank tell us, in candid conversations, we shall expel the PLO from all of Israel and you will agree to a Palestinian state in part of Israel. That is the deal they suggest.

At first glance it seems a reasonable proposal but reasonable proposals have been known to lead to unreasonable situations.

Lebanon, for example, was based upon a delicate balance between Moslems and Christians. It enjoyed a sense of security and flourished economically. And now this state, alas, is going up in flames.

I want to ask you, as leaders of the Jewish people, just as we have to ask ourselves as representatives of the State of Israel: Do we have the right, carrying as we do a terrible responsibility towards our sons, to adopt a formula loaded with the conflagration and tragedy of Lebanon?

Do we have the right, even for the sake of public relations, to agree to a situation which potentially carries within it a Lebanese-like tragedy?

A Palestinian state established in Judea and Samaria and Gaza would leave the most populated parts of Israel within a strip of 10 to 15 miles wide. The Palestinian state will build a Palestinian army.

At the beginning the West will refuse to supply it with arms because it may endanger Jordan even more than Israel. Then the new state will turn to Moscow, and before we shall know, missiles, Russian missiles and aircraft and artillery pieces will face the gates of Jerusalem, the entries of Tel-Aviv, the margins of the Negev. Soviet arms supported by Soviet policy, not a policy of a Geneva conference but a policy of Brest Litovsk; no peace, no war.

Some friends may try to convince us that it is possible to establish a demilitarized Palestinian state, but since when is there a majority in the United Nations to pass propositions unacceptable to an extreme Arab mind?

No chance for it.

However, even were such a state to have only police force and no army, what would prevent the PLO from moving their bases from Lebanon to the West Bank and Gaza and sending terrorists and launching Katishua missiles to the heart of Israel, to its fields, to its roads, to its installations, to its homes, and what should Israel do then? Send planes to Lebanon and Schem to prevent terrorists and be condemned anew by the United Nations?

What a prospect! What then does Israel propose?

I woud like to go over the propositions we have made in the past. In the wake of the Six Day War we said that we are ready to withdraw to the international border. It was rejected. We suggested the Allon Plan. It was rejected.

We suggested that Jordan will administer the West Bank and we shall just keep the security function. It was rejected.

We have suggested the demilitarization of the West Bank and the creation of a common market and joint army. It was rejected. But for the future, Israel must uphold not only what she proposes but also what she is prepared to go through. It is imperative that Israel insist on the minimum essentials for her existence even if it means difficulties, condemnations, sacrifices.

It is better that our generation pays the price rather than free itself of the painful task and make the future of the coming generation an impossible Gehenna.

When the Arabs will be ready for a decent compromise, then we have to offer the fundamental propositions:

(a) An agreement in the European style between us and Jordan which will enable the Palestinian people to retain their identity without cutting the land into possible pieces.

(b) A federation in which every citizen will enjoy equal rights and every people will enjoy the right to be different, worship its Lord, maintain its way of life, speak its own language and have contact with its brethren—the Jews with the Jewish world, the Arabs with the Arab world—without fear or threat.

We shall wait for such an opportunity and until then be ready to face pressures from friends and threats from enemies. Yet we won't stop to attempt to search for an understanding with any Arab state ready to move toward peace with us, be it Egypt today or Syria tomorrow.

My dear friends, we are entering a period in which the whole of the Jewish people will have to demonstrate that a State of Israel in its considerations and in its hopes is really the state of the whole of the Jewish people and the Jewish people in all its struggles and deeds will show that the State of Israel has a people it can depend upon. This demands of us the highest degree of partnership in all domains.

Jewish people, young and old, professors and students, businessmen, men and women, will have to participate in a political and intellectual struggle to repulse any attempt to malign the profile of the Zionist revolution, to open the gates of Soviet Russia for our Jewish brothers. This is a manifold and unending struggle and it will be carried forth through the printed word, through forums, gatherings, activities, and its real strength lays in the inclusion of all of us, each of us, no exception.

The spiritual and political struggle will require the Jewish people to dedicate even greater material means in Israel in the way of taxes here in the way of the nations, to minimize our dependence, to enhance our independence. With these means we shall build more settlements, irrigate more fields, raise more wheat, grow more cotton and avocadoes, for home consumption and export, again to collect independence.

We shall have to modernize our industry to enable it to compete with the European production for very soon we shall become attached to the European Common Market, enjoying its markets but competing with its goods. And with the Israel means, we shall have to augment our military production so we don't have to ask so much from foreign countries.

All this depends upon fostering and sustaining a true democratic style and maintaining and improving a level of scientific excellence. Deep in our hearts we would like to see the Jewish state as the freest state on earth, as the most scientific society we can construct. We dream, I admit, that the day will come when some of you, your daughters and sons, will come to us, taking over untouched land, parts of the desert and bounded regions and with your great ingenuity and initiative, create great institutions of research and learning, modern farms and factories, ports and parks, so to express anew the old tradition of Jewish people and the new experience of great and promising America.

Let us not forget that in struggle and war, in building and growth, in meeting anew and in ingathering exiles, the supreme hope motivating us is to continue the old Jewish tradition, to maintain political self-reliance, to foster a Jewish personality faithful to the Prophetic vision contributing to the betterment of future of the humanity and some of it has already begun.

A fortnight ago, ten o'clock in the evening, my telephone, my military telephone rang up the news: some terrorists infiltrated a settlement on the Golan Heights called Ramat Hamagshimim, and I was informed that some people were injured or dead.

An hour later, with the chief of staff of the I.D.F., we boarded a helicopter on our way to Ramat Hamagshimim.

We arrived in the middle of the night. The roads were already crowded with military jeeps and half-tracks. It was a very chilly night and a bitter wind was blowing. At a kibbutz we were met by the Northern Commander in charge of the sector of the kibbutz, and we were led directly to the scene where the terrible tragedy just took place. It was an isolated building where, in one of its rooms, two of the Yeshiva boys have been preparing the beds for three of their guests who came for a visit overnight, and out of the fight, three were killed, assassinated in cold blood. One was injured. One escaped.

Then, at the perimeter of the kibbutz, we met the reservists, dressed very heavily, workers, professors, friends, new faces all of them on guard; and finally, around two o'clock in the morning we went over to the Beth Hamadrich where all of the Yeshiva boys are still studying their Gemora. It was exceedingly strange. In the Beth Hamadrich were 60 book stands. On each was an open book. Next to each lay a rifle. The studying went on. In the middle of the night, actually the beginning of the morning, as though nothing happened. No one complained, no one said a word. You could notice how faith can overcome sorrow.

The day before yesterday, before coming here, the Prime Minister, the Chief of Staff and myself revisited Ramat Hamagshimim, the same place; in the main hall there were assembled representations of the different settlements of the Golan Heights, 19 in number, including the Rabbi who was the head of the Yeshivah. The gathering was opened by the secretary of the Kibbutz. He said, I am quoting him, "Honored guests, we have learned lessons from the last attack. I do believe we are today better prepared and in a higher state of alterness. As you know, this is not the first time that our kibbutz, 30 families all told, suffered casualties. Just a couple of years ago we lost five of our members through a land mine. Let me tell you," he said at the outset, "then when we came here we knew exactly what we may have to face. We knew exactly that some of our members may pay with their lives for the defense of northern Israel. It didn't break our morale nor did it affect our faith. Since then we have more children, we cultivate more land. Our social position is strong, our economy is improving. The only thing I would like to ask you," he said, "you have decided to add four new settlements in the Golan Heights. My feeling is that we need five to complete the chain."

Then a representative of another kibbutz stood up and said, "We know that the nation is facing economic difficulties. Maybe it will console you to learn that during the last year the first ten settlements on the Golan Heights produced a crop of 120 million pounds, 12 millions for each of them. We would certainly like you to reinforce the fence between Israel and Syria, but if your budget is insufficient, I feel that this time we can be of help."

We could have taken a loan from them. Then the Rabbi stood up and he said, "We have today 60 boys in the Yeshivah and 10 staff members, four of them Rabbis. I would like to ask from you two things: First of all, as you know, all of our boys belong to the armored corps, they are tankists, but they were trained on the American Pattons which are used mainly in the Negev. Here in the North we have the British Centurion tank. Is it possible to retrain our boys to be northern tankists so they will be able to fight to protect their own place"?

Then he said, "Since the event, we have had many applicants to the Yeshivah and I feel we can reach the number of 350 students and 40 Rabbis. I assure you," he said, "this will be one of the best military units you will have here in the north. And may I add," he said, "that it goes without saying that we shall gladly teach a page of Gemorah to the other kibbutzim. They are a little bit of goyem."

For the moment I closed my eyes and asked myself, where in the long Jewish history did we ever experience anything like that, the heights of spirit, the depths of determination.

On our way out, some boys asked for autographs and I noticed a young boy who hardly spoke Hebrew. I asked him where he is from and he said he is from the Netherlands, from Holland. I asked him what does he like most, Holland or Golan Heights. He says, "Look, Sir, in Holland life is normal, quiet, the country is plain. Here the land is high, tense and Jewish and I like the attitude." I felt that I could come over here and tell you in simple words their message, of the Rabbi, of the settlers, of the determination of these people, and tell them that while they maintain Jewish tradition and Israeli independence, you are the real collectors of strength for them.

TIDAL POWER

Mr. HATHAWAY. Mr. President, a project to study the potential of generating electricity by harnessing the tremendous tides in Passamaquoddy Bay is now underway. It has been underway, actually, since 1919 when the idea was first proposed, but has never come to fruition due in part to a plantiful and cheap supply of oil.

While we have been studying this project intermittently for better than 50 years, the French have pressed ahead with a pilot plant on their coast that is now producing some 600 million kilowatt-hours each year. It consumes no fuel, and emits no pollution.

The Wall Street Journal carried a story in its December 31 issue which details the status of this tidal power facility—its successes and its failures—which I would like to share with my colleagues. Tidal power does not promise to relieve the energy crunch entirely, but for my State it does appear to have a role to play in the production of energy.

Mr. President, I ask unanimous consent to have the article from the Wall Street Journal printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INTEREST GROWS IN FRENCH PLANT THAT PRODUCES ELECTRICITY FROM THE RISE AND FALL OF THE TIDE

(By Neil Ulman)

ST. MALO, FRANCE.—They call Albert Caquot, 94-year-old engineer, savant and member of the prestigious Institut de France, a genius in his time. But some of his current ideas? Well, perhaps un peu impracticable, it is smilingly suggested.

If such skepticism bothers Mr. Caquot (and friends suggest it doesn't in the least), he has ready solace. By consulting a tide table and flipping a light switch in his Paris apartment, he, like any Frenchman, can avail himself of power from the world's only full-scale working tidal power station here. It was he, after all, who conceived and engineered key elements of its construction.

Indeed, since it went into service in August 1966, this unique power plant has been the object of curiosity and admiration of more than 150,000 engineers and tourists who visit it annually. With a capacity of 240,000 kilowatts, it uses the rise and fall of the tide to produce more than 600 million kilowatt-hours annually. That's about a fifth of the output of Big Allis, Consolidated Edison Co.'s main generator for New York City. Unlike Big Allis, however, the plant here consumes no fuel and emits no pollution.

Since the Organization of Petroleum Exporting Countries quadrupled the price of oil in the two years from October 1973, interest has quickened in the low, ordinary-looking dam across the River Rance here.

Dusted off for restudy have been dormant projects for construction of similar tidal plants in the Bay of Fundy, Canada; Cook Inlet, Alaska; the Bristol Channel, England; and Korea and Argentina.

The Soviet Union, which built a small tidal pilot project on the Barents Sea close to Murmansk, is also looking at full-scale projects on the White Sea and the Sea of Okhotsk.

THE GRANDEST OF THEM ALL

Also once more under consideration is the grandest project of them all: Mr. Caquot's proposed 60 miles of dikes that would stretch from Carteret on the Normandy coast to St. Malo, enclosing about 800 square miles of open sea and requiring tens of billions of dollars and many years to complete.

Of Mr. Caquot's project and others as well, of course, the skeptics are saying it can't be done. They also said the power station here couldn't be built and wouldn't work. And even if Mr. Caquot's multibillion-dollar vision is translated into steel and concrete, they say, it won't be economic, just as they said the power station here wouldn't be economic.

The argument is complex. To follow it requires a basic understanding of how tidal power works here, taking advantage of a tidal rise and fall that range up to 44 feet, one of the world's biggest.

The half-mile-long dam, located three miles from the open sea up the Rance Estuary, cuts off the sea from another 10 miles of waterway stretching inland to Dinan. When the tide is high, the sluice gates are closed. When the tide has dropped to a level significantly lower than the water still penned inland, that water is allowed to flow out over varying combinations of the turbines in the dam. As it does so, it generates electricity until the tide is low and the basin level is drawn down to the sea's level.

The sluice gates are then closed again, and the tide rises until it is significantly higher than the water penned inland. Again the gates are opened, and this time the water flows inward over the turbines, generating electricity again until the water level is high. Then the cycle repeats itself.

SOME OF THE PROBLEMS

That much-simplified description, however, doesn't do justice to the difficulty of building and operating such a plant economically.

First, there are few places in the world where the range of the tide is big enough to make consideration of tidal power worthwhile. This spot on the Rance is good because it is far enough up the river to protect the dam and its turbines from the open sea. And it also offers a large enough body of water behind the dam to work the turbines.

Even with these advantages, the main drawback to tidal power is obvious. The nature of the tides means electricity can only be produced at certain hours. The tides, responding to the gravitational pull of the moon, are high at any given place about once every 13 hours. The range between high and low tide varies over a semimonthly cycle from the biggest rise and fall (called springs) to the smallest (called neaps). Finally, wind and barometric pressure also combine to affect tidal action.

Here at the Rance power station, it sometimes pays to augment the tidal action at the end of a generating phase by pumping additional water in or out of the basin. Such pumping widens the difference in levels between sea and basin for a more powerful run of water across the turbines when the sluice gates are reopened.

Still, this means that the plant here generates about four times as much power on the highest spring tides as on the neaps. In either mode, peak generating time switches from day to day with the tidal cycle and seldom coincides with peak demand.

Thus, Electricite de France, the state-owned power company, must plan carefully to fit output from its tidal wonder into its nationwide power grid. A computer in Nantes prepares an operating program for the station here, setting out such details as the opening of the sluice gates, the number of turbines in service and the angle of their blades for each 10 minutes of the day.

EFFECT OF OIL-PRICE RISE

The computer takes into account the predicted heights of the tides, the needs of the power grid as calculated in Paris and the comparative costs of generating electricity in other plants. Naturally, as the cost of oil has risen, the computer has been calling on an ever-increasing output from the Rance: 606.2 million kilowatt-hours last year, up from 471.9 million in 1969.

A second computer here on the Rance cranks in corrections for the actual height of the tide as modified by wind and weather, adjusting the theoretical program to catch up with reality in a couple of hours. If big storms produce unusual tidal surges, as they did in September 1974, for example, operators in the control room here can make manual adjustments to the plant.

Whether you think the Rance power station pays its way depends on how you push the pencil, experts at the power company say. The final construction cost was 570 million francs (about $127.8 million). To build it today would cost 1.1 billion francs ($246.6 million), the company says.

According to Johannes Cotillon, the company's expert who keeps track of the Rance performance, it costs 1.33 centimes per kilowatt-hour to operate the Rance station, compared with 8.4 centimes for an average oil-fired plant of similar capacity, including fuel costs. Amortization over a life of 30 years, however, adds 8.34 cents a kilowatt-hour to the Rance costs, compared with 2.3 centimes for the oil-fired plant. Taking operating costs, including fuel, together with amortization, Mr. Cotillon works the Rance costs out to 9.67 centimes per kilowatt-hour, compared with 10.7 centimes for an oil-fired plant.

Such estimates don't say, of course, how costs would compare if one set out to build a given tidal-power or oil-fired plant today. But proponents also justify tidal power on the basis of unquantifiable spin-offs, such as turbine technology, which the power company has put to use in hydroelectric plants. They would further justify it because the roadway over the dam cuts 20 miles from the well-traveled route between St. Malo and Dinard.

LAND RECLAMATION

This is also the kind of argument behind the grandiose proposals Mr. Caquot has sketched for the tidal plant of the future. His plan, which is under study, would provide about 35 billion kilowatt-hours annually, but colleagues say he is also working on modifications that would bring it up to 40 billion. Besides generating power, the construction of dikes would reclaim land for a large ferroalloy plant, provide a basin for aquaculture, or seafood farming, and create a deepwater port.

The power company is also studying a more modest tidal project within the same area covered by Mr. Caquot's. It would run dikes out from Granville in Normandy and Concale in Brittany to the Iles de Chausey, a group of rocks about 23 miles northwest of the famed Mont St. Michel Abbey.

Though small by comparison with Mr. Caquot's massive vision, the power company's project would cost about 30 billion francs ($6.7 billion) and produce 27 billion kilowatt-hours annually. A French parliamentary commission, after a year-long study, said that while many experts believed both the Caquot and power-company proposals seemed too costly, it found convincing arguments on both sides of the question. It said it couldn't make a final decision without further economic studies.

The company has already spent more than 80 million francs ($18 million) on studies for its project. But by current comparisons with atomic power, the capital costs don't look good. Antoine Dumaine, an engineer supervising studies of the problem in the company's equipment department, says that for the same cost as the firm's Iles de Chausey project, the company could probably build five nuclear plants with more than three times the output. Operating and maintenance costs for a tidal plant, of course, would be expected to be much lower.

But Mr. Dumaine notes that capital-cost estimates for atomic power are rising rapidly. The company now figures 1,900 francs ($426) per kilowatt-hour of installed capacity, up from 1,700 francs ($381) estimated at the beginning of the year. And there are hopes that technical breakthroughs derived from North Sea Oil operations could dramatically cut the costs of installing deepwater dikes and dams.

TIMES TOUGH? SO ARE WE—BUT SKEPTICAL, TOO

Mr. BROCK. Mr. President, there are always a number of backward glances at the passing year. One of the Nation's most perceptive columnists, Joseph Kraft, could not resist the temptation, and he produced an excellent column which we should consider carefully. Therefore, I ask unanimous consent that Mr. Kraft's column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIMES TOUGH? SO ARE WE—BUT SKEPTICAL, TOO

(By Joseph Kraft)

For most Americans 1975 was a year of hard times. The country plunged from its worst inflation through its worst recession. For the first time in our history the United States unmistakably—and visibly—lost a war. The grave weaknesses of an accidental President became readily apparent.

But the big news of the year is that the pathological group reaction supposed to accompany such setbacks did not take place. No stab-in-the-back theory arose to explain Vietnam and give birth to a new and outraged nationalism.

Race relations, while certainly not ideal, probably improved slightly and surely did not grow dramatically worse. There were almost no signs of acute hostility across economic lines, and the few calls for labor militancy fell flat. The youth rebellion continued to lose force—witness, for instance, the apparent decline of rock music.

Immunity to the usual diseases of hard times testifies to the vitality and resilience of American life. Most of us, to borrow a phrase coined by boosters of Atlanta a couple of decades ago, have been too busy to hate. Intense activity—buying, selling, building, scrapping—has continued to be a hallmark of American life. Contrary to Wadsworth's gloomy notion, we do not lay waste our powers getting and spending.

For the worst cases there has been deliberate help from government and business. Lengthy and relatively generous unemployment benefits, not to mention food and public health programs, have made it possible for millions of Americans to avoid severe privation.

Still 1975 has not been without one terrible cost. An attitude of caustic and corrosive skepticism has become a dominant national mood. Esteem for what used to be our most effective institutions—from the White House through Harvard to the Chase bank, Exxon and the Supreme Court—has dropped dramatically.

Terms that once commanded fidelity—terms like national interest or security—are now treated as bogus pleas for special privilege. Almost anything connected with overseas commitments, however benign or innocuous or necessary, is subject to scathingly cynical suspicion.

The leading organs of press and television seem locked in rivalrous—and not unnarcissistic—competition to heap scorn on values traditional to American life.

Most important, an unspoken faith—a faith fortified by the experience of most Americans in World War II and the two following decades—has been shattered. Savvy Americans know, and foolish ones have guessed, that life is not automatically going to keep getting better and better for this country. The famous crack ascribed to Bismarck, that God looks after drunkards, fools and the United States of America, has been unsaid by events.

Perhaps the worst consequence of the loss of faith is a dearth of leadership. Our foremost public men—Ford and Rockefeller and Humphrey and Albert, for example—have not only never won a national election—they are throwbacks to another era, men who got on the leadership track two decades ago and just kept running.

Younger men, more in tune with the times, have found their careers stifled or blocked. For there is wanting the basic nutrient of leadership—a large core of willing followers ready to sink differences and make sacrifice in common cause.

This explanation for the dearth of leadership finds support in two notable exceptions—George Wallace and Ronald Reagan, both of whom achieved high place and national reputation by personifying groups outside the regular system, and hostile to it.

As the year turns, the hard times of 1975 are plainly on the wane. The mere fact of electing a President—almost any President—should have politically wholesome consequences. The economy is bound to come back some more. But the deeper recovery, the recovery of faith and morale, is apt to take years—the more so as some of the corrosive forces are still at work.

THE CONSERVATIVE-MAJORITY FALLACY

Mr. HATHAWAY. Mr. President, this session of this Congress could be one of the most crucial we have had, in terms of formulating domestic economic policy, in many years. First of all, we have a new budgetary process specifically designed to aid the Congress in setting its priorities. Second, we have a President who is determined to change those priorities, who is determined to treat tax cuts and other Federal spending as separate issues that are the two sides of an equation. They are not. They are both Federal spending, and should both be treated that way, within the same context of budgetary priorities. For those of my colleagues who are tempted by the political implications of the President's equation, I would like to recommend the following article, from the December 22 issue of New York magazine, by John Kenneth Galbraith.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Conservative-Majority Fallacy

(By John Kenneth Galbraith)

". . . If the Democrats continue on course, they will have deserted their natural constituency and will not be worth electing . . ."

I would like to identify and comment in a scientific way on one of the notable political phenomena of our time. That is the powerful and wonderfully persistent devices by which recurrently we are persuaded that conservatism is the wave of the future. These instruments of persuasion are brought to bear at all times and with much success on the Congress. And once every four years, at about this time in relation to the election, they are directed at the Democratic party and the nation at large.

The purpose is always the same. It is to persuade all susceptible citizens—particularly Democrats, their legislators, and the candidates—that the country has, at long last, moved sharply to the right. Specifically, the object is to persuade them that, politically speaking, there are no poor, no aged, no sick, no black, no other minorities, no people seriously squeezed by inflation, not many for whom unemployment is a major issue, no one whatever whose health, education, food, shelter, protection from economic abuse or exploitation, or even survival itself depends on the services of government. Instead there are in this republic only indignant taxpayers deeply angry about the willful idleness of the unemployed. The only sophisticated policy is their appeasement. The prime enemy of the people is the state, save only as it involves itself in the exigent needs of national defense and bankrupt corporations. The ultimate tendency (and hope) of our politics is to two equally conservative parties competing for the great conservative majority.

We should have a name for this phenomenon; I propose that it be called "The Conservative-Majority Syndrome." In an earlier time it would have been called "The Dayton Housewife Discovery"; that was its last manifestation. That excellent woman, you will recall, was also unblack, unpoor, definitely uninterested in anything as unrefined as women's rights, and, you can be sure, deeply concerned about taxes. I have always thought that both she and Dayton were greatly libeled.

The success of the conservative syndrome depends on four motivating factors, all powerful in our time. The first is the susceptibility of much of our political comment and many of our political commentators and sages to the rediscovery of the wheel. Its special manifestation is the recurrent discovery, offered each time as a breathtaking revelation of only slightly less than scriptural impact, that people of means would rather not pay taxes. This is not combined, unfortunately, with the companion revelation that people of means are infinitely more articulate than anyone else, their spokesmen and intellectual sycophants alone excluded. So it is not noticed that, by its sheer volume, the voice of the relatively affluent in our land gets mistaken for the voice of the masses. If you are in doubt on this point, recall how many welfare recipients you have heard on the question of the profligacy of New York City. Compare this with the volume of expression emanating from Chase Manhattan, Lazard Frères, and Secretary of the Treasury William Simon. The Westchester County budget, it was announced in mid-November, will rise by 25 per cent in 1976. That, in those mostly pleasant precincts, was the result of changing population structure, inflation, and recession. In New York it would be caused by the idle and the unions. And, of course, John Lindsay and Abe Beame.

The second support to the conservative syndrome is related: it resides in the deep desire of politicians, Democrats in particular, for respectability. All seek to inspire confidence, convey an aspect of sound judgment. And what is the test of sound, confidence-inspiring judgment? It is, broadly, whether speech and action are consistent with the comfort and well-being of the affluent, including, needless to say, the people who lead the great financial institutions and man the large corporations. A radical is anyone who causes discomfort or otherwise offends such interests. Thus, in our politics, we test even liberals by their conservatism. Alfred Marshall, the great founder of neoclassical (and now conservative) economics, once said that there is nothing an economist should so fear as applause. Certainly nothing should be so damaging to a Democrat as an approving editorial in *The Wall Street Journal* or the most primitive nod from Evans and Novak.

The self-reinforcing character of our conservatism works with particular force in Washington. There some public official to whom Andrew Mellon would seem advanced identifies an action as likely to cause pain to the privileged. He forthrightly communicates his alarm to Messrs. Evans and Novak. These scholars tell of the intended action, note that it is a potential cause for popular indignation, maybe even mass anguish. The original progenitor reads their story and is affirmed in his fears. So are others. It is, I believe, the only successful closed-circuit system for recycling garbage that has yet been devised.

The third strength of the conservative syndrome lies in the superb tactical position of the Republicans when they are in power—as now. For they can attack government for indifference, callousness, or incompetence and then justify the attack by making it so. This is the history of the last seven years. When Republicans attack government, let us be sure as many as possible know that the government of Richard Nixon or that of Gerald Ford or—let me be nonpartisan—that of George Wallace in Alabama is not our model. Government was not thought callous or indifferent or even incompetent in the days of Roosevelt or, for that matter, Lyndon Johnson.

Let us not, above all, allow anyone to believe that we take the economic management of William Simon and Alan Greenspan—men, as I've often said, who see progress as escape to the eighteenth century—as our model of what intelligent macroeconomic management of the economy can accomplish.

I must add a special note here. Even those, and I am one, who are celebrated for their patience, their kindly tolerance of human frailty, must be discouraged at the reception which the prophets of the respectable view accord the Simon-Greenspan achievement. These statesmen have, we know, only one remedy for inflation. That is unemployment and recession. Having achieved a recession, they are then allowed to attribute the recession to natural cyclical causes, and they are further forgiven for its not preventing the inflation. Had men of similar competence been in charge of the space program, we would now be digging the boys out of the Grand Canyon. And had the same standards of judgment been brought to bear, the failure would have been accepted as a natural manifestation of the law of gravity.

We must never minimize the importance of good public management and administration. This is a dull but important business, one that must always be part of our claim to govern. It has not had the attention from Democrats that it deserves. But let us not join in the currently fashionable tendency to defame either government or those who work for government. The civil service of the United States is as honest, effective, and perhaps even as innovative as that of any other country. It was stubbornly honest people in the Department of Justice, the FBI, the IRS, and elsewhere who frustrated the tax evasion, obstruction of justice, subornation of perjury, and constitutional subversion of Richard Nixon and the less imaginative felonies of Spiro Agnew.

Had our public servants not been honest, our case would have been hopeless.

The final buttress to the conservative syndrome is those whom we may perhaps call the liberal-Establishment economists. Here I must proceed tactfully; I am speaking of the work of conscientious and intelligent men, excellent citizens, good friends. But, alas, time, in its ineluctable march, has made them also pillars of the conservative edifice. This is because some inevitably yearn for the Establishment's applause and test their performance by its volume. Alfred Marshall's warning has been forgotten even here. Some inevitably are confined by the institutions they serve. This is a subtle but powerful influence in our time. Most economists serve within an institutional framework; some additionally are sustained visibly and directly by the banks and corporations they assist or advise. Out of this comes a largely innocent and natural desire to avoid embarrassing one's colleagues and institutions by urging policies that are at odds with the respectable view. And out of the service to corporations comes the rather less innocent desire to protect one's income. Much of what was once called liberal economics has become very conservative in our time.

The conservatism of contemporary economics manifests itself in two major matters, both vital for the Democratic position.

The established economics can, in principle, treat unemployment. It cannot in its accepted form deal with such part of the inflation problem as is caused by the wage/price spiral in the industrial sector of the economy. No one, or not many, doubt the importance of this spiral. Not having a cure for inflation, the accepted economics minimizes it as a problem, asserts that at any given time the real economic need is for more growth, more jobs. The result, so far as this guidance is accepted, is to divide our political life between conservatives who prefer unemployment to inflation but do not say so and liberals who prefer inflation to unemployment but do not say so.

There is no political future for Democrats in such a debate. Unemployment hurts a smaller number of people a lot; inflation hurts a larger number of people a little. We cannot defend either. It is not possible to persuade people—as some economists would—that inflation is an overrated evil. For the person wondering how to stretch limited income or savings over urgent needs, who is in anguish that on the next trip to the supermarket there will not be enough in her pocket, inflation is not an overrated evil. In any case, we must take people's dislikes as they are. We know they dislike inflation.

This leads to the unsurprising conclusion that there must be direct intervention on incomes and prices in the organized sector of the economy. Next time it must be done seriously; it cannot be again, as it was in 1971, for the purpose of getting a Republican president by an election. And you will notice that I use the word incomes. We have a labor movement in the United States which, on this issue, is quite possibly more reasonable, modern, and nontheological than any other in the world. It will, as George Meany has reiterated, accept such a policy as long as it is fair and general—as long as it applies equitably to all incomes. It must also keep living costs effectively stable or otherwise protect real wages. Any trade-union leader is right to insist on these conditions. The problem for Democrats is not whether to have such controls; this the circumstances of economic power in the economy have already decided for us. The question is how to meet the required conditions of their equitable application and effective administration. For so long as the established economics ignores the problem of controls, and its counsel is followed, Democrats are left with no viable alternative to the present conservative mismanagement of the economy.

The second support to conservatism from the established economics, a very urgent matter, lies in its formula for expanding the economy, for curing unemployment. In recent years its remedy has become the reduction of federal taxes. It is offered all but automatically whenever the economy is operating at less than full capacity, which of late has been all the time. *This remedy is a liberal and Democratic disaster.* Nothing in recent times has so played into the hands of conservatives.

There was always the danger that tax reduction would be seized upon by conservatives as the excuse for limiting public expenditures—always excluding defense and those in which business has a prime interest. That danger Gerald Ford has now made explicit. He has made acceptance of tax reduction conditional on expenditure reduction, promised the requisite vetoes if the spending reduction is not made good. Those of us who had feared this result must be grateful to him for clarifying a difficult point. We should also be grateful to my friend Professor Milton Friedman, a man of great if inconvenient honesty, who also has made the conservative position wonderfully clear. In a *Newsweek* column on October 27, he could not have been more forthright: "I am in favor of a Federal tax cut at all times—as the only way to exert effective pressure on Congress to keep down Federal spending." The reduction in spending inevitably affects the services and support of the poor, for defense and business needs are always exempt. And if it succeeds, it also means—much more than incidentally—that there is no expansive effect at all from the tax reduction. There would be contractive effect, in fact, for the tax savings are not as reliably spent as the proceeds of the outlays so curtailed.

It is federal taxes that are reduced. These, in substantial though not exclusive part, are on middle- and upper-income brackets of the personal income tax and on corporations. This reduction comes at a time when states and cities, in consequence of the recession the tax reduction is to cure, are being forced to raise their taxes, and these invariably are taxes on the poor. While the House Ways and Means Committee was discussing the extension of the cut in income taxes this autumn—now, I agree, inevitable—Secretary Simon, in one of his typically compassionate moods, was urging New York City to raise its sales tax to 10 per cent. Highly regressive taxes were raised. And the services of a city already deep in public squalor have been ruthlessly curtailed. In the same week that the committee reported out the tax-cut bill, the Commonwealth of Massachusetts agreed on a tax increase of $364 million, all of it in relatively regressive taxes, for no others were available. (Two hundred and eighteen million dollars would be from taxes on sales and on meals.) The Boston Globe, noting the juxtaposition of these events, said they made no sense. How right. And again there is no economic stimulation in a shift from progressive federal to regressive state and local taxes. If anything, the reverse. There is only joy for the affluent.

We are learning, finally, that federal tax reduction, taken by itself, is an inefficient form of stimulation. In the second quarter of this year there was a big bulge in private savings. Its source was the tax reduction and refunds. People who didn't need the money were not using it. This would not have been the case if the money had gone instead to employ people on useful work, maintain or improve public services, provide help to the large cities, prevent layoffs, ease the burden of state and local welfare costs. That money would have been spent. In buying tax reduction as the magic of the Establishment economists, Democrats have bought a slightly modified version of the Hoover trickle-down doctrine. And the trickle is as unreliable a recovery instrument now as it was then. As I've said, next year's tax policy is over the dam. Thereafter let us spend instead for needed services as a substitute for regressive taxes.

Thus the lesson: liberals can become conservatives, Democrats can become Republicans, we can have not one conservative party but two. We have only to test our policies by the affluent applause, seek respectability before all else, assume that government must be as bad as under Nixon and Ford, and be guided on controls and taxation by the established economics. We are, I venture, well on the way. The only problem is that if Democrats continue on course they will have deserted their natural constituency. They won't be worth electing. Nor will they be elected. For, as Harry Truman once observed, given the choice between two conservative parties, people will always choose the one that is honestly and deliberately so.

WISHING FOR DÉTENTE STILL DOESN'T MAKE IT SO

Mr. BROCK. Mr. President, there are still questions to be answered surrounding our efforts toward détente. Jack Anderson and Les Whitten recently explored the question of détente, in an article entitled "Wishing for Détente Still Doesn't Make It So." Mr. President, I ask unanimous consent that this interesting look into a very important question be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Wishing For Détente Still Doesn't Make It So

(By Jack Anderson with Les Whitten)

At this crossroads in time, we need to take a hard look at the path we are traveling with our Soviet adversaries.

Certainly, we support policies that seek a reduction in tensions. We also appreciate Secretary of State Henry Kissinger's desire to take advantage of the opportunities for maneuver created by the Sino-Soviet split. And of course, détente is preferable to nuclear suicide.

But the lessons of the past should have put our leaders on guard against stimulating euphoria. Kissinger has shown us too many bear hugs, clinking glasses and smiling cosmonauts.

To advance the spirit of détente, the United States has in recent years surrendered many advantages. We have permitted our military posture to sag dangerously—from superiority over the Soviets down to parity, and now to overall inferiority.

We have accepted the short end of the stick in arms limitations. We have bailed out the Kremlin from repeated agricultural catastrophes at the cost of inflating our own food prices. We have given the Soviets valuable economic credits and technological know-how in return for tours of fluttering ballerinas and jolly gymnasts.

And we have compromised our honor by giving positive sanction, through a giddy profusion of pacts, trade missions and spectacles of diplomatic bonhomie, to the tightening of the Kremlin screws on the people of Eastern Europe and the Soviet Union.

In return for this, we were told, a new spirit of cooperation and exchange would flow, accompanied by a gradual liberalization of life behind the Iron Curtain. But this has not come to pass. Instead, we see a step-up of Soviet repression at home, an increased exploitation of Eastern Europe, a renewed pressure aimed at the annexation of Yugoslavia, a revived emphasis on revolutionary action in the West itself and an ambitious drive to take over Angola as part of a wider scheme to recolonize Africa under the hammer and sickle.

And throughout the period of detente, a mighty Soviet arms buildup has been going on. It will continue, moreover, under the new five-year plan, with its emphasis on heavy industry over consumer products.

James Schlesinger, the savvy former Defense Secretary, paints this picture: "We as a nation are indulgent, in an ostrich syndrome, in burying our heads in the sand and not observing what is going on.

"The Soviets have increased their military establishment to over four million men. . . . They have, in recent years, produced four times as many subs and surface combatants as we have. They are producing 70 per cent more tactical aircraft. In ground forces equipment, it is a production ratio of seven and eight to one. . . .

"What we have is a flight from reality."

There is no sadder illustration of this flight from reality than America's inability to keep a clear, cold eye focused on the nature of Soviet rule. Our political leaders, reacting perhaps to the pendulum aspect of American mass psychology, have promoted an imagery that disarms us into regarding the Communists as not much different from ourselves, except for a peculiarity of political dogma here and there.

But meanwhile, our intelligence agents have been gathering data, which shows the unbroken continuity of Kremlin barbarism. We have followed these reports over the years.

There was an incident, for example, from Khrushchev's time when Eskimos at Yakutsk were contaminated with radiation from Soviet H-bomb tests. The commissars, not wanting the word to spread, simply had them slaughtered.

More recent reports show how the tradition of Yakutsk continues. Near the Siberian-Chinese border, a group of timber workers, provoked by hunger, marched into the nearest town in a peaceful protest. They were mowed down by Red Army border guards on the pretext that they were trying to flee to China.

And at Karaganter, when laborers at a metalurgical factory building site were driven by hunger to riot, no mediator or bread was provided. The protest was immediately crushed by Soviet tanks, artillery and helicopters.

But far more significant than the occasional machine-gunnings is the pervasive, almost universal silence among the Soviet masses. So conditioned by six decades of tyranny are they that only unbearable hunger provokes mass protests. Individual dissidents, such unbreakable giants as Solzhenitsyn and Sahkarov, are rare.

A tomb-like silence, the obedient listlessness, stretching from the Baltic Sea to the Sea of Japan betokens the most fearful crime of Lenin and his successors. By joining utter ruthlessness to the repressive devices of modern technology and communications, they have largely succeeded in imposing a slave mentality on a whole people.

So we learn once again that all our smiles and favors won't melt the iceberg. But how the iceberg has grown and how we have shrunk since last we realized this.

MARY CATHERINE UNSER

Mr. MONTOYA. Mr. President, on December 18, 1975, a great lady and a beloved citizen of New Mexico, Mary Catherine Unser, died. The people of New Mexico and many other Americans who knew about her outstanding contributions to the world of racing join her family in mourning her loss and remembering her many accomplishments.

Mary Catherine Unser was born in Missouri. She was trained as a professional pianist and graduated with honors from Missouri State University. She gave up her career as a musician to become the wife of Jerry Unser, Sr. and the mother of four boys, Jerry Jr., Louis, Robert, and Al. She left a gentle and protected world to go with her family into the rugged and difficult profession of automobile racing. Bringing with her a marvelous strength and courage, an unending kindness and compassion for people, and the highest possible standards for herself and her family, she adapted quickly to her new career as a member of her husband's racing crew. She learned how to pump gas, keep track of parts, and even how to change a tire in an emergency. She shared the excitement and the hard work with her husband until her boys were old enough to look over the windshield of a racing car. She drove the mechanic's truck during the Mexican road race, and always stood ready to comfort and care for her family of racing men, from Argentina to Canada.

Over the years she came to be known and loved by racing men and women and by fans. The world of "Gasoline Alley," as those who pursue this difficult and dangerous profession call it, soon learned that Mom Unser was friend and inspiration to her own sons and to everyone whose life touched hers.

She gave her family the will to win and pride in their performance. She never tolerated anything but an immaculate appearance for either her family or for their racing cars. She was feminine and gracious and proud.

Her sons Robert and Al won the Indianapolis 500 four times and the national driving championship three times, and I know those honors were important to her. But she was equally proud of their accomplishments as citizens and Americans.

We in New Mexico are happy that she came to our State to make her home. Famous men and women from around the world came to visit her in Albuquerque, and she brought great honor to us there. Her sanctuary was her home in the beautiful city of Chama, N. Mex., where after the racing season she would retire to catch up on her correspondence and to test her world-famous chili recipe.

The world, this Nation, and my State are all better for having known and honored this woman. Her children and grandchildren are carrying on in the Unser traditions which she set. Her race is over, but those of us who knew her will always remember her many victories.

She was always there when the words "gentlemen, start your engines" were called, always with a prayer that none of the drivers would be hurt and a hope that, if the Good Lord were willing, one of her sons would be given the checkered flag.

I know that my colleagues in the Senate and the House of Representatives would want to join me in honoring this fine and brave New Mexican for a race well run.

REPRESENTATIVE GUDE OF MARYLAND

Mr. MATHIAS. Mr. President, 1976 has produced a bumper crop of Presidential candidates with the widest possible spectrum of views. But, in spite of their sharp differences in outlook, they all seem to agree on one theme. They all recognize the existence of widespread lack of confidence in Government and the need to restore faith in public institutions.

With this in mind, I particularly regret the decision of GILBERT GUDE to retire from Congress at the end of the current session because it is his very special genius to inspire confidence. Throughout his public career, in both the State and national legislatures, he has pursued his way in a calm manner, without raising his voice and without either inflaming hostile emotions or exciting unwarranted expectations. He has followed an honorable course.

The five victories he has won in the elections for his seat in the other body confirm this conclusion. In each campaign he has persuaded the people of his district that he would thoughtfully consider all the factors necessary to determine sound policy and that he would do so without any personal prejudice or bias that could obscure the public interest. Today, when almost every official is viewed with suspicion, the personal esteem accorded Representative GUDE is both rare and remarkable. It is also well deserved.

My friendship with GILBERT GUDE extends over many years, but our close association was forged in the crucible of a tough election campaign—he was my campaign manager in 1964. For that, I am grateful to him. But I am grateful to him for far more. I am grateful to him for his long and distinguished record of public service to the State of Maryland and to this Nation. GILBERT GUDE will be a great loss to the Maryland delegation and to the Congress.

I ask unanimous consent that the attached two editorials from the Washington Star and the Washington Post be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Star, Jan. 16, 1976]

GILBERT GUDE'S DECISION

The adage is, "They never go back to Pocatello"—given a decade or so of the Potomac aura, it is difficult for congressmen to forsake the habit of power. Representative Gilbert Gude has added himself to the list of exceptions. The five-term Republican from Maryland's heavily Democratic 8th District has announced he wishes the voters to include him out in November.

Mr. Gude, a gentleman of great civility, chose to be enigmatic—enigmatic as appearances are judged in this queer city—in his explanation of why he was retiring from active competition. He said he had decided not to seek re-election because of "personal considerations—my own desire to have more time with my family than the congressional life permits."

There was a hesitance to accept Mr. Gude's statement at face value. This is a skeptical burg, and there were speculative murmurs about poor health, frustration at the glutinous congressional process, family problems even.

The answer, may be all of the above—or, more likely, it seems to us, his own explanation is adequate. Congressmen worthy of the title—and we shall forego exact quantification—work much harder than we give them credit for. Mr. Gude has been a conscientious representative and one who has filled the office with unusual sensitivity. He concentrated on environmental issues and historical preservation, and the designation of the C&O Canal as a part of the national park system was significantly his effort.

The aspect of Mr. Gude's career that perhaps most puzzles is that he probably occupies a seat as safe as any in the House. In his last go-round in his district, which generally encompasses Montgomery County with its 2–1 Democratic registration, Republican Gude won with 67 per cent of the vote. His competition in recent years has been distinguished by its frustration.

As we said, Mr. Gude's expressed reason for leaving Capitol Hill seem sufficient to us. We think he has represented his constituency with perspicacity and dignity: We wish him well.

His resignation offers the prospect of a frantic 8th District race this fall, with heretofore fatalistic Democrats sensing a possibility of long-deferred victory. No less, Republicans north of the D.C. line will be tripping over each other in the hope they may fall heir to a sliver of Mr. Gude's appeal. It ought to be a good horse race since Gilbert Gude has scratched himself.

[From the Washington Post, Jan. 17, 1976]

Representative Gude Steps Aside

According to conventional wisdom, the aim of all Congressmen is to get re-elected; incumbents leave the House voluntarily only to seek another office or because of some infirmity such as age, illness, indictment or redistricting. This generalization does not fit the case of Rep. Gilbert Gude (R-Md.), who has shaken up Maryland politics by announcing that he will not seek a sixth term this year. Mr. Gude is leaving Congress, it appears, because he has concluded that 10 years of service are enough. The satisfactions no longer outweigh the strains of wrestling with so many issues and trying to serve constituents who are so well-informed, so active—and so close. At 52, Mr. Gude is restless; he wants more time to spend with his family, and has decided to pursue his interests in another arena, so far unspecified.

The Congressman's announcement is doubly startling to all those who have come to count on having Gilbert Gude on the job. Through all the swings and storms of Montgomery County politics, his hold on the House seat has been uncommonly secure—because he is uncommonly decent, open and independent, and above all else because he works so hard. Mr. Gude is constantly in motion, talking with people, looking at problems, prodding agencies. He has a rare gift for seeing laws and policies in human terms. Moreover, he listens much better than most politicians do. These attributes have made him a creative force in regional affairs, enabling him to mobilize federal, state and local resources to curb pollution, improve transportation and preserve historic landmarks. But the same qualities that have brought him so much success have also probably compounded his frustration and impatience with the noisy, inefficient milieu of the House. Anyone with so much to do could not help growing weary of an institution in which so little gets done.

Mr. Gude is not the only House member to reject the view that re-election is enough reward. Rep. William L. Hungate (D-Mo.), also 52, is retiring after 7 terms because "the years erode tolerance, stamina and patience" and he has found the chances for achievement limited. Rep. Edward G. Biester Jr. (R-Pa.), 45, who entered the House with Mr. Gude in 1967, is also stepping aside this year. In his announcement, Mr. Biester rejected the view that incumbents should stay as long as the voters will have them. The House, Rep. Biester said, "should not be the long and final resting place for professional politicians but rather a citizens' forum, receiving regular bursts of fresh blood." Indeed, members of Congress do grow stale, and frequent turnover does inject new viewpoints and vitality. The major problem with this principle is that, in practice, it often has regrettable results. The hacks and drones tend to cling to their seats while the most conscientious and perceptive individuals, such as Mr. Gude, decide it is time to move on.

DOES CAPITAL FORMATION CREATE JOBS?

Mr. MONTOYA. Mr. President, I wish to call to the Senate's attention a recent article in the Washington Star of January 11, 1976, by Mr. Sam Love, a writer in the energy field, entitled "Does Capital Formation Create Jobs? It Depends on How You Use It."

We have been hearing a good deal in recent months about the Nation's unprecedented capital needs for the coming 10-year period. It is almost a tenet of our capitalistic faith that ample capital is necessary in order to meet the needs of a growing populations, increased energy needs, and ultimately to provide jobs for the unemployed and underemployed.

Mr. Love talks about quality and capital formation. The conventional "trickle down" approach of conservative economists and political leaders ignores the concept of "capital quality." He says:

> An investment dollar, like a BTU of energy, can do any number of things: It can build homes, construct machines, bail out New York City or it can build nuclear power plants. It can go into telephone satellites which cost a small fortune to put into orbit, or it can build ground lines and pay operators' salaries. Some investments create more jobs than others.

Thus to increase the investment tax credit from 7 to 12 percent as the White House is proposing without discriminating among the corporate beneficiaries is no longer adequate.

"Policy makers must consider," says Mr. Love, "what industries will benefit most from it? How many jobs will those industries create? How long will the productive wealth of the society be tied up?"

The selective application of investment tax credits might make sense if we can answer these questions.

Mr. President, I ask unanimous consent that the article by Sam Love be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star, Jan. 11, 1976]

Does Capital Formation Create Jobs? It Depends on How You Use It

(By Sam Love)

To top off all the shortages we have been experiencing, it now looks as though we are headed for a capital shortage. Fullpage ads from leading banks are warning us that our rate of savings is not adequate to meet projected capital demand. We are told there will be a virtual war for capital. Certain sectors of the economy that need long-term investment, such as housing, may be starved out of the market by prohibitively high interest rates.

Some indication of the magnitiude of the competition for capital can be obtained by looking at the *appetite* for capital. Chase Manhattan Bank estimates that the amount of capital which will be sought for energy development, modernization of our industrial plants and improvements in the quality of life could reach $4.1 trillion in the next decade, but that only $2.5 trillion will be available for investment.

The Ford administration's answer to this problem is to stimulate the "natural recovery of the economy" through more capital formation. The White House proposes that the investment tax credit, which now allows businesses to claim tax deductions of 7 per cent of the cost of capital investment, be increased to 12 per cent. In addition, special tax advantages are being proposed for specific hard-pressed industries such as the capital-intensive utility industry.

Administration economists reason that an increase in capital spending creates short-term jobs in the capital goods and construction industries. In the longer term it means more production, a higher gross national product, and through higher profits, more investment capital. The benefits of such an economic improvement program will eventually "trickle down" to the unemployed and underemployed. This approach of helping the unemployed through stimulating higher profits and more capital investment has been characterized as "Let them eat bonds."

While such an approach may be firmly grounded in conventional conservative economic theory, it ignores the concept of *capital quality*. An investment dollar, like a BTU of energy, can do any number of things: It can build homes, construct machines, bail out New York City or it can build nuclear power plants. It can go into telephone satellites, which cost a small fortune to put into orbit, or it can build ground lines and pay operators' salaries. *Some investments create more jobs than others.*

The telephone company provides an illustration of the narrowness of the view that capital investment is good for the country. AT&T is currently involved in a multi-billion dollar effort to transform its switchboards into computerized switching systems. The new systems require fewer operators and associated personnel, but are much more capital-intensive than older equipment. Thus, AT&T reports with pride that the $3.2 billion it has spent on modernization in recent years allowed it to handle 34 per cent more business in 1974 than in 1970 with only 4 per cent more staff. The major "savings" result from a reduced need for operators and service personnel.

To the corporation, the change means higher profits through increased capacity and reduced labor costs. But to the society, it means fewer jobs than if the money had been invested in more-labor-intensive enterprises.

The concept of capital quality also encompasses time considerations. Because it takes time for capital investments to create anything that can become productive, it is important that the amount of time that capital is tied up in the production process be considered. The longer an investment is locked up in the construction phase the longer it is withdrawn from the society. In some cases the movement toward more extensive investments, which investment tax credits encourage, ties up large hunks of capital for long periods before anything of social value emerges.

Consider nuclear power. Its fuel production facilities and power plants are multibillion dollar propositions. In contrast fossil fuel plants cost considerably less to build. But as important as the construction costs, the time that it takes to get a powerplant to the point of producing power, atomic plants now take about 10 years to become operational and coal plants can become productive in less than 6 years.

To give some perspective on the choices for investment that are open to us, let's consider who will be competing for our scarce capital resources. The federal government—thanks to corporate subsidies, fat military budgets and deficit-financed wars—stakes out the major claim for the investor's money. The national budget deficit could exceed $80 billion in 1975–1976. Treasury Secretary William Simon estimated that interest on the federal debt will require expenditures of $36 billion. The federal budget, $100 billion in 1961, has grown to nearly $365 billion, or $1 billion in expenditures each day.

More important than the size of the budget deficit is the manner in which it is managed. The government has three choices. It can put more money into circulation, raise taxes or sell more securities. Increased federal borrowing means more competition with private corporations, states and cities which also must borrow. Speeding up the government's printing presses to finance the deficit will accelerate inflation. And of course nobody wants taxes to go up.

The energy industry's capital needs are staggering. Each large nuclear power reactor costs almost $1 billion. Offshore drilling rigs cost $25 million each. Supertankers cost $55 million. According to Chase Manhattan economists, plans for energy self-sufficiency alone will require more than $850 billion in investment over the next 10 years, or 80 per cent of our total industrial investment of the past decade.

The high price tag for energy equipment must be added to the accelerating costs of securing oil from more and more remote locations. Drilling in Alaska costs about 10 times as much per well as it does in Texas. The Trans-Alaska pipeline alone is costing nearly $6 billion. To compound the problem, most new domestic oil must now come from either deep wells or offshore rigs. Both are expensive propositions that reduce the value obtained from investment dollars.

The Energy Center at the University of Florida has reported this pattern of reduced yield: In 1965, $1 bought an average of 100,000 BTUs of energy. In 1970, the same 1965 dollar bought 80,000 BTUs. In 1975, the same dollar bought only 50,000 BTUs.

In addition to the federal government and private corporation borrowing, state and local governments are lining up for a bigger piece of the investment pie. The Federal Reserve Board estimates that these government bodies, which now raise about $25 billion a year from bond sales, could need $62 billion a year by 1985.

Given these choices and the White House proposals, it would be prudent for those considering remedies such as investment tax credits to keep the concept of *capital quality* in mind. In economic systems, actions often have multiple consequences. It makes little sense to "solve one problem by exacerbating others." Thus, the following questions should be asked of any proposal:

What industries will benefit from it?

How many jobs will those industries create?

How long will the productive wealth of the society be tied up?

If these questions are considered, then investment tax credits can be selectively applied to stimulate a healthy recovery, not retard it by driving up interest rates and destroying jobs.

ALTON Y. BENNETT

Mr. MATHIAS. Mr. President, the State of Maryland and the Bar of Frederick County suffered a grievous loss with the death December 31 of Alton Y. Bennett. A prominent attorney and political leader and a distinguished citizen in every respect, Mr. Bennett was dedicated to the service of his country, his State, his community, and his family.

Judge Bennett's public career is amply documented elsewhere and needs no elaboration by me. His warm friendship and his sense of personal loyalty are qualities that will be remembered, however, when the public record has become dim and dusty. Many examples come to mind, but two especially illustrate his warmth. The bond of comradeship and shared experience that held the veterans of World War I in close association was a strong one for him which he renewed every year on Armistice Day—November 11. His interest in recognizing the contribution of legal secretaries to the administration of justice was expressed every year in a Christmas tribute that he took special joy in arranging for many years. He was my friend and I shall miss him.

The Frederick Post reported Mr. Bennett's death in a news story and editorial on January 2 and I ask unanimous consent that they be printed in the Record.

There being no objection, the article and editorial were ordered to be printed in the Record, as follows:

[From the Frederick (Md.) Post, Jan. 2, 1976]

Alton Y. Bennett Dies; Services Are Saturday

Mr. Alton Y. Bennett, 78, a prominent attorney and well-known political leader, died Wednesday, Dec. 31, at Frederick Memorial Hospital.

Mr. Bennett, who resided at 301 W. Second St., was the husband of Mrs. Sarah Staley Bennett.

Surviving, besides his wife, are two sons, Thomas M. Bennett and Judge Stanley Y. Bennett, both of Frederick; one daughter, Mrs. Ruth N. Sample, Hopedale, Mass.; two cousins, W. Verl Forney and John Bennett Landis, both of Frederick; six grandchildren and many other cousins.

Mr. Bennett will be taken to the late residence at 301 W. Second St. on Friday, where the family will receive friends after 1 p.m. On Saturday, he will be taken to the Evangelical Lutheran Church on East Church Street, where he will lie in state from 10 a.m. until time of services at 11 a.m. His pastor, the Rev. Francis Reinberger will officate. Interment will be in Mt. Olivet Cemetery.

The family requests that flowers be omitted and that memorial donations be made to the organization, church or charity of their choice

Born Nov. 15, 1897, Mr. Bennett was a son of the late Robert A. and Hallie M. Young Bennett. His ancestors had lived in Frederick since 1728. He was educated in the public schools of Frederick County, was graduated from Boy's High School, attended Columbia and graduated with a Bachelor of Law degree from the University of Maryland in 1922. He was admitted to the Maryland Bar the same year and practiced law in Frederick for the past 52 years. He is a past president of the Frederick County Bar Association.

Mr. Bennett was one of the first Boy Scout Commissioners in the early days of scouting.

He enlisted in the U.S. Army in World War I and served until the end of the war with Co. L of the 22nd Infantry.

Mr. Bennett was extremely active in civic affairs, serving at Trial magistrate for 17 years, past Commander of the Francis Scott Key Post 11, American Legion, receiving his 55-year pin in 1972; Past Chef De Gare of Voiture 155, 40 & 8, Parade Marshal for all major parades held in Frederick from 1919 to 1959.

During World War II, Mr. Bennett was chairman of the Aluminum Drive, director of Civilian Defense and director of the United Service Organization. He was chairman of the National Foundation of Infantile Paralysis for 20 years and directed the March of Dimes campaign for that time, and served as chairman of the Mental Health Campaign.

He was a member of the Advisory Board and attorney for the American Automobile Association, director of Fidelity Building and Loan Association, director of the Independent Order of Odd Fellows Home, member of the Evangelical Lutheran Church where he served as superintendent of the Sunday School, and vice president of the Church Council, and was one of the founders and past president of the North End Civic Association.

Mr. Bennett always has been a dedicated Democrat and was elected to the Maryland Legislature in 1923. He served as appeal agent for the United States Selective Service Board. He was a member of the Fraternal Order of Eagles 1071, the University of Maryland Club, Independent Order of Odd Fellows, King David Lodge No. 50 and the Veterans of World War I of the U.S.A. Inc.

He was a member of the District Advisory Board for the Public Defender system for District 11 for a term of three years, and a member of the Board of Visitors of the Maryland School for the Deaf. Mr. Bennett was awarded a certificate for recognition of 20 years of service to the nation as a member of the Selective Service System.

Mr. Bennett was one of the organizers of the Jeffersonian Democratic Club in the late 1920s. He worked closely with David C. Winebrenner, another Frederick County Democrat who served as Secretary of State under the late Governor Albert C. Ritchie.

Upon Mr. Winebrenner's death in 1940, Mr. Bennett became the titular head of the Democratic party in this county. He capably maintained that role by a real and active interest for the remainder of his life. Mr. Bennett successfully ran for the Frederick County Democratic Central Committee on several occasions and served as its chairman upon election. He sought out, sponsored and supported many local Democratic office holders.

Three generations of Bennetts held office in the United Steam Engine Company No. 3 before Alton R. Bennett was elected president Jan. 4, 1955. His great-grandfather, Lewis H. Bennett was with the company in the 1840s; his grandfather, John H. Bennett, was an officer for many years, and his father Robert A. Bennett, served as president for 25 years.

Mr. Bennett had been a member of the fire company since he was 18 years old and held several offices before he was elected president, a position he held for seven years. He was elected president emeritus of the company, and was given the coveted life membership in recognition of 60 years of service.

[From the Frederick (Md.) Post, Jan. 2, 1976]

Alton Y. Bennett

The man who more than any other person wielded the sceptre of leadership in the Democratic Party in Frederick County during the last half century, Judge Alton Y. Bennett, died Wednesday, Dec. 31, 1975. He was 78.

Judge Bennett, a practicing attorney in Frederick 52 years, a former Maryland legislator and a trial magistrate 17 years (his son, Stanley Y. Bennett is now a judge of the District Court), also served his community as a leader in many civic, social, church and governmental capacities for many years.

Perhaps his most significant community contribution outside politics was his service and his dedication to the United Steam Fire Engine Company No. 3—a love he "inherited" and nurtured—a love he shared with live generations of this pioneering Bennett family that came to Frederick County in the early 1700s, long before the American Revolution we are celebrating this Bicentennial year.

A member of the Uniteds 60 years, he had been unanimously conferred the coveted title of "President-Emeritus" and only recently presented a life membership by the company.

Mr. Bennett leaves his loving wife, Sara Staley Bennett; a daughter, Mrs. Ruth N. Sample of Hopedale, Mass.; two sons, Thomas M. Bennett and Judge Stanley Young Bennett, both of Frederick; six grandchildren; two cousins, W. Verl Forney and John Bennett Landis, both of Frederick and several other cousins.

Funeral services will be held at 11 a.m. Saturday, Jan. 3, at the Evangelical Lutheran Church, with viewing at the church from 10 a.m. The family will also receive friends at the family residence at 301 W. 2nd St., where friends may call after 1 p.m. Friday, Jan. 2. His pastor, the Rev. Francis Reinberger, will officiate. Interment will follow in Mt. Olivet Cemetery. The Smith, Fadeley, Keeney, Basford Funeral Home is in charge of arrangements.

Alton Young Bennett was a handsome, dignified man with a friendly, forceful manner that coupled with his innovative mind, easily gained him the confidence of his fellowmen and elevated him into positions of leadership in the community. He was a hard worker and he got results.

If there was one activity from which he gained a personal pleasure it was serving as marshal nearly 40 years for many of Frederick's traditional parades.

There was little that was good for the community that he was not involved in, contributing his time and talents tirelessly and unselfishly.

Judge Bennett was the fourth of five generations of Bennetts to serve the Uniteds' volunteer fire company. His great-grandfather, Lewis H. Bennett served with the Uniteds, in the 1840s; his grandfather, John H. Bennett, was an officer for many years; his father, Robert A. Bennett served 25 years as president; and his sons are both members.

Uniteds President Herman B. Miller recalls that Judge Bennett had been a member of the fire company since he was 18 years old, holding several offices including the presidency for seven years, and then president-emeritus. During his presidency the Uniteds bought a new ambulance, an Oren pumper and rescue squad truck, also reconditioned the old Fox engine, and purchased in the company's name the Kehne property adjoining the Engine House.

Mr. Bennett was born Nov. 15, 1897, in Frederick, a son of the late Robert and Hattie M. Young Bennett. His ancestors had lived in Frederick County since 1728. He belonged to the Evangelical Lutheran Church.

Educated in Frederick County's public schools, he was graduated from the Boys' High School, attended Columbia University and was graduated with a law degree from the University of Maryland in 1922. He was admitted to the Maryland Bar in 1922 and had practiced as an attorney in Frederick for 52 years. He was a past president of the Frederick County Bar Association. He had also served as an appeal agent for the United States Selective Service Board.

Enlisting in the U.S. Army in World War I, Alton Bennett served for the duration of the war with Company L of the 22nd Infantry Division.

In addition to his law practice, election to the legislature in 1923, 17 years' service as trial magistrate, service to the Uniteds and his leadership in the Democratic Party, Judge Bennett was also very active in civic affairs.

He was one of the founders and past presidents of the North End Civic Association, which is still active; was one of the first Boy Scout Commissioners in the early days of scouting; was active in veterans' affairs, serving as a member and past commander of Francis Scott Key Post 11, American Legion, and past chef de gare of Voiture 155 of the 40&8; parade marshal for all major parades in Frederick from 1919 to 1959; was active as a member of Veterans of World War I of USA Inc.

During World War II he was chairman of the Aluminum Drive (to collect aluminum for the war effort), director of Civil Defense and director of the USO (United Services Organization).

Judge Bennett also served 20 years with the National Foundation for Infantile Paralysis (March of Dimes), serving as chairman and also heading the March of Dimes campaign. He was also chairman of the county's Mental Health campaign and served this cause for many years.

He was still active as a member of the Advisory Board of the American Automobile Association (AAA); director of Fidelity Building & Loan Association; director of the Independent Order of Odd Fellows (IOOF), King David Lodge 50 IOOF; a member of the Fraternal Order of Eagles Aerie 1071; and a member of the University of Maryland Club.

Mr. Bennett had served many years as superintendent of the Sunday School of the Evangelical Lutheran Church.

Judge Alton Young Bennett's life was full and useful, and his community, his state and his nation are better because of him. He was a dedicated American and a dedicated husband and father. All of Frederick County and certainly all Marylanders whose fortune it was to know this man join with his family in mourning his passing.

THE HUMAN SIDE OF THE ECONOMIC PICTURE

Mr. MONTOYA. Mr. President, an article entitled, "The Human Side of the Economic Picture," by Jack Anderson appearing in the Washington Post on December 28, 1975, has come to my attention. Anderson's article tells of the element of human misery behind the economists' cold statistics charting the rise and fall in unemployment. It shows concern that the human side of the economic story, that of suicide, homicide, and disease, has largely been left out of the national dialog. It suggests that economists take a better look at the social consequences of the "statistical" rise in unemployment. There is concern that the depth of poverty in the United States may be far worse than the Government statistics show.

It is true that when we make public policy, we often bring before us the economists to tell us the economic costs of this or that option. We have not yet effectively assessed the social costs of excessive unemployment to the Nation.

To provide Federal funds for jobs is said by some economists to spur inflation if done on a large enough scale. But what if we do not do something about the expected high unemployment in the 3 to 4 years to come? What are the costs of suicide, alcoholism, homicide, mental breakdown, and the terrible stresses of unemployment?

Mr. Anderson does us all a service with his article. I am pleased to learn that the Joint Economic Committee under the able chairmanship of Senator HUMPHREY has advisers who keep the committee apprised of the consequences to the Nation's health and well-being arising from unemployment?

I commend this article to the attention of my colleagues for their information and consideration in light of the state of the economy today.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HUMAN SIDE OF THE ECONOMIC PICTURE

(By Jack Anderson)

The rise and fall of the economy is measured on charts, which provide a statistical picture of the national prosperity. A small jog on the charts, for example, shows that unemployment is rising.

But behind this slight statistical indicator is an intensely human story. It is the story of the faceless men and women, and their anonymous children, who form the composite. For fish and blood to go into the cold statistics, which have become a measure of human misery.

A single percentage point can mean the difference between prosperity and poverty for hundreds of thousands of families, who are hurled into a world for which they are not always prepared.

Sociologists cite other stastics which show, tragically, that suicide and homicide, alcoholism and disease, move up with the unemployment rate. In our technological society, the security of a job seems to be essential to good health, both physical and mental.

This is the conclusion of Dr. M. Harvey Brenner, the distinguished Johns Hopkins University scholar, who is advising the Joint Congressional Economic Committee. He has found that "the national rate of unemployment, adverse changes in per capita personal income and the annual rate of inflation—in that order—have the most serious effects on national levels of health and well being."

His study covers a century of American history. The historical evidence, he contends, indicates that depressed economic circumstances can cause "mental disorders, suicide, homicide, heart and other vascular diseases, alcholism and infant and maternal disorders."

Yet unfortunately, the human side of the economic story has largely been left out of the national dialogue. There has been a tendency to measure the cost of unemployment in strictly economic terms—loss of production, idle plant capacity, loss of wages.

Few economists have attempted to calculate the social consequences. "From a purely economic standpoint," suggests Dr. Brenner, "it may be less costly in the long run to alleviate some of the harsher impacts of economic stress rather than pay the costs through the mental and physical health care systems and the criminal justice system."

He examined the mortality figures for suicides, homicides, cardiovascular-renal diseases and cirrhosis of the liver. He also attempted to assess the psychological impact of economic stress. Here are some of his unpublished findings:

Following an economic downturn, the

suicide rate jumps. The figures for male suicides escalate more rapidly after an economic dip.

Homicides also rise as the unemployed turn to crime for subsistence. The homicide rate reaches a peak about two or three years after the beginning of a downturn.

Cardiovascular-renal diseases, which account for 70 to 80 percent of mortalities in modern industrialized societies, also increase during bad times. This becomes noticeable three to five years after a plunge.

Cirrhosis of the liver, which develops slowly from excessive drinking, also increases two to three years after a recession. Dr. Brenner believes the cirrhosis cases are not the result of a single recession but of "major waves of heavy drinking over a period of 20-35 years." He notes that "the level of consumption of distilled spirits" arises when the economy falters. He suggests this "may indicate the use of alcohol among a large minority of the population as a depressant drug used frequently in an effort to alleviate economic stress."

The economic fluctuations also "were the single most important factors in trends of admissions to mental hospitals in New York state annually from 1941 to 1967." To make sure this wasn't peculiar to New York, Dr. Brenner checked the national trends from 1929 to 1968. His findings were "nearly an exact replica" of the New York results.

Of course, the hospitalization and mortality rates cannot measure the full emotional stress and decreased productivity, which unemployment causes. The available indicators, the Johns Hopkins professor points out, merely expose "the tip of the iceberg."

Sometimes the tragedy of unemployment can be registered in the statistics, like the case of the jobless Washington husband who put a bullet in his head out of shame and desperation after he held up a cab driver. He had planned to use the stolen money for Christmas gifts for his children.

But far more often, the statistics cannot tell the story. No government graph, for example, can depict the plight of the Atlanta woman who blurted out her story to Sen. Hubert Humphrey, D-Minn., chairman of the Joint Economic Committee.

She was laid off by General Motors. Now she has to support seven children on $70 a week unemployment compensation. She has lost her car; she has also lost her home. She just moved in with her sister—12 people packed into a five-room house.

The depth of poverty in the U.S., it now turns out, may be far worse than the government statistics show. The Roman Catholic Church's anti-poverty auxiliary contends 40 million Americans are living in poverty. This is 65 percent more than the federal figures reveal.

But the government figures show this much: Unemployment is now costing the U.S. an annual, estimated $75 billion in lost tax revenues; a staggering $23 billion will also be paid out this year for unemployment benefits.

For the deprived and depressed, however, it is not merely a question of dollars. It is an issue of human misery.

GROPING TOWARD A NEW WORLD ORDER

Mr. MONTOYA. Mr. President, there appeared in the Sunday, January 11, 1976, issue of the New York Times an article by Stanley Hoffmann entitled, "Groping Toward a New World Order."

I commend the article to my colleagues because it is one of the most succinct and clear-headed statements I have seen in recent months describing the new conditions prevailing in international affairs.

Professor Hoffmann of Harvard believes that the world order tomorrow will require almost the opposite of world politics of yesterday.

Hoffmann says that the domination of our international system by strategic concerns must give way to equally important new concerns of trade, energy, food, raw materials, and an international monetary system.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 11, 1975]

GROPING TOWARD A NEW WORLD ORDER

(By Stanley Hoffmann)

An unmanageable world?

The last two years have been discouraging for all those, statesmen and observers, who had hoped that the long era of the cold war would be followed by the kind of moderate world order which Secretary of State Henry A. Kissinger had called for in his first "State of the World" messages.

Mr. Kissinger relied heavily on détente between the two superpowers to curb the arms race and to dampen not only direct conflicts between them but also third-party disputes. Instead, the future of the Strategic Arms Limitation Talks is in doubt, the battle for Angola recalls the struggle for the ex-Belgian Congo 15 years ago, and the Soviet policy line after Helsinki interprets peaceful coexistence as militantly as ever.

Economic cooperation between capitalist states and the Soviet Union has grown, but it can be argued that it has primarily saved the Soviet Union from having to divert resources from its military build-up to its civilian sector.

The delicate balance of power among Washington, Moscow and Peking, which Mr. Kissinger saw as a way of regulating the behavior of the two Communist powers, has been affected both by China's shrill attacks on détente and by the succession troubles in all three capitals which have weakened their statesmen and unsteadied their policies.

The most spectacular recent assault on Mr. Kissinger's hope for world order has been the self-assertion of the developing nations. Thanks to successes of the Organization of Petroleum Exporting Countries, these nations have discovered how to use their natural resources, indispensable to the industrial powers, to upset the world economic order which the industrial countries, led by the United States, established after World War II.

THE ECONOMIC GRIEVANCES

The developing nations have been able to hitch their economic grievances to the oil and energy negotiations, despite strong initial resistance from the United States. (Ironically, the United States two-and-a-half years ago was trying to use its military assets to force its reluctant West European partners to link economic, financial and security issues.)

The Arab nations have successfully exploited their new wealth to win support for their anti-Israel cause. Thus where a careful fragmentation of conflicts and separation of issues seemed to be one condition of moderation in the world, the world seems to have returned, at least in north-south relations, to the politics of universal linkage that had been the essence of the cold war between East and West.

The United States has in effect been served notice that the developing nations—for reasons in which economic resentment, considerations of skin color, and desires for political and cultural autonomy all play a part—will no longer accept solutions prepared without their full participation. While the American economy remains the strongest in the world, Washington's inability to impose its global writ comes when the Keynesian wisdom seems to be collapsing and when the capitalist economies suffer their worst recession in 40 years.

Demoralized by Vietnam and Watergate, Americans appear to others without will or rudder. The new team of potential policymakers seems divided between nostalgia for the simplicities of the cold war and the rather negative and somewhat Utopian aspiration to a world without Vietnams, without secrecy and dirty tricks—a world of "open covenants openly arrived at."

These developments reflect fundamental and lasting changes in international relations. World politics today is a mix of the very old and the very new—and both are full of perils. The old competition between separate players ready to use force to fulfill their needs or ambitions is as fierce as ever. It has been lessened by the fear of nuclear war, but the spread of nuclear weapons to India and possibly others and the increase in conventional arms purchases, in such volatile areas as the Middle East and Persian Gulf, risks destroying the restraints previously observed by the superpowers and even in such conflicts as the Arab-Israeli wars. But, despite the obvious peril, the great powers, whose primordial interest is not to be dragged against their will into third-party conflicts, keep pushing the sale of weapons or nuclear reactors for economic reasons.

A great increase in the number of new groups, such as regional or world organizations or multinational enterprises, complicates the game and entails a dispersion of power. Each party, however small, has some asset it can exploit.

There is no longer a single international system dominated by strategic concerns. Military security remains an important issue but the new concerns of world trade, energy, food, raw materials, the world monetary system—each one with its own power hierarchy—have arisen. Foreign policy is no longer a specialized art performed by professionals. It is the projection of domestic economic and social drives. It is therefore the concern of every bureaucratic agency, pressure group or faction. Next to the old-type military alliances against a well-defined enemy there are new fluid functional bargaining coalitions in which the participants try to increase their fragmented power.

There has been a radical transformation of power. In traditional conflicts, states were like boiled eggs: War—the minute of truth—would reveal whether they were hard or soft. Today interdependence breaks all national eggs into a vast omelet. Power is more difficult to measure than ever before because it is largely made of intangibles: internal strength, reputation, skill, or derived from shifting assets which outside or internal events can wipe out.

There is a new uncertainty in world affairs which gets added to traditional physical insecurity: I don't know where my power ends and yours begins, since my power is partly your hostage and vice versa, and the more I try to force you to depend on me, the more I depend on you. World politics now becomes a test of vulnerability, and degrees of vulnerability are not identical with quantities of power. This explains why the United States, even though it is on top of almost every hierarchy of power (military, economic, monetary, etc.) remains a tied Gulliver, not a master with free hands.

There is also a contradiction between the structure of world politics and the new necessities. World politics involves participants who recognize no central power, no world government over them. But the new issues that must be resolved call for global planning and joint management. However, the new issues reach the world's agenda only through the international equivalent of a domestic coup de'état: when a nation or group of nations is powerful enough to create an international crisis—as the United States did when it made the dollar inconvertible in 1971, and as did the oil nations at the end of 1973—or else when a threat to peace becomes more serious, as is happening with the rise in the number of plutonium reactors and with development of new methods of uranium enrichment.

In the past, the chief techniques for maintaining world stability in the strategic and diplomatic realm were the balance of power among the strong and the decisive superiority of the strong over the weak. In the world economy, the technique was the enlightened hegemony of one nation, serving as the guardian of a global system that ran to its advantage: Britain before World War I, the United States after 1945. But today there are too many local balances for the great powers, singly or jointly, to be able to control them all, as was shown in Southeast Asia. Even when there exists a balance of military might, as there is in Europe, it can be upset from within, for instance by domestic upheavals such as those now affecting Mediterranean Europe. The Soviet Union can try to influence such events, but even its grip over foreign Communist parties is weakening.

If the traditional techniques do not work in what can we put our hopes? Obviously the world is not ready for supranational management. Americans often fail to grasp the intensity of the new nations' desire for independence, a desire heightened by their awareness of interdependence. These nations see talk of supranational solutions as a sly device of the rich and the mighty. Nor does the "free market" offer a solution to world economic problems. To many new nations, eager for purely national answers to their troubles, the free market is the problem, not the solution. Even for nations attracted to an open world economy, the free market is unacceptable because it often works against them.

Thus there is no substitute for global bargaining—issue by issue, deal by deal—for a colossal expansion of diplomacy, resembling the constant maneuvering and coalition-building of domestic politics. But three gloomy warnings are necessary.

The New Mobility

First there is a major difference between internal bargains and international ones. Domestic controls last because they are backed by the power of the state: groups wheel and deal under the law and the threat of sanctions. How long, if interests change (as they always do), can international compacts last? If in domestic societies the battles against inequality and injustice have often been partly won it is because of the power of the ballot and of the mobility of industrial workers and capital. Mobility on the scale now considered normal has never existed in global society.

Second, global bargaining will lead to a jointly managed and moderate world order only if coherent solutions are found to the global issues. But there is a double risk of incoherence. At the national level (especially in the big countries) foreign policy making becomes the plaything of too many bureaus and interests, it covers too many issues to be easily centralized in one department or even in the head of one leader; and therefore the gap between domestic demands and external necessities deepens. At the international level there are too many games, chessboards, overlapping coalitions and contradictory grievances, power is too unevenly split between participants and between issues for instant coherence. There is no invisible hand guiding the parties toward wisdom.

Finally the world may well end up being manageable only if the degree of interdependence is reduced. Neither nations nor individuals can be totally enmeshed with one another without breakdowns—physical or mental. This means that one objective in world economic affairs ought to provide as many nations or regions as possible with a modicum of self-sufficiency, especially in agriculture and in basic industries. It also means that ways will have to be found to keep violence localized. Nobody now seems to know how to cope with international terrorism. Even partial success would require drastic changes in behavior, in economic structure, in social policy, among advanced as well as developing countries.

There are therefore no reasons for easy optimism. A prerequisite to any kind of success is an awareness of the new conditions of international affairs, of the fact that world order tomorrow will require almost the opposite of world politics in the past. It will require a willingness to limit national freedom of action, to remove opportunities for blackmail, to accept greater institutionalization. This raises the issue of the citizens' and of the leaders' education. In what country are they really prepared for such realities and such imperatives, where are they willing to stop listening to familiar clichés, fixed ideologies, self-boosting delusions or self-righteous harangues?

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I know there is no further morning business.

The PRESIDING OFFICER. Morning business is concluded.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The PRESIDING OFFICER. There being no further morning business, under the previous order, the Senate will now proceed to the consideration of the unfinished business, S. 961, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar orders numbered 558 and 565, both of which have been cleared on both sides of the aisle.

The PRESIDENT OFFICER. Without objection, it is so ordered.

SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

The resolution (S. Res. 330) authorizing supplemental expenditures by the Committee on the Judiciary for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That S. Res. 72, Ninety-fourth Congress, agreed to July 26 (legislative day, July 21), 1975, is amended as follows:

(1) In section 2, strike out "$4,057,700" and insert "$4,069,700".

(2) In section 11, strike out "$283,300" and insert "$295,300".

STATUE OF LINCOLN TO ISRAEL

The joint resolution (H.J. Res. 406) for the presentation by the United States to Israel of a statue of Abraham Lincoln to be donated by Leon and Ruth Gildesgame, of Mount Kisco, N.Y., was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I renew the suggestion of the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, is is so ordered.

NOMINATION OF MR. GEORGE BUSH TO BE DIRECTOR OF THE CIA

Mr. ROBERT C. BYRD. Mr. President, by the direction of the distinguished majority leader, I wish to state for the Record that as of now at least the nomination of Mr. George Bush to be Director of the CIA will be considered on Monday next.

ORDER OF BUSINESS

Mr. MAGNUSON. Mr. President, what is the pending order of business?

The PRESIDING OFFICER. S. 961.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. MAGNUSON. Mr. President, once again, today, the Senate is considering legislation for the conservation of U.S. coastal fisheries. S. 961, the bill before us now, is a marked improvement over the bill approved by this body in 1974 by a vote of 68 to 27.

The bill has the following major features:

It establishes a 200-nautical mile fishery conservation zone off the coasts of the United States, on an interim basis;

It asserts U.S. management jurisdiction over anadromous species of fish spawned in U.S. waters throughout their range, on an interim basis;

The jurisdiction features of the bill terminate when and if a law of the sea treaty enters into force;

It reserves available catch for U.S. fishermen and authorizes foreign fishing for any surplus;

It sets a firm ceiling on all fishing effort at sound conservation levels;

It encourages international agreements to solve mutual fishery management problems between nations;

It creates a national fishery management program for all fish resources subject to U.S. jurisdiction; and

It provides the enforcement, surveillance and penalty authority necessary to implement the act.

This bill gives us a dual opportunity. First, it allows the United States to manage the foreign fishing effort it has not been able to control through international agreements. Second, S. 961 creates a national management program, centered at the regional level, for rational management and conservation. With this bill, we have the best chance ever to reverse the trend of decline now prevalent in most of our fisheries. This bill will also assure our coastal fishermen a better economic future.

In the last several months, since S. 961 was favorably reported by the Commerce Committee, a battle of facts has been waged by those who oppose the bill and by those of us who have worked on this legislation for over 2 years now. But upon close examination, I believe my colleagues will see the subterfuge of the opposition. By taking statistics out of context, by withholding information, by painting an overly optimistic picture, the Department of State and others have sought to show that our fisheries are not in trouble. But they know that our fish stocks are in serious trouble and need protection from further overfishing. And the Department of State knows that they failed to do the job of negotiating meaningful treaties for fishery conservation in the past. That is one of the reasons why we are here with this bill today.

It is a fact that the Alaska pollack, the Pacific ocean perch, the Pacific hake, the haddock, the yellowtail flounder, and others are depleted due to foreign fishing. It is also a fact that existing treaties will not end overfishing or allow these stocks to rebuild so that they may provide a maximum sustainable yield. It is also a fact that the U.S. catch in many important coastal areas is declining or is below the catch of just 10 years ago.

We cannot now control foreign fishing—not through international agreement, not in any effective way. Our own fishermen rightly object to being tightly regulated while foreign vessels do what they wish. S. 961 will change this. The United States will have the superior bargaining position and will no longer "cave-in" to treaties which institutionalize excessive foreign fishing.

The significant accomplishment which is now in S. 961 is title II, the national fishery management program. Provisions under this title will, for the first time, create a national management program far the conservation of our fishery resources. Last year during debate over the predecessor bill to S. 961, several Senators criticized the bill because it did not contain the kinds of conservation measures which would be needed to manage fishery resources which would come under our jurisdiction.

Consequently, this year the Commerce Committee worked hard in obtaining the title II provisions. New ground had to be plowed. To assist our efforts, I called together a fishery management workshop and invited representatives of the fishing industry, State fishery experts, and others interested in fishery management. Out of that workshop came the provisions which are now in title II of S. 961.

The bill creates semi-independent regional fishery management councils to draw up management plans and to recommend regulation for the management of fisheries within their regions. Recommended management regulations are sent to the Secretary of Commerce for his evaluation. If these measures are consistent with specific management standards contained within the act, then the Secretary must promulgate them. If, however, the Secretary determines that they are not so consistent, or that they create a violation of existing law, then he returns them to the councils for further work. If the councils fail to make the necessary changes, the Secretary of Commerce then would go forward with the regulations. However, we feel that use of the veto by Secretary of Commerce would be rare and that for the most part, primary management decisions would be lodged in the regional councils.

The councils themselves would be made up of representatives of the various States in the regions designated. We have developed a mechanism whereby the Governor of each State would recommend those to be placed on the councils. The President would appoint them with the consent of the Senate. This, we believe, will thus create a high-level panel of qualified individuals who will make management decisions based on the best information possible and on the standards set forth in the act.

As is evident, we have attempted to balance the national perspective with that of the individual States. We firmly believe that this institutional arrangement is the best hope we can have of obtaining fishery management decisions which in fact protect the fish and which, at the same time, have the support of the fishermen who are regulated. These provisions are greatly needed to straighten out our often confusing present management program. I believe these provisions are imperative for the conservation of our many declining fishery resources.

Mr. STEVENS. Mr. President, today the Senate will consider S. 961, the Magnuson Fisheries Management and Conservation Act of 1976. This legislation is of critical importance to the Nation's fishing industry. Domestic stocks of commercial fish will be destroyed through the poor conservation practices of foreign high seas fishing fleets unless they are afforded the protection which a 200-mile contiguous fisheries zone offers.

Mr. President, we consider this legislation at a time of critical importance to the development of international ocean law. Within the next few months the United Nations Conference on the Law of the Sea will again meet in an attempt to reach an international consensus on ocean law which will shape the future of ocean development. I must report, however, that the prospects of resolving the disputes between the nation state parties participating in that conference are not good. The delegates must resolve some 115 areas of disagreement.

The most contentious of these issues arise from attempts to establish an international regime to control the development of deep seabed ocean mining. Many of us who have studied the progress of the United Nations Conference on the Law of the Sea over the last decade believe that it will take many years for the disputed aspects of the future laws governing deep seabed mining operations to be resolved. I do not mean to be critical of the Conference when I state that. Work of such complexity and importance should be resolved slowly and carefully. There is too much at stake to do otherwise.

The United Nations Conference on the Law of the Sea is, however, also responsible for creating a set of international laws regarding conservation of the living resources of the ocean. It is in regard to the living resources of the oceans that expediency is required. I need not, for example, fully reiterate to my colleagues here in the Senate the depleted state of the coastal and anadromous species of fish found off of this country. These stocks, which represent a great renewable resource of protein, are on the verge of being irreparably destroyed. The activities of superefficient foreign high seas fishing fleets have in fact reduced the biomass of fish in the North Atlantic by 50 percent. Some 14 species of commercial fish found in both the Atlantic and/or Pacific are listed as depleted. Mr. President, it is obvious immediate action is needed to save this valuable resource.

We can now see the quagmire which entraps the United Nations Conference on the Law of the Sea. The Conference must act immediately to save the living resources of the oceans. Yet, the conference cannot act on the issue of deep seabed mining without many years of further intense negotiations. Should the Conference resolve itself prematurely in order to protect the living resources of the oceans, it might well commit errors in the resolution of deep seabed mining issues that would plague the future of that industry for decades.

Since a treaty concerning the living resources of the ocean cannot be separated from a treaty governing the mining of deep seabed resources, the Conference delegates will be put in the unfortunate position of having to sacrifice one resource for the other. S. 961, the Magnuson Fisheries Management and Conservation Act provides a reasonable alternative to this paradox.

The issues regarding the living resources of the oceans have, by and large, been resolved. We have embodied in S. 961 a fisheries regime identical to what most students of the United Nations Law of the Sea Conference believe will ultimately be in the final form of the Law of the Sea Treaty concerning living resources. By enacting S. 961 into law we will have alleviated the necessity for the Law of the Sea Conference to prematurely sacrifice U.S. interests in the deep seabed mining area in order to conserve the ocean's living resources. With the knowledge that the living resources of the high seas are adequately protected the delegates to the United Nations Conference on the Law of the Sea can take the needed time to effectively resolve the complex issues regarding deep seabed mining.

Mr. President, I would urge each of my colleagues to support S. 961, the Magnuson Fisheries Management and Conservation Act. This legislation is a vitally needed conservation measure. It not only controls foreign fishing activities but will place the living resources of the oceans under comprehensive management for the first time. S. 961 is needed not only for the protection of living resources but for the protection of U.S. interests in deep seabed mining, for without this legislation the delegates to the United Nations Conference on the Law of the Sea will feel pressured, out of deference to conserve the ocean's living resources, into prematurely concluding that conference.

Mr. President, S. 961 presents us with a solution whereby we can protect the living resources at the earliest possible date yet allow the Conference sufficient time to adequately resolve the problems of a deep seabed mining regime.

Mr. MAGNUSON. Mr. President, this legislation was pending when we recessed on December 19, and it is now before us. It is still on the calendar as the pending order of business.

Due to the fact that a number of Senators are not here yet, which is amply evidenced by the late quorum call and the live quorum, we thought on this particular bill, in which there are many Senators who have an interest one way or another, we do have several technical amendments which I have looked at, the distinguished Senator from Alaska (Mr. STEVENS) has looked at, and we thought today we might be able, in order to save time, to dispose of these so-called technical amendments.

The Senator from Alaska is at the desk and we have both looked them over. I do not think there will be any objection to them. They are merely perfecting amendments to the bill and we thought we would get rid of them today so that we could proceed tomorrow with one or two so-called major amendments to the bill and see how far we progress tomorrow on the bill.

After the technical amendments, the Senator from Washington will suggest that the leadership recess the Senate until tomorrow, which I believe they plan to do, if we can get rid of these technical amendments. We have looked over the amendments of the Senator from Alaska and have made some minor modifications. They do not affect the main thrust of the bill one iota but make it much more readable and perfect its provisions.

I will yield to the senior Senator from Alaska to present his amendments.

Mr. GRAVEL. Will the Senator yield for a question prior to that?

Mr. MAGNUSON. Yes.

Mr. GRAVEL. If the amendments to the bill are to perfect it, as the Senator states, the Parliamentarian tells me that these sections may not be amendable again. As I recall the practice, it has been that after the bill has been discussed and amended, at the end the staff prepares a whole bevy of cleanup amendments, so to speak, or technical amendments, and those are just passed with no objections at all. The difficulty now is, with technical amendments the bill could be peppered so there would be no way in a legislative fashion to amend the bill substantively after it has been corrected technically.

Mr. MAGNUSON. The Senator is correct. It is true that normally we go through introductory remarks on a bill and then we take up perfecting amendments. That happens on every bill that is somewhat complicated and of a major nature.

I surely would ask unanimous consent that if we pass these technical amendments today, in no way, in parliamentary terms, will passage prejudice anyone's right to amend the section that they amend today.

The PRESIDING OFFICER (Mr. CURTIS). Is there objection?

Mr. GRAVEL. Reserving the right to object——

The PRESIDING OFFICER. The Senator from Alaska.

Mr. GRAVEL. Will the Senator repeat his statement?

Mr. MAGNUSON. We would proceed with these technical amendments but they would not prejudice the right of the Senator from Alaska, or any other Senator, to amend the sections of the bill that the technical amendments might refer to today.

Mr. GRAVEL. Reserving the right to object, and addressing the question to the Parliamentarian, as I understand it this would place no impediment at all to any amendments of any kind at any point in time.

The PRESIDING OFFICER. If all of the amendments considered today are considered as original text for the purpose of amendment, that would be correct.

Mr. GRAVEL. Is that correct?

Mr. MAGNUSON. Yes.

Mr. GRAVEL. With that modification to the unanimous consent——

The PRESIDING OFFICER. Does the Senator from Washington include in his unanimous-consent request that these amendments be considered as original text?

Mr. MAGNUSON. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

The clerk will report the first committee amendment.

Mr. STEVENS. Mr. President, I ask unanimous consent, in view of the fact that those are the Armed Services Committee amendments, that the committee amendments be held over until tomorrow and that we be permitted to proceed with these technical amendments from the Commerce Committee at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, so there is no confusion about this, I ask that during the pendency of this bill, Mike Spaan, and Steve Perles of my staff and Gerald Kovach from the Commerce Committee staff, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, we have a series of technical amendments.

First I would like to call up——

Mr. GRAVEL. Will the Senator yield for an inquiry?

Mr. STEVENS. I yield.

Mr. GRAVEL. Will the Senator yield that we have copies of them and I can follow along?

Mr. STEVENS. I will state to the Senator that they are on his desk, but in two instances we do have a revision. I would be happy to see that the staff gives the revision to the Senator.

AMENDMENT NO. 1158, AS MODIFIED

Mr. STEVENS. Mr. President, I call up amendment No. 1158 and ask unanimous consent to amend it so that it reads as I am sending the modification to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Alaska proposes an amendment No. 1158, as modified.

The amendment, as modified, is as follows:

> On page 38, line 9, after the word "authority", but before the period, insert the words "in the manner provided for in title II of this Act".
>
> On page 38, line 19, after the word "States", but before the colon, insert the words "in the manner provided for in title II of this Act".

Mr. STEVENS. Mr. President, the purpose of this amendment is to make certain that the jurisdiction of the United States over anadromous species is consistent with title 2 of the bill. Its purpose is technical in that if the Senator will look at page 65, section 205 of this bill he will see it provides that—

> Nothing in this act shall be construed to extend the jurisdiction of any State over any natural resources beneath or in the waters beyond its seaward boundaries or to diminish the jurisdiction of any State over any natural resources beneath and in the waters within its boundaries.

The intent of this amendment is to make certain with respect to anadromous species, and with particular reference to our salmon off the coast of Alaska, the intent of the bill applies to an anadromous species as set forth in section 205. I have revised this amendment in accordance with the suggestions of our chairman and the committee staff. I am happy to answer any questions about it.

The existing language on page 38, line 23, does have a possibility of being interpreted contrary to the purpose I have just stated. That is why it is a technical amendment to insure that the intent of the committee is carried out.

Do my colleagues have any questions concerning this technical amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. GRAVEL. The amendment given to me was an amendment to page 38, line 9.

Mr. STEVENS. That is the suggestion that it be inserted there. It is substitute for the original amendment which applied to page 38, line 23. The amendment I have submitted is a substitute for the printed version of amendment 1158.

Mr. GRAVEL. It says in the manner provided for in title II of this act. What is title II?

Mr. STEVENS. I just read the provisions of section 205 on page 65 setting forth the provisions of title II which apply to this issue. What it says, in effect, is that nothing in this act is to enlarge or diminish the jurisdiction of the States within the 3-mile limit. This amendment is technical to make sure that same principle applies to anadromous species so that the State's jurisdiction over salmon within its 3-mile limit is preserved as it is today and is not to be affected by this bill. That was our intent.

Mr. GRAVEL. What is the status up to the 12 miles?

Mr. STEVENS. The contiguous fisheries zone is currently under the jurisdiction of the Federal Government, but there are no comprehensive fisheries management regulations that apply in that area now. They will be promulgated by the Fisheries Management Councils out to 200 miles. The areas between the 3-mile State limit and the 200-mile limit would be within the jurisdiction of the Management Council.

Mr. GRAVEL. In the State of Alaska, the salmon fishing mostly takes place within the 12-mile area. That is presently within State jurisdiction.

Mr. STEVENS. No.

Mr. GRAVEL. The regulation of the salmon fishery of Alaska is primarily handled by the State at the present time, is it not?

Mr. STEVENS. And we have another amendment to try to insure that that continuity is preserved. But that is not correct. The State's jurisdiction ends at 3 miles. I might say that that issue is in litigation right now in terms of assertion of jurisdiction beyond 3 miles. I certainly would not want to create any new law, but the State does challenge that position in terms of some species.

Mr. GRAVEL. Then in a de facto fashion the State of Alaska is presently exercising its authority over the fisheries within 12 miles, is it not?

Mr. STEVENSON. I will say to my colleague that as to Alaskans, the State of Alaska does exercise that jurisdiction. It is contested beyond 3 miles as to non-Alaskans. Since most of the fishing that we have in our State is in fact directed at salmon and since most of the target stream areas of that fishery are in fact within the 3 miles, the State already has control over the majority of salmon fishing activities within the State. Some salmon long-line trawlers, however, are outside the 3 miles.

Mr. GRAVEL. Would not this matter come into conflict between the Federal and the State authorities, and should not that be resolved in this legislative process here?

Mr. STEVENS. We are not trying to resolve that. We are trying to reassure the States that nothing in this act is intended to take away from the State any jurisdiction it has now. That is what section 205 says. It says nothing is going to enlarge or diminish the jurisdiction of any State over its natural resources beneath and in the waters within its boundaries.

Mr. GRAVEL. Why, if the committee felt that there was efficacy in leaving the 3-mile area in this case, where we take most of our Alaskan fish, why did the committee feel that that area should be delineated to have it under State jurisdiction, and then the 12-mile area not be under State jurisdiction? Why did not the committee go ahead and correct that, establish uniformity, and get the whole issue out of the courts?

Mr. STEVENS. This bill will settle that because the jurisdiction beyond the 3 miles, if this bill passes, is in fact conferred on the Fisheries Management Councils, which in the State of Alaska would consist of nine members, five of whom would be Alaskans. Alaska is the only State so affected by this bill, because we are the only State which has just one council.

So this would resolve the problem the Senator is addressing. We are trying to make sure, in this technical amendment, that no one can look at the provisions of title I and say that, this changes existing State jurisdiction with regard to anadromous species. This amendment is intended, with regard to anadromous species, to preserve the State jurisdiction as it now exists.

Mr. GRAVEL. I think we will have trouble here as we pass in the night, but if this legislation is going to confirm the authority of the Federal Government in the 12-mile area, and leave in the hands of the State—I pose that as a question: Does it leave in the hands of the States that 3-mile area? Is that strictly a fact?

Mr. STEVENS. That is correct. It does not change anything with respect to State jurisdiction within the 3-mile zone; it creates a new management entity within the 197-mile area, which is in fact oriented toward local government and not the Federal Government in the first instance, because Fisheries Management Council members are nominated by the Governor. That is, they are suggested by the Governor, nominated by the President, and confirmed by the Senate; but they represent a regional concept rather than a State or Federal concept.

Mr. GRAVEL. I appreciate that, but my query goes to this: Why do we, in setting up the management concept, draw an arbitrary line between 3 and 12 miles, and say this belongs to the State, and they shall manage it, and the rest belongs to the Federal Government and they shall manage it through these regional councils. How can you have efficient management if you have a dichotomous situation, where basically, with salmon, my colleague knows as well as I you should be able to regulate them for thousands of miles? But what the Senator is now telling me is that we are going to have a Federal program which deals with the 12 miles and a State program which deals with the 3 miles.

Mr. STEVENS. No, I have not mentioned 12 miles. My colleague has talked about 12 miles. We are dealing with 197 miles. The 12-mile line is obliterated.

Mr. GRAVEL. Fine, whatever happens. But you are still drawing a line between the 3 miles, and saying that is State waters, and in our case that is where we catch most of our salmon. How can the Federal Government claim it will have an impact on our salmon fisheries when most of them are now within the State boundaries?

Mr. STEVENS. Let me state that the Submerged Lands Act drew the line at 3 miles. That is the old tidelands fight, and we are not changing that. What we are saying is that with regard to anadromous species, the State's jurisdiction is now preserved.

If my colleague will bear with me, we are going to propose other amendments, which will assure there is no conflict of management regulations throughout the territory of anadromous fish. It is my hope that we will go as far as Congress can possibly go to assure that with a State such as Alaska, where one State is involved with the resource, that the management councils will use State law to the maximum extent possible, but in any event if there is a conflict it will be worked out by the regional council and not by the Federal Government. That is what I hope we can agree upon. Alaskans represent a majority of the members on the North Pacific Fisheries Management Council. The same thing would be true with regard to the other councils; the majority of them will be local representatives of the States within the region. Fisheries management disputes will not be settled here in Washington; they will be settled in the regional council if there is a dispute between the States affected by the 197-mile fisheries zone.

Mr. GRAVEL. But are we not setting it up for a dispute, if, as the Senator says, the States will have total power over the waters and whatever is in the waters, fish or what have you?

Mr. STEVENS. That is the law today, and we have no intent to change the 3-mile limit.

Mr. GRAVEL. But I just wonder about the consistency of the committee. If they are going to leave a 3-mile area or region around our country, and say that is

State jurisdiction, and from thence forward to the 200 miles it will be Federal jurisdiction, do we not set up a mishmash of inconsistencies that will really foster disagreement, conflict, and litigation?

Because if we get various economic groups within a State, they will be prone, of they cannot get the ascendent position of influence, to move to another area to try to protect themselves, and then they will be set for quarrels over their various legal positions. It is like saying we are going to create legislation for cities and States, but inside a State we are going to create another State. That is essentially the way I see this, though I have faith that the committee is going to come forward with other amendments.

Mr. STEVENS. If the Senator is going to change section 205, we suggest he offer an amendment. The amendment now before us is technical and states that whatever applies to title II applies to the fishery boundaries enunciated in title I.

This is a technical amendment to assure that the bill is internally consistent. I suggest the Senator direct his attention toward section 205, which preserves the existing circumstances. This assures that the present situation regarding State jurisdiction will continue to exist regarding anadromous species and migratory species. All we are saying in this amendment is that this bill is not intended to amend the Submerged Lands Act regarding the jurisdiction conferred on the States—any State—by that act. We are preserving that 3-mile jurisdiction.

If the Senator will be patient with us, he will see that the management council concept will provide the coordination between the State and the Federal interests that the Senator has just indicated are in conflict. That conflict can be eliminated through the regional councils.

Mr. GRAVEL. The Senator mentioned the Submerged Lands Act. That just deals with oil and minerals, does it not?

Mr. STEVENS. No, no.

Mr. GRAVEL. Well, what?

Mr. STEVENS. That is a jurisdictional act. It states that the seaward boundaries of the States are 3 miles.

Mr. GRAVEL. So that is the intent of this legislation when the Senator has it designed and engineered as he feels is proper. My question now is, will the Federal Government or will these regions have definitive control over the area of water?

Mr. STEVENS. There is no control over water. This is controlled for conservation purposes over the water column, the fisheries, and other living resources under the sea.

Mr. GRAVEL. That is what I mean. Will the regions control the water column and the living resources in that water column within 3 miles?

Mr. STEVENS. No.

Mr. MAGNUSON. No.

Mr. GRAVEL. No. So the Senator is leaving a situation, and, although he may consider this a technical amendment, it only brings to the fore a pitfall in the bill which I think is quite serious. That is, for what do we think that we are legislating? We think we are legislating from the coastline of this country up to 200 miles, but in point of fact we are not. We are going to have one jurisdiction for 197 miles, which is a Federal jurisdiction, but we are going to have a State jurisdiction within 3 miles. The fish obviously swim through both jurisdictions.

As a lay person, that seems to me to create an area that is going to be fraught with difficulty, and we should anticipate this and do something about it.

What has the committee chartered to solve this problem in this legislation?

Mr. MAGNUSON. The committee has a target to do exactly what the Senator from Alaska suggested. We are suggesting that the 3-mile limit which is subject to the——

Mr. STEVENS. Submerged Land Act.

Mr. MAGNUSON. Yes, the Land Act, remain as it is.

Between 3 and 12 miles there has been some dispute. There is a dispute in my State about it. But we say that the States should be exactly as they are in regard to the 3-mile limit. The bill then takes away any doubt as to State and Federal jurisdiction beyond the 3-mile limit and sets up these councils and boards which will take care of disputes. It removes all of these things the Senator is talking about if he believes in the concept of 200-mile limit. If he does not believe in that, he can bring up all kinds of things. He can bring up technical amendments: What about the 12 miles and 15 miles or the 3 miles? We do not change that. If he does not believe in the 200-mile limit and the conservation, then I suppose he could talk about it. But this removes any doubt about situations beyond 3 miles.

In the case of Alaska, I should think that under the bill the 197 miles, as far as Alaska is concerned, would be almost in complete control of the Alaskans themselves, working with the Federal Government under the formulas and procedures in the bill.

So there is no argument about the 12-mile limit. That is out. We are dealing now with what do we do with the 197 miles.

If we passed the 200-mile limit bill, these are the procedures that have been set up, but we are trying to protect the right of the States under the laws that now exist and as to what jurisdiction they legitimately claim in the 3-mile limit.

It will clear up a lot of problems on the coasts of Oregon and Washington as far as we are concerned, because now there is some confusion concerning who has control of the 9 miles and who steps in. There is confusion as to who calls upon enforcement even of the 12 miles? This removes all doubt as to that.

But the Senator has to believe in the concept that we are going to control 197 miles of our own coastal zones. If he does not believe in that, then he can have amendments as to who is going to handle it up to 15 miles or who is going to handle it within 3 miles. Are the State claims right or are they wrong? We wish to protect the right of the States to do what they think is right under the law which now exists and within the 3 miles. That is all this does.

Mr. STEVENS. That is a fishery conservation zone. I am sure my colleague is not suggesting we federalize our 3-mile area.

Mr. GRAVEL. No. In fact, what I am suggesting is that maybe we are federalizing the 197 miles and throwing the State a sop of 3 miles. What I am suggesting and what I wish to pursue is this. Let me just state I am for the concept of 200 miles. I wish to see us have it in Alaska. I wish to see it under the management of the State government, because I think they have done a better job than the Federal Government has ever thought of doing in that area, and I shall have legislation to try to bring that about.

If the Senator is talking about the States having the mineral rights of the 3-mile limit, fine, but if he is telling me that we have a conservation piece of legislation and that the State is going to make decisions on conservation within 3 miles and the Federal Government is going to make decisions on conservation between 3 miles and up to 200 miles, meaning 197 miles, and the fish, particularly anadromous fish, pass through both areas, then I am saying that what we have set up is a diabolical situation of conflict between the State and the Federal Government, and we cannot pass it over by saying: "Well, we are going to have regional councils. We are going to have representation from the State, particularly Alaska or the State of Washington or California."

What I am saying is that we will have economic interests within those States that may be quarreling. If we cannot succeed in one legal area to have them work their will they will move into another area, and then we shall have a conflict. We shall have a conflict between the forces that will have control of the governmental processes involving 3 miles and those that have control of governmental processes controlling the 197 miles. Then they will be in conflict. We will find ourselves in litigation, and we will have one heck of a mess on our hands.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. GRAVEL. Let me clarify this one more time. I wish to make it clear that I am for a 200-mile limit. I think it is in the best interest of conservation. If this bill is truly a conservation bill, then is there not any concern with what takes place within the 3 miles with respect to fish? How can we conserve salmon if when the fish swims through the 3-mile area they are caught and there is no escaping? How could this legislation claim that it is a conservation piece of legislation if it cannot address itself to solving a category such as that problem?

Mr. STEVENS. I wish my colleague would read section 206, Interstate Cooperation of Uniform Laws, and the goal of encouraging cooperative action.

Mr. GRAVEL. I shall be happy to read it. I will read it right now.

Mr. STEVENS. Let me continue my thought. The Senator mentions the existing problem. If the Senator will look at section 205 he will find that it does not state what the seaward boundary is. If he wishes to make an amendment to put in seaward boundary of States 200 miles off the shore, he may do so. The Senator knows it will not pass and so do I.

S. 961 mentions the seaward boundary. It leaves unchanged the definition of what is in fact the seaward boundaries of the State. As a practical matter, we are trying to help solve that problem, and have a provision in this bill which establishes a review panel so that fishermen will not have to go to court in order to resolve jurisdictional disputes as they have had to do in the past. This is not a concept of litigation. It is trying to solve the jurisdictional problem the Senator mentioned. For species, such as salmon, go beyond the existing limits of one jurisdiction into another, and, as a matter of fact, may go beyond into the third area of international jurisdiction. As a practical matter, to the extent possible, we will have uniform and consistent management.

As I said we have another amendment coming which deals with the problem of trying to utilize the State laws to the maximum extent possible regarding any species that originates in State waters and then goes outside of those waters. As the Senator knows it still is a technical amendment. As a matter of fact, I think the bill would be so interpreted without this technical amendment.

But the question was raised at the hearings and meetings we had in Alaska, and they wished a clarification to make certain that the language on page 38 was not a U.S. position of usurping the existing jurisdiction of the State of Alaska with regard to salmon. There is no such intent. This amendment is offered to reassure the people who raised that question that there is no difference between title I and title II with regard to the jurisdiction of a State within the 3-mile limit.

I think the committee has been very direct and open about our intent not to disurb the coastal State jurisdiction within the 3-mile limit but to encourage the creation of regional councils which will, to the greatest extent possible, extend State management concepts out to 200 miles.

With regard to other States, my colleagues should take a look at New England, for example, where jurisdictional boundaries converge as they reach the edge of the 200-mile zone. It is a nice question as to whose State law would apply in that region. Further those fish not only go outside the 3-mile limit into the 197 miles, but also, they go into the jurisdiction of States on either side. That problem occurs not only on the east coast but is the existing situation in Oregon, Washington, and California for some species. We are trying to establish the principle of a single management concept for those species, and this is the best way to accomplish that end. S. 961 creates a council of those three States that would attempt to take the best of the respective State laws and apply them, with the hope that there will be intrastate cooperation, to the 197 miles outside of State jurisdiction. This will provide uniform laws regarding the management of those species within the 3 miles.

I still think we are on the right track. This is a technical amendment. The Senator's objection is to section 205, not to this amendment. I presume that is the case.

We do not want a different concept applying to the salmon than applies to the halibut. This reassures the salmon people that we intend to follow section 205 with regard to anadromous species. That is all it does.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. MAGNUSON. I say to the Senator from Alaska that we have been at this a long time. Over the past 6 years, we have probably had numerous workshops on this, calling in people from all segments of the fishing community. In this area, new ground had to be plowed, because domestic jurisdictional problems have plagued us in the waters between 3 and 12 miles. This is what has been recommended. All the fishery experts were unanimous that we had to plow this new ground with respect to the waters beyond 3 miles in a new 200-mile zone and work out with the States and all the people involved the rules which have to be promulgated by the Secretary. We cannot leave it as it is.

I believe that what the senior Senator from Alaska says is that we are trying to remove some of the problems that will exist if we do not have this bill, if nothing is done, or if no international agreement is made. We now have difficulties within the 12 miles, and they will remain if we leave it as it is.

We think the States have handled the 3 miles fairly well, and under existing law they are supposed to do so. The situation with respect to Alaska is a little more unusual than with most States in the Union, because there is not the problem of overlapping State lines.

But I know of no matter that these management councils must decide, that will be without dispute by somebody. I have dealt with fishermen all my life; and if you can get a unanimous-consent agreement in a fishery hall, whether it be management or union or both, I will put in with you. They are independent people, and they have their own ideas. But they all thought that new ground should be plowed, particularly if we are going to pass a 200-mile-limit bill, and I think this is the sensible and practical way to do it. That is all this is about.

Mr. GRAVEL. I certainly have no objection to plowing new ground, and I think that is what should be done. But I would rather focus on what actually is being done. It can be called plowing new ground, but if it sets up a whole host of potential areas of conflict, we have not addressed ourselves to the conservation problem with respect to fisheries.

Mr. MAGNUSON. It will reduce conflict to a minimum. That is what we think.

Mr. GRAVEL. I understand that the committee would have that kind of possessive view toward its work.

However, my colleague commended to my reading section 206. I read section 206, and I see nothing that solves the conflict. It is a short section:

> The Secretary shall encourage cooperative action by the States and Councils for the management and conservation of coastal and anadromous species of fish and Continental Shelf fishery resources, and shall encourage, insofar as practicable, the enactment of improved and uniform State laws relating to the management and conservation of such fish.

I am not an authority on the English language, but I know what the word "encourage" means. What the word "encourage" means is that the Secretary does not have the power to effect. All he can do is ask or plead.

Mr. STEVENS. That is absolutely right. I am glad the Senator pointed that out.

Mr. GRAVEL. When the situation is in conflict, that is not a very strong tool to resolve the conflict.

What I am saying is that we are leaving in the hands of the Federal Government the conservation management of anadromous and other fish which are within 200 miles, which go beyond 3 miles, but are within 200 miles. So one area is going to be Federal domain and another area is going to be State domain, and they are both going to be doing "conservation." How can you have proper conservation if you have economic interests, as we all agree, that may differ as to what rewards they want to effect? How can you have a situation where you say this is conservation?

We could pass this measure, and a State—certainly, it would not be my State—could turn around and violate all those conservation practices, and the Federal Government could do nothing but twiddle its fingers. Where is the sense of that?

You cannot draw a political line in the water and hope that these fish are going to obey it or hope that people who make their livelihood there will have a unanimity of attitude at all times as to what conservation should be.

If it means my making a lot of money this year as opposed to your making a lot of money this year, I am more for my conservation approach than for your conservation approach, because my conservation approach is going to have the merit and the virtue of making me a lot of money as I conserve.

The Senator can speak of technical amendments all he wishes, but this is probably the only place we are going to address ourselves very pointedly to this issue.

Mr. STEVENS. We will focus in on that issue in just a minute.

Mr. GRAVEL. I do not know how more pointedly we can get to it. The Senator has made the admission that the State can manage its conservation within 3 miles.

Mr. STEVENS. With regard to that issue I suggest that the Senator take a look at my amendment No. 1302, which talks about fish off a single State. He will see that we are going to come directly to that issue.

Mr. GRAVEL. Unfortunately, I am not

privy to have read all the amendments the Senator has in his portfolio.

Mr. STEVENS. It is at the desk.

Mr. GRAVEL. All I know is what we have before us. What we have before us is the Senator's "technical" amendment, which will foster conflict for time immemorial. That is what we have before us—this little, old technical amendment that is going to create a quarrel between the Federal Government and the State government on fisheries as long as we are alive.

Perhaps the committee felt that they were addressing themselves to conservation, but I say to the committee, most respectfully, that perhaps they have not done the proper job on it. Perhaps they should look to the problem of controlling the waters for conservation purposes—not for oil or minerals, but for conservation purposes—right up to the shoreline.

In States such as mine, we would not mind that, so long as we had the implementive power to regulate the fisheries from their line to 200 miles, even with the approval of the Federal Government, because we have a good track record and we have a great deal of experience in Alaska.

My proposal—and I will have an amendment to this effect—is that the State of Alaska, using it as an example, would develop a plan such as we have for air, for environmental purposes. The State develops a clean air plan. It submits the plan to the Federal Government, and the Federal Government either approves or disapproves. If it approves, then the State implements the plan. If the State does nothing, then obviously the Federal Government has to come in and do the work. But we will do our work in Alaska.

I am suggesting that I do not want to see a situation that will guarantee future conflict. I want to see a uniformity of conservation practices within the 3 miles and outside the 3 miles, up to 200 miles; but I want to see them on a uniform basis, because I know they will work.

I want to see a situation in which my State has the option to submit a plan to the Federal Government. If that plan is approved, that plan then will be carried out by the State government. If the State government does not do a good job in carrying it out, then the Federal Government—as is done with respect to clean air—can step in and see that they carry it out, even if they have to carry it out themselves. That is not too much to ask.

I do not think I have confused the issue. I have tried to state it as clearly as I can. I think that the merit of my proposal is that there is not an arbitrary line at 3 miles, so that within 200 miles there is a 3-mile jurisdiction and a 197-mile jurisdiction for fish that swim both ways.

Mr. STEVENS. Mr. President, will the Senator yield for a question?

Mr. GRAVEL. I am happy to yield.

Mr. STEVENS. Perhaps the Senator will recall the fishtrap argument, where the Federal Government believed that fishtraps were the most efficient and the best way to harvest fish. Let us assume that we come back to that point and we follow the Senator's procedure and the State presents a plan that says we are not going to allow fishtraps. The Federal Government says, "No, we are not going to approve that and we know more than you know about conservation, so we are telling you, from the shoreline out, we are going to allow fishtraps wherever they can be used."

The Senator is not really suggesting that, is he? Is he really suggesting that? Is he suggesting that to me?

Mr. GRAVEL. Let me suggest that my colleague is right. The way this thing is run and with his technical amendment, that is exactly what could happen.

Mr. STEVENS. Negative. Absolutely no way. We do not have to bring anything to Washington under the Submerged Lands Act. That is what the amendment says, we do not have to bring anything to Washington concerning anadromous fish within 3 miles. We have set up a management council which is composed of people from the area—not from Washington. They are selected by the Governors of the States involved. They are urged to work out a management scheme for the 197 miles which, to the greatest extent possible, is consistent with what the State is actually doing within the 3-mile limit, without the consent of the Federal Government.

My colleague is suggesting that we are going to have to come, hats in our hands, to deal with what goes on within the 3-mile limit. Believe me, there is a lot more than anadromous species within the 3-mile limit.

Mr. GRAVEL. Nobody is going to have to come hat in hand, because what we are going to do is give the State 3 miles and they can do what they please, and give the Federal Government 197 miles and they can do what they please. That is the point I am making: that is a ridiculous situation to be in, to have two political entities that share power over water when we have fish that intermingle within those political entities. It does not make any sense.

Then when we pass that off as conservation, I do not understand it. I just do not understand.

The Senator brought up the fishtraps. I will give an example. Suppose there is a national movement that says we are going to harvest fish in the most efficient manner possible. We do not care about employment, we do not care about jobs, we do not care what effect they will have. We are talking about the gross national product, and the easiest and fastest ways to harvest fish is with fishtraps. So if we technically had that program in Alaska, outside of 3 miles around Alaska, one could have fishtraps. Inside the 3 miles around Alaska, we would feel differently. So inside the 3-mile limit, we would be against fishtraps, but it would not do us any good because the fish would not come back to within 3 miles, because they would have all been caught in traps.

Mr. STEVENS. What entities would promulgate the regulations within the 197 miles off our State? It would be the North Pacific Fisheries Management Council composed primarily of Alaskans. The Senator keeps talking about the Federal Government. This is a regionalization of the 197-mile fisheries zone.

Mr. GRAVEL. Who would appoint those Alaskans to the council?

Mr. MAGNUSON. The Governor.

Mr. STEVENS. He would select them, and if they were otherwise cleared, the President would submit their names to the Senate for confirmation.

Mr. GRAVEL. Does the Governor recommend or does the Governor appoint? Suppose the President does not like John Jones, whose name has been sent up by the Governor. Can he nominate Bill Brown?

Mr. STEVENS. No.

Mr. GRAVEL. So he has to go back to the Governor?

Mr. STEVENS. Right.

Mr. GRAVEL. So the President cannot appoint anybody, unless he is given the names by the Governor, to this council.

Mr. STEVENS. Right.

Mr. GRAVEL. Suppose the Governor, in the last 4 months of his term submits the names to the President and we get a new government administration. How does the present State government administration reconcile itself, if there is a radical change in policy, to the Federal administration, which has people of prior allegiance?

Mr. STEVENS. I did not know we are taking into account political considerations with regard to the conservation of fish.

Mr. GRAVEL. I think it is recognized, with mature government officials, that occasionally, some appointments are made on the basis of political party affiliation.

Mr. STEVENS. I do not know that that is so. Elmer Rasmuson, who has done such a great job in Alaska on the fisheries commission was suggested by a Democrat, resuggested by a Republican, then again by a Democrat, now again by a Republican. We have not had political considerations affect this type of appointment, and I do not think the fisheries community would stand for it. We are talking about people who will promulgate regulations for a region. Up in Maine, we could have two or three States within the region. If political considerations enter into this process, I think there would be a real revolt. This is not something that is personal. These people are to represent the State and more particularly the fishing interests of the State with regard to conservation principles.

Mr. GRAVEL. Let me state that these people will be representing economic interests. I have found economic interests to be partisan to the degree that there are people served by economic interests. So if we have three people that will make money in this economic area as opposed to that economic area, they are partisan to the areas that they are concerned with.

The Senator might say that it is pretty farfetched that we would see this radical change in policy. Let me state that in Alaska we had overwhelming agreement for a proposal for limited entry. Now, scarcely 3 years later, it is receiving overwhelming reaction the other way, for change.

When we are dealing with conservation, we are not dealing with a positive science. We are dealing with an applied situation. All I am saying is that the facts have not been altered by the scenarios that we may want to develop with respect to the appointment process.

What the Senator is saying is that up to 3 miles, the State has responsibility for the conservation of fish. Beyond the 3 miles, it is within the Federal domain. Now, that is a conflict that should not have to exist.

If the Senator tells me, well, never mind, we do not have to worry, there is no conflict there if the Governor appoints——

Mr. MAGNUSON. Why should that be a conflict?

Mr. GRAVEL. It is a conflict. It is a conflict of law. A blind man could recognize that.

Mr. MAGNUSON. There is nothing but conflict if we do not do it.

Mr. GRAVEL. There is a State jurisdiction and a Federal jurisdiction. Why not have joint jurisdiction?

Mr. MAGNUSON. Why does the Senator not submit an amendment, then?

Mr. GRAVEL. I will submit an amendment that will give joint jurisdiction from the shoreline out.

Mr. MAGNUSON. Who is going to have it? The State?

Mr. GRAVEL. The State will have the primary responsibility, and will submit a plan to the Federal Government. Would that meet the approval of the chairman?

Mr. STEVENS. It would not meet my approval. I do not want to have to submit something to the Federal Government regarding the 3-mile limit.

Mr. GRAVEL. I am asking the chairman, would he be prepared to accept that approach? I am willing to accept it. We would have uniformity of jurisdiction. I am not splitting hairs on this. I know we can consider a technical amendment. All can see that there is a dichotomous situation right now.

Mr. STEVENS. Who would do it for Maine, New Hampshire, and Rhode Island?

Mr. MAGNUSON. This is not just a bill for Alaska. This is a bill for all the other States.

Mr. GRAVEL. I recognize that. The final authority would be the Secretary, under my proposal. He would be the one that would entertain the plans.

Mr. MAGNUSON. The Senator has it more confused than ever.

Mr. GRAVEL. No, it is very clear. All it states is that if you are a fishery State and want to submit a plan for conservation, go ahead and submit that plan to the Secretary and if he approves it, the plan sticks and then the State implements it.

Obviously, the Secretary is not going to approve a plan for the State of Maine which might be in conflict with the State of New Hampshire. The Secretary would say, "Hey, the State of Maine," and they have the regions set up. They have formed their little region. But Alaska is so big, we do not need a region. We are a region. We have been acting like a region. We have been acting like a region up to the 12 miles where we have legal authority, and I hope we can correct this legislation so we can continue to do it up to 200 miles.

So I ask my colleagues, recognizing that they perceive as well as I do the very dangerous situation that exists in having a dichotomous legal authority, over 3 miles and 197 miles, that we lump those two areas together for the sake of conservation. That is the only thing that makes sense—lump those two things together and, then, accept this amendment that I have sent to the desk. It will be printed and the staffs will have a chance to assess it on the morrow and we can take it up at that time.

Mr. STEVENS. Does my colleague want his amendment to be in title I or title II?

Mr. GRAVEL. I would rather have—my amendment goes to title II. It overlaps into title I.

Mr. STEVENS. This little amendment simply states that whatever happens in title II applies to title I. That is all this says. No one argues with it. It is technical. It provides very simply that title I and title II are consistent with regard to jurisdiction.

If the Senator wants to amend title II, he can offer an amendment. This is a very technical amendment.

Mr. President, I move the adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to Mr. STEVENS' amendment.

The amendment, as modified, was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion was agreed to.

Mr. MAGNUSON. Mr. President, the Senator from Maine (Mr. MUSKIE), has a very abiding interest in this matter, and I would suggest, if it is agreeable with my colleagues, that since he has another engagement we allow him to present his matter at thist ime.

Mr. MUSKIE. I thank my good friend from Washington. I do appreciate this courtesy, and I also express my appreciation to the Senator from Alaska for his courtesy.

Mr. MAGNUSON. Before the Senator speaks, we have all been away for awhile, but the Senator is familiar with the foreign fishing fleet digging up every lobster they can find off the coast of Maine in the last 2 weeks, is he not?

Mr. MUSKIE. I am very familiar with that.

Mr. MAGNUSON. The Senator has been up there.

Mr. MUSKIE. I have been there, and examined that kind of a problem in 40-below-zero weather is especially painful, may I say.

Mr. STEVENS. May I ask, is my colleague on a fishing expedition today? I understand he was going to go on a fishing expedition tonight. [Laughter.]

Mr. MUSKIE. I do my fishing on Wednesday night. I thank my good friend from Alaska.

Mr. President, we began a discussion of this legislation as the pending business before Congress adjourned in the first session, and I thought the issues were pretty well laid out at that time and that it is most appropriate we should take this afternoon to resurface these issues for the purpose of finally resolving this legislation.

As the Senate returns again to consideration of the Magnuson Fisheries Management and Conservation Act, we have before us at long last an opportunity to provide our fishermen the minimum support which a citizen would expect from his Government—the opportunity to pursue his livelihood free from the devastating intrusion of fleets from beyond our shores which he is powerless to challenge except through his elected government.

For years, our fishermen have been asked to wait, to be patient, to allow time for international agreements to stop the plunder of our fisheries resources. The result has been 22 international agreements, none of them enforced or enforceable, and a Law of the Sea Conference which holds little promise of even agreement, let alone implementation in the near future

We now hear new promises from the administration of agreements to limit fishing activities by foreign fleets. But those agreements which have been reached offer no clear hope of reducing foreign fishing to levels which will permit the restoration of fish stocks. The quotas agreed to are higher than the U.S. negotiators were seeking and it is not clear that the ICNAF quotas provide real protection to the most threatened stocks in the ICNAF area.

There is little comfort for New England fishermen in quotas which permit foreign vessels to take "only" 70 percent of the fish within 200 miles of our shore.

It would be extremely optimistic to conclude that under existing agreements fish stocks in the Northwest Atlantic can be returned to the level which will produce the maximum sustainable yield, even assuming that the quotas will be observed. And this is most unlikely unless and until the United States assumes jurisdiction over the resource.

The interest of these foreign fleets in observing quotas is minimal as compared to their interest in exploiting the resource as rapidly and as completely as possible.

Each year the fleet of foreign fishing vessels off our shores increases. The Commerce Committee reported that in June of 1975 a total of 204 foreign fishing vessels were sighted off New England, an increase of 21 vessels over May 1975 and 45 over June 1974. Of the total, 160 vessels were from the Soviet Union. My own conversations with Maine fishermen confirm that the foreign presence is increasing and that their activities are becoming increasingly intense. Maine fishermen continue to report gear and traps destroyed by intruding trawlers without any protective measures being available to the fishermen or, may I say, to their government.

In the face of this growing presence and with news of new shortages in Soviet grain production, we are asked by the opponents of this legislation to place our faith and trust for the preservation of our fisheries in voluntary compliance by nations whose past behavior, present needs and patterns of investments all indicate that they are bent on continuing to exploit these limited resources.

I do not believe this body will have to deliberate long to determine that such faith would be misplaced.

When we opened debate on this bill before Christmas, I drew my colleagues' attention to an article from the Boothbay Register of December 4, 1975. The simple logic in that article is compelling and irrefutable. To summarize it again, it points out that ICNAF quotas can only be enforced by the home country of a violating vessel. The most flagrant violators of ICNAF are the Polish and the Russians. Both countries require the maximum immediate catch. Both countries are increasing their investment in fishing fleets off our shores. In both countries the fishing vessels are government owned. In neither of those countries is it likely that a captain who violates ICNAF regulations will be punished by the government which employs him.

The final irony in the experience of some New England fishermen is that they must bear the burden of the violations by others as reduced quotas necessitated by foreign activities force curtailment of domestic fishing. Our own fishermen can look neither to government subsidies to help meet the competition nor to a benign enforcer who will look aside if these quotas are violated.

The 200-mile-limit bill would repair that situation by recognizing that the United States has the most direct interest in conserving the fisheries resources off our shores and permits us on that basis to move toward utilization of the species in a manner consistent with the best interest of our fleet and preservation of the resource.

Under this bill we would have the jurisdictional basis now lacking to make clear and timely management decisions about our fish resources. We could gather the appropriate data to make broad, long-term decisions on management problems and, more importantly, we would have the authority to monitor and enforce fishing practices consistent with those decisions.

The opponents of this legislation, Mr. President, argue that unilateral action threatens our progress in international negotiations on fisheries and jeopardizes the entire Law of the Sea Conference, but this view ignores the specific language in the bill which honors existing agreements and calls for further negotiations to achieve consistency with our proposed extended fisheries jurisdiction. That position also assumes—that position of opposition, Mr. President—incorrectly, that U.S. action would produce a reaction from other coastal nations contrary to the manner in which these nations have reacted in the past and inconsistent with their perception of their own best interests as they have stated them at the Law of the Sea Conference. Opponents argue that the same nations which agreed to 200-mile limit provisions in the single negotiating text of the Law of the Sea Conference would, in response to our unilateral assertion of similar jurisdiction, abandon all previously negotiated fisheries treaties, abandon international negotiations, and set off individually to stake disproportionate claims of sovereignty over commercial and military traffic off their shores.

Mr. President, that is ridiculous. There is no reason to expect such a response and there could be no justification for such a response should any nation take that course. S. 961 is unrelated to commercial or military transit and in no way could another coastal nation justify expanded control over such traffic based on our actions in this bill in this area.

In adopting the 200-mile fisheries management zone, Mr. President, we are not claiming a 200-mile territorial limit. There is no international threat of that kind implied by the bill. And we would not exclude other nations from our fish management zone.

But we would require other nations to abide by the rules we set up to protect our fish stocks.

We hear optimistic predictions for the upcoming Law of the Sea Conference from those opponents who argue that we should wait—delay action on this measure until another round has adjourned. I, too, am hopeful, Mr. President, that the international negotiations will succeed and without delay, but I cannot reasonably predict—and neither can those most directly involved with the talks—that we will reach agreement this year.

And while we wait, the situation for our fisheries resources and for our fishermen worsens by the day. It is cruel and and irresponsible for our Government to ask American fishermen to wait any longer. We have agreed to a compromise in the legislation before us which will allow conclusion of the March meeting of the Law of the Sea Conference before the 200-mile limit bill goes into effect.

I take it that means, however long it takes that March meeting to conclude its business. So that there is a real prospect to conclude agreement at the Law of the Sea Conference, whether that takes 5, 10, or 20 weeks. This bill gives them the opportunity to achieve that agreement. But if they do not, then I think we can assume, as we correctly assumed in 1975 and as we correctly assumed in 1974, that agreement is not likely in this calendar year.

If we wait another 3 years on the promise of no more than a year's delay, as we did 2 years ago, then in 1978 we will still be debating this legislation on the floor, waiting for the optimistic prediction about the Law of the Sea Conference to come true.

Mr. President, I have been a delegate to the Law of the Sea Conference—I attended the first in Caracas, Venezuela, in 1974 with my good friend from Alaska (Mr. STEVENS), and we concluded from that exposure to the conference that they would not finish that year, and we were right. We concluded from that exposure to that conference that they would not finish in 1975, and we were right.

I happen to believe that one of the strongest impulses for agreement that we could create is the enactment of this bill which says to the delegates from the Law of the Sea Conference, "As soon as you have reached agreement, the legislation the American Congress has enacted will yield to your agreement."

I think that is the strongest impulse for constructive action that we could conceivably generate.

So Mr. President, we should not delay action on this bill. Passage of the bill would be the best sign we can give the world community that we are serious about protecting a major food source for the world. And if we do not give this sign we must expect failure again at the conference and perhaps the loss of our last opportunity to save many of the species of fish which are now threatened with extinction.

May I add this thought, Mr. President, that if we should fail to take this action we will have given a signal to those foreign fishing fleets which are now exploiting our fishery resources, and who now do so in utter disregard of the rights of our fishermen and the gear which they have placed in our territorial waters, the signal that we do not care to protect through the U.S. Congress. I, for one, will not participate in the giving of any such signal.

Mr. President, it is our responsibility to act on behalf of our citizens to protect this great resource. The foreign nations which fish off our shores have shown no indication that they will assume the responsibility if we do not.

May I add, Mr. President, that they could, knowing of the great concern in the Congress in behalf of our citizens, voluntarily restrict the activities of their fishing fleets in our waters to conform—to conform—to the conservation objectives which we are seeking to establish. They do not. And why not? Because they are going to exploit these resources as long as they can—as long as they can—and if they can persuade us to suspend action until the Law of the Sea Conference finally concludes an agreement on that wide range of issues far beyond the 200-mile limit which stands in the way of agreement, then what they will have done is create a field day for themselves for as many years as it takes to resolve the Law of the Sea Conference into a comprehensive agreement.

Mr. President, S. 961, a bill to create a 200-mile fishery conservation zone off the coasts of the United States, will shortly be before the Senate for a vote.

Support for this legislation continues to grow throughout the Nation. But the bill is urgently needed to turn around the depressed economic situation in many of our coastal communities. This bill will provide a very real opportunity for many of our fishermen to continue their livelihood in these troublesome financial times. Instead of going on unemployment or even welfare, fishermen will be able to continue their livelihood without Federal assistance.

In October of this year, the AFL–CIO Maritime Trades Department adopted a resolution supporting legislation creating a 200-mile fishery conservation zone. It should be noted that the Senate bill does exclude tuna from its coverage.

I believe the position of labor on S. 961 is of considerable interest to my colleagues. I ask unanimous consent that the letter signed by Mr. O. William Moody of the AFL–CIO and the attached resolution be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Maritime Trades Department,
Washington, D.C., November 19, 1975.

Hon. Warren G. Magnuson,
Chairman, Senate Commerce Committee,
Russell Office Building, Washington, D.C.

Dear Mr. Chairman: At its recent convention, the AFL–CIO Maritime Trades Department adopted a resolution on national fisheries policy issues. Included in this resolution was a policy statement by the Maritime Trades Department on the proposed 200-mile fisheries jurisdiction legislation now pending before the Senate, which will affect many members of MTD affiliated unions. I am forwarding a copy of this resolution to you so that you may be aware of the MTD's position.

The MTD's resolution strongly supports the 200-mile limit concept for the United States. However, the MTD is concerned that any such legislation passed by the Senate should exclude U.S. distant waters fishermen who catch highly migratory species off the coasts of other nations. This will enable U.S. distant waters fishermen to continue to operate under the protection of the Fishermen's Protective Act.

Sincerely,

O. William Moody, Jr.

Resolution Adopted by the AFL–CIO Maritime Trades Department at Its Convention in San Francisco, Calif., October 1975

RESOLUTION NO. 12—NATIONAL FISHERIES POLICY

The United States fishing industry continues to be plagued by fleets of foreign vessels overfishing American coastal fisheries. Some fish species have been seriously depleted, and American fishermen have suffered heavy losses and the damage of gear due to this growing foreign incursion.

While the United States government controls the fish take of U.S. fishermen, the foreign fleets remain unregulated as to catch, vessels, and gear. Employing larger vessels and massive nets, foreign fishermen have drastically reduced both Atlantic and Pacific Coast stocks.

The subsidized fishing fleets of foreign countries, particularly the Soviet Union, have diminished the best fish from many regions, including the Outer Banks off New England. Off the Pacific Coast, tuna stocks are threatened by foreign fishermen who violate international fish conservation conventions in fishing for already depleted tuna stocks.

Foreign incursions into U.S. coastal waters plus other problems facing the fishing industry have reduced the U.S. catch and increased U.S. dependence upon imported fish. Today, the United States imports more than 60 percent of all its fish, contributing a billion dollar drain to the balance of payments.

The United States, which was once the world's second leading fishing nation, is now sixth, behind Peru, the People's Republic of China, Japan, Norway, and the Soviet Union. The number of American fishing vessels has declined. The remaining fleet is largely obsolete: 60 percent of the vessesl are over 16 years old, and 27 percent are over 26 years old.

Coming at a time when the United States fishing fleet should be growing rapidly, these developments are particularly disconcerting. Inflation and the resulting high cost of food have made fish more attractive than ever as a meat substitute. Last year, fish consumption in the U.S. rose 7.1 percent—faster than in any other country. The market is there, but the U.S. fishing industry has been unable to capitalize upon it.

Lack of United States government support for the U.S. fishing fleet has been one of the primary obstacles to the fishing industry overcoming the excessive foreign competition for U.S. coastal stocks.

Rather than take unilateral action to preserve U.S. fish stocks, the United States has been committed to waiting for the United Nations Law of the Sea Conference to work out a new international fisheries policy. Thus far, there have been no definitive results from that conference due to the overwhelming variety of conflicting national interests and problems.

The United States Department of State refuses to impose sanctions against those nations which harass, fire upon, seize, and fine U.S. tuna vessels fishing in international waters. The State Department ignores foreign violations of international fishing conventions and treaties signed by the U.S. and other nations to conserve tuna.

Considering these multiple problems and the continuing refusal of the federal government to seek any solution, it is imperative that Congress now mandate the new loan and assistance programs and the fishery controls essential to restoring the U.S. fishing fleet to competitive capacity.

It is imperative that the United States act to preserve the U.S. fisheries and the U.S. fishing fleet before both are demolished by foreign fishing fleets.

Therefore, be it

Resolved: That the AFL–CIO Maritime Trades Department urges the prompt passage of H.R. 200, a bill establishing a 200-mile fishing conservation zone around the United States that would protect U.S. coastal fisheries and leave U.S. distant water fishermen free to fish off other nations' coasts for tuna and other migratory species; and be it further

Resolved: By the AFL–CIO Maritime Trades Department that a program should be established to provide assistance to U.S. fishing operators enabling them to modernize and upgrade their fleets and to obtain insurance and other protection on a commercially viable basis.

Mr. MUSKIE. I hope, Mr. President, that my colleagues will join me and my good friend from Washington (Mr. Magnuson), whose name is on this bill and who has led the fight for it for so many years, and my good friend from Alaska (Mr. Stevens), with whom I have been happy to be associated in fighting this battle in supporting this legislation, in moving it quickly through the final stages of the legislative process.

May I express my appreciation to my good friends for yielding to me at this time.

Mr. STEVENS. Will the Senator yield?

Mr. MUSKIE. Yes.

Mr. STEVENS. Mr. President, I thank the Senator for his continued assistance in this matter. I enjoyed very much being able to accompany him to the Caracas meeting, and to the meetings that we had with the ambassadors from Russia, from Japan, and the others who were involved.

The staff has just called my attention to an article from the Journal of Commerce for Tuesday, January 6, entitled "U.S. Mackerel Stocks Seen Lower This Year." It quotes Charles Philbrook, the enforcement officer of the National Marine Service's Northeast Fisheries Center in Massachusetts.

I did not have any prior knowledge of this, but I just wanted to show how correct the Senator is in his assessment of these foreign fishing operations and what they are doing.

This report indicates one of the major reasons that mackerel stocks are down compared to prior years. But the interesting thing is Mr. Philbrook "estimated the Soviet fleet had overfished its 1975 mackerel quota by about 70,000 metric tons, based on reports from fishery service observers posted on U.S. Coast Guard vessels and on aircraft."

The fishery service has no enforcement powers over foreign vessels fishing beyond the U.S. 12-mile fishing limit, so it must report quota violations to the State Department and to ICNAF. "We took documentation of the Soviet quota violations before the ICNAF meeting in Scotland last winter," said Mr. Philbrook. "The Russians were embarrassed and said their overfishing was due to a computer error. They admitted they may have overcaught their mackerel by as much as 100,000 tons."

We had documentation that they overfished 70,000 and they admitted 100,000.

The Soviet quota for mackerel in 1975 was 101,000 metric tons.

In other words, they have admitted 100 percent overfishing in 1 year alone. One or 2 more years like that, and if those Soviet computers get screwed up again, we will really be in trouble.

That is why I say to my friend from Maine I think he has made a very good point. I do not know of anyone who has been more stalwart in his support for our objectives of fisheries conservation in the meetings that we have attended on the international scene. On behalf of all of our fishermen from Alaska I thank the Senator for his support of this bill and for his call for its quick passage. Because of things like that, 1 or 2 more years like that and the mackerel off the eastern coast will go the way of the herring off the State of California. I am sure my friend knows that story well. It was overfishing and lack of good management concepts that destroyed that fishing area. I would hate to see the other fisheries of the country go in the same direction. I am sure my colleague from Washington joins me in thanking the Senator for his support.

Mr. MUSKIE. I thank the Senator.

I remind the Senator of a conversation we had with one of the Russian delegates at the conference in Caracas. He had taken vigorous exception to our support of this 200-mile legislation. I suggested to him, "You can take the step to avoid our taking unilateral action of this kind by simply voluntarily restricting your activities in our waters."

His answer to that was a very strong negative. He said, "We have ICNAF. That is policing the thing."

He, of course, understood, as we do now, according to the figures the Senator has just given, that ICNAF is not being effectively enforced. So, of course, he is happy to lean on ICNAF as an excuse to do what they wanted to do and they have done exactly what they wanted to do all this time.

One thing that is particularly offensive is that these fleets come over to our shores and their draggers get right down to rock bottom. Then they go full speed ahead, whatever speed they need, and they just rip the bottom apart, fishing gear, lobster traps, whatever.

Sure, we have some legislation which says the U.S. Government will help the fishermen prosecute a claim. How in Heaven's name is a fisherman going to make a claim when these fleets come and operate in the dead of night? They have come and gone before anybody knows the damage which has been done. The fisherman arrives out there to tend his gear or his traps and they are gone. How will he identify the offender to place a claim?

Then he comes down here to talk to the Government agents about recovering in some way: "We are helpless. Give us the facts."

"I have no facts."

Last year the Senator will remember that Congress enacted legislation requiring the government to reimburse the fisherman until the Government, which is in a better position to prosecute a claim, does so and recovers. If the Government is unsuccessful, the fisherman still gets his money. The President of the United States vetoed that. He said the U.S. Government has no basis to prosecute such a claim.

If the great U.S. Government does not have a basis for prosecuting the claim to a successful conclusion, how do these little fishermen, who have to mortgage everything in the world they own in order to buy their boat and net, prosecute a claim of this kind?

Then they ask us to establish the 200-mile limit to give that kind of protection and the President of the United States says to them, "Wait until we conclude an international agreement."

I cannot blame them when they get the idea, the sneaking suspicion, that their Government does not really care about what happens.

So, Mr. President, I say to my good friends we are going to pass this 200-mile-limit legislation. I believe that is the best signal we can give to the world that although we are interested in their welfare, we are also interested in the welfare of our people; that we intend to exercise the authority and the responsibility of our Government to do so until they will join us in an effective, enforceable way to protect these stocks, to protect our fishermen, as well as to advance the cause of international law and order.

I do not think pursuing the latter objective means that we just sit on our hand and ignore the injury which is being done to American citizens while their Government stands helplessly by. I thank my good friend for yielding.

Mr. **STEVENS**. Mr. President, I ask unanimous consent that the article from which I quoted be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Journal of Commerce, Jan. 6, 1976]

SOVIET TRAWLERS MONITORED—U.S. MACKEREL STOCKS SEEN LOWER THIS YEAR

(By Peter T. Leach)

The Soviet fishing fleet is gathering off Montauk Point, in the mackerel fishery southwest of Nantucket Island, the National Marine Fisheries Service said Monday.

About 30 to 40 large stern-trawlers have arrived in the area in the last few days and more are coming every day, said Charles Philbrook, an enforcement officer at the National Marine Fisheries Service's Northeast Fisheries Center in Gloucester, Mass.

In addition, there are about 25 Polish trawlers, 20 from East Germany and 10 from Bulgaria, bringing to 100 to 125 the number of East European trawlers fishing in a zone from 15 to 40 miles off the United States East Coast from Nantucket to Northern New Jersey, Mr. Philbrook said.

In the three winter months from January through March, when the U.S. coastal mackerel fishery is at its teeming peak, there may be as many as 300 foreign vessels fishing off the East Coast, but the catch may be down this year because of overfishing last year, which appears to have sharply reduced the mackerel stocks.

A 20 PERCENT REDUCTION

"Some of the vessels we have already boarded say the mackerel fishing is down this year," Mr. Philbrook said, adding, "we are going to have to monitor the Soviets even more closely this year, since they agreed to a 20 per cent reduction in their 1976 mackerel quota."

The catch quotas on individual species of fish in the rich North Atlantic fisheries are set each year by the nations of the International Conference on North Atlantic Fisheries, which is universally known as ICNAF.

The National Marine Fisheries Service is responsible for monitoring the fishing fleets in U.S. coastal waters to make sure the ICNAF nations are abiding by the catch quotas.

Mr. Philbrook estimated that the Soviet fleet had overfished its 1975 mackerel quota by about 70,000 metric tons, based on reports from Fisheries Service observers posted on U.S. Coast Guard vessels and aircraft.

The Fisheries Service has no enforcement powers over foreign vessels fishing beyond the U.S. 12-mile fishing limit, so it must report quota violations to the State Department and to ICNAF.

"We took documentation of Soviet quota violations before the ICNAF meeting in Scotland last year," said Mr. Philbrook.

"The Russians were embarrassed and said their overfishing was due to a computer error. They admitted that they may have overcaught their mackerel quota by as much as 100,000 tons," he said.

The Soviet quota on mackerel for 1975 was 101,000 metric tons. Partly because they were caught with evidence of their own violations, the Soviets agreed to a mackerel quota of 80,000 tons for 1976.

PRESSURE FOR EXTENSION

The difficulty of enforcing catch quotas in the North Atlantic fisheries is one of the reasons that pressures is building within the U.S. to extend the fisheries limit to 200 miles.

The House of Representatives has already passed a bill extending the fishing limit from 12 to 200 miles, and the Senate will begin deliberations on its version of the bill when it reconvenes following the Christmas recess.

The National Marine Fisheries Service, which already has enforcement officers aboard some 80 per cent of the U.S. Coast Guard vessels and aircraft, would be responsible for enforcing the 200-mile fishing zone.

Although the 200-mile zone sounds huge and impossible to police, the best fishing grounds are within certain well-defined areas and the Fisheries Service is familiar with the patterns followed by foreign trawlers in these areas.

Because over-fishing by the highly mechanized fleets of foreign trawlers has reduced the stocks of many species of fish in the North Atlantic fisheries, ICNAF has been reducing the fishing quotas from year to year and has closed some areas altogether to fishing at certain seasons.

The last meeting of ICNAF in Montreal in September decided to reduce the total quotas on all species of fish to be caught in 1976 by 34 per cent.

Despite the ICNAF quotas, the total number of fish of all species in the North Atlantic fisheries has declined sharply in recent years, and some species have fallen below what is called the maximum sustainable yield, i.e. the level at which they can replenish their numbers through reproduction at the end of each year's fishing catch.

"It's not a matter of biological extinction, but of economic survival," said William Gordon, the regional director of the Northeast Fisheries Center of the National Marine Fisheries Service.

"My own feeling is that the sooner it (the 200-mile limit) is administered, the better," Mr. Gordon said.

The intensification of foreign fishing within the U.S. 200-mile coastal zone has occurred since 1961, when the Soviet Union's fleet of mechanized trawlers and refrigeration ships first appears off the East Coast.

Before 1961, the only people fishing the North American coastal waters were fishermen from the U.S. and Canada. In subsequent years, the Russian ships were joined by trawler fleets from other East European countries, from Western Europe and from Japan.

DECLINE IN BIOMASS

Until 1968 there appeared to be little change in the overall size of the fish stocks, but since then, the decline in the total biomass, or weight, of all fish and of individual species has been obvious.

Stocks of yellowtail flounder, haddock, herring and of the category known as other flounders have all declined below maximum sustainable yield.

In the fisheries from George's Bank, off Cape Cod, to Cape Hatteras the total biomass of the 10 most frequently netted species of fish was estimated at 14.2 billion pounds in the 1963–1965 period, according to Mr. Gordon of the Fisheries Service.

By the 1972–1974 period, the total biomass of these 10 species had declined to an estimated 8.8 billion pounds, a drop of some 38 per cent.

In 1966, the total landings of all species of fish by all nations in the George's Bank to Cape Hateras fisheries was about one million metric tons, which was three times the average annual U.S. catch in the 1950s.

Between 1966 and 1974, the total landings of all species averaged about one million metric tons a year, while the U.S. share of the total catch declined to 20 per cent.

The decline in the total stocks of all fish was so marked by 1973 that the nations of ICNAF held a special meeting in October of that year to establish catch quotas, which were set at a total of 924,000 metric tons by all nations during 1974.

Subsequent meetings of ICNAF set an annual quota for all nations of 850,000 tons for 1975. For 1976, the total quota has been reduced 34 per cent to 650,000 metric tons.

Mr. Gordon expressed his hope that the latest catch quotas will result in a revival of the stocks of the most depleted species.

> If the current catch quotas are observed, he said, it will take five years for the total biomass of all species to build up again and it will take seven years for the stocks of the most badly depleted species to revive.

Mr. GRAVEL. I would like to speak to some of the points of my distinguished colleague from Maine, for whom I have great affection and respect, as everybody knows.

In this particular area I believe we have a slight disagreement. I think the disagreement hinges not so much on the deep emotional commitment he has to solve the problem or his understanding of the problem. I believe we all recognize that great harm has been done to our fisheries in the past.

I think where we differ is how to try to solve the problem for the future. If my colleague believes that passing this bill will be a prod to the international conference, all I can say is I disagree radically and so do most of the leaders of the delegations at the conference itself.

Mr. MUSKIE. Will the Senator yield?

Mr. GRAVEL. Yes.

Mr. MUSKIE. Mr. President, I ask unanimous consent that Jim Case, of my staff, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I understand the position of the Senator. I must say that over the years of my public life I have been in the forefront of those who have tried to press for international agreements to establish an international regime of law, not only with respect to the oceans but with respect to other matters that set nations against nations. I have been to the SALT talks. I have been to just about every international conference that had any chance of resolving points of friction between nations in the context of the international regime of law and order.

But here we have a unique problem which we find stalemated all these years. I have heard these arguments year after year. I would not have passed the judgment I have passed and described here in the Chamber had I not been to the conference. But I have received the flavor of it. There are a lot of things that stand between the conference and the agreement on the 200-mile limit. The 200-mile limit is not one of them. As I understand, there is strong support on the 200-mile limit, but it may be blocked from final international agreement because there are other problems that look pretty intractable in many ways. I just do not see why the 200-mile limit should be held hostage to these other more intractable problems, which could hold up the Law of the Sea Conference for some time.

Frankly, there was one other impression I had of the conference which I thought was very reassuring. I thought for the most part there was a very positive attitude on the part of all 149 nations toward the importance of writing a new law of the seas. They were involved in a learning process at that time, but they were not reluctant in any way to assert their national interest.

A lot of them there at that conference had already established a 200-mile limit, not just as a coastal fisheries zone but a territorial limit of 200 miles. But they did not find that fact to inhibit their participation in a conference that could establish a different set of rules, nor did I find other nations inhibited in talking to the nations that had already acted because they had already acted. Every nation pursues its self-interest as best it can.

For some reason we in the United States seem to feel we are the only Nation that can never unilaterally pursue its own interest, but that we can only do so in the context of achieving agreement with all other nations. The frustration I experienced with this problem finally persuaded me to move in the other direction, but I understand the rationale. We just reach a different conclusion.

Mr. GRAVEL. I think our conclusions are the same, but our methods to get to the conclusion are different. The method I would employ would be to put more pressure on the international body. I do not think this legislation would act as a pressuring device.

Mr. MUSKIE. Let me tell the Senator one reason why I think it acts as a pressuring device. The Third World countries of the conference, especially those that are land-locked, are particularly interested in the minerals of the deep sea. They think they have a right to share them. They view that as—what is it they call it? Not the global heritage——

Mr. GRAVEL. The heritage of mankind.

Mr. MUSKIE. The heritage of mankind. They are much more interested in that than in this problem. But if they see the United States moving unilaterally out of frustration to deal with this problem, they might well feel we would move unilaterally in that area also. They understand that the problem cannot be resolved without our participation, and they also understand that we have the technology and the capital to move unilaterally to exploit the mineral resources of the deep sea. So if they see us moving unilaterally with respect to this problem, they could well conclude that "the United States might move unilaterally in order to deal with that other issue in which we are interested, and we had better move rapidly to conclude this Law of the Sea Conference."

Everyone pursues whatever motivation seems to have the highest priority with him. But I cannot see enacting this legislation unilaterally as persuading those nations to abandon the only chance they have to get a share of the heritage of mankind.

Mr. GRAVEL. Let me just say that if it is OK for the fishermen to take 200 miles, what is wrong with giving it to the third world? If we can do it unilaterally, why should not the mining interests move unilaterally to begin mining the deep sea?

Mr. MUSKIE. For very real reasons.

Mr. GRAVEL. Why?

Mr. MUSKIE. Those are not being exploited and devoured and disappearing, and the fisheries are being exploited and devoured and disappearing, and being subjected to growing assault from other countries.

Right now, there is a moratorium, worldwide, on the minerals of the deep sea. There is none here. If the Senator can get us a similar moratorium with respect to the fisheries off our coasts, I will join him.

Mr. GRAVEL. There is no moratorium on deep sea mining.

Mr. MUSKIE. There is a tacit moratorium.

Mr. GRAVEL. They are only withholding moving in because of the actions of our executive with respect to certain pressuring moves. There is also pressure in this body to get legislation to move. So I make my one small point in respect to the Senator's argument: If it is good for fisheries, why is it not good for mining? If it is good for fisheries, why not do it for mining?

Mr. MUSKIE. Because the Senator mixes up the motivation. If that is an example of the strength the Senator is arguing, he knows I am not persuaded at all. I am persuaded even more that we are not.

Mr. GRAVEL. I was merely trying to address myself to one of the minor points the Senator raised.

Another point I would like to make is in regard to the charge the Senator makes that our fisheries are being decimated right now. That is not the case.

Mr. MUSKIE. If the Senator would come to Maine and persuade my fishermen that that is not the case, then it would be much easier for me to join with the Senator in his position.

Mr. GRAVEL. I have talked with some of the New England fishermen.

Mr. MUSKIE. Mine? Would the Senator identify them?

Mr. GRAVEL. I would be happy to go to Maine, as the Senator from Maine knows, and state my position on fisheries, and let him attack me, and I hope that would help him.

Mr. MUSKIE. I would rather attack the problem.

Mr. GRAVEL. Right; that is what I would like to attack also: The problem right here and now as to what its impact would be on the international community.

I wish someone in the media would interview the various heads of delegations and report back to the American people as to what they think about it—not what you or I think or the Senator from Washington thinks would be the impact of the conference, but what the people at the conference think would be the result of the conference.

Mr. MUSKIE. I can tell you what they will find out.

Mr. GRAVEL. I wish the Senator would accord me the same courtesy I have accorded. If we act unilaterally in this matter, what is to stop any nation from acting unilaterally in a matter it perceives in its interest?

Mr. MUSKIE. Is the Senator asking me the question?

Mr. GRAVEL. Let me finish. Be it in the area of fisheries, passage, mining, transportation, pollution, or what have you. If we determine this to be in our interest and move unilaterally, what is to stop any other nation from doing the same, and if that happens, as every other nation moves unilaterally, what is the point of having an international conference to move in a concerted fashion?

Mr. MUSKIE. Let me answer the first question first. If they ask that question of those delegates, they will get a 100 percent uniform answer.

Mr. GRAVEL. They will not get a 100 percent answer.

Mr. MUSKIE. I am willing to conclude that they will. You talk with the delegates, and their posture is that, of course, they are going to. But when you talk to some of them privately, off the record, I think you will get a more valid assessment.

The Senator asks me what is to stop any nation from acting unilaterally. Absolutely nothing, whether or not this legislation is enacted; and some of them have acted unilaterally, without this legislation having been enacted.

We are involved in the SALT conference. Has that suspended any activity on our part in establishing our defense posture, building up our armed forces, continuing with the development of nuclear weapons? We went ahead with the ABM treaty even while the SALT negotiations were going on, and they ultimately resulted in outlawing the ABM. But we proceeded. I mean the fact that a conference is called and is being held does not suspend the action of nations acting in their own behalf. Nations are going to be motivated in their reaction to what we do here, not by any sense of outlawry by which we effect it, but by their perceived self-interest.

What I said in my prepared speech is that I do not believe that the perception of their self-interest which led 149 nations to go to the Law of the Sea Conference with respect to this issue, notwithstanding the fact that several other countries had already acted unilaterally to establish 200-mile territorial limits, indicates they all understand, while nations are now acting unilaterally and may continue to act unilaterally until the agreement to the new law of the seas is established, it still makes sense to write a new law of the seas.

We cannot expect people to suspend all their activities or nations to suspend all their activities on the basis of a hope that something in the nature of some form of specific agreement will ultimately make a unilateral action void, without meaning, and ineffective.

We continue to do business as our national interest requires until there is an international agreement which establishes a new set of rules. I think those delegates at the Law of the Seas Conference are sophisticated enough politicians to understand that.

I have talked to a lot of them about their internal politics. They understand that until one reaches agreement one does not give away anything.

We have not had an agreement yet. I am saying we are not going to give away anything that we do not have to give away.

With respect to the deep sea minerals, of course, there is not an agreement on a moratorium, but everyone has held back because they know they can. Those minerals are not going to disappear while the conference goes on. But I say to the Senator that our fisheries can. It is that prospect that motivates us to move. If we can declare a moratorium, as I suggested to the Russian delegates at Caracas, as suggested to the Japanese delegates, and as I suggested to others, and if we could voluntarily create a moratorium at some level so that we can suspend the threat of exploitation and decimation of our resources, I would be happy to join in such a moratorium and vote to suspend action on 200-mile-limit litigation until we get an international agreement, but I am not going to assume that there is going to be an international 200-mile limit at the end of this calendar year. I think that is a very unrealistic assumption.

The Senator cannot promise me that there will be an agreement at the end of this calendar year. The State Department cannot. The President cannot. The record is that there probably will not. So that means still another year because, once we enter a calendar year with such negotiations, the tendency is to use it all. So I am just not content to wait, and I do not think we are going to jeopardize the Law of the Sea Conference. I am not going to be able to convince the Senator from Alaska on that point.

I regret to say I shall have to leave the Chamber for reasons the Senator understands.

But before I do it, even though I disagree with him so strongly, I compliment him on the vigor and thoroughness with which he has pursued his point of view. It has been an example of the way a Senator ought to approach an issue when he thinks deeply about it. So in my disagreements with the Senator I do not in any way challenge the ability with which he is pursuing his case.

Mr. GRAVEL. I thank our colleague for that, and I do understand the reasons for his absence. I regret that this whole country is going to be denied his wisdom as we pursue it. But we understand his duty and I think the Nation shall perceive it this evening.

Mr. MAGNUSON addressed the Chair.

Mr. President, do I still have the floor?

Mr. MAGNUSON. I wish the Senator from Maine would wait for only a half minute.

I listened to his able presentation, and I have listened to the Senator from Alaska I do not know how long, but a long time. But if I can have the attention of the Senator from Alaska—those are a lot of papers he has there—the argument that was made that the Senator from Maine so adequately answered takes me back a long time. It takes me back 11 years ago in Geneva. I was there 11 years ago. Exactly the same argument was made against the 12- and 9-mile limit that he is making. That was 11 years ago. Now that is waiting a long time. The military was there arguing against a 12-mile limit. Oh, everything was going to happen, everyone in the world was going to have a navigation revolution. We do not have that.

The Senator knows these nations are going to make their agreements according to their own interests. We are not fishing off everyone else's shores.

I wish to say again, that which I have said before. Here, for example, is a half page ad from the Japanese Government which is intimating their views. I shall say to the Senator from Alaska that they will never sign a law of the sea agreement that will restrict them in any way. This was an ad by the Japanese Fisheries Association printed in American papers all over the country during the recess.

They do not practice conservation. Fifty or 60 years ago, the greatest fishing grounds in the world were off the islands of Japan and because they did not do what we are trying to do, they have to go someplace else. This is the real problem.

If we went fishing off the coast of Japan today, if we went fishing off their coasts, I am sure the Senator from Alaska will agree with me—if he will listen a minute—if we went fishing off the Japanese coast, if we started early enough in the morning, the Japanese Diet would meet in the afternoon and throw us out. That is also true with all the countries that are fishing off our coast. We do not fish off everyone's coast. But we are only saying we are protecting our own pasture. That is all.

This was the same argument—and it is like a broken record—that I listened to 11 long years ago. Everyone is going to do something and act unwisely.

As the Senator from Maine says, that is ridiculous.

Mr. MUSKIE. I thank the Senator from Washington.

Mr. GRAVEL. I thank our colleague.

I only wish to correct the record on several points, and I know our colleague from Maine will have occasion to review the record. If he wishes to challenge it, he can do it either in written statement or back here in the Chamber at a later time.

First off, when we talk about the moratorium with respect to deep sea mining, it is not hard to have a moratorium. We are the only nation that can mine in the deep sea. The Japanese are close to doing it, and there is talk that maybe the West Germans can do it. So when we talk about the whole world holding back from mining the deep sea, the whole world does not have the ability to mine the deep sea. There is only one country that does, and that is this country.

I say if we can act unilaterally to increase our fisheries we can act unilaterally in other economic areas. I might add that when I see this chart here I am persuaded to question whether or not this is a conservation act or whether it is an act to increase the American catch. If that is the case, then it is not a conservation act. It is an act to only have more fish caught by Americans. That is a good goal, but——

Mr. MAGNUSON. We are not increasing the Americans' catch necessarily. It is only to keep what fish we have there.

Mr. GRAVEL. I wish to make it clear.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. GRAVEL. If we can do this I will be happy to yield in one moment. Let me make a point.

Mr. MAGNUSON. Will the Senator yield a half minute?

Mr. GRAVEL. I am happy to yield a half minute.

Mr. MAGNUSON. There is no amendment pending and the pending business is the bill, is that right?

Mr. GRAVEL. Yes.

Mr. MAGNUSON. I ask the Senator, is he speaking on the bill or can we proceed with these amendments?

Mr. GRAVEL. I am speaking on the bill as Senator MUSKIE spoke on the bill.

Mr. MAGNUSON. All right. He has plenty of time. I wish to point out——

Mr. GRAVEL. I wish to finish. The point was made by me that if we act unilaterally in one economic area, such as fisheries, why can we not act unilaterally in another economic area, such as mining? Of course, we can. If we can act to improve the economic interests of our fisheries community, which I would like to do, since my State would be the major beneficiary of that, then what is to stop a group from coming into the Senate—and legislation has already been introduced which is already before the committee—to say, "Well, if this is good for the fisherman, why can we not do the same thing for the mining community?" Of course, there is no argument one can make against it—not at all, because if we did it for the fishing interests we should be able to do it for the mining interests.

It is mistaken to use the argument that the Third World countries will absolutely take a position of abeyance or doing nothing, or this will be pressure on the international conference because they desire the rights from deep sea mining. I might suggest that the Third World is more interested in the 200 miles than is the industrialized world.

In fact, the 200-mile concept came from the Third World, and the United States of America had to be dragged, kicking and screaming, to the conference table to agree to the 200 miles. Many of us from fishery States advocated 200 miles long ago, but the Federal Government of the United States of America opposed this.

So now if we turn around and act unilaterally and give the ability to the Third World nations to act with legitimacy and unilaterally, what motivation is there for them to come to the bargaining table, to the international conference, with any degree of sincerity? Obviously, none at all. That, of course, would destroy the conference; because when we move unilaterally, we set in motion the legality of any nation in the world moving similarly unilaterally on its economic interests as it perceives them.

From that point forward, it is "Katy, bar the door" to the 200-mile international conference; everybody is doing his own number, and you have anarchy on the seas. The only way you can protect the fisheries is not through a system of law, not a bilateral treaty, and not even through a system of sending out destroyers side by side with every vessel, because the American public will not pay the tab for doing that. That is essentially what takes place in this measure.

We are told that we are taking 200 miles. Every fisherman in this country knows that this kind of legalism, without the backup of the money to police it, is not worth the powder to blow it. It is just a political stroke job on the fishing industry. They will buy it for a year, but, believe me, they will not buy it for much longer than that; because they will recognize that their 200 miles is nothing but a paper 200 miles. The only way you can have a real 200 miles is through enforcement, and the cost of enforcement probably costs more than the economic value of the fisheries in question. That is the tragedy of it. So there is only one way really to solve the problem, and that is with agreement.

My colleague says that the fisheries of the Northeast coast, the Atlantic coast, are depleted. Some are depleted. Some have received very short shrift and very poor conservation practices at the hands of foreigners. But to hold that position today, one has to be totally oblivious to the accomplishments of the agreement of last fall, in which the catch was negotiated down to 650,000 tons. The American portion of that was negotiated up from 17 percent to 35 percent and the foreign catch down to 65 percent.

The Department of Commerce, through the Marine Science Bureau, tells us that the fish on the east coast, on a biomass basis, can be renewed under the present agreement in 5 to 8 years. If these technocrats are correct—and these are the same people who speak to the Senator from Maine and the Senator from Washington, as they speak to me—and if we take their information and data at face value, the political statement made in this body that the fish stocks are being raped today is not true. It just is not true. It may have been true 3 years ago, but we are not arguing this issue as of 3 years ago. We are arguing it as of today. The situation today is that these stocks, under existing negotiations, can be renewed on a 5- to 8-year basis, regardless of this legislation or regardless of the Law of the Sea. That is the situation today. It certainly is not a situation that cries out for panic action.

With respect to policing, it should be understood that our negotiators are in Rome now, negotiating at an international meeting, to be able to have observers on all the vessels within the ICNAF region, so that we will not be able to have mistakes, intentional or unintentional, that we will not be party to them, because we will have an observer within ICNAF regions on every vessel.

The cost of putting on these observers, the cost of enforcing the law and the treaty, at this time, is infinitesimal compared to the potential cost of having to arm our warships and sending them out to sea to protect our fishermen. I think that is when the fishermen will recognize that the secret to success in the 200 miles is not in unilateral action but is in collective world action, on a bilateral, multilateral world treaty basis, backed up with proper tools to monitor it, proper tools to enforce it. The tool to enforce it in this case would be observers on each vessel, whether it is a bilateral agreement, a multilateral agreement in ICNAF, or the law of the sea.

When we move unilaterally to a 200-mile basis, we set in motion acrimony and the inability to secure the proper type of protection and the proper type of monitoring of foreign activities. They will fish our stocks anyway, unless we do it in a proper way.

Another statement was made by the Senator from Maine to the effect that if we took a survey at the U.N. presently, all the nations would say that the conference would fail if we were to pass this measure. That is not the case at all. Quite a number of nations at the U.N. would like to see us move unilaterally.

An individual from Iceland came up to me and asked very anxiously when this measure would pass. The people in Iceland cannot wait for this measure to pass, so that they can ask us for military aid to protect Iceland from the British. If they do not get the military aid from us——

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. GRAVEL. I should like to finish. I have been very accommodating to my senior colleague, but I should like to finish this point

What will happen is that we will have moved unilaterally, and the actions of Iceland, which were lost in the international court, which were declared illegal in the international court, would now be made legal, at least as they perceive it, by our actions. They would ask us for military aid to protect them from the British. That is an interesting consideration, because we consider the British our good friends, and we would not be prone to give Iceland military aid. That would mean that Iceland would have to get aid from another major military power. Who would that be? Obviously, Iceland, which is one of the bulwarks of our defense system, would have to appeal to the Soviet Union. This is a situation tailor-made to do what is being done in the Middle East; and it will move into the whole ocean area. So we perhaps would have a situation in which we would see Russian military vessels moving into Iceland to act as a barrier against British military action, trying to protect the economic interests as they see them. That is just one of the potential scenarios that can be developed.

Let me again correct the Senator from Maine, who stated that many, many countries have gone to 200 miles. That is not so. Only about 10 percent of the world's nations have gone to the 200 miles unilaterally. That is not recognized at all by the major powers of the world.

It certainly makes a difference when Brazil or Bangladesh goes 200 miles and when the United States, the most powerful nation on earth, goes 200 miles. It makes a big difference, because Brazil and Bangladesh cannot enforce what they have done and we can. So as soon as we set that in motion, Canada will have to go 200 miles, as will Britain, the Soviet Union, and Japan. Everybody will go 200 miles, and everybody will go 200 miles for interests as they see them.

It is similar to what was done by the Mexicans. Six days after the bill passed the House of Representatives, the Mexican Government, the executive of the Mexican Government, declared a 200-mile zone. To the uninitiated, this may sound just like what the House did. There is a big difference, because all the House did was to pass a 200-mile fisheries conservation zone. What Mexico did, and requested its Parliament to put in motion—and is now being ratified by all the equivalent states in Mexico—is a constitutional amendment that gives them patrimonial seas. That means that they not only take control of conservation for fisheries; they take control of all maritime activity above the water, in the water column, and below the water. That is considerably different from what we have done.

But you say, how can they do that? How can they not do that? If we legally can take 200 miles for the economic interests of our fisheries, what stops them from taking the 200 miles as they perceive their interests?

The patrimonial sea is nothing new for them. This is something that has many, many decades of legitimacy in their thought, as they perceive their interests with respect to the seas.

Let me underscore the point that I made earlier in disagreement with my respected colleague from the State of Maine. That is his view that this will help the international conference. In my view, this will actually thwart the international conference. I rest my case on the very simple, logical fact that if we can do something, so can any other country in the world. So when we legalize this action of taking, then any other country can similarly go take something that they view as in their interest.

When they do this, there is no reason to sit down and negotiate, because we have taken it, they have taken it. The impetus behind the conference evaporates; so we would see the conference peter to an end.

We will compound this great tragedy because, when we are done dealing with the fisheries, the mining interests will come to this Congress and say, "Gentlemen, you have satisfied the economic interests of the fisheries; now we want you to pass legislation satisfying our economic interest." I do not know of anybody who can stand up here with a straight face and say, "No, we cannot do it for you because you are different, but we can do it for the fishing community."

Let me make abundantly clear, so that there is no confusion, my view is that this legislation will hurt the fishing community, not help. There is only one way that we can acquire a 200-mile agreement that will be meaningful to the fishermen of my State and of the Nation. That is to have 200 miles which is enforceable—enforceable not by a Congress that will not appropriate the money to enforce, which is evident in this legislation, but enforceable because the mechanisms available will be so simple and so abundant. I am talking in this regard about what I spoke of earlier. That is to have observers.

Under the Law of the Sea, it would be as easy as pie to have observers on every single vessel that comes within our jurisdiction, because that would be the general intent of the Law of the Sea. But when we move unilaterally, there is no way to get that kind of agreement and, therefore, that kind of policing, and therefore, that kind of 200-mile agreement. The 200 miles we get under this legislation is a specious, cosmetic piece of legislation that will lead us to economic disaster in our fisheries. It is just that simple.

I address myself to one minor point, a minor point which I hope the Members of the body will come to realize is a major point. That is that my colleague from Maine said we could pass this legislation and this would act as pressure and, when the law of the sea comes into being, we can correct it. Or that this legislation would not take effect until the Law of the Sea Conference has a chance to act in the spring of this year. If that is the case, if the effective date of this legislation is placed forward to next year, why is it that we have to pass this legislation now? Why is it that we cannot wait? It is now the 19th of January. Why is it that we cannot wait until the 7th of May to measure the progress of this international conference? This legislation is going to have an effective date a year hence and we cannot wait what?—2½ or 4 months?—to find out if this international agreement will come into being when so much is at stake. I do not understand the need for panic, which is the position that is being taken by the committee in this regard. I think it is most significant that the International Conference on the Law of the Sea has been meeting through unofficial bodies, whether the Evanson group or bilateral meetings as people from our State Department travel the world, trying to secure agreement. We have made progress, significant progress, in certain areas, and there is no reason to expect that we cannot make progress in the one area that is in contention. That is in the deep-sea mining area. The rest of the conference is in general agreement. Why we cannot expect that that kind of progress could be made this year is beyond me.

I think I have responded to the best of my ability to the general points made by the Senator from Maine, and I yield the floor at this time.

Mr. STEVENS. Mr. President, I wonder if it would be possible to secure agreement on these other technical amendments with regard to some time so we can complete what our understanding is with the leadership about today. We have agreed to take just the technical amendments today, going to the committee amendments and the other nontechnical amendments tomorrow.

Would my colleague have any objection to that procedure?

Mr. GRAVEL. Well, no, on the face of it, but in reality, I have not found the leadership terribly accommodating to my position. If they are truly technical amendments, I would have no objection to them. But if the Senator's interpretation, which I now suspect——

Mr. STEVENS. Do not suspect my interpretation.

Mr. GRAVEL. From our colloquy, if the Senator's interpretation of what is technical is what I have already seen demonstrated, I might not have the same interpretation as to "technical". I do not want to prejudice my position, saying I do not think that is technical. If the Senator's amendment is technical, let us have that test.

Mr. STEVENS. Let me test it, then, Mr. President, if I may, and send to the desk a substitute for my amendment 1159.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 57, after line 14, insert the following new paragraph:

"(2) The Secretary shall have no authority to promulgate management regulations establishing a limited access system under subsection (b) (1) of this section unless such regulations have been approved by a majority of the membership of the Council involved."

Page 57, line 15, strike "(2)" and insert "(3)".

Page 57, line 19, strike "(3)" and insert "(4)".

Mr. STEVENS. Mr. President, this amendment was much sought after by Alaska fishermen. It has been discussed with members of our committee from other States. I originally had put in an amendment which would remove from the Secretary the authority to promulgate regulations establishing a Federal limited entry program. It was pointed out to me that some management councils in some areas of the country do, in fact, want a limited entry concept and that this original amendment would have taken away from the Secretary the right to promulgate regulations in the areas where it might be desired by the majority of the councils involved. So the new substitute for amendment 1159 provides that the Secretary has no authority to promulgate this limited access system under this section unless the regulations have been first approved by a majority of the council involved.

In other words, we feel that gear limitation proposals must originate with the regional management council and shall not originate with the Federal Government. That was the concept that was the intent of the committee. I believe that was our original intent.

Again, my colleague may not believe this is a technical amendment, but this is for the purpose of clarifying our intent with regard to the limited entry concept, which, as he has already remarked, is a very hot issue now in our State, and I think in other areas of the west coast.

I am hopeful that this amendment will be accepted. It is, again, an amendment to make certain that any concept of limited access or limited entry will originate with the councils involved and the

Secretary would only promulgate management regulations involving that concept if it were first approved by a majority of the regional council involved.

Mr. GRAVEL. If my colleague will state it again, in other words, the Secretary would not have the power to initiate. It would have to come from the council, is that the point?

Mr. STEVENS. Yes. The limited access system concept, which we call them, would have to originate or be approved by a majority of the council involved.

Mr. GRAVEL. Just for my own edification, on decisions between the Secretary and council, which is more binding? Is the council an autonomous group that can go out and make decisions or do they make decisions and then recommend to the Secretary?

Mr. STEVENS. They recommend regulations. They become Federal regulations by virtue of the approval by the Secretary and promulgation by him so they will then be enforceable by the Federal Government rather than by the State governments because there is, in all instances but one, more than one State government involved. We wish these regulations to be enforced within the constitutional sense against both U.S. citizens and noncitizens within the jurisdictional area for conservation purposes.

But it is a proposal—the Secretary must promulgate the regulations for them to be final.

Mr. GRAVEL. What I am trying to drive at is can the council—suppose there is a disagreement between the council and the secretary. Whose views would prevail?

Mr. STEVENS. Well, that would depend on the circumstance and, as a practical matter, the Secretary would not have to promulgate them if he disagreed with them, but there would be a potential for a review by the Fisheries Management Review Board where these matters would go for review if there was a dispute.

So, in the normal sense, the council would make the proposals. The Secretary would review them to see if they are consistent with the criteria that are set forth in the bill, and if they are, he then promulgates them. If he says they are not, then the matter can be taken to the Fisheries Review Board.

Mr. GRAVEL. Who appoints the members of the Fisheries Review Board?

Mr. STEVENS. They are appointed in a similar manner to the councils themselves, and if my colleague will look at page 60 they are appointed by the President.

Mr. GRAVEL. What page number?

Mr. STEVENS. Page 60. Five members appointed by the President, with the advice of this body.

Mr. GRAVEL. So five members are appointed by the President.

Mr. STEVENS. It has been pointed out to me that normally the Secretary would return the proposed regulation to the council with his disagreement. In other words, the process for review, ultimately is the appeal to the Review Board.

Mr. GRAVEL. Normally, as I read this, the President would appoint these people obviously on the recommendation of the Secretary, would he not? Yes. It says appointed by the President—the domain is within the Secretary, and obviously it would be the Secretary in a de facto fashion who would be appointing the members of the Review Council. So the council——

Mr. STEVENS. No; I must correct my colleague. If he will look at page 60 again he will see that they are to be appointed by the President from a list of qualified individuals submitted to the President by the National Governors' Conference, and that the list must contain not less than three individuals for each vacancy. The Secretary does not select the judges, if that is the point.

Mr. GRAVEL. Yes; that was my point and, I think, it is properly corrected here by what the Senator has done.

Mr. STEVENS. I hope the Senator will accept this as being a technical amendment because that is what it is. We have no intention to have the Secretary impose a system which, in some areas of the country, is anathema, and in other areas of the country is a solution. Each region should decide what it wants to have as far as a system for conservation is concerned.

(At this point Mr. BROCK assumed the chair.)

Mr. GRAVEL. I have no objection to the amendment. I was just trying to proceed, by using this, in developing my knowledge as to the relationship that would exist between the council and the Secretary, and that is primarily what I was concerned with.

I have no objection to this amendment.

Mr. STEVENS. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to Mr. STEVENS' amendment.

The amendment was agreed to.

Mr. GRAVEL. Mr. President, if I could address a question to my colleague on the same point, if he could clear up for me the relationship between the secretary and the council in the event there is a disagreement on policy. Now, in this particular case we have just passed this technical amendment which said the secretary cannot act with respect to limited access without the acquiescence of the council. That is what I understand we have just done. What does that mean for the balance of the activities that exist between the secretary and the council? Can the secretary disregard all other actions of the council or should we pass a technical amendment here that would require any decision made by the secretary to first receive the approval of the council?

Mr. STEVENS. Again I must answer my colleague by saying it depends upon the circumstance of who has the proper authority. As the Senator knows, in the fishing industry there are decisions which have to be made at times which are temporary in nature and which deal with a particular problem. So the answer is this: Normally, if the secretary does not agree he must send it back. But in an emergency there is an opportunity for the secretary to promulgate ad hoc, temporary short-term type regulations. We did not want the concept of limited entry to sneak in here under the guise of an emergency power, and that is why this amendment was offered.

AMENDMENT NO. 1186

May I, Mr. President, call up another amendment, amendment No. 1186.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes amendment No. 1186.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. Amendment No. 1186 is as follows:

On page 54, line 11, after "shall" insert: "initiate action on the formulation of such management plans and recommended regulations not later than sixty days after the first day on which all initial members of the Council have been appointed and taken office, and shall".

Mr. STEVENS. Mr. President, there was some question raised as to the timeliness of moving after the councils have been appointed.

The purpose of this amendment is to say that within 60 days after they are appointed and take office they have to initiate the action required under the act. Administratively, of course, we have a procedure to comply with, et cetera, but our intent is that they would not be appointed and just sit there; they have got to have some urgency toward initiating their plans. But again I want to point out this does not say they have to be completed by any particular time. It says they have got to get to work within 60 days after they are appointed. They would have to find an office; hire staff and do a lot of other things, but we want to put some sense of urgency into establishing the Management Council's framework, and this is what this amendment is for. I hope that it will also be taken as a technical concept. It means they have got 60 days to organize their house, and then they have got to start initiating——

Mr. GRAVEL. I have no objection to the amendment.

Mr. STEVENS. I move the adoption of that amendment also.

The PRESIDING OFFICER. The question is on agreeing to Mr. STEVENS' amendment (No. 1186).

The amendment was agreed to.

AMENDMENT NO. 1188

Mr. STEVENS. Mr. President, I would like to call up amendment 1188.

The PRESIDING OFFICER. The clerk will state the amendment by title.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes amendment No. 1188.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Amendment No. 1188 is as follows:

On page 51 between lines 6 and 7, insert the following:

(4) (a) the Governor of each State entitled to membership on a Council wishing to submit to the President, pursuant to this sub-

section, a list of names setting forth the individuals qualified to be appointed as members of such Council as representatives of each such State shall submit such a list to the President not later than 45 days after the date of enactment of this Act or March 15, 1976, whichever occurs last.

(b) Presidential appointments pursuant to this subsection shall be sent to the Senate for confirmation no later than 90 days after the date of enactment of this Act or April 1, 1976, whichever occurs last.

Mr. STEVENS. I want to explain this concept again. We have situation where we cannot compel the Governors of the States to submit nominations to the President, but we can ask them if they want to submit the names to the President that they do so within a specified timeframe. So what this says is that within 45 days after enactment of this act or March 15, 1976, whichever occurs last—in other words, it is 45 days, and I think we could strike that reference to March 15, 1976—the Governors must submit their names, and the President would have 90 days after the enactment of this act to submit the names to the Senate.

Again, we want to get the council into operation. We have another amendment which I think will become controversial. It is not being brought up at this time, and would make the act effective now but enforceable later so that the councils will get to work and the management scheme will be implemented and the regulatory process followed. The date on which those regulations will be enforced against anyone would be delayed in order to give the March session of Law of the Sea Conference as the Senator from Maine indicated, to make progress. Perhaps the matter would be reviewed on another basis later on, but at least the management framework is needed whether the Law of the Sea Conference agrees upon a 200 miles or it is unilaterally enacted.

We must have a fisherman's management regions, in any event, if it is to be constitutionally enforceable against anyone, be they noncitizens or citizens, it must be on the basis of due process. So due process must be complied with.

Again, unless there is some objection, I would like——

Mr. GRAVEL. I have no objection.

Mr. STEVENS. Mr. President, I would like to modify that amendment to strike the words "or March 15, 1976, whichever occurs last from lines 7 and 8, and to strike the words "or April 1, 1976, whichever occurs last".

This was submitted last year. Those are now no longer relevant.

The PRESIDING OFFICER. If the Senator will submit the modification to the desk, without objection, the modification will be agreed to.

Mr. STEVENS. And as modified, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to as follows:

On page 51 between lines 6 and 7, insert the following:

(4)(a) the Governor of each State entitled to membership on a Council wishing to submit to the President, pursuant to this subsection, a list of names setting forth the individuals qualified to be appointed as members of such Council as representatives of each such State shall submit such a list to the President not later than 45 days after the date of enactment of this Act.

(b) Presidential appointments pursuant to this subsection shall be sent to the Senate for confirmation no later than 90 days after the date of enactment of this Act.

Mr. STEVENS. Mr. President, we have no more noncontroversial amendments.

I understand that the Senator from South Carolina wishes the floor.

We do have other amendments that we will bring up.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, rarely have I seen the Senate so unified in attempting to accomplish a certain goal, but at the same time, so sharply divided on how to get the job done than in the case of S. 961, the fisheries bill.

Each Member is strong in his view that our coastal fish must be conserved and the American fishermen who bring this vital food to our tables must be protected.

The problem revolves around the best means to accomplish this task. The proponents of S. 961 favor unilateral action by establishing a 200-mile fishery conservation zone, while the opponents feel direct negotiations with other fishing nations is the wiser course.

My study of this problem has placed me on the side opposing a bill such as S. 961 for a number of reasons.

NEGOTIATIONS SUCCESSFUL

Briefly it is my belief U.S. fishing rights are being and can be further advanced through bilateral and multilateral negotiations. Further, it appears passage of this bill would create serious national security problems for the United States. Finally, this legislation would end a long standing U.S. policy of not recognizing unilateral claims of oceans' jurisdiction.

Mr. President, I would like to summarize briefly the points under these three headings which argue against passage of S. 961.

First, our national security interests and how they would be affected by S. 961.

ICELAND SITUATION

A classic example of what could happen is illustrated by the "cod war" underway between Iceland and Great Britain. In October Iceland imposed a 200-mile fishing zone about 10 days after House passage of a bill similar to S. 961.

Since that time these two countries, both our NATO allies, have been in a state of tension and potential conflict. On November 27 Icelander youths stoned the British Embassy in Reykjavik following a rally of 5,000 protesting British naval intervention. The British Navy sent their boats into the 200-mile zone to protect British fishermen working these waters.

On December 11 an Icelandic gunboat that had been rammed, opened fire on British vessels and as a result the British vessels were damaged and an Icelandic crewman injured.

This incident and the entire fishing problem has also led the leaders of Iceland to state that the patrolling by British warships in Iceland's waters was a powerful argument against NATO in Iceland today.

Mr. President, as the Iceland incident illustrates, unilateral action in establishing fishing zones can trigger national security problems not only for the nation setting up the zone, but for other nations as well.

Mr. President, I would like to refer to an article in the Los Angeles Times of the 13th of January 1976, headed "Iceland Threatens To Leave NATO—Break in Diplomatic Ties With Britain Virtually Certain in Fishing Dispute."

> BRUSSELS.—Iceland threatened to leave the North Atlantic Treaty Organization Monday if Britain does not withdraw its warships from disputed fishing zones off its coast.
>
> Iceland claims a 200-mile fishing limit off its coasts. Britain does not recognize the claim.
>
> Iceland served notice that it was virtually certain to break diplomatic relations with Britain in protest against the activities of Royal Navy warships in its disputed fishing zone.
>
> "There are now all signs that Iceland will break diplomatic relations with Britain because of the British frigates' rammings of Icelandic patrol vessels last week," Johannesson said.
>
> In Brussels, after a special meeting of NATO ambassadors, Icelandic Envoy Tomas Tomasson told reporters, "If the Royal Navy does not leave, this will lead to a consideration of our participation in this alliance."
>
> The NATO alliance urged Britain and Iceland to use restraint and said it was sending Secretary General Joseph Luns to Iceland to meet government leaders.

Mr. President, those are just some excerpts from that article in the Los Angeles Times. I believe it fully illustrates the dangers in a bill of this type, because after this bill providing for a 200-mile limit passed the House, this action was taken by Iceland. We can see the effect of legislation of this kind pending in the Congress of the United States.

MEXICAN INCIDENT

Another example may be found in Mexican waters. Following House passage of a fisheries bill, Mexico asked its legislature to establish a 200-mile fishing economic zone that would even restrict ships of a particular design in that zone.

Thus, it appears the tension created by unilateral action can make enemies out of friends and many lead to problems unrelated to fishing disputes.

Of greatest importance in the national security area is that unilateral action on fishing can encourage expanded territorial claims. This could lead to the following problems:

Restrictions on mobility in, on, and over the oceans by our Navy, Air Force, and merchant marine fleet;

The necessity to get permission to overfly territorial waters;

Prohibition of submarines operating in territorial waters, thus sharply reducing our area of operations;

Restrictions on surface ships in territorial waters if the affected coastal nation considers such ships a threat to its safety.

The trend on territorial claims is clear. In 1945 only three countries claimed territorial rights of 7 to 12 miles. In 1950 this number jumped to 20 and it is now 58. Further, about 23 countries claim territorial rights beyond 12 miles.

In 1966, when the United States increased its fishing zone to 12 miles, 51 nations extended their territorial claims and 50 claimed fishing zones.

In 1958, only two nations claimed 200-mile fishing zones, but now nine nations have made 200-mile territorial claims, none of which we recognize. These include seven nations in South America and two in Africa.

Finally, on this point, the Senate should know that the Chairman of the Joint Chiefs and the Chiefs of the Navy and Air Force have testified in opposition to S. 961 because of the restrictions on military operations and the cost of enforcement.

INTERNATIONAL LAW

Mr. President, another important aspect of this bill is that it violates the freedom of fishing agreements, one of four basic ocean freedoms agreed to by the United States at the 1958 Geneva Convention.

Three points on the international law problems need to be made:

Passage will effectively abrogate numerous existing fishing agreements.

S. 961 is contrary to longstanding U.S. policy and practice of not recognizing unilateral claims of oceans' jurisdiction.

Based on present international law, the United States is not recognizing on the west coast the 200-mile claims of Mexico, Ecuador, and other countries relative to our tuna fishing operations.

FISHING CLAIMS

The final point which needs to be addressed is the main thrust of the bill which attempts to solve problems for our fishermen on both coasts.

Opponents of S. 961 feel the United States is making good progress through bilateral and multilateral negotiations, while supporters of the bill see the need for unilateral action.

PROGRESS THROUGH NEGOTIATION

Let us examine this issue in more detail. First, country to country negotiations since 1972 have not only reduced the total catch within 200 miles of our shores for conservation reasons, but have sharply cut the catch by foreign vessels and increased the U.S. catch:

ATLANTIC PROGRESS

This is illustrated by the following quotas negotiated by the International Commission for Northwest Atlantic Fisheries:

In 1972 the total catch was 1.1 million tons, 83 percent foreign and 17 percent United States.

In 1974 the total catch was reduced to 923,000 tons, 79 percent foreign, 21 percent United States.

In 1975 the total catch was reduced to 850,000 tons, with the foreign catch at 75 percent and the U.S. catch at 25 percent.

In 1976, quotas approved by the ICNAF nations provide for a total take of 650,000 tons, 65 percent foreign and 35 percent United States.

Mr. President, the State Department advises the present U.S. quota is about all our northwest Atlantic fishermen can handle and the reduced foreign catch will allow needed conservation measures to take hold.

WEST COAST SITUATION

Now, on the west coast the United States has negotiated a good agreement with the Japanese, and passage of this bill would be a setback for the salmon industry which opposes S. 961. Presently the Japanese are taking only 3 percent of U.S. salmon. Further, other negotiations are about complete and when announced should demonstrate the effectiveness of solving these problems through bilateral and multilateral negotiations.

In summary, on the fishing aspects of the bill, these points need to be made:

Since last year, fishing quotas for the Soviets, Poles, Japanese, and other foreeigners have been reduced 23 percent.

BILATERAL AGREEMENT BETWEEN POLAND AND U.S.

On December 16 the United States announced the successful negotiation with Poland of an excellent fishing agreement which sets quotas with Poland in U.S. Pacific waters effective January 1, 1976.

The key points of this agreement include:

First. United States is allowed to set allowable catch for any species.

Second. U.S. fishermen can take as much of that allowable catch as their boats can handle.

Third. The remaining allowable catch is then allocated to fishermen of other nations.

Fourth. Poland agreed to a 39-percent reduction in the quotas for hake, the chief catch of the Polish boats.

Fifth. Poland also agreed to reduce their vessel days in the U.S. Pacific waters by the same 39 percent which gives real strength to the agreement, since the absence of their boats greatly reduces any violation of the quotas.

Sixth. Poland agreed to stay out of some areas entirely.

Seventh. Poland agreed to fish in some areas only certain times.

Eighth. This accomplishment, of course, was not known when the Commerce Committee wrote S. 961.

This outstanding agreement with Poland demonstrates the success our Government is having in bilateral and multilateral negotiations. Certainly the threat of S. 961 had a great deal to do with this outstanding agreement, but enactment of S. 961 would abrogate this agreement.

Further, solution of the hake fishing problems in the U.S. Pacific waters will be hopefully solved in negotiations with the Russians in February.

Mr. President, I ask unanimous consent that the press release issued by the Department of State entitled "United States and Poland Sign New Fisheries Agreement" be printed in the RECORD at this point.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

UNITED STATES AND POLAND SIGN NEW FISHERIES AGREEMENT

The United States and Poland signed today in Washington a new fisheries agreement concerning Polish fishing off the Pacific Coast of the United States.

The new agreement is the first bilateral transient agreement in employment of the new United States fisheries initiative. The United States fisheries initiative was announced by Secretary of State Henry A. Kissinger in a speech to the American Bar Association Convention in Montreal, Canada, last August. The Secretary described proposals in Congress to establish a 200-mile fishing zone by unilateral action as "extremely dangerous" and incompatible with efforts to solve fisheries problems in the Third United Nations Conference on the Law of the Sea.

"To conserve the fish and protect our fishing industry while the treaty is being negotiated," Secretary Kissinger said, "the United States will negotiate interim arrangements with other nations to conserve the fish stocks to ensure effective enforcement, and to protect the livelihood of our coastal fishermen."

"These arrangements will be a transition to the eventual 200-mile zone," he said.

The first step in the new initiative was successfully completed at the meeting of the International Commission for the Northwest Atlantic Fisheries in October. Among other things, member countries (other than the United States) that fish off the United States Atlantic Coast agreed to reduce their catch in 1976 by 34 per cent over 1975. In succeeding negotiations, the United States will continue to pursue the objectives and principles of the fisheries initiative.

The agreement with Poland includes, for the first time, principles that will govern future fishing off the Pacific Coast of the United States by Polish fishermen. These principles are based on the consensus emerging from the United Nations Conference on the Law of the Sea concerning legal and jurisdictional changes in the regime of fisheries management within 200 miles of coastal countries.

The new principles are designed to adjust future Polish fishing to the new regime. Poland agrees that the United States will determine the total allowable catch for species off the Pacific Coast on the basis of the best available scientific evidence. Within this total, which will be set to ensure the effective conservation of the stocks, American fishermen will have a preference to that part of the total they are able to harvest. Any surplus within the total will be allocated among foreign fishermen.

In the elaboration of these principle, substantial new restrictions and controls affecting Polish fishing operations in the North Pacific, designed to protect resources off the United States coast and the special interests of U.S. fishermen, were agreed to by Poland.

Under terms of the former agreement, Poland harvested 42,500 metric tons of hake off the U.S. Pacific Coast in 1975. Under the new agreement, Poland's hake quota has been reduced in 1976 by 39 per cent to 26,000 metric tons. Poland also agreed to reduce its fishing effort by a similar percentage in terms of numbers of days that its fishing and processing vessels will engage in the hake fishery. Under this arrangement, Poland will move its fleet seaward off the U.S. coast when it has reached its hake quota or the agreed number of vessel-days, whichever occurs first. This measure will serve to protect certain important coastal species, such as rockfish, which are taken incidentally by foreign countries while fishing for hake.

Even with the new restrictions and controls in the Polish fishery, the total harvest of Pacific hake is, however, in excess of maximum sustainable yield level since, in addition to Poland, several other foreign countries are engaged in the hake fishery. Therefore, the United States will seek to reduce the catches made by other nations in future negotiations to protect the hake stock.

Poland also agreed to reduce the total number of vessels it plans to license for operation off the U.S. Pacific Coast in 1976* from 15 to 12, and to reduce the number of fishing and processing vessels that will be permitted in various areas and times off the U.S. coast from 11 to 8.

A provision in the former agreement prohibiting fisheries by Poland on Pacific salmon, halibut, rockfish, blackcod, flounders and soles, Pacific mackerel, shrimp and continental shelf resources, was expanded to include Pacific herring as well in 1976.

New area and time restrictions have also been incorporated in the new agreement. For example, Poland agreed to refrain from fishing year-round from 38°30′ North Latitude off the coast of northern California south to the US-Mexico border to help protect rockfish and juvenile hake stocks. In the Gulf of Alaska, Poland agreed to refrain from fishing in certain areas and times, similar to provisions in the U.S. agreements with Japan and the Soviet Union, to protect halibut and other groundfish stocks and to reduce fishing gear conflicts. In addition, Poland agreed to refrain from fishing for a nine-month period in a large area between 147°W and 157°W Longitude in the vicinity of Kodiak Island, Alaska.

Other restrictions and measures contained in the former agreement, including a voluntary inspection scheme, conciliation of gear loss and vessel damage claims, and the opportunity to place U.S. observers aboard Polish vessels to collect scientific data, are continued in the 1976 agreement.

The new agreement was signed on behalf of the United States by Miss Rozanne Ridgway, Deputy Assistant Secretary for Oceans and Fisheries Affairs, Department of State, who headed the U.S. Delegation. The Polish Charge d'Affaires, a.i., Minister Jozef Wiejacz, signed for the Polish People's Republic. The agreement will be effective for one year, starting January 1, 1976.

Mr. THURMOND. Mr. President, since 1972, total quotas allowed foreign fishermen have been cut by 50 percent. U.S. unilateral action, such as S. 961, would wipe out these valuable gains. Gulf coast shrimp fishermen, as well as the tuna fleet, could be seriously injured by similar claims.

Mr. President, in closing I recognize this has been a long statement, but this is an important issue.

Although I am sympathetic to those Members who are most affected by these fishing problems, it is nevertheless my view their own interests would be best served by allowing country-to-country negotiations to continue at least for another year. It is my feeling the fishing interests will be best served by such an approach and additionally, such a solution would relieve us of many national security problems.

Late last week seven of my colleagues joined me in a "Dear Colleague" letter which is now on the desks of the membership. It is my hope each Senator will study this letter carefully and take note of the editorials from the New York Times, Wall Street Journal, and Washington Post which oppose S. 961. In conclusion, I ask unanimous consent that this letter and its attachments be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. Brock). Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, the Chief of Naval Operations, Adm. James L. Holloway III, made a strong statement before the Armed Services Committee on this measure. I wish to quote an excerpt from his statement. He said:

Our economy depends on free movement of raw materials and manufactured goods by sea. This movement is protected in part by the 1958 Convention on the High Seas which recognized the following general principles of international law: (1) freedom of navigation (2) freedom of fishing (3) freedom to lay submarine cables and pipelines and (4) freedom to fly over the high seas. The legislation before you would unilaterally abrogate freedom of fishing out to 200 miles which is one of the constituent elements of the overall freedom of the high seas. Such action would be a beginning to "creeping jurisdiction" which leads to full territorial claims.

The response of other nations is not likely to be limited to comparable legislation. For instance a few days after House approval of a similar unilateral bill, Mexico also announced a unilateral claim, but its claim went far beyond those made in S. 961. We face the unhappy prospect that other nations, stimulated by U.S. action, will claim the right to abrogate unilaterally other identified freedoms, including the freedoms of navigation and overflight leading finally, to full sovereignty. We are faced with choosing to contest such claims; trying to make costly bilateral agreements on rights of movement, or acquiescing in being potentially excluded from almost 40% of the world's oceans area.

In the testimony last year of the Chairman of the Joint Chiefs of Staff, General Brown, he strongly opposed unilateral legislation and delineated in detail why such "creeping jurisdiction" leading to greatly expanded territorial seas must be stopped through the achievement of an equitable, timely and comprehensive Law of the Sea Treaty.

The effect of a 200-mile territorial sea extending off the coasts of many nations in the world would be detrimental to military mobility. It would result in the prohibition of overflight by military aircraft and submerged operation of submarines except at the sufferance of a coastal state in almost forty percent of what is internationally recognized as high seas. The entire Mediterranean, the operating area of the Sixth Fleet, would be territorial seas of the littoral states and could be closed completely to the United States. Similarly, large portions of the operating area of the Seventh Fleet would become territorial sea. An unconstrained extension to even 12 miles would close the straits of Bab El Mandeb, Dover, Gibraltar, Hormuz and Lombok. Virtually every passage now narrow enough to be called a strait would be closed by the extension of territorial waters to 200 miles.

In the past we have asserted that no nation may unilaterally abrogate high seas freedoms—that only through multilateral negotiation can the necessary adjustments in coastal state resource jurisdiction be properly accommodated with the community and common interests of mankind as a whole. Our departure from this practice would encourage other nations to do the same.

Mr. President, I ask unanimous consent that the entire statement of Admiral Holloway be printed in the Record at this point in my remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Prepared Statement of Adm. James L. Holloway, III

Mr. Chairman and Members of the Committee: I appreciate the opportunity to appear on behalf of the Chairman, JCS before this Committee to present the military assessment of the impact of U.S. unilateral claims to jurisdiction over the high seas. The Magnuson Fisheries Management and Conservation Act (S. 961) is such a claim, and I consider that passage of this legislation at this time would be detrimental to our security interests, since it would delay and perhaps destroy chances for achieving a rule in the oceans through the medium of a widely accepted, equitable Law of the Sea Treaty.

Our fundamental security interest in the rule of law in the oceans is reduction of sources of conflict. To do this we must look ahead, and develop a regime in the seas which will reduce the potential for conflict by reducing uncertainty of law and reducing the possibilities of confrontation over competing claims. The United States has consistently supported the development of a reasonable Law of the Sea Treaty as the best means of achieving such a regime. Our studies by the JCS in recent years have pointed to the potential for ever increasing confrontations, chaos, challenges, and conflict in the oceans, unless a new, comprehensive, Law of the Sea Treaty is concluded. The oceans are a last frontier. They have been subject to ever increasing unilateral claims to national jurisdiction since World War II.

The position of the United States has been and should continue to be one of opposing such unilateral claims. By our nonrecognition the number of these unilateral claims has remained small. Only nine nations thus far claim full territorial seas of 200 miles while four others claim lesser jurisdiction over the same distance. Those closest to the daily negotiations on the Law of the Sea indicate that this number will multiply rapidly if our country reverses itself and moves unilaterally to increase its jurisdiction over the high seas.

Our economy depends on free movement of raw materials and manufactured goods by sea. This movement is protected in part by the 1958 Convention on the High Seas which recognized the following general principles of international law: (1) freedom of navigation (2) freedom of fishing (3) freedom to lary submarine cables and pipelines and (4) freedom to fly over the high seas. The legislation before you would unilaterally abrogate freedom of fishing out to 200 miles which is one of the constituent elements of the overall freedom of the high seas. Such action would be a beginning to "creeping jurisdiction" which leads to full territorial claims.

The response of other nations is not likely to be limited to comparable legislation. For instance a few days after House approval of a similar unilateral bill, Mexico also announced a unilateral claim, but its claim went far beyond those made in S. 961. We face the unhappy prospect that other nations, stimulated by U.S. action, will claim the right to abrogate unilaterally other identified freedoms, including the freedoms of navigation and overflight leading finally, to full sovereignty. We are faced with choosing to contest such claims; trying to make closely bilateral agreements on rights of movement, or acquiescing in being potentially excluded from almost 40% of the world's oceans area.

In the testimony last year of the Chairman of the Joint Chiefs of Staff, General Brown, he strongly opposed unilateral legislation and delineated in detail why such "creeping jurisdiction" leading to greatly expanded territorial seas must be stopped through the achievement of an equitable, timely and comprehensive Law of the Sea Treaty.

The effect of a 200-mile territorial sea extending off the coasts of many nations in the world would be detrimental to military mobility. It would result in the prohibition of overflight by military aircraft and submerged operation of submarines except at the sufferance of a coastal state in almost forty percent of what is internationally recognized as high seas. The entire Mediterranean, the operating area of the Sixth Fleet, would be territorial seas of the littoral states and could be closed completely to the United States. Similarly, large portions of the operating area of the Seventh Fleet would become territorial sea. An unconstrained extension to even 12 miles would close the straits of Bab El Mandeb, Dover, Gibraltar, Hormuz, and Lombok. Virtually every passage now narrow enough to be called a strait would be closed by the extension of territorial waters to 200 miles.

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*Original press release incorrectly read 1977 instead of 1976.

In the past we have asserted that no nation may unilaterally abrogate high seas freedoms—that only through multilateral negotiation can the necessary adjustments in coastal state resource jurisdiction be properly accommodated with the community and common interests of mankind as a whole. Our departure from this practice would encourage other nations to do the same.

Our experience in attempting to obtain overflight clearances in Europe during the most recent Arab-Israeli conflict leads us to believe that bilateral negotiations cannot be depended upon to ensure the military mobility necessary to achieve U.S. foreign policy objectives.

General Brown spoke last year to the needs of the U.S. Air Force for keeping rights of overflight, rights not enjoyed over sovereign areas. He also spoke to the impact on our nuclear submarine forces of increasing territoriality and the loss of high seas areas for submerged operations. This committee knows of the importance of global mobility in an era of decreasing overseas presence, and what competing unilateralism means in terms of loss of movement. Whatever hurts our chances for a comprehensive, timely Law of the Sea Treaty directly hurts our military security.

Mr. Chairman, a Law of the Sea Treaty which gives us a settled regime in the oceans greatly reduces sources of conflict among nations. Such conflict has been caused by competing unilateral claims to various jurisdictions—claims which eventually extend to full sovereignty. If the U.S. unilaterally declares a 200 mile fishing zone, as proposed in S. 961, after our years of constant opposition which has helped to keep such claims by others at a minimum, we will at the very least, slow up the positive momentum now existing in the Law of the Sea negotiations, and quite probably destroy our chance for an agreement that supports our present and future security needs in the oceans. It is for this reason that the military services recommend against the proposed unilaterial legislation.

General Jones has endorsed the substance of my remarks and we will respond to any questions you may have regarding security implications of the proposed legislation. Rear Admiral Morris, the JCS Representative for the four services at the Law of the Sea Conference, can reply to specific questions regarding that undertaking.

Thank you.

Mr. THURMOND. Mr. President, General Jones, the Chief of Staff of the Air Force, testified before the Committee on Armed Services on November 19, 1975, and I wish to state here a portion of his statement.

General Jones. I associated myself with the remarks in the statement of Admiral Holloway. Many have asked, when they heard that I was coming to testify on the Law of the Seas and the Emergency Marine Fisheries Protection Act, what the Air Force was doing in this business. And of course, the point is the one that Admiral Holloway made, which is that what happens on the sea impacts the air overhead, and our need to fly unimpeded over international waters.

In the last few days, I have spent a great deal of time studying the previous testimony, and whatever else I could find. As an American I am very sympathetic to the problem of our fishing industry, of the depletion of our stocks and other problems of the sea, ecology, such as hopefully we can resolve this problem, and solve it in a way that does not increase the probability of some sort of confrontation.

The concern, of course, is the one expressed of creeping jurisdiction, and the implications of the United States being the leader in taking an action. We cannot say with 100 percent assurance if this bill is passed, that other nations will start moving in this direction, but the history has shown that this is the trend. And our concern, of course, is with our unarmed transports.

Really the problem in the air is in some ways more severe than on the surface, because on the surface we do have 2,000 years of precedent on the right of innocent passage. That is not everything, but at least it is the right of innocent passage into, and through the territorial waters of foreign countries. But military aircraft do not have the right of innocent passage over the territorial seas of another country. So we are very, very concerned about the possible extension of territorial limits.

We realize that this act does not extend our territorial limits, and it is limited only to fishing. But if we take this action and say it is to our advantage to deviate from the 1958 agreement, then other nations may believe they also have a right to. We end up with this creeping jurisdiction and an increased probability of conflict. There is also an increased probability of our long-range transports not being able to resupply our own forces or other forces without being escorted, without having to go on different routes, and in certain cases being denied overflight. So it is of deep concern to us, Mr. Chairman, on the overflight rights.

Mr. President, I ask unanimous consent that the full statement of General Jones be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT BY GENERAL JONES

General Jones. I associate myself with the remarks in the statement of Admiral Holloway. Many have asked, when they heard that I was coming to testify on the Law of the Seas and the Emergency Marine Fisheries Protection Act, what the Air Force was doing in this business. And of course, the point is the one that Admiral Holloway made, which is that what happens on the sea impacts the air overhead, and our need to fly unimpeded over international waters.

In the last few days, I have spent a great deal of time studying the previous testimony, and whatever else I could find. As an American I am very sympathetic to the problem of our fishing industry, of the depletion of our stocks and other problems of the sea, ecology, such as hopefully we can resolve this problem, and solve it in a way that does not increase the probability of some sort of confrontation.

The concern, of course, is the one expressed of creeping jurisdiction, and the implications of the United States being the leader in taking an action. We cannot say with 100 percent assurance if this bill is passed, that other nations will start moving in this direction, but the history has shown that this is the trend. And our concern, of course, is with our unarmed transports.

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Mr. THURMOND. Mr. President, I have a statement here issued by Gen. George S. Brown, U.S. Air Force, Chairman of the Joint Chiefs of Staff, and he was accompanied by Rear Adm. Max K. Morris, U.S. Navy, Joint Chiefs' representative to the Law of the Sea Conference.

I shall not take time to read his entire statement, but I will read into the Record a few excerpts.

This is on page 2 of his statement:

The proposed legislation would unilaterally abrogate freedom of fishing, one of the constituent elements of the overall freedom of the high seas. The response of other nations to this legislation is not likely to be limited to comparable restrictions on fishing. If the United States, by unilateral act, abrogates one identified freedom, we face the unhappy prospect that other nations may claim the right unilaterally to abrogate other identified freedoms, including the essential freedoms of navigation and overflight.

In response, many nations will surely claim 200-mile exclusive fishing zones. Some will claim 200-mile pollution control zones. Some will claim the right throughout such areas to promulgate and endorse restrictive regulations of various sorts against vessels bearing vital energy supplies to our shores. Some will attempt to prohibit nuclear-powered vessels, or vessels and aircraft carrying strategic weapons from venturing within 200 miles of their coast. Some will even claim a 200-mile zone of sovereignty, thereby completely barring our aircraft and submergerd submarines from their claimed zone. This is the history of the growth of such claims. Prior to our claim of a 12-nautical mile fishing limit, there were only 25 claims to a territorial sea of 12 nautical miles or more. There are now over 80 such claims.

The effect of a 200-mile territorial sea extending off the coasts of many nations in the world would be devastating to military mobility.

Mr. President, another excerpt from General Brown's statement:

If the United States now abandons its opposition to unilateral claims in the ocean, we will inevitably be faced with an increasing number of competing, retaliatory, or unrelated claims impacting adversely on national security interests.

If, as we expect, enactment of this legislation were to result in extended delay in the law of the sea negotiations, we will have reverted to the uncertain and dangerous procedure of shaping a new legal order for the world's oceans by the process of claim and counterclaim, action and reaction, which eventually would coalesce into customary international law. This is a dangerous way to regulate any relations among states. But when the claims begin to affect the mobility of our strategic and general-purpose forces, the risk involved in the process of challenge is much higher. To set the nation on this path toward resolution of oceans policy issues is, in my view, both dangerous and unwise.

Mr. President, those excerpts, as I said, were from the statement of General Brown before the Committee on Armed Services.

Mr. President, I ask unanimous consent that his entire statement be printed in the Record at this point in my remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF GEN. GEORGE S. BROWN, U.S. AIR FORCE, CHAIRMAN, JOINT CHIEFS OF STAFF, ACCOMPANIED BY REAR ADM. MAX K. MORRIS, U.S. NAVY, JOINT CHIEFS REPRESENTATIVE TO THE LAW OF THE SEA CONFERENCE

General Brown. Mr. Chairman and Senator Thurmond, I appreciate the opportunity to appear before this committee to present our assessment of the impact that passage of the Emergency Marine Fisheries Protection Act of 1974 would have on the security of the United States.

First, I assure the committee that the Department of Defense is well aware of the difficulties being experienced by our coastal fishermen. A solution to these problems must be found. Any such solution, however, must be compatible with our national security interests. I am convinced that passage of this legislation at this time would be counter to the security interests of the United States.

The major U.S. military interest in the seas is maximum mobility for our operations free of interference by others. The United States—like virtually all of the major powers that have preceded it in history—has fundamental high seas interests integrally related to its major power responsibilities and its security.

The mobility of our strategic and general purpose forces becomes a more important factor in our security as the presence of our forces—both strategic and general purpose—on foreign territory is reduced. Worldwide commitments and long lines of communications place additional emphasis on mobility requirements. Furthermore, the ability of our deterrent forces to carry out their mission cannot be dependent on the sufferance of other nations who may perceive their interests as different from ours.

In regard to our strategic forces, they must be numerous enough, efficient enough, and deployed in such a way that a potential aggressor will always know that the sure result of any type of nuclear attack against the United States is unacceptable damage from our retaliation. Furthermore, these forces are essential to the maintenance of a stable political environment within which the threat of aggression or coercion against the United States or its allies is minimized.

Thus, the survivability of our strategic forces is essential to the protection of our vital interests. As an indispensable element of our strategic forces, the United States seaborne nuclear deterrent is dependent not only upon freedom of mobility in the oceans and through certain international straits but upon secrecy. In the territorial sea, submarines are required to navigate on the surface. In the absence of free passage through straits, an extension of the territorial sea from 3 to 12 miles would force us, as to many straits used for international navigation, including Gibraltar, to attempt to strike the best possible bilateral bargain for consent to transit submerged. The cost of this consent may be expected to increase with the magnitude of the known U.S. interest involved.

Our general purpose forces now play a larger role in deterring attacks than at any time since the nuclear era began. Like our strategic seaborne forces, our general purpose naval and air forces depend upon the maximum mobility for their operations, free of interference by others. This mobility will be particularly important to our ability to deter or respond to localized aggression during a period of decreasing overseas presence. Our mobility currently depends upon freedom to navigate on and under the high seas and through certain international straits and freedom to fly over the high seas and certain international straits. Authority for coastal States to regulate these activities degrades our mobility and threatens the peace.

Our antisubmarine warfare operations involve surface and air units that cannot conduct such operations in foreign territorial seas without consent. As such operations can be easily observed, our ability to track Soviet submarines that entered foreign territorial seas submerged—legally or illegally—would be diminished as the territorial sea is extended farther seaward.

With this background, it is now appropriate to assess the impact of the pending legislation on these interests.

The Convention on the High Seas of 1958 specifically lists four high seas freedoms which are recognized by the general principles of international law. They are: (1) freedom of navigation, (2) freedom of fishing, (3) freedom to lay submarine cables and pipelines, and (4) freedom to fly over the high seas. The United States and 52 other nations are parties to this Convention.

The proposed legislation would unilaterally abrogate freedom of fishing, one of the constituent elements of the overall freedom of the high seas. The response of other nations to this legislation is not likely to be limited to comparable restrictions on fishing. If the United States, by unilateral act, abrogates one identified freedom, we face the unhappy prospect that other nations may claim the right unilaterally to abrogate other identified freedoms, including the essential freedoms of navigation and overflight.

In response, many nations will surely claim 200-mile exclusive fishing zones. Some will claim 200-mile pollution control zones. Some will claim the right throughout such areas to promulgate and endorse restrictive regulations of various sorts against vessels bearing vital energy supplies to our shores. Some will attempt to prohibit nuclear-powered vessels, or vessels and aircraft carrying strategic weapons from venturing within 200 miles of their coast. Some will even claim a 200-mile zone of sovereignty, thereby completely barring our aircraft and submerged submarines from their claimed zone. This is the history of the growth of such claims. Prior to our claim of a 12-nautical mile fishing limit, there were only 25 claims to a territorial sea of 12 nautical miles or more. There are now over 80 such claims.

The effect of a 200-mile territorial sea extending off the coasts of many nations in the world would be devastating to military mobility. It would result in the prohibition of overflight by aircraft and submerged operation of submarines except at the sufferance of a coastal state in almost 40 percent of what is now internationally recognized as high seas. The entire Mediterranean would be territorial seas of the littoral states and could be closed completely to the United States. Virtually the entire operating area of both the 7th and 6th Fleets would become territorial sea. An unconstrained extension to even 12 miles would close the Straits of Bab El Mandeb, Dover, Gibraltar, Hormuz, and Lombok. Virtually every passage now narrow enough to be called a strait would be closed by 200 miles.

How will we respond to such claims, Mr. Chairman? We have consistently maintained that no nation may unilaterally abrogate high seas freedoms—that only through multilateral negotiation can the necessary adjustments in coastal state jurisdiction be properly accommodated with the common interest of mankind as a whole. What will be our response after we, too, have succumbed to the temptation of the quick unilateral solution presented in this bill?

Our experience with overflight clearances in Europe during the most recent Mideast conflict leads us to conclude that bilateral negotiations cannot be depended upon to insure that military mobility necessary to achieve U.S. foreign policy objectives. What this bill invites, then, is a situation wherein the United States must either acquiesce in serious erosion of its rights to use the world's oceans, or must be prepared to forcefully assert or purchase those rights.

Let me turn now to the events to be anticipated off our own coasts. It is highly unlikely that the major maritime powers who fish off our coast, especially Japan and the Soviet Union, would acknowledge the validity of a sweeping claim. To do so would totally undercut their own position both on fisheries in general and in the law of the sea negotiations in particular. We must, therefore, assume that such vessels would not seek our permission to fish within 200 miles of our coasts and that they would continue to do so. Enforcement of the act would involve boarding, inspection, arrest, and seizure. I cannot predict with certainty how they would react to such enforcement measures by the United States.

I can, however, clearly point to the history of the last year in which the United Kingdom responded to a claim of a 50-mile fishery zone on the part of Iceland by providing warship escort for the British fishing vessels.

Our claim would be even more contentious than that which Iceland has made for two reasons. First, our claim would be more expansive—200 miles rather than 50 miles—and, second, since that time the International Court of Justice has found Iceland's actions in making such a claim to be in contravention of the rights of others. Should other nations choose to follow the pattern set by the United Kingdom of providing warship escort for fishing vessels, we would be faced with a direct military confrontation which could easily spread. I am, of course, not suggesting that we would not be able to meet and defeat such a threat. I do suggest that the risk of confrontation is unwarranted.

I would now like to turn to the effects which enactment of this bill would be likely to have on our ability to achieve a law of the sea treaty. From the very beginning of the law of the sea negotiations, the United States has been the strongest advocate of the principle that international conflicts concerning uses of the ocean can only be effectively resolved through international agreement. We have invariably protested unilateral claims by other states, whether to extended territorial seas or extended jurisdiction of one type or another, such as fishing jurisdiction. Our protest notes normally stress our view that unilateral claims to extended jurisdiction during the course of negotiations can only inhibit the negotiations and decrease the likelihood of reaching agreement.

A dramatic reversal of the position from which we have been negotiating, practically on the eve of what is apparently the most crucial negotiating session, would seem to be capable of no other effect than utterly destroying our credibility, along with rendering slim or even nonexistent our ability to obtain an overall package settlement of the existing disputes concerning ocean uses.

Mr. Chairman, I believe that the best way of preserving our essential mobility is through a comprehensive law of the sea treaty which will, in settling existing and potential conflicts, reaffirm, by treaty our vital rights of navigation, overflight, and unimpeded passage of international straits. The alternative would be their preservation through their continued exercise despite the denial by others of our right to do so, and the use of force, in defense of such rights, when confronted by the force of others.

In summary, Mr. Chairman, it is my earnest assessment that the interests of the United States in establishing an equitable and stable regime for the oceans which will protect all of our interests—resources as well as national security—are best served by not precipitating unilateral acts such as those which would result upon the passage of S. 1988, but rather by seeking and achieving international agreement in the law of the sea treaty.

In my judgment, enactment of the proposed legislation would seriously erode the prospect for a broadly based multilateral treaty putting to rest the wide range of increasingly contentious ocean issues. Enactment of the proposed legislation would be a dramatic and highly visible reversal of past U.S. policy. For the United States to adopt unilateralism as a viable approach to oceans policy problems at this juncture would seriously undercut the credibility of U.S. negotiators not only on the fisheries issue, but also on our basic commitment to international agreement. This unilateral action could result in an erosion of the world's perception of our other essential objectives such as unimpeded transit through and over straits, which we have identified as both cornerstones of our policy and essential elements of an acceptable solution.

If the United States now abandons its opposition to unilateral claims in the ocean, we will inevitably be faced with an increasing number of competing, retaliatory, or unrelated claims impacting adversely on national security interests.

If, as we expect, enactment of this legislation were to result in extended delay in the law of the sea negotiations, we will have reverted to the uncertain and dangerous procedure of shaping a new legal order for the world's oceans by the process of claim and counterclaim, action and reaction, which eventually would coalesce into customary international law. This is a dangerous way to regulate any relations among states. But when the claims begin to affect the mobility of our strategic and general purpose forces, the risk involved in the process of challenge is much higher. To set the nation on this path toward resolution of oceans policy issues is, in my view, both dangerous and unwise.

Thank you, Mr. Chairman.

The Chairman. We have with us also Mr. John Norton Moore, Chairman of the National Security Council Interagency Task Force on the Law of the Sea, Department of State.

Mr. THURMOND. Mr. President, I have a statement of John N. Moore, the Chairman of the National Security Council Interagency Task Force on the Law of the Sea and Deputy Special Representative of the President for the Law of the Sea Conference. He testified before the Committee on Armed Services on November 19, and I wish to quote an excerpt from his statement.

In considering the impact of a unilateral U.S. claim, it must be borne in mind that great maritime powers are traditionally the most reluctant to support unilateral extensions of jurisdiction over the high seas. Thus much of the rest of the World would regard any U.S. claim as a minimum, not a maximum, indication of permissible unilateral assertions of jurisdiction. Moreover, there would be a great temptation in other countries to strike while the iron is hot and blame the consequent confusion regarding navigation and other freedoms—detrimental to U.S. interests—on the domestic political pressure in their own countries created by the U.S. precedent and the domestic political need to go beyond the U.S. claim. We should keep in mind in this connection that the U.S. is the number one user of the world's oceans.

In the law of the sea negotiations, a number of nations directly oppose our interests in protecting navigation. Some argue for restrictions and political controls in straits while others want to close territorial seas to certain types of vessels. Some of these nations may well be willing to use U.S. action on fisheries to justify their own future actions restricting navigation and scientific research. A unilateral extension of fisheries jurisdiction by the U.S. will clearly undercut our political ability to prevent those actions.

Mr. President, I ask unanimous consent that the entire statement of Mr. John Norton Moore be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Prepared Statement of the Honorable John Norton Moore

Mr. Chairman, Members of the Committee, I appreciate the opportunity to appear before the Committee to testify in opposition to S. 961, a bill which would extend U.S. fisheries jurisdiction to 200 miles onto the high seas. That bill—if passed and enacted into law—would breach solemn treaty obligations of the United States, would severely harm United States oceans and foreign relations interests, and would mark a step backward in mankind's efforts to achieve a stable order for the world's oceans.

All can agree with the purpose of this bill; to protect fish stocks off our coasts until such time as a fully effective Law of the Sea Treaty is in force. In the past, certain stocks have been seriously damaged by overfishing. Despite past overfishing, however, recent fishery agreements have dramatically turned the tide in protection of stocks off our coasts. At the present time, approximately only ten to fifteen, if that, of the more than 100 species off our coast of interest to commercial sportsfishermen are expected to be below maximum sustainable yield and declining as a result of foreign fishing. Moreover, S. 961 or other bills which would unilaterally extend U.S. fisheries jurisdiction from the present 12-mile limit to 200 miles, are neither the most effective way to deal with our remaining fisheries problems nor compatible with the diverse interests of the United States as the number one user of the world's oceans.

The Third United Nations Conference on the Law of the Sea—dealing with issues of fundamental importance in all areas of oceans use—has held only eighteen weeks of substantive work. Despite such few weeks in formal session, there is broad agreement on a 200-mile economic zone as part of a comprehensive Law of the Sea Treaty. The Single Negotiating Text produced at the last session of the Conference makes clear that this zone could provide the kind of jurisdiction needed to ensure full management and conservation of coastal fish stocks while protecting our vital navigational interests. The text also provides for increased jurisdiction for the protection of our important salmon stocks. Although the Law of the Sea negotiations are difficult and time-consuming, they are on track and we have good expectations of concluding a treaty which would protect our important security interests in the oceans. There is simply no question that a comprehensive Law of the Sea Treaty will also provide full protection for coastal fish stocks.

We are aware that the Law of the Sea negotiations are difficult and that we cannot predict with certainty when a treaty will be concluded. As such, we have not relied solely on the prospect of a new Law of the Sea Treaty to bring overfishing off our coasts under control. Actions recently taken to protect coastal stocks include:

An intensification of efforts to strengthen protection from bilateral and limited multilateral fishery agreements with nations fishing off our coasts;

New enforcement measures which went into effect December 5, 1974, to strengthen protection for our continental shelf fishery resources.

That these measures are succeeding is illustrated by the successful outcome of the Special Meeting of the International Commission for the Northwest Atlantic Fisheries only seven weeks ago. The meeting, to which President Ford sent a personal message, was among the most successful in the history of the Commission and resulted in a 23 percent reduction in overall catch quotas over 1975 in the area from Maine to North Carolina. According to our fisheries scientists, operation at this level should provide for overall recovery of the stocks in the area rather than further decline. Agreement was also reached on closing a large area on Georges Bank to vessels using gear capable of catching the depleted yellowtail flounder, haddock, and other bottomfish. Similarly, bilateral negotiations with the Japanese have resulted in a reduction of their harvest of king crabs to less than 300,000 today. By contrast, the U.S. catch of king crab has increased from 123,000 to nearly nine million today. This year's agreement alone reduced Japanese king crab quota by nearly 60 percent from 700,000 crabs to 300,000. To cite another recent example, this year the Japanese agreed to reduce their catch of pollack in the Northern Pacific by nearly 30 percent from 1.5 million tons to 1.1 million tons. We will be negotiating with the Japanese to reduce allocations to the Maximum Sustainable Yield (MSY).

To further increase the protection for fish stocks off our coasts, Secretary Kissinger has recently announced a new initiative to negotiate the functional equivalent of a 200-mile fishing zone off the U.S. coast phased over the next one to three years. Our plan will be to accomplish through negotiations, not unilateral action, establishment of a fully effective conservation regime and preferential harvesting rights for United States fishermen within 200 miles off our coasts.

The principal—and only justifiable—rationale for S. 961 is as an emergency measure to protect fish stocks off our coast until a Law of the Sea Treaty can be concluded. Our new information, in the light of recent fishery agreements, indicates that efforts to meet the problem through negotiations have been successful. In view of this new information, the most important of which has been available only within the last few weeks, any rationale for S. 961 seems removed.

I would like to briefly survey the state of the stocks off the U.S. coast area by area to indicate which stocks are below maximum sustainable yield and declining in light of new agreements now in force. Many of these agreements were not in force when this Committee last addressed the problem.

THE NORTHWEST ATLANTIC FROM MAINE TO CAPE HATTERAS, N.C.

As a result of the recent historic ICNAF agreement, principal stocks in this area are expected to rebuild. The most pressing problems in the area, the condition of haddock and yellowtail flounder, are being addressed through new quota agreements severely restricting catch, and time and area closures that are expected to allow the stocks to regenerate. We were successful in closing most of the important Georges Bank area, a closure sufficiently large to provide satisfactory protection for these stocks and other bottomfish. Although certain stocks such as haddock remain depleted as a result of past overfishing, nothing in S. 961 can remedy past damage.

CAPE HATTERAS, N.C., TO THE FLORIDA KEYS

In this area, problems to stocks are minimal. At this time there are no stocks within this area which are below maximum sustainable yield and declining as a result of foreign fishing. The only depleted species within the region, menhaden, is found within the present U.S. exclusive fisheries jurisdiction of the 12-mile contiguous zone and has been depleted by U.S. fishing.

THE GULF OF MEXICO

There are no stocks within this area below maximum sustainable yield and declining as a result of foreign fishing. In contrast, our Gulf fishermen fish for shrimp and red snapper within 200 miles of other nations.

CALIFORNIA

Only one stock, Pacific hake, off the California coast is below maximum sustainable yield and declining as a result of foreign fishing. We do not now have a commercial fishery for Pacific hake. In contrast, California is the principal home port for the efficient U.S. tuna fleet which fishes within 200 miles of other nations and which lands about $138 million in tuna annually. Moreover, U.S. fishing is responsible for the depletion of several stocks off California, including the Pacific sardine.

THE NORTHEAST PACIFIC: OREGON AND WASHINGTON

Several stocks in this area continue to be fished beyond maximum sustainable yield, most importantly Pacific hake and rockfishes. Nevertheless, recent bilaterals with Japan and the Soviet Union have made major progress in controlling the overfishing. For example, the Japanese agreed this year to a 20% reduction in total bottomfish, 75% in rockfishes, and 63% in bottomfish in certain specific conservation zones. The Soviet agreement closes coastal areas off southern Washington, Oregon and Northern California to all Soviet trawling between November 1 and April 25 to protect bottomfish. The Soviets have also agreed to a 60% reduction in their incidental catch or rockfishes. Our estimates indicate that the two stocks of primary concern, Pacific hake and rockfishes, will require only a further 25 and 14 percent reduction respectively. In the light of recent progress this seems reasonably attainable in the near future and we will make every effort to that end.

THE GULF OF ALASKA AND THE BERING SEA

Several stocks in these areas continue to be fished beyond maximum sustainable yield, including pollack, rockfishes, sablefish and halibut. Nevertheless, recent bilaterals with the Soviet Union and Japan have made major progress in protecting these stocks.

For example, in the Gulf this year, the Soviets agreed to reduce their catch of pollack by 29%. Rockfish and sablefish, however, will require an additional 26 and 29 percent reduction, respectively, to reach maximum sustainable yield.

In the Bering Sea, Japan and the Soviet Union this year agreed to a reduction in their pollack fishing of approximately 27%. We estimate that an additional 24% reduction will be required to bring the harvest within the maximum sustainable yield. We believe reductions of this magnitude are feasible in the light of recent progress.

Incidental catch of halibut—in the course of a directed fishery for other species—has been a serious problem for Alaskan fishermen but recent measures to control incidental catch should reduce this problem.

We do not have a commercial fishery for pollack or Pacific hake, although at some time in the future one might be developed. In contrast, Alaska fishermen now harvest over $100 million in salmon yearly. These stocks depend for protection on the International North Pacific Fisheries Commission (INPFC) agreement with Japan and bilateral agreements with other nations. In the absence of agreement, these stocks would be vulnerable to capture beyond 200 miles since approximately 80% of the stocks migrate beyond 200 miles at some point during their life cycle.

In addition, as has been previously indicated, recent bilateral agreements have provided Alaskan fishermen with a great increase in protection and preference with respect to crabs. Salmon, crabs and shrimp (in Alaska found within the 12-mile U.S. exclusive fishery jurisdiction) are by far the greatest commercial harvest to Alaksa fishermen. Both crab and shrimp in Alaska are now under exclusive U.S. fisheries jurisdiction and salmon is largely protected pursuant to the INPFC agreement with Japan and other bilaterals.

Mr. Chairman, although I have previously indicated in testimony before this Committee reasons why passage of legislation such as S. 961 would severely damage the national interest, I would like to briefly indicate again for the record some of the serious objections to passage of such legislation. These include:

Such a unilateral extension would violate the pledged word of the United States as embodied in our solemn treaty obligations, including the important 1958 Geneva Convention on the High Seas;

Passage would seriously undermine our ability to prevent unilateral claims by others which could seriously harm U.S. defense and energy needs. The recent Mexican announcement of a 200-mile economic zone, possibly including jurisdiction over vessel operations and standards, is an illustration that these concerns are real and immediate;

Passage would seriously injure important U.S. tuna and shrimp interests which fish within 200 miles of other nations. The value of tuna landings caught in international waters off foreign shores by U.S. fishermen alone exceeds $138 million per year;

Passage would undermine U.S. leadership in the Law of the Sea negotiations and seriously damage the effort to obtain a stable order for the oceans;

Passage would undermine the establishment of international measures for the conservation and full utilization of oceans protein supplies; and

Confrontation with nations fishing off our coasts rather than a continuation of our successful fishery negotiations could delay rather than advance solution of remaining fishery problems.

None of these objections can be cured by a delayed effectilve date.

We must not as a nation fail to provide the leadership necessary to protect our national oceans interests and to guide all nations to a stable order for the oceans. Our fisheries interests, our security interests, and our strong interest in a stable oceans regime all require that we not enact S. 961. I urge that this Committee and the Senate firmly reject this bill and in doing so reaffirm United States leadership in oceans policy and the integrity of our pledged word.

SUPPLEMENTAL STATEMENT BY JOHN NORTON MOORE, CHAIRMAN, THE NSC INTERAGENCY TASK FORCE ON THE LAW OF THE SEA AND DEPUTY SPECIAL REPRESENTATIVE OF THE PRESIDENT FOR THE LAW OF THE SEA CONFERENCE

Enactment of legislation establishing United States' fishing jurisdiction to 200 miles will have a severe adverse impact on other United States' uses of the oceans off the coasts of other countries which will go far beyond fishery matters. Although by its terms S. 961 is limited to jurisdiction over fisheries, other countries could well use our action as a precedent to extend their own jurisdiction over other uses of the oceans which are vital to the United States.

The history of the law of the sea is replete with trends and individual actions in which nations have built their own extended claims of jurisdiction on the foundation of different claims advanced by others. The 20th Century unilateral claims to a 12-mile territorial sea began with a Russian claim of a 12-mile fishing zone, which was later "reinterpreted" as a territorial sea by the Soviet Government. The effect of extending the territorial sea to 12 miles in straits would severely damage the navigational and security interests in the absence of adequate agreement on unimpeded passage of straits.

In the 1940's the doctrine of jurisdiction over the resources of the continental shelf was developed with a clear limitation that the jurisdiction did not extend to the superjacent water column. However, in the early 1950's, Chile, Ecuador and Peru, with a very narrow continental shelf off their coasts, claimed sovereignty over the waters to 200 miles, clearly encouraged by the United States Truman Proclamation of 1945 regarding the continental shelf. They argued that if the U.S. could unilaterally extend its jurisdiction for one purpose that suits its interests, others could extend jurisdiction for other purposes that suit their interests. This process of South American 200-mile claims, originally for fisheries purposes, culminated in a Brazilian 200-mile territorial sea claim.

Article 2 of the 1958 Convention on the High Seas guarantees not only the freedom of fishing but also the freedoms of navigation, overflight, and the freedom to lay and maintain submarine cables and pipelines, as well as other freedoms recognized by general principles of international law. If the United States openly violates a specified freedom of the high seas, other nations would feel free to violate other freedoms including the freedom of navigation.

More recently, the President of Mexico has sent a draft law to his parliament to establish a 200-mile economic zone off the coast of Mexico. While his basic rationale for the draft law is to ensure Mexican jurisdiction over resources off its coast, the law also asserts Mexican control over scientific research and does not exclude jurisdiction to set standards for ship construction and operation within the 200-mile zone.

While it is not clear whether the pending U.S. legislation encouraged the Mexican action, they have closely monitored U.S. actions. In any case, Mexico did expand its proposed law to cover navigation-related matters although the basic purpose is to cover fisheries.

[In considering the impact of a unilateral U.S. claim, it must be borne in mind that great maritime powers are traditionally the most reluctant to support unilateral extensions of jurisdiction over the high seas. Thus much of the rest of the World would regard any U.S. claim as a minimum, not a maximum, indication of permissible unilateral assertions of jurisdiction. Moreover, there would be a great temptation in other countries to strike while the iron is hot and blame the consequent confusion regarding navigation and other freedoms—detrimental to U.S. interests—on the domestic political pressure in their own countries created by the U.S. precedent and the domestic political need to go beyond the U.S. claim. We should keep in mind in this connection that the U.S. is the number one user of the world's oceans.]

In the law of the sea negotiations, a number of nations directly oppose our interests in protecting navigation. Some argue for restrictions and political controls in straits while others want to close territorial seas to certain types of vessels. Some of these nations may well be willing to use U.S. action on fisheries to justify their own future actions restricting navigation and scientific research. A unilateral extension of fisheries jurisdiction by the U.S. will clearly undercut our political ability to prevent those actions.

Mr. MOORE. Recent progress in protection of fish stocks off our coasts demonstrates, I believe, that there is no emergency justifying passage of S. 961. Although the Law of the Sea Treaty is expected to provide full protection of the coastal stocks off our coast. We have been intensively negotiating bilateral and multilateral fishery agreements for the protection of those stocks, and there are now more than 22 of these fishery agreements in place.

Mr. THURMOND. Mr. President, this is a matter of great national import. This is a matter that concerns, as these gentlemen have testified, the Chairman of the Joint Chiefs of Staff of the Armed Services, the Chief of Naval Operations, the Chief of Staff of the Air Force, and the ambassador appointed by the President to the Law of the Sea Conference. There is no question in my mind that all these gentlemen have set out in their statements very vital points which I think the Senate should consider in passing upon this bill.

As I stated earlier, we all have the same goal. It is a matter of how we reach that goal. Are we going to pass a bill providing for unilateral action, or are we going to give an opportunity here for this progress to continue? I realize that it is taking longer than it should, but when you have to deal with many nations in the world, it takes a great deal of time.

As I have pointed out, we just obtained this agreement with Poland, we are getting agreements with other nations, and within a reasonable time it is hoped that we will have an agreement of the sea that will protect the fisheries of this Nation without the necessity of passing a bill providing for unilateral action to that extent.

It is not just passing this fisheries bill, but we are setting a precedent here, as was brought out in some of these statements, in which other fields may be gone into. Fields of pollution may be gone into, fields of stopping ships with nuclear weapons may be gone into, and other forms of navigation may be gone into.

Furthermore, these experts of ours—I presume they are experts; they are the best we have—the chairman of the Joint Chiefs of Staff and the Chief of Staff of the Air Force—are very concerned about overflights, because we have to pass over other nations in delivering equipment and supplies to our forces in various parts of the world, and it is essential that we be able to maintain the overflights. So we feel that, with respect to navigation and overflights, from the standpoint of national interest, it would be better for this bill not to pass.

Again I assure those espousing this bill that I can understand their concern and their desire to attain relief; but I believe relief is going to come. It may come faster than they think, and it may come in a way that will do more good in the end, rather than have the treaties already entered into abrogated. Should these treaties be abrogated, it would place us in confusion, so that we perhaps will have to start all over again, and this would disrupt our relations with many countries.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., January 19, 1976.

DEAR COLLEAGUE: We are writing reference S. 961, the 200-mile limit fisheries bill, as it is our view this legislation is not only unnecessary, but would do irreparable harm in several respects.

Essentially there are three issues involved: fishing interests, national security interests, and international law.

FISHING INTERESTS

1. The purpose of S. 961, to protect coastal fisheries, has largely been accomplished through bilateral and multilateral negotiations:

Since last year, fishing quotas for the Soviets, Poles, Japanese and other foreigners have been reduced 23 percent;

Since 1972, total quotas allowed foreign fishermen have been cut by 50%;

U.S. unilateral action, such as S. 961, would wipe out these valuable gains;

Gulf Coast shrimp fishermen, as well as the tuna fleet, could be seriously injured by such extensive claims. Just recently 10 U.S. shrimp boats were seized by Mexico and charged with violation of Mexico's current 12-mile territorial limit;

U.S. unilateral action would upset salmon agreements in the West Coast waters presently negotiated with Japan.

NATIONAL SECURITY INTERESTS

Past experience indicates that broad unilateral claims, such as encompassed in this bill, will cause other nations to also act unilaterally on issues important to them which may well go beyond strictly fishing interests and impact unfavorably on our national security.

Iceland has recently claimed a 200-mile fishing zone and a "cod war" has now developed between the British Navy and Iceland's Coast Guard;

Six days after House passage of a 200-mile fisheries bill, Mexico called for a 200-mile economic zone which goes beyond mere fishing rights;

Mobility in, on and over the oceans is a fundamental need for our Navy, Air Force and Merchant Fleet;

Overflight above territorial waters can be accomplished only with permission of the coastal states if territorial claims are made;

In territorial waters submarines cannot travel submerged, thus sharply restricting the ocean areas in which our missile subs could operate;

In territorial waters, even surface ships can be restricted if the coastal state considers them to be a "threat." Nine nations have in recent years made 200-mile territorial claims;

The Chairman of the Joint Chiefs of Staff, and the Chiefs of the Navy and Air Force are opposed to this legislation, because of the restrictions on military operations, anticipated enforcement problems and the resulting costs.

INTERNATIONAL LAW

S. 961 violates Freedom of Fishing Agreements, one of four basic ocean Freedom expressions in the 1958 Geneva Convention, of which the United States is a signator.

Passage will effectively abrogate numerous existing fishing agreements;

S. 961 is contrary to long-standing U.S. policy and practice of not recognizing unilateral claims of oceans' jurisdiction;

Based on present international law, the U.S. is not recognizing on the West Coast the 200-mile claims of Mexico, Ecuador, and other countries relative to our tuna fishing operations.

It is our view that if this bill passes, the United States, a country committed to a rule of law and the number one user of the world's oceans would be forced to abandon our past stand against recognition of unilateral claims.

We recommend that you carefully consider these fishing, national security and international law issues which passage of S. 961 would involve. It is our conclusion that approval of the Fisheries Bill at this time would not be in the best interests of the United States.

Attached are copies of editorials from the New York Times, the Wall Street Journal, and the Washington Post in opposition to S. 961.

Sincerely,

JOHN TOWER,
DEWEY BARTLETT,
DICK CLARK,
GALE MCGEE,
HUGH SCOTT,
ROBERT GRIFFIN,
STROM THURMOND,
BARRY GOLDWATER,
U.S. Senators.

[From the New York Times, Dec. 8, 1975]

FISH AND THE SEAS

The Senate is soon to act on a bill that would arbitrarily extend United States fisheries jurisdiction to 200 miles.

This newspaper supported a companion bill last summer, which has already been adopted by the House, because we then believed that such unilateral action offered the last hope of saving rapidly dwindling fish stocks off the coasts of the United States, particularly in the Northwest Atlantic. A recent breakthrough in multilateral efforts to curb overfishing by large foreign fleets off New England and the Middle Atlantic states radically changed that situation.

Prodded no doubt by the threat of Congressional action, seventeen nations, meeting in September at a special session of the International Commission for Northwest Atlantic Fisheries, (ICNAF) in the Montreal, approved new quotas that will drastically decrease foreign fishing while allowing some increase in the catch of American fishermen. The three largest foreign fishing operations—those of the U.S.S.R., Poland and East Germany—have been cut by mutual consent to about 50 percent of 1974 levels. Most of the productive Georges Bank area has been closed to trawlers capable of catching seriously depleted groundfish. As a result, United States fisheries experts estimate that stocks can rebuild to maximum sustainable yield levels within seven years.

Admittedly, important questions regarding enforcement remains to be ironed out at another ICNAF meeting that is scheduled to be held in Rome next month. And more needs to be done to reduce quotas of endangered species in the Northwest Pacific, where significant but still inadequate progress has been achieved through bilateral and multilateral negotiations during the past year. Nevertheless, the recent thrust has clearly been toward greater cooperation for conservation by those nations which have been the most serious offenders—the Soviet bloc countries and Japan.

Against the risk that this encouraging multilateral trend cannot be sustained must be weighed the larger threat to broader United States interests that could now arise from any unilateral American fisheries action. An arbitrary extension of a 200-mile fisheries jurisdiction would endanger the critical Law of the Sea Conference that is due to reconvene in New York next March; this will try to complete a comprehensive agreement covering not only fisheries but also such vital United States interests as free passage of vessels and aircraft through and over offshore waters and straits, deep sea mining and scientific research. With so much at stake, and with so much already achieved toward attaining the goal of fisheries conservation through multilateral action, we believe it would not at this time be in the national interest for Congress unilaterally to extend American fisheries jurisdiction.

[From the Wall Street Journal, Dec. 8, 1975]

THE 200 MILE LIMIT

The Senate Armed Services Committee recently approved a bill that will prohibit fishing by foreign fleets within 200 miles of the coasts of the U.S., and approval by the full Senate is expected shortly. One measure of its popularity can be seen in the 2-to-1 margin by which the House passed a similar bill last month.

There is the usual mixture of political expediency and economic advantage behind the congressional enthusiasm; some arguments are on a par with those warnings a few years ago that foreign "sweat shops" were destroying the American textile industry. And there is an element of national muscle flexing in inferences that we should pass the bill and leave it to the Coast Guard, or Navy if need be, to deal with any foreign fleets foolish enough to transgress.

Congressmen who favor the bill generally seem convinced that it is necessary for protecting the U.S. fishing industry and for preventing the depletion of dwindling fish stocks. Nevertheless, there are better ways to accomplish these desirable ends.

The State Department, which is lobbying against the extension, is concerned by the fact that 15 nations already have claimed a 200-mile limit. For the U.S. to do so, it feels, would invite a stampede of other nations to follow suit. And it could lead some to claim not just fishing rights but sovereignty far out into the oceans. Mexico, for example, claimed territorial jurisdiction up to 200 miles shortly after the House passed its 200-mile bill in October.

Adm. James Holloway, Chief of Naval Operations, testified that the proposed bill might result in U.S. warships and possibly merchant ships being denied access to the Mediterranean and other important waterways.

Congress is unimpressed with assurances that the Law of the Sea Conference is almost certain soon to include a 200-mile economic zone treaty with the kinds of protection it wants. And proponents of the bills are probably right that such a treaty is more a hope than a certainty. But the most reasonable and effective safeguards, in our view, can be assured through bilateral agreements between interested nations. The State Department ignored the problem of fish depletion for much too long, but current bilateral agreements with Russia, Japan and other nations seeem adequate to protect principal fish stocks. If not, they should be renegotiated so that they do provide adequate protection.

Legal scholars are agreed that such unilateral action being planned by Congress would violate international law. And since international law has taken such a drubbing in recent years, we don't wonder that Congress does not feel any overriding urge to genuflect before it. Yet it is important for the U.S. to avoid being a party to any such violations, in part as an example to those who do mock it, but more importantly in order to keep faith with America's own values and aspirations.

[From the Washington Post, Nov. 4, 1975]

THE FISHING BILL

Some high-class testimony by Sen. Mike Gravel (D-Alaska) has provided a certain hope that a bill to unilaterally extend American fisheries jurisdiction out to 200 miles, passed in the House by a vote of 208–101, may yet be slowed in the Senate. From the viewpoint of the American interest in promoting international agreement on issues of the sea, this has always been an unfortunate bill, one that could not fail to spur similar unilateral steps by other coastal nations and to undermine the ongoing United Nations Law of the Sea Conference. But it has also been understood both by supporters and opponents that the measure would not be fought out primarily on terms of international law and the larger diplomatic interest. Rather, the bill was recognized as one embodying a deep, desperate and legitimate concern by American fishermen to prevent the continued ransacking of American coastal fisheries by the high-technology distant-water fleets of other nations, particularly Russia and Japan. Against this sort of immediate economic interest—measured in declining catches and revenues, and in rising unemployment in the industry—more abstract considerations have not stood a chance.

Precisely here lies the importance of Sen. Gravel's testimony. Using new figures that sobered even the most ardent advocates of the 200-mile bill, he argued that foreign overfishing is being reduced, and can likely be further reduced, by the enforcement of international agreements already in place and by the prompt negotiation of further agreements. The negotiations approach has the further keen advantage of not undercutting the substantial American interests in tuna and other coastal species caught within 200 miles of other nations. Past experience has given American fishermen good reason to be leery of promises of protection by diplomatic negotiation. But recent and current experience is much more solid. The threat of unilateral enactment of a 200-mile fisheries zone did in fact mobilize a previously laggard State Department and gave it the club it needed for successful fisheries negotiations with other countries. American fishermen need now to understand the degree of success they have actually attained. They cannot afford to overplay their hand.

Last year the Senate, knowing that the House would not take up the bill, voted 68 to 27 for a 200-mile zone. But the Gravel testimony, casting doubt as it does on the economic need and value to fishermen of such a zone, could if properly exploited reduce that margin and put the vote into a realm where the key factor would be whether President Ford exercised a veto. Twice Mr. Ford has said that he favors a 200-mile limit, but one achieved by negotiation. On the eve of an election year, he will be under heavy political pressure to cast a veto, despite the country's broad foreign-policy interest in avoiding the diplomatic damage of a unilaterally enacted zone. Sen. Gravel, who has a large fishing constituency of his own has shown him the way.

Mr. MAGNUSON. Mr. President, the hour is a little late, but I want the RECORD to show just one or two points. It will take only a moment.

In the first place, I say to the Senator from South Carolina that nowhere in the bill, nowhere in the hearings, nowhere in all the years we have been talking about this with the military and everyone else, does the proposed legislation affect any treaty in existence. We in this country never have advocated a treaty, with one minor exception, and we did that specifically. So that argument, is seems to me, falls flat on its face, because we are not talking about treaties in existence.

I did not hear all of the speech of the Senator from South Carolina. I left the Chamber and enjoyed the cigar he gave me today, and I congratulated him. However, the argument that was just made was one I listened to 11, 12, and 15 years ago. The military do not want anything. They opposed the 12-mile limit. As I recall, in Geneva they must have had five admirals lobbying against the 12-mile limit, that it might affect navigation.

With respect to the provisions of the bill, navigation is totally unrelated to the military interests in the ocean, but its provisions expressly disclaim any congressional intent to affect navigation rights.

Even when Mexico put into effect the 200-mile limit, they protected all navigation rights and what all countries have done with the 12-mile limit.

The bill does not create any territorial sea. It has no intention to do so and cannot be interpreted that way, and any restrictions on commercial navigation by any other countries would have to come in an agreement with these countries all working it out, not because there is some bill about fishing. Fishing has nothing at all to do with this.

I enjoy the optimism of the Senator from South Carolina about this; but if he had been at many of these Law of the Sea conferences as long as I have, he would not have that kind of optimism. However, if that miracle should come through in March—and we all are going toward the same goal, as he says—then the bill says it is inoperative. So I cannot see that this has anything to do with that. It never was intended for navigation, for air rights, or any of these things.

Does the Senator think somebody is going to stop our flying over their country because we do not allow them to fish off our shores? In most of the places he is talking about, they do not fish off our shores, anyway.

I say to the Senator from South Carolina that we did make an agreement with Poland as to hake in the North Pacific. We gave them a quota—32,000 tons. We certainly were very generous. Does the Senator know why? There are no hake left. The Russians have fished them all out. They are gone. So we made a great concession there, after they were all gone. The Poles are not going to have much hake, and we have none.

First of all, the agreement which was referred to by the Senator from South Carolina does not set any fishery jurisdiction on coastal nations. It never did. It has to do with other phases of navigation.

Again, the bill does not affect any treaty in existence, and it is not intended to do so. The Senator from Alaska and I would be the first to object if there were any indication that it did.

Mr. STEVENS. Mr. President, I move to reconsider the vote on the three amendments that were previously adopted on a voice vote and ask unanimous consent that they be reconsidered en bloc.

The PRESIDING OFFICER (Mr. GRAVEL). Is there objection? Without objection, it is so ordered.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS RELATING TO S. 961

Mr. DURKIN. Mr. President, I rise today to express my enthusiastic support of S. 961, the Magnuson Fisheries Management and Conservation Act, which would establish vital new conservation measures urgently needed to save the New England fishing industry.

Foremost among the provisions of the proposed act is the creation of a 200-mile fishery conservation zone over which the United States will exercise exclusive fishery management jurisdiction. While foreign fishermen would not be barred from the zone, they will be required to abide by the rules we establish to assure that fishing off our coasts will continue into the next century.

The measure is long overdue. Large foreign fishing fleets have robbed our coastal fishery resources. Our domestic industry has been decimated. At least 14 species of fish have been endangered. Countless jobs have been lost, and the price of fish has skyrocketed.

This act would begin to reverse that trend.

There are those who would urge that passage of this act be delayed until the conclusion of the United Nations Law of the Sea Conference. Unfortunately, an acceptable agreement has eluded such conferences for more than a decade now while foreign vessels continued to vacuum and package fish within sight of our coastal States.

If we act now, we will show the world we mean to put a stop to past encroachments, and, by our action, perhaps trigger an agreement at the United Nations conference.

If we fail to act, more jobs will be lost, entire species may soon become extinct and fish prices will continue to rise.

This legislation will not ring bells in Peoria or Topeka, Mr. President. But in Portland, Portsmouth, and Narragansett Bay, passage of this act will let our fisherman know that the United States still has the will to protect our own vital economic interests.

Mr. METCALF. I rise in support of S. 961, the Fisheries Management and Conservation Act.

I do so although Montana has neither seacoast nor a fishing industry.

During the past few days, I have been visited by well-intentioned, but misguided people who have alleged that enactment of this legislation would wreck the United Nations Law of the Sea Conference.

On the basis of my personal knowledge of this Law of the Sea Conference, at this time there is no indication that from it will emerge a treaty with which the United States can live, and which this body will ratify.

I came into the law of the sea business in 1969, when Chairman JACKSON appointed me to head a special Subcommittee on the Outer Continental Shelf.

Since then, we have held four hearings on the status of negotiations at the United Nations Law of the Sea Conference. The first was held on September 10, 1973 and published under the title "Status Report on Law of the Sea Conference." The second was held on September 17, 1974, and published as part 2 of the Status Report. The third, on June 4, 1975, was part 3. And we have just gone to press with part 4, the hearings held on October 29.

So far, the United Nations has been able to agree only on where to meet next. Now it is New York in late March.

From the deliberations at Geneva this past spring also came the "Informal Single Negotiating Test," which is a part of our hearing record of June 4. From the point of view of the United States, the kindest words I have heard about part 1 of the text is that it is an "unmitigated disaster." Part 1 deals with the regime and machinery for the seabed beyond national jurisdiction.

Part of our hearing record of October 29 is an article from the October 26 issue of the New York Times, by Mr. C. L. Sulzberger, headlined "The Path to Easy Failure."

One of the points he made is on how we stand in the world. As he put it:

> An informal estimate by American diplomats reckons that in the present U.N. Assembly about 35 members are our friends, about 35 are neutral although rather hostile, and about 70 are sworn adversaries.

With a majority of the votes against us, I do not see how we can emerge from these negotiations with a treaty with which we can live. If we do so, I note that S. 961 will cease to exist. If and when the international community can agree to protect basic fishery resources, it can take over.

ORDER INDEFINITELY POSTPONING S. 2815

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar No. 557, S. 2815, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Vice President of the United States, the President pro tempore, or the Acting President pro tempore, be authorized to appoint a committee of Senators on the part of the Senate to join with a like committee on the part of the House of Representatives to escort the President of the United States into the House Chamber.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER VITIATING ORDER FOR RECOGNITION OF SENATOR SYMINGTON ON TOMORROW AND FOR THE RECOGNITION OF SENATOR SYMINGTON ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. SYMINGTON on tomorrow be vitiated, and that he be transferred to Wednesday immediately following the recognition of the two leaders or their designees under the standing order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS AND RESUMPTION OF CONSIDERATION OF UNFINISHED BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after Mr. JAVITS has been recognized under the order previously entered, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each, and that the Senate, at the close of routine morning business on tomorrow, resume consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That is S. 961.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate shortly will recess until the hour of 8:20 p.m. tonight. Following the President's state of the Union message before a joint session of Congress, the Senate will stand in adjournment until the hour of 12 o'clock meridian tomorrow.

After the two leaders or their designees have been recognized under the standing order on tomorrow, Mr. JAVITS will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each; at the conclusion of which the Senate will resume consideration of the unfinished business, S. 961, a bill to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes. Rollcall votes may occur on that bill, on amendments thereto, and motions in relation thereto, on conference reports and/or other matters.

RECESS UNTIL 8:20 P.M.

Mr. ROBERT C. BYRD. If there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 8:20 p.m. today.

The motion was agreed to, and at 5:15 p.m., the Senate recessed until 8:20 p.m.; whereupon, the Senate reassembled when called to order by the Vice President.

SENATE CONCURRENT RESOLUTION 85—SUBMISSION OF A CONCURRENT RESOLUTION AUTHORIZING THE PRINTING OF A REPORT

(Referred to the Committee on Rules and Administration.)

Mr. MONTOYA. Mr. President, I am today submitting a concurrent resolution which would authorize the printing of the report on administrative procedures of the Internal Revenue Service which was recently completed by the Administrative Conference of the United States.

This study has been universally commended by those who have had the opportunity to review its finds. It is a most constructive and helpful review of tax procedures and practices which are currently used by the Internal Revenue Service in its administration of tax services. The study incorporates an analysis of the history and legislative authority for procedures as well as recommendations for some changes which the Administrative Conference consultants felt would be appropriate. It is now partisan and completely fair, I believe, in its analysis. Those who worked on this study were lawyers and tax experts with impressive credentials. The material in this study will be invaluable to students and others who are interested in evaluating and improving the tax system. My Subcommittee on Treasury, Postal Service and General Government has already received a substantial number of requests for copies of this document.

I urge the support of my colleagues for this inexpensive and worthwhile effort to assist in the dissemination of this commendable report.

Mr. President, I ask unanimous consent to have the concurrent resolution printed in the Record.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

Resolved by the Senate (the House of Representatives concurring), That a report by a special consultant to the Administrative Conference of the United States on some administrative procedures of the Internal Revenue Service be printed as a Senate document, and that there be printed five hundred additional copies of such document for the use of the Senate Committee on Appropriations.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES—MESSAGE OF THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-330)

The VICE PRESIDENT. Under the previous order, the Senate will now proceed to the Hall of the House of Representatives.

Thereupon, at 8:30 p.m., the Senate, preceded by the Secretary of the Senate, Francis R. Valeo, and the Sergeant at Arms, Frank N. Hoffmann, proceeded to the Hall of the House of Representatives to hear the address by the President of the United States.

(The address by the President of the United States, this day delivered by him to the joint session of the two Houses of Congress, appears in the proceedings of the House of Representatives in today's Record.)

ADJOURNMENT

At the conclusion of the joint session of the two Houses, and in accordance with the order previously entered, at 9:55 p.m., the Senate adjourned until tomorrow, January 20, 1976, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES—*Monday, January 19, 1976*

This being the day fixed by House Joint Resolution 749, 94th Congress, enacted pursuant to the 20th amendment of the Constitution, for the meeting of the second session of the 94th Congress, the Members of the House of Representatives of the 94th Congress met in their Hall, and at 12 o'clock noon were called to order by the Speaker, the Honorable Carl Albert, a Representative from the State of Oklahoma.

The Chaplain, Rev. Edward G. Latch, D.D., L.H.D., offered the following prayer:

If My people who are called by My name shall humble themselves, and pray, and seek My face, and turn from their wicked ways; then will I hear from heaven and will forgive their sin and heal their land.—II Chronicles 7: 14.

Eternal God, our Father, we bow our heads before Thee as we open the second session of the 94th Congress and as we begin the celebration of the 200th birthday of our beloved Republic. If ever we needed wisdom and guidance and strength we need it now as we face the duties of these disturbing days and as we seek to handle the problems we must somehow learn to solve.

We pray that Thou wilt move in the hearts of these men and women chosen by our people to lead our Nation in these trying times. Make them strong, give them courage, and keep them faithful to the best in life. May they realize that Thou art concerned about what goes on here and even more concerned about the way it is done and the reason why it is done. May what we do, the way we do it, and the reason why we do it always be in the best interest of our country and for the good of our world.

We pray in the spirit of the Lord's Prayer which we now offer together:

Our Father, who art in heaven, hallowed be Thy name; Thy kingdom come; Thy will be done on Earth as it is in heaven. Give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. For Thine is the kingdom, and the power, and the glory forever.

Amen.

CALL OF THE HOUSE

The SPEAKER. The Clerk will call the roll to ascertain the presence of a quorum.

The Clerk called the roll, and the following Members answered to their names:

[Roll No. 1]

Abdnor
Abzug
Adams
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Devine
Dickinson
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols

Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

The SPEAKER. On this rollcall 370 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ANNOUNCEMENT BY THE SPEAKER AT OPENING OF 2D SESSION OF 94TH CONGRESS

The SPEAKER. The Chair would like to take the liberty to state that today is both the first day of the 2d session of the 94th Congress and the first meeting of Congress in this historic Bicentennial Year.

As we enter the third century of our national existence, we Members of the 94th Congress, like our colleagues 200 years ago in the Continental Congress and those in the 44th Congress 100 years later have a special obligation to demonstrate to this Nation that representative government works and the Constitution of the United States lives.

Let us strengthen every constitutional resource at our command with the will to succeed, with the spirit to cooperate, and with the undivided devotion to the high moral principles on which this Nation was founded—as inscribed before you—"Union, Justice, Tolerance, Liberty, Peace."

Building together in this workshop of democracy, this House of Representatives can leave behind a strong legacy for this great institution and for the American people to whom it belongs.

MEMBERS SHOULD FOLLOW THE TRADITION OF THEIR FOREBEARS DURING 2D SESSION OF 94TH CONGRESS

(**Mr. RHODES** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to congratulate the Speaker on the great statement he has just made and to assure him that I concur in his words completely.

As we approach the second session of this Congress, I think it behooves all of us to recall our forebears in this legislative body, those who have gone before us, and to recall the examples which they have set so as to dedicate ourselves to conducting the second session of this Congress with the idea and in the light of those who believed in the Republic and in its future.

We should do this not in a partisan sense but in a sense of working together for the great accomplishments which our great people deserve.

Mr. Speaker, I pledge to you and to all the Members of this body my cooperation and my belief that this not only is possible but necessary as we enter the tercentenary of the history of this great Republic.

COMMITTEE TO NOTIFY THE PRESIDENT

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution (H. Res. 953) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 953

Resolved, That a committee of three Members be appointed by the Speaker on the part of the House of Representatives to join with a committee on the part of the Senate to notify the President of the United States that a quorum of each House has assembled and Congress is ready to receive any communication that he may be pleased to make.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to join a committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that the Congress is ready to receive any communication that he may be pleased to make, the gentleman from Massachusetts, (Mr. O'Neill), the gentleman from California (Mr. McFall), and the gentleman from Arizona (Mr. Rhodes).

NOTIFICATION TO SENATE

Mr. MAHON. Mr. Speaker, I offer a privileged resolution (H. Res. 954) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 954

Resolved, That the Clerk of the House inform the Senate that a quorum of the House is present and that the House is ready to proceed with business.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DAILY HOUR OF MEETING

Mr. MADDEN. Mr. Speaker, I offer a privileged resolution (H. Res. 955) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 955

Resolved, That until otherwise ordered, the daily hour of meeting of the House of Representatives shall be at 12 o'clock meridian.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATIONS FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communications from the Clerk of the House of Representatives:

Washington, D.C.,
December 30, 1975.

Hon. Carl Albert,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Pursuant to the permission granted on December 19, 1975, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate passed S. 180, an Act to authorize the documentation of the vessel, Mary M, as a vessel of the United States with the privilege of engaging in the American fisheries;

That the Senate passed S. 847, an Act to establish the Seward National Recreation Area in the State of Alaska, and for other purposes;

That the Senate passed S. 1659, an Act to provide for the disposition of funds appropriated to pay a judgment in favor of the Grand River Band of Ottawa Indians in Indian Claims Commission docket numbered 40-K, and for other purposes; and

That "the Vice President, pursuant to Public Law 86–42, appointed Mr. McGee (chairman), Mr. Moss, Mr. Burdick, Mr. Humphrey, Mr. Culver, Mr. Leahy, Mr. Young, Mr. Javits, and Mr. Griffin to attend, on the part of the Senate, the Canadian-United States Interparliamentary Conference to be held in Key Biscayne, Florida, January 29 to February 2, 1976."

With kind regards, I am,

Sincerely,

Edmund L. Henshaw, Jr.,
Clerk, U.S. House of Representatives.
By W. Raymond Colley,
Deputy Clerk.

Washington, D.C.,
December 22, 1975.

Hon. Carl Albert,
The Speaker, U.S. House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Pursuant to the permission granted on December 19, 1975, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate agreed to the amendments of the House of Representatives to the amendments of the Senate numbered 4, 6, and 8 to the bill H.R. 10727;

That the Senate agreed to the amendment of the House of Representatives to the amendments of the Senate to the bill H.R. 10284;

That the Senate passed the bill H.R. 4016, An Act to provide for the disposition of funds appropriated to pay certain Indian Claims

Commission judgments in favor of the Sac and Fox Indians, and for other purposes.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, U.S. House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the chairman of the Committee on Public Works and Transportation which was read and referred to the Committee on Appropriations:

WASHINGTON, D.C.,
December 17, 1975.

Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the provisions of section 65 of the Water Resources Development Act of 1974, the Committee on Public Works and Transportation of the House of Representatives on December 11, 1975, adopted a Committee resolution approving the deletion of water quality storage in the following water resources development project: Kehoe Lake, Tygarts Creek, Kentucky.

A copy of the resolution is enclosed.

With every good wish and warm regards.

Sincerely,

BOB JONES.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JANUARY 6, 1976.

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:45 a.m. on January 6, 1976, and said to contain a message from the President wherein he transmits the Ninth Fiscal Year 1976 Special Message under the Impoundment Control Act of 1974 concerning rescissions and deferrals.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

RESCISSION AND DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-328)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of the uncommitted balances of the Rehabilitation Loan Fund administered by the Department of Housing and Urban Development. In addition, I am reporting nine new deferrals totalling $669.8 million in budget authority and eleven changes to deferrals previously transmitted that increase the amount deferred by $17.3 million.

The activities financed by the Rehabilitation Loan Fund are also eligible for support under the Community Development Block Grant Program. Experience has now shown that block grant recipients are using—as was the intent of the Housing and Community Development Act of 1974—their grants to support rehabilitation activities. Approval of this rescission, therefore, will result in expenditure savings of $18.4 million this year and $34.0 million in the transition quarter and 1977 without adverse effect on the availability of housing rehabilitation assistance.

Seven of the nine new deferrals are routine in nature and affect programs of the Departments of Defense, State, and Transportation and the Interstate Commerce Commission.

The remaining two new deferrals and all eleven revised deferrals are for programs of the Department of Health, Education, and Welfare. The new deferrals establish and the revised deferrals extend through the third quarter funding levels that differ from the general levels allowed by the continuing resolution. In so doing, these deferrals preserve—until enactment of the regular appropriations—the possibility of conducting the reported programs in 1976 at the levels I have recommended and, in four cases, at the level the Congress has recommended.

The details of the proposed rescission and the deferrals are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *January 6, 1976.*

CONGRESS NEEDS TO TAKE NEW LOOK AT ECONOMIC CONCENTRATION

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATMAN. Mr. Speaker, the 94th Congress needs to put more emphasis on the question of economic concentration—something which I am convinced is contributing greatly to the problems of higher prices and continuing unemployment.

We need a rededication to the principles which brought about the enactment of our antitrust laws and badly need more vigorous enforcement all down the line.

Today there is a tendency to forget the importance of antitrust laws and the evils which spawned their enactment. In fact, there are many who accept bigness, concentration of economic power, and wealth as necessary byproducts of the American way of life. I do not believe this. The strength of this country has always been in its diversity, its competitive enterprise system, its ability to provide freedom of choice in the marketplace. Anything which takes this away—or modifies it sharply—tears at the fabric of this Nation.

Some of the more alarming concentrations are in the banking industry—and here the situation is getting decidedly worse. Utilizing the bank holding company device, banks have made boardinghouse reaches in all directions, bringing about an unhealthy meshing of banking and business interests. In other cases, the holding company powers have been used to swallow up smaller banks—often in contradiction of State antibranching laws.

Today, the 50 largest commercial banks—out of more than 14,500—hold about 50 percent of the deposits in the United States. And just 25 banks hold more than half of all the trust department assets in the Nation—half of about $400 billion.

In coming weeks, Mr. Speaker, I plan to call further attention to concentration in other industries as well as the financial community. I hope the appropriate committees will take a look at these questions as we move into the second session of the 94th Congress.

LAURIE BATTLE RETIRES

(Mr. MADDEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. MADDEN. Mr. Speaker, at the beginning of our holiday recess, I received very disappointing information from our former colleague and friend, Laurie Battle. After long deliberation he has made his mind up to resign his position as chief counsel and head of staff operations of the House Committee on Rules.

Our older members all remember the 8 years of outstanding congressional service which Laurie rendered to the Ninth District of Alabama from 1947 to 1955. We all regret losing his great serviceability and experience on the House Rules Committee.

Laurie assumed the position as counsel of the Rules Committee under our former colleague, Chairman Smith of Virginia and later Chairman Colmer of Mississippi. He had an excellent record of service in the U.S. Air Force during World War II and almost immediately upon his return to civilian life was elected to Congress in 1946.

Mr. Speaker I include with my remarks a letter which I received from Laurie Battle pertaining to his retirement:

January 19, 1976.

Hon. RAY J. MADDEN,
House Committee on Rules, Washington, D.C.

DEAR CHAIRMAN MADDEN: After ten years on the staff, it is very difficult to "tender my resignation," since the Rules Committee and the House of Representatives seem like home to me.

However, with three children in college this year and two scheduled for college for the next three years and then one to follow for two additional years, I felt dutybound to my family to accept a very generous offer to work in the private sector.

It has been a privilege to serve the distinguished chairman and the distinguished members of this fine committee. It has also been a pleasure to work with such an outstanding staff.

Please accept my everlasting gratitude for the blessings that have been bestowed upon me by these cherished associations.

Faithfully,

LAURIE C. BATTLE.

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT

Mr. O'NEILL. Mr. Speaker, your committee on the part of the House to join a like committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled and is ready to receive any communication that he may be pleased to make has performed that duty.

The President asked us to report that he will be pleased to deliver his message at 9 o'clock p.m., this evening January 19 to a joint session of the two Houses.

EASTERN AIRLINE'S REQUEST FOR FARE INCREASE

(Mr. HAYS of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYS of Ohio. Mr. Speaker, I had the rare opportunity to go over my morning's mail this morning when it came in, and I am sure many Members have not, but I suppose in their mail they will find a communication, as I did, from Frank Borman, president of Eastern Airlines, in which he informs us he has requested an increase in the fares of 1 percent this month and 2 percent a month for the several months to come.

I replied to Mr. Borman this morning and told him it had been my misfortune through an error on the part of one of my staff to be booked on Eastern Airlines to Miami last Tuesday. I had never been on a dirtier airplane with ruder personnel in my life.

I was in the first-class section which had been reconverted from tourist. It had not been very well reconverted. As far as the food I was served, I am sorry I did not have any hogs on my farm because I would have saved that food and taken it home to them.

This friend and I were assigned the two front seats and were told to put our baggage under the seat in front of us, and there was not any seat in front of us. My friend said he was ready to get off and I was, too, but one of the hostesses found a space for us to put our baggage in.

I proposed to Mr. Borman that before the fare increase he ought to: First, clean up the airlines; second, get their people to be polite; third, give better service; and, if he cannot do those three things I suggest he might want to return to the Moon and stay there. Finally, Mr. Speaker, I came back on National Airlines and the difference in favor of National was as the difference of day and night.

PROVIDING FOR A JOINT MEETING OF THE HOUSE AND SENATE AT 9 O'CLOCK P.M. TODAY FOR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

Mr. O'NEILL. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 524) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 524

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on January 19, 1976, at 9 o'clock p.m., for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER TO DECLARE RECESSES AT ANY TIME TODAY, SUBJECT TO THE CALL OF THE CHAIR

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that on today it may be in order for the Speaker to declare recesses at any time, subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING THE SPEAKER TO DECLARE A RECESS ON JANUARY 28, 1976, TO RECEIVE THE PRIME MINISTER OF THE STATE OF ISRAEL

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday, January 28, 1976, for the Speaker to declare a recess for the purpose of receiving in joint meeting the Prime Minister of the State of Israel.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that after consultation with the majority and the minority leaders and with their consent and approval, the Chair announces that this evening when the two Houses meet in joint session to hear an address by the President of the United States that during the meeting the doors opposite the Speaker and those on the Speaker's left and right will not be open. No one will be allowed on the floor of the House except those who have the privilege of the House. Due to the large attendance which is anticipated, the Chair feels that the rule regarding the privilege of the floor must be strictly adhered to. Children of Members will not be permitted on the floor and the cooperation of all Members is requested.

SUPER STEELERS WIN SUPER BOWL X

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, it is with a great deal of pride that I take to the well today on behalf of the Pennsylvania delegation to salute the professional football champions of the world, the Pittsburgh Steelers, who—with their 21–17 win over Dallas in Super Bowl X yesterday—join the Green Bay Packers and Miami Dolphins as the only teams to win consecutive Super Bowl titles.

I am sure that the millions of people who watched on television—and the lucky thousands who attended yesterday's game—agree with me that the Pittsburgh-Dallas game was certainly one of the most exciting they have ever watched.

Both squads displayed why they were champions and deserved to vie for the honor of professional football's best.

The hitting was ferocious and the drama tense. But the Steelers—to the delight of all their loyal followers—survived the Dallas onslaught and emerged with the title.

I know every single Pittsburgh fan joins me in saluting Steeler owner Art Rooney and his family, Steeler coach Chuck Noll, and the 43 Steeler players who once again have made Pittsburgh "Title Town U.S.A."

SPECIAL BUFFET IN HOUSE RESTAURANT THIS EVENING

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, I was asked by the chairman of the Committee on House Administration to advise the Members that the restaurant will serve a buffet tonight from 6 to 8 p.m. prior to the session this evening.

SENIOR CITIZENS HOUSING CREDIT

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, today I am introducing the senior citizen housing credit bill which will provide a tax credit of $250 for every taxpayer housing a citizen 61 years of age or older in the taxpayer's principal residence. This is an effort to support those low- and moderate-income families who can provide a home for their elderly parents or relatives. It is a companion bill to one introduced in the Senate by Senator MONTOYA, S. 2695.

We know there are many families with moderate or limited incomes who wish to keep their elderly family members at home with them. There are many elderly persons who wish to remain with their families, remain in their communities, who do not need or want institutional care which is heavily subsidized by the Federal Government. Indeed a major survey of the needs of the elderly just reported in the New England Journal of Medicine, January 8, 1976, indicates that, "Very few elderly persons would have to be placed in nursing homes to receive proper care." Yet lack of modest sums of money often forces people into unnecessary, undesirable, and expensive placement of the elderly outside the home.

Our elderly are too often our poor. Even in my own district, where the elderly are only 10 percent of the population, they comprise over 22 percent of those below the poverty line. Clearly the ability of this group to contribute to the income of their families is most limited. The $250 of financial aid which this bill provides through a tax credit might well mean the difference between a family's ability to offer a home to an elderly parent or relative and their having to place him or her in an institution.

We recognize that not all families can keep their elderly with them and that not all senior citizens can or wish to live with their relatives. For those groups other housing arrangements need to be developed and encouraged to forstall institutionalization. But surely Mr. Speaker, as a matter of public policy, we need to encourage and reward those families who can make a place in their homes for elderly persons. It is to this group that my bill is addressed.

SEPARATING FACT AND FICTION ON THE LIBERTY BELL

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, Members of the House, this afternoon following the session I have requested and will take a special order for the purpose of straightening out the public record as to the history of our magnificent Liberty Bell. This being the first day of our Bicentennial session, I think it is a highly appropriate time to do so. That history is clouded with myth and misunderstanding, and it is such a magnificent history and dear to us that I choose to do so.

I welcome the participation of any and all Members.

WRIGHT PATMAN TO RETIRE

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, I rise in salute to the Honorable Wright Patman, dean of the House, as a tribute to that servant of the people of Texas and the Nation upon his announcement of retirement from the Congress at the end of this session.

Wright Patman was first elected to this House in 1928 with the 71st Congress, before either the Great Depression or World War II. His service was timely to provide leadership toward revitalizing our financial institutions and to provide protections for the public at large through checks on our banking system. He is without equal in his impact upon our banking and monetary systems as we know them today.

The Congress and the Nation will sorely miss the presence of Mr. Patman when the 94th Congress draws to a close, but we will long remember and long continue to enjoy his contributions and his influence upon our financial institutions and Government. Mr. Patman will leave behind a legacy of hard work, graciousness, and distinguished service. His esteem is deserved and can only be a small reward for his 48 years of service in the House of Representatives. I have been honored and proud to have been associated with a true gentleman and statesman, Mr. Wright Patman of Texas.

TRIBUTE TO RITTER COLLETT, SPORTS EDITOR OF THE DAYTON JOURNAL HERALD

(Mr. WHALEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHALEN. Mr. Speaker, I will be joining with the distinguished membership of the Dayton Agonis Club tomorrow evening, Tuesday, January 20, 1976, to pay tribute to Ritter Collett, the outstanding sports editor of the Journal Herald.

Mr. Collett has compiled an enviable record as one of my community's most astute sports writers since joining the old Dayton Journal in 1946 after serving at Wright-Patterson Air Force Base during World War II. When the Journal merged with the Dayton Herald to become the Journal Herald, Ritter continued and now has recorded 30 years of service in informing the Miami Valley public about developments in the world of athletics.

Ritter has covered every major sports event, from Ohio State football games to the Olympics. In so doing, he has demonstrated a facile writing style, a ready wit, and a highly perceptive mind about to provide his readers with unusual insights.

The Journal Herald has been fortunate to have him in the important post of sports editor and our community is the greater beneficiary. Although there will be much jocularity at the Agonis function, some of it rough enough to perhaps startle an outsider, the true purpose will be to convey the enormous regard we all have for this great gentleman.

Mr. Speaker, I am proud to know Ritter Collett and to laud him as one of Ohio's greatest sports journalists.

ACTIVITIES OF CONTINENTAL CONGRESS JANUARY 19, 1776

(Mr. WIGGINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WIGGINS. Mr. Speaker, as a personal Bicentennial project it is my intention throughout the second session of this Congress to advise the Members of the activities which took place 200 years ago during the proceedings of the Continental Congress. I will do so by 1 minute speeches or by appropriate insertions in the Record. Therefore, let me read this first edition of my continuing saga.

January 19, 1776.—As relations with Great Britain continued to deteriorate, the thirteen colonies continued to build up their military forces. Each colony was required to raise sufficient forces for its defense, and, if possible, for the defense of its sister colonies. On January 19, 1776, Congress directed New York to raise four battalions for the defense of that colony, and recommended that part of this force be used to man the several forts stretching southward along the Hudson River from Crown Point, approximately 90 miles north of Albany, to New York City.

LEGISLATION INTRODUCED MAKING IT A CRIME TO IDENTIFY CIA EMPLOYEES OPERATING UNDER COVER

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I know that many Members were shocked, as I was, at the murder of Richard Welch during Christmas week. But I must tell you that I got a second shock when I learned that we have no law on the books which prevents a person from disclosing the identity of a CIA employee operating under a cover.

This is unconscionable and insane. It is carrying freedom of information to tragic absurdity.

You know, it is a crime for a Department of Agriculture employee to disclose marketing agreements. It is a crime to disclose the names of borrowers from the land bank. It is a crime to disclose tax return information or confidential export information or the questions on a civil service examination.

But it is not a crime to finger an intelligence employee for murder. I am today introducing legislation to make it so, and I am inviting my colleagues to join with me in sponsorship.

The CIA may need some reforming. But if we are going to have an intelligence operation, and I believe in this dangerous world we must, then we had better start thinking about making it effective enough to do the job it is supposed to do.

GREEK CYPRIOTS DESERVE JUST PEACE

(Mr. McCLORY asked and was given permission to address the House for one minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, I take this time to advise that during the recess I had occasion to visit with a number of my constituents who are leaders in the organization of AHEPA—American Hellenic Educational Progressive Association—a group of Americans of Greek birth or descent. These patriotic Americans expressed to me their concern for the welfare of Cyprus and particularly for the Greek Cypriots, many of whom are refugees from Turkish military aggression.

Mr. Speaker, I gave assurance to these AHEPA leaders that I would express myself forcefully in behalf of equity and justice for the Greek Cypriots in negotiations which may be undertaken to provide for an enduring peace in Cyprus.

Mr. Speaker, I am elaborating on this statement in today's Extensions of Remarks in the Congressional Record in which I am also including a letter which I sent on January 12, 1976, to Secretary of State Henry A. Kissinger in support of my position.

Mr. Speaker, I am hopeful that serious

and constructive negotiations will take place soon. In that connection, not withstanding the occupation of a large portion of Cyprus by the Turkish military, I will look to our government to see that the Greek Cypriot interests will be respected in a manner consistent with justice and equity and to the end that a durable peace may be established in Cyprus.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., January 5, 1976.

HON. CARL ALBERT,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 8 p.m. Friday, January 2, 1976, and said to contain H.R. 5900, An Act to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers and to establish a national framework for collective bargaining in the construction industry, and for other related purposes, and a veto message thereon.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, U.S. House of Representative.

Enclosure.

COMMON SITUS PICKETING BILL—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 94–329)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning without my approval H.R. 5900, commonly known as the Common Situs Picketing Bill.

The bill before me represents a combination of H.R. 5900, which would overturn the United States Supreme Court's decision in the Denver Building Trades case and the newly proposed Construction Industry Collective Bargaining Bill, S. 2305, as amended. During the development of this legislation, I stipulated that these two related measures should be considered together. The collective bargaining provisions have great merit. It is to the common situs picketing title that I address my objections.

I had hoped that this bill would provide a resolution for the special problems of labor-management relations in the construction industry and would have the support of all parties. My earlier optimism in this regard was unfounded. My reasons for this veto focus primarily on the vigorous controversy surrounding the measure, and the possibility that this bill could lead to greater, not lesser, conflict in the construction industry.

There are intense differences between union and nonunion contractors and labor over the extent to which this bill constitutes a fair and equitable solution to a long-standing issue. I have concluded that neither the building industry nor the Nation can take the risk that the bill, which proposed a permanent change in the law, will lead to loss of jobs and work hours for the construction trades, higher costs for the public, and further slowdown in a basic industry.

GERALD R. FORD.

THE WHITE HOUSE, *January 2, 1976.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the veto message, together with the accompanying bill, be referred to the Committee on Education and Labor.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PRIVILEGES OF THE HOUSE—SUBPENA IN THE CASE OF THE PEOPLE OF THE STATE OF CALIFORNIA AGAINST ROBERT W. BATTIN

Mr. WIGGINS. Mr. Speaker, I rise to a question of the privileges of the House.

The SPEAKER. The gentleman will state it.

Mr. WIGGINS. Mr. Speaker, I have been subpenaed to appear before the Superior Court of the County of Orange, State of California, to testify on January 9, 1976, which date has been extended to a date to be agreed upon, in Santa Ana, Calif., in the criminal case of the People of the State of California against Robert W. Battin.

Under the precedents of the House, I am unable to comply with this subpena without the consent of the House, the privileges of the House being involved. I therefore submit the matter for consideration of this body.

Mr. Speaker, I send the subpena to the desk.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

SUBPENA IN CRIMINAL CASE

[In the Superior Court of the State of California, County of Orange, No. C 34528.]

The People of the State of California vs. ROBERT W. BATTIN, Defendant.

The People of the State of California. To Congressman Charles E. Wiggins, Home address: 1200 S. Highland #118, Fullerton, California; Office address: 1400 N. Harbor Blvd. #103, Fullerton, California.

You are commanded to appear before the Superior Court of the County of Orange, State of California, at the court room of said Court, at the Court House in the City of Santa Ana, in said County, on the 9th day of January, 1976 at 9:45 o'clock A.M., Department 13 as a witness in a criminal action prosecuted by the People of the State of California against Robert W. Battin.

Given under my hand and the seal of said Court, this 23rd Day of December, 1975.

By order of the Court.

WILLIAM E. ST JOHN,
County Clerk and Clerk of the Superior Court of the State of California, in and for the County of Orange.

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution (H. Res. 956) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 956

Whereas Representative Charles E. Wiggins, a Member of this House, has been served with a subpena to appear as a witness before the Superior Court of the County of Orange, State of California, to testify at the Court House in the City of Santa Ana, California, on January 9, 1976, which date has by the consent of the parties been postponed and will be established at a future time to be determined by the parties, in the case of the People of the State of California against Robert W. Battin, criminal case numbered C 34528; and

Whereas by the privileges of the House no Member is authorized to appear and testify, but by the order of the House: Therefore be it

Resolved, That Representative Charles E. Wiggins is authorized to appear in response to the subpena of the Superior Court of the County of Orange, State of California in the case of the People of the State of California against Robert W. Battin at such time as when the House is not sitting in session; and be it further

Resolved, That as a respectful answer to the subpena a copy of this resolution be submitted to the said court.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 11045, REHABILITATION ACT AMENDMENTS OF 1975

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11045) to amend the Rehabilitation Act of 1973 to extend the authorizations of appropriations contained in such act, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. PERKINS and BRADEMAS, Mrs. MINK, Mr. MEEDS, Mrs. CHISHOLM, and Messrs. LEHMAN, CORNELL, BEARD of Rhode Island, ZEFERETTI, MILLER of California, HALL, QUIE, BELL, PEYSER, JEFFORDS and PRESSLER.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the bill on the Consent Calendar.

AMENDING THE NATIONAL PORTRAIT GALLERY ACT TO REDEFINE "PORTRAITURE"

The Clerk called the bill (H.R. 6397) to amend the National Portrait Gallery Act to redefine "portraiture."

There being no objection, the Clerk read the bill as follows:

H.R. 6397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(e) of the National Portrait Gallery Act (Public Law 87-443) is amended as follows:

"(e) The term 'portraiture' includes portraits and reproductions thereof made by any means or process, whether invented or developed heretofore or hereafter.".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The **SPEAKER.** This concludes the call of the Consent Calendar.

INDOCHINA REFUGEE CHILDREN ASSISTANCE ACT OF 1975

Mr. **MATSUNAGA.** Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 934 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 934

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7897) to authorize funds for assistance to local educational agencies for the education of Cambodian and Vietnamese refugees, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 7897, it shall be in order in the House to take from the Speaker's table the bill S. 2145 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 7897 as passed by the House.

The **SPEAKER** pro tempore (Mr. O'Neill). The gentleman from Hawaii (Mr. Matsunaga) is recognized for 1 hour.

Mr. **MATSUNAGA.** Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. **MATSUNAGA.** Mr. Speaker, House Resolution 934 provides for consideration of H.R. 7897, a bill reported by the House Education and Labor Committee which would authorize Federal assistance to local educational agencies for the education of Vietnamese and Cambodian refugees. The resolution provides an open rule with 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Education and Labor Committee.

After general debate, the bill will be read for amendment under the 5-minute rule. It shall be in order for the committee to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor which is printed in the bill.

At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted. At that time, any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

After the passage of H.R. 7897, the rule makes it in order for the House to take from the Speaker's table the bill, S. 2145, and to move to strike out all after the enacting clause of the Senate bill and insert in lieu thereof the provisions contained in H.R. 7897 as passed by the House.

Mr. Speaker, H.R. 7897 would help relieve the financial crisis created in many school districts throughout the country by the enrollment of an estimated 43,000 Indochinese refugee children aged 5–17. In the State of California, some 10,410 refugee children have been added to school rolls since September. In my home State of Hawaii, one of the Nation's smallest States, about 867 Vietnamese and Cambodian children have enrolled in elementary and high schools. Schools throughout the Nation are already operating on very tight budgets and many have been forced to reduce or eliminate vitally important services as the result of the enrollment of these refugee children. Moreover, it is unlikely that any State or local government will be able to increase its own contribution to the schools in the current school year. Most State and local governments planned their school budgets for this year, including the necessary taxes and bond issues, long before the full impact of the admission of refugees from Indochina was known. In some cases, hard-pressed State governments have been meeting the extra costs. However, they are reaching the end of their financial resources for education. Unless reimbursed by the Federal Government, they will not be able to continue paying these expenses, and services to all school children will be reduced.

I believe, that the Federal Government has a dual obligation in this case. First, we owe it to the refugee children to see that they get an adequate education enabling them to become productive members of our society. Second, because Federal policies were in large part responsible for the concentration of refugee children in certain States, we owe it to these States to see that their schools do not suffer from the increased enrollments.

Because H.R. 7897 is an emergency bill, I urge the immediate adoption of House Resolution 934 so that the measure can be considered and passed by the House.

Mr. **LOTT.** Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule, House Resolution 934, would permit the House to resolve itself into the Committee of the Whole for consideration of H.R. 7897, the Indochina Refugee Children Assistance Act of 1975. After 1 hour of general debate, the bill may be read for amendment under the 5-minute rule. The rule also makes in order the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for purposes of amendment.

Finally, should H.R. 7897 pass, the rule makes it in order to take from the Speaker's table the bill S. 2145 and to move to strike all after the enacting clause of the Senate bill and insert in lieu thereof the provisions contained in the House-passed version.

H.R. 7897 as reported by the committee, authorizes grants to State educational agencies for the costs of providing a regular education program for Indochinese refugee children. Each State's maximum grant is computed by multiplying the number of Indochinese refugee children attending elementary and secondary schools within the State by the State's average per pupil expenditure. This maximum grant, however, must be reduced by the amount received by local educational agencies in the State under the Indochinese Migration and Refugee Assistance Act of 1975. For fiscal 1976 and for the transition period, each State's entitlement would be 100 percent of this reduced amount. In fiscal 1977 each State's entitlement would be 50 percent of this amount. Last, the reported bill authorizes grants to State educational agencies for any administration connected with grants made under the legislation.

The committee report contains two separate cost estimates, one provided by the Department of Health, Education, and Welfare and one provided by the Congressional Budget Office. HEW estimates that the 2-year cost of H.R. 7897 will be $64.8 million. The Congressional Budget Office assesses the cost at $56.7 million for the 2 upcoming fiscal years and the transition period.

Mr. Speaker, there are substantial and very reasonable bipartisan objections to this legislation. I am advised that in November the U.S. Commissioner of Education was requested to survey school districts with respect to the actual costs they were incurring through the presence of these refugee children. The Commissioner contacted 16 districts all around the country and found that they were actually spending a total of $533 per refugee child. Under H.R. 7897, a school in a State meeting the average national per pupil expenditure could receive exactly double that, or $1,066 for every child.

While there are some objections to the approach used in the bill to address the needs of schools for Indochina refugees there are no parliamentary objections to the rule.

Mr. Speaker, at this time I yield 5 minutes to the gentleman from Minnesota (Mr. Quie).

Mr. **QUIE.** Mr. Speaker, I thank the gentleman from Mississippi for yielding me some time. I want to take a few moments now in case there are some Members here presently who might not be here when the bill is being considered.

Mr. Speaker, I think that this is that

we are involved in a matter of principle concerning this legislation. I do not know of any Member in this body who is opposed to paying a local school for any additional amounts of money that they may expend because of the fact that they have Indochina refugee children in their schools but, Mr. Speaker, the bill that is now before us will make a payment to them whether they make an extra expenditure or not.

Let us look at the situation as it presently stands:

Recognizing that it would cost the local schools additional amounts of money the Department of HEW presently sends out $300 per child when a school has Indochina refugee children in that school.

If the school has a high concentration, meaning 1 percent or 100 or more of the students are Indo-Chinese refugee children, then they all receive $600 for those additional students.

I should point out that every year we have about 400,000 legal immigrants who come to this country, and no additional amount is spent for them. This amounts to about 140,000 immigrants 19 years of age and younger who come into this country each year and for which no additional amount is paid to school district.

Some schools might spend additional amounts of money. For that reason I will be offering an amendment when the bill is debated which will permit the Federal Government to pay an amount above the $300 or $600 per child which district receive from ITRW. This extra amount will only be paid if an actual expenditure is being made.

I talked to a school district, for instance, that had four refugee children. I asked them, "What additional amount of money are you expending this year because of those children?" They told me, "None." That district will automatically receive the $300 per child that HEW is sending to them. But in that school district I can see no reason why we should pay them a huge additional amount of money just because those students are there.

That is why I call this bill a rip-off. It is a rip-off to make a payment to a school district to be distributed amongst all the kids who are there, with not anything special being done for the Indochinese children. I asked my school district why they are not spending anything additional. They told me that they feel that after the students had associated with the English-speaking children for a year, they would then be on target and be able next year to continue on with their studies, because children learn a language very quickly.

Some other school districts do hire bilingual Vietnamese teachers, who handle the English language as well as their own language, and that causes additional expenditures. But the difference between the approach I have taken and those others of a bipartisan group who have signed the dissenting views is this: We think that the local school district ought to channel the amount that they actually receive so that those children will actually receive the education which they require, rather than just distribute the amount of money to the school district as a payment simply because the district permitted those children to attend their schools.

It is the responsibility of every State to provide an education for every child who enters its doors. I do not believe that there should be any difference for Indo-Chinese refugee children from any others.

So I say to my colleagues, look at the principle of whether we are going to permit a ripoff, or whether we are going to only pay the additional expenditures. My feeling is that we ought to only pay the additional expenditures, because in the other areas of health and welfare we do not make payments as an average expenditure for all welfare or all health expenditures within a State or community. We only pay the additional health or welfare costs that are incurred by the Indochinese themselves, and the same principle should apply with the schools.

For that reason, Mr. Speaker, I urge my colleagues to look carefully at this legislation as we come to the amendment stage.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, as I indicated in my Dear Colleague letter, this particular piece of legislation is ideal for those of us who come from Pennsylvania, and particularly for someone like myself who represents the district right next to Indiantown Gap Reservation, which is where these refugees were housed and, I might add, educated for approximately 2 months.

It would be a real ripoff for my State and for my district and I suppose, therefore, I should stand up here and be a politician and support it. But I do not understand why the rest of the people should be paying exorbitant amounts of money to do what I am not sure, because in this particular instance, first of all, these youngsters come primarily from middle income and upper income Vietnamese families.

They have had beautiful educational opportunities, as I will read later on when we get into this discussion, to the point where it is very embarrassing to this particular district in California. They gave an achievement test and the Vietnamese youngsters far outdid the American youngsters in the achievement test.

The children speak in many instances a certain amount of English, and if they do not they write it very well and understand it very well. They received a great deal of education in the centers in which they were housed for quite some time. Their sponsors have taken them under their arms, unlike anyone else coming into this country. For instance the churches who were their sponsors have taken them under their arms and have tutored them to see that every need is met at all times. Many of the families are already on the tax rolls, which means they are providing income to the school districts.

HEW, as the gentleman from Minnesota (Mr. QUIE) indicated, is allowing already $300 or $600, depending on the number of youngsters in the district. The largest concentration of students is 1,100 spread over 224 schools, and if it is spread evenly we are talking about less than 5 per school. That brings it down to this. There is no impact. We do not need additional classrooms and the numbers of students are declining anyway; there are no additional teachers required: and there are no additional cooks.

In fact in talking to the people in my district where they have all these youngsters I found they are spending a little bit of time every day with an aide who is already employed who is reviewing some of the fundamentals with relationship to the English language. That is the only thing special they are doing.

It seems to me at a time when we have the budget problems we have it is not very wise to talk about spending $57 million or $64 million, whichever figure we want to pick, for something that is not necessary.

As the gentleman from Minnesota (Mr. QUIE) has indicated, and as I have indicated, we should pay the actual expense, but let us do that. Let us not let my State and my particular district rip off the constituents of the Members, the constituents who are paying taxes, when the money really is not needed.

Mr. LOTT. Mr. Speaker, I have no further request for time and I reserve the balance of my time.

Mr. MATSUNAGA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PERKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7897) to authorize funds for assistance to local educational agencies for the education of Cambodian and Vietnamese refugees, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7897, with Mr. MELCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kentucky (Mr. PERKINS) will be recognized for 30 minutes and the gentleman from Minnesota (Mr. QUIE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 7897, as reported by the committee, is relatively simple. It provides for grants for 2 years to States and local school districts to pay part of the costs of educating Indochinese refugee children.

The basic reason for this legislation is that the administration and congressional leaders made promises earlier this year, during consideration of the Indochina Migration and Refugee Assistance Act, leading States and school districts to believe that the Federal Government would pay for the costs of educating these refugee children.

But now, the administration has backed down on these commitments and is giving out grants which average only one-fourth of the costs of providing a regular education for these refugee children.

A school district can qualify for a larger grant—equaling about one-half of the costs of providing a regular education—but only if that school district has at least 100 of these refugee children or has a number which equals 1 percent of the school district's total enrollment. But even this grant would leave the school district and the State paying for half of the costs of educating these children.

Moreover, the administration's program makes no allowance for the extra costs involved in educating these children. These are the costs over and above providing a regular education program. Since almost 85 percent of the Indochinese refugees in this country speak little or no English, most refugee children are urgently in need of bilingual education and other special assistance. These extra services, of course, are going to cost more money than is involved in providing a regular education.

Due to these inadequacies in the administration's program, the committee has reported a bill which would provide for grants to the States and to local school districts to pay for part of the costs of providing a basic education for these children. The committee's bill would leave the administration's program in place so that those funds can be used to meet the extra costs of educating these children.

Under the committee's bill for this school year—fiscal year 1976—a State would receive a payment for every such child equal to the State's average per pupil expenditure, exclusive of costs attributable to administration and fixed charges. This would mean a grant for about 85 percent of the costs of providing a regular education for these children.

The reason the committee excluded those two costs from the computation is that we felt that they were costs school districts would have incurred anyway—regardless of the presence of these children.

After deducting these amounts, there must also be excluded from the grant any amount a school district received for education under the Indochina Migration and Refugee Assistance Act—the administration's program. These payments are excluded so that no school district would receive double payments for these children.

For the next school year—fiscal year 1977—States and school districts would receive grants equal to half of the average per pupil expenditure in the State, less costs attributable to administration and fixed costs. No deductions would have to be made for amounts received under the Indochina Act since the education program under that act is for 1 year only—fiscal 1976.

We estimate that the costs of this legislation will be $26.9 million for fiscal year 1976, $6.7 million for the transition quarter, and $23.1 million for fiscal year 1977.

The Senate has passed a similar piece of legislation, S. 2145. That legislation contains total authorizations of $125 million for these purposes. Under the House bill we have cut those authorizations in half—to $56.7 million.

Mr. Chairman, I think it might be helpful to the Members if I were to give an example of how a grant would be computed under this act.

For fiscal year 1976, a grant would be computed by using the particular State's average per pupil expenditure for education for fiscal year 1974. The average for all the States for that year was $1,147.

Now, to arrive at the grant in the average State, you take this $1,147 and deduct from it $41 which is attributable to the cost of administration and $132 which is attributable to fixed charges. This leaves us with a figure of $974.

Then, if the school district has received a grant of $300 under the administration's program for these children, you would deduct that $300 from this $974 which leaves us with a total of $674.

So, the average school district this year would receive a grant of $674 to provide a basic education for Indochinese refugee children.

Since the cost of education per pupil is estimated to be approximately $1,400 for this school year, the average school district would receive a grant under this bill for less than one-half that cost—$674. The school district itself, and the State, will have to subsidize the other half of the cost of providing these children with an education.

The school district may also receive an extra grant of $300 per student under the administration's program. This amount could then be used to pay the extra costs of education, such as bilingual education and special tutorial assistance.

Next school year, fiscal 1977, school districts will receive half of the amount they are entitled to this year under the bill. And, that grant will have to pay for both regular education and any special assistance school districts may want to provide since the administration's program is only for this school year.

Mr. Chairman, I believe the committee's bill is a reasonable proposal. I urge its adoption.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I believe all of us rise in support of one concept: That any additional expenses incurred by a school district ought to be reimbursed by the Federal Government. But, the issue here is whether we, the Congress, should go far beyond the concept of providing reimbursement for additional expenses and give money carte-blanche to school districts without any need being demonstrated by those school districts.

It seems clear to me that this should not be the case.

There will be an amendment offered later which will change the formula in the Committee bill and only reimburse school areas and districts for money which they had to spend because of a particular situation which results from having Vietnamese refugee students present.

A statement has been made that, somehow, we made a commitment to do this by intimating to the school districts that the Federal Government would reimburse them for all of their expenses regardless of whether or not there have been additional expenses for educating these children.

I would like to take a moment and go to the heart of this argument. If this body had made the commitment to the various school districts that we were going to reimburse them for something and then turn around and said, "No, we are not going to do it," then I would think that it would be wrong. But, the RECORD does not show that there was a promise to reimburse them fully for expenses, and I am going to read some brief excerpts from the RECORD to point this out.

A statement was made today that Ambassador Brown stated that all of the educational expenses would be reimbursed. At this point, I would like to read into the RECORD a letter from Julia Vadala Taft, Director, Interagency Task Force for Indochina, to the distinguished Representative from Arizona, JOHN J. RHODES:

INTERAGENCY TASK FORCE FOR
INDOCHINA, DEPARTMENT OF STATE,
Washington, December 16, 1975.

Hon. JOHN J. RHODES,
Minority Leader,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. RHODES: As the House prepares to vote on H.R. 7897, the "Indochina Refugee Children Assistance Act of 1975," I would like to clarify the legislative history of the Administration's policy for providing educational services to the refugees.

The supporters of the bill argue that the Administration has reneged on a promise to pay the full cost of providing education to the refugees. Their arguments are based on a much quoted statement found in the Senate Foreign Relations Committee Report, dated May 3, on the Indochina Migration and Refuge Assistance Act, and attributed to Ambassador Brown:

Every effort will be made to ensure the resettlement to the extent possible will not be concentrated in a few enclaves in the country and will not result in economic or social service hardship. The Department of HEW, subject to Congressional action on the Administration's bill, will provide full reimbursement to State and local social service and health agencies for costs they may incur in providing income assistance, health maintenance, social services and educational services to refugees who are in need of such assistance.

The transcript of the May 3 hearing contains no such statement by Ambassador Brown or any other Administration witness and the State Department has no record of submitting such statement to the Committee following the hearing. In fact, a review of the transcript reveals that the Administration went on record as opposing full reimbursement of education costs. The following is a direct quote from the transcript of

> the interchange between Chairman Sparkman and myself at the May 3 hearing:
>
> The Chairman. I want to say something to Ms. Taft. I had a rather strong statement and it may be that you have had it from the California State Department of Education on the question of the heavy expense that would be on them because primarily such a big part of them will be coming there, and have you——
>
> Ms. Taft. Right, we have addressed this question very much. We would have the flexibility in the bill that you are considering to be able to provide in essence impact aid for school systems if we wanted to. This is what we have done in the Cuban situation.
>
> However, we are not in the position now to be able to say that makes sense as a viable education program because we really are very adamant about the fact that these people will be going all over the country. We will be working with the California State Education people with other States if we feel that they are receiving an undue number of students and working with them on some provisions of how we can help them out.
>
> We are also going to be providing what is the most expensive incremental portion of the school system which would be English as second language.
>
> We will be taking care of providing that kind of assistance. So I think that we have to wait and see where the people do go and how many students are in which systems and we will be dealing with this on a regular basis."
>
> The Chairman. I think it makes very good sense anyhow and I am going to ask that this be put in the record.
>
> Thus, the Administration did not promise to pay the full costs of providing educational services for the refugees. The Administration has had a consistent policy of providing Federal assistance to school districts with high concentrations of refugee children, and we have subsequently expanded our assistance to provide for supplemental services to every refuge child.
>
> I hope this letter has helped to clarify the legislative history on this issue. It will indeed be unfortunate if Members make a decision to vote either for or against this bill based on an incorrect interpretation of the legislative history.
>
> Sincerely,
>
> Julia Vadala Taft,
> *Director.*

I would like to emphasize to my colleagues that Ms. Taft says:

> In fact, a review of the transcript reveals that the Administration went on record as opposing full reimbursement of educational costs. The following is a direct quote from the transcript of the interchange between Chairman Sparkman and myself at the May 3 hearing.

Furthermore, Ms. Taft stated that the administration wanted the option "to provide in essense impact aid for school systems if we wanted to."

Thus, the administration asked for a bill flexible enough to do just that. There was no commitment whatsoever to give total reimbursement for educational expenses to all LEA's with refugee students.

A search of the Record will also show that there are similar statements—and I will go through them briefly—and colloquies among the Members which make it very clear, with one exception, that there was no intent in this body to reimburse anyone except where these students had an unusual impact on the area.

During the debate on the Indochina Migration Refugee Assistance Act, the gentleman from Pennsylvania (Mr. Eilberg) stated, in response to a question from the gentleman from California (Mr. Danielson):

> We have received assurances from HEW and the interagency task force that 100-percent reimbursement would be supplied during that period in any impact area.

Clearly, only an impact area was meant.

Further quoting the gentleman from Pennsylvania (Mr. Eilberg), he said:

> My recollection of the testimony was that they would look at the situation with a positive assurance there would be 100-percent return during that 2-year period if there is a high concentration and a substantial impact on a particular school district.

There are other statements, which are even clearer. The gentlewoman from Hawaii (Mrs. Mink), and others, made it very clear that there was no intent in this body to provide reimbursement for anything except unusual expenses. In fact, Mrs. Mink stated emphatically:

> If there were such assurances I am sure there would not be this kind of concern expressed by the people in California, and in my State. It is purely discretionary, it is my view that it is arbitrary, but if it is offered it should be permitted to extend beyond the cutoff date of December 31, 1977.

Only once was there any statement made that indicated this body might have made a representation that there would be a return to school districts for impact aid. That was a statement by the gentleman from New York (Mr. Fish), on page 14367 of the Record, of May 14, 1975, in which he disagreed with a statement made by the gentlewoman from Hawaii (Mrs. Mink) in response to a question by the gentleman from California (Mr. Danielson). But, the gentleman from Pennsylvania (Mr. Eilberg) made it clear that no such 100 percent return was contemplated. In fact, he stated:

> Mr. Chairman, if the gentleman will yield, in response to the inquiry of the gentleman from California (Mr. Edwards), it does not appear in the bill.

I have searched the Record and I can find nowhere that there was any commitment by this body to do anything other than reimburse the school districts in the high-impact areas.

On the contrary, the gentleman from Pennsylvania (Mr. Eilberg) set the context for limiting the discussion by saying:

> My recollection of the testimony was that they would look at the situation with a positive assurance there would be 100-percent return during that 2-year period if there is a high concentration and a substantial impact on a particular school district.

The CHAIRMAN. The time of the gentleman from Vermont (Mr. Jeffords) has expired.

Mr. PERKINS. Mr. Chairman, I yield 2 additional minutes to the gentleman from Vermont (Mr. Jeffords).

Mr. JEFFORDS. Mr. Chairman, I thank the gentleman.

Mr. PERKINS. Mr. Chairman, I will now ask the gentleman from Vermont (Mr. Jeffords) if he will yield to me so that I may read a letter written by the gentleman from California (Mr. Bell).

Mr. JEFFORDS. I yield to the gentleman from Kentucky.

Mr. PERKINS: Mr. Chairman, the letter is as follows:

> House of Representatives,
> *Washington, D.C., January 19, 1976.*
>
> Dear Republican Colleague: Due to pressing circumstances in my district, I am unable to join the House in its consideration of H.R. 7897, the Indochina Refugee Children Assistance Act of 1975.
>
> However, I must remind you that, contrary to what opponents of this bill say, the Administration did make a commitment to reimburse state and local agencies for those education services they would provide to these Indochina refugees. I quote from Ambassador L. Dean Brown's testimony before the Senate Foreign Relations Committee on May 12, 1975:
>
> "Every effort will be made to ensure the resettlement to the extent possible will not be concentrated in a few enclaves in the country and will not result in economic or social service hardship.
>
> "The Department of HEW, subject to Congressional action on the Administration's bill, will provide full reimbursement to State and local service and health agencies for costs they may incur in providing income assistance, health maintenance, social services and educational services to refugees who are in need of such assistance."
>
> The Federal Government must live up to its promises. We cannot continue asking the taxpayers of this country to shoulder the federal burden. I again strongly urge you to give your support to this measure.
>
> Sincerely,
>
> Alphonzo Bell,
> *Member of Congress.*

Mr. JEFFORDS. Mr. Chairman, I will say to the gentleman from Kentucky (Mr. Perkins) that I am aware of that letter. I am also aware of the response of the administration to that letter which I quoted.

I would just state again that the letter to the gentleman from Arizona, the Honorable John J. Rhodes, dated December 16, 1975, from Ms. Taft, says that she has searched through the records and has been unable to find such a quote, and that if such a quote were made, she is unaware of it. I will state further that this is not the view of the administration, as is clearly set forth in her letter.

Mr. Chairman, the administration opposed full reimbursement; this is made very clear in that letter. That is why I have included it in the Record so that there is no misunderstanding about the position of the administration.

The CHAIRMAN. The time of the gentleman from Vermont (Mr. Jeffords) has expired.

Mr. QUIE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Vermont (Mr. Jeffords).

Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, even if we take that statement from Ambassador Brown that HEW will make full reimbursement to State and local agencies for health and educational services, we should point out that they are providing for the major medical expenses and they do not take the average of all medical expenditures and then make that payment whether they incur the costs or not.

That is really what the key issue is here. Do we take the average expenditure per child and ask for the reimbursement of the schools and the States for that, or do we only reimburse them for the additional basic and supplemental costs that are incurred because of the students who are there?

I believe that we ought to reimburse school districts for what they actually spend on refugee children rather than make lump sum payments which they can use for almost anything. That is what the whole issue is about.

The gentleman is absolutely correct in his statement as to what the administration has said it would do. Also I believe it is correct that we ought only to make the expenditure for what the schools actually spend on those children.

Mr. JEFFORDS. Mr. Chairman, I thank the gentleman for his statement. I agree with him. I have nothing further to add.

Mr. PERKINS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Chairman, I rise in support of H.R. 7897.

The Federal Government has a very clear responsibility to local school districts and States to alleviate the high short-term costs of education for these refugees brought to the United States in the final act of the Vietnam tragedy.

Repeatedly the administration has promised State and local governments that the Federal Government would bear the financial burden for settling-in these refugees. All social assistance, including educational costs, were to be provided by HEW, according to the administration's promises during discussion of the Indochina Migration and Refugee Assistance Act.

The statement of Ambassador Brown has been read, and I will not repeat it; but we in the Congress have also made that promise.

Mr. Chairman, I point to the colloquy which took place during the consideration of the appropriation for this legislation or for the Resettlement Act in May of 1975, when the gentleman from Louisiana (Mr. PASSMAN), the chairman of the committee bringing the legislation, was asked by the gentleman from California (Mr. MINETA) "whether it is the intent of Congress that the Federal Government would retain 100 percent of the costs of relocation, health, education, welfare, and employment in terms of the costs of the refugees."

The response of the gentleman from Louisiana (Mr. PASSMAN) was unequivocal: "That is absolutely right."

Mr. Chairman, that was during the debate of the initial legislation on this matter.

At this point, HEW has been providing $300 per refugee child enrolled in districts with less than 100 refugees, and $600 if the number of refugee students is more than 100 in the school district.

This figure is clearly inadequate to compensate States and local districts for the excess costs.

In the first place, one argument against paying a higher rate was that the students were to be so dispersed as to create a very limited problem for any one State or district.

The fact is that the majority—51 percent—are settled in seven States with California, Texas, Pennsylvania, Florida, Minnesota, and Washington State having the largest share of the refugees. So they are not dispersed equally across the country.

In the second place, the $300 to $600 figure is far less than the actual costs to the school district. In Washington State estimates are that the costs for educating these children will run about one and a half times as high as costs for a regular student. The Center for Applied Linguistics in Virginia has estimated costs for non-English speakers at between $400 to $600 more than regular student costs.

Additionally, there are special problems for school districts with a scattering of Vietnamese children.

Many districts have never had any previous experience with non-English speaking children. In most communities there are no existing Vietnamese community aids, such as can be found for other immigrant groups. Everything is from scratch.

Survival English is immediately important and the supply of ESL—English as a second language—teachers is very low in Washington State. This means inservice programs for teachers, with hiring of special Vietnamese aides.

All Vietnamese teaching materials must be purchased—nothing is on hand to be reused for the new students.

And, very important for Washington State—as for others—this is a year when there is no fat in the education budget to begin with. School programs are already being cut to the bone because of revenue shortfalls and school levy failures.

In summary, the Federal Government has a clear responsibility to furnish short-term, immediate financial relief to local education agencies who have shouldered the burden of educating these refugee children. The House bill has been trimmed of overhead costs of education and represents a true assessment of the Federal responsibility.

Mr. QUIE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. BURGENER).

Mr. BURGENER. Mr. Chairman, I thank the gentleman for yielding me this time and I rise in support of the legislation. I will listen most carefully to the debate when the gentleman from Minnesota (Mr. QUIE) offers his amendment.

Mr. Chairman, I represent a number of school districts that surround Camp Pendleton in California where there were 18,000 refugees and, quite understandably, a rather large number of refugee children are settled in the communities which I represent.

At the time we were discussing the refugee situation last year the California delegation was called together by our chairman, the gentleman from California (Mr. MOSS). We met with representatives of the State Department, the Defense Department, and the administration and we were given all of the assurances to which we have heard reference here today.

As I have stated, Mr. Chairman and colleagues, in my area we have a large concentration of these youngsters. It appears only fair that a reasonable reimbursement be made. Again I say that I will listen most carefully to the debate when the gentleman from Minnesota (Mr. QUIE) offers his amendment. But I do indeed hope that the legislation is favorably acted upon.

Again I thank the gentleman for yielding.

Mr. PERKINS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Chairman, I find that H.R. 7897, the Indochina Refugee Children Assistance Act of 1975, represents a reasonable and a humanitarian action on the part of Congress in light of events which brought refugees and their children from Southeast Asia to this country. I believe it is properly the policy of the Federal Government to assume responsibility for a portion of the initial cost of educating refugee children across this Nation so that they may make an effective transition from one culture to another and take their place as productive American citizens. I feel that it should be approved without amendment.

State governments and local school districts are unprepared to pay the additional costs for these children. The bill is equitable in that it appropriately provides that each State's grant is divided between State educational agencies and local school districts in proportion to the extent that State and local funds are used to support the education of these children. In Florida, as in most other States, State funds for this current school year were appropriated on the basis of student counts prior to the influx of refugees. Falling State revenues and inflation will require additional local levies on an already unpopular property tax to meet the cost of educating these children.

The current HEW program, while it does provide some financial assistance, is in effect for this fiscal year only and falls short of the necessary basic and disproportionate educational costs of these children. Indochinese refugee children bring with them a different culture and language handicaps which require a variety of special and technical assistance to eliminate the handicaps and assimilate them into American society. Counseling, curriculum guidance, and individualized language instruction are necessitated. New types of diagnostic and prescriptive materials must be prepared; and teacher aides, interpreters, and small group instruction must be provided.

Florida is one of the hardest hit States with an estimated 1,376 children enrolled in kindergarten through 12th grade. My own congressional district has 364 of these children or 26 percent of the State's total. In addition to the bill's obvious assistance to California, Texas, Pennsylvania, and Florida, every State is affected positively by the legislation. Indochinese refugees reside in every State.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, since

it appears that the audience is the same as it was the last time I was here, many of whom are on the committee and have preconceived ideas about the way this should go, I will just touch on a few other areas.

First of all, Mr. Chairman, the Federal obligation is not at issue here. I do not think anyone believes seriously that we are concerned about whether the Federal Government has an obligation or whether it does not. I believe we all realize that. The question that we have before us is whether we should pay the actual cost or whether we should get involved in another one of these "impact aid part (b)" situations that we have had for years in this country where the wealthier school districts are benefited at the expense of the poorer school districts. We cannot handle this whole idea on per-pupil cost. It is just totally inaccurate to even talk about it in relationship to what constitutes the actual cost in relationship to these youngsters.

In fact, when we had the group of educators in front of us testifying before our committee, after listening to them about this per-pupil cost and further stating that they should have about $1,600, $1,700, or $1,800 per pupil, I asked them:

> If you and I were sitting here together with educators and none of these other congresspersons who might hold the purse strings were in the audience, would you say to me that for each and every additional youngster that has come into your class rooms, whether they be Indochinese youngsters or whomever they may be that you need what you constitute as a per pupil cost in order to educate them?

Their reply—and there are several people who are sitting here who were there—was, "No; we would never make a statement like that if we were sitting here with educators."

My State and my district are about third in line when it comes to jumping into that trough. In fact, after we get the top four States into that trough there will not be much room for Kentucky or anybody else; we will use it all ourselves.

We get so excited about whether they are or are not receiving a proper education.

An article in the San Diego Tribune of December 31, 1975, Oceanside, states:

> The results of a study showing South Vietnamese students academically outranking American students in schools here make a sad commentary on the quality of U.S. educational programs, according to a teacher who tested the children.
>
> Adkins said 33 of the 47 Vietnamese students enrolled in all grade levels in the Oceanside Unified School District participated in his study, which, he said, tested achievement in mathematics and language development. About 100 American students also were tested for the study, he said.
>
> In mathematics, the results show the Vietnamese students averaging 93 per cent, in comparison with 29 per cent for the American students, Adkins said.
>
> The final results of the language development tests have not been completed, he said, but added that the scores indicate the Vietnamese students averaged 90 per cent, as compared to about 40 per cent for the Americans.
>
> "After talking with numerous teachers, I find that these (Vietnamese) kids are invariably at the head of their classes in all subjects, except spoken language classes," Adkins added.
>
> All of the Vietnamese students he tested were refugee children who settled in the area last spring when they escaped from their war-torn homeland, Adkins said. The students do not speak English well, he said, but are proficient in reading and writing English, as well as their native language and French.

In checking with all of the school districts back in my district, I find that they have done nothing extra. No additional expenditures have been made. No additional textbooks have been purchased. They already had those in stock. There has been nothing except a little bit of help by an aide in educating, and some reviewing.

Yes, we have a responsibility, but we have a responsibility only to do according to the actual cost, which has nothing to do with the per-pupil-cost expenditure in relation to an educational system. I think we should think seriously about this before we act in an emotional manner and come up with much more for local school districts, particularly my local school districts in my area in my State, than is needed in order to give a proper education to these youngsters who have come from Indochina.

Mr. PERKINS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California (Mr. ROYBAL).

Mr. ROYBAL. Mr. Chairman, H.R. 7897 squarely puts before this House the question of whether the Federal Government is going to honor its commitment to reimburse the States for the cost of educating the Vietnamese refugee children, or whether it will turn its back on its promises and thereby cause a cutback in educational opportunities offered to all students.

One of the gravest problems created by the sudden influx of Indochinese refugees is the financial strain it has placed on local school districts. The refugees came to this country because of a policy decision of the Federal Government. In the aftermath of their arrival, Federal officials quickly stated that the Federal Government would reimburse State and local governments for all costs associated with the refugees.

The administration has provided full reimbursement for income assistance, health maintenance, and social services. However, it now proposes to shortchange local educational agencies by providing only partial reimbursement for the cost of educating the Vietnamese refugee children.

HEW proposes to reimburse the local educational agencies $300 for each of the first 100 refugee students who are enrolled in a school district, and $600 for every student above the first 100 or above 1 percent of the total student population, whichever is less.

Officials at the Department of HEW contend that this will sufficiently compensate the States and localities for educating these children. However, this reasoning overlooks the salient fact that these children are high-cost students. They must be provided special services such as bilingual teachers, remedial courses and special counselling. The National Center for Educational Statistics estimates that the average cost of educating a child in the United States during the 1975–76 school year, excluding costs for administrative and fixed charges, will be over $1,065. Thus, the payment proposed by HEW is totally inadequate to meet the actual cost of educating these children.

HEW also contends that State and local agencies should be able to absorb these additional costs without difficulty. However, the school budgets for the present year were set months before anyone knew these children would be in the United States. If HEW does not reimburse the local educational agencies, then either taxes will have to be raised or student services reduced.

Further, the administration indicated at the outset that it hoped to evenly disperse the refugees. Unfortunately, this plan has not occurred. The latest figures show that seven States—California, Florida, Minnesota, Pennsylvania, Texas, Virginia, and Washington—have received 51 percent of the refugees so far settled. Thus, the Federal Government is asking the taxpayers and students in these States to bear a disproportionate share of the burden of educating the refugee children.

Mr. Chairman, let me cite to you just one example. There are now more than 2,800 refugee students in the Los Angeles County school system. The sheer magnitude of this number and the need to provide them with a quality education has placed a tremendous financial and administrative burden on the school district.

The bill before you authorizes the Commissioner of Education to make grants to State educational agencies for fiscal years 1976 and 1977 to reimburse these agencies and local school districts for the costs of providing regular educational programs for Indochinese refugee children.

The amounts of these grants are determined by multiplying the number of Indochinese refugee children in elementary and secondary schools in each State by the average per-pupil expenditure for that State. Each State's entitlement, however, is reduced by the amount that school districts within the State have received for education under the Indochina Migration and Refugee Assistance Act of 1975. For fiscal year 1976 and for the transition quarter, the amount derived by this calculation would be the State's maximum grant amount. For fiscal year 1977, the State's maximum grant would only be 50 percent of this computation.

For the purpose of these calculations, the bill defines the average per-pupil expenditure as all current expenditures within the State for providing free public education, except for those expenditures attributable to fixed charges and administration.

Once a State educational agency receives its grant, it can retain an amount at the State level which equals the amount the State educational agency has provided for the education of these children. The remainder of the grant must be distributed to local school districts on the basis of their per-pupil expenditures and on the basis of the number of refugee children in schools in the district.

Mr. Chairman, the passage of this bill will result in two desirable achievements. First, we will help remove the crushing financial burden that the Federal Government has imposed on local school districts. Second, school administrators who are now working on next year's school budgets will be able to plan on receiving some reimbursement for the 1976–77 school year. I urge my colleagues to act favorably on this bill.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from Kentucky.

Mr. PERKINS. I thank the gentleman for yielding.

I want to compliment the distinguished gentleman from California (Mr. ROYBAL) for introducing this legislation to take care of a problem that really needs to be solved by this Congress. His leadership has been of tremendous value to the House Committee on Education and Labor, and we appreciate it.

Mr. ROYBAL. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Chairman, I would like to thank the gentleman for his leadership in this matter.

Mr. Chairman, there seems to be a lot of misunderstanding in the House about this bill. The bill is not a rip-off; it is not a bonanza for school districts. It is in fact a very needed remedy to the financial problems caused by the Indochina resettlement.

The impact at this point has fallen almost exclusively on the local and State taxpayer, and in a highly selective way. Seven States have absorbed more than half the refugees. Taxpayers in those States are being asked to bear the burden for an action that was essentially a Federal action.

As it is the bill does not even provide anywhere near the amount that will be spent on education for the refugee children. A year ago, the average cost of educating a student nationwide was $1,255. The refugee children, with their special language and social adjustment problems, will cost significantly more per pupil. Yet the bill provides only $422 per pupil to school districts with large numbers of refugees, and $722 to districts with smaller numbers.

Under the Quie amendment, these amounts would be reduced to $245 and $545 respectively, or about 18 percent of the estimated cost of education this year in the higher-impacted districts and 38 percent of the cost in the lower-impacted districts.

Even at that, the Quie amendment would distribute the amount of the impact unfairly. As is well known, the States provide better than 40 percent of the funds used for education by school districts. Yet the States receive no money under this bill. The money goes instead to the local district. It is no wonder this amendment was rejected by the Education and Labor Committee.

Mr. Chairman, the question on this bill comes down quite simply to this. Are the State and local taxpayers going to be asked, on a highly selective basis, to bear the brunt of a Federal policy decision? I think the answer should be definitely not. And I urge the defeat of this amendment and passage of the bill.

Mr. QUIE. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, here we are, exactly where we predicted we would be last May. When the special appropriations for assistance to refugees from Cambodia and Vietnam was considered by this House, I offered both in committee and on the floor an amendment that would have provided that services to the refugees be provided under existing programs and that we not develop new categorical programs and have a proliferation of them. At that time we were assured that in the area of education there would be no need for new programs because it would be handled under existing programs.

Yet here we are, just since last May, coming back again with a request for new programs and for a proliferation of programs for a particular group.

Why should we vacate this special program for Vietnamese refugees? We absorbed 80,000 Hungarian refugees without special programs. We absorbed 450,000 displaced persons and 189,000 Eastern Europeans without special programs. We annually absorb about 400,000 immigrants without special programs.

The only special program was the Cuban refugee program and we are still trying to phase that out after all these years.

Let us not create another program that will be difficult to terminate.

Mr. QUIE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I oppose H.R. 7897 in its present form.

Mr. QUIE. Mr. Chairman, I oppose H.R. 7897 in its present form.

As my colleagues know, I have been a strong supporter throughout the years of the Federal Government assisting in education. I have pushed for legislation that sometimes was not very popular on my side of the aisle.

It is my belief that the Federal Government ought to be reimbursing the local schools for additional costs of Indochinese refugees. I am for that. And I am for it when the $300 or $600, as the case may be, from HEW is not sufficient to take care of the additional cost. But I am not for legislation that makes the payment to the school district whether the district makes the additional expenditure or not.

In order to get this in context, originally this bill provided for total reimbursement of all expenditures. However, the majority evidently became embarrassed when they realized they did not have to pay the superintendent more money because they were dealing with a few additional refugees and they did not have to pay the principal an additional amount of money just because there were some additional Indochinese refugees there. But I ask the Members, why do we have to heat the building hotter just because there are some additional Indochinese refugees there? This bill provides for the cost of heating the building and I do not see where that is necessary. I do not see why it is necessary for the district to have additional money for the school bus because it stops and picks up another school child who can sit in one of those seats already in existence—that is no additional cost.

It is true in the bill that we do provide for additional help for some bilingual teachers. There are some Indochinese who have the skills in the Vietnamese and English languages and they are working for the school districts teaching English to these students.

To that extent I believe we ought to pay for that additional expenditure for those children so that they can be assimilated into the school system as soon as they can. Previously I mentioned one school district which has four refugee children and they just assume that those children are bright, and as is demonstrated in the survey conducted by Mr. GOODLING, the gentleman from Pennsylvania, the Vietnamese children can assimilate the language quickly.

These figures indicated that the district was not spending one additional cent for those children. They did not have to put on new school buses. They did not have to heat the buildings any warmer. They did not have to hire additional teachers. However, they will receive the $1,200 HEW based on $300 for each child. Why should they receive more? I do not believe they should.

The amendment I will offer will provide that the school district will be able to receive the amounts they expended in addition because of those children. The amendment provides that the money will go to the State or the local school district, whoever was making the expenditure of money. I do not change that at all in my amendment.

It is true that the substitute I offered in the committee would have permitted the money to go only to the local school district. In the amendment I will offer today that is changed to provide that the agency which put up the funds will get the reimbursement.

Now, we ought to note that these are 130,000 Indochinese refugees. Every year we admit about 400,000 immigrants. As somebody indicated, there are about 40,000 Indochinese students. Every year we get about 140,000 immigrant students in this country. HEW is already paying $300 or $600, as the case may be for each Indochinese refugee student. Why should we provide greater additional Federal expenditures for refugee students and not for immigrant students?

Now, this was not something that was partisan in our committee. The dissenting views were signed by my colleagues, Mrs. CHISHOLM, and Messrs. CLAY, ESHLEMAN, ERLENBORN, GOODLING, JEFFORDS, MOTTL, and SARASIN.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. QUIE. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, let me give a few figures on how much extra a district could receive. A State having an average expenditure per pupil in the Nation and 30 refugee children in the school district can expect to receive under this bill about $1,066 per child, or $37,650 for those 30 children. I doubt very much that a district under any circumstances would be able to spend more than $20,000 for that number of children for all of the services which it could provide. The HEW survey indicated that an average of $533 per pupil was being spent, which is way under the $20,000 total. The expenditure then would mean that if they used even as much as $20,000 under this bill, the school district would be receiving $17,000 more than it expended. That would be gravy from the Federal Government.

While it is not a large amount of money, I believe that the principle is what is before us. I believe that in all matters, whether they are small amounts of money or large amounts of money, we should not be making expenditures from the Federal Government over and above that which is necessary to fulfill our obligations.

As indicated by the gentleman from Vermont (Mr. JEFFORDS) the administration never promised to pay all of the costs, only the extra costs in the high impact areas. I propose in the amendment that we pay the extra costs in all areas.

Also, it should be pointed out that of the Indochina refugee males over 14 years of age, 69 percent surveyed last August were employed, as were 68 percent of all the male heads of families, and 54 percent of the female heads of families. That was back in August, and undoubtedly the figure is much higher now. I know that many of them are underemployed but time will bring them into employment where they are qualified. It should be pointed out that they are paying taxes now in the local communities, and they are paying property taxes on the buildings in which they reside to help pay for the schools.

The school districts have been able to absorb other groups of students each year. They have the same difficulty of having a higher number of students as the school year progresses than they did when the school year began. The States make higher expenditures to those schools as the school year progresses to accommodate those changes.

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Washington.

Mr. MEEDS. I thank the gentleman for yielding to me. I was interested in his statistics about how this was not costing the school districts this money, and I was wondering if the gentleman was aware of the statistic from California that 66.8 percent of the refugees were receiving some kind of public assistance grants for welfare payments or food stamps. Is the gentleman aware of that?

Mr. QUIE. I could not tell the gentleman exactly on the percentage, but I was aware that some of them were receiving welfare.

Mr. MEEDS. I have a table here which I will be happy to make available to the gentleman.

Mr. QUIE. I would say that when the Federal Government agreed to pay for the welfare costs, it agreed to pay the actual costs rather than average expenditure per person in the State of California. This is what the gentleman is asking for in the bill. Under the bill, 85 percent of the average expenditure per child in each State would be paid rather than the actual increased cost of educating that pupil. That is where our difference of opinion lies.

Mr. MEEDS. I thought the gentleman was making the point that these people were paying their own way, that they were paying taxes. The gentleman said something about 20 percent of all those over 14 were working.

Mr. QUIE. I said 69 percent of those over 14 were working.

Mr. MEEDS. I thought the gentleman was making the point that these people were paying their own way. I just want to point out to him these figures, that 66.8 percent of those people received some kind of public assistance, which would, I think, dispute that fact a little.

Mr. QUIE. But the assumption the gentleman is making is that none of these people are paying any taxes to help pay for their education. That just is not true. There are Indochinese refugees who are earning money and paying taxes, and every one of them is living in homes for which property taxes are being paid.

So, Mr. Chairman, I urge my colleagues to either support the amendment or turn down the bill.

Mr. PERKINS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. Mr. Chairman, I rise today to strongly urge my colleagues in this House to approve the Indochina Refugee Children Assistance Act. I consider it a privilege to be one of the cosponsors of this vital piece of legislation.

Last spring, all of us agonized over the tragedy that occurred in Southeast Asia. Many thousands of individuals were forced to flee their homelands because of their dedication to personal and religious freedom. As they have done so often in the past for others similarly situated, the American people extended their hands in friendship and literally opened their arms and their homes to the Vietnamese people who came to our shores.

The administration, the military, and numerous private organizations, such as the Migration and Refugee Services of the U.S. Catholic Conference performed the herculean task of receiving, processing, relocating, and settling these thousands of individuals. They are to be commended as are the cities and towns across the United States that have provided new homes for these people.

As of last December, Louisiana has received over 3,600 of the refugees. Most of them have settled in my own area, in Jefferson Parish and the city of New Orleans. This is as it should be since we in Louisiana have always offered succor to distressed newcomers, beginning with the thousands of Acadian refugees who came to us from Canada in 1755 down to modern times when New Orleans became the new home for many thousands who fled tyranny in Cuba.

The Acadians became a dominant force in the culture of our State. The Cubans are becoming very important participants in New Orleans area life. I am fully confident that the Vietnamese who have settled in the metropolitan area will put down roots and will become fully assimilated into our society just as have their predecessors in previous waves of refugee migrations.

One of the most obvious and efficient methods of aiding these people in their assimilation is our local educational system. Orleans and Jefferson Parishes each have enrolled over 300 children in their respective school systems. In Orleans Parish, these children are scattered among various schools. Jefferson Parish is trying a different approach in order to expedite the assimilation and education of these children. Centers have been established for elementary, middle, and high school aged students. At these centers the children are receiving intensive instruction in the English language and in the ways of American society. Progress has been quite gratifying, although the language barrier continues to be a problem. In order to address this problem, each classroom at the centers has two teachers, one American and one Vietnamese. Thus, the educational progress of these children is not impeded by their lack of English language skills. But this program, with its ancillary health, nutritional, and social services, is quite expensive. It is estimated that Jefferson Parish has spent over $250,000 educating these new Americans, yet it has received only $105,000 in reimbursement from the Federal Government.

In enacting the Indochinese Migration and Refugee Assistance Act last year, this Congress pledged to do every thing possible to help resettle those who had fled their own land. We must not now allow the burden of this resettlement to fall heavily upon the educational budgets of the areas receiving the greatest number of refugees. Today we must approve this legislation so that our State and local educational systems can give these hardworking new Americans the knowledge and skills necessary to become productive, contributing members of our society.

Mr. PERKINS. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Chairman, when the Indochinese Migration and Refugee Assistance Act was passed last year, we receive assuances that State and local governments would be reimbursed for education costs. That unfortunately has not been the case.

Instead, the Department of Health, Education, and Welfare offered $300 per student a year, or $600 if a school district has more than 100 Indochinese refugee students enrolled. Yet the average cost of education in the United States is over $1,260 a year.

For instance, in the district I represent, there are three unified school districts—Los Angeles, Long Beach, and Torrance. In varying degrees, each of them has been impacted by the refugee problem—and stand to face a shortage of funds as a result.

In the Los Angeles Unified School District, there are currently 1,134 Indochinese refugee children enrolled in classes. Long Beach has a refugee enrollment of 235, while Torrance has had 30 such students enroll to date.

Long Beach alone spends about $1,400 a year to educate a single student. It must also be remembered that many of these new refugee students need special classes: almost 70 percent of them do not speak English, and an additional 17.4 percent have only a limited use of the language.

Because of these special needs, the Long Beach Unified School District estimates that the cost of educating a refugee child is 50 percent over that of a regular pupil—about $2,100 per year.

Mr. Chairman, I think it is obvious that the $600, that HEW would so generously offer in such a situation, falls far short of being adequate.

H.R. 7897, the Indochina Refugee Children Assistance Act, is itself hardly a give-away program. This bill does not cover the special costs associated with refugee children, nor does it cover adult education expenses.

Nevertheless, the aid contained in this legislation will go a long way toward defraying the expenses encountered by many school districts during the Indochinese refugee situation that arose last year. I was pleased to be able to cosponsor this legislation, and I strongly urge its adoption by this House.

Mr. LLOYD of California. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California (Mr. LLOYD).

Mr. LLOYD of California. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of H.R. 7897, the Indochinese Refugee Children Assistance Act. This legislation authorizes funds for assistance to local educational agencies for the education of Cambodian and Vietnamese refugees.

Over 43,500 refugees, ages 5 through 17, are expected to enroll in our schools this year. Up to 10,000 of these students have enrolled in California schools alone.

These school districts are operating on limited budgets that did not anticipate the enrollment of these refugees. Whatever the budget situation of these school districts, the children are here and they must be educated. My concern is that the Federal Government, who initiated action to bring these refugees to this country, now follow through with the funding that will provide relief and reimbursement for these already financially overburdened school districts.

Those who oppose this legislation argue that the Federal Government has already met its obligation. Let us review the facts. HEW is sending $300 per refugee student to local school districts, or $600 per refugee student if the number enrolled is 100 or greater than 1 percent of their total enrollment.

I ask: Are we educating American children at the same dollar rate per pupil? The answer quite obviously is, No.

That the administration committed itself to provide full reimbursement to State and local social service and health agencies for costs they incurred in providing income assistance, health maintenance, social services, and educational services to refugees in need of such assistance, cannot be ignored or dismissed. Neither is a new interpretation of that commitment acceptable.

Therefore, Mr. Chairman, I urge my fellow colleagues to follow through with that pledge and support passage of this legislation.

Mr. PERKINS. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. HANNAFORD).

Mr. HANNAFORD. Mr. Chairman, I rise in support of H.R. 7897, and I want to commend my colleague, the gentleman from California (Mr. ROYBAL), for his work on this, and I also want to commend the other members of the committee.

Mr. Chairman, I am proud to be a cosponsor of this legislation. I speak as one who has had 23 years of classroom experience, and I would like to refute the notion that one can put a precise dollar figure on the cost of educating a child.

Mr. Chairman, I have approximately 600 of these young people in my district. We have something on the order of 10,000 of these young people in the State of California. I say "something on the order of" because we do not know how many we have because many of them, perhaps, are not going to present themselves to a school in which there is no means of communication.

In terms of comparing a medical bill with an education bill, as the gentleman from Minnesota, Mr. QUIE, suggests we can present a medical bill and there is a price tag on it. But when we start talking about educating a child we are talking about something which has no price measurement. There may be one child that may be brought into a classroom that would be a real asset, not a net loss but a net gain to the education of that room. Education is what takes place between four walls, 40 youngsters, the teacher and the other resources there. But there is another child for which it will take 10 times as much in resources to educate that child. If he has cultural disadvantages, a language problem, psychological difficulties, these things can greatly increase the cost far above the average cost.

My colleague, the gentleman from California (Mr. ANDERSON), just pointed out some of these language problems. We have very many of these people who cannot communicate. They need counseling. They need special programs.

Therefore, Mr. Chairman, I urge the House not to consider trying to put a mathematical measurement on the cost of educating these children and retain the committee formula of average per pupil cost. I suspect it is going to cost much more than the average to educate these children, and the only reasonable way we can address the problem is to strike the average cost in each State, and in our State of California that is a very, very heavy burden.

Mr. Chairman, I urge my colleagues to support this legislation.

Mr. PERKINS. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. Mr. Chairman, the Indochina refugee education bill, as reported by the Education and Labor Committee, only seeks to fulfill the Federal Government's promise to fully reimburse State and local governments for costs incurred in the education of these children.

This commitment bears repeating for the administration now claims that it made no such promise. The records of the Senate Foreign Relations Committee clearly indicate otherwise. Materials submitted to that committee at its May 12 hearing by the Interagency Task Force on Vietnam set forth the administration's position on the Indochina relocation effort. That document, submitted as part of Ambassador L. Dean Brown's testimony states:

> The Department for HEW, subject to congressional action on the administration's bill, will provide full reimbursement to State and local social service and health agencies for costs they may incur in providing income assistance, health, maintenance, social services, and educational services to refugees who are in need of such assistance.

The administration has proposed to pay school districts $300 per refugee child or $600 per refugee child depending on the number of refugee children in the school district. This is obviously inadequate when you consider that the current national average per pupil expenditure is over $1,200. Characterization of the bill as a rip-off is therefore totally inaccurate for H.R. 7897 only enables the administration to carry out its own clearly stated commitment to provide full reimbursement for educational services. The committee bill would not have been necessary had the administration kept its good faith.

The committee bill under consideration today would reimburse State and local educational agencies for the costs of providing a regular education program for refugee children. The bill excludes from the computation of the educational costs those fixed and administrative charges which are incurred by a school regardless of the presence of additional children.

In addition, the bill deducts from each State's grant those payments to be made under the administration's refugee education program. A school that receives $300 per child or $600 per child, depending on the degree of refugee impact, would receive less that amount per child under the committee bill.

Expressed in dollar amounts, this means that a State which has an average per-pupil expenditure of $1,207—the national average per pupil expenditure for 1973–74—would receive an average grant of $722 per child deducting $185—administrative and fixed costs—and $300—payments under the administration's program. If that school received $600 per child under the administration's program, its grant under this bill would be $422 per child on an average.

Taking into account these two deductions—fixed and administrative charges and payments under the administration's program—the grant a State would receive under the committee bill is entirely reasonable and in keeping with the Federal Government's commitment to reimburse schools for the full cost of educating these children.

The committee bill provides reimbursement for only the basic cost of education. Obviously, these children will need additional educational services, for 70 percent of the Indochinese refugees have no English language skill and 17.4 percent have only some command of English. A school will still have to provide bilingual education and tutorial assistance to these children to facilitate their transition into a regular education program.

It needs to be reiterated that the President authorized the admission of 130,000 Vietnamese and Cambodian refugees to this country, an action which the Congress subsequently approved and to which the American people gave its wholehearted support by opening their homes to these refugees. Since it was a Federal policy to admit these refugees, it is imperative that the Federal Government fulfill its obligation to provide full reimbursement for the cost of educating these refugee children.

It appears that this administration has difficulty in keeping its promises. Only last month the President vetoed a bill which he initially assured this Congress of his favorable action. We are now again faced with a similar situation where administration spokesmen are now saying that it never promised to pay the full cost of educating the refugee children despite evidence to the contrary in the form of its own testimony submitted to this Congress.

I urge this Congress to keep our pledge to our constituents even if the administration does not. A vote for this bill as reported by the committee, without amendment, is fully justified.

Mr. Chairman, the issue before the House is quite clear, and that is whether the Congress is going to require the administration to live up to its word. This House heard not once but several times—and the written documents and files of this Congress verify this—that the administration promised that no local community, no local school district, or no State would have to bear the burden of assuming the cost through residence of any of the Vietnamese refugees, whether it was in medical fees or housing or special welfare assistance or education.

Mr. Chairman, I am sure that all of us realize that the administration has not fulfilled its promise. The administration has only funded our school systems in the amount of $300 per child if they have less than 100 Vietnamese schoolchildren in the school district or $600 per child if they have more than 100 such children.

The national statistics indicate that the average cost of educating a child in this school year will be in excess of $1,258. That is the shortfall which our school districts are being expected to pick up.

I think it is unconscionable that the administration has not met the commitment that it gave to the people and to this Congress. Therefore, this bill is essential. The amount of $1,258 is simply the national average expenditure per pupil.

Each one of these children is going to require special additional costs, because many of them are not able to converse in English. They are going to require special bilingual education, and the average national cost per child for bilingual education today is between $200 and $300. So the average cost for educating each Vietnamese child will be in excess of $1,400.

Mr. Chairman, I stood in this well before the Members of the House and argued against the policy of the administration to permit these refugees to come into this country in the first place. I thought it was unconscionable that we should invite them to leave their countries and face the hazards of being ignored, of being discriminated against, and of being forgotten once they arrived on our shores. That is precisely what the administration now wishes to do. The administration would sweep them all under the rug and pretend we were not responsible for bringing them here in the first instance.

The cost for the education of children in America is indeed expensive, and I defy anyone to suggest that it costs less than $722 per child for each one of these schoolchildren in our school districts. So I plead with the Members of this House to bear witness to the fact that the Congress was promised this money. So it is now our responsibility and our moral obligation to vote for this bill today and provide the funding that we assured our local school districts would be forthcoming.

Mr. Chairman, I hope that the House will bear witness to this debate today and fulfill our moral duty to the citizens of this country.

Mr. McFALL. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, I rise in strong support of this legislation. I believe the argument the gentlewoman from Hawaii (Mrs. MINK) makes is a very strong one in favor of this bill.

Virtually every Member on this floor is in agreement with the idea that we ought to pass a bill which pays the States for these costs. The question is whether or not we should pass the bill with the Quie amendment. First, it seems to me that the costs are very difficult to ascertain, and, second, if we could ascertain all those costs for these children, the Quie amendment would provide a lot more money for this purpose, and I am sure that is not well understood by many Members as to that amendment.

However, I believe the committee amendment is a better approach because it provides a certainty as to how much money will be provided.

It provides the knowledge to these school districts that they are going to get a certain amount of money. The actual cost may be a lot more.

Mr. Chairman, I would like to have the comment of the gentlewoman from Hawaii (Mrs. MINK) on that.

Mrs. MINK. Yes. That point is very well made, because with 40,000 children involved, 40,000 pieces of paper have to be submitted to the bureaucracy.

I do not know when that money is going to reach our school districts or what criteria are going to be established. Enormous books will have to be written as to how the school districts are going to determine what the phrase "additional costs" means.

Mr. Chairman, I think this House is well acquainted with average per-pupil expenditures. It is a clear-cut kind of thing.

Mr. EDWARDS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. Yes, I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Chairman, I would like to associate myself enthusiastically with the remarks of the gentlewoman from Hawaii (Mrs. MINK).

Mr. Vhairman, as a cosponsor of H.R. 7897 and as a representative of several school districts in the counties of Alameda and Santa Clara in California, I urge my colleagues to support this proposed program to reimburse state and local education agencies for the cost of educating Vietnamese refugee children.

In my own district more than 400 Vietnamese children are being educated at a cost of approximately $400,000 a year, raised primarily from local property taxes and State taxes. To say, as the opponents of this bill have, that this is an insignificant expenditure at the local level reflects to me an appalling lack of sensitivity to the financial difficulties of most school systems.

Mr. Chairman, the effect of this legislation is short term; the assistance will be available only until fiscal year 1978. Moreover, grants in the second year of the program will be no greater than 50 percent of the first year's entitlement. The formula devised to reimburse State and local education agencies has been carefully worked out to insure that school districts and State education departments would not be doubly compensated under this program and the Vietnamese education program authorized in the Indochinese Migration and Refugee Assistance Act last spring. As my colleagues will recall, the education assistance provided in that legislation focused on adult education and bilingual assistance.

I believe this legislation makes sense. At the end of 2 years we can realistically assume that most of these refugees will be economically well established in our communities. Such adjustment simply takes time, however, and the financial assistance required by local school districts and State education departments is desperately needed now.

I hope my colleagues will join me in supporting H.R. 7897. The responsibility of providing for the education of these Vietnamese refugee children, which they need as they adjust to a drastically new way of life and which we need to help them fully participate in our society, is undisputedly a Federal responsibility. To deny this financial assistance to our school districts would be both unfair, unfortunate and shortsighted.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in support of H.R. 7897, the Indochina Refugee Children Assistance Act of 1975.

This legislation authorizes the Commissioner of Education to make grants to State educational agencies for fiscal year 1976 and fiscal year 1977 for reimbursing these agencies and local school districts for the basic costs of educating these particular refugee children.

These grants cover the costs of free education, minus fixed charges not affected by the influx of Indochinese refugee children. Under the program, States would receive 100-percent reimbursement for the computed cost of education—which is determined by multiplying the number of Indochinese refugee children in elementary and secondary schools by the average per-pupil expenditure for that State.

This 100-percent reimbursement would be for fiscal year 1976 and the transition quarter only. In fiscal year 1977, the State's maximum grant would be only 50 percent of the computation. Additionally, the legislation mandates the termination of this program by fiscal year 1978.

At the present time, there are approximately 43,000 Vietnamese and Cambodian refugee children in the United States. In my home State of New Jersey, there are 630 refugee children.

The average cost of educating a child in the United States is approximately $1,258. This estimate was developed by the Center for Education Statistics, which has also developed research pointing out that children having a bilingual problem cost an additional $200 to $300 per year to educate. The Department of Health, Education, and Welfare is currently providing payments that amount to $300 per student, or $600 per student if a school district has 100 refugee students—or 1 percent of total school enrollment. This minimal effort is simply not enough, and clearly refutes the administration's assurances that all the necessary costs of refugee resettlement would be assumed by the Federal Government. In fact, when Ambassador Brown testified before the Senate Foreign Relations Committee on May 12, 1975, he stated that:

> The Department of HEW, subject to congressional action on the administration's bill, will provide full reimbursement to State and local social service and health agencies for costs they may incur in providing income assistance, health maintenance, social services and educational services to refugees who are in need of such assistance.

To date, these other responsibilities have been assumed by the Federal Government. Only education has been singled out as a State and local responsibility—and the minimal program established by HEW was only initiated after considerable pressure.

It is important to bear in mind that no matter how small a number of schoolchildren may be involved, the school district still must pay the costs of educating them. Furthermore, school districts have had to absorb these children, and their special educational needs, on the basis of budget planning that was developed before the refugees arrived in this country. If the schools do not provide teaching in the native language for children who do not speak English—even if only one child in a school is involved—those schools risk the loss of Federal funding.

This burden is the result of Federal action, and it is entirely reasonable that the Federal Government should pay all the costs involved.

This program does not establish a big new impact program. It simply provides much-needed financial assistance to school districts for 1 year, and will provide half of that amount in fiscal year 1977.

If H.R. 7897 is enacted, payments under the administration's present program would be deducted, as would fixed charges and administrative costs. The resultant figure comes out to $722 per refugee child for school districts with less than 100 children, and $422 per child for districts with 100 or more refugee children.

At the conclusion of my remarks, I will include a chart which shows the breakdown on costs under HR. 7897 on a per-pupil basis.

Mr. Chairman, I urge my colleagues to join me in supporting this legislation as reported out by the Education and Labor Committee, and to resist any weakening amendments.

The chart follows:

REFUGEE EDUCATION FIGURES

H.R. 7897 AS REPORTED

Estimated national average per pupil expenditure, 1974–75, per National Center for Educational Statistics, $1,255.

H.R. 7897 would provide State average per pupil expenditure for 1973–74, which (expressed as a national average) is $1,207.

It would be reduced by excluding fixed charges and school administration costs, totaling about (–) $195.

It would therefore provide $1,022. (This is 78.4% of the estimated FY 76 per pupil expenditure.)

Deduction of payments under Administration's present programs:

For districts with less than 100 children: $1,022—$300=$722.

For districts with 100 or more refugee children: $1,022—$600=$422.

Mr. BELL. Mr. Chairman, I rise in strong support of the bill before us today, H.R. 7897, the Indochina Refugee Children Assistance Act of 1975.

During November, the Subcommittee on Elementary, Secondary, and Vocational Education held hearings on legislation introduced by my fellow California colleague (Mr. ROYBAL). At subcommittee markup, however, I was successful in having an amendment, in the nature of a complete substitute to this measure, accepted by the subcommittee members. My amendment was very similar to a measure, S. 2145, passed by the other body on October 29.

The bill we are considering today is not identical, however, to my amendment. My substitute measure was amended in full committee to reflect changes regarding the definition of average per-pupil expenditure, and authorizations for supplementary assistance grants.

Briefly, I would like to explain the provisions of this measure.

H.R. 7897 authorizes grants to the States for the purpose of reimbursing State and local education agencies for the costs of educating Indochinese refugee children.

Such moneys must be reduced, however, by the amounts received by the local education agencies under Public Law 94–23. For 1976 and the transition quarter, the grants would total 100 percent of the appropriate amount; 1977 moneys would be 50 percent of such an amount.

Provisions were also made to authorize grants to the State agencies for administration costs. However, no such grant can exceed 1 percent of the amount the State agency receives under the act.

We decided in the bill not to specify authorization figures, but we do estimate that the cost of the bill will be only approximately $62 million.

I would like to urge my colleagues to reflect on the following points:

The American taxpayer has suddenly found himself footing the bill for the education of approximately 10,000 Indochinese refugee children.

Many of us in Congress were led to believe that the Federal Government would assume this responsibility—especially in light of the fact that the Federal Government is currently shouldering the financial burden in the areas of health and welfare.

Testimony and floor debate can be cited that testifies to the promise to educate these children.

The bill before us today is not a California freeload—it is designed to benefit all State and local education agencies.

Although the Office of Education is providing grants of $300 or $600—depending on impact—to local education agencies, and a negligible amount to State education agencies, such moneys are only a drop in the bucket compared to the total cost of educating a child, especially one needing special services.

There is a heavy concentration of Indochinese children aged 5 to 17 years in the States of California, Florida, Pennsylvania, and Texas. School systems in these, and other States, cannot give this influx of children proper education.

School budgets are set in early spring, as are enrollment projections, hired personnel, and materials purchased. School budgets are in poor straits as it is—these budgets cannot afford additional expenses.

The persons who will lose if the schools are not helped will be our children.

Colleagues, this is not a glorious boondoggle. I view it as a means of making the Federal Government own up to its responsibilities and promises.

I do hope that I have impressed upon my colleagues the urgency of this problem and the need for immediate action.

The Indochinese children are in the schools—now.

The schools need our help—now.

Since we have taken it upon ourselves not to turn our backs on the peoples of another nation, let us not now adopt a policy of turning our backs on the peoples, and children, of our own country.

Again, I would urge my colleagues to accept this bill. We cannot go on making empty promises to the American public.

Mr. JOHNSON of California. Mr. Chairman, I take this opportunity to call to the attention of my colleagues the merits of this legislation. I feel there is an obligation by the Federal Government to provide assistance for the education of Vietnamese refugee students in American schools. I come before you today as a cosponsor and supporter of H.R. 8949, legislation nearly identical to H.R. 7897, the bill now being considered.

One of the major temporary refugee resettlement camps was Camp Pendleton in California. From this point many of these refugees came to a refugee center established at Weimar, Calif., in my congressional district. Because of this occurrence, I have had the opportunity to discuss with many educators the difficulties of assimilating Vietnamese students into existing school programs. It is these difficulties that I want to share with you today.

Almost overnight, the President, acting in behalf of the Federal Government gave the orders which resulted in the bringing to America of thousands of Vietnamese nationals. Some of these people had worked with American military and civilian personnel in Vietnam, but even larger numbers spoke no English.

Not only the language barrier, but also the cultural shock of their rapid flight from their native land and their quick deposit in the midst of a totally different lifestyle presented major challenges to these people, to say the least. The speed and success of the assimilation of these people into our society is a tribute to the many Americans who made special efforts to bring this assimilation about as smoothly as possible.

Problems still remain, however. Learning a new language is not an easy task. It cannot be done overnight, or even in a few weeks. It takes time and patience. To be able to participate in the American education process, these Vietnamese students must have special textbooks, teachers who speak and understand Vietnamese, language laboratories, and many other facilities and materials to assist in their transition from one culture to another.

In almost all communities across this land, the education budget is a tight one. To expect State and local educational systems to financially support the added strain of these necessary materials and facilities is expecting a great deal. Out of necessity, other programs must suffer so that the budget can remain stable. It places a significant burden on the local school district.

The Department of Health, Education, and Welfare has made a meager attempt to provide assistance. Under its formula, if a school has less than 100 students, the Federal Government will pay the school district $300 per Vietnamese student; $600 will be paid for each Vietnamese student over the first 100.

This is simply not fully sufficient to meet the needs, Mr. Chairman. In California, we spend $1,600 per student per year. The added burden of assisting these Vietnamese students is significant. Therefore, I strongly believe that assistance from the Federal Government is justified. It was the Federal Government which created the burden and, therefore, I believe that we have an obligation to assist in the education of these students.

If we listen to the statements of administration officials in June of 1975, when the Interagency Task Force was getting underway, we are led to believe that the requisite aid will be forthcoming from the Federal Government. The cold facts are quite different.

The legislation which is before this House would effectively deal with this problem. It sets forth a formula which will meet the needs of individual school districts and fulfill the obligation of the Federal Government.

I hope that each Member will give serious consideration to the burden which has been placed on these school districts, and will cast his vote for this legislation which will provide adequate assistance from the Federal Government to school districts.

Mr. KETCHUM. Mr. Chairman, I welcome this chance to express my support for H.R. 7897, the Indochina Refugee Children Assistance Act, which I have cosponsored.

In April of last year, the U.S. Government undertook the evacuation of some 130,000 Vietnamese and Cambodian nationals whose lives were threatened by the Communist take-over of the Saigon Government. I heartily concurred with this action. Throughout our history, our country has offered immigrants from all corners of the globe relief from oppression. For the unfortunate victims of a devastating war, we could do no less.

However, I do believe that the problem of the refugees is a national one. The Federal Government brought them here and consequently, must bear the costs involved in their resettlement. We cannot expect the individual States and local communities to bear this financial burden on their own.

A sudden influx of refugee children into a school district is problem enough, considering the normal expense involved in providing a regular education. However, these children present unique, additional problems. Not only must they learn a new language but they must acclimate themselves to an alien culture. Special programs, such as bilingual education and in-service teachers' training, have to be initiated to accomplish this goal.

It is the local school districts which bear the responsibility for this awesome task. At a time when most school districts are strapped for funds and taxpayers are rejecting school bond issues, it is unreasonable to expect the additional costs for these necessary programs to be borne by the local citizens. It would be even worse to have limited activities because the school districts cannot afford more.

The administration assured us last spring that the local communities would not have to bear the additional costs involved in resettling the refugees. The Department of Health, Education, and Welfare has proposed a one-time payment of $300 per refugee child with an additional $300 going to those school districts having a refugee enrollment of over 100 or 1 percent of the student population. The bill before us, however, provides grants to State educational agencies based on the number of refugee children multiplied by the individual State's average per pupil expenditure. This amount would be reduced by funds received for educational purposes under the Indochina Migration and Refugee Assistance Act of 1975. In addition, this legislation authorizes assistance in decreasing amounts over a 2-year period, rather than a once only payment. School districts across the country had every reason to believe that the Federal Government would provide reasonable compensation for the costs of educating the refugee children. I sincerely believe that H.R. 7897 much more realistically meets those expectations than the proposals offered by HEW.

No one is more concerned than I about extravagant overspending by the Federal Government. No one is a stronger proponent of State and local responsibility than I am. However, the refugee situation has created very special circumstances which demand special attention and support. I therefore urge my colleagues to give this legislation their favorable consideration and not to accept any amendments which would reduce its impact.

Mr. BEDELL. Mr. Chairman, significant questions have been raised in this Chamber today about the committee's approach to the reimbursement issue. Much concern has been expressed during debate that the reimbursement formula in the committee bill, by not requiring school districts to prove that they are in fact spending additional funds on the education of Indochinese refugee children, contains potential for a rip-off of Federal education moneys. This concern should not be lightly dismissed.

In my judgment, the issue before us today is not whether or not local educational agencies should be reimbursed for the additional cost of educating refugee children. I believe that they should receive Federal assistance to meet such costs. Rather, the issue is what constitutes reasonable and responsible reimbursement—and, conversely, what would constitute "windfall profits" to certain school districts.

At present, the Department of Health, Education, and Welfare is allocating $300 per refugee child to local school districts enrolling 1 to 100 refugee children, and $600 for each refugee child the district enrolls above 100, or 1 percent of the total student population, whichever is less. If this level of reimbursement is not sufficient to meet local educational agencies' actual costs, then some adjustments are necessary. But such changes should be tied to real costs.

It seems to me that Mr. QUIE's proposal, which would reimburse school districts for only those actual costs which they incur educating these refugee children, provides an appropriate solution to this dilemma. The committee bill, on the other hand, establishes a reimbursement formula which does not meet the criteria of accountable and fiscally responsible Government policy.

Mrs. BURKE of California. Mr. Chairman, I rise in support of H.R. 7897, the Indochina Refugee Children Assistance Act, as reported by the Committee on Education and Labor.

We seem to be in agreement that the Federal Government does have some obligation to reimburse States and school districts for expenses incurred in educating the refugee children. The question appears to be whether to reimburse the basic costs of educating the children or to reimburse only for the additional and supplementary services provided for these children.

The Federal Government made commitments to State and local taxpayers to defray the costs of essential services to refugees during the period of resettlement of the Indochinese refugees in the United States. The Department of Health, Education, and Welfare is currently providing 100-percent subsidies to States for refugee health and welfare services. Surely, the education of refugee children between the ages of 5 through 17 is no less an essential service. The Federal Government therefore has the responsibility of reimbursing basic educational costs on the same basis as health and welfare. There is no reason that the State and local taxpayer should have to bear the unexpected financial burden resulting from a direct Federal action.

There is little doubt that over time these refugees will be assimilated into the community, become taxpayers, and assume their share of the cost of their children's education. The bill before us recognizes this fact by proposing to pay the full cost for the first year for educating the refugee children and half of that amount for the second year, then payments would be terminated. So what we are considering is short term relief for those States and school districts impacted by the unexpected enrollment of these children with special and expensive educational needs. Unfortunately, the timing of the refugee program did not allow the school districts to anticipate or budget for the refugee children. School districts are operating on fixed, limited budgets that were set long before the enrollment of these students. The result is a drain on the funds of already financially overburdened school districts.

In the inner cities, the sorely inadequate funds for education will have to be spread even thinner in order to furnish services to refugee children unless the schools are repaid for the special and basic costs involved.

Criticism has been leveled at this bill because it would benefit most those States where the concentration of refugees is highest. The settlement of 51 percent of the refugees in seven States has impacted greatly on the school districts in those States. Should not those school districts incurring the highest expenses be reimbursed according to their total expenditures?

Mr. QUIE. Mr. Chairman, I have no further requests for time.

Mr. PERKINS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Under the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited at the "Indochina Refugee Children Assistance Act of 1975".

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "Commissioner" means the Commissioner of Education.

(2) The term "elementary school" means a day or residential school which provides elemenetary education, as determined under State law.

(3) The term "free public education" means education which is provided at public expense under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

(4) The term "Indochinese refugee children" means children who are refugees within the meaning of that term as defined in section 3 of the Indochina Migration and Refugee Assistance Act of 1975.

(5) The term "average per pupil expenditure" for a State means the aggregate current expenditures during the second fiscal year preceding the fiscal year for which the determination is made (or if satisfactory data for that year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available, of all local educational agencies in the State) plus any direct current expenditures by the State for the operation of such agencies (without regard to the source of funds from which either of such expenditures is made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

(6) The term "current expenditures" means all expenditures for free public education, except for (A) expenditures attributable to fixed charges, including payments of principal and interest on short-term and long-term debt, and payments for retirement benefits, for insurance and judgments, for rental of land and buildings, and for construction costs, and (B) expenditures attributable to administration.

(7) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(8) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(9) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(10) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(11) The term "elementary or secondary nonpublic schools" means schools which comply with the compulsory education laws of the State and which are exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

STATE ENTITLEMENTS FOR EDUCATION OF VIETNAMESE AND CAMBODIAN REFUGEE CHILDREN

SEC. 3. (a) The Commissioner shall in accordance with the provisions of this Act, make payments to State educational agencies for the fiscal year 1976 and for the succeeding fiscal year for the purposes set forth in section 4.

(b)(1) Except as provided in subsection (d) of this section and section 7, the maximum amount of the grant to which a State educational agency is entitled under this Act shall be equal to—

(A) the number of Indochinese refugee children aged five to seventeen, inclusive, who are in average daily attendance in elementary and secondary schools in that State; multiplied by—

(B) the average per pupil expenditure for that State for the fiscal year for which the determination is made.

(2) For the purpose of this subsection, the term "State" does not include American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(c)(1) The jurisdictions to which this subsection applies are American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(2) Each jurisdiction to which this subsection applies shall be entitled to a grant for the purposes set forth in section 4 in an amount equal to an amount determined by the Commissioner in accordance with criteria established by him, except that the aggregate of the amount to which such jurisdictions are so entitled for any fiscal year shall not exceed an amount equal to 1 per centum of the aggregate of the amounts to which all States are entitled under subsection (b) of this section for that fiscal year. If the aggregate of the amounts, determined by the Commissioner pursuant to the preceding sentence, to be so needed for any fiscal year exceeds an amount equal to such 1 per centum limitation, the entitlement of each such jurisdiction shall be reduced proportionately until such aggregate does not exceed such 1 per centum limitation.

(d)(1) Notwithstanding any other provision of this section no State educational agency shall be entitled to receive a grant for any fiscal year in excess of the amount equal to the amount to which such agency would otherwise be entitled under this section for that fiscal year minus the sum of the amounts received by the local educational agencies of that State and by that State educational agency for that fiscal year under the Indochina Migration and Refugee Assistance Act of 1975.

(2) Notwithstanding the provisions of subsection (b), no State shall be entitled to receive—

(A) for fiscal year 1976 and for the period beginning July 1, 1976, and ending September 30, 1976, more than 100 per centum of the maximum grant amount derived in accordance with subsections (b)(1) and (d)(1); and

(B) for fiscal year 1977, more than 50 per centum of the maximum grant amount derived in accordance with subsections (b)(1) and (d)(1).

(e) Determinations with respect to the number of Indochinese refugee children by the Commissioner under this section for any fiscal year shall be made, whenever actual satisfactory data are not available, on the basis of estimates. No such determination shall operate, because of an underestimate, to deprive any State educational agency of its entitlement to any payment (or the amount thereof), under this section to which such agency would be entitled had such determination been made on the basis of accurate data.

USES OF FUNDS

Sec. 4. Payments made under this Act to any State may be used in accordance with applications approved under section 6 for reimbursing State and local educational agencies for the costs of providing regular educational programs, services, and activities for Indochinese refugee children in the schools of the local educational agencies of that State, or in the elementary or secondary nonpublic schools of that State.

ALLOCATION OF APPROPRIATIONS

Sec. 5. (a) If the sums appropriated for any fiscal year for making the payments provided for in this Act are not sufficient to pay in full the total amounts which State educational agencies are entitled to receive under this Act for such year, the allocations to such State educational agencies shall be ratably reduced to the extent necessary to bring the aggregate of such allocations within the limits of the amount so appropriated.

(b) In the event that funds become available for making payments under this Act for any fiscal year after allocations have been made under subsection (a) for that year, the amounts reduced under subsection (a) shall be increased on the same basis as they were reduced.

APPLICATIONS

Sec. 6. (a) No State educational agency shall be entitled to any payment under this Act for any fiscal year unless that agency submits an application to the Commissioner at such time, in such manner, and containing or accompanied by such information, as the Commissioner may reasonably require. Each such application shall—

(1) provide that the educational programs, services, and activities for which payments under this Act are made will be administered by or under the supervision of the agency;

(2) provide that payments under this Act will be used for purposes set forth in section 4;

(3) provide assurances that such payments will be distributed between the State educational agency and the local educational agencies within the State in proportion to the contribution to the basic cost of serving Indochinese refugee children made by each such State or local educational agency, and in proportion to the number of Indochinese refugee children served by each such local educational agency, either in schools subject to the jurisdiction of the local educational agency or in elementary or secondary nonpublic schools within the district served by such local educational agency, taking into consideration (A) to the extent feasible, the per pupil expenditure of each such agency and (B) the amount which any local educational agency within that State has received pursuant to the Indochina Migration and Refugee Assistance Act of 1975 for which determination were made under section 3(d);

(4) provide assurances that the State educational agency will not finally disapprove in whole or in part any application for funds received under this Act without first affording the local educational agency submitting an application for such funds reasonable notice and opportunity for a hearing;

(5) provide for making such reports as the Commissioner may reasonably require to perform his functions under this Act; and

(6) provide assurances—

(i) that to the extent consistent with the number of Indochinese refugee children enrolled in the elementary or secondary nonpublic schools within the district served by a local educational agency, such agency, after consultation with appropriate officials of such schools, shall provide for the benefit of these children secular, neutral, and nonideological services, materials, and equipment necessary for the education of such children;

(ii) that the control of funds provided under this paragraph and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this Act, and a public agency shall administer such funds and property; and

(iii) that the provisions of services pursuant to this paragraph shall be provided by employees of a public agency or through contract by such public agency with a person, association, agency, or corporation who or which, in the provision of such services, is independent of such elementary or secondary nonpublic school and of any religious organization; and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this paragraph shall not be commingled with State or local funds.

(b) The Commissioner shall approve an application which meets the requirements of subsection (a). The Commissioner shall not finally disapprove an application of a State educational agency except after reasonable notice and opportunity for a hearing on the record to such agency.

PAYMENTS

Sec. 7. (a) The Commissioner shall pay to each State educational agency having an application approved under section 6 the amount which that State is entitled to receive under section 3.

(b) The Commissioner is authorized to pay to each State educational agency amounts equal to the amounts expended by it for the proper and efficient administration of its functions under this Act, except that the total of such payments for any fiscal year shall not exceed 1 per centum of the amounts to which that State educational agency is entitled to receive for that year under this Act.

(c) If a State is prohibited by law from providing for the participation in programs of children enrolled in elementary and secondary nonpublic schools, as required by section 6(a)(6), the Commissioner may waive such requirements and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this Act.

WITHHOLDING

Sec. 8. Whenever the Commissioner after reasonable notice and opportunity for a hearing to any State educational agency, finds that there is a failure to meet the requirements of this Act, the Commissioner shall notify that agency that further payments will not be made to the agency under this Act, or in his discretion, that the State educational agency shall not make further payments under this Act to specified local educational agencies (whose actions cause or are involved in such failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made to the State educational agency under this Act or payments by the State educational agency under this Act shall be limited to local educational agencies whose actions did not cause or were not involved in the failure, as the case may be.

AUTHORIZATION OF APPROPRIATIONS

Sec. 9. There are authorized to be appropriated for fiscal year 1976, for the period beginning July 1, 1976, and ending September 30, 1976, and for fiscal year 1977, such sums as may be necessary to make payments to which State educational agencies are entitled under section 3 and payments for administration under section 7(b).

Mr. PERKINS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Quie: Page 8, line 22, strike "and" at the end of such line, and in line 23 strike the period and insert in lieu thereof the following: ", and (C) expenditures attributable to transportation or building maintenance.".

Page 10, beginning on line 7, strike out "and for the succeeding fiscal year".

Page 10, strike out line 9, and everything that follows through line 22, and insert in lieu thereof the following:

(b)(1) Subject to the provisions of paragraphs (2) and (3), each State educational agency shall be entitled to receive, for the fiscal year ending June 30, 1976, an amount which, in addition to any amounts received by such agency and the local educational agencies of such State in that fiscal year under the Indochina Migration and Refugee Assistance Act of 1975, equals the additional expenditures, as determined under section 4, incurred by such State and local educational agencies in that fiscal year in providing additional basic educational services and necessary supplementary educational services for those children.

(2) For the fiscal year ending June 30, 1976, no State educational agency shall be entitled to receive an amount under this Act, which, when combined with any funds received by such agency and the local educational agencies of such State in such fiscal year under the Indochina Migration and Refugee Assistance Act of 1975, exceeds an amount equal to the average per pupil expenditure in such State for such fiscal year multiplied by the number of Indochina refugee children in such State receiving public educational services.

(3) The amount received by such State educational agency shall be reduced by the amount of any payments received by such agency and the local educational agencies of such State under the Indochina Migration and Refugee Assistance Act of 1975.

Page 11, strike out line 15 and everything that follows through page 12, line 8.

Page 12, strike line 19 and everything that follows through page 13, line 2, and insert in lieu thereof the following:

Sec. 4. (a) Financial assistance to State and local educational agencies under this Act shall be available only to meet the cost of providing to Indochina refugee children—

(1) supplementary educational services necessary to enable those children to achieve a satisfactory level of performance including, but not limited to—

(A) English language instruction,

(B) other bilingual educational services, and

(C) special materials and supplies;

(2) additional basic instructional services which are directly attributable to the presence in the school district of Indochina refugee children, including the cost of providing additional classroom teachers and additional teaching materials and supplies, but not including overhead costs, costs of construction, acquisition or rental of space, or costs of transportation; and

(3) special inservice training for personnel

who will be providing instruction described in either paragraph (1) or (2).

(b) The Commissioner shall by regulation prescribe standards for the determination of the actual additional expenditures incurred by State and local educational agencies in providing educational services for Indochinese refugee children. Such standards may include—

(1) maximum incremental costs for providing basic educational services in relation to the number of additional children;

(2) maximum allowable costs for particular types of supplementary educational services; and

(3) to the extent consistent with this section, categories of programs, services, and expenditures for which funds provided under this Act may be used.

Page 14, strike out line 6 and everything that follows through line 22, and insert in lieu thereof the following:

(3) provide such data and assurances as the Commissioner may prescribe—

(A) to demonstrate that the costs of the additional instructional services for which the payment will be made are the direct result of the presence of Indochinese refugee children and that those additional instructional services will actually be provided to those children for the duration of the period for which assistance is made available under this Act; and

(B) to demonstrate that such payments are distributed between the State educational agency and the local educational agencies within the State in proportion to the contribution to such costs by each such agency;

Page 18, strike out lines 3 and 4, and insert in lieu thereof the following: "fiscal year 1976".

Mr. QUIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Chairman, the amendment I have offered would amend the committee-reported bill to provide that school districts would be reimbursed for the actual costs which they have incurred in providing the necessary supplementary educational services for Indochina refugee children as well as to reimburse districts for the additional basic costs which can be directly attributed to the presence in the school district of refugee children, including the provision of additional classroom teachers and supplies where warranted.

I might say here that the gentlewoman from Hawaii (Mrs. Mink) is saying that it would take 40,000 pieces of paper to take care of the 40,000 children. That just would not be true because as of January 15 there were only 1,400 of the 16,000 school districts that indicated the presence of refugee children, which would mean that 1,400 pieces of paper would have to be submitted.

As I said in my earlier statement, I do not object to actually reimbursing school districts for the costs they may not have planned on last spring when they adoped their budgets for this current school year. The supporters of the bill before us argue that the refugees are highly concentrated in a few States. That point ignores the fact that although they may be in a few States they are spread out without those States and within those school districts to a considerable degree. I would draw your attention on that point to the chart on page 15 of the committee report.

Far less than 10 percent of the school districts in the country have refugee children. As of December 1, only 1,400 out of 16,000 school districts had indicated the presence of refugee children.

That is about 5 percent of the national total. Of the districts which do have refugee children, 80 percent have fewer than 21. Within those school districts six out of seven school buildings have fewer than 11 refugee children, and Mr. Chairman, 85 percent of the schools have fewer than 10 refugee children in them.

What that means is that in the typical situation a classroom has had the addition of perhaps one refugee child. Since enrollments in elementary and secondary schools have been falling nationally, it is likely that the school district already had some extra desks so that the presence of that one child in each of several classrooms did not cause the addition of new teaching staff or the construction of a new building.

In most districts all that has been done and all that needs to be done is to provide some special assistance in the form of language training and some special materials to assist these students in becoming integrated into the U.S. educational system.

Supporters of this bill argue that Federal civil rights regulations require full bilingual education be provided these students. That is not true. The directive from the Office for Civil Rights in HEW regarding bilingual education contains an explicit statement exempting school districts with a substantial number of Indochinese refugees from the requirements of bilingual education.

The proponents of this language argue that the States incurred additional costs because of the presence of these students. My amendment would leave intact the State entitlement concept provided in the committee bill and would provide that payments received under this act be distributed between the State and the local school district in proportion to their contribution to meeting these costs.

The Congressional Budget Office estimates the cost of this legislation to be approximately $57 million. The Office of Management and Budget estimates it to be $64 million. Although it is impossible to precisely estimate the costs under my amendment, I would anticipate that the costs would be about one-third of that figure.

Other Members today have spoken of the problem as they see it and have clarified for the Record the fact that the administration made no promise at any time to pay all costs incurred by refugee children in school districts.

In addition, very definitely the administration made no promise nor are we under any obligation to pay more than the actual cost in each school district. With the adoption of my amendment it means that we will actually be taking care of additional costs and that we will be certain that money was actually expended upon the refugee children and not for something else, as has been a problem with the programs such as title I of the Elementary and Secondary Education Act. Because of that problem with title I we insisted in 1974 that title I funds only be used for the additional cost over and above the normal costs of education, because we felt that some compensatory educational money was being used for nondisadvantaged children. I might add that we did the same thing this last year in connection with aid to the handicapped so as to make certain the money was actually expended for the handicapped. As I say, my amendment would make certain that the money was actually expended for the refugee children.

Mr. PERKINS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota (Mr. Quie).

Mr. Chairman, the amendment offered by the distinguished gentleman from Minnesota (Mr. Quie) is completely unworkable insofar as getting any funds to the local school districts that are involved. We have involved here at least some 800 school districts.

The amendment provides:

> (3) provide such data and assurances as the Commissioner may prescribe—
>
> (A) to demonstrate that the costs of the additional instructional services for which the payment will be made are the direct result of the presence of Indochinese refugee children and that those additional instructional services will actually be provided to those children for the duration of the period for which assistance is made available under this Act;

We know about the redtape and extra paperwork that every local educational agency in this country today is complaining about. Because the Department is presently against this program, I would venture to say that not one dime would get to these children before the conclusion of this school year due to the additional paperwork that is going to involved. I just do not think this committee wants to go along with an amendment that is unrealistic.

The national average per-pupil expenditure is something around $1,400 presently. But the figure which this bill uses in computing grants for this year is $1,147 as the national average per-pupil expenditure. Then, we deduct from this amount the cost attributable to administration and fixed charges, and the amount that the school district receives under the Refugee Assistance Act of $300. This makes the grant $674 for fiscal year 1976.

If we go back to the local educational agencies with regulations from the Commissioner and say to them, "You itemize these additional expenditures before we will make a payment to you," the Members know and I know that within this school year the amendment would make the legislation completely unworkable and there will be no benefit to the local school districts.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the distinguished gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding.

I believe the gentleman wants to be accurate, and if he would look on page 10 of the committee bill, he would find that the expenditures are not made based on a national average, because there it indicates that in the committee bill it is the number of Vietnamese children multiplied by the average per-pupil expenditure for that State. So I do not think the gentleman ought to bring up some issue that is not the difference between the two bills, because if it were the national average, then for those States that were below the national average, this would be even a worse bill than it is. The gentleman's bill would be even worse than it is.

Mr. PERKINS. Let me say to the distinguished gentleman, and I think he will agree, that we have selected the figure for 1973 to 1974, which we are making legislative history on, of $1,147. The cost attributable to administration and fixed charges is $173, and then we deduct the $300, which leaves a grant of $674, which under no circumstances will exceed that amount for any refugee child today.

Mr. QUIE. Mr. Chairman, would the gentleman yield further?

Mr. PERKINS. I yield to the gentleman from Minnesota.

Mr. QUIE. I believe that the gentleman is correct when he says that he is using that previous year as the basis, but he is still not using the national average; he is using the State average.

Mr. PERKINS. I will agree with the gentleman, because if we had the national average up to date, it would be something like $1,400. But we just do not have that data. That is the reason we are using the figure of $1,147.

Special education problems, bilingual problems, special counseling problems—all of these things add tremendous burdens to the cost of educating these children.

In fact, the cost of educating these children would run above in my judgment the cost of educating any ordinary children within that school district. This bill is reasonable and the amendment should be voted down if we expect the school districts to get benefits now or within the next few weeks. We want these payments to go out to the school districts within the next few weeks, and the only way the districts are going to receive these benefits is if we vote down the amendment offered by the gentleman from Minnesota and adopt the committee bill because we specifically provide—if the Appropriations Committee appropriates it—certain funds and guarantee certain funds that will get to the school districts this year and serve these children and educate them and carry out the commitment of this Congress.

Mr. GOODLING. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would like to clarify two items. First of all, the statement has been made on several occasions that a district would not get 1 dime nor 1 penny this year. I would like to point out the districts have already as of January 8 received $9,351,128, so it is not true they would not get it.

There have been 1,390 applications and 875 applications have been approved to a tune of $9 million.

The second thing that I think was misstated, and which the gentleman from Minnesota (Mr. QUIE) tried to correct, and I got the impression again after the gentleman from Minnesota (Mr. QUIE) tried to straighten it out, that we are still saying we are using the national average, which is not true. We are using the State average. If we used the national average it would mean some States who are spending $600 as the average expenditure might get $900, so the committee did correct that much and I think we should make sure that is truly stated.

Mr. PERKINS. Mr. Chairman, if the gentleman will yield, let me say to my distinguished friend, the gentleman from Pennsylvania, we do not use the national average figure. The 1973–74 national average figure was picked just for an illustrative purpose.

Insofar as the payments that are made, it is true the administration is making a $300 payment. I think the gentleman well understood and we all understand that those payments are being made, but that will be the maximum payment in my judgment that they will receive this year because of the paper work and the way the program will get bogged down within the department unless we pass this bill.

They need this extra money. I am arguing for this extra money above the $300 payment, which is completely inadequate and which is not very much assistance to the local school districts.

Mr. GOODLING. Mr. Chairman, so we want to go back and clarify again that we are not taking a national average at any time or at any place or for any purpose. It is the State average. I think that is a fact and it should be clear. Second, the statement was made that not 1 penny would get to a school district, and when we say 1 penny we mean 1 penny, but many pennies have already been paid.

Before we left for the recess, I thought we were saying we ought to be doing something about the ever expanding Federal budget but I come back and the first piece of legislation becomes an emotional thing. Everyone is running to the microphone and one of the States is No. 1, when collecting from this bill and I am State No. 3, but I am still fighting it because I think it is totally wrong to expend money that is not expended for the education of these youngsters who are refugees.

Mr. MEEDS. Mr. Chairman, I rise in opposition to the amendment.

I would like the attention of the gentleman from Minnesota so that I could perhaps enlighten myself and the others in the House on his formula. As I understand the formula, the gentleman is suggesting here at a maximum, this would be 15 percent less than the formula which is already in the bill. Is that correct?

Mr. QUIE. Tell me how the gentleman gets to the 15 percent?

Mr. MEEDS. Well, the gentleman has deducted on page 1 of the bill expenditures attributable to transportation and for building and maintenance.

Mr. QUIE. That is right.

Mr. MEEDS. And already deducted by the bill before the committee are fixed charges, so this would be a total of 30 percent; 15 percent and 15 percent; is that correct?

Mr. QUIE. I will have to figure out the percentage for transportation and building and maintenance. To put it more accurately, my amendment would not permit districts to receive payments for the costs, as we have in the committee bill, nor for the interest for short-term and long-term debt and so forth.

Mr. MEEDS. That is what we call 15 percent attributable to that and the national average for transportation is 15 percent also.

Mr. QUIE. No; transportation is 3.9 percent.

Mr. MEEDS. Transportation and building operation, 15 percent.

Mr. QUIE. Well, to do the quick calculation, I do not think I have it before me.

Mr. MEEDS. I do not mean to be bogged down, but the national average is 15 percent.

Mr. QUIE. Well, if the gentleman has figured it, I accept his figure.

Mr. MEEDS. Additionally, to provide for supplemental educational services and additional basic instructional services directly attributable to the presence of these Indochinese children in the school district.

Mr. QUIE. That is right.

Mr. MEEDS. Now, assuming that an additional bus or an additional classroom is to be added because of the presence of say four or five Indochinese children, in other words, the school district had to have a new classroom because they passed that point where they could handle it and there were just four additional children that made that necessary, they were all Indochinese children; at that point would the Commissioner be allowed to have that school district charge off the whole cost of that building or one additional teacher for the whole cost for four children? I do not understand how we are going to have the Commissioner come back and justify what is acceptable and what is not.

Mr. QUIE. As far as buildings are concerned, we use the same language as the gentleman has there.

Mr. MEEDS. For transportation?

Mr. QUIE. And added transportation. If they hire an additional teacher because of those children, the salary of that total additional teacher would be what they could charge.

Mr. MEEDS. To how many of the children?

Mr. QUIE. The fact that they had to hire an additional teacher for those Indochinese refugee children, would mean that the total salary of that teacher, as well as the supplies and materials would be what they could charge up to the cost.

Mr. MEEDS. But in no instance could it be more than 70 percent of the average for the expenditure.

Mr. QUIE. Yes; the total of everything for all those students could not amount to more than as the gentleman used the figure, 70 percent.

Mr. MEEDS. So we have that ceiling on it, even though they would allow those additional costs to be paid.

Mr. QUIE. Yes.

Mr. MEEDS. So if the additional costs that come out in these calculations were actually more than for the per-pupil expenditure, they could not charge that under the gentleman's formula?

Mr. QUIE. Or under that of the gentleman from Washington, either.

Mr. MEEDS. No; ours would be 15 percent under those circumstances, more than that of the gentleman.

Mr. QUIE. That is right, and if the gentleman will yield for a moment, the reason for not permitting the building and maintenance part of it is, as I said before, it does not cost any more to run those buildings. They do not have to heat them any hotter or anything like that.

Mr. MEEDS. On the contrary, if they have an additional room because they have additional Indochinese children, for that reason it is going to cost more to heat that building, because they have an additional room to heat; the same with transportation, the same with teachers, the same with all the costs of transportation and everything else.

Mr. QUIE. The gentleman is talking about something that is never going to happen, I say to the gentleman.

The **CHAIRMAN.** The time of the gentleman from Washington has expired.

(At the request of Mr. QUIE, and by unanimous consent, Mr. MEEDS was allowed to proceed for an additional 2 minutes.)

Mr. MEEDS. Mr. Chairman, I do not know that it will not happen. In fact, I envision it has happened already.

Mr. QUIE. No. I do not believe the gentleman can point to an instance where it has happened. The gentleman cannot point to any place where there are not buildings available in which the students can be educated.

Mr. MEEDS. I am sure that there are school districts in which they have had to put in additional classroom facilities, add additional transportation and other factors, all of which cost money, and which is precisely why we used the average per pupil expenditure. I just want to point out also that the figures I have indicate that 80 percent of these young people are not at all proficient in English. In fact, they speak little or no English language. Think of the additional costs which are going to be incurred by every school district in which these children attended for bilingual instruction, for other instruction because of this language deficiency.

Then finally, to allow the Commissioner of Education to determine really what these costs are, we are putting it right back in the hands of the very person—which the gentleman admitted earlier—in the administration was not now properly measuring up to his responsibility. These are the same people that gave us $300 per pupil and $600 per pupil when the average per-pupil expenditure in this Nation is nearly $1,4500.

So, it seems to me that not only is it a difficult formula to administer, but then it is being given to the people who have been poorly administering it as it is now.

Mr. QUIE. The issue here really is under what circumstances. It may not be perfect under my amendment, but under the language of the bill, even if the school district made no expenditures, it still would receive the money. My amendment would encourage school districts to make expenditures for those kids.

Mr. MEEDS. There is no way, a school board cannot help making additional expenditures because of the presence of these children.

Mr. QUIE. I have talked to school districts where that is not the case. They have not made that expenditure.

Mr. MEEDS. And they are not educating those children. That may be one of the reasons they are not doing it, because they do not have the funds to do it.

Mr. QUIE. That is not the question at all. They just feel that the children are assimilating quickly enough by associating with the other children, and they get some people to volunteer their services who know both English and Vietnamese.

Mr. MEEDS. If we accept the gentleman's rationale, we can add a student to any class and say that the cost of that student is nothing. The reason we come to our formula we have here is that we feel that it is a realistic measure of the actual cost of educating these children, to get the funds to those school districts where the costs are being incurred. I do not think the gentleman's formula does that.

Mr. QUIE. Let us look at a school where they hire no additional teacher, where they do not pay the teacher any more, where they do not buy any more materials of any kind, where they do not have to buy additional school buses and have none of the additional costs. What are the additional costs incurred by that school district by the fact that there is an additional student there?

Mr. MEEDS. They have additional costs in teachers' time. It is taken away from the other students. They should not be doing that. That is what I say, there is no way they are properly educating that child and no way they can be doing it without incurring additional cost.

The gentleman assumes that we can keep adding children to the education system and it does not cost any more as long as they are Indochinese children, for some reason. I do not understand the logic.

Mr. QUIE. I am saying that to the extent that it does cost more, we ought to pay for it, and to the extent that it does not cost more, we should not pay for it. Even though the teacher may not have as much time, they do not get an additional amount of money.

Mr. MEEDS. We are saying that we know it is going to cost more and that we should pay for it.

Mr. QUIE. The gentleman does not know that.

Mrs. BURKE of California. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

I realize that there is a great competition for educational dollars, especially during this year. I also realize that in districts where there is an impact of culturally deprived children and minority children, there is not enough money, so that naturally some people would feel, "Why should we allow additional money for refugee children?"

Mr. Chairman, the point has been made that where there are only four children there is no impact. But certainly if we are talking about a situation such as the Los Angeles School District, where we have 1,500 additional children, there is presumably an impact.

One might say, "Well, these refugee families are working." It may be very true that Indochinese refugees have some jobs. I will even accept the idea that maybe 69 percent of them are working. But when I went back to my district I talked to people, and I heard some of the problems. I heard about some of the refugees who are working, earning $2.50 per hour for a family of four, trying to adjust to a new situation. They had to have additional services. They had to have food stamps. They were on some kind of public assistance.

What has happened in many of these school districts where they already were short of money? They bring children in who have to have bilingual assistance. I personally believe there is an additional administrative cost, because if we are going to have an effective program to educate a child who is in a new environment there will have to be programing, programing to adjust that student's curriculum so that he is able to fit into the situation of that new school.

So I would, ideally, rather see the total cost be covered because it is the taxpayer who is paying. It is not a matter of a rip-off. It is a matter that the people who are paying for the additional 1,500 children are the taxpayers in the State and local district who are now bearing the burden.

The commitment was certainly made that they would not have to bear an additional burden. So the only fair thing that can be done is to at least pay a reasonable portion of the cost of educating those children. When we bring in 1,500 children we are going to have to expand our school district. It means that those are children who would not be in the district if it had not been for the action of the Federal Government and of this Congress, and this Congress should provide some relief.

Mr. Chairman, I hope that we will pass this bill, that we will reject this amendment, and that we will provide an educational opportunity so that these refugee children can indeed become part of our society and become meaningful citizens. I hope they do not suffer in the same way that so many others who speak a different language in our society and so many who have cultural differences have suffered in the past.

I urge the rejection of this amendment.

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

We have just heard a very eloquent speech by the gentlewoman from California on the needs that have been demonstrated in this country for assistance to a problem. A problem that was created because this Nation primarily out of compassion embraced many Indochinese refugee children. Yes, we all agree that we should do what we can to help provide them with the educational necessities. There is no question on that. Both opponents and proponents of the amendment agree to that. The question is, though, how do we do it? Certainly, any of those needs, which have been so eloquently set forth, which add educational costs to the school district should be compensated. No one disagrees with that. But should we accept a bill which does more than that, a bill which says that, regardless of whether a district has an expense, they get a thousand bucks per refugee? And that is what the issue comes down to. Do the Members want to distribute money without any demonstration of need, or do the Members want to make that distribution of funds relevant to need?

To me it makes no sense to be giving money away, without demonstrated need, at a time when we have severe needs for money in other areas. In fact when one examines the ridiculousness of the present bill it may be referred to, if we pass it without the Quie amendment, as the 1976 act to promote the kidnapping of Vietnamese children. Every school district in the country with a budget problem is going to be looking for these children. They will say, "Bring them in; anyway you can; we will get $1,000 if we bring them in. It would not cost us a penny. Then maybe we can balance the budget."

This may be stretching things, but it does demonstrate the kind of irresponsible act we are being asked to make here. The gentlemen from Minnesota and Pennsylvania, have demonstrated well that most of the Indochinese children are adapting well, creating no additional needs or costs. We cannot afford to distribute money where no need exists.

Mr. Chairman, I think it is important, as we start 1976, to consider the question which has been raised by the gentleman from Pennsylvania: Can we be responsible as a Congress?

We all go home, and we say, "Gosh, we have to cut Government spending. We have to balance the budget. You can count on me to help fight inflation, we say. We then do great symbolic acts, like voting against raising the debt ceiling.

But every time a bill comes up to give money away to somebody in our district we vote for it. Well, you can do it again here. You can go to each school district that gets money and take credit for the gift. It will probably get you votes in the school district. But can you justify it as a responsible act?

Here is a chance to demonstrate to the country that we can act responsibly. Here is a chance to meet the needs of every school helping the children but limiting the costs in a reasonable manner. Here is a chance to vote for something, and then say, "Look, I acted responsibly. I voted against that giveaway program. I voted against the idea of giving funds regardless of whether needs exist. I came back and helped Congress, in its first Act of the 1976 session, to act in a way we can be proud of.

Mr. Chairman, I urge the Members, if they want to act responsibly, to vote for the Quie amendment.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in support of H.R. 7897, the Indochinese Refugee Children Assistance Act—which authorizes the Commission of Education to make grants to State educational agencies to reimburse State and local school districts for the basic costs of educating the Indochinese refugee children. I would like to commend the distinguished gentleman from Kentucky (Mr. PERKINS) as well as the Education and Labor Committee for the vigorous and expeditious manner in which they studied and approved this bill.

Very simply, Mr. Chairman, what we are considering today is whether the Federal Government is going to live up to the commitments that were made 8 months ago when the Ford administration welcomed the refugees to our shores. As we evaluate the legislation at hand, we must recall the basic concerns expressed last spring by the President of the United States, by the Congress, and by the American people.

First of all, the President urged the Congress and the American people to fulfill the American tradition by opening our American doors to the Vietnamese and Cambodian people.

Second, in view of the critical economic conditions facing our Nation, Members of Congress from States which anticipated a large influx of refugees to their areas, voiced their worries over the question of "who would pay the price?"

Third, in the interest of alleviating widespread anxiety, representatives of the Ford administration pledged that the Federal Government would provide the necessary support to protect State and local authorities from any adverse impacts resulting from refugee resettlement.

Fourth, in view of these promises, Members of Congress, as well as the Ford administration, assured the American people that all efforts would be made to resettle the refugees as expeditiously as possible.

Fifth, because of the fragile nature and difficult task of assimilating 130,000 men, women, and children into our society, it was assumed that the funds appropriated for the resettlement program would be used efficiently and effectively.

In view of these concerns voiced 8 months ago, one must recognize that the resettlement efforts are not over. Although the initial phase of the program was completed with the dispersal of the last refugee from Fort Chaffee, for the more than 130,000 refugees, the assimilation process has just begun. As such, now, 8 months later, we would be doing the American people an injustice if we abrogated our commitments that were made to allay the fears for health, for economic stability, and for jobs.

It is with these concerns that I feel we should review the implications and effects of H.R. 7897.

The major issue before us today is whether to adopt a temporary program to reimburse State and local education agencies for the full basic costs of educating the refugee children, or whether we should simply follow the administration's policy and provide small one-time-only grants to local school districts. If we choose to adopt the latter route, State and local educational agencies, rather than the Federal Government, would pay for most of the costs of educating the refugee children.

I do not believe it was the intent of Congress—8 months ago—to make State and local taxpayers bear the financial responsibilities of what was a direct result of a national decision. In a floor colloquy on May 14, when the House was considering the Indochina Migration and Refugee Assistance Act appropriations, I asked our distinguished colleague (Mr. PASSMAN), chairman of the Subcommittee on Foreign Operations, "whether it is the intent of Congress that the Federal Government would retain 100 percent of the costs of relocation, health, education, welfare, and employment in terms of costs of the refugees?" His response was, "That is absolutely right." As evidenced by this colloquy, in approving legislation providing funds for the evacuation and resettlement efforts, many Members of Congress felt the Federal Government was going to pay for 100 percent of the initial costs caused by the refugees.

The administration has provided full reimbursement for the costs incurred by the refugees in providing income assistance, health maintenance, and social services. Their efforts are certainly to be commended. However, it has arbitrarily forced State and local school districts to pay for the educational services of the refugee children.

The Department of Health, Education, and Welfare has made available to local school districts $300 for every refugee child, and $600 for each child the district enrolls over 100, or for 1 percent of the district's population, whichever is less. The administration contends this will sufficiently compensate States and localities for educating these children. However, this reasoning overlooks the fact that the National Center for Educational Statistics estimated that the average cost of educating a child during school year 1975–76 will be over $1,260. Further, special education services will cost an average of $300 per child, totalling $1,560 per refugee child. Thus, the administration reimbursement is inadequate to meet the actual cost of educating these children.

Under the committee's proposal, State and local educational agencies would be reimbursed for most of the basic education costs. Unfortunately, school districts did not anticipate the arrival of new students—especially new students with specialized needs. As we know, it takes about a year from the time tax money is collected for funds to flow to local school districts. Taxes must be assessed, collected, assimilated into the general funds, and then budgeted and apportioned back to the schools. However, the schools—which had no way to budget for the refugee children last March—must provide educational services for children this year using last year's money. I fear that without Federal assistance provided in H.R. 7897, the school districts will be forced to deal with this situation by an across-the-board cut in existing programs for our children. This problem will be particularly severe in the State of California which is expected to enroll at least 10,000 refugee children between the ages of 5 to 18 in its educational system.

In view of the concerns expressed by several members of the House Education and Labor Committee that a 100-percent reimbursement for the basic educational costs during these economically troubled times, was too high, the full committee passed a substitute amendment requiring the Federal Government to reimburse State and local education agencies for the basic educational costs minus expenditures for certain fixed charges which would not be affected by the arrival of new children. Such fixed charges include payments of principal and interest in short-term and long-term debts, and payments of retirement benefits, insurance, judgments, rental of lands and buildings, as well as construction and administration costs. I believe the committee wisely made this change with the intent of exercising fiscal responsibility in authorizing money for this program.

Clearly, this program is intended to be a temporary one. For fiscal year 1976 and the transition quarter, the State would receive 100 percent reimbursement—under the calculations—and for fiscal year 1977, the State's maximum grant would be only 50 percent of the computation. In addition, H.R. 7897 mandates the termination of this program by fiscal year 1978.

It is obvious that it is the assumption of the committee that the program is intended to continue until the adult refugee population is a contributing tax base. According to a survey conducted by Opportunities Systems, Inc., 68 percent of all male refugees and 51 percent of all females had found employment. However, these figures are misleading—for it was learned that 42 percent of those employed had salaries less than $2,500 per year. Furthermore, according to the Social Rehabilitation Services, on December 1, 1975, approximately 66 percent of the refugee population in California and 20 percent of the refugee community nationwide were receiving public assistance.

In conclusion, Mr. Chairman, I would like to restate my dissatisfaction with the recent efforts by the administration representatives, particularly the Director of the Task Force to disavow the statement by Ambassador L. Dean Brown which stated that:

> DHEW would provide full reimbursement to State and local social service and health agencies for costs they may incur in providing income assistance, health maintenance, social services, and education services to refugees who are in need of such service.

Clearly now is not the time for the Federal Government to forget a commitment and reverse national policy. Now, 8 months later, we must stand behind the principles of which we were reminded so often last spring.

As such, I respectfully urge this body to approve H.R. 7897 and ask for the defeat of the Quie amendment.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I cannot recall, frankly, the last time that I have taken the floor of the House in opposition to anything that deals with help for the educational system and for the children of this country. In fact, I do not believe that I ever have. I have just finished talking to some people now because I was disturbed about this—that this amendment will cover all of the expenses, qualified and eligible, that the schools will have who come under this program.

What disturbs me is that this bill, as I understand it, proposes approximately $64 million; and of that $64 million, nearly $30 million is going to be in excess of actual costs for the students who are going to be covered by this program.

I would like the bill, if we could, to say that the $30 million in excess could be diverted to other educational programs because I know of many programs such as title I that I would like to see that $30 million go into.

Therefore, Mr. Chairman, for me, it is not a question of saying, "Let us try to do this to hold back that money." What I would really like to see in this money go into education in other areas where it is needed.

Consequently, Mr. Chairman, I would urge all the Members to think very seriously here. In no way are we reneging on any promise. What we promised to do and what, I believe, we do do under this amendment is to guarantee the school the qualified expenses for these students.

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Washington.

Mr. MEEDS. Is the gentleman aware that under the Cuban refugee relief bill of 1961, we will be providing to one county in one State alone, Dade County, Fla., $12 million this year for the education of Cuban children, and that that is almost one-half of the total asked for in the first year of this bill? Is the gentleman aware of that?

Mr. PEYSER. Mr. Chairman, to respond to the gentleman, I think what we have there in Dade County particularly—and this has been discussed in our committee—is a tremendous population influx of Cuban children. It has been an overwhelming one, where there was immediate need for expansion, for transportation programs, and so forth. Therefore, if the need is there, I would support that.

Mr. MEEDS. If the gentleman will yield further, that is the problem in Los Angeles County and some of the other areas in my State.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I thank the gentleman for yielding.

The gentleman did put his finger on the problem. The concentration of Cubans was in Dade County.

The number of Indochina refugees in Los Angeles City for which assistance was requested as of January 15 was fifteen one-hundredths of 1 percent of all the schoolchildren in the Los Angeles City. It is not a large number at all.

Mr. PEYSER. I thank the gentleman. I would like to say to my friend, if at all possible, and I do not see why it is not, why do we not designate that area in Florida? I would have no hesitancy in supporting whatever specific extra needs an area in California or in the State of Washington might have. But to do it cross country with nearly $30 million in one State I do not think makes good sense.

Mr. PERKINS. Mr. Chairman, if the gentleman will yield, let me say that this is not a one-State bill or a two-State bill, it is a bill to take care of special problems throughout the Nation. We have such children in every State of the Union, although they are concentrated in a few areas more than in others.

We are just trying to arrive at a figure that is fair and reasonable. I think we have come up with a figure that is fair and reasonable and which will at least halfway fulfill the commitment of the Federal Government when these children were brought into this country.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. PEYSER was allowed to proceed for 1 additional minute.)

Mr. PEYSER. Mr. Chairman, in answer to what the gentleman from Kentucky has said, it is my understanding, and I will stand corrected if the gentleman says so, that the proposal under the amendment does cover all the expenses. In other words, it says to the school that for these extra costs or expenses that have been incurred for these children that they will be reimbursed. If it were not so, I would not support the amendment.

But it seems to me that what happens under the committee bill is that we are saying to the school that they will receive a certain amount of money regardless of whether that school has spent the money or not.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I beg your indulgence in order to bring into consideration something that is very important in my area and is related to this general bill. So I would like to have the attention of those Members who have worked on this problem.

My concern is that the alien impact on school districts is not limited to the Indonesian refugee children, from the State of California clear over to my district in Texas on the border we are having thousands of aliens coming in from Mexico and impacting the school districts daily, most of them there legally, although a great number are there illegally. But, nonetheless, the courts have ruled that a local school district cannot turn down a student whether he is in this country legally or illegally.

We have another problem in that connection also and that is we have many who live in Mexico and who come daily across the border to school on our side. Both the State and Federal courts, I have been told, have ruled that these children cannot be turned down.

So, Mr. Chairman, after listening to the plight of my colleagues, mainly from California, and several of the other States, and their problems, I would like to ask a question and that is, why one the Vietnamese? Why only the Cambodian schoolchildren? Why not the poor Mexicans who come across and impact our local school districts from areas that many of my colleagues from California are working on daily and reminding us of how poor we are and how deficient in education our system is, and how our schools need all of this assistance?

I do not know if an amendment would be proper.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. I thank the gentleman for yielding.

I could not help but believe the gentleman was calling on me to respond, because I have heard those same words from him so many times as we have, in fact, worked on programs such as the migrant education program specifically for the group he has described. But I might remind the gentleman that we are talking about other immigrants of any kind at all who, for whatever reason, have language problems, cultural problems, or who for whatever reason become people who need special care, who are not in the school district they are in because the Federal Government said: "We are going to bring you over here, and we are going to allocate you out." They were not imposed on the local school district and the taxpayers of the local community by reason of a Federal policy. They went there by free choice.

These Vietnamese and Cambodians have gone where they have been told to go.

Mr. DE LA GARZA. My answer to that is that the immigration policies of the Federal Government are not for the State of Texas or the independent school district that says: "Yes, you may come from Mexico." It is the Immigration and Naturalization Service that allows them to come, and they have to have a work permit or a job contract, and that is approved by the Department of Labor specifically for an area where they are coming to live. It is the same thing; it is the same problem, not all in one State, but nobody asked them to leave Vietnam. They came here themselves.

Mr. FORD of Michigan. Will the gentleman yield further?

Mr. DE LA GARZA. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. The gentleman knows I have been trying to stop recruitment of foreign and offshore labor in this country for several years. Last year the Department of Labor certified over 20,000 farm workers. So far as I know not one of them came into this country with a school age dependent.

Mr. DE LA GARZA. These would not be covered, but when a family comes, when the head of a family comes, he has to have somebody who guarantees he is not going to be a public charge. He has to have an offer of employment. The offer of employment limits it to that particular area. So I sympathize with the plight of the Vietnamese, I only want my colleagues here to know that these are not the only people who have problems. They have them in Hawaii and in California. These are not the only local school districts who have problems.

As a matter of fact, I do not know the gentleman's situation, but in Texas it is doubly a problem because the laws of the State of Texas provide that the legislature or the State not appropriate any funds whatsoever to the local district for construction. All of the construction of schools is done solely by local real estate taxes.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DE LA GARZA was allowed to proceed for 2 additional minutes.)

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the distinguished gentleman from Kentucky.

Mr. PERKINS. I thank the gentleman for yielding.

Let me say to my distinguished colleague that he has personally discussed this item and question with me on numerous occasions and has taken time to write me concerning the problem. Of course, all the Mexican Americans that we have coming into the country legally are taken care of under the migrant programs and title I special education programs. But here we do have a problem quite different from the bill under consideration. Those people were invited into this country under a commitment to give them an education. But I have, I think, told the gentleman in the well that we are studying the problem that he has mentioned, the aliens, illegal aliens, that do arrive in this country by the thousands from Mexico and other places. It is a problem that we want to try to find a solution for, and, given a little time, perhaps we can come up with some solution.

I want to thank the gentleman for raising the question on the floor, and it is my hope that he will give wholehearted support to the present piece of legislation under consideration.

Mr. DE LA GARZA. Mr. Chairman, I appreciate very much the interest of the chairman.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I would say that as far as migrant education is concerned, that they are not migrants when they first move into Texas from another country, only when they move around to other places in this country are they called migrants. When they do go to other places, school districts get 40 percent of the average per pupil cost not 85 percent as proposed in this bill. So no matter how we cut it, the migrant is not taken care of as we propose to do in this bill for the Indochina refugees.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. QUIE, and by unanimous consent, Mr. DE LA GARZA was allowed to proceed for 1 additional minute.)

Mr. DE LA GARZA. Mr. Chairman, the difference here is between the committee legislation and the proposal offered by the gentleman from Minnesota. My intent is not really to interfere with the orderly process but I would hope my colleague, the gentleman from Minnesota, who is a very distinguished member of this committee, would agree with the plight of the people and the problem of the people in my area, and it is not just in my area but from California to Texas. I hope the gentleman would cooperate with the assurance of the chairman to see if we can maybe look at this specific problem.

Mr. QUIE. Mr. Chairman, I would say the problem is much more severe for the Spanish-speaking individuals in the Southwest because they live with and associate with people who speak Spanish while the Indochinese refugees will learn English much faster because they are among individuals who are speaking English. The problem for the Spanish-speaking is more severe.

Mr. HANNAFORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, just very briefly, we are talking about whether or not to pay for the education of these children. Everyone who has spoken here has agreed we should pay for the education of these children—everyone. The question is how much does it cost?

The gentleman from Minnesota may recall in the subcommittee hearings we discussed this question. He asked me if I could prove how much it cost to educate a child. I said "No." No one can prove how much it costs to educate a given child. Probably it is going to cost more to educate these children than others. No figure is perfect, but if we are going to go into a process of trying to prove how much it costs to educate one, we are going to have an administrative tangle more difficult than the application of the Federal Energy Administration regulations.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. HANNAFORD. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I thank the gentleman for yielding.

If we talk to school administrators they say it should be no problem at all. I talked to a number of them about how difficult it would be. If they have to hire an additional teacher, a bilingual teacher, or if they have to buy some additional supplies or materials, the administrators would add that up and make a voucher and expend the money for that purpose and be reimbursed for this expenditure. That is how simple it can be. There are many difficult problems in school financing but this is not one of them.

Mr. HANNAFORD. I respect the viewpoint of the gentleman but I have been talking to school administrators all my life. I do not accept that argument. I accept that it is presented in good faith but it is not a fact. I do not accept it at all.

Let me suggest if we do this we are going to get a lot of snake oil in the applications from the schools and we will get a lot of snake oil from the Administrator's answers to those applications.

Mr. **MEEDS**. Mr. Chairman, if the gentleman will yield, I am glad the gentleman from California is an educator because this has to be made amply clear. He knows what happens in school districts when they levy taxes. They determine how much is going to be spent for education. They take the number of children who are attending a school in that administrative unit, that tax district, and they divide the total cost of education among that number of pupils.

As the gentleman from California points out, we do not know exactly how much it costs to educate one child or two children. We know how much it costs to educate children in a school district. Each one of these Indochinese refugee children adds an additional unit to the total cost of educating children in that district.

That is the way we have every formula stated. I do not notice the gentleman suggesting we change the title I allocation or the impact aid allocation or other methods of distributing school funds in this Nation to show what is spent for every pupil. The gentleman from California is exactly right. There is no way to do this.

Mr. **HANNAFORD**. Mr. Chairman, if I can just respond to that, this method of measurement is no doubt not perfect, but it is the only way of measurement that we have that means anything. Therefore, I urge we support this.

Mr. Chairman, I yield to the gentleman from Minnesota (Mr. QUIE).

Mr. **QUIE**. Mr. Chairman, in title I of the ESEA we do require now that appropriations only be made for expenditures over and above the normal costs. Just this last year we made the same change with the handicapped. Now, in both those cases we recognized the problem and took care of it. Payments are now limited to additional costs.

Mr. **MEEDS**. Mr. Chairman, if the gentleman will yield further, the gentleman knows that the Elementary and Secondary Education Act, title I, is supplemental education. This is not supplemental education. This is basic education, as well as supplemental cost.

Mr. **QUIE**. Mr. Chairman, my amendment provides for any additional costs incurred because the Indochinese children were there.

Mr. **HANNAFORD**. Mr. Chairman, I would conclude by saying the only measure of cost for educating children, as my colleague pointed out, is the average cost. There is no way to measure it with any precision. I have no doubt that the average cost for children not speaking our language is going to be substantially more for the first year or two than the average for others.

Mr. Chairman, I urge defeat of this amendment.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Minnesota (Mr. QUIE).

Mr. **QUIE**. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The **CHAIRMAN**. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The **CHAIRMAN**. One hundred and one Members have appeared. A quorum of the Committe of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The committee will resume its business.

RECORDED VOTE

The question is on the amendment offered by the gentleman from Minnesota (Mr. QUIE) on which is pending the request of the gentleman from Minnesota (Mr. QUIE) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 235, noes 143, answered "present" 1, not voting 55, as follows:

[Roll No. 2]

AYES—235

Abdnor
Adams
Allen
Ambro
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Bauman
Beard, Tenn.
Bedell
Bevill
Biester
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burleson, Tex.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chisholm
Clancy
Clawson, Del
Clay
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hanley
Hansen
Harkin
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hightower
Hillis
Holt
Horton
Howe
Hubbard
Hughes
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Keys
Kindness
Koch
LaFalce
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Lott
McClory
McCollister
McDade
McEwen
McKinney
Madigan
Mann
Martin
Mathis
Mazzoli
Michel
Milford
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Moffett
Mollohan
Moore
Mottl
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
O'Brien
Pattison, N.Y.
Peyser
Pickle
Pike
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Rhodes
Rinaldo
Roberts
Robinson
Roe
Rogers
Rooney
Roush
Runnels
Russo
Ryan
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schulze
Seiberling
Sharp
Shriver
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Wis.
Stokes
Studds
Sullivan
Symms
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Ullman
Vander Jagt
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Yatron
Young, Fla.
Young, Tex.
Zeferetti

NOES—143

Abzug
Anderson, Calif.
Aspin
Baucus
Beard, R.I.
Bennett
Bergland
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Brademas
Brodhead
Burgener
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carr
Chappell
Clausen, Don H.
Collins, Ill.
Cornell
Cotter
Daniels, N.J.
Danielson
Dellums
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fisher
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Green
Hall
Hannaford
Harris
Hawkins
Hays, Ohio
Helstoski
Hicks
Howard
Johnson, Calif.
Jones, Ala.
Jordan
Kastenmeier
Ketchum
Krebs
Krueger
Lagomarsino
Leggett
Lloyd, Calif.
Long, La.
Long, Md.
McCloskey
McCormack
McFall
McHugh
Macdonald
Madden
Maguire
Mahon
Matsunaga
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Poage
Price
Rees
Richmond
Risenhoover
Rodino
Roncalio
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
St Germain
Sarbanes
Schroeder
Shipley
Sikes
Simon
Sisk
Solarz
Spellman
Staggers
Stark
Stratton
Stuckey
Symington
Talcott
Thompson
Traxler
Tsongas
Van Deerlin
Vander Veen
Waxman
Wilson, Bob
Wilson, C. H.
Wolff
Yates
Young, Alaska
Zablocki

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—55

Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Badillo
Barrett
Bell
Biaggi
Bolling
Bowen
Burke, Fla.
Burlison, Mo.
Cochran
Conyers
Corman
Crane
Diggs
Esch
Giaimo
Goldwater
Harrington
Harsha
Hastings
Hébert
Hinshaw
Holland
Holtzman
Hungate
Ichord
Karth
Lehman
Litton
Lujan
McDonald
McKay
Meyner
Montgomery
Moss
Nedzi
Nichols
O'Neill
Patman, Tex.
Reuss
Riegle
Ruppe
Sebelius
Shuster
Stanton, James V.
Steed
Steiger, Ariz.
Stephens
Teague
Udall
Whitten
Young, Ga.

Mr. RANGEL and Mr. STOKES changed their vote from "no" to "aye."

Mr. FARY and Mr. BLANCHARD changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McFALL) having assumed the chair, Mr. MELCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 7897) to authorize funds for assistance to local educational agencies for the education of Cambodian and Vietnamese refugees, and for other purposes, pursuant to House Resolution 934, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 311, nays 75, not voting 48, as follows:

[Roll No. 3]

YEAS—311

Abdnor
Abzug
Adams
Alexander
Allen
Anderson, Calif.
Andrews, N. Dak.
Armstrong
Ashley
Aspin
AuCoin
Bafalis
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collins, Ill.
Conlan
Conte
Cornell
D'Amours
Daniel, R. W.
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Flood
Florio
Foley
Ford, Mich.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gaydos
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Heinz
Helstoski
Hicks
Hightower
Hillis
Horton
Howard
Howe
Hubbard
Hughes
Hutchinson
Hyde
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Koch
Krebs
LaFalce
Lagomarsino
Leggett
Lent
Lloyd, Calif.
Long, La.
Long, Md.
Lott
McCloskey
McCormack
McDade
McFall
McHugh
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—75

Ambro
Annunzio
Archer
Ashbrook
Bauman
Beard, Tenn.
Bevill
Brown, Mich.
Broyhill
Burleson, Tex.
Butler
Byron
Carney
Casey
Collins, Tex.
Conable
Cotter
Coughlin
Daniel, Dan
Davis
Devine
Edwards, Ala.
Evans, Ind.
Fithian
Flowers
Flynt
Ford, Tenn.
Fountain
Gibbons
Hansen
Harsha
Hechler, W. Va.
Hefner
Henderson
Holland
Holt
Jarman
Jenrette
Jones, N.C.
Jones, Tenn.
Kindness
Krueger
Landrum
Latta
Levitas
Lloyd, Tenn.
McClory
McCollister
McEwen
Mann
Mathis
Michel
Milford
Miller, Ohio
Mills
Myers, Ind.
Myers, Pa.
Nichols
Nix
Patten, N.J.
Poage
Rhodes
Robinson
Roush
Runnels
Satterfield
Shuster
Smith, Nebr.
Snyder
Spence
Stuckey
Sullivan
Symms
Vigorito
Waggonner

NOT VOTING—48

Addabbo
Anderson, Ill.
Andrews, N.C.
Badillo
Barrett
Bell
Biaggi
Bolling
Bowen
Breaux
Burke, Fla.
Burlison, Mo.
Cochran
Conyers
Corman
Crane
Diggs
Eckhardt
Esch
Giaimo
Harrington
Hastings
Hébert
Hinshaw
Holtzman
Hungate
Ichord
Karth
Lehman
Litton
Lujan
McDonald
McKay
Meyner
Montgomery
Moss
Patman, Tex.
Reuss
Riegle
Ruppe
Sebelius
Stanton, James V.
Steed
Steiger, Ariz.
Stephens
Udall
Whitten
Young, Ga.

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Anderson of Illinois.

Ms. Holtzman with Mr. Andrews of North Carolina.

Mr. Diggs with Mr. Bell.

Mr. Lehman with Mr. Burke of Florida.

Mr. Riegle with Mr. Hinshaw.

Mr. Giaimo with Mr. Ruppe.

Mr. Barrett with Mr. Steiger of Arizona.

Mr. Biaggi with Mr. McKay.

Mr. Hébert with Mr. Esch.

Mr. McDonald of Georgia with Mr. Sebelius.

Mr. James V. Stanton with Mr. Crane.

Mr. Patman with Mr. Hungate.

Ms. Meyner with Mr. Stephens.

Mr. Moss with Mr. Lujan.

Mr. Steed with Mr. Montgomery.

Mr. Udall with Mr. Bowen.

Mr. Whitten with Mr. Breaux.

Mr. Karth with Mr. Cochran.

Mr. Badillo with Mr. Burlison of Missouri.

Mr. Conyers with Mr. Corman.

Mr. Eckhardt with Mr. Harrington.

Mr. Reuss with Mr. Litton.

Mr. Young of Georgia with Mr. Ichord.

Mr. STAGGERS changed his vote from "nay" to "yea."

Mr. JENRETTE changed his vote from "yea" to "nay."

So the bill was passed.

The title was amended so as to read: "A bill to provide Federal financial assistance to States in order to assist local educational agencies to provide education to Vietnamese and Cambodian refugee children, and for other purposes.".

A motion to reconsider was laid on the table.

MOTION OFFERED BY MR. PERKINS

Mr. PERKINS. Mr. Speaker, pursuant to the provisions of House Resolution 934, I call up the Senate bill (S. 2145) to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. PERKINS

Mr. PERKINS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STAGGERS moves to strike out all after the enacting clause of the bill S. 2145 and to insert in lieu thereof the provisions of H.R. 7897, as passed, as follows:

That this Act may be cited as the "Indochina Refugee Children Assistance Act of 1975".

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "Commissioner" means the Commissioner of Education.

(2) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(3) The term "free public education" means education which is provided at public expense under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

(4) The term "Indochinese refugee chil-

dren" means children who are refugees within the meaning of that term as defined in section 3 of the Indochina Migration and Refugee Assistance Act of 1975.

(5) The term "average per pupil expenditure" for a State means the aggregate current expenditures during the second fiscal year preceding the fiscal year for which the determination is made (or if satisfactory data for that year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available, of all local educational agencies in the State) plus any direct current expenditures by the State for the operation of such agencies (without regard to the source of funds from which either of such expenditures is made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

(6) The term "current expenditures" means all expenditures for free public education, except for (A) expenditures attributable to fixed charges, including payments of principal and interest on short-term and long-term debt, and payments for retirement benefits, for insurance and judgments, for rental of land and buildings, and for construction costs, (B) expenditures attributable to administration, and (C) expenditures attributable to transportation or building maintenance.

(7) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(8) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(9) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(10) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(11) The term "elementary or secondary nonpublic schools" means schools which comply with the compulsory education laws of the State and which are exempt from taxation under section 501(c) (3) of the Internal Revenue Code.

STATE ENTITLEMENTS FOR EDUCATION OF VIETNAMESE AND CAMBODIAN REFUGEE CHILDREN

SEC. 3. (a) The Commissioner shall in accordance with the provisions of this Act, make payments to State educational agencies for the fiscal year 1976 for the purposes set forth in section 4.

(b) (1) Subject to the provisions of paragraphs (2) and (3), each State educational agency shall be entitled to receive, for the fiscal year ending June 30, 1976, an amount which, in addition to any amounts received by such agency and the local educational agencies of such State in that fiscal year under the Indochina Migration and Refugee Assistance Act of 1975, equals the additional expenditures, as determined under section 4, incurred by such State and local educational agencies in that fiscal year in providing additional basic educational services and necessary supplementary educational services for those children.

(2) For the fiscal year ending June 30, 1976, no State educational agency shall be entitled to receive an amount under this Act, which, when combined with any funds received by such agency and the local educational agencies of such State in such fiscal year under the Indochina Migration and Refugee Assistance Act of 1975, exceeds an amount equal to the average per pupil expenditure in such State for such fiscal year multiplied by the number of Indochina refugee children in such State receiving public educational services.

(3) The amount received by such State educational agency shall be reduced by the amount of any payments received by such agency and the local educational agencies of such State under the Indochina Migration and Refugee Assistance Act of 1975.

(c) (1) The jurisdictions to which this subsection applies are American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(2) Each jurisdiction to which this subsection applies shall be entitled to a grant for the purposes set forth in section 4 in an amount equal to an amount determined by the Commissioner in accordance with criteria established by him, except that the aggregate of the amount to which such jurisdictions are so entitled for any fiscal year shall not exceed an amount equal to 1 per centum of the aggregate of the amounts to which all States are entitled under subsection (b) of this section for that fiscal year. If the aggregate of the amounts, determined by the Commissioner pursuant to the preceding sentence, to be so needed for any fiscal year exceeds an amount equal to such 1 per centum limitation, the entitlement of each such jurisdiction shall be reduced proportionately until such aggregate does not exceed such 1 per centum limitation.

(e) Determinations with respect to the number of Indochinese refugee children by the Commissioner under this section for any fiscal year shall be made, whenever actual satisfactory data are not available, on the basis of estimates. No such determination shall operate, because of an underestimate, to deprive any State educational agency of its entitlement to any payment (or the amount thereof), under this section to which such agency would be entitled had such determination been made on the basis of accurate data.

USES OF FUNDS

SEC. 4. (a) Financial assistance to State and local educational agencies under this Act shall be available only to meet the cost of providing to Indochina refugee children—

(1) supplementary educational services necessary to enable those children to achieve a satisfactory level of performance including, but not limited to—

(A) English language instruction,

(B) other bilingual educational services, and

(C) special materials and supplies;

(2) additional basic instructional services which are directly attributable to the presence in the school district of Indochina refugee children, including the cost of providing additional classroom teachers and additional teaching materials and supplies, but not including overhead costs, costs of construction, acquisition or rental of space, or costs of transportation; and

(3) special inservice training for personnel who will be providing instruction described in either paragraph (1) or (2).

(b) The Commissioner shall by regulation prescribe standards for the determination of the actual additional expenditures incurred by State and local educational agencies in providing educational services for Indochinese refugee children. Such standards may include—

(1) maximum incremental costs for providing basic educational services in relation to the number of additional children;

(2) maximum allowable costs for particular types of supplementary educational services; and

(3) to the extent consistent with this section, categories of programs, services, and expenditures for which funds provided under this Act may be used.

ALLOCATION OF APPROPRIATIONS

SEC. 5. (a) If the sums appropriated for any fiscal year for making the payments provided for in this Act are not sufficient to pay in full the total amounts which State educational agencies are entitled to receive under this Act for such year, the allocations to such State educational agencies shall be ratably reduced to the extent necessary to bring the aggregate of such allocations within the limits of the amount so appropriated.

(b) In the event that funds become available for making payments under this Act for any fiscal year after allocations have been made under subsection (a) for that year, the amounts reduced under subsection (a) shall be increased on the same basis as they were reduced.

APPLICATIONS

SEC. 6. (a) No State educational agency shall be entitled to any payment under this Act for any fiscal year unless that agency submits an application to the Commissioner at such time, in such manner, and containing or accompanied by such information, as the Commissioner may reasonably require. Each such application shall—

(1) provide that the educational programs, services, and activities for which payments under this Act are made will be administered by or under the supervision of the agency;

(2) provide that payments under this Act will be used for purposes set forth in section 4;

(3) provide such data and assurances as the Commissioner may prescribe—

(A) to demonstrate that the costs of the additional instructional services for which the payment will be made are the direct result of the presence of Indochinese refugee children and that those additional instructional services will actually be provided to those children for the duration of the period for which assistance is made available under this Act; and

(B) to demonstrate that such payments are distributed between the State educational agency and the local educational agencies within the State in proportion to the contribution to such costs by each such agency;

(4) provide assurances that the State educational agency will not finally disapprove in whole or in part any application for funds received under this Act without first affording the local educational agency submitting an application for such funds reasonable notice and opportunity for a hearing;

(5) provide for making such reports as the Commissioner may reasonably require to perform his functions under this Act; and

(6) provide assurances—

(i) that to the extent consistent with the number of Indochinese refugee children enrolled in the elementary or secondary nonpublic schools within the district served by a local educational agency, such agency, after consultation with appropriate officials of such schools, shall provide for the benefit of these children secular, neutral, and nonideological services, materials, and equipment necessary for the education of such children;

(ii) that the control of funds provided under this paragraph and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this Act, and a public agency shall administer such funds and property; and

(iii) that the provisions of services pursuant to this paragraph shall be provided by employees of a public agency or through contract by such public agency with a person, association, agency, or corporation who or which, in the provision of such services, is independent of such elementary or secondary nonpublic school and of any religious organization; and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this paragraph shall not be commingled with State or local funds.

(b) The Commissioner shall approve an application which meets the requirements of subsection (a). The Commissioner shall not finally disapprove an application of a State educational agency except after reasonable notice and opportunity for a hearing on the record to such agency.

PAYMENTS

SEC. 7. (a) The Commissioner shall pay to each State educational agency having an application approved under section 6 the amount which that State is entitled to receive under section 3.

(b) The Commissioner is authorized to pay to each State educational agency amounts equal to the amounts expended by it for the proper and efficient administration of its functions under this Act, except that the total of such payments for any fiscal year shall not exceed 1 per centum of the amounts to which that State educational agency is entitled to receive for that year under this Act.

(c) If a State is prohibited by law from providing for the participation in programs of children enrolled in elementary and secondary nonpublic schools, as required by section 6(a)(6), the Commissioner may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this Act.

WITHHOLDING

SEC. 8. Whenever the Commissioner after reasonable notice and opportunity for a hearing to any State educational agency, finds that there is a failure to meet the requirements of this Act, the Commissioner shall notify that agency that further payments will not be made to the agency under this Act, or in his discretion, that the State educational agency shall not make further payments under this Act to specified local educational agencies (whose actions cause or are involved in such failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made to the State educational agency under this Act or payments by the State educational agency under this Act shall be limited to local educational agencies whose actions did not cause or were not involved in the failure, as the case may be.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated for fiscal year 1976 such sums as may *be necessary to make payments to which State educational agencies are entitled under section 3 and payments for administration under section 7(b).*

Amend the title so as to read: "A bill to provide Federal financial assistance to States in order to assist local educational agencies to provide education to Vietnamese and Cambodian refugee children, and for other purposes.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide Federal financial assistance to States in order to assist local eductional agencies to provide education to Vietnamese and Cambodian refugee children, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 7897) was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 524. Concurrent resolution providing for a joint session of the House and Senate on Monday, January 19, 1976, to receive the President of the United States.

The message also announced that the Senate had passed the following resolutions:

S. RES. 344

Resolved, That a committee consisting of two Senators be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

S. RES. 345

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDING THE NATIONAL PORTRAIT GALLERY ACT

Mr. NEDZI. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 1657) to amend the National Portrait Gallery Act to redefine "portraiture."

The Clerk read the title of the Senate bill.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1657

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(e) of the National Portrait Gallery Act (Public Law 87-443) is amended as follows: "The term 'portraiture' includes portraits and reproductions thereof made by any means or process, whether invented or developed heretofore or hereafter.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 6397) was laid on the table.

LEGISLATIVE PROGRAM FOR THE REMAINDER OF THE WEEK OF JANUARY, 19, 1976

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished majority leader if he is in a position to inform the House of the program for this week.

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, I will respond.

Mr. RHODES. I yield to the distinguished majority leader.

Mr. O'NEILL. I thank the gentleman for yielding. Mr. Speaker, I want to wish the majority leader a happy New Year, and I am sure we can work together through the year without any bickering over priorities and things of that nature.

Mr. RHODES. Mr. Speaker, I thank my good friend, the distinguished majority leader, and I assure him that my desire is the same as his. I wish the gentleman a happy New Year, as well.

Mr. O'NEILL. Mr. Speaker, of course we will go into recess, and tonight there will be the state of the Union address by President Ford.

On Tuesday we will call the Private Calendar and the Suspension Calendar. There are five bills on the Suspension Calendar, as follows:

H.R. 10537, Federal reclamation projects;

H.R. 9630, education broadcasting and telecommunications demonstration projects;

H.R. 3710, 101st Airborne Division Association Memorial;

House Concurrent Resolution 96, Martin Luther King, Jr. Statue; and

Senate Concurrent Resolution ——, Railroad Revitalization and Regulatory Reform Act amendments. As I understand it, committee members are meeting at 4 o'clock this afternoon and there is a possibility we can have this on the Suspension Calendar tomorrow.

The program for Wednesday and the balance of the week is as follows:

H.R. 6721, Federal coal leasing amendments, subject to a rule being granted;

H.R. 10680, Renegotiation Act amendments, subject to a rule being granted; and

H.R. 10807, Motor Vehicle Information and Cost Savings Act amendments, subject to a rule being granted.

Conference reports, of course, may be brought up at any time and any further program will be announced later. I know of no conference report at the present time that will be reported this week.

Mr. Speaker, as I analyze the program, I will have to anticipate that there will be no Friday session this week.

Mr. RHODES. Mr. Speaker, does the

gentleman anticipate that there will be any votes on vetoes this week?

Mr. O'NEILL. If the gentleman will yield further, no, we have no vetoes scheduled for this week.

Mr. RHODES. Mr. Speaker, I thank the gentleman.

MAJORITY WHIP McFALL DISCUSSES THE 1976 LEGISLATIVE PROGRAM

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. President, at a meeting of the new Democratic Members of the House last Friday, January 16, the distinguished majority whip (Mr. McFALL) discussed the legislative program for the 2d session of the 94th Congress.

Mr. McFALL's statement is an excellent summary of the various issues which will come before Congress during the second session. The emphasis, of course, will be on the Nation's troubled economy, and particularly the steps needed to reduce the catastrophic unemployment brought on by the policies of the current administration.

Mr. Speaker, I will not attempt to summarize Mr. McFALL's valuable statement for it speaks for itself. I include it at this point in the RECORD in order that all Members may read it in its entirety:

STATEMENT OF JOHN J. McFALL, HOUSE MAJORITY WHIP, DISCUSSING THE 1976 LEGISLATIVE PROGRAM

The Majority Leader has asked me to convey his regrets that he cannot be with us today. He is away on an important mission—the re-election of Democratic Congressmen—in the districts of Jake Pickle and Henry Gonzalez in Texas and Claude Pepper in Florida.

At the outset I call your attention to several pieces of material that are available here today—(1) a wallet card to remind you of important dates in 1976, (2) a leadership letter which spells out in more detail the budget and appropriation deadlines, (3) a Whip Advisory listing the program immediately ahead. And we will be sending to your offices Advisories on all legislation as it is scheduled as we have done during my three years as your Whip.

You have heard the Speaker outline the Democratic theme for the second session of the 94th Congress.

In capsule form, it is this: we are going to make the new Budget process work, and we will take whatever actions are necessary to break the grip of the recession and continue the economic rebound that our actions in Congress set in motion in 1975.

Surely this is sound public policy. It is also good politics. The overriding domestic issue of our time continues to be the economy—intolerably high unemployment, high consumer prices, and dangerous sluggishness in particular sectors of the economy, such as the building and construction industry.

We will be building this year on an outstanding economic record in the first session and the truly historic achievements in a range of areas in the 93rd Congress, all under the great leadership of Speaker Albert.

Economists agree unanimously that it was our actions last spring, particularly the $22.8 billion Congressional tax cut, that halted the downward economic spiral and launched our current rebound.

That was just one element of a creative Democratic economic program in the Congress. We also enacted a $2.9 billion jobs package after the president vetoed a more comprehensive program. We passed a housing bill, again after a Presidential veto. We extended and improved the unemployment insurance program. We enacted comprehensive energy legislation, and we beat back the President's attempts to foist off sky-high energy prices on consumers. And we took action, again in the face of Presidential opposition, to protect the pocketbooks of some of the worst victims of the recession—the elderly on Social Security, food stamp recipients, disabled veterans, civil service and military personnel.

You know the record as well as I, for you helped write it. More than any class of new Members since I came to the House, your class has asserted itself constructively and creatively in the difficult and often unheralded job of thrashing out solutions to difficult problems.

Your contributions again will be essential as we tackle the Democratic Congressional agenda for 1976.

These are some of our immediate priorities as the second session begins. Nearly every item has important economic implications:

First, the Labor-HEW Appropriations bill veto override vote, scheduled for January 27. We passed the conference report on this bill 321 to 91. The Senate passed it by voice vote.

In his veto message, the President cited only fiscal reasons for his veto. He called the appropriations bill "a classic example of the unchecked spending" which he referred to in his veto of the tax cut extension.

The Appropriations Committee points out that the bill, which would appropriate $36.1 billion for fiscal 1976, represents an increase of just 2.6 percent over the President's request. Congress trimmed $158 million from some of the President's proposals, but added $1 billion for programs which involve investments in human resources. They include Head Start; nutrition for the aging; rehabilitation of the handicapped; maternal and child health; prevention and treatment of drug abuse, alcoholism and mental illness; research on cancer, heart disease and other killing diseases, and other programs.

The final appropriation figure, the committee believes, provides little more than the amounts needed to keep pace with inflation.

I will begin a Whip count on the Labor-HEW override vote Monday, and I believe we will get the two-thirds necessary to override. But I hope we override the veto resoundingly. It will be the first 1976 test of the new Congressional budget procedures. An overwhelming override of the President's veto will demonstrate once again that our budget procedures work and that they are sound and responsible.

The figures in the Labor-HEW Appropriations bill were arrived at within the framework of the new Budget Act. They represent a careful weighing of federal spending priorities matched against anticipated revenues and the need to hold down the federal deficit.

Also scheduled for early consideration will be the Conference Report on the Public Works Employment Act of 1975 (H.R. 5247).

This will be one of the most important economic measures of the session—a $6.2 billion bill that would create or preserve about 800,000 jobs. The bill was initiated by the House Democratic Leadership last year to stimulate employment, particularly in the hard-hit construction industry.

As agreed to in conference, the bill contains 2.5 billion for public works grants to local governments for projects that can be started within 90 days. In addition, it would authorize $1.5 billion beginning April 1 and continuing for five quarters in antirecession, or counter-cyclical revenue sharing grants to local governments.

The bill also provides an additional $1.4 billion in water pollution abatement funds to be available beginning in fiscal 1977. These funds would go to certain states which have received lesser shares of the currently available water pollution abatement money.

Other provisions of the Public Works Employment bill are a $500 million extension of the Job Opportunities program through September 30, 1976; $100 million through the same period for urban economic development grants to qualifying cities of 50,000 or more population; and $125 million through December 31, 1976 for interest subsidies of up to four percent on working capital loans to private borrowers. The loans themselves are made by private lending institutions and guaranteed under the Public Works and Economic Development Act.

As you can see, this is a big bill, an omnibus bill, a jobs action bill that will give an immediate boost to employment and economic recovery in our country. We expect a Presidential veto, so we will need your help in passing the bill by a large margin.

There is a difference of opinion at present on the antirecession grants. The Government Operations Committee feels that these grants constitute revenue sharing and, as such, should be under the jurisdiction of Government Operations. Tomorrow you will be hearing from Chairman Jack Brooks. Meanwhile, it is expected that the Public Works Committee will seek a rule waiving points of order on the Public Works Employment Bill.

This bill is a must element in the Democratic congressional economic program to cut unemployment and keep the economy moving. I will begin a Whip Count on it Monday, and it will be scheduled for Floor action the week of January 26.

Now, in the larger, overall revenue-sharing context, the present law that was enacted in 1972 expires at the end of this year. The Government Operations Committee is preparing for subcommittee markup on legislation to extend and revise the revenue sharing program. The Subcommittee concluded 16 days of hearings on December 2. It heard 87 witnesses and now has before it some 36 bills taking various approaches to revenue sharing revision. Staff analysis is well underway, and the subcommittee markup is now expected to begin in early February.

This spring the Education and Labor Committee will be considering the Humphrey-Hawkins Equal Opportunity and Full Employment Act (H.R. 50), which would make full employment not a goal, but a reality in the nation.

The legislation would guarantee employment to all able and willing adults in either the private of public sectors through subsidies, public service employment and a standby jobs corps. It also would require the President to submit a full employment budget providing sufficient funds to reduce unemployment to a level of 3 percent within 18 months. Hearings on the bill are scheduled to conclude in February with action by the Subcommittee on Equal Opportunities scheduled for mid-March.

Another major jobs bill will be the Emergency Employment Projects Amendments (H.R. 11187), on which we expect action by the full Education and Labor Committee by the middle of next month.

The bill would authorize $1.2 billion for Title VI of CETA (Comprehensive Employment and Training Act) through fiscal 1976 and such sums as are necessary for fiscal 1977. The fiscal 1976 authorization would nearly double the present program, providing some 600,000 jobs, compared to the present 310,000.

So in the new session we face votes on three bills which together would provide more than 1.4 million jobs in the public and private sectors of our economy. This jobs package consists of (1) the Public Works Employment Act which would provide 700,000 construction related jobs, and create or preserve 100,000 state and local government jobs; (2) the CETA extension which will increase the number of public services jobs to 600,000 from the present 310,000; and (3) finally, the Labor-HEW Appropriations veto override which would preserve thousands of jobs in the health and education professions throughout the United States.

Another element of our Democratic program is tax policy. The tax cut extension we passed last year will expire at the end of June. In the final version, we adopted language expressing our intention to cut federal spending by an amount equal to the amount of any further extension of the tax cut, if economic conditions warrant. We will look closely at economic conditions in the spring. But the indications from the Joint Economic Committee now are that spending cuts could abort economic recovery and doom unemployment to intolerably high levels. The committee already has attacked the $395 billion figure, which we expect the President to propose for fiscal 1977, as artificially low and lacking in needed economic stimulus. We will receive the President's budget next Wednesday.

So the prospect, as I see it, is that we will again extend the tax reduction to maintain the economic momentum we first triggered last spring and then continued with our action in December.

Don't be surprised, incidentally, if the budget total initially proposed by the President is intended for political consumption and turns out to be subject to severe inflation. That is exactly what happened last year.

On August 12, 1974, the President told a Joint Session of Congress: "I will work . . . to bring the federal budget into balance in fiscal 1976."

On January 15 last year, a White House fact sheet on the State of the Union message wrote off a balanced budget and estimated the FY 1976 deficit at $45–$47 billion.

The President's proposed budget submitted on February 3 estimated the deficit at an even higher level—$51.9 billion.

By April 3, the President was telling a White House Conference at San Diego, California: "I have drawn the line at a maximum budget deficit of $60 billion."

And by October 7, he said in a speech to a medical group: "We will have a deficit of somewhere between $62 and $70 billion."

So in fourteen months, the President moved from a balanced budget to one with a $70 billion deficit.

There also may be further tax reform before us this year. The Ways and Means Committee bill last year sought to close the most glaring loopholes in our tax structure. That bill, approved by the House 257 to 168, is pending in the Senate, where it is expected to be considered as part of a tax cut extension for the last half of 1976, sometime before June 30.

Meanwhile, the Ways and Means Committee will consider additional tax reform areas, including estate, gift and inheritance taxes and further changes in capital gains and losses. The attempt again will be to achieve greater equity in our tax system by cracking down on tax shelters and loopholes that permit the wealthy few to escape their fair share of the tax burden. The committee has scheduled its first hearings for Wednesday. You will be hearings tomorrow from Chairman Al Ullman on more specifics and his estimates of timing and prospects for passage.

The veto of the situs picketing bill (H.R. 5900), which triggered the resignation of Secretary of Labor Dunlop and the President's labor advisory panel, will be before us on Monday. We have talked with Chairman Perkins, of the Education and Labor Committee, and Frank Thompson, the floor manager of the bill. It is my understanding they intend to offer a motion to refer the veto message to committee, so we will not vote to override the veto.

We are nearing final action on the Rail Revitalization and Regulatory Reform bill (S. 2718), which is designed to keep major railroads rolling and protect jobs. While the President reportedly agrees with the basic thrust of the legislation, he opposes some provisions and the Administration has indicated he would veto the bill in its present form. The bill has not yet been sent to the White House. The Interstate and Foreign Commerce Committee is attempting to reach agreement with the Administration on changes that would make it acceptable to the President, which could be scheduled for Tuesday under suspension of the rules.

We passed comprehensive legislation last year establishing a national energy policy and providing for increased energy production at fair prices. Later this month we will consider the Natural Gas Emergency Act (H.R. 9464), which would establish emergency authorities until April 15, 1977, to minimize adverse affects of potential natural gas shortages. The Rules Committee has made in order the Krueger amendment which would insert long-term natural gas de-regulation provisions along the lines of those adopted by the Senate. The Interstate and Foreign Commerce Committee will hold hearings on the amendment beginning Tuesday. We expect floor consideration in early February.

Other major legislation we will be considering very soon includes the following:

The $90 billion Defense Appropriations Bill (H.R. 9861) Conference Report which will be before the House for further consideration in the near future. The House approved the report December 12. The Senate on December 17 approved the report with an amendment prohibiting use of any funds in the bill for any activities involving Angola, other than for intelligence gathering. The House must now dispose of the Senate amendment.

Strip Mining (H.R. 9725) is now pending in Interior Committee as a modified version of H.R. 25 which the President vetoed last year. The House failed to override, 278 to 143. We expect committee action on a new bill by Lincoln's birthday.

Security assistance legislation (H.R. 10594) remains in markup in the International Relations Committee, and the Committee plans to schedule an early meeting. This is the military aid bill that the President submitted late last year; it did not arrive until October 30. The bill requested $4.7 billion, including $2.2 billion for Israel, $1.1 billion for the Arabs and $50 million for American technicians in the Sinai. The authorization for international economic aid was signed into law by the President on December 20. That law authorizes about $1.5 billion in each fiscal 1976 and 1977 for economic development and disaster assistance.

The foreign aid appropriations legislation is pending; hearings are completed, and the legislation is ready for markup. The Foreign Operations Subcommittee must decide whether to wait for the military aid authorization or to split the bill and go ahead soon after the Congress returns next week.

The Consumer Protection Act (S. 200) to create an Agency for Consumer Protection to represent and protect consumer interests. The bill has passed both Houses, but a conference has been delayed until March or April to permit time for public sentiment to build in support of the measure and in support of a possible veto override.

Legislation to permit voter registration by postcard to remove barriers that prevent otherwise eligible citizens from participating in the political process. The legislation has been reported by the House Administration Committee, and we expect floor action soon. As you know, Chairman Hays is scheduled at one of your sessions tomorrow morning.

The Speaker has called a meeting of all committee chairmen for 9 a.m. on the 27th to go over the legislative program, and we will have more details then.

Other business before the second session will include:

Amendments to the Clean Air Act: Markup by Interstate and Foreign Commerce Committee scheduled for next week.

No fault insurance: Markup by Interstate and Foreign Commerce Committee also scheduled for next week.

Health insurance: Hearings by the Subcommittee on Health and Environment expected to continue into March. You will be given a more detailed report tomorrow by Chairman Paul Rogers. Ways and Means, of course, also has jurisdiction.

Hatch Act reform: The legislation passed the House and has been reported by the Senate Post Office and Civil Service Committee. Senate Floor action is expected within two weeks.

Food stamps: The Agriculture Committee has commissioned a comprehensive $200,000 study designed to bring out the facts about the program and its administration by the Agriculture Department. The report is expected to be completed in the spring. Chairman Foley would like to begin hearings by the end of February.

Financial institution reform: The Banking, Currency and Housing Committee expects to conclude hearings this month and mark up the bill in February.

Minimum wage legislation: The Education and Labor Committee hopes to report a bill in the spring.

Select Committee on Intelligence: Committee's final report will be issued at the end of this month.

Regulatory agencies pose an increasing concern to the Congress. The Interstate and Foreign Commerce Committee is undertaking a major study centering around ten key regulatory agencies. The President has made an issue of the economic impact of regulation, although the OMB has had a hard time backing up his assertions that regulation is costing the economy $130 billion a year. Congress is concerned not only with the economic impact, but with the questions of regulatory agencies' devotion to the public interest, consumer participation, and agencies' independence from the White House. Hearings are expected to continue at least through the first half of this year. Legislation may be ready later in the year, but if it is not, the hearings are expected to produce extensive recommendations for legislation in the next Congress.

The House exercised a strong oversight role in 1975; committees and subcommittees held no fewer than 235 hearings to evaluate practices and programs of various federal agencies. The intention is to assure that the federal government is serving the American people in the manner to which they are entitled and which Congress intended. Oversight hearings in 1975 ranged widely, from hearings on beef grading standards to Internal Revenue Service regulations. They included hearings on financial support for military commissaries, revenue sharing, government data banks, alcoholic beverage labeling, reading achievement, sex discrimination, child labor, nuclear energy, children's health programs, civil service retirement, water pollution control, solar energy, minority enterprise, veterans hospital care, and programs for the elderly.

Related to nearly every item this year, of course, will be the budget bill. Our new budget process imposes some rigid deadlines on the House and will demand a disciplined schedule on all of us. In less than a month—by March 15—committees must submit their spending reports to the Budget Committee. Two months after that—May 15—is the deadline for the reporting of all authorizing legislation. May 15 is also the deadline for final adoption of the First Concurrent Resolution on the fiscal 1977 budget. The resolution will set targets for revenues, budget authority and outlays.

The Appropriations Committee now plans to consider all appropriations bills at one time period—between May 24 and June 4—before any of the bills are reported to the House floor. Authorization bills are key elements in the new budget control process, and, depending upon the availability of authorizing legislation, all the appropriation bills are scheduled to come to the House floor between June 15 and July 2.

The Second Concurrent Resolution on the budget will be adopted in early September, after the spending and revenue legislation has been enacted. The new resolution may reaffirm the target figures in the first resolution, or it may revise the figures if changed economic conditions warrant. In either case, the second resolution will establish a binding ceiling on spending and floor under revenues.

It will be a busy and challenging year. We have the opportunity to build on our outstanding record of the first session to make the 94th Congress one of the most successful in history. We can and we will reverse the Republican recession. We can and we will ease the hardships of unemployment and inflation for millions of Americans. And we can and we will do all this within the responsible framework of the Congressional budget process.

We will hear much Republican rhetoric in this election year about an ineffective, wild-spending Congress. We must answer not with more rhetoric, but with performance.

PEOPLE KILL PEOPLE, NOT GUNS

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, the notion that the Federal Government should drastically restrict commerce in firearms and the possession of firearms is based on the unproven theory that a lack of such regulation contributes to various kinds of crime, especially violent crime.

Numerous types of gun control have been proposed in a variety of legislative measures introduced in Congress. These proposals have a wide range. They include licensing for handgun ownership, gun registration, a waiting period for gun purchase, banning the further manufacture and sale of handguns, and an outright prohibition of the possession of any handgun determined to be unsuitable for law enforcement or military purposes.

Such proposals, no matter how well-intentioned, obviously would violate the right of law-abiding citizens, including homeowners and sportsmen, to possess and use firearms. That right is written into our Federal Constitution. It is a right of which Americans traditionally have availed themselves. It should not be infringed upon.

Citizens are entitled to have the means to protect their homes and families and property against criminals who threaten them. Sportsmen should not be denied the pleasure of the hunt under game laws and regulations in force in the several States. Why should they be treated as irresponsible persons or as criminals?

Efforts to control the criminal use of guns is, of course, quite another matter. Statistics compiled by the Federal Bureau of Investigation show that the number of violent crimes committed with firearms continues to rise alarmingly. The FBI also reports that the number of repeat offenders is increasing.

From 1969 to 1974 violent crime in the United States increased by almost 50 percent. The murder rate went up by a horrifying 40 percent. Statistics dealing with the criminal use of firearms are no less frightening. Guns of one kind or another were used in 25 percent of all aggravated assaults in 1964. Forty-five percent of all the robberies involved firearms. More than two-thirds of all murders in 1974 were committed with firearms. Included in these killings were the murders of 132 law enforcement officers.

Sixty-five percent of all the violent crimes—the attacks on persons, the robberies, the murders—were done by repeat offenders, labeled "career criminals" by the FBI.

There is no reason to believe, no evidence to show, that gun registration or prohibiting possession of handguns would in any way deter these criminal activities. Its people who kill people not guns. Gun control would simply be one more law for the criminals to break and no one can doubt that they would violate it without a second thought. Only the law-abiding citizens would be denied the legitimate possession and use of firearms.

Other means must be found of cracking down on gun-slinging career criminals. Stiffer prison sentences, made mandatory by law, should be imposed on any person convicted of committing a felony with the use of a firearm. Accordingly I have introduced a bill that would sentence such a person to an additional 10 years in prison for a first offense and an additional 25 years in prison for a second offense.

Such a law would place the criminal on notice that he will be severely and irreversibly punished for illegal use of a gun. It would be a strong deterrent to such crime.

Law-abiding citizens who possess firearms for protection or for sport should not be penalized because of the activities of criminals. That would be the effect of excessively stringent gun control proposals.

In this the year of our Bicentennial, we must not forget that those brave men and women who in 1776 gave us this our country, did so by the legal concept of the right of the individual to his life and his property—gun control of an excessive nature would be an infringement on this right.

A TIMELY MESSAGE TO THE PRESIDENT CONCERNING THE POSTAL SERVICE

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HANLEY. Mr. Speaker, as we all know, the problems of the Postal Service are legion. And, of course, many of these problems are caused by Postal Service management itself. However, most analyses completely ignore the role of the President and the administration in the current postal crisis. As I have said in the past, I feel that the failure of the President to recognize the role which the mail plays in our economic, cultural, and social life has been a major factor in the fiscal mess the Postal Service finds itself in.

Recently, Andrew Heiskell, chairman of the board of Time, Inc., wrote a letter to the President calling on him to provide some leadership in solving the fiscal dilemma of the Postal Service. I have been asking the President to join with Congress in seeking a meaningful solution to the Nation's postal problems to no avail. Therefore, I welcome the thrust of Mr. Heiskell's letter.

I must emphasize that I do not agree with all of the details of Mr. Heiskell's letter; I do agree that the President must show greater concern for postal customers and for postal problems.

Mr. Heiskell's letter appeared in the January 19, 1976, issue of Time magazine. I commend it to my colleagues:

A LETTER FROM THE CHAIRMAN

(The mounting problems of the U.S. Postal Service have been brought home to all Americans in the past two weeks with the introduction of the 13¢ stamp and other increased rates. Next week Congress will return to work and will certainly have to deal with the very serious financial crisis that has been building up at the U.S. Postal Service. As a publishing company that uses the mails extensively, Time Inc. is also gravely concerned with this essential national service. With that concern in mind, Time Inc. Chairman Andrew Heiskell sent a letter to President Ford on Dec. 12, pointing out what he regards as the basic reasons for the crisis. The President has not yet replied, but we feel the letter is of sufficient interest to share it with you.)

DEAR MR. PRESIDENT: Recently, you and members of your staff held a meeting at the White House with magazine publishers, in which you indicated that you will continue to oppose both additional federal appropriations to defray the increasing costs of public services provided by the U.S. Postal Service, and funds for phasing increases in second-class mail rates, as authorized by Congress in P.L. 93–328.

I want to thank you for your time and your candor in stating your position. I would hope that you will accept an equally frank response.

As you are aware, you and your associates have repeatedly described appropriations for public service by the Postal Service as "subsidies" to the various users, whether such users happen to require these services or not. You, yourself, have also compared the deficit problems of the Postal Service with the deficit problems of the City of New York. I quote from your statement:

"I just don't accept that they [the postal system] are doing as well as they should be doing. We have to prod them, just like we are prodding New York City, to improve their efficiency productivity . . . If we don't keep the pressure on them . . . You know how things operate in Government . . . That's one of the basic problems in New York City. No one really put the screws on them until this year, and now they are faced with reality. I think the post office department—

management and labor—has to face up to that reality—here as well as in New York."

The comparison of the problems of the Postal Service and New York is yours. Let me demonstrate how apt the comparison is. We all can recognize that a major element in the New York problem has been the unwillingness of political management—in this case the city officials—to come to grips with escalating costs, costs that flow largely from the escalating demands of the municipal-workers unions.

What has been the situation in the operations of the Postal Service? Federal fiscal year 1971 was the last year under the "pre-reform" postal system, the long-existing system under which postal rates and postal expenditures were set by Congress. Fiscal year 1972 was a period of transition. In fiscal year 1973, the first year of full operation, the "reform" postal system generated a deficit of $13 million. In fiscal year 1974, the deficit had swollen to $438 million; in fiscal year 1975, which ended this summer, the deficit was $825 million; and in the current fiscal year, which will end June 30, 1976, the Postmaster General currently predicts that the deficit will exceed $1.4 billion—and then only if another substantial increase in postal rates, including a 13¢ first-class-letter rate, takes effect on Dec. 28, as scheduled. You are right, Mr. President. Such arithmetic is quite comparable to the record in New York.

However, it is unfortunate that you proceed from that damaging conclusion to a further one that labels appropriations to make up these deficits as "subsidies" to the mail users. For what has been responsible for these soaring red figures? A number of elements have contributed, of course: questionable management, an expensive capital-equipment program, outdated and perhaps unnecessary services. But there is one factor that stands out above all: salary and benefit escalation for the nation's approximately 700,000 postal workers. While I do not want to pass arbitrary judgment on the merits of the labor contracts negotiated in recent years by the Postal Service, here are some important figures.

Salaries and benefits now account for 85% of the postal budget. The basic wage of postal workers nationwide is presently $13,400 a year. To carry your analogy a little further, the average basic wage of New York policemen is $14,700; New York firemen $14,700; New York teachers, $13,200.

On a national basis, the average police salary is $11,800; firemen, $11,200; teachers, $11,600. Consider also that assistant professors of four-year colleges earn a national average of $12,600, while postal workers earn an average of $13,400. As you surmised, only New York, the case you have cited as an example of disastrous municipal mismanagement, can be said to have kept pace with the Postal Service in this regard.

But this is not the end of the story. With the pay hikes granted in this year's postal-wage settlement, the average pay of postal workers will probably rise to around $16,500 by 1978, an additional increase of more than 23% over present levels. That will cost the Postal Service an additional $2 billion in wages alone.

When you say "management and labor" have to face up to reality, "here as well as in New York," you may have the full agreement of almost everyone familiar with the problem. The question is: Who is management? The embattled Mayor Beame is easy to identify. He is the duly elected, present incumbent at city hall.

In the case of the Postal Service, management, by law, is in the hands of the Postmaster General and a board of governors. Under the "reform" system, there have been three Postmasters General and a board of governors, whose original and present members were appointed by your immediate predecessor, President Nixon. In attempting to manage the overriding problem of dramatic wage escalation, the Postmaster General is subject to certain controls and restraints that are exercised by the White House itself.

His budgets must be approved by the board appointed by the President, and submitted to the Office of Management and Budget. You have the authority to make recommendations to Congress in regard to that budget. More relevant in the case of the recent postal-wage contract, the negotiations were ultimately conducted through the Mediation and Conciliation Service, an agency of the Federal Government, and the settlement, it is reliably reported, was not only greater than the Postmaster General would have accepted, left totally to his own devices, but was indeed approved by the White House.

If then the Postal Service is, as you indicate, another New York, it is a New York that has developed under Republican Administrations and subject to Republican control and direction. You have told us you are going to "put the screws on them," by "them" indicating that you mean postal management and labor. You have also told us you intend to block the increased federal appropriations necessary to defray the costs of these ruinous wage policies and uneconomic public services (like delivering mail to the bottom of the Grand Canyon and the North Slope of Alaska). And you have told us that your only other alternative to the deficit is to raise postal rates.

You are then, in reality, proposing to "put the screws on" the users of the postal system, even though the record is clear that many users who depend heavily on the postal system cannot survive much more escalation of rates.

You are, I believe, aware that continuation of this course will vitally affect a major medium of the communication of ideas in America—the many diverse magazines and smaller newspapers. But even if this were acceptable to you—and I am not prepared to believe that on reflection it will be—consider the comments of the present Postmaster General, Mr. Bailar, who is indeed earnestly struggling to cope with the impossible conditions thrust on him by law and circumstances not entirely under his control:

"The last thing we want is a constant round of postage increases because we recognize that not only would this hamper the free flow of commerce and ideas through the mails, but it would also reduce our volume and hence our revenue, thus compounding our financial problems."

The danger is real, of course. Mail volume decreased last year for the first time in years. Parcel post is down. Electronic transfer of funds will increasingly affect first-class mail, and the volume of magazines and newspapers will dwindle as major magazines, including those we publish, and major newspapers, like the Wall Street Journal, flee the mails in the urban centers, where they now generate a very favorable positive cash flow for the Postal Service.

The present course of action, suggested by the White House meeting with publishers, can have only one end: bankruptcy of the Postal Service—a bankruptcy that in the process will go a long way toward making the medium of print too expensive for millions of Americans.

The founding fathers' intention was that the postal system should encourage the free flow of information in our nation. It was their conviction that the postal system was a necessary service of government and not a business. George Washington stated in 1782 that a postal service was needed to "bind these people to us with a chain that can never be broken." History shows that our first President was right. For nearly 200 years, Congress and the American people have recognized the democratic and educational values of magazines and newspapers. Today magazines and newspapers are jeopardized by an ineffective and misguided postal system.

I hope you will forgive these blunt words, Mr. President, but I cannot imagine that these results are your desire. I believe there are alternative ways of meeting the problems that the Postal Service faces. These problems are not quickly resolved. But I suggest that the national interest will be better served if your Administration would support proposals to meet the fiscal deficits of the Postal Service for a period of time that is sufficient to examine and evolve solutions to these problems. To label this assistance a subsidy for the users or to expect the users to provide such resources themselves would be a gross misplacement of responsibility.

Thank you for hearing me out.

Sincerely,

ANDREW HEISKELL.

CASTRO'S FOREIGN POLICY

(Mr. **FASCELL** asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **FASCELL**. Mr. Speaker, last year witnessed a rising chorus of calls for rapprochement with the Cuban Government of Fidel Castro. Many apparently thought that the Communist dictator had abandoned his policy of exporting revolution abroad but events of the last few weeks and months have proven that Castro remains intent on pursuing his revolutionary goals—even in far off Africa—whatever the cost in blood and treasure to the Cuban people.

On December 21, 1975, the Miami Herald carried an excellent news analysis on the latest twists in Cuban foreign policy. I am sure that this article by the Herald's widely respected Latin American editor, Don Bohning, will be of great interest to Members of Congress concerned with Cuba:

DELICATE STEP-BY-STEP DIPLOMACY IS OVER

(By Don Bohning)

The delicate step-by-step diplomacy toward better relations between the United States and Cuba is finished.

For weeks there had been signs that the initiative was in trouble. Saturday Gerald Ford pronounced it dead.

"The action by the Cuban government in sending combat forces to Angola destroys any opportunity for improvement in relations with the United States," the President declared at an impromptu press conference.

"They've made a choice which, in effect, and I mean it very literally, has precluded any improvement in relations with Cuba."

It was a dramatic reversal of what appeared to be the case as recently as August when the process of ending the years of estrangement between the two neighbors was showing signs of accelerating.

The Organization of American States, with the open support of the United States, had ended its collective 11-year-old trade and diplomatic boycott of the island.

Subsequently, Washington dropped its restrictions against U.S. firms located outside the United States from doing business with Cuba and domestic U.S. businesses were anticipating the day when they, also, would be able to trade with the Communist island.

For his part, Cuban Prime Minister Fidel Castro was welcoming delegations of U.S. congressmen and journalists and declaring that he would welcome improved relations with Washington.

There were, to be sure, plenty of outstanding issues to be resolved but there seemed little doubt that the momentum for rapproachment had been generated to such an extent that it had become irreversible.

Then came the Puerto Rican question, Cuba's active support for the anti-Zionist resolution passed by the United Nations and, finally, the dispatch of massive numbers of Cuban combat troops to Angola.

They came at a time when domestic considerations were prompting the White House to wonder whether any moves toward Cuba might be politically unwise anyway, given the conservative threat to President Ford from former California Gov. Ronald Reagan.

The political considerations have now become academic. There are, from the Washington perspective, plenty of valid reasons to call a halt to the developing detente with Castro.

Secretary of State Henry Kissinger had warned in September that a Cuban-sponsored international congress in support of Puerto Rican independence constituted an unwarranted interference in U.S. internal affairs and dealt a "severe setback" to normalization.

Other U.S. officials, too, harped on Cuban support for the Puerto Rican Independence Movement while U.N. ambassadors Daniel Moynihan for the United States and Ricardo Alarcon for Cuba exchanged sharp words on the subject.

The damage to rapproachment, however, still did not appear irreparable. And there was speculation that Washington had made Puerto Rico more of an issue than it really was to slow down the normalization process for political reasons.

Then came the active Cuban effort on behalf of the anti-Zionist resolution approved by the United Nations.

As a practical matter, it was the anti-Zionist crusade by Cuba that brought a halt to congressional efforts to end the U.S. trade embargo against the island.

Had Congress persisted, the pressure on the White House would have been much greater.

For Washington, Angola was but the final straw in eroding away the spirit of rapproachment that had been so much in evience in the spring and summer.

On the Cuban side, Castro himself has shown less inclination in recent months for improved relations.

He has continued to insist that only by Washington's unilateral lifting of the economic embargo against Cuba would further discussions toward resolving outstanding issues such as compensation for expropriated U.S. property be considered.

Washington had said it was willing to talk with Cuba anywhere, anytime, about improved relations but "without preconditions."

Neither has Castro given any indication he much cares how the United States feels about Puerto Rico, Zionism or Angola—he will continue his involvement on the side opposite Washington in all three instances.

Most recently, the Cuban prime minister again made the United States the number one villain in a marathon, 10-hour statement opening the first Cuban Communist Party Congress in Havana last week.

He made it clear, also, that Cuba would "continue to offer all the solidarity that may be necessary" to consolidate the position of the Soviet-backed Popular Movement for the Liberation of Angola in its fight for control of the former Portuguese colony.

It left Washington with little alternative but the one President Ford so bluntly stated Saturday.

OMNIBUS RAILROAD BILL

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, just before the Christmas recess, we attempted to rush through an omnibus railroad bill. During the chaotic consideration of the bill, I voted against having it go forward. As a matter of fact, I did not sign the conference report, and I voted against its acceptance by this body.

I want to take a few minutes to discuss the reasons for my reluctance to proceed—full steam ahead—in support of a bill which left much to be desired.

First of all, the money contained in the omnibus bill was far more than the amount recommended by the House.

In our haste for adjournment, so many figures were floating around that it was almost impossible to determine how much money was actually in the bill. Time and again, this body was told that the bill provided for an expenditure of $6.5 billion. That was the figure reported by the press.

It is time to set the record straight. Let me emphasize that the total dollar figure of the bill reported from conference was $7.612 billion. This compared to a total of $6.437 billion in the bill which passed the House 2 days earlier.

Furthermore, the money contained in the conference-reported bill was heavily weighted toward the Northeast part of the United States, and provided little, if any, relief for the rest of the country.

Let me point out the differences in each of the five areas requiring support—as between the House-passed bill and the bill reported by conference:

First, for ConRail, the House approved $2.1 billion and the conference report approved $2.3 billion.

Second, for railroad rehabilitation, the House approved $2.5 billion, $500 million of which was in direct grants or support subsidies—while the conference report approved only $1.4 billion, none of which was in the form of grants or loans.

Third, in rail passenger service, the House bill provided $900 million for upgrading innercity rail passenger service in the Northeast Corridor, and at my suggestion included an additional $200 million for improvement of innercity rail passenger service outside the Northeast Corridor. The conference bill provided $2.856 billion for development of ultra-super-train service in the Northeast Corridor.

The fourth provision, was rail service continuation assistance for both branch lines and commuter service. The House-passed bill provided $360 million for the continuation of branch line service and $125 million for commuter service.

Fifth, the conference report provided $400 million for branch line service, and $125 million for commuter service. It utilized a more generous subsidy formula, but, in effect, cut from 4½ to 3 years the period for which any money would be available for the subsidies.

Sixth, there are a series of provisions for studies—right-of-way conversions and administrative expenses for new and old agencies. The House bill provided $17 million for this item, and the conference bill provided $106 million.

And, finally, and this is a point which has been ignored by most people who are adding up the grand total of these bills. The House bill contained $235 million in section 210 loans to be used in the transition period for rehabilitation of the Northeast Corridor. The conference report boosted this amount to $425 million, bringing the grand total, as noted earlier, to $6.437 billion in the House bill and $7.612 billion in the conference report.

Mr. Speaker, I have taken the time to point out these major discrepancies between the House bill and the conference report—for two reasons: First, I strongly supported the House version of the Railroad Revitalization and Rehabilitation Act of 1975. Second, you may be called upon very shortly to again pass judgment on this legislation.

I intend to continue to do all that I can to see that meaningful legislation is enacted so that our Nation's railroads can become strong once again.

I might add that the regulatory reform provisions of both the House-passed bill and the conference reported bill are second to none. I am hopeful that this body will again consider legislation in this vitally important area, and when we do, I hope that we are permitted the time which is necessary to fully understand it—how much money is involved, what the money is for, and who the beneficiaries of the money are.

BIRTHDAY OF ONE OF THE SOUTH'S GREATEST

(Mr. MANN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. MANN. Mr. Speaker, today marks the anniversary of the birth of Gen. Robert E. Lee, outstanding son of the South and one of the finest soldiers America has produced. He remains a general whose tactics were so brilliant they are still taught in the world's military academies.

It is gratifying that this Congress has made it possible this year to pay homage to this great American, endowed, at long last, with full citizenship; this man who for more than 110 years has occupied a niche in history as one of the most revered of Americans.

Since this date is a legal holiday in

many States, it is appropriate that we pause and pay tribute to this gallant gentleman. As a devout Christian, a true patriot, a general without equal and as a farsighted educator, his life affords standards which all should aspire to emulate.

After graduating from West Point he served in the Corps of Engineers, distinguishing himself in the Mexican war, and remaining on the frontier to protect settlers from attacks by hostile Indians, before returning to the military academy as its superintendent. In 1859 he was directed to lead the Army contingent to Harper's Ferry to put down John Brown's insurrection, which he accomplished with minimal losses.

It is indeed ironic that although Robert E. Lee became and remains symbolic of the Confederate cause, it was a role he never sought and one which he bore with a heavy heart. Indeed, long before that tragic war began, all of the family slaves had been freed and he bitterly opposed secession. It was only his devotion to Virginia and the unconscionable thought of leading Federal troops against his beloved State that caused him to refuse command of the Union Army and join with the Confederacy.

Although he was universally adored by the men he commanded, and enjoyed the highest respect of his adversaries, it was after his surrender to Grant that General Lee exhibited the breadth of character that has made him one of our most cherished heroes.

His home at Arlington seized, he was, like many of his men, a homeless paroled war prisoner. Although his prestige could have doubtless brought him wealth, he chose, instead, to spend the rest of his life as president of Washington College, now Washington & Lee, expressing his dedication to the preparation of young men to be leaders of the re-United States of the Union. Far from rancor and bitterness, Robert E. Lee devoted his full effort toward healing the wounds of war.

Today, when yesterday's heroes are targets for cynicism, Robert E. Lee continues to stand tall among the giants of our history, untarnished by time. Formidable in war; admirable in both victory and defeat, he was unyielding in his dedication to honor and principle.

It was principle and the dictates of conscience which decreed the choice he felt to be the only honorable one as a Virginian. It was no less that moved him to write, after the war, "Forget all these animosities and raise your sons to be Americans."

POLISH NATIONAL ALLIANCE PURCHASES NEW HOME OFFICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Rostenkowski) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, it is my pleasure to inform all my colleagues in the House, especially those who serve congressional districts with a large concentration of Polish Americans, that the Polish National Alliance, PNA, the largest Polish American fraternal organization, has finalized the purchase of its new home office.

The new PNA building is a modern structure located at 6100 North Cicero Avenue in Chicago. The Zgoda, the official publication of the PNA, reported in its lead article in the November 1, 1975, edition concerning the acquisition of the new PNA home that—

> Its elegant front is facing Cicero Avenue while its back yard touches Eden Expressway used by thousands upon thousands of motorists daily.

As a longtime member of the PNA, I would like to take this opportunity to express my personal congratulations to the executive officers and directors of the PNA under the energetic leadership of President Aloysius A. Mazewski. President Mazewski is performing a remarkable job in fulfilling his responsibility in carrying forward the ideas and programs of the organization.

I am also pleased to insert at this point in the Record, the article published in the November 1 issue describing the new PNA home office building. The article reads as follows:

[From the Zgoda, Nov. 1, 1975]

New PNA Home Office—A Modern, Representative Structure

Chicago.—The new Polish National Alliance Home Office will be located at 6100 N. Cicero Ave., near Petersen Ave. Its elegant front is facing Cicero Ave., while its back yard touches Eden Expressway used by thousands upon thousands of motorists daily.

A face brick structure of two stories for offices, it has, on lower level, a cafeteria and a lounge. Its tastefully arranged patio is facing Petersen Ave.

It is surrounded by an expansion of greenery and has ample parking space in one part of its extensive landscape.

PNA President Aloysius A Mazewski, addressing the 37th Convention in Milwaukee on the subject of revitalizing the organization's activities and giving it a wide range of substantive goals, stated, referring to the new PNA Home Office, that "we find ourselves in a fortunate and inspiring position".

"It is exemplified by the new Home Office the Polish National Alliance recently purchased.

"In a relatively short time, the organization will have its third headquarters, eloquently reflecting the greatness and status of the Polish National Alliance, as a major fraternal order in America.

"It is truly a dream come through, a dream of at least two generations of the Polish National Alliance members who were longing after a visible and impressive symbol of their organization.

"It is, thus, a moment of pride and gladness.

"It is also a moment of special significance.

"For we are moving into new headquarters, new Home Office at the same time when, with dedication and commitment, we are facilitating the entry of the Polish National Alliance into new era of growth, expansion and renewal.

"In a sense, this new Polish National Alliance Home Office will be the hearth of a dream in which a new, Great Day for the Polish National Alliance and Polonia is envisioned.

"And this vision can be made a proud reality.

"All it requires for its fulfillment is our unity of purpose, our faith in ourselves and our recommitment to these ideals, objectives and purposes, which stand as an enduring testimony to the greatness of the Polish National Alliance."

STRAW POLL IN FIRST CONGRESSIONAL DISTRICT FAVORS HUMPHREY AND FORD AS PRESIDENTIAL NOMINEES FOR 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, I would like to share with my colleagues the initial returns of a straw Presidential poll I took in the First Congressional District in late November and December.

I sent a questionnaire to 7,500 citizens in the First Congressional District who have participated in public events recently to ascertain their views on who they think will be nominated for President by the respective parties.

To date, approximately 700 responses have been received. The data listed below is based on 537 returns received as of December 31, 1975.

Among Democratic contenders, Senator Hubert Humphrey was favored by 32 percent of the respondents, followed by Senator Edward Kennedy with 12.3 percent, Governor George Wallace with 10.6 percent, Senator Henry Jackson with 8.2 percent, and Jimmy Carter with 6.1 percent.

On the Republican side, 56.2 percent of those responding chose President Ford as the GOP candidate, with Ronald Reagan the choice of 28.7 percent.

Complete results are listed below:

Of the following contenders for President, who do you think will be nominated by the respected parties?

	Number	*Percent*
Senator Birch Bayh	8	1.5
Senator Lloyd Bentsen	6	1.1
Jimmy Carter	33	6.1
Fred Harris	10	1.9
Senator Hubert Humphrey	172	32.0
Senator Henry Jackson	44	8.2
Senator Edward Kennedy	66	12.3
Senator George McGovern	8	1.5
Senator Edward Muskie	3	0.6
Terry Sanford	1	0.2
Governor Milton Shapp	2	0.4
Sargent Shriver	9	1.7
Representative Morris Udall	15	2.8
Governor George Wallace	57	10.6
Other or no response	112	20.9
Republicans:		
President Gerald Ford	302	56.2
Ronald Reagan	154	28.7
John Connally	10	1.9
Other or no response	71	13.2

(Percentages may add up to more than 100% due to rounding)

The tabulations listed below deal with two other questions included on the questionnaire concerning areas of Federal spending and post card voter registration:

PRESIDENT FORD SAYS THAT FEDERAL SPENDING IS ONE OF THE PRINCIPAL CAUSES OF INFLATION. IN WHAT ORDER WOULD YOU FAVOR A REDUCTION OF SPENDING IN THE FOLLOWING AREAS (INDICATE 1 BESIDE AREA IN WHICH YOU WOULD CUT SPENDING 1ST, 2 FOR THE 2ND, ETC.)

Spending category	Favoring reduction—		Average position of those favoring reduction	Rank order
	Number	Percent		
Foreign aid	414	77.1	1.94	1
Food stamps	355	66.1	2.79	2
Public service employment	353	65.7	3.62	3
Housing programs	275	51.2	4.51	4
Defense	228	42.5	4.88	5
Farm programs	225	41.9	5.32	6
Revenue sharing	212	39.5	5.41	7
School lunch program	208	38.7	6.43	8
Medicare	179	33.3	6.69	9
Rural road assistance	178	33.1	7.04	10
Social security	137	25.5	7.79	11

IN ADDITION TO YOUR RATINGS, IN THOSE AREAS IN WHICH YOU FAVOR NO REDUCTION, PLEASE PUT AN X

	Favoring no reduction	Total sample favoring no reduction (percent)	Rank order
Social security	174	32.4	1
Defense	160	29.8	2
Medicare	150	28.0	3
Rural road assistance	141	26.3	4
School lunch program	133	24.8	5
Farm programs	132	24.6	6
Revenue sharing	94	17.5	7
Housing programs	78	14.5	8
Food stamps	39	7.3	9
Public service employment	37	6.9	10
Foreign aid	16	3.0	11

4. In the last presidential election, slightly more than half the population of voting age went to the polls. Some claim that low voter turnout is partially the result of difficult registration procedures and have proposed a nationwide system of voter registration by postcard. Opponents argue that such a system would be susceptible to fraud and merely establish another government bureaucracy at the federal level. Do you favor or oppose creation of a nationwide postcard voter registration system?

Favor: 26, or 4.8 percent.

Oppose: 420 or 78.2 percent.

No opinion, 91, or 16.9 percent.

PENDING GUN CONTROL LEGISLATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. BAUCUS) is recognized for 5 minutes.

Mr. BAUCUS. Mr. Speaker, I rise to express my concern about the subject of gun control legislation. In my 1 year in office, I have received exactly one expressed support for strengthening controls. The rest were adamantly opposed to more controls.

I, too, am vigorously opposed to all legislative proposals to register and ban guns. Such proposals, in my judgment, have three characteristics in common—any one of which suggests that further controls are bad policy. They are expensive, unenforceable, and potentially violative of basic constitutional rights. Moreover, there is no proof that such controls would be effective either in curbing crime or reducing assaults. Indeed, in urban areas, where violent crime statistics now stand at an all-time high, we find the most stringent controls.

Legislative efforts to strengthen gun control are being exerted primarily by urban and suburban representatives. It may be no major revelation to observe that the balance of power in Congress is shifting inexorably from rural areas to urbanized areas. Nor is it necessarily revealing to observe that most domestic legislation passed this past session, with the possible exception of a few agriculture bills, was weighted heavily toward constituents in urban and suburban areas. What is revealing to me about the shift in the balance of power is that solutions legislated for urban and suburban problems are increasingly given nationwide applicability. I do not propose a session by rural areas. I ask only that policies be tailored more carefully to fit identified problems.

If such tailoring cannot be achieved at a national level, then solutions to these problems should be left to the States.

If tightened gun control laws are wanted by urban and suburban residents but not by rural residents, let us not foist these controls on the latter group. Not only do they not want these controls, but as I will point out below, it is not the least bit clear that they need such controls.

Proponents of gun control argue that more restrictions are needed to curb crime. Assuming, for the sake of argument, that more controls would actually reduce crime—an assumption incidentally that I believe is without foundation—let us look to see whether such a policy is warranted for my State. While it may be true that homicide in the United States rose 4.3 percent in 1973–74, Montana's rate fell 30 percent during that same period. Significantly, Montana's overall violent crime rate also fell. Thus, even if gun controls could be shown to be needed to curb rising crime, that solution is not warranted for my State. Indeed, at the risk of belaboring my point, I think it is significant to note that the number of violent crimes committed per capita was lower in Montana for 1974 than all but three States in the Union.

There are other reasons for my opposition to additional controls.

If recent national polls tell us anything, it is that the people are disappointed with Government. Our growing bureaucracies are thought to be ineffective, expensive, and wasteful. More gun control laws would only exacerbate that problem. For example, if Congress decides to require gun registration by the Federal Government, the national cost has been estimated by the National Rifle Association to be at least $4 billion.

A national registration system would operate effectively only if accompanied by the enthusiastic cooperation of present gun owners. Such cooperation is an unlikely prospect. In a recent poll, conducted for the Senate Judiciary Committee, less than half of the respondents said they would comply with gun registration laws.

Currently, there are more than 100 gun bills pending in Congress. Many seek to stiffen penalties for committing violent crimes with the use of guns. These bills require mandatory sentences and/or prohibit suspended sentences and paroles. I support these measures.

To solve the problem of rising crime, one must remove criminals from circulation, not remove guns from private possession. The problem must be attacked at its roots. Stiffer penalties for violent crimes committed with guns will help keep criminals off the streets.

The list below, which presents the bills now pending in Congress calling for sterner treatment of people who are convicted of crimes committed with firearms, is included herewith in the RECORD with my statement:

HOUSE

H.R. 452, by Flynt (Georgia). To penalize the use of firearms in the commission of any felony and increase certain existing penalties. To Judiciary, 1/14/75. To Crime Subcommittee 2/10/75, first day of hearings 2/18/75.

H.R. 486, by Hechler (West Virginia). To make the use of any firearm to commit a felony a federal crime. To Judiciary, 1/14/75. To Crime Subcommittee 2/10/75. First day of hearings 2/18/75.

H.R. 510, by Hillis (Indiana). To penalize the use of firearms in felonies and lower certain age limits from 21 to 18, and eliminate certain record-keeping requirements with respect to ammunition. To Judiciary, 1/14/75. To Crime Subcommittee 2/10/75, first day of hearings 2/18/75.

H.R. 524, by Holt (Maryland). To provide for mandatory and increased penalties for the commission of a felony with a firearm. To Judiciary, 1/14/75. To Crime Subcommittee 2/10/75, first day of hearings 2/18/75.

H.R. 1136, by Waggonner (Louisiana). To increase penalties for felonies committed with firearms. To Judiciary, 1/16/75. To Crime Subcommittee 2/10/75, first day of hearings 2/18/75.

H.R. 1970, by Quillen (Tennessee). To repeal the Gun Control Act. To Judiciary, 1/23/

75. To Crime Subcommittee 2/10/75. First day of hearings 2/18/75.

H.R. 3223, by Edwards (Alabama). To make the use of a firearm to commit certain felonies a federal crime where that use violates state law. 2/18/75 Hearings on subject held prior to introduction. To Judiciary 2/19/75. To Crime Subcommittee 2/24/75. Executive Comment requested from Justice Department 3/7/75.

H.R. 3325, by McDonald (Georgia). To penalize the use of firearms in the commission of any Federal felony and increase the penalties in certain related existing provisions. 2/18/75 Hearings on subject held prior to introduction. To Judiciary 2/19/75. To Crime Subcommittee 2/28/75.

H.R. 3326, by McDonald (Georgia). To repeal the Gun Control Act. To Judiciary, 2/19/75. To Crime Subcommittee 2/28/75.

H.R. 3757, by Casey (Texas). To strengthen the penalty provisions of the G.C.A. 2/18/75 Hearings on subject held prior to introduction. To Judiciary 2/26/75. To Crime Subcommittee 3/3/75.

H.R. 3772, by Dingell (Michigan). To strengthen the penalty provisions of the G.C.A. 2/18/75 Hearings on subject held prior to introduction. To Judiciary 2/26/75. To Crime Subcommittee 3/4/75.

H.R. 3882, by Risenhoover (Oklahoma). To provide for additional sentences for commission of a felony with a firearm. 2/18/75 Hearings on subject held prior to introduction. To Judiciary 2/27/75. To Crime Subcommittee 3/6/75.

H.R. 4011, by Sebelius (Kansas). To penalize use of firearms in the commission of a felony and increase penalties. 2/18/75 Hearings held prior to introduction. To Judiciary 2/27/75. To Crime Subcommittee 3/6/75.

H.R. 4281, by Crane (Illinois). To increase penalties for persons convicted of committing a felony with or while unlawfully carrying a firearm. To Judiciary, 3/5/75. To Crime Subcommittee 3/26/75.

H.R. 4310, by Michel (Illinois). Identical to H.R. 3638. To increase penalty for committing certain crimes with a firearm or while unlawfully carrying a firearm. To Judiciary 3/5/75. To Crime Subcommittee 3/12/75.

H.R. 4361, by Anderson (California). To penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions. To Judiciary, 3/6/75. To Crime Subcommittee 3/17/75. Executive comment requested from Justice Department 4/28/75.

H.R. 4890, by Broyhill (North Carolina). To penalize the use of firearms in the commission of a felony and increase penalties. To Judiciary, 3/13/75. To Crime Subcommittee 3/31/75.

H.R. 4894, by Casey (Texas). Co-Sponsors: Abdnor, Del Clawson, Dominick V. Daniels, Derwinski, Dingell, Duncan of Tenn., Emery, Forsythe, Goldwater, Hanley, Hechler of W.V., Hicks, Hinshaw, Holtzman, Ketchum, Mottl, O'Brien, Ottinger, Pepper, Ryan, Sikes, Teague, Symington, Charles Wilson of Texas. To strengthen the penalty provisions of the Gun Control Act of 1968. To Judiciary 3/13/75. To Crime Subcommittee 3/25/75.

H.R. 5237, by Cohen (Maine). To provide for additional sentences for the commission of a felony with a firearm. To Judiciary, 3/20/75. To Crime Subcommittee 3/31/75.

H.R. 5292, by Kemp (New York). To penalize the use of firearms in a felony and increase penalties in certain related existing provisions. To Judiciary, 3/20/75. To Crime Subcommittee 3/31/75.

H.R. 5379, by Danielson (California). To penalize the use of cutting or stabbing weapons and firearms in crime. To Judiciary, 3/24/75. To Crime Subcommittee 3/31/75.

H.R. 6888, by Railsback (Illinois). To provide for additional sentences for commission of a felony with use of a firearm. To Judiciary, 5/12/75. To Crime Subcommittee 5/15/75.

H.R. 6056, by Beard (Tenn.) To increase penalties under the Gun Control Act. To Judiciary, 4/16/75. To Crime Subcommittee 4/22/75.

H.R. 6242, by Moore (Louisiana). To provide for additional sentences for commission of a felony with use of a firearm. To Judiciary, 4/22/75. To Crime Subcommittee 4/25/75.

H.R. 6419, by Rinaldo (New Jersey). To provide for additional sentences for commission of a felony with use of a firearm. To Judiciary, 4/28/75. To Crime Subcommittee 5/1/75.

H.R. 6925, by Traxler (Michigan). To amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm. To Judiary, 5/13/75. To Crime Subcommittee 5/16/75.

H.R. 7668, by Wolff (New York). To provide for additional sentences for commission of a felony with use of a firearm. To Judiciary 6/5/75. To Crime Subcommittee 6/9/75.

H.R. 7791, by Lloyd (Tennessee). To provide for additional sentences for commission of a felony with use of a firearm. To Judiciary 7/23/75.

H.R. 8093, by Vander Jagt (Michigan). To increase the penalty for committing certain crimes with a firearm or while unlawfully carrying a firearm. To Judiciary 6/20/75. To Crime Subcommittee 6/26/75.

H.R. 8357, by Stuckey (Georgia). To amend 18 U.S.C., relating to the release of an individual charged with an offense involving the use of a firearm. To Judiciary 7/30/75.

H.R. 8697, by Beard (Tennessee). Co-sponsors: Bafalis, Brown (Mich.), Collins (Tex.), Conlan, Derwinski, Jenrette, Kasten, Kemp, Ketchum, Kindness, Litton, Lott, Treen, Weaver, and Whitehurst. To increase certain penalties for gun control offenses and to allow the United States to obtain appellate review of certain sentences relating to gun control offenses. To Judiciary, 7/17/75.

H.R. 9290, by Staggers (W. Va.). To make it a criminal offense for any person to fire any firearm or throw any object at any railroad train operated in interstate commerce. To Judiciary, 8/1/75.

H.R. 9655, by Annunzio (N.Y.). To amend the Gun Control Act to provide for separate and consecutive sentencing in felonies involving the use of a firearm. To Judiciary, 9/17/75.

H.R. 9834, by Spellman (Md.). To provide for additional sentencing for felonies committed with firearms. To Judiciary, 9/24/75.

H.R. 9848, by Sarasin (Conn.). To provide for additional sentences for felonies committed with firearms. To Judiciary, 9/29/75.

H.R. 9904, by Biaggi (N.Y.). To increase the penalties for felony offenses relating to firearms. To Judiciary, 9/29/75.

H.R. 9970, by Carter (Ky.). To make it a criminal offense for any person to fire a firearm at a railroad train. To Judiciary, 10/2/75.

H.R. 10058, by Gradison (Ohio). To provide for additional sentences for commission of a felony with a firearm. To Judiciary, 10/7/75.

H.R. 10061, by Rhodes (Ariz.). To increase the penalty for committing certain federal and state crimes with a firearm or while unlawfully carrying a firearm. To Judiciary, 10/7/75.

H.R. 10396, by Slack (W. Va.). To provide for additional penalties for the use of firearms in crimes. To Judiciary, 10/28/75.

H.R. 11120, by Stuckey (Ga.). To provide for additional sentences for felonies committed with firearms. To Judiciary, 12/11/75.

H.R. 11210, by Murtha (Pa.). To provide mandatory minimum terms for certain offenses, including possessing, displaying or brandishing any firearm, destructive device, or dangerous weapon while committing any federal offense. To Judiciary, 12/17/75.

H.R. 11211, by Murtha (Pa.). To change the mandatory additional sentence for felonies committed with firearms. To Judiciary, 12/17/75.

H.R. 11252, by Blanchard (Mich.). To strengthen the penalty provisions of the Gun Control Act. To Judiciary, 12/18/75.

(First Session, 94th Congress adjourned on December 22, 1975. The Second Session will convene January 19, 1976.)

SENATE BILLS

S. 142, by McClure (Idaho). Co-Sponsors: Fannin, Garn. To penalize the use of firearms in the commission of a felony, increase penalties in certain related existing provisions, to lower certain age limits from 21 to 18, to eliminate certain recordkeeping provisions with respect to ammunition. To Judiciary 1–15–75. Executive comment requested from Attorney General 1–30–75. Executive comment requested from Secretary of the Treasury 1–30–75. To Juvenile Delinquency Subcommittee 4–22–75.

S. 216, by Domenici (New Mexico). Co-Sponsors: Pell, Scott of Va., Fannin, Buckley, Thurmond, Beall, Brock, Schweiker. To amend the G.C.A. to provide for separate offenses and consecutive sentencing in felonies involving the use of a firearm. To Judiciary 1–17–75. Executive comment requested from Attorney General 1–30–75. To Criminal Laws and Procedures Subcommittee 4–22–75.

S. 2005, by Mansfield (Montana). To amend Title 18, U.S.C., relating to the release of an individual charged with an offense involving the use of a firearm. To Judiciary 6–25–75. To Criminal Laws and Procedures Subcommittee 7–8–75.

THE TRUE STORY OF THE LIBERTY BELL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 30 minutes.

Mr. DANIELSON. Mr. Speaker, this is indeed an auspicious day. This is the first day of the 2d session of the 94th Congress, and the first day of this session of Congress in our Bicentennial Year.

This morning we observed a couple of ceremonies here at the Capitol which impressed me, as a person who is interested in American history. I am sure they impressed the Members and the rest of our country as well.

One of these was the ceremonial raising of the Bicentennial flag on the main steps of the Capitol building, and the other was the opening of the centennial safe in which various items and artifacts from 100 years ago have been reposing, awaiting today's opening.

In view of the fact that we are entering into our Bicentennial Year, I believe we should all share in bringing forth the facts, the circumstances, the history, and the traditions which have made our country great. In my opinion, one of the greatest symbols of America and of liberty throughout the world is our wonderful Liberty Bell.

Commencing about a year ago, I have had the pleasure of assisting a friend of mine, Justin Kramer, who is an organ architect and campanologist, that is, a specialist in bells—he designs carillons, bells, bell towers, pipe organs, and the like, a highly refined and specialized field—I assisted him in digging up some historical data which exists back here on the east coast, to aid him in putting together a rather complete book on the subject of bells, entitled "Cast in

America", which contains a good deal of information on the Liberty Bell.

In doing so, I learned the true story of the Liberty Bell. It is most exciting. It is far more interesting and far more prideful than the mythology which has evolved over the years about the Liberty Bell.

Mr. Speaker, I would like to share some of it with the Members.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I am delighted to yield to the gentleman from Florida.

Mr. PEPPER. Mr. Speaker, my colleagues and I wish to commend the distinguished statesman, the gentleman from California (Mr. DANIELSON), who is addressing the House this afternoon. Since he is speaking about the subject of the Liberty Bell, we are very fortunate.

The Liberty Bell is truly the symbol of the liberty, the independence, and the freedom of this country. The Liberty Bell stirs in the hearts of every American patriotic fervor. It arouses in all of us the keenest sense of appreciation of our country.

Mr. Speaker, I want to commend the distinguished gentleman from California (Mr. DANIELSON), who is in the well now, for enlighteniing his colleagues with respect to this beautiful subject of the Liberty Bell and for stirriing our hearts with the remembrance of that noble instrument symbolizing our freedom.

Mr. DANIELSON. Mr. Speaker, I thank the gentleman from Florida (Mr. PEPPER). If I can only live up to his comments, we will really have a good story about the Liberty Bell.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Virginia, who I happen to know is a member of our Bicentennial Celebration Committee.

Mr BUTLER. Mr. Speaker, I thank the gentleman. I want to thank him also for taking the time to bring this information to the House.

There are many myths about the Liberty Bell. I would appreciate it if perhaps the gentleman could enlighten me with regard to some of those myths.

For example, I have always heard that the Liberty Bell was forged in England. Is that a true statement?

Mr. DANIELSON. No; that is not true. That is one of the most prevalent of all of the myths. The Liberty Bell was not cast in England; it was cast in America.

This morning, at the opening of our Bicentennial ceremony, we were pleased to note that the Chaplain of the other body, Dr. Elson, commented that the American Revolution was born in the hearts of the American people.

I would like to state that the Liberty Bell, which is a symbol of that Revolution, was likewise cast in the heart of America at Philadelphia.

Mr. BUTLER. There is one other thing: We have always noticed, of course, the crack in the Liberty Bell.

The Liberty Bell is part of the historical heritage of this country, and I have been told that that crack occurred on the occasion when it was tolling the death of John Marshall.

We in Virginia sometimes perpetuate that story. Is it true?

Mr. DANIELSON. It could be true. It may be true. I do not think that it is, but let me elaborate a little on that.

It is true that Chief Justice John Marshall, our first and probably our greatest Chief Justice, passed away in Philadelphia. His home was in Virginia. His family wanted his remains returned to Virginia for interment. As the funeral cortege was going through the streets of Philadelphia, the order was passed to toll the bells, not just the Liberty Bell, but bells in churches and public buildings throughout the city.

The solemnity of the occasion called for a muffled toll, which is the term used with respect to the tolling of bells at such times. In one of the strange coincidences of history the date was July 8, 1835, exactly 59 years after the date when the Liberty Bell had rung to announce the Declaration of Independence.

Nevertheless, as the muffled toll was being sounded, the bell ringer noticed that the sound was distorted. It was not a true sound which was coming out of the bell. He continued to ring it for a while, but then noted that the sound was very definitely deteriorating, and he ceased ringing it.

On examination of the bell, which was up in the steeple, he found that it had a crack about 15 inches long starting at the lower lip, and extending up into the inscription and then off to the right.

So far as we know, that was the last time the bell was officially tolled; and the bell definitely was cracked at that time. However, in 1911, an enterprising reporter for the New York Times did what I consider to be a good job of detective work. He probably got the true story on the cracking of the bell.

An elderly gentleman in New York, named Joseph Rauch, said that in 1835 when he was a small boy of 10 years in Philadelphia, he and some friends were going home late in the afternoon. It happened to be Washington's birthday in February 22, 1835.

The old gentleman who was in charge of the State House and had custody, I guess he was the janitor, and also rang the bell, saw the boys, invited them in and asked if they would like to ring the bell in honor of George Washington's birthday. Of course, like all 10-year-old boys they were eager to do so. They came in. He handed them the rope. They all got on the rope and he said, "Just pull hard on the rope and the bell will ring." Which they did. They enjoyed it and they rang it hard "with all our might" but while they were ringing it, they noticed an odd noise, the tone was changing and distorted. The old gentleman who ran Independence Hall, told them they had better stop. Then they all went up in the steeple where the bell was suspended and found there was a crack starting in the lip and moving up through the waist of the bell.

That story is reported in the New York Times for Sunday, July 16, 1911, at page 12, where it can be consulted for further details. I think the story is probably true.

The small boy, he was then 86 years old, said that when the boys found that they had cracked the bell they told nobody. They just ran home quietly and forgot about it.

Mr. HECHLER of West Virginia. Mr. Speaker, all Members of the House of Representatives are gratified that the gentleman from California is giving us this learned discussion of the history and meaning of the Liberty Bell. We are particularly thankful that the gentleman from California has researched so thoroughly the various aspects of the history of the Liberty Bell, and has analyzed very clearly the controversy which appears in some history books as to how the crack occurred in the Liberty Bell.

I hope the gentleman from California will continue to give us other equally meaningful sidelights of the history of our Nation as we go through the Bicentennial year.

I might add that I received a letter and I would like to get the advice of the gentleman from California on how to answer it. This came from a student. She wrote me and asked me whether I thought the Liberty Bell should have been moved, as it was recently, in Philadelphia, and whether there was any damage of significance in the moving of the Bell. She said, "I don't know why, but I just have a kind of funny feeling that the Liberty Bell should not have been moved."

How shall I answer this letter?

Mr. DANIELSON. I know that my dear distinguished colleague, the gentleman from West Virginia (Mr. HECHLER) a man whose heart is in tune with those of all of his constituents, will answer that letter very well. But I can give the gentleman a couple of suggestions.

For one thing, without passing on the merits of the move, I will give some compelling facts. The bell was moved just a couple of weeks ago, about the first of January, as I am sure everyone has noted in the papers. Up to that time it was possible only for about 14,000 people a day to see the bell. It was kept in a small room in the tower of the State House, now known as Independence Hall in Philadelphia and, as I say, the maximum flow of tourists through this room was about 14,000 a day. They could not touch the bell and, in fact, they could not get a real good view of the bell. However, over in the new pavilion, which I have not visited, but which I hope to visit soon, the bell is suspended in a new building across and in front of Independence Hall. It is only a short distance from its original site. The building is so designed that it is estimated at least 110,000 visitors per day can see the bell and can touch it. They can get right up close to it. That, at least, is a plus.

There is one other factor that we ought to keep in mind. Traditionally, as we have all seen the bell—and I know that we can all close our eyes and see it, we know that the bell is suspended beneath a headstock, and that there is an A-frame on each end of the headstock holding it up, and we are all proud of that headstock, but we should bear in mind that the A-frame which has been supporting it for many years was in fact constructed in about 1890. From 1753 when the bell was cast and hung, until 1890, more than 100 years, it was suspended from timbers and it was not in the classical position in which we associate it in our minds. The bell has been provided with a new type of suspension in its new pavilion. It is now suspended with two vertical uprights supporting the headstock and which hold it steadily and well, but which do not obstruct one's view of the bell and thus people have a better opportunity to see its design, the inscriptions and the like.

I think that I tend to identify with the child who wrote to the gentleman from West Virginia.

I have a great nostalgia for that which has gone by; yet I think that as time goes by we are going to become accustomed to seeing the Liberty Bell in this new type of suspension, still suspended from the same old original headstock, made of wood from the slippery elm tree, which is native to America but not to England. That has not been destroyed. I think that we will soon accept it as the way the bell ought to be displayed.

Mr. HECHLER of West Virginia. If the gentleman will yield further, I thank the gentleman from California for his very clear explanation. Again, I would like to add my commendation of him for reviewing the history and the background and the meaning of that great symbol of liberty, which proclaims liberty throughout the land.

I thank the gentleman from California.

Mr. DANIELSON. I thank the gentleman from West Virginia for his contribution.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentleman for yielding.

Since I am from York, Pa., my constituents are quite enthused about the Bicentennial, because we like to claim that we are the first capital of America since the Articles of Confederation were signed in York while it was the capital at that particular time.

Mr. DANIELSON. I thank the gentleman.

The people of Pennsylvania, the people of America, and particularly the people of Philadelphia should be glad to have this whole story. The true story is far richer than the legends that have sprung from it.

Let me just very quickly go over it so the Members will get the perspective. The Liberty Bell was never cast as a Liberty Bell. It was to be a clock bell. The province of Pennsylvania ordered a new capital building, a new State house, in 1732. It was well designed. This is the building which is now known as Independence Hall. But they were very long in building it. It took them 16 years, until 1748, before it was completed. It is located on the south side of Chestnut Street between Fifth and Sixth Streets.

When they got the building completed, they wished that they had gone a little further. They had a beautiful State house, but there was no clock, and there was no clock tower. As a matter of fact, there was no public clock in Philadelphia and no bell to ring out the hours. So they decided to add to the State house a clock tower and to order a great bell and a clock to operate it.

The clock tower was authorized in 1750 by the Pennsylvania Assembly. It was not a steeple built on top of Independence Hall, or State house as it was then called. It was an independent structure which was contiguous and immediately adjacent to the building, and it appeared to be a part of the original building. However, it was built new from the ground up. It was masonry up to a level about even with the rooftop, and then, of course, there was a wooden steeple above that point.

When they got the tower underway, they decided that they had better go ahead and order a bell to go with the clock which they were going to order from a Philadelphia clockmaker, so they wrote to their colonial agent in London, letting him know that they wanted a great bell, about 2,000 pounds, to be used in their new State house. Furthermore, they wanted it shipped by first opportunity because they wanted to have it arrive while the scaffolding still remained around the tower so they could hoist it easily.

They did not order a clock. It happened that in colonial days America had a lot of good clockmakers, and in Philadelphia there was a particularly good clockmaker named Thomas Stretch. Mr. Stretch got the contract to build a clock, and, as I say, a bell was ordered from England, a 2,000-pound bell.

That bell was ordered by letter dated November 1, 1751, on the authority of the Assembly of Pennsylvania. The Assembly of Pennsylvania appointed an ad hoc committee consisting of Isaac Norris, its speaker, Thomas Leech, and Edward Warner, members of the Pennsylvania Assembly. It was their duty to procure a bell. So they ordered this bell from England, and the agent in London ordered it to be cast by Thomas Lester of Whitechapel.

All seemed to go well. I might add that in ordering the bell, they described what they wanted, as I say, a 2,000-pound bell. They wanted the uppermost of the two inscriptions on it to be as it is in a quotation from Mr. Isaac Norris' letter, which is now available at the Historical Society of Pennsylvania:

> With the following words, well shaped in large letters round it, viz:
>
> "By order of the Assembly of the Province of Pennsylvania for the State House in the City of Philada 1752 and Underneath Proclaim Liberty thro' all the Land to all the Inhabitants thereof Levit. XXV, 10."

Meaning, book of Leviticus, chapter 25, verse 10.

After nearly a year the bell arrived. In August of 1752 the ship arrived in the Delaware River and brought the bell to Philadelphia. By letter dated September 1, 1752 Isaac Norris notified the colonial agent in London that the bell had arrived in good order. He added:

> We are making a good clock for it of our own manufacture which we expect to be better than any they would send us from England.

There was a little colonial pride even in 1752.

The bell was unloaded from the ship and brought to the statehouse. There it was hoisted on a temporary framework to be tested prior to hoisting it in its permanent place and connecting it to the clock. At that time, according to Isaac Norris in a second letter, referring now to the bell from England:

> It was cracked by a stroke of the clapper without any other violence.

If that bell had not cracked it would have become the clock bell and we would no longer have it and it could not have become the Liberty Bell. Pennsylvania later obtained another bell from Thomas Lester, for use as a clock bell, and that bell was, in 1828, turned over to the St. Augustine Catholic Church in Philadelphia in trust, and the church burned in 1844 and the clock bell perished. However the long-awaited English bell did crack. What were the people of Philadelphia now to do? The proud new bell had lost its voice. It could not ring. It was useless as a bell. It was 2,000 pounds of scrap bell metal.

The people of Philadelphia were dismayed. They had their statehouse, they had their new tower and they had waited a year for the bell but they had no bell. What should they do? Should they send back to England for another bell?

They had an ingenious idea. I might say American politics crept into the game a little bit and it worked out well. As I say, Isaac Norris, chairman of this ad hoc committee, was also Speaker of the Assembly. The Doorkeeper of the Assembly was one Charles Stow. He got in touch with Isaac Norris and said:

> I have a son, John Stow, who has a brass foundry down here on 2nd Street. Maybe he could cast the bell. He not only has brass but he casts things in bell metal.

Stow finally did cast this bell.

Another interesting story hangs by that. The bell as it has existed since 1753 bears on its waist the large inscription: "Pass and Stow, Philada." (abbreviated) and in Roman numerals "MDCCLIII." That is the place and the year of the casting. Charles Stow, the Doorkeeper, arranged through Isaac Norris to have his son John Stow, who ran the foundry on 2d Street, cast the bell. It was the foundry with the sign of three bells, and they cast the bell.

John Stow was a pretty good founder. He had moved to 2d Street a few months earlier. We have found in the Pennsylvania Gazette in Philadelphia, during the period from March 17, 1752 to May 28, 1752, that John Stow, brass-founder was advertising that he had moved his foundry to 2d Street and he advertised his wares. Among them I have found and I quote:

> Bell-metal skillets and kettles, of all sizes, ditto mortars and pestles, house spring-bells, of all sizes, ditto for horses, etc.

This tells us at least that John Stow knew how to use bell metal and cast it on a small scale.

We also know that John Stow had never cast a bell of any magnitude like 2,000 pounds, a great bell, but apparently he had some luck, because the name

"Pass" now creeps into the story. My friend Justin Kramer, who wrote the book I referred to, "Cast In America" found through correspondence with officials on the island of Malta, as well as correspondence with Alfred Paccard of the Paccard Bell Foundry in Annecy, France, that there was a Giovanni Pace, who had worked as an apprentice to a master bell founder in Malta a few years earlier.

Giovanni Pace had left Malta and come to the new world of America. Now suddenly there crops up in Philadelphia an unknown named John Pass.

I submit that John Pass is a literal, as well as a logical translation, of Giovanni Pace, being Anglicized.

Now, Isaac Norris on April 14, 1773, when he wrote to his agent in London and said they decided to cast the bell in Philadelphia referred not only to John Stow, the son of the doorkeeper, but also to another person, "a native of the Island of Malta," who was the John Pass, the unknown, I refer to. The whole sentence was:

> A native of the Island of Malta and a son of Charles Stow were the persons who undertook to cast our bell.

Now, we know one thing, John Stow did not have any partners. His firm name was just John Stow, Brass-Founder. Yet on the Liberty Bell, in large letters, are the words: "Pass and Stow, Philada MDCCLIII."

According to the custom of bell founders the bell founder has the right to place his name on the bell. John Stow obviously had that right as the bell founder; but who was Pass? And Pass's name comes first on the bell. Pass's name has the largest capital letter appearing on the bell, the capital "P" on the bell is the largest single letter in all the inscriptions. Quite obviously he was a person who had knowhow to cast a great bell and his knowledge was important enough to John Stow, so that he permitted the name "Pass" to be first. The name Pass does not occur again in John Stow's work.

The casting of a great bell is not something done quickly. It took 3 weeks to a month to prepare a mold. Big bells, great bells, are custom cast. The core must be built first, then the false bell, then wax lettering and decorative design are applied to the false bell. Then the cope is carefully applied over the false bell, layer by layer, until it reaches its intended thickness. Each of these stages is made of special materials, and they are all slowly baked as they are put together, by means of a fire built into the core. When all assembled the fire is intensified and the components are baked harder and the wax lettering melts and runs out or is absorbed, leaving its impressions on the inner surface of the cope.

A pit must be dug to hold the mold and withstand the enormous stress and heat of casting the molten metal, it is estimated that in the case of the Liberty Bell, it was 9 feet square and 6 feet deep in order to contain the work.

One of the most persistent myths concerning the Liberty Bell is that it was cast in England, or, in some versions, that it was first cast in England and then "re-cast" in America. A study of the foregoing points out how ridiculous that myth actually is. One can no more "re-cast" a bell than can he re-lay an egg, or re-blow a bubble. The casting of a bell is a unique and special procedure, and bells are cast one at a time,—they are not "re-cast".

As to the metal, when the first Whitechapel bell of Thomas Lester cracked and the bell was turned over to Pass and Stow to cast a new bell, we have to assume that it weighed about 2,000 pounds. That was what was ordered.

Pass and Stow, according to the records, melted down the bell and cast a number of smaller bells to test the metal. They came to the conclusion the original Whitechapel bell cracked because there was too much tin in it. Tin is necessary to give a ringing sound to bell metal, which usually consists of about 80 percent copper and about 20 percent tin; however, if they raise the tin content above a certain point, the bell becomes brittle and is susceptible to become cracked, even though the tone is brilliant. They came to the conclusion there was too much tin. To compensate for that, they added more copper to the mix. They could not remove the tin that was already there, but by adding copper they could lower the relative percentage of tin to the copper. They added 1½ ounces of copper to each pound of the metal. This increased the weight by at least 169 pounds, according to the best computations we can get. If about 200 pounds of metal were used in casting these small test bells I referred to, they still had only about 1,969 pounds of metal for the bell.

In the bellmaker's art it is common knowledge that the bellmaker must melt down considerably more metal than he expects to have in the bell. Some metal is spilled. Some remains in the furnace. It does not pour clean. Some is absorbed into the forms and so on. The best estimate for an intended 2,000-pound bell is that there must be about 2,400 pounds of bell metal melted down.

That in itself means roughly 600 pounds of metal in the first Pass and Stow bell would have been American metal if they used all of the scrap from the English bell, which would have been about 1,800 pounds after the casting of the small test bells. They succeeded in casting their bell. On March 10, 1753, Isaac Norris again wrote to London and said:

> I am just now informed they have this day opened the mold and have got a good Bell which I confess pleases me very much that we should first venture upon and succeed in the greatest Bell cast for ought I know in English America.
>
> The mold was finished in a very masterly manner and the letters I am told are better than in our old one.

In the last sentence he is referring to the bell that had come from England.

The Pass and Stow bell was hoisted into the tower of the State House and began to be rung for its intended purposes. However, now a disappointment was noted. Immediately people began to be displeased with the sound of the bell. It had a dull tone, no brilliance, very dull, and Pass and Stow came to the conclusion they must have added too much copper, reducing the tin content and making a strong bell, a durable bell, but with no brilliance.

So, they decided they would try again. They went to work and built another mold and again changed their formula, adding tin, adding more tin to the mix and adding 5 pounds of silver. Nobody is exactly sure why the silver was added except that silver does tend to sweeten the tone of a bell.

This bell has recently been tested by a chemical analysis by the Franklin Institute in Pennsylvania, and the Liberty Bell has 24 percent tin, 73.1 percent copper, which totals 97.1 percent of the bell's weight. There are also 5 pounds of silver and traces of zinc, lead, and other impurities. Actually, Justin Kramer, the campanologist to whom I referred a while back, believes that the trouble with the bell that was first cast by Pass and Stow was not the quantity of copper or tin, but poor design. A bell is a musical instrument. Unless it is made and designed to produce proper tone, you do not get good tones.

Nevertheless, Pass and Stow cast a second bell in May and June of 1753, and on June 7, 1753, there was a notice published in the Pennsylvania Gazette to the effect that they had that week hung in Philadelphia, in the State House steeple, this new bell. The week before June 7, 1753, was the date of the hanging of the new bell. That is the bell which became the Liberty Bell and is today the Liberty Bell.

Following June 7, 1753, the Assembly ordered another bell from England. They still did not have a clock bell. They had hoisted the Pass and Stow bell into the tower of the State House, so they ordered a clock bell which arrived later, and it became the clock bell at the State House and rendered service there until 1828, until it was turned over to St. Augustine's Church, which was burned in 1844.

The bell which was hung June 7, 1753, became and is our Liberty Bell. It weighs 2,080 pounds. There are many differences between this bell and the original bell ordered from the English founders. There is a difference in size, in weight—2,080 as opposed to 2,000. The inscriptions are inverted, with the "Proclaim Liberty" inscription at the top rather than at the bottom. Of course, the identification of the bell founders, Pass and Stow, and date and place was never ordered theretofore.

I might add that the bell continued to serve its purpose from 1753 to 1776, when on July 8, 1776, it was ordered to call together the multitude for the formal reading of the Declaration of Independence.

The bell remained in the tower until September 1777, when it was removed in order to prevent it being captured by the British and being melted down into cannon.

After the British left Philadelphia in September, 1778, the bell was returned and rehung in the steeple of the tower. In 1781, the wooden steeple of the tower began to deteriorate and the bell was moved down in the masonry part of the tower. There it remained. In 1835, 59 years to the date after it had rung for the Declaration of Independence, one of the most notable things about the bell was discovered, which is the crack.

Mr. Speaker, I wanted to touch briefly on that, and I will conclude.

In 1846 someone suggested that the bell could be used again if they would simply open up the crack. The reasoning was logical, although fallacious. The buzzing sound that came from ringing the Liberty Bell with its crack came from the vibrations of the two sides of the crack against one another when the bell was struck. It was reasoned that if the two sides would not rub against each other the bell could be restored.

In 1864 a man was hired to drill out the crack, using bits to drill out the metal. It opened the crack one-half inch. That crack is really a cleavage rather than a crack. However, it was found that this did not work. The bell has been mute since that time.

Mr. Speaker, I feel that the story of the Liberty Bell is one of the most beautiful stories in our American history.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I will yield to the gentleman from California (Mr. Anderson).

Mr. ANDERSON of California. I thank the gentleman for yielding.

Mr. Speaker, I want to take a moment to commend my colleague, the gentleman from California (Mr. Danielson) on this most learned and exciting story. I knew virtually nothing of the Liberty Bell until I listened to the gentleman here today, and I realize the tremendous amount of work the gentleman must have put in to give us this information.

Mr. Speaker, I think the story which the gentleman has told us is most appropriate on this first day of the session of the Bicentennial Year 1976.

Mr. DANIELSON. Mr. Speaker, I thank my colleague, the gentleman from California (Mr. Anderson) for his remarks.

CONGRESSIONAL BICENTENNIAL CEREMONY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. Boggs) is recognized for 60 minutes.

Mrs. BOGGS. Mr. Speaker, this morning, the Joint Committee on Arrangements for Commemoration of the Bicentennial held ceremonies to commemorate the opening of this, our Bicentennial Year Congress. We were honored with your presence and that of Senator Mark Hatfield representing Vice President Nelson Rockefeller, and with the participation of our committee members, Senators Hugh Scott, Hubert Humphrey, Roman Hruska, and Representatives John Rhodes, Jake Pickle, and Caldwell Butler, of the Architect of the Capitol George M. White, of the Chaplain of the Senate, Dr. Edward L. R. Elson, the Chaplain of the House, Dr. Edward G. Latch, and of Mr. Thomas Watts, who as the heir of the donor has been the keeper of the key to the centennial safe.

This safe placed in the Capitol building as a gift from Mrs. Charles F. Deihm, of New York City was opened as her bequest suggested on this initial day Bicentennial Year Congress. Its contents represent the volunteer efforts of thousands of American citizens in 1876, thus paying tribute to that unique American attribute of unstinting voluntarism in every area of our community and our national life.

My remarks as chairman of the committee follow:

Opening Remarks by Mrs. Lindy (Hale) Boggs, Chairman of the Congressional Bicentennial Ceremony

We are gathered here today on a ceremonial occasion to commemorate the opening of an historic Congress. It is a time to assess and evaluate our past, our present and our future. It is a time to pause quietly and reflect; to celebrate and to plan for tomorrow.

We are celebrating a birthday. This birthday, unlike others, is threefold. It is a celebration of past struggles, present strivings and future hopes. And these three—past, present and future—are our Bicentennial themes: heritage, festival and horizons.

It is fitting today, as Congress reconvenes at the beginning of this Bicentennial Year, that we take a few moments to reflect on what we mean when we use these words: heritage, festival and horizons.

Heritage is our past. It suggests that we look back at our beginnings; contemplate our freedoms in order to appreciate them, and to truly understand the fundamental precepts of our governmental institutions, their beginnings, their growth and their continuing impact. For it was because of these principles that our country was founded.

Let us learn more about the contributions of all the people to the development of our Nation. It is that very diversity of cultures and ideas that has molded our country and will continue to do so. Let us ask ourselves what those principles set forth in the Declaration of Independence in 1776 mean in 1976. Let us ask ourselves how close we have come to accomplishing the goals set forth by the Founding Fathers.

Festival, our present, tells us to celebrate—and evaluate—ourselves; to celebrate our founders and their visions; our diversity of ideas, interests and cultures. Let us also appreciate the wealth of that diversity. For in it lies our strength. It is that diversity within our own borders that provides a unique opportunity to understand ourselves and the world in which we live. The United States is a microcosm of the world.

Finally, there is our future horizons. The future reminds us that it is we who shape our destiny and the destiny of our children. It reminds us that our future lies in our hands. It says to each of us that we make our country what it is by our every action and inaction.

It is up to us to keep striving to make our ideals of equality of opportunity and freedom and justice for all into realities; to keep looking for workable and meaningful solutions to problems such as jobs, education and housing, so that this Nation will be even better for future generations.

Our ceremonies today encompass these three themes. Our heritage is symbolized by the Capitol on whose grounds we now stand. For the Capitol is an integral part of our history because of the important events that have taken place within its walls, the diversity of its membership and the turmoil it has experienced along with the Nation throughout the years.

Festival is symbolized by what we are doing here today and shall continue to do in many ways throughout the year: celebrate with parades, music and other festivities; by reflection, discussion and action; by extending our hands and our hearts to our neighbors; by recognizing that in unity and diversity there is strength and that we must respect the views and opinions of others as we would wish them to respect ours.

And finally, there is our future. It, as our past, surrounds us. As we reflect on our past and celebrate our present, we must plan and act for the future of our country and the future of our children, for they are one and the same.

The Bicentennial is more than a celebration of a beginning. It is a commitment to ourselves as citizens of this country; a commitment that will ensure that the next two hundred years of our country's history will reflect those high ideals on which our country was founded; ideals that will be translated into happier and more fulfilled lives for all citizens of the United States and the world.

Mr. CEDERBERG. Mr. Speaker, the convening of the second session of the 94th Congress, like similar gatherings of our forefathers 200 years ago, brings together a body dedicated to an enduring belief in the rights of the individual. This concept has remained the cornerstone of our society and its perseverance, in light of repeated attempts to compromise its essence, attests to its ability to withstand the sands and rigors of time.

Equal representation for all men was the natural expression of that ideal. Its reverberating echo motivated thousands in the original 13 Colonies to take on the most powerful nation in the world in a struggle for their independence. Their purpose was to start anew under a Government whose basis had been the dreams of men for centuries.

The dream grew into a reality, the ramifications of which could not have been foreseen. Thirteen Colonies became 50 States spanning an entire continent. The thousands became millions and the fledgling Republic became the bastion of freedom and a world power. The allure of personal freedom in a world marked with stark examples of repression became a magnet for peoples from all over the globe until we proudly called ourselves the melting pot of humanity.

We, the Congress, are the personification of the hopes, aspirations, and prayers of the patriots in 1776—a Government of the people and answerable to them. America, in looking back to its inception, should be thankful for the courage, inspiration, and foresight demonstrated by its leaders. The guidelines which they provided for our giant experiment in democracy remain intact with only a handful of amendments.

Indeed, as we celebrate our Bicentennial birthday this year, we have much for which to be proud. Our history affords the world a remarkable view of human achievements, whose occurrences benefited all men. It is a collage of America's humanity to its fellow man, its support for the underdog, and its concern for the downtrodden.

As the voice of the people, the Congress carries a great responsibility in maintaining those ideals. Thousands have died to preserve the liberties guaranteed in the Constitution and we have an obligation to guard against the infringement of those concepts so carefully laid out 200 years ago.

While we contemplate the achievements of the past two centuries, we look with equal enthusiasm to the next two. The foundation for us to build upon is strong. The design provided to us is ever bold and innovative. The possible attainments are limitless. We have been given the tools to further the ideals of our forefathers. We must not shirk that responsibility.

Mr. MILLER of Ohio. Mr. Speaker, as the historic 2d session of the 94th Congress convenes and America celebrates her 200th birthday, it is an appropriate time to comment on the meaning of the Bicentennial.

The American Bicentennial spirit can be captured in two words: Pride and renewal. Although it has become fashionable in recent years to denigrate the achievements of America, we cannot allow this attitude to persist. Instead, we must take pride in what we have accomplished as a Nation and a people. The United States has survived, and prospered, over a 200-year period that has seen the most rapid and drastic changes in the history of mankind. This 200-year history encompasses the industrial revolution and the beginnings of the nuclear age—and all that has meant for individual and national life. Our Bicentennial should be a time to celebrate the ability of our democracy to endure, adjust, and grow during this time of change.

Second, the Bicentennial should be a time for renewal of that spirit of 1776. Two hundred years ago, despite a very uncertain and perilous future, the signers of the Declaration of Independence pledged "their lives, their fortunes, and their sacred honor" to the new American Nation. Today we must once again look at the ideals that motivated those men and rededicate ourselves to those ideals. We can do this while still tolerating and accommodating the tremendous diversity of present-day beliefs in the United States. In this way we can continue to preserve equality of opportunity with freedom for all citizens and celebrate a truly meaningful Bicentennial.

Mr. MYERS of Pennsylvania. Mr. Speaker, today the 94th Congress officially declared its intentions of joining the rest of the Nation and the free world in celebrating America's 200th birthday.

It is fitting and proper that this Congress take the leadership in this historic observance. It is fitting and proper that we call on all Americans to join with us in saying we are proud of America, proud of her people and proud of the Congress which governs her.

We are especially aware of the meaning of America in the State of Pennsylvania. We are the heirs of Valley Forge; we are the keepers of our Nation's Liberty Bell; we are the homeland of a Continental Congress.

We are grateful that we are; we are grateful that we live in this great country; and we are honored to be a Member of this Congress, knowing that in the hearts of all those who serve here there is unanimous hope and unanimous intention to join all of our people in a profound and patriotic salute to a great and free land, a good and devoted citizenry, a past that is prologue to seeking peace, freedom, and equity for all mankind.

Mr. WALSH. Mr. Speaker, there has been a lot said about the Bicentennial. Not everything has been good. In fact, you can pick up a newspaper in almost every major American city and read some criticism about the way our 200th birthday is being handled. The criticism may be justified; then again, it may not. That depends on individual points of view.

But that is not the issue I would like to talk about. What is at issue today is not what is being done about the Bicentennial, but what the Bicentennial is. And one of the best examples is exactly what I have pointed out: Only in this country can a person express whatever he has on his mind, no matter whether it is praise or criticism. It is the freedom of thought and opinion that makes America unique.

I recently received a letter from Paul J. Hentschel of Rochester, N.Y. which contained a list he has entitled, "What's Right With America." He reminds us not to cloud over the good things we have by becoming too cynical in our struggle to right the wrongs and find solutions to our problems. His list deserves reflection.

First is freedom of choice, religion, and thought. They are not privileges afforded us by the Constitution, but they are rights we are born with and entitled to as citizens.

Second is our incentive as Americans. Our individual productivity is second to none.

Third is our economic system. Although we have our difficulties, no one can deny we have the mightiest economy in the world with underlying strength of immense proportions.

Fourth is the efficiency of our economy through the market system. Individual effort is maximized with diversity and variety.

Fifth is the charity and dedication of Americans to meet social and economic challenges through voluntary work. Interested and concerned citizens willingly give their free time to help others in hospitals, care centers, schools and social organizations all over the country.

Sixth is our growing concern for personal, governmental, and commercial ethics and behavior. Our participation in current issues and oversight of business and Government insures justice will remain in our society.

Seventh is our educational system. From primary grades to higher education and adult advanced study, Americans are learning in order to be better and more productive citizens.

The eighth point highlights our spiritual values. Our religious heritage and spiritual encouragement outrank any other nation in its fervor and dedication.

America's health is the ninth point. We have cured polio and tuberculosis and efforts are aimed intensely at conquering cancer, heart disease, diabetes, and diseases of the muscles and nervous systems. Our health facilities and medical delivery systems are of exceptional merit.

Tenth is our spirit of togetherness. Home ownership, the environment of family living and the spirit of the neighborhood reap benefits to us as individuals and communities, as well as to the Nation.

Combined with our freedom of thought and choice is the 11th point, our freedom of communications. We enjoy a free press which informs the Nation on issues and promotes expression of informed opinion.

Twelfth is the superior quality of our agricultural system. We are blessed with fertile lands, good weather, and skilled farmers who strive to increase quality and production.

Management is 13th. Through organization and technological development, we have personnel and managers who have contributed to our country's growth in its rise to the top.

The labor scene, which makes management machinery turn, is 14th. American workers are skilled, bringing new ideas and talent to business and industry.

The last point is a positive note for the future. We have a great wealth of investment capital which is ready to be utilized toward jobs and productivity. It is our insurance of prosperity in upcoming years.

Mr. Hentschel said he could expand his list and although it has flaws, the qualities of America stand as good things we can think about during the Bicentennial. Not only have we the material possessions and a fine system of business and government, but the quality of America's citizens is what is truly right with America.

We are not perfect, but we are always striving to be. It should be a source of pride to everyone in our 200th year.

Mr. KEMP. Mr. Speaker, I wish to thank the Joint Committee on Arrangements for Commemoration of the Bicentennial and our friend the gentlewoman from Louisiana (Mrs. BOGGS) for reserving this time this afternoon for Members to deliver remarks on the Bicentennial. I wish to thank also the majority leader, Mr. O'NEILL, our minority leader, Mr. RHODES, and Messrs. BUTLER, PICKLE, and ESCH—for their efforts to make the commemoration of the 200th anniversary of the signing of our Declaration of Independence a ceremonious, yet reflective, event for the Congress and the Nation.

I wish to underline that last point—that our 1976 celebration is a recognition of the significance of the signing of the Declaration of Independence—and of our formal break from the Mother Country. But just as there was much which preceded that break and declaration years preceding 1776—our protests of the Sugar, Quartering, Townshend, Tea, Coercive, and Stamp Acts; the formation and work of the Committees of Correspondence; the Boston Massacre and regulator uprisings; the seating of the First Continental Congress; and the Battles of Lexington and Concord—there was also much which was to follow.

This year we commemorate that break from Great Britain and our Declaration of Independence. But our Nation's Bicentennial celebration is really a period which will cover 13 years—from 1976 through 1989 when we celebrate the 200th anniversary of the founding of our Government under the Federal Constitution in 1789. During this 13-year Bicentennial period we will witness the 200th anniversaries of such events as the battles of the War for Independence, including the surrender of General Cornwallis at Yorktown; the adoption by the States of bills of rights patterned on the Virginia bill; the adoption and ratification of the Articles of Confederation and Perpetual Union; the signing of a treaty of peace with England; the adoption of the Northwest Ordinance of 1787 and the subsequent opening of the western lands beyonds the Appalachians, the opening of the Constitutional Convention at Philadelphia and its subsequent adoption and ratification with a major assist from the Federalist Papers; and the election and seating of the 1st Congress and the election and inauguration of President Washington and Vice President Adams. This and much more constitute the Bicentennial of the founding and stabilizing of this Republic.

The events leading up to, during, and following 1776 constitute a profound drama and successful experiment in the course of mankind's march toward individual freedom—maximizing the exercise of individual choice free from the restrictions of arbitrary government. It was not just the founding of the American Republic. It was also the foundation for the founding of other republics. And it was the foundation stone upon which our Nation grew into world leadership—moral, economic, and political.

The events which historians will some day associate with 1976 are of no less importance. In 1776 the question was whether a band of relatively united men and colonies for whom they spoke could forge a successful union. In 1976 the question is whether we know the lessons of 1776 well enough to heed them and to preserve and nurture our strengths into renewed success. And I speak, in particular, about the relationship between individuals and government. The question which seems paramount in my mind during this Bicentennial period is just that: "Which shall be the dominant influence in shaping the Nation over its second 200 years: individuals voluntarily associated through mutual, self-balancing interests on one hand or centralized government planning, law, and regulation on the other?" Whether it is 1776 or 1976 or 2176, the task of preserving individual freedom should not be subordinated to any priorities of government which may usurp that freedom.

The most common ways in which government advances its own interests—over and above those of the numerous individuals in a society who collectively constitute its people—were detailed in our Declaration of Independence. They are burdensome taxes, excessive regulations, creation of a multitude of offices and appointment of agents, altering the government, frustration of the people's mandate, regarding political and economic rights as alienable, depriving the people of much of their earnings, and in summary undermining that "pursuit of happiness" to which the Declaration refers.

Thomas Jefferson realized this: "It is in the natural course of events that liberty recedes as government grows."

There is a familiar ring in 1976 to the points enumerated in the Declaration of Independence—taxes, regulations, bureaus and bureaucrats, frustrations of mandates, many and extensive encroachments on the exercise of individual choice, in short limitations on the pursuit of happiness. Government, instead of being the principal means of protecting individual freedom, has become the principal means by which it is infringed. Instead of facilitating the pursuit of happiness, it has become a pain, a burden to be borne by the people. And it has come as a product of the growth of government and the pursuit of its own self-interests.

We see more clearly every day that the seventh-grade civics class vision of government as a benevolent Uncle Sam, acting always in the interests of the people, is out of touch with the reality of a government serving its own ends in a power through a triangular power structure—the majority party leadership of the congressional committees, the bureaucrats, and special interests. And there is litle input by either the people, or by the President elected by the people, or even by a majority of Members within the Congress.

When government reaches the point that it is, in the minds of the people, something to be tolerated rather than supported, something is wrong with the relationship between the people and government—regarding their relative positions as to which is the master and which is the servant—and I think we are dangerously close to that point in 1976.

There has been an erosion of freedom within the United States during the past half century, and I believe that decline has been directly related to the growth in government.

This erosion—because it has worked and is working almost imperceptibly, yet relentlessly in the longer view—is freedom's most effective enemy. Freedom is not generally lost by the forces of violent attack, for those specific incidents when revolution and upheavel did quickly destroy freedom were preceded by an intellectual evolution which made those acts both possible and allowable.

These less immediately obvious threats must, therefore, be a cause of great concern among all who cherish freedom and the enjoyment of life, liberty, property and happiness which freedom engenders. The nature of the remainder of our natural lives and those of future generations will be governed in great degree by our present ability to perceive these threats and to undertake successfully those efforts required to restrain them. Those efforts ought to form the basis for a renewed American spirit in this Bicentennial period.

We must remember that when Government intervention is sought, freedom runs a very high risk of further declining. And, inasmuch as those within Government—elected or appointed—too often regard their roles as, and measure their successes through, the promulgation of Government initiatives, the results shoud be obvious. More and more Government; less and less freedom.

Through the enactment of a multitude of program activities, Government has taken unto itself the exercise of functions once required as the province of private conduct. And, whether one regards a specific government intervention or influence as good or bad, one still ought to weigh the impact of the totality of extensive and still growing government regulation over the exercise of personal freedom.

It is almost impossible to itemize the areas of conduct now subject to Federal regulation because there are so many, but a cursory examination of any government organizational chart shows us the areas of our lives now subject to that regulation: health, education, welfare, labor, commerce, housing, transportation, finance, agriculture, environment, communications, wages and prices, energy, labor-management relations, trade, alcohol, tobacco, firearms, savings, community relations, civil affairs, land use, natural resource, use, recreation, commodities, securities, insurance, marketing, consumer affairs, productivity, nutrition, travel, economic development, shipping, vocational and career opportunities, employment standards, occupational safety, child development, retirement, rehabilitation, interest rates, credit availabillity, land sales, aviation, railroads, highways, safety, institutionalized voluntarism, arts and humanities, equal employment opportunity, export-import terms, trucking, small business, veterans, postal service, ad infinitum.

The point is this: as government assumed each of the many components within each of these subject areas, it removed decisionmaking from the people, a process inherently antithetical to the exercise of free choice. Some of these are, indeed, necessary and are clearly in the interest of the people. But taken all together, government as a cure-all is diminishing freedom.

A guest editorial in the New York Times of this past May, authored by Russell Baker, outlined the author's encounters with government control in but one day's time—control by Federal statute, Federal regulation, State statute, State regulation, local ordinance. Because it is so graphic of the pervasiveness of the issue before the subcommittee today, it bears repeating, and I quote from my floor remarks of Thursday, June 12:

> The author recalled awakening that morning with a woman whom the government had licensed him to marry, rolling over on bedding materials which had been certified by a Federal agency, to turn on the radio to listen to a station which broadcasts only with Government permission. Of course, the electricity which powered that radio and lit the mirror at which he shaved was priced at rates established by the Government and brought to him by a Government-created monopoly.
>
> Outside stood his car licensed by the government and registered by the government. It had been built to specifications set forth by the Government. Each year the Government taxes it. He can drive it only by carrying a permit issued by government. And, only

recently, the Government told him he could only obtain 10 gallons of gasoline at any one time, and now with the lifting of that imposition, has told him that they will tax him more heavily for his future gas consumption. If he wishes to park his car, he cannot park it near fire plugs, within 20 feet of a stop sign, or in places reserved for Government officials, or anywhere else without putting money into a government meter.

Of course, he could have taken a bus, subway, or train to work, but those would have been either owned by or subsidized by the Government, running on schedules approved by the Government along routes specified by the Government at fares established by the Government.

If he had a business or pleasure trip that day, he could have flown on airplanes operating under Government license along Government authorized routes, flying in and out of airports along paths dictated by Government controllers, paying for all this as Government-set fares.

The clothes he wore would carry labels prescribed by Government, made from imported cloth whose entry was regulated by Government tariff or from subsidized domestic cotton, for the purchase of which he would have paid a sales tax.

After dressing, he had breakfast comprised of foods whose quality and packaging had been regulated by Government on dishes washed by water bought from government, water heated by oil the price of which is determined partly by Government policy. He had coffee that morning imported under Government license, with cream priced by Government through milk price supports, and then sat down to read his newspaper—made from pulp whose harvesting was regulated by a myriad of Government agencies.

After breakfast his children are required by the Government to report at fixed hours to a building owned by the Government where persons hired by the Government instruct them in such matters as the Government sees fit.

Before leaving the house, he placed his garbage in a trash can for the Government to pick up, ran his garbage disposal to enter residue into the Government's sewage system, and placed a Government stamp on an envelope to place it into a Government-approved home mail box.

Then, he started his work day, where even more extensive Government regulations controlled his and his company's actions.

But this process of rapid and substantial growth of government is not diminishing.

The Federal budget for fiscal year 1977 is expected to be at least $395 billion, some $111 billion over the budget 2 years ago. In 1940, by contrast, our Federal budget was $10 billion.

It took this country 185 years to get to an annual Federal spending level of $100 billion, but it took only 9 more years to double that to the $200 billion level, only 4 more years to reach the $300 billion annual level and only 2 more years to reach the almost $400 billion mark—from $100 billion to $400 billion in only 15 years.

The mushrooming national public debt has reached $500 billion—half a trillion. It took us over 150 years after 1789 to reach the $200 billion debt mark, then less than 20 years to double it to $400 billion, and then only 10 more years to add another $100 billion. But the rise in the debt quickens, not decelerates. The deficit for fiscal year 1976 alone is now projected officially at about $69 billion; many believe that is a very conservative projection.

The average amount of taxes the Federal Government will have to collect from every man, woman, and child in the Nation to meet expenses this year is $1,750—or $7,000 for the average family of four. In 1940 it was $77 per person—or $308 for that family of four. Of course, because deficit financing is a principal source of financing Federal programs today, the Federal Government will actually collect in taxes an average of about $1,415 for every man, woman, and child in the Nation—or $5,660 for the family of four. The remainder will be taken from them, of course, in decreased purchasing power—inflation arising from monetizing the deficit.

Look at the bureaucracy which this spending sustains. Between 1789 and 1974, the population of our country multiplied by 60 times. The bureaucracy multiplied by 8,170 times. Between 1930 and 1976, while the population grew 71 percent, the bureaucracy grew by 462 percent. In 1930, 1 of every 204 people was employed by the Federal Government; today, it is 1 of every 77. And, in our work force of about 85 million, 1 of every 6.5 employees is on a Government payroll of one form or another—Federal, State, or local.

Look at the controls over our lives—and our economy—which this funding and this bureaucracy sustain. The United States Code Annotated, the basic compilation of congressionally enacted statutes, now totals more than 55,000 pages. The Code of Federal Regulations—consisting of the regulations which carry those statutes into effect and which also have the full force of law—totals hundreds of thousands of pages. The Internal Revenue Code of 1954—the tax laws under which we all live—is now nearly 1,900 pages long, and the regulations which carry those tax laws into effect constitute another 4,500 pages. In addition, one is governed by the ruling and regulations of a myriad of Federal agencies, bureaus, departments, commissions, administrations, offices, and boards, as well as the rulings of our vast court network. We have come a long way since Moses brought the Ten Commandments—only 10 rules to govern our lives—down from the Mount.

The effect on the people's freedom—by narrowing substantially the range of alternative choices of action available to the people—ought to be obvious.

Does one have freedom when one gives up over 40 percent of earnings to Government?

Does one have freedom when one involuntarily surrenders purchasing power because of Government-created inflation?

Does one have freedom when one cannot plan his or her own future—for education, for business, for children, for retirement—because Government's policies are so unpredictable and so corrosive of his or her livelihood?

Does one have freedom when one cannot obtain a loan—for a small personal need or a massive corporate capital investment need—because Government has drained the Nation's capital money markets and in so doing created record-high rates of interest?

Does one have freedom when one cannot buy a product or pay a freely negotiated price for it because of shortages created by Government controls and because of those controls?

Does one have freedom when one cannot find a job because of what Government action has done to this economy?

All of these questions relate to the growth of Government in relation to the people. The growth of Government has been at their expense.

It is time to begin the reversal of this process, and this ought to be the Bicentennial commitment for the Congress. It would most certainly be supported by the people.

We need to reduce the role of Government in relation to the people, their freedom, their range of choice, their livelihoods.

We need to return fiscal sanity to the operation of Government—slowing the growth of Government, reducing Government-fueled inflation, restoring the stability and purchasing power of the dollar, restoring greater shares of capital to the private sector, reducing the burden of taxes.

We need to reduce the burden of regulation, of Government redtape upon our lives, our jobs, our businesses.

We need to return freedom of choice to the people—freedom of choice with respect to where their children go to schools, freedom of choice as to whether to save or spend without penalty for doing either.

We can do these things. They are all within our power to do. All we must have is the resolve to be on the side of the individuals, the people of this country, instead of on the side of big and more Government. That is the choice now before the Congress as we start this official Bicentennial Year and as we start a new session of Congress.

There are already mechanisms available to us to meet these tasks. We should avail ourselves of them and put these measures on the agenda for this session, measures to move us toward less Government instead of more Government.

The real progressives in our society are those who seek to constructively build and work toward a freer society, a society with not only political and religious freedom but economic freedom as well.

Mr. GILMAN. Mr. Speaker, today the U.S. Congress embarks upon a significant year. The 2d session of the 94th Congress marks our Nation's Bicentennial. It is an exciting time for all Americans: a time for celebration, a time for reflection and a time for rededicating ourselves to the ideals of our forefathers.

The 26th Congressional District is a good, wholesome area—a region blessed by aesthetic beauty and a progressive spirit. It is a historic region whose residents proudly remind visitors that the Hudson River Valley is indeed the cradle of American history. During the War for Independence, American colonists stood and fought and died on the hills and in the valleys of Orange, Rockland, and southern Ulster counties.

Some of the reasons why my constituents confidently call the 26th District of New York the cradle of American History are based upon the following important events:

In 1777, the Battle of Fort Montgomery, inflicting heavy losses on both sides, took place at the northern end of Orange County on a bluff overlooking a magnificent stretch of the Hudson River.

Although the colonists lost that fight and the boom across the Hudson blocking British shipping was broken, the battle did underscore that the "Rebels" of the Hudson Valley could and would fight.

Today, the unincorporated hamlet of Fort Montgomery still stands as a staunch sentinel over the Hudson River traffic. The people who live there are proud of their forefathers who defended the fort many years ago. I am proud to say that Fort Montgomery has been listed as a national historic site by the Federal Government.

There were other important battles in the Hudson Valley 200 years ago—Stony Point and the Battle of Minisink to name a few. The fortress at West Point called Fort Putman, while never attacked by the British did enable the colonists to keep control of the river.

The New Windsor Cantonment at Temple Hill, just to the north of West Point, was the site of a lengthy encampment of Washington's troops at the cessation of hostilities. Close by, in the city of Newburgh, General Washington located his headquarters, and in the assembly chamber at New Windsor, General Washington turned back his troops' offer of sovereignty.

Stony Point, which was stormed by General "Mad Anthony" Wayne has received a great deal of noteworthy attention in our history texts. General Wayne's courageous group of soldiers stormed the heavily armed Stony Point fortress in Rockland County—a military maneuver which rivaled the most daring exploits of the entire war. In fact, before the attack, when Washington asked General Wayne if he would lead the assault on the fort, the latter's famous reply was: "Sir, I would storm Hell at your command."

To the west, near the Pennsylvania border, the Battle of Minisink was staged at a great loss of life to the colonists who settled in present day Goshen, Middletown, and Port Jervis.

Yes, the 26th Congressional District of New York is rich in its traditions and history.

On this significant date it is befitting that we offer an appropriate tribute to our forefathers who fought on the turf we walk upon each day—so that we may enjoy the liberty and freedom for which they gave so much.

Mr. RINALDO. Mr. Speaker, this opening session of the U.S. Congress in the first year of our Nation's third century marks a time when many of us here, and many across the Nation, are reflecting on the ideas and ideals of our Founding Fathers.

We are thinking, reading and hearing a lot of about the birth of our Nation 200 years ago, and of the stirring events that brought us to this Bicentennial.

This is important, Mr. Speaker, for there is pride to be stirred and valuable lessons to be learned in a review of America's history.

It strikes me, however, Mr. Speaker, that there is also much to be gained from looking ahead.

This is a good time to reflect on where we are going and what we want to achieve in the years ahead, particularly in the structure of government and in the shaping or reshaping of the quality of life in the United States of America.

We need to be asking ourselves in this Bicentennial Year not just how we feel about progress attained over the past 200 years, but how Americans, and the world, will regard our achievements 200 years from now.

In particular we need to consider the way future Americans will assess the accomplishments of their Bicentennial Year Congress.

With that in mind, I wonder, Mr. Speaker, how this 94th Congress will be rated in years to come?

Will we go down in history as a forward-looking Congress that succeeded in pulling the Nation out of the second worse economic depression in its history and moving it into a new era of prosperity?

Will we go down in history as the Congress that helped end forever that dark side of our Nation's first two centuries: the dark side represented by involvement in nine wars which embroiled us in death and destruction and suffering for a total of 39 years at a cost of more than a million lives and national treasure and energy beyond calculation?

In short, will we go down in history as one of the great Congresses of our Nation?

This concern for the future is an aspect of the Bicentennial that should not be overlooked.

Too often, Mr. Speaker, we in Congress devote the bulk of our attention to immediate needs and immediate problems rather than to broad, long-range issues.

If we can find time in this Bicentennial Year to look ahead 100 or 200 years as well as to look back and learn from the past, then much of what we achieve is likely to have more meaning and greater value to the Nation we serve.

And with such a broadening of our goals, and dedication to long-term interests of our Nation, I am certain, Mr. Speaker, that our judges, in years to come, will pronounce this 94th Congress to have been one of the great ones of American history.

Mr. YATRON. Mr. Speaker, our Nation's Bicentennial Year marks not only an anniversary of democratic tradition, but also a stronghold for the free men of the world to be proud of.

As a Member of this Bicentennial Congress and as the Representative from the Sixth District of Pennsylvania, I constantly enjoy relating to my colleagues the diligence and strength of my constituents who are a shining example for those who dwell in our land.

The people of the three counties I represent—Berks, Schuylkill and part of Northumberland County—are proud of their tradition as American citizens.

For some, the tasks of daily life are much harder than for others, yet whether they be miners or railroad workers, doctor or lawyers, the Pennsylvanians of the Sixth District have always given thanks to their Maker for the opportunity of sharing in our most priceless gift, sovereignty.

Our people are in the midst of celebrating what once was only a spark of hope. Now that spark is a true flame of government of, for, and by the people.

I am sure that the character of our Nation will always be one full of initiative and timeless independence.

I pray that the United States of America, our brotherhood of peace-loving, hard working men and women, shall continue to be bonded as the universal symbol of integrity, leadership, and truth.

Mr. DUNCAN of Oregon. Mr. Speaker, 199 years ago this winter the United States was dying. What had begun in the summer sunshine as a grand and glorious experiment in self-government was dying in the cold. The "summer patriots" had deserted to their warm hearthsides leaving Washington and a handful of amateur soldiers to brave the snows of New Jersey and Pennsylvania.

Thanks to Washington and his soldiers, there still was a United States when the dogwood bloomed in the spring of 1777. The worst was over and a nation had been created. A nation unlike any other nation in the world. A nation dedicated to the principle that every individual has an inalienable right to "life, liberty and the pursuit of happiness."

Nearly two centuries have passed and we have not forgotten that principle. We have endured hard times, and fought wars in its defense. We have not betrayed the legacy of Valley Forge.

The United States has triumphed in the face of world wars, economic catastrophe and a civil war of unequaled ferocity. Surely we are equal to the challenges of the next 200 years.

Mr. BUTLER. Mr. Speaker, I joined many of my colleagues in participating in the earlier ceremony to mark the convening of the 2d session of the 94th Congress, the Congress of our Bicentennial year. As symbols of our unusual heritage, the Bicentennial flag and the Centennial Safe appropriately remind us of the spirit generated by the 56 delegates of the First Continental Congress over 200 years ago.

Many citizens of this country will join the celebration this year. As a member of the Board of the American Revolution Bicentennial Administration, I am very pleased by the initiative of many who are designing meaningful activities to mark the Bicentennial.

Historical societies, dedicated writers, and creative producers have put many new books and movies into our hands. A great understanding of our heritage of religious freedom is being promoted by Project Forward. Special Bicentennial tours will help many to experience our beautiful terrain on exciting tours. For those who cannot get away from home, they can view America by going to the "Freedom Train" when it stops in their town.

The U.S. Capitol Historical Society has planned a special sound and light production for the East Front of the Capitol Building. "Johnny Horizon '76," an environmental action campaign to clean up America, is gaining support, and 27 national religious societies have planned programs to commemorate the Bicentennial.

There are many school programs which serve to better educate our children about our Nation's past, as well as instilling in them an awareness that our future is guided by the activities we engage in today.

Truly, America is responding to the Bicentennial by reminding ourselves once more of our heritage of 200 years, celebrating the story of our Nation's beginning, and reflecting on how we can prove ourselves worthy of our great heritage in the years ahead.

GENERAL LEAVE

Mr. ENGLISH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentlewoman from Louisiana (Mrs. Boggs).

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PANAMA CANAL: AMERICAN LEGION EXPOSES STATE DEPARTMENT PROGRAM FOR SURRENDER OF CANAL ZONE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, over a period of years in connection with the movement to give away the Panama Canal led by the U.S. Secretary of State, I have noticed the growing number of civic, fraternal, and patriotic associations that have strongly opposed any surrender of U.S. sovereign rights, power, and authority over the Panama Canal and its indispensable protective frame of the Canal Zone. Among them is the national organization of the American Legion, which operates in this matter through two of its commissions: One on foreign relations, with Dr. Robert P. Foster as chairman; and the other on national security, with Emmett G. Lenihan as chairman.

As the national policy of the American Legion calls for retention of the undiluted sovereignty of the United States over the U.S.-owned Canal Zone and for the major modernization of the Panama Canal, it is alert to all developments affecting the security of our strategic trans-Isthmian waterway.

The latest events relating to the canal enterprise were summarized with a highly pertinent commentary in the January 15, 1976, "American Legion National Security-Foreign Relations Bulletin" which merits reading by all Members of the Congress, congressional staffs, and publicists throughout the Nation.

Mr. Speaker, as the Panama Canal item in the indicated bulletin and the correlated 1975 canal resolution of the American Legion National Convention should be of wide interest, especially in the Congress, I quote both as parts of my remarks:

The Panama Canal

Present United States policy is to give complete sovereignty of the Panama Canal to Panama. This policy is being orchestrated by several Departments of Government but principally by State and Defense.

The policy is relatively simple, if somewhat vague and illogical. Secretary Kissinger had been to Panama and made a deal with Panamanian Foreign Minister Juan Antonio Tack. The basic idea was to return sovereignty of the Canal Zone to Panama. The U.S. would retain for the time being the rights to regulate ship transit and operate, maintain, defend and protect the canal. Actual sovereignty would be returned to Panama by the turn of the century, say 25 years, and the U.S. would ever-so-gradually relinquish all its rights and jurisdictions, after Panamanians were prepped, qualified and ready to assume command and control.

The chief architect of United States policy is Secretary of State Henry Kissinger. His principal agent, advocate and negotiator is Ambassador Ellsworth Bunker. At Defense, Deputy Secretary William P. Clements and Chairman of the Joint Chiefs of Staff General George S. Brown, are enunciating administration policy. Both of these defense leaders recently presented the case for the Republic of Panama's sovereignty over the Canal to a select group of national organizations, including The American Legion.

The Clements-Brown briefing at the Pentagon was presumably intended as an icebreaker for some staunch defenders of the status quo, i.e., U.S. ownership. Latin Americans want Panamanian ownership. Panama wants it. So does the United Nations, were the briefers' arguments. The military spokesmen, without much conviction, stated that the UN might condemn the United States and that guerrilia warfare (Vietnam style) might ensue if it persisted in keeping the Canal. The spectre of the leading defense officials supporting a policy to give away the control of U.S. territory within small craft cruising distance of a communist controlled Cuba defies the imagination and logic of military oriented listeners.

The team of Clements and Brown, following a visit to Panama, had confirmed with Panamanian leaders that there was no hurry on the actual transfer of ownership—just as long as there was complete agreement on "what" was to be done.

Ambassador Bunker arranged a similar briefing for top U.S. investors in Latin America, including representatives of Ford Motor Company, Pan American Airlines, Chase Manhattan Bank, Shell Oil, Sears Roebuck, Gulf Oil and others. It would appear that Bunker's briefing achieved some success. Reportedly, this meeting resulted in the formulation of a new propaganda organization to change American thinking and sell the idea of giving the canal to Panama. A budget of $500,000 was pledged to support the new game plan.

The key word in all the dialogue is SOVEREIGNTY, or who owns the canal. With ownership flows all the legal and jurisdictional rights including the right to change timetables, game plans, transit rules and the rest, all depending on the political pressures and exigencies of the moment.

During the past week Panama's leader, General Torrijos, has been meeting with Premier Fidel Castro in Cuba. With Torrijos are 200 of his countrymen representing all walks of Panamanian life: workers, students, farmers, military officers, businessmen, folk dancers and two Roman Catholic priests. Torrijos reportedly is seeking widened international support for full sovereignty over the Canal Zone, and from the size and character of his delegation, it would appear that he wants Castro's help in running it. How obvious does a situation have to get before U.S. officials see it?

Not only is the Panama Canal issue on full display in Washington, it is also being watched by friends, allies and potential adversaries, as a barometer of will and spine inside the United States. Will Americans support a policy of continued U.S. ownership which is obviously in the national interest or will we abdicate and continue the decline of United States power and prestige?

The 57th National Convention of the American Legion Held in Minneapolis, Minn., August 19, 20, and 21, 1975, the Panama Canal, Resolution No. 173

Whereas, Under the 1903 Treaty with Panama, the United States obtained the grant in perpetuity of the use, occupation and control of the Canal Zone territory with all sovereign rights, power, and authority to the entire exclusion of the exercise by Panama of any such sovereign rights, power, or authority as well as the ownership of all privately held land and property in the Zone by purchase from individual owners; and

Whereas, The United States has an overriding national security interest in maintaining undiluted control over the Canal Zone and its treaties with Great Britain and Colombia for the efficient operation of the Canal; and

Whereas, The United States Executive Branch is currently engaged in negotiations with the Government of Panama without authorization of the Congress, which would diminish, if not absolutely abrogate, the present United States treaty-based sovereignty and ownership of the Zone; and

Whereas, The American people have consistently opposed further concessions to any Panamanian Government that would further weaken United States control over either the Canal Zone or Canal; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Minneapolis, Minnesota, August 19, 20, 21, 1975 that the United States must be vigilant against all efforts to surrender any of the U.S. sovereignty or jurisdiction in the Panama Canal Zone or over the Panama Canal obtained under the 1903 Treaty with the Republic of Panama, as amended and revised in 1936 and 1955; and be it further

Resolved, that The American Legion reaffirm its opposition to new treaties or executive agreement with Panama that would in any way reduce our indispensable control over the U.S.-owned Canal or Canal Zone; and be it finally

Resolved, that The American Legion urge the immediate resumption of the modernization of the present Panama Canal as provided under the current legislative measures for the Terminal Lake-Third Lock proposal.

SPECIAL PROSECUTOR ACT OF 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Drinan) is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, for the past several months, we have witnessed almost daily disclosures of apparently unlawful conduct by Federal agents in connection with their so-called "intelligence or counter-intelligence" activities. Investigative work by congressional committees, the media, and private organizations has revealed a widespread abuse of authority by a wide range of Federal agencies and employees.

At first it was believed that the illegalities were confined to a few isolated instances by overzealous officials of the

Central Intelligence Agency. That perception quickly yielded to a more ominous vision of unlawfulness when additional evidence disclosed a broad pattern of prohibited behavior. From the shadows of the Federal bureaucracy emerged frightening facts of intrusions into our rights by employees of the Federal Bureau of Investigation, the National Security Agency, the Internal Revenue Service, and the Secret Service, to name the most prominent.

The catalog of offenses is truly outrageous. It appears that Federal agents engaged in illegal searches, deprivations of civil and constitutional rights, obstruction of justice, violations of the postal laws, unlawful surveillance, prohibited acts against foreign governments, and other sordid conduct. It is impermissible that the perpetrators be allowed to escape liability solely because of their connection with intelligence functions.

A number of these alleged violations have been under investigation by the Department of Justice to determine whether prosecution is warranted. To date no indictment has been returned nor has any information been filed. Although the Department has known of these allegations, in some instancees, for many months, no formal charges have been instituted. As time passes the limitations periods of the alleged offenses reach their final hour. The statute of limitations for perjury, allegedly committed by former CIA Director Helms, for example, is reportedly about to expire.

I do not know whether the Department of Justice is deliberately dragging its feet on this critical matter or whether it has failed to uncover evidence warranting prosecution of present or former employees. But the historical relationships between the Department and the agencies under investigation should give us pause in lodging complete confidence in the Justice Department to perform impartially and dispassionately in these circumstances. We should recall that from 1954 until January 1975, the Justice Department essentially delegated its investigative and prosecutorial functions, involving alleged criminal conduct by employees of the CIA, to the Director of that agency. It has been reported that a similar arrangement obtained with the FBI.

In view of these factors, it is necessary, in my judgment, to assign the task of investigating and prosecuting offenses arising out of or in connection with the intelligence and counterintelligence activities to an agency other than the Department of Justice. Consequently, I am introducing a bill which would establish a temporary Office of Special Prosecution to have exclusive jurisdiction over these matters.

The bill is modeled after H.R. 11401, the Special Prosecutor Act of 1973, which the Judiciary Committee reported favorably in that year. This bill, however, differs in several important respects. First, it would authorize the President to appoint the Special Prosecutor, with the advice and consent of the Senate. The 1973 proposal would have established a judicial panel to make the appointment. Use of the judiciary raises important constitutional questions which need not be addressed in my bill. The allegations of illegality on the part of intelligence agents do not appear to involve the President in the same way as the allegations in the Watergate matter. To avoid those constitutional issues, my bill would employ the traditional manner of appointment. I should add that the special counsel employed to investigate and prosecute persons involved in the Teapot Dome scandal was appointed by the President with the concurrence of the Senate.

Second, unlike H.R. 11401, this bill would not impose any restrictions on the power of the President to remove the Special Prosecutor. Whenever Congress seeks to limit Presidential removal authority, the doctrine of *Myers* v. *United States*, 272 U.S. 52 (1926) is invariably implicated. In that case, the Supreme Court held that the Legislature did not have the authority to restrict the President's power to remove an officer performing purely executive functions.

Whether the Special Prosecutor falls into the classification of employees defined by the Myers decision is open to disputation. But again there is no need to explore those questions if it is unnecessary. The circumstances of the Watergate matter were of an extraordinary nature, calling for the exercise of rarely used congressional authority. The present subject does not arise in the same context, and the normal institutional arrangements would appear adequate for the task.

Furthermore, the reporting requirements in the bill would provide an early warning system to advise the Congress of the first sign of difficulties between the Special Prosecutor and the executive branch. It would be a foolhardy President, who, in the face of such disclosures, would fire the Special Prosecutor, and in effect reenact the "Saturday Night Massacre."

Third, H.R. 11401, of course, dealt with the Watergate matter. This bill would give a Special Prosecutor exclusive jurisdiction to investigate and prosecute offenses by Federal employees arising out of or in connection with intelligence or counterintelligence activities or operations. The proposal assigns to the Special Prosecutor the task of determining the charges to be pressed against individuals performing those functions who have violated the law. If you are a Federal agent who has undertaken intelligence or counterintelligence activities and if you have committed an unlawful act while so engaged, then you would be subject to the jurisdiction of the Special Prosecutor. The bill is not intended to give the new office unlimited authority, although its jurisdictional definition is sufficiently flexible to achieve the objective. Jurisdiction would include a rather narrow range of illegalities, although they might involve a large number of individuals.

Fourth, the 1973 bill contained an expedited judicial review procedure so that the work of the Prosecutor would not be unduly interrupted by repeated court challenges to its authority. That provision was inserted because of the unique appointing arrangement which the bill mandated. Because my bill travels the traditional road of Presidential appointment, such as expedited review procedure is unnecessary.

I should note too that some of the alleged offenses may presently be barred from prosecution by the statute of limitations. With respect to criminal violations, there is little we can do about that at this time. Civil remedies, however, may still be available. Thus my bill would authorize the Special Prosecutor to explore ways and to institute civil litigation to remedy some of these illegalities. It may be, for example, that a suit to expunge the records of individuals who were the subject of unlawful surveillance would be an appropriate device to correct past unlawful conduct.

It is of the highest importance that Federal employees engaged in intelligence or counterintelligence be held to the same standard as all citizens. Their duty to obey the law cannot be relieved merely because of the nature of their work. The maxim that no one is above the law applies with equal force to these Federal agents. This bill seeks to restore the belief of Americans in that premise, so seriously eroded by those to whom we have given very sensitive tasks.

The text of the proposal follows.

H.R. 11357

A bill to provide for a special prosecutor for Federal criminal offenses related to security functions and intelligence gathering

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Special Prosecutor Act of 1976".

APPOINTMENT AND REMOVAL

SEC. 2. The President, by and with the advice and consent of the Senate, shall appoint a Special Prosecutor, who shall head an Office of Special Prosecution.

JURISDICTION AND AUTHORITY OF SPECIAL PROSECUTOR

SEC. 3. (a) The Special Prosecutor has exclusive jurisdiction to investigate and prosecute in the name of the United States all offenses against the United States which the Special Prosecutor determines were committed by any Federal officer, employee, or agent in connection with or arising out of intelligence or counter-intelligence activities or operations. Such offenses may include deprivation of civil or constitutional rights, illegal searches, obstruction of justice, violations of the postal laws, making false statements, and conspiracy to commit any of these acts, as well as other offenses.

(b) The Special Prosecutor is authorized to take any action necessary and proper to perform the functions of the Office of Special Prosecution and carry out the purposes of this Act, including—

(1) issuing instructions to the Federal Bureau of Investigation and other domestic investigative agencies of the United States for the collection and delivery solely to the Office of Special Prosecution of information and evidence bearing on matters within the jurisdiction of the Special Prosecutor, and for safeguarding the integrity and inviolability of all files, records, documents, physical evidence, and other materials obtained or prepared by the Special Prosecutor;

(2) conducting proceedings before grand juries;

(3) framing and signing indictments;

(4) signing and filing informations;

(5) contesting the assertion of executive

privilege or any other testimonial or evidentiary privilege;

(6) conducting and arguing appeals in the United States Supreme Court, notwithstanding the provisions of section 518 of title 28, United States Code;

(7) instituting, defending, and conducting civil and criminal litigation in any court;

(8) exclusively performing the functions conferred upon the Attorney General of the United States under part V of title 18, United States Code (relating to immunity of witnesses), with respect to any matter within his exclusive jurisdiction; and

(9) referring any information indicating a violation of State or local laws to the appropriate State or local authorities for prosecution or other action.

(c) The Special Prosecutor may institute, in the name of the United States, any civil action for any claim arising out of or in connection with an offense or course of conduct the Special Prosecutor is authorized to investigate or prosecute under this Act.

COMPENSATION AND STAFFING

SEC. 4. (a) The Special Prosecutor shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(b) The Special Prosecutor may employ and fix the compensation of personnel in the Office of Special Prosecution as he reasonably determines to be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title (relating to classification and General Schedule pay rates), but at rates not to exceed the maximum rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(c) The Special Prosecutor may procure personal services of experts and consultants, as authorized by section 3109 of title 5, United States Code, at rates not to exceed the per diem equivalent of the rate for GS-18 of the General Schedule established by section 5332 of title 5, United States Code.

(d) Every department or agency of the Federal or District of Columbia government is authorized to make available to the Special Prosecutor, on a reimbursable basis, any personnel the Special Prosecutor may request. Requested personnel shall be detailed within one week after the date of the request unless the Special Prosecutor designates a later date. An individual's position and grade in his department or agency shall not be prejudiced by his being detailed to the Special Prosecutor. No person shall be detailed to the Special Prosecutor without his consent.

(e) For the purposes of subchapter III of chapter 73 of title 5, United States Code, the Special Prosecutor and the personnel of the Office of Special Prosecution shall be deemed employees in an executive agency.

DELEGATION

SEC. 5. The Special Prosecutor is authorized to delegate any of his functions to personnel of the Office of Special Prosecution, and to experts and consultants retained pursuant to section 4(c).

TRANSFER AND ACQUISITION OF FILES AND INFORMATION

SEC. 6. (a) All files, records, documents, and other materials in the possession or control of the Department of Justice, any previous special prosecutor, or any other department or agency of Government, which relate to matters within the exclusive jurisdiction of the Special Prosecuter appointed under this Act, are transferred to the Special Prosecutor as of the date on which he takes office.

(b) The Special Prosecutor is authorized to request from any department or agency of Government any additional files, records, documents, or other materials which he may deem necessary or appropriate to the conduct of his duties, functions, and responsibilities under this Act, and each department, or agency shall furnish such materials to him expeditiously, unless a court of competent jurisdiction shall order otherwise.

(c) The Special Prosecutor shall keep inviolate and safeguard from unwarranted disclosure all files, records, documents, physical evidence, and other materials obtained or prepared by the Office of Special Prosecutor.

GENERAL SERVICES ADMINISTRATION

SEC. 7. The Administrator of General Services shall furnish the Special Prosecutor with such offices, equipment, supplies, and services as are authorized to be furnished to any agency or instrumentality of the United States.

SPECIAL PROSECUTOR'S TERM OF OFFICE

SEC. 8. (a) The Office of Special Prosecutor shall terminate three years after the date the President first appoints a Special Prosecutor under this Act.

(b) Notwithstanding the provisions of subsection (a), the Office of Special Prosecution is authorized to carry to conclusion litigation pending on the date such office would otherwise expire.

REPORTS

SEC. 9. (a) The Special Prosecutor shall make as full and complete a report of the activities of his office as is appropriate to the President of the United States and to the Congress, on the first and second anniversaries of taking office and not later than thirty days after the termination of the Office of Special Prosecution.

(b) The Special Prosecutor shall make immediate and full report to the Congress at any time of a failure or refusal of a Federal agency, officer, employee, or agent to comply with the request or demand of the Special Prosecutor for information, if the Special Prosecutor determines that such failure or refusal jeopardizes an investigation or prosecution conducted under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are authorized to be appropriated such sums as are necessary to carry out the purposes of this Act, and notwithstanding any other provision of law, the Special Prosecutor shall submit directly to the Congress requests for such sums as are necessary to carry out the responsibilities of the Office of Special Prosecutor under this Act.

ERNST PRUSSING SCHOOL CELEBRATES GOLDEN ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, Ernst Prussing School, located on Chicago's Northwest Side in the 11th Congressional District I am honored to represent, is celebrating its 50th year of outstanding educational accomplishments in 1976. This fine educational institution has a splendid record of achievement and has served three generations of Chicagoans with dedication and devotion. Our Northwest Side community is proud of the Ernst Prussing School and our community is a richer and more vital place to live because of the school's emphasis on the highest standards of excellence.

Ernst Prussing School was dedicated on February 10, 1926, on a tract of land bounded by Giddings, Slocum, Mansfield, and Menard Avenues and was named for Ernst Prussing, who was a Chicago civic leader around the time of the great Chicago fire in 1871. As a member of the Chicago board of education, he was instrumental in the introduction of German language courses in Chicago public schools. The school opened its doors to 800 children in March 1927, and since that time, Prussing has had 82 graduation classes with some 4,200 young people receiving diplomas.

I send my heartiest congratulations to Principal Lorraine McFee, to Prussing's faculty and students, and to all the parents who are giving their strong support to the school and to the principles it represents, as they celebrate the 50th anniversary of the founding of the Ernst Prussing School, and I extend my best wishes to them for many more years of outstanding service to the people of our community.

Mr. Speaker, the principal of the Ernst Prussing School, Lorraine McFee, has written an article entitled, "Prussing: Recent Past, Today, Tomorrow," and that article follows:

PRUSSING: RECENT PAST, TODAY, TOMORROW

(By Lorraine McFee)

Prussing has changed in many obvious physical and organizational ways since 1968. It has also changed in less visible ways.

Modern lighting was finally a reality. Our new expanded, carpeted library resource center was dedicated earlier this school year. One by one the old desks disappear from the classrooms for the new moveable type. Room 108 is our Speech Center where we serve children from age three.

We said goodbye to old faculty friends: Mrs. Minarsini, Miss Barry, Miss Schlunz, Miss Dabelstein, Mr. Lundahl, Mr. Scott, Mrs. Kloempken, Mrs. Stewart, Mrs. Angell. We welcomed new young teachers and some luckily became permanent: Mrs. Apple, Mrs. Swirsky, Mrs. Soballe, Mrs. McClendan, Miss Wallace, Mr. Marcangelo and our current temps we hope will be permanent: Miss Hagstrom and Mrs. Bender.

A school reflects its pupils, the aspirations of the parents and the educational philosophy of the administrator and teachers. We believe children grow up faster and that the first requirement of education is that they learn to think and develop independence. We departmentalized our classes to utilize the special talents of our fine teachers. It began with seventh and eighth grade but this year it includes the lower intermediate years and even seven year olds travel for their reading classes. We accepted women's liberation—girls on patrol, girls at Lane, and this year co-ed gym. We accepted the break in the dress code and acting calmly it created no special problems.

Most exciting is our successful Humanities program. The school has benefitted with almost $10,000.00 in funds for instructional material. More important to us is our ability to fulfill the theme of Humanities: man is most human when he uses his mind to understand and expand his culture. The program began in the upper grades but careful planning and a great deal of work has expanded it down to include the seven year odds and widened to include Story Workshop and this year enriched mathematics. Cultural enrichment became financially possible and educationally desirable. Prussing pupils attended concerts and operas and produced Greek dramas. They searched, researched, understood and expounded the facts and concepts of the curriculum. Ability grouping made possible concentration on the problems of those having difficulty. Tutoring was given in first grade if needed by our adjustment teacher and this year an itinerant diagnostic teacher was added. Problems? Of course! Kids are kids but we think we see more thinking!

Our parent organization, always strong, has been mandated by the Board of Education to share in decision making on budget and purchases and this year are vitally involved in our Prussing Bicentennial celebration and rededication to American ideals.

The future? At Prussing we will continue to expand our program of encouraging creative and independent thinking and understanding, away from rote retention of facts. We will concentrate on remediating specific learning problems tailoring learning to utilize strengths and overcome weakness. We will offer cultural opportunities—give a taste and thus a choice. Most of all we will accept each individual child and with friendship and acceptance aid him to develop his best motives.

OUR BICENTENNIAL

(Mr. RHODES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RHODES. Mr. Speaker, this Congress today begins an historic session as we observe 200 years of American history under the greatest system of Government on Earth. As we recall the dedication and heroism of those who fought the American Revolution, we are offered the opportunity to rededicate ourselves to the principles and precepts that have guided us through perils from without and differences from within as this Nation has grown, developed and prospered over the past two centuries.

It is fitting that we have a special Bicentennial flag. The U.S. Capitol will be the focal point for millions of our people who will journey to our shrines of history during this year of celebration. The Centennial safe, with memorabilia from our country's Government and social organizations as they existed a century ago is a reminder of the struggles we have gone through and the progress we have made. It symbolizes the indestructibility of our system, which has become a bastion of freedom, and the envy of the world.

We in this Congress face many complex and serious issues. We can be inspired to do our very best by realizing that those who held the stewardship of Government before us faced up to, and prevailed over great challenges to our system and our Nation's well being. Our Bicentennial is a time for gratitude, for recognition of the wisdom of our founders, and a salute to Americans all down the line who for 200 years have fought and sacrified to preserve our Republic for present generations to enjoy.

NUCLEAR DANGERS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, for years we have heard the claims of those in the nuclear power establishment that there is nothing unsafe about nuclear powerplants. In fact, one advocate of nuclear power recently was so bold as to state that nuclear generators were among "the safest industrial facilities on earth." The nuclear industry, led by the Nation's electric companies, have scoffed at the fears of environmentalists and scientists, minimizing the dangers that sabotage, theft, or other unauthorized uses of uranium or plutonium as well as reactor malfunctions could endanger communities with nuclear generating plants.

I have never been able to quietly accept these assurances, though, and to ignore the many potential and life-endangering hazards which I believe are distinct possibilities. Two articles appeared last week which served to confirm many of my fears, as well; reporters Thomas O'Toole of the Washington Post and James Burnham of the New York Times published stories describing the various ideas that a few impressive think tanks have proposed that the Nuclear Regulatory Commission adopt for the protection of our nuclear facilities. O'Toole's story, entitled "Psychiatrists and Bazookas," described some of these unlikely and highly irregular contingencies, such as:

Employing psychiatrists at every plant to spot disgruntled employees bent on theft or sabotage.

Equipping guards with automatic weapons and bazookas to fight off terrorist attacks and Communist invasions.

Prohibiting activities such as gambling solely because they attract loansharks and organized crime figures.

Guarding the plants with a Federal police force.

I must admit that I am puzzled by these efforts. After all, if nuclear power is as safe as its advocates claim and we have nothing to fear from the 56 plants which have already been granted operating licenses by the NRC, then why such drastic measures?

Mr. Speaker, I suspect that if these extreme and even silly safety requirements are necessary to protect the American people, the dangers inherent in the mass production of nuclear electricity must be far greater than the industry's advocates would have us believe. Certainly no other industry in the Nation has spent the $2.6 million which the NRC has to study such exotic and even frightening security schemes to protect their facilities. Surely none but a few could afford to install such equipment as a $50,000 fingerprint ID machine or a $150,000 closed-circuit TV system that stores employee portraits for comparison. Most who could afford them have never considered them necessary.

One major reason is that other industries—safe industries—do not need this equipment. While they may suffer employee theft, these thefts cannot endanger the lives of millions of people. While some may have experienced industrial sabotage, which in fact has always been uncommon in this country as compared to others, it is not of the kind that could put an atomic bomb in the hands of a terrorist group. And finally, no other industry has ever advocated that a permanent Federal contingent of police or other special forces be assigned the responsibility of protecting it. The supreme irony of this last point is that by placing nuclear protection and therefore control over volatile nuclear materials in the hands of such a force, we endanger not only our lives but our peace, security, and freedom.

The fact is that, despite the claims of nuclear advocates, nuclear power remains a grave threat to our health and to our lives. The frightening "solutions" that the NRC's think tanks have devised ought to be an indication of just how frightening, as well, the dangers really are.

Theodore Taylor, an expert on nuclear theft dangers, told the Wall Street Journal last year that the total of missing materials since the nuclear era began 30 years ago could amount to "thousands of kilograms." The Journal pointed out that eminent physicists have warned for years that " a few persons, perhaps even one person," needs only 10 kilograms of plutonium or a similar amount of uranium to create "a crude transportable fission bomb." In light of this, we should consider the results of one study done for the NRC by the BDM Corporation of Vienna, Va., on "an analysis of terrorists' threats to the commercial nuclear industry." The study found that in the last 10 years, there have been at least 21 identifiable attacks by individuals or groups on nuclear facilities, and at least 77 such attacks by terrorist groups; this included one arson incident at the Indian Point 2 generator adjacent to my own congressional district.

BDM concluded that "a major attack on a nuclear site would tax the skill of the most professional and highly trained commando unit" and yet the NRC is still suggesting the creation of a special nuclear protection force within the Department of the Army for civilian deployment. Perhaps the NRC knows better than to play the percentages on a matter as crucial as this one. After 98 minor attacks, is there not strong possibility of a "major" one? We would do well, I believe, to think twice before proceeding further with nuclear development activities in the United States.

I am inserting the Post and Times articles in the RECORD:

[From the Washington Post, Jan. 11, 1976]

PSYCHIATRISTS AND BAZOOKAS

(By Thomas O'Toole)

There ought to be a psychiatrist at every factory processing uranium, plutonium or nuclear electricity in the United States to help spot disgruntled employees who might want to steal bomb materials or sabotage the plant.

Guards at these plants should be armed with automatic weapons and bazookas that fire heat-seeking missiles, to fight off possible terrorist attacks by helicopter.

Guards should also crack down on gambling in the plants because gambling attracts loan sharks and organized mobsters, who might subvert the workers into smuggling uranium out of the plant.

Terrorists and mobsters aren't the only threats that atomic factories may face in the years ahead. Cubans, Soviet intelligence agents and Chinese spies all might attempt atomic sabotage.

These are a few of the ideas being pushed by nuclear and security establishments around the country as the government readies plans to protect the growing nuclear industry from theft and sabotage.

Thefts of uranium and plutonium could put enough of the metals in terrorist hands for them to fashion a crude atomic bomb.

Sabotage of a nuclear power plant might mean the release of lethal doses of radioactivity to the air and water.

Putting psychiatrists in the factories and arming the guards with Redeye missiles are among the ideas contained in 31 study contracts awarded in the last year by the Nuclear Regulatory Commission for $2.6 million. The contractors include such prestigious think tanks as the Aerospace Corp., the Rand Corp., Sandia Laboratories and the University of California's Lawrence Livermore Laboratory.

Many contractors favor a federal police force to guard against theft of nuclear materials, partly because a federal force could be moved from plant to plant and partly because they might be better trained and less inhibited about using force if they had to.

The Nuclear Regulatory Commission is dead set against a federal protective force, as it's already being called, because it would cost as much as $30,000 a man per year and would be the first time federal police would be used to protect a civilian industry except in emergency.

"We don't see a need for a nuclear police force," NRC Chairman William A. Anders said recently. "This is a civilian industry, and we ought to be able to deal with this threat in a civilian way."

The NRC, however, is planning to strengthen itself against theft whenever plutonium or weapons-grade uranium is being shipped from plant to plant.

Since last year, U.S. marshals have been escorting nuclear missile warheads in transit.

As many as 20 marshals ride in five escort cars in front and behind the warhead trailer while a surveillance helicopter flies overhead.

The NRC is not ready to go to helicopters and U.S. marshals for escorts, but it is thinking of making the trailers used to carry plutonium and weapons-grade uranium more like the trailers that haul real warheads.

These trailers are armored and built to resist bazooka shells. They can also be rendered immobile if they come under attack: their wheels can be blown off so the trailers can't be hijacked and their doors and walls can be made almost impenetrable.

NRC's contractors are also at odds with it over how much protection to provide for factories making and storing uranium and plutonium.

There are 20,000 pounds of plutonium and weapons-grade uranium in civilian storage plants today, but growing production will double it by 1980, increase it by fivefold in 1985 and tenfold by 1990.

The United States will have almost 700,000 pounds of plutonium and weapons-grade uranium moving through the civilian economy by the year 2000. That's enough for as many as 17,000 atomic weapons the size of the one that leveled Hiroshima 30 years ago, about half as many nuclear weapons as the United States has in its stockpile today.

NRC's contractors want things like voice identification cards for people working in nuclear factories, but the NRC isn't sure the industry can afford such exotic devices.

One contractor has proposed ID cards that open doors by coded fingerprints, hand geometry (length of fingers, roundness of fingertips, translucency of skin) and even the patterns drawn across individual eyeballs.

Another contractor has suggested nuclear factory fences which, when tampered with, release riot gases and sound alarms that human ears cannot tolerate.

The costs of schemes like these run high. One fingerprint ID machine costs as much as $50,000 to install and $370 a month to service. A closed-circuit television system that splits images and brings up stored portraits for comparison costs $150,000.

The NRC also differs with its contractors over who presents the greatest threat to its security in the years ahead.

The contractors have identified foreign agents, terrorists and the Mafia as those most likely to want to steal plutonium and uranium.

The NRC doesn't belittle the danger from these groups, but chairman Anders said: "It's not the dissident country or the terrorist squad we're going to have to watch. It's the disgruntled employee."

[From the New York Times, Jan. 12, 1976]

NUCLEAR AGENCY IS REPORTED READY TO OPPOSE SPECIAL FORCE TO COMBAT TERRORIST ATTACKS AT FACILITIES

(By David Burnham)

WASHINGTON, January 11.—The Nuclear Regulatory Commission is expected to tell Congress this week that the threat of terrorist attacks on atomic reactors and other nuclear facilities does not justify the creation of a special Federal security force, according to several Government officials.

The commission, however, is considering recommending the possibility that an existing Defense Department agency such as the Army's special forces be given training to enable it to react to a situation where a terrorist band seizes and holds a nuclear facility for a relatively long period of time.

The report on whether a Federal police agency should be made a part of the Nuclear Regulatory Commission was mandated last year by Congress, which has become increasingly concerned about the possible havoc terrorist groups might cause should they seize a reactor or nuclear fuel fabrication plant or obtain plutonium or enriched uranium from which a homemade nuclear bomb could be manufactured.

The Federal security report is scheduled to be sent to Congress Jan. 19 or shortly thereafter. It is based on 14 studies by such groups as the Aerospace Corporation, the Lawrence Livermore Laboratory, the International Association of Chiefs of Police and the Stanford Law School.

RANGE OF PROTECTION

But many of the philosophical and technical questions raised in the analysis of the potential need for such a guard force were examined in a parallel but separate group of 11 other studies on the range of protection required if the commission approves the widespread use of plutonium to fuel civilian power reactors.

Plutonium is a heavy gray metal that can be extracted from the waste product of conventional atomic reactors and then reused as a fuel for them, The nuclear industry strongly supports the licensing of the so-called "plutonium fuel cycle" because it would in effect greatly increase the amount of heat that can be developed from a given amount of steadily more expensive uranium.

The possibility that plutonium may become a regular part of the production of energy in the United States increased in November when the Nuclear Regulatory Commission said it had decided to grant interim licenses for its use in commercial facilities. The decision was challenged in suits brought in Federal Court several weeks ago by the Natural Resources Defense Council, the Sierra Club, a Chicago-based organization called businessmen for the Public Interest and New York State on the ground that plutonium is far too dangerous a substance to be put into widespread use.

Several studies have shown that a band of well-informed terrorists might be able to fashion a homemade atomic bomb should they obtain a few pounds of plutonium. The material is also a lethal cause of lung cancer and could cause widespread delayed damage if it is dispersed in the air-conditioning system of a large building or in the atmosphere of a congested area such as Wall Street.

A number of the supporting studies, which cost the Nuclear Regulatory Commission about $2.6 million, have been placed in the commission's public reading room in the last few weeks without announcement. Many of the studies are still classified, apparently in the belief that their publication might prove useful to terrorists.

One study that was made public, for example, was done for $118,000 by the BDM Corp., a Vienna, Va., consulting concern, on "an analysis of terrorists' threat to the commercial nuclear industry."

The study found that from 1966 to 1975 there were at least 21 incidents where some individual or group attacked a nuclear facility. These included the bombing of a French nuclear plant in June 1975, the smuggling of uranium from an Indian facility in 1974, an incidence of arson at the Indian Point 2 reactor just north of New York City in 1971 and the theft of fuel rods in Germany in 1966.

77 ATTACKS LISTED

Examining the period between 1966 and 1975, the study identified at least 77 attacks by terrorists, only six of which produced injuries or damage to the attackers.

Analysis of these incidents and the array of security devices and guards at nuclear facilities, however, led the BDM report to conclude that "a major attack on a nuclear site would tax the skill of the most professional and highly trained commando unit."

"Very few illegal action organizations have the organization, training or level of skill necessary to carry out a major attack on a nuclear site," it said.

"If they undertook such an attack," the report continued, "there is a significant chance for failure or compromise due to the size of the group required, training time exposure, discovery on route or on target and denial by defense of the nuclear site."

The study concluded that "no assaults of any consequence have occurred on any nuclear facility due to the absence of motivation," and that "no evidence was found to support the contention that present groups have the resources to handle nuclear material and fabricate a dispersal device or nuclear weapon."

UNENCOURAGING

"To date, the risk and attractiveness balance with respect to nuclear targets has not tilted to the point where most of these type groups would be encouraged to act," it said.

The study identified a number of different kinds of groups that might conceivably be interested in attacking a nuclear site, including organized crime, dissident employees, reactionary extremists, revolutionaries and violent issue-oriented groups.

It concluded that the most immediate threat was posed by dissident employees and that organized crime was not a danger because "a market does not exist for special nuclear materials today" and involvement in such a hijacking might upset profitable operations such as gambling.

Several government official familiar with the commissions conclusions as of last week said that in the balance a new Federal force would appear to create more problems than it would solve.

"The question really is not whether a terrorist group might attack a facility but whether the Federal force would be any better in guarding against such an event than private guards hired by individual companies," an official said.

PERSONAL EXPLANATION REGARDING ABSENCE AND VOTES

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on the evening of Thursday, December 18, I departed for North Vietnam and Laos with the chairman and two other colleagues of the House Select Committee on Missing Persons in Southeast Asia to receive the remains of three American servicemen and to continue our discussions with North Vietnamese and Laotian leaders regarding American MIA's.

Because of this trip I unfortunately had to miss a number of votes in the House. Had I been present, I would have voted as follows:

THURSDAY, DECEMBER 18, 1975

Rollcall No. 818, final passage of H.R. 9771, Airport and Airways Development Act, "yea."

FRIDAY, DECEMBER 19, 1975

Rollcall No. 820, passage, under suspension of the rules, of House Resolution 943, providing for the concurrence with amendments in the Senate amendments to H.R. 10284, to amendment title XVIII of the Social Security Act regarding medicare deadlines, "Yea."

Rollcall No. 821, passage, under suspension of the rules, of House Resolution 944, providing for concurrence with amendments in the Senate amendments to H.R. 10727, to amend the Social Security Act to expedite the holding of hearings, "yea."

Rollcall No. 822, passage of motion to postpone consideration of Presidential veto message of H.R. 8069, Labor-HEW appropriations, "yea."

Rollcall No. 823, passage of House Resolution 939, providing for the consideration of Rules Committee reports on the same day as reported and providing for the adoption of such resolution by a simple majority rather than two-thirds majority, "yea."

Rollcall No. 824, passage of House Resolution 945, providing for House meetings on Tuesday and Fridays during remainder of 1st session, "yea."

Rollcall No. 827, passage, under suspension of the rules, and concurrence with amendment in the Senate amendments to H.R. 9968, to amend section 103 of the Internal Revenue Code of 1954 with respect to certain obligations used to provide irrigation facilities, "yea."

Rollcall No. 828, adoption of the conference report to S. 2718, Railroad Revitalization and Regulatory Reform Act of 1975, "yea."

ENVIRONMENT AND ECONOMY

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, in these times of economic hardship when unemployment lingers on at well over 8 percent, and business is trying to recoup its losses suffered in last year's recession, environmental concerns are all too often denigrated as unimportant in comparison to the need for American economic recovery. I have always maintained that we can do both. As the new organization, Environmentalists for Full Employment, have pointed out:

> It is possible to simultaneously create jobs, conserve energy and natural resources, and protect the environment.

Just how important it is to protect our environment and our health in the face of ever-increasing technological growth was emphasized in an article by Nicholas von Hoffman earlier this month. In his Friday, January 2, column entitled "Decease or Desist: Payin' the Ultimate Price is a Gas," von Hoffman relates the story of nine deaths one night in the small town of Denver City, Tex.—the result not of a gruesome murder nor a natural disaster, but of a hydrogen sulfide gas leak from a nearby Atlantic Richfield stripper well. The gas, which the Wall Street Journal says has caused at least 20 known deaths and an unknown number more, results in paralytic asphyxiation. At Denver City, the leak killed nine people—and scores of animals.

Mr. Speaker, as Congress this year considers such important legislation as a toxic substances bill and the Clean Air Act and deals with such controversial issues as nuclear development, plutonium use, and the pollution of our waters by PCB's, we would do well to keep Nicholas von Hoffman's warning about "ecotechnological death" as he put it, in mind:

> The engrossed doctrinaires like the FEA's Frank Zarb and America's Jerry Ford react to the panic that we are literally dying from the production of our wealth by insisting that it's not economically feasible to stop killing ourselves. We need our jobs more than we need our lives, but such is the reasoning of political fanaticism. Apparently, American capitalism is literally in its death throes; we can't afford to keep on living.

I believe we can afford to keep on living, of course, as does Mr. von Hoffman, I am sure, but he raises a number of important questions that this Congress and the Ford administration must begin to grapple with. Certainly his suggestion for a protest march, at which the victims of society's technological genius could throw their diseased organs over the White House fence, is certainly meant only in the spirit of satire—and, of course, the usual von Hoffman sarcasm. I seriously fear, however, that if we do not begin to address these issues soon, there will be little opportunity left for us to address any others.

For the benefit of my colleagues, I am inserting the von Hoffman article in the RECORD:

[From the Washington Post, Jan. 2, 1976]

A CASE OF DECEASE OR DESIST: PAYIN' THE ULTIMATE PRICE IS A GAS

(By Nicholas von Hoffman)

The description of the scene is like a Charles Manson murder. Two bodies were in a pickup truck outside the house. There was another body on the ground beside it. Across the road yet another body, and in a car by the house five more of the dead. Some were dressed and some were in their night clothes, as though the victims were fleeing a homicidal attacker who caught up with them. One of them had time to call the police and cry, "It's killing us! Why don't you send help," but death came before the help did.

There will be no sensational trial this time, however, no weird revelations, no coast to coast frisson of fear, no flash of publicity except perhaps for the article, not in The National Inquirer, but the Wall Street Journal.

The nine people found dead in the strewn postures of failed escape around the Denver City, Tex. home of J. C. Patton weren't murdered by a motorcycle gang last Feb. 2. They were killed by hydrogen sulfide gas from a nearby Atlantic Richfield Co. oil well. For this the Federal Occupational Safety and Health Administration has fined Atlantic Richfield the grandiloquent sum of $1,100. If that doesn't put big industry on warning to police up its safety practices, it's hard to think of what will. As for the relatives of the deceased, whatever consolation they may get will have to come from the suits they've filed, provided they win them.

The hydrogen sulfide gas, which in minute amounts causes death by paralytic asphyxiation, was being used to force residual oil up and out of the ground from a tired and mostly depleted well. Extraction of such a marginal deposit is in accordance with the government's program of increasing energy production, so you might say that these nine were the first heroic Americans to give their lives for Operation Independence. They should be entitled to burial at Arlington National Cemetery.

There have been many hydrogen sulfide gas deaths—The Wall Street Journal cites 20 and says there are an unknown number more, but ecotechnological death is usually less overtly violent. At Denver City, everything died, "sheep, dogs, cats, birds, rats and a donkey," according to the Journal. The ordinary way we Americans are bumped off is bit by bit in the liver from some on-the-job chemical or by the preservatives in the beer or by the gradual sickening that comes of going shopping in the downtown poison gas attack.

The reactionary professors of the Pat Moynihan stripe, although perhaps not our Ambassadorial stentor himself, hold that worry over death by commercial poisoning is the preciously effeminate concern of the parlor left, but a survey recently commissioned by the Federal Energy Administration suggests that's not so. The FEA has chosen not to publicize its results, and nothing is more unreliable than a poll, but this one does have figures indicating that almost half the population is amenable to paying $250 more per car if it will result in cleaning up the air even 10 per cent. A sizable number of other respondents are recorded as favoring curtailing death-emitting industrial developments. Maybe the reason why is that not less than 11 per cent said that at least one member of their families had in the last year suffered from an illness blamed on air pollution.

The engrossed doctrinaires like the FEA's Frank Zarb and America's Jerry Ford react to the panic that we are literally dying from the production of our wealth by insisting that it's not economically feasible to stop killing ourselves. We need our jobs more than we need our lives, but such is the reasoning of political fanaticism. Apparently, American capitalism is literally in its death throes; we can't afford to keep on living.

This intellectual pollution is being offered as sound, free market economics. Even monopoly capitalism isn't that debased. Health, clean air, pure food are just as much values as an automatic transmission or a tape deck with the car radio. Selling those optional extras didn't put anybody out of work, no more than selling clear, pink lungs will . . . if you want to call them extras.

But how do we convince Jerry Ford virtually everyone of us is willing to spend more to stay alive?

Maybe a protest is in order. One like Vietnam vets staged at the Capital when they marched past and threw their military medals at the place. We might march by the White House and throw the diseased organs of our dead friends and relatives. Black lungs, cancerous livers and clotted hearts.

PREDATORY TRADE PRACTICES

(Mr. GAYDOS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GAYDOS. Mr. Speaker, since I was first elected to Congress, I have frequently addressed my colleagues in the House on the steadily deteriorating condition of many of our domestic industries caused by the unfair exporting practices of our foreign trade partners. The specialty steel industry, in particular, has been seriously affected by a massive influx of foreign imports.

Today, I rise to inform my colleagues of the favorable action taken last week by the International Trade Commission in finding that foreign specialty steel imports were injuring the domestic specialty steel industry. By a 4 to 1 vote, the Commission made such finding and recommended that the President impose quotas on imports of stainless steel and other specialty steels.

The President has 60 days to consider whether to accept or reject the recommendation. If the President rejects the Commission's recommendation or adopts a form of relief different from that proposed by the Commission, then Congress would have 90 days in which to veto such action. In such case, the Commission's recommendations would then become effective.

Not only does the Commission's recommendation present the President with his first major international trade policy decision, but more important, it is a test of whether the Trade Act of 1974 is going to be effectively implemented to protect American industry from the various unfair trade practices of our foreign trade partners.

Although the specialty steel companies are only one segment of our steel industry, I am heartened by the fact that remedial action is being taken. If reasonable controls are extended to other affected industries, the prospects of reduced unemployment and economic stability will be greatly enhanced.

The International Trade Commission has demonstrated that it intends to carry out the intent of Congress, and for that, I join with representatives of the steel industry and its unions in commending the Commission for its action.

Today, I have written the President urging adoption of the Commission's recommendations and prevent a continuation of the predatory trade practices of foreign exporters of specialty steel.

WHAT WOULD NOT BE DISCUSSED THIS WEEK IN MOSCOW

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, it is increasingly evident that beyond limiting the number of strategic weapons launchers allowed to the United States and the Soviet Union any SALT II agreement will be characterized by what is not agreed upon. As noted in an editorial in the New York Times on January 17, the deadlock in SALT II, stemming from "two weapons of secondary importance", the Backfire bomber and the strategic cruise missile, is endangering the real purpose of SALT: the enhancement of our national security through mutual reduction in the strategic arsenals of the Soviet Union and the United States.

As reported, the administration's most recent proposal for dealing with the Backfire-cruise missile impasse would waive the launcher limitation for both weapon systems. This proposal is modified by restrictions on the numbers and capabilities of both systems, but essentially it would allow an increase in the nuclear capability of both nations and in the case of the cruise missile raises serious questions about the ability of either side to verify compliance with the proposed restrictions.

Of even greater concern is a report which appeared in the New York Times of January 18, indicating that once again there has been a decision to sidestep the question of mobile ICBM's. Indeed, it appears that the purpose of SALT has changed from the reduction of nuclear arsenals to legalizing the concealment of nuclear weapons, both qualitatively and quantitatively. It was once argued that stability in a nuclear age depended on clear and sound judgments about the capability of either nation to deliver and respond to nuclear attack. With the development and eventual deployment of cruise missiles and mobile ICBM's the ability to make those judgments will become clouded, regardless of what is agreed upon in SALT. If knowledgeable and concerned officials can become upset over the construction of a radar facility on the Kamchatka Peninsula, I can easily imagine the fears and "missile gaps" which will appear as both nations begin to deploy cruise missiles and mobile ICBM's.

Even with the glaring omissions evident in the SALT II negotiations I would continue the process so long as there is a promise that reductions will be negotiated. But as SALT begins to take on a life of its own, the continuance of negotiation for the purpose of negotiation, and its original promise dims, we had best beware of the direction which we are taking.

I would like to bring to the attention of my colleagues three articles which appeared in the New York Times, they follow:

[From the New York Times, Jan. 16, 1976]

U.S. GIVES SOVIET A PLAN TO SETTLE ARMS CURB ISSUE

(By Leslie H. Gelb)

WASHINGTON, January 15.—The United States has submitted to the Soviet Union a new proposal on limiting strategic nuclear arms that attempts to resolve a deadlock over two controversial weapons systems—a Soviet bomber and an American missile.

The proposal, which was handed by Secretary of State Henry A. Kissinger to the Soviet Ambassador Anatoly F. Dobrynin, last night, would require the Soviet Union to count some of its new Backfire bombers as being among the 2,400 missile launchers and bombers that it would be allowed under any new agreement.

The ceiling of 2,400 offensive nuclear weapons was agreed upon in principle by President Ford and the Soviet leader, Leonid I. Brezhnev, during their meeting at Vladivostok in 1974.

ADMINISTRATION DIVIDED

Under the current American proposal, certain versions of the Backfire, as the plane is known in the West, would be allowed above the 2,400 limitation but under restrictions. This approach represents a toughening of the previous American proposal of last September, which would have allowed Moscow to deploy up to 275 Backfires.

That proposal was rejected by the Russians, who contend that the Backfire is not a strategic bomber and should not be counted at all. The Ford Administration is divided on the subject, with the military arguing that the plane could become a long-range bomber.

The other part of the deadlock is over how to deal with the long-range cruise missile, or guided pilotless craft, being developed by the United States. Washington has contended that the weapons system does not fall into the same strategic category as ballistic missiles or long-range bombers. The Soviet position is that cruise missiles that can fly beyond 375 miles should be counted within the 2,400 ceiling.

The issues are to be discussed by Secretary Kissinger next week in Moscow.

The American proposal of last September, which the Russians rejected, would have allowed the United States to deploy these missiles on a large number of aircraft, ships and submarines and would have permitted certain kinds to have a range as high as 1,500 miles.

The current proposal would further restrict the number and ranges of these missiles and thus represents, on this issue, a softening of the American approach.

In speaking of the new proposal, however, Administration officials stressed that it was a tentative one. They said President Ford had yet to decide how much flexibility Mr. Kissinger should be allowed to deviate from the proposal once he arrived in Moscow.

Mr. Kissinger, who is to be in Moscow next week from Tuesday to Friday, said at a news conference here yesterday that he was making the trip because the Soviet Union had promised a "significant modification" of its position in the stalled talks for a treaty on offensive nuclear weapons. Previously the Secretary's position had seemed to be that he would go only if the Soviet Union first presented a new proposal.

The proposed treaty would go into effect on the expiration in 1977 of the interim agreement on offensive arms signed by President Richard M. Nixon in Moscow in May 1972. At that time Mr. Nixon also signed a treaty limiting defensive nuclear weapons systems.

President Ford is to hold a National Security Council meeting before Mr. Kissinger leaves.

Officials said they expected hard bargaining between Mr. Kissinger and the Joint Chiefs of Staff. As the officials explained it, Mr. Kissinger attaches greater importance to reaching a new arms treaty this year than do Pentagon officials and military leaders.

But whatever the Pentagon-State Department differences over the strategic and diplomatic value of a new nuclear pact at this time, sources in and close to the White House relate that Mr. Ford now sees a new arms control agreement as a major political benefit for himself.

RISK WITH CONSERVATIVES

Political advisers to the President have been arguing for some time over the risks Mr. Ford would be running with Republican conservatives in the early Presidential primaries versus the gains with the general public in the Presidential election itself.

There has been considerable discussion within the Administration over whether the Russians have made a sufficient move. According to participants in the discussions, the dispute was over what Soviet leaders had to do before Mr. Kissinger would go to Moscow.

When Mr. Kissinger received assurances from Mr. Dobrynin that Moscow was prepared to make "significant modifications" in its proposal, the Secretary was said to have felt this was sufficient. Others argued that Moscow should either formally present a new proposal or, at least, give details. Mr. Kissinger prevailed.

But, the informants said, pending the National Security Council meeting before his trip, Mr. Kissinger did no better than hold his ground on his contention that major concessions should now be made by Washington.

Until last November, Mr. Kissinger had been arguing that the Soviet Union had come more than half way in the agreement reached by Mr. Ford and Mr. Brezhnev in Vladivostok in 1974 and that the United States had to take the next major steps.

At Vladivostok both sides accepted in principle not only a ceiling for each country of 2,400 long-range missile launchers and strategic bombers but also a subceiling of 1,320 missiles equipped with multiple warheads, which can strike widely separated targets.

Previously, Moscow had rejected the principle of equal numbers because, they argued, they also had to take account of American aircraft with nuclear bombs stationed in and around Europe, as well as British, French and Chinese nuclear arsenals.

The proposal that Mr. Kissinger presented to Mr. Dubrynin suggested, according to officials, that cruise missile ranges should be limited to 3,300 miles for those launched from land, 1,200 miles for sea-launched versions and 1,500 miles for those launched from planes.

Under the proposal, the Russians would be permitted to deploy 275 Backfires above the 2,400 limitation provided that the planes were not equipped with cruise missiles. Certain additional basing and refueling restrictions that would make long-range flight difficult would also be included.

In return, officials said, the United States would be able to deploy cruise missiles on 200 ships and maintain a force of 75 bombers of the FB-111 class.

Moreover, the United States would restrict its deployment of air-launched cruise missiles to no more than 250 long-range bombers of the B-52 class.

State Department officials said that the new proposal basically uses the same framework as the September proposal but gives the Russians more choices.

[From the New York Times, Jan. 17, 1976]

MISSION TO MOSCOW

The decision to have Secretary Kissinger visit Moscow next week to seek a breakthrough in the deadlocked strategic arms limitations talks (SALT II), despite the fast-deteriorating Angola situation, is soundly based. While strains on any front must unavoidably hinder negotiations on other issues, the mutual Soviet-American interest in dampening down the nuclear arms race separates it from all other aspects of their limited adversary relationship.

"We have never considered the limitation of strategic arms as a favor we grant to the Soviet Union, to be turned on and off according to the ebb and flow of our relations," Mr. Kissinger said Wednesday. This was an admonition to such Administration critics as Ronald Reagan; but the more important question is how far the Ford Administration—and the Brezhnev Administration in Moscow—are prepared to challenge their military advisers in curbing the buildup of new nuclear weapons.

* * * * *

The irony in the SALT II deadlock is that it concerns two weapons of secondary importance and yet threatens the vital limitations on the primary weapons of destruction that were agreed in principle at Vladivostok in November 1974.

The Vladivostok accord would limit the strategic ballistic missiles that could destroy both countries in 40 minutes. The Soviet Backfire bomber and American cruise missile that have taken center stage in the recent SALT controversy are slow, subsonic delivery systems that, under any realistic agreement, would only add marginally to the overkill both sides already possess.

Most important, both Backfire and the cruise missile are second-strike rather than "first-strike" weapons, since they would take hours to arrive on target, giving far too much warning to be used in a pre-emptive blow. The Vladivostok agreement places ceilings that are much too high on potential first-strike weapons—limiting MIRV multiple warhead missiles to 1,320 and other strategic missiles and bombers to an additional 1,080—but the hope is that these ceilings subsequently can be reduced.

A reduction of the MIRVed missiles, to 900 or less, with half of them deployed at sea would head off for a very long time the possibility of either side acquiring a credible first-strike capability against the land-based forces of the other. It would also head off the critical danger of "crisis instability," the danger that either side would be tempted to shoot first in a crisis for fear of the theoretical advantage the other might gain if it sought to destroy the bulk of the adversary's land-based forces with a small portion of its own multiple warhead missiles.

* * * * *

The effort to consolidate the Vladivostok agreement and to proceed to such reductions must not be permitted to break down in the dispute over the Backfire bomber and the cruise missile. There are many ways to limit both these new weapons to a level that would not substantially affect the stability of the nuclear balance. The best way would be to ban them both.

Short of that, limits on numbers and range can be imposed that would head off a major addition to strategic capability. This, undoubtedly, is the route the Brezhnev-Kissinger talks will take, since neither Government evidently is prepared to challenge its military completely.

An imperfect agreement, however, will be better than none, if it includes—or even keeps the way open for—the vital reduction in ceilings on first-strike weapons to which both sides are committed in principle by the Vladivostok accords.

[From the New York Times, Jan. 18, 1976]

OWN ARMS OFFER REJECTED BY U.S.

(By Leslie H. Gelb)

WASHINGTON, January 17.—The United States last spring turned down one of its own proposals for limiting strategic arms after the Soviet Union had accepted it, according to high Administration officials.

The proposal was to ban mobile intercontinental missiles, which are still in the development stage and would be launched from aircraft or railway cars, trucks, and barges.

Before the Soviet acceptance, the officials said that the consensus in the United States Government was that mobile missiles would be more to Moscow's advantage, because the Soviet Union had a larger territory for concealment. After the Russians agreed, the United States decided that it was more important to keep American options open.

American analysts explained the Soviet shift this way. Moscow decided that it had more to fear from the development of a new American intercontinental missile launched from the C-5A cargo aircraft than it had to gain from going forward with its own land-based mobile missile program.

A DEAD ISSUE NOW

The officials said that the ban was a dead issue now. Both sides are accelerating programs to develop mobile missiles. The Administration will spend about $40 million this fiscal year and is expected to ask for about $70 million next fiscal year.

The deployment of land-mobiles may also make future arms control agreements more difficult, the officials said. It will be difficult to know how many there are. They move around and can be camouflaged. If both sides in the future would want to reduce the number of missiles on each side, it would be difficult to verify that the new ceilings were not being violated.

After the Soviet leaders last year reversed their four-year-long rejection of the idea, the officials said, Secretary of State Henry A. Kissinger found that he was alone in still supporting the plan and decided not to fight for it, the official said. He felt he had other, more important fights to make.

One high official gave his own interpretion of these events.

"After sitting through the discussions on this after we got the Soviet acceptance, I can only conclude that Schlesinger, Iklé and the Joint Chiefs of Staff went along with putting the ban in our proposal only because they felt the Russians wouldn't buy it."

James R. Schlesinger was Secretary of Defense at that time. Fred C. Iklé is director of the Arms Control and Disarmament Agency.

ISSUE OF MINUTEMAN DEFENSE

The debate over mobiles began in earnest in 1970. One group, centereed mainly in the Arms Control and Disarmament Agency, then led by Gerard Smith, contended that whenever there was a chance to eliminate new weapons technology, it should be grasped. They also stressed the vertification problem. But most Administration studies and meetings did not approach the problem this way.

Discussion on what to do about mobiles came up in the context of what to do about the presumed future vulnerability of the United States Minutemen missile, which are launched from silos and are readily identifiable. The fear was that as Soviet missile accuracy improved and the payload on missile increased, Moscow would be able to destroy almost every Minuteman.

This would leave the United States with 41 strategic submarines and 450 long-range bombers to hit back at Soviet cities. This was not considered safe enough to fight nuclear wars. A solution had to be found for minuteman vulnerability.

The answer began to focus on making a new version of the Minuteman mobile. But then the debates swung against mobiles for three reasons. First, Americans would not accept and Congress would not approve mobiles roaming around the country. Second, they could be stolen by terrorist groups. Third, the Soviet Union was a bigger place to hide them than the United States.

The ban on mobiles was then incorporated into the American negotiating proposal. To back it up, the Air Force began to test an air-launched intercontinental missile. The idea was that this would be a bargaining chip. If the Russians gave up their landmobiles, the United States would give up its air-mobiles.

When Mr. Kissinger informed the Russians later in the spring that the United States would not accept their acceptance of the American proposal, the officials said, the Russians did not press the point.

MILITARY MANPOWER STRENGTH ASSESSMENT AND RECRUITING RESULTS FOR MONTH ENDING NOVEMBER 30, 1975

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, Assistant Secretary of Defense (Manpower and Reserve Affairs), William K. Brehm, announced that preliminary results show that the total active strength of the four military services at the end of November was 2,099,000. This was 99 percent of the November objective of 2,107,000. Actual strength and service objectives for November are shown below:

ACTIVE MILITARY STRENGTH—END OF NOVEMBER 1975 (PRELIMINARY)

[In thousands]

	Objective	Actual	Percent of objective
Army	779	774	99
Navy	527	528	100
Marine Corps	196	195	99
Air Force	605	602	99
Department of Defense total	2,107	2,099	99

Mr. Brehm also announced that the services recruited 33,600 men and women in November surpassing their objective of 33,100. Army recruiters exceeded their recruiting objective for the second consecutive month since implementation of the weekly quota system in August.

ENLISTED ACCESSIONS—ALL SOURCES

[To nearest 100]

	November 1975		
	Objective	Actual	Percent
Army	14,500	15,100	104
Navy	8,600	8,400	98
Marine Corps	4,000	3,900	98
Air Force	6,100	6,200	101
Department of Defense total	33,100	33,600	101

In November, 96 percent of all non-prior-service enlistees were in mental categories I–III, the average and above average mental groups. High school graduates amounted to 73 percent of all non-prior-service enlistments. Women accounted for 9 percent and blacks made up 16 percent of all non-prior-service enlistments in November.

The total selected Reserve strengths at the end of October were 3,400 below the September end-strength.

SELECTED RESERVE STRENGTHS

[In thousands]

	End-strength October 1975 (preliminary)	Average strength	
		Fiscal year 1976 through October	Fiscal year 1976 appropriation
Army National Guard	388.1	390.6	400.0
Army Reserve	220.3	222.4	219.0
Navy Reserve	99.1	98.8	106.0
Marine Corps Reserve	31.3	31.3	32.5
Air National Guard	93.5	93.9	94.9
Air Force Reserve	50.9	50.8	51.8
Total Department of Defense	883.2	887.8	904.1

PRIVACY ACT DIGEST

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the last week in January the Federal Register will publish "Protecting Your Right to Privacy: Digest of Systems of Records; Agency Rules," the digest of notices of Federal records systems and implementing regulations in accordance with the Privacy Act of 1974, Public Law 93–579. As a result of this act, individuals have been able to see the Federal files covered by the act since September 27, 1975. Individuals can now see whether material in their files is relevant, accurate, and current, and if it is not, there are mechanisms for making corrections. I take great pride in this landmark legislation, because I proposed the first legislation on the subject in 1969 and later cosponsored with Congressman BARRY GOLDWATER, JR. the bill which in amended form was enacted into law.

The Privacy Act Digest abstracts notices and implementing regulations previously published in the Federal Register from 90 Federal agencies concerning 6,600 systems of records. This Digest includes approximately 95 percent of the agencies covered by the Privacy Act. The Digest is 740 pages and will be available from the Government Printing Office for about $7. Two copies will be sent to each congressional and Senatorial office and 10 more upon request. Additional copies can be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, GPO bookstores, or by calling GPO Customer Information 202–275–3033.

A compilation of all Privacy Act statements in the Federal Register will be published this spring and will also be sold by GPO. It is expected to be about 4,000 pages. Neither the Digest nor the compilation will automatically be sent to Federal Register subscribers as part of their subscriptions.

In the 1st session of the 94th Congress, Congressman BARRY GOLDWATER, JR. and I introduced the Comprehensive Right to Privacy Act, H.R. 1984, which extends private safeguards to state and local governments and to private sector organizations. The Privacy Act Protection Commission, of which Congressman GOLDWATER and I are members, is examining this potential extension of the Privacy Act. Its final report to the President and to Congress is due June 10, 1977. An interim report is expected this summer. I believe the Commission is vigorously pursuing a rather difficult mandate to recommend provisions to protect individual privacy while meeting the legitimate needs of Government and society for information.

ON BANNING THE CONCORDE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Concorde supersonic aircraft should not be allowed to land in the United States. The most compelling reason to let that plane land is to prevent difficulties between this country and our allies Britain and France. This is not reason enough. On the other end of the scale, we must put the health and welfare of our own people; the choice is simple and clear.

The Concorde will be far more noisy than the FAR 36 regulation allows for post-1969 aircraft, even without considering the sonic boom which is already prohibited. The environmental impact statement—EIS—released in November 1975, concludes that outdoors, the Concorde is twice as loud as our noisiest jet aircraft, such as the Boeing 707 and the DC–8. It is fully four times as loud as wide-body subsonic aircraft such as the 747 and DC–10, and the noise-induced vibrations are roughly five times that of conventional aircraft. Furthermore, the Greater London Council has noted that the SST spreads noise over an area of 27 square miles, compared to only 6 for the Lockheed Tristar. Possibly, the most important addendum to these statistics is the EIS conclusion:

> Technological solutions to the Concorde's noise levels are not now economically feasible, nor are future improvements expected for the present design.

But looking beyond this, I see a threat to many more Americans than those near JFK or Dulles Airports. Laboratory models and expert physicists show a real possibility of depletion of the ozone layer by high-flying aircraft. As a result of depleting this layer, which screens ultraviolet rays, "the limited number of flights to the U.S. may create an incidence of 200 new cases of nonfatal skin cancer in the U.S. each year," according to the EIS.

It is argued that the small number of flights planned would cause only limited noise and discomfort. However, it is essential that the precedent of allowing supersonic aircraft in this country not be established. If the French and British are allowed to fly Concordes, then why not the airlines of other nations? If 6 are allowed, why not 60?

Included among the arguments for the Concorde is that of "fairness." The aircraft applied for certification 4 years before FAR 36 noise regulations went into effect in 1969. It is claimed that it would be unfair to ask conformity with rules which did not exist at the time it was designed. However, the Concorde is not required to conform to rules on a technicality, it is required to conform in favor of the comfort and health of the people of this country.

The Concorde has been a problem for years. According to Anthony Lewis of the New York Times, the British Government in 1964 tried to cancel the project, but ultimately bowed to pressure from General de Gaulle. The decision on the Concorde was a bad one, and the bureaucratic decisions since to maintain it have been unfortunate mistakes. It appears that we are not bound by any treaty to the British and the French that contemplates allowing aircraft to land that would be unduly disturbing to our people. We should not feel obligated to bail our allies out of a series of errors in judgment.

The discussion boils down to a simple case of balancing social costs versus financial costs. We risk the annoyance of our longtime allies or the well-being of our citizens. The Concorde is a noisy aircraft which threatens the comfort of those in New York and Washington, and which may endanger everyone's health. Some argue that we will be exposed to the destructive effects of the Concorde on our atmosphere even if this plane only lands at foreign airports. Others point to uncontrolled contributors to ozone depletion such as aerosols. I feel that we should make every effort to limit damage to the ozone layer, and the Concorde is a good place to start.

Let us judge the aircraft on its merits, not on its national origin. Why should we exempt foreign supersonic planes from noise standards to which American aircraft must conform? Why should we submit the American people to further environmental hazards? I am convinced that there are no adequate reasons. We should not let this plane land.

MAJOR SETBACKS FOR BASEBALL'S RESERVE SYSTEM AND FOOTBALL'S ROZELLE RULE

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, two major developments in the past month have eased the restrictions imposed by professional sports leagues on athletes who wish to change the teams for which they play. First, an arbitration panel ruled that a baseball team may involuntarily renew a player's contract for a period of only 1 year, after which the player can become a "free agent." Second, a Federal District Court ruled that pro football's "Rozelle Rule" constitutes a per se violation of the antitrust laws. If upheld on appeal, these decisions will result in increased competition among the teams for the services of professional athletes.

I am particularly interested in this subject because I introduced H.R. 2355, which would prohibit the Rozelle Rule and other anticompetitive league-enforced practices and which would sharply restrict the "reserve systems" used in most professional sports. On introducing H.R. 2355, I said that it "would prohibit a web of invidious practices which team owners and league officials in various sports have instituted to prevent athletes from contracting freely for their skills and services." In the January 29, 1975 CONGRESSIONAL RECORD, I also include excerpts from Kapp against NFL, in which a Federal district court ruled that professional football's reserve system—along with other practices enforced by team owners and league officials—violates the antitrust laws.

Baseball long ago was exempted from the antitrust laws by judicial decision although the Supreme Court has several times "invited" Congress to repeal this exemption. Accordingly, the arbitration panel's baseball ruling did not focus on antitrust issues. Instead, the decision was based upon contract law principles, which led the panel to conclude that baseball's "automatic renewal clause" does not permit year-after-year involuntary renewal of a player's contract by the team which claims to have "legal rights" to the player's services. Because the decision was made in a grievance proceeding involving only two players—Andy Messersmith and Dave McNally—it has limited applicability unless league officials choose to appeal the arbitration panel's decision to the Federal courts. Nonetheless, the panel's ruling constitutes the first successful challenge to baseball's reserve system, by which the owners and league officials have claimed that the exclusive rights to negotiate with a particular baseball player are reserved to a particular team until that team trades or releases that player.

In the recent football decision—Mackey against NFL—U.S. District Court Judge Earl Larson held that the antitrust laws are violated by the enforcement of the Rozelle rule, which requires that, when a player "plays out his option" with one team and contracts to play for another, the second team must compensate the first—with the NFL commissioner to determine the specific compensation in the event the teams are unable to agree. After 55 days of trial with 68 witnesses, 400 exhibits, and 11,000 pages of transcripts, the court flatly rejected the major contention of the owners and league officials that the Rozelle rule was an issue for collective bargaining, rather than for antitrust litigation. The court ruled that there was no labor exemption available to the clubs and the league and it held that the Rozelle rule is a "nonmandatory, illegal subject of bargaining." Also rejecting the economic justifications suggested by the NFL, the court determined that the Rozelle rule does not protect any investment of the owners, that it has not had any material effect upon "competitive balance" of the teams in the league, that its elimination would not result in a reduction of team quality or of the number of franchises, and that its elimination would have no significant immediate disruptive effect upon professional football.

The Kapp and Mackey decisions indicate that, from an antitrust law standpoint, the courts are going to treat the business of professional sports like any other business. However, since district court decisions are not binding on those in other districts, and because of the judicially created exemption for baseball, I am today introducing legislation to repeal the court-created antitrust exemption which professional baseball now enjoys, and to state that the antitrust laws apply with full force to the businesses of all professional sports. It is time that these sports businesses be treated the same as other businesses. When Congress has granted statutory antitrust exemptions, there have been important policy considerations. With respect to baseball and other professional sports, no such important policy consideration justifies an antitrust exemption.

Following these remarks are excerpts from the Mackey decision, along with favorable editorial comment from the Washington Star and the New York Times:

[From the New York Times, Jan. 3, 1976]

N.F.L. COMPETITION

When Federal District Judge Earl Larson decided that the "Rozelle rule" violated the antitrust laws, he struck a blow against the fantasies with which owners of professional football teams have successfully cloaked their operations. He also shoved the National Football League toward acceptance of the plain facts that professional football is large-scale business and that its employees have rights even if they are athletes.

Most American workers are free to change employers if they have an opportunity to improve their circumstances. Professional football players on the other hand have been required to offer their services to their original employer for a year after the expiration of their employment contracts. Then, any new employer was required to return something—a player or a draft choice—of roughly equivalent value to the players' original employer. That latter requirement—called the "Rozelle rule" after N.F.L. Commissioner Pete Rozelle—has severely limited the players' ability to seek better opportunities for themselves. It is this rule that Judge Larson struck down.

A number of the club owners have reacted to the decision with indignation, based on the special status which businesses purveying professional athletic competition have long claimed for themselves. There are dire predictions that rich clubs in sunny climates will hire all the best players, leaving the other clubs to languish in the cold and in the cellar.

The problem with the employers' position is that this particular device for retaining competitive equality also tends to reduce competition between owners for talent and, incidentally, to reduce the salaries paid their employees. Moreover, despite such devices as the Rozelle rule, the same teams seem to turn up in the season-end playoffs with remarkable frequency. The *sine qua non* for success in professional football seems to be talented, imaginative and aggressive management and the ability to pick good players—not agreements in restraint of trade or arbitrary limits on a tight end's earning capacity.

[From the Washington Star, Jan. 2, 1976]

NEW RULES OF THE GAME

It's beginning to look as if professional baseball and football might get a healthy injection of old-fashioned free enterprise.

A labor arbitrator dealt a severe blow to baseball's "reserve clause" several days ago, and now a federal judge has administered a hearty whack to football's "Rozelle rule."

The reserve clause is that one-way street that binds a player to a single team for life. Unless, of course, the club's owner decides he doesn't want the player any longer, in which case the owner can fire, trade or sell the player without even discussing the matter with the gentleman whose future is at stake.

The National Football League doesn't have a reserve clause but its Rozelle rule restricts the players. Under that rule, named for NFL commissioner Pete Rozelle, a player may bargain with other clubs for his services after playing any additional year (an option year) after his contract expires, but any other club that signs him on is required to compensate his old team for lost services.

Since clubs are reluctant to sign "option year" players, this means that these so-called "free agents" aren't really so free. Taken together with the "college draft" (under which a college player plays professional ball with the team that drafts him or he usually doesn't play at all) and other contractual restrictions, a professional football player—like the professional baseball player—is subject pretty much to the whims and wishes of club owners.

In the baseball case, arbitrator Peter Seitz ruled that two pitchers who refused to renew their contract but had played for a year without one are now "free agents" and can sell their services to the highest bidder. In a court case filed by 15 former and present football players, Judge Earl Larson said the Rozelle rule violates federal antitrust laws.

Predictably, club owners are screaming that giving players freedom of movement will cause dislocations and disruptions that will seriously damage both sports. They argue that wealthier teams will wind up with the best players, poor teams will be consigned to the cellar in perpetuity and fans will stay away in droves.

We think their fears are out of proportion. Besides, we hadn't noticed any great spreading around of the best talent under the existing system. Teams that have, seem to get; at least certain ones show up most frequently in the playoffs, World Series and Superbowls. Getting rid of the player restrictions might even result in a better balance among teams.

In any event, we agree with Judge Larson when he said: "Even assuming the quality of play would decrease, that fact does not justify the (Rozelle) rule's anti-competitive nature."

No doubt the owners will appeal the decisions, but we suspect the days of owner dictatorship in sports are numbered. It simply is not acceptable that owners of sports clubs should, in effect, own human beings.

Club owners should quit whining about the demise of involuntary servitude in sports and get used to playing the game according to the rules that apply to other businesses.

MACKEY VERSUS NATIONAL FOOTBALL LEAGUE

(D. Minn., Dec. 29, 1975.)

LARSON, J. . . . The business of professional football is subject to the antitrust laws. . . . Defendant NFL and its member clubs have a complete monopoly over major league professional football in the United States. . . . Through the conclusion of trial Commissioner Rozelle had exercised his power under the Rozelle Rule of awarding compensation to the club to which a player had previously been under contract four times.

A better understanding of the Rozelle Rule requires analysis of other anticompetitive rules and practices of the defendants. Those rules, part of the reserve system of the NFL, impose severe hardships on a player prior to his ever becoming a free agent and act to discourage and deter players from playing out the option and achieving that status.

The draft—The player selection process of the defendants, commonly referred to as the draft, occurs annually in January or February. Virtually all players desiring to enter into professional football, and deemed qualified, are divided up by the defendants among the defendant clubs. Each such player is required to negotiate and deal with only that one defendant club to whom he has been assigned. The draft deprives players of the opportunity to negotiate with clubs other than the one club that drafted them. If the player does not desire to deal with the defendant club which selected him or if he is unwilling to accept the terms offered by it, he is effectively boycotted or blacklisted.

Standard Player Contract— . . . No club is allowed to employ a player who will not sign this form of contract. . . . [N]o modifications or departures are permitted that would open up a player's services to free competition between the clubs. . . .

Option Clause—This provision in the Standard Players Contract allows the club to unilaterally extend the player's contract for an additional year. . . . The Option Clause acts to discourage players from playing out the option and becoming free agents. It binds the player to an additional year during which he must play for the club. Further, under the Option Clause a club can, and in virtually all cases does, reduce the player's salary to 90% of the contract amount for the previous year. In most instances the player would prefer to sign a new contract with his club at the new salary offered him than play an additional year at a 10% reduction in salary. During this option year the player who has not signed a new contract faces possible informal discipline by disapproving coaches and owners.

Tampering—Competition for players' services is further frustrated by the so-called tampering rule. During the time a player is under contract with one club, including the option year, all defendant clubs are prohibited from negotiating with him or making offers to him. This prohibition runs to May 1, despite the fact that the club's regular season ends in the previous December. . . . The player has thus an unnecessarily small amount of time in which to bargain with other clubs if and when he finally achieves free agent status.

THE RESERVE SYSTEM OF THE NFL

At the end of the option year, which ends on May 1, a player theoretically gains his freedom and may bargain with any club. Such freedom appears to be illusory.

A club which desires a player who has played out the option and has become a "free agent" cannot sign that player without an agreement in advance as to what compensation it will pay to the club to which the player was formerly under contract, unless it is willing to risk an unknown compensation award by Commissioner Rozelle. *The fact that unknown compensation would be awarded has acted as an effective deterrent to clubs signing free agents without reaching a prior agreement on compensation with that player's former club.* The extreme reluctance of clubs to sign such a player without a prior agreement on compensation is clearly evidenced by the few isolated instances in which it has occurred since the adoption of the Rozelle Rule in 1963.

Numerous witnesses have testified that the Rozelle Rule has a chilling effect on negotiations between free agents who have played out the option and other clubs. . . . Consequently, if the club to which the "free agent" was formerly under contract is unable or unwilling to work out a compensation agreement with another club, the player has the choice of re-signing with his former club or not playing. *The Rozelle Rule restricts the number of clubs that will be interested in such a player....*

The transaction under which a player who has become a free agent by playing out the option succeeds in signing with another club is, in effect, a trade. The acquiring club in all cases must give compensation to the player's former club. The player's former club, even though it no longer has any contractual rights to the player, in fact does have the rights to the player by reason of the Rozelle Rule, and can and does demand and receive equal compensation for him. *Because of the Rozelle Rule, a player who has played out the option and become a free agent is not free to bargain with any other club. The club to which he was formerly under contract still controls his ability to participate in football, even though there is no longer any contractual obligation whatsoever....*

The knowledge of a player that the club he is now under contract with may be unwilling or unable to consummate a trade for his services upon playing out the option and becoming a free agent, acts as a substantial deterrent to players playing out the option and becoming free agents. The player knows that because of the Rozelle Rule he probably will have no choice but to return to the defendant club to which he has already announced his intention to leave.

The Rozelle Rule substantially restricts players' freedom of movement. The existence of the Rozelle Rule substantially decreases players' bargaining power in contract negotiations. *The players are not free to quit and find employment elsewhere with another NFL club. Under the Rozelle Rule each individual player is denied the right to sell his services in a free and open market. As a result, the salaries paid by each club are lower than if competitive bidding were allowed to prevail.* Absent the Rozelle Rule there would be increased movement in interstate commerce of players from one club to another. The Rozelle Rule is an all encompassing web that restrains a wide variety of aspects of players' lives. The NFL and each club unlawfully benefit from the existence of the Rozelle Rule.

CONCLUSIONS OF LAW

The Rozelle Rule constitutes a per se violation of the antitrust laws. The Rozelle Rule and its related practices constitute a concerted refusal to deal and a group boycott on the part of defendants. These are practices which the courts have long held to be *per se* violations of the Sherman Act. The Rozelle Rule is so clearly contrary to public policy that it is *per se* illegal under the Sherman Act. It is also an unreasonable restraint of trade at common law....

The Rozelle Rule is invalid under the Rule of Reason standard. The Rozelle Rule is unreasonably broad in its application.... The rule is further unreasonable in that there are no procedural safeguards whatsoever with respect to its employment.... The Rozelle Rule is unreasonable in that it is unlimited in duration. It is a perpetual restriction on a player, following him throughout his career. He is at no time truly free to negotiate for his services with any NFL club. The Rule is unreasonable when viewed in conjunction with the other anticompetitive practices of defendants: the Draft; the Standard Player Contract; the Option; the Tampering Rule.

The justifications as to reasonableness presented by defendants fail to demonstrate that the Rule is reasonable.

Protection of Investment—Defendants claim that one of the purposes of the Rozelle Rule is to protect the member clubs' investment in established players: *e.g.*, scouting expenses and player development costs. The Court finds that the expense incurred in selection, training and development of professional football players is not unlike that of other businesses which incur hiring and training costs. There is no right to compensation for this type of investment.

Play Continuity—Evidence was presented by defendants that player continuity was important to the success of a football team. Testimony was presented that time was required for players to effectively work together as a team. The elimination of the Rozelle Rule would, however, affect all teams equally. *The quality of play in the NFL will not decrease with the elimination of the Rozelle Rule and consequent freedom of employment.* Even assuming the quality of play would decrease, that fact does not justify the Rule's anticompetitive nature. The player continuity argument implicitly acknowledges that the Rozelle Rule restricts player movement and that there would be additional movement if it was eliminated. One of the purposes of the Rozelle Rule is to restrict player movement.

Competitive Balance—*The Court finds that the existence of the Rozelle Rule and the other restrictive devices on players have not had any material effect on competitive balance in the National Football League.* Assuming that they have fostered competitive balance, other legal means are available to pursue this goal (*e.g.*, the Competition Committee, multiple year contracts and special incentives).

Disruption and Irreparable Damage to the NFL—*Elimination of the Rozelle Rule would have no significant immediate disruptive effect on professional football.* All players are now under contract to a club, some under long, multiple year contracts. Relatively few players at a given time are playing in the option year. Elimination of the Rozelle Rule will not spell the end of the National Football League or even cause a decrease in the number of franchises in the National Football League. Changes in location of franchises or reorganization of existing franchises may occur. If the effects of this decision prove to be too damaging to professional football, assuming justification existed, Congress could possibly grant special treatment to the National Football League based upon its claimed unique status.

DEFENDANTS' CLAIMED LABOR EXEMPTION

There is no labor exemption from the antitrust laws available to defendants. The exemption extends only to labor or union activities, and not to the activities of employers. . . . The product in professional football for antitrust analysis consists of the players. The Rozelle Rule operates as a direct restriction on competition in this product market. . . . *The Rozelle Rule is a nonmandatory, illegal subject of bargaining.* The Rozelle Rule, being a *per se* violation of the antitrust laws and otherwise violative of the antitrust laws under the Rule of Reason standard, cannot, because of its illegality, constitute a mandatory subject of bargaining as that phrase is used in labor law.

(Emphasis added and citations omitted.)

MATERNAL AND CHILD CARE ACT OF 1976

(Mr. SCHEUER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SCHEUER. Mr. Speaker, during the sixties Congress focused its attention on our older citizens and on some of the needs of the many poor and low-income Americans. Medicare and medicaid, enacted in 1965, have helped many people to pay for the costs of needed medical care. In the decade since, we have encountered stubborn opposition to the establishment of comprehensive health care for all Americans.

The neglect of this administration on questions of the Nation's health surpasses even that of its predecessor. During the 94th Congress, the administration has refused even to testify before two congressional committees tackling the difficult issues surrounding national health insurance.

It is time now to take another step in improving our Nation's health by improving our Nation's health care delivery system. I, therefore, plan to introduce shortly the Maternal and Child Care Act of 1976, a bill that would provide full health insurance of basic care for mothers at the time of pregnancy and birth, and for children up to 18 years of age.

This bill will begin the long needed reform of the medical care system. It is a workable and economically sound first phase of national health insurance for the whole population and an urgently needed and long overdue program for America's mothers and children.

Mr. Speaker, this bill is people oriented rather than disease oriented. It focuses on the prevention of diseases as well as on the rational financing of necessary medical care for sick children. It contains measures to begin control of the alarming increases in the cost of medical care. Finally, the Maternal and Child Care Act of 1976 builds the administrative foundation which must precede the ultimate construction of a national health care system.

Mr. Speaker, I am providing for the convenience of my colleagues the full list of specifications for this bill:

H.R. —

A bill to establish a comprehensive maternal and child health care system in this nation

FINDINGS AND DECLARATION OF PURPOSE

(1) The mothers and children of this nation are the foundation of its future strength, productivity and prosperity.

(2) Adequate health care for mothers and children is essential to safeguard this precious resource.

(3) Adequate medical care for this group of citizens has the greatest potential for cost benefit in the health care delivery system.

The purpose of this Act is to establish a system of comprehensive health care for children and mothers regardless of race, creed, location or wealth.

ELIGIBILITY

In general, every pregnant woman and child, without regard to citizenship or income, who is a resident of the United States shall be eligible for health care benefits under and in accordance with this title.

(1) In addition, any individual who is a resident of a nation with which the United States has in effect a treaty providing for the reciprocal payment of health care benefits shall be eligible for health care benefits under and in accordance with this title during such time as the individual is physically located within the United States.

Specifically,

(1) all children resident in the United States

(2) all women who are pregnant

Definitions:

Physicians' Services means professional services performed by physicians including surgery, consultation, and home, office and institutional calls.

Physician means—

1. A doctor of medicine or osteopathy legally authorized to practice medicine and surgery by the State in which he or she performs such functions or actions.

2. A doctor of dentistry or of dental or oral surgery who is legally authorized to practice dentistry by the State in which he or she performs such functions but only with respect to—

(a) surgery related to the jaw or any structure contiguous to the jaw or

(b) the reduction of any fracture of the jaw or any facial bone.

3. A doctor of optometry who is legally authorized to practice optometry by the State in which he or she performs such functions but only with respect to establishing the necessity for prosthetic lenses.

Hospital means an institution whose primary function is to provide patient services, diagnostic and therapeutic, for a variety of medical conditions, both surgical and nonsurgical. By this definition, all such hospitals will

1. maintain clinical records on all patients.

2. have by laws in effect with respect to its physician staff which in granting or maintaining medical privileges does not discriminate on any ground unrelated to professional qualifications.

3. have the requirement that every patient covered by this Act be under their personal and identifiable physician.

4. provide 24 hour nursing service rendered or supervised by a registered professional nurse, and has a licensed practical nurse or a registered professional nurse on duty at all times.

5. have in operation a utilization and/or peer review plan which meet existing Federal requirements.

6. meets all applicable requirements of the State and locality in which it is situated as well as the requirements of the Joint Accreditation Board.

7. have a pharmacy of formulary committee which establishes policies for the selection, acquisition and utilization of drugs.

8. have a defined pediatric and obstetrical unit.

(a) a pediatric unit must contain at least 12 beds designated to be used for only children and which

1. has an annual occupancy rate of 70%

2. has no restrictions on visiting hours to children hospitalized except as required by their medical condition.

3. has reasonable and adequate arrangements for rooming in for a parent guardian or friend of the child for all children under the age of 7 years.

(b) An obstetrical unit in an urban region, (to be defined by regulation by the Secretary of Health, Education, and Welfare and the Maternal and Child Health Board) must have at least 1500 deliveries annually.

(1) a hospital in a rural region similarly to be defined by the SEC and the Board must have at least 500 deliveries annually.

(2) any pregnant woman in such a hospital may have at her choosing one or two persons present during the labor and delivery.

(3) any postpartum patient in an obstetrical unit shall

(a) be provided upon request with facilities and arrangements to care for her infant at her bedside when the infant is evaluated as reasonably healthy

(b) be permitted to feed her infant according to a method and schedule most convenient and satisfying to herself and her infant, and shall not be restricted to a hospital regimen. Such feeding and scheduling must be consistent with the nutritional and physical needs of the infant.

9. has complied with the regulations of the local Health Service Agency.

10. the above definition does not include mental institutions and hospitals for the exclusive treatment of tuberculosis.

Inpatient hospital services means the following items and services furnished by a hospital.

1. bed and board.

2. such nursing and other related services, such as use of hospital facilities, and such medical or social services as are ordinarily furnished by the hospital for the care and treatment of inpatients. It also includes such drugs, biologicals, supplies, appliances and equipment for use in the hospital for the care and treatment of patients.

3. such other diagnostic and therapeutic items or service furnished by the hospital or by others by arrangement with the hospital as are ordinarily furnished to inpatients.

4. excluded under this definition are

(a) medical or surgical services provided by a physician not a member of the hospital staff.

(b) the services of a private duty nurse or other private duty attendant.

(c) surgery performed only for cosmetic purposes (as defined by regulations) and hospital or other related services incident with such surgery.

Physician extender services means the services performed by a physician's assistant, nurse practitioner, nurse midwife or other individual under the supervision and control of a physician whether or not performed in the office of such physician or at a place at which he or she is present if:

(1) the services are related to the practice by the supervising physician of general medicine, family medicine, pediatrics, obstetrics and gynecology, internal medicine, or other such medical specialities as prescribed by regulation.

(2) the individual has

(a) successfully completed an appropriate training course approved by the Secretary of Health, Education, and Welfare or by an accrediting organization designated by the Secretary of Health, Education, and Welfare.

(b) passed a physician extender certification examination conducted by a certifying organization approved by the Secretary of Health, Education, and Welfare.

(c) met such other proficiency requirements as the Secretary of Health, Education, and Welfare may require by regulation.

3. The individual may legally perform the services in the State in which the services are performed.

Ambulatory Care means all types of health care services which are provided on an outpatient basis, in contrast to services provided in the home or to persons who are inpatients.

Preventive Care means medical care which has the aim of preventing disease or its consequences. It includes health care programs aimed at warding off illnesses, eg, immunizations, and programs with the goals of detecting disease and disability, eg, screening programs for specific illnesses and defects.

Well Child Care is the health services provided for healthy children by physicians or physician extenders which includes screening, examinations, preventive health procedures, counselling and guidance given in an ambulatory setting.

Illness Care means the medical care provided for acutely or chronically ill persons either in an ambulatory or inpatient setting.

Prenatal Care means all health care services provided to pregnant women necessary for the protection of the women and the fetus by a physician and/or nurse midwife and their assistant.

Postpartum Care means the medical care provided to women immediately following the delivery of a fetus and for three months following the delivery which is provided by a physician and/or nurse midwife.

Family Planning Services means those medical and counselling services and drugs and appliances required for the regulation of the number of desired children in a family.

Drugs and Biologicals means only such drugs and biologicals that are required by Section 503(b) of the Federal Food, Drug, and Cosmetic Act to be dispensed by a licensed physician.

Maintenance Drugs means any drug prescribed by a physician to be taken continuously by a patient for longer than 4 weeks.

Routine Dental Services means services in connection with the examination, care, treatment, filling, removal, or replacement of teeth or structures directly supporting teeth provided by a dentist or a dental assistant or auxiliary working under the supervision of a dentist.

Eye and Vision Examination means an examination for the purpose of determining the need for eyeglasses or vision care or the prescribing or fitting or changing eyeglasses performed by an individual who may legally perform such examinations in the State in which it is performed.

Hearing Examination and Hearing Aids means examinations for the purpose of determining the loss of hearing acuity and devices for the correction of hearing defects.

Skilled Nursing Facility means an institution which has in effect a transfer agreement with one or more participating hospitals and which

1. is primarily engaged in providing skilled nursing care and related services for patients who require medical and/or nursing care or rehabilitation services for the rehabilitation of injured, sick or disabled persons.

2. has formal policies, which are developed with the advice of a group of professional personnel, including one or more physicians and one or more professional registered nurses, to govern the skilled nursing care and related medical or other services it provides.

3. has a physician, a registered professional nurse or a medical staff responsible for the execution of such policies.

4. has the requirement that the health care of every patient be under the supervision of a physician and provides for having a physician available to furnish necessary medical care in case of emergency.

5. maintains clinical records on all patients.

6. provides 24 hour nursing service and has at least one professional registered nurse employed full time.

7. provides appropriate methods and procedures for the dispensing and administration of drugs and biologicals.

8. has in effect a utilization review which meets the requirement of existing Federal law.

9. meets the requirement of State and local law in which it is located.

10. has in effect an overall plan and budget including an annual operating budget and a three year capital budget.

11. supplies full and complete information to the Secretary of Health, Education, and Welfare as to the identity of the owners of the institution.

12. cooperates in an effective program that provides for a regular program of independent medical review of the patients in the facility to the extent required by the programs in which the facility participates.

13. meets the provisions of the Life Safety Code which are applicable to nursing homes.

14. Couples with the regulations of the Health Service Agencies.

Home Health Services means the following items and services provided by a home health agency furnished on an intermittent basis in the home of a patient.

Such items include:

1. part time or intermittent nursing care provided or under the supervision of a registered professional nurse.

2. physical, occupational or speech therapy.

3. medical social services.

4. to the extent provided by regulations, part time or intermittent services of a home health aide or family homemaker.

5. medical supplies and the use of medical appliances as necessary.

Home Health Agency means a public or private organization or a subdivision of such an agency or organization which

1. is primarily engaging in providing intermittent skilled nursing services and other therapeutic services.

2. has policies established by a group of professional personnel including one or more physicians and one or more other professional personnel to govern the services and provide supervision of the policies set by this group.

3. maintains clinical records on all patients.

4. meets the requirements of State and local laws.

5. meets any other requirements set by the Secretary of Health, Education and Welfare.

Utilization Review means a plan implemented by a hospital or skilled nursing home which regularly reviews on a random basis the admissions to the institution as the necessity of the service, the appropriateness of the service and its efficiency.

Child means a person from the time of birth to the age of 18 years.

Laboratory means a facility for the biological, microbiological, serological chemical, immuno-hematological, hematological, biophysical, cytological, pathological, or other examination of materials derived from the human body for the purpose of providing information for the diagnosis, prevention, or treatment of any disease or impairment of, and the assessment of the health of man which comply with existing Federal standards.

Region means the regions designated by the Secretary of Health Education and Welfare under the Professional Standards Review Organization legislation.

Benefits:

Children:

1. Well Child Care.

(a) provided by physicians or physician extenders under the supervision of physicians in an ambulatory care setting.

(b) the frequency of well child visits to be regulated by the Secretary of Health Education and Welfare and subject to his biennial review. Initially the frequency of well child visits will at a minimum include:

1. 4 visits in the first year of life.

2. 2 visits in the second year of life.

3. yearly visits in the subsequent years of life to the age of 18 years.

(c) each well child visit will include:

1. health history and physical examination.

2. provision of immunizations as indicated.

3. screening tests for such common and/or serious conditions as lead poisoning, anemia, or vision and hearing defects as are appropriate to the age and status of the child.

4. health counselling and education as appropriate.

(a) The standards for and the content of well child care visits will be reviewed, and revised as necessary by the maternal and child health board.

(b) The results of such a review will be reported to the Secretary of Health Education and Welfare and to Congress in December of the year in which the review and revisions take place.

(c) The results of such a review will be made public in December of the year in which the review and necessary revisions are made.

2. Illness Care.

(a) Physician services—care for all illnesses, acute or chronic, may be provided by physicians or by physician extenders under the supervision of physicians.

1. All surgery may be performed only by a Board certified or eligible surgeon.

2. Tonsillectomy and/or adenoidectomy may be performed only after a second opinion as to the indication and necessity for such a procedure has been obtained from a second independent physician.

3. Includes medical care provided in an inpatient, ambulatory or home setting.

4. Excludes psychiatric care except for children with the diagnosis of childhood psychosis to the limit of 120 visits annually.

(b) Hospitalization.

1. 100 days of hospitalization annually

2. with each hospitalization the child will have an identifiable personal physician who provides the medical care or reimbursement shall not be made for physician services.

(c) skilled nursing home services.

1. 120 days of skilled nursing home services anually

2. admitted upon certification of personal physician who has performed a physical examination of the child within 24 hours of admission to the skilled nursing home. No prior hospitalization is required.

(d) Home health care services.

1. 120 days of home health care services annually.

2. necessity for such services must be cer-

tified by a personal physician who supervises such services.

(e) Dental Services.

1. All children over the age of 4 years eligible for routine dental services.

2. Orthodontic services are excluded except those approved by regulations for such conditions as severe trauma or congenital malformations.

(f) Drugs.

1. Maintenance drugs to be provided.

2. Personal physician must certify to the need of such maintenance drugs.

(g) Diagnostic studies.

1. All laboratory studies both on an inpatient and ambulatory care basis to be covered except those routine tests done in a physician's office which do not require special technical assistance.

2. All diagnostic radiologic procedures both on an inpatient and ambulatory care basis. All therapeutic radiology services.

(h) Biologics.

1. All biologics including vaccines to be provided.

2. All blood and blood products to be provided without limit.

(i) Appliances.

1. eyeglasses and hearing aides and medical appliances as certified as necessary by a physician.

2. No more than one pair of eyeglasses or one hearing aid annually per child, unless need is confirmed by a physician.

(j) Other benefits.

1. Counseling services provided only in an institutional setting for 60 sessions annually. The need for such services must be certified by a physician.

2. Speech therapy for 30 visits annually as certified necessary by a physician.

3. Physical therapy services for 30 visits annually as certified necessary by a physician.

Maternal Care:

1. Prenatal care.

(a) physician services.

1. all routine prenatal care.

(a) provided by physicians or nurse midwives under the supervision of physicians in an inpatient and ambulatory care setting.

2. all physician services required for the treatment of any complication of pregnancy in an ambulatory and inpatient setting.

(b) Hospitalization.

1. to include all hospitalization required during pregnancy.

2. to include hospitalization for the delivery of a child.

(c) Diagnostic services.

1. All routine laboratory studies necessary during pregnancy.

2. All studies required for the diagnosis of a complication of pregnancy.

3. All radiologic diagnostic studies required during the course of pregnancy.

(d) Drugs.

1. All maintenance drugs required during pregnancy.

(e) Biologicals.

1. All biologicals necessary during pregnancy and delivery.

2. All blood and blood products necessary during pregnancy and delivery.

2. Postpartum care.

(a) Physician services—to include all physician services required in the immediate postpartum period.

1. to include at least one postpartum follow-up visit within 6 to 12 weeks after delivery, which includes family planning, counseling and services.

(b) Hospitalization.

1. to include hospitalization for any complication of delivery of the postpartum period.

Cost Sharing:

Children:

1. Well Child Care.

(a) No cost sharing for well child care.

2. Sick child care.

(a) Physician services—ten percent coinsurance for each visit to physicians except for families whose incomes are below the poverty level as specified by the Federal government or who meet the income eligibility requirements for Medicaid, whichever is higher. No coinsurance required if the physician has agreed to capitation as a method of reimbursement.

(b) hospitalization—no coinsurance for hospitalization.

(c) skilled nursing home services—10% coinsurance of per diem charge except for families as described in 2(a).

(d) dental services—10% coinsurance except for families as described in 2(a).

(e) drugs—no cost sharing on maintenance drugs.

(f) biologics—no cost sharing for blood or blood products.

(g) laboratory and radiologic procedures—10% coinsurance for all laboratory and radiologic services performed on an ambulatory care basis except for families as described in 2(a).

(h) Home health care—10% coinsurance for all home health care visits except for families as described in 2(a).

(i) Appliances—10% coinsurance for eyeglasses and hearing aids except for families as described in 2(a).

(j) other benefits—10% coinsurance for all other benefits except for families as described in 2(a).

B. Maternal Care.

1. No cost sharing for prenatal, delivery or postpartum care.

Financing:

The Federal Treasury is hereby authorized to be appropriated to the Secretary of Health Education and Welfare for each fiscal year a sum sufficient to carry out the purpose of this Act.

Administration:

A. Maternal and Child Health Board.

1. established within the Department of Health Education and Welfare a Maternal and Child Health Board.

(a) with 3 members.

(b) appointed by the President with the advice and consent of the President.

(c) No member can have any other employment, business, or vocation.

(d) no more than 2 members from the same political party.

(e) term of office of 5 years, can serve two consecutive terms and then must be out of office for at least 3 years before reappointment.

(f) at the outset of the enactment, the President will appoint members of one, two, three terms so that the membership of the Board will be renewed at yearly intervals.

(g) President shall designate one member as chairman of the Board.

2. Duties of the Secretary and the Board.

(a) regulations authorized by this legislation shall be issued by the Board with the approval of the Secretary.

(b) continuous study of the operation of this legislation and of the most effective method of delivery of medical care to mothers and children.

(c) recommend to the Secretary and to the Congress changes in legislation and administrative policy to accomplish this end.

(d) report annually to Congress through the Secretary of Health Education and Welfare on the administration and functions of the program, the adequacy and quality of the services provided, the cost of the services provided, and the effectiveness of measures to control costs.

(e) the Secretary will make available to the Board all available information necessary for the proper functioning of the Board.

(f) the Civil Service Commission, in consultation with the Board will facilitate recruitment of qualified persons experienced in health care administration, maternal and child health care and others as appropriate for the functioning of the Board.

(g) the Secretary is authorized to establish as staff for the Board not more than 20 people in the professional, scientific and executive service.

1. to be hired at not less than GS 16 and not more than GS 18.

2. appointments can be made without competitive examination upon approval of the proposed appointees qualifications by the Civil Service Commission or its delegates for those candidates at the G 16–18 level.

(h) the Secretary is authorized to establish such clerical staff as necessary for the support of this professional staff.

3. Executive Director of the Board.

(a) appointed by the Board with the approval of the Secretary of Health, Education and Welfare.

(b) serves the Board and performs such functions as are delegated by the Board. The Board may not delegate the issuance of regulations related to this legislation.

Advisory council for the Maternal and Child Health Board:

1. Composed of 15 members who represent consumers as well as providers and administrators of state and federal maternal and child health programs. Seven members to be consumers.

(a) providers are defined as those who are outstanding in the fields of maternal and child health, including physicians, nurses, social workers, and health administrators.

(b) Consumers are defined as those not having a financial interest in any aspect of the health or medical field and who are familiar with the health needs of mothers and children and are experienced in the problems of obtaining medical care for mothers and children.

2. Each member will serve for five years.

(a) The terms of the members initially designated by the Secretary shall expire so that 3 have terms of one year, 3 have terms of two years, 3 have terms of three years, 3 have terms of four years, and 3 have terms for five years.

3. The Advisory Council will meet at least 4 times a year.

4. The Advisory Council will provide advice to the Maternal and Child Health Board on matters of general policy, the formulation of regulations and in the function of the program.

5. The Council will annually report in writing to the Secretary of Health, Education and Welfare its performance as well as any recommendations for the improvement of the administration and implementation of the program.

(a) this written report is to be transmitted to Congress and made available to the general public.

6. The members of the council will be paid the usual Federal stipend and travel expenses.

Payment of Benefits:

The Social Security Administration will establish an account for each eligible person against which such an individual may charge the cost of obtaining the services and benefits of this program.

1. The Social Security Administration will issue all children at birth a card which entitles them to the benefits of this program and which will be used for the billing for services authorized under this program.

2. Upon enactment of this program children will become eligible for the benefits of this program in a phased operation.

(a) Year one of the program—children of 0 to 2 years become eligible and are issued a health card upon presentation to the Social Security Administration by their parents of the child's birth certificate.

(b) Year two of the program—children from the ages of 2 to 6 years of age become eligible for this program and are issued a health card upon presentation to the Social Security Administration of a birth certificate.

(c) Year three of the program—children from the ages of 6 to 12 become eligible for the benefits of this program and are issued a health card upon presentation to the Social Security Administration of a birth certificate.

(d) Year four of the program—children from the ages of 12 to 18 become eligible for the benefits of this program and are issued a health card upon presentation to the Social Security Administration of a birth certificate.

2. All women over the age of 18 years and within the child bearing age will be issued a maternity card by the Social Security Administration to be used to obtain the maternity benefits of this program.

3. All payment for benefits under the supervision of the Secretary of Health Education and Welfare and the Maternal and Child Health Board and administered by the Social Security Administration.

1. includes payment to institutions and to individual providers.

2. the Secretary of Health, Education, and Welfare may delegate the administration of the payment of benefits to Medicare intermediaries and carriers.

Mechanism of Payment:

1. The Social Security Administration under the supervision of the Maternal and Child Health Board pay for the benefits of this program directly to all participating providers including all co-payments.

2. The Social Security Administration will bill the patient or his family all coinsurance fees.

1. The patient or the family may pay this account in full or on a time basis subject to interest rates and regulations established by the Maternal and Child Health Board. No interest will be charged for payments made within one year of initial billing.

Physicians and other providers—

Physicians and other providers must agree by contract with the Social Security Administration to participate to be eligible for payment for services under this program. The terms of the contract to be established by regulation.

Physicians and other providers who do not agree to participate in the program will not be reimbursed for their maternal and child health services by the Federal government.

Physicians and other providers will make public the status of their participation in this program, as one of the requirements of their participation. Payments for physician services are to be based upon a fee schedule.

A fee for service is to be established based upon a schedule proposed and negotiated between the providers of a region or any organization delegated to negotiate for them and the Maternal and Child Health Board or any agent delegated by them to undertake these negotiations.

(1) The level of fees is not to exceed the prevailing charges of the region as of January, 1976, as determined by a study of fees undertaken by an independent agency contracted by the Maternal and Child Health Board for this function. Unless the fees in an area are below the prevailing national average.

(2) This fee for service schedule is to be renegotiated annually. There shall be no increase in the average level of the fees which exceeds the average annual increase in the Consumer Price Index.

(3) If no schedule of fees for a region is proposed by the providers the Maternal and Child Health Board does not approve the fee schedule the Board has the right to set a fee schedule based on prevailing charges for similar services in similar regions.

(4) Individual physicians or organizations of physicians have the right if dissatisfied with the reimbursement rate to a judicial review as described later.

(b) Any physician or group of physicians in a region may elect to be paid on a capitation basis if he has filed with the Maternal and Child Health Board or its delegate a contract which agrees to—

1. furnish all necessary primary pediatric medical and dental services and routine maternity services covered under this program for a mother and children under their supervision.

2. maintain arrangements for referral of mothers and children to consultants, institutions, or other providers of covered services.

3. The level of the capitation stipend is to be determined through negotiations between the providers and Maternal and Child Health Board or his delegate, using the actuarial statistics of the region so that the gross income of the provider will not exceed the gross income of providers electing the fee for service method of reimbursement by more than ten percent.

(c) If the Maternal and Child Health Board determines that it is necessary to assure adequate maternal and child health services in a locality, it may—

1. pay an independent practitioner, a full or part-time salary in lieu of or as a supplement to the above methods of reimbursement.

Payment for other individual providers of maternal and child health services

(a) Physician extenders to be eligible to participate in this program, all physician extenders must have a formal relationship with a participating physician.

1. Eligible physician extenders in a region or any organization to which they delegate this authority may negotiate with the Maternal and Child Health Board or an agent delegated for this function, a schedule of fees for service.

(a) This schedule of fees for service is to be renegotiated annually. There shall be no increase in the average level of fees which exceeds the average annual increase in the Consumer Price Index.

(b) a physician extender or group of physician extenders have the right if dissatisfied with the rate of reimbursement for judicial review to be described in a later section.

2. Any physician extender or group of physician extenders in collaboration with a physician or group of physicians may elect to be reimbursed on a capitation basis.

(a) the level of the capitation stipend is to be determined through negotiations between the Maternal and Child Health Board or its agent using the actuarial statistics for the region so that the gross income of physician extenders electing the fee for service method of reimbursement by more than ten per cent.

3. If Maternal and Child Health Board determine that to assure adequate maternal and child health services in a locality it is necessary they may

(a) pay a physician extender, adequately supervised by a physician, a full or part time salary in lieu of or as a supplement to the above methods of reimbursement.

(b) reimburse a physician extender in such a locality for special costs for maintaining communication linkages with physicians.

(c) other individual providers of care may participate in this program on a fee for service schedule which is negotiated with the Maternal and Child Health Board in a similar manner as for other providers.

(1) the fee schedule is not to exceed the prevailing fees for the region as of January, 1976.

(2) Fees are to be renegotiated annually and are not to increase more than the average annual increase in the Consumer Price Index of the previous year.

Institutional Reimbursement:

1. Includes hospitals, skilled nursing homes, home health agencies and such other organizations of maternal and child health care as public health departments, neighborhood health clinics and mental health center.

2. All eligible institutions in a region will be reimbursed on a prospectively determined cost basis as established by the Secretary of Health, Education, and Welfare and the Board of Maternal and Child Health Care. The methods of prospective reimbursement will include three criteria and standards:

(a) the method designed will provide financial incentive for operation equal to the potential difference between the prospective rate and the actual cost.

(b) assures high quality patient care.

(c) assures that the institutions will maintain independent management, discretion and responsibility for their institutions.

(d) the rate of payment will recognize the institution's total cost of operation including costs attributable to capital expenditures, approved by the local Health Services Agency.

(e) The payment rate will provide a reasonable return on investment based on rates of return on investment of comparable risk as determined by the Secretary and the Board by regulation. Non profit institutions are also to be paid a return on capital to recognize this risks assumed under prospective payment methods.

(f) The Maternal and Child Health Board or its agent shall by regulation provide for adjustment to the agreed upon prospective rate amount for

(1) unforeseeable events such as natural catastrophes.

(2) significant and unexpected changes in demand for services or for unexpected or significant changes in patient mix not under the control of the institution.

(3) The institutional provider has the right of judicial review in regard to the prospective rate determined as described later. Such an appeal must be made within 60 days of the determination of the prospective rate.

Drug Dispensation:

1. No drug fees to be paid to institutional providers or to physicians dispensing drugs.

2. Drugs dispensed to ambulatory patients to be paid on a reasonable allowance which for these purposes is the cost of the drug to the dispenser and a dispensing fee.

(a) this dispensing fee is to be calculated annually.

(b) the schedule for dispensing fees is to be negotiated betwen the Maternal and Child Health Board or its delegate and the dispensers of drugs or their delegate.

(c) the schedule of dispensing fees negotiated annually is not to increase on average more than the average annual increase in the Consumer Price Index.

(d) all dispensers of drugs must meet State and local laws and regulations for licensure, certification and quality control.

(e) dispensers of drugs have the right if dissatisfied with the reimbursement rate to a judicial review as described later.

Diagnostic reimbursement—out patient diagnostic procedures:

1. All non institutional, freestanding laboratories and radiologic facilities in region may negotiate individually or as a group with the Maternal and Child Health Board or its delegate for a schedule of fees for individual diagnostic and radiologic procedures covered under this Act.

2. This schedule of fees is not to exceed the prevailing charges for these procedures in the region as of January, 1976, as determined by an independent study of such fees contracted by the Maternal and Child Health Board for this purpose.

3. The fee schedule is to be renegotiated annually. The average rate of increase in fees is not to exceed the average annual increase in the Consumer Price Index.

4. If no schedule of fees is proposed by the providers of laboratory and radiologic procedures or if the Maternal and Child Health Board does not approve of the schedule, the Board may impose a schedule of fees based on prevailing charges for similar procedures in similar regions.

5. The providers of these services, individually or in groups, have the right if dis-

satisfied with the reimbursement rate to a judicial review as described later.

Penalties:

Beneficiaries:

1. If a beneficiary of this program:

(a) makes a false statement or representation of a material fact in the application for the benefits of this program.

(b) knowingly or willfully makes or causes to be made a false statement or representation of a material fact about the reception of these benefits.

(c) having knowledge of the concurrence of any event affecting the continued right to the benefits of this program or the reception of these benefits.

2. Such a person is guilty of a misdemeanor and upon conviction shall be fined not more than $10,000 and/or imprisoned for not more than one year.

Providers:

1. Anyone furnishing items or services to individuals for which payment is or may be made under this program and who solicits, offers or receives.

(a) kickback or bribes in connection with the furnishing of such items or services or the making of receipts of such payment.

(b) rebates of any fees or charge for referring any such individual to another person for the furnishing of such items and service.

2. Will be guilty of a misdemeanor and shall be fined not more than $20,000 and/or 5 years imprisonment.

Institutions:

1. Anyone knowingly and willfully makes or causes to be made or induces or seeks to induce the making of any false statements or representation of a material fact with respect to the conditions or operation of any institution or facility in order that such an institution or facility may qualify for participation in this program is:

(a) guilty of a misdemeanor and upon conviction can be fined $30,000 and/or 10 years imprisonment.

State agencies to determine compliance by providers of service.

The Maternal and Child Health Board may make an agreement with any State willing and able to establish:

1. Whether or not a hospital, skilled nursing home, or home health agency has met the requirements for participation in this program as established by legislation and regulation.

2. Whether or not a laboratory, radiologic facilities or drug dispenser have met the requirements for participation in this program by legislation and regulation.

3. The Maternal and Child Health Board will reimburse the State or an agency of the State for the cost of such surveillance and certification.

4. The results of such reports as the States make to the Secretary and the Board will be made public.

5. If and when such a State or State agency determines that institutional or individual providers no longer meet the requirements for participating in this program, the Maternal and Child Health Board must issue an order publically suspending or terminating the providers participation in the program.

(a) Such a determination must be made public,

6. Providers whose eligibility has been suspended or terminated have the right of judicial review as described in a later section.

Hearings and Judicial Review:

The Board of Maternal and Child Health will establish by regulation Review Boards.

1. These Boards will be established in each region of the country.

2. The State Coordinating Councils will appoint members to these Review Boards with the approval of the Maternal and Child Health Board.

3. The Review Board will consist of 12 members.

(a) 7 members will be consumers as previously defined.

(b) 5 members will be experts in the delivery of maternal and child health care in its administrative and medical aspects.

4. Each member of the Review Board will serve four years and may not be reappointed.

(a) in the initial appointment four members will be appointed for three years, four members will be appointed for two years and four members will be appointed for one year.

5. The Review Boards will meet at least four times a year.

6. Members of the Review Board will be paid the usual Federal stipend and travel expenses.

7. The Board will review and decide

(a) any disputes related to the rate of reimbursement for providers, either institutional or individual.

(b) any disputes concerning the eligibility of providers for participation in the program.

(c) the members of the disputes have the right to appeal the decision of these Review Boards in a civil action.

1. the results of such civil actions will be permanent.

Special populations;

The Maternal Child Health Board will designate certain regions of the country and/or certain populations within the regions as medically underserved. In addition it will designate certain populations within regions as at particular risk for maternal and child health care using such commonly available criteria as prenatal and maternal mortality rates and morbidity rates for handicapping conditions of children.

For such regions or populations, the Maternal and Child Health Board will allocate funds to individual or institutional providers for the provision of additional services necessary to insure access and use of the benefits of this Act.

1. Such services will include the provision of all medical health—related support services including social work services, counselling, outreach, transportation and other services designed to assure a clear and appropriate use of the benefits of this Act.

2. Such services will include funds for social work services, for outreach workers, for transportation services which are designed to assure access and utilization of the benefits of this program.

3. Institutional or individual providers receiving such funds will submit annually to the Maternal and Child Health Board and to the general public a report which details the use of these funds as well as the results of the use of these special funds in terms of use, cost and morbidity.

Evaluation:

1. 0.5% of the expenditures of this program will be allocated for research and development in the delivery of maternal and child health care.

2. The administration of this research and development program will reside in the office of Research and Statistics of the Social Security Administration.

Amendments to Existing Legislation:

Medicaid—No direct health benefits under Medicaid for pregnant women children.

Funds available under the Vocational Rehabilitation Act or under Title V of the Social Security Act shall not be used after the effective date of the implementation of this act to pay for personal health services but may in accordance with regulations established by the Secretary and the Maternal and Child Health Board be used to pay for institutional services which are either more extensive or more intensive than those established by this legislation. And to pay for special medical and or other procedures peculiar to vocational rehabilitation, or peculiar to the correction or amelioration of defects or chronic conditions of crippled children.

Effective Date:

The benefits of this program will become available to the beneficiaries of the program not sooner than two years after the enactment of this legislation and no later than three years after the enacment of this legislation.

NEGLECT OF NATIONAL PARKS

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, the following editorial, which appeared in the Washington Post on Saturday, January 10, 1976, is an excellent statement of the current plight of the national park system. The "House oversight subcommittee" referred to is the Subcommittee on Conservation, Energy and Natural Resources of the Government Operations Committee, of which Congressman WILLIAM MOORHEAD is the chairman.

The hearing summarized in the editorial reflected the dangers to the national park system by the administration's continual cutbacks in both personnel ceilings and funding. The superintendents who testified expressed concern that their resources and facilities would be irreversibly damaged by increasing visitor use and inadequate personnel and funds to manage and maintain the parks.

Natural and historic resources, the protection of which was the primary reason for creation of most parks, are in danger of being destroyed by overuse and vandalism. Adequate staffing and funding would enable the Park Service to protect these resources by guiding the public along routes that minimize the impact, by patrolling the park to protect the visitor and the facilities, and by stabilizing and/or restoring the historic structures so that they may be enjoyed for generations to come.

Another pressing need in the parks is for education. Many of the visitors who come to the parks seek and deserve more than a self-observation visit. They want to learn about the natural ecosystem they are experiencing, about the historic resource they are viewing, about the park in general. Yet, with the funding reductions the park system is experiencing, education has often, too often, become a luxury. In my opinion it is a necessity if our parks are to fulfill their total role. Visitors are not given the opportunity to learn about our Nation's natural and historic heritage as it is demonstrated in our national park system.

These problems must be reduced to the minimum level possible. Our national parks must be protected and the public offered the chance to study them for all generations to come. A start in this direction can be done by reversing the administration's trend toward causing the park system to become completely ineffective.

The editorial follows:

NEGLECT OF THE NATIONAL PARKS

The Nation's parks ought to be at their finest for the bicentennial. Instead, visitors to America's greatest natural and historic preserves are all too likely to find evidence of damage and neglect. The scope of the problem was underscored by a detailed in-

ventory made by the private National Parks and Conservation Association and submitted to a House oversight subcommittee last month. According to this survey, which park administrators did not quarrel with, virtually every major national park has some deteriorating facilities and services—roads that are rutted and unsafe, trails poorly maintained, historic structures crumbling, fragile valleys and streams threatened by pollution and improper use.

This sorry situation has come about because the National Park Service's budgets in recent years have not kept pace with inflation, the addition of new areas, and the surge in public visits to the parks. Money is short and manpower needs are even more critical. Personnel ceilings imposed by the Office of Management and Budget have kept overall National Park Service staffing more than 15 percent below the levels authorized by Congress. OMB's stinginess translates into deferred maintenance, inadequate protection and reduced services in the field. The Superintendent of Great Smoky Mountains National Park, for instance, told the House panel last month that he had asked for 6 more people to cope with an enormous increase in back-country hiking and horseback riding. Instead, his full-time protection force has been cut by 7 since 1966. The C&O Canal's superintendent needs 20 rangers; he has 8, Out in Rocky Mountain National Park, some janitorial services have been cut in half, winter snow-plowing has been reduced, and the superintendent cannot accept help from concerned volunteers—because he lacks the staff to supervise their work.

This penny-pinching has hit the parks just when protection of their resources needs to be improved. After years of expansion and promotion of public use, the national park system is in danger of being trampled by too many undiscriminating friends. The current director, Gary E. Everhardt, has shown real sensitivity to the problems of over-use and has emphasized preservation and better management of crowds and cars. OMB's arbitrary policies undercut these initiatives—and it makes little sense to try to preserve natural treasures for the ages, when they are not being maintained from day to day.

The administration asserts that the recent expansion of the park system is a major reason for its current decline. Congress has created too many parks, this argument asserts; there simply is not enough money to carry out everybody's conservation and recreation dreams. There is some truth to this, and legislators have tended to be more interested in dramatic battles for new parks than in mundane maintenance budgets. Congress cannot have it both ways—but then, neither can OMB. Yet the budget agency is now trying to practice parsimony across the board, by curtailing operations at existing parks, and at the same time seeking no spending next year from the Land and Water Conservation Fund, which finances federal parkland purchases and provides vital grants to the states for their park acquisition programs. That is a ruinous approach. If all state park projects, as well as federal ones, are stalled, the pressures on established parks will be redoubled and their quality will be eroded even more rapidly.

By establishing the system of national parks, seashores, recreation areas and monuments, this nation has made a commitment to preserve those resources, unimpaired, in perpetuity. That promise to the future requires greater attention and investment now. Given the administration's attitude, Congress will have to take the lead in assessing the immediate needs of the parks and shaping a long-range operating program that is adequate. One or two more park rangers in each of a hundred far-flung areas may not sound like a major national need. But if such items are continually deferred, the park system's integrity and worth will be destroyed—and no crash program will be able to restore the loss.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. MEYNER (at the request of Mr. O'NEILL), for today, on account of illness.

Mr. CORMAN (at the request of Mr. O'NEILL), for today, an account of official business.

Ms. HOLTZMAN (at the request of Mr. O'NEILL), for today, on account of illness.

Mr. LEHMAN (at the request of Mr. O'NEILL), for today, on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MAHON, Wednesday, January 21, for 30 minutes.

Mr. PATMAN, for 45 minutes, today, to revise and extend his remarks and to include extraneous matter.

(The following Members (at the request of Mr. GOODLING) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 15 minutes, today.

Mr. MILLER of Ohio, for 10 minutes, today.

Mr. WHALEN, for 10 minutes, today.

(The following Members (at the request of Mr. ENGLISH) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. BAUCUS, for 10 minutes, today.

Mr. DANIELSON, for 30 minutes, today.

Mr. DODD, for 5 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Mrs. BOGGS, for 60 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. DRINAN, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. STOKES, for 15 minutes, today.

Mr. DIGGS, for 5 minutes, today.

Mr. FLOOD, for 60 minutes, January 29, 1976.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PASSMAN.

Mr. ZABLOCKI in two instances.

Mr. SCHEUER, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,359.

(The following Members (at the request of Mr. GOODLING) and to include extraneous matter:)

Mr. KEMP in three instances.

Mr. YOUNG of Florida in five instances.

Mr. RINALDO.

Mr. MILLER of Ohio in four instances.

Mr. MCCLORY in two instances.

Mr. MARTIN in two instances.

Mr. MICHEL.

Mr. STEIGER of Wisconsin.

Mr. JOHNSON of Colorado.

Mr. WALSH.

Mr. CRANE.

Mr. DU PONT.

Mr. LOTT.

Mr. LAGOMARSINO.

Mrs. HOLT.

Mr. BELL.

Mr. COUGHLIN.

Mr. WHITEHURST.

Mr. GILMAN.

Mr. SHRIVER.

(The following Members (at the request of Mr. ENGLISH) and to include extraneous matter:)

Mr. SISK.

Mrs. LLOYD of Tennessee in five instances.

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. NOWAK in 10 instances.

Mr. DENT in two instances.

Mr. BYRON in 10 instances.

Mr. ASPIN in 10 instances.

Mr. CLAY in 10 instances.

Mr. ALEXANDER in 10 instances.

Mr. SEIBERLING in 10 instances.

Mr. LLOYD of California.

Mr. BAUCUS in 10 instances.

Mr. MOTTL.

Mr. LONG of Maryland.

Mr. ROSENTHAL.

Mr. EDWARDS of California in two instances.

Mr. BINGHAM in 10 instances.

Mr. MONTGOMERY.

Mr. BRODHEAD in two instances.

Mr. RANGEL in 10 instances.

Mr. DE LUGO.

Mr. VANIK in two instances.

Mr. KOCH in three instances.

Mr. HEFNER.

Mr. ROGERS in five instances.

Mr. EVINS of Tennessee in 10 instances.

Mr. ROONEY.

Mr. GIAIMO in 10 instances.

Mr. EARLY in two instances.

Mr. FISHER in 10 instances.

Mr. HUNGATE in five instances.

Mr. SIMON in three instances.

Mr. CHARLES H. WILSON of California.

Mr. DRINAN.

Mr. REES in two instances.

Mr. PATMAN.

Mr. BALDUS.

Mr. MOORHEAD of Pennsylvania in five instances.

Mr. HARRIS in 10 instances.

Mr. PATTEN.

Mr. DOWNEY of New York in five instances.

Mr. OBEY in 12 instances.

Mr. MOAKLEY.

Mr. JOHNSON of California.

Mr. METCALFE.

Mr. FLORIO.

Mr. PICKLE in five instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 180. An act for the relief of Charles Hammond, Jr.; to the Committee on Merchant Marine and Fisheries.

S. 847. An act to establish the Seward National Recreation Area in the State of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1659. An act to provide for the disposition of funds appropriated to pay a judgment in favor of the Grand River Band of Ottawa Indians in Indian Claims Commission docket numbered 40-K, and for other purposes; to the Committee on Interior and Insular Affairs.

RECESS

The **SPEAKER** pro tempore. Pursuant to the authority previously granted, the Chair now declares the House in recess until approximately 8:40 p.m.

Accordingly (at 5 o'clock and 8 minutes p.m.), the House stood in recess until approximately 8 o'clock and 40 minutes p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 8 o'clock and 46 minutes p.m.

JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF HOUSE CONCURRENT RESOLUTION 524 TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** of the House presided.

The Doorkeeper (Hon. James T. Molloy) announced the Vice President and Members of the U.S. Senate who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker and the Members of the Senate the seats reserved for them.

The **SPEAKER**. The Chair appoints as members of the committee on the part of the House to escort the President of the United States into the Chamber the gentleman from Massachusetts (Mr. O'NEILL), the gentleman from California (Mr. MCFALL), the gentleman from California (Mr. PHILLIP BURTON), the gentleman from Arizona (Mr. RHODES), and the gentleman from Illinois (Mr. MICHEL).

The **VICE PRESIDENT**. Pursuant to the orders of the Senate, the following Senators are appointed to escort the President of the United States into the House Chamber:

The Senator from Montana (Mr. MANSFIELD), the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Ohio (Mr. GLENN), the Senator from Iowa (Mr. CULVER), the Senator from North Carolina (Mr. MORGAN), the Senator from North Dakota (Mr. YOUNG), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Michigan (Mr. GRIFFIN), the Senator from Texas (Mr. TOWER), the Senator from Nebraska (Mr. CURTIS), and the Senator from Vermont (Mr. STAFFORD).

The Doorkeeper announced the ambassadors, ministers, and chargés d'affaires of foreign governments.

The ambassadors, ministers, and chargés d'affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Chief Justice of the United States and the Associate Justices of the Supreme Court.

The Chief Justice of the United States and the Associate Justices of the Supreme Court entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 9 o'clock and 1 minute p.m., the Doorkeeper announced the President of the United States.

The President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Rpresentatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The **SPEAKER**. My colleagues of the Congress, I have the high privilege and the distinct personal honor of presenting to you the President of the United States.

[Applause, the Members rising.]

THE STATE OF THE UNION—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. Doc. No. 94-330)

The **PRESIDENT**. Mr. Speaker, Mr. Vice President, Members of the 94th Congress, and distinguished guests: As we begin our Bicentennial, America is still one of the youngest nations in recorded history. Long before our forefathers came to these shores, men and women had been struggling on this planet to forge a better life for themselves and their families.

In man's long upward march from savagery and slavery—throughout the nearly 2,000 years of the Christian calendar, the nearly 6,000 years of Jewish reckoning—there have been many deep, terrifying valleys, but also many bright and towering peaks.

One peak stands highest in the ranges of human history. One example shines forth of a people uniting to produce abundance and to share the good life fairly and with freedom. One Union holds out the promise of justice and opportunity for every citizen.

That Union is the United States of America.

We have not remade paradise on Earth. We know perfection will not be found here. But think for a minute how far we have come in 200 years.

We came from many roots and we have many branches. Yet all Americans across the eight generations that separate us from the stirring deeds of 1776, those who know no other homeland and those who just found refuge on our shores, say in unison: I am proud of America and I am proud to be an American. Life will be a little better here for my children than for me.

I believe this not because I am told to believe it, but because life has been better for me than it was for my father and my mother. I know it will be better for my children because my hands, my brains, my voice and my vote, can help make it happen.

It has happened here in America.

It has happened to you and to me.

Government exists to create and preserve conditions in which people can translate their ideals into practical reality. In the best of times, much is lost in translation. But we try.

Sometimes we have tried and failed.

Always we have had the best of intentions. But in the recent past we sometimes forgot the sound principles that guided us through most of our history. We wanted to accomplish great things and solve age-old problems. And we became overconfident of our abilities. We tried to be a policeman abroad and the indulgent parent here at home. We thought we could transform the country through massive national programs.

But often the programs did not work; too often, they only made things worse.

In our rush to accomplish great deeds quickly, we trampled on sound principles of restraint, and endangered the rights of individuals.

We unbalanced our economic system by the huge and unprecedented growth of Federal expenditures and borrowing. And we were not totally honest with ourselves about how much these programs would cost and how we would pay for them.

Finally, we shifted our emphasis from defense to domestic problems while our adversaries continued a massive buildup of arms.

The time has now come for a fundamentally different approach—for a new realism that is true to the great principles upon which this Nation was founded.

We must introduce a new balance to our economy—a balance that favors not only sound, active government but also a much more vigorous, healthier economy that can create new jobs and hold down prices.

We must introduce a new balance in the relationship between the individual and the Government—a balance that favors greater individual freedom and self-reliance.

We must strike a new balance in our system of federalism—a balance that favors greater responsibility and freedom for the leaders of our States and local governments.

We must introduce a new balance between the spending on domestic programs and spending on defense—a balance that insures we will fully meet our obligation to the needy while also protecting our security in a world that is still hostile to freedom.

And in all that we do, we must be more honest with the American people, promising them no more than we can deliver, and delivering all that we promise.

The genius of America has been its incredible ability to improve the lives of its citizens through a unique combination of governmental and free citizen activity.

History and experience tell us that moral progress cannot come in comfortable and in complacent times, but out of trial and out of confusion. Tom Paine aroused the troubled Americans of 1776 to stand up to the times that try men's souls, because the harder the conflict the more glorious the triumph.

Just a year ago I reported that the state of the Union was not good.

Tonight I report that the state of our Union is better—in many ways a lot better—but still not good enough.

To paraphrase Tom Paine, 1975 was not a year for summer soldiers and sunshine patriots. It was a year of fears and alarms and of dire forecasts—most of which never happened and will not happen.

As you recall, the year 1975 opened with rancor and with bitterness. Political misdeeds of the past had neither been forgotten nor forgiven.

The longest, most divisive war in our history was winding toward an unhappy conclusion. Many feared that the end of that foreign war of men and machines meant the beginning of a domestic war of recrimination and reprisal.

Friends and adversaries abroad were asking whether America had lost its nerve.

Finally, our economy was ravaged by inflation—inflation that was plunging us into the worst recession in four decades.

At the same time, Americans became increasingly alienated from big institutions. They were steadily losing confidence not just in big government, but in big business, big labor, and big education among others.

Ours was a troubled land.

And so, 1975 was a year of hard decisions, difficult compromises, and a new realism that taught us something important about America.

It brought back a needed measure of commonsense, steadfastness and self-discipline. Americans did not panic or demand instant but useless cures. In all sectors people met their difficult problems with restraint and with responsibility worthy of their great heritage.

Add up the separate pieces of progress in 1975, subtract the setbacks, and the sum total shows that we are not only headed in a new direction, a direction which I proposed 12 months ago, but it turned out to be the right direction.

It is the right direction because it follows the truly revolutionary American concept of 1776 which holds that in a free society, the making of public policy and successful problem solving involves much more than government. It involves a full partnership among all branches and all levels of government, private institutions, and individual citizens.

Commonsense tells me to stick to that steady course.

Take the state of our economy.

Last January most things were rapidly getting worse.

This January most things are slowly but surely getting better.

The worst recession since World War II turned around in April. The best cost-of-living news of the past year is that double digit inflation of 12 percent or higher was cut almost in half. The worst—unemployment—remains far too high.

Today nearly 1.7 million more Americans are working than at the bottom of the recession. At year's end people were again being hired much faster than they were being laid off.

Yet let us be honest: Many Americans have not yet felt these changes in their daily lives. They still see prices going up far too fast, and they still know the fear of unemployment.

We are also a growing Nation. We need more and more jobs every year. Today's economy has produced over 85 million jobs for Americans, but we need a lot more jobs, especially for the young.

My first objective is to have sound economic growth without inflation.

We all know from recent experience what runaway inflation does to ruin every other worthy purpose. We are slowing it, we must stop it cold.

For many Americans the way to a healthy noninflationary economy has become increasingly apparent; the Government must stop spending so much and stop borrowing so much of our money; more money must remain in private hands where it will do the most good. To hold down the cost of living, we must hold down the cost of Government.

In the past decade, the Federal budget has been growing at an average rate of over 10 percent a year. The budget I am submitting Wednesday cuts this rate of growth in half. I have kept my promise to submit a budget for the next fiscal year of $395 billion. In fact, it is $394.2 billion.

By holding down the growth of Federal spending, we can afford additional tax cuts and return to the people who pay taxes more decision-making power over their own lives.

Last month I signed legislation to extend the 1975 tax reductions for the first six months of this year. I now propose that effective July 1, 1976, we give our taxpayers a tax cut of approximately $10 billion more than Congress agreed to in December.

My broader tax reduction would mean that for a family of four making $15,000 a year there will be $227 more in take home pay annually. Hard-working Americans caught in the middle can really use that kind of extra cash.

My recommendations for a firm restraint on the growth of Federal spending and for greater tax reduction are simple and straightforward. For every dollar saved in cutting the growth in the Federal budget we can have an added dollar of Federal tax reduction.

We can achieve a balanced budget by 1979 if we have the courage and the wisdom to continue to reduce the growth of Federal spending.

One test of a healthy economy is a job for every American who wants to work.

Government—our kind of government—cannot create that many jobs. But the Federal Government can create conditions and incentives for private business and industry to make more and more jobs.

Five out of six jobs in this country are in private business and in industry. Common sense tells us this is the place to look for more jobs and to find them faster.

I mean real, rewarding, permanent jobs.

To achieve this we must offer the American people greater incentives to invest in the future. My tax proposals are a major step in that direction.

To supplement these proposals, I ask that Congress enact changes in Federal tax laws that will speed up plant expansion and the purchase of new equipment. My recommendations will concentrate this job-creation tax incentive in areas where the unemployment rate now runs over 7 percent. Legislation to get this started must be approved at the earliest possible date.

Within the strict budget total that I will recommend for the coming year, I will ask for additional housing assistance for 500,000 families. These programs will expand housing opportunities, spur construction and help to house moderate and low income families.

We had a disappointing year in the housing industry in 1975, but with lower interest rates and available mortgage money, we can have a healthy recovery in 1976.

A necessary condition of a healthy economy is freedom from the petty tyranny of massive government regulation. We are wasting literally millions of working hours costing billions of taxpayers' and consumers' dollars because of bureaucratic red tape. The American farmer, who not only feeds 215 million Americans but also millions worldwide, has shown how much more he can produce without the shackles of government control.

Now, we badly need reforms in other key areas in our economy—the airlines, trucking, railroads, and financial institutions. I have submitted concrete plans in each of these areas, not to help this or that industry, but to foster competition and to bring prices down for the consumer.

This Administration in addition will strictly enforce the Federal antitrust laws for the very same purposes.

Taking a longer look at America's future there can be neither sustained growth nor more jobs unless we continue to have an assured supply of energy to run our economy. Domestic production of oil and gas is still declining. Our dependence on foreign oil at high prices is still too great, draining jobs and dollars away from our own economy at the rate of $125 per year for every American.

Last month I signed a compromise national energy bill which enacts a part of my comprehensive energy independence program. This legislation was late, not the complete answer to energy independence, but still a start in the right direction.

I again urge the Congress to move ahead immediately on the remainder of my energy proposals to make America invulnerable to the foreign oil cartel. My proposals, as all of you know, would:

Reduce domestic natural gas shortages;

Allow production from Federal petroleum reserves;

Stimulate effective conservation, including revitalization of our railroads and the expansion of our urban transportation systems;

Develop more and cleaner energy from our vast coal resources;

Expedite clean and safe nuclear power production;

Create a new national Energy Independence Authority to stimulate vital energy investment;

And accelerate development of technology to capture energy from the Sun and the Earth for this and future generations.

Also I ask for the sake of future generations that we preserve the family farm and family-owned small business. Both strengthen America and give stability to our economy.

I will propose estate tax changes so that family businesses and family farms can be handed down from generation to generation without having to be sold to pay taxes.

I propose tax changes to encourage people to invest in America's future, and their own, through a plan that gives moderate-income families income tax benefits if they make long-term investments in common stock in American companies.

The Federal Government must and will respond to clear-cut national needs—for this and future generations.

Hospital and medical services in America are among the best in the world, but the cost of a serious and extended illness can quickly wipe out a family's lifetime savings. Increasing health costs are of deep concern to all and a powerful force pushing up the cost of living.

The burden of catastrophic illness can be borne by very few in our society. We must eliminate this fear from every family.

I propose catastrophic health insurance for everybody covered by medicare. To finance this added protection, fees for short-term care will go up somewhat, but nobody after reaching age 65 will have to pay more than $500 a year for covered hospital or nursing home care, nor more than $250 for 1 year's doctors' bills.

We cannot realistically afford federally dictated national health insurance providing full coverage for all 215 million Americans. The experience of other countries raises questions about the quality as well as the cost of such plans. But I do envision the day when we may use the private health insurance system to offer more middle-income families high quality health services at prices they can afford and shield them also from their catastrophic illnesses.

Using resources now available, I propose improving the medicare and other Federal health programs to help those who really need protection: older people and the poor. To help States and local governments give better health care to the poor I propose that we combine 16 existing Federal programs including medicaid into a single $10 billion Federal grant.

Funds would be divided among States under a new formula which provides a larger share of Federal money to those States that have a larger share of low-income families.

I will take further steps to improve the quality of medical and hospital care for those who have served in our Armed Forces.

Now let me speak about social security.

Our Federal social security system for people who have worked and contributed to it for all their lives is a vital part of our economic system. Its value is no longer debatable. In my budget for fiscal year 1977 I am recommending that the full cost of living increases in the social security benefits be paid during the coming year.

But I am concerned about the integrity of our social security trust fund that enables people—those retired and those still working who will retire—to count on this source of retirement income. Younger workers watch their deductions rise and wonder if they will be adequately protected in the future.

We must meet this challenge head-on.

Simple arithmetic warns all of us that the social security trust fund is headed for trouble. Unless we act soon to make sure the fund takes in as much as it pays out, there will be no security for old or for young.

I must therefore recommend a three-tenths of 1 percent increase in both employer and employee social security taxes effective January 1, 1977. This will cost each covered employee less than one extra dollar a week and will insure the integrity of the trust fund.

As we rebuild our economy, we have a continuing responsibility to provide a temporary cushion to the unemployed. At my request the Congress enacted two extensions and two expansions in unemployment insurance which helped those who were jobless during 1975. These programs will continue in 1976.

In my fiscal year 1977 budget I am also requesting funds to continue proven job training and employment opportunity programs for millions of other Americans.

Compassion and a sense of community—two of America's greatest strengths throughout our history—tell us we must take care of our neighbors who cannot take care of themselves. The host of Federal programs in this field reflect our generosity as a people.

But everyone realizes that when it comes to welfare, government at all levels is not doing the job well. Too many of our welfare programs are inequitable and invite abuse. Too many of our welfare programs have problems from beginning to end. Worse, we are wasting badly needed resources without reaching many of the truly needy.

Complex welfare programs cannot be reformed overnight. Surely we cannot simply dump welfare into the laps of the 50 States, their local taxpayers or their private charity and just walk away from it. Nor is it the right time for massive and sweeping changes while we are still recovering from the recession.

Nevertheless there are still plenty of improvements that we can make. I will ask Congress for Presidential authority to tighten up the rules for eligibility and benefits.

Last year I twice sought long overdue reform of the scandal riddled food stamp program. This year I say again: Let's give food stamps to those most in need. Let's not give any to those who don't need them.

Protecting the life and property of the citizen at home is the responsibility of all public officials but is primarily the job of local and State law enforcement authorities.

Americans have always found the very thought of a Federal police force repugnant and so do I. But there are proper ways in which we can help to ensure domestic tranquility as the Constitution charges us.

My recommendations on how to control violent crime were submitted to the Congress last June with strong emphasis on protecting the innocent victims of crime.

To keep a convicted criminal from committing more crimes we must put him in prison so he cannot harm more law-abiding citizens.

To be effective, this punishment must be swift and it must be certain.

Too often criminals are not sent to prison after conviction, but are allowed to return to the streets.

Some judges are reluctant to send convicted criminals to prison because of inadequate facilities. To alleviate this problem at the Federal level, my new budget proposes the construction of four new Federal facilities.

To speed Federal justice, I propose an increase this year in U.S. attorneys prosecuting Federal crimes and the reinforcement of the number of U.S. marshals.

Additional Federal judges are needed, as recommended by me and the Judicial Conference.

Another major threat to every American's person and property is the criminal carrying a handgun. The way to cut down on the criminal use of guns is not to take guns away from the law-abiding citizen, but to impose mandatory sentences for crimes in which a gun is used, make it harder to obtain cheap guns for criminal purposes, and concentrate gun control enforcement in high crime areas.

My budget recommends 500 additional Federal agents in the 11 largest metropolitan high crime areas to help local authorities stop criminals from selling and using handguns.

The sale of hard drugs is tragically on the increase again. I have directed all agencies of the Federal Government to step up law enforcement efforts against those who deal in drugs. In 1975, I am glad to report, Federal agents seized substantially more heroin coming into our country than in 1974.

As President, I have talked personally with the leaders of Mexico, Colombia, and Turkey to urge greater efforts by their governments to control effectively the production and shipment of hard drugs.

I recommended months ago that the Congress enact mandatory fixed sentences for persons convicted of Federal crimes involving the sale of hard drugs. Hard drugs, we all know, degrade the spirit as they destroy the body of their users.

It is unrealistic and misleading to hold out the hope that the Federal Government can move into every neighborhood and clean up crime. Under the Constitution the greatest responsibility for curbing crime lies with State and local authorities. They are the frontline fighters in the war against crime.

There are definite ways in which the Federal Government can help them. I will propose in the new budget that Congress authorize almost $7 billion over the next 5 years to assist State and local governments to protect the safety and property of all their citizens.

As President I pledge the strict enforcement of Federal laws and by example, support, and leadership to help State and local authorities enforce their laws. Together we must protect the victims of crime and ensure domestic tranquility.

Last year I strongly recommended a 5-year extension of the existing revenue-sharing legislation which thus far has provided $23½ billion to help State and local units of government solve problems at home. This program has been effective with decision-making transferred from the Federal Government to locally elected officials. Congress must act this year or State and local units of government will have to drop programs or raise local taxes.

Including my health care program reforms, I propose to consolidate some 59 separate Federal programs and provide flexible Federal dollar grants to help States, cities, and local agencies in such important areas as education, child nutrition, and social services. This flexible system will do the job better and do it closer to home.

The protection of the lives and property of Americans from foreign enemies is one of my primary responsibilities as President.

In a world of instant communications and intercontinental ballistic missiles, in a world economy that is global and interdependent, our relations with other nations become more, not less, important to the lives of Americans.

America has had a unique role in the world since the day of our independence 200 years ago. And ever since the end of World War II, we have borne—successfully—a heavy responsibility for ensuring a stable world order and hope for human progress.

Today, the state of our foreign policy is sound and strong.

We are at peace—and I will do all in my power to keep it that way.

Our military forces are capable and ready; our military power is without equal. And I intend to keep it that way.

Our principal alliances, with the industrial democracies of the Atlantic Community and Japan, have never been more solid.

A further agreement to limit the strategic arms race may be achieved.

We have an improving relationship with China, the world's most populous nation.

The key elements for peace among the nations of the Middle East now exist.

Our traditional friendships in Latin America, Africa, and Asia continue.

We have taken the role of leadership in launching a serious and hopeful dialog between the industrial world and the developing world.

We have helped to achieve significant reform of the international monetary system.

We should be proud of what America, what our country has accomplished in these areas, and I believe the American people are.

The American people have heard too much about how terrible our mistakes, how evil our deeds, and how misguided our purposes. The American people know better.

The truth is we are the world's greatest democracy. We remain the symbol of man's aspirations for liberty and well-being. We are the embodiment of hope for progress.

I say it is time we quit downgrading ourselves as a nation. Of course it is our responsibility to learn the right lessons from past mistakes. It is our duty to see that they never happen again. But our greater duty is to look to the future. The world's troubles will not go away.

The American people want strong and effective international and defense policies.

In our constitutional system, these policies should reflect consultation and accommodation between the President and the Congress. But in the final analysis, as the Framers of our Constitution knew from hard experience, the foreign relations of the United States can be conducted effectively only if there is strong central direction that allows flexibility of action. That responsibility clearly rests with the President.

I pledge to the American people policies which seek a secure, just, and peaceful world. I pledge to the Congress to work with you to that end.

We must not face a future in which we can no longer help our friends, such as Angola—even in limited and carefully controlled ways. We must not lose all capacity to respond short of military intervention. Some hasty actions of the Congress during the past year—most recently in respect to Angola—were in my view very shortsighted. Unfortunately, they are still very much on the minds of our allies and our adversaries.

A strong defense posture gives weight to our values and our views in international negotiations; it assures the vigor of our alliances; and it sustains our efforts to promote settlements of international conflicts. Only from a position of strength can we negotiate a balanced agreement to limit the growth of nuclear arms. Only a balanced agreement will serve our interest and minimize the threat of nuclear confrontation.

The Defense Budget I will submit to the Congress for fiscal year 1977 will show an essential increase over the current year's. It provides for real growth in purchasing power over this year's Defense Budget which includes the costs of the All-Volunteer Force.

We are continuing to make economies to enhance the efficiency of our military forces. But the budget I will submit represents the necessity of American strength for the real world in which we live.

As conflict and rivalries persist in the world, our United States intelligence capabilities must be the best in the world.

The crippling of our foreign intelligence services increases the danger of American involvement in direct armed conflict. Our adversaries are encouraged to attempt new adventures, while our own ability to monitor events, and to influence events short of military action—is undermined.

Without effective intelligence capability, the United States stands blindfolded and hobbled.

In the near future, I will take actions to reform and strengthen our intelligence community. I ask for your positive cooperation. It is time to go beyond sensationalism and ensure an effective, responsible, and responsive intelligence capability.

Tonight I have spoken about our problems at home and abroad. I have recommended policies that will meet the challenge of our third century.

I have no doubt that our Union will endure—better, stronger, and with more individual freedom.

We can see forward only dimly—one year, five years, a generation perhaps. Like our forefathers, we know that if we meet the challenges of our own time with a common sense of purpose and conviction—if we remain true to our Constitution and to our ideals—then we can know that the future will be better than the past.

I see America today crossing a threshold, not just because it is our Bicentennial, but because we have been tested in adversity. We have taken a new look at what we want to be and what we want our Nation to become.

I see America resurgent, certain once again that life will be better for our children than it is for us, seeking strength that cannot be counted in megatons and riches that cannot be eroded by inflation.

I see these United States of America moving forward as before toward a more perfect Union where the Government serves and the people rule.

We will not make this happen simply by making speeches, good or bad, yours, or mine, but by hard work and hard decisions made with courage and with common sense.

I have heard many inspiring Presidential speeches, but the words I remember best were spoken by Dwight D. Eisenhower.

"America is not good because it is great," the President said. "America is great because it is good."

President Eisenhower was raised in a poor but religious home in the heart of America. His simple words echoed President Lincoln's eloquent testament that "right makes might." And Lincoln, in turn, evoked the silent image of George Washington kneeling in prayer at Valley Forge.

So all these magic memories, which link eight generations of Americans, are summed up in the inscription just above me.

How many times have we seen it?—"In God We Trust."

Let us engrave it now in each of our hearts as we begin our Bicentennial.

[Applause, the Members rising.]

At 9 o'clock and 52 minutes p.m., the President, accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Doorkeeper escorted the invited guests from the Chamber in the following order:

The members of the President's Cabinet.

The Chief Justice of the United States and the Associate Justices of the Supreme Court.

The ambassadors, ministers, and chargés d'affaires of foreign governments.

JOINT SESSION DISSOLVED

The SPEAKER. The Chair declares the joint session of the two Houses now dissolved.

Accordingly (at 9 o'clock and 55 minutes p.m.) the joint session of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

REFERENCE OF PRESIDENT'S MESSAGE

Mr. BRADEMAS. Mr. Speaker, I move that the message of the President be referred to the Committee of the Whole House on the State of the Union and ordered printed.

The motion was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT

Mr. BRADEMAS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 56 minutes p.m.) the House adjourned until tomorrow, Tuesday, January 20, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows.

2232. A letter from the Deputy Assistant Secretary of Agriculture, transmitting the annual report of the Cooperative State Research Service for fiscal year 1975, pursuant to section 10 of Public Law 88–74; to the Committee on Agriculture.

2233. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority for fiscal year 1976 as of January 1, 1976, pursuant to section 1014(e) of Public Law 93–44 (H. Doc. No. 94–331); to the Committee on Appropriations and ordered to be printed.

2234. A letter from the Administrator of General Services, transmitting a report of a violation of the Antideficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes; to the Committee on Appropriations.

2235. A letter from the Secretary of the Navy, transmitting a report on the progress of the Naval Reserve Officers Training Corps flight training program for fiscal year 1975, pursuant to 10 U.S.C. 2110(b); to the Committee on Armed Services.

2236. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

2237. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

2238. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of 79 construction projects proposed to be undertaken for the Air National Guard, pursuant to 10 U.S.C. 2233 a(1); to the Committee on Armed Services.

2239. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Navy and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

2240. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting a report on military construction projects placed under contract in fiscal year 1975 in which it was necessary to exceed the amount authorized for the project by Congress by more than 25 percent or to reduce the project scope in order to award within the authorization, pursuant to section 603(d) of Public Law 93–166; to the Committee on Armed Services.

2241. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting a report on former military and civilian officials and current Department of Defense employees who have filed reports pertaining to employment by defense contractors, covering fiscal year 1975, pursuant to section 410(d) of Public Law 91–121; to the Committee on Armed Services.

2242. A letter from the Secretary of the Treasury, transmitting the annual report of the National Advisory Council on International Monetary and Financial Policies for fiscal year 1975 (H. Doc. No. 94–348); to the Committee on Banking, Currency and Housing and ordered to be printed with illustrations.

2243. A letter from the Secretary of Housing and Urban Development, transmitting the third report on implementation of the Emergency Homeowners' Relief Act of 1975, pursuant to section 111 of the act (Public Law 94–50); to the Committee on Banking, Currency and Housing.

2244. A letter from the Secretary of Housing and Urban Development, transmitting the first annual report of the community development block grant program, pursuant to section 113 of Public Law 93–383; to the Committee on Banking, Currency and Housing.

2245. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Board's seventh annual report on truth in lending, pursuant to section 114 of the Truth in Lending Act; to the Committee on Banking, Currency and Housing.

2246. A letter from the Chairman, the Renegotiation Board, transmitting the annual report of the Board for fiscal year 1975, pursuant to section 114 of the Renegotiation Act of 1951; to the Committee on Banking, Currency and Housing.

2247. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during November 1975 to Communist countries; to the Committee on Banking, Currency and Housing.

2248. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 1–81, "To provide for the relief of the owners of certain properties in Square S–5542 in the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2249. A letter from the general manager, Washington Metropolitan Area Transit Authority, transmitting the seventh quarterly report on the Metrorail construction program dated November 1975; to the Committee on the District of Columbia.

2250. A letter from the vice president and general manager, Chesapeake and Potomac Telephone Co., transmitting a statement of the receipts and expenditures of the company for calendar year 1975, pursuant to 33 Stat. 375; to the Committee on the District of Columbia.

2251. A letter from the Under Secretary of Health, Education, and Welfare, transmitting the first annual report on the status and accomplishments of runaway facilities, pursuant to section 315 of Public Law 93–415; to the Committee on Education and Labor.

2252. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting final regulations for desegregation of public education, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2253. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting final regulations for amendments to part 100b, GEPA for Office of Education State-administered programs, pursuant to section 431 (d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2254. A letter from the chairman and executive director, Pension Benefit Guaranty Corporation, transmitting the first annual report of the Corporation, pursuant to section 4008 of the Employee Retirement Income Security Act of 1974 (Public Law 93–406); to the Committee on Education and Labor.

2255. A letter from the Secretary of the Treasury, transmitting the combined statement of receipts, expenditures, and balances of the U.S. Government for fiscal year 1975, pursuant to 31 U.S.C. 66b and 1029; to the Committee on Government Operations.

2256. A letter from the Assistant Secretary of the Treasury (Administration), transmitting a report on the installation of a communications network to be used in connection with the Bureau of the Public Debt systems of records, pursuant to 5 U.S.C. 552a (o); to the Committee on Government Operations.

2257. A letter from the Clerk, U.S. House of Representatives, transmitting a list of reports which is the duty of any officer or department to make to Congress, pursuant to rule III, clause 2, of the Rules of the House of Representatives (H. Doc. 94–332); to the Committee on House Administration and ordered to be printed.

2258. A letter from the Sergeant at Arms, U.S. House of Representatives, transmitting his annual report of funds drawn by him, the application and disbursement of the sums, and balances remaining in his hands as of January 10, 1976, pursuant to 2 U.S.C. 84; to the Committee on House Administration.

2259. A letter from the Assistant Secretary of the Interior, transmitting drafts of proposed legislation designating certain lands as wilderness; to the Committee on Interior and Insular Affairs.

2260. A letter from the Assistant Secretary of the Interior, transmitting a proposed supplemental contract with the Midvale Irrigation District for drainage and minor construction work on the Riverton Unit, Pick-Sloan Missouri Basin program, Wyoming, pursuant to the act of June 13, 1956 (70 Stat. 274; 43 U.S.C. 505); to the Committee on Interior and Insular Affairs.

2261. A letter from the Assistant Secretary of Interior (Management), transmitting notice that the Department is planning to computerize its Indian business development program (grants), pursuant to 5 U.S.C. 552a (o); to the Committee on Interior and Insular Affairs.

2262. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of receipts of project proposals under the Small Reclamation Projects Act of 1956 from the Mitchell Irrigation District, Nebr., and the Roy Water Conservancy Subdistrict, Utah, pursuant to section 10 of the act; to the Committee on Interior and Insular Affairs.

2263. A letter from the Director, Bureau of Land Management, Department of the Interior, transmitting the semiannual report on negotiated sales contracts made by the Bureau for the disposal of materials during the period January 1, 1975, through June 30, 1975, pursuant to Public Law 87-689; to the Committee on Interior and Insular Affairs.

2264. A letter from the Secretary of State, transmitting the annual report on U.S. contributions to international organizations for fiscal year 1974, pursuant to section 2 of Public Law 806, 81st Congress (H. Doc. No. 94-333); to the Committee on International Relations and ordered to be printed.

2265. A letter from the Assistant to the President, transmitting a correction to the President's recommendations for economic and military assistance to Greece for fiscal year 1976 (H. Doc. No. 94-317), pursuant to section 2(b)(2) of Public Law 94-104; to the Committee on International Relations.

2266. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Thomas O. Enders and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

2267. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambasador-designate Robert Anderson and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

2268. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Deane R. Hinton and his family, and Ambassador-designate Willard Ames De Pree and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

2269. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by a friendly government for permission to transfer certain U.S.-origin military equipment to a third party, pursuant to section 3(a) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2270. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on excess defense articles delivered to foreign governments in the first quarter of fiscal year 1976, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971, as amended; to the Committee on International Relations.

2271. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the quantities and actual value of major items of excess military equipment programed during the month of November for delivery on a grant basis, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971, as amended [22 U.S.C. 2321b(d)]; to the Committee on International Relations.

2272. A letter from the Administrator, Agency for International Development, Department of State, transmitting the annual report on foreign assistance and related transactions for fiscal year 1975, pursuant to section 657 of the Foreign Assistance Act of 1961, as amended [22 U.S.C. 2417]; to the Committee on International Relations.

2273. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92-403; to the Committee on International Relations.

2274. A letter from the Deputy Fiscal Assistant Secretary of the Treasury, transmitting a report on the inventory of nonpurchased foreign currencies as of June 30, 1975, pursuant to section 613(c) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2275. A letter from the Comptroller, Defense Security Assistance Agency, transmitting a quarterly report on foreign military sales letters of offer, pursuant to section 36 (a) (1) and (2) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2276. A letter from the Chairman, U.S. Advisory Commission on International Educational and Cultural Affairs, transmitting a report on the effects of the Conference on Security and Cooperation in Europe on the Cultural Relations of the United States and Eastern Europe, pursuant to section 107 of Public Law 87-256; to the Committee on International Relations.

2277. A letter from the executive vice president, Overseas Private Investment Corporation, transmitting a preliminary report on the possibilities of transferring OPIC activities to the private sector, pursuant to [22 U.S.C. 2200a(b)]; to the Committee on International Relations.

2278. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend the International Travel Act of 1961, as amended, to authorize the use of travel grants for foreign participants in familiarization tours to the United States; to the Committee on Interstate and Foreign Commerce.

2279. A letter from the Secretary of Health, Education, and Welfare, transmitting reports on health care costs and financing, health resources, the utilization of health resources, and the health of the Nation's people, pursuant to section 308(a)(2) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

2280. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a preliminary assessment of suspected carcinogens in drinking water, pursuant to section 1442(a)(9) of the Public Health Service Act, as amended (88 Stat. 1683); to the Committee on Interstate and Foreign Commerce.

2281. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of October 31, 1975, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

2282. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares for petroleum products during the months of September and August 1975, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2283. A letter from the Chairman, Federal Power Commission, transmitting the report on permits and licenses issued for hydroelectric projects, together with financial statements and names and compensation of employees of the Commission, for fiscal year 1975, pursuant to section 4(d) of the Federal Power Act [16 U.S.C. 797(d)]; to the Committee on Interstate and Foreign Commerce.

2284. A letter from the Chairman, Federal Power Commission, transmitting a set of regional maps entitled "Principal Electric Facilities, 1975"; to the Committee on Interstate and Foreign Commerce.

2285. A letter from the president, National Railroad Passenger Corporation, transmitting the Corporation's requirements for the acquisition and operation of the Northeast Corridor Passenger Service consistent with the provisions of the Railroad Revitalization Act of 1975, pursuant to section 601(b)(1) of the Railroad Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2286. A letter from the vice president for Government affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of September 1975, pursuant to section 308 of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2287. A letter from the vice president for Government affairs, National Railroad Passenger Corporation; transmitting a report covering the month of November 1975, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2288. A letter from the president, United States Railway Association, transmitting the Association's appropriation request for fiscal year 1977, pursuant to section 202(g)(2) of the Regional Rail Reorganization Act; to the Committee on Interstate and Foreign Commerce.

2289. A letter from the Attorney General, transmitting his report on the administration of the Foreign Agents Registration Act during calendar year 1974, pursuant to section 11 of the act; to the Committee on the Judiciary.

2290. A letter from the Attorney General, transmitting a draft of proposed legislation to prohibit economic coercion based upon race, color, religion, national origin, or sex; to the Committee on the Judiciary.

2291. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

2292. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

2293. A letter from the Administrator, Law Enforcement Assistance Administration, U.S. Department of Justice, transmitting the seventh annual report of the Law Enforcement Assistance Administration, covering fiscal year 1975, pursuant to section 518 of Public Law 90-351, as amended by Public Law 93-83; to the Committee on the Judiciary.

2294. A letter from the Director, Federal Judicial Center, transmitting the Center's annual report for fiscal year 1975, pursuant to section 623(b) of Public Law 90-219; to the Committee on the Judiciary.

2295. A letter from the Secretary of Commerce, transmitting the third annual report on marine sanctuaries, covering fiscal year

1975, pursuant to section 302(d) of Public Law 92-532; to the Committee on Merchant Marine and Fisheries.

2296. A letter from the Acting Secretary of the Treasury, transmitting a report on the experience of Federal agencies under the program for self-insuring fidelity losses of Federal personnel, covering fiscal year 1975, pursuant to section 103 of the act of June 6, 1972 [31 U.S.C. 1203]; to the Committee on Post Office and Civil Service.

2297. A letter from the Assistant Secrtary for Administration, Department of Agriculture, transmitting the annual report for calendar year 1975 on scientific and professional positions authorized to be established in the Department pursuant to 5 U.S.C. 3104(c), to the Committee on Post Office and Civil Service.

2298. A letter from the Acting Director of Personnel, U.S. Department of Commerce, transmitting the annual report for calendar year 1975 on scientific and professional positions authorized to be established in the Department, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

2299. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend Public Law 85-445 to authorize and request the President to proclaim annually the 7-day period beginning June 1 as National Safe Boating Week; to the Committee on Post Office and Civil Service.

2300. A letter from the Deputy Director, Administrative Office of the U.S. Courts, transmitting a report on positions in the agency in grade GS-17 during calendar year 1975, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

2301. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a letter from the Chief of Engineers, Department of the Army, submitting a report on shores of the city of Pacifica, Calif., requested by a resolution of the Committee on Public Works, House of Representatives, adopted June 19, 1963; to the Committee on Public Works and Transportation.

2302. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a letter from the Chief of Engineers, Department of the Army, submitting a report on Harlan County Lake, Nebr., and Beaver Creek, Nebr., and Kans., requested by resolutions of the Committee on Public Works, House of Representatives, adopted April 4, 1966, and October 5, 1966, respectively; to the Committee on Public Works and Transportation.

2303. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a letter from the Chief of Engineers, Department of the Army, submitting a report on St. Marks River, Fla., requested by a resolution of the Committee on Public Works, House of Representatives, adopted July 10, 1968; to the Committee on Public Works and Transportation.

2304. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a letter from the Chief of Engineers, Department of the Army, submitting a report on Nodaway River, Mo., and Iowa, requested by a resolution of the Committee on Public Works, House of Representatives, adopted March 1, 1946 and amended July 15, 1947; to the Committee on Public Works and Transportation.

2305. A letter from the Assistant Secretary of Commerce for Economic Development, transmitting notice that the annual report of the Economic Development Administration for fiscal year 1975 has been delayed in processing; to the Committee on Public Works and Transportation.

2306. A letter from the Secretary of Transportation, transmitting the sixth annual report on operations under the Airport and Airway Development Act of 1970, pursuant to section 24 of the act; to the Committee on Public Works and Transportation.

2307. A letter from the Secretary of Transportation, transmitting notice of a delay in the submission of a report on the study of possible expansion of the war risk insurance program under title XIII of the Federal Aviation Act of 1958, required by section 3 of Public Law 94-90; to the Committee on Public Works and Transportation.

2308. A letter from the Secretary of Transportation, requesting a 90-day extension for the report on the highway safety needs study required by section 225 of the Highway Safety Act of 1973; to the Committee on Public Works and Transportation.

2309. A letter from the Board of Directors of the Tennessee Valley Authority, transmitting the 42d annual report of the Tennessee Valley Authority, covering fiscal year 1975, pursuant to 16 U.S.C. 831h; to the Committee on Public Works and Transportation.

2310. A letter from the Administrator of General Services, transmitting an amendment to the approved prospectus for the U.S. Customhouse in New Orleans, La., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2311. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Chicago, Ill., Federal Building, 536 Clark Street, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2312. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing entering into a succeeding 5-year lease for space currently occupied at the Crystal Plaza No. 5 Building, Arlington, Va., pursuant to section 210(h)(1) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Public Works and Transportation.

2313. A letter from the Federal Cochairman, Four Corners Regional Commission, transmitting the eighth annual report of the Commission, pursuant to section 509 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

2314. A letter from the Director, Central Intelligence Agency, transmitting a request for action by the appropriate committees of the House to create an orderly set of rules governing the receipt, storage, and dissemination of national security information and intelligence; to the Committee on Rules.

2315. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a list of the present and former NASA employees who have filed reports pertaining to their NASA and aerospace-related industry employment for fiscal year 1975, pursuant to section 6 of Public Law 91-119, as amended; to the Committee on Science and Technology.

2316. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms for July-August 1975, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

2317. A letter from the president, National Academy of Sciences, transmitting the Academy's second interim report on the study of health care resources in the Veterans' Administration, pursuant to section 201(c)(1)(A) of Public Law 93-82; to the Committee on Veterans' Affairs.

2318. A letter from the Secretary of the Treasury, transmitting the annual report on the state of the finances of the U.S. Government for fiscal year 1975, pursuant to 31 U.S.C. 1027 (H. Doc. No. 94-347); to the Committee on Ways and Means and ordered to be printed with illustrations.

2319. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report covering the 6 months ended December 31, 1975, on reviews and hearings arising from complaints of unfair trade practices by foreign governments, pursuant to section 301(d)(2) of the Trade Act of 1974; to the Committee on Ways and Means.

2320. A letter from the Chairman, U.S. Internationl Trade Commission, transmitting the fourth quarterly report on trade between the United States and nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

2321. A letter from the Chairman, East-West Foreign Trade Board, transmitting the Board's third quarterly report on trade between the United States and nonmarket economy countries, pursuant to section 411(c) of the Trade Act of 1974 (H. Doc. No. 94-335); to the Committee on Ways and Means and ordered to be printed.

2322. A letter from Administrator, Energy Research and Development Administration, transmitting a justification for the proposed supplemental appropriation for ERDA's weapons program for fiscal year 1976 and the transition quarter; to the Joint Committee on Atomic Energy.

2323. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting notice of his intention to submit an annual report on NRC activities during January of each year, in compliance with the provisions of section 307(c) of the Energy Reorganization Act and section 251 of the Atomic Energy Act; to the Joint Committee on Atomic Energy.

2324. A letter from the Chairman, Interstate Commerce Commission, transmitting the 89th Annual Report of the Commission for fiscal year 1975, pursuant to the Interstate Commerce Act (49 U.S.C. 21); jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

Received From the Comptroller General

2325. A letter from the Comptroller General of the United States, transmitting his review of the deferrals and proposed rescissions and the supplementary report revising a previously reported deferral contained in the message from the President dated December 1, 1975 (House Document No. 94-311), pursuant to section 1014(b) and (c) of Public Law 93-344 (H. Doc. No. 94-336); to the Committee on Appropriations and ordered to be printed.

2326. A letter from the Assistant Comptroller General of the United States, transmitting a report on the release of budget authority for the Department of the Interior, Bureau of Reclamation, Columbia Basin irrigation project, the deferral of which was reported by the President (D 76-13) and subsequently amended (D 76-13A), and disapproved by the Senate; to the Committee on Appropriations.

2327. A letter from the Assistant Comptroller General of the United States, transmitting reports on the release of budget authority for the Department of Agriculture and the Environmental Protection Agency, the deferral of which was reported by the President (D 70, 72, 73, and 74, and D 76-79 through 83, respectively), and disapproved by the House; to the Committee on Appropriations.

2328. A letter from the Comptroller General of the United States, transmitting a report on ways that Navy aircraft overhaul depots could be more productive; jointly, to the Committees on Government Operations, and Armed Services.

2329. A letter from the Comptroller General of the United States, transmitting a report on the causes of excessive profits on Defense and Space contracts; jointly, to the Committees on Government Operations, and Banking, Currency and Housing.

2330. A letter from the Comptroller General of the United States, transmitting a report on needed improvements in the Department of Interior's coal mine dust-sampling program and penalty assessments and collections; jointly, to the Committees on Government Operations, and Education and Labor.

2331. A letter from the Comptroller General of the United States, transmitting a report on the allocation of Federal funds by the Department of Labor in implementing the Comprehensive Employment and Training Act of 1973; jointly, to the Committees on Government Operations, and Education and Labor.

2332. A letter from the Comptroller General of the United States, transmitting a report on the need to insure that workers are protected when employers ask permission to deviate from established occupational safety and health standards; jointly, to the Committees on Government Operations, and Education and Labor.

2333. A letter from the Comptroller General of the United States, transmitting a report on improvements needed in the Government Printing Office to better serve agency needs; jointly, to the Committees on Government Operations, and House Administration.

2334. A letter from the Comptroller General of the United States, transmitting a report on Federal assistance for Presidential transitions with recommendations for changes in legislation; jointly, to the Committees on Government Operations, and Post Office and Civil Service.

2335. A letter from the Comptroller General of the United States, transmitting a report on the advantages and disadvantages of using part-time employees in Federal agencies, and constraints on increased use of such employees; jointly to the Committees on Government Operations, and Post Office and Civil Service.

2336. A letter from the Comptroller General of the United States, transmitting a report on major deficiencies in the operation of the National Aeronautics and Space Administration's property accounting system have weakened the agency's management control over equipment and materials; jointly, to the Committees on Government Operations, and Science and Technology.

2337. A letter from the Comptroller General of the United States, transmitting a report on the need for a comprehensive study of radioactive wastes disposal sites, improvements in program management and regulatory efforts, and evaluations of long-term-care requirements; jointly, to the Committees on Government Operations, and Joint Committee on Atomic Energy.

2338. A letter from the Comptroller General of the United States, transmitting a report on the financial management and program operations of the Southeastern Federal Power program; jointly, to the Committees on Government Operations, Public Works and Transportation, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATMAN: Joint Committee on Defense Production. Annual report of the Joint Committee on Defense Production 1975 (Rept. No. 94–771). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Insular and Foreign Affairs. H.R. 9630. A bill to extend the educational broadcasting facilities program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and social service information, and for other purposes; with amendment (Rept. No. 94–772). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself and Mrs. Heckler of Massachusetts):

H.R. 11352. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. BREAUX:

H.R. 11353. A bill to amend the act of May 23, 1908, and the act of March 1, 1911, for the purpose of increasing the amount of money paid to States and counties under such acts; to the Committee on Agriculture.

H.R. 11354. A bill to amend title 38 of the United States Code in order to eliminate duplication in the certification process for institutions and eligible courses under the Veterans and War Orphans' and Widows' Education Assistance provisions of this title; to the Committee on Veterans' Affairs.

By Mr. BRINKLEY:

H.R. 11355. A bill to amend title 18 of the United States Code to extend the imposition of mandatory prison sentence to certain additional offenses involving the use of firearms; to the Committee on the Judiciary.

By Mr. de la GARZA:

H.R. 11356. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. DRINAN:

H.R. 11357. A bill to provide for a special prosecutor for Federal criminal offenses related to security functions and intelligence gathering; to the Committee on the Judiciary.

By Mr. DRINAN (for himself, Mr. Bedell, Mr. Evans of Colorado, Mr. Gude, Mr. Hechler of West Virginia, Mr. Krebs, Mr. Litton, Mr. Moffett, Mr. Moorhead of Pennsylvania, Mr. O'Hara, Mr. Ottinger, Mr. Risenhoover, Mr. Roybal, and Mr. Zeferetti):

H.R. 11358. A bill to amend the Impoundment Control Act of 1974 to provide that no rescission of budget authority proposed by the President shall take effect unless and until the Congress has passed a bill incorporating such rescission; to the Committee on Rules.

By Mr. DUNCAN of Tennessee:

H.R. 11359. A bill to amend title 38, United States Code, to modify the pension program for veterans of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era and their survivors, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 11360. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

H.R. 11361. A bill to amend the estimated income tax provisions of the Internal Revenue Code of 1954 to provide that the 2d and 3d installments of such tax be payable on or before July 15, and October 15, (rather than June 15, and September 15); to the Committee on Ways and Means.

By Mr. EDGAR:

H.R. 11362. A bill to amend the Internal Revenue Code of 1954 to encourage the construction of new business facilities in certain depressed urban areas or the rehabilitation of existing facilities located in such areas by allowing a tax credit for a certain portion of the wages paid to individuals employed in such facilities; to the Committee on Ways and Means.

By Mr. McCLORY:

H.R. 11363. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and to provide that farmland, woodland, or open land which comprises part of an estate may be valued, for estate tax purposes, as such rather than at its fair market value, and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. MARTIN:

H.R. 11364. A bill to amend title 18 of the United States Code to provide the death penalty for certain destructure acts to airports, airplanes, and related things and places; to the Committee on the Judiciary.

By Mr. MICHEL:

H.R. 11365. A bill to provide for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 11366. A bill to amend the Internal Revenue Code of 1954 to increase to $1,000 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. MOAKLEY:

H.R. 11367. A bill to amend the Public Health Service Act to revise and improve the authority under that act for the regulation of clinical laboratories; to the Committee on Interstate and Foreign Commerce.

H.R. 11368. A bill to exempt individuals who are 72 years old or older from social security taxes; to the Committee on Ways and Means.

By Mr. MOLLOHAN (for himself and Ms. Holtzman):

H.R. 11369. A bill to amend title 10 of the United States Code in order to provide that no veteran may be denied care or treatment under the CHAMPUS program for any service-connected disability solely because care or treatment for such disability is available at Veterans' Administration medical facilities; to the Committee on Armed Services.

By Mr. MONTGOMERY:

H.R. 11370. A bill to amend section 1362 of title 18, United States Code, relating to the injury or destruction of communication lines, stations, or systems; to the Committee on the Judiciary.

By Mr. OTTINGER (for himself and Mr. Stark):

H.R. 11371. A bill to authorize temporary assistance to help defray rental payments by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions; to the Committee on Banking, Currency and Housing.

By Mr. RISENHOOVER:

H.R. 11372. A bill to amend the Voting Rights Act of 1965 to limit certain aspects of its coverage for other than racial groups; to the Committee on the Judiciary.

By Mr. SCHEUER:

H.R. 11373. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit with respect to housing senior citizens in the principal residence of the taxpayer; to the Committee on Ways and Means.

By Mr. STEIGER of Wisconsin:

H.R. 11374. A bill to amend title II of the Social Security Act to provide that benefits computed under the special minimum primary insurance amount formula shall be periodically increased, in the same manner as other benefits payable under such title are increased, to take account of rises in the cost of living; to the Committee on Ways and Means.

By Mr. TAYLOR of North Carolina:

H.R. 11375. A bill to amend the Internal Revenue Code of 1954 to allow a credit for the amount of certain employment placement fees paid or incurred to an employment agency; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 11376. A bill to amend part A of title XVIII of the Social Security Act to reduce the inpatient hospital deductible under the medicare program to its 1975 level; to the Committee on Ways and Means.

By Mr. BRINKLEY:

H.R. 11377. A bill to amend the Internal Revenue Code of 1954 with respect to lobbying by certain types of exempt organizations; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 11378. A bill to amend the Internal Revenue Code of 1954 to allow an itemized deduction for certain salaries and other compensation paid for personal services; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 11379. A bill to amend title 18 of the United States Code to provide the death penalty for the criminal destruction of aircraft or aircraft facilities in cases where death results from such destruction; to the Committee on the Judiciary.

By Mr. MOTTL (for himself, Mr. Brown of California, Mr. Cleveland, Mr. Downey of New York, Mr. Drinan, Mr. Harrington, Mr. Jenrette, Mrs. Schroeder, and Mr. Stark):

H.R. 11380. A bill to reorganize the activities of the executive branch of the Federal Government to provide small business concerns and individual inventors with increased opportunities to participate in activities carried out by the Energy Research and Development Administration, to stimulate competition in the energy industries, and for other purposes; jointly, to the Committees on Science and Technology, Small Business, and Rules.

By Mr. ROE:

H.R. 11381. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Mr. SEIBERLING:

H.R. 11382. A bill to clarify the application of the antitrust laws to professional sports, including baseball, and for other purposes; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.R. 11383. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, and anticompetitive regulation; jointly to the Committees on Government Operations and Rules.

By Mr. WHITEHURST (for himself and Mr. Hicks):

H.R. 11384. A bill to amend the Randolph-Sheppard Act Amendments (title II of Public Law 93-516); to the Committee on Education and Labor.

By Mr. GREEN:

H.R. 11385. A bill to amend title XX of the Social Security Act to provide that no State shall be required to administer individual means tests for provision of education, nutrition, transportation, recreation, socialization, or associated services provided thereunder to individuals aged 60 or older; to the Committee on Ways and Means.

By Mr. ROGERS:

H.R. 11386. A bill to amend title 18 of the United States Code to provide criteria for the imposition of the death penalty for certain explosives related offenses; to the Committee on the Judiciary.

By Mr. CONABLE:

H.J. Res. 766. Joint resolution to designate the square dance as the national dance of the United States; to the Committee on Post Office and Civil Service.

By Mr. ROBINSON:

H.J. Res. 767. Joint resolution to designate March 16, 1976, as James Madison Day; to the Committee on Post Office and Civil Service.

By Mr. MONTGOMERY (for himself and Mr. Lott):

H. Con. Res. 525. Concurrent resolution providing for the presentation of the patriotic production "America, O America, the Beautiful" to a joint meeting of the Congress during the Bicentennial Year; jointly, to the Committees on Rules, and Post Office and Civil Service.

By Mr. PRESSLER (for himself, Mr. Badillo, Mrs. Collins of Illinois, Mr. Downey of New York, Mr. Grassley, Mr. Ketchum, Mr. Kindness, Mr. Mitchell of Maryland, Mr. Murphy of New York, Mr. Ottinger, and Mr. Sarbanes):

H. Con. Res. 526. Concurrent resolution expressing the sense of Congress that vocational education shall be treated equally with other education; jointly, to the Committees on Education and Labor, and Veterans' Affairs.

By Mr. COTTER:

H. Res. 957. Resolution designating January 22, as Ukrainian Independence Day; to the Committee on Post Office and Civil Service.

By Mr. NATCHER:

H. Res. 958. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

By Mr. PATTISON of New York:

H. Res. 959. Resolution to create a Select Committee on the Fiscal Problems of Cities; to the Committee on Rules.

By Mr. PRESSLER (for himself, Mrs. Collins of Illinois, Mr. Downey of New York, Mr. Ford of Tennessee, Mr. Harrington, Mr. Ketchum, Mr. Long of Maryland, Mr. Mitchell of Maryland, Mr. Murphy of New York, Mr. Ottinger, Mr. Robinson, Mr. Sarbanes, and Mr. Stark):

H. Res. 960. Resolution to provide that individuals attending or teaching at vocational schools shall be eligible to serve as congressional interns in the House of Representatives; to the Committee on House Administration.

By Mrs. SULLIVAN (for herself, Mr. Flood, Mr. Snyder, Mr. Burke of Florida, Mr. Ambro, Mr. Jones of Alabama, Mr. Kelly, and Mr. Santini):

H. Res. 961. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

By Mr. DELANEY:

H. Res. 962. Resolution to designate January 22 as Ukrainian Independence Day; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 11387. A bill for the relief of Patrick Andrew C. Laygo and Christina Socorro C. Laygo; to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 11388. A bill for the relief of Serafin P. Estrada; to the Committee on the Judiciary.

By Mr. TRAXLER:

H.R. 11389. A bill for the relief of Jesus Aguilera-Enriquez; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

278. By the SPEAKER: Memorial of the House of Representatives of the State of South Carolina, notifying the Congress that a resolution ratifying a proposed amendment to the Constitution of the United States of America providing that equality of rights under the law shall not be denied or abridged on account of sex failed of passage in the House of Representatives of the State of South Carolina; to the Committee on the Judiciary.

279. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to antitrust laws; to the Committee on the Judiciary.

280. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to congressional investigation into the assassination of President John F. Kennedy; to the Committee on Rules.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

355. By the SPEAKER: Petition of the Arizona Federation of Republican Women, Tempe, Ariz., relative to food stamp reform; to the Committee on Agriculture.

356. Also, petition of Barry Dale Holland, Portsmouth, Va., relative to vocational training; to the Committee on Education and Labor.

357. Also, petition of the council of the city and county of Denver, relative to revenue sharing; to the Committee on Government Operations.

358. Also, petition of the city council, Norfolk, Va., relative to revenue sharing; to the Committee on Government Operations.

359. Also, petition of the Town of Richmond, Honeoye, N.Y., relative to revenue sharing; to the Committee on Government Operations.

360. Also, petition of the Town of Oakwood, Okla., relative to revenue sharing; to the Committee on Government Operations.

361. Also, petition of Richard H. Englefield, N.H., relative to redress of grievances; to the Committee on House Administration.

362. Also, petition of B'nai B'rith Women, Washington, D.C., relative to the United Nations resolution equating Zionism with racism; to the Committee on International Relations.

363. Also, petition of B'nai B'rith Women, Washington, D.C., relative to prenatal care; to the Committee on Interstate and Foreign Commerce.

364. Also, petition of Atlanta Metropol, Inc., Decatur, Ga., relative to the Federal Bureau of Investigation; to the Committee on the Judiciary.

365. Also, petition of Roy B. Foster, Sacramento, Calif., relative to redress of grievances; to the Committee on the Judiciary.

366. Also, petition of Johnny Holms, Pontiac, Ill., relative to redress of grievances; to the Committee on the Judiciary.

367. Also, petition of J. C. Smith, Mansfield, Ohio, relative to redress of grievances; to the Committee on the Judiciary.

368. Also, petition of B'nai B'rith Women, Washington, D.C., relative to Hatch Act revision; to the Committee on Post Office and Civil Service.

369. Also, petition of George D. Bradley,

Redington Beach, Fla., relative to the discontinuation of photocopy services at post offices; to the Committee on Post Office and Civil Service.

370. Also, petition of the city council, Inkster, Mich., relative to the observance of Martin Luther King's birthday as a national holiday; to the Committee on Post Office and Civil Service.

371. Also, petition of B'nai B'rith Women, Washintgon, D.C., relative to tax credits for child care; to the Committee on Ways and Means.

372. Also, petition of the United-Italian American Labor Council, Inc., New York, N.Y., relative to Federal aid to New York City, and multinational corporations and labor standards; jointly, to the Committees on Banking, Currency and Housing, and Education and Labor.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6721

By Mr. SIMON:

Page 20, line 8, after "(2)" insert "(A)".

Page 20, after line 20, insert:

"(B) Any lease which permits surface coal mining which the Secretary proposes to issue under this Act shall be submitted to the Governor of each State within which the coal deposits subject to such lease are located. No such lease may be issued under this Act before the expiration of the 60-day period beginning on the date of such submission. If any Governor to whom a proposed lease was submitted under this subparagraph objects to the issuance of such lease, such lease shall not be issued before the expiration of the one-year period beginning on the date the Secretary is notified by the Governor of such objection. During such one-year period, the Governor may submit to the Secretary a statement of reasons why such lease should not be issued and the Secretary shall, on the basis of such statement, reconsider the issuance of such lease."

H.R. 9464

By Mr. ECKHARDT:

(Amendment to Mr. Krueger's amendment published in the CONGRESSIONAL RECORD of December 8, 1975; on pages 39152-39156.)

Section 204 is amended to read as follows:

"SEC. 204. (a) Section 2 of the Natural Gas Act (15 U.S.C. 717(a)) is amended by redesignating paragraphs (7) through (9) as paragraphs (13) through (15) and inserting the following new paragraphs:

"(7) 'Boiler fuel use of natural gas' means the use of natural gas as the source of fuel in a generating unit of more than 25 megawatts rated net generating capacity or in any unit which is part of an electric utilities system with a total net generating capacity of more than 150 megawatts for the purpose of generating electricity for distribution.

"(8) 'New natural gas' means natural gas produced by independent producers and sold or delivered in interstate commerce—

(A) which is dedicated to interstate commerce for the first time on or after January 1, 1976, or

(B) which is continued in interstate commerce after the expiration of a contract by its own terms (and not through the exercise of any power to terminate or renegotiate contained therein) for the sale or delivery of such natural gas existing as of such date, or

(C) which is produced from wells commenced on or after January 1, 1976.

"(9) 'Old natural gas' means natural gas other than new natural gas.

"(10) 'Affiliate' means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person, as determined by the Commission pursuant to its rulemaking authority.

"(11) 'Offshore Federal lands' means any land or subsurface area within the Outer Continental Shelf, as defined in section 2 (a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

"(12) 'Independent producer' means a person, as determined by the Commission, (A) who is not affiliated with a person engaged in the transportation of natural gas in interstate commerce, and (B) who is not a producing division of such a person engaged in the transportation of natural gas in interstate commerce.

EXTENSIONS OF REMARKS

EFFECTIVE FEDERAL INCOME TAX RATES OF MAJOR U.S. BANKS JANUARY 19, 1976

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. VANIK. Mr. Speaker, in October of last year I released my fourth annual corporate tax study. The study is a report on close to 150 major American companies, from industrials to utilities, and transportation to commercial banks. Using publicly available figures, the study is able to approximate the effective Federal income tax rates of the companies. This latest study, for tax year 1974, showed that 142 companies paid an approximate effective U.S. Federal income tax at a rate of 22.6 percent.

Because of the length of the statistical portion of that study, I did not include a summary of the situation with respect to the commercial banking portion of the economy. Because of the recent interest that has focused on commercial banks, I would like to insert that summary for the information of my colleagues.

The figures show that the nine commercial banks in the study paid an average approximate effective Federal tax of 11.7 percent—a far cry from the 48 percent corporate tax rate.

I must emphasize that these banks were able to reduce their tax load through entirely legitimate means. They have taken full advantage of the tax "stimulants" and "incentives" that the Congress has put into the tax code. In some cases these provisions may have outlived their usefulness, in other cases they may be completely justified. In any event, their clever use by many American companies has allowed companies to drastically lower their Federal income tax load, or avoid it completely.

I hope that the following summary and statistics on U.S. commercial banks will be of interest to my colleagues.

COMMERCIAL BANKS

Only recently have the full implications of the trend of tax avoidance by commercial banks begun to unfold. A little over a year ago an economist at the Philadelphia Federal Reserve Bank compiled data on the tax burden of banks over the past decade. The results were startling. In 1961, commercial banks were paying an effective rate of Federal income tax of about 38.3 percent of net income. By 1972 the rate had dropped to 16.8 percent.

There are several reasons underlying the reduction of Federal tax liability by banks. First, the banking industry generally earns a good portion of its income from investments in tax-exempt State and local securities. Under our tax laws the interest on State and local government obligations is exempt from income tax. Generally speaking, about 11 percent of the assets of commercial banks consists of these securities.

A second tax advantage exploited by banks is the lower capital gains tax on the income from securities transactions. Additionally, banks are allowed tax deductions for reserves set up to offset loan losses.

These three tax advantages are enjoyed by banks primarily because of their unique status as financial institutions. The banking industry provides a service; it does not manufacture goods. Nonetheless, the industry has moved into two other areas of tax preference which have long been the province of nonfinancial corporations—the foreign tax credit and liberalized capital recovery provisions.

According to the Federal Reserve study, foreign tax credits claimed by banks jumped from $63 million in 1967 to $218 million in 1971. This increased use of the foreign tax credit simply documents the remarkable growth in international activities by the banking industry. In 1971, 91 U.S. banks had a total of 583 foreign branches. The combined assets of these foreign branches totaled over $60 billion, or about 10 percent of the total assets of all domestic banks and branches. In just 2 years there was a remarkable expansion of foreign operations. By 1973, 136 U.S. banks—an increase over 1971 of 45 banks—had foreign branches. The number of foreign branches grew to 694. By the end of July 1974, the assets held by these branches totaled $145 billion—over twice the total of 1971 and a twelvefold increase over 1966. At the same time, foreign tax credits claimed by banks increased by more than threefold in 4 years.

The growing investment of U.S. banks in foreign operations raises significant questions concerning the risks and conflicts these activities hold for the stability of the domestic banking industry. For example, what impact do these activities have on the control of domestic credit flows and the allocation of credit among sectors of the U.S. economy?

As disturbing as the worldwide expansion of banking has become, the movement of banks into the use of tax deductions typically exploited by manufacturing corporations is equally serious. Through equipment leasing, banks have opened the door to an entirely new and profitable area of tax avoidance. Leasing actually involves the bartering of tax breaks, principally the investment tax credit and accelerated depreciation deductions. The bank purchases equipment, claims the tax advantages of the investment and then leases the equipment to the industrial corporation that actually uses it.

An illustration will demonstrate the financial appeal that leasing transactions hold for the banks. Generally speaking, there are four parties to a levered lease arrangement:

First, a commercial bank, which serves as the lessor;

Second, an insurance company or investment banker which lends the lessor as much as 85 percent of the equipment's purchase price;

Third, a leasing broker who promotes and mediates the transaction; and

Fourth, the lessee, usually an industrial corporation.

The commercial bank, as lessor, only needs 15 percent equity interest in the equipment in order to take advantage of the tax savings. These savings include:

First, deduction of the interest payments on debt;

Second, use of the Asset Depreciation Range in order to reduce the equipment's service life;

Third, amortization of the initial administrative costs of entering into the lease; and

Fourth, use the investment tax credit.

Leasing is not confined to the highly publicized "big ticket" items such as airplanes, railroad cars, and merchant ships. Leasing also extends to such mundane investments as potato chip cookers, portable handball courts, and zebras for amusement parks. Even on these investments, tax benefits are bartered. How fast has this industry been growing? Nobody knows for sure, but the Federal Reserve Bank of Boston estimates that the industry grows 10 to 30 percent per year.

The development of the leasing industry is a direct result of our liberalized tax treatment of capital investment. Leasing involves capturing tax benefits which otherwise might have been lost. As a Boston Federal Reserve Bank study on leasing stated:

"Tax considerations are a major element in most large leasing deals, when a lessee is unable to take advantage of the tax benefits accruing to the acquisition of capital assets for whatever reason (e.g., earnings may be too low or available write-offs may already be large) . . . Generally, however, if a lessee anticipates sufficient taxable income, borrowing to purchase equipment offers greater tax benefits and is less expensive than leasing."

Why should we be concerned with the rapid growth of the leasing industry? First, it indicates the fact that our tax system has been saturated with investment incentives to the extent that financing gimmicks are needed to utilize the tax benefits we have provided. Second, leasing has no net benefit to our economy over any other means of financing capital investment, but it can create distortions in our economy by overstimulating investment. Take the example of the airline industry, where many companies are now saddled with over-commitments to new aircraft and expensive ground facilities. In the 1960's when these investments were made, the profit position of these companies did not justify some of these massive investments. But these strictly economic considerations were overridden by generous tax benefits. In short, leasing appears to have magnified the tax-induced distortions of investment patterns in our economy.

Finally, the remarkable growth of leasing raises some important questions concerning the future health of our economy. As an economist for the Financial and Commercial Chronicle has noted:

"The spectacular entry of bank organizations into direct lease financing can literally turn our economic system upside down * * * (T)his trend is taking our economy from a system comprised of owners who are the producers into one where the owners are not the producers but the financiers * * * In a word, it means increasing banking concentration of control and ownership of industry."

This development, in turn, has the most significant implications for the future strength of our economy. Competition and risk impose important discipline on the marketplace; they make sure that business decisions are prudent and that business activity is efficient. Leasing activities minimize the influence of both risk and competition. How healthy can it be for banks to have 100 percent equity control over capital equipment with as little as 20 percent equity funds?

In 1974, Senators METCALF and MUSKIE, Chairmen of two Senate Government Operations Subcommittees, published their monumental study, Disclosure of Corporate Ownership. This study showed the growing power of banks and bank trust departments in the possible control of the American world economy:

"As the tabulations in this report make abundantly clear, trust departments of banks, and especially of the large New York City banks, are conspicuous among the 30 largest holders of most of the companies which responded fully, or even in part, to Senator METCALF's letter. This concentration of holdings suggests significant influence by these banks in the management of the companies where they hold large blocks of stock. However, this is an area in which there is a great deal of ignorance."

We may be ignorant of the day-to-day control that these banking giants exercise over America's industrial corporations—but there can be no doubt that their control is growing, fed by the cash flow of tax free income and nearly untaxed profits.

The time is long past due when those interested in democratic public policy should demand an investment and tax accounting of the Nation's banking giants.

Following is data on eight of America's nine largest banks. In 1974, these eight financial giants paid $174 million in Federal corporate taxes on $1,489 million in profits for an industry average effective rate of 11.7 percent. This phenomenally low tax rate is not a 1 year accident. In 1973, for example, the eight leading banks paid $108 million on $1,124 million in profits for an effective tax rate of 9.6 percent.

APPROXIMATE EFFECT TAX RATES PAID BY SELECTED LARGE CORPORATIONS—1974

Corporation	Adjusted net income before Federal and foreign income tax [1] (thousands)	Approximate current Federal and foreign income tax (thousands)	Approximate adjusted net income before Federal income tax [2] (thousands)	Approximate taxes paid to foreign governments (thousands)	Approximate current Federal income tax [2] (thousands)	Approximate effective worldwide tax rate (percent)	Approximate U.S. effective tax rate on worldwide income [*] (percent)
Commercial banking list:							
Bank America Corp	365, 540	94, 000	301, 540	64, 000	30, 000	25. 7	9. 9
First National City Corp. (Citicorp)	512, 295	209, 401	351, 295	161, 000	48, 401	40. 9	13. 9
The Chase Manhattan Corp	235, 487	66, 683	171, 206	61, 710	4, 973	28. 3	2. 9
Manufacturers Hanover Corp	201, 750	42, 617	174, 324	18, 376	24, 241	21. 1	13. 9
J. P. Morgan & Co., Inc	250, 535	74, 946	213, 415	37, 236	37, 710	29. 9	17. 7
Western Bank Corp						(4)	(4)
Chemical New York Corp	97, 046	33, 021	84, 915	12, 373	20, 648	34. 0	24. 3
Bankers Trust New York Corp	84, 002	15, 562	63, 382	12, 536	3, 026	18. 5	4. 8
Continental-Illinois Corp	145, 971	23, 682	129, 413	18, 402	5, 280	16. 2	4. 1
Total	**1, 892, 626**	**559, 912**	**1, 489, 490**	**385, 633**	**174, 279**	**29. 6**	**11. 7**

THE 200TH ANNIVERSARY OF THE MARINE CORPS

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, January 19, 1976

Mr. THURMOND. Mr. President, on the 200th anniversary of America, I know of no greater institution in our country which epitomizes our Nation's history more than the U.S. Marine Corps. The history of America's fight to preserve freedom in the world can be traced by the feats of heroism of the Marine Corps from the Revolutionary War to Vietnam.

In this Bicentennial Year, I am proud to join with all Americans in paying tribute to the U.S. Marine Corps on the occasion of its 200th anniversary. In recognition of their loyalty, dedication, courage, and contribution to help defend our freedoms, I would like to insert in the RECORD an excellent article which highlights the bravery and the historical achievements of the corps.

Mr. Albert Burchard, a former Marine and a member of the staff of the New York News, wrote an outstanding article on the saga of the Marine Corps. His article entitled, "Marines Can Be Proud of Their 200th Anniversary," was reprinted in Human Events, the National Conservative Weekly, on January 17, 1976.

Mr. President, in commemoration of 200 years of brave and courageous fighting for America, I ask unanimous consent for this feature article to be printed in the RECORD in honor of the U.S. Marine Corps.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MARINES CAN BE PROUD OF THEIR 200th ANNIVERSARY

(By Albert Burchard)

Parris Island, 1944 . . . Boot camp for the thousands of kids who would, eventually, emerge as Marines. Boot camp, and a drill instructor turning them out at three in the morning for close-order drill.

Awe and fear of the drill instructor, but even he was in awe of one other enlisted man at Parris Island, Master Gunnery Sgt. Lou Diamond, turned out like a bearded recruiting poster and saluted by every man on the post, from general down, except those he had served with. They just shook hands.

Nobody knew how old Lou Diamond was, but the hashmarks on his sleeve—one for every hitch—came almost up to the bottom rocker of his rank. He'd started in World War I, or before, and carried a citation for lobbing a 60-mm. mortar shell down the chimney of a German-occupied house in France. He had carried on through Haiti and Nicaragua and into World War II, and on Guadalcanal he pulled another stunt with a mortar.

In those days, in 1942, the 1st Marine Division was clinging doggedly to a beachhead, and every night the Japanese would send destroyers down the slot between Guadalcanal and Tulagi, and shell the Marines. Lou got mad about that, and the story is that he sat there on the beach holding a mortar between his knees, trying to get one shell down the stack of an enemy destroyer.

Between the wars, it is said, Lou Diamond designed most of the equipment worn by every Marine—the haversack, the field pack, the poncho, the blanket roll, the canteens—name it.

Probably that is exaggeration, but then, the Marines are known for that, too, as well as heroism, and Lou Diamond exemplified both. In the best sense, he epitomized the Marine Corps, the loyalty, courage, devotion and, above all, the esprit, that have marked the corps since its beginning 200 years ago.

The saga of the Marine Corps began in a tavern, naturally enough. Tun Tavern, Philadelphia, with Robert Mullen as proprietor. And, again naturally, the corps was founded to solve a problem, then raised by separate militia armies that lacked unification and strong federal control.

The idea, according to the Continental Congress, was to found two battalions of fighting men who were "good seamen, or so acquainted with maritime affairs as to be able to serve to advantage by sea when required . . ."

Whereupon we come to Marines in the crosstrees of American ships, firing down into the decks of British ships. It was, of course, only the enlisted men who had to scurry up the shrouds with muskets and powder and ball. The officers remained on deck, with drawn cutlasses, ready to lead boarding parties. The story is that the officers were susceptible to mis-identification, which could lead to unfortunate marksmanship from the rigging, and that the officers, therefore, adopted the odd, four-pointed ribbon insignia for the top of their caps. The device—still worn, by the way—would make sure the officer was not shot by his own men. That's the story, but, like so many others, it probably isn't true. The quatrefoil had been worn by European officers since the 15th Century.

The enlisted men were perhaps somewhat awkward as they ran the ratlines, and this was due, at least in part, to their odd neckwear. They sported leather collars, and tradition has it that these were meant to turn the enemy's cutlass blows. Again tradition probably is wrong. The truth is that the leather was stiff and uncomfortable, but it made the men stand up straight, which was especially impressive in shipboard ceremonies.

The collars have been gone a long time, but their tradition remains, and to this day Marines are called "leathernecks." There is another odd descendant of the leather stock, the name by which Marines, until recently, called a necktie. It was a field scarf, something to go around the neck. And the Marines, unlike Army men, never tucked it in. They let it all hang out.

Many modern Marines envy the originals for one particular reason—no boot camp. Boot camp is a particular kind of hell divised by some past genius for the warping of the most rebellious characters into Marines. Boot camp is where the recruit learns to march and salute and fire a rifle and cuss the drill instructor—but not audibly. There the poor boot learns that it really is easy to fire a rifle from each of the four authorized positions—standing, kneeling, sitting and prone. The sitting position is often difficult at first, but the minute a 200-pound gunnery sergeant sits on the recruit's shoulders, it becomes easy.

Gunnery sergeants are unique to the Marine Corps. It has been said that they are first sergeants whose brains have been addled. However, that is not true. Gunnery sergeants stand to the left of the company commander, take the commander's place at inconvenient formations such as reveille, teach the fledglings how to drink beer, and generally make themselves conspicuous. When a corporal starts to grow a beerbelly, he is said to be "bucking for gunny."

In any event, the original Marines behaved admirably in various sea encounters and made a name for themselves in a couple of invasions during the Revolutionary War.

One was at New Providence Island in the Bahamas, the first of many successful amphibious actions by the Marine Corps. It was led by the first commissioned officer of the corps, Capt. Samuel Nicholas of Philadelphia. The object was to capture two British forts and run off with the powder and ammunition stored there. They succeeded.

Some other Marines outfitted themselves in an old boat and cruised the Mississippi, harassing the British. They renamed the boat the *USS Rattletrap*, and kept it afloat for a year, until 1779, after which they left old *Rattletrap* tied up in St. Louis, reported to Gen. George Rogers Clark and fought, of all things, Indians.

The next really notable encounter in Marine Corps history occurred in the Sahara Desert, 600 miles of it across Libya to Derme, Tripoli. The march is forever etched into Marine minds because it was the "shores of Tripoli." But the truth is that there were only nine Marines involved, led by a Lt. Presley N. O'Bannon. The rest of the force were Greeks, Arabs, Turks and a lot of camels. They did, however, succeed in raising the American flag over the fort and turning the fort's guns on the governor's castle, causing him to haul down the Tripolitanian banner.

It was 40 years later, legend has it, in the Aztec Club in Mexico City that several convivial officers made up the Marine Corps Hymn. Perhaps because they were there, the authors put the "halls of Montezuma" first. They then recalled a comic-opera tune by Offenbach and threw the whole thing together.

The result has been known to bring tears to the eyes of tough men ever since. When the band starts to swing out the Hymn and the troops are at a ramrod present arms, the spines of old Marines grow goose bumps.

The Aztec Club is interesting for another—and to a Marine minor—reason. Among its charter members were U. S. Grant, Robert E. Lee, Franklin Pierce, Joseph Hooker, John B. Magruder, George G. Meade and George B. McClellan. They were all to meet later in the War Between the States, frequently over gunsights.

In that war, the Marine Corps was engaged frequently, but usually in minor skirmishes when, as members of a ship's crew, they stormed a rebel fort or helped keep Confederate shipping confined to port.

There was one odd exception, and that was just before the Civil War erupted. A Kansas zealot named John Brown (originally from Troy, N.Y.) had seized the federal arsenal at Harper's Ferry, Va. Marines, commanded by Army Col. Robert E. Lee, took back the arsenal and captured Brown and his force.

The corps celebrated its first hundred years spread around the world. Its functions were becoming traditional—aboard capital ships of the Navy, guarding U.S. embassies, protecting American interests in brushfire affairs—and staying proficient in amphibious warfare.

These functions persist to this day. The corps now has about 196,000 men arranged in three divisions and three air wings—plus detachments at 115 embassies and aboard various ships.

But it took a long time for the corps to be allowed even its first division. In fact, it was in World War II.

In World War I, Marines carved a large hunk out of German-held territory in France and added more layers of tradition, but they were only a brigade, and they fought as part of an Army division.

They fought hard enough, though, so that Belleau Wood is officially called The Forest of the Brigade of Marines, and the 6th Regiment was awarded the French fourragere, which its members still wear—a braided loop around the left shoulder.

Men of the 6th are still called "pogeybait Marines," because the legend is that they arrived in France with their ships loaded backward—equipment on the bottom, and candy, shaving cream and razor blades on top. They are supposed to have worked their way down to the combat gear. "Pogey-bait" is the Marine Corps name for candy and other goodies. It probably comes from an old Navy term for shoreside treats not available at sea.

It is easy to chuckle at such stories. But these were the same Marines whose commander, Col. Frederick M. Wise, wheeled his 5th Marines into line, then was told the French were retreating. He was advised to do the same, but said, with moderate heat: "Retreat, hell! We just got here!"

And it was also during World War I that Dan Daley led his troops out of the trenches by yelling at them, "Come on, you sonsabitches, do you want to live forever?"

Most Americans forgot the Marine Corps over the next 23 years. They were buried in such places as Haiti and Nicaragua, China and the Philippines, and they fought frequently, and with valor, without much recognition.

But when it became apparent that World War II was about to break out, the corps began putting a fine edge on its amphibious tactics.

That war had been foreseen as early as 1920 by Maj. Earl E. Ellis, who wrote: "It will be necessary for us to protect our fleet and landing forces across the Pacific and wage war in Japanese waters . . . It is not enough that the troops (in amphibious warfare) be skilled infantrymen or artillerymen of high morale; they must be skilled jungle men and water-men who know it can be done—Marines with Marine training."

And, so it was on Aug. 7, 1942, that Ellis' doctrine faced its test by fire. The 1st Marine Division, Gen. A. A. Vandegrift commanding, waded ashore at Guadalcanal and Tulagi. The landing craft were primitive, the rifles were 1903 design and the Japanese were fanatically determined. Nevertheless, the Marines hung on. They clawed out Henderson Field for their air support, waded through acres of saber-like kunai grass, scaled steep creek banks and learned night jungle fighting.

The old Springfield '03 held five rounds and was hand-operated. The Japanese, of course, knew this. It therefore was quite a nice surprise, from the Marines' point of view, when a unit was secretly re-weaponed with the Garand M–1, which held eight rounds and was semi-automatic. The Japanese waited until five rounds had been fired and then charged the American position—only to be mowed down by the extra three bullets.

The net effect of Guadalcanal was that the Japanese Pacific advance had been stopped.

But there was still a lot of war to be fought.

The islands run up the ocean toward Japan like so many stepping stones in a brook. They also run down from Japan toward, particularly, Australia, and the Japanese knew that. Stopping the Japanese advance at Guadalcanal did nothing to cool the welcome the Aussies gave the 1st Marine Division after the campaign.

But there were still scores of islands to go—the Gilberts, the Carolines, the Marshalls, the Palaus, the Philippines, the Marianas, the Bonins and the Ryukyus. The names ring in Marine Corps history like notes from the Liberty Bell.

The basic strategy was to bypass as many islands as possible, but to take those needed for airfields and forward bases. One of the keys in this chain of thinking was Tarawa atoll in the Gilberts—heavily fortified, fully garrisoned and truly formidable.

The Navy put together the mightiest task force it had yet deployed in the Pacific, and for three days and nights poured shells into the island called Betio.

At about 9 o'clock on the morning of Nov. 20, 1943, the battle was joined. The first men of the 2d Marine Division went ashore in amphibious tractors. The Japanese emerged unhurt from their deep defenses (coconut palm legs are notoriously difficult to shell effectively), and one of the fiercest struggles in the history of war was under way.

The second wave started to the beach in landing craft—to find that their craft beached on a reef a hundred yards or more off shore. The official Marine Corps history says drily that this "resulted in numerous losses from enemy fire." It was a mess, but the Marines kept coming, and by late afternoon the 2d Regiment had dug in to stay. The next day, Col. David M. Shoup (later to be a commandant of the corps) radioed: "Casualties: many. Percentage dead: unknown. Combat efficiency: we are winning."

And so it went, up that ladder of islands. After Tarawa came Kwajalein, and after that Eniwetok. Then came one of the prizes—the Guam-Tinian-Saipan stretch, with its capability of harboring aircraft that could reach out to bomb Tokyo—not to mention Hiroshima and Nagasaki.

It was not all without humor. There is a rumor that the over-all theater commander, Gen. Douglas MacArthur once inspected a Marine heavy artillery outfit and found, to his utter outrage, a sign hanging on the barrel of a cannon. It read: "With the help of God and a few Marines, MacArthur retakes the Philippines."

Incidentally, not all Marines in World War II were in the Pacific, though nearly the entire corps served overseas somewhere.

Okinawa was the last Japanese gasp, and again it was the Marines doing their thing—but with a difference. There was no initial Japanese resistance. It was Easter Sunday, April 1, 1945, when the assault party—the 1st Marine Regiment—went in, and within three days they had cut the island in half. Later, joined by the Army, they went toward the southern tip of the island, and it was a different story.

In the end, the Japanese surrendered, or were wiped out. Then came the atomic bomb and peace—for five years.

Korea was another bloody chapter. MacArthur called for the Marines when his troops were compressed into the tiny Pusan perimeter, and it was the Marines who led the brillant MacArthur end-around to Inchon and Seoul.

At Inchon, one of the spearheads was the 1st Marine Regiment, commanded by one of the most colorful of all Marines—Col. (later Brig. Gen.) Lewis B. Puller. He was universally known as Chesty, had five Navy Crosses and a lot of other medals that do not come in Cracker Jacks, was a fearless martinet and had a smile that would frighten Dracula. He had led the 1st Marines before, in the jungles during World War II, and it is said that his only combat order was: "OK. Two (battalions) up, one back, let's go." Puller never forgave MacArthur for failing to give his men the credit he thought they deserved at Inchon.

So it went on, with the drive to the Yalu. And so it went back, when the Chinese Communists attacked across the border and started to overrun everybody. The 1st Marine Division was deployed around an area dominated by the Chosin Reservoir, and soon found itself surrounded. It was bone-cold, the snow was deep, the enemy remorseless.

The first problem faced by Maj. Gen. Oliver P. Smith was to unite his men, deployed over an area that normally would have required a corps, not just a division. He ordered them to fight their way together, and it took them 79 hours of continuous battle in 20-below weather to do it. Gen. Smith then ordered the men to fight their way another 56 miles to the coast. Asked if this meant he was retreating (Marine do not recognize that word), Smith said, "We're just attacking in another direction."

In some ways, that marked the high point in 200 years. The Marines were in Vietnam, and fought with great valor, particularly in the 70-day ordeal at Khe Sahn, where they tied down so many enemy troops that an elaborate plan was ruined. But, even with the glory and the high courage and the gutsy determination displayed throughout the Vietnam War, there is somehow an empty feeling. It was a whole war that nobody won, or if somebody did, it was not the Marines, and it was not in battle.

Within the corps now there is talk of the new computers and of new assault techniques and of new weapons and personal defenses, such as flak jackets. There is some quoting of Adm. Chester W. Nimitz, who said during World War II that "uncommon valor was a common virtue." Very few Marines quote Harry Truman, who said that the corps "has a propaganda machine equal to Joe Stalin's."

But there is one thing that 200 years have shown. In the end, on the ground, it is still a real-estate war. The Marines were enlisted 200 years ago to be fighting men, and whether it is from the foretops of brigs or the bows of a landing craft or the seat of a fighter plane, the corps will take the ground—and hold it.

A TRIBUTE TO AMERICA'S GREATEST SOLDIER—COL. "SI" PARKER

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. HEFNER. Mr. Speaker, earlier this month a well respected friend of many people, Col. Samuel "Si" Parker, the most decorated officer in World War I, died in Walter Reed Army Hospital. The loss of Colonel Parker has saddened many of the people who knew and respected him throughout America.

I am therefore taking this opportunity to pay tribute to this outstanding man who has been called America's greatest soldier. A Sigma Phi Fraternity award given Colonel Parker in 1965 noted:

> His achievements have brought honor and prestige to America and to all the freedom-loving world.

Colonel Parker was one of the first Americans to volunteer for the armed services after the declaration of World War I. He joined the 29th Infantry, 1st Division, American Expeditionary Forces in Europe, and he served in every campaign of the war with the 1st Division.

Colonel Parker's bravery and valor in battle are legendary. For his achievements he was awarded the Congressional Medal of Honor by President Franklin D. Roosevelt. He also received the Distinguished Service Cross and Silver Star with Oak Leaf Cluster. He received the Purple Heart with Oak Leaf Cluster, Victory Medal with five bars and the French Fourragere for individual bravery. In addition, he received many other awards from foreign countries.

Colonel Parker was the Nation's most decorated officer during World War I. Sgt. Alvin York was the most decorated enlisted man.

Colonel Parker also served during World War II from 1940 to 1945 and was the recipient of the Legion of Merit Award for his service in that war. After

World War II, he left the Army with the rank of lieutenant colonel.

Following World War I, Colonel Parker joined private business. Since his retirement in 1956 he had been active in Concord and Cabarrus County civic affairs. He was one of our most respected community leaders.

The Tar Heel State will never forget Colonel Parker's record of dedication and sacrifice to our Nation during a great recorded period of our country's history. North Carolina will remember him as one of her finest and most courageous sons, and all of us who knew him will remember him as a true friend.

I want to take this opportunity to extend my deepest sympathy to Colonel Parker's wife, his daughter, and his two grandchildren—they have lost a husband, a father, and a grandfather in whose memory they can take great pride.

ANIMAL WELFARE LEGISLATION

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. MOAKLEY. Mr. Speaker, Ms. Eleanor L. Allen of Boston, Mass., has written to me in support of animal welfare legislation currently before the Congress. I would like to take this opportunity to share Ms. Allen's comments with my colleagues and all those who are interested in the humane treatment of animals, wild and domestic:

MS. ALLEN'S COMMENTS

This letter is written with the hope that its opinions support already existing views, and thereby adds another gram of weight to the cause. At the very least, it will satisfy my personal inclination "to do something."

I strongly encourage you and the other representatives to get the spaying loan fund bill (H.R. 554 and H.R. 2534) out of Committee for a vote. I urge this step not with the disposition of a little old lady wringing her hands in dismay over tea, but with the persuasion of common sense alone.

Nearly $100 million is spent annually just to destroy stray animals. About $50 million a year is spent on related dog and cat diseases (over 60 known are transmitted), rabies control, dog-bite care and general sanitation and public health care. Five million dollars' worth of damage is incurred yearly by wild dogs (seemingly a preposterous figure, but a true one).

Increasing the death rate will remain the only means of controlling the prolific animal population until a means of decreasing the birth rate is found. Every hour more than 2,000 dogs and cats are born in the U.S., with over 40% roaming free. The spaying clinics would help eliminate the related problems by simply reducing the colossal numbers of animals causing the problems.

If the clinics can be set up, i.e., financed, then they would actually save cities money in terms of their overall budgets. But, the initial funds are required just to begin. The H.R. 554 and H.R. 2534 bills would provide municipalities federal loans to operate low-cost, non-profit spaying clinics. The maximum loan per city would be $200,000, through a 4-year national loan fund of $4 million per year.

An educational fund of $1 million is allocated to the training of paraprofessionals to aid veterinarians in the clinics.

As suggested by the Committee for Humane Legislation, a small tax on dog and cat food could easily handle the appropriations called for by the bill. A tax of 2½ mills per dollar on the estimated 1974 $2.135 billion spent on dog and cat food would yield a revenue of $5,337,500, an amount more than enough to cover the $4 million annual appropriation. (This arrangement also means pet owners, as opposed to non-pet owners, would be financing a service from which they most directly benefit.)

If an example is to be followed, it is that of Los Angeles. Financial analysis of this city's set-up shows that over a decade of operation, they return $6.50 in reduced animal control costs for every dollar invested in their operation. The stray population in the city has been reduced by at least 10%, and the number of dog bites reduced correspondingly. The animal traffic in the city's animal shelter system has emphatically declined. Pet owners have saved between $23.50 and $140.00 by using the clinics rather than private veterinarians.

Whether the arguments for these clinics appeal on a humane level, they certainly should on an economic one. God knows there are infinite causes more significant to fund than bandaids for unnecessary and rather sad problems such as this one.

PRESERVE FAMILY FARMS BY ESTATE TAX AMENDMENTS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. McCLORY. Mr. Speaker, for many years the family farms of America have been suffering great injustice and inequity because of the obsolete estate tax provisions of the Internal Revenue Code. Current provisions in the code require that, for the purpose of determining the estate tax, the value of the family farm must be computed at the fair market value. As a result, many farmers are unable to pay this exorbitant tax and find themselves being forced to give up the farms which they and their families have worked for generations to build.

Mr. Speaker and fellow colleagues in the House, I am offering a legislative proposal which would effectively remedy this most unfortunate plight. The bill which I am introducing today would amend the Internal Revenue Code to encourage the continuation of family farms. For over 200 years, family farms have been an integral part of American life and their vital contribution to the American people continues today. The greatness of America was in large measure achieved by families working together on the farm.

Mr. Speaker, the measure I am introducing would provide that an estate may be valued, for estate tax purposes only, at its value for existing use rather than at its fair market value if the inheritor agrees to keep the farm in operation. I wish to emphasize that this bill would not apply to corporate farms or any multiply owned commercial farm.

Alternatively, if the value of the gross estate of the deceased farmer totaled $200,000 or less—the farm would be exempt from Federal estate tax, or if the value of the decedent's farm was more than $200,000, the farm would be subjected to tax only on its value as agricultural land. These alternatives are spelled out specifically in the measure which I am presenting today.

Mr. Speaker, I urge my colleagues to give this measure their attention and request that we work together to expeditiously correct these unfair and counterproductive provisions in the Internal Revenue Code. The importance of this measure goes beyond the individual farmer and extends to the preservation and continuance of one of the core institutions of the American way of life—the family farm.

Mr. Speaker, I wish particularly to commend my colleague from Missouri (Mr. LITTON) for his initiative in developing this method of preserving the American family farm from the attacks leveled by our Federal estate tax laws. I have been persuaded by the bill which he is sponsoring—H.R. 10243—after which I have patterned the measure which I am sponsoring.

JOHN ROYAL—THE FISHERMEN'S VOICE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. ANDERSON of California. Mr. Speaker, on Saturday, January 24, the greater Los Angeles Harbor area will pay tribute to one of its most outstanding citizens. On that day, John Joseph Royal will receive the Yugoslav-American Political Action Committee's Annual Achievement Award for outstanding leadership and service to the community.

As executive secretary of the Fishermen and Allied Workers United, Local 33, John has become widely recognized as an expert on the fishing industry—especially the tuna fleet. He has served as an industry advisor to the Inter-American Tropical Tuna Commission; the Interior Department's American Fisheries Advisory Committee; and the Commerce Department's Marine Fisheries Advisory Committee.

John Royal has also served as a member of the National Advisory Committee on Oceans and Atmosphere, and was an advisor for the State Department's Law of the Sea Task Force Committee.

Locally, John has long been an active and strong force on behalf of the men and women who work in the fishing industry. He was a member of the Los Angeles Harbor Commission for 4 years, where his knowledge of maritime commerce proved to be a valuable asset.

John is also familiar to Members of this body, as he has testified many times before congressional committee's on the problems faced by our Nation's fishermen.

Born in the State of Colorado, John Royal became a California resident at the age of 4 in 1928. After attending elementary and secondary school in San Pedro, he studied at the U.S. Maritime Officers School, graduating with an ensign's commission and third mate's license.

Following service in the Merchant Marine during World War II, John returned to San Pedro, and became a commercial fisherman in 1946. One year later, he married Rosie Louise Agudo.

John and Rosie are still residents of San Pedro, historically a center for California's tuna fleet.

In 1957, Local 33 of the Fishermen and Allied Workers Union elected John Royal to the post of executive secretary-treasurer, a position he has held to this day. Through his many years as a union official, John has never forgotten who he works for and represents—the men who forage on the high seas as a way of life.

Mr. Speaker, John Royal's integrity, intelligence, and perseverance have been the hallmarks of his highly successful career. I would like to join with the Yugsolav-American Political Action Committee, and his friends in the harbor area and across the country, in honoring John Royal for his many contributions.

His wife, Rosie, and his daughter, Linda Louise, can be justly proud of the recognition John is to receive.

LETTER RECEIVED WITH MONTHLY BILL SHOULD PROVIDE INTERESTING READING

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. HUNGATE. Mr. Speaker, as we consider our important energy problems it may be interesting to consider a letter one of my constituents received along with her monthly bill:

PHILLIPS PETROLEUM CO.,
Bartlesville, Okla.

To our customers:

Americans will face the prospect of higher fuel bills if certain politicians are successful in their drive to break up the so-called integrated oil companies—those engaged in the various phases of the industry, ranging from drilling for oil to marketing petroleum products.

By breaking down the companies into numerous small firms, the proposed "divestiture" scheme would rob them of the efficiency of integrated operation while introducing costly duplication of personnel and functions. The resulting higher operating costs would likely be reflected in higher product prices at the service station pump.

Behind the proposed legislation in Congress is the faulty notion that breaking down the integrated companies would create competition. The fact is that vigorous competition already exists in the industry. There are more than 10,000 producers of crude oil, more than 130 refining companies and more than 15,000 wholesalers of petroleum products competing for business.

Integrated operations aren't peculiar to the petroleum industry. They are found in industries as diverse as food and automobiles. The reasons for organizing a business in this way are to reduce uncertainty of supply and to increase efficiency, thereby providing products to consumers at lower prices.

Those in Congress who support divestiture legislation are playing a reckless game in weakening the oil industry at the very time when the nation must increase energy supplies. For politicians even to consider such drastic actions makes it difficult to plan long-term investments in multi-million dollar projects such as exploration, refineries and pipelines.

Furthermore, because the many new and smaller companies resulting from divestiture would not have the same capacity to borrow money as the integrated firms, they would not be able to spend as much for energy development. The result of reduced investment, of course, would be reduced supplies for the consumer.

The adverse impact that this type of legislation would have on the nation cannot be overemphasized.

Cordially,

G. J. MORRISON.

DR. EDWARD TELLER APPOINTED TO ARTHUR SPITZER CHAIR OF SCIENCE AND TECHNOLOGY

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. REES. Mr. Speaker, world-renowned scientist Dr. Edward Teller, university professor and associate director of the University of California's Lawrence Laboratory, has been appointed to be the first occupant of the Arthur Spitzer Chair of Science and Technology at Pepperdine University in Los Angeles.

Both Teller and Spitzer adopted this country as naturalized citizens after arriving here with similar European backgrounds. Each man has devoted his life to the development of science and technology for the benefit of their fellow Americans and the world at large.

Dr. Teller has made many significant contributions to the fields of chemistry, molecular and nuclear physics, and quantum theories. He is also known for his work as a physicist in the Manhattan engineer district with the University of Chicago and the Los Alamos Scientific Laboratory during World War II.

He was an early researcher in the studies of thermonuclear reactions and in recent years has attracted attention for his role in the practical application of thermonuclear principles in the development of weapon systems. He has also participated in the development of the Sherwood project, the controlled thermonuclear program, and Project Plowshare, a program concerned with the peaceful uses of nuclear explosives.

Teller is the author of several books, including "Structure of Matter," 1949, "Our Nuclear Future," 1958, "The Legacy of Hiroshima," 1962, and "The Miracle of Freedom," 1972.

Dr. Teller was born in Budapest, Hungary, in 1908. He was educated in Germany at the University of Leipzig, where he received his Ph. D. in 1930. After coming to the United States in 1935 as a professor of physics at George Washington University, Teller became a naturalized citizen in 1941.

Arthur Spitzer, the man responsible for the Science and Technology Chair which was inaugurated at Pepperdine University this year, is an accomplished businessman who has established numerous companies, banks, and savings and loan institutions.

Born in the section of Austria-Hungary which later became Rumania, Spitzer traveled to Germany following World War II, where he worked as a junior department head in the ministry of the interior for the Bavarian Government. In 1951, he came to America to begin a long and successful business career.

Spitzer is well known for his participation in many charitable and educational activities. He is a supporter of the USC-Austrian Student Exchange Program and is a director of the International Student Center at UCLA. In addition, he provided the Edward Teller Center for Science, Technology, and Political Thought at the University of Colorado in 1972.

I take this opportunity, Mr. Speaker, to extend my warm congratulations and heartfelt appreciation to these two men for their continued efforts to use science and technology for the good of all mankind.

EXPLANATION OF VOTES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. GILMAN. Mr. Speaker, as a member of the House Select Committee on Missing Persons in Southeast Asia that departed on December 18, 1975, for Hanoi to repatriate the remains of three American fliers—Lt. Com. Jesse Taylor, Jr. of California, Lt. Col. Crosley J. Fitton of Connecticut, and Capt. Ronald D. Perry of Tennessee—I was absent when the House deliberated on several important measures. I request at this time, Mr. Speaker, to let the record show how I would have voted on these issues had I been present.

Before our departure for Southeast Asia on Thursday, December 18, I voted on all measures brought before the House on that day with one exception, H.R. 9771—Airport and Airway Development Act Amendments of 1975. I would have voted "Aye" on both the Stanton amendment—as amended by Mr. SNYDER—which prohibits for 6 months supersonic aircraft that exceed the noise levels of FAA regulations from landing at the Dulles and Kennedy Airports, and I would have supported the final passage of the bill.

The following legislation was voted upon by the House on December 19, and I would have voted "Aye" on these measures: House Resolution 843—to suspend the rules and provide concurrence in Senate amendments to H.R. 10284, Medicare Deadline Amendments; House Resolution 944—to consider Senate amendments to H.R. 10727, amending the Social Security Act; rollcall 822—to postpone the Presidential veto of Labor-HEW Appropriations (H.R. 8069) until January 27, 1976; House Resolution 939—to consider reports of the Rules Committee and suspend for remainder of the week the two-thirds vote requirement to consider the reports; House Resolution 945—to provide for meetings on Tuesdays and Fridays during the remainder of the session; H.R. 9968—to amend the Internal Revenue Code dealing with irrigation facilities and indicate a congressional policy with respect to a tax reduction; and the conference report on S. 2718—Railroad Revitalization and Regulatory Reform Act of 1975.

SOCIAL DEMOCRATS, U.S.A., SPEAK OUT AGAINST THE VIOLATIONS OF THE HELSINKI ACCORD BY THE SOVIET UNION

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. KOCH. Mr. Speaker, the Soviet Union is under a grave misapprehension if it believes that it can continue to trample on human rights while reaping the benefits of détente with the United States. All Americans, whatever their political leanings or affiliations, are committed to the protection and expansion of human rights, and the Soviet Union imperils détente whenever and wherever it violates the human rights provision of the Helsinki Accord. Social Democrats, U.S.A. is a vibrant political force which works for social justice here in the United States and around the world. I wholeheartedly endorse and would like to share with my colleagues the statement on Helsinki and Human Rights sponsored by the Social Democrats, U.S.A.:

HELSINKI AND HUMAN RIGHTS

Andrei Sakharov, October 17, 1975—"I am convinced that for every person in the West the demand for a general amnesty, for the guarantees of the rights of man and for freedom of expression in the USSR is not only a matter of conscience, but is also the safeguard of his own and his children's future. Now after the Helsinki Conference such demands are particularly opportune."

The document which 35 nations, including the United States, signed on August 1st at the Helsinki Conference on Security and Cooperation in Europe (CSCE) contained significant human rights provisions calling for the freer flow of ideas and information between East and West. If all the participating countries adhered to these provisions, which would end the enforced isolation of the countries ruled by Communist regimes, the chances for a genuine detente and world peace would be greatly enhanced. Unfortunately, the Soviet Union and its allies have to date given clear indication that they do not intend to abide by the human rights provisions of the Helsinki accord, thus tragically confirming Alexander Solzhenitsyn's characterization of Helsinki as "the funeral of Eastern Europe."

Soviet Communist Party chief Brezhnev declared at the Helsinki conference that "Our common and most important task is to give full effect to these agreements. We assume that all countries represented at the conference will implement the agreements reached. As to the Soviet Union, it will act precisely in this way." Yet this pledge has already been violated in many ways:

Speaking to an American Congressional delegation on August 15th, Brezhnev said that the human rights provisions of the Helsinki accord were not "of a binding nature" and would only be "fulfilled according to agreement on the part of the states," that is, after additional bilateral negotiations.

On August 7th, Erich Honecker, the head of the East German Communist Party, publicly refused to ease his country's travel restrictions. He observed that for East Germany "security is and remains foremost," but made no attempt to show that security required these very onerous restrictions.

On September 22nd a Soviet Foreign Ministry official declared that the Soviet Union would not permit the circulation of Western publications with ideas "contradictory to Soviet legislation and to the morality of Soviet society." He asked rhetorically: "Is there really anyone in the West who seriously hopes that the socialist countries will sometime allow the 'free circulation' of such 'information' in their society?" The free circulation of Communist ideas is unhampered in the democratic countries of the West.

Czechoslovakia was one of the countries which pledged at Helsinki to "respect human rights and fundamental freedoms, including the freedom of thought." Yet Czech intellectuals have been purged from their jobs and have had their books and manuscripts confiscated by the state. According to Dr. Vilem Precan, a distinguished Czech historian, intellectuals are "treated worse than notorious thieves and violent criminals in other countries."

In isolated cases and only after great international pressure, the Soviet Union has agreed to reunite a family, or permit a marriage between citizens of different states, or to grant multiple entry-exit visas to journalists. In general, all the old restrictions prevail.

The emigration of Jews from the Soviet Union has been slowed to one-half the rate of 1974 and one-third the rate of 1973. Helsinki has not altered this negative trend.

The Soviet Union has chosen to interpret the Helsinki agreement in an arbitrary fashion. It has yielded little or nothing to liberal world opinion. Far from allowing the freer movement of people and ideas, it has taken steps to prevent what KGB chief Yuri V. Andropov has called "ideological sabotage" from the West. It has blatantly applied a double standard in interpreting that section of the accord it regards as "binding"—the part dealing with noninterference in the affairs of other states. It has denounced West Europeans for withholding economic aid from Portugal pending assurances that the will of the people would be respected. Yet it has intervened extensively in Portugal and has declared its "massive solidarity" with the Portuguese Communists who have systematically tried to subvert democracy in that country.

One of the dangers of the Helsinki "agreement" was that it might create the illusion of security in the West and foster unrealistic hopes for more open relations with the East. Sadly, it has become apparent that Europe is no more secure after Helsinki than before, and that the peoples of Eastern Europe and the Soviet Union remain isolated and cut off from any genuine contact with the West. Such contact must remain a prime objective of American policy. But it will not be achieved by agreements which exchange the tangible recognition of Soviet domination over peoples for the intangible hope that the Russians will someday deal more humanely with their subjects. The West should not give concessions to Moscow, whether political or economic, without firm and "binding" guarantees that Moscow will give something in return.

(Since this statement was drafted, the Soviet authorities have denied Andrei Sakharov the right to travel to Oslo, Norway, to accept the Nobel Peace Prize. This is the most blatant violation to date of the spirit of the Helsinki accord.)

INTERNATIONAL WOMEN'S YEAR

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. BRADEMAS. Mr. Speaker, I insert at this point in the RECORD a statement entitled, "International Women's Year," by Irene Tinker, Program Head, Office of International Science, American Association for the Advancement of Science, as published in the December 26, 1975 issue of Science, the publication of the American Association for the Advancement of Science.

The article follows:

INTERNATIONAL WOMEN'S YEAR

(By Irene Tinker)

International Women's Year (IWY) is nearly over, having had little serious notice from the world press. Even its centerpiece, the United Nations conference held in Mexico City in June, has come and gone with little recognition of what was a remarkable triumph of women over political self-interest. Like many U.N. meetings, the IWY conference was dominated by the world split over the new international economic order. Originally, Mexico and like-minded countries were arguing that no change could be granted to women until new structures for the world economy were in place. The United States and its supporters were arguing that any mention of the new economic order might require the U.S. delegation to vote against any World Plan of Action for women. Neither position was popular with the women conferees, among whom there was impressive unanimity concerning the import of the World Plan.

The 45-page plan is designed to supply guidelines for governmental and international actions to provide equality for women in education and employment. High among the goals for the Women's Decade 1975–85 is the reduction of illiteracy. 40 percent of all women are now illiterate, compared to 28 percent of all men. The right of women to have access to birth control information and methods was seen as an essential ingredient for equality. A concern that development programs tend to focus on men and ignore women's contribution to economic activity led to adoption of a special resolution recommending that all development programs contain a statement of the impact they would have on women. A call for improved statistics on women's work, especially in agriculture and in the informal sector, is also part of the plan.

A beginning at accumulating the necessary data for reappraising development programs was made at the AAAS–sponsored Seminar on Women in Development, which preceded the official conference. The seminar concluded that women generally find their economic position undermined; as development proceeds in subsistence economies they are left in primitive agriculture or pushed out of the market; in more developed economies the expansion of education creates heightened competition for jobs and pushes women back into the home. In all societies, households headed by women are the poorest of the poor, studies now suggest that one of every three households is headed by a woman, a fact ignored by world planners.*

In Mexico City, while political issues threatened to bog down the 2-week conference, delegates introduced 889 amendments to the plan. Working groups had time only to go through the amendments to the introduction and first section. Spontaneously, several delegations suggested that the draft Plan of Action for the remainder of the sections be accepted as it stood. Thus, on the closing days of the conference, countries accepted the World Plan of Action by consensus. It is unique for governments to accept a world plan without thorough discussion and consideration of amendments. It would appear that the women forced the hand of their countries in this regard.

The U.N. General Assembly is now considering an omnibus resolution, which includes the World Plan, the Declaration of Mexico, in which political positions were stated; and the 35 resolutions adopted in Mexico City. A significant paragraph calls for the creation of an international institution of research and training for the advancement of women, expected to be established in Iran in recogniition of its financial support to the IWY. A Nigerian resolution recommends special financial assistance to women, another issue that many felt needed particular emphasis.

The women of the world have stated their needs. It is now up to individual nations to consider the impact of their development plans on women, the better to understand the consequences and to ameliorate women's position during the International Women's Decade.

UKRAINE CELEBRATION

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. RINALDO. Mr. Speaker, this Thursday, January 22, marks the 58th anniversary of the proclamation of independence by Ukraine and the 57th anniversary of the Act of Unions. This celebration becomes more and more important with each passing year as the totalitarian and destructive policies of the Soviet Union continue to repress the Ukrainian people.

More importantly, the solidification of support around the world for the Ukrainian people demonstrates that no matter how long the dictatorships last in Moscow, the Ukrainian people will not be cowed into submission. Stalin could not intimidate them, nor could Khrushchev. But the Communists, under Leonid Brezhnev and Alexi Kosygin, continue the persecutions. From 1970 through 1973, the KGB arrested some 600 Ukrainian intellectuals under suspicion of conducting "anti-Soviet propaganda and agitation."

Valentyn Moroz, one of these intellectuals, is a courageous 40-year-old historian who has become a symbol of the determination of the Ukrainian people not to buckle to the tortures and cruelty of the Muscovite regime. His fortitude demonstrates the great strength of the Ukrainian people and is an example to us all of the need to fight tyranny with the last ounce of our strength.

Now, as the Soviet Union attempts to broaden its sphere of influence to Angola, I must remind my colleagues and all citizens in the United States that there are independent countries—among them the Ukraine—which, due to overpowering brutal force on the part of Russia, have had to submit to the yoke of despotism. But, though the first battle may have been lost, they continue to wage the war.

They need and deserve our support. And I know the citizens of the United States stand behind them in their fight and will continue to join with all free Ukrainians every January 22 to celebrate this important occasion.

ELZIE E. BAIRD

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. SHRIVER. Mr. Speaker, during the congressional recess one of the tireless and dedicated community leaders and pioneers of Wichita, Kans., Mr. Elzie E. Baird, died. He was a valued friend and loyal supporter of mine. He loved his community and demonstrated this through a career of public service. Mr. Baird gave his time freely to deserving causes. He was not afraid to take a stand, and you always knew where Elzie Baird stood. He was interested in quality education, and served on the Wichita Board of Education during a time of considerable expansion. He also was elected to serve on the Wichita Board of City Commissioners and served as mayor for 2 years. We will miss Mr. Baird in Wichita and in Kansas, and I extend my heartfelt sympathy to Mrs. Baird and his family.

Under leave to extend my remarks in the RECORD, I include the following editorial from the Wichita, Kans., Beacon which highlights the remarkable record of service of Mr. Baird:

[From the Wichita Beacon, Dec. 17, 1975]

ELZIE E. BAIRD

Elzie E. Baird, who died last week, was at once a successful businessman and a devoted public servant.

A native of Wichita, Mr. Baird was graduated from Fairmount College (now WSU) and joined a wholesale grocery firm, where he eventually became vice president and general manager. He worked there for 44 years, contributing greatly to its success.

During this time he was active in civic affairs, serving as president of the Chamber of Commerce, member of the Wesley Hospital board of trustees and of the advisory board of Wichita Children's Home.

At the same time he served three terms on the board of education and was president of that body in 1949. While he was on the board the school system underwent the greatest expansion in its history.

He also was a member of the city commission during the colorful era of the late 1950s, and was mayor in 1957–58. He never avoided controversy, and always followed the course he believed to be proper and in the best interests of the community. Frequently his was the voice that resolved impasses between warring factions. His influence upon this community was a significant one.

THE 60TH ANNIVERSARY OF JULIA ANN SINGER PRESCHOOL PSYCHIATRIC CENTER

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. REES. Mr. Speaker, on February 24, 1976, the Julia Ann Singer Preschool Psychiatric Center will celebrate its 60th anniversary of service to young children and their families in the Los Angeles community.

During these past 60 years, the program has evolved into a nationally recognized treatment center for emotionally and developmentally preschool children and their families.

The center traces its beginning to 1916 when a group of concerned women formed an incorporated alliance in Los Angeles to care for the children of working mothers. By 1924, the program evolved into a residential center for orphans as well as a day nursery. Then, in 1935, through the generosity of Mrs. Sara Singer, a day nursery building was erected in Boyle Heights. The center was named in memory of her daughter, Julia Ann Singer.

Years later, as community needs changed, a survey was conducted. It pointed to the pressing need for a care center for emotionally disturbed preschool children. Plans were effected for an affiliation with the Department of Psychiatry at the Cedars of Lebanon Hospital, and in 1963 the name of the agency was changed to the Julia Ann Singer Preschool Psychiatric Center.

In January 1965, Dr. Frank S. Williams became the medical director of the agency and has guided the innovative program ever since.

With the help of the Julia Ann Singer Board of Directors and the Cedars-Sinai professional staff, the agency program was expanded to incorporate many of the techniques and family approaches of the Department of Child Psychiatry. In 1967, the Julia Ann Singer Center adopted a short term—from 3 to 6 months—psychoeducational therapy approach to treatment. In the summer of 1973, the agency became integrated within the child psychiatry section of the Thalians Community Mental Health Center at the new Cedars-Sinai Medical Center.

The approaches used at the Julia Ann Singer Center for meeting the needs of the emotionally disturbed child involve parent participation. The goal is to create, in as brief a time as possible, a community environment in which the child can function in a normal manner—attend a regular school, and benefit from corrective intervention by his parents, teachers, and other significant people around him. This is done not only through direct treatment of the child, but also by providing on-the-job training experiences to those who will have immediate and prolonged contact with the child, within his family.

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* Two volumes will shortly appear as a result of the AAAS seminar. They will be published by the Overseas Development Council, 1717 Massachusetts Avenue, NW., Washington, D.C. 20036. Volume 1 will contain an overview of the results of the workshops, and 12 background papers. Volume 2 will be an annotated bibliography of works in the field, with emphasis on unpublished sources.

Although staff at Julia Ann Singer is made up of a dedicated group of fine teachers and therapists, the prevailing philosophy is that the most important "therapist" or "teacher" any disturbed child can have is his parent. Parents are immediately involved in training to develop skills for the direct treatment of their children to improve the child's lot within his family and community life. This training encompasses every level of treatment modality used at the center—crisis intervention, therapeutic nursery school experience, family demonstration therapy, parent education groups, community liaison consultations, perceptual-motor retraining, speech and language development, and many others. Many parents after leaving Julia Ann Singer, continue to work with incoming parents by volunteering their time to the center in a wide variety of ways, traditionally restricted to paid professional staff.

In September 1975, the unique playground was dedicated. The playground was especially designed to aid in body activities difficult for emotionally or psychologically handicapped children. It was also created to develop fantasy play, another way of learning and preparing for life for the children.

A nationally respected model for short-term psychoeducational programs for preschoolers, the Julia Ann Singer Center now operates a training program for students, teachers, and others working with disturbed children. The program operates under a Federal grant from the Office of Education for the Handicapped—HEW. The Julia Ann Singer Center also serves under Federal grants as a training model for other such programs that work with disturbed preschoolers throughout the country.

The program receives support from various organizations including the Friends of Julia Ann Singer, the Julia Ann Singer Associates, the United Way, the Jewish Federation Council, and the aforementionled U.S. Office of Education.

Gin Maass, who is now the head teacher and training supervisor, has been with the Julia Ann Singer Center for 15 years. Earl Jones, now project coordinator director and in-service trainer, has been with the project 10 years.

The parent volunteer program devised and begun by the capable staff has attracted major attention, receiving an Edna Reiss Award in November 1975.

The Julia Ann Singer Preschool Psychiatric Center program is one of seven selected nationwide to be presented in the book "Mental Health Programs for Preschool Children: A Field Study" by Raymond Glasscote and Michael E. Fishman. This is a publication of the joint information service of the American Psychiatric Association and the National Association for Mental Health.

THE AMERICAN FREEDOM TRAIN

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. LLOYD of California. Mr. Speaker, visiting the American Freedom Train in my home State of California, over the holiday vacation period, was such a rewarding experience that I want to share it with my colleagues.

I am proud of taking part in a Bicentennial tribute to the Nation that has the scope, sensitivity, and sincerity presented by the American Freedom Train exhibit. This is a first-rate showcase of many of the Nation's historic treasures.

It is a privilege to be one of the estimated 8 million persons, throughout the Nation, who will be seeing this fascinating multimedia presentation of 200 years of U.S. art, entertainment, exploration, government, inventions, literature, science, sports, and transportation represented on the train.

A moving walkway, attesting to America's technological progress took me through 10 exhibit cars displaying items ranging from Thomas Paine's rebellious pamphlet "Common Sense" (1776), to Benjamin Franklin's handwritten draft of the Articles of Confederation, published in 1777. Although this document was never used, it provided the basis of a national government and was a preview of the Constitution.

Another historic document on display of that period is George Washington's personal copy of the report of the Committee of Detail when the Constitutional Convention met in Philadelphia from May 25 to September 16, 1787. Washington's copy dated 1787, contains his personal marginal notes.

The "Golden State" is well represented among the distinguished list of 285 lenders from 110 cities in 35 States, Puerto Rico, and the District of Columbia.

Viewing items from the Los Angeles area, alone, was well worth my visit to the train. Memorabilia from LA lenders included an 1859 poem written by Henry Wadsworth Longfellow; notes on brown paper that were written by Thomas Edison; Julia Ward Howe's stirring poem that we sing today as "The Battle Hymn of the Republic" and countless items reflecting the world of entertainment.

One of the original display items that struck me as particularly significant as we celebrate America's birthday, was the Freedom Bell. Specially cast for the Freedom Train exhibit, the bell is on display in one of the glass-enclosed showcase cars. It is a gift to the Nation's children from the American Legion. The Liberty Bell is twice the size of the Freedom Bell, symbolizing 200 years of American independence.

Having run successfully through 1975, the American Freedom Train will be making stops in towns and cities until December 1976 with a final exhibit in Miami, Fla.

For the benefit of my colleagues who may wish to visit the train at some future date, I include in the RECORD the following tenative 1976 schedule of Freedom Train stops:

THE AMERICAN FREEDOM TRAIN FOUNDATION: TENTATIVE SCHEDULE, 1976

CITY AND STATE, DAY AND DATE

Santa Barbara, California, Fri., Jan. 2—Sun., Jan. 4.

Long Beach, California (6 pm), Mon., Jan. 5—Thu., Jan. 8.

Anaheim, California (2 pm), Fri., Jan. 9—Tue., Jan. 13.

San Diego, California (2 pm), Wed., Jan. 14—Sun., Jan. 18.

San Juan Capistrano, California (12 pm), Mon., Jan. 19—Tue., Jan. 20.

Yuma, Arizona, Thu., Jan. 22—Fri., Jan. 23.

Tempe (Phoenix), Arizona (4 pm), Sat., Jan. 24—Wed., Jan. 28.

Tucson, Arizona (6 pm), Thu., Jan. 29—Sun., Feb. 1.

Albuquerque, New Mexico, Tue., Feb. 3—Thu., Feb. 5.

Odessa, Texas (12 pm), Sat., Feb. 7—Mon., Feb. 9.

San Antonio, Texas (6 pm), Wed., Feb. 11—Sat., Feb. 14.

Austin, Texas (6 pm), Sun., Feb. 15—Tue., Feb. 17.

Houston, Texas, Thu., Feb. 19—Tue., Feb. 24.

Fort Worth, Texas, Thu., Feb. 26—Sat., Feb. 28.

Dallas, Texas (12 pm), Sun., Feb. 29—Thu., Mar. 4.

Wichita Falls, Texas, Sat., Mar. 6—Mon., Mar. 8.

Oklahoma City, Oklahoma, Wed., Mar. 10—Sun., Mar. 14.

Tulsa, Oklahoma (6 pm), Mon., Mar. 15—Thu., Mar. 18.

Wichita, Kansas (6 pm), Fri., Mar. 19—Tue., Mar. 23.

Topeka, Kansas (6 pm), Wed., Mar. 24—Fri., Mar. 26.

Kansas City, Kansas (12 pm), Sat., Mar. 27—Tue., Mar. 30.

Jefferson City, Missouri (6 pm), Wed., Mar. 31—Fri., Apr. 2.

St. Louis, Missouri (12 pm), Sat., Apr. 3—Sun., Apr. 11.

Little Rock, Arkansas, Tue., Apr. 13—Thu., Apr. 15.

Memphis, Tennessee (6 pm), Fri., Apr. 16—Wed., Apr. 21.

Jackson, Mississippi, Fri., Apr. 23—Sun., Apr. 25.

Baton Rouge, Louisiana, Tue., Apr. 27—Thu., Apr. 29.

New Orleans, Louisiana (6 pm), Fri., Apr. 30—Thu., May 6.

Mobile, Alabama, Sat., May 8—Mon., May 10.

Tallahassee, Florida, Wed., May 12—Thu., May 13.

Columbus, Georgia, Sat., May 15—Mon., May 17.

Macon, Georgia (6 pm), Tue., May 18—Thu., May 20.

Atlanta, Georgia (6 pm), Fri., May 21—Thu., May 27.

Birmingham, Alabama, Sat., May 29—Tue., June 1.

Huntsville, Alabama (6 pm), Wed., June 2—Fri., June 4.

Chattanooga, Tennessee (12 pm), Sat., June 5—Mon., June 7.

Nashville, Tennessee, Wed., June 9—Sun., 13.

Louisville, Kentucky, Tue., June 15—Thu., June 17.

Charleston, West Virginia, Sat., June 19—Mon., June 21.

Pittsburgh, Pennsylvania, Wed., June 23—Mon., June 28.

Washington, District of Columbia, Wed., June 30—Mon., July 5.

Baltimore, Maryland, Wed., July 7—Mon., July 12.

New York Grand Central, Wed, July 14—Tue., July 27.

New York Nassau County, Thu., July 29—Mon., Aug. 2.

New York Westchester County, Wed., Aug. 4—Sun., Aug. 8.

Hartford, Connecticut, Tue., Aug. 10—Thu., Aug. 12.

Providence, Rhode Island, Sat., Aug. 14—Mon., Aug. 16.

Poughkeepsie, New York, Wed., Aug. 18—Thu., Aug. 19.

Newark, New Jersey (12 pm), Sat., Aug. 21—Mon., Aug. 23.

Northern New Jersey (12 pm), Tue., Aug. 24—Thu., Aug. 26.

Bethlehem, Pennsylvania (12 pm), Fri., Aug. 27—Sun., Aug. 29.

Trenton, New Jersey (6 pm), Mon., Aug. 30—Wed., Sep. 1.

Asbury Park, New Jersey (6 pm), Thu., Sep., 2—Mon., Sep. 6.

Scranton, Pennsylvania, Wed., Sep. 8—Fri., Sep. 10.

Williamsport, Pennsylvania (12 pm), Sat., Sep. 11—Mon., Sep. 13.

Harrisburg, Pennsylvania (6 pm), Tue. Sep. 14—Thu., Sep. 16.

Philadelphia, Pennsylvania (6 pm), Fri., Sep. 17—Thu., Sep. 23.

Richmond, Virginia, Sat., Sep. 25—Tue., Sep. 28.

Norfolk, Virginia, Thu., Sep. 30—Sun., Oct. 3.

Roanoke, Virginia, Tue., Oct. 5—Thu., Oct. 7.

Raleigh, North Carolina, Sat., Oct. 9—Tue., Oct. 12.

Winston-Salem, North Carolina, Thu., Oct. 14—Sun., Oct. 17.

Charlotte, North Carolina, Tue., Oct. 19—Thu., Oct. 21.

Columbia, South Carolina, Sat., Oct. 23—Tue., Oct. 26.

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Charleston, South Carolina, Thu., Oct. 28—Sun., Oct. 31.

Savannah, Georgia, Tue., Nov. 2—Thu., Nov. 4.

Jacksonville, Florida, Sat., Nov. 6—Tue., Nov. 9.

Gainesville, Florida, Thu., Nov. 11—Fri., Nov. 12.

Ocala, Florida (12 pm), Sat., Nov. 13—Sun., Nov. 14.

Orlando, Florida, Tue., Nov. 16—Thu., Nov. 18.

Lakeland, Florida (6 pm), Fri., Nov. 19—Mon., Nov. 22.

Tampa, Florida, Wed., Nov. 24—Mon., Nov. 29.

St. Petersburg, Florida (12 pm), Tue., Nov. 30—Thu., Dec. 2.

Sarasota, Florida, Sat., Dec. 4—Mon., Dec. 6.

Palm Beach, Florida, Tue., Dec. 8—Fri., Dec. 10.

Boca Raton, Florida (12 pm), Sat., Dec. 11—Mon., Dec. 13.

Fort Lauderdale, Florida (6 pm), Tue., Dec. 14—Sun., Dec. 19.

Miami, Florida, Tue., Dec. 21—Thu., Dec. 30.

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[*] Florence, S.C., will be included at this point and assigned dates as soon as technical research has been completed.

U.S. INVOLVEMENT IN ANGOLA

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. DOWNEY of New York. Mr. Speaker, in recent weeks, the civil war in Angola has taken on serious international implications and this country's involvement in that crisis seems more unfortunate with each passing day.

In view of the fact that this area is of little strategic importance to the United States, we cannot afford—morally or financially—to send millions of dollars in military aid to Angola. Instead, it seems to me that the best option is to encourage and promote negotiations to peacefully end the conflict.

An editorial aired on December 17 by WGSM, a Long Island radio station, describes very succinctly, I believe, the current situation in Angola. As I feel that it would be of value to my colleagues, I include it in the RECORD at this point. The editorial follows:

ANGOLA

> Angola . . . it's a former Portuguese colony in Africa. There's a Civil War going on there, now. You might not have heard of it, but your government has. It's been reported that $50 million worth of American arms are flowing to one of the sides in that Civil War and the reports haven't been denied by anyone in the United States government. American armaments started going to Angola last July. The Assistant Secretary of State in charge of Africa has quit. The reason's reported to be a disagreement with Secretary of State Kissinger who rejected a diplomatic solution to the Angolan Civil War and pushed for C.I.A. weapons shipments, instead.
>
> What's it all mean? It means they're at it again. It means the government arrogance of the Nixon years isn't over. It means, during the period Congressional investigations were revealing assassination plots, spying on American citizens and the overthrowing of the legal government of Chile by the C.I.A., that non-elected government officials, like William Colby and Henry Kissinger, authorized secret weapons shipments to a tribe of Africans in Angola, backed by the segregationist South African government; that this was all done without the permission or even the knowledge of Congress.
>
> It means that the C.I.A., whose job is the gathering of intelligence overseas, is again acting like a government within a government, setting foreign policy, promoting tension and confrontation between the world's major powers for who knows if Russian arms shipments and Cuban technicians are, or are not, a reaction to earlier American military aid.
>
> The Constitution gives the Congress the sole right to declare war and approve treaties. The framers of the Constitution didn't have a C.I.A. to contend with, but their intent was clear. Even the President, although elected by the people, cannot make an alliance or declare war. He can only ask for a treaty ratification or a declaration of war. These are such important acts that the entire Congress were the only ones given this authority.
>
> When a Kissinger or a Colby decides to support one warring faction over another, and send them weapons, they are involving the United States in an alliance and a war. They are taking secret actions that could lead directly to American participation of the sort we saw in Vietnam. What they are doing is arrogant and illegal and if Congress doesn't stop them dead in their tracks, in Angola, we will never again own our government; we will never again know that only we, the people, decide such important matters through our elected representatives.

BRITISH SOCIALISTS ARE LOOKING BACK TO PROFITS!

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. CRANE. Mr. Speaker, by any standard—political, economic, or social—Great Britain is in real trouble. Militant labor unions, many of which openly proclaim their hostility to free enterprise, have a stranglehold on the economy, and as a result the economy is stagnating. Terrorists have stepped up their bombing and killing, yet the Government refuses to reinstate capital punishment in such cases. Doctors are rebelling against socialized medicine, and a strike by physicians has left millions without proper care. Everywhere one looks in England, the situation is bleak.

In an important book, "Can Britain Survive?", two distinguished Englishmen—D. E. Bland and K. W. Watkins—pose the question this way:

> Can Britain survive as a democratic state? Some will dismiss this question as alarmist, and many would prefer that it were not raised at all; yet as we approach the last quarter of the twentieth century we have to admit that an increasing number of people see beyond the immediate economic difficulties to the deeper questions which will arise if the problems continue and intensify.

Americans should carefully observe events in England. If labor unions are out of control in England, they are surely moving in precisely the same direction here. If socialized medicine is making it increasingly difficult to obtain proper medical care, there are many here who wish to emulate this unsuccessful program. If terrorist violence becomes more rampant, and leniently dealt with, we face precisely the same problem—and meet it in exactly the same lenient manner.

Fortunately, some in England seem about to learn some important lessons from the current plight of the country. The British Labour Party only recently announced a new economic program of giving priority to industrial development over consumption—or social objectives. It proposes to spur management to expand and innovate with a goal of high output and corporate earnings.

The laws of economics are the same, whether one calls himself a socialist or a capitalist. If initiative is stifled, growth will stop. If labor unions coerce wage settlements which are based on political muscle and not on economic reality, chaos will finally reign.

Discussing the Labour Party's seemingly altered view of economic reality, the Baltimore Evening Sun points out that the new program—

> . . . was not written by a consortium of corporate boards . . . but by the Labour government in consultation with both man-

agement and unions. That all three groups could agree on the overriding need to stimulate private industry—and nationalized industry on a profitmaking basis—is a measure of the desperate straits in which Britain finds itself.

I wish to share with my colleagues the editorial, "Back to Profits," as it appeared in the Baltimore Evening Sun of November 7, 1975, and insert it into the RECORD at this time:

BACK TO PROFITS

The British Labor government's new economic program sounds almost as if it might have been written by the National Association of Manufacturers. It talks of "giving priority to industrial development over consumption . . . or social objectives." It proposes to "spur management to expand and innovate" with a goal of high output and high corporate earnings. Prices are to be allowed to rise to achieve this and even nationalized industries are to be operated as profit-makers and judged by how they roll up the pounds.

And where does this leave the worker, the trades union man or woman on whom the Labor party's strength is based? He is still bound by the wage increase ceiling of an arbitrary $12 a year, far below the 30 per cent average annual increase he has been enjoying. And the clear threat of greater unemployment, perhaps 50 per cent higher in the coming year, is accepted. The primary goal is to be greater efficiency: "Technological improvements in productivity may mean that as modernization proceeds, the same or larger output can be produced with a smaller work force."

The program was not written by a consortium of corporate boards, however, but by the Labor government in consultation with both management and unions. That all three groups could agree on the overriding need to stimulate private industry—and nationalized industry on a profit-making basis—is a measure of the desperate straits in which Britain finds itself.

The crisis has been clear for some time and the Labor government has at last faced up to the fact that, welfare state or not, the country could not go on consuming more than it produced. How effectively Prime Minister Wilson's government will be able to put these new priorities into effect is uncertain; the details of the program remain to be spelled out. But there is no mistaking the dramatic and enormous shift in emphasis, the welcome recognition, however painful, of certain economic realities that the Labor party had long ignored.

ANNOUNCEMENT OF HEARINGS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. EDWARDS of California. Mr. Speaker, I wish to announce that the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary has rescheduled its hearings on the abortion constitutional amendments. The hearings are now scheduled to take place on February 4 and 5, 1976, at 9:30 a.m., in room 2237 of the Rayburn House Office Building. Witnesses will include constitutional and other legal scholars and lawyers who are active in current litigations in the field.

GREEK CYPRIOTS MERIT OUR SUPPORT OF JUSTICE AND EQUITY IN PEACE NEGOTIATIONS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. McCLORY. Mr. Speaker, during the recent congressional recess I had occasion to confer with a number of my constituents who are leaders of the prestigious and patriotic organization of AHEPA. These citizens, who are leaders of this Greek-American group, expressed compassion and concern for the citizens of Cyprus—particularly the Greek Cypriots, many of whom have been driven from their homes and businesses by reason of the armed might of the Turkish military forces.

Mr. Speaker, the best interests of our nation will be served by finding a peaceful and equitable solution to the tragedy which has befallen Cyprus. In endeavoring to support a climate in which both Turkish and Greek Cypriots may discuss fairly and freely the elements which must enter into an enduring peace, we must indeed be satisfied that the Greek Cypriots are not compelled to negotiate "under the gun"—so to speak.

Mr. Speaker, I gave assurance to my AHEPA constituents and friends that I would articulate my position in this behalf, both in this Chamber and in a communication to our distinguished Secretary of State. In compliance with those assurances, I am attaching to these remarks the text of my recent communication to Secretary of State Kissinger, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 12, 1976.

Hon. HENRY A. KISSINGER,
Secretary of State,
U.S. Department of State,
Washington, D.C.

DEAR MR. SECRETARY: In connection with the critical problem of Cyprus, I met recently with a number of my constituents who are leaders in the organization of AHEPA. These highly respected constituents are Americans of Greek or Cypriot origin or descent and have a special interest in assuring equity and a just and enduring peace on the ancient island of Cyprus.

Because a substantial part of the island is presently occupied by Turks and Turkish Cypriots, and by a large number of Turkish troops, the settlement negotiations could conceivably be influenced by this military dominance. Any so-called bi-zonal settlement should permit a return of territory to the Greek Cypriots including substantial portions of the arable and productive lands, as well as the tourism areas formerly inhabited by the Greek Cypriots. The homes, businesses and lands should be restored to the rightful owners under such an arrangement.

It would also seem consistent with our American policy to oppose the sale or shipment of any or all arms to Turkey which might under any circumstances be transshipped or used in Cyprus or against Greek or Greek Cypriot interests in Cyprus.

At the recent meeting which I had with the AHEPA leaders in Waukegan, Illinois, I gave assurances of my active support of the positions which I am thus communicating to you. I hope indeed that as the representative of our nation you will be advancing these positions to the end that the Turks and Turkish Cypriots may be induced to negotiate fairly and equitably with the Greek Cypriots for a complete and enduring peaceful settlement of the complex and persistent Cyprus problem.

In this same meeting, I called particular attention to the importance of promoting an atmosphere among our Greek and Turkish allies in NATO which can enable our nation to assist in the process looking toward a negotiated peaceful settlement of the Cyprus conflict.

It is my hope to visit Cyprus within the next several months to gain some firsthand knowledge of existing conditions there—particularly with reference to the refugee problem over which my House Judiciary Committee exercises legislative and oversight jurisdiction.

I will appreciate your cooperation in this respect and would add also my desire to be of every possible assistance to you and to your office consistent with the views expressed here.

Sincerely yours,
ROBERT MCCLORY,
Member of Congress.

PICKING CANDIDATES

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. YOUNG of Florida. Mr. Speaker, as we enter a new year, a Presidential election year, WTVT of Tampa-St. Petersburg, Fla., a television station serving my district, has provided me with an editorial which I believe is worthy of consideration by our colleagues and also our voters:

PICKING CANDIDATES

As we move into a new year, our attention will be fixed on what looks to be a lively presidential campaign in both major parties. We'll be hearing a lot of promises and nice-sounding words, but probably not many specific solutions to our many problems. The founder of the citizen's lobby called Common Cause . . . former cabinet member John Gardner . . . has come out with some advice for voters we think is pretty sound. While Common Cause is generally considered somewhat on the liberal side, Gardner takes an objective view in this comment. He warns us against people who simply run against government, taking advantage of peoples' fears and disillusionment. But he also warns against what he calls, in his words, "The liberal illusion that federal aid per se solves problems" . . . the idea that all we have to do is spend more dollars and pile program on program. He makes a pitch for effective but stripped-down governmental machinery.

Americans seem to have a natural distrust of government, especially at the natural level, which is healthy in some ways. But we should remember that government does have a purpose. It is there to serve us. We should be just as careful about piling on so many restrictions that it can't do its job as we are about letting it run out of control. Gardner suggests what he calls a "sunset law," under which all federal programs would have to rejustify their existence every once in a while, or face reduction or even termination. And he suggests we make the Presidential candidates talk plainly and specifically about what they intend to do about the problems we face. Vague, general promises to improve services while cutting taxes should not satisfy serious voters.

THE REAL REASON FOR BUSING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. RANGEL. Mr. Speaker, the rhetoric in this election year is heating up on the subject of court-ordered busing. As I have always stated, I believe that most Americans are against discrimination and that they accept the fundamental constitutional provision prohibiting it. Any child, white or black, has a right to be free from discrimination in our public schools. Thus he has a right to a desegregated education, not just occasionally, not in only one or two grades, but all along the educational road.

The equal protection clause of the 14th amendment requires that discrimination be done away with—whatever the source.

The issue of busing is a smokescreen behind which some hope to hide the failure by generations of school boards, taxpayers, and legislators to mandate and fund quality education for all children everywhere in this Nation.

The basic question of equal opportunity has been senselessly transformed for political reasons into one of race by paranoid visions of minority children wrecking suburban school buildings, or mugging suburban children. The racial aspects must be considered, however, because many of the voices now so piously raised in opposition to busing their own children were strangely silent for decades as black children were bused away from their neighborhoods to segregated schools with inferior teachers and supplies.

In this election year it is imperative that the American people recognize the real reason the courts are ordering busing of school children is to obey the Constitution.

The past director and general counsel of the U.S. Commission on Civil Rights, Howard A. Glickstein, has succinctly outlined the true purpose of busing in a recent letter to the editor of the New York Times. I urge my colleagues in Congress to read what Mr. Glickstein has written before the political rhetoric heats up even more:

[From the New York Times, Jan. 2, 1976]

BUSING: "TO RECTIFY ILLEGAL CONDUCT"

TO THE EDITOR: Norman D. Arbaiza's harangue against "The Legislating Judges" (letter Dec. 20) involves a basic misunderstanding of the judicial process. Almost any constitutional decision requires the judiciary to interpret and define some broad provision of our Constitution—a Constitution written deliberately to withstand changing times.

The Supreme Court did not write new law in *Brown* v. *Board of Education*. It merely interpreted the broad equal-protection guarantees of the Fourteenth Amendment. This is not "legislating." Should the country or the Congress disagree with the Court's interpretation of the Constitution, it is possible to invoke the legislative process to amend the Constitution.

But what is most troublesome about Mr. Arbaiza's letter is not his jurisprudential fallacies but his total failure to understand what the busing controversy is all about.

He complains about the "obligatory transportation of children solely for the purpose of achieving racial integration"—something that no court ever has ordered. (I wonder where Mr. Arbaiza was when children were being transported solely to maintain racial segregation.) Courts order busing only when they find that schools have been deliberately segregated. Integration is *not* the purpose; the purpose is to rectify illegal conduct.

In Boston, for example, Judge Garrity acted only after an extensive trial convinced him that Boston school officials had "knowingly carried out a systematic program of segregation affecting all of the city's students, teachers and school facilities and . . . intentionally brought about and maintained a dual school system. . . . the entire school system of Boston is unconstitutionally segregated." This is the crime that has been committed in Boston and this is the crime for which Judge Garrity has been trying to fashion a remedy.

Mr. Arbaiza also opposes busing because it will require sending "children to dangerous, crime-ridden ghetto schools" and means that children will be "taken out of a safe, clean school and sent to a place of danger." But the way to deal with this problem is not to oppose busing but to fight the intolerable conditions to which Mr. Arbaiza refers.

Should any child in America go to a school that is not safe and clean, that is a place of danger? What kind of people are we that would tolerate such conditions? Arguments such as these reveal the negativism and insensitivity of many of the opponents of busing. They obstruct, they oppose, they obfuscate, but they fail to offer any constructive proposals to insure that *all* of our children receive decent education in safe and clean schools.

HOWARD A. GLICKSTEIN.

PRAISE FOR PRESIDENTIAL APPOINTMENT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. SIMON. Mr. Speaker, I was pleased recently to learn that President Gerald Ford has named a longtime friend, Peter B. Bensinger, to head the Drug Enforcement Administration.

I have seen Pete Bensinger operate in a variety of capacities and do each job he has undertaken well.

He will vigorously pursue the problems which affect this Nation in the drug field, but I can assure my colleagues that he will do it with a sensitivity in the field of civil liberties also.

I have every reason to believe that in the years to come as President Gerald Ford looks back on the appointments that he has made, that he will view the appointment of Peter Bensinger as one of his finest. I congratulate the President; I congratulate Pete Bensinger; but most of all, I congratulate the American people for having the good fortune to have Pete Bensinger in this position of responsibility.

REGULATORY REFORM ACT OF 1976

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. WHITEHURST. Mr. Speaker, I am introducing today the Regulatory Reform Act of 1976, which I believe will provide the necessary authority to implement badly needed reforms of our Federal regulatory agencies. This legislation has recently been introduced in the Senate by Senator PERCY and Senator ROBERT C. BYRD. I am hopeful that both the House and the Senate will act expeditiously on this legislation so that we can develop a less burdensome and more efficient Federal regulatory structure.

Calls for regulatory reform are not new. Every President for the past two decades has suggested some type of reform. However, with the severe downturn of our economy in recent years, more serious and intense attention has been paid to the tremendous adverse impact that these Federal regulatory agencies have on our economy. Increasingly, Members of Congress and the executive branch have come to realize that the outmoded and misguided policies of these agencies stifle competition, inflate prices, and smother businessmen with needless paperwork. Estimates of the costs of Government regulation to the American people have ranged from $60 billion a year up to as high as $130 billion a year. Consumers carry the dual burdens of higher taxes and higher prices to support policies which do them no good.

Additionally, regulations impede the tremendous productive power of the American economy. Increasingly, the American people are coming to understand that Government must start restoring competition and removing market constraints. If we expect the economy to get better and stay that way, we must strip the wet blanket of unnecessary Government regulation from its back.

Not only does the present regulatory system stifle free enterprise, but the overlap and duplication of the multitude of agencies also tend to make these agencies less effective in carrying out their legitimate responsibilities. Thus, we must streamline and coordinate the functions of the regulatory agencies as well as insure that their policies do not hinder the free market system.

President Ford has devoted a substantial amount of attention to regulatory reform and his administration has devised specific plans for deregulating the airline, railroad, and trucking industries. However, our experience has been that calls for regulatory reform tend to die as a result of pressure brought on by affected interest groups. Consequently, the legislation which I am introducing today provides for a specific timetable for a comprehensive reform of our regulatory system.

As Senator PERCY has stated, this bill would provide that over a period of 5 years, from 1977 through 1981, the President would submit to the Congress by March 30 of each year comprehensive plans for reforming regulation in five specific areas of the economy, namely: Banking and finance; energy and environmental matters; commerce, transportation, and communications; food, health and safety, and unfair and deceptive trade practices; housing, labor-management relations, equal employment opportunity, government procurement, and small business.

Each plan would include recommendations for increasing competition, and for procedural, organizational, and structural reforms—including the merger, modification, establishment, or abolition of Federal regulations, functions, and agencies. Each plan would be referred to the committee with appropriate subject matter oversight jurisdiction, as well as to the respective Government Operations Committees of the House and Senate.

The bill also provides for an action-forcing mechanism in the form of impending abolition of specific agencies and regulations, unless a comprehensive regulatory reform measure is enacted by a certain date, as the best way to assure prompt and effective action on the full range of regulatory issues. Responsibility for action is thus squarely placed on the Congress as a whole.

My concern with the problems of regulatory reform has grown considerably during my service in Congress, through accumulated visits and letters from those individuals in the business world who are being harassed by a welter of regulations and a relentless corps of bureaucrats to enforce them. One regulatory agency which has particularly concerned me, and many small businessmen in my congressional district, is the Occupational Safety and Health Administration. The Occupational Safety and Health Act came into being with the valid purpose of cutting down on industrial accidents. In 1973, over 14,000 Americans died in job-related accidents. Many of them would be alive if better safety measures had been in effect, but as the Federation of American Scientists states:

> The Occupational Safety and Health Act has surfaced at least as many problems as it was designed to solve.

The regulations promulgated by this agency are so lacking in uniformity that employers do not know how to comply with them and employees are not in a position to know when a regulation has been violated.

The costs to business for compliance with OSHA regulations are not low. Planned industrial investments in health and safety equipment will rise from $2.5 billion in 1972 to $3.4 billion in 1977.

Many of the observations about OSHA can also be made about the Environmental Protection Agency. EPA regulations are extraordinarily complex and result in major costs to businesses and ultimately to consumers. Just to cite one example, if we adopt the stiff noise standards supported by the EPA, the compliance cost is expected to be $31.6 billion. Yet with all of the regulations of the EPA and OSHA, we still find that a tragic situation, such as the recent Kepone incident in Hopewell, Va., can go undetected and unchecked by these agencies. Perhaps one reason for the failure to prevent the Kepone tragedy is that so many agencies, both State and Federal, have such overlapping functions that none of them have the clear responsibility to deal with the problem.

The airline industry is certainly one which we should make every effort to deregulate. The examples of increased costs to consumers as a result of the Civil Aeronautics Board regulations are startling. CAB-regulated flights from Boston to Washington, D.C., cost more than twice as much as the unregulated intrastate flights of the same distance, such as the San Francisco to Los Angeles run. Another example of the CAB's disregard for the consumer arose in 1974 when the CAB flatly refused to allow London-based Laker Airways to fly regular "no-frills" flights between London and New York for $125 each way or slightly over one-third of the current fare.

The surface transportation industry is also one which clearly needs deregulation. Economists have estimated that directly and indirectly the Interstate Commerce Commission costs Americans not less than $4 billion a year and possibly as much as $8.7 billion. The ICC has implemented many restrictions on the trucking industry, requiring trucks to return empty from long hauls, wasting time, money, and vital fuel. The results of all ICC rules concerning the trucking industry cause up to 460 million gallons of fuel to be wasted annually. The ICC even contributes to the extremely high costs of groceries. When a court ruling made the transportation of frozen fruit and vegetables exempt from ICC regulations, shipping rates for these goods declined 19 percent. When freshly dressed and frozen poultry were also deregulated, rates dropped even further by 33 percent.

The communications industry, regulated by the Federal Communications Commission, is another agency which is coming under increasing scrutiny by the American people. A small 5,000-watt radio station in New Hampshire reported that it spent $26.23 just to mail its application for license renewal to the FCC. An Oregon company operating a small TV station reported that its license renewal application weighed 45 pounds. These small stations were apparently required to fill out the same forms as the multimillion dollar radio and TV stations operating in major metropolitan areas.

The issue of cable TV is admittedly complex, but it does offer the potential for cutting costs and providing a wider range of services to consumers. Yet the FCC's reaction to cable TV has been extremely cautious. Seemingly, the Commission has gone overboard in trying to protect the interests of the existing networks which, of course, are highly profitable and not in need of protection from the Federal Government.

Recent revelations have even raised doubts about the effectiveness of the regulatory system for the banking industry. Today the Federal Reserve Board, the Federal Home Loan Bank Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration simultaneously look after the regulation of our Nation's banking system. The result of having all of these agencies is what Arthur Burns has called "a jurisdictional tangle that boggles the mind." The effect is that financial institutions are required to report to a multitude of agencies, yet important problems somehow manage to fall between the cracks. With the recent failure of the Franklin National Bank and with the disclosures that even the First National City Bank and the Chase Manhattan Bank are having difficulties, we must attempt to streamline the regulatory agencies to insure that problem areas are identified early so that solutions can be found.

Through most of their history, Federal regulatory agencies have labored in relative obscurity. Only recently have the American people become aware of the substantial impediment to our free enterprise system which these agencies have caused. Indeed, we still have a substantial number of people and spokesmen who demand that the noose be tightened further with additional restrictions and controls. Thus, I believe it is now time for the Congress to review in depth the functions of the regulatory agencies so that all of our people are aware of the tremendous impact that these agencies have on the personal lives of our citizens. This task will be difficult, but I feel it is of the utmost importance if we are to maintain the free enterprise system and the enormous productive power of the American economy. I would urge my colleagues to act expeditiously to pass this legislation.

ST. THOMAS FISHERMAN LOCAL HERO

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. DE LUGO. Mr. Speaker, it is with great civic pride that I bring to my colleagues' attention the recent heroic action of a St. Thomas fisherman who single-handedly rescued seven persons from a plane ditched in the Caribbean Sea on December 13, 1975.

Peter LaPlace was at the scene when a two-engine plane went into the water just 3 miles short of the Harry S Truman Airport in St. Thomas. Reacting quickly to the needs of the survivors, Mr. LaPlace immediately dumped his fishing gear overboard to accommodate the pick-up of the six passengers and the pilot. Arriving on shore, he drove them to a hospital in his truck. While none of the survivors from the mainland was seriously injured, Mr. LaPlace's hasty rescue prevented injuries resultant from being in the water for a longer period of time.

The courageous behavior of Peter LaPlace is certainly a tribute to his resourcefulness and concern. I would like to personally salute him and extend to him the gratefulness and admiration of all Virgin Islanders.

PROTECTING PRIVACY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. DOWNEY of New York. Mr. Speaker, at home during the recent congressional recess, many of my constituents told me of their increasing concern about protecting the privacy of the individual citizen. The issue has been raised by a number of the local papers in my district. In January the Long Islander of Huntington, N.Y., asked some important questions in an editorial. I would like to share that paper's thoughts with my colleagues:

OUR PRIVACY

When privacy is mentioned today many people think of Watergate or the more recent allegations of misbehavior by various seemingly cloak-and-microphone agencies. But the issue goes much deeper than bugged offices and bungled burglaries. Intelligence reports tell us that much of the information they need can be obtained legally and openly from government publications, newspapers and other media. The name of the game is simply that of gathering, sorting and coordinating, which is where the computer enters the picture. Computers lower the cost of data storage and recovery, and facilitate its transfer.

Computers are extremely useful tools and modern society could scarcely function efficiently without them. Just as the automobile, though, they can be dangerous when misused. But, then, what does constitute misuse? That is a question we all have to answer and it will not be easy. Businesses collect, sort, store, and sometimes trade, vast amounts of personal data from simple mailing lists to credit ratings and even medical histories. Such practices help to eliminate fraud, hold down prices and improve services to the consumer. But they also result in the assembly of a great deal of personal information that should, perhaps, be nobody's business but the subject's.

In a similar manner, government agencies collect, sort, store and trade similar data. And, in addition to the sources available to business, the government has in its files census data, tax returns, police reports and business trade secrets.

Then there are the academic reports. These reports are important both to the individual concerned and to society in general. Schools and colleges collecting them, public and private institutions, maintain these records through the period of schooling from the grade schools into the colleges and then to the business and working history of the individual involved; although access to the records is limited to qualified personnel of the school district, the parents or guardians, and students of 18 years or over, in accordance with the "Family Educational and Privacy Act of 1974."

Consider a sample of the thorny questions raised by the maintenance of computer "data banks": Should you authorize release of your medical history to insurance company "A," is company "A" able to give it to insurance company "B" without your knowledge? Suppose private information about you is stolen from a company computer authorized to have it, who is liable for damage done to you? And, should data-gathering agencies be allowed to consolidate their separate files on you, on the grounds of efficiency? If not, where do we draw the line?

Then we come to the opening of government files to public inspection, by law. This sounds like a fine idea, but would you want your file to be open to the public?

These are just a few of the problems. There is plenty of room for disagreement among honorable people of all political persuasions. And there is a very great need to begin thinking carefully and methodically about the best solutions for this information-gathering fever that will be to the greatest advantage of a free people.

ACCOMPLISHMENTS OF THE 94TH CONGRESS, 1ST SESSION, REPORT TO THE PEOPLE OF THE 4TH DISTRICT OF WISCONSIN

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. ZABLOCKI. Mr. Speaker, with the convening of the 2d session of the 94th Congress today, I am submitting the following annual report on the activities of the 1st session of the 94th Congress to the residents of the 4th District of Wisconsin whom I have the honor to represent in the House of Representatives. This report to my constituents summarizes the major actions of the 1st session of the 94th Congress and cites some of the major issues that need to be faced during this 2d session of the 94th Congress.

As has been my practice in reporting to my constituents of my activities as their Representative, I recognize that my actions may not totally please everyone nor resolve all of our national problems. I hope my record, however, indicates that to the best of my ability I have sincerely tried to represent, serve, and work in the best interests of all my constituents.

Basic to our representative form of government is the necessity for the people it serves to have confidence and trust in its actions and institutions. This principle again received considerable attention during the 1st session of the 94th Congress as a result of the disclosures about various illegal activities of the Intelligence Agencies. The American people properly demanded a thorough investigation of the activities of these vital and important agencies. Accordingly, Congress created the ad hoc intelligence committees with the expressed purpose of restoring control over the intelligence agencies and the necessary confidence in our National Government. While at times painful, disclosures of misdeeds by our intelligence community must be rectified, or otherwise the original and necessary purpose of these organizations could be betrayed again in the future.

ECONOMY

Positive and constructive efforts to also regain public confidence in our domestic economy were initiated and passed by Congress. Early in the session, Congress drafted and passed a $22.8 billion tax cut providing needed stimulus to our depressed economy. The President, who only a few months earlier had urged a tax increase, reluctantly signed the tax bill. Recognizing the need to maintain this important economic stimulus to enable the country to recover from its worst recession since World War II, Congress before the close of the first session voted to extend these tax cuts into 1976. Again, the President, only after considerable reluctance and rhetoric to the contrary, agreed to sign this much-needed tax extension. In addition, the Congress enacted a $2.9 billion jobs package, which included $1.6 billion for public service jobs and $500 million for construction. Though the national employment rate had climbed to the year's all-time high of 9.2 percent, the President vetoed a more comprehensive jobs bill. Recognizing the hard-hit housing and construction industries, Congress followed another Presidential veto with legislation authorizing $10 billion in mortgage subsidies and mortgage payment assistance for unemployed homeowners faced with foreclosure and extended basic benefits to assist the millions of unemployed workers.

I submit the Congress has acted to protect those most hurt by the recession despite 17 Presidential vetoes. In addition, Congress has enacted legislation to fight inflation. Congress established effective and carefully considered ceilings on the level of Federal spending. These limits are part of the new comprehensive budget control process put into effect by Congress last year. These efforts, designed to limit Federal spending and to establish spending priorities, are an affirmative and much needed step toward national fiscal responsibility. The House Budget Committee estimates that in its first year of operation last year the new budget process saved the American taxpayer $10 billion in 1975. It is my belief that the establishment of the budget process is one of the most important accomplishments of Congress in recent years, which should assist the Federal Government to be more fiscally accountable to the American people.

ENERGY

Coupled with congressional efforts to restore our economic well-being, were our efforts to establish a comprehensive national energy policy. After long hours of debate and consideration the Congress passed the Energy Conservation and Policy Act which establishes much-needed energy policy directives. This legislation offers our Nation for the first time a comprehensive and far-reaching energy blueprint for the future. The measure establishes a policy which is designed to provide adequate energy supplies in the short run and pave the way for the development of new energy sources for the future. As opposed to the administration's position of reducing energy use and of increasing domestic production by simply allowing oil prices to rise with no controls, Congress adopted a measure to deal with our complex energy problem in a more responsible way. Our strategy is not to add to our inflationary problems by allowing immediate and uncontrolled energy price increases but rather by controlling prices until after the recession and then permitting increased fuel prices on the least vital users of our energy.

SENIOR CITIZENS AND VETERANS

The Congress also took action designed to assist those Americans most adversely affected by the high rate of inflation—our senior citizens who live on fixed incomes. The Congress rejected the President's proposal to arbitrarily limit cost-of-living increases in social security, civil service, and military retirements. This action assured that millions of our needy fellow citizens should receive the full amount of the automatic cost-of-living increase for 1975. The House of Representatives also passed legislation authorizing the continuation of the Older Americans Act including various senior volunteer programs for the elderly. New programs under this legislation would offer home care, counseling, housing, transportation, and employment assistance for our needy older citizens.

Overriding a Presidential veto, the Congress enacted legislation extending needed major health services and nurse training programs and authorized funds for various State public health programs and community mental health centers. In the important area of education, the Congress also overrode the President's veto to pass legislation appropriating $7.9 billion for education through fiscal 1977, thereby reducing the pressures on local school officials to request increased local property taxes.

Further, to provide for our Nation's veterans in this time of inflation, the Congress enacted legislation which provides for an 8-percent increase in pensions for veterans and their survivors. In addition, compensation increases of 10 to 12 percent for veterans with service-connected disabilities and for their widows and surviving children were also enacted.

TRANSPORTATION

In the vital area of transportation, the Congress took steps to stabilize the railroad industry and to promote public transportation. Legislation was enacted into law which increased the authorizations to provide emergency grants for operating expenses to the Penn Central and other Northeast railroads and provided loan guarantees to the railroads for capital improvements. The Congress also passed the Railroad Revitalization and Regulatory Reform Act of 1975 in an attempt to revitalize our country's ailing railroad system.

Through money appropriated by the Congress, for example, the Department of Transportation was able to provide the county of Milwaukee a $17.1 million grant enabling the county to establish a publicly owned and operated bus system to serve the people of the Milwaukee Metropolitan Area. This significant development is a good example of the way Federal money can be effectively used on the local level to serve the public interest. Coupled with a hopefully soon-to-be completed interstate system in the Milwaukee area, it is hoped that public ownership of the bus system in the Milwaukee area will result in more and expanded lines, greater efficiency, reasonable rates, and greater usage of the bus system by the general public.

One important and admittedly controversial action taken by the Congress during the First Session was when legislation was passed and signed into law designed to help New York City avoid default and bankruptcy. Although this legislation had its shortcomings, action was especially crucial because without the loan guarantees a default by New York would have had serious adverse economic effects on our Nation. Specifically, a default would have reduced the real growth of our economy, would have affected other communities, added to the number of jobless, and boosted interest rates thereby substantially increasing the prospects of higher local property taxes and State taxes.

INTERNATIONAL AFFAIRS

In the area of international affairs, the Congress was very active and continued its reassertion of its constitutional responsibility in the conduct of foreign affairs. The beginning of the session was dominated by the Cyprus issue and our position with regard to our NATO allies, Greece and Turkey. Legislation was finally passed which called for a more moderate U.S. policy on suspending the embargo of arms shipments to Turkey. This responsible action was designed to maximize the potential for a negotiated and peaceful settlement in Cyprus.

In the Middle East, which for too long has been a source of conflict and threat to the peace of the world, the administration's proposal to send 200 civilian technicians to the Middle East as part of the Sinai peace settlement package was adopted. Because of my concern that this kind of participation represents a shift away from the role of detached arbiter to that of active participant, I opposed the legislation authorizing this action.

Related to my concern about our commitments in the Middle East is my concern over the administration's $3 billion request for economic and military assistance to the Middle East. Of this total, $1.5 billion is for military credits and grants and $740 million in economic assistance to Israel and $750 million in economic assistance to Egypt. During consideration of the administration's request, I have been emphasizing that in our conduct of foreign policy we must recognize that the national security interests of our country must come first. Although I certainly recognize and support the right of Israel to remain a strong and viable country, there are a number of significant reasons why I believe a substantial increase of military assistance to Israel is not in our country's best interest.

Rather than preserve a military balance in the Middle East, the administration's proposed massive increases in military aid to Israel cannot but increase the chances for another war in the Middle East. At the same time, on the basis of reliable intelligence and testimony submitted to the Committee on International Relations, it is clear that Israel's military capabilities are more than adequate to defend itself against the possibility of a multifront attack. In addition to these important considerations, it must be noted that the proposed billion-dollar-plus military assistance package to Israel may very seriously endanger our own national security by seriously affecting U.S. force supply needs. The Congress and the administration must resist emotional pressures and insist that a prudent and balanced policy recognizing the rights of all peoples in the Middle East must be met if that area is ever to have lasting peace.

As a result of extensive hearings and considerations by the Committee on International Relations, the Congress passed the International Development and Food Assistance Act of 1975. This act, which I cosponsored, contains major innovations in the areas of disaster assistance, food policy, and development aid. It focuses on the world hunger problem by directing aid to the poorest nations of the world. It was the first successful congressional effort to consider humanitarian economic assistance in legislation separate from military and security assistance.

Under the auspices of the International Security and Scientific Affairs Subcommittee of which I am chairman, an in-depth inquiry into responsible ways in which U.S. disarmament efforts could be improved was conducted last year. The subsequently enacted legislation should strengthen the status and effectiveness of the Arms Control and Disarmament Agency and provide the necessary information in the arms control field to the Congress and to the executive branch. My subcommittee also made an extensive review of the implementation of the landmark War Powers Act, reviewed the performance of the United States-Soviet strategic arms—SALT—agreements, and considered legislation designed to clarify U.S. policy with respect to controlling the spread of nuclear weapons.

Mr. Speaker, notwithstanding these accomplishments of the 1st session of the 94th Congress, we must frankly admit that much work still needs to be done. During this Bicentennial year we must continue our efforts to restore our economic well-being by ending the recession. At the same time, we must strive to combat inflation which has taken its toll on the financial security of millions of our people. Conservation of energy and increased domestic production must continue to be the major basis of our national energy program. And, just as we have initiated efforts to restore confidence in our institutions, let us not forget to restore the dignity of all fellow human beings, including the unborn.

Mr. Speaker, I would like to take this opportunity to add my appreciation and thanks to our colleagues for their cooperation and express my optimism that in the forthcoming 2d session our sincere efforts will help to meet the needs of the American people. As we work toward these goals in this Bicentennial Congress, I pledge my cooperation in our efforts to obtain full employment, economic prosperity, social justice, and lasting peace.

Mr. Speaker, the following is a summary of my attendance record, position, and voting record on some of the major issues considered during the 1st session of the 94th Congress:

VOTING RECORD OF CONGRESSMAN CLEMENT J. ZABLOCKI, 94TH CONGRESS 1ST SESSION

POSITION, ISSUE, AND STATUS

National economy

Voted for: Extension of multibillion dollar tax cut into 1976 to stimulate our depressed economy. Became law.

Voted for: Tax reform resulting in a more progressive tax structure and increased revenues. Passed House.

Voted for: Establishment of a Council on Wage and Price Stability to help contain inflation. Became law.

Sponsored: Audit of the Federal Reserve Board by the General Accounting Office. Pending.

Voted for: Resolution calling for long term interest rates and credit expansion to ease credit. Adopted.

Voted for: Review of the activities of all federal agencies to insure proper service and increase productivity. Became law.

Voted for: Emergency help to small businesses with fixed-price contracts with the federal government. Became law.

Voted for: Reform of the bankruptcy laws. In conference.

Voted for: Simplification of procedures in the emergency farm disaster program. Became law.

Voted for: Temporary and limited assistance to New York City to preserve an adequate national bonds market for our local municipalities. Became law.

Voted for: Tax credit for child care expenses for working parents. Passed House.

Voted for: Billion dollar cuts in unnecessary federal spending in an effort to reduce the federal deficit. Became law.

Voted for: Legislation designed to reduce foreign oil consumption, promote energy conservation, and encourage domestic production. Became law.

Voted for: Temporary suspension of Presidential authority to impose fees on petroleum products. Vetoed.

Voted for: Legislation to prevent uncontrolled increases in the price of domestic oil and gas. Vetoed.

Voted for: Legislation establishing guidelines regulating strip mining to preserve our environment. Vetoed.

Voted for: Establishment of a national policy regarding the oil and natural gas deposits in the Outer Continental Shelf. Passed House.

Cosponsored: Legislation to establish a national energy and conservation corporation to encourage domestic energy production. Pending.

Voted for: Examination of the hydroelectric and geothermal power potential in our country. Became law.

Voted for: Measure to protect our ocean waters and marine environment. Became law.

Voted for: Enlargement of the Grand Canyon and protection of the wilderness areas. Became law.

Voted for: Extension of the Nuclear Regulatory Commission. Became law.

Retirement, health and social services

Cosponsored: Resolution opposing arbitrary ceiling on social security cost-of-living benefit increases. Became law.

Voted for: Legislation providing assistance for nursing education and improved health care. Veto overridden.

Voted for: Legislation coordinating a comprehensive national drug abuse prevention program. In conference.

Cosponsored: National health insurance program. Pending.

Voted for: Legislation to assist Americans suffering from mental retardation and other developmental disabilities. Became law.

Voted for: Measure to improve the administration of health Maintenance Organizations. Passed House.

Voted for: Extension of the Older Americans Act providing new programs for the elderly. Became law.

Voted for: Extended protection against the loss of medicaid. Became law.

Voted for: Improved enforcement of collection of child support payments from absent fathers. Passed House.

Introduced: Legislation to provide for federal participation in the costs of the Social Security program thereby reducing social security payroll deductions. Pending.

Introduced: Legislation to simplify the method of reporting Social Security wages by employers. Pending.

Voted for: Measures authorizing various improvements affecting federal and civil service annuity. Became law.

Voted for: Legislation opposing increased prices of food stamps for the needy. Became law.

Veterans and national defense

Cosponsored: Resolution to redesignate November 11 as Veterans Day. Became law.

Voted for: Maintenance of our nation's defense by supporting adequate funds for procurement and research. Became law.

Voted for: Legislation to improve care of our veterans living in State Veterans' homes. Passed House.

Voted for: Legislation providing assistance to U.S. nationalized citizens of Polish and Czech origins who fought as allies of the U.S. during WWI and WWII. Passed House.

Voted for: Legislation to increase benefits for disabled veterans and their survivors. Became law.

Voted for: Cost of living increase of 8% in pensions for veterans and their survivors. Became law.

Voted for: Continuation of basic benefits for National Guard Technicians. Became law.

Voted for: Equitable pay treatment of VA Physicians and Dentists. Became law.

Transportation, housing, consumers

Voted for: Legislation to revitalized our country's ailing railroad system. Became law.

Voted for: Legislation to make our civil aviation services safer, more efficient, and more convenient. Passed House.

Voted for: Measure to improve the National Railroad Passenger Corporation (Amtrak). Became law.

Voted for: Increased federal funding to complete our interstate highway system in an effort to reduce higher costs due to delays. Became law.

Voted for: Legislation to provide subsidized mortgages for middle-income housing and to help the construction industry. Vetoed.

Voted for: Legislation authorizing mortgage relief payments to homeowners facing foreclosure due to recession. Became law.

Voted for: Simplification of federal regulations affecting real estate transactions while providing buyer protection. Became law.

Voted for: Extension of the national flood insurance program into 1976. Became law.

Voted for: Legislation to strengthen and clarify the jurisdiction of the Consumer Product Safety Commission. In conference.

Voted for: Legislation to eliminate artificially high prices by repealing the fair trade laws. Became law.

Education and labor

Voted for: Extension of educational opportunities to our handicapped children. Became law.

Voted for: Legislation to reduce illiteracy by helping local governments to meet the need for reading improvements. Became law.

Voted for: Expansion of work and educational grant opportunities for college students. Became law.

Voted for: Provision to prevent HEW from ordering public school students bused beyond the school closest to their home. Vetoed.

Introduced: Legislation to allow an income tax credit for tuition paid for nonpublic elementary or secondary education. Pending.

Voted for: Creation of 2 million additional jobs for the unemployed. Vetoed.

Voted for: Extension and expansion of benefits for the unemployed. Became law.

Voted for: Federal support of summer youth employment and recreation programs. Became law.

Voted for: Legislation to halt unemployment and to stimulate the economy. Became law.

Voted for: Legislation to amend the Occupational Safety and Health Act by enabling employers to obtain advice and counseling. Passed House.

Voted for: Extension of child nutrition programs. Became law.

Constitutional issues and general government

Cosponsored: Legislation to provide for a National Memorial to Father Jacques Marquette. Became law.

Sponsored: Resolution to proclaim Sunday, September 14, 1975 as "National Saint Elizabeth Seton Day". Approved.

Introduced: Constitutional amendment to reaffirm the right to life of the unborn. Hearings scheduled.

Introduced: Constitutional amendment to provide for the right to offer prayer in public buildings. Pending.

Voted for: Legislation to provide a constitution for the Virgin Islands. Became law.

Voted for: Establishment of a Select Committee on Intelligence. Adopted.

Introduced: Legislation providing for Law Enforcement Officer's Bill of Rights. Pending.

Voted for: Guarantee to all Americans residing outside the U.S. the right to vote in Presidential and Congressional elections. Became law.

Voted for: Audit of the Internal Revenue Service. Passed House.

International affairs

Cosponsored: Reform of our foreign aid program by reducing the emphasis on military aid and by improving our economic aid to those countries most in need. Became law.

Voted for: Maintenance of United Nations' peacekeeping forces in the Middle East in an effort to promote peace. Became law.

Voted against: The stationing of 200 American civilians in the Sinai. Became law.

Voted for: Resolution condemning action by the United Nations equating Zionism with racism. Became law.

Voted for: An amendment declaring it the sense of Congress that any new Panama Canal agreement must protect the vital interests of the United States. Became law.

Cosponsored: Resolution calling for the U.S. and Europe to strengthen our common defense and to promote economic prosperity. Became law.

Introduced: Legislation to establish a Joint Committee on National Security. Pending.

Sponsored: Resolution objecting to proposed sale of F–15 aircraft to Israel. Pending.

Sponsored: Legislation to prevent world famine and to maintain stable world food prices by increasing food production. Pending.

Sponsored: Review of International Executive Agreements which create a national commitment. Pending.

Cosponsored: Resolution urging U.S. not to compromise the freedom of the Republic of China while lessening tensions with the People's Republic of China. Pending.

Introduced: Resolution proposing an International Treaty to ban lethal chemical weapons. Pending.

Sponsored: Establishment of Japan-U.S. Friendship Committee to promote educational, cultural, and artistic exchanges. Became law.

Supported: Resolution establishing a select committee to pursue the full accounting of our MIA's in Southeast Asia. Became law.

Introduced: Resolution reaffirming congressional oversight over the sale of U.S. weaponry to other countries. Pending.

Voted for: Extension of the Peace Corps program. Became law.

ROLLCALL RECORD OF CONGRESSMAN CLEMENT J. ZABLOCKI, 94TH CONG., 1ST SESS.

	Yeas/ nays	Quorum calls	Re-corded votes	Grand totals
Number of calls or votes	360	216	252	828
Present responses (yea, nay, present, present-paired for or against)	350	201	242	793
Absences (absent, not voting, not voting-paired for or against)	10	15	10	35
Voting percentage (presence)	97.2	93.0	96.0	95.7

DR. MARTIN LUTHER KING, JR.

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. ANDERSON of California. Mr. Speaker, last Thursday, January 15, was the birthday of Dr. Martin Luther King. Had it not been for his tragic assassination in 1968, he would be 47 years old today.

Dr. King will go down in history as one of the greatest Americans of this century. More than any other person, he brought the plight of black Americans to the forefront of our Nation's conscience. The great strides forward in civil rights that have been made in the last 20 years are due, to a large degree, to the dynamic leadership he gave to so many of his fellow Americans.

As a student of nonviolent protest, Dr. King was a rock of serenity during one of the most turbulent eras of our Nation's 200-year history. He struggled for change, but in a manner that avoided violent retaliation. He was often the target of threats, violence, and imprisonment, but his dedication to the cause he served so well never faltered.

Martin Luther King, Jr., will be remembered as one of the most important leaders of black Americans, but his appeal reached out to the hearts of all men and woman who believe in fairness and equality under the law. He opposed segregation with coexistence; he fought ignorance with truth and knowledge; and he calmly faced the threats and hysteria directed against his cause with the conviction, "We Shall Overcome."

That conviction never faltered. Four long years after his memorial speech in our Nation's Capital, when he told us of the dream he held for America's future, he spoke again of the faith and hope he held in his heart:

> I still have a dream that with this faith we will be able to adjourn the councils of despair and bring new light into the dark chambers of pessimism. With this faith we will be able to speed up the day when there will be peace on earth and goodwill toward men. It will be a glorious day, the morning stars will sing together, and the sons of God will shout for joy.

Less than 4 months after he spoke those words, Dr. Martin Luther King became the victim of an act of senseless violence. His death deprived us of a great leader. Mrs. Anderson and I had come to know Dr. King well during his visits to California, and the news of his assassination came as a deep personal loss.

But as long as men and women strive for justice and equality, the memory of Dr. Martin Luther King will burn as brightly as the faith he held throughout his life.

ROBINSON-PATMAN QUESTIONNAIRE

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. RUSSO. Mr. Speaker, in November of 1975 I sent a questionnaire to some 1,800 small businessmen in my district. The questionnaire elicits their views on the Robinson-Patman Act, which prohibits unfair price discrimination. Their response is most enlightening, and I, therefore, present it here for the benefit of my colleagues:

1. Do you feel that the Robinson-Patman Act is in your interest?

	Percent
Yes	92.5
No	7.5

2. Are you aware of any existing price discrimination practices in your field of business?

	Percent
Yes	46.8
No	53.2

3. If so, do you feel that these practices present a genuine threat to your business's survival and prosperity?

	Percent
Yes	58.6
No	41.4

4. Have you ever made, or considered making, a price discrimination complaint to the Federal Trade Commission or the Antitrust division of the Department of Justice?

	Percent
Yes	11.5
No	88.5

5. Would you like to see the Robinson-Patman Act:

	Percent
Repealed	4.8
Retained as is	25.8
Strengthened	69.4

This information is particularly timely in light of recent testimony before the Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act and related matters of the House Small Business Committee. As a member of this subcommittee, I have learned of a dramatic decline in the enforcement of the Robinson-Patman Act in recent years. In 1960, the Federal Trade Commission issued 130 complaints and 45 orders enforcing the act. In 1969, the Commission filed eight complaints and nine orders; in 1972, five complaints and two orders. In the last fiscal year, there were only two complaints issued and three orders entered.

This decline in enforcement may be justified if the Robinson-Patman Act is no longer being violated, or if it is now ineffective in serving those whom it was designed to protect. This survey, however, supports the testimony of the distinguished economic and antitrust experts who have appeared before the subcommittee to call for more vigorous enforcement of the act.

It is not, of course, surprising that academics and practical businessmen are thus united on this issue. The most striking feature of the Robinson-Patman Act is that its benefits extend across an extraordinarily broad spectrum of the economy. It protects the manufacturer against coercion by volume buyers, it protects the small buyer from unfair price discrimination, and it ultimately protects the consumer from victimization by a monopolistic distribution system. Further, by prohibiting unfair price discrimination which could eliminate small businesses from the competitive market, the Robinson-Patman Act provides long-term protection to an enormously important segment of our economy. The Nation's 12 million small businesses account for 50 percent of our gross national product and provide 100 million Americans with family income. The destruction of these unique and staunchly competitive businesses would lead to the most dire consequences to our economy and even to our way of life.

It is noteworthy that whereas fully 46.8 percent of the small businessmen surveyed claimed knowledge of existing price discrimination practices in their field, only 11.5 percent had ever actually made, or considered making, a complaint to Federal officials. In this connection it may be worthwhile to consider some of their comments:

"Repeated complaint to the FTC has drawn a big zero—nothing done."

"We are considering filing suit, but can we afford the cost?"

"They—the FTC—are only interested in head-line cases."

"Retain—the act—and enforce it."

"Strengthen—the act—and then enforce it."

Mr. Speaker, the current lack of enforcement of this act is absolutely deplorable. It amounts to an effective repeal of legislation which had been passed with—and still enjoys—the overwhelming support of the people and their representatives in Congress. This frustration of the people's will is an outrageous affront, and a subversion of our democratic system.

The call for immediate and effective congressional action on this problem is widespread and still growing. It is beginning to appear that the evidence in support of this call may be conclusive.

CHILD AND FAMILY SERVICES ACT

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. FLORIO. Mr. Speaker, throughout the past few months my office has received numerous pieces of correspondence concerning the Child and Family Services Act. As I am certain most of my colleagues can authenticate, many of these letters are emotionally charged containing falsified claims as to the consequences should this legislation be enacted.

To perhaps clarify this matter I am inserting the following article which explains some of the confusion and controversy surrounding the bill and dispels some of the myths which have been perpetrated.

[From the Philadelphia Inquirer, Dec. 28, 1975]

CHILD-CARE AID BILL EVOKES PROPAGANDA CAMPAIGN

(By David Hess)

WASHINGTON.—Congressmen from all over the country are being hit by a blizzard of mimeographed flyers urging them to reject a bill that would provide federal aid for care centers for children of working parents.

In a well-orchestrated propaganda campaign, the anonymouth authors of the flyer charge that the Child and Family Services bill would "lead to a Soviet-style system of communal child rearing" and destroy parental authority over youngsters.

One of the bill's chief sponsors, Sen. Walter Mondale (D., Minn.), calls the campaign "one of the most distorted and dishonest attacks I have witnessed in my 15 years of public service."

NO SUBSTANCE

Rep. Charles A. Mosher Jr. (R., Ohio), who has not yet decided whether to support the measure, said:

"I've heard accusations that this bill will do everything from destroying the basic family unit in the United States to indoctrinating preschoolers with a Communist-theist philosophy.

"These charges are all patently false. A careful examination of the proposed legislation shows there is absolutely no substance to these accusations."

The bill co-sponsored by Rep. John Brademas (D., Ind.), would provide federal grants to states, cities, counties, school boards or other local units that set up a comprehensive day-care program for the children of working or low-income parents.

LITTLE CHANCE

There is a hot debate raging over the federal standards that should apply to the day-care centers and over the range of services the centers should provide, and the bill is actually given little chance of passage.

But not one of the bill's identifiable opponents has even remotely suggested that it smacks of a Communist plot, as its anonymous detractors claim.

One opponent, Onalee McGraw of the National Coalition for Children, which favors tax subsidies for parents rather than federal grants for day-care services, says the propaganda campaign "does not serve the true debate on this bill."

The campaign's sponsors are sending their flyers to congressmen, and also are drumming up support in local churches—Mainly Baptist and Methodist—and in private, "Christian" schools.

CITE EXCERPTS

In almost every instance, the flyers cite excerpts from the Congressional Record, the daily journal of House and Senate proceedings, as "proof" of the bill's intent.

These excerpts, however, quote passages taken from a proposed "Charter of Children's Rights" published—but never adopted—in Great Britain, and from the opinions of senators who opposed a similar child care bill in 1971.

Neither the 1971 bill nor the 1975 Mondale-Brademas bill contain a single feature ascribed to them in the propaganda sheets.

In response to the campaign Brademas has issued an itemized rebuttal to the anonymous group's charges. He asserted that:

Participation in the day-care program is purely voluntary.

Policies for running each program would be set by local councils, half of whose members would have to be parents of children enrolled in the centers.

The bill contains a strict and specific ban against any council or government interference with "the moral and legal rights and responsibilities of parents."

Despite the explanations, congressional mail in opposition to the bill continues to roll in. Besides sending the flyers, individuals and church groups are writing separate letters that repeat most of the same points expressed in the flyers.

One 14-year-old Ohio boy, who said he attends a Christian school, wrote:

"Our country has and is going from a free, God-fearing nation . . . to a Satan-worshiping Communist country (in which) all religion is being abandoned."

He said enactment of the bill could lead to the shutdown of his school.

One Indiana couple wrote: "We feel this bill would destroy the family life America has known; not letting parents train their children as their conscience would direct them."

BLAMES BIRCHERS

A number of congressmen report receiving bundles of mimeographed flyers, urging them to reject the bill, from entire church congregations.

One congressional staff aide, noting the familiar John Birch Society envelope stickers on a lot of mail, blamed the campaign on the ultra-conservative Society.

But others believe the campaign is being sustained by certain church and religious school interests, who fear that stricter and more expensive federal standards for day-care services could threaten their own day-care operations.

TWO OUTSTANDING HIGH SCHOOL SENIORS FROM BAY ST. LOUIS, MISS.

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. LOTT. Mr. Speaker, I would like to recognize two outstanding high school seniors from Bay St. Louis, Miss., Deborah A. Netto and David J. Landon who are presently here in our Nation's Capital participating in the first class of the 1976 Presidential Classroom for Young Americans.

The Presidential Classroom program provides a wonderful opportunity for the young people of our country to gain an insight into the dynamics of government through firsthand contact with the Federal Government's institutions and leaders.

I know that Deborah and David will benefit greatly from this educational experience and their visit to Washington during the Bicentennial Year.

PROPOSAL FOR JOINT COMMITTEE ON INTELLIGENCE OVERSIGHT

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. ZABLOCKI. Mr. Speaker, events of the past few months as reinforced by periodic disclosures from both the House and Senate Select Intelligence Committees have confirmed more than ever my belief that H.R. 54 offers a meaningful solution to achieving effective congressional oversight on the activities of our intelligence community. I, therefore, respectfully but emphatically once again urge the House leadership to fully consider this proposed legislation. As the select committees near the end of their formal work and begin to consider various approaches to creating new permanent standing committees, H.R. 54 is particularly timely.

You know, Mr. Speaker, of my longstanding interest in this matter. As a matter of fact, my first bill to create a Joint Committee on Intelligence Matters was introduced in the 83d Congress on July 23, 1953, nearly 23 years ago. A revised version of that legislation has been introduced in the last two Congresses and would establish a Joint Committee on National Security. My current bill, H.R. 54, is pending before the Committee on Rules.

In large measure this bill is a result of my efforts over the years of trying to reassert the constitutional rights and responsibilities of Congress in the conduct of our foreign policy. In that sense, it complements the war powers resolution which it was my privilege to sponsor in the House. Basically, what H.R. 54 does is allow Congress to address itself in a more comprehensive way to a thorough and ongoing analysis and evaluation of our national security policies and goals.

My proposed legislation would have three basic functions:

First, to study and make recommendations on all issues concerning national security. This would include review of the President's report on the state of the world, the defense budget, and foreign assistance programs as they relate to national security goals and U.S. disarmament policies as part of our defense considerations.

Second, to study and make recommendations on Government practices of classification and declassification of documents.

Third, to conduct a continuing review of the operations of the Central Intelligence Agency, the Department of Defense and State, and other agencies intimately involved with our foreign policy.

Another important and distinguishing

feature of the Joint Committee on National Security would be the composition of its membership. In this connection it is important to recognize that responsible membership is the only way to assure that Congress will get the full and accurate information it needs to guarantee that its oversight function will be carried out properly.

To that end, H.R. 54 provides that appropriate individual leadership positions and committee jurisdictions would be represented on the new joint committee. It would include the following: the Speaker of the House of Representatives, the majority and minority leaders of both Houses, and the chairman and ranking minority members of the House and Senate Committees on Appropriations, International Relations and Foreign Relations, Armed Services, and the Joint Committee on Atomic Energy. Rounding out the 25-member joint committee would be three Members from both the House and Senate appointed respectively by the Speaker of the House and the President of the Senate. Thus, the bipartisan membership would include the experienced authority of Congress with the majority party having three Members more than the minority.

Finally, Mr. Speaker, I think it is important to note what this proposed Joint Committee on National Security would not do. First, and foremost, it would not usurp the legislative or investigative functions of any present committees. Rather, it would supplement and coordinate their efforts in a more comprehensive and effective framework. Nor would this new joint committee in any way usurp the President's historic role as Commander in Chief. Neither would it place the Congress in the position of adversary to the executive branch.

As I said at the outset, the lack of cooperation between Congress and the Executive in the national security area is really at the root of the problems we are now encountering. The need for greater cooperation and understanding has been evident for too long. We have not had an adequate mechanism in our national security apparatus for proper and meaningful consultation between the two branches. The aim of H.R. 54 is to provide that mechanism and thereby allow for the formulation of a truly representative national security policy.

THE COMMUNITY CHURCH OF DOUGLASTON CANDLELIGHT FESTIVAL OF LESSONS AND CAROLS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. WOLFF. Mr. Speaker, the sound of voices in song, the light of candles, were brought to the heart by the strong traditions and faith of Christmas at the Community Church of Douglaston, Candlelight Festival of Lessons and Carols, December 21, 1975. This occasion served not only as a celebration of Christmas, but as a symbol of the hope—which has extended over centuries and peoples like a timeless glow—of a coming day of peace.

I had the pleasure of attending this yuletide service which was held in the suburb of a city known to draw both ire and admiration. "In order to show our interest and concern for the city's opportunities and problems, and the fact that Christ does minister to urban society * * *" the Community Church chose as the theme of the service "The Christ Child and the City."

The Reverends John H. Meyer and Kenneth R. Bradsell with Mr. Gordon W. Paulsen, organist and choir director, and Miss Marguerite Espada, director of the Youth and Handbell Choirs, were primary figures in creating this service which was adapted from the Festival of Lessons and Carols, as sung in King's College Chapel, Cambridge, England.

STATEMENT ON INCOME BY REPRESENTATIVE LONG

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. LONG of Maryland. Mr. Speaker, in 1975, I paid $15,962.88 in taxes, amounting to 32 percent of my income of $49,248.16 from all sources, including U.S. Government, farm, interest, dividends, capital gains, rents, and annuities.

Of this total, $10,784.90 was for Federal income tax, $2,721.19 was for State and local income taxes, and $2,456.79 was for excise, sales, and real estate taxes.

My major source of income was my $42,850 salary as Congressman from Maryland's Second Congressional District. My income also derived from a 112-acre farm in Harford County, Md., and from a small annuity from my service as a professor at the Johns Hopkins University from 1947 to 1963. As of this date I own no stocks or bonds.

My real property consists of my home in Ruxton, Md., purchased in 1946, and my 112-acre farm in Harford County, Md., purchased in 1965. The purchase value of my properties was $150,000; their current market value is substantially higher.

My debts consist of $27,700 in mortgages—$10,000 on my home and $17,700 on my farm—and $3,000 in a note to a Baltimore bank.

My contributions to the Federal retirement system total $35,537.76. This asset can not be converted into cash without relinquishing retirement income rights.

My other assets include two 1970 automobiles, the furnishings in my home in Ruxton, and a small checking account balance.

A CRITIQUE OF THE U.N.—AND AN ALTERNATIVE TO OUR PARTICIPATION IN IT

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. KOCH. Mr. Speaker, I would like to share with my colleagues a brilliant critique of the United Nations written by Alan Dershowitz, professor of law at Harvard University. I support a position of nonpayment of U.N. dues, which would allow a 2-year interval before our membership in the General Assembly would expire. This interval would permit the possibility of an improvement in the situation at the U.N. One argument continuously raised against my position is that we would have to disengage ourselves from the many good functions of the U.N., including health, education, and food programs. Professor Dershowitz offers an alternative, of setting up with other democratic countries social programs outside the U.N., and funneling all our humanitarian aid through such channels.

I commend this approach to my colleagues. The article follows:

SHOULD AMERICA LEAVE THE U.N.?

(By Alan M. Dershowitz)

What should our attitude be toward the United Nations—an organization under whose auspices so much good work is done and so many evil words are spoken? Until recently, that question would never have occurred to a Jewish liberal. Conceived in reaction to the scourge of Nazism, the United Nations was seen as mankind's hope for enduring peace. Its charter was praised as the most eloquent—and significant—document of liberty since the American Bill of Rights. Among its premier accomplishments was the partitioning of mandatory Palestine into Jewish and Arab sectors, thus setting the stage for Israel to declare itself an independent nation. The United Nations and Israel emerged—almost in tandem—out of the ashes of Hitler's Europe.

Now, 30 years later, the rostrums of the General Assembly—and of several other UN affiliate organizations—are being used to spew forth an anti-Semitic gospel that has not been so publicly and unself-consciously proclaimed since the days of Goebbels.

The General Assembly formally declares "Zionism" to be a "form of racism and social discrimination." East Germany, Poland, the Ukraine—among the countries who taught the world the meaning of the word "racism" and whose earth serves as burial ground for half a "race" genocidally butchered by elements of its population—solemnly cast their vote on the side of those who would complete the unfinished job. Saudi Arabia—which denies Jews (with very few exceptions) the right to step on its holy soil—joins Uganda, Iraq, Sudan, which are among the most racist governments in the world, in supporting the resolution.

A fascist voice from the past, that of former dictator Franco, completes the evil circle of right and left wing dictatorships that have but two points in common: their hatred for Jewish Israel and their repressive and undemocratic rule over their own people. (Spain, though absenting itself for the final balloting, voted for the resolution in committee.)

The General Assembly has now become the

house organ of the Arab states. As one diplomat put it: If Algeria introduced a resolution that the world was flat, it would prevail 70 to 30 with 29 absentions. The most critical country standing between Israel and its illegal expulsion from the General Assembly is Egypt, which—for tactical reasons—has decided that this is not the time for Israel's expulsion. Sadat has apparently contented himself with the condemnation of Zionism—making it clear that he understands the difference between anti-Zionism and anti-Semitism by using an example from his youth: "I went to the dealer and asked for a radio set in 1950 . . . all our economy was in the hands of the Jews at that time . . . Because they received orders from Zionism, from Israel, you will not believe I was denied a radio set. . . ." He is right, of course; no reasonably educated person will "believe" that Jews controlled the entire Egyptian economy in 1950. The lesson of Sadat's illustration is that those who would extinguish Zionism are no longer even making serious efforts to distinguish Zionists from Jews. As Vernon E. Jordan, Jr., the black director of the National Urban League, who has devoted his life to opposing racism, observed after the original "racist" vote: "The attack upon Zionism amounts to the grossest form of anti-Semitism, since it is clear that the term Zionism is used by its opponents as a code word for Judaism and Jews. The fact that the resolution was rammed through by the Arab states that they themselves practice racial discrimination against their own minorities—Jews, Kurds, Copts and others—make the current debate even more obscene."

Nor is this vilification of Zionism-Judaism limited to the General Assembly. Many other agencies of the United Nations have become the battleground for the Arab "grand design" to cut off Israel from the international community and to place world Jewry in a defensive position. Organizations ranging from UNESCO to the International Labor Organization to the World Health Organization to the Food and Agriculture Organization have been the scene of attempts, usually successful, to condemn Zionism. Indeed it can fairly be said that never in the history of the world have so many nations reached so much agreement about a single issue: There was not nearly as much international consensus in condemnation of Hitler or Stalin.

Perhaps the most striking example of the absurd lengths to which the Arab governments will go in distorting the proper role of the international community in their vicious game of hatred was the recent International Woman's Year World Conference, sponsored by the United Nations and held in Mexico. As Ms. Karen DeCrow, the president of the National Organization of Women (NOW), recently put it: It was "ironic" that a majority of women from Arab and Third World countries refused to endorse a statement condemning sexism but endorsed a resolution that denounced Zionism. "It was disgraceful . . . but it was unfortunately part of the pattern, because most of the nations of the world they represented approve of sexism and practice it, and approve of anti-Semitism and practice it."

What then is to be done in response to this rapidly escalating war of words? There are those who argue that it should be ignored; that it will go away by itself. But there is no evidence to suggest that without an effective counterattack, the Arab offensive will abate. Moreover, the tragic lesson of history is that words, repeated often enough and from important enough places, can take on a generative power of their own and become deadly weapons of destruction. For example, the General Assembly resolution will undoubtedly serve as a "legal" excuse for some governments to imprison Zionists as part of that country's "contribution" to the elimination of racism in the world. (One can see the Soviet Union cynically outlawing Zionism and anti-Semiitsm at the same time, thereby demonstrating its commitment to the United Nations while imprisoning its Jewish dissidents.)

The sad truth is that the United Nations has contributed to the international legitimization of anti-Semitism, terrorism and injustice. It has not created these evils, but it has helped to make them respectable in the eyes of many in the world who respect the UN for its humanitarian work. Few who learn that this august organization has condemned Zionism realize that countries with 10 percent of the world population control two-thirds of the General Assembly. Few who hear calls for the "extinction of Israel" from its marble chambers know that the calls come from a racist madman who, while proudly wearing an Israeli paratrooper's wings, sought to build a monument to Hitler in his nation's capitol. Few who witness television coverage of the standing ovation given by the General Assembly to a mass murderer of noncombatant men, women, and children understand the utter hypocrisy of the United Nations' lending its podium to a self-appointed military leader who daily violates its charter.

We in America must never underestimate the appreciation and reverence much of the world has for the UN. Under its umbrella, millions of people are fed, clothed and treated for illnesses. To most of the world, the UN does not mean the vicious diatribes of the General Assembly; it means the food parcel with the blue and white symbol of peace, or the doctor or nurse with the blue and white arm patch. To most Americans, it means a UNICEF collection box on Halloween, a graceful building in New York, or an admiring chapter in a high school civics book. The good works of the United Nations endow that organization with credibility—and it is this credibility that is being deliberately exploited to lend an air of authenticity to the absurd resolutions that the Arab nations have generated.

For example, several days after the "racist" vote, The New York *Times* reported that the World Health Organization was performing a "miracle" in India and Bangladesh by virtually eliminating smallpox; the Indian who learns that the organization that has just saved his family has also voted (with the support of his country) to condemn Zionism as a form of racism, will have every reason to give credence to that conclusion.

This then is the dilemma of the moralist looking at the UN today. He cannot conceive of a world denied the good work currently being done under the auspices of that organization. Yet he cannot continue to support an organization that has become the international loudspeaker for a virulent and dangerous form of world anti-Semitism. Nor is it an acceptable answer for him to limit his support to the good work of the UN. For it is precisely the good work that lends legitimacy to the band. Every good deed done by UNICEF, WHO and other agencies of the UN which have not themselves been guilty of anti-Semitism, helps to bolster the prestige and respect of the United Nations, and thereby threatens to magnify the impact of anti-Semitic and anti-Zionist resolutions adopted by UN-affiliated organizations.

It is misleading, therefore, to pose the question—as many have—"Does the UN do more harm than good?" The obvious answer is that it does a great deal of both; and that each—unfortunately—is inextricably intermeshed with the other. The real question is whether the good which the UN currently does can be continued without enhancing the legitimacy and respectability of the evil that has become, recently and tragically, the hallmark of the General Assembly.

In the end, we need not accept a choice between preserving the UN as it presently exists or losing its good work. It is entirely possible for the humanitarian work currently being done under the auspices of the UN to be continued through multinational professional groups which are unaffiliated with the UN. A multinational health organization, whose *sole* job it was to treat illness, could be at least as effective as the World Health Organization, which spend far too much of its time and resources deciding whether to take political sides.

Democratic countries around the world should begin to prepare contingency plans for continuing important humanitarian work outside the formal structure of the United Nations. The contributions currently made by the United States alone to the General Assembly and other UN affiliates could buy more medical care, food, and other professional services than is currently provided by the entire UN.

There is some evidence that the United States may seriously be considering some degree of disengagement from the UN apparatus—at least on a selective basis. Its decision to give formal notice of intention to withdraw from the International Labor Organization—a United Nations agency—may signal the beginning of a new policy. The I.L.O. has, over the years, applied—George Meany's words—a "double standard" on the issue of human rights: It has been unwilling to investigate any charge against Communist and Third World countries, while jumping at any opportunity to score political points against Israel and the West.

The straw that caused the American delegation to walk out was the I.L.O.'s invitation to the "Palestine Labor Organization"—a virtually non-existent contrivance—to accept observer status in its assembly. The I.L.O. is now on notice that the United States will withdraw in two years unless the organization becomes more even-handed. More generally, the United Nations may now also have been put on notice by the near-unanimous congressional reaction to the "racist" vote: that the United States may be reassessing its role in the General Assembly.

It is important to emphasize that the threats of the United States—and other democratic countries—to withdraw from United Nations organizations will lack credibility unless there are on the drawing boards serious contingency plans for continuing the humanitarian work of the United Nations through other, less politicized groups. The irony is that the Third World countries (who pay the least and gain the most) know full well that the United States and the other democratic countries (who pay the most and gain the least) will simply not allow the good work of the UN to go down the drain. Our threats to withdraw are thus not taken as seriously as they would be if our withdrawal were seen not as an end to our support for humanitarian programs, but rather as an end to our support for an organization that has lost its credibility with our citizens, and that is threatening to become the Der Sturmer of a new wave of world anti-Semitism.

If the United Nations continues to permit itself to be used in destructive and divisive ways, the day may well arrive when all people of good will—Jew and non-Jew alike—will see no aternative but to call for its dismemberment. Democratic countries may have no choice but to withdraw from the General Assembly and its constituent organizations. If the groundwork for such withdrawal is carefully laid in advance—if alternative structures for the provision of humanitarian services are created—the withdrawal of democratic countries need not be seen as a tragedy. It will be the inevitable consequence of a self-inflicted wound. All that will have been destroyed is a one-sided debate society of hate.

Our reverence and respect for the United Nations of 1948 must not blind us to the reality of what it has become in 1976. As Ambassador Daniel Moynihan put it in the aftermath of the General Assembly vote on Zionism: "The General Assembly today grants symbolic amnesty—and more—to the murders of six million European Jews. Evil enough in itself, but more ominous by far, is the realization that now presses upon us—the realization that if there were no General Assembly, this could never happened."

NAACP BOARD CHAIRMAN ADVOCATES "A SEARCH FOR A NEW IDEAL" IN THE CANAL ZONE

HON. RALPH H. METCALFE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. METCALFE. Mr. Speaker, on December 1, 1975, the Honorable ROBERT L. LEGGETT, now a distinguished Member and formerly the capable chairman of the Panama Canal Subcommittee, brought to the attention of this body some important proposals for the enhancement of equal opportunity in the Canal Zone. The gentleman from California referenced Gov. Harold R. Parfitt's proposals of November 10, 1975, to consolidate the United States and Latin American school systems in the zone, to merge the separate housing communities in the Canal Zone, and to decrease the number of security positions—for which only U.S. citizens qualify—in the canal organization. These are three historic initiatives which in my view will enhance the quality of life for all in the Canal Zone and which will more fully utilize the resources and develop the potential of the Isthmian community.

Subsequent to their announcement, Governor Parfitt's three proposals have been endorsed by several important organizations and individuals, including representatives of organized labor and also Members of the Congress. It was particularly gratifying to me that Mrs. Margaret Bush Wilson, the dynamic chairman of the board of directors of the NAACP, endorsed in principle the Governor's proposals.

In a speech at the Freedom Banquet of the Canal Zone NAACP on December 6, 1975, Mrs. Wilson recounted the history of race relations on the Isthmus of Panama and stated:

> Against this background, the news that Governor Harold Parfitt has submitted proposals looking toward removing segregation and discrimination in schools, housing and employment was most welcome. The time span of four years for removing some of these barriers, such as separate U.S. and Latin American schools, for example, does seem to be unnecessarily drawn out.
>
> I recognize that there is a so-called language barrier. But, with creative thinking and imaginative programs, such barriers can be overcome in a much shorter time.

I believe Mrs. Wilson's position is consistent with the constructive change the NAACP has long advocated. I am sure that the support of the NAACP, an organization with monumental achievements to its credit in the field of civil rights and equal opportunity, ought to hasten the day for implementation of the Governor's initiatives.

Mr. Speaker, there has been no doubt at all in my mind that the Governor's proposals do represent a significant event in the history of the Canal Zone, an event which is a prerequisite to the blessings of peace the Governor of the Canal Zone asked for in his 1975 Christmas message—"the peace to build and grow, to live in harmony with each other and to plan for the future with confidence". So that the Congress and the public may very clearly perceive the importance of the events which I reference, I am inserting at this point the full remarks of Mrs. Margaret Bush Wilson and also a news article from the Panama Star & Herald which contains the formal position of the Canal Zone branch of the NAACP on this matter:

A SEARCH FOR A NEW IDEAL

(Speech at Freedom Banquet of the Canal Zone Branch of the National Association for the Advancement of Colored People (NAACP), Saturday, December 6, 1975, Albrook Air Force Base, Canal Zone, delivered by Mrs. Margaret Bush Wilson, Chairman, Board of Directors, NAACP. Mrs. Wilson is a practicing attorney in St. Louis, Missouri, U.S.A.)

Some months ago when the invitation of the Canal Zone Branch to speak on this occasion was extended to me by Sgt. Cleghorn, it seemed like a trip to be characterized as a charming respite from the stark Missouri winter.

Since then, I have been doing my homework and reading extensively about the Canal Zone, the Panama Canal and its problems. As the date of my visit approached and the headlines became more lively, I have concluded that this speech is a special challenge.

Clearly, I came to the Canal Zone at a fatetime in the history of this area. I am here during a period of crucial negotiations between my government and the government of Panama.

Moreover, I come at a time in the annals of the Civil Rights movement when the quest for equal rights and human dignity have assumed broader dimensions involving the rights of the young and old, of native-Americans, and hyphenated Americans-Puerto Ricans, Spanish-surnamed, Italian—of women, the handicapped and the convicted.

Finally, it is inescapable that I am speaking to you at a time of global ferment when the thrust of many peoples and many nations is toward development and independence and freedom from oppression.

Against this backdrop, I have chosen to entitle my remarks *A Search for a New Ideal.*

But first it is imperative to look at the historical perspectives in order to perceive the new dimensions of the quest for human rights.

The roots of the problem are closely intertwined with the history of the United States and the creation of Panama.

In early America, land, raw materials and even money were readily available. The one resource in scarce supply was labor. This imbalance led those seeking to develop the country to seek this resource wherever it could be found.

First, efforts were made to force Indians, into service for production. This was a dismal failure. Then white indentured servants, convicts and temporarily unfree labor were sought. But what proved to be the cheapest and the best source of labor was the African. The reason for black slavery was economic; it was not color but cost that was important.

So too were the genesis and source of the problems now existing in this Zone—economic. A dream to create a passage between the two great oceans and open a new vista for development and trade was brought to reality.

The right to build the International Waterway, which the Administration of Theodore Roosevelt acquired in 1901, heralded the historical patterns of racial discrimination from the Mainland and into what was then the virgin jungles of the Isthmus of Columbia. Two weeks after Panama proclaimed its independence in 1903, Secretary of State John Hay concluded a treaty that leased the Canal Zone to the United States in perpetuity.

To a group of U.S. Army Officers, Panamanian Businessmen and members of a French firm with the vision, there now came the manpower to build the canal—blacks from West Indies.

This 10-mile stretch of waterway linking two giant oceans, the Atlantic and Pacific, has been heralded by historians as a triumph of American engineering and organization. In monetary terms, it has led to the savings of hundreds of millions of dollars by shipping companies since its opening in 1914 and to the unabashed enrichment of shareholders of the Panama Company.

But to the lowly souls without whose toil—and lives—this waterway would never have been built, the Panama Canal was literally hell on earth. Like the black workers in the cotton fields of Mississippi, the cane fields of Florida or the tobacco plantations of South Carolina, the wretched souls who flocked to the Canal Zone in search of work were exploited without mercy.

These descendants of African slaves came from the West Indian Islands and were forced to live in some of the most wretched labor camps imaginable. They labored under unparalleled hardships and suffered the added ravages of climate and region, such as malaria and yellow fever, diseases carried by swarms of mosquitoes.

As I speak of these conditions, I cannot help but recall that occasion that helped propel our current Executive Director, Roy Wilkins, into the direction of a national leader. Hearing of the conditions under which his fellow blacks worked on the Mississippi flood control project, Roy Wilkins, a year after he joined the National staff in 1933, went South into the area to conduct a secret investigation.

Disguised as laborers, he and a partner worked for three weeks on the project gathering material for their shocking report which they prepared after barely escaping when they were discovered. As a result of this investigation, the Secretary of War, whose department had jurisdiction over the project, announced that the hours of unskilled workers would be shortened and their pay increased.

For the black laborers in the Canal Zone, their most pressing hardships of excessively long hours, low pay and despicable living conditions could not be easily alleviated. Cut off from the Mainland by distance and other Central American countries in between, the Canal Zone has been administered simply as a vestige of the parent state under the Secretary of the Army. To United States citizens, the protection of the constitution has been available to the extent that minorities on the Mainland have been covered. For non-U.S. personnel, however, the full penalties of our laws are always extended but never their total protection. Even so, separation from the prevailing moral forces and public opinion in the United States means that there has always been a lag between progress in race relations in the U.S. and here in the Canal Zone.

Thus, we find that the "Gold"—"Silver" segregation which grew out of the two separate wage systems that were used in the construction era lasted much longer than they would have in the U.S. "Gold Roll" wages were paid mainly to U.S. residents, who generally were higher skilled—and white—while "Silver Roll" pay went to the laborers, who were mostly unskilled West Indian blacks.

In 1948 the "Gold" and "Silver" designations were replaced by the terms "U.S. Rate" and "Local Rate". As everyone knew, these were mere euphemistic modifications that were adopted by the Canal Zone in the face of growing pressures in the surrounding region and at home. To borrow a saying from Brooklyn, the terminology was "The same difference". The new designations clearly indicated that the caste system was to be continued. Today, a new refinement that is based to a large extent on cultural and linguistic differences.

Across the years frustrating efforts have been made continuously to eradicate these vestiges of racial discrimination with only limited successes.

It was into this climate then that an established defender stepped, when a charter was issued for a Canal Zone Branch of the National Association of Colored People in 1974.

In the short space of just over a year, the accomplishments of the Canal Zone Branch of the NAACP have been impressive.

I, therefore, want to commend the officers and members for:

Having the commissary stores change the titles of men doing general assistance work from the most offensive "Package Boys" to Package Handlers.

Eliminating segregated facilities that existed at Pedro Miguel and Gatum Locks.

Removing from bookshelves in stores an injurious publication, while increasing the sale of a black publication in the commissary store at Balboa.

Ending the showing of a sinister film called "A Dream of Jeannie" and winning a promise from the proper officials not to show any more works of similar repute.

The sponsorship of cultural and stage events that foster black pride and a holiday seal fund-raising program last Christmas.

These clearly are achievements for which any NAACP Branch can be proud.

The urgent agenda for this branch, however, lies in facts exposed in the reports of the General Accounting Office:

The report indicated efforts have been made to correct wage scale discrimination. But the long-standing practice of pegging wage scales for certain jobs according to the prevailing rate in the recruitement area, still continues.

It is no surprise that the GAO found that the 1974 Equal Employment Opportunity Plan of the Canal organization failed to eliminate discrimination. To be sure, personnel working in the Canal Zone are covered by the 1964 Civil Rights Act and Executive Order 11248. But, again we find that some—meaning U.S. personnel in the higher categories—receive more equal coverage than non-citizen employees.

Coverage of the EEO (Equal Employment Opportunity) Laws have been extended administratively to non-citizen employees, but these workers are limited in the action they can take since the EEO laws do not directly cover them, redress of grievances is difficult because they cannot appeal to the U.S. Civil Rights Commission or file suits.

Tied in with the problem of wage scale discrimination, of course, is the question of upward mobility, and the subtle practices used to keep people of African descent on the bottom of the economic ladder.

In housing, the sharp lines of segregation are clearly evident. On the surface, it would seem to have developed without official action. In the States, this is called *De Facto* segregation. Actually, the separate, racially identifiable communities found here have been created by governmental action, whether overt or covert.

For example, the GAO report tells us that:

"The first permanent Silver-Roll community was established in 1914 at La Boca, Canal Zone, by converting surplus frame barracks into family apartments. During the period 1914 to 1920, additional silver-roll towns were established and enlarged as U.S. citizen construction towns were vacated or surplus barracks became available for conversion to family apartments."

Other exclusionary practices, such as maintaining a strict housing quota for non-U.S. citizens in the Canal Zone have been in practice for an even longer time.

Also, this Agency notes:

"Between 1951 and 1971, there was a 2,488-unit net total reduction in Latin American housing. Despite the general policy of attrition which has been followed, no decision has been made as to the ultimate future of the Latin American communities."

In Education, we find a similar dual system, "Gold" schools for predominantly white communities, and "Silver" schools for mainly black, Latin American residents.

As a result of the landmark 1954 decision in the *Brown* v. *Board of Education* case, schools for U.S. citizens were integrated. But the silver-roll schools were designated Latin American schools. Here, instruction was in Spanish, and the standard of instruction was purportedly pegged to areas outside the zone.

Against this background, the news that Governor Harold Parfitt has submitted proposals looking toward removing segregation and discrimination in schools, housing and employment was most welcome. The time span of four years for removing some of these barriers, such as separate U.S. and Latin American schools, for example, does seem to be unnecessarily drawn out.

I recognize that there is a so-called language barrier. But, with creative thinking and imaginative programs, such barriers can be overcome in a much shorter time.

The turbulent, irresistible winds of change that have so effectively altered the structure of world politics in the past two decades are certainly at work here. The dramatic accomplishments in the advancement of civil and human rights in the United States clearly demonstrate that effective measures can be taken to change resistant attitudes.

However, it is my fervent hope that the members of this Branch will see in their challenge here in the Canal Zone more than simply the redress of grievances—in schools, in housing and in employment.

It should be apparent that the broader implications of the issues you face are almost a microcosm of the much larger global and international problems of an unsettled world—a piece of the main as it were.

We who are United States citizens are on the eve of the bicentennial year of the American Revolution. That revolution grounded us in certain first principles. Oh there were flaws in their application—like counting some of us as 3/5ths human and others not at all. But—the first principles were sound and enduring—that all persons are created equal, have certain inalienable rights and that government must be established by the consent of the governed.

Behind these first principles lay a tradition of individual worth—that Americans would be a free people—not instruments of the State.

It was precisely because England, in the eighteenth century—held in contempt the sovereign rights of people and sought to protect, maintain and expand her empire by fiat of King George and his ministers that the colonists revolted.

In today's world, we must reexamine our tradition of individual worth against first principles. In our own minds it must be unmistakably clear that there is and must be a distinction between rights and privileges. And noting that distinction, we must be firm and forthright in declaring that the rights of some may not be ignored or diminished to favor the privilege of others.

Moreover, we cannot afford the luxury of being uninformed or fuzzy about the political and economic implications of existing and emerging problems.

Here in Panama, for example, an overriding imperative of political import is the need for continued amicable relations between Latin America and the United States. There are economic overtones, as well, touching the Canal itself and the matter of obsolescence, convenience and cost. This NAACP Branch, its leaders and its members must be more than informed about the facts, they must provide a new kind of leadership, with a new spirit and fresh sense of their role as champions of a New Ideal.

This New Ideal does not discard the concepts of Liberty, Equality and Fraternity . . .

This New Ideal builds upon the precept of Liberty—

By recognizing that Liberty today cannot mean being free to do as we please, but rather accepting the reality that freedom requires self-restraint and a vision of a cooperative society.

The New Ideal builds up the idea of Equality—

By understanding that Equality must be translated into human terms, and that it is not only folly to presume that some are more equal than others, but that our commitment must be to effective measures to end discrimination based on false distinctions.

The New Ideal builds upon a deeper meaning of Fraternity by perceiving that Fraternity embodies a sisterhood and brotherhood across ethnic, religious, racial, cultural and global lines and seeks a compassionate world community where the human condition commands priority, land civility and social virtues prevail.

A few weeks ago, a New York Times article regarding the Panama treaty negotiations caught my eye with the compelling headline "U.S. Residents of Canal Zone Are Jittery". In the article itself a paragraph began:

"It is already agreed that, within three years of a new treaty, Panama will recover jurisdiction over the Canal Zone and will assume responsibility for police, judicial, prison, postal and commercial services in the 10-mile-wide strip."

There followed a comment that in human terms, these developments would mean several hundred American Government workers would soon be out of jobs, while others would find themselves living in Panama rather than in a transplanted corner of the United States.

To this state of affairs, one cargo worker was quoted as saying: "I don't want to leave because I enjoy life here, but the minute they do away with American police, postal services and schools, I'm off. I'd send my family immediately and leave myself as soon as I found a job in the States."

Somehow, the pathos of this comment, revealing so vividly the urgency of a New

Ideal recalls to mind the words of Paul Laurence Dunbar:

"I know why the caged bird sings, ah me,
When his wing is bruised and his bosom sore,
When he beats his bars and would be free;
It is not a carol of joy or glee,
But a prayer that he sends from his heart's deep core,
But a plea, that upward to Heaven he flings—
I know why the caged bird sings"

PARFITT'S INTEGRATION PLAN GETS SUPPORT OF LOCAL NAACP

The Canal Zone Branch of the National Association for the Advancement of Colored People told Canal Zone Governor Harold R. Parfitt Tuesday his proposals on housing, schools, and employment practices "are indispensable to defuse these divisive and explosive issues."

Governor Parfitt recently announced a Panama Canal administration program to consolidate schools, now separated into US and Latin American schools; to remove nationality barriers in housing; and to reduce the number of US-held security positions.

The program has won strong support in the local community and in U.S. Congressional circles.

In an open letter, the NAACP told Governor Parfitt that his proposals "signal the passing of a period in local history tarnished by (racism and social injustices) and the beginning of an enlightened era in which people live together with mutual respect, dignity and understanding.

Text of the NAACP letter follows:

"Dear Governor Parfitt:

"The Canal Zone Branch of the National Association for the Advancement of Colored People heartily welcomes your proposals to reduce the number of security positions in the Panama Canal organization, consolidate the U.S. and non-U.S. school systems within the Canal Zone and place C.Z. family housing on a more equitable and competitive basis among U.S. and non-U.S. citizens. You, in the words of Robert Frost, 'took the road less traveled by, and that has made all the difference.'

"Your proposals are a significant and historical breakthrough in our struggle for equality, justice and human dignity for all Panama Canal Company Government employees regardless of their race, creed, color, sex or national origin. These proposals concretely demonstrate that meaningful changes are possible within a democratic system characterized by rational and open dialogue between leaders and group members, management and employees, government representatives and citizens. They symbolically represent a reassuring and guiding beacon of human justice in a dark world of institutionalized racism and social injustices. They signal the passing of a period in local history tarnished by these injustices and the beginning of an enlightened era in which people live together with mutual respect, dignity and understanding.

We are very cognizant of comments by people who feel threatened by your proposals. We reiterate emphatically, however, that your proposed innovative changes in C.Z. housing, schools and employment practices are long overdue and are indispensable to defuse these divisive and explosive issues. Moreover, there is an untapped wealth of human resources which can be creatively used to realize your proposed changes. As the American Revolution Bicentennial approaches failure to implement fully and orderly your proposals woud be a desecration of the spirit and purpose of that revolution.

"We, therefore, fully support you in this effort, and urge all enlightened citizens to support you during this time. We strongly encourage you to continue to demonstrate your creative leadership and moral courage until victory is won. We will remain vigilant to ensure that the spirit of your proposals and the principles of equality, dignity and justice for all are fully maintained during the implementation of these proposals."

LAW NEEDED TO DEFUSE TASER

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. COUGHLIN. Mr. Speaker, it is with great alarm that I have read of a frightening new device which is terrorizing law-abiding citizens. Marketed as the Taser, this Orwellian weapon expels miniature harpoons which carry 50,000 debilitating volts to its unfortunate victims. The resulting excruciating pain renders its sufferers completely incapacitated for several minutes.

Priced at just under $200, the Taser resembles a flashlight. Capacitors, however, boost the charge provided by an 8-volt battery. The miniature harpoons are tethered by 15-foot cords attached to the Taser. When the harpoons are expelled, their barbs stick to the clothing or flesh of the target, and the electric shock is carried to the victim through the cords and harpoons. While no deaths have occurred from this new device, the potential is certainly apparent, and the brutal pain is undeniable.

The high cost of the Taser and its easy availability make it ideally suited for use by criminal elements, rather than the housewife or individual for whom the manufacturer claims it was developed. Amazingly, however, the Taser is outside of existing Federal sanctions on weapons.

With the arsenal at the hands of criminals already staggeringly effective, it would be irresponsible to allow the Taser a place in the American marketplace. I therefore intend to introduce legislation this week to have the Taser classified as a destructive device under the provisions of the Gun Control Act of 1968. This would prohibit the sale or delivery of this weapon without the specific authorization from the Secretary of the Treasury. While there is a possibility that the Taser's principles could be put to appropriate use by law enforcement officials, to allow the free distribution of this destructive device would be unconscionable.

The following newspaper articles and editorials document the necessity to ban the public sale of the Taser. I am sure my colleagues will find them most informative:

[From the Philadelphia Inquirer, Jan. 17, 1976]

CONTROL THOSE ELECTRIC DARTS

When a weapon can be—and has been—used to inflict deliberate, repeated and sustained torture on victims, its distribution and sale to the public should be outlawed or at least strictly controlled.

The Taser gun, already sold by the thousands in the United States since it went on the market last year, was used by robbers against occupants of a house in Montgomery County the other day with terrifying results. A couple was tied up, then shot in the abdomens with the guns, and subjected to numerous electric shocks that cause severe pain.

A short-range weapon, the Taser shoots darts attached to electric wires. Once the dart is imbedded in the victim, 50,000-volt shocks can be administered at the push of a button. The device is unpleasantly reminiscent of the electric shock torture described in horrible detail in Orwell's "1984."

There may be valid uses for the Taser by responsible officials in certain situations. It has been mentioned, for example, as a potentially effective weapon to immobilize a would-be hijacker in a crowded airliner. Despite the intense pain, the gun apparently inflicts no lasting injuries.

Canada has banned the Taser. So have California and New York City. But federal controls are needed. The U.S. Treasury's division on firearms and the U.S. Consumer Product Safety Commission are investigating. There should be action—before these frightful instruments get into the hands of more criminals.

[From the Washington Post, Jan. 11, 1976]

THE STING

For as long as the rising crime rate has been an anguishing national issue, and ever since the control of civil disturbance became at least a potential problem for the nation's police forces, the search has been on for a more humanitarian and less provocative alternative to the gun as a defensive device. For a time, some police departments were experimenting with rubber bullets to stop fleeing felons, but the idea flopped. During the urban rioting, somebody came up with a foam that could be spread on the street and make it impossible for the rioters to stand up, but it turned out the police and firemen wouldn't be able to stand up either. Then there was the question of what to do with all that foam.

Now there is a new product, whose sales are breaking records across the country. It is called the Taser (because it rhymes with laser) and it is supposed to help the ordinary citizen fend off an assailant. It is a device about the size of a flashlight and in fact one component is a flashlight. But the other component is the important one. It consists of two small barbs with the appearance of tiny harpoons. Like the harpoon, they are attached to a 15 foot cord. When not in use, the cord is coiled and the Taser is kept in a holster. When the Taser is to be launched, a trigger is pressed and the two harpoons sink into the flesh of the opponent and produce an incapacitating shock of 50,000 volts.

Tests have shown that normally healthy people can sustain such shock without any apparent permanent effect. It is therefore argued by the proponents of the Taser that it is far more humane than a handgun as a weapon of defense for homeowners and others concerned about their personal security. It is because of that contention that the device has sold well, even at the considerable price of $200.

If it were possible to guarantee that only good and law abiding citizens could get their hands on this device—and use it with the greatest care—the story might conceivably end here with applause for good old Yankee ingenuity. Unfortunately there is another and much darker side to the Taser story. From Florida and a number of other places reports have been accumulating about the employment of this device in holdups. The victims have described being hit with an extraordinary and excruciating pain (some people lose consciousness altogether before realizing that they were about to be robbed. There has not been a report of a Taser-related fatality yet, but doctors wonder and worry about the effect of 50,000 volts on someone equipped with an electronic pacemaker for example. Several retail outlets that market the device have reported having a portion of their supply stolen, almost a guarantee that the devices will be turning up more and more frequently in the hands of criminals.

So we come to a weighing of social benefits and liabilities. Naturally, it would be best in all events if citizens would leave the gunplay and the Buck Rogers inventions alone and simply insist that the police do their job. Citizens should not have to feel the need to be armed in a tamed and civilized society. And yet, our society is already armed to the teeth with 40 million handguns, several times that number of long guns, bows and arrows, knives, crossbows, axes—and now Tasers. In such a circumstance, it would be easy to argue that the Taser is an advancement because it appears to be less lethal than a gun.

The trouble is that there is no way to tell who's going to get the most out of the Taser. There is a good chance the criminals will be attracted to the Taser and soon have the capability of working their coercive will on the citizenry with yet another device. In other words, the Taser is part of the civilian arms race, and like that other, larger, global arms race there is no proven security in numbers of weapons. In fact, there comes a point where the existence of the weapons in and of themselves poses at least as much of a danger as that against which they are to be used. The Taser is what might be called, at the Pentagon, a first generation weapon. It's success is almost certain to bring imitations and innovations with the probability that citizens will be less safe instead of more.

Since Taser is in its infancy, this is as good a time as any to declare as a matter of public policy that almost anything that adds to the civilian arms race is as dangerous to the civilian as to the criminal, if not more so. The mechanism available for that declaration is the Consumer Product Safety Commission. The commission has before it a petition proposing to ban this device as a harmful product. Unless it can somehow be demonstrated—which we strongly doubt—that on balance the Taser can make a decisive contribution to the security of law-abiding citizens, the Commission should approve the ban. The last thing today's proliferating civilian arms race needs it seems to us, a is a high-voltage harpoon.

[From the Norristown Times Herald, January 14, 1976]

WEAPON USED HERE BANNED IN CANADA

An electrical shocking device used to terrorize a Whitpain Township couple during an armed robbery last Thursday has been banned in Canada and at least one major city in the United States.

The Taser electric dart gun, sold for protection against crime, was used by four intruders to "scare" the couple and "obtain more information as to what was in the house," according to Whitpain Detective Sgt. Joseph Stemple.

The Associated Press said today that Canada announced Monday it will ban the Taser dart gun effective Feb. 1. New York City has already made it a crime to carry a Taser, a decision the manufacturer is protesting.

Canadian officials said they decided to make possession of the Taser a crime after tests of the gun failed to rule out the gun's capacity to kill.

Taser Systems, Inc., manufactures the $199 weapon. It looks like a flashlight, though in California it is officially termed a "gun" and must be registered and bear a serial number.

Sgt. Stemple said the four robbers gained entrance to the home about 5 p.m. after one of the men posed as a police officer investigating a burglary.

After the couple was tied up, Stemple said, "one of these guys shot them with this dart gun. They were both shot twice in the stomach. The darts stuck in the flesh. It's like a needle except it gives you a hell of a shock."

Township police have declined to identify the victims who were treated at Suburban General Hospital and released.

The four intruders fled with $7,000 cash, $4,000 in jewels, two .22-caliber rifles, and the man's Mercedes Benz which was later recovered by township police.

According to the Associated Press, the Montgomery County incident is not the first in which the Taser was used to commit a crime. Last September, a Taser was used to hold up a gas station attendant in Miami, Fla.

Alvin Simon, president of Taser Systems, said:

"All of our information, research and data indicate that it's nonlethal. We've been working on it since 1968 and everything bears out the fact that it's not lethal."

Simon said that although the gun has a rating of 50,000 volts at the source, it has such low amperage and wattage that its shock is relatively harmless. He said it has only three watts of power, less than in a Christmas tree bulb or an electric heart pacemaker.

Taser Systems has admitted that the weapon might cause serious injury to victims with heart or respiratory problems.

A dart is fired from the gun with a fine wire attached. Once the dart sticks in the target a button is pushed to emit the charge.

[From the Philadelphia Evening Bulletin Jan. 14, 1976]

"DEFENSE" DEVICE CAUSES A SHOCK

An electric dart gun, advertised as a means of preventing crime, was used to terrorize a Montgomery County, Pa., couple during a robbery last week.

Whitpain Township Police Detective Sgt. Joseph Stemple said four men gained entrance to the house of a Blue Bell resident last Thursday, bound the man and a woman and escaped with $7,000 in cash, $4,000 in jewels, two .22-caliber rifles and the man's 1975 Mercedes.

Stemple refused to divulge the names of the victims, but it was learned the man was Larry Baxter, a Philadelphia clothier.

Stemple said one of the intruders was carrying a "Taser Public Defender, a battery-powered weapon which discharges an electronic dart that gives a 50,000-jolt."

Stemple said the victims were shot three times each with darts as the robbers used the weapon to force the occupants of the house to tell them where the valuables were.

The victims, who were handcuffed and bound back-to-back with coathangers, and telephone wire, eventually worked themselves free enough to telephone police 2½ hours after their ordeal began.

They were treated and released at Suburban General Hospital.

Stemple said a man posing as a policeman who flashed a badge and said he was investigating a robbery, gained entrance to the house at 5 p.m. Thursday. The man pulled a handgun, held his victims at bay and let in three other men wearing ski masks.

One of the three was carrying the Taser.

It looks like a long flashlight and is manufactured by Taser Systems Inc., which sells it for $199 as an anticrime device.

New York City has made it a crime to carry the Taser, a decision protested by the manufacturer, and Canada announced Monday, it would ban the weapon Feb. 1.

Last September, a Taser was used in the holdup of a service station in Miami, Fla.

Alvin Simon, president of Taser Systems, said the weapon is not lethal and although it has a rating of 50,000 volts, it has such low wattage and amperage that its shock is relatively harmless.

SUPERMARKET PRACTICES

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. DOWNEY of New York. Mr. Speaker, on Friday, January 16, I submitted testimony before the New York State Assembly Standing Committee on Consumer Affairs and Protection. The State of New York has taken action on the matter of supermarket practices. I was pleased to cooperate in the effort to draft adequate State legislation.

The testimony follows:

STATEMENT OF HON. THOMAS J. DOWNEY

Mr. Chairman, I wish to express to you and the members of your committee my appreciation for this opportunity to present testimony on my work concerning supermarket practices. I want also to commend Assemblyman Harenberg for his efforts in bringing the Committee to Suffolk County.

In recent years the public's attention has been drawn more and more toward business practices as they affect consumers. Only lately has this broad category of individuals, which encompasses every ethnic, racial, occupational, income and age group in the Nation, come together to assert its rights in the marketplace. I knew that Suffolk County consumers would benefit from a review of certain practices locally. Accordingly, I initiated a review of the retail outlets used directly by every family in Long Island supermarkets.

So that I could get a better idea of local supermarket practices, I conducted a one-day study under the direction of Brentwood High School teacher Thomas O'Connor, on Saturday, May 10, 1975. The findings from this survey raised questions which are relevant to what will be discussed here today. The goals of this exploratory study were to see: (1) what price variations existed between supermarkets within the same chain and (2) what price differences if any existed within certain socio-economic areas within the district.

The study was conducted in the Second Congressional District using a sample of seventeen supermarkets. In each of the supermarkets, a team of student researchers bought fifty-six items (both brand name and store-brand). Although this one-day study did not adhere to strict methodology usually required of social surveys, it did provide us with valuable information. We found, for example, ample evidence of upward price changing as a practice in many stores. This refers to repeated changes in price on single items already on the shelf. In some instances, as many as eight different prices appeared on one item. We found also that the much hailed unit price labeling approach was being undermined by inaccurate labels. Often the price of the item did not correspond with the unit price on the shelf. This practice must be corrected in order that the consumer not be kept in the dark.

The pricing of merchandise is essential in order to assure that the consumer can make a reasonable judgement when purchasing an item. Unit pricing—providing the price per standard weight or measure—helps consumers to compare prices without having to make complicated mathematical calculations while standing in the supermarket aisle. Although unit pricing does not consider differences in the quality of competing products, studies have shown that it can, if presented effectively, significantly reduce price comparison errors by consumers.

For example, the average percentage of correct choices (that is, the package which gave the most quantity for the least money) was twenty-five percent higher when unit pricing was provided. An added plus was that the average shopping time was significantly less, one study showed.

Although unit pricing is available in about fifty percent of the chain operated supermarkets and in twenty-five percent of the independent supermarkets, a common complaint from consumers was that retailers have not always presented unit pricing in a manner that is readily used and easily understood.

A number of factors combine to frustrate the hope that unit pricing originally offered shoppers: Variations in the number of products offered by individual stores or chains, problems in the design and maintenance of shelf labels, inappropriate units of measure, and lack of promotion and explanatory materials have all contributed to the ineffectiveness of unit pricing.

I endorse the concept of a more uniform system of unit pricing as well as consumer education stressing its uses and benefits. I believe that with a reliable unit pricing system consumers could more readily make both price-quantity and price-quality judgements. I believe that this becomes even more important during a period of rapid inflation when consumers are doing their best to keep their families' costs of living down. We should help them do that. A mandatory uniform program would reduce the obstacles limiting consumer awareness and understanding of unit pricing.

The survey also made a comparison among ten selected store-brand products in two stores within the same chain. (It was found that in this time of inflation consumers are buying fewer national brands turning instead to store brands) A significant difference was found between the Pathmark stores in Islip (a middle income area) and the one in Brentwood (a lower middle income area). The findings are summarized in the following chart:

Items (storebrands)	*Islip*	*Brentwood*
Soda 12-oz. can	$0.15	$0.17
Chicken noodle soup 10¾-oz. can	.20	.19
Paper towels "jumbo" size	.47	.49
Steel wool pads 18-oz. box	.45	.59
French style string beans 15½-oz. can	.26	.43
Baked beans 16-oz. can	.25	.26
Orange Juice (frozen) 6-oz. can	.20	.22
Sugar 5-lb. bag	1.59	1.79
Stew meat 1 lb	1.59	1.99
Long Island potatoes 10-lb. bag	.59	.79

The most dramatic price difference we found within these Pathmark stores was for French Style Green Beans in a 15½ oz. can. Surely it cannot be the transportation cost differential between Islip and Brentwood that is directly responsible for the 17 cent difference in the price of a can of beans. I would be very interested to know what factors Pathmark cites as the reason for this dramatic price range.

The total difference in price among the ten items was $1.17. If the consumer had purchased these ten items at the Brentwood Pathmark on Saturday, May 10, 1975 he would have paid $1.17 more than if he had bought the same items at the Islip Pathmark. Converting this to percentages, he would be paying twenty percent more for the exact same ten storebrand items in Brentwood.

Although our study was not as rigorous as others in the field, its results provide considerable evidence that signficant price variations existed in local stores. The degree of these variations suggests that perhaps forces other than minor market fluctuations are responsible. Marked differences in pricing practices were seen in chain supermarkets located in different socio-economic areas. There was also evidence of price changing which, although legal, remains a questionable practice.

Another frequent complaint heard from consumers concerns the installation of computerized check-out systems that make it unnecessary from the supermarket's point of view to mark prices on individual items. Instead, the price of a product is stored in a computer in the store. Items in the store are marked with a "universal product code" (UPC) symbol. Since the computer "reads" the UPC symbol there is no need for a standard price label.

It is necessary, however, to have prices marked in order that consumers can (1) make comparisons between items while shopping, (2) be able to double-check the computer terminal at checkout and (3) identify, once home, the price paid for the item and compare with prices in previous weeks.

Although I do not object to the installation of the computerized checkout system, I do object strenuously to any attempt to take prices off packages.

Supermarket chains claim the system and the lack of prices will mean great savings to consumers. However, according to industry sources the savings from the failure to mark prices is minimal. I believe that basic price information is worth the minimal loss of some projected savings. A clearly marked price is a necessity.

According to supermarket advocates, price information need not appear on each item, for the data will be indicated on a shelf label. This is clearly inadequate to meet consumer's needs. A recent Federal study disclosed that shelf labels were missing for 10% to 20% of the products surveyed. (This failure to properly label shelves was also evident in our own survey.) In addition, there is no assurance that shelf labels will keep current with price changes made by the computer.

Computerization has been heralded as a highly significant advance in making supermarkets more economical. But there is no guarantee that savings would be passed on to the consumer.

In this time of soaring food costs consumers must retain the practical tools to stretch their food dollars. Individual pricing is one such tool.

I hope that with the information it receives here and elsewhere in the State, the committee will be able to draft remedial legislation for New York residents. I would also like to receive any suggestions the committee have for Federal legislation to improve the consumer's position in the marketplace.

YOU DARE TO SAY WE ABUSE OUR KIDS? ABUSE! NO! WE BEAT THEM HARD ONLY BECAUSE THEY MISBEHAVE!

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. KOCH. Mr. Speaker, the laws in this country declare persons of less than 17 or 18 years to be juveniles. These youths have less than full political and legal rights because our society deems them to be in a formative stage. Our culture says it is the responsibility of us, the adults, to provide for the children and inculcate proper values in them. Unfortunately, too many of the "adults" maltreat children; child abuse is a far-too-common phenomenon in the United States.

Family stress may result in child abuse, juvenile delinquency, runaways, et cetera. Many such "problem" children are institutionalized when, in fact, the "problem" is the entire family situation. We, the adults, are responsible for providing new, rational approaches for aiding the children and the parents. I have introduced, and 27 Members are cosponsoring, H.R. 10383 which authorizes State and local child welfare agencies to provide federally reimbursable day treatment and in-home services to emotionally disturbed children and their families.

The problem of child abuse is excellently discussed in the following article by Naomi Feigelson Chase printed in the New York Times of January 3, 1976. Ms. Chase is the author of the book, "A Child Is Being Beaten." She happens also to be a personal friend, so it is a special pleasure to be able to bring her superb Op-Ed article to the attention of our colleagues:

YOU DARE TO SAY WE ABUSE OUR KIDS? ABUSE! NO! WE BEAT THEM HARD ONLY BECAUSE THEY MISBEHAVE!

(By Naomi Feigelson Chase)

FRAMINGHAM, MASS.—In January, the Massachusetts Department of Social Services reported "an alarming increase" of child-abuse cases during 1974 and predicted that they would keep on rising. By June, Jack Hagenbuch, the department's coordinator of protective services, was saying that cases had nearly tripled. "In 1974 we were averaging 58 cases per month. This year it is more like 154, and still increasing."

The sudden rise, along with a staffing shortage, has produced a crisis situation. When unemployment increases, so does the number of families in trouble, and child abuse whatever its other causes is a symptom of family troubles.

The Massachusetts figures mirror a national picture: depressing images of bruised and broken children and angry, withdrawn and often terrified parents. It is a gloomy kind of family portrait in which many of us see a glancing resemblance to ourselves, because child abuse, besides its economic and societal roots, also has psychological undertones. Freud said in his essay "A Child Is Being Beaten" that the unconscious wish of adults to beat or harm young children is nearly universal.

In addition to economic and psychological causes of child abuse, the social climate of the country is also a powerful factor in the incidence of it. Many people believe that our culture's widespread acceptance of corporal punishment, whether in private homes, public schools or custodial institutions, is an underlying factor in child abuse. The resort to violence as a way of settling scores, if not problems, is another factor.

Attitudes toward children are part of a whole texture of values that may vary greatly, even among neighboring cultures. Cruelty to children does not exist among the gentle Arapesh of New Guinea, whose whole value system is oriented toward making things grow, while their violent neighbors, the Mundugumor, practice infanticide and treat surviving children harshly, as they do each other. Likewise, while there is child abuse in Britain, France and West Germany, specialists in the field such as Ruth Sidel and Urie Bronfenbrenner have noted its apparent absence in such socialist countries as Sweden and China.

The number of children in America who die from child abuse is relatively small, but estimates of injuries cited in Congressional hearings on the 1973 Child Abuse Prevention Act range from 60,000 upward. Richard Light, a professor of statistics who includes severe neglect and sexual abuse in a study for the Harvard Educational Review, says one of every 100 children in America is victimized each year.

Certainly reported cases of child abuse have been increasing, though we have no idea if the increase in the last several years is a result of stricter reporting laws or other factors. There has been an increase in public and professional awareness and concern. Some people think that focusing on child abuse avoids dealing with the larger problems it implies.

For one thing, stiffer reporting laws do not really help much. Since few private physicians report child-abuse cases, the abuses reported are likely to be those known to public agencies, city hospitals and welfare services; they involve people at the bottom of the system, which in America are the minorities and the poor. The same is true in other countries—in New Zealand, for example, where child-abuse studies show the incidence is highest among Maoris and Polynesians, who form the lowest social class.

There are plenty of explanations for the fact that the poorest, the least educated, the worst housed people in a society, who usually have the largest families and experience the most stress, are likely to strike out at the children. Mr. Light, using data from sociologist David Gil's nationwide survey, shows the most common factor among abusing families to be the lack of jobs.

The theory of social deprivation is given equal weight by most United States experts with the theory of maternal deprivation. This argument is that a lack of mother-love as a child prevents the development of parental instincts and causes people, when parents themselves, to abuse their own children. However, if the definition of child abuse includes that which is meted out by caretakers in custodial institutions as well as that meted out by a competitive nonegalitarian violence-prone society, we must conclude that any attempt to eliminate child abuse has to go beyond social work "bandages."

In the short run we would do best to remove reported cases of child abuse from the jurisdiction of family court, which often as not orders that the child be removed to so-called "temporary" foster care. With the exception of some 5 percent to 10 percent of children whose parents are beyond help, most would be better off to remain in their home while the family got some assistance. Unfortunately, what most families need goes beyond what social-work agencies have to offer.

An end to corporal punishment in all institutions serving children would be a start. Next, a real overhaul of our Federal assistance programs to families, including those that abuse children through the public-welfare system, where income maintenance is inadequate even as measured by the Bureau of Labor Statistics. Preventive health services under some nationalized health system are also an urgent need and should include prenatal health care and a mandatory visiting-nurse system, like Britain's. There should be a restructuring of schools and institutions that theoretically serve children but that too often stunt them instead.

And finally, there should be a decent minimal standard of living, based on a combination of full employment and a guaranteed annual income, which would do more to help children than any reform of the juvenile justice system.

EVERETT H. BLACK, DIRECTOR OF WEIGHTS AND MEASURES RETIRES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. LAGOMARSINO. Mr. Speaker, Ventura County in California, has a distinguished gentleman, Everett H. Black, who for 27 years until September 1972, was its director of weights and measures. I suggest, Mr. Speaker, that this is a career in and of itself. However, Mr. Black served the county of Ventura for 7 years prior to this, beginning as a custodian in the agriculture office and rising to assistant sealer of weights and measures; and he continued to serve for 3 years after, until January 1976, as the county's consumer protection agency administrator. This for a total of 37 years.

During this period Everett Black served on numerous county, State, and national committees. He was and is active in his community and church, and has a consuming love for the outdoors and sports.

Mr. Black's contribution to Ventura County and the State of California has been great. He is responsible for Ventura County becoming the first general law county in California to have a consumer affairs division; and he helped pioneer a pilot program for variable frequency of inspection that is recognized and accepted worldwide.

On January 3, 1976, Mr. Black laid down the reins of responsibility, determined, and justly so, to enjoy the fruits of his labor. He has served with honor and distinction. Because of this singular dedication I ask the Members of the House to join with me, his wife Thelma, and daughters RoseAnn and Connie, in extending congratulations to Mr. Everett H. Black and to wish him many years of happy retirement.

REPORT ON U.S. ARMS SALES TO THE PERSIAN GULF

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. DU PONT. Mr. Speaker, in recent years the U.S. worldwide arms trade has increased tremendously. In fiscal year 1974, U.S. foreign military sales deliveries totaled over $2.9 billion. This represented a 90-percent increase over the fiscal year 1973 level of foreign military sales deliveries, $1.38 billion, the approximate annual level of FMS deliveries since 1969. Current arms sales orders, running at $9.5 billion in fiscal year 1975, indicate that the U.S. arms trade will continue to increase in the coming years.

Largely responsible for this tremendous escalation in U.S. arms sales and arms sales orders to foreign governments have been the vastly expanded military procurement programs of Persian Gulf nations. In fiscal year 1975, Iran, Kuwait, and Saudi Arabia ordered $4.3 billion in U.S. defense equipment which was over 45 percent of the worldwide orders of U.S. arms sales orders during that year. This increase in U.S. arms sales orders placed by Persian Gulf nations has been financed by the tremendous oil revenues pouring into those countries since 1973. Financial power has given Persian Gulf nations the means to build military power.

The upward spiral in U.S. arms sales has provoked great concern in this country. There is a growing sentiment that these arms sales are increasing willy-nilly without effective controls and without an attentive analysis as to whether or not they might actually be disruptive of internal and international stability rather than fulfilling their intended purpose of promoting that stability.

In order better to understand the implications of U.S. arms sales which have been growing not only in terms of volume but also in terms of sophistication, I undertook, in May 1975, a study mission to Iran, Kuwait, and Saudi Arabia to examine U.S. arms sales to the Persian Gulf. I have recently issued my report of this trip in which I reach the following conclusions and make the following recommendations:

> U.S. arms sales to the Persian Gulf countries are, and should remain, an instrument of American foreign policy in that region. However, the United States must define better the objectives and examine more carefully the impact of its arms sales to the gulf countries and the risks engendered by those sales.
>
> At present, the United States lacks a cohesive arms sales policy and considers arms sales on a case-by-case basis. As a result of inadequate procedures for considering an overall sales policy, the sale of U.S. arms has escalated to the point that gulf states are annually ordering over $4 billion in arms or, in other words, over 45 percent of annual worldwide sales.

In concluding that the United States should continue to sell military hardware to the Persian Gulf, however, I would like to make the following recommendations:

1. The United States should formulate a comprehensive arms sales policy. This policy should take into consideration whether or not the sale of sophisticated weaponry is in the security interests of the United States.

2. The U.S. Congress should not impose a moratorium on U.S. arms sales to the gulf countries. Although a unilateral moratorium might at least temporarily end U.S. arms sales to the Persian Gulf, it would not limit the sale of arms to the gulf by other arms suppliers. In the long term, therefore, there is little evidence that a moratorium would substantially lessen arms procurement in this region.

In addition, a U.S. arms moratorium would damage American relations with the countries of this area who depend upon the United States for military counsel, assistance, and training, in addition to hardware. These countries would interpret a U.S. moratorium as evidence of a reckless disregard for their legitimate defense needs. A U.S. arms moratorium, therefore, would undermine the good relations in the Persian Gulf this country now enjoys.

3. The United States, as the major arms supplier to the region should initiate talks with the Soviet Union, France, Great Britain, and the other major arms suppliers to the Persian Gulf, in an effort to reach an arms limitation agreement for the gulf region. In these discussions, this country should attempt to promote an acceptance of a general restriction on the quantity and the sophistication of the arms sold to the gulf.

4. The United States should encourage regional security pacts among gulf states as an alternative to a spiraling arms race in the region.

5. The United States should attempt to avoid sole-source relationships in military procurement with Persian Gulf countries. An American monopoly of the arms market in a nation creates a dependency on American arms, technology, and training for that country's defense. This dependency relationship presupposes a U.S. responsibility toward that country's security, which could lead to a deeper American involvement in the area should military conflict occur. The United States should employ self-restraint in negotiating arms sales with Persian Gulf countries, keeping its share of each national market at less than 50 percent.

6. The United States should attempt to maintain cordial relationships with all gulf countries including those to which it does not supply weapons. The United States should avoid any involvement in regional disagreements and conflicts.

7. The United States should stress development of its nonmilitary exports to the Persian Gulf countries and should seek mutually beneficial investments in this area. Like arms sales, non-military exports benefit the U.S. balance of payments and job situation while they provide the gulf region with needed technology and training. They, therefore, promote good relations between the United States and the gulf countries. But unlike arms sales, non-military exports generate few potentially dangerous side effects and they pose few risks of destabilizing the region or involving the United States in local disputes.

THE UNIVERSITY OF TEXAS IN AUSTIN IN FOREFRONT OF SOLAR ENERGY MOVEMENT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. PICKLE. Mr. Speaker, those who have been close students of the energy problems our country has faced recently are well aware that fossil fuels are a finite source. At best, we perhaps have 25 to 30 years supply of domestic oil and natural gas remaining.

Accordingly, development of alternative sources of energy is mandatory. Certainly one of the most viable of these alternate approaches is solar energy.

The University of Texas in Austin has been one of the Nation's leading centers of research helping solve our future problems in the field of energy.

The following articles which appeared in Monday's New York Times, January 19, 1976, describe the growing role of solar energy and the part that Austin, Tex., has in this continuing story:

SOLAR HEAT TEST PLANNED ON $1 MILLION IN GRANTS

(By Ernest Holsendolph)

WASHINGTON, January 18.—The Department of Housing and Urban Development will grant $1 million for the installation of solar units in 143 housing and apartments in various communities around the country.

In announcing the plan today, the H.U.D. secretary, Carla A. Hills, said that the installations would mark the first large-scale test of solar energy technology in housing.

Mrs. Hills made the announcement in Dallas at a meeting of the National Association of Home Builders. The text of her address was made available here.

Fifty-five builders, public agencies and universities were selected from a field of 250 applicants to take part in the demonstration by putting solar units into dwellings they own or are constructing.

Some solar units will provide home heating only, some hot water only, and some a combination of the two. Only five installations will provide heating, cooling and hot water, according to H.U.D.

SUFFOLK COUNTY HOUSE

None of the installations announced today will be in New York City, but the Long Island Savings Bank will build a house with a heating and hot water unit in the Mt. Sinai community in Suffolk County.

The Newark Housing authority will receive heating and hot water units for six attached houses. Additional public housing authorities that will take part include St. Petersburg, Fla.; Pueblo and Colorado Springs, Colo.; Santa Clara, Calif., the Creek Nation Housing Authority in Okmulgee, Okla., and the Blackfeet Tribe Housing Authority in Browning, Mont.

Drexel University and the University of Pennsylvania in Philadelphia will put solar units in student housing units.

Mrs. Hills said that the department expected the solar tests to be "a major factor in alerting the country to the potential energy savings that can be accomplished through the effective use of solar energy."

Prices of solar units range from as little as $1,875 for a hot water system in a detached house in Vienna, Va., to $29,581 for an installation in Austin, Tex., that provides heat, cooling and hot water.

H.U.D. plans to release a second cycle of grants for solar installations for later this year, when it is hoped that more advanced equipment will have been developed for home use, the department said.

Testing of home solar systems was originally a responsibility of the Energy Research and Development Administration, but it was transferred to H.U.D. It was authorized in the Solar Heating and Cooling Demonstration Act of 1974.

SOLAR POWER USE RISES SLIGHTLY, BUT COST STILL POSES OBSTACLE

TUCSON, ARIZ., January 18.—The use of solar energy is only in its infancy, but already sunlight is heating, cooling or doing both for more than 200 United States homes and a dozen or more office buildings, mostly in the sunny Southwest.

Sunshine machines are heating swimming pools, operating a few highway construction warning lights, powering a handful of buoys on waterways, and electrifying a United States Park Service restroom in Yellowstone National Park.

Since the 1940's, a Florida company has been installing rooftop solar heat collectors. at a cost of up to $1,500 a unit, to heat water in homes. And the sun both warms and cools an Atlanta school, a New Hampshire Federal office building, a Texas college domitory and a New Mexico laboratory.

TWENTY-THREE COMPANIES IN BUSINESS

At least 23 companies are selling solar heat collector panels to heat and cool homes or to heat water.

The glass and metal panels, which are usually placed on rooftops, cost from $100 to more than $500 each, and a three- or four-bedroom home requires a dozen or more.

Nobody knows exactly how many have been sold, but one expert, in a "very rough estimate," said it was "no more than a few million dollars' worth this year."

Arthur D. Little, Inc., a research concern, estimates that solar power equipment will be a $1.3 billion industry by 1985 and more than a million homes will use sunlight for heat, air conditioning, or to generate electricity. But less than $60 million was spent in 1975 on solar energy, an Associated Press check indicates, and most of that was Federal funds.

Despite the promise of solar energy, and the technology to use it, the economics of sun power is a major obstacle. So far, solar energy systems are more expensive than fossil fuel systems.

Engineers and scientists say that solar energy on a wide scale is now technically possible.

The amount of energy from the sun is immense. Experts estimate that the sun showers the earth with about 100 times more energy each hour than man has used throughout history.

But even for relatively easy jobs, such as water and space heating, sun power is costly, mostly because of the large storage units that are necessary to keep a solar system running when the sun is not out.

In Tucson, which has one of the nation's best climates for the use of solar energy, Ernest Carreon, a builder, estimates that a sun-power heating system in a three- or four-bedroom home adds roughly $5 a square foot to the cost of the house.

He built a 1,200-square-foot home with a solar system. The cost was $45,000. He said it would have been $39,000 or $40,000 with a conventional heating system.

"The solar system will pay for itself

[through energy savings] in 11 years at todays' electrical rates," Mr. Carreon says, "but it would take 62 years at today's natural gas prices."

INSTALLATION EXPENSIVE

The cost of installing a solar energy unit to heat and cool a 2,000-square-foot house in Austin, Tex., is about $12,500, or $11,000 more than a conventional system burning fossil fuels, says Dr. Gary Vliet, a University of Texas professor.

Much of this cost is in the water storage tanks holding 8,000 to 12,000 gallons, buried and insulated, that are needed to store heat for an average home in a moderate climate for up to three consecutive cloudy, sunless days.

However, Dr. Vliet estimates that mass production and other factors could bring the cost down to $8,600 within three years.

"Right now, about the only people who can afford solar energy are those who want to do it [build solar-powered systems themselves]," said Dr. Aden Meinal, a University of Arizona scientist who is a well-known solar energy expert.

The simplest systems, and the most commonly used today, are called flat plate collectors. They look like sandwiches three to six feet by eight to 10 feet, and they are made of glass, metal and insulation. A clear top layer of glass or plastic allows sunlight to strike a metal panel. The panel, painted black, concentrates the heat. Liquid-filled tubes or moving air carries the heat to a storage system that can be a buried tank of water or a basement full of rock.

Despite the possibilities, widespread use of solar power is limited by the complex factors that influence the nation's energy use. There is cost, investment in existing energy industries, the availability of other fuels, financing, building and construction standards, public acceptance, and even the legal question, "Who owns sunlight?"

Tax incentives are being used in several states and in some cities to encourage use of solar energy. New Mexico, for example, gives tax rebates to help cover the cost of solar installations.

A report prepared for New York City says it may be one of the first localities where solar energy becomes economically attractive because of the high electricity rates there.

VOTING RECORD OF CONGRESSMAN JONATHAN B. BINGHAM

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. BINGHAM. Mr. Speaker, at the end of the 1st session of the 94th Congress I missed several rollcall votes. I wish to record here what my position would have been had I been recorded as voting:

Rollcall No. 818, motion to pass H.R. 9771, airport and airway development; "yea."

Rollcall No. 820, motion to suspend the rules and pass House Resolution 943, medicare amendments; "yea."

Rollcall No. 821, motion to suspend the rules and pass House Resolution 944, social security appeals; "yea."

Rollcall No. 822, motion to postpone until January 27, 1976, the consideration of the veto of H.R. 8069, Labor-HEW appropriations, fiscal year 1976; "yea."

Rollcall No. 823, motion to agree to House Resolution 939, allowing a simple majority to adopt House reports for the remainder of the first session; "yea."

Rollcall No. 824, motion to agree to House Resolution 945, providing for meetings on Tuesday and Thursday for the remainder of the first session; "yea."

Rollcall No. 827, motion to suspend the rules and concur with an amendment in the Senate amendment on H.R. 9968, tax reduction extension; "yea."

Rollcall No. 829, motion to agree to the conference report on S. 2718, railroad reorganization; "yea."

INTEGRITY IN THE BUSINESS LANDSCAPE

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. DENT. Mr. Speaker, I am calling to the attention of our colleagues a column entitled, "Integrity in the Business Landscape," which appeared in the December 15, 1975, issue of the New York Times. The column excerpts remarks presented by Mr. Stanley Marcus, a noted and successful Texas businessman, who has demonstrated an attitude sufficiently progressive and refreshing so as to command the attention of all objective observers.

Mr. Marcus' remarks follow:

INTEGRITY IN THE BUSINESS LANDSCAPE

(By Stanley Marcus)

There is a massive loss of faith in the business community by the American people—and perhaps a loss of faith on the part of businessmen as well.

Let's not kid ourselves into believing that the negative attitude toward business is merely part of an "anti-Establishment" mood throughout the nation. It is a lot more specific than that—and a lot more justified than that.

Americans still believe in the free-enterprise system. They have no quarrel with profit-making. But they do have a quarrel with unethical and questionable business practices conducted at the public expense.

They do have a quarrel with companies which pollute our water and air and are apparently indifferent to the hazards of pollution until the Government intervenes.

They do have a quarrel with that majority of businessmen who have fought and obstructed and delayed every piece of progressive legislation enacted during this century.

Who among the business community today would seriously propose that Congress repeal our child-labor laws—or the Sherman Antitrust Act? The Federal Reserve Act, the Security Exchange Act? Or workman's compensation? Or social security? Or minimum wage? Or Medicare? Or civil rights legislation?

All of us today recognize that such legislation is an integral part of our system; that it has made us a stronger, more prosperous nation—and, in the long run, has been good for business. But we can take precious little credit for any of the social legislation now on the books, for business vigorously opposed most of this legislation.

I wonder sometimes if we really believe in the free-enterprise system. When those who have the greatest stake in it often turn out to be its greatest enemies, I wonder if free enterprise can survive.

Can it survive when some of its greatest proponents seem determined to strangle the life force of the system—*competition*—with such practices as collusive bid-rigging and price-fixing?

Can free enterprise survive inaccurate, misleading, or "unexpected" financial reporting? Or auditors who violate their code of ethics to help companies falsify financial statements and perpetrate a massive swindle, running into the hundreds of millions of dollars, that involved inflated assets, sales and earnings, fraudulent insurance policies, nonexistent securities, and the collection of death benefits on coverage that never existed?

What are we to think—not just of the executives behind the fraud and the auditors who helped them—but of the dozens of employees who knew about the fraud but did nothing, and the powerful investors who benefited from the inside information?

Can free enterprise survive companies which flout the law by making illegal political contributions with corporate funds? Is it any wonder that 53 percent of our population believes that the large corporations should be broken up when they read that in 1972 seven companies alone contributed nearly a half-million dollars to the Committee to Re-elect the President?

It does no good to try to justify these contributions—as some have done—as the cost of doing business with the Government. Other companies *refused* to give—and they're still in business.

I am well aware of the fact that the twin movements of consumerism and reform have put the spotlight of publicity on business wrongdoing, and have also conditioned the public to expect a higher standard of ethics from business at all levels.

I also recognize that communications have improved so vastly that a crime committed in Duluth becomes known in Dallas the night it is discovered. Fifty years ago, it might have taken the people of Dallas six months to learn that such a crime was even committed. So I don't think that business is worse. It's just that our flaws show up much faster today than they used to.

But that is small comfort when we continue to read about shoddy products or services which do not live up to their claims. Or when the people become victims of false or misleading advertising, poor service, unnecessary repairs, or meaningless warranties.

These practices pose a moral dilemma for our nation in general and for the American business community in particular. Our culture is based on the Judaeo-Christian code of ethics, which espouses lofty moral standards of fair and honest dealing. Now, however, we seem to have revised those standards. We still talk about dealing honorably and forthrightly with people. But we're now saying that we believe in this credo domestically, but it doesn't count overseas. In other words, to hell with the foreigner; we insist on honest scales at the supermarket but not for overseas shipments of grain.

I don't believe we can get away with that. I don't believe a double standard works, whether you're an individual, a corporation, or a nation.

RETURN OF THE SPOILS SYSTEM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. MICHEL. Mr. Speaker, those of us from Illinois have I think a special understanding of the importance of the Hatch Act, the law which prohibits Federal employees from engaging in political activity.

Having observed the actions of Chicago City Hall for many years, we know what kind of abuses are possible when Hatch Act provisions are absent. A cogent analysis of the problems with the Hatch Act repeal effort, citing the Chicago example, appeared recently in the Christian Science Monitor, and I would like it printed here in the RECORD, so that my colleagues might have the benefit of seeing it:

RETURN OF THE SPOILS SYSTEM

The United States House has passed and sent to the Senate a measure which would effectively destroy the 1939 Hatch Act in the name of reforming it.

If the measure is enacted, a large part of the federal government's huge work force of 2.8 million employes could be turned into a vast patronage army similar to the Daley machine which has dominated Cook County politics for the last two decades.

The Hatch Act came about in response to the patronage abuses and political coercion rampant in the New Deal public jobs programs of the 1930s.

It was obvious that these abuses could not be curbed simply by making it illegal for public officials to order their employes to perform political work. The bosses could always find ways to "persuade" the employes to take part in political action on a "voluntary" basis.

The Hatch Act served to eliminate this evil by making it illegal for federal employes to perform political work even on a "voluntary" basis, immunizing them from any kind of pressure.

It is this protection that the "reform" measure, sponsored by Rep. Bill Clay [D., Mo.], would remove. Though there would still be some minor restrictions on the kind of political activity in which federal employes participate, they could be sent into the precincts to get out the vote on a voluntary basis.

Under a federal court order, municipal employes in Chicago can only voluntarily do political work. They do so in swarms—every election—or else.

As Rep. Edward Derwinski [R., Ill.] who led the opposition to the Clay measure, pointed out, there are other evils in the proposal. Democratic businessmen could find their tax returns audited by an Internal Revenue Service agent who doubled as a Republican ward leader.

A survey taken by the National Federation of Federal Employes of its members a few years ago found 89 percent supporting the Hatch Act and only 1 percent favoring its repeal. The Clay measure was opposed by the federation, as well as by the U.S. Civil Service Commission, the Postal Service, the comptroller general, the IRS, and the FBI.

Yet the measure was steam-rollered through the House by a vote of 288 to 119. This is a reflection of the Democrats' 2 to 1 margin of power in the House and the massive support given the measure by Big Labor. Interestingly, many federal workers belong to public employe unions and most are considered to be Democrats.

Should the bill be passed by the Senate, it faces an expected veto from President Ford. An override by the House could be prevented if enough of its members are made to see what a monster they are creating.—

WORLD AFFAIRS COUNCIL

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mrs. HOLT. Mr. Speaker, many of us recently received a letter from the World Affairs Council of Philadelphia, inviting Members of Congress to participate in a ceremonial signing of "A Declaration of Interdependence" on January 30 in Congress Hall, adjacent to Independence Hall in Philadelphia.

A number of Members of Congress have been invited to sign this document, lending their prestige to its theme, but I want the record to show my strong opposition to this declaration.

It calls for surrender of our national sovereignty to international organizations. It declares that our economy should be regulated by international authorities. It proposes that we enter a "new world order" that would redistribute the wealth created by the American people.

Mr. Speaker, this is an obscenity that defiles our Declaration of Independence, signed 200 years ago in Philadelphia. We fought a great Revolution for independence and individual liberty, but now it is proposed that we participate in a world socialist order.

Are we a proud and free people, or are we a carcass to be picked by the jackals of the world, who want to destroy us?

When one cuts through the high-flown rhetoric of this "Declaration of Interdependence," one finds key phrases that tell the story.

For example, it states that:

> The economy of all nations is a seamless web, and that no one nation can any longer effectively maintain its processes of production and monetary systems without recognizing the necessity for collaborative regulation by international authorities.

How do you like the idea of "international authorities" controlling our production and our monetary system, Mr. Speaker? How could any American dedicated to our national independence and freedom tolerate such an idea?

The declaration goes on to urge a strengthening of the United Nations and a broadening of the jurisdiction of the World Court, "that these may preside over a reign of law that will not only end wars but end as well the mindless violence which terrorizes our society even in times of peace."

Examine this closely. It suggests that world government will somehow cure the problems of crime and terrorism, not just the problem of war. Quite obviously, the sponsors of this declaration have lost all contact with reality.

Mr. Speaker, we have lately witnessed the United Nations organization in full cry against America and her allies of the Free World. We have watched the U.N. become an instrument of the Soviet Union and its shabby following of despots large and small.

America should never subject her fate to decisions by such an assembly, unless we long for national suicide. Instead, let us have independence and freedom.

A major threat to world peace is the Soviet Union, which imposes slavery on its people and devotes its economy to the single task of building a war machine to extend that slavery throughout the world.

It subverts governments of independent nations; it arms and impels its subservient client states to wage wars of conquest against their neighbors.

Mr. Speaker, there is one force that preserves freedom where it still survives in this world, and that is the strength of the United States. To the extent that we maintain a powerful, credible economic and military deterrent, we shall also have peace.

The Soviet Union seeks world empire. America asks only that free peoples remain unmolested by the slavemasters of the Kremlin.

If we resist the expansion of the empire that threatens to dominate the world and destroy the independence of every nation, we shall be fulfilling the ideals of our Declaration of Independence.

If we surrender our independence to a "new world order" dominated by the Soviet Union and its clients, we will be betraying our historic ideals of freedom and self-government.

Freedom and self-government are not outdated. The fathers of our Republic fought a revolution for those ideals, which are as valid today as they ever were.

Let us not betray freedom by embracing slavemasters; let us not betray self-government with world government; let us celebrate Jefferson and Madison, not Marx and Lenin.

THE SHRINERS

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. MONTGOMERY. Mr. Speaker, one of the most rewarding aspects of my membership in the Shriners is to see the results of the medical treatment provided in the 19 orthopedic hospitals and three burn institutes sponsored by the Shriners. The accomplishments of these outstanding institutions was brought forcefully to my attention during the Shrine ceremonial held at Hamasa Temple late last year.

At this time, Noble James Skelton, of Meridian, a past potentate of Hamasa Temple, introduced Dewayne Stephens to his fellow Shriners. Young Dewayne had been receiving treatment at the Shrine Hospital in Shreveport for a very serious deformity of the lower legs which caused his feet to turn inward and upward. Thanks to the work of the Shrine Hospital, the prognosis for Dewayne is that he will be able to lead a completely normal life thanks to the corrective braces he is now wearing.

I am proud of the work being done by Shriners in my own area, such as the Hamasa Temple, who sponsor worthwhile events to provide the financial resources to keep these hospitals going. It was also in late December that the Hamasa Temple sponsored the annual Shrine football game in Meridian, Miss., which netted $38,000 to be donated to various Shrine hospitals. I feel this is a perfect example of Americans helping their fellow Americans to overcome medical problems.

AIRPORT BOMBING

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. MARTIN. Mr. Speaker, the bombing of an airport facility resulting in loss of life should be punished with a mandatory death sentence.

The bombing of the terminal at La Guardia Airport just after Christmas has left our Nation stunned and angry; our law enforcement agencies puzzled and frustrated; our air travelers fearful of their vulnerability to further terrorist acts; and the "crazies" among us overstimulated in a way that leads to a rash of similar threats, hoaxes, and perhaps even bombings.

Prompt action is needed to firmly head off any outbreak of such tactics by people who seek to dramatize their demands or call attention to their unacceptable political theories, or bring this country to its knees. To respond softly will only encourage the repeated use of such rabid violence, holding innocent lives hostage for radical purposes.

The President has moved quickly to bring together all enforcement agencies to press their investigations and to compare any leads to find ways to deal with what appears to be the potential for increasing numbers of terrorist activities at our Nation's air transportation facilities. Congress must also respond. It is time for us to make clear that such acts will not be tolerated, that anyone convicted of bombing an airport resulting in the loss of life will be given the death sentence. Congress should not hesitate to tell the world that terrorist bombings of airport facilities will be met with a single and final punishment. We should move quickly with this and other legislation that hopefully will act as a deterrent to those who think America will cringe and cower while they commit and threaten such atrocious acts.

Accordingly, I have drafted such a bill which I am introducing today, and will immediately begin seeking cosponsors.

The death penalty presents harsh punishment, with total finality, and so should only be used for especially heinous and irredeemable crimes, like kidnapping, airplane hijacking, certain acts of treason, and so forth. In my view, willful slaughter by bombing a crowded air terminal is another justifiable occasion for the extreme penalty. These are acts of mad dogs and must be treated as such. If you bomb the hangar, we hang the bomber.

After the LaGuardia Airport bombing, my constituents asked me what Congress could do about it. Quick passage of this legislation should be their answer.

GUIDELINES FOR FBI

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. EDWARDS of California. Mr. Speaker, I wish to announce that the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary will initiate hearings on February 3, 1976 under its legislative jurisdiction over the Federal Bureau of Investigation.

Edward H. Levi, the Attorney General of the United States, recently released his proposed guidelines for the FBI in relation to domestic security investigations. Now the Congress must get down to the serious business of making determinations with respect to the authority of the FBI and the specific policies it must follow.

Oversight hearings, both in the House and the Senate, have revealed the multiple problems encountered by citizens as a result of FBI activities not clearly permitted by statute or the Constitution nor previously subject to effective supervision by the Congress or by the Department of Justice.

We intend that through a hopefully cooperative effort, the Congress and the Department of Justice will develop the guidance which will serve both our citizens' interests and the FBI's lawful pursuits.

Our first witnesses will be Attorney General Edward H. Levi and Director of the Federal Bureau of Investigation Clarence M. Kelley, who will appear in room 2141 of the Rayburn House Office Building beginning at 9:30 a.m. on Tuesday, February 3, 1976.

On February 24, 1976, the Comptroller General of the United States, Elmer B. Staats, will present the final report of the General Accounting Office on their study of the domestic intelligence activities of the Federal Bureau of Investigation. This will be followed by additional hearings to assist in framing a useful and rational legislative response to the problems now apparent in certain operational areas of the FBI.

Any interested persons who wish to comment or offer suggestions should direct their statements to the Subcommittee on Civil and Constitutional Rights, House Committee on the Judiciary, 2137 Rayburn House Office Building, Washington, D.C. 20515.

BANKRUPTCY ACT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. EDWARDS of California. Mr. Speaker, I wish to announce that the Subcommittee on Civil and Constitutional Rights of the Committee on the Judiciary will continue its series of hearings on H.R. 31 and H.R. 32, bills to revise the Bankruptcy Act. H.R. 31 was drafted by the Commission on the Bankruptcy Laws of the United States, a congressionally created commission that studied the current bankruptcy system, and proposed statutory reforms. H.R. 32 was drafted by the National Conference of Bankruptcy Judges in response to what the judges felt were inadequacies in the Commission's bill. The subcommittee has been studying these two proposals for over a year, and has been holding an indepth series of hearings since last September. We expect to continue these hearings through the middle of April, and to report out a bill to the Judiciary Committee by June. I ask that our schedule of hearings be printed in the RECORD.

The subcommittee continues to receive many comments from the bar and bench, and from the public at large, on these two bills. We welcome these comments, for they have been very useful in helping us to understand the specific problems that people are confronted with during the bankruptcy process. The subcommittee urges any interested persons who wish to comment on these bills to send their comments to the subcommittee soon, so that we may consider them when we mark up these bills.

Address: Subcommittee on Civil and Constitutional Rights House Committee on the Judiciary, 2137 Rayburn House Office Building, Washington, D.C. 20515.

The material is as follows:

TENTATIVE SCHEDULE OF HEARINGS ON H.R. 31 AND H.R. 32, BILLS TO REVISE THE BANKRUPTCY ACT

January 29, 1976—Dischargeability of Educational Loans:

Hon. John N. Erlenborn (R-Ill.).

Hon. Ray Thornton (D-Ark.).

Shelton Steinback, American Council on Education.

Kenneth Kohl, United States Office of Education.

January 30, 1976—Wage Earner Plans:

Duncan H. Kester, President, National Association of Chapter XIII Trustees.

Professor Vern Countryman, Harvard Law School, for the National Bankruptcy Conference.

February 9, 1976—Tentatively Consumer Bankruptcies: John Honsberger, Esquire, of Raymond & Honsberger, Toronto, Ontario.

February 16, 1976—Consumer Bankruptcies:

Paul Winkler, Legal Clinic, Los Angeles, Calif.

James S. Parks, Parks Finance Company, Roanoke, Virginia.

February 20, 1976—Consumer Bankruptcies:

Andrew F. Leoni, Esquire, Los Angeles, California.

George Ritner, Esquire, San Diego, California.

Robert Ward, Esquire, Oakland, California.

February 23, 27; March 1, 5, 8, 12, 19, 22, 26, 29; April 2, 5, 9, 12, 14:

Business Bankruptcies and Reorganizations— 8 days.

Stockbroker Bankruptcies—1 day.

Railroad Reorganizations—3 days.

Transition Provisions—1 day.

Conflict of Law Provisions—1 day.

Tax Provisions—1 day.

SCIENTISTS ADVISE CAUTION ON NUCLEAR ENERGY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. SIMON. Mr. Speaker, during the congressional recess Prof. Bruce von Zellen of Northern Illinois University at DeKalb sent me a clipping from a paper called Critical Mass which points out that 62 percent of the members of the Federation of American Scientists favor either zero growth or a halt in new construction of nuclear powerplants.

That poll seems to me to be a further indication that some caution is needed as we proceed in nuclear energy development.

The article follows:

SCIENTISTS POLL: 62% FAVOR NUCLEAR SLOWDOWN

The Federation of American Scientists (FAS) released the results of a poll on December 8, 1975 showing that 62% of its respondents favored either a zero growth or a halt in new construction of nuclear power plants.

The poll, a survey of the 7,000 members in FAS, provided four alternative possibilities: Rapid Advance—10% or more annual growth rate in nuclear reactors; Go slow—3% to 7% advance in nuclear reactors; Moratorium—zero rate of growth for a number of years; and Phase Out—a halt to new construction of nuclear plants and phasing out of existing commercial nuclear reactors.

Of those balloting, the choice was:

	Percent
Rapid advance	16
Go slow	21
Moratorium	36
Phase out	26

The membership of FAS, born as the Federation of Atomic Scientists, contains scientists of all kinds. The most recent survey suggested that the interdisciplinary membership was divided as follows: Physics, 20%; Medical Sciences, 16%; Chemists, 15%; Biologists, 15%; psychology, 7%; and Engineering, 7%, with other disciplines smaller.

A total of ten percent of the FAS membership responded, a statistically normal sampling.

The Federation had polled its membership only after the members had received, over several months, four different 8,000 word Reports on various aspects of nuclear power. Members had been provided, on the ballot, capsule summaries of the four different positions on atomic power each drafted under the supervision of a champion of that position.

NINETY-THREE PERCENT BUSED FOR NONRACIAL REASONS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. CLAY. Mr. Speaker, Congressman AUGUSTUS HAWKINS recently in a Boston Globe writing stripped the antibusing argument of much of its hypocritical gloss, and displayed it with efficient subtlety for what it is—or at least for what it is not. I commend his well-reasoned article to my colleagues attention and now insert it in the RECORD:

NINETY-THREE PERCENT BUSED FOR NONRACIAL REASONS

When a school desegregation case gets to court, and the court orders busing, the court has listened to a great deal of evidence.

The court has to decide what is best for the welfare of the school children involved and it must weigh the matter of how to desegregate a school, on the basis of the educational value of such busing. When it has decided that busing is the only way to equalize educational opportunity, and it mandates the transportation of school children, it also realizes the pitfalls inherent in its action.

At this point, it is then up to the citizens to obey the court, even if they disagree with it. This is the American way. And it is the only way in which this nation can survive.

Busing is not a new element in education. American school children have always been involved in some kind of busing. In 1974–75, 50.2 percent of the nation's 41.4 million school children were bused. And of this percentage, only 7 percent were being bused for reasons of racial desegregation.

In other words 93 percent of those being bused were being bused for non-racial reasons.

This is really an amazing fact, especially when one considers the furor raised just at the mention of the word busing. The concern for the issue then, abounds in a special kind of hypocrisy when one realizes that of 41.4 million school children, only 2.9 million are transported to schools outside of their immediate communities for race-balancing reasons.

If there was genuine concern for every form of busing, then the anti-busing people would be equally uptight about those 17.8 million children who also get bused daily to schools of their immediate communities for reasons having nothing to do with racial balance.

I have not heard of any such confrontations. It makes one wonder.

But all is not lost in the effort to use busing as a tool among many others to enhance a child's education.

Most communities in America, facing the busing issue, have done it head on, and with a great deal of honesty and valor. To their enormous credit, even under tremendous anxiety and stress, they have realized that adjustments can be made and that the major goal is providing all youngsters with maximum opportunities in this multiracial, multi-ethnic society.

In this regard, the city of Berkeley, Calif., has had much to be proud of in a desegregation effort that was relatively quiet and efficient. Its educational system is one of the best in the nation; the varied colors of their school populations have enhanced their commitment.

Sacramento, Calif., also has much to commend it, for its fine efforts in achieving a desegregated school system. The vast majority of school children now attending formerly segregated schools have had the benefit of effective leadership, which was not stampeded by the emotionalism of the busing issue.

This leadership constitutes the good guys. We need more of them.

FREEDOM TRAIN VISITS LONG BEACH

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. ANDERSON of California. Mr. Speaker, on January 5–8, the people of Long Beach, Calif., were visited by a rolling collection of Bicentennial memorabilia. During those days, the American Freedom Train opened its doors to residents of the harbor area.

Managed by the nonprofit American Freedom Train Foundation of Massachusetts, the exhibit is designed to accommodate about 16,500 people a day. That capacity was strained to the limit during its stay in Long Beach, as thousands of our local citizens came to experience this unique slice of American heritage.

The following article from the Long Beach Independent Press-Telegram January 6, 1976, gives an excellent account of the Freedom Train's visit to our local area:

BUT "TOO FAST," MANY SAY—LONG BEACH HAILS FREEDOM TRAIN

(By Kris Sherman)

Hundreds of Southland residents shivered in the cold night air Monday for an all-too-quick tour of the American Freedom Train.

Lines began forming in front of the red, white and blue train—which steamed into Long Beach at about 8 a.m.—two hours before the doors were officially opened at 6 p.m.

The 25-car train, sponsored by the nonprofit American Freedom Train Foundation of Massachusetts, will remain near the Queen Mary at Pier J through Thursday. It contains documents, artifacts and memorabilia from 200 years of American history.

Public tours will be conducted from 8 a.m. to 10 p.m. today through Thursday. Admission is $2 for adults and $1 for children 3 through 12 and persons over 65.

Visitors to the train's 10 exhibit cars Monday found themselves entering an atmosphere that could almost be described in science fiction terms as a "time warp."

As a conveyor belt—or moving sidewalk—carried spectators through the narrow train car aisles, a barrage of exhibits, lights and sounds transported them on a kaleidoscopic journey through America's history.

Each of the 10 exhibit cars adheres to a specific theme—The Beginning; Exploration and Transportation; Growth of a Nation; Origins; Innovations; Human Resources; Sports; Performing Arts; Fine Arts, and Conflict and Resolution— but all span more than just a few years of history.

Among exhibits—culled from 200 museums throughout the country—abroad the train are a 1756 copy of "Poor Richard's Almanak," Benjamin Franklin's handwritten draft of the Articles of Confederation, the Louisiana

Purchase document, Astronaut Alan Shepard's Apollo space suit and a rock from the moon.

There is also an original ink drawing of Orville and Wilbur Wright's biplane, the original manuscript of the "Battle Hymn of the Republic" by Julia Ward Howe, James Monroe's dueling pistols, the baseball bat with which Henry Aaron hit his 714th career home run, tieing Babe Ruth's record; Rudolph Valentino's jeweled jacket from the 1922 movie, "Blood and Sand," and several of Franklin Delano Roosevelt's declassified documents from World War II.

The trip through the train, however, is short—a Freedom Train official said the average tour takes about 22 minutes—and there is no time for rubbernecking or second looks at the exhibits.

Officials said the exhibit was purposely planned that way to accommodate the greatest number of people. A spokeswoman said about 1,200 people an hour, or about 16,500 people per day can tour the train.

More than three million persons have passed through the train since it began its 17,000-mile Bicentennial journey at Alexandria, Va. last March. It will complete its tour of the nation next December after having stopped at more than 100 cities in 48 states.

Area residents viewing the train Monday night said they realized that spectators had to be moved through fast to accommodate all who want to see the train, but they still complained they were forced to go through "too fast."

"I really enjoyed it," said Carolyn Brockman of Long Beach. "But the walkway moved too fast. There was no time to stop and look at the exhibits."

Gene Sherer, his wife, Winnie, and two children, Tim, 10, and Troy, 6, said they "thought the train was interesting" but added that they "wish there had been more original documents."

Others said they "wouldn't have missed" the train, calling it a "once in a lifetime experience."

But there were those who, after viewing the train, said they weren't happy with the Disneyland-style commercialism, the bank of souvenir stands and the long wait.

"The walkway moved entirely too fast," said Betty Wenholz of Lakewood as she emerged from the train with her husband, Joe, and children, Glenda, 13, and Bruce, 9.

"We probably wouldn't have come if we'd known it was like this," she added. "We could see more in a museum," her husband added. "The way they move people through there, it's kind of a ripoff. You don't really get a chance to absorb everything."

The Wenholz children said they would advise their schoolmates against spending the time and money to see the train.

A local elementary school teacher, meanwhile, said she "could wait another 100 years to see it."

But despite the negative comments, most of those emerging from the train and hurrying toward the souvenir stands said they felt they got their money's worth.

"It's part of America," said one elderly woman. "I thought it was wonderful. I don't see how anyone could not like a part of America."

UKRAINIAN WOMEN POLITICAL PRISONERS

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. BRODHEAD. Mr. Speaker, the members of the Ukrainian community of Metropolitan Detroit have issued a strong resolution in defense of Ukrainian women political prisoners in the U.S.S.R.

The resolution is an eloquent declaration of human rights and I recommend that Members read it and act accordingly:

UKRAINIAN WOMEN POLITICAL PRISONERS

We, the members of the Ukrainian Community of Metropolitan Detroit, gathered at the Protest Meeting in defense of Ukrainian women political prisoners on this date of November 2nd, 1975 at the Community Arts Auditorium, Wayne State University, fully support the Petition of the Ukrainian Congress Committee of America and World Federation of Women's Organizations to President Ford in their defense.

These women political prisoners are presently incarcerated in jails, concentration camps and psychiatric institutions in Siberia and throughout USSR.

We therefore declare as follows:

1. Whereas Ukraine, against the will of its people, was forcefully incorporated into the USSR as the Ukrainian Soviet Socialistic Republic, and

2. Whereas the Soviet Government continues to violate the human rights guaranteed by the constitution of the Ukrainian Soviet Socialistic Republic, by the constitution of the USSR and by the International Declaration of Human Rights of which the governments of the USSR and the Ukrainian Soviet Socialistic Republic are signatories, and

3. Whereas, among the violations are an alarming number of arrests and persecutions of Ukrainian women, who are not criminals but are respected ladies of all strata who refused to renounce their arrested husbands and loved ones, and who opposed the policy of russification, forced atheism, colonialism, and police control of family and public life, and

4. Whereas, among persecuted victims are hundreds of children and under aged youth whose only crime was being children of political prisoners.

5. Therefore, in the name of humanity and justice, and in the spirit of the International Year of Women, we, the members of the Ukrainian Community of Metropolitan Detroit, gathered at the Protest Meeting in defense of Ukrainian women political prisoners, petition Gerald R. Ford, President of the United States of America, to intervene before the government of the USSR to grant amnesty to Ukrainian and all other women political prisoners in the USSR and particularly to release Iryna Stasiv-Kalynets, Stefania Shabatura, Nina Strakata-Karavanska, Iryna Senyk, Nadia Svitlychna and Oksana Popovych and return them to their families and homeland with restoration of citizen's rights.

WASHINGTON SCENE

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. HUNGATE. Mr. Speaker, my interest in the congressional salary will soon become academic, but I think the enclosed article is an accurate portrayal of the situation as it now exists:

WASHINGTON SCENE

(By Frederick D. Goss)

SHOULD WE GET UPSET AT CONGRESS' PAY RAISE?

To judge from what I hear and read in the papers, a lot of people are irate that Congress has voted itself a 5% pay hike plus some additional tax deductions for their expenses in Washington.

Frankly, this writer thinks the critics are way off. Sure, Congress is an easy target and no one expects its actions to bear the wisdom revealed by the Delphic Oracle, but it's made up of 535 individuals, most of whom are intelligent, hard-working and dedicated to a very large job. After all, it's a $350 billion annual revenue firm they're running!

Admittedly, it's hard to shed tears for people making quadruple the national average annual income, but on the other hand, Members of Congress haven't had a pay boost in five years. Think if you were in their shoes how that would have affected your standard of living, considering the inflation we've endured over that time. The much-applauded trend toward younger representatives also means we have a lot more Members with children's college expenses, etc., still facing them. The increased tax write-off also seems fair. Congressmen usually have to maintain two homes. The younger ones I mentioned can't get along with a shared apartment in D.C.; they want their wives and children here. And add to that what is derogatorily said about the Congressman who doesn't maintain his ties back home—so, realistically, a Congressman must run two houses, sets of mortgage payments, taxes, insurance, etc. . .

No one denies that an annual salary of $44,600 (new raise is included) is more than a living wage, but it certainly isn't very dramatic compared to compensation in the private sector, and I don't mean just Joe Namath, Robert Redford, and Cher. A recent Business Week article on younger achievers in management indicated that a "top performer" in the corporate world is currently averaging $92,500 by age 40. "If you want to be a stud horse," one young executive is quoted, "you'd better break $40 (thousand) before you're 30!" Congressmen have good medical insurance and an excellent pension program. So do most progressive firms in the private sector. Perhaps, the Congressional pension plan is a little more generous in vesting, but shouldn't there be some tradeoff for being in a job with zero security; where you face the possibility of mandatory early retirement every two years?

Similarly, I'm unimpressed by diatribes about stationery funds, office accounts, and furniture allowances. I don't know anyone in business who pays for his writing paper or phone calls out of his own pocket. A Congressman's office account is not a "slush fund;" there are a lot of expenses that "come with the territory" and Members don't have expense accounts. For example: a Congressman eats a quick lunch in the House dining room with three constituents. Meals are medium-priced and the food is certainly not gourmet. HE gets the bill. Or, his wife sends flowers when someone notable back home dies—another out-of-pocket expense for the Congressman. Many members conduct fundraisers for these accounts so they can send additional mailings or have a local TV show; it's all part of the job of keeping informed on what's happening in their districts.

Congress is only just now getting its feet wet in providing Members with modern office tools. A private industry exec takes for granted computerization, word-processing, and automated correspondence systems. On the Hill, it's a sign of seniority when a Congressman gets a decent Xerox machine.

UNPAID OVERTIME ABOUNDS

Whatever the allowance for staffing is, it isn't enough. Congressmen simply can't keep up with the volume of incoming mail, let alone be as familiar as they would like with proposed legislation. (You also know what happens when opinions get around that "our Congressman doesn't bother with mail back home." It's common for him and his staff to burn the evening and weekend oil. I bet Capitol Hill sees more unpaid overtime than any other spot in the nation!)

Congress takes a number of annual recesses, but these recesses rarely are true vacations. The average Congressman has 2.5 district offices, and he usually spends time in all of them during recesses to listen to complaints from constituents. When we interviewed two freshmen Members about their impressions of the new job (*Phone Call*, August 1975), both emphasized that some way should be found to get the ombudsman function off the Congressman's neck. For example, if your Congressman didn't have to spend so much time trying to find out why VA has gummed up your son-in-law's benefit check, he could do a more efficient legislative job.

Back to compensation, to be fair, I'll grant that the gymnasiums and barbershops/beauty salons are unusual, but a whole lot of businessmen have company-paid, country club memberships and limousines. Congressmen drive their own cars, and Capitol Hill doesn't look like the parking lot at Saks Fifth Avenue.

AN OBLIGATION EXISTS TO ATTRACT THE VERY BEST TO LEGISLATURE

So, OK, the money still isn't bad, and a lot of people would probably take the job for half the salary, but considering everything which has been drilled into us about the need to involve the "best people" in government, haven't we got to make it at least an attractive enough life-style that those "best people" can afford to consider it? Old Andy Jackson started the patronage system in American politics according to his philosophy that no job in government was so complex that one citizen shouldn't be able to do it as well as any other. That was very much in the egalitarian American spirit, but it just isn't 1829 any more, and we have to have the most qualified people available in public service.

TRIBUTE TO KENNY UYEDA

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. CHARLES H. WILSON of California. Mr. Speaker, it is fitting and appropriate that the attention of our country, especially at this the year of our 200-year celebration of its birth, be focused now upon one of its finest citizens, Mr. Kenny Uyeda of 1823 West 185th Street, Torrance, Calif., and to pay him homage for his spirit and courage in the face of adversities, and for being one of the outstanding examples of citizenship that has made our country great.

Kenny Uyeda was born in Corrinne, Utah in 1918. He attended Jordon High School in Sandy, Utah and the University of Agriculture in Logan, Utah, and took 2 years of postgraduate work. How he accomplished this education, while being the sole support of his parents, three sisters and one brother from his very young age of 14 is a feat of almost superhuman proportion.

Kenny farmed in Draper, Utah from 1929 to 1936, when he moved to El Monte, Calif., and there resumed his agricultural pursuits. In 1938 to 1941, he was a florist and a produce buyer, and on the outbreak of World War II volunteered for evacuation to Utah, where he served in the War Manpower Commission in the Office of Defense Transportation.

Following the war Kenny ran a service station in the Los Angeles area, and in 1947 settled in Torrance and founded Kenny's Nursery which he operates to this day. In this connection he became a landscape contractor, licensed by the State of California.

His inherent love of land and his community led him also into active service to his fellow citizens. He has been a member of the Torrance Planning Commission since 1956, and in that time has had an admirable performance in attendance, not having missed a single public hearing since his appointment as a Commissioner. It is a perfect record.

In addition, he has been a member of the Torrance Civic Center Authority since 1963.

He was secretary of the 140-member Los Angeles regional forum on solid waste management, dealing with the problems of this area, disseminating information and helping to protect water resources.

He is past president of the southern California planning congress, an official organization for all those involved with extensive plans for the area, and held its highest elected office.

He is a member of the advisory council of the Torrance YMCA. He is a 20-year charter member of the North Torrance Lions Club.

He is a former president of the Gardena Valley Japanese Cultural Institute and active as a fundraiser to establish a cultural center for this entire area. He is past president of the southwest area planning council, which comprises 14 major cities of the South Bay area of Los Angeles. He is past vice president for the Los Angeles County Association of Planning Officials, made up of 79 cities in the greater county of Los Angeles.

He has instructed and lectured in gardening and landscaping and is an active member of the Gardena Valley Gardener's Association and southern California gardener's federation.

He has been maried since 1943 to Alice Sakaye Ito, a devoted wife. Of him she says, "In spite of depression and hard times and constant obstacles, Kenny was never one to be discouraged. To this day he is forever giving others moral support and always thinking of the betterment of the future in a definitely unselfish way." They were blessed with two children, son Douglas Hideo and daughter Decilynn Sueko.

In honor of Kenny Uyeda's devotion to his community and betterment of his fellow man, the North Torrance Lions Club has seen fit to pay him tribute during the Community Recognition Week of January 26 to January 30, 1976.

I am extremely proud to have this fine person as one of those I represent in the 31st District to the House of Representatives, and join in the many others who salute Kenny Uyeda for his many concerns, contributions, and unselfish devotion to his community in particular and to our great country as a whole. He is truly deserving of this particular moment in the history of his country.

PUBLIC WORKS JOBS NEEDED

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. NOWAK. Mr. Speaker, the House in the near future is expected to consider a $6.2 billion bill to authorize a program of local public works, antirecession grants to State and local governments and other economic recovery measures.

While our economy is improving, the rate of improvement—in too many areas of this country—is depressingly slow. The pending conference report on H.R. 5247, already adopted by the Senate, would provide a restrained stimulus to help improve the economic situation.

This program would not be a budget buster. All funds authorized in this bill are included in the congressional budget resolution adopted for fiscal 1976.

Another key point is that the public works provisions are not for make-work, leaf-raking type jobs. They are intended to support the construction of needed public facilities, projects delayed by the lack of local and State funding. Funding priority would go to projects for which work could begin within 90 days.

I have been an advocate of the provisions of H.R. 5247 since they were first proposed. I only regret they have not been implemented already. Therefore, I urge my colleagues in the House to overwhelmingly vote in favor of this conference report. There are reports the President will veto this bill if it is sent to his desk. I certainly hope that the dimensions of the vote in this Chamber will dissuade him from that course.

A key argument by conservative economists against the antirecessionary package contained in H.R. 5247 is that it would be inflationary and might further increase the size of Federal deficits. That is a questionable argument. Taking people off the unemployment rolls and the welfare rolls would only save the Government money.

One leading conservative economist, Federal Reserve Board Chairman Arthur Burns, surprised a group of newspaper reporters at a breakfast meeting last month when he suggested that a revival of some form of the New Deal-like WPA programs might be the answer to our Nation's high unemployment problem.

Following is an article from the December 27, 1975, editions of the Buffalo Evening News which details Chairman Burns' remarks. I believe this article will prove most interesting to the Members of the House as we prepare to vote on this crucial conference report.

Mr. Speaker, the article, written by Lucian C. Warren, Washington bureau chief for the Buffalo Evening News, follows:

BURNS: BRING BACK WPA ON NEW TERMS

(By Lucian Warren)

WASHINGTON.—Chairman Arthur Burns of the Federal Reserve Board is regarded as an arch-conservative economist, who takes a back seat to no one in demanding fiscal austerity in government to control inflation.

Burns therefore surprised no one this week when he told a breakfast session of reporters that he is "troubled" about the "movement of prices" and that America in particular and other capitalist nations in general will never achieve the "good society" unless they learn to manage government finances on a sound basis.

But Burns did pull one big surprise when he suggested that a solution to this nation's unemployment problem might well lie in a revival of the WPA make-work program of the old New Deal days.

WPA stands for Works Progress Administration and it was the pet program of Franklin D. Roosevelt to fight the Great Depression. Many conservatives during that era ridiculed the program as a waste of government money.

They coined phrases such as "boondoggle," "shovel-leaning," and "leaf-raking" to describe their contempt for what they regarded as meaningless and worthless activity.

The proposal of Burns is for the government to finance a "government jobs program" of sufficient magnitude to find employment for everybody who wanted a job, but couldn't find one.

The FRB chairman did not blanch when a reporter suggested this was a return to the old WPA.

Yes, he said, it is similar "but I think we could handle it better than the New Dealers did." Besides, he felt it should be remembered that "a lot of useful work was done by the WPA."

Nor was Burns taken aback when someone else suggested such a program might further increase the size of federal government deficits. He disagreed.

It would add very little to deficits because "under my proposal wages would be so unattractive that those who got the jobs would have strong incentives to seek private employment at higher wages as soon as they could possibly do so."

Furthermore, he expects the government would save money by taking people off welfare in such a jobs program and by a reduced period of unemployment compensation benefits for those between jobs.

The FRB chairman would make it mandatory that the unemployment compensation would be limited to no more than 13 weeks instead of the 60 weeks presently allowed.

If persons were offered employment under the Burns program and refused it, they would be immediately removed from unemployment compensation roles, thus saving more government money.

Burns is opposed to the administration program that increased the period of eligibility for unemployment compensation and made food stamps more plentiful for the unemployed. He feels this robbed the unemployed of the incentive to find work and "financed them in idleness."

So, if the FRB chairman has his way, the government will again be in the business of trying to find useful work at low wages for its unemployed citizens.

In the New Deal days, while there was some boondoggling and leaf-raking, the WPA force did build some 650,000 miles of road and constructed 78,000 bridges, and that apparently is the kinds of projects he has in mind.

WHAT AMERICANS WANT

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mrs. **PETTIS**. Mr. Speaker, by the time we Americans finish celebrating our Nation's 200th birthday this year, we will all have been inundated by a succession of patriotic speeches, Bicentennial minutes, and historical quotes.

By this time next year, each of us will be familiar to some degree with the history of the events surrounding the American Revolution and the drafting of the Declaration of Independence and the Constitution. And most of us will be able to quote from memory the words of Jefferson, Washington, Adams, Franklin, and the other revolutionary patriots.

It might be most beneficial then, if we paused for a moment, today, at the start of the Bicentennial celebration, to reflect upon what exactly drew our forefathers to this country and what has made this Nation of ours so great.

At the risk of sounding "unpatriotic" I must point out the historical yet unromantic truth, that the American Revolution was not fought over the issues of freedom of speech, or assembly, or worship, or of a voice in how this land was to be governed, even though the leaders of the time claimed it was.

Nor, if we go back further in history, was this Nation founded for these same reasons and causes.

No, what dragged this Nation into bloodshed and stirred its populace into action, were not these lofty goals, but the basic issue of the Government's confiscating the people's economic freedom to prosper or to fail by their own initiative.

This freedom to fail or prosper, or as we know it, the free enterprise system, is what lured people to emigrate to this country in the first place. The promise of the right to own and dispose of property, to be individually free to be industrious and productive, to live in a land which abided by the unwritten proposition that government and the economy were separate—these were the promises which brought our forefathers to this land, and when reneged upon, drew them into war against their mother country, England.

For nothing was as precious to these individuals as the opportunity to direct the course of their own livelihoods. And when the government began taking away that right, they rebelled. Because in essence, the majority of the people reasoned: "If the government denies us economic freedom, our means of survival, they own the means to steal the other freedoms as well.

As author Benjamin Rogge wrote in the Freeman:

> Give me control over a man's economic actions, and hence . . . except for a few occasional neroes, I'll promise to deliver to you men who think and write as you want them. to.

These patriots knew only too well the consequences of government interference in the economic system. They had learned from the experiences of the earliest settlers of the Massachusetts and Virginia colonies what happens when government legislates communal ownership of the means of production.

Wrote Virginia's Captain John Smith—and Governor Bradford up north said essentially the same:

> When our people were fed out of the common store and laboured jointly together, glad was he who could slip from his labour, or slumber over his task he cared not how, nay, the most honest among them would hardly take so much true pains in a week, as now for themselves they will do in a day.

Out of that "social experiment" came the concept of private enterprise and a very healthy respect for personal initiative. Unfortunately, somewhere between then and now, that respect has floundered and perhaps even died.

It would be too easy to stand here today and fix the blame on one source or another for the strong attack on the foundations of the American free enterprise system we are witnessing in Washington. But it seems that whenever our economy appears to falter, whether through inflation or unemployment, the people who should know better, the elected representatives of Government, begin to press forward with ideas and plans which our forefathers would have abhorred.

Do not misunderstand me, I am not saying that Congress sits collectively and decides to look for new ways to attack and destroy the free enterprise system. Actually, the attack on the free enterprise system is more of a by-product of the temper of the times rather than a direct result of any planned action.

In this Congress, one of the chief causes of this phenomenon is the widespread belief that the Federal Government can solve all of our major problems simply by legislating them away. If that means massive new spending programs, well so be it. We can always pay for them by adding to the Federal deficit or increasing taxes in business. That is a very dangerous way to approach our problems, but it is exactly the kind of economic philosophy we are dealing with in this Congress.

The American people do not want more Federal programs—they just want jobs. The American people do not demand or even want their Government to throw money at them. They are not insisting that the Government solve their problems. Rather, the American people are looking to their Government to let them solve their problems and to provide some assurance that they will not, once at work to solve their problems, have the rug pulled out from beneath them by a new edict from on high. They want some assurance that whatever success they achieve will not be penalized and that their Government will allow risks to be run and rewards to be kept.

The temper of the times in Washington needs to be carefully watched, watched because it appears that in the heat of some political passion, that many of the Members' memories of the fundamentals on which this Nation was founded, are beginning to fade.

A good many years ago, around the time when the Declaration of Independence was signed, John Randolph foresaw this danger and put it this way:

> The people of this country, if ever they lose their liberties, will do it by sacrificing some great principle of government to temporary passion.

My hope is that this current passion will quickly pass.

A CITIZEN LOOKS AT THE UNITED STATES FROM AROUND THE WORLD

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. JOHNSON of Colorado. Mr. Speaker, I recently received a letter from one of my constituents, Mr. Robert Ausenhus of Loveland, Colo., who had just completed a 7-week trip around the world to visit Lutheran World Relief projects. His letter records some of his immediate and most prominent impressions.

Because of the thoughtfulness with which he put his views on paper, I wanted to share the letter with my colleagues.

The letter follows:

ROBERT AUSENHUS,
ATTORNEY AT LAW,
Loveland, Colo., December 8, 1975.
Hon. JAMES P. JOHNSON,
U.S. Representative, House of Representatives,
House Office Building, Washington, D.C.

DEAR JIM: I have just returned from a seven week trip around the World. The purpose of taking this trip was to personally visit Lutheran World Relief projects, which are primarily concentrated in underdeveloped countries. Lutheran World Relief is the social arm of the Lutheran Churches around the World.

The areas that I visited where Lutheran World Service had programs were the west bank of the Jordan, Ethiopia, Tanzania, India, Bangladesh, and Hong Kong.

While I certainly did not become an expert on World problems or even those countries' problems, it did give me a number of insights and impressions that I had not even anticipated. There were three points that stood out in my mind that I would like to share with you.

The first has to do with the Israeli-Arab situation. It is obvious to me that the Israelis have no intention of relinquishing much, if any, of the land on the west bank of the Jordan, which they conquered in the 1967 war. I saw six new cities being built on this occupied territory and only Jews will be allowed to live in these cities. (Each city is to house approximately 10,000 people). Also, I saw a new city and industrial complex being built about half way between Jerusalem and the Dead Sea. The acts of the Jews are only too obvious to the Arabs. While the recent U.N. resolution equating Zionism with Racism was overstated, there are certainly elements of truth in the Arab charge that the way that Israel carries out its policies is racist as it compares to other racists, i.e., the fact that only Jews are to be allowed to live in these new cities, the fact that if you are a Jew that automatically gives you entry into Israel, also the general condition of the Arabs in Israel where they are the common laborers and who are people who know that there is really no future for them as Israeli citizens. It is easy to call the P.L.O. terrorists. That is really a play on words. In the eyes of the Arabs they are the freedom fighters who can rightly argue that terrorists took their land at gun point in 1948 and never compensated them and then continued to deny their existence to their right to a place in the world. I believe our government is going to have to put more and more pressure on Israel to make concessions on the relinquishment of land taken in the '67 War as well as recognizing the P.L.O. and paying compensation for the land that was taken in the '48 War. It pains me to see Moynihan make these vitriolic speeches in the U.N. as if it was all black and white.

The second point has to do with the powder keg in Africa. I believe most informed Americans are aware intellectually of the apartheid situation in South Africa and Rhodesia. However, when you are in Africa it really strikes you of what a growing tornado there is against the oppression of blacks in both South Africa and Rhodesia. I would be the first to acknowledge that, again, the situation is not all "black and white." However, it appears to me that South African and Rhodesian have irreversibly committed themselves to "man" the gates as long as possible. I am confident that during my lifetime there is going to be a tremendous upheaval and a blood bath in those two countries. It is common knowledge that many of the educated blacks in Africa are now being trained in modern warfare and that the countries sympathetic to their liberation views are supplying sophisticated armament. I read a speech of Julius Neyerre President of Tanzania where he made a point that I think we Americans should seriously consider. He said that he hoped that the United States would not fall for the line that Rhodesia and South Africa are going to make that the United States should supply them with military aid to protect those countries from a Communist takeover. He said that it will be true that the liberation forces will have military equipment that is supplied by countries that are sympathetic to the Communist World or are from the Communist World. That does not make them Communist. The situation in South Africa and Rhodesia is so unjust and so few people control such a vast portion of the country's wealth and the black man is not much better off than our slaves were. I believe Mr. Neyerre is right when he points out that these people who want to throw off the yoke of bondage are not Communist just because they get help from where they can get it. The United States in the eyes of many black Africans is a racist country that has great investments in South Africa and Rhodesia and, therefore, is concerned to keep the status quo. If the United States is not willing to do more than just state in oratory that it deplores the apartheid policy, then Black Africa is going to continue to feel that we are a white racist nation.

The third area is the United Nations. In the west bank of the Jordan, Africa, India and Bangladesh I saw visible proof of the great humanitarian work that the social arms of the United Nations was accomplishing. For example, they contribute $600,000 to one of the hospitals that Lutheran World Service runs on the west bank of the Jordan (for a population of over one million Arabs there are two major hospitals on the West bank of the Jordan). They are supplying food and shelter to the refugees in Ethiopia, assisting in drilling wells, and provide massive aid for the refugee camps in Tanzania. Lutheran World Service supervises and runs several of the large refugee camps in Tanzania and it receives substantial assistance from the United Nations in helping these people to become self-sufficient. Several health workers in Bangladesh told me that through inoculation programs of the United Nations in Bangladesh smallpox was no longer the death scourge it used to be.

I didn't fully comprehend the tremendous impact that the United States has on the World. In every country that I was in (even Ethiopia, which was under martial law, and Bangladesh, which was also under martial law while I was there) the newspapers prominently carried the speeches of President Ford. They gave detailed accounts of congressional investigations on the C.I.A. They gave detailed reports on the economic indicators of U.S. economy. They gave lists of what the United States balance of trade was in October, etc. The Japanese TV coverage even showed pictures of blizzards in the midwest. Whether we Americans like it or not, we are such an economic giant in the World that people all over the World follow our actions very closely. The newspapers in that part of the World carried a prominent write-up when President Ford signed the recent bill to give more favored trading treatment to the underdeveloped countries. I believe the United States needs to work in this area as well as helping make funds available to the World bank in assisting these countries.

On this trip I also became aware of my subconscious snobbery that I had for the United States. I became aware of the fact that I thought the United States was really doing it all as far as helping the poor countries of the World. My first set-back was when I was in Geneva, Switzerland, at Lutheran World Service headquarters to look over the contributions from the Lutheran Churches of the World. I naturally assumed the American Lutherans were No. 1. I was chagrined to see that the German Lutherans and the Swedish Lutherans both contributed more to the Lutheran World Service than American Lutherans. Also, I was amazed to see the millions of dollars that the Scandinavian countries are pumping into Ethiopia and Tanzania to help those developing countries. Also, I saw a great activity by Canada in that part of the World. I was also disappointed to see several studies that indicated that out of the 17 industrialized nations giving for humanitarian aid as measured as a percent of gross national product that the United States ranks 14th. I, personally, feel that the United States can, and that the people of the United States do want our Government to do more in this area. I know, personally, when I have pointed this out to my fellow friends, they have been very disappointed in what we are doing. They, like myself, had assumed that the United States was giving so much more for humanitarian aid. It is my understanding that Congress may not separate foreign aid between military assistance and humanitarian aid for this coming year. I know that you feel that it should be separated and I encourage you to have it separated so that the American people can really see what we are giving for humanitarian assistance.

Yours very truly,

ROBERT AUSENHUS.

BOYD HEADS INFORMATION CENTER

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. PATTEN. Mr. Speaker, it is no coincidence that freedom of speech and expression is the first of our Four Freedoms. The other three—freedom of worship, freedom from want, and freedom from fear—lose their value when there is no freedom of speech and expression.

That is why I became one of the cosponsors of the Freedom of Information Act in 1965 and have supported its extension and expansion since then. It is an essential part of the freedoms we enjoy and often take for granted.

Recently, Hugh N. Boyd, president and publisher of the Home News of New Brunswick, N.J., was elected president of the Freedom of Information Foundation by the Foundation's board of trustees. The basic objectives of the Foundation are to gather and disseminate material that will enlighten our citizens.

Since I have known Hugh Boyd for

many years, I am certain he will be a distinguished president of the Freedom of Information Foundation. His ability, integrity and leadership are outstanding, and above all, he is always fair. I am proud of Hugh Boyd—and so is every person who knows him. There will be notable progress made under his leadership as president of the Foundation, for he believes—as I do—that the American people have the right to know what their Government is doing right or wrong.

I hereby insert an article from the Home News of December 27, 1975, which provides details of Hugh Boyd's appointment:

BOYD HEADS INFORMATION CENTER

COLUMBIA, Mo.—Hugh N. Boyd, president and publisher of The Home News, New Brunswick, N.J., has been elected president of the Freedom of Information Foundation by the foundation's board of trustees.

He will succeed Dwight L. Sargent, who resigned to become assistant managing editor of the Boston Herald-American.

One of Boyd's first responsibilities will be to recommend a successor to Sargent who also was chief executive officer of the Freedom of Information Center.

The center, which is associated with the School of Journalism at the University of Missouri-Columbia, is the only national research facility exclusively devoted to reporting and commenting on actions by government, media and society affecting the flow of information.

The center's objectives are to gather, collate, file and disseminate material that will contribute to a more enlightened citizenry.

Boyd has been active in the foundation's affairs since the center was founded in 1958. He has been a member of the center's advisory council since that time and has been chairman of its advisory council for the past 1½ years. He is a trustee of the center.

Boyd, active in many areas of journalism, has served at various times as a director of the Associated Press, president of the N.J. Press Association, and president of the American Committee of the International Press Institute.

He attended Choate School and Yale University and holds an honorary Doctor of Letters from Rutgers University.

BICENTENNIAL YEAR

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. **BALDUS**. Mr. Speaker, after 2 years of extensive promotion and public anticipation, the arrival of our Bicentennial Year almost seems anticlimactic. And yet, I am certain that the arrival of the American Bicentennial has caused every American, along with peoples of all corners of the world, to at one time or another pause for a moment to ponder the significance of this milestone in our history.

Considering the climate of our Nation and the world today, it is to our benefit to have cause to ponder our identity and our role in the world. The people of our country and of all countries are in a troubled and agitated state as the problems facing us expand and old solutions seem increasingly ineffective. But the arrival of the Bicentennial year reminds us that we have been here before and we have always emerged unscathed.

The vehicle which has carried us through so many troubled waters, which has provided us with the means to adapt to new and increasingly difficult challenges, is that remarkable document, the U.S. Constitution. What other system of government has ever been more flexible, has better allowed for sweeping changes in direction, or has ever been more able to rise to emergencies than has that of the United States of America? Other governments collapse over events which seem mere trifles compared to the challenges from which we have always emerged as a stronger and more committed nation.

The Vietnam war and the Watergate affair have severely tested our confidence in ourselves. The constant threat of expanding communism has coupled with worldwide recession and inflation to cause us anxiety over our own strength and our ability to find new solutions.

In such troubled times there is a tendency to yearn for times which have come before us; to look back to the good, old days and shake our heads disparagingly. In reality, the good, old days concept is a myth, and to recognize it as a myth is to realize the strength and potential of our Government and of the American people.

In the last 100 years alone we have experienced the Civil War, the Indian wars, the Spanish-American War, World War I, the Great Depression, World War II, the cold war with its threat of nuclear destruction, and the Korean and Vietnamese wars. We have met these challenges and we have emerged as the strongest nation in the world, always returning to a good standard of living and always extending a helping hand and the beacon of democracy to the rest of the world.

The concept of the good, old days is in part created by the resiliency of human nature, our ability to forget the bad and remember the good. But it is also fostered by the false impression that although the challenges of the past were severe, at least the solutions were more easily found because we were more united in purpose whereas today we see a constant clashing of ideas, an arguing and bickering which create a smokescreen behind which solutions are hidden.

In reality, it has been rare that we have been totally united in common cause with no questioning of the routes we should take. We have always been united in our quest for solutions, yes, but there has seldom been total agreement on which was the best solution.

To acknowledge this, to understand that we have always had disagreement in seeking solutions, is to become aware that this is what makes our Government the most perfect ever conceived. Our Constitution allows us to disagree, to let every possible contingency have its say before one path emerges. The Constitution is the framework which enables us to meet new challenges and the resourcefulness of the American people is the glue which holds the Constitution together.

And so, let us not be alarmed if we seem to lack a common sense of direction or if there is volatile disagreement over the choices facing us. It has ever been thus, and thus it will ever remain. It is the single element which proves the strength of our Government and our people.

Today, more people are actively involved in making the choices facing our Nation than at any previous time in the history of our democracy. Each year sees a dramatic increase in the numbers of people directly communicating with their elected representatives. There has been a proliferation of organizations uniting people in common causes and carrying the banners of those causes to Washington. There is a more widespread awareness of the issues facing us and the alternatives available to us. Elected officials have never been held more accountable by the people they represent. Our democracy has never been more vibrant and vital. Never before has the participation of the people been so great.

This increased participation may give our disagreements the impression of being more volatile, but our Constitution was conceived in anticipation of volatile participation. It is our strength and it should be cause for optimism.

Looking forward from 1976, we can see severe challenges facing us in a world of vanishing resources. But our greatest resource is the American people, and that resource will never fail us.

HOUSE SHOULD DEVOTE MORE, NOT LESS, ATTENTION TO CAMPAIGN REFORM

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. **STEIGER** of Wisconsin. Mr. Speaker, as this session opens, many of us harbor feelings of anticipation and suspense, awaiting as we are the Supreme Court's verdict on the Federal Election Campaign Act Amendments of 1974.

In the weeks since the Court heard oral arguments, on November 10, there has been wide speculation as to the outcome of the challenge filed by Senator JAMES BUCKLEY, former Senator Eugene McCarthy, Stewart Mott, myself, and eight organizations. On one occasion I have heard it said:

> If the '74 law is found unconstitutional, I'll bet Congress never touches election reform again.

What a sorry comment that. What a vote of no-confidence in the American Legislature.

Yet, a variation of this view, I am disappointed to read, was voiced this past Friday by one of this body's respected leaders.

According to the Washington Post for January 17, 25 freshman Members of Congress met with the House leadership and suggested, among other things, the consideration of campaign financing as a subject for renewed attention this session. Reportedly, the deputy majority whip, our esteemed colleague from Indiana (Mr. BRADEMAS), all but dismissed the idea, reminding the meeting:

> The bill passed just last year is proving difficult to implement.

Most of us agree the law is proving difficult to implement. It embodies inequities and not a few other problems. Realizing that the current freshman Members share no part of the blame for the 1974 Amendments, I am hopeful one of them had the presence to ask the House leaders, "So there are difficulties. What should that tell us?"

It should tell us, I think, now that it is generally acknowledged the campaign law treats some citizens and some candidates less fairly than others, that now is the time to summon our imaginations and energies and do something about it. A leader's solution to problems should not be a sigh of resignation and a deliberate plan to do nothing.

Surely this body does not lack the necessary skills, resources, and persistence to write a campaign law that is fair and firm to all participants in the Federal election process. Surely we can think of ways to save the parts of the law that are worth saving and to banish the parts that deter people from expressing freely their views on public issues.

While I happen to believe, with Ralph K. Winter, that the first amendment is the best campaign reform thus far proposed, and that the first amendment combined with full public disclosure is still the best approach, I certainly feel there are other proposals which Congress should not dismiss without a hearing and without consideration. I resolutely disagree with the deputy majority Whip if he genuinely feels that alternatives to the current law should be postponed indefinitely.

For those Members who are not so easily discouraged from the search for wiser approaches to election reform, I submit for consideration a recent book review about two volumes which have appeared since the passage of the Federal Election Campaign Act Amendments of 1974. The first book on campaign financing is by David W. Adamany and George E. Agree. The second, on the same subject, is produced by the American Bar Association.

This review appeared in the December issue of Commentary and is written by Michael J. Malbin of National Journal.

As Mr. Malbin says:

> It remains to be seen whether the Supreme Court will look at some of the broader issues raised by these books, or whether it will let the pressure of time rush it into accepting Congress's judgment uncritically. If the justices take the time to study the legislative record, and then compare it to such books as Political Money and the ABA symposium transcript, they will soon discover that many of the key issues were never addressed by Congress.

ELECTION SPENDING

(By Michael J. Malbin)

The campaign-finance law signed by President Ford a year ago deals on its surface with the way people spend money on politics. Its effects, however, are likely to reverberate through all the elements making up the basic structure of elections. The law already is changing the shape of presidential politics: the style of campaigning, the structure of campaign organizations, the types of candidates most likely to succeed, and the relative importance of different interest groups—all are affected by the rules telling people how to spend their political money.

The law's impact will be felt beyond presidential campaigning as well. Public financing for candidates, contribution limits, and spending limits will have a direct bearing on the future role of the political parties, and may also affect the relationship between the President and Congress. Differences between federal and state law already are transforming the relationship between state parties and candidates for federal office, and the possibility exists of future impact on the relations between the two levels of government as a whole.

Unfortunately, none of these issues seems to have been discussed during the two-year-long congressional debate over campaign financing; the forum where some of them are now being raised is the U.S. Supreme Court, which is expected to rule on the law's constitutionality before January 1. Although the two books under review do not answer every relevant question, they do have the merit of considering the long-range impact of campaign-finance regulation, and as a result they should do more to stimulate thought on the important issues than all the congressional debates combined.

Political Money, a study sponsored by the Twentieth Century Fund, is primarily an argument for a system of public campaign financing different from the method embodied either in the federal law or in the ten states that already have public campaign-financing schemes. The authors maintain that the key goals of campaign regulation should be: to reduce the political effect of the unequal national distribution of wealth; to provide enough money to insure well-financed opposition to incumbents, most of whom are becoming increasingly safe bets for reelection; to free candidates from the pressure that comes from being excessively beholden to a few large givers; to help prevent corruption and reduce the level of public cynicism about corruption; finally, to do all this in a way that will not upset the existing relationships between parties and candidates, or among the different levels of government.

Adamany and Agree say that the present law, with its contribution limits, goes part way toward satisfying the need to equalize the influence of citizens on politics. They would go further, however, by reducing the $1000 contribution limit to $100. They do not advocate limits on campaign spending; the present law, in its constitutionally least defensible sections, does require such limits.

The public-financing plan Adamany and Agree propose is intended to enhance equality in a general election. All citizens would have vouchers that could be given to the candidate of their choice. During the nomination period, instead of vouchers there would be a system of matching grants (the authors think too few people would turn in vouchers during this period to help the candidates). By using an index of present support to determine how much each candidate should get, both methods would avoid discriminating against independents and new minor parties, as the federal law now does. To help counter the possibility that public financing of candidates will weaken the parties, Adamany and Agree would give direct proportional grants to parties as well as to candidates. In addition, to prevent any upset of the delicate system of checks and balances, they say that any federal financing system should include both presidential and congressional candidates.

The basic approach *Political Money* takes toward campaign financing has much to recommend it, particularly in its concern for checks and balances and for preserving the parties. Its most serious weakness is the $100 lid on contributions, which only exacerbates the problem the present law created for little-known candidates who need seed money to get started. The authors seem to have let their concern for equality get the better of them, to the detriment of another of their goals—fostering competitiveness. In conversation after the book was published, Agree has said he would favor omitting the contribution limits until a candidate reached a reasonable threshold amount. With this modification, the ideas in *Political Money* merit serious consideration, if Congress ever gets a second crack at the subject.

The American Bar Association's symposium is an even more impressive reminder than *Political Money* of what the level of debate should be on public issues. The ABA's Special Committee on Election Reform called together a distinguished panel of political experts to discuss the implications of the new law, and the transcripts of their discussions contain some of the most stimulating observations about the problems of campaign-finance regulation in print anywhere. It is unfortunately impossible to summarize all of the interesting exchanges, but the ABA would be doing a real service if it prefaced the book with an introduction explaining the law to the general reader and then circulated it through bookstores—it is currently available only by direct order.

It remains to be seen whether the Supreme Court will look at some of the broader issues raised by these books, or whether it will let the pressure of time rush it into accepting Congress's judgment uncritically. If the justices take the time to study the legislative record, and then compare it to such books as *Political Money* and the ABA symposium transcript, they will soon discover that many of the key issues were never addressed by Congress.

Thus, everyone agrees that the *spending* limit imposed by the 1974 law cuts into a candidate's ability to speak. The law's defenders say that the limit is needed to reduce the candidate's desire to solicit high contributions, but this seems to be, at best, a roundabout reason, and possibly insufficient to justify the indirect limitation on speech involved. Here a constitutional issue, one of free speech, intersects with a political one, as a law intended to prevent discrimination may be seen to have a chilling effect in practice. The Court should not lightly go into such political questions, but this is an area where it has no real choice.

As for limits on *contributions* to election campaigns, it is clear that what Congress is trying to stop is the undue influence large contributors sometimes have on officeholders. But how widespread *is* the problem of undue influence? If we are talking about no more than a few thousand large contributors, as has been suggested, would it not be possible to handle the situation in a less elaborate manner—for example, effective public disclosure combined with vigorous law enforcement either by the Attorney General or by an independent prosecutor?

The initial evidence, moreover, seems to indicate that candidates who are not widely known, who are trying to present an unpopular or newly emerging point of view, or who represent a poor constituency, are hurt far more seriously by the contribution limits than are incumbents or mainstream candidates. Campaigns cannot begin in a serious way without "seed money," and even a candidate who intends to rely primarily on small contributions must either be an incumbent, or begin with a few large gifts to cover the cost of initial solicitations, or be sufficiently well-known to raise money with one newspaper advertisement. The rich can get around this problem, since under the law a person can contribute enough to his own campaign to get it past the critical point.

Under the old system, someone like Julian Bond in his abortive 1975 presidential bid would have been allowed to borrow enough for at least one attempt to raise money by mail. If the mailing did not work, the loan would have given him a chance to find out. Under the 1974 law it is illegal to begin with a large loan. Here a constitutional issue arises. Do the First and Fifth Amendments permit a law that so clearly favors rich people, media stars, and incumbents?

Finally, one provision in the law makes it illegal for people acting on their own to spend more than $1000 on behalf of or against a candidate. These "independent expenditures" are distinguished from "contributions" which are gifts to a candidate's political committee and used as the candidate sees fit. Independent expenditures include such things as buying a billboard without consulting anybody. The justification for this remarkable limitation on independent activity is that without it, the law would contain a massive loophole that would make spending and contribution limits meaningless. That may be true. But is it really constitutional, in the name of closing a loophole, to prohibit a citizen from spending the more-than-$1000 it would take to sponsor a book or buy a newspaper advertisement that would tell why he opposes the President's re-election?

These issues are all fundamental. In each case, the Court must ask whether a particular item in the law is the least intrusive way to achieve a legitimate goal, when achieving it affects political speech. In each case, the means Congress has already selected toward its end seem questionable. Unfortunately, if past history is any guide, the Court may indeed end up accepting the dubious judgment of Congress. The post-World War II Court is often regarded as one that has stood foursquare against the legislature in defense of civil liberties, but the fact is that almost all the laws declared unconstitutional by the Court since 1937 have been state laws; only the law lowering the voting age in 1970, and before that the 1964 ruling allowing Communists to hold passports, come to mind as cases in which the Court overturned acts of Congress, and neither decision was one likely to provoke a confrontation between the two branches. One may hope that the present case will prove an exception to this post-1937 record; it offers the Court a particularly welcome opportunity to correct the irresponsibility of reformers who may have wanted to do good but who failed to think through the full consequences of their actions.

A BALANCED FEDERAL BUDGET IS A DESIRABLE CONGRESSIONAL GOAL TO BE ACHIEVED

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. EVINS of Tennessee. Mr. Speaker, as the 2d session of the 94th Congress begins, it is appropriate to direct attention to one of the most significant bills enacted by the Congress and its use and application to control Federal spending.

The Budget and Impoundment Control Act was designed to, among other things, restore the Federal purse strings to Congress and establish a means of keeping budgets within ceilings set by Congress.

In this connection, the Washington Post on Sunday last published an article relating to operation and application of the Budget and Impoundment Control Act which is worthy of the attention of all Members of the Congress. This article is well-written and well-researched and details the hard work of the Congress to establish and maintain stricter budgetary standards and controls.

Because of the interest of my colleagues and the American people in this most important matter, I place the recent article from the Washington Post on this subject in the RECORD herewith:

MINDING MONEY ON THE HILL: IS CHANGE REAL?

In 1946 the Nation had just come through a war and a period of price controls and was caught up in a year of double-digit inflation. Government spending, at $35.6 billion a year, seemed to have gotten out of hand, and the constitutional power of the purse was said to be drifting dangerously and by default to the President. So Congress adopted a new budget process.

A legislative reorganization act required that the members of the tax and appropriations committees of both houses adopt each February a "maximum amount to be appropriated for expenditures" for the fiscal year ahead—a spending ceiling, we would call it today.

The first year, 1947, the two houses could not agree on a ceiling. The second year, having agreed on one, they failed to abide by it. The third year, without even bothering to amend the reorganization act, they gave up trying.

Now, 30 years later, for many of the same old reasons and in much the same way, Congress has again moved to reform the appropriations process.

Its good intentions this time are contained in a Congressional Budget and Impoundment Control Act that was passed almost unnoticed in the impeachment summer of 1974.

That act was a product of the narrow-gauge politics of divided government. The Democrats in Congress passed it mostly to prove they were not the hopelessly inflationary spenders Richard Nixon said they were. They also were seeking to reclaim the spending power he had tried to take away by expanding presidential impoundments of congressionally appropriated funds.

The uses of the act are also likely to be largely political, at least in this election year, its first full year of application. Its machinery—and the year-long series of budget reports and resolutions it requires—will be the medium through which President Ford and the Democrats carry on their spending debate, which could become the dominant debate of the year.

Whether the act also will produce a lasting change in Congress' spending habits is another question altogether.

One such change it did seem to produce even last year: guards were posted at the old and often-jimmied back door to the Treasury.

The new House and Senate Budget Committees, invoking the new appropriations rules, were able to block or force the scaling down of several so-called backdoor spending bills—bills that typically do not cost much in their year of passage but commit the government to increased spending in the future.

The most celebrated of these boltings of the back door occurred in the Senate Aug. 1, when Budget Committee Chairman Edmund S. Muskie (D-Maine) challenged, as beyond the budget target in Congress' spring budget a military procurement conference report brought to the floor by Armed Services Committee Chairman John C. Stennis (D-Miss.).

The powerful Stennis is rarely challenged on the Senate floor on military matters, even more rarely beaten—yet Muskie beat him that day.

The debate, the vote and the final disposition of the conference report are all instructive.

During debate on the spring budget resolution on May 29, Stennis had prophetically warned of "potential problems . . . ahead with respect to this new budget process," which he said he generally supported.

"Keeping in mind we are injecting a third committee process into the authorizing and appropriating activities," he told the Senate, "we must make sure that all of the affected committees observe their own jurisdiction and not duplicate the others' activities."

The procurement bill that later passed the Senate—authorizing future spending for such things as missiles, planes, tanks—was within the guidelines set by the spring budget resolution. The House bill went beyond the guidelines.

The conferees, as Stennis told the Senate Aug. 1, had then done the customary thing and split the difference. "The increase in the conference bill over the Senate's version, . . ." the Armed Services chairman said in a memorandum, "is only 2.9 per cent and the House came half-way in its version. If the bill violates the (budget) resolution with only a 2.9 per cent increase, with an even split of money with the House, there is no way the congressional conference system can operate with this or any other bill if this small amount of latitude is not permitted."

Muskie replied at length. "Members may say that Congress is free to exceed the defense spending targets or the income security targets," he said, "Those members must tell us where Congress is going to cut the budget to compensate for these increases.

"Congress can change its mind about budget targets after they are adopted. But I have not recently heard anyone suggest that we should spend more than the $367 billion targets in our congressional budget as the total federal spending. And I have not recently heard anyone advocate that we should exceed the $69.6 billion deficit ceiling it contains."

"The point I am trying to make, may I say to the senator," Muskie went on, addressing Stennis, "is if we are going to proceed with our legislative business as usual, as we have done it customarily, and just treat the budget process as some kind of a nuisance over to one side, and not significantly change our habits or our ways of doing things, it is going to be meaningless. You just cannot continue to do business as we have, for the 18 years I have been in this body, for the years the senator has been in this body, and make this process work.

"I do not particularly enjoy standing here and saying to members of the committees on which I do not serve, 'Gentlemen, the budget requires that we do better. . .' I understand it is traditional when you go into a conference to split the difference.

"When you have got a budget target that is binding on both houses tradition has to give way to a certain extent to the imperatives of the question of the budget."

The ensuing vote was 48 to 42—and pleasantly ironic. Aligning themselves with Stennis and the Pentagon on the losing side in what Muskie called "a vote for a larger deficit" were most of the great professed economizers in the Senate—almost all the conservatives, including Appropriations Committee Chairman John L. McClellan (D-Ark.), who said in debate, "I do not believe for the very small issue in contention here today, it warrants a repudiation of the work of this (military procurement conference) committee."

There were four other senators, however, also conservative and generally inclined to be sympathetic toward the Pentagon, who voted with Muskie and in fact provided the margin of victory. They are four of the six Republicans on the Budget Committee—Henry Bellmon (Okla.), the ranking member, and Bob Dole (Kan.), J. Glen Beall Jr. (Md.), and Pete V. Domenici (N.M.).

The 48 to 42 Aug. 1 vote was Page 1 news all across the country. Somehow the matter was not so newsworthy on Sept. 26 when Stennis brought back—and Muskie and the Senate accepted—a second conference committee report. It eliminated only about a third of the disputed $750 million in authorizations contained in the first report.

As the second conference report was approved, Stennis complained that it had been "frivolous" to reject the first—and clearly the publicity value of Muskie's August victory was greater than its dollar value. Still, it established a precedent, and precedent is important in the Senate, where procedure and form sometimes count for more than content.

And other back-door bills were also felled last year.

One was a child nutrition conference report, an authorization bill that would have broken the budget resolution by automatically increasing school lunch costs. Muskie stated his opposition to this when he announced he would oppose the military procurement bill. That "even-handedness," as several senators called it, was one of the means by which Bellmon and the other three Budget Committee Republicans were persuaded to go along in the Aug. 1 vote.

In the House, meanwhile, Budget Committee Chairman Brock Adams (D.-Wash.) also blocked legislation, but mostly behind the scenes or in the Rules Committee rather than on the floor.

One example was a September bill from the Post Office and Civil Service Committee that, among other provisions, would have permitted federal employees to retire after 30 years of service, regardless of age.

The estimated first-year cost of this early-retirement provision was only $10 million, but its cost a few years out was 60 times that. Opposed for this and other reasons, the bill was never brought to a vote.

But the House, through no fault of Adams, was also the chamber where the new budget process almost broke down last year, in much the same way as its predecessor fell apart in the 1940s.

The first House budget resolution was passed in May by only four votes, 200 to 196. The House-Senate conference report on the second resolution had an even closer call, passing in December by only two votes, 189 to 187.

The problem was the same both times. Republicans voted rigidly against the projected deficits ($70.1 billion at the first vote, $74.1 billion by the second) and were joined by some southern Democrats.

These anti-deficit spenders accused the Budget Committee of being little more than an adding machine, recording the spending plans of other committees, always saying yes and never no.

"I might say very frankly that I envisioned this budget process to work a little differently than just adding up a lot of figures," ranking House Budget Committee Republican Delbert L. Latta (R-Ohio) said during debate on the second resolution. "To date, we have been adding up too many figures and not taking the bull by the horns, so to speak, in cutting down some of the expenditures."

At the opposite pole in the House, however, was an equally determined and dissatisfied group of liberal Democrats who either thought the deficits in both budget resolutions were too small to reverse the recession and reduce unemployment anytime soon or who felt more money should be taken from defense or raised through tax reform and applied to domestic needs.

Organized labor also held—and still holds—this view.

Most interest groups on the outside, if they have taken any cognizance of the new budget process at all, have applauded it as rationalizing a mindless and hopelessly antiquated system.

The AFL-CIO, however, has looked past these possible procedural virtues and come to regard the new process more simply as biased against spending, domestic spending especially.

To organized labor the budget act is an almost incomprehensible cave-in by a two-to-one Democratic Congress to the rhetoric of the right in the midst of the most devastating recession and the highest unemployment since the Great Depression.

Labor people look on the federal spending issue as a bugaboo, pointing out that federal outlays have risen hardly at all in the last 20 years as a percentage of gross national product or of the economy as a whole.

Is it not true, Rep. John Conyers, Jr. (D-Mich.), representing this point of view, asked Adams during the second House budget debate in November, that "this budget resolution, if implemented, would in effect legitimate an unemployment rate of 7.5 percent through fiscal year 1976?"

It would, Adams had to say.

"Do I understand then that the chairman finds this rate acceptable," Conyers asked, really of the whole House, "or does he feel as I do that this is an unconscionable rate of unemployment for this Congress to legislate?"

The more Adams tried to satisfy one wing of the House, the more votes he lost on the other. The two resolutions were finally carried only after amendments were offered sweetening them slightly for the liberals and even then only after, in each case, the House Democratic leadership spent a long day twisting arms. "We must have a congressional budget," Speaker Carl Albert (D-Okla.) told wavering members as debate closed on the first resolution in May.

Muskie had no comparable problem in the more accommodating Senate, in large part because ranking Budget Committee Republican Bellmon refused to play deficit politics.

At one point in the spring President Ford was saying the deficit this spending year could be held to $60 billion (which itself was about $8 billion more than he had originally proposed) and that a vote for any more was a vote for inflation. That figure helped firm up Republicans in the House. In the Senate, however, Bellmon denounced it as "phony."

Bellmon was equally caustic in the fall, when the President proposed what he described as a $28 billion tax cut to take effect Jan. 1 and to be followed by a $28 billion spending cut and a $395 billion spending which would not take effect until fiscal 1977, beginning on Oct. 1.

"If I had an evil political mind—and I have—I might think there was some political motive in this timing," Bellmon said to Office of Management and Budget Director James T. Lynn at a hearing. "I would say it would be very convenient to have a tax cut early in the political year and an expenditure cut very late in the year."

Other Budget Committee Republicans followed Bellmon's lead, dispensed with the usual fiscal pieties and discussed the budget in public with remarkable frankness and impressive sophistication.

Maryland's conservative Beall stood on the Senate floor in April preparing to vote for a $67.2 billion deficit and assuring his colleagues, his constituents, himself and any other waverers within earshot that the budget resolution actually implied "a slight full-employment surplus."

The full-employment budget is a way of measuring how much of a given deficit is due to a sag in economic activity and tax receipts, and how much is due to increased spending. It is fairly well accepted as a standard for judgment among economists. It has rarely before been accepted and invoked by Republican senators.

Bob Dole summed it up for the Senate. "As fiscal conservatives," he said on the floor, "we must not allow philosophical abhorrence of a $65 billion or $57 billion deficit to lead to blind attacks on meritorious programs designed to soften the blow of recession. To be sure, numbers like $65 billion and $57 billion in deficit are deplorable. But so too are numbers like 8 million unemployed."

By comparison the House is brittle and dogmatic, and Chairman Adams is unsure his budget committee can produce any resolution that will pass this spring.

The problems he had last year will be intensified by the approaching election and by the tax cut that Congress extended last month through June 30.

Both parties will want to extend the cut another time; neither will want to risk being blamed for a tax increase four months before the election.

The Republicans, however, will insist first that the Democrats agree to live within the $395 billion spending ceiling to which Preisdent Ford has already committed himself for fiscal 1977, the year for which he will submit his budget later this week.

The Democrats will surely balk at $395 billion. Bellmon may even call it phony. It is $20 billion above this year's presently estimated spending total. That is not enough to cover even the already legislated automatic increases next fiscal year in Social Security (about $12 billion), Medicare and Medicaid (about $5 billion) and interest on the debt (about $6.5 billion), to say nothing of likely increases in federal civilian and military pay and pensions (about $10 billion) and in the rest of the government's programs.

With Republicans insisting, Democrats balking, the President no doubt threatening a veto in an instant replay of last December's posturing and near paralysis, and the national nominating conventions only weeks away, anything can happen to a mere budget resolution.

And that is not Adams' only problem.

Theoretically at least, no fiscal 1976 appropriations bill can be passed that will take total spending past the $374.9 billion level stipulated in the second budget resolution Congress adopted last month. Any such bill is subject to a point of order.

Adams was explaining that on the House floor a day or two after the second resolution was adopted when Jamie L. Whitten (D-Miss.), the No. 2 Democrat on the House Appriations Committee, asked for his attention.

That could mean the year's last appropriations bill to come to the floor, a bill perhaps containing funds for "an entire department or program," would have to be "left out," Whitten said, and surely no one intended that.

But the budget resolution had contained a "fixed ceiling," Adams reminded him.

Yes, Whitten said, but that ceiling was fixed only "until the Congress changes its mind."

THE NEW MATH

Lest anyone doubt that the new budget process has caused Congress finally to start dealing with the nation's fiscal affairs in a modern manner, the following is offered from the Congressional Record of last April 29.

Senator Muskie was about to yield to Senator Bellmon in debate on the first budget resolution, but first, he said, "I wish to make a unanimous-consent request, the necessity for which I find incredible. I ask unanimous consent to use hand calculators on the Senate floor.".

"The PRESIDING OFFICER. Without objection, it is so ordered.

"Mr. MUSKIE. I understand that the rules are so ancient and esoteric that the ability to use these calculators except by unanimous consent seems to be in doubt. I asked whether or not I could use my fingers without unanimous consent—I assume that that is the original hand calculator—and there seems to be doubt on that score, too. I yield to the senator from Oklahoma."

THE NEW BUDGET TIMETABLE

Presidents present Congress each winter with what are called unified budgets, summing up all expected federal receipts and expenditures and projecting the resulting deficit or surplus for the fiscal or spending year ahead.

Congress, on the other hand, has been adopting its appropriations bills for the various sectors of the government independently of one another, not adding them up. Now it will have to add them up: the essential discipline in the new budget process is that Congress must vote explicitly for any deficit or surplus it creates.

The starting date of the federal fiscal year has been changed from July 1 to Oct. 1 beginning this year, to give Congress more time to pass all authorizing and appropriations bills before each fiscal year begins.

The President will continue to submit his budget or spending plan for the year ahead in January. (President Ford's budget for fiscal 1977 will be submitted later this week.)

The budget committees, after consulting with the various specialized committees in each house, must then report out so-called first budget resolutions by April 15 of each year. These will set out total tax and spending targets, with the resulting surpluses or deficits. The recommended spending figure will also be broken down in the resolution into so-called functional sub-totals, one for health, for example, one for defense, one for interest on the debt and so on.

By May 15 a first budget resolution must be passed, which means that each house must have acted on its own and the two houses then must have agreed. The resolution is Congress' own piece of paper; it does not go to the President to be signed into law.

May 15 is also the deadline for the legislative committees in each house to report out any new spending-authorization bills for the fiscal year ahead.

Congress then has all summer to pass the actual spending or appropriations bills. These must be completed, according to the timetable in the new law, by seven days after Labor Day each year.

In the remaining days of September come the final steps in the process. Congress adds up all the actual spending it has voted, compares that with the targets it set back in May and has to reconcile the two.

If the totals do not match, Congress must either vote to cut back specific spending bills or vote explicitly to raise the general spending total and projected deficit (or, of course, reduce the projected surplus in the unlikely event there is one).

All reconciliation bills must be passed by Sept. 25; theoretically, everything will then be done five days before the new fiscal year.

POSTAL SERVICE USES UNFORTUNATE EXAMPLE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. SIMON. Mr. Speaker, as my colleagues on the Post Office and Civil Service Committee know, I have not been very much impressed by the leadership which the Postmaster General is giving the Postal Service. I think he is a fine gentleman personally, who is unfortunately unequipped by personality and background to handle the kind of responsibility that has been given to him.

In his moves to close small post offices—part of a general move to reduce services, even though that will be denied by them—he picked on one small community in southern Illinois as an example of a post office that can be closed. He said:

> An example of the kind of Post Office that might be eliminated is the one in Rosebud, Illinois. That office serves six families who call for their mail daily and use other services there. The annual receipts from that office are about $573.00 and the cost of operation is $5,587.00.

First of all, to defend their move on closing the post offices, extreme example are the ones used.

In this case, not only is it an extreme example, but this particular post office actually was closed 13 months ago according to H. R. Brener, publisher of the Herald-Enterpriser of Golconda, Ill.

It is an interesting comment on the efficiency of the Postal Service that the example it uses to support a policy is an example that has not been in existence for more than 13 months.

CALIFORNIA OFFSHORE SALE DISAPPOINTING; ATLANTIC SALE NEED NOT BE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. HUGHES. Mr. Speaker, I have recently written to the Honorable Thomas S. Kleppe, Secretary of the Department of the Interior, reviewing conditions that resulted in the disappointing Federal lease sale concluded last month on 231 tracts covering 1.3 million acres off southern California.

My work on the ad hoc Select Committee on the Outer Continental Shelf convinces me that with some restructuring of our leasing policies we can significantly improve the return to the public of a fair price for any gas and oil discovered in the Atlantic Ocean while also kindling competition for sales which has declined miserably to an average 2.4 bids a tract in the recent California sale. We can also better assess potential onshore impact, because we will know ahead of time what quantities we are talking about.

I submit for the RECORD a copy of my letter to the Secretary as well as articles published in the Wall Street Journal of December 11, December 12, and December 22, reporting the presale euphoria and postsale disappointment in California:

WASHINGTON, D.C.,
December 19, 1975.

HON. THOMAS S. KLEPPE,
Secretary, Department of the Interior,
Interior Building, Washington, D.C.

DEAR MR. SECRETARY: The Wall Street Journal in stories on succeeding days unintentionally made a pretty good case for reviewing our methodology for leasing offshore acreage in its reporting of what in candor must be interpreted as a disappointing lease sale off the coast of Southern California.

The day before the sale, the Journal reported that speculation was high that for the 235 tracts a total of as much as $2 billion to $3 billion might be achieved. It was pointed out that the previous high mark was the $2.09 billion in the March, 1974 sale of tracts off the coast of Louisiana.

This was especially encouraging, I am sure, to the Office of Management and Budget which is counting on $6 billion this fiscal year from the sale of Federal lands to help balance a Federal budget in record high deficit.

The following day, when the bids were open, the total high bids amounted to a disappointing $438.2 million. But there are other factors even more alarming.

The Journal points out that in two accelerated lease sales last year, the average bid an acre fell to $2,416 from $3,560 in three previous unaccelerated sales. The California sale averaged only $1,135 an acre. At the same time, there were an average 2.4 bids per tract compared with the 2.5 bids per tract in last year's accelerated sales which had already dropped from 4.3 bids for the unaccelerated sales.

I think there are several conclusions we can make from this most recent sale. The first is that capital is now so tight that the oil companies are not willing to take the same kinds of risks through front-end bonuses based on speculation of what quantities of oil and gas may lie in frontier waters. A second and even more alarming conclusion is that there is a growing absence of real competition for tracts as evidenced by the declining number of bids per tract. As a Member of the House Judiciary Subcommittee on Monopolies and Commercial Law, I am beginning to wonder whether this is mere coincidence or, perhaps, indicates group decision-making on some staff level preceding lease sales.

In summation, Mr. Secretary, it should be obvious that the days of the big bonus bids are numbered. I think it significant in the California sale that on the three choice tracts offered where the royalty was advanced from one-sixth to one-third return to the government, the bidding was most brisk and brought the high return.

This argues, in my opinion, for a change in leasing policy which would set a higher royalty or a sliding scale royalty based on known or high probability hydrocarbon deposits.

Please permit me to take another opportunity to argue a case for stratigraphic on-structure tests in the future frontier lease sales. With two large formations already identified in the Baltimore Canyon sale area, we have an ideal opportunity to test a new concept. I believe that a procedure to issue permits to drill on-structure with future leasing in the area limited to the consortium that agrees to take the risk will achieve several obvious advantages. These would include:

1. Increased competition. More firms might be willing to risk a shared cost of the exploration program since the result in the event of success would be the location of commercial deposits of gas and oil for which they might obtain collateral to develop. Without such an avenue of inference, we will continue to be dependent upon a handful of oil companies that have amassed sufficient sums to bid blind on unknown quantities.

2. Upon a known deposit, the Federal government would be in a much better position to schedule a lease sale under a formula which would more nearly guarantee a return to the public that is fair. It would also minimize the chance of government auctions off such areas as the Destin Dome off Florida which turns out to yield no commercial quantities of gas or oil. Such sales have also undoubtedly led to subsequent hedging by

oil companies which was expressed in the California sale.

3. With known quantities prior to lease sale, the Federal government, states and localities will be in a much better position to more accurately assess potential onshore impact resulting from offshore oil drilling.

4. Finally, I believe that a change in procedures will have the added dividend of minimizing the possibility of your Department being forced into court by states and groups which raise points that I believe can be avoided by taking steps such as I suggest.

In closing, Mr. Secretary, let me assure you that I want to work with you and your Department to minimize potential conflict in the upcoming lease sale off New Jersey and sincerely believe that this can be accomplished by expanding an excellent start made in recent months to revise some aspects of our leasing policies.

With kind personal regards.

Sincerely,

William J. Hughes,
Member of Congress.

[From the Wall Street Journal, Dec. 11, 1975]

Leases Off California Go on Sale Today After Long Dispute; Bids May Hit Record

(By Stephen J. Sansweet)

Los Angeles.—After years of preliminary work and months of intensive effort, bids will be opened this morning in the most controversial and potentially the highest-priced sale of offshore oil and gas leases in U.S. history.

Up for grabs are about 1.3 million acres of federal leases off the coast of Southern California. Despite generally depressed profits for petroleum companies this year, the bidding is expected to be spirited. According to one internal and unpublicized government estimate, the high, or winning, bids for the 235 tracts could total as much as $2 billion to $3 billion, an admittedly wide range.

The previous mark for total high bids was $2.09 billion in March 1974 for tracts off the coast of Louisiana. Today's sale is being conducted by the Pacific Outer Continental Shelf Office of the Bureau of Land Management, and William E. Grant, the manager of the office, says the area under bid has great potential.

"We're never sure until the last minute, but there has been a lot of interest shown by a substantial number of oil companies," Mr. Grant said. The lease sale will be the first for offshore California since the sale of leases in the Santa Barbara Channel in 1968. A year later, the major oil spill there gave impetus to the environmental movement and a spate of lawsuits seeking to halt all offshore drilling. Just last Friday a federal judge in Washington refused to block today's sale. The bidding originally was scheduled for October, but the Department of the Interior delayed it two months to weigh public reaction.

NEW STAGE OF DEVELOPMENT

Oil industry observers think today's sale could be significant for another reason. Except for the earlier Santa Barbara sale, all federal offshore leases so far have been in the Gulf of Mexico. The Southern California sales marks the opening of a new stage of development, with the government planning to sell leases on 20 million to 30 million acres by 1978 on the Atlantic Seaboard, off Alaska and other places. If today's bids don't match earlier records, it will be a clear indication that—for a variety of reasons—oil companies have decided to curtail expenditures for relatively high-risk exploration.

The U.S. Geological Survey has indicated that there may be three billion to five billion barrels of recoverable oil in the area covered by today's lease sale, but the Western Oil & Gas Association, an industry group, has used a working figure of 14 billion barrels. That wide variance in estimates is one reason for the uncertainty about the total of winning bids. Another is the intense secrecy that shrouds the bidding process until the first sealed envelope is ripped open at 10 o'clock this morning, PST.

"This is such a highly competitive thing that our guys who are involved with this hardly even burp," says an official of one large oil company. Security measures are extreme. For example, because companies have to submit a 20% cash down payment with all their bids, Exxon Corp. draws its money from banks all over the U.S. so that there won't be an indication to anyone outside the company of how much Exxon is going to bid. "And since the interest is thousands of dollars an hour, we don't draw those funds until the last minute," an Exxon spokesman says.

Another reason for the great interest in the sale is the belief that the Gulf of Mexico region, the focus of previous high-priced sales, has been exhausted as far as promising prospects are concerned. "The Gulf has become a well-explored area with the choicer tracts already taken," one industry observer says. "This area has good possibilities and is practically virginal."

The risk is still great. "It's a little better than a Ouija board type of thing, but not much," says Frank Parker, a consulting geologist from Pasadena, Calif., who is responsible for many of the preliminary studies in the area. "We know that it's an area that ordinarily should produce oil, and we feel reasonably sure there's a considerable amount there, but without any test drilling there certainly aren't any guarantees."

Mr. Parker has estimated that there are 70 billion barrels of oil in place off Southern California between the Channel Islands and the Mexican border and from the coast to the edge of the Continental Shelf. Much of that isn't recoverable or would be uneconomic to recover, the geologist explains. (None of the leases up for bid today is closer than 3¾ miles to the coast.) Because of the uncertainties about specific tracts, Mr. Parker believes that while a "large wad of dough" will be spent today, that price per acre will probably be less than for the choicest offshore Louisiana leases or even the earlier Santa Barbara sale. It will be a week or so before the Bureau of Land Management announces which bids it will definitely accept.

"Several of the major companies are short of crude oil at the present time, and that should push the prices up," an official of one industry trade group says. "But there hasn't been a lease sale in an unexplored area since the tinkering with the depletion allowance. And companies have to consider the potential legal hassles as well as what they will have to pay for such things as environmental control," he adds.

ENVIRONMENTALISTS' RALLYING POINT

Environmentalists and others have made today's sale the rallying point for their efforts to block or reduce considerably offshore drilling. So far, all the efforts have failed. Last week U.S. District Court Judge Aubrey Robinson Jr. denied a request for a preliminary injunction to halt the sale, saying that most of the issues raised in a consolidated lawsuit had already been settled in a previous action won by the Interior Department. The most recent action was on behalf of the State of California and a number of local communities.

The suit claimed that the government was acting without adequate information on the environmental impact of drilling, had failed to assure a fair return on the sale and failed to retain the right to end any leases if drilling damaged the environment. On Tuesday, attorneys for the plaintiffs filed a memorandum with Judge Robinson asking for a trial on the merits of the offshore leasing program. The Center for Law in the Public Interest, a Los Angeles-based public interest law firm, said it decided against seeking emergency appellate relief from Judge Robinson's earlier ruling because the Court of Appeals wouldn't have time before the sale to consider the issue in depth before making a decision.

"There's too much at stake to quit now," says Bruce Terris, a Washington, D.C., lawyer also involved with the suit. He said the oil companies are "proceeding at their own risk" in today's sale, because if a trial on the merits finds the lease contracts violated federal law, they could be declared void until such time as they are rewritten.

One environmental group, the California Citizens for Political Action, is attacking the sale by taking part in it. The group says it will submit a legal bid for one of the 235 tracts. As the minimum bid is $25 per acre and a full tract would require a bid of at least $144,000, a spokesman said the group will bid on the smallest tract available, one of 360 acres. "We're doing it so we can raise the question of why the rush, what's the hurry in drilling there?" Frank Buda, a group spokesman, says.

[From the Wall Street Journal, Dec. 12, 1975]

Oil-Gas Lease Sale Offshore of California Brings Total High Bids of $438.2 Million

(By S. J. Sansweet and H. Lancaster)

Los Angeles.—The first federal sale of oil-and-gas exploration leases off the coast of Southern California in seven years produced total high bids of $438.2 million, substantially under some government predictions.

However, oil company officials, who had maintained tight secrecy surrounding the competitive bidding prior to the opening of the bids, said the figure was in line "give or take 25%" with what they had expected. And officials of the Bureau of Land Management, which ran the controversial lease sale, and the U.S. Geological Survey, which completed its tract-by-tract estimate of potential bids just Wednesday night, professed pleasure at the outcome of the sale.

Sixty-seven oil companies and individuals were registered to bid on 231 tracts covering about 1.3 million acres. But only 166 bids were received on only 70 tracts and many tracts received only one bid apiece. A total of $902 million in bids was received, well under the record $6.5 billion at an offshore Louisiana sale in 1970.

Prior to the sale, government forecasts of the total number of high—or apparently winning—bids ranged from $1.5 billion to more than $2 billion. The record of high bids for a total sale was $2.09 billion offshore Louisiana in March 1974.

The Southern California offshore sale is one of the first in an accelerated program of lease sales to considerably step up exploration in waters off the U.S. Critics of the plan have expressed fear that the program will result in lower bids for tracts and yesterday's sale seemed to back up that contention.

In two accelerated lease sales last year, the average cash bid an acre fell to $2,416 from $3,560 in three previous unaccelerated sales. In yesterday's sale, the average high bid an acre was $1,135. This is also lower than the average price an acre of $1,265 for all federal offshore lease sales. Also, there were an average of 2.4 bids a tract in yesterday's sale. In last year's accelerated sales, the average number of bids a tract fell to 2.5 from 4.3 for the unaccelerated sales, indicating a drop in competition.

The single highest bid for a tract was made by a group comprising Standard Oil Co. of California, with a 30% interest; Union Oil Co. of California, 26%; Getty Oil Co., 22%; and Skelly Oil Co., 71%-owned by Getty, 22%. The group bid $105.2 million for a tract off San Pedro and Long Beach, Calif. The tract was considered in advance to be one of the choice ones offered, and was one of three that carried a royalty rate of one-third of production revenue. All other tracts carried a royalty rate of one-sixth.

The two other premium tracts, both in the same area, apparently were won by a group led by Shell Oil Co. The group bid $25.6 million for Tract 261 and $45.7 million for Tract 262. The group comprises Shell, 50%; Occidental Petroleum Corp., 17%; American Independent Oil Co., 16.5%; Chanslor-Western Oil & Development Co., a unit of Santa Fe Natural Resources Inc., 12%; and Hamilton Brothers Oil Co., 4.5%.

An official of the Bureau of Land Management said his office hopes to be able to determine within a week or so exactly which tracts will be awarded. The government can reject any of the apparent winning bids, if it considers them too low.

One oil industry observer said that the total of high bids "is clearcut evidence to me that the oil companies are cutting back sharply on their exploration expenditures."

But Willard Gere, western regional conservation manager of the U.S. Geological Survey, said the total of the high bids is "fairly close to the final figure we came up with last night," based on the small number of tracts actually bid on. He said there is a great deal of uncertainty about the offshore, Southern California area. "This may turn out to be a natural-gas area or a mix of gas and oil, and that would be uneconomic to develop. But the industry thinks it's certainly worth the effort to find out."

Apparently, the biggest spenders at the lease sale were the various groups headed by Shell, which had the high bids on nine tracts that went for a total of about $122.8 million. Standard Oil of California, in various groups and alone, spent about $111.2 million for 12 tracts, but the majority of that was the $105.2 million committed for Tract 254. Other high rollers included a partnership consisting of Texaco Inc., 66.7%, and Champlin Petroleum Co., 33.3%, which was the apparent high bidder on five tracts for about $93.5 million. Shell is a member of the Royal Dutch-Shell Group. Champlin is a subsidiary of Celanese Corp.

R. H. Nanz, vice president of exploration and production, western region, for Shell said that company's share of the high bids was about $62 million. "No one should have thought all the tracts would be bid on," he said. "There ought to be a few hundred million barrels of oil at least out there, but we won't know until we drill."

Mr. Nanz said that once the bids are accepted, it would probably be about four months before all permits are received. He said he doubts any drilling would begin until May 1976. "This is a moderate to easy area to work in, not like the North Sea, but a little more difficult than the Gulf of Mexico." Water depth in the tracts bid on ranges from about 200 feet to more than 2,000.

The Shell executive said that he thought it would be a minimum of three to four years "under the best of conditions" before production could start offshore of California, and probably seven to eight years for the areas farthest from the coast or in deeper water. Capital investment for all companies drilling here, providing there is a large enough find, could be in the area of $20 billion, Mr. Nanz added.

John Loftis, senior vice president of Exxon Co. (U.S.A.), a unit of Exxon, said the sale results "didn't surprise us in any way." He compared the sale to a past sale of leases off South Texas and added, "there was a little more committed and a little more spent here." He said the area has "fairly high potential, but also a lot of risk," and added that availability of drilling rigs presented some problems. Exxon spent $29 million to be the apparent winner of 12 tracts, out of 29 that it bid on.

John Silcox, vice president and manager of the exploration department for Standard of California, said his company's total exposure on high bids submitted by groups it led amounted to $39 million. Asked about the high bid of $105.2 million for Tract 254 (the next highest bidder was the Shell group with $35.3 million), Mr. Silcox said: "We felt it would be a successful day if we got that tract. That was our strategy."

William E. Grant, the manager of the Pacific Outer Continental Shelf Office of the Bureau of Land Management, said the office will make its final decision on which tracts to award to high bidders on a tract-by-tract basis. Mr. Gere, of the Geological Survey, indicated the possibility that all of the tracts bid on wouldn't be awarded. "I wouldn't be surprised if there are some problem leases," he said.

Besides the three prime tracts that carried one-third royalty rates, several others brought big bids, including tracts 104 ($33.4 million), 138 ($21.5 million) and 253 ($21.5 million), all apparently won by the Texaco-Champlin partnership. A group headed by Shell was apparent high bidder on Tract 115, with a bid of $20.6 million. Tract 253 is in the block offshore of Long Beach, and the others are far offshore, between San Clemente Island and San Nicholas Island.

A group protesting the lease sale, the California Citizens for Political Action, submitted the only bid for Tract 21. It was for $9,000, the minimum bid allowable. While it was an apparent winner, spokesmen for the group said they believed it was too low to be accepted.

In a press conference outside the sale room prior to the opening of the bids, Sherwin Kaplan of the protesting group said the bid was made to point out "what a ripoff" the sale was and to dramatize the need for higher royalty rates. He also said the group had wanted the sale put off, pending possible congressional action on lease sales. "What's the big rush?" he asked. "Is this a Christmas present for the oil companies?"

Santa Rosa Island area:

Tract 21, California Citizens for Political Action, $9,000.

Tract 26, a group led by Oxoco, $356,000.

Tract 31, Standard Oil Co. of Calif., $200,005.

Tract 32, Standard Oil Co. of Calif., $1,200,042.

Tract 33, Standard Oil Co. of Calif., $300,038.

Tract 34, group led by Oxoco, $411,000.

Tract 49, group led by Oxoco, $411,000.

Tract 51, group led by Shell Oil Co., $151,000.

Tract 54, Atlantic Richfield Co., $1,625,500.

Tract 55, group led by Oxoco, $319,000.

Tract 58, group led by Oxoco, $337,000.

Tract 59, Atlantic Richfield Co., $1,570,000.

San Clemente Island-San Nicholas Island area:

Tract 70, Standard Oil Co. of Calif., Union Oil Co. of Calif., $600,076.

Tract 71, Standard Oil Co. of Calif., Union Oil Co. of Calif., $2,217,000.

Tract 74, Exxon Corp., $353,800.

Tract 75, Texaco Inc., Champlin Petroleum Co., $10,143,360.

Tract 76, Gulf Oil Corp., $5,276,160.

Tract 77, Atlantic Richfield Co., $212,000.

Tract 79, group led by Shell Oil Co., $515,000.

Tract 80, Exxon Corp., $253,800.

Tract 81, Gulf Oil Corp., $4,281,120.

Tract 82, Atlantic Richfield Co., $870,000.

Tract 85, Exxon Corp., $152,300.

Tract 86, Exxon Corp., $152,300.

Tract 87, Gulf Oil Corp., $5,287,680.

Tract 88, Gulf Oil Corp., $3,288,960.

Tract 94, Exxon Corp., $1,015,000.

Tract 95, Exxon Corp., $6,156,000.

Tract 96, Exxon Corp., $1,015,000.

Tract 102, Exxon Corp., $1,015,000.

Tract 103, Exxon Corp., $12,210,000.

Tract 104, Texaco Inc., Champlin Petroleum Co., $33,356,160.

Tract 105, Exxon Corp., $5,125,000.

Tract 112, Marathon Oil Co., $5,011,200.

Tract 111, Exxon Corp., $507,500.

Tract 114, Group led by Shell Oil Co., $9,268,000.

Tract 115, Group led by Shell Oil Co., $20,598,000.

Tract 116, Amoco Production Co., $1,521,125.

Tract 123, Challenger Oil & Gas Co., $5,000,256.

Tract 124, Challenger Oil & Gas Co., $3,020,298.

Tract 125, Challenger Oil & Gas Co., $5,001,408.

Tract 126, Challenger Oil & Gas Co., $3,050,165.

Tract 128, Shell Oil Corp., $257,000.

Tract 137, Atlantic Richfield Co., $1,630,000.

Tract 138, Texaco Inc., Champlin Petroleum Co., $21,519,360.

Tract 139, Atlantic Richfield Co., $4,790,000.

Tract 149, Texaco Inc., Champlin Petroleum Co., $7,015,680.

Santa Barbara Island area:

Tract 185, group led by Mobil Oil Corp., $4,837,000.

Tract 196, group led by Mobil Oil Corp., $202,470.

Tract 203, group led by Mobil Oil Corp., $1,039,000.

San Pedro-Long Beach area:

Tract 246, group led by Mobil Oil Corp., $1,019,000.

Tract 247, group led by Shell Oil Co., $12,354,000.

Tract 252, Standard Oil Co. of Calif., Skelly Oil Co., $1,003,161.

Tract 253, Texaco Inc., Champlin Petroleum Co., $21,548,160.

Tract 254, group led by Standard Oil Co. of Calif., $105,177,888.

Tract 255, Exxon Corp., $1,015,000.

Tract 256, group led by Shell Oil Co., $8,238,000.

Tract 260, Standard Oil Co. of Calif., $1,600,012.

Tract 261, group led by Shell Oil Co., $25,568,000.

Tract 262, group led by Shell Oil Co., $45,685,000.

Tract 263, Gulf Oil Corp., $3,263,040.

Tract 264, Standard Oil Co. of Calif., $200,016.

Tract 266, group led by Mobil Oil Corp., $146,315.

Tract 267, group led by Mobil Oil Corp., $7,111,000.

Tract 268, Standard Oil Co. of Calif., Getty Oil Co., $800,179.

Tract 273, group led by Mobil Oil Corp., $1,029,000.

Tract 274, Standard Oil Co. of Calif., $413,280.

Tract 275, Standard Oil Co. of Calif., $500,025.

Tract 281, Gulf Oil Corp., $3,188,160.

Tract 282, Challenger Oil & Gas Co., $4,000,557.

[From the Wall Street Journal, Dec. 22, 1976]

INTERIOR UNIT ACCEPTS 56 BIDS FOR OIL LEASES OFF CALIFORNIA SHORE

LOS ANGELES.—The Department of the Interior said it accepted 56 high bids totaling $417.3 million in the first federal sale of oil and gas-exploration leases off the coast of California in seven years.

The department rejected bids totaling about $21 million or 14 of the 70 tracts for which bids were made. All together, 231 tracts were up for bids, and some government officials had said they expected bids of $1.5 billion to $2 billion or more. However, the sale produced total high bids of only $438.2 million out of total bids of $902 million.

Some officials, including Gov. Edmund G. Brown Jr. of California called on the government to reject all the bids, saying that they didn't constitute "fair market value."

The Interior Department rejected one bid for lack of proper bidder qualification. That was a $9,000 bid for Tract 21 by the California Citizens for Political Action, a group that made the token bid as a protest against what it called a "giveaway" to the oil companies.

The other high bids were rejected because Interior believed the prices were too low. The tracts, the high bidder and the price bid were:

Tract 70, Standard Oil Co. of California—Union Oil Co. of California $600,076.

Tract 71, Standard Oil Co. of California—Union Oil Co. of California $2,217,000.

Tract 74, Exxon Corp., $353,800.

Tract 80, Exxon Corp., $253,800.

Tract 116, Amoco Production Co., a unit of Standard Oil Co. of Indiana, $1,521,125.

Tract 126, Challenger Oil & Gas Co., $3,050,165.

Tract 246, group led by Mobil Oil Corp., $1,019,000.

Tract 252, Standard Oil Co. of California—Skelley Oil Co., $1,003,161.

Tract 255, Exxon Corp., $1,015,000.

Tract 260, Standard Oil Co. of California, $1,600,012.

Tract 267, group led by Mobil Oil Corp., $7,111,000.

Tract 273, group led by Mobil Oil Corp., $1,029,000.

Tract 274, Standard Oil Co. of California, $413,280.

THE JUSTICE DEPARTMENT: SOME THROUGHTS ON ITS PAST, PRESENT AND FUTURE

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. HUNGATE. Mr. Speaker, Attorney General Edward H. Levi has written about the Department of Justice in the December 1975 issue of the Illinois Bar Journal. The article is entitled, "The Justice Department: Some Thoughts on Its Past, Present and Future," and is adapted from a speech given by Mr. Levi at the American Bar Association meeting in Montreal last August.

The Attorney General is a learned and distinguished scholar, and the article should prove of interest. I am, therefore, inserting it into the RECORD so that it will be readily available to my colleagues:

THE JUSTICE DEPARTMENT: SOME THOUGHTS ON ITS PAST, PRESENT, AND FUTURE

(By Attorney General Edward H. Levi)

The role of the FBI, electronic surveillance, civil rights, the control of crime—all these and many other important national problems are coming under the scrutiny of the Attorney General and his staff. A vigorous approach toward increased integrity is the objective.

The Department of Justice is an integral part of government. The oath of the President is to defend the Constitution, and the Constitution requires that he take care that the laws are faithfully executed. Because of the nature of the rule of law, the Department has a pervasive and particular role. If one looks at Article One, Section Eight of the Constitution, a lawyer, at least, will immediately recognize the point. The Department does not negotiate issues of conflict or trade with foreign nations, manage the national debt or coin money. It does not supervise the national programs for agriculture or for the regulated industries. It is not the administrator for systems of taxation and social welfare, nor for the protection of the environment and the sources of energy. But the Department over time has been concerned in greater or lesser degree in some way—and sometimes deeply—with all these activities. Indeed I am sure that one or more of my colleagues in the Cabinet may be pleased and surprised at this statement of partial renunciation. The Department has to be a special advocate, not only in defending governmental decisions at law, but in the attempt to infuse into them the qualities and values which are of the utmost importance to our constitutional system. Thus there must be a special concern for fair, orderly, efficient procedures, for the balance of constitutional rights, and for questions of federalism and the proper regard for the separation of powers. It is sometimes said that, so far as the Department is concerned, courts alone have this duty. I do not agree.

The work of the Department inevitably frequently involves most directly the safety and well being of the community and the protection of individual rights. This fact elevates the review which the Department must make of its performance and priorities to more than an exercise in efficiency, although that is important. The Department's work is likely to be at that central point where conflicting values meet. One traditional way for the law to meet such problems is to fashion a realm of ambiguity. Particularly where the government is involved, with its inherent coercive power, these cloudy areas invite suspicion and mistrust. Where the values are in conflict, the law is not as clear as it should be, and the matter is of great importance to the safety of our country, the burden upon the Department is heavy.

I do not suggest ambiguities can be completely avoided. I know they cannot be. And the case by case approach of our law which thrives on ambiguity—to say nothing of the lack of clarity in legislation—is part of the genius of government and no doubt is necessary. But a prime and useful function of the law as it operates is to help explain the conflict in values and often to bring to issue the problems which are involved. This is not always possible; discussion may be difficult. The central position and power of the Department are such that it ought to attempt to be articulate about these conflicts in values. The role is one of law revision, resolution, or acceptance of dichotomies which in a democratic society ought to be set forth. There are other areas where change through legislation is much needed, but because emotions are high on both sides, no proposal is easy to advance. Again I think it is the duty of the Department, where the administration of justice is concerned, to encourage the discussion and to make suggestions. I do not regard these views as surprising. They are not always easy to follow.

The Federal Bureau of Investigation is established by statute in the Department of Justice. The basic jurisdiction for the Bureau's investigative work in the detection of crime derives from general legislation which gives the Attorney General the power to appoint officials "to detect and prosecute crime against the United States." Other statutes vest in the Bureau specific responsibilities to investigate particular types of violations. The same general legislation which criminal investigative authority also allows the Attorney General to appoint officials "to conduct such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General." This provision and the authority of the President, exercised through executive orders, presidential statements or directives, have been the foundation of certain investigative activities of the Bureau that do not necessarily relate, and frequently do not relate, to criminal prosecutions.

Shortly after I took office, I appointed a committee in the Department of Justice to study the practices of the Federal Bureau of Investigation and to develop a comprehensive set of guidelines to govern its future conduct. The committee of six attorneys, including one from the Bureau has been meeting several times a week over the last five months. The mandate of the Committee is broad: to reconsider the whole range of Bureau investigative practices from the use of organized crime informants to the use of warrantless electronic surveillance to collect foreign intelligence information. The Committee has written detailed proposed guidelines in four areas: investigations requested by the White House, investigations for Congressional and judicial staff appointments, unsolicited mail, and investigations to obtain domestic intelligence. The Committee is proceeding to draft guidelines for additional areas such as organized crime intelligence, criminal investigations, the federal security employee program, counterintelligence and foreign intelligence investigations, and background investigations for federal judicial appointments.

Each of the guidelines has special problems and requires particular solutions. For example, some of the alleged instances of misuse of the FBI over previous periods have involved directions from the White House, often from low ranking officials, given orally, and couched in terms of law enforcement or national security. They involved such matters as surveillance at a political convention, investigation of a newsman unsympathetic to the Administration cause, or the collection of information on political opponents. The proposed guidelines require that the request be made or confirmed in writing, specifies those who may make requests, requires the official initiating the investigation be identified, the purpose of the investigation stated among certain routine areas, and where a field investigation is initiated, an attestation that the subject has given consent.

During Congressional hearings, a great deal of concern was voiced about the FBI's retention in its files of unsolicited derogatory information about individuals—including Congressmen and Senators. The Bureau does receive a great deal of information which is unsolicited by the Bureau and does not bear upon matters within its jurisdiction. It is the repository of many complaints—some of which concern personal habits or incidents. As I commented at the hearings, there are policy considerations which argue in favor of retention of unsolicited allegations. A vitriolic accusation concerning a Congressman can become of substantial importance if there is a subsequent attempt at anonymous extortion or other threats. There are other examples not difficult to imagine in which the allegation, as part of a developing later picture, becomes significant. Moreover the destruction of material which later might be thought to have been an alert to all kinds of serious problems can be seriously criticized. Nevertheless, I expressed the hope that a procedure could be devised to screen materials to be retained. The proposed guidelines would require that unsolicited information, not alleging serious criminal behavior that ought to be investigated by the FBI or reported to other law enforcement agencies, be destroyed—within ninety days of receipt. Other guidelines confront directly the question of the length of time other kinds of investigative materials should be retained.

Perhaps the most important guidelines the Department of Justice Committee has yet drafted involves domestic intelligence inquiries. For decades the FBI has been conducting investigations of groups suspected by it or other government agencies of being involved in subversive activities. Unlike conventional criminal investigations, these investigations have no built-in necessary, automatic conclusion. They continue as long as there is a perceived threat. They are not reviewed outside the FBI. They come close to First Amendment rights.

The proposed guidelines would limit domestic intelligence activities to the pursuit of information about activities that may involve the use of force or violence in violation of federal law in specified ways. Full scale investigations would be reported immediately to the Attorney General under the proposed guidelines. He would be required to review them periodically and to close an investigation any time he determined that the justification for such an investigation does not meet certain enumerated standards. The proposed guidelines would limit the techniques the Bureau could use in domestic intelligence investigations. Informants, for example, could not be used to originate the idea of committing a crime or to induce others to carry out such ideas. Electronic surveillance could not be used in limited investigations and, when employed in full investigations, would have to be consistent with Title III of the Omnibus Crime Control and Safe Streets Act of 1968 and subject to specified minimization procedures.

The proposed guidelines deal with the difficult subject of the Bureau's involvement in preventive action. The Bureau and the Department have made public the fact that before 1972, and for a number of prior years, the Bureau engaged in special programs directed at domestic groups; for example, it improperly disseminated information from its files to discredit individuals, or arranged for the sending of anonymous letters, or the publication of material intended to create opposition. I have described such activities as foolish and sometimes outrageous. They were done in the name of diminishing violence. The proposed guidelines accept the proposition that in limited circumstances carefully controlled FBI activity which directly intercedes to prevent violence is appropriate. Traditionally officers of the law are empowered to prevent violence when they see it occurring. Under the proposed guidelines the Attorney General would have to determine that there is probable cause to believe that violence is imminent and cannot be prevented by arrest before he could authorize preventive action. The preventive action would have to be itself non-violent and could involve only such techniques as using informants to lead people away from violent plans; open and obvious physical surveillance to deter people from committing acts of violence; restricting access to the instrumentalities or planned location of the violence. The Attorney General would be required to report periodically to Congress on any preventive action plans he authorized.

The proposed guidelines are far more detailed than the summary I have given. But the summary suggests the nature of the exercise. Despite the argument that to an investigative agency all information it comes across may be valuable—may even turn out to be crucial—the guidelines balance the argument against the interests of individuals in privacy. Despite arguments that domestic intelligence operations are essential to national security and must proceed unencumbered by detailed procedures of authentication, the guidelines recognize the effect that unfettered investigations of that kind might have on legitimate domestic political activity and propose tight controls. The guidelines obviously are not in final form. Some might be most appropriate as statutes or executive orders. Others could be put into effect by regulation. Before any go into effect there will be more discussion, both within the Department and outside of it. They have not been adopted, although they frequently reflect current practice. Whatever the outcome, they do represent a necessary effort which undoubtedly, but for other concerns, would have been undertaken years ago.

The Department of Justice has had for many years, and now has, special responsibilities for warrantless electronic surveillance. Title III of the Omnibus Crime Control and Safe Streets Act of 1968 sets up a detailed procedure for the interception of wire or oral communications. It requires the issuance of a judicial warrant, prescribes the information to be set forth in the petition to the judge so that, among other things, he may find probable cause that a crime has been or is about to be committed. It requires notification to the parties subject to the surveillance within a period after it has taken place. So far as the federal government is concerned, the statute provides that the application to the federal judge must be authorized by the Attorney General or an Assistant Attorney General especially designated by him. This is hardly the procedure one would design for the continuing detection of the activities of foreign powers or their agents. The Act, however, contains a saving clause to the effect that it does not limit the constitutional power of the President to take such measures as he deems necessary to protect the nation against actual or potential attack or other hostile acts of a foreign power, to obtain foreign intelligence information deemed essential to the security of the United States, or to protect national security information against foreign intelligence activities. Apparently on the assumption that the President would use such a power, the act then goes on to specify the conditions under which information obtained through presidentially authorized interceptions may be received into evidence. In speaking of this saving clause, Mr. Justice Powell in the *Keith* case wrote: "Congress simply left presidential powers where it found them."

At least since 1940, and possibly before, Attorneys General under presidential directives, have authorized warrantless electronic surveillance. As is well known, President Franklin Roosevelt issued such a directive to Robert Jackson in May 1940. The directive spoke of persons suspected of subversive activities against the United States. President Truman concurred in a modified authorization to Attorney General Tom C. Clark in 1946 put in terms of cases vitally affecting the domestic security or where human life is in jeopardy. President Johnson issued such a memorandum in June 1965 to Attorney General Katzenbach. The memorandum expressed President Johnson's strong opposition to the interception of telephone conversations as a general investigative technique but recognized that mechanical and electrical devices might have to be used for this purpose in protecting national security. Under all these directives, the approval of the Attorney General was required for any action taken.

There is a history concerning the necessary approval of the Attorney General. Director Hoover over the years took a strict view of the use of wiretapping. He thought such surveillance should be used only in cases of an extraordinary nature. He once wrote that the approval of the Attorney General was a necessary safeguard to prevent "promiscuous wiretapping." He also wrote that under the system which he set up in 1940, he was the only head of a government investigating agency "who does not have the authority to authorize a wiretap." He wrote that he felt "quite strongly" that "no government agency should tap a phone unless it is specifically approved in each instance by the Attorney General." He frequently made the point that the main purpose of such surveillance was for the "procurance of intelligence information" in highly sensitive areas, and he thought it was better to have one official give the authorization or deny it.

I need hardly remind you that since 1928 the law in this area, not unlike others, has changed. In *Olmstead* in 1928 it was concluded that wiretapping did not violate the Fourth and Fifth Amendments. This caused a flurry in the Department because it raised a question concerning the inconsistent attitude within the Department between the Bureau of Prohibition and the Bureau of Investigation. The practices of the Bureau of Prohibition were much more lax. *Olmstead* was followed by the passage of Section 605 of the Federal Communications Act, and by the subsequent 1937 ruling of the Supreme Court in *Nardone* that evidence so obtained was not admissible in criminal prosecutions in a federal court. Attorney General Biddle in 1941, summarizing what he had said at a press conference, wrote to Director Hoover that the Attorney General would continue to construe the Communications Act not to prohibit the interception of the communications by an agent and his reporting of their contents to his superior office. He said that while this could be said of all crimes, as a matter of policy wiretapping would be used sparingly and under express authorization of the Attorney General.

The shape of the present law today is set by title III and its saving clause; by the decision of the United States Supreme Court in the *Keith* case in 1972, and by subsequent decisions in three of the United States Courts of Appeals. In the *Keith* case, the Court held that in the field of internal security, if there was no foreign involvement, a judicial warrant was required by the Fourth Amendment. The Department in its subsequent practice has, of course, conformed to that decision. Justice Powell speaking for the Court emphasized "this case involves only the domestic aspects of national security. We have not addressed and have expressed no opinion as to the issues which may be involved with respect to activities of foreign powers or their agents." This was followed by a footnote giving a reference which buttresses the view that warrantless surveillance may be constitutional where foreign powers are involved. Along with two cases, the American Bar Association Project on Standards for Criminal Justice is cited. Since *Keith*, two federal courts of appeals—the Third Circuit and the Fifth—have upheld warrantless surveillances for purposes of foreign intelligence.

The United States Court of Appeals for the District of Columbia Circuit on June 23rd last held that a warrant was required for surveillance of the Jewish Defense League. That organization was not an agent or collaborator with a foreign power even though it was involved in violent harassment of officials of a foreign government, and this might have had foreign consequences. The holding of the Court was carefully limited. The far-ranging views expressed by Judge Skelly Wright in the plurality opinion, however, apparently would require some kind of a judicial warrant for any kind of non-consensual electronic surveillance. But Judge Wright was careful to repeat, "we hold today only that a warrant must be obtained before a wiretap is installed on a domestic organization that is neither the agent of nor acting in collaboration with a foreign power, even if the surveillance is installed under presidential directive in the name of foreign intelligence gathering for protection of the national security." This holding is not inconsistent with what was decided in the Fifth Circuit in *Brown* in 1973, and in the Third Circuit in *Butenko* in 1974.

While it may not be relevant—although I think it is—I think it can be said that the Supreme Court surely realized, in view of the importance the government has placed on the need for warrantless electronic surveillance, that after the holding in the *Keith* case, the government would proceed with the procedures it had developed to conduct such surveillances not prohibited; that is, in the foreign intelligence area, or, as Justice Powell said, "with respect to activities of foreign powers or their agents." I think the same observation can be made about the expectations in this regard which Congress must have had after the 1968 Act. It could hardly have been a surprise when, three months after the *Keith* case, Attorney General Richardson indicated the continuation of such surveillances and placed the conditions for them in the foreign intelligence field in terms of the "contours of the President's power as suggested by Congress in the 1968 law."

Justice Powell in the *Keith* case did not apply the 1968 statute. He emphasized, indeed, that the Court did not hold that the same kind of standards and procedures prescribe by the statute would necessarily be applicable in that kind of domestic security case. I believe that was an invitation to the Congress to design something different. If I read Judge Wright correctly in the expression of his wider-ranging views, his belief is that courts on their own may devise new kinds of warrants, although the relationship to Title III would then seem unclear. Meanwhile the Department has continued its efforts to perfect the standards and processes used, under the authorization of the President, when the Attorney General gives or denies his consent to a proposed electronic surveillance. Last June the Department reported the number of such telephone and microphone surveillances for the year 1974. The number of subjects of telephone surveillances was 148; the number of microphone surveillances was 32. On July 9, commenting on the Department's practice, I publicly stated "there are no outstanding instances of warrantless taps or electronic surveillance directed against American citizens and none will be authorized by me except in cases where the target of the surveillance is an agent or collaborator of a foreign power." We have very much in mind the necessity to determine what procedures through legislation, court action or executive processes will best serve the national interest, including, of course, the protection of constitutional rights.

The concern about FBI conduct and warrantless electronic surveillance are examples of the Department of Justice looking inward in its effort to confront important issues of civil liberty. The Civil Rights Division of the Department exemplifies the outward reach of this concern. In the late 1950s and 1960s it faced a situation in which many state and local governments enforced laws that blatantly discriminated. Discriminatory treatment in employment and public accommodations was the rule in large areas of the nation. Changing this situation was a long, difficult and painful endeavor. Even in 1968, sixty-eight percent of all black students in eleven southern states went to all-black schools. The "dual school system" was still in effect. By 1972 that figure had declined to a little more than nine percent.

Today the Civil Rights Division's effort against race discrimination is a more subtle one. Often it is difficult now to show a history of *de jure* segregation, and more importantly, as the quest for equal opportunity becomes more successful, some of the demands of minority groups might, if met, involve unfair deprivations of others. A difficult balance is required. It is made more pressing today because a great number of private civil rights suits is being filed which makes it even more important that basic legal concepts be clarified. The clarification is impeded in many respects by semantic breakdown. Words that could express the conundrums and conflicting values are taken to indicate a broad opposition to civil rights. Euphemisms have been substituted for logic. Thus the metaphysics of the distinctions between quotas, which are taken to be bad, and goals, which are taken to be good. Now whatever these devices which seek a sort of numerical parity among racial and ethnic groups might be called, I think it could be agreed they are appropriate when a specific showing is made about a specific institution that it has discriminated against minority groups in the past, and this form of relief is necessary. But the reach of affirmative action programs goes much further. Affirmative action would choose a parity figure and then impose it without regard to a specific showing of discrimination.

The Civil Rights Division has, of course, not solved the riddle of so-called "reverse discrimination." Neither has the Supreme Court. It had the opportunity in the *DeFunis* case, but it withheld judgment. Perhaps that was wise. Perhaps it is not a moment ripe for the education of a principle. Temporarily—and I hope briefly—we may be standing at a moment at which the internal conflict in our ideal of equality is seeking an equilibrium which is not yet obvious—nor even, perhaps, attainable—to us. But the problem is not insoluble, even though we might not immediately see how the resolution of competing interests can be accomplished. It is the duty of the legal profession—one we should welcome—to seek accommodations in difficult situations in such a way as to protect fundamental values.

Though its major work is still in the area of minority rights, the Civil Rights Division lately has begun to assert the rights of other disadvantaged groups within society. Beginning more than two years ago with an important test case that involved the issue of a constitutional right to treatment for the institutionalized mentally ill, its work has extended into other sorts of institutions whose purpose require some limitation on individual liberty and whose residents are not in a position to assert their rights unaided. The aim is to ensure that every effort is made to minimize those limitations so that even the powerless and the infirm might enjoy some measure of freedom and obtain decent, civilized treatment. The Division has become involved in cases asserting a right of juvenile offenders to be treated during their incarceration, cases attacking negligent conduct by states in placing children who have become their wards, and cases seeking to require state officials to bring nursing homes for the aged up to minimum health and safety standards.

It is well to recall in all these efforts on behalf of the disadvantaged among us, however, that our most benign efforts sometimes yield hurtful results. When society turned its gentle eye upon the young some decades ago, it produced the juvenile justice system which today is in many places a shambles. Likewise, the corrections reform movement of about a century ago insisted upon the humane ideal of rehabilitation, and that concept has led to indeterminate sentences, dubious efforts at behavior modification, and despair so deep that the whole idea of helping those who are convicted of crime has been called into question. This is not to cast doubt upon the importance of the Civil Rights Division's efforts, of course, because they are aimed at righting some of the wrongs earlier reforms produced. But it is to suggest that as lawyers we must know the limits of the law and the fact that other social institutions are sometimes able to do that which law cannot do.

I come now to the fourth area I wanted to discuss with you—the problem of crime. For some years the federal government acted as if its abilities in bringing crime under control were limitless. It created expectations in the public that could not be met. Public disappointment provoked, not a reexamination of the basic assumptions of the federal government's efficacy, but rather an increasing emphasis on toughness, even vindictiveness against those convicted of crime. This obscured a feature of the crime problem that is important now to reconsider. Every success in reducing crime—especially street crime people fear most—is a victory for individual liberty so long as the success does not come at the expense of constitutional rights guaranteed criminal defendants. The sense of vindictiveness that intruded upon the discourse about crime led to the misapprehension that prosecuting criminals somehow infringes upon rights rather than protect them.

Serious crime rose 18 percent during the first three months of 1975 compared with the same period last year. In 1974 serious crime was up 17 percent, according to the FBI's Uniform Crime Statistics. Increases in the rate of violent street crime have paralleled the total increase. These sad figures do not begin to measure the effect on individual freedom increasing crime has had. It has affected not only the immediate victims of violence and theft; it has also embedded fear in the minds of countless Americans, Freedom of movement, freedom of association, even the freedom to rest secure in one's own house have been impaired.

Law enforcement is a central part of the protection of human rights. The sentiments that lead officials to believe it is better to minimize law enforcement in poor and minority group neighborhoods of our cities are at best misguided. A study by the Law Enforcement Assistance Administration of crime in five large cities showed that blacks were nearly twice as likely as whites to be the victims of robbery or burglary. In four of those cities blacks were also more likely than whites to be the victim of violent aggravated assault. Lack of adequate law enforcement, more so even than lack of other government services, deprives the poor of their right to live a decent life.

The President has recently delivered a message on crime which, while it admitted the limitations of the federal government's ability to solve the problem of crime, offered some reforms in the federal criminal justice system which might serve as models for states to follow. It set forth a program of gun control that offers the possibility of stemming some of the violence that besets our cities. It emphasized the plight of the victims of crimes and thus began a process by which the problem of crime can be rescued from the rhetoric that has trapped it for years. The Department of Justice, in addition to working to implement the President's program, is attempting to develop a strong research and policy study capability that can help us direct efforts against crime more effectively. This is being done through a revitalized National Institute of Justice.

I have chosen these four areas for discussion because I believe they give some flavor of how the Department of Justice is approaching problems important to it and to the thrust of law in our society. I have chosen them as examples not only because they are important in themselves but also because they indicate ongoing work by the Department in areas involving the conflict of important social values. Our hope is that we can meet problems with candor and some depth of understanding, informed by the history of our discipline, conscious of the ideals to be maintained, vigilant for the welfare of our society and the protection of human rights; in short, in a way which fits the best traditions of our profession.

THE CONTINUING HUD MENACE

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. BRODHEAD. Mr. Speaker, as you know, I have made a number of statements concerning the bungling and mismanagement of the Department of Housing and Urban Development, especially in Detroit.

Now, I would like to present a statement made on Detroit's station WJR by Dr. Mel Ravitz, director of the Detroit-Wayne County Community Mental Health Services Board and former president of the Detroit City Council.

Dr. Ravitz' statement typifies the deep concern with which the HUD mess is viewed by Detroit community leaders:

> THE CONTINUING HUD MENACE
>
> Not too many years ago some of us were advocating creation of a new federal cabinet post that would address the problems of cities. Our hope then was that such a cabinet level department would focus public attention on these urban problems and help resolve them.
>
> Little did we realize then that the Department of Housing and Urban Development (HUD) would one day be viewed not as the friend of America's cities but as their mortal enemy.
>
> We in Detroit especially have reason to be incensed by HUD's actions and inactions. Not only has this federal agency and its succession of national and local administrators done more than any other agency to devastate our city both physically and psychologically, but the damage is continuing. Each new HUD proposal is more harmful than the last.
>
> Now we have a proposal to help prevent additional foreclosures that sets as its trigger point a percentage of foreclosures we in Detroit are already well past, but which the nation as a whole has not yet reached. If HUD holds to its arbitrary national percentage before foreclosure help is possible, it will be months before help can be provided to those Detroit homeowners who are now on the brink of default. When help can become available, according to HUD's formula, it will already be too late for hundreds of northwest Detroit residents.
>
> Nor is that the only example of HUD's ineptness. HUD recently revived the old Section 235 housing subsidy program, which led to much of the corruption and exploitation in the first place a few years ago, but it has not removed the basic flaws that assured failure before. Under this revived housing acquisition program there is still no community-based counseling service to help safeguard prospective home purchasers, nor is the down payment low enough for many of the poor to qualify.
>
> As we enter 1976 we do so with the HUD mess still with us. Although councilmen, mayors and U.S. Representatives have all tried to make HUD accountable and to stop the decay of Detroit's housing supply, none of us has been successful. Thousands of houses have been abandoned, countless neighborhoods have been ruined, and more are about to be, but HUD rolls merrily along.
>
> Surely someone can find a way soon either to eliminate HUD altogether or make it an agency that helps cities in their time of trouble rather than contributes to their deterioration. It's ironic but true: had HUD never existed, Detroit's neighborhoods would be better off than they are.
>
> If we can do only things in 1976 to help our city and its people, it should be to get HUD to clear away the blighted housing its policies have produced, and to help prevent imminent foreclosures on countless other houses. Unless this is done, we will approach the next new year still bemoaning the HUD mess but with much more of our city destroyed. For Detroiters at least, one test of the next President of the United States will be his ability to control HUD and make it an accountable, constructive public agency.

LEGISLATION TO INCREASE SMALL BUSINESS PARTICIPATION IN ENERGY RESEARCH AND DEVELOPMENT

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. MOTTL. Mr. Speaker, Mr. BROWN of California, Mr. CLEVELAND, Mr. DOWNEY, Mr. DRINAN, Mr. HARRINGTON, Mr. JENRETTE, Mrs. SCHROEDER, and Mr. STARK have joined me in introducing the Energy Research and Development Free Enterprise Act of 1976. This proposal will increase the participation of small businesses and individual inventors in our energy research and development programs, which will stimulate both innovation and competition in the energy industries.

Since the Second World War, the Federal Government has spent over one-quarter trillion dollars on research and development efforts. The vast majority of which has gone to giant corporations. Yet, study after study concludes that it is small businesses, and not large businesses, that are responsible for most of the technological innovations in this century. In a number of fields, such as solar energy, they are responsible for nearly all of our present technology.

However, according to the National Science Foundation, from 1957 to 1972 over 90 percent of Federal R. & D. funds went to giant corporations. Within the last 2 years, over 70 percent of all of ERDA's contracts with profitmaking corporations for solar energy research and development have gone to giant corporations.

We can all recognize some of the factors contributing to this. The small businessman has difficulty gaining access to officials; he is unable to hire professional grantsmen; he cannot afford lobbyists; and he is often ignored by decisionmakers.

The Congress has recognized these problems, but has hoped that the executive branch would deal with them effectively. Time after time, our desire to encourage small firm participation in Federal programs has been written into the law, but it has gone largely ignored. We continue to give the most money to those who produce the least results.

Are we not also contributing to the erosion of competition in our economy?

No less of an authority than J. Paul Getty notes that—

> Competition is the stimulus, the very basis of our free-enterprise system. Without competition, business would stagnate.

By continuing to ignore the potential of small businesses, by continuing to exclude them from Federal research and development programs, and by continuing to give over 90 percent of our funding to giant corporations; are we not inadvertently contributing to the stagnation of our free enterprise system?

In our current energy research and development program, we continue to blindly fund giant corporations. We fail to recognize that large corporations may actually slow down or suppress the development of new energy sources, due to their investments in our conventional, high-priced and high-profit technologies.

It is the small businessman who does not have an overriding interest in protecting antiquated investments, and whose prime interest is the rapid and successful development of new technologies. There are numerous examples of new firms introducing innovations that established firms failed to develop or actually suppressed.

Should not we also ask, before giving out any Federal funds, whether a corporation could not do the project with their own funds? Does General Electric really need $800,000 of the taxpayer's money to do a market survey? Does I.T. & T. really need $17,000 to evaluate solar collector materials?

In conclusion, we are introducing legislation which is directed toward these questions. It will increase and encourage the participation of small businesses and individual inventors in Federal energy R. & D. programs. It will stimulate innovation and competition in our energy industries. It will reverse the trend toward the monopolization of our new energy fields; and, it will improve the distribution of Federal R. & D. funds.

I strongly believe that this legislation is necessary for the health of our free enterprise system and the welfare of our Nation. I urge my colleagues to join with us in supporting this legislation.

PRESCRIPTION PRICE DISCLOSURE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. ROSENTHAL. Mr. Speaker, after many years of struggle by consumers, the battle to achieve retail prescription price disclosure appears headed for victory.

In the half-dozen years since I introduced the first legislation to remove State prohibitions on prescription drug price advertising, the barriers have been lowered in several States by the courts and the legislatures at the urging of consumers and competition-minded business persons.

Last week in Washington the Federal Trade Commission held hearings on its proposed prescription drug price disclosure rules. I was pleased to be able to testify at those hearings and am inserting my testimony in the RECORD today.

Action is also taking place on three other fronts. The Justice Department has filed antitrust suits against the American Pharmaceutical Association and the Michigan State Pharmaceutical Association to force cancellation of the clause in their code of ethics prohibiting prescription drug price advertising.

And the U.S. Supreme Court is expected to rule shortly on a challenge to the constitutionality of Virginia's law against advertising of prescription drug prices.

The Food and Drug Administration has established useful rules governing the price advertising and posting to assure consumers of getting adequate information for making comparisons.

Unfortunately, Mr. Speaker, the only place where there has been no action is right here in the Congress. Although my legislation was originally introduced in the 91st Congress and today, as H.R. 996, the Prescription Drug Price Information Act is cosponsored by more than 1 out of every 10 Members of the House, it has continued to gather dust in committee. Ironically, this legislation and the movement behind it have had a greater impact outside the Congress than inside, leaving the Congress in an embarrassing position of once again lagging behind.

Testimony follows:

Testimony of Congressman Benjamin Rosenthal

I appreciate the opportunity to testify today on the Commission's proposed Prescription Drug Price Disclosure Rules. I commend the Commission and its staff for their work to end needless and costly restrictions on prescription drug advertising.

These proposed regulations are particularly pleasing because they are something that I have been advocating for at least a half dozen years. It has been that long since I introduced the first legislation to end all prohibitions on retail prescription drug advertising. Currently, nearly 50 Members of Congress are sponsoring H.R. 996, the Prescription Drug Price Information Act, which would eliminate the advertising bans and mandate posting of prices for the 100 most commonly prescribed drugs.

I have introduced three other related bills:

1. The Prescription Drug Labeling Act, H.R. 998, would order labeling and advertising of prescription drugs by their established (generic) name and end all laws prohibiting generic substitution by pharmacists:

2. The Prescription Drug Freshness Act, H.R. 1001, would require open dating of all perishable prescription durgs, showing clearly on the drug's label the date beyond which the potency is diminished or the chemical composition altered by age, and

3. The Prescription Drug Patent Licensing Act, H.R. 1003, would mandate compulsory licensing of new prescription drugs during the 17-year patent monopoly period.

These bills are among the recommendations of an 18-month study conducted by my staff in New York and in Washington, and contained in a report issued nearly three years ago, on March 15, 1973, titled "RX: Retail Drug Price Competition."

American consumers are forced to pay $1 to $2 billion annually in unnecessary prescription costs because of prohibitions on retail drug price advertising as well as overprotective patent laws, exorbitant promotional expenditures by industry, unreasonable markups and a widespread lack of effective competition.

Americans last year spent some $8.4 billion on prescription drugs—about $40 for each man, woman and child. These regulations could help them cut that bill by several dollars per person.

Shopping for prescription drugs is unlike shopping for any other consumer product. The consumer has been conditioned to avoid comparing prices and not to ask the cost of the drugs ordered. There is usually a sense of urgency involved in having a prescription filled. Patients concerned about their health rarely condition a purchase of a prescription on its cost, nor do they usually have the time or transportation to shop comparatively.

Retailers tend to disclaim any responsibility for drug prices, contending that their prices represent only a reasonable markup over the wholesale cost. The reasonableness of the markup is debatable, especially since retail prices for identical drugs vary dramatically among like stores in the same neighborhood. These price variations relate to differences among the pharmacies in purchasing ability, the cost of trademarked drugs versus generic equivalents, overhead, services and efficiency or operation.

Small independent druggists fear competing with mass merchandisers, a competition which they feel would develop if price information were readily available to consumers. However, the small proprietor usually has two strong advantages over his larger counterparts—convenience and more personalized service. He is more likely to be located near the doctor's office or in a residential neighborhood. Many consumers would undoubtedly be willing to pay for the convenience and personalized service at the neighborhood pharmacy, but they should do so knowing the drug prices probably are higher.

The pharmacists and drug store operators who fight so vigorously against retail prescription drug advertising frequently are the victims themselves of overpricing by the manufacturers.

There are numerous channels through which the influence of pharmaceutical manufacturers is exercised and results in higher prices to the pharmacies and to the public. One wisely used method is advertising in pharmacy journals and periodicals and other literature. Advertisements in medical journals represent a significant method of influencing the doctor's prescribing habits.

A second channel of influence is through the Physicians' Desk Reference (PDR), the primary source of information about available drugs for most doctors. The PDR is a catalogue of prescription drugs which illustrates them and explains their usage. It is composed of advertising by the major drug manufacturers and distributed without charge to most doctors and hospitals. Contrary to its implied universality, PDR is incomplete because it mentions only a few generic names for widely consumed basic drugs. Furthermore, the widespread use of this volume serves to conceal from practicing doctors the existence of numerous other manufacturers who can supply the same drugs at lower cost. The higher price of these drugs is, therefore, passed onto the patient, who is caught unaware in this web of economic profit.

Also helping to keep retail prescription prices high is the lack of concern shown by physicians for the price their patients will have to pay for the medicine prescribed. It's time doctors began demonstrating concern for their patients' economic health. One effective way of accomplishing this would be to print unit and dosage prices in the PDR and in other literature made available to physicians by manufacturers and professional medical organizations. Such a practice is followed in nearly every European country.

Studies by my office, by consumer groups around the country and by the news media have shown that prices vary not only from store to store but can even vary from customer to customer at the same store. Simply because prices are not posted or advertised, the clerk or pharmacist can arbitrarily change the price based upon the customer's age, sex, race or appearance. I received a letter from a constituent, a law student, who told me he worked in a small, independently owned drug store where prescription pricing is made on the spot, according to the appearance of customers, how often they visit the store, their knowledge of prices and drugs and how business has gone that day.

It is also common knowledge that prescription prices at some stores are negotiable. In addition, some chains use zone pricing, with the prices directly related to the proximity of the competition. There are very few, if any, checks on such unethical, if not illegal, practices.

Prices also tend to be higher in low-income neighborhoods: Pharmacists claim there are valid reasons for this situation: business costs frequently are greater, there's the paperwork of third-party prescriptions like Medicaid, insurance is more difficult to get and it is often a problem to hire people for these areas. Large losses due to shoplifting, robberies and burglaries have forced some pharmacists to stop selling prescriptions in high crime areas.

But the poor often pay more for another reason: most low-income people do not enjoy the mobility of the more affluent consumer who has a car and can shop around for the best price. Consequently, the poor have become a captive audience for the dwindling number of frequently smaller merchants in the neighborhoods. The lack of competition in these areas sends prices upward for all commodities, not only medicine.

The opportunity to make an informed choice in the purchase of products which are as necessary to the health of an individual as prescription drugs is a basic right. However, monopolistic drug patent laws, captive pharmacy boards, pressure from pharmaceutical manufacturers and the groundless fears of pharmacists over prescription drug price competition have effectively thwarted the consumer's freedom of choice. The culmination of this closed economic system is the statutes and regulations in a majority of the states, which presently prohibit price advertising.

Pharmacists oppose drug price advertising, claiming they are performing a professional service not appropriate for price advertising and, further, that price advertising can lead to drug abuse.

Both arguments are groundless. Pharmacists today compound less than 5% of the prescriptions they fill and possibly fewer than 2%. Nearly all prescription drugs today are manufactured in correct dosage forms and many are even prepackaged according to the most commonly prescribed quantity. Moreover, the physician and not the pharmacist has the responsibility for determining the medicine to be prescribed and advising the patient on the use of it.

Furthermore, it taxes the boundaries of rationality to imply that informing consumers of prescription prices as opposed to therapeutic efficacy could lead them down the path of drug abuse. These are products whose access content and use are tightly controlled. This "interest" by pharmacy in the public welfare is little more than a facade for concealing the real motive—a desire to avoid price competition in the sale of highly lucrative and often overpriced prescription drugs. It also exposes the hypocrisy of pharmacists who have been strangely silent about the expensive advertising and promotion—often inaccurate or even deceptive—for over-the-counter remedies.

The Commission must beware of permitting the industry at all levels to convert public concern for illicit drug traffic into a restrictive economic profits game.

The consumer is at a distinct economic disadvantage in the retail prescription drug market as a result of strong and effective anti-competitive industry practices.

Meaningful price competition which is available throughout our market system on almost all products and services is seen as an anathema by those associated with drug retailing—even though competition exists there at the wholesale level. All kinds of reasons are given—professional ethics prevention of drug abuse difficulty in consumer understnding, complexity of factors involved—but none stands up under close scrutiny. The fact is that those druggists who control the profession—the independents—believe they would have great difficulty competing with the chains and discounters if consumers could compare prices of prescription drugs as easily as they do OTC drugs, groceries, clothing and nearly all other consumer products.

Unfortunately, the removal of prohibitions on retail prescription price advertising alone will not be sufficient to foster open price competition in the pharmacy marketplace. Experience has shown that where restrictions were removed, advertising did not necessarily follow. This is believed to be largely due to pressures from the pharmacy establishment, using pharmacist/employees to influence their employers. Academic pharcists are careful to indoctrinate their young students against retail price advertising (but they are strangely silent when it comes to wholesale advertising, including some so blatant as to show manufacturer's product in a window of a cash register.) Therefore, I believe it will be necessary to make price posting mandatory. Posting has the additional value of informing the consumer of the price when he walks in the drugstore. The disadvantage of posting, however, is that the customer cannot do his comparative shopping in his own home, as he can when advertising is permitted. Taken together, though, advertising and posting compliment each other very well and would be of immense value to the consumer

Therefore, I urge the Commission to include in its final rules mandatory price posting at the point of purchase.

This is a necessary step if we are to shift the focus of the entire drug consortium from wealth to health—and to protect the consumer's economic well-being in the drug marketplace.

SOCIAL ACTION AS A KEY ELEMENT OF RELIGIOUS FAITH

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. BINGHAM. Mr. Speaker, early this month a group of religious leaders issued a statement on the importance of social action as a central element in religious faith. The excerpt printed below appeared in the New York Times for Tuesday, January 6. I include it here because it made a profound impression on me as an inspirational statement of significance to us as we embark on the 2d term of the 94th Congress. While the statement was prepared by a group of 21 Christians, including Protestants of various denominations and 3 Roman Catholics, it seems to me to be consistent with other faiths as well, including especially the teachings of Judaism.

The text of the excerpt is as follows:

Excerpts From Theological Statement on Need for Social Action

(Following are excerpts from a theological statement released yesterday by 21 theologians, teachers and laymen and women in the Boston area:)

The question today is whether the heritage of this [Christian] past can be sustained, preserved and extended into the future. Society as presently structured, piety as presently practiced, and the churches as presently preoccupied evoked profound doubts about the prospects. Yet, we are surrounded by a cloud of witnesses who prophetically exemplify or discern the activity of God. The transforming reality of God's reign is found today:

In the struggles of the poor to gain a share of the world's wealth, to become creative participants in the common economic life, and to move our world toward an economic democracy of equity and accountability.

In the transforming drive for ethnic dignity against the persistent racism of human hearts and social institutions.

In the endeavor by women to overcome sexist subordination in the church's ministry, in society at large, and in the images that bind our minds and bodies.

In the attempts within families to overcome prideful domination and degrading passivity and to establish genuine covenants of mutuality and joyous fidelity.

In the efforts by many groups to develop for modern humanity a love for its cities as centers of civility, culture, and human interdependence.

In the demands of the sick and the elderly for inexpensive, accessible health care administered with concern, advised consent and sensitivity.

In the voices of citizens and political leaders who demand honesty and openness, who challenge the misplaced trust of the nation in might, and who resist the temptations to make a nation and its institutions objects of religious loyalty.

In the research of science when it warns of dangers to humanity and quests for those forms of technology which can sustain human well-being and preserve ecological resources.

In the humanities and social sciences when the depths of human meanings are opened to inquiry and are allowed to open our horizons, especially whenever there is protest against the subordination of religion to scientific rationality or against the removal of religion from realms of rational discourse.

In the arts where beauty and meaning are explored, lifted up and represented in ways that call us to deeper sensibilities.

In the halls of justice when righteousness is touched with mercy, when the prisoner and the wrongdoer are treated with dignity and fairness.

And especially in those branches and divisions of the church where the truth is spoken in love, where transforming social commitments are nurtured and persons are brought to informed conviction, where piety is renewed and recast in concert with the heritage, and where such struggles as those here identified are seen as the action of the living God who alone is worshipped.

On these grounds, we cannot stand with those secular cynics and religious spiritualizers who see in such witnesses no theology, no eschatological urgency, and no Godly promise or judgment. In such spiritual blindness, secular or religious, the world as God's creation is abandoned, sin rules, liberation is frustrated, covenant is broken, prophecy is stilled, wisdom is betrayed, suffering love is transformed into triviality, and the church is transmuted into a club for self- or transcendental awareness. The struggle is now joined for the future of faith and the common life. We call all who believe in the living God to affirm, to sustain and to extend these witnesses.

There follows the New York Times article describing the circumstances under which the statement was prepared and identifying its authors:

Theologians Plead for Social Activism

(By Kenneth A. Briggs)

An ecumenical group of 21 Boston area theologians, teachers and laymen released yesterday a sweeping theological statement that attacks what the group sees as escapist tendencies in recent religious thought and calls on Christians to recognize God's active concerns for the world.

In a four-page, 1,500-word document called the "Boston Affirmations," the group decried what it called a widespread "retreat from these struggles" by the church and suggested that spiritual renewal could be found in suffering on behalf of the poor and oppressed.

This declaration enlivens an ongoing theological dispute between those who are committed to a basically action-oriented perspective and those who argue for a stronger spiritual view of the faith. In part, the controversy has arisen from the activism among churches in the 1960's and the subsequent turn toward conservative theology among many Christians.

Among those who helped produce the statement over the last year were Prof. Harvey Cox, the Harvard theologian; Max Stackhouse of Andover Newton Theological School, a social ethicist, and Norman Faramelli, co-director of the Boston Industrial Mission, under whose auspices the statement evolved.

The group consists of six Episcopalians, four Presbyterians, three Roman Catholics, three members of the United Church of Christ, two Baptists, two Lutherans and a Methodist. Five of the signers are women.

Their deliberations began following a statement produced in January 1975 by another group in Hartford, Conn. The Hartford "appeal" urged Christians to reject "false and debilitating" secular ideas that had allegedly crept into the church.

The Boston response, issued on the eve of the Epiphany, the traditional celebration of Christ as the light of the world, challenged the implicit assumption at Hartford that social action should be subordinated to more "spiritual" concerns.

Among other things, the Boston document rejected the idea that God could be placed "in a transcendent realm divorced from life" and said that "those who authentically represent God" would assert God's presence "in the midst of political and economic life."

"Our main concern," Professor Cox said in an interview, "was to anchor social concern in the Biblical message and in the central tradition of the church."

Taken together, the Hartford and Boston statements represent the classic lines of debate between pietists, who focus on doctrine and personal salvation, and social activists, who understand faith as developing out of engaging in struggles for justice.

These emphases often overlap, of course, as when the Hartford appeal, oriented toward transcendent themes, also notes the need to "denounce oppressors" and when the Boston document makes personal faith the basis for social action.

But the main thrust of each document was to underscore what was believed to be lacking in the other position. The current exchange has already engendered the liveliest theological controversy in recent years and is expected to heat up further now that the Boston text has been released.

Mr. Faramelli said the Boston group was indebted to the Hartford group for emphasizing that "there is a spiritual dimension that goes beyond this world."

"But I'm afraid," he continued, "that their desire to talk about piety and transcendence divorces them from human experience and historical phenomena."

The Boston statement, the outcome of a dozen revisions by Mr. Stackhouse, draws heavily from the concepts and language of "liberation" theology.

It rests on the conviction that there is often a false separation between thought and action, faith and works, doctrine and service.

STRESS ON INVOLVEMENT

It further implies that salvation is not simply a personal matter between the individual and God but requires compassionate involvement in the struggle for such things as alleviation of poverty, the equality of women and medical care for the sick and elderly.

"We cannot," the statement says, "stand with those secular cynics and religious spiritualizers who see in such witnesses no theology, no eschatological urgency and no Godly promise or judgment.

"In such spiritual blindness, secular or religious, the world as God's creation is abandoned and the church is transmuted into a club for self- or transcendental awareness."

Most of the signers have been long active in ecumenism and social action and many had known each other through this work. Collectively, they represent a liberal outlook that has fallen into some disfavor in the recent reaction against the social involvement of church people in the 1960's.

The Hartford conclave was convened by two Lutherans, the Rev. Richard Neuhaus, a Brooklyn pastor and editor of Worldview magazine, and Peter Berger, a sociologist. The participants were drawn mainly from conservative and evangelical traditions and included both Catholics and Protestants.

They insist that social involvement is not a modern extracurricular Christian activity but is at the heart of the Bible's message.

"There is a widespread notion that such concerns are not really theological but a cultural accretion of some modern thinkers and religious activists," Mr. Stackhouse said in a separate statement. "This false impression has, we acknowledge, been compounded by the failure of some church leaders to state the foundations for what they have been trying to do."

Under separate headings, the Boston document declares that a trinitarian God underlies all life, that humanity ignores this source of life, that God "delivers from oppression and chaos" and that "God is known to us in Jesus Christ."

It also notes the contributions of various church traditions and specified areas such as the arts, the "halls of justice" and social sciences where God is working to transform the world.

Mr. Faramelli said the Boston group had rejected the idea of attacking the Hartford appeal directly and decided instead to formulate a positive statement of beliefs. He said the final text represented a consensus, though individual members did not necessarily think, the document was inclusive enough.

Professor Cox, for example, said he would have preferred more emphasis on Christ and mention of the Holy Spirit and the Resurrection.

Omitted from the document were precise definitions of the significance of Christ, the authority of the Bible and the nature of salvation.

Spokesmen for the group said the goal was to spell out these themes in the realm of action rather than in formal, theological terms.

"In working out this statement," Mr. Stackhouse said, "we intentionally chose social metaphors to express the core of biblical and theological tradition. We did this because the mood of much contemporary piety specifically ignores the social implications of the faith."

The participants were:

Norman Faramelli, Episcopalian, Boston Industrial Mission.

Harvey Cox, Baptist, professor of theology, Harvard Divinity School.

Mary Roodkowsky, Roman Catholic, lay chaplain at Harvard and Radcliffe.

Dave Dodson Gray, Episcopalian, member of adult education department, Massachusetts Institute of Technology.

Jeanne Gallo, Catholic Sister of Notre Dame, lay educator, part-time worker, Boston Industrial Mission.

Robert Starbuck, United Church of Christ, social ethicist, Andover Newton Theological School.

Preston Williams, Presbyterian, social ethicist and former acting dean, Harvard Divinity School.

Max Stackhouse, United Church of Christ, professor of social ethics, Andover Newton Theological School.

Scot Paradise, Episcopalian, co-director, Boston Industrial Mission.

George Rupp, Presbyterian, professor of theology, Harvard Divinity School.

Liz Dodson Gray, Episcopalian, member of adult education department, Massachusetts Institute of Technology.

Ignacio Casteura, Methodist, student, Harvard Divinity School, faculty, Evangelical Seminary in Mexico City next academic year.

John Snow, Episcopalian, professor of pastoral studies, Episcopal Theological School.

Mary Hennessey, Catholic, coordinator, Boston Theological Institute.

Constance Parvey, Lutheran, associate pastor, University Lutheran Church in Cambridge.

Joseph Williamson, Presbyterian, pastor, Church of the Covenant in Boston.

Paul Santmire, Lutheran, chaplain and part-time faculty, Wellesley College.

Richard Snyder, Presbyterian, director Inter-Seminary Training for Ecumenical Mission.

Moises Mendez, Baptist, graduate student, Harvard Divinity School.

Eleanor McLaughlin, Episcopalian, professor of church history, Andover Newton Theological School.

Jerry Handspicker, United Church of Christ, professor of pastoral studies, Andover Newton Theological School.

CLEVELAND—MIDWEST'S CULTURAL AND ENTERTAINMENT CENTER

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. MOTTL. Mr. Speaker, the beauty, charm, and dignity of my home city of Cleveland is well-described by Edmund Morris in the New York Times on Sunday, January 11, 1976.

After a recent visit to Cleveland, Mr. Morris wrote positively about Cleveland's emergence as a cultural and entertainment center of the Midwest.

He wrote glowingly and accurately of many of the facilities for which Cleveland is world-reknown. He visited the Terminal Tower, the Arcade, Severence Hall, the Cleveland Museum of Art, the Emerald Necklace and numerous other attractions and was impressed with the magnetism of these facilities.

He partook of the delightful delicacies of our city's abundance of cosmopolitan restaurants.

I am pleased that Mr. Morris had the opportunity to visit Cleveland and report to the readers of the New York Times about our city's new look. I hope many more Americans will add Cleveland to their vacation list during the Bicentennial Year.

[From the New York Times, Jan. 11, 1976]

CLEVELAND OFFERS A CULTURAL HIGH

(By Edmund Morris)

For some reason, the word "Cleveland" makes New Yorkers giggle. When I brazenly announced recently that I intended to go there—not for business, mind you, but for sheer pleasure—I was overwhelmed by harsh guffaws.

On the first morning of my visit I mentioned this phenomenon to an exquisitely coiffed saleslady in Hallés Department Store, which makes Bonwit Teller look like a bargain basement. "Well, what do you expect?" she said, fingering her pearls. "They're all such *provincials* east of the Hudson." She did admit, however, that Clevelanders themselves have traditionally written off their city as Nowheresville, U.S.A.

Perhaps it used to be. But Ada Louise Huxtable noted as long as two years ago that "there are signs, watched with as much care as the first spring robin, that downtown Cleveland may be coming back to life." Now, *nouveau pauvre* New Yorkers who can no longer afford to fly to Europe for a weekend will find that Cleveland is a Somewheresville worth investigating. My own long weekend there, which was packed full of shopping, nightclubs, food and three-star accommodation, cost less than $250, airfare included.

"Ah yes, but *culture*, that's what one misses in the Midwest," I hear somebody cry. Well, Cleveland happens to have one of the most beautiful museums of art in the Western Hemisphere, and what is in the opinion of many music critics the finest orchestra in the world. Its renascent theater industry has yet to reach similar heights, but at least one local production—Kathleen Kennedy's "Conversation with an Irish Rascal"—was the hit of last year's Edinburgh Festival. The Cleveland Playhouse ("at which," Brooks Atkinson once wrote, "a Gotham theatergoer might be pardoned for looking a little enviously") is the oldest and largest repertory company in America. During my visit to their Euclid Avenue Theater, I sat among a capacity audience—much of it splendidly gowned and black-tied—which absorbed, in pin-drop silence, every word and gesture of David Storey's "In Celebration." Would that similar elegance and good manners prevailed in the showcases of Broadway.

My first impression of Cleveland, through an American Airlines window, was a romantic blur of spawling buildings, lushly splotched with parks, dominated by a steepled skyscraper that might have been designed by Mad King Ludwig of Bavaria. Out of the opposite porthole I could see nothing but the shimmering vastness of Lake Erie, stretching away to a sunny horizon.

I arrived downtown just in time to catch the Friday afternoon rush hour. "Will we be passing something called Terminal Tower?" I asked my cabdriver. "Just about to," he said, pointing at a large gray mass looming ahead. I stuck my head out of the window and saw that it was the fairytale tower I had glimpsed from the airplane—a little less romantic in close-up, perhaps, but at 52 stories the tallest building between New York and Chicago.

Pushing through a crowded lobby (Terminal Tower is the focal point of Cleveland's 25-cent rapid-transit system), I found an elevator which whisked me to the 42d floor and the observation deck that has a 25-mile panorama of lake, city and sky.

Cleveland, as I could see by gazing directly downward into Public Square, is radial in layout. The main avenues—Superior, Euclid, Carnegie and Lorain—fan out from the Tower, running east and west of Ontario Street, which points, appropriately, north to Canada. Down on my left the Cuyahoga River meandered sparkling through a thicket of bridges and industrial "Flats." On my far right, and behind, curved a serene escarpment of forested heights—the "Emerald Necklace," where Cleveland's prodigal millionnaires live. (This unbroken chain of green—74 miles long, according to my guidebook—forms the largest urban park system in the world.) Over everything shone the strangely cool, pearly light of the Great Lakes, and in the west the sun was spreading gold across the surface of Lake Erie.

I rather regret that I didn't stay at the

Hollenden House, only two blocks away from Terminal Tower on Superior Avenue. It's a new, glossy, boxy sort of hotel, full of ersatz Victoriana and electrified candelabra; the rooms are gigantic, quiet and luxurious, and the location is the best in town. But due to a certain shortage of funds, I checked into the nearest Holiday Inn.

Superior Avenue was quiet when I returned to Public Square half an hour later, except for a few hand-holding couples from nearby Cleveland State University. I strolled west past the nation's second biggest Public Library toward the pillar-top silhouette of General Moses Cleaveland. (The "a" was dropped from his name, incidentally, when a local newspaper could not fit it into its masthead.) Presently I came upon an old red building called simply "The Arcade." From the outside it looked very squat and dull, but when I stepped inside I felt like an ant blundering into a kaleidoscope. I found myself dwarfed by a 19th-century shopping gallery, five floors high, running the whole distance between Superior and Euclid Avenues. Four tiers of ornate balconies rose stepwise from a mosaic floor to a truss-spanned glass ceiling—deep violet now, as evening settled over the city. Red, white and blue bunting, commissioned I presume for Bicentennial reasons, hung in graceful folds high above the heads of the day's last pedestrians. Brass-banistered staircases spilled from one level to the next. No hint of canned music polluted this marvelous interior. It was filled only with the soft swish of shoes, the murmur of voices, the whistle of a janitor polishing tiles.

Two more arcades, Colonial and Euclid, admitted me graciously to Prospect Avenue. Here for the first time I encountered the "other" Cleveland—a jumble of porno shops, thundering radio stores and bars with names like Cold-Blooded Lounge and Joe's Thing. White Clevelanders, no doubt, consider this part of town threatening and slummy; compared to Harlem, however, it seemed placidly middle-class. There is a reassuring absence of threat in the air, a kind of jazzy *bonhomie.*

As I hesitated in the exit from the arcade, a splendid dude emerged from the Cold-Blooded Lounge opposite, along with a blast of hot rock. The red velvet curtain swung shut behind him. His wrap-rounds flashed as he gazed down Prospect toward the setting sun. Then, lighting a Lucky, he exhaled hugely, adjusted his ruffled cuffs and teetered east on purple platform heels. Clearly the latter were giving him trouble, for he stopped at a shoe-repair shop ahead of me. As I passed by I heard the proprietor's angry complaint: "I'm a cobbler, man not a—carpenter."

Huron Mall, which led me back to Euclid, is one of those imaginative pedestrian thoroughfares that New Yorkers are always planning. Although a token auto-traffic lane still winds through, it has been scaled down to prohibitive proportions. The pedestrian sidewalk, on the other hand, has expanded to a width of fully 40 feet. Pleasantly decorated with trees, flowering shrubs and picnic benches, the mall runs past the chandelier-bright windows of Hallés Department Store, past the million-volume Publix Book Mart and straight into Playhouse Square.

Here, right next to the threaters, there is a three-story restaurant somewhat inscrutably named The Last Moving Picture Company. Its cinematic design is imaginative, and the food and drink—well, copious. For $1.50 I received a glass with ice in it and as much Scotch as I would permit the waitress to pour. Dishes are named in honor of movie stars: the Bob Hope is an 18-ounce lobster tail at $11.50; the Brigitte Bardot a juicy filet at $8.75. The wine list (printed in the form of a film-can decal) features an excellent Louis Martini Cabernet Sauvignon for $6.50. Vintage movies flicker silently while you dine. I had time to linger over my coffee and cognac, since Cleveland's theater curtains do not go up before the civilized hour of 8:30 P.M.

Three hours later I emerged into the mild fall night and decided I didn't want to go to bed yet. A cab driver recommended the Grecian Gardens: "There's a midnight floor show, and the *ouzo* is good."

It turned out to be a noisy, cheerful supper club (menu in the $4 to $9.50 price range) whose *ouzo* is indeed beyond reproach. So is its *retsina,* if you happen to share my passion for that coarse pine-flavored wine. The *dolmades* and the *moussaka* are authentically Greek, although the belly-dancing is not. Unless you have eardrums of brass, I would not recommend a table too near the *bazuki* band. The proprietor did not start looking at his watch until two, by which time I was doing the same anyway.

After breakfast next morning, I took advantage of the quiet Saturday streets and embarked on a bus tour of Greater Cleveland. Curving highways sped me past Lakeside Stadium—home of the redoubtable Browns and Indians—and northeast along the yacht-spiked Shoreway. En route I discovered that the atmosphere of the Great Lakes is curiously non-marine: waves crash, gulls cry, the horizon shines and a fresh breeze blows, but there is no salt, no ozone, no sense of the sea. At Gordon Park the bus turned inland and the Emerald Necklace lifted it up toward the Heights. On the way, we passed the famous "Cultural Gardens"—22 exquisite miniparks representing the landscape architecture of Cleveland's immigrants—before stopping at University Circle.

This smoothly lawned 500-acre enclave on the campus of Western Reserve University is a rich concentration of cultural and educational institutions. In a matter of minutes, if you take a walk around the circle, you will pass the Natural Science Museum, Western Reserve Historical Society, the Frederick L. Crawford Auto-Aviation Museum, the Cleveland Institute of Music, the Garden Center of Greater Cleveland, the Cleveland Institute of Art, the Freiberger Library, Severance Hall, the Howard Dittrick Museum of Historical Medicine and the Temple Museum of Religious Art and Music. Serenely dominating them all is the Grecian bulk of the Cleveland Museum of Art.

Since I was saving this jewel for the next day, I chose another museum for the moment—the Auto-Aviation (admission $1), where vintage Panhards, Wintons and Hupmobiles winked and gleamed on the polished floor, and airplanes dating back to 1911 hung in motionless flight. By the time I left, my stomach was sonorously requesting lunch. My guidebook suggested the Ohio City Tavern.

Ohio City is a 19th-century backwater on the west side of the Cuyahoga. Its leafy streets and old frame houses are becoming fashionable again after a period of neglect, and the air is sweet with the smell of stripped wood and fresh paint. Waves of renovation and restoration are spreading outward from the Ohio City Tavern (1850), which not so long ago was merely Joe's Cafe, a hangout for local winos. Paul Martoccia, an enterprising restauranteur, brought the tavern in 1968, mainly because he had found some 28-foot stained glass windows in a demolished church and thought they might make attractive hanging ceilings. Now, seven years and $100,000 later, he presides over a thriving period piece, and throngs of well-to-do Clevelanders regularly drive across the river to lunch and dine under tons of stained glass.

The tavern is famous for its quarter-pound frankfurters and German potato salad at $1.75; nobody mentioned its Muzak. Since I prefer to lunch away from stereo saxophones, I merely had a beer at the Mahogany Bar, then walked down Bridge Street to Heck's Cafe. This old and charming establishment offers the most amazing variety of hamburgers I have even seen, from the plain Heckberger with lettuce, tomato and red onion slices ($1.95) to the Burger au Poivre ($2.40) and "El Ultimo" ($2.45)—about half a steer, ringed with mushrooms, studded with truffles and topped, believe it or not, with Monterey Jack cheese. There are at least 15 varieties of tea.

It was almost 3 o'clock when I emerged, map in hand, and set off to explore the Powerhouse and the Flats. These two preservation and development projects occupy the left and right banks of the Cuyahoga River respectively. The former is, as its name implies, an old red-brick powerhouse. Its giant bulk has been sandblasted clean, and is being filled with a potpourri of specialty shops, restaurants and theaters. Although it does not open officially until March 1976, it has already generated much architectural excitement.

Just across the river, on my way to the Flats, I happened upon Settler's Landing, where General Moses Cleaveland stepped ashore on July 22, 1796. This is also the notorious spot where the Cuyahoga caught fire several years ago. Today, thanks to frantic anti-pollution efforts upriver, it runs cleaner than it has in 20 years. Waterbirds scoop and skim again, dodging riverboats as they go.

I stood here, among grass and flowering weeds, hypnotized by the extraordinary riverscape. Bridges—at least 20 of them—soar this way and that, their crazy angles reflecting the fact that the Cuyahoga (Indian for "crooked") meanders 855 degrees in its last two miles. One drawbridge rears into the air like a frightened dinosaur; another massive ramp slants promisingly skyward, then stops dead, chopped off presumably by the Great Depression. It's a favored locale for chic Cleveland barbecues.

The waterfront is an incongruous jumble of reeds, bollards, rotting logs, glossy pleasure boats, industrial frontage and groves of weeping willow. I walked on down Old River Road, keeping pace with a lake steamer about the size of Rhode Island, until I came to a complex of Victorian warehouses and factories. This, said a newly painted sign, was the Flats Development Project.

Forty million dollars is being spent in rehabilitating the waterfront's old brick buildings, creating what Mme. Huxtable calls "a kind of Bohemia" in the oldest part of town. Rope shops, fish markets and flophouses are being transformed into boutiques, restaurants and book stores, while glassy new cultural and entertainment facilities rise above the cobbled streets.

For most of the afternoon I browsed around the Flats' five historic acres, enjoying the luxury, unknown to New Yorkers, of being able to stare at merchandise without being hustled for a purchase. I found a wealth of Irish antiques at Emerald-in-the-Flats ("Every one of 'em," breathed owner Dee Keating in her authentic Brooklyn brogue, "comes with a shtory!"). James R. Wager's new Boutique Polonaise, nearby, sells Polish crystal, jewelry, salt-carvings and Klim rugs fine enough to hang as tapestries.

Having worked up a considerable thirst, I proceeded to slake it at the Cleveland Crate and Truckin' Company, currently the most popular watering hole in the Flats. Its Beer Porch has a tranquil view of the Cuyahoga, especially charming at sunset, when the bridges burn red and foghorns sound sadly from downriver.

After a shower and change in the motel that evening I summoned a cab and murmured two musical words: "Severance Hall." Much has been written about this acoustically perfect auditorium, and much more about its resident Cleveland Orchestra, the most sumptuous of symphonic ensembles. It will not add my own inadequate adjectives to say that to be in Cleveland during the season (mid-September to mid-May, Thursday, Friday, Saturday, 8:30 P.M.) and not hear the orchestra in situ is akin to visiting Rome and passing up St. Peter's.

After the concert, I decided to seek out Little Italy, which clusters around Mayfield Road. Although it was past 11 o'clock when I got there, Guarino's was still open, giving forth a rich miasma of ragu. Guarino's is the quintessential Italian family ristorante, with an autographed picture of Renata Tebaldi up front, a herb garden out back and lots of warm, savory activity going on in between. I partook freely of fresh salad and homemade fettucine ($5.50) and drank a superb '64 Barolo ($8.50 a bottle). Seeking to clear my head after this latter indulgence, I ordered capucino, not noticing that its price ($2.50) was ominously high. It turned out to be a frothy crock of house-blended coffee, steamed milk, cocoa, espresso, whipped cream and cinnamon, laced with enough cognac to stun a mule. At this point, memory blanks out.

On Sunday morning, I took a bus out of town to the greenest and most beautiful link in Cleveland's Emerald Necklace; Shaker Heights. This suburb has mansions as huge and stately as any in Darien, Grosse Pointe or Chevy Chase. Prosperous black and white families live side by side here in an atmosphere of leafy peacefulness. Shaker Lakes, its central park, is so lush and manicured one winces to think what we put up with in New York. (For that matter, Cleveland's entire park system seems to be impeccably maintained: even in slummy areas, lawns are litter-free and flower beds untrodden.)

After working up something of a noontime appetite here, I had a light brunch at the nearby Saucy Crêpe (12 different crêpes to choose from, averaging about $3 each). Then I took a bus back to University Gardens for the greatest aesthetic experience Cleveland has to offer. The Museum of Art opens at 1 o'clock on Sundays and closes—well, about 30 centuries later. Admission is free. Many connoisseurs prefer it to New York's Metropolitan, because while its treasures are not less great, its size is less overwhelming. It is laid out so simply—in the form of a quadrangle, each gallery "growing" chronologically out of the one before—that you can walk through the entire spectrum of Western art in about two and a half hours, without feeling culture drunk. An especially pleasant feature of the layout is the use of patios and garden courts where you can rest at intervals, and enjoy the neutral play of sunlight on leaves.

Everybody will linger in front of the masterpieces that mean most to him or her, I remember a smiling Egyptian deity hauntingly profiled in limestone; a dreamy St. Catherine by Grünewald (her robe as delicately rippled as the tissues of an oyster); a red chalk study for the Sistine Ceiling by Michelangelo; the dimpled "Isbella Brant" of Rubens; a series of wistful, anonymous wooden Madonnas; two brooding Rembrandts; an austere profile of Washington by Joseph Wright; the stupendous, face-warming "Burning of the Houses of Parliament" by Turner, a tumbling "Fall of the Angels" by Rodin (the Museum is improbably rich in works by this sculptor); and finally a long gallery of Impressionists—Manet, Monet, Pissarro, Degas, Cézanne—which whipped up such a cyclone of orgiastic color that I walked out flicking imaginary daubs of paint off my clothes. Long after Terminal Tower had shrunk to a needle in its American Airlines porthole, and Lake Erie had slipped over the horizon behind me, those colors were whirling in my brain, only to be dimmed by sleep, and the cold light of a Monday morning in New York.

IF YOU GO . . .

. . . to Cleveland for the weekend, you can take advantage of American Airlines' special Saturday/Sunday excursion rate of $78.73 round trip from New York. Slower but more scenic is Amtrak's new "Lake Shore Limited" service, New York-Albany-Buffalo-Cleveland) for $68 return. First-class with sleeping accommodations: $129. Trains leave daily at 6:15 P.M., arriving at 7:30 next morning. Should you want to drive, it'll take you about seven hours from New York along Interstate 80.

Paul of Shaker Square Limousine Service (216-751-7665) offers Cleveland in style, a "night on the town" package: limousine, uniformed chauffeur, front row theater tickets, dinner at the Theatrical, floor show at the Grecian Gardens, dancing and nightcap at The Last Moving Picture Company ($175 per couple, all-inclusive; two weeks' notice necessary).

Narrated "See Cleveland Tours" (adults $6, children $3) operate daily at 9:30 A.M. and 1:30 P.M. from the Sheraton-Cleveland Hotel on Public Square. The tour lasts three hours; reservations necessary (216-721-0762). Boat tours operate from the East 9th Street pier between May and September daily except Monday. At 10:30 A.M. and 1 P.M. there is a two-hour cruise up the Cuyahoga ($1.50) and a four-hour lake-harbor-river "special" ($3.75) at 1 P.M. On Saturday nights there are dance cruises at 9 P.M. and 11:30 P.M. (Information: 216-531-1505.) The American Institute of Architects (125 The Arcade) publishes an illustrated booklet of walking and automobile itineraries.

The Hollenden House is luxurious, central and expensive (double, $38-$40, suites $76-$205). Reservations should be made ahead of time (216-621-0700). There are plenty of good motels in and around Cleveland with double rooms starting at around $21. Although Howard Johnson's, on Euclid Avenue at 107th Street, is not very central, it's right on University Circle, and has stunning views across the park toward the Museum of Art. Make sure your room faces north, though, or you'll get stunning views of Cleveland's back streets. Doubles, $23.50; tel: 216-731-2400.

TIGER IN THE FOREST

HON. OTTO E. PASSMAN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. PASSMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the Wall Street Journal, Jan. 13, 1976]

"TIGER IN THE FOREST"—U.S. GENERAL ENVISIONS 'A SHORT, VIOLENT WAR'—IF KOREAN REDS ATTACK—HOLLINGSWORTH'S PERSONALITY AND STRATEGY DRAW FIRE; PLAN IS CALLED UNREALISTIC—IS HIS REPUTATION DETERRENT?

(By Norman Pearlstine)

HILL 229, SOUTH KOREA.—The South Koreans call him Ho Lim Soo, "the dignified tiger in the forest." But Lt. Gen. James F. (Holly) Hollingsworth more closely resembles a tough old tomcat, showing the scars of bloody battles but still lusting for a last good fight.

Raising a finger, the 57-year-old Texas points north from this fortified guard post to a broad valley and the enemy beyond. "This is my killing zone," he says with a slow grin and a slight Southern drawl. "If the Communists attack, they have to bring their tanks through here. And when they do, I am going to murder them."

Coming from others, the general's tough talk might be dismissed as mere military bombast. But "Holly is one of those generals who is totally committed to mayhem," says a senior staffer on the Senate Foreign Relations Committee, and his words should be taken seriously.

General Hollingsworth commands the 183,000-man U.S.-South Korean I Corps Group, one of the world's largest combat armies. He must defend the central part of the 151-mile-long demilitarized zone (DMZ)—including the most likely invasion routes—and the 6.5 million citizens of Seoul, the South Korean capital less than 30 miles south of here. With the fall of South Vietnam, the Korean peninsula has again become the most threatened area in Asia, making that command much more important.

As the Communists were completing their takeover of Indochina, all of Korea began to talk of war. North Korea's President, Kim Il-sung, made a well-publicized trip to China ostensibly seeking support for reunification of the peninsula under Communist control and for removal of the 40,000 U.S. troops still in South Korea.

American officials, from President Ford and Secretary of State Kissinger down, responded with promises to keep U.S. troops in South Korea indefinitely and to send the South Koreans more and better weapons. It doesn't now appear that a new Korean war is imminent—China apparently gave little support to North Korea—but these new tensions have prompted Gen. Hollingsworth to review his plans for meeting any North Korean attack.

Recognizing that Vietnam ended America's appetite for long Asian ground wars, Gen. Hollingsworth says he has prepared for "a short, violent war." Relying on heavy artillery, already in place along the DMZ, and on massive air support, including B-52 bombers now on Guam, he claims he can end any war in nine days.

FOUR DAYS TO TIDY UP

"We'll need five days and five nights of real violence," the short, sturdily built general says. "Our firepower will have a tremendous impact on their ground troops, breaking their will to fight in addition to killing them." After that, "we'll need four more days to tidy up the battlefield."

The general's command includes 11 South Korean divisions and one American division, the U.S. 2nd Infantry. Although that division is based only 15 miles from the DMZ, Gen. Hollingsworth says it wouldn't be used in such a short war but instead would be withdrawn from the border area and would be held in reserve. "They wouldn't get a scratch on them," he says.

(American troops, including Gen. Hollingsworth, are here under terms of a U.S.-South Korean mutual defense treaty that obligates the U.S. to defend South Korea if it is attacked by North Korea.)

Gen. Hollingsworth is convinced his short-war plan would work, but there are others who hold such sanguine promises suspect. One U.S. military official says privately that there isn't enough artillery in place to sustain the violent conflict the General envisions. Japanese defense analysts think it would be at least several months before South Korea and U.S. troops could end a war with the North.

PRESSURE ON POWERS

If so, pressure might build on China and the Soviet Union to enter the conflict and on the U.S. to increase its troop commitments. Ultimately, the U.S. might also feel compelled to use nuclear weapons. The Defense Department has acknowledged that there are nuclear weapons in South Korea, and American officials concede they might be used if Seoul itself was near collapse.

Other critics say that Gen. Hollingsworth's preoccupation with violence is excessive, even for a military man, and question whether his aggressiveness is appropriate for Korea or anywhere else in today's world. The general learned to fight during World War II, when the public and the politicians glorified destruction of the enemy. A protege of Gen. George S. Patton, he emerged from that war with five Purple Hearts, a clutch of other medals and the reputation of having killed more than 150 enemy soldiers in hand-to-hand and close-fire combat.

During the Vietnam war, however, violence per se was less accepted by the public, and many military men, including Gen. Hollingsworth, saw their reputations tarnished. Gen. Hollingsworth served in Vietnam in 1966–67 and 1971–72; people who knew him there say he fought valiantly, especially at An Loc, where he earned another Purple Heart blunting a heavy North Vietnamese attack. But he is best remembered as the subject of a London Sunday Times article titled "The General Goes Zapping Charlie Cong." That article typed him as an insensitive Texas redneck whose primary pleasure was shooting up the countryside from his personal helicopter—"Killin' Cong," as he was quoted as saying, and anything else that moved.

Many people turned against Gen. Hollingsworth after the piece was published. Largely because of it, some government officials in Washington still refer to him as an "unguided missile" or a "hip shooter."

The general says he was portrayed unfairly in Vietnam and insists he was only doing "what I have done throughout my military career—saving as many lives as possible while destroying the enemy." He now speaks of Vietnam as a "long, drawn-out, unfortunate affair that people tired of," and defends his conduct there as necessary.

Gen. Hollingsworth's defenders, including some top officials in the American embassy in Seoul, say the "hip shooter" image is overdrawn. They also assert his reputation for violence may now serve as an important deterrent to North Korean aggression along the DMZ. "Holly is the only general in the world who tells the enemy exactly what his plans are," says another American military official in Korea, "but that has probably kept the North Koreans from miscalculating when evaluating our defenses."

An embassy official who knows him well says that despite the wild image, he follows orders and is easier to work with than other, less flamboyant American military brass in South Korea. "He's no dummy," adds another embassy staffer who says the general reads voraciously about politics, international relations and sociology.

Gen. Hollingsworth is credited with improving the preparedness and morale of South Korean and U.S. troops during the two and a half years he has headed I Corps. Soon after he arrived he junked his predecessors' defense strategy—which called for retreat in the face of attack, followed by a slow counterattack—because it would have exposed Seoul to North Korea's long-range guns, setting the stage for a long conflict. "That was unacceptable," the general says. "Instead, we decided we couldn't give up an inch of South Korean soil."

LINE ADVANCED

To make the new strategy work, the main defense line has been advanced to the DMZ from points about two miles behind the zone: mines have been planted along the DMZ to help blunt a tank attack; and guard posts like this one on Hill 229 have been fortified with new monitoring equipment. (Though the DMZ is demilitarized, troops are permitted inside it in limited numbers. There are a few guard posts inside the DMZ; Hill 229, however, is right on the line separating the southern part of the zone from the rest of South Korea.)

Gen. Hollingsworth has also revamped his troops' training programs. Recognizing that winter is the most likely time for invasion—the rice fields are frozen, providing easier access for North Korea's tanks—he has stepped up cold-weather maneuvers. There is also more night training, and helicopter units have been given extensive "pinnacle landing" instruction so that they can drop troops atop mountains that would otherwise have to be climbed. Gen. Hollingsworth says the entire I Corps Group can now be mobilized in one to two hours.

The general's presence has encouraged South Korea's own military leaders. Some South Korean generals under his command not only imitate his bantam walk but also mimic his lectures to troops about the honor that accompanies killing the enemy.

Other South Koreans say they are impressed that Gen. Hollingsworth spends so much time along the DMZ and at I Corps headquarters near here. The general took no leave last year, and even though his wife lives in Seoul he spent every night at his headquarters or in the field. "Gen. Hollingsworth has said he is willing to die for us, and we believe him," says one South Korean military official.

SURPRISE INSPECTIONS

To boost morale and make sure the troops are following orders, the general makes frequent unannounced inspection tours along the DMZ, usually traveling by helicopter (which is flown at 100 miles an hour as close to the ground as possible). Addressing groups of soldiers, he stresses his short-war strategy and the importance of physical and spiritual conditioning. "We will have to fight for five days and five nights," he says. "Those that can do it will enjoy destroying the enemy while those who aren't fit will regret they couldn't savor the victory."

The general has also tried to develop rapport with the South Korean farmers and villagers who live near the DMZ. He has had 12 million trees planted during the past two years and has begun soil-conservation and water-purification programs. He has instructed his troops to help the farmers plant and harvest their crops whenever training permits. The military relies on the farmers and villagers to detect and report North Korean infiltrators.

Gen. Hollingsworth is lavish with praise for the South Koreans. He doesn't share the concern many Americans have about the authoritarian government of President Park Chung Hee. Instead, he refers to Mr. Park, who has been president since 1963, as "the most experienced president in the free world—a man who has done tremendous things for his country."

The general says the South Korean troops are "more mature, better disciplined and better trained" than the South Vietnamese were. He notes that many South Korean officers and enlisted men, such as the "Blue Dragon" marine brigade, gained valuable experience fighting in Vietnam and that many others have spent months or years studying at military facilities in the U.S.

1950 VS. 1976

Gen. Hollingsworth also argues that the South Koreans are far better prepared to defend themselves than they were when the Korean war began in 1950. "South Korea had only 26 pieces of artillery along the whole border in 1950," he says. "My area alone now has well over a thousand pieces." In addition, he says, the present border gives the South Koreans much better ground position than they had before.

The general's tour of duty as head of I Corps is likely to end this summer, and his career may end with it. He would like to be assigned to Europe and introduce his short-war concept there or succeed Gen. Richard Stillwell as commanding general of all troops in South Korea. Either assignment would mean a promotion to four-star general from his three-star rank.

Many American military officials in South Korea think Gen. Hollingsworth could handle Gen. Stillwell's job. But others, including some Pentagon officials, still question whether he is diplomatic enough to handle such an assignment. "There aren't many jobs around for combat commanders like Holly," says one Pentagon official. "If there were a war, he would definitely get a promotion and a fourth star." But without one, he may have to retire.

HOUSE OF REPRESENTATIVES—*Tuesday, January 20, 1976*

The House met at 12 o'clock noon.

DESIGNATION OF SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore (Mr. O'Neill) laid before the House the following communication from the Speaker:

> Washington, D.C.,
> *January 20, 1976.*
>
> I hereby designate the Honorable Thomas P. O'Neill, Jr., to act as Speaker pro tempore today.
>
> Carl Albert,
> *Speaker of the House of Representatives.*

PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord is the strength of my life; of whom shall I be afraid?—Psalms 27: 1.

Almighty God, our Heavenly Father, who art the source of light and life, help us to open our minds to Thy truth and our hearts to Thy love that with faith and without fear we may face the tasks of this day. Turning our thoughts to Thee may we be wise in our decisions, honest in our dealings, understanding in our endeavors, and loving in our relationships.

Bless those who work under the dome of this glorious Capitol, our President, our Speaker, Members of Congress, and all those who labor with them and for them. To all may there come a spirit which will enable them to work together for the highest good of our beloved Nation.

Bless our people with Thy favor that, conscious of Thy presence, they may live together in peace and with good will.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 406. Joint resolution to provide for the presentation by the United States to Israel of a statue of Abraham Lincoln to be donated by Leon and Ruth Gildesgame, of Mount Kisco, N.Y.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8235. An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8235) entitled "An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Bentsen, Mr. Randolph, Mr. Gravel, Mr. Muskie, Mr. Burdick, Mr. Culver, Mr. Stafford, Mr. Baker, Mr. Buckley, Mr. Domenici, and Mr. McClure to be the conferees on the part of the Senate.

The message also announced that the Vice President, pursuant to Public Law 86–42, appointed Mr. Gravel, Mr. Hathaway, Mr. Curtis, and Mr. Stevens to attend, on the part of the Senate, the Canadian-United States Interparliamentary Conference, to be held in Key Biscayne, Fla., January 29 to February 2, 1976.

RESIGNATION FROM THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House the following resignation from the House of Representatives:

Washington, D.C.,
January 19, 1976.

Hon. Carl Albert,
Speaker of the House,
House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I am writing to advise you of my resignation from the House of Representatives which I have submitted to the Honorable Hugh Carey, Governor of the State of New York, under separate cover dated today. The effective date of my resignation is January 20, 1976.

For your information, I am enclosing a copy of my letter of resignation.

Best regards.

Sincerely,

James F. Hastings.

MAJORITY WHIP JOHN J. McFALL SAYS DEMOCRATS WILL PROVIDE JOBS IN 1976

(Mr. McFALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McFALL. Mr. Speaker, the big issue in 1976 is still jobs. That is what the American people want. That is what the American economy needs.

What did President Ford offer the American people in the way of jobs? A tax break for big business.

What are we Democrats going to do about jobs? We are going to put people to work.

In the next couple of weeks, Congress will vote on three bills that will provide more than 1.4 million jobs in the public and private sectors of our economy.

The public works employment bill will generate 700,000 jobs in construction and construction-related industries. The same bill will also save or create 100,000 jobs in State and local government. The leadership hopes to have that bill to the House floor next week to give it final clearance for the President. Then we will see if he is really serious about wanting jobs for Americans.

The second part of our Democratic jobs package is a bill to provide 600,000 public services jobs—almost twice the present number. The full Education and Labor Committee will act on that bill by the middle of next month, and we will have it to the floor as soon as it is ready.

Finally, the House will vote on January 27 on the override of the Labor-HEW appropriations bill—a measure that would preserve thousands of jobs in the health and education professions throughout the United States.

The President gives you wistful wishes about better times and more jobs.

I give you a specific timetable for the creation of new jobs.

That is the difference between our program and the President—he is talking around it—we Democrats are doing something about it.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. PEPPER. Mr. Speaker, on behalf of the Committee on Rules I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PRESIDENT'S PROGRAM WILL PROVIDE JOBS IN PUBLIC SECTOR

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I have just listened to the majority whip outline the program for the majority to supposedly create more jobs for the American people. As I recall, last year one of the tenets of the Democratic program was that very same public service jobs program. The Congress turned it down. We sustained the veto on the issue, because to employ 1 million people in public service jobs costs $10 billion, and where do we get that kind of money? We would have to draw it from the private sector, the very same place that is providing many more jobs today through the normal procedure of private free enterprise at no cost to the taxpayer.

That is the way to put people to work for long lasting permanent jobs. The President laid out the ground rules last night very eloquently and very forcefully. I submit that is the route to take to put people back to work for the long haul.

PUTTING PEOPLE BACK TO WORK

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I too listened with a great deal of interest to the majority whip and his solution to the problem of unemployment in this country. He apparently did not listen too closely to the President last night, because the President also is interested in jobs but believes they should be derived through the private sector rather than the public sector.

It seems to me the majority whip is merely dusting off those programs that were not too successful 40 years ago when we went the route of the WPA and the PWA and the leaf raking and leaning on shovels. This is 1976 and we are seeking solutions appropriate for the seventies in order to solve the problems of the seventies.

PRESIDENT FORD'S PROPOSALS IN STATE OF THE UNION SPEECH

(Mr. PRESSLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRESSLER. Mr. Speaker, I listened with a great deal of interest to the President's speech last night and was very pleased that the people of my constituency in South Dakota and the people anywhere in the Nation will benefit from some of his proposals, one of which was estate taxes, which will benefit both businessmen and farmers. I was also very pleased at the President's proposal for mandatory fixed sentences for crimes committed with a gun as opposed to going the route of gun control. The revenue-sharing proposals by the President are very valuable to South Dakota and the Nation.

I hope Congress will act soon on these proposals as well as the food stamp proposals.

One area I felt was lacking was farm policy, but I have been assured the White

House will be giving a further statement on that as well as on educational policy, particularly vocational and technical education.

I cannot say how important it is for the administration to begin paying more attention to the 30 percent of our population who live in cities of less than 10,000 or on farms. I will not be able to remain silent if farm policy and rural/smalltown policy is ignored by our Presidential candidates.

In general I thought it was an excellent speech and I am proud to identify myself with many of the remarks of the President. But I eagerly look forward to a rural development/smalltown policy statement soon.

EXECUTIVE PROTECTION SERVICE—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** pro tempore (Mr. O'NEILL). The unfinished business is the further consideration of the veto message of the President of the United States on the bill (H.R. 12) to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions to increase the size of the Executive Protective Service, and for other purposes.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Wyoming (Mr. RONCALIO) for 1 hour.

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the message, together with the accompanying bill, be referred to the Committee on Public Works and Transportation.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

FOREIGN ASSISTANCE ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–337)

The **SPEAKER** pro tempore (Mr. O'NEILL). The Clerk will read the message from the President of the United States.

The following message from the President of the United States was read and, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

The Foreign Assistance Act of 1974, enacted by the 93d Congress on December 30, 1974, expresses the sense of the Congress that the policies and purposes of the military assistance program should be "reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance." Section 17(a) of the act expresses the view that the program, except for military education and training activities, "should be reduced and terminated as rapidly as feasible consistent with the security and foreign policy requirements of the United States."

To give effect to section 17(a) of the act, the Congress directed that I submit to the first session of the 94th Congress a detailed plan for the "reduction and eventual elimination of the present military assistance program." In the intervening period, the two foreign affairs committees are considering draft legislation that would arbitrarily terminate grant military assistance programs after September 30, 1977, unless authorized by the Congress.

I have stressed repeatedly in my messages to the Congress and in my reports to the American people, the need for constancy and continuity in our foreign policy, and, in particular, in our relationship with nations which turn to us for necessary support in meeting their most pressing security needs. Since World War II, the United States has extended such assistance to friends and allies. This policy has contributed immeasurably to the cause of peace and stability in the world. Many countries which once received grant military assistance have achieved self-sufficiency in providing for their security interests, and grant military assistance to a number of current recipients is being reduced or eliminated.

I firmly believe that grant military assistance in some form will remain a basic requirement for an effective U.S. foreign policy for the foreseeable future. In the Middle East and elsewhere, we must maintain our flexibility to respond to future assistance requirements which cannot now be reckoned with precision. It will continue to be in our interest to be able to meet the legitimate security requirements of countries who cannot shoulder the full burden of their own defense and grant assistance will continue to be needed to assist countries that provide us essential military bases and facilities. These requirements will not disappear; they are the necessary result of the unsettled state of the world and of our role as a world power.

Nevertheless, in recognition of the expressed sense of the Congress, I have, in preparing the 1977 budget and legislative program, reexamined the policies, purposes, and scope of the military assistance program with a view to reducing or terminating any country programs no longer essential to the security and foreign policy interests of the United States. As a consequence of this review, the 1977 military assistance budget request will reflect a 28 percent reduction below the 1976 request, the termination of grant materiel assistance to Korea, and elimination of five small grant programs in Latin America. Furthermore, our preliminary estimate of the 1978 requirements indicates that additional reductions and some additional program terminations should be feasible in the absence of unfavorable security or economic development in the countries concerned.

I must emphasize, however, that offsetting increases in foreign military sales credits will be required in most instances to meet the legitimate military needs of our friends and allies at a time when much of their military equipment is reaching obsolescence and prices of new equipment are increasing drastically. Moreover, the capacities of many of these grant military aid recipients to assume additional foreign exchange costs because of reduced military aid are limited by the necessity to cope with higher oil prices as well as the impact of the recession in the developed countries on their exports. In these circumstances, I believe the interests of the United States in the continued security of these countries are better served by a gradual reduction of grant military assistance attuned to the particular circumstances of each country than by an arbitrary termination of all such assistance on a given date.

Finally, I must emphasize that in this uncertain and unpredictable era we must maintain our national strength and our national purposes and remain faithful to our friends and allies. In these times, we must not deny ourselves the capacity to meet international crises and problems with all the instruments now at our disposal. I urge the Congress to preserve the authorities in law to provide grant military aid, an instrument of our national security and foreign policy that has served the national interest well for more than 30 years.

GERALD R. FORD.

THE WHITE HOUSE, *January 20, 1976.*

ANNOUNCEMENT BY THE SPEAKER

The **SPEAKER** pro tempore (Mr. O'NEILL). Pursuant to the provisions of clause 3(b) of rule 27, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule 15.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

CALL OF THE HOUSE

Mr. MICHEL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 4]

Alexander
Andrews, N.C.
Archer
Ashley
Badillo
Beard, R.I.
Bell
Biaggi
Bingham
Bolling
Bowen
Buchanan
Burton, Phillip
Cederberg
Chisholm
Clausen, Don H.
Cochran
Conyers
Corman
Crane
Diggs
Dingell
Drinan
English
Eshleman
Ford, Mich.
Harsha
Hastings
Hébert
Heckler, Mass.
Heinz
Hinshaw
Holtzman
Jarman
LaFalce
Lehman
Lott
Lujan
McDonald
McKay
Mahon

Meyner
Montgomery
Rees
Rhodes
Rosenthal
Ruppe
Sarbanes
Scheuer
Shuster
Skubitz
Stanton,
James V.
Steed
Steiger, Ariz.
Teague
Udall
Vander Jagt
Whitten
Wirth
Wright

The SPEAKER pro tempore (Mr. McFALL). On this rollcall 374 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ANNOUNCEMENT AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I missed rollcall No. 828, on December 19, 1975. I wish the RECORD to show how I would have voted had I been present.

FRIDAY, DECEMBER 19, 1975

Rollcall No. 828. S. 2718, the House agreed to the conference report on the Railroad Revitalization and Regulation Reform Act of 1975. I would have voted "yea."

AUTHORIZING AND MODIFYING VARIOUS FEDERAL RECLAMATION PROJECTS AND PROGRAMS

Mr. JOHNSON of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10537) to authorize and modify various Federal reclamation projects and programs, and for other purposes.

The Clerk read as follows:

H.R. 10537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the Reclamation Authorization Act of 1975.

TITLE I

POLECAT BENCH, WYOMING

SEC. 101. The Polecat Bench area of the Shoshone extensions unit, heretofore authorized as an integral part of the Pick-Sloan Missouri Basin program by the Act of December 22, 1944 (58 Stat. 887, 891), is hereby reauthorized as a part of that project. The construction, operation, and maintenance of the Polecat Bench area for the purposes of providing irrigation water for approximately nineteen thousand two hundred acres of land, municipal and industrial water supply, fish and wildlife conservation and development, public outdoor recreation, and other purposes shall be prosecuted by the Secretary of the Interior in accordance with the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal features of the Polecat Bench area shall include the Holden Reservoir, related canals, pumping plants, laterals, drains, and necessary facilities to effect the aforesaid purposes of the area. For a period of not more than two years after the initial availabiilty of irrigation water up to two thousand two hundred and seventeen acres of public lands in the Polecta Bench area determined to be suitable for settlement purposes shall be made available, on a preference basis for exchange or amendment, to resident landowners on the Heart Mountain Division of the Shoshone project, who, on or before December 1, 1968, were determined by the Secretary to be eligible for such exchange or amendment of their farm units under provisions of the Act of August 13, 1953 (67 Stat. 566).

SEC. 102. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Polecat Bench area shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213), as amended.

SEC. 103. The Polecat Bench area of the Shoshone extensions unit shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented. Repayment contracts for the return of construction costs allocated to irrigation will be based on the water users' ability to repay as determined by the Secretary of the Interior; and the terms of such contracts shall not exceed fifty years following the permissable development period.

SEC. 104. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of Federal reclamation laws as applied to the Polecat Bench area of the Shoshone extensions unit are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of area works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior.

SEC. 105. For a period of ten years from the date of enactment of this title no water from the unit authorized by this title shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (52 Stat. 31, 41), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 106. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the Polecat Bench area shall be determined by the Secretary of Treasury, as of the beginning of the fiscal year in which construction of the Polecat Bench area is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from date of issue.

SEC. 107. There is hereby authorized to be appropriated for construction of the Polecat Bench area of the Shoshone extensions unit the sum of $46,000,000 (January 1975 price levels), plus or minus such amounts, if any, as may be justified by reason of changes in construction costs as indicated by engineering cost indexes applicable to the types of construction involved and, in addition thereto, such sums as may be required for operation and maintenance of the works of said area.

TITLE II

DICKINSON DAM, NORTH DAKOTA

SEC. 201. The Secretary of the Interior is authorized to modify the splillway of Dickinson Dam on the Heart River in the State of North Dakota, to increase conservation storage by installing gates on the existing spillway. The Secretary is also authorized to construct a new spillway to assure the safety of Dickinson Dam from floods currently estimated to be capable of occurrence.

SEC. 202. The Secretary is authorized to enter into an amendatory repayment contract with the city of Dickinson, North Dakota, to accomplish the repayment of that portion of the cost of the work authorized herein properly allocable to municipal and industrial water supplies in not to exceed forty years from completion of construction: *Provided,* That the total cost of the new spillway and related works incurred for the safety of the structure shall be nonreimbursable and nonreturnable.

SEC. 203. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance of the capital costs allocated to interest-bearing features of the work authorized herein shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 204 There is hereby authorized to be appropriated for construction of works authorized by this title the sum of $4,000,000 (January 1975 price levels) plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein.

TITLE III

MCKAY DAM AND RESERVOIR, OREGON

SEC. 301. McKay Dam and Reservoir, Umatilla project, Oregon, is hereby reauthorized for the purposes of irrigation, flood control, fish and wildlife, recreation, and safety of dams, and the costs thereof shall be reallocated among these purposes by the Secretary of the Interior (hereinafter referred to as the "Secretary"), in a manner consistent with the provisions of this title.

SEC. 302. The Secretary is authorized to perform modifications to the spillway structure at McKay Dam as he determines to be reasonably required for safety of the dam from failure due to overtopping by potential flood inflows to the reservoir.

SEC. 303. Not to exceed six thousand acre-feet of storage capacity in McKay Reservoir shall be allocated for the primary purpose of retaining and regulating flood flows.

SEC. 304. Costs incurred in the modification of McKay Dam to insure its safety from failure shall be nonreimbursable and nonreturnable. All other costs of McKay Dam and Reservoir, heretofore or hereinafter incurred, shall be allocated among the authorized purposes served by the dam and reservoir in accordance with standard cost allocation procedures, and the joint costs allocated to flood control, recreation, and fish and wildlife shall be nonreimbursable.

SEC. 305. The Secretary is authorized to enter into amendatory repayment contracts with the Stanfield and Westland Irrigation Districts, or other water users, if appropriate, to secure the return of reimbursable irrigation construction and operation and maintenance costs arising from the modification and reallocation of McKay Dam and Reservoir.

SEC. 306. There is hereby authorized to be appropriated for modification of McKay Dam the sum of $1,300,000 (based on July 1975 prices), plus or minus such amounts, if any, as may be justified by reason of changes in construction costs as indicated by engineering cost indexes applicable to the types of construction involved, and, in addition thereto sums as may be required for operation and maintenance of McKay Dam and Reservoir.

TITLE IV

POLLOCK-HERREID UNIT, SOUTH DAKOTA

SEC. 401. The Secretary of the Interior is hereby authorized to construct, operate, and maintain in accordance with the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) the Pollock-Herreid unit, South Dakota pumping division, Pick-Sloan Missouri Basin program, South Dakota, for the purposes of providing irrigation water service for approximately fifteen thousand acres of land, municipal and industrial water supply, and fish and wildlife conservation and development. The principal works of the project would include the main pumping plant located at Lake Oahe, the storage reservoir created by the existing Oahe Dam on the Missouri River, to lift water into Lake Pocasse, a subimpoundment on tributary Spring Creek, which would serve as a regulating reservoir; a system of main canals and laterals; relift pumping plants; drains; and the necessary facilities to effect the aforesaid purposes of the area.

SEC. 402. The conservation and development of the fish and wildlife resources in connection with the Pollock-Herreid unit shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213) as amended.

SEC. 403. The Pollock-Herreid unit shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented.

SEC. 404. For a period of ten years from the date of enactment of this title no water from the unit authorized by this title shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such a commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (52 Stat. 31, 41), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 405. The interest rate used for computing interest during construction and interest on the unpaid balance of the interest bearing reimbursable costs of the unit shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the unit is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due or callable for fifteen years from date of issue.

SEC. 406. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of Federal reclamation laws as applied to the Pollock-Herreid unit, South Dakota pumping division, are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of unit works shall be limited to one hundred and sixty acres of Class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior.

SEC. 407. There is hereby authorized to be appropriated for construction of the Pollock-Herreid unit, as authorized in this title, the sum of $26,000,000 (January 1975 price levels), plus or minus such amounts, if any, as may be justified by reason of changes in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein and, in addition thereto, such sums as may be required for operation and maintenance of the works of said unit.

The **SPEAKER** pro tempore (Mr. MCFALL). Is a second demanded?

Mrs. SMITH of Nebraska. Mr. Speaker, I demand a second.

The **SPEAKER** pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The **SPEAKER** pro tempore. The gentleman from California (Mr. JOHNSON) will be recognized for 20 minutes and the gentlewoman from Nebraska (Mrs. SMITH) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from California.

Mr. JOHNSON of California. Mr. Speaker, I yield myself such time as I may consume to discuss the bill (H.R. 10537) to authorize and modify various reclamation projects.

This measure which is being brought to the House with the unanimous endorsement of the Committee on Interior and Insular Affairs will provide authority for the Secretary of the Interior, operating through the Bureau of Reclamation, to construct two minor irrigation projects and to modify the spillway of two existing dams in the interest of safety.

On the basis of current price levels, the four projects contained in this bill have an aggregate cost of $77,300,000.

As you can see, this is not a major bill in the sense of most public works programs which we see today.

It is no less significant however to the communities and States that will be benefited by it.

In preparing H.R. 10537 for presentation to the House, the Subcommittee on Water and Power Resources requested and received comments of the executive branch—conducted formal public hearings on each element of the bill—and reviewed the justification of each project in detail.

Every item in the bill was approved at the subcommittee level and at the full committee level without a dissenting vote.

I should point out, however, that for one reason or another the executive branch has withheld its endorsement of this legislation.

Members will note from the departmental reports—which are reproduced in the report on this bill—that various reasons are cited by the administration.

The common thread running through these reports is that more study is required.

Mr. Speaker, these problems have been studied and restudied endlessly. As proof of this I would simply point out that under questioning during the hearings, Executive branch witnesses were able to furnish answers to any and all questions that were put to them concerning the costs and benefits of these proposals. Our committee obviously believed and I trust the House will agree that the executive branch position represented nothing more than a calculated campaign to oppose any needed public water resource development investment.

Two of the construction programs that will be authorized by passage of H.R. 10537 are for the purpose of enhancing the safety of existing dams and reservoirs.

In the case of the Dickinson Dam on the Heart River in North Dakota and the McKay Dam on a tributary of the Umatilla River in Oregon, our committee received testimony to the fact that the spillways were so inadequate from the hydraulic standpoint that there is a threat of overtopping and failure of the dams.

The Committee on Interior and Insular Affairs believes that the Federal Government—in general—and the Congress specifically—cannot sit idly by and allow such threats to life and property to continue.

Moreover, the committee feels that the financial responsibility for reducing and eliminating these threats clearly rests with the Federal Government.

H.R. 10537 has been prepared accordingly.

The other two titles of the legislation authorize small irrigation projects—1 of about 19,000 acres in the State of Wyoming and 1 of about 15,000 acres in the State of South Dakota.

In each instance the reservoir storage required to regulate the water supply has been constructed and placed in service.

In Wyoming the reservoir has been built for more than a half century.

In South Dakota the reservoir has been in existence for 15 or 20 years.

These facts set these projects apart from most new project authorizations in that they provide the opportunity for creating economic benefits without major loss of land resources and other natural values to reservoir inundation.

This no doubt accounts for the fact that the committee has heard no opposition to either project from environmental organizations.

Mr. Speaker, I think our colleagues should recognize that the two irrigation projects we are presenting today are the first such projects we have recommended in 4 years.

During this interval the United States has largely disposed of its farm commodity surpluses and has taken a new look at its role in providing food and fiber for the world.

While there are those who yet question our Government's role in stimulating production through irrigation, it is clear to me that your Committee on Interior and Insular Affairs intends to remain active in this area and to continue the presentation of well-considered irrigation project proposals.

For many years, perhaps ever since World War I, the major justification for the Federal reclamation program—at least in this member's mind—was the creation and stimulation of local and regional economic stability.

The program continues to have this capability.

We do not see communities on the dole in those cases where they have developed around well-conceived irrigation programs.

They are tax producers—not tax consumers.

This very evident fact, plus our need for commodity production affords abundant justification for passage of this legislation whether the executive branch can bring itself to make an affirmative recommendation or not.

For these reasons I heartily recommend H.R. 10537 to the House and urge its approval.

Mrs. SMITH of Nebraska. Mr. Speaker, I yield such time as he may desire to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I concur with the remarks of the able chairman of our Water and Power Resources Subcommittee, the gentleman from California (Mr. JOHNSON) and I urge my colleagues to support this bill.

Each of the projects authorized in H.R. 10537 has been carefully studied by our committee, and I am pleased to report that each of them was supported unanimously in both subcommittee and full committee. The bill aims at more efficient utilization of valuable western water resources and each project is supported by the people in the immediate area and by the congressional delegation.

My colleagues will note that the Department reported unfavorably on each of these bills. I would point out that the unfavorable reports were based on the time factor more than on any serious objections to the projects themselves.

In the case of title I, the Polecat Bench area of the Shoshone extension unit of the Pick-Sloan Missouri Basin program, the Department agreed that the water is needed for irrigation, for municipal and industrial use, for fish and wildlife enhancement, and for outdoor recreation, and it agreed that this project will provide those benefits, but it concluded that it needed more time to study the impact of inflation on the project costs.

We studied this consideration very carefully in committee, and we reviewed all available data on the cost analyses. We concluded that: First, this is a worthwhile and needed project that will, without question, be built eventually, and second, the longer we wait the more money it will cost the taxpayers, so we decided to move ahead with it.

In the case of title II, authorizing structural modifications to Dickinson Dam in North Dakota, the Department took the position that we should wait awhile on this bill to give the Department more time to study its own reports and to formulate its policy on dam safety issues. It also expressed concern with the original bill's lack of provision for local cost sharing.

We studied this project carefully in committee and determined that there is no doubt about the need for immediate modification of the dam. By adding gates to the spillway, we are increasing the capacity of the reservoir to better meet the municipal and industrial needs of the nearby community of Dickinson. Yet, even with this modification, those needs will be satisfied only through 1985. Growth projections indicate that the need is not only immediate but that additional water above and beyond that provided by this project will have to be found within 15 years. There is also a safety factor involved here which we could not overlook.

Figures that were not available when the dam was originally designed now show that there is a danger of loss of life without this modification. We decided to move ahead with the project, and we also decided to override the Department's objections to the lack of cost-sharing on the portion of the project that makes the dam safe from failure. As a matter of principle, I agree with our committee's position that the Federal Government should not, on the one hand, build a dam to protect people from floods and then, on the other hand, perform subsequent work on the dam to make it safe and then charge that subsequent work to the very people the dam was designed to protect.

In the case of title III, to reauthorize and modify McKay Dam in Oregon for multiple function purposes, the Department took the position that, yes, a flood danger exists in the dam as it now stands, and that, yes, the modifications proposed in the bill would "firm up and assure" the usefulness and safety of the dam, but the Department concluded that, no, the project is not necessary. Let me read you four sentences in the Departmental report that illustrate exactly why our Committee voted unanimously to override the Department's position and report this bill:

The Department said:

> Should an inflow design flood occur without corrective action the dam embankment and spillway parapet wall would be overtopped and rapid breaching of the dam embankment could occur. The loss of life and property damage downstream from the dam could be disastrous. The flood resulting from dam failure would pass through areas ranging from highly developed urban areas to agricultural and grazing lands. Residences of over 1,100, commercial developments, public facilities, roads, railroad tracks, bridges and other improvements in the areas of the Montee addition of Pendleton, Reith and Echo would be inundated by the flood.

Mind you, that is part of the Department's reason for opposing this bill. I submit to my colleagues that no responsible legislator could read that language and vote against the bill that aims at preventing such a disaster.

In the case of title IV, authorizing the construction, operation, and maintenance of the Pollock-Herreid Unit of the Pick-Sloan Missouri Basin program in South Dakota, the Department again asked us to defer this legislation to give it more time to reevaluate its own reports. Yet, in its own report, the Department admits that the first feasibility report was completed in 1968, that a reevaluation statement was completed in 1971, and that another reevaluation statement is now being prepared.

We studied this project very carefully in committee, and we reviewed all of the various reports, evaluations, reevaluations, and re-reevaluations. And we concluded that this is another project that is not only needed and feasible but is also growing in cost with every day that passes. There is no doubt about the project eventually being built. It is going to be built. The only question is, "When?" And we concluded that the sooner we approve it and get it under construction, the more dollars we will be saving the taxpayers in the long run.

Mr. Speaker, I have gone into more detail about these bills and about the departmental objections than I had intended to. I did it only because a number of Members have contacted me with doubts in their minds about these Department objections. I want to assure them that all the objections were carefully considered and that, in my opinion and in the unanimous opinion of our committee, none of them are of sufficient substance to justify delaying these very worthwhile water projects.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Speaker, for many years advocates of irrigation and reclamation in the West have encouraged the Secretary of the Interior to construct and to maintain the Polecat Bench area of the Shoshone Extension Unit of the Missouri River Basin project in Wyoming.

Hearings were held in Powell, Wyo., on September 23, 1972, at which time statements were received from officials, and letters and exhibits from all interested parties. During that hearing Mr. Robert M. Fagerberg, the project manager of the Shoshone-Heart Mountain Irrigation District at Powell presented a statement that is the best summation I have ever seen of the justification for the completion of the Shoshone reclamation project. I would ask Members to please keep in mind that is not a new irrigation and reclamation project. This is not a new start. This is the completion of one of the first and one of the most successful irrigation and reclamation projects ever undertaken in America, one that has long since paid out its obligations to the Treasury, and I will call the attention of Members to this excellent presentment which is justification for the authorization we vote on today:

> For the purpose of background information it might be well to review briefly the history of the Shoshone Reclamation project authorized in 1904 and comprised of four divisions. Construction began in 1905 and water was first delivered to the Garland division (36,000 irrigable acres) in 1908, the Frannie division (15,000 irrigable acres) in 1917, Willwood division (11,000 irrigable acres) in 1927, and the Heart Mount division (27,000 irrigable acres) in 1946. Lands on the project were primarily entered under the provisions of the homestead law. The project now is comprised of 89,000 acres of irrigable land.
>
> Certainly during all of this time all of the hardships of homesteading, trials of farmers in the development of irrigated agriculture on arid lands has been experienced on the Shoshone project and in the same history must be recorded the numerous successes of financial security, personal achievement, a sense of well-being and a way of life that few would reject that the Shoshone project has provided over the past 65 years.
>
> The United States holds contracts for repayment of irrigation facilities on the present development of the Shoshone project in the amount of $13,870,057. The land owners have repaid $4,661,918 as of June 30, 1971. The newest division (Heart Mountain) owes the largest portion ($6,348,642) of the unmatured balance of $9,208,139.
>
> Since 1908, the Shoshone project gross crop revenues have been $179,594,554 and livestock revenues estimated at $50,000,000. As an indication of the productiveness of the area, Heart Mountain, the last of the four divisions, was opened in 1946, achieving full de-

velopment of the farm units by 1952. In twenty five years, the Heart Mountain division has produced $39,813,249 in crop revenue alone. It has been my privilege to have been connected with the development of Heart Mountain division from the first days of settlement when sage brush and grass covered the land to its present development. I can report to you that where individual effort has been expended, the agricultural success is not only impressive, but a very formidable development to witness.

The possibilities of Polecat Bench unit as a successful agricultural development, in my estimation, exceeds all the previous irrigation developments in northwest Wyoming. The 19,200 acres of land contained in the proposed development include 13,190 acres of class 1 land (69%), 3,430 acres of class 2 land (18%), and 2,580 acres of class 3 land (13%). The soils are mostly sandy loams and loams derived from water laid sediments that overlie permeable gravels at 3–6 feet in depth. The slope, topography, and drainage conditions are as near perfect as nature can create. To drive over the area in its present raw state, is an overwhelming sensation.

We urge Congress to include in the legislation certain provisions which will enhance the success of development of the Polecat Bench unit. The first provision would provide for the Heart Mountain division land owners a preference right for 2,217 acres of public lands to compensate this division for transfer of water rights from undeveloped pump units on Heart Mountain division to Polecat Bench. The development of these pump units on Heart Mountain was held in abeyance to provide sufficient water supply to the Polecat Bench development. The Federal Government owns 5,510 acres of land out of the 19,200 acres on Polecat Bench. This action would strengthen those units on Heart Mountain that cannot be considered economic family farm units under present day standards.

The second provision would permit the Bureau of Reclamation to dispose of the balance of the public lands (3,293 acres) as farm units under the same procedures as disposal of private lands. We do not believe that there is sufficient public lands remaining to justify the costs involved in a public land opening.

The third provision would be to establish economic family size farm units of at least 200 acres of class 1 equivalent. We believe that to encourage our young people to remain on the farm, we must create farm units which are not only economic units for farmers to operate, but are truly family size units. We must provide a farm large enough to perpetuate the ownership from generation to generation.

The City of Powell, with a population of 5,000, is in need of additional municipal water supply and the Polecat Bench unit with Holden Reservoir offers the opportunity for Powell to acquire the needed municipal supply.

It may be of interest in your considerations to be aware of the fact that the Shoshone project does not contribute to any of the surplus crop problems. Our basic crops are feed grains, malting barley, forage crops, sugar beets and dry beans. The cereal crops make up 30% of total acreage cropped, forage crops make up 39% of the cropped acreage and field crops 30%. Today our area is in short supply of feed grains and must import several hundred thousand bushels of feed grains for livestock production. Our total domestic meat supply nationwide is in short supply and meat production is one of our stronger agricultural emphases.

Since the enactment of the Mineral Leasing Act of 1920 (41 Stat. 437), the United States Treasury has been recipient of $819,476,517 from Federal lands in Wyoming. The reclamation fund has received 52.5% of these leasing royalties or $430,225,171. We believe because so much of the land in Wyoming is owned by the United States that the contribution from the leasing royalties to the reclamation fund provides a justification for expenditure of Federal funds in the development of Polecat Bench which is further supported by an economic study indicating a favorable benefit cost ratio.

It is our understanding the Office of Management and Budget has arbitrarily removed the sugar payments in computation of the benefits on the premise that these payments do not benefit the general public. This is a conclusion which when analyzed will not support the action. Because the sugar payments are derived from a tax on sugar refined in this country, the United States Treasury profits in excess of twenty million dollars a year. Today the price of sugar on the world market is up. The Sugar Act regulates not only sugar imported and the domestic sugar grown, it also provides a steady price structure for all users of sugar and discourages fluctuating markets for the consumer.

All the requirements for a successful project including an ample water supply, excellent soils, topography and drainage characteristics are combined into a complete group for the Polecat Bench unit.

It is our hope that in the design of Polecat Bench, that the Bureau of Reclamation will design the area for sprinkler irrigation. With sprinkler irrigation, there would be a minimal discharge of sub-strata water. Also an important factor for the existing project from a drainage viewpoint is that the impervious sub-strata of Polecat Bench dips to the north and away from the balance of the existing project.

We appreciate the fact that this committee chose to make a field investigation on its own and that the integrity of Congress will not be unduly influenced by arbitrary recommendations of judgment agencies which do not fully recognize all of the benefits of irrigation and the importance of the Polecat Bench unit to Wyoming's agricultural economy. The establishment of 80 new farm units cannot be measured in terms of dollars expenditure alone but must also consider the impact on rural America, the sociological strengths, the stabilization of local economy in increased goods and services, recreation, municipal water supply, enlargement of local, State and Federal tax bases, and other tangible benefits as well as intangible benefits.

The area of Park County supports the development of Polecat Bench. We do know that a limited number of individuals, because of normal human frailties, are not in favor of development. No one can guarantee individual success without the individual's own efforts, but someone in the course of human events, has to have faith in the future.

Mr. Speaker, I rise in strong support of H.R. 10537, which in part authorizes the construction, operation, and maintenance of the Polecat Bench area of the Missouri River Basin program, located in northwest Wyoming near the city of Powell.

The development of this project would culminate a dream of Buffalo Bill Cody and John Wesley Powell first envisioned over 75 years ago. In 1898, Buffalo Bill secured from the State of Wyoming water development priority for virtually all of the lands east of the confluence of the north and south forks of the Shoshone River. Bill Cody's vision was later to become the rationale for the Newlands Act and its instrument, the Bureau of Reclamation. The Bureau's first project was made possible when Cody surrendered to it his development priority with the proviso that the Federal Government complete what is now known as Buffalo Bill Dam and Reservoir, near Cody, Wyo., and proceed with the irrigation program it would make possible.

This program has provided some of the most productive irrigable land in all the West. With the development of the Polecat Bench unit, a planned but uncompleted portion of the Buffalo Bill/Shoshone River program, the full potential of this early vision would finally be realized.

The objective of this authorization is to provide irrigation water to bring into intensive agricultural production new lands. The proposal would convert 19,200 acres of semiarid range land into 80 high-quality, irrigated farm units, by far the most desirable irrigation project waiting to be approved.

More than 13,000 acres of the proposed 19,200-acre project are classified as class I lands. Water is available from the existing storage provided by Buffalo Bill Reservoir. The water would be delivered part of the distance through the existing Shoshone Canyon Conduit and Heart Mountain Canal. The private landowners on the proposed Polecat Bench project have formed an irrigation district and are ready to carry out their purposes and administrative responsibilities to get this project underway. Local cooperation is also evidenced by the owners of large land holdings within the project area by their indicated willingness to dispose of their property to accommodate present reclamation law.

Additionally the nearby town of Powell is seeking additional sources of municipal water. Holden Reservoir could meet those needs through gravity flow pipeline at a considerable savings over other water supply alternatives for the community. This bill would authorize water use for municipal and industrial purposes such as this.

Mr. Speaker, as the years have passed, the demand for food production has increased, the land available for intensive farming has decreased, and the desire for water—our most scarce resource in Wyoming—for other than agricultural purposes has intensified. Our rural areas today are facing the land use conflicts and resource allocation controversies that urban areas have long known. Faced with these demands and these conflicts, when such an opportunity develops, and brings forth with it the demonstrable benefits that this project will bring, it is imperative that we act to bring it to fruition. To fail to do so would be an irreparable injustice.

Mr. Speaker, it is time to move ahead with the authorization for the development of Polecat Bench. The result of doing so can only be a meaningful contribution to rural America and its people. It is my sincere hope that my colleagues and friends here in this body will join with me in granting our approval of this long overdue project.

Mr. Speaker, I ask unanimous consent that the letter from the new owners of the Two Dot Ranch, Mr. R. H. Hadley, might be a part of my remarks in that it will show the cooperation of the owners to let this land be acquired at dry-land values or fair values, rather than to seek any windfall profit.

The SPEAKER pro tempore (Mr. McFall) Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The letter is as follows:

Two Dot Ranch,
Cody, Wyoming, January 8, 1976.
Hon. Teno Roncalio
House of Representatives
Washington, D.C.

Dear Mr. Roncalio: As the new owners of the Two Dot Ranch, we felt it desirable to transmit our views to you concerning the Polecat Bench Project.

A December meeting of the various agencies involved, provided our first information of the various ramifications of the project.

The following significant facts were presented:

1. Although the Cost/Benefit ratio is close, Wyoming had a large credit from downstream Missouri Basin power generation which could only be utilized in a development of this nature.
2. Approximately 80 families could be provided farms in this project with the resulting benefits to the community through production, taxes, and supporting industry.
3. The water is available from early filings and the soil and topography is excellent.

It is apparent that the project will benefit this area and is a logical progression in higher use of land and water.

We will cooperate to the fullest extent of our resources.

It should be established that I am a bonafide cattle producer and for 25 years have been engaged solely in this occupation with no other source of income. The Two Dot Ranch was purchased as an operating cattle ranch to be operated as such; and no subdivision or capital appreciated through resale was considered.

Our primary concern will be to preserve the operating integrity and basic balance of the ranch after removal of the land involved in the Polecat Bench Project.

We do not have the financing to develop this land ourselves, and it would be more desirable to have it in uniform public ownership to prevent unnecessary speculation. This would keep the cost to the ultimate man on the soil as low as posible and simplify financing.

To prevent erosion of capital thru taxes we would prefer either exchange or friendly condemnation to put our land in public ownership. These mechanical matters can be readily worked out if the Project is funded.

Sincerely yours,
R. H. Hadley, *Manager.*

Mr. RONCALIO. In conclusion, Mr. Speaker, this project, the one in Wyoming I address myself to and its three companion projects, I think have been long overdue and I urge that my colleagues vote aye on these and I know my colleagues from North Dakota and South Dakota and Oregon will add their remarks to mine to insure the legislation is desired and should pass the House.

Mrs. SMITH of Nebraska. Mr. Speaker, I yield such time as he may consume to the gentleman from South Dakota (Mr. Abdnor).

Mr. ABDNOR. Mr. Speaker, I rise in support of H.R. 10537 and would like to discuss briefly with my colleagues the merits of title IV, which authorizes the Pollock-Herreid Unit of the Pick-Sloan Missouri River Basin program.

As a few of my colleagues will recall, it was over 30 years ago when Congress authorized the Pick-Sloan plan. The plan cost the State of South Dakota over one-half million acres inundated by the reservoirs which have been constructed.

Even so, the people of my State have supported these developments because they also provided the promise of irrigation as well as hydropower, recreation, fish and wildlife enhancement, and other benefits.

The 15,000-acre Pollock-Herreid Unit is not large by national standards, but it is extremely important to the economy and, more importantly, the people of the project area.

The residents of the small community of Pollock, for instance, had to move their entire town to make way for the reservoir, but they did so cheerfully with hope and anticipation of the benefits irrigation would bring to their community.

The farmers who organized the irrigation district have grown weary through the years of waiting for delivery of the precious and long-promised water. Men of lesser character might have given up in despair at having to watch their crops wither in drought over the years.

Our favorable consideration of H.R. 10537 in honor of a longstanding Federal commitment is the very least these fine folks deserve for their patience and diligence. And, as noted by the committee, the project's benefits to the Nation will far outweight its costs.

I urge my colleagues to vote for enactment of H.R. 10537.

Mrs. SMITH of Nebraska. Mr. Speaker, I yield such time as he may require to the gentleman from North Dakota (Mr. Andrews).

Mr. ANDREWS of North Dakota. Mr. Speaker, I appreciate the gentlewoman yielding to me.

I want to commend the subcommittee for its great work in meeting the needs of these communities. I want to talk specifically about the problem of the city of Dickinson, N. Dak. It is the largest city in southwestern North Dakota, and has had severe water supply problems since the 1960's. In 1961, it had to ration water to curtail the available water supply to priority needs. Our limited rainfall, 8 to 16 inches annually, further compounds the water problem in this area and only the avoidance of a severe drought has kept the situation manageable.

The development of our agricultural and other natural resources in this area has caused the city of Dickinson to grow from approximately 3,700 people in 1910 to over 12,000 in 1970. In fact, between 1960 and 1970, Dickinson was one of the fastest growing cities in the State. By 1985, Dickinson expects a 40-percent population increase, and 50 years from now studies indicate that its population will nearly triple because of the development of the energy resources in that area.

The primary reason, of course, for the growth potential is the lignite coal resources surrounding Dickinson. Just within 15 miles radius of the city, there are an estimated 800 million strippable tons of lignite alone.

I salute the chairman of the subcommittee, the gentleman from California (Mr. Johnson) for pointing out that these dams were built with faulty spillways and the protection simply is not there if we have a real splasher, which we occasionally get in the upper Midwest. If we had that type of rainfall the runoff could go over the top of that dam, it could give way, threatening the fastest growing city in the State and a key city in the development of the energy needs to serve this Nation.

For this reason, this legislation is very much needed. I commend it to my colleagues for their favorable support, and again I want to thank the subcommittee again for doing a great job in serving the needs of these areas.

Mr. HECHLER of West Virginia. Mr. Speaker, as I listened to the President's address last evening, I was struck by the numerous admonitions which he made to warn the Congress and the country against unnecessary spending.

On prior occasions, I have raised the question of why it is necessary to confine all of these reclamation projects to Western States. West Virginia qualifies by its name, yet can never be eligible under current law for a single reclamation project under this authority.

However, there are more serious reasons for my objection to the pending legislation. I have read very carefully the reports of the Department of the Interior on the four projects, the total cost of which is $77.3 million. I call attention to the fact that on page 11 of the committee report, a letter from Assistant Secretary of the Interior Jack Horton states with respect to title I that—

> The project does not meet the test of economic feasibility based on the national economic efficiency criteria applied to all other water projects.

Assistant Secretary of the Interior John Kyle, by letter of October 2, 1975, is quoted on page 12 of the committee report with respect to title II:

> The bill is premature for the following reasons:
>
> 1. The feasibility report on the modifications for increased capacity is not yet final and has not yet been approved by the Department, the Administration or the Congress; action on the bill now would therefore serve to circumvent and short-circuit proper consideration of the report as well as the legislative procedures normally followed for a project of this type, pursuant to authorization of a feasibility study.
> 2. The report on the safety feature of the dam has not been approved by the Department, nor has the Administration or the Congress had time to consider it. . . .
> 3. The proposed modifications are not of such urgency that further consideration of the issues for a period amounting to a matter of weeks would be a serious or unwarranted delay.

With respect to title III of the pending legislation, page 15 of the committee report contains a letter from Assistant Secretary of the Interior John Kyl, dated October 29, 1975, stating "the administration has advised that it considers the project unnecessary."

And commenting on title IV of the pending bill, the committee report includes on page 17 a letter dated October 29, 1975, from Assistant Secretary of the Interior John Kyl, stating:

We have reviewed the proposed legislation and recommend that consideration of it be deferred until a feasibility report on the unit is currently reevaluated.

Mr. Speaker, I heard the gentleman from California (Mr. Don Clausen) analyzing these departmental conclusions and I believe he stated that the responsible vote of responsible Members of Congress was to support and vote for this bill. Does this then mean that these careful analyses by the administration must be dismissed as "irresponsible"? Congress must exercise a measure of responsibility in following the customary procedures on legislation. I shall call for a vote on the pending legislation because I am disturbed by the adverse reports on these projects.

Mrs. SMITH of Nebraska. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

The SPEAKER pro tempore (Mr. McFall). The question is on the motion offered by the gentleman from California (Mr. Johnson) that the House suspend the rules and pass the bill H.R. 10537.

The question was taken.

Mr. HECHLER of West Virginia. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from West Virginia withdraw his point of order that there is no quorum?

Mr. HECHLER of West Virginia. Mr. Speaker, I do so withdraw said point of order.

EDUCATIONAL BROADCASTING FACILITIES AND TELECOMMUNICATIONS DEMONSTRATION ACT OF 1976

Mr. MACDONALD of Massachusetts. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9630) to extend the educational broadcasting facilities program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and social service information, and for other purposes, as amended.

The Clerk read as follows:

H.R. 9630

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Educational Broadcasting Facilities and Telecommunications Demonstration Act of 1976."

PURPOSE

Sec. 2. (a) Part IV of title III of the Communications Act of 1934 is amended by striking out the heading of such part and inserting in lieu thereof "Assistance for Noncommercial Educational Broadcasting Facilities; Telecommunications Demonstrations; Corporation for Public Broadcasting".

(b) Subpart A of such part is amended by striking out the heading of such subpart and inserting in lieu thereof "ASSISTANCE FOR NONCOMMERCIAL EDUCATIONAL BROADCASTING FACILITIES AND TELECOMMUNICATIONS DEMONSTRATIONS".

(c) Section 390 of such Act is amended to read as follows:

"DECLARATION OF PURPOSE

"Sec. 390. The purposes of this subpart are (1) to assist (through matching grants) in the construction of noncommercial educational television or radio broadcasting facilities, and (2) to demonstrate (through grants or contracts) the use of telecommunications telechnologies for the distribution and dissemination of health, education, and other public or social service information.".

AUTHORIZATION OF APPROPRIATIONS

Sec. 3. Section 391 of the Communications Act of 1934 is amended to read as follows:

"Sec. 391. There are authorized to be appropriated $7,500,000 for the period July 1, 1976, through September 30, 1976, and $30,000,000 for the fiscal year ending September 30, 1977, to assist (through matching grants) in the construction of noncommercial educational television or radio broadcasting facilities as provided in this subpart. Sums appropriated under this section for any fiscal year or period shall remain available for payment of grants for projects for which applications approved under section 392 have been submitted under such section within one year after the last day of such fiscal year or period.".

CRITERIA FOR BROADCAST FACILITIES CONSTRUCTION

Sec. 4. (a) Section 392(a)(1) of the Communications Act of 1934 is amended by striking out clause (C) and inserting in lieu thereof "(C) a public or private nonprofit college or university,".

(b) Section 392(d) of such Act is amended to read as follows:

"(d)(1) The Secretary shall base his determinations of whether to approve applications for television grants under this section and the amount of such grants on criteria set forth in regulations and designed to achieve (A) a strengthening of the capability of existing noncommercial educational television stations to provide local services; (B) the adaptation of existing noncommercial educational television facilities to broaden educational uses; and (C) extension of noncommercial educational television services, with due consideration to equitable geographic coverage throughout the United States.

"(2) The Secretary shall base his determination of whether to approve applications for radio grants under this section and the amount of such grants on criteria set forth in regulations and designed to achieve (A) extension of noncommercial educational radio services with due consideration to equitable geographic coverage throughout the United States; (B) a strengthening of the capability of existing noncommercial educational radio stations to provide local service; and (C) the provision of multiple radio stations in major population centers to broaden services for special interest, minority, and educational uses.".

COORDINATION

Sec. 5. Section 395 of the Communications Act of 1934 is amended to read as follows:

"COORDINATION WITH THE COMMISSION AND THE CORPORATION

"Sec. 395. The Federal Communications Commission is authorized to provide such assistance in carrying out the provisions of this subpart as may be requested by the Secretary. The Secretary shall provide for close coordination with the Federal Communications Commission in the administration of his functions under this subpart which are of interest to or affect the functions of the Commission. The Secretary shall provide for close coordination with the Corporation for Public Broadcasting in the administration of his functions under this subpart which are of interest to or affect the functions of the Corporation.".

CONSTRUCTION

Sec. 6. Section 397(2) of the Communications Act of 1934 is amended to read as follows:

"(2) The term 'construction', as applied to educational television broadcasting facilities or educational radio broadcasting facilities, means the acquisition and installation of transmission and reception apparatus (including towers, microwave equipment, boosters, translators, repeaters, mobile equipment, video recording equipment, nonvideo recording equipment, radio subcarrier receivers, and satellite transceivers) necessary for television broadcasting or radio broadcasting, as the case may be, including apparatus which may incidentally be used for transmitting closed circuit television or radio programs, but such terms does not include the construction or repair of structures to house such apparatus. In the case of apparatus, the acquisition and installation of which is so included, such term also includes planning therefor.".

AUTO RECORDING EQUIPMENT

Sec. 7. Section 399(b) of the Communications Act of 1934 is amended by adding at the end thereof the following new paragraph:

"(5) From amounts appropriated pursuant to section 391 after the date of enactment of this paragraph, the Secretary may make a grant to any licensee of a noncommercial educational broadcast station who received assistance under this part of the full amount necessary to acquire equipment to permit such licensee to comply with paragraph (1) of this subsection.".

TELECOMMUNICATIONS DEMONSTRATIONS

Sec. 8. The Communications Act of 1934 is amended by adding after section 392 the following new section:

"TELECOMMUNICATIONS DEMONSTRATIONS

"Sec. 392A. (a) It is the purpose of this section to promote the development of nonbroadcast telecommunications facilities and services for the transmission, distribution and delivery of health, education, and public or social service information. The Secretary is authorized, upon receipt of an application in such form and containing such information as he may by regulation require, to make grants to, and enter into contracts with public and private nonprofit agencies, organizations, and institutions for the purpose of carrying out telecommunications demonstrations.

"(b) The Secretary may approve an application submitted under subsection (a) if he determines—

"(1) that the project for which application is made will demonstrate innovative methods or techniques of utilizing nonbroadcast telecommunications equipment or facilities to satisfy the purpose of this section;

"(2) that demonstrations and related activities assisted under this section will remain under the administration and control of the applicant;

"(3) that the applicant has the managerial and technical capability to carry out the project for which the application is made; and

"(4) that the facilities and equipment acquired or developed pursuant to the application will be used substantially for the transmission, distribution, and delivery of health, education, or public or social service information.

"(c) Upon approving any application under this section with respect to any project, the Secretary shall make a grant to or enter into a contract with the applicant in an amount determined by the Secretary not to exceed the reasonable and necessary cost of such project. The Secretary shall pay such amount from the sum available therefor, in advance or by way of reimbursement, and in such installments consistent with established practice, as he may determine.

"(d) Funds made available pursuant to this section shall not be available for the construction, remodeling, or repair of structures to house the facilities or equipment acquired or developed with such funds, except that such funds may be used for minor remodeling which is necessary for and incident to the installation of such facilities or equipment.

"(e) For purposes of this section, the term 'nonbroadcast telecommunications facilities' includes, but is not limited to, cable television systems, communications satellite systems and related terminal equipment, and other methods of transmitting, emitting, or receiving images and sounds or intelligence by means of wire, radio, optical, electromagnetic or other means.

"(f) The funding of any demonstration pursuant to this section shall continue for not more than three years from the date of the original grant or contract.

"(g) The Secretary shall require that the recipient of a grant or contract under this section submit a summary and evaluation of the results of the demonstration at least annually for each year in which funds are received pursuant to this section.

"(h) There are authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1976, and $250,000 for the period July 1, 1976, through September 30, 1976, to carry out the provisions of this section. Sums appropriated under this subsection for any fiscal year or period shall remain available for payment of grants or contracts for projects for which applications approved under this section have been submitted within one year after the last day of such fiscal year or period.".

The SPEAKER pro tempore. Is a second demanded?

Mr. FREY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MACDONALD) will be recognized for 20 minutes, and the gentleman from Florida (Mr. FREY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. MACDONALD).

Mr. MACDONALD of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 9630, the Educational Broadcasting Facilities and Telecommunications Demonstration Act of 1976, which was adopted unanimously by the Subcommittee on Communications and the full Committee on Interstate and Foreign Commerce.

The Congress first enacted the Educational Television Facilities Act in 1962 (Public Law 87-447) to provide Federal matching grants to establish and expand public educational television broadcasting stations. Additional legislation was passed in 1967 to include public educational radio facilities under the program. There are currently 254 public television stations serving 80 percent of the American people. There are 176 public radio stations reaching 62 percent of the population. We must see to it that this growth continues, and this bill makes that commitment.

The Subcommittee on Communications held 2 days of hearings on this legislation during which time we heard testimony from nine witnesses. Although there was some disagreement as to what the appropriate funding levels should be, all of them supported the goals of the bill.

H.R. 9630 provides for the authorization of funds for the educational broadcasting facilities program and of funds for the newly created telecommunications demonstration program. Both programs are administered by the Department of Health, Education, and Welfare.

The facilities portion of the legislation makes grants to noncommercial or educational television and radio stations to assist them with the construction or improvement of their facilities. The bill authorizes $7.5 million for the period from July 1 to September 30, 1976, and $30 million for the fiscal year ending September 30, 1977. Although these figures represent an increase of Federal support for the facilities program, they are consistent with the amounts authorized by the Congress in previous years.

These authorizations and appropriations are as follows:

Educational television facilities act appropriations, 1963–76

[In thousands]

Fiscal year	*Authorization*	*Appropriation*
1963-67	[1] $32,000	$32,000
1968	10,500	------
1969	12,500	4,375
1970	15,000	5,083
1971	15,000	11,000
1972	15,000	13,000
1973	25,000	13,000
1974	25,000	15,675
1975	30,000	12,000
1976	30,000	12,500
Total	210,000	118,635

[1] Aggregate.

Since the beginning of the public broadcasting facilities grant program in 1963, little more than $100 million in Federal funds have been awarded. Notwithstanding the success of the program, authorizations and appropriations have failed to meet established needs. For example, in 1975 there were 193 applications for grants, but only 62 could be funded. More than 100 of these applications are still pending at HEW for lack of grant money. We must do better if public broadcasting is to succeed in becoming a truly national resource.

The Telecommunications Demonstration program is a new undertaking which will enable the Secretary of HEW to promote the development of nonbroadcast telecommunications facilities and services of the transmission, distribution and delivery of health, education, and public or social service information. The demonstration program is intended to permit the conceptualization, development, experimentation, and demonstration of cost-effective applications of telecommunications to public or social service. The demonstration program is intended to respond to local and community initiatives in generating proposals.

Since this proposed program would be new, the Committee has only requested authorization for 1 fiscal year, plus the transitional fiscal period. While this program should be a continuing one, the committee feels that it should review the progress of the program before authorizing funds for additional years. However, I feel strongly that the $1,250,000—$1 million for fiscal 1976 plus $250 thousand for the transitional period of July to September, 1976—authorization represents the minimum amount required to make this program functional. An appropriation of a lesser amount would seriously cripple the program.

In December the Congress and the President reaffirmed the Federal commitment to public broadcasting by enacting into law the Public Broadcasting Financing Act of 1975 (Public Law 94-192). It is equally important that we act favorably on this companion legislation before us today.

H.R. 9630 is sponsored by every member of the Subcommittee on Communications and is supported by the full Interstate and Foreign Commerce Committee. I strongly urge my colleagues here this afternoon to adopt this bill.

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. MACDONALD of Massachusetts. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Speaker, let me state to the gentleman from Massachusetts (Mr. MACDONALD) that during the debate in the first session on H.R. 6461, the Public Broadcasting bill, the gentleman from Ohio (Mr. STOKES) and I introduced an amendment to make the antidiscrimination provisions of titles VI and VII of the 1964 civil rights law and title IX of the 1972 Education Act Amendments applicable to the Corporation for Public Broadcasting. Although this amendment was deleted in conference, the conference committee expressed its concern over the continuing employment and program discrimination by public broadcasting entities.

Today we are asked again to vote funds for educational broadcasting, and I would like to clarify through the chairman of the subcommittee whether the antidiscrimination laws are applicable to these funds.

Mr. MACDONALD of Massachusetts. Yes. Mr. Speaker, I assure the gentlewoman from New York that her understanding is absolutely correct.

Any recipient of funds under the EBF program must comply with title VI and the Civil Rights Act of 1964 and with title IX of the 1972 Education Act Amendments. Enforcement responsibilities in this matter lie completely with the Office of Civil Rights contained within HEW.

As the gentlewoman can see from our hearings, at pages 26 through 29, other Members and I questioned HEW witnesses about the scope of their enforcement program for educational facilities grants. The details are set forth in the hearings, and during our oversight hearings on employment practices in all of public broadcasting, which we will be holding in April, I plan to explore this area very thoroughly.

As the gentlewoman and the other Members are aware, I feel that more effective and responsible enforcement of the antidiscrimination laws by departments and agencies which are already charged with enforcement is far preferable to having CPB undertake such enforcement. I can only stress again my concern about discrimination and the commitment of our committee to do something about it. I certainly would welcome the gentlewoman's cooperation in our efforts to this effect.

Mr. Speaker, the gentlewoman might note that in conference I have been wont to raise my voice solidly against some of the practices that had been followed in the past. I will point out that they now say they can do much better because they have long-range funding.

Ms. ABZUG. Mr. Speaker, I thank the gentleman very much.

As I understand the gentleman's statement, then, every entity receiving funds under this legislation is already prohibited by existing law from discrimination on the basis of race, color, or national origin pursuant to title VI of the Civil Rights Act and on the basis of sex pursuant to title IX of the 1972 Education Act Amendments?

Mr. MACDONALD of Massachusetts. The gentlewoman is correct.

Ms. ABZUG. Mr. Speaker, I thank the subcommittee chairman.

Mr. FREY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join my colleague, Chairman MACDONALD, in supporting H.R. 9630, a bill that extends the matching grant program for construction of noncommercial educational radio and television broadcasting, a program which originated in 1962 when the Educational Television Facilities Act of 1962 was enacted into law.

Since 1962 Congress has continually supported this program, although the annual authorizations have not increased to the extent we would expect. In fact, the authorization for broadcast facilities for fiscal year 1977 contained in this bill is the same amount as was authorized for fiscal year 1975—$30 million.

The facilities grant program extended by this bill provides for grants by the Secretary of HEW to eligible applicants of up to 75 percent of the cost of acquisition of broadcasting equipment. Those who are now eligible are such groups as State and local public school agencies, State public broadcasting agencies, tax supported colleges and universities, nonprofit public broadcasting groups, and municipalities operating public stations. Let me stress, these grants are for equipment, not for programing.

In making these grants, the Secretary of HEW must follow the guidelines outlined in the Communications Act. This bill, for the first time, establishes separate guidelines for radio and television. The reason for that is obvious; public television has expanded to a point where 80 percent of the population receives its benefits, while public radio reaches only 61 percent of the populace. Therefore, the guidelines contained in H.R. 9630 emphasize the extension of noncommercial education radio services throughout the country while stressing a strengthening of existing noncommercial education television.

A second major change in the facilities grant program made by this bill is that it applies to reception apparatus as well as broadcasting equipment. By so doing, we allow for the use of such devices as the radio subcarrier receivers which are used to provide reading services to the visually handicapped. This is an admirable project and very similar to another broadcasting service in which I have long been interested—captioning on television for those of our citizens with a hearing handicap. Commercial broadcasters should certainly strive to achieve the same sort of dedication to assisting the handicapped as has public broadcasting.

Apart from the facilities grants, this bill establishes a program to promote the development of cost-effective nonbroadcast telecommunications facilities through grants to fund demonstrations of such techniques as fiber optics and satellite systems.

The intention of the program is obviously not to fund large, new systems since this bill does not contain a large authorization in this regard, but it is rather to stimulate private industry to develop new techniques in telecommunications which will benefit the public at large.

Our committee felt very strongly that this program should be set apart from the facilities grant program so that it would not be lost in the process. I heartily concur.

Mr. Speaker, this is a necessary and responsible bill. The total Federal investment over the length of the program's existence has been less than 10 percent of the gross expenditure from public and private sources, but it has generated an investment in public broadcasting from the private sector of over $1 billion. Rather than being a bottomless pit of Federal expenditures as so many Government programs have been, this program has had a very beneficial effect on the national economy and the public's well-being.

Mr. STAGGERS. Mr. Speaker, H.R. 9630 is a short and simple bill but nonetheless an important one. It authorizes appropriations for the public broadcasting facilities grant program which is administered by the Department of Health, Education, and Welfare. For that program $7.5 million is authorized for the transitional fiscal period, and $30 million is authorized for fiscal year 1977.

The bill also authorizes the appropriation of funds for telecommunications demonstrations projects. For that program $1 million is authorized for fiscal year 1976, and $250,000 is authorized for the transitional fiscal period.

The bill creates separate priorities for radio and television in the public broadcasting facilities grant program. In addition, the bill requires that the Secretary of HEW closely coordinate the administration of his functions outlined in this bill with both the FCC and the Corporation for Public Broadcasting.

FACILITIES GRANT PROGRAM

Under the public broadcasting facilities grant program, the Secretary of Health, Education, and Welfare makes grants to eligible applicants of up to 75 percent of the cost of acquiring and installing specified radio and television broadcasting apparatus. Grant funds cannot be used for the purchase, construction, or repair of buildings or the acquisition of land.

There are five classes of eligible applicants for grants under the program: First, State or local public school agencies; second, State public broadcasting agencies and commissions; third, tax supported colleges and universities; fourth, nonprofit community corporations and associations organized primarily to engage in public broadcasting; and fifth, municipalities operating public broadcasting stations.

Any grant must—in addition to being used for the acquisition and installation of broadcasting apparatus—be used in furtherance of public broadcasting, which requires that the grantee have or be in the process of obtaining a license from the Federal Communications Commission to engage in public broadcasting.

Of the funds appropriated for this program in any fiscal year, not more than 8½ percent may be granted for projects in any one State.

In 1962, when the educational television broadcasting facilities grant program was enacted, there were 76 educational television stations on the air serving areas occupied by slightly more than 50 percent of the population of the United States. Today there are 264 such stations on the air serving areas occupied by approximately 80 percent of the population. These stations are located in every State, except Montana and Wyoming, and also in the District of Columbia, Virgin Islands, Puerto Rico, Guam, and American Samoa.

In addition to noncommercial television broadcasting stations the public broadcasting facilities grant program also applies to noncommercial radio broadcasting stations of which there are at present about 800 on the air serving areas occupied by approximately 61 percent of the population. These areas that are presently served by noncommercial radio broadcasting stations do not include 36 of the top 100 markets.

Since the beginning of the public broadcasting facilities grant program in 1963, less than $100 million in Federal funds have been awarded. In addition to matching project costs, stations must: First, guarantee to operate the equipment purchased for 10 years; second, show evidence of at least the first year's operating funds on hand or certified available; and third, pay all building and land costs from other than grant funds. The Federal investment in public broadcasting facilities, while less than 10 percent of the gross expenditure from public and private sources, has stimulated an investment in excess of $1 billion.

Notwithstanding the success of the

broadcasting facilities grant program, authorizations and appropriations have failed to meet established needs; $30 million was authorized and $12 million appropriated for the program for fiscal year 1975. When all of the funds appropriated for fiscal year 1975 had been expended there remained 100 applications which had not been acted upon seeking approximately $32 million in Federal funds.

The authorizations contained in H.R. 9630 will not only increase local station capability to provide better local service through their purchase of local production equipment and facilities to expand their coverage areas, but will, as well, substantially insure that they become truly free to make use of national programing distributed to them over the interconnection in a manner that allows them to schedule the programs at the most convenient local time.

DEMONSTRATION PROGRAM

H.R. 9630 provides that the Secretary of HEW promote the development of nonbroadcast telecommunications facilities and services of the transmission, distribution and delivery of health, education, and public or social service information. The demonstration program is intended to permit the conceptualization, development, experimentation, and demonstration of cost-effective applications of telecommunications to public or social service.

Your committee does not intend that this authorization fund large new hardware telecommunications systems, but rather that it stimulate, through a minimum of Federal expenditures, the rechanneling of large existing local, private, and individual resources toward more efficient and effective service delivery.

The demonstration program allows for a diverse number of technologies to be stimulated into uses of public or social benefit. Satellite technology, coaxial cable, fiber optics ,and other means of transmission might be considered.

The demonstration program is intended to respond to local and community initiatives in generating proposals. Since the demonstration program proposed in this bill would be new, an authorization for only 1 fiscal year, plus the transitional fiscal period is requested. While it is intended that this program be a continuing program, the committee was of the opinion that it should review the progress of the program before authorizing funds for additional fiscal years.

Mr. Speaker, I feel strongly that the $1,250,000 authorization represents the minimum amount required to make this program functional. An appropriation of a lesser amount would seriously cripple this program.

Mr. Speaker, I hope that every Member of the House will join me in support of H.R. 9630.

Mr. MACDONALD of Massachusetts. Mr. Speaker, I have no further requests for time.

Mr. FREY. Mr. Speaker, I have no further requests for time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. MACDONALD) that the House suspend the rules and pass the bill (H.R. 9630), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to extend the educational broadcasting facilities program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and public or social service information, and for the other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MACDONALD of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING THE 101ST AIRBORNE DIVISION ASSOCIATION TO ERECT A MEMORIAL IN THE DISTRICT OF COLUMBIA OR ITS ENVIRONS

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3710) to authorize the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs, as amended.

The Clerk read as follows:

H.R. 3710

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the One Hundred and First Airborne Division Association is authorized to erect a memorial on public grounds in the District of Columbia or its environs in honor and in commemoration of the men of the "Screaming Eagles" of the One Hundred and First Airborne Division, United States Army, who have served their country in World War II, Vietnam, and maintaining peace.

SEC. 2. (a) The Secretary of the Interior is authorized and directed to select, with the approval of the National Commission of Fine Arts and the National Capital Planning Commission, a suitable site on public grounds in the District of Columbia, or its environs, upon which may be erected the memorial authorized in the first section of this Act: *Provided,* That if the site selected is on public grounds belonging to or under the jurisdiction of the government of the District of Columbia, the approval of the *Mayor* of the District of Columbia shall also be obtained.

(b) The design and plans for such memorial shall be subject to the approval of the Secretary of the Interior, the National Commission of Fine Arts and the National Capital Planning Commission, and the United States or the District of Columbia shall be put to no expense in the erection thereof.

SEC. 3. The authority conferred pursuant to this Act shall lapse unles (1) the erection of such memorial is commenced within five years from the date of enactment of this joint resolution, and (2) prior to its commencement funds are certified available in an amount sufficient, in the judgment of the Secretary of the Interior, to insure completion of the memorial.

SEC. 4. The maintenance and care of the memorial erected under the provisions of this Act shall be the responsibility of the Secretary of the Interior, or, if the memorial is erected upon public grounds belonging to or under the jurisdiction of the District of Columbia, the government of the District of Columbia.

The **SPEAKER** pro tempore. Is a second demanded?

Mr. MOORE. Mr. Speaker, I demand a second.

The **SPEAKER** pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The **SPEAKER** pro tempore. The gentleman from Michigan (Mr. NEDZI) will be recognized for 20 minutes, and the gentleman from Louisiana (Mr. MOORE) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill would authorize the 101st Airborne Division Association to erect a memorial to the men of the 101st Airborne Division who served their country and served with the division during World War II and the Vietnam conflict.

Although similar legislation has been before the Congress before and was enacted and signed into law in 1959, the Association was, at that time, unable to fully fund the project before the authorization of Public Law 85-403 expired after 5 years. The Subcommittee on Library and Memorials has, however, been assured by the Association that as of the current date, they have raised in excess of $100,000. This figure is expected to be more than sufficient to complete the project at this time.

Upon enactment, this legislation will provide the authorization for the selection of a site by the Secretary of the Interior in consultation with the Commission on Fine Arts, the National Capital Planning Commission, and the District of Columbia government. Final design approval is also to be within the jurisdiction of the Secretary of the Interior in consultation with the Fine Arts Commission, the National Capital Planning Commission, and the District Government.

The Federal Government will not bear any of the costs associated with the design or construction of this memorial. These costs will be the responsibility of the 101st Association. Upon completion of the memorial, the care and maintenance of the site will be the responsibility of the Interior Department or the District of Columbia government if the site is in the District. The costs of maintenance and care are expected to be nominal.

A report recommending favorable consideration has been received from the Department of the Interior as well as from the District of Columbia government and this report is included in House Report 94-740, which accompanies H.R. 3710.

Mr. MOORE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I should like to point out that there is very strong support for this bill on this side of the aisle. The committee and the subcommittee held hearings on this matter and we were unanimous in both in favor of the bill. One reason for this is that the committee feels that it is justifiable since this unit, the 101st Airborne Division, has a tremendous military history behind it, as indeed have many other units of our military forces. But I believe that this is indeed an exemplification of our country's military efforts, and certainly if there is any military unit that deserves such attention, it is this one.

Mr. Speaker, I would also like to point out that the gentleman from Tennessee (Mr. BEARD) is the author of this bill. The gentleman from Tennesseee led the presentation of testimony on this matter before the subcommittee. The gentleman from Tennessee has been a strong backer of this measure for some time. I believe that a great deal of credit is due to the gentleman from Tennessee for having brought this measure to the floor of the House today.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman from Louisiana for yielding me this time.

Mr. Speaker, I rise in strong support of this legislation. I wish to congratulate the gentleman from Louisiana (Mr. MOORE) and the gentleman from Tennessee (Mr. BEARD) for bringing this legislation to our attention.

The committee hopes that it is not, by the passage of this bill, setting a precedent for a deluge of memorials here to many of the worthy military units which have defended our shores and our security with honor, distinction, and courage.

The "Screaming Eagles," however, have earned their memorial, not only by military service, but also by voluntarily donating the cost of the monument, and by demonstrating unusual solidarity and persistence in this matter. The memorial will honor the 101st's accomplishments, but also it will also stand for all the fine units and brave Americans who have served their country.

Mr. NEDZI. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, I want to thank the gentleman from Michigan (Mr. NEDZI) for yielding me this time. I wish to thank the Committee on House Administration and the sponsor of this legislation, the gentleman from Tennessee (Mr. BEARD) for the manner in which this bill has been handled.

Mr. Speaker, I had the privilege many, many years ago of being a member of the 101st Airborne Division having joined the 501st Parachute Infantry at Camp Toccoa and therefore was allowed to tag along with the 101st Airborne Division until the end of World War II.

Mr. Speaker, I know that the members of the 101st Airborne Division Association will do a very fine job in erecting a memorial that will be most fitting and proper for the memory of the deceased members of the 101st Airborne Division.

Again I want to thank the committee for its fine work and its dedicated attention to the merits of this bill.

Mr. NEDZI. Mr. Speaker, I have no further requests for time.

Mr. MOORE. Mr. Speaker, at this time I yield such time as he may consume to the gentleman from Tennessee (Mr. BEARD), the author of this legislation.

Mr. BEARD of Tennessee. Mr. Speaker, in our relatively brief history we have been fortunate to have experienced comparatively few wars and, except for the tragic War Between the States, we have had no armed conflict on American soil. When, however, we have been called to arms, the United States has responded heroically and we have been able to field many outstanding fighting units, which have served their country bravely.

One of the most notable of these fighting forces has been the Army's 101st Airborne Division, a helicopter-borne "cavalry" unit which most recently distinguished itself in Southeast Asia. Few military units possess such a proud tradition as the 101st. A look at its recent leadership sets the tone for this group:

Generals Maxwell D. Taylor and William C. Westmoreland, both former Chairmen of the Joint Chiefs of Staff, and the present Superintendent of the U.S. Military Academy at West Point, Gen. Sydney Berry.

Today I am very proud to have this legislation before the House, which will, if enacted, establish a permanent memorial in the Nation's Capital to these brave men, both living and dead, of the 101st. I feel enactment of this legislation and the creation of such a memorial would be a fitting recognition of the 101st's heroic deeds by the Congress, the Government, and the people of the United States.

Mr. Speaker, I hope that we will see quick action on this bill, and I would appreciate total support for it.

I do appreciate the cooperation of the chairman of this subcommittee. He has been a pleasure to work with, and I do appreciate his interest in this matter.
further requests for time, and I yield
Mr. MOORE. Mr. Speaker, I have no
back the remainder of my time.

Mr. NEDZI. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the bill H.R. 3710, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the prior announcement of the Chair, further proceedings on this motion will be postponed.

AUTHORIZING A BUST OR STATUE OF MARTIN LUTHER KING, JR., TO BE PLACED IN THE CAPITOL

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 96) authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol, as amended.

The Clerk read as follows:

H. CON. RES. 96

Resolved by the House of Representatives (the Senate concurring), That the Joint Committee on the Library is authorized and directed to procure a bust or statue of Martin Luther King, Junior, and to cause such sculpture to be placed in a suitable location in the Capitol as determined by the Joint Committee on the Library.

SEC. 2. Expenses incurred by the Joint Committee on the Library in carrying out this concurred resolution, which shall not exceed $25,000, shall be paid out of the contingent fund of the House on vouchers approved by the chairman of the joint committee.

The SPEAKER pro tempore. Is a second demanded?

Mr. MOORE. I demand a second, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. NEDZI) will be recognized for 20 minutes, and the gentleman from Louisiana (Mr. MOORE) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Speaker, This resolution would authorize and direct the Joint Committee on the Library to procure a bust or statue of Dr. Martin Luther King, Jr., for placement in a suitable location in the Capitol, as determined by the joint committee.

The committee has determined that in this Bicentennial Year, it is fitting and appropriate to honor the memory of the late Dr. King by placing a bust or statue of him in the Capitol of the United States. The Capitol is deemed to be a fitting site for this memorial, because of Dr. King's prominence in the struggle for civil rights for black Americans and because of his singular honor as the youngest of the American recipients of the Nobel Peace Prize. The memorial to Dr. King is also fitting as a representative of black Americans, not one of whom is currently represented among the 681 works of art displayed in the Capitol.

This legislation authorizes the Joint Committee on the Library to expend not more than $25,000 for the completion of this memorial. The Architect of the Capitol, who was consulted by the Subcommittee on the Library prior to favorable consideration being granted by the subcommittee, has indicated that the sum authorized is an appropriate amount based on previous experience. The letter of the Architect is included in House Report No. 94–741, which accompanies House Concurrent Resolution 96.

The Subcommittee on Library and Memorials joins with Congressman JONATHAN BINGHAM and the other 161 Members of the 94th Congress who cosponsored this resolution, in expressing its view that this Bicentennial Year is very appropriate as the time during which the memory of Dr. Martin Luther King, Jr., is honored in the Capitol of the United States.

Mr. Speaker, I have no further requests for time.

Mr. MOORE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is no objection on

this side of the aisle or the committee to the concurrent resolution.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I rise in support of House Concurrent Resolution 96, to erect a bust as memorial to Dr. Martin Luther King, Jr., in the Capitol.

When in place, the King bust will be the only memorial to a black person in the Capitol. The time is late for such an honor, but perhaps it is appropriate and auspicious to dedicate this monument in our Bicentennial Year. Surely it will be a point of great interest and pride especially for black families, but for all families, who visit the Capital this year.

The committee was enthusiastic in approving this resolution, but it will continue to be selective in designating memorial spaces in an already overcrowded Capitol. The bust of Dr. King will be placed by order of the Capitol Architect, but one space that has been suggested is in a hallway leading west off the rotunda on the second floor.

Mr. MOORE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. I thank the gentleman from Louisiana for yielding.

Mr. Speaker, I would like to point out I think it is rather strange to call up this undeserved bill at a time when many of the liberals in this country—particularly in the media—call Richard Nixon a crook, allege John F. Kennedy was a lady's man, and accuse J. Edgar Hoover of being a tyrant, but would at the same time gloss over similar shortcomings in the life of Dr. Martin Luther King, Jr.

Unlike most of the Members of this body, I have read in detail the statements of Martin Luther King and closely chronicled his activities. He does not deserve this honor and I will vote against it. Those who want to rewrite history are bent on this course, but some voice should be raised to put King in perspective. He advocated violence, advocated lawlessness, and preached an anti-American theme which was sheer radical propaganda.

I note a column in the January 24, 1976, Human Events, by my firend Bill Rusher, which attempts to put King in the proper perspective. I include that column at this point, Mr. Speaker, and merely suggest that we not allow ourselves to be propagandized into making Martin Luther King something he most certainly was not.

The article follows:

WHY DID KING DUMP RED AIDE?

(By William A. Rusher)

The posthumous attack on J. Edgar Hoover has centered on his supposed persecution of Martin Luther King Jr. A carbon copy of an anonymous letter to King, arguably urging him to commit suicide, has turned up in the files of William Sullivan, a former assistant director of the FBI (and no friend of Hoover, who failed to anoint him as his own successor). Sullivan says he knows nothing about the letter, so—on exactly no evidence whatever, so far as I can tell— everybody has leaped to the conclusion that Hoover wrote it. When you're out to beat a dog, apparently, just about any stick will do.

Exactly why Hoover detested King so much (and Hoover certainly never made any secret of that fact) has, however, received curiously little attention. The general assumption seems to be that Hoover was, in addition to everything else, a racist bigot who just naturally detested black leaders. The fact that the Bureau under Hoover's direction brilliantly infiltrated the Ku Klux Klan is discreetly overlooked in aid of this brazen lie.

But what about Martin Luther King Jr.? The man is dead now, and one hesitates to tamper with his memory. Whatever his sins, his eloquence on behalf of the cause of black Americans, and his subsequent assassination, have virtually apotheosized him. There are scores of Martin Luther King Jr. High Schools and Auditoriums and Boulevards all over America, and the anniversary of his assassination is widely observed as a day of mourning.

But it was with King the man, not King the canonized memory, that Hoover had to concern himself; and it is therefore necessary to pay a certain attention to the facts. And one of the key facts is that King was amazingly indifferent to the presence of a dedicated Communist in the high command of his Southern Christian Leadership Conference.

Late in 1962 the St. Louis *Globe-Democrat* reported that the Southeastern director of the SCLC was one Hunter Pitts O'Dell. What made this fact of more than casual interest was the further fact (which by then had been on the public record for six and a half years) that O'Dell was a long-time Communist party activist.

I happened to have come across O'Dell's spoor in 1956, during an investigation by the Senate Internal Security subcommittee (of which I was then associate counsel) into a white-collar cell of the Communist party in New Orleans. Its members included such well-placed enthusiasts as the former national legislative representative of the Louisiana State PTA, the Program Director of WDSU-TV (New Orleans' largest television station), the head of a travel agency, and the proprietor of a book store near Tulane University.

These and other cell members (all of whom were white, by the way) would foregather regularly to study Communist doctrine under the tutelage of O'Dell, who at that time was a student at (black) Southern University and was also working as a busboy in a downtown cafeteria.

When the U.S. marshals went to O'Dell's rented room to serve the subcommittee's subpoena, the bird had flown (not to reappear for weeks, at which point he took the 5th Amendment). But in the room were no less than 175 documents later received in evidence by the subcommittee, including: a vast array of American and foreign Communist literature; 375 copies of an issue of the *Worker*, setting forth "The Southern People's Common Program for Democracy, Progress and Peace"; a document dated Nov. 4, 1955, from the National Organization Commission of the Communist party, addressed "To all districts"; two Social Security cards made out to names used as aliases by O'Dell; and an undated memorandum, apparently by O'Dell, headed "Proposals on Southern Party Organization."

This was the man chosen by King as his SCLC director for the Southeastern United States. Moreover, when the *Globe-Democrat* re-published the truth about O'Dell, King dawdled for six months before announcing, under heavy pressure, that O'Dell had left the SCLC "by mutual agreement." Because of his Communist record? Not at all; merely, said King, because of concern that his affiliation with the integration movement would be used by "segregationists and race-baiters."

Mr. NEDZI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, the resolution before us, House Concurrent Resolution 96, authorizes the placement of a bust or statue of Dr. Martin Luther King, Jr., in the Capitol, at a cost of not to exceed $25,000.

I would like to express my appreciation to the gentleman from Michigan, Mr. NEDZI, chairman of the House Administration Subcommittee on Library and Memorials, the gentleman from Ohio, Mr. HAYS, chairman of the full House Administration Committee, and to the members of both the subcommittee and the full committee for their efforts in bringing this resolution before us today.

House Concurrent Resolution 96, which I introduced on February 5, 1975, has a total of 160 cosponsors, including members of both political parties and all the members of the Congressional Black Caucus. Their names are appended at the end of this statement.

I first introduced this resolution during the 92d Congress with 61 cosponsors. Before introducing it again in the 93d Congress, I consulted with the Congressional Black Caucus; after extensive consideration the Caucus agreed that Dr. King was the most appropriate black American to honor. Presently, in the Senate, 36 Members are cosponsoring a similar resolution.

Martin Luther King, Jr., was a man who might have lived out a worthwhile yet obscure life as a minister in Alabama. Instead, he was beckoned by the challenge to win equality for all the people of this country. In 1955, a seamstress' tired feet led to the first great civil rights test of power and launched Dr. King's quest for equality. Mrs. Rosa Parks' arrest for refusing to give up her seat on a local bus to a white man ended 382 days later with the capitulation of the Montgomery bus line to the doctrine of racial equality. Dr. King, who led the Montgomery black community during that year, had begun his march.

In the following years, he expanded his horizons and his influence grew. He set out not only to correct specific injustices, but also to reach the Nation's heart. His marches aroused sympathy and awakened the country. No one will forget that awful spectacle in 1963 when Dr. King and his marchers, dressed in their Sunday clothes, met fire hoses, truncheons, and police dogs in Birmingham. A few months later, in his famous "I have a dream" speech, Dr. King addressed thousands of people gathered at the Lincoln Memorial and said,

> When we let freedom ring, we will speed the day when all of God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing the words of the old Negro spiritual: "Free at last/Free at last/Thank God Almighty, we're free at last."

In 1964, the following year, Dr. King became the 14th American and the youngest man ever to win the Nobel Peace prize.

I had the great privilege of meeting Dr. King personally in Selma, Ala., at the time of his release from jail there, and on other occasions. I was one of those from this House who attended his funeral in Atlanta in 1968.

Dr. King's philosophy was one of changing inequality by nonviolence. A firm believer in Christian ideals and Gandhi's principle of peaceful, nonviolent protest, he set out to fulfill a dream, to give life to this country's highest ideals. He spoke for the present and the future, of "getting to the mountaintop" and "reaching the Promised Land." He was indeed one of the truly great figures of our American history.

But there are other reasons why this bust or statue should promptly be authorized and placed in the Capitol.

As we begin our Bicentennial Year, is it not shocking that, of all the black Americans who have contributed to this Nation's greatness, not one is honored among the 681 works of art in the halls of the Capitol? Is it any wonder that, in the absence of any such recognition, so few black families are to be seen among millions of tourists who flock through our Capitol building each year? Is it not distressing that a nation striving to set right the wrongs of the past has blotted out, here at the seat of the Government, any recognition of the role of black people in building the United States?

A memorial to Dr. King presents a perfect opportunity to begin to correct that injustice, as well as to respond to the strong feeling in this country that this great civil rights leader should receive official recognition and appreciation by his Government. The recent revelations of FBI attempts to discredit Dr. King—and even urge him to suicide—only enhance his reputation, and make this resolution the more significant in showing that the Congress, like President Ford, regards such actions as "abhorrent to all Americans."

I appreciate the action of the Speaker in placing this resolution on the suspension calendar so that the House may act on it with dispatch. If the Senate will also act promptly, there is a good possibility that the statue or bust can be installed during this year. The passage of this simple resolution and the erection of the memorial it contemplates would be a fitting addition to our Bicentennial celebration in 1976.

Although Dr. King's violent death is a tragic blot on our recent history, his life was a shining example for us all. For over a decade, his hopes and his dreams guided the Nation in the struggle for equal justice, equal opportunity, and indeed for basic rights. He carried that struggle as far as any man or woman in this century.

A permanent memorial to Dr. King in our Capitol, in the form of a statue or bust, suitably located, would remind America and the rest of the world, over the years to come, of the inspiring leadership of this great man.

I include a list of cosponsors:

COSPONSORS OF HOUSE CONCURRENT RESOLUTION 96 AND IDENTICAL RESOLUTIONS

1. Ms. Abzug.
2. Mr. Adams.
3. Mr. Addabbo.
4. Mr. Anderson of California.
5. Mr. Anderson of Illinois.
6. Mr. Ashley.
7. Mr. Aspin.
8. Mr. Badillo.
9. Mr. Barrett.
10. Mr. Bedell.
11. Mr. Bell.
12. Mr. Benitez.
13. Mr. Bergland.
14. Mr. Biaggi.
15. Mr. Biester.
16. Ms. Boggs.
17. Mr. Boland.
18. Mr. Bolling.
19. Mr. Bonker.
20. Mr. Brademas.
21. Mr. Brown of Ohio.
22. Mr. Brown of Michigan.
23. Mr. Brown of California.
24. Mr. Buchanan.
25. Mr. Burke of Massachusetts.
26. Ms. Burke of California.
27. Mr. John L. Burton.
28. Mr. Phillip Burton.
29. Ms. Chisholm.
30. Mr. Clay.
31. Ms. Collins of Illinois.
32. Mr. Conte.
33. Mr. Conyers.
34. Mr. Corman.
35. Mr. Cotter.
36. Mr. Coughlin.
37. Mr. Dominick V. Daniels.
38. Mr. Danielson.
39. Mr. Dellums.
40. Mr. de Lugo.
41. Mr. Diggs.
42. Mr. Downey of New York.
43. Mr. Drinan.
44. Mr. Duncan of Oregon.
45. Mr. Eckhardt.
46. Mr. Edgar.
47. Mr. Edwards of California.
48. Mr. Eilberg.
49. Mr. Evans of Colorado.
50. Mr. Fascell.
51. Mr. Fauntroy.
52. Mrs. Fenwick.
53. Mr. Findley.
54. Mr. Fish.
55. Mr. Flood.
56. Mr. Foley.
57. Mr. Fraser.
58. Mr. Ford of Tennessee.
59. Mr. Frenzel.
60. Mr. Giaimo.
61. Mr. Gibbons.
62. Mr. Green.
63. Mr. Harrington.
64. Mr. Hawkins.
65. Mr. Hechler of West Virginia.
66. Mr. Heinz.
67. Mr. Helstoski.
68. Mr. Hicks.
69. Ms. Holtzman.
70. Mr. Horton.
71. Mr. Howard.
72. Mr Hughes.
73. Mr. Hungate.
74. Mr. Jacobs.
75. Mr. Johnson of Colorado.
76. Ms. Jordan.
77. Mr. Karth.
78. Mr. Kastenmeier.
79. Ms. Keys.
80. Mr. Koch.
81. Mr. Leggett.
82. Mr. Litton.
83. Mr. Long of Maryland.
84. Mr. Long of Louisiana.
85. Mr. McCloskey.
86. Mr. McHugh.
87. Mr. McKinney.
88. Mr. Madden.
89. Mr. Matsunaga.
90. Mr. Mazzoli.
91. Mr. Meeds.
92. Mr. Melcher.
93. Mr. Metcalfe.
94. Mr. Mezvinsky.
95. Mr. Mikva.
96. Mr. Miller of California.
97. Ms. Mink.
98. Mr. Mitchell of New York.
99. Mr. Mitchell of Maryland.
100. Mr. Moakley.
101. Mr. Moorhead of Pennsylvania.
102. Mr. Mosher.
103. Mr. Moss.
104. Mr. Murphy of New York.
105. Mr. Murphy of Illinois.
106. Mr. Nix.
107. Mr. Nolan
108. Mr. Nowak.
109. Mr. Obey.
110. Mr. O'Brien.
111. Mr. O'Neill.
112. Mr. Ottinger.
113. Mr. Patten.
114. Mr. Pattison of New York.
115. Mr. Pepper.
116. Mr. Price.
117. Mr. Pritchard.
118. Mr. Rangel.
119. Mr. Rees.
120. Mr. Reuss.
121. Mr. Reigle.
122. Mr. Rodino.
123. Mr. Roe.
124. Mr. Rosenthal.
125. Mr. Roush.
126. Mr. Roybal.
127. Mr. Ryan.
128. Mr. Sarbanes.
129. Mr. Scheuer.
130. Ms. Schroeder.
131. Mr. Seiberling.
132. Mr. Simon.
133. Mr. Sisk.
134. Mr. Solarz.
135. Ms. Spellman.
136. Mr. J. William Stanton.
137. Mr. Stark.
138. Mr. Steelman.
139. Mr. Stokes.
140. Mr. Stratton.
141. Mr. Symington.
142. Mr. Thompson.
143. Mr. Traxler.
144. Mr. Tsongas.
145. Mr. Udall.
146. Mr. Van Deerlin.
147. Mr. Vander Veen.
148. Mr. Vanik.
149. Mr. Vigorito.
150. Mr. Waxman.
151. Mr. Weaver.
152. Mr. Whalen.
153. Mr. Charles Wilson of Texas.
154. Mr. Charles H. Wilson of California.
155. Mr. Wolff.
156. Mr. Won Pat.
157. Mr. Wydler.
158. Mr. Yates.
159. Mr. Young of Georgia.
160. Mr. Zeferetti.

Mr. NEDZI. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the distinguished chairman for yielding to me.

I wanted to take this opportunity to express my appreciation and pride over the fact that this resolution is now before this body and that the chairman of the subcommittee and the main sponsors of the resolution have moved the resolution to the point where, at long last, we are remedying a situation that is unwarranted and inequitable.

I frankly feel that by passage of this resolution we will give a sense of hope again to a number of black Americans who, like all other groups, need their heroes to serve as philosophical guideposts before them.

I am of course glad that this resolution is before this body and I urge support of it.

Mr. DELLUMS. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Speaker, I echo and applaud the sentiments expressed by my distinguished colleague, the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I must confess in an angry column which I wrote for a weekly paper in Baltimore, I expressed great anger and dismay over the failure to commemorate this national and international hero's life in our time. It was an angry column and now I am sorry I wrote that column. However, I can assure the Members that next week the column will be one of hope rather than anger.

Mr. COTTER. Mr. Speaker, we honor men and women for what they strive to achieve in their lives. The examples of strong character and determination set by George Washington and Abraham Lincoln have long been honored by our Nation. This legacy of outstanding personal qualities even rivals their historic contributions to this land. Over the past two decades one man stands out in the same way. Dr. Martin Luther King accomplished much for this country; but more than that, he left an enduring example of compassion and a willingness to stand up for justice that serves as an inspiration to all Americans.

The Reverend Martin Luther King brought home to everyone in this country the differences remaining between the American reality and the American dream. He saw and attacked the cruel injustice and personal degradation that characterized the lives of thousands of American citizens. In a rich land that promised "liberty and justice for all," the most basic civil rights—to move freely within this society, to seek meaningful work, quality education, decent housing and access to the political process—were flagrantly denied to scores of citizens. Dr. King could not tolerate complacency in the face of these onerous conditions, and he jarred the sensibilities of those who would remain indifferent to these injustices. His was a life dedicated to the attainment of justice and equality of opportunity for every person, and his commitment stands today as a symbol of one man's determination to stir the conscience of America to achieve this Nation's historic ideals.

In the 200-year history of this Nation we have honored a number of Americans who have acted upon their convictions fearlessly and brought this Nation closer to the realization of those human values embodied in the Constitution. As an original cosponsor of this resolution, I think it highly fitting that a commemorative statue of Dr. Martin Luther King be placed in the halls of the Capitol, to join those Americans who have received this Nation's highest esteem.

Mr. RANGEL. Mr. Speaker, I rise in enthusiastic support of House Concurrent Resolution 96, which would authorize a bust or statute of Dr. Martin Luther King, Jr. to be placed in Statuary Hall in the Capitol. I believe that in this Bicentennial Year it is only fitting that the Congress pass this legislation paying tribute to one of the great moral and spiritual leaders of our time. I would like to congratulate my distinguished colleague and good friend, JONATHAN BINGHAM, of New York, for introducing this legislation which I cosponsored.

It is ironic that we consider this bill at this time when if Dr. King had lived he would have celebrated his 47th birthday last Thursday. His death has left a definite void in the lives of all those Americans, both black and white, who subscribed to his theory of peace and equality for all. All of us who accept these principles have an opportunity today to reaffirm our commitment to keep alive Dr. King's memory by passing this legislation. I urge my colleagues to support this permanent tribute to Dr. King in order to demonstrate to the American people that we truly recognize the contributions that he has given to us and that we, on our 200th anniversary dedicate ourselves to see that his dreams will be realized.

Mr. DRINAN. Mr. Speaker, a year before the Pilgrims arrived at Plymouth in 1620, the first black people were brought to Jamestown. The Pilgrims emigrated from England to escape religious persecution and to seek freedom in this new land. The blacks were forcibly removed from their homes and involuntarily transported to this foreign shore for a life of slavery.

The history of blacks since that fateful year is a sordid part of our heritage. When the Founders of this Nation proclaimed "liberty throughout all the land," they respectfully declined to extend to blacks the same right to life, liberty, and the pursuit of happiness.

Despite the oppression of slavery and, after its abolition, segregation and discrimination, American blacks have contributed richly to the culture of this Nation. Crispus Attucks, Paul Laurence Dunbar, Mary McLeod Bethune, and Frederick Douglass are among our most distinguished compatriots. Yet to most Americans they are little known or altogether unfamiliar names.

Today we honor one black man, Martin Luther King, Jr., known to us all. His contribution to the continuing search for peace was recognized 12 years ago when he was awarded a Nobel prize. It is eminently appropriate that we similarly accord Dr. King a high place in our national history. As with all great figures, it will undoubtedly be years before we fully appreciate the value of his work.

But, even at this short distance, we more than dimly perceive the worth of his labor to bring racial and economic justice to the United States. It was not sufficient, he often said, to remove the legal barriers of segregation. In a familiar epigram, he asked: "What good does it do to be able to eat at a lunch counter if you can't buy a hamburger?" It was that attempt to remove the ancient scourges of racism and poverty that brought him to Memphis that day in April 1968 on the eve of the Poor People's March on Washington.

A cold statue of Dr. King in the Nation's Capitol is an inadequate reminder of the warm human values he regularly expressed. But until the time when "all people will get to the Promised Land," as Dr. King envisioned, no deed by us will be sufficient. "Injustice anywhere is a threat to justice everywhere," he wrote from the Birmingham jail.

As we vote to place a statue of Martin Luther King, Jr., in the Capitol, we must pledge anew an unalterable commitment to the goals he so fervently sought. Until all of us have been freed from the ancient bonds of racial prejudice and economic oppression, none of us is free. And on that day we may, black and white together, proclaim throughout all the land:

> Free at last, free at last,
> Thank God Almighty, we're free at last.

Mr. WHALEN. Mr. Speaker, I rise in support of House Concurrent Resolution 96. As the cosponsor of a similar resolution, I am pleased that the House has this opportunity to honor the late Dr. Martin Luther King, Jr., by authorizing the commissioning of a statue or bust of him to be placed in the U.S. Capitol.

During this Bicentennial Year, countless American and foreign visitors will admire the representations of noted Americans in the halls of the Capitol and reflect upon their contributions to the American experience. Incredibly, not one black American is honored by any of the 681 works of art in the Capitol.

It is fitting that this oversight be corrected by including an image of Dr. King among those of other outstanding countrymen in the Capitol Building. Dr. Martin Luther King's life, dedicated to overcoming all forms of violence to the human spirit through the practice of nonviolence, is a source of inspiration to all humankind.

The Nobel Peace Prize conferred upon him underscored in his own lifetime the universal appeal of his peaceful method of resisting injustice. His example will continue to bring solace and encouragement to individuals of all nations and generations who share his dedication to the advancement of the human condition.

Thus, it is appropriate that this man who gave his life to the realization of the rights set forth in the Constitution be recognized at the seat of our Government. A representation of Dr. Martin Luther King, Jr., in the Capitol will serve as a reminder of his dedication to those rights and his confidence in the processes designed to preserve them.

I urge my colleagues to vote in favor of this resolution.

Mr. ANDERSON of California. Mr. Speaker, it gives me great pleasure to add my voice in support of House Concurrent Resolution 96, authorizing a statue of the late Dr. Martin Luther King, Jr., to be placed in our Nation's Capitol.

Dr. King will go down in history as one of the greatest Americans of this century. More than any other person, he brought the plight of black Americans to the forefront of our Nation's conscience. The great strides forward in civil rights that have been made in the last 20 years are due, in large degree, to the dynamic leadership he gave to so many of his fellow Americans.

It is extremely fitting that Dr. King will be the first member of a minority group to be honored in these halls. He will be remembered as one of the most important leaders of black Americans, but his appeal reached out to the hearts of all men and women who believe in fairness and equality under the law.

As a student of nonviolent protest, Martin Luther King, Jr., was a rock of serenity during one of the most turbulent periods of our Nation's 200-year history. He struggled for change, but in a manner that avoided violent retaliation. He was often the target of threats and imprisonment, but his dedication to the cause he served so well never faltered.

He opposed segregation with coexistence; he fought ignorance with truth and knowledge; and he calmly faced the threats and hysteria directed against his cause with the conviction, "We shall overcome."

That conviction never faltered. Four long years after his memorable speech here in Washington, when he told us of the dream he held for America's future, Dr. King spoke again of the faith and hope he held in this heart:

> I still have a dream that with this faith we will be able to adjourn the councils of despair and bring new light into the dark chambers of pessimism. With this faith we will be able to speed up the day when there will be peace on earth and goodwill toward men. It will be a glorious day, the morning stars will sing together, and the sons of God will shout for joy.

Less than 4 months after he spoke those words, Dr. Martin Luther King became the victim of a tragic act of violence. I had come to know Dr. King well during his visits to California, and the news of his assassination came as a deep personal loss. However, Dr. King had left his mark on our history long before he died.

There are 681 people who have been honored by having their likeness placed in this Capitol Building. The next person to achieve this great honor should be Dr. Martin Luther King, Jr.

Mr. EDWARDS of California. Mr. Speaker, last night we sat in this chamber and heard President Ford address the Nation on the state of the Union. This morning at breakfast I read Roger Wilkins' perceptive article on the life and effect of Martin Luther King, Jr. The contrast was startling.

I found myself wondering this morning how Martin Luther King, Jr., would have responded to this state of the Union message, and I suspected that even his optimism and his vision might be diminished by the absence for so long of a national leadership committed to equal opportunity for all and not just economic advancement of a few.

Last night President Ford literally ignored the serious problem we have with employment, he glossed over the health care problems of the vast majority of Americans and even suggested a cutoff in the amount of Federal contributions to State medicaid programs—as if at a specific point, the poor and disadvantaged could suddenly no longer have health problems. He made reference to a further tax cut for middle class Americans, reflecting no recognition on his part of the basic inequity of a tax code which rewards the rich for being rich rather than taxing those who are best able to pay. In no way did President Ford suggest that the state of the Union is at all affected by the welfare of the unemployed, and the disadvantaged the one area of our economy in which minorities and women are—if anything—overrepresented.

I urge my colleagues to join Mr. Bingham, the other cosponsors and me in approving this resolution for a statue of Martin Luther King, Jr. to be placed in the Capitol. It is admittedly a symbolic gesture, but such gestures and symbols have their importance. I know, as a Californian, I always feel a sense of identification and pride whenever I pass the statues of Junipero Serra and Alan Starr King, two individuals whom I only know through history. How much more fitting it would be to give the same prominence to our American ideal of fair play and equal opportunity. In my mind there is no one whose life and work better summed up those goals than Martin Luther King, Jr.

I commend to my colleagues, Roger Wilkins' article from this morning's New York Times, which follows:

AFTER THE ASSENTER

(By Roger Wilkins)

Last Thursday, the Rev. Dr. Martin Luther King Jr. would have celebrated his 47th birthday. Next April he will have been dead eight years. As the sixties recede, the significance of his life becomes much clearer and the impact of his absence becomes almost tangible. Before he was murdered, he embodied the hope of the vast majority of blacks and of many whites as well. In contrast, his death and the circumstances surrounding it not only symbolize a dramatic decline of faith once firmly held in the black community; they actually fuel and accelerate that decline.

In 1955—except in those communities where the schools were under court order to desegregate—Jim Crow's iron grip on Southern society, along with virulent discrimination in the North, seemed permanent aspects of the American landscape. The white view of race and society was reflected off so many facets of American life and was imposed with such uniformity and rigidity that it was impossible even for blacks to resist believing at least some of it.

The Montgomery bus boycott began to change all of that and more. Ordinary black people—domestics, janitors and garbagemen—faced down the segregated system and left it reeling. It was a thunderclap that signaled a new era in the psyches of black Americans, and Martin Luther King Jr. was the human symbol of that thunderclap.

As the movement ripened, Dr. King's symbolism spread beyond the growing black sense of potency to embrace American idealism in its entirety. Dr. King's famous dream—spelled out at the Lincoln Memorial in August 1963—was an expression of profound belief in and love for America. He was not simply a dreamer, he was a believer of such depth and intensity that, in retrospect, the allegations of alien influences in his movement are rendered grotesque and ludicrous.

But even then, in the summer of '63, the belief and fervor generated by Dr. King's work and the audacity of his challenge had unleashed a different set of forces entirely. Because the hypocrisy, greed and sloth which undergirded so much of American racism collided so sharply with Dr. King's clear and honest fervor, J. Edgar Hoover had legions of supporters in his fierce angry obsession with him. When Dr. King held America's most idealistic fantasies up to the light and demanded that the country put up or shut up, disorientation and rage were very often the automatic responses.

Even in the black community during the halcyon days, there were those who did not share his charitable sense of the American character or his optimistic vision of the future; but their numbers were relatively small. Thus, they were easily put down as paranoiacs when they suggested that the intelligence agencies of the United States were actively countering the black movement or when they raised the possibility of official complicity in the assassination of black leaders.

Now, almost eight years after the murder, there is a virtual moratorium on Dr. King's kind of dreaming. Many of the Federal programs designed to give the poor a better break have been discarded, others have been severely crippled and still others such as food stamps are under heavy sustained attack.

Even as catastrophic unemployment levels in minority communities are tolerated, some conservatives are actively plumping for changes in the Government's definitions of unemployment in order to make vast numbers of the minority unemployed even less than they currently are. Intellectuals once considered liberal are hard at work explaining why programs designed to give minorities better job possibilities are destructive and why, since busing is unpopular, the whole notion of school integration might better be rethought.

On the heels of those developments has come documentation of F.B.I. programs to foment intergroup violence between black radical organizations and of its foul and unremitting efforts to nullify Dr. King as a force in American life. As a result, the question, Who killed Martin Luther King? has become a code to sugest a skepticism so broad and so deep as to make the faith of the sixties seem naive and quaint.

From the perspective of 1976, it seems clear that America was not up to the challenge hurled at her people and her institutions by such a thoroughgoing assenter. Dr. King's belief was too much—at least for its time—for America to live up to. So the country turned away from his vision with a number of rationalizations—too busy, too costly or we're there already.

For many blacks, that pretty much disposed of those good fantasies about America that Dr. King pursued so avidly. Thus, the country is in little danger of again facing his brand of rich deep assent from blacks in the near future. At least as long as people continue to wonder, Who Killed Martin Luther King . . . and why?

Mr. KOCH. Mr. Speaker, I rise in support of House Concurrent Resolution 96, authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol. I am proud to be a cosponsor of this resolution.

As one walks through the Capitol, one sees works of art depicting many Americans who, through their intelligence, courage, and determination, have made a positive contribution to American life. But of the 681 works of art in the Capitol, it is painfully obvious that not one black American is honored. This resolution gives this Congress a chance to change that. We should see to it that Martin Luther King, Jr. is honored in this Capitol, not only because he is a black leader who was martyred in the service of the cause of civil rights, but because he was a man of great vision, a national leader who refused to be intimidated by anyone, and because Martin Luther King, Jr. was an inspiring national leader who brought black and white Americans together in the cause of peace and social justice.

I urge my colleagues to support this resolution, and more importantly, to work for the kind of society that Dr. King fought and died for.

Mr. HELSTOSKI. Mr. Speaker, we have before us now a resolution under the suspension of the rules which would authorize funds to place a statue or bust of Dr. Martin Luther King in the Nation's Capitol. I am sorry to state that of the 631 pieces of art in the Capitol, not one black man or woman stands among them. I urge my colleagues to move toward eliminating this inequity by adopting this measure of which I am a cosponsor.

Dr. King was a Nobel Peace Prize winner, but more important, he was an irreplaceable and gifted leader who sought to unite a divided people. He was the leader of a struggle which can be compared to no other and a practitioner of nonviolent social change. He called for an end to social injustice through the elimination of hatred and bigotry and the adoption of mutual respect, tolerance, and cooperation.

Dr. King had a deep confidence in the American system and in its ability to live up to its ideals. In a speech during the march on Washington in 1963, he expressed his hope that equality in America would someday be more than a dream:

> I have a dream—a dream of racial brotherhood, of a nation where Americans are judged not by the color of their skin but by the content of their character.

Yet, his life was cut short, and he was unable to see his dream fulfilled. In this year of our Nation's 200th birthday, we must examine the extent to which we have lived up to Dr. King's dream and the ideals upon which this country was founded.

Legislatively, we have created a living memorial to this man who helped a nation to find its conscience. The creation of another kind of memorial can only serve to remind us of the work that remains unfinished.

Mr. STOKES. Mr. Speaker, as a cosponsor, I wish to commend Mr. Bingham for initiating this resolution for the authorization of a bust of Dr. Martin Luther King, Jr., to be placed within the Capitol Building of these United States. Dr. King was one of the country's greatest leaders. Therefore, it is only fitting that he should be memorialized among the other 681 works of art in the Capitol. The U.S. Capitol is indeed a proper site to enshrine this scholar, minister, civil rights leader, and world disciple of peace and nonviolence.

Dr. King was also a man of great personal and moral conviction. One is reminded of his moral conviction and willingness to suffer for human dignity, when Dr. King spoke of the distinction between just and unjust laws:

> You express a great deal of anxiety over our willingness to break laws. This is certainly a legitimate concern. Since we so diligently urge people to obey the Supreme Court's decision of 1954 outlawing segregation in the public schools, it is rather strange and paradoxical to find us consciously breaking laws. One may well ask, "How can you advocate breaking some laws and obeying others?" The answer is found in the fact that there are two types of laws: There are just laws and there are unjust laws. I would be the first to advocate obeying just laws. One has not only a legal but moral responsibility to obey just laws. Conversely, one has a moral responsibility to disobey unjust laws. I would agree with Saint Augustine that "An unjust law is no law at all."
>
> Now what is the difference between the two? How does one determine when a law is just or unjust? A just law is a man-made code that squares with the moral law or the law of God. An unjust law is a code that is out of harmony with the moral law.

The year that Dr. King made this statement was 1963. At the time Dr. King wrote these words, he was sitting in Birmingham City Jail. But this was Dr. King; he was willing to go to jail, to be spat upon and, yes, even to die for what he knew to be morally right.

We as legislators must learn from Dr. Martin Luther King, Jr. We must learn to be guided by conviction and moral integrity.

These thoughts are particularly meaningful in this Bicentennial Year. A year that should give recognition to other Black Americans such as W. E. B. DuBois, Frederick Douglass, Adam Clayton Powell, Sojourner Truth, Harriet Tubman, Whitney Young, and Ralph Bunche to name but a few. America has a considerable amount of catching up to do. The enshrining of Dr. Martin L. King, Jr. is a fitting beginning but let it not be the end.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I strongly support House Concurrent Resolution 96, providing the authority to the Joint Committee on the Library to procure a bust or statue of Dr. Martin Luther King, Jr., for the Capitol.

It is fitting that in this Bicentennial Year the House should act to provide a permanent memorial in the Capitol to this great leader.

Last Thursday, January 15, was the birthday of Dr. King. Had it not been for his tragic assassination in 1968, he would have been 47 years old today.

Dr. King was a man of rare courage who had a dream of a better life for his brothers and sisters, and devoted his own life to working to bring that dream to a reality.

An assassin's bullet robbed this country of a man of boundless talent with a rare ability to touch the hearts of all men, regardless of color or creed. All people committed to the ideal of fairness and equality under the law lost a beacon which guided them through the treacherous shoals of prejudice. The goals to which Dr. King devoted his life now appear to be foundering upon the rough seas of economic distress. We miss his leadership, just as we miss his ability to touch the conscience of American society.

Mr. Speaker, the memorial that this legislation would establish in the Capitol is but a modest tribute to a man who contributed an incalculable amount to the cause of increased human understanding.

But we must do more than simply erect a statue to his memory. The greatest tribute we can pay to Dr. King is to take up the banner under which he fell, and work to achieve the goals to which he selflessly devoted his life.

Mr. Speaker, yesterday's New York Times contains a thoughtful article by Roger Wilkins on the work of Dr. King. This article reminds us of the work that must be continued, and all the work that remains to be done to advance the cause to which Dr. King gave his life. I shall include this article at the conclusion of my remarks.

Mr. Speaker, I urge my colleagues to join with me in a renewed commitment to the worthy goals to which this great American committed his talent, his energy, and his very life.

The article follows:

AFTER THE ASSENTER

(By Roger Wilkins)

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But even then, in the summer of '63, the belief and fervor generated by Dr. King's work and **the audacity of his** challenge had unleashed a different set of forces entirely. Because the hypocrisy, greed and sloth which undergirded so much of American racism collided so sharply with Dr. King's clear and honest fervor, J. Edgar Hoover had legions of supporters in his fierce angry obsession with him. When Dr. King held America's most idealistic fantasies up to the light and demanded that the country put up or shut up, disorientation and rage were very often the automatic responses.

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Mr. DELLUMS. Mr. Speaker, I am extremely gratified to hear many of the remarks today by Members honoring the Reverend Dr. Martin Luther King. Indeed, there was a time when I thought this impossible; a time when it was absurd to even consider that a black man—in fact a black political activist—could be honored by all the Members of America's highest lawmaking body.

Dr. King's work in civil rights was not for black Americans alone. He was a humanist, concerned with spreading the highest moral values of this society throughout the world; his objective, to make this country a humanitarian as well as technological example for the world. I feel a great sense of honor in knowing that white Americans can also recognize and acknowledge this fact.

This resolution will put a statue or bust of Dr. King in the Capitol, a great honor that we confer upon ourselves proving that we as a Nation have grown socially since the slave years. After 200 years developing the "melting pot" of the world, at last we consider allowing the children of America's former slaves to "melt" into the mainstream of social consciousness and life.

We are about to officially raise the status of black America and give black Americans reason to visit the Capitol this year. This July 4, we would also like to celebrate a struggle for independence and liberty by placing a wreath at the feet of the 682d great American honored in this building.

Mr. WOLFF. Mr. Speaker, 47 years ago, Dr. Martin Luther King, Jr. was born. Eight years ago, he met a violent death. During his lifetime, Dr. King led and came to symbolize the peaceful struggle of millions of Americans to obtain the equal rights and equal opportunities that were being denied them. For his efforts, Dr. King was awarded the Nobel Peace Prize, becoming the youngest man to ever receive this honor.

I feel that it is important for his own Nation to honor Dr. King by approving the measure we have before us today. House Concurrent Resolution 96, a measure I am proud to cosponsor, authorizes the placing of a bust or statue of Dr. King in the Capitol. I urge my colleagues to give it their support.

For the future, I feel that there is a far better way for us to honor Dr. King. We must continue in the quest to insure that all Americans are free from the scourge of racism and discrimination. We must bring to fruition Dr. King's dream.

Mr. NEDZI. Mr. Speaker, I have no further requests for time.

Mr. MOORE. Mr Speaker, I have no further requests for time

The SPEAKER pro tempore (Mr. McFall). The question is on the motion offered by the gentleman from Michigan (Mr. Nedzi) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 96), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 96, the concurrent resolution just agreed to.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Michigan?

There was no objection.

VACATING CERTAIN ACTIONS OF SENATE AND HOUSE ON S. 2718, RAILROAD REVITALIZATION AND REGULATORY REFORM

Mr. STAGGERS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 527) vacating certain actions of the Senate and the House of Representatives with respect to the bill S. 2718, relating to railroad revitalization and regulatory reform, and for other purposes.

The Clerk read as follows :

H. Con. Res. 527

Resolved by the House of Representatives (the Senate concurring), That the action of the Speaker of the House of Representatives and the acting President pro tempore of the Senate in signing the enrolled bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes, is hereby rescinded; the proceedings by which the House adopted the conference report on such bill and laid on the table a motion to reconsider the vote thereon on December 19, 1975, are hereby vacated; the proceedings by which the Senate adopted the conference report on such bill and laid on the table a motion to reconsider the vote thereon on December 19, 1975, are hereby vacated; and the conference report on such bill is hereby recommitted to the committee of conference.

The SPEAKER pro tempore (Mr. McFall). Is a second demanded?

Mr. SKUBITZ. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution is necessary to resolve a situation which has arisen because of the rejection by the administration of some of the provisions contained in the bill, S. 2718, relating to railroad revitalization and regulatory reform, agreed to by both Houses on December 19, 1975.

The administration indicated that the bill would be vetoed because of the amount of money involved and because of the lack of administration control over the funding of ConRail, the corporation created to operate the bankrupt northeast railroads.

Because of this certain veto, the Senate did not send the bill to the White House in the usual manner. During the recess period over Christmas, the leadership of the two committees involved, the Committee on Interstate and Foreign Commerce and the Senate Commerce Committee, authorized representatives of both committees to sit down with representatives of the administration and discuss the possibility of developing a recommendation for modification of this legislation which might be acceptable to both the House and the Senate, as well as the administration.

The negotiations have been completed and this resolution is necessary to vacate the actions of both Houses in agreeing to the bill and to recommit the legislation to the conference committee where the conferees can examine the recommended proposal and file a new conference report with both Houses.

As I have indicated, the conferees will sit down together and examine the proposal which has been developed and determine the specific recommendations to be included in a new conference report.

I will say that, in general, the accommodation which is being proposed will bring us back closer to the House-passed version of the bill. For example, the money will be substantially reduced, particularly the funds available for the Northeast Corridor. Also, we will recommend the inclusion of a Government Finance Committee, similar to the Government Banking Committee included in the House-passed bill.

Mr. Speaker, without going into too many details until the conferees have had a chance to discuss this matter, I want to urge the passage of this resolution in order to permit us to deal effectively with a matter of great economic importance to the country, and particularly of great importance to the railroads and communities of the northeast and in the country as a whole.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I must pursue a line of inquiry that we started just before the Christmas recess. I merely am trying to get some facts straight in my own mind. I will rehearse the scenario merely to see that I am straight in my understanding of this bill.

As I understand it, the Senate version of the legislation contained title IX which would have established a Minority Resources center. As I further understand it, the House conferees were amenable to the language in the Senate version, which was entirely different from the language of the gentleman from Illinois (Mr. METCALFE).

Pursuing this a little bit further, when the conference report came back to the House there was no mention at all of title IX. That is what confused me completely. Unfortunately, it forced me to vote against the bill.

Now, in sending it back to conference, is it with the understanding that the same conditions will obtain vis-a-vis title IX? Will title IX be incorporated?

Mr. STAGGERS. Mr. Speaker, the agreement has been worked out by all the staff and by the subcommittee chairman, who has done a great deal of work on this, they were all here during the holidays working on it; and the Senate version will be kept in the bill. This was not in the House-passed version, but the Metcalfe amendment was kept in and it will be kept in. I of course cannot say exactly what the conference is going to do; however, there is a tentative agreement that it would be kept in the Senate part.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman, because that is an important provision for minority enterprise.

Mr. SKUBITZ. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, it is no secret that the pressure of time immediately preceding the Christmas recess precluded detailed consideration of the omnibus rail bill. In the closing hours of the last session of Congress, I urged my colleagues to reject the conference report and direct the conferees to return to conference for the purpose of refining and working out the details of the bill. That motion was defeated by a vote of 205 to 155.

During the recess, a number of us and our staff members and staff members representing the White House carefully went over the bill as reported by the conference and have recommended a number of changes. All of the parties who have worked on the suggested changes agree that their adoption would materially strengthen the rail bill.

It is my understanding that a number of the proposed changes correct technical errors which were inevitably made in the rush to adjourn for the Christmas recess. Other changes would bring the conference bill closer to the bill passed by the House. Finally, in the give-and-take of negotiations, the administration has arrived at a position whereby it could support a bill in excess of $6 billion and containing the same kinds of regulatory reform originally recommended by the committee of conference.

As we all know, action must be taken as soon as possible on the rail bill if Conrail is to become a reality. For those serviced by the bankrupt railroads in the Northeast, the time is long overdue for a more viable rail transportation system. Every day that we put off action means another day of poor transportation service in the Northeast. The poor transportation service naturally affects most of the transportation service in the rest of the country.

I am convinced, Mr. Speaker, that once we return to the Committee of Conference, a decision can quickly be reached on a most important piece of legislation. The Rail Rehabilitation and Regulatory Reform Act may well be the most important piece of transportation legislation in recent years. I urge the adoption of this resolution so we can get on with the business of making that legislation a reality.

Mr. SKUBITZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the concurrent resolution to send S. 2718 back to the conference committee, and ask that the Members bear with me while I briefly outline my reasons for doing so.

A great deal of time and effort has been expended over the past several months to develop a comprehensive legislative package that would implement the corporate reorganization and restructuring of the bankrupt railroads in the Northeast and Midwest into ConRail as provided in the Regional Railroad Reorganization Act of 1973—

To provide financial assistance for the rehabilitation and restructuring of the Nation's entire rail industry;

To provide long overdue regulatory reform and substantially upgrade rail passenger service in the northeast corridor between Washington and Boston.

In the final moments before adjournment of the 1st session of the 94th Congress, such far-reaching legislation was passed. However, in our haste to agree upon and pass a conference report on abundant and complex issues in the final 2 days before the Christmas recess, several critical issues were not adequately resolved. For example, when subjected to close scrutiny, the conference report provided for a total authorization funding level of approximately $7.5 billion, nearly $1 billion more than had been passed, provided in the bill which initially passed the House of Representatives.

Since the beginning of the Christmas recess, however, reason has returned and a number of us encouraged a detailed analysis of the conference bill for the purpose of determining the feasibility of developing a better piece of legislation. I am happy to report to this body that representatives of this body, and representatives of the Senate, and representatives of the administration have ironed out virtually all areas of disagreement in the bill.

The purpose of this concurrent resolution, therefore, is to permit both bodies to return to conference so that the committee of conference can reconsider the bill it originally reported and incorporate the provisions and the improvements, the technical changes, which have been worked out since the Christmas recess.

Mr. Speaker, I think the chairman of this committee, the gentleman from West Virginia (Mr. STAGGERS), and the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. ROONEY) are to be commended for their willingness to permit the negotiations which have taken place.

I concur with the ranking minority member of this committee, the gentleman from Ohio (Mr. DEVINE), in his conclusion that we have the possibility of enacting now a good piece of legislation. However, I must state that there have been more than technical changes. Fundamental differences have been ironed out between the administration, the House and the Senate, and fundamental compromises relating to the amount of money authorized; to supplementary transactions; to general relationships of the Government to ConRail, and lastly the development of the Northeast Corridor. All of these were a part of the administration's initial recommendations.

We have come a long way through the tireless efforts of many Members of the Congress and representatives of the administration, as well as representatives of the private sector. Even though there are significant problem areas yet to be worked out, there still is what amounts to a great deal of agreement on this legislation that is not reflected in the conference report that passed this body on December 19 and faced a Presidential veto.

Mr. Speaker, I urge the Members to vote for this resolution to give the conference committee one more opportunity to revise the legislation to make it acceptable to all sides. In so doing, we will be taking a giant step forward to assure the vitality of United States railroads, which in turn will have an enormous impact on the vitality of our entire economy.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the subcommittee chairman, the gentleman from Pennsylvania (Mr. ROONEY).

Mr. ROONEY. I thank the gentleman for yielding.

Mr. Speaker, the purpose of this concurrent resolution is to recommit the railroad revitalization and regulatory reform bill to the conference to permit certain changes in the legislation that will guarantee that the bill will be signed into law.

The changes that will be proposed to the conference committee are the product of several weeks of negotiations conducted among representatives of the House and Senate Commerce Committees and representatives of the administration. If these negotiated positions are accepted by the conferees and the Congress, this comprehensive rail bill will be signed into law. A compromise in such an important matter as this rail legislation is essential and is the only responsible action that I, as chairman of the subcommittee that reported this bill, feel can be recommended to this Congress.

It was stated, before and after the adoption of the conference report, that the legislation would be vetoed. However, until the conference report was approved by this Congress, the Secretary of Transportation would not compromise on the issues involved. The Secretary offered nothing but a laundry list of nonnegotiable demands that could not be accepted.

After this Congress voted out the rail legislation, the administration, meaning the White House, finally realized that a "no-compromise" position leading to a veto was clearly not in the best interests of this Nation. Since that time, the administration has acted in a clearly responsible manner by attempting to work out an agreeable solution to the rail problems in this Nation.

I believe that the changes that will be proposed to the conference committee, if the bill is recommitted, will result in a bill that will be agreeable to the Congress and to the White House.

For these reasons, I ask my colleagues to support the resolution before them, so that a compromise bill can be sent to the White House for signature. It is only through such action that this Congress can create a viable railroad system that can effectively compete with other modes of transportation. Such action will demonstate to the American people that the legislative and executive branches can cooperate in the development of necessary legislation.

Mr. STAGGERS. Mr. Speaker, I have no further requests for time.

Mr. SKUBITZ. Mr. Speaker, I have no further requests for time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 527).

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The **SPEAKER** pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 10537, de novo; and H.R. 3710 and House Concurrent Resolution 527, on which the yeas and nays are ordered.

AUTHORIZING AND MODIFYING VARIOUS FEDERAL RECLAMATION PROJECTS AND PROGRAMS

The **SPEAKER** pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 10537.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from California (Mr. JOHNSON) that the House suspend the rules and pass the bill, H.R. 10537.

The question was taken.

Mr. HECHLER of West Virginia. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 284, nays 110, not voting 40, as follows:

[Roll No. 5]

YEAS—284

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Boggs
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cohen
Collins, Ill.
Collins, Tex.
Conlan
Cornell
Cotter
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Dickinson
Dingell
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Green
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harrington
Harris
Harsha
Hawkins
Hays, Ohio
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Horton
Howard
Howe
Hubbard
Hungate
Ichord
Jacobs
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Ketchum
Koch
Krebs
Krueger
LaFalce
Landrum
Leggett
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Mahon
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
Obey
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Price
Pritchard
Railsback
Randall
Rangel
Rees
Reuss
Rhodes
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ryan
St Germain
Santini
Sarasin
Sarbanes
Schroeder
Sebelius
Seiberling
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Staggers
Stanton, J. William
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
White
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—110

Ambro
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Blanchard
Blouin
Brodhead
Brown, Ohio
Broyhill
Burke, Fla.
Burleson, Tex.
Butler
Cederberg
Clancy
Clawson, Del
Cleveland
Conable
Conte
Conyers
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dodd
Downing, Va.
Edgar
Erlenborn
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Fisher
Fithian
Forsythe
Frenzel
Frey
Goldwater
Goodling
Gradison
Grassley
Gude
Hagedorn
Harkin
Hayes, Ind.
Hechler, W. Va.
Hillis
Holt
Hughes
Hutchinson
Hyde
Jarman
Jeffords
Jenrette
Kasten
Kelly
Keys
Kindness
Lagomarsino
Latta
Levitas
Long, Md.
McClory
Madigan
Maguire
Mann
Martin
Miller, Ohio
Minish
Moffett
Moore
Moorhead, Calif.
Mottl
Myers, Pa.
Nolan

O'Brien
Ottinger
Poage
Preyer
Quie
Quillen
Regula
Rinaldo
Robinson
Rose
Rousselot
Russo
Satterfield
Schneebeli
Schulze
Sharp
Shuster
Spence
Stark
Steelman
Steiger, Wis.
Stuckey
Treen
Vanik
Whalen
Whitehurst
Wirth
Wydler
Wylie
Young, Fla.

NOT VOTING—40

Andrews, N.C.
Ashley
Beard, R.I.
Bell
Biaggi
Boland
Bowen
Cochran
Corman
Crane
Diggs
Eckhardt
English
Hastings
Hébert
Heckler, Mass.
Heinz
Hinshaw
Holtzman
Kemp
Lehman
Lott
Lujan
McDonald
Meyner
Michel
Montgomery
Patman, Tex.
Pattison, N.Y.
Ruppe
Scheuer
Solarz
Stanton, James V.
Steed
Steiger, Ariz.
Udall
Vander Jagt
Whitten
Wiggins
Wright

The Clerk announced the following pairs:

Ms. Holtzman with Mr. Andrews of North Carolina.

Mr. Biaggi with Mr. Bell.

Mr. James V. Stanton with Mrs. Heckler of Massachusetts.

Mr. Hébert with Mr. Lujan.

Mrs. Meyner with Mr. Cochran.

Mr. Diggs with Mr. Michel.

Mr. Boland with Mr. Wiggins.

Mr. Beard of Rhode Island with Mr. Ruppe.

Mr. Steed with Mr. Lott.

Mr. Udall with Mr. Crane.

Mr. Whitten with Mr. Heinz.

Mr. Patman with Mr. Kemp.

Mr. Montgomery with Mr. Vander Jagt.

Mr. Wright with Mr. Steiger of Arizona.

Mr. Ashley with Mr. Corman.

Mr. Bowen with Mr. Scheuer.

Mr. Eckhardt with Mr. Pattison of New York.

Mr. Lehman with Mr. Solarz.

Mr. McDonald of Georgia with Mr. English.

Messrs. FINDLEY, HARKIN, KINDNESS, HILLIS, FITHIAN, EDGAR, COUGHLIN, LEVITAS, FREY, BAFALIS, Mrs. KEYS, Messrs. CONTE, NOLAN, and JENRETTE changed their votes from "yea" to "nay."

So (two-thirds having voted in favor thereof), the rules were suspended, and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the bill (S. 151) to authorize the Secretary of the Interior to construct, operate, and maintain the Polecat Bench area of the Shoshone extensions unit, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes, and ask for its immediate consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 151

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Polecat Bench area of the Shoshone extensions unit, heretofore authorized as an integral part of the Pick-Sloan Missouri Basin program by the Act of December 22, 1944 (58 Stat. 887, 891), is hereby reauthorized as part of that project. The construction, operation, and maintenance of the Polecat Bench area for the purposes of providing irrigation water for approximately nineteen thousand two hundred acres of land, municipal and industrial water supply, fish and wildlife conservation and development, public outdoor recreation, and other purposes shall be prosecuted by the Secretary of the Interior in accordance with the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal features of the Polecat Bench area shall include the Holden Reservoir, related canals, pumping plants, laterals, drains, and necessary facilities to effect the aforesaid purpose of the area. For a period of not more than two years after the initial availability of irrigation water up to two thousand two hundred and seventeen acres of public lands in the Polecat Bench area determined to be suitable for settlement purposes shall be made available, on a preference basis for exchange or amendment, to resident landowners on the Hart Mountain Division of the Shoshone project, who, on or before December 1, 1968, were determined by the Secretary to be eligible for such exchange or amendment of their farm units under provisions of the Act of August 13, 1953 (67 Stat. 566).

SEC. 2. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Polecat Bench area shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213), as amended.

SEC. 3. The Polecat Bench area of the Shoshone extensions units shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented. Repayment contracts for the return of construction costs allocated to irrigation will be based on the water user's ability to repay as determined by the Secretary of the Interior; and the terms of such contracts shall not exceed 50 years following the permissible development period.

SEC. 4. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of the Federal reclamation laws as applied to the Polecat Bench area of the Shoshone extensions unit are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of area works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior.

SEC. 5. For a period of ten years from the date of enactment of this Act, no water from the unit authorized by this Act, shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (52 Stat. 31, 41), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 6. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the Polecat Bench area shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the Polecat Bench area is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from date of issue.

SEC. 7. There is hereby authorized to be appropriated for construction of the Polecat Bench area of the Shoshone extensions unit the sum of $46,000,000 (January 1975 price levels), plus or minus such amounts, if any, as may be justified by reason of changes in construction costs as indicated by engineering cost indexes applicable to the types of construction involved and, in addition thereto, such sums as may be required for operation and maintenance of the works of said area.

AMENDMENT OFFERED BY MR. JOHNSON OF CALIFORNIA

Mr. JOHNSON of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: Strike out all after the enacting clause of S. 151 and insert the provisions of H.R. 10537, as passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 10537) was laid on the table.

GENERAL LEAVE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 10537).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MCFALL). Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rule on which the Chair has postponed further proceedings.

AUTHORIZING 101ST AIRBORNE DIVISION ASSOCIATION TO ERECT A MEMORIAL IN THE DISTRICT OF COLUMBIA OR ITS ENVIRONS

The SPEAKER pro tempore (Mr. MCFALL). The unfinished business is the question of suspending the rules and passing the bill (H.R. 3710), as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the bill (H.R. 3710), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 400, nays 0, not voting 34, as follows:

[Roll No. 6]

YEAS—400

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hicks
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—34

Andrews, N.C.
Ashley
Beard, R.I.
Bell
Biaggi
Bowen
Cochran
Corman
Crane
Diggs
English
Hastings
Hébert
Heckler, Mass.
Heinz
Hightower
Hinshaw
Holtzman
Kemp
Lehman
Lott
Lujan
McDonald
Meyner
Michel
Montgomery
Patman, Tex.
Pattison, N.Y.
Ruppe
Stanton, James V.
Steiger, Ariz.
Udall
Whitten
Wright

The Clerk announced the following pairs:

Mr. Hébert with Mr. Andrews of North Carolina.

Mr. Biaggi with Mrs. Heckler of Massachusetts.

Mrs. Meyner with Mr. Lott.

Mr. Diggs with Mr. Heinz.

Mr. Beard of Rhode Island with Mr. Bell.

Mr. Udall with Mr. Lujan.

Mr. Whitten with Mr. Cochran.

Mr. Patman with Mr. Kemp.

Mr. Montgomery with Mr. Crane.

Mr. Lehman with Mr. Michel.

Mr. McDonald of Georgia with Mr. Ruppe.

Mr. James V. Stanton with Mr. Steiger of Arizona.

Mr. Wright with Mr. English.

Mr. Corman with Mr. Hightower.

Mr. Pattison of New York with Mr. Bowen.

Mr. Ashley with Mr. Hinshaw.

Messrs. PEPPER and MOORHEAD of California changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the Senate bill (S. 1847) to authorize the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1847

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the One Hundred and First Airborne Division Association is authorized to erect a memorial on public grounds in the District of Columbia or its environs in honor and in commemoration of the men of the "Screaming Eagles" of the One Hundred and First Air borne Division, United States Army, who have served their country in World War II, Vietnam, and maintaining peace.

SEC. 2. (a) The Secretary of the Interior is authorized and directed to select, with the approval of the National Commission of Fine Arts and the National Capital Planning Commission, a suitable site on public grounds in the District of Columbia, or its environs, upon which may be erected the memorial authorized in the first section of this Act: *Provided,* That the site selected is on public grounds belonging to or under the jurisdiction of the government of the District of Columbia, the approval of the Mayor of the District of Columbia shall also be obtained.

(b) The design and plans for such memorial shall be subject to the approval of the Secretary of the Interior, the National Commission of Fine Arts and the National Capital Planning Commission, and the United States or the District of Columbia shall be put to no expense in the erection thereof.

SEC. 3. The authority conferred pursuant to this bill shall lapse unless (1) the erection of such memorial is commenced within five years from the date of enactment of this bill, and (2) prior to its commencement funds are certified available in an amount sufficient, in the judgment of the Secretary of the Interior to insure completion of the memorial.

SEC. 4. The maintenance and care of the memorial erected under the provisions of this Act shall be the responsibility of the Secretary of the Interior, or, if the memorial is erected upon public grounds belonging to or under the jurisdiction of the District of Columbia, the government of the District of Columbia.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3710) was laid on the table.

VACATING CERTAIN ACTIONS OF SENATE AND HOUSE ON S. 2718, RAILROAD REVITALIZATION AND REGULATORY REFORM

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 527.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 527, on which the yeas and nays are ordered.

The vote was taken by electronic device; and there were—yeas 383, nays 15, not voting 36, as follows:

[Roll No. 7]

YEAS—383

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Helstoski
Hicks
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—15

Allen
Burleson, Tex.
Flynt
Fountain
Henderson
Jones, N.C.
Jones, Tenn.
Kelly
Ketchum
Lloyd, Tenn.
McKay
Poage
Sikes
Symms
Young, Fla.

NOT VOTING—36

Andrews, N.C.
Ashley
Beard, R.I.
Bell
Biaggi
Bowen
Breckinridge
Cochran
Corman
Crane
Diggs
English
Hastings
Hébert
Heckler, Mass.
Heinz
Hightower
Hinshaw
Holtzman
Jones, Ala.
Kemp
Lehman
Lott
Lujan
McDonald
Meyner
Michel
Montgomery
Patman, Tex.
Pattison, N.Y.
Ruppe
Stanton, James V.
Steiger, Ariz.
Udall
Whitten
Wright

The Clerk announced the following pairs:

Mr. Hébert with Mr. Ruppe.
Mr. Biaggi with Mr. Steiger of Arizona.
Mr. Diggs with Mr. Pattison of New York.
Mr. Udall with Mr. Michel.
Mr. Beard of Rhode Island with Mr. Andrews of North Carolina.
Mr. Whitten with Mr. Lujan.
Mr. Montgomery with Mr. Bell.
Mr. Lehman with Mr. Kemp.
Mr. McDonald of Georgia with Mr. Heinz.
Mr. James V. Stanton with Mrs. Heckler of Massachusetts.
Mr. Wright with Mr. Lott.
Mr. Corman with Mr. Cochran.
Mr. Ashley with Mr. Hightower.
Mr. Bowen with Mr. Breckinridge.
Mr. English with Mr. Crane.
Ms. Holtzman with Mrs. Meyner.
Mr. Jones of Alabama with Mr. Patman.

Mr. COHEN changed his vote from "nay" to "yea."

Mr. JONES of Tennessee changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 8235, AUTHORIZING APPROPRIATIONS FOR CONSTRUCTION OF CERTAIN HIGHWAYS IN ACCORDANCE WITH TITLE 23 OF UNITED STATES CODE

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8235), an act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. MCFALL). Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. JONES of Alabama, WRIGHT, JOHNSON of California, HOWARD, MCCORMACK, JAMES V. STANTON, BREAUX, HARSHA, CLEVELAND, and SHUSTER.

There was no objection.

AUTHORIZING SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED BY THE TWO HOUSES AND FOUND TRULY ENROLLED NOTWITHSTANDING ADJOURNMENT OF THE HOUSE UNTIL TOMORROW

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until tomorrow. The Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ROBERT C. BYRD, PRESIDENTIAL CANDIDATE FROM WEST VIRGINIA

(Mr. STAGGERS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. STAGGERS. Mr. Speaker, West Virginia now has a Presidential candidate for the first time in 52 years. Not since 1924, when John W. Davis of Clarksburg, W. Va., was the Democratic nominee for President, has West Virginia had a candidate.

The long dry spell was broken last week when our distinguished U.S. Senator, ROBERT C. BYRD, filed as a Presidential candidate for West Virginia's May 11 primary.

I have known BOB BYRD since before

he was elected to this House in 1952. In 1958 he sought greener pastures and became a Member of the other body where he has continued to serve with distinction.

Today, Bob Byrd is the Senate Democratic majority whip and as such handles much of the work of the U.S. Senate each day.

Bob Byrd has risen from the most humble beginnings to today where he stands in the U.S. Senate as a man among men.

Bob Byrd is a Christian man who is at home in the pulpit as he is on the floor of the Senate.

I can assure you he is not afraid of hard work. Many a time my phone has rung at a late hour and Bob Byrd is on the other end, still working at his desk in the Senate Office Building.

Bob Byrd has never lost an election. The last time he ran for the U.S. Senate in West Virginia he carried all 55 counties for the first time in the State's history.

I think Senator Robert C. Byrd possesses definite positive qualifications for President of the United States. These are set forth convincingly by the editor of an influential newspaper in West Virginia. They are echoed by other news media and they represent a growing conviction, I think, among the public in general.

They deserve the attention of my colleague, and I am, therefore, inserting into the Record an article from a recent issue of the Fayette Tribune written by the editor Robert H. Holliday and entitled "Byrd, a Man for Our Country":

BYRD, A MAN FOR OUR COUNTRY

The record of U.S. Senator Robert C. Byrd of West Virginia is too often criticized and his personality castigated by the state press. This vilification is found in print among the editorial columns.

Yet, here is a man who has the power in the U.S. Senate, at his hand, and his fellow senators have realized this when they voted him as their Majority Whip, the assistant to the Senate Majority Leader Mike Mansfield. This puts him in the coveted "Number Two" position.

In knowing West Virginia's product, you realize that like a king, "born to the purple and ermine," Robert C. Byrd was born for a great position of public service.

In his years of service to West Virginia as a member of the House of Delegates and as a state senator from his district, Byrd virtually and literally schooled himself for the present position of public trust. He knew full well in his self-confidence that he would seek higher planes of government.

Byrd schooled himself, both literally and figuratively, by gearing and pinpointing his education in the political sciences and law.

He earned his bachelor's degree from Morris Harvey College and his law degree from American University.

He also has the single reputation of holding more legislative elective offices than any other individual in the history of West Virginia.

His knowledge of parliamentary procedure and the judiciary puts him in the front of any of the nation's representatives in Congress. His mastery of knowing about public finances is rated near the top.

When he literally mowed down a fellow prominent, well-known senator during a recent debate, putting the senator to rout, it only proves the caliber effectiveness that represents our own West Virginia.

Yet, Sen. Byrd, who puts forth a positive, detailed and painstaking approach to any issue, is often detailed in state papers as a typical mountaineer who has a bent for "fiddle playing."

Sen. Byrd is cautious with his thinking and careful in his answers.

The possibility of Byrd's becoming President of this country is not so farfetched. To us, he seems a likely candidate in the Democratic Party who can win and run this country, putting it back on course.

The whole country has been talking a lot of "Byrd" the past two years. If the whole country feels this way about Byrd, then his name, his public service record and his ability must mean something.

Perhaps we need a man like Byrd in the White House, a man who says he would rather stay where he is because he can best serve the public in his present position.

To us, Sen. Byrd has always been the statesman and the public servant. He has never earned the title of politician.

What else can you say about a man who won the highest per cent of votes in the 1970 election and carried every county. He must be some kind of a man to carry every county.

We have frequently differed philosophically with Sen. Byrd, but we respect him as a man of immeasurable ability who every West Virginian should be proud.

PRESIDENT FORD LEAVES MANY QUESTIONS UNANSWERED

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON of California. Mr. Speaker, last night's state of the Union address by President Ford unfortunately leaves a lot of questions unanswered.

Congress is expected to work within a $394.2 billion budget ceiling and at the same time increase defense spending, cut taxes by $10 billion, and give tax breaks to industries in areas of high unemployment. But we do not know where the cuts necessary to achieve these goals will come from.

I am positive that this Congress will try to work with the President to achieve these targets. However, I do not feel that we can afford to cut out social programs, increase medical costs to the elderly, and stop trying to boost employment, when many States are in a financial bind—with inflationary prices still holding—and unemployment at a high 8.4 percent.

We must wait until we see the President's budget before we draw any conclusions. If Congress is asked to trim the budget solely by cutting back needed domestic programs while increasing defense spending and tax breaks for industry, then it becomes apparent that much work needs to be done by both the Congress and the administration before a final compromise will be reached.

REBUTTAL OF ATTACKS ON THE FBI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Devine) is recognized for 30 minutes.

GENERAL LEAVE

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order today.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DEVINE. Mr. Speaker, the purpose of my taking this time—and I do not expect to consume the entire time—has to do with the continuous attacks on the Federal Bureau of Investigation as well as other intelligence agencies in this Nation.

Last year investigations conducted by the Federal Bureau of Investigation led to over 1,400 convictions of hoodlums engaged in organized crime activities, with another 1,800 in various stages of prosecution. These convictions included mob leaders in New York City, in Buffalo, in Los Angeles, and in St. Louis.

FBI-developed information supplied to other law enforcement agencies led to more than 2,000 arrests. FBI investigations in the organized crime field also led to the confiscation and recovery of some $36 million worth of illicit items such as narcotics, gambling paraphernalia, and weapons as well as cash.

Mr. Speaker, over 3,200 convictions were recorded in FBI cases concerning white-collar crimes in 1975. More than 13,000 Federal fugitives, including 7 of the 10 most wanted fugitives list, were located in FBI cases last year. An additional 13,000 deserters from the military service were located by the FBI. FBI personnel participated in over 10,000 law enforcement training schools last year, involving about 300,000 officers throughout the United States. In addition, 992 officers were graduated during the year from the FBI National Academy.

The FBI Laboratory conducted some 125,000 to 126,000 scientific examinations of evidence for State and local law enforcement agencies last year, while the FBI Identification Division processed nearly 6 million fingerprint cards.

The FBI National Crime Information Center handled an average of just over two transactions every second in 1975, providing instantaneously vital information to our local law enforcement agencies throughout the country.

These have been a few of the outstanding achievements of the FBI last year, a year in which the agency came under the most vicious and prolonged attack in its existence. These are notable achievements, important to the citizens of this country; yet they remain unnoticed, lost in the cascade of alleged misdeeds by the FBI.

If I may add parenthetically, I am probably overly sensitive in this area because I had the honor to serve in that body for a period of nearly 5 years under the direction and guidance of Director J. Edgar Hoover. I am gravely concerned by the recent attacks on the Bureau and its sister agencies at the Federal as well as at the State and local levels.

I am appalled by the mentality which depicts our law enforcement and intelligence agencies as more of a threat to democracy than common criminals, terrorists, and subversives, be they foreign or domestic.

I am offended by those who ridicule citizens who cooperate with our law enforcement and intelligence agencies, and I am distressed by the individual rights zealots who would require court sanction of virtually every investigative technique used by law enforcement, which could render our entire criminal justice system totally ineffective.

I am repulsed by political and journalistic opportunists who for their own selfish gains would sacrifice the reputations, even the lives, of dedicated public servants in our law enforcement and intelligence agencies, and the citizens who cooperate with them. Of course, I make reference to Richard Welch who was assassinated because of public revelation, and who has since been buried in the Arlington National Cemetery.

Let me quote from a column in the December 30, 1975, issue of the Washington Star by Crosby S. Noyes entitled, "Must democracy take a toll of U.S. Agents?":

> Since Watergate, discovering abuses of power, real or imagined, has become big business in this town. For journalists, it is the sure path to the Pulitzer Prize. For investigating senators, it points the way toward a presidential nomination. And it an occasional government employee gets wasted in the process, or if the interests of the United States are irreparably damaged, it's a small price to pay.

Neither Mr. Noyes nor I feel this is a small price, and I dare say neither do the vast majority of other Americans.

I have followed very closely the hearings of the Select Committees on Intelligence Activities in this and the other body. I feel each has done great damage to our intelligence and law enforcement agencies and to our Nation, at considerable monetary expense to the taxpayers. This is not an isolated opinion. It is a viewpoint expressed frequently by my constituents and by some leading publications in the country. The Atlanta Constitution, for example, in an editorial on December 10, 1975, suggested that the chairman of the Senate Select Committee on Intelligence Activities, in his quest for the Democratic Presidential nomination, could "run on the shambles he has left of our national intelligence and domestic security operations."

The American people have been spoon fed a distorted rehash of old allegations against the FBI by the select committees and a large segment of the press. True, the FBI has made mistakes in the past. These mistakes have been admitted by FBI officials who, at the same time, have asserted in the strongest possible terms that corrective action has been taken to insure against their repetition. But cooperation of the FBI in revealing details of past mistakes was all but ignored.

Staff members of the Senate select committee, speaking in tandem before television cameras and large numbers of press representatives taking hurried notes, on November 18, 1975, ticked off charge after charge against the FBI. Their comments were laced throughout with phrases and adjectives designed to influence conclusions based on emotion. Rarely, if ever, did they reveal in their remarks any mitigating circumstances or explanation for the actions taken, even though this information was available to them. They strongly condemned FBI actions in one case while declining to reveal information available which led to the actions. Their charges and conclusions led to big headlines in newspapers all across the country and occupied considerable time on the television and radio newscasts.

The following day, officials of the FBI appeared before the committee with a factual, objective, and unemotional response. For the most part, television cameras remained turned off and newsmen who attended took a predictable ho-hum, bored attitude and took precious few notes. One had to almost search for any news accounts of this day's hearings—about all that was reported was that FBI officials had admitted some prior mistakes.

The FBI, under the leadership of Clarence M. Kelley, has been most cooperative with the many—too many—congressional committees inquiring into its activities. FBI officials have engaged in open and frank discussions of its problems, and have repeatedly expressed the willingness—the desire—to have congressional oversight, and clear guidelines and legal authority for all its activities. Too often this cooperation has been repaid with adverse publicity, with distorted charges, with leaks of information which should have been kept confidential, even with disclosure of the identity of one informant.

It is time for the Congress and the press to stop kicking the FBI around for its few prior mistakes. This serves only to generate headlines and to further undermine the public trust and confidence in one of our most vital agencies.

It is time we move to today—to talk about what is happening today, and how the responsibility of law enforcement and intelligence agencies can best be carried out. No useful purpose whatever is served by a continued vendetta against J. Edgar Hoover, a vendetta obviously being fused by long-time Hoover haters and one or two disgruntled former FBI officials who have not had the courage to come forward and make their charges under oath. And many were too gutless to take on Mr. Hoover when he was alive. Where is the liberal outcry against faceless informers?

Mr. Hoover is dead. He was a man of great stature, great strength, great foresight, great courage, and great leadership ability. He has done more to advance law enforcement in this country than any other man. Like all of us, he was human and he made human mistakes. But he did not shirk the responsibilities thrust on him. I dare say few, if any, of his critics will ever attain his measure of greatness.

But he cannot defend himself now against distortions, innuendos, and half truths. He is not here to explain his mistakes of judgment. Some of these mistakes occurred when he was called on by Presidents and other high ranking government officials to make decisions which should have been made by others who for various reasons did not exercise their responsibilities in that regard.

Now is the time to insure that future directors of the FBI are not given responsibilities without guidelines; are not left to make decisions because those who should decide shirk their duties.

The FBI today is accutely aware of its lack of statutory authority to carry out some responsibilities which the American people think they have. This is a dilemma which must be solved expeditiously. This is a dilemma for which Congress shares a great deal of the blame, because of its failure in the past to enact needed statutory authority and its current ridicule of the FBI for its past mistakes, real and imagined.

Congressional oversight will help, but not if Congress attempts to inject some of its Members into the current discharge of law enforcement or intelligence activities. This Nation does not need a congressional czar over law enforcement and intelligence activities. The record Congress has established for protecting secret information shared with it is not a very good one. We must not create a situation whereby one Member of Congress can negate vital intelligence operations with which he disagrees by leaking the information to that segment of our Nation's news media which has demonstrated time and again its foolhardy willingness to publish anything regardless of its dire consequences.

FBI Director Kelley in a speech on January 13, 1976, just a week ago today, before the American Security Council here in Washington, has given stark warning to our Nation about the current and growing threat of terrorism. There were 89 bombings attributable to terrorist activities in the United States last year, according to Mr. Kelley. Terrorist acts in 1975 claimed the lives of 11 persons, caused injury to 72 others and caused property damage exceeding $2.7 million. At least 43 law enforcement officers have been killed and 152 others wounded since 1971 as a result of terrorist activities.

Mr. Kelley has warned that terrorists have boasted they will bring fireworks to our Bicentennial celebration right here in Washington and elsewhere. These terrorist groups are small in number but highly motivated in their revolutionary commitment. The Nation relies on the FBI, the CIA, local, and State law enforcement and other intelligence agencies to identify and neutralize the terrorists among us, hopefully before they can set off their bombs.

Members will recall we had a bomb that went off right here in this Capitol Building just a couple years ago. They cannot perform this awesome task if the Congress and the press continue to berate them or if they have extremely narrow restriction imposed on them.

We in Congress are not infallible—we are not even expert in the areas of law enforcement and intelligence. We cannot run these agencies. We can give them good laws and support—an ingredient sorely lacking recently. We must give the leadership of these agencies our trust and let them do their job. Frankly, I think the FBI has good leaders today, and it is time the Congress and the press get off their backs and stop making so many unreasonable demands on their time in responding to old charges. I would remind the Congress, that the Senate just over 2 years ago confirmed the nomination of Clarence Kelley as FBI Director without a single dissenting vote. I think he is even more worthy of such support today.

Mr. Speaker, at this point I would like to include with my remarks three items—a letter to the editor of the Washington Post by Mr. Paul J. Cotter, of Dickerson, Md., published on January 9, 1976; an article entitled "What About the Here-and-Now Horrors?" by Bill Shipp, published in the Atlanta Constitution on December 15, 1975; and the speech by Mr. Kelley entitled "Terrorism—the Ultimate Evil" delivered on January 13, 1976, before the American Security Council.

Mr. Speaker, the letter, article and speech are as follows:

[From the Washington Post, Jan. 9, 1976]

In Defense of the FBI

The cumulative effect of the massive volume of one-sided adverse criticism emanating from the news media against the FBI during the past year—on occasion even reaching intemperate levels of abuse—in my opinion, threatens to destroy this great agency.

The FBI has been lampooned and headlined by every type of media as burglars, bunglers, blackmailers, and abusers of civil rights and awesome power. To distinguish the fair and balanced reporting—of which there has been considerable—is, unfortunately, impossible, as the unbridled voracity of the overall attack has drowned out the fairer voices.

I held no brief for J. Edgar Hoover or the FBI for any wrong they may have done, but I am incensed—as all fair persons should be—about unfair charges; the over-featuring of derogatory hearsay and speculation; the half-true, half-false feature articles about the FBI written in a satirical and demeaning vein; the failure to take any cognizance of the over 90 per cent of the work of the FBI which is above question; and the failure to reflect that practically all of the information developed about the FBI has been produced through the assistance and full cooperation of that agency.

With great damage already done, we are only now able to glean that the FBI didn't go out on its own and intercept communications to and from Communist countries, but did so under presidential directive supported by congressional appropriation legislation; that the same thing holds true respecting FBI counterintelligence investigations, wire taps, and other activities relating to subversive activities and national security; that the FBI did obtain prior authority for such wire taps from the attorneys general, as prescribed in presidential directive; and that the FBI also made a practice of informing the attorneys general, in detail, of their procedures in attempting to penetrate and thwart groups which appeared to be a threat to the public safety, even though the attorneys general reportedly didn't read the memoranda.

It also now seems clear that the FBI was not swollen with excessive power, as alleged, but over-burdened with the enormous responsibilities which because of its outstanding record and performance, succeeding presidents and Congresses kept heaping upon it down through the years, beginning with World War II.

Perhaps-ever-simplified—and aside from the volumes of charges, derogatory gossip, and speculation about J. Edgar Hoover, who is dead and can't defend himself—this leaves us with the mistakes the FBI has made in carrying out its duties. And, with over 7,000 agents and a workload of upwards of 200 different categories of investigative responsibilities, the FBI did make mistakes. But whatever its mistakes, or misjudgments, they would seem to have been directly connected with its efforts to carry out its assigned responsibilities.

Regarding complaints as to civil rights infringement, I am in no position to comment, but by any measure, the FBI, in the manner in which it has conducted itself from the beginning, in its treatment of persons charged with wrong doing, by its national police schools, and its investigation of innumerable civil rights complaints, has done more to enforce, uphold, and protect civil rights than any other agency or group in the world.

Whatever may be said about J. Edgar Hoover, it can't be denied that, in the FBI, he left the country a heritage for which it should be most grateful.

The FBI, in spite of the damage to its reputation, is still a great and necessary institution, and, in spite of all the hysteria and clamor of the day, there is surely the wisdom and soundness in the Congress, when all of this is over, to write a fair report and recommend adequate controls and oversight measures, which the FBI reportedly welcomes, without hamstringing and sterilizing its effectiveness.

It would also seem of great importance for the news media to establish a fairer code of ethics respecting what it dispenses as news and by-products.

During my 37 years government tenure, I spent four years as an FBI Agent; four years in the Criminal Division of the Department of Justice in charge of the Espionage Desk, primarily collaborating with FBI agents and U.S. attorneys in the preparation and trial of major espionage cases; twelve years as a staff member of the Senate Appropriations Committee, which held hearings and passed upon the yearly FBI budget requests. On the basis of this experience, I must reject as preposterous any implication that the FBI received any special treatment because of information it might have had on members of the Committee. My personal opinion of the worth of the FBI is such that if I could but start my government career over again, I would want to start as an FBI agent.

Paul J. Cotter.

Dickerson, Md.

[From the Atlanta (Ga.) Constitution, Dec. 15, 1975]

What About the Here-and-Now Horrors?

(By Bill Shipp)

This was going to be about John Edgar Hoover and what an eccentric fellow he was. He wouldn't let bald-headed men direct his FBI field offices because be didn't believe they presented the proper image of his G-men. He wanted FBI agents to wear only white shirts while they were on duty, long after colors became fashionable. There's a lot more funny stuff to write about the late FBI director. But the rest of the reporters' pack seems to have picked over Mr. Hoover already.

So let's discuss Sen. Frank Church, his Senate Intelligence Committee and the FBI.

There's no doubt that the Senate committee, as well as the similar panel in the House, have turned up some titillating and disturbing information about the operations of both the CIA and FBI. For the most part, the probes were shallow and the information was the kind that grabs headlines for a day and disappears. But they were enough to give Frank Church some national identity and put him in position to run for the Democratic presidential nomination.

They also were enough to dry up most of the sources of information for the CIA and enough to inspire potentially important witnesses in criminal cases to suggest that FBI agents use their hats in a particularly innovative and offensive way.

That Hoover harbored hatred for Dr. Martin Luther King, Jr. and believed the civil rights movement was rife with reds is hardly news to anyone watching the scene at the time.

Frank Church and other lawmakers who harp on Hoover's feelings about King and his movement apparently have short memories.

The civil rights era was a turbulent one. Thousands of black people sat at lunch counters, demanded to vote, moved to the front of the bus and marched in the streets to gain the rights they had so long been denied.

It was a fertile time for radicals and revolutionaries. There was never any question that some Marxists had penetrated the civil rights movement. The real question was how many and to what extent. Everybody at the time assumed it was the FBI's job to find the answer, and, if they didn't, why didn't they.

By today's standards, the revolutionaries who pushed themselves toward the inner circle of King's nonviolent movement were picnic-in-the-park pussycats. After King was killed and the non-violent movement withered away, America got a taste of some real radicalism—kidnapings, killings, and "burn, baby, burn."

Too bad Sen. Church's committee hasn't tried to find out why we weren't warned ahead of time about:

An outfit called the New World Liberation Front that would claim 14 terrorist bombings in California alone in 1975.

Or the self-styled Continental Revolutionary Army that would boast of three bombings in Denver this year—a government office, a bank and the home of a government official.

Or the Weather Underground that for starters bombed Kennecott Copper's building in Salt Lake Sept. 5 and has sent word it plans to wage war to seize power. It also takes credit for four bombings last year.

Or the Black Liberation Army with its "communique" declaring it has "no hangups about dealing with fascist pig cops."

And what about the survivors of 43 cops who have been killed since 1971 by so-called urban guerrillas, and the dozens of tiny splinter groups that inflict some kind of terror almost daily?

Before Sen. Church kicks off his presidential campaign, his committee might consider looking into how our domestic security apparatus is dealing with these here-and-now horrors.

The congressional investigators have turned up evidence of harassment and intimidation of civil rights figures that is inexcusable. But there also was some "good" intimidation.

Andrew Young, King's top aide and now a congressman, recalled King's Southern Christian Leadership Conference regularly let the FBI know the next target of their demonstrations.

"They may not have done anything but take notes, but their presence insured that the local sheriff was going to behave himself," Young said.

(Incidentally, after Hoover branded King a liar and a degenerate, King, Young and the Rev. Ralph Abernathy met for an hour with the FBI chief in 1964. Hoover spent the hour explaining why the FBI had no black agents and discussing the investigation of the deaths of some civil rights workers in Mississippi, Young recalled the other day. "He was almost apologetic," Young said. But his campaign against King did not cease. When Young asked for another appointment a month later, he couldn't get in to see Hoover.)

If you want to discuss in depth all facets of FBI harassment, talk to some old klansmen. Ask about the time the FBI presented a kluxer (who also was a murder suspect in Athens) with a birthday cake and hinted darkly that it was laced with truth serum. He ate the cake anyway and his wife almost fainted.

In fact, FBI agents and their informants finally infiltrated the klan to such an extent that no "true" klansman could be sure who was under the sheet next to him. The FBI more than anyone else deserves credit for harassing, spying and intimidating the klan of the 60s out of existence.

But that was another day. Certainly we need to insure that the excesses of the past are never repeated. We also must be certain that the nation's intelligence-gathering agencies are adequately equipped and manned and aggressive enough to carry out their vital missions.

The strident investigation of these agencies by would-be presidential-candidate Church and others have done little toward that end.

TERRORISM—THE ULTIMATE EVIL

(By Clarence M. Kelley)

As we Americans prepare to celebrate the 200th anniversary of our independence, I find myself increasingly concerned about the growing problem of terrorism.

It is a strange anomaly that we, the citizens of the freest major nation on earth, should find it necessary to concern ourselves with terrorism.

Yet we must—and that is the message I bring to you today. All Americans who cherish freedom, all Americans who would preserve orderly government and domestic tranquility, must involve themselves in the effort to prevent terrorism from becoming a crisis problem in our society.

Some may say our concern should be directed toward failures in our society that spawn terrorism.

I disagree.

History is replete with instances where reforms did nothing to dissuade truly committed terrorists.

Alexander II of Russia in the 1860s emancipated the peasants and instituted land and other reforms beneficial to the poor and oppressed. By our standards those measures were not spectacular; but back then they represented genuine social progress. Yet the response of the revolutionaries, frustrated in their efforts to whip up popular support, was to intensify their campaign of bombing and assassination.

And Alexander II himself eventually was murdered by revolutionaries.

To achieve tranquility and order by appeasing avowed terrorists is not only unworkable, it's unthinkable.

Their rationale is too mercurial, inconsistent and twisted.

How do you reason with an individual who considers the murder and mutilation of children an acceptable means to impose his will on others?

You don't.

The terrorist neither listens to reason nor engages in reasoning with others. His aim is to generate fear—to frighten people into submission.

He measures success by the magnitude of the fear he generates through brutal, savage acts of violence.

How proud those responsible must have been of the bombing at Fraunces Tavern in New York City last year—a bombing in which four persons were killed and scores were injured. Members of the Armed Forces of Puerto Rican Liberation crowed that they committed that vicious act and others.

Terrorists like these are prepared to kill men, women and children to further whatever cause they claim to be pursuing. And the heinousness of these murders is accented by the fact that they murder without passion. They murder with cool deliberation and careful planning.

Because they have no compunction whatsoever about killing human beings, they have no compunction about committing other crimes. They steal. They rob. They kidnap. They take hostages. They extort.

There are no depths to which they will not go to further their "cause."

Make no mistake about it, the true terrorist is committed—committed to an extent that is difficult for rational people to comprehend. A perverted sort of courage and profound dedication sustains them. They are humorless, insensitive and they are influenced by no truths other than those they perceive to validate their cause.

They are utterly amoral.

I have been in law enforcement 35 years. I have met and talked with murderers—murderers who have taken lives cruelly and viciously; but nevertheless, most of them have moments of compassion and gentleness.

The terrorist does not.

The law makes allowances for homicides that are committed without premeditation. The penalties are less severe. The law recognizes that there is an added evil in a murder that is planned and deliberate, with malice aforethought. And the penalties for such acts are more severe.

There is a dispassionate, impersonal cruelty in terroristic murders that adds an extra dimension of horror.

The terrorist's exploding bomb kills and maims indiscriminately—the young, the elderly, the robust, the infirm—people who have absolutely no inkling of the terrorist's perceived grievance or cause.

As far as I'm concerned, terrorism is, indeed, the ultimate evil in our society. And no one can consider himself immune from terroristic acts.

I've met a couple of terrorists. One of them was planning to bomb my home in Kansas City before his arrest. He admitted it. Take my word for it, nothing can bring the evil of terrorism in perspective more quickly for a person than to learn he is a target.

I wonder how the American people view the revolutionary terrorist.

I fear many people see them as a caricatured comical figure, a bearded, rumpled individual furtively clutching a round bomb with fuse sputtering. It would be folly to confuse this invention of some cartoonist's mind with the true revolutionary terrorist. He is not amusing. He is lethal. And Americans simply must realize this.

And Americans should be aware there has been strong evidence in the past couple of years that our terrorist problem is growing.

There were 89 bombings attributable to terrorist activity in our nation last year, as compared to 45 in 1974 and 24 in 1973.

During the past five years there have been 255 such bombings, 122 firebombings, 45 sniping incidents, 120 shootings, 24 ambushes and 21 arsons.

Eleven persons were killed in terrorist acts of violence in 1975. And 72 people were injured. Property damage amounted to more than $2.7 million.

I don't know how well statistics can convey the true extent of the terrorist menace; but one figure that is particularly revealing to me is the number of police officers attacked.

Since 1971, the deaths of at least 43 officers and the wounding of 152 more have been linked to terrorists.

Sometimes one terrorist group or another writes a letter to the news media boasting of successful ambush attacks on law enforcement officers.

Still, I think to most Americans, the terrorist threat is a remote and abstract thing—a problem that commands little, if any, of their attention in their understandable preoccupation with problems more immediate in the everyday business of living.

They may review with revulsion news reports of terrorist activities around the globe—the bloody atrocities in Northern Ireland, the Middle East, and elsewhere.

They may be momentarily dismayed by occasional news reports of such activity in the United States. But thus far this activity has been scattered across our nation; and the total impact of this activity is not easily perceived by the public.

But the families of those killed and maimed have perceived it. Nothing I could say, no figures I could cite, could speak more articulately of the terrorists' menace than the cold, still and mutilated bodies of their victims.

All right. Granted we have a growing terrorist problem, what is the FBI doing about it?

Everything we possibly can within the parameters of law.

The importance of our intelligence work in this area cannot be overstated. In our intelligence work we have striven—and have succeeded in many instances—to prevent bloodshed and property loss.

Unfortunately our successes are rarely publicized, nor is it possible to make public some of them; to do so could jeopardize the safety of innocent persons who helped us.

We also have worked arduously to bring to justice those who commit such acts. It is not an easy endeavor. And we have been criticized for taking so long to apprehend alleged terrorists who are fugitives.

But it should be recognized that we are dealing for the most part with small, closely knit, clandestine groups difficult to penetrate. Some have achieved expertise in preparing false identifications. And they are able to lose themselves in a subculture of communes that spans the United States.

Incredibly, some otherwise law-abiding people provide moral and material support to terrorists, apparently for idealistic reasons. The best that can be said about such people is that they are terribly misguided.

Terrorists are not idealists. They are without principle. They have no regard for human life. They pervert the freedoms this nation bestows upon its citizens. They defile American traditions. They are not political activists. They are criminals. And their numbers seem to be growing.

I'm not saying that our nation is in imminent danger of being devastated by terrorists. But I do consider terrorism a very real and growing problem.

And I think it's vital that Americans involve themselves in the effort to stem terrorist acts before they reach crisis intensity.

How can citizens combat terrorism?

First, by recognizing the true, despicable nature of the terrorist.

By supporting law enforcement in its efforts to frustrate these peddlers of death and destruction.

By promptly reporting information pertaining to terrorism.

By vigorously supporting the principle of rule by laws that has enabled our nation to flourish these 200 years.

We are a nation of about 214 million people—heterogeneous, industrious, robust and peace-loving. No two of us are exactly alike. We usually differ, sometimes vehemently, on major issues and national priorities.

But we have at least one thing in common.

We cherish freedom. We are unified in that. And let those terrorists who boast that they will bring the fireworks to our Bicentennial celebration take note of this: Americans will not permit themselves to be divested of that freedom.

Let the terrorists know that their mindless acts of violence can only strengthen Americans' resolve to preserve our democratic system that has served us so well these two centuries.

[From the Atlanta (Ga.) Constitution, Dec. 10, 1975]

FRANK CHURCH

Sen. Frank Church, who has been grabbing headlines and network news time with his sensational exposes of the FBI and CIA, has finally said he is thinking about what we knew he was thinking about all the time—seeking the Democratic nomination for President.

The Idaho senator has formed a committee to size up his chances of winning the nomination. That group certainly will also be looking for a suitable platform for Church which shouldn't be hard to find. He can run on the shambles he has left of our national intelligence and domestic security operations.

[From the Washington Star, Dec. 30, 1975]

Must Democracy Take a Toll of U.S. Agents?

(By Crosby S. Noyes)

It looks as if CIA Director William Colby wasn't kidding about the danger to our intelligence agents overseas. The connection between the murder of Richard S. Welch a few days ago in Athens and the condemnation and disclosure of American intelligence operations in this country and abroad is too obvious to belabor.

No, you can't say exactly how Mr. Welch was gunned down as the result of something that was done by a particular congressional committee. You can't say, either, that he was murdered because of the publication a year ago by a Washington magazine of the names of 150 CIA station chiefs around the world, including Welch's. What happened in Athens may have had nothing at all to do with the fact that a few weeks ago an Athens newspaper named Mr. Welch as the top CIA man in that city.

Yet all of these things, including the murder, are the result of a consistent pattern of destruction. The major ingredients are exposure, condemnation and finally, inevitably, elimination of the American intelligence apparatus overseas.

There is, after all, no secret about this. The magazine *Counter Spy* that fingered Mr. Welch openly boasts of its objective of "neutralizing" the American intelligence service abroad. Fifth Estate, the organization that publishes *Counter Spy* and makes a business of publishing the names and addresses of CIA agents, describes itself pompously as an "adversary" of the intelligence agency, devoted to "discovering abuses of power" by the American government.

Since Watergate, discovering abuses of power, real or imagined, has become big business in this town. For journalists, it is the sure path to the Pulitzer Prize. For investigating senators, it points the way toward a presidential nomination. And if an occasional government employe gets wasted in the process, or if the interests of the United States are irreparably damaged, it's a small price to pay.

Or is it? Frankly, it seems to me that we are paying a fearful price today for a principle of freedom of the press that produces such abominations as *Counter Spy* and results in the brutal murder of our public servants. And I am not at all sure that the majority of the American people regard this alleged right of publication as so precious that they will continue to condone the threat that it represents to more elemental public interests.

There is no connection here, it seems to me, between what happened to Richard Welch in Athens and what happened a few days earlier to the group of 41 hostages, including the oil ministers of 10 OPEC states, in Vienna. In both cases, the identities and political affiliations of the criminals are unknown. But also in both cases, the political climate that produced the incident is only too pervasive.

In the international community, the green light to terrorism burns bright. Whatever else Yasser Arafat may represent, he represents the killing of innocent people in a political cause. For this reputation, he has been given a thunderous ovation in the General Assembly of the United Nations, including the delegates of most of the nations whose representatives were kidnaped in Vienna. The implications of that recognition may finally have dawned on the leaders of the Arab world.

It may finally have dawned as well on those who condone the killing of American public servants abroad as the price of democracy at home. Contracts for murder are no part of the First Amendment to the Constitution. It is high time that the law took that fact into account.

THE MARTIN LUTHER KING, JR., STATUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKinney) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, last week, on January 15, millions of Americans paused to celebrate the birthday of the Reverend Martin Luther King, Jr. As I am sure you are aware, this day is observed as a holiday by many States and local jurisdictions throughout the country and I am pleased to say that the State of Connecticut was one of the first States to honor Dr. King in this fashion.

We will never forget this individual for promoting the fight for human rights and brotherhood throughout the United States. Along with his commitment to human dignity, he possessed love and concern for all people and a deep faith in the future of this country.

Never to be forgotten is this man who declared "as a winner of the Nobel Peace Prize I have the mission to work harder for peace and I plan to do just that." Of course, Dr. King was more than just a citizen of the world fighting for his rights, he was also a minister of God.

It is recalled that only 1 hour before his assassination he commented:

> Like anybody, I would like to live a long life . . . but I'm not concerned about that now. I just want to do God's will.

Regrettably, Dr. King's tragic death prevented him from fulfilling his many dreams.

Mr. Speaker, today, the House of Representatives has the opportunity to honor Dr. Martin Luther King, Jr., by authorizing a bust of this national leader to join those memorials to other great statesmen which adorn the Halls of the U.S. Capitol. As a cosponsor of the resolution aimed at bestowing this honor on Dr. King, I am hopeful that my colleagues will not hesitate to honor this man who has made such a significant contribution, not only to our past, but more so, to our future. In future years, the 15th day of January will take on increasing importance as more and more Americans recognize the achievements of a man who belonged to the world and all mankind—Dr. Martin Luther King, Jr.

THE FEDERAL ELECTIONS COMMISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. Frenzel) is recognized for 5 minutes.

Mr. FRENZEL. Mr. Speaker, it is good news that our colleague, Bill Gradison has been cleared by the Federal Elections Commission of alleged violations of the Elections Act in the last campaign.

However, Congressman Gradison's case is replete with ominous warnings for any person who runs for office.

First. The FEC received the complaint last June and has held Congressman Gradison and his campaign committee dangling ever since. The length of time required by the Commission to settle this case is a matter of public outrage.

Second. The Commission has not given any special notice of its investigation other than a letter to Congressman Gradison. The Commission has not even bothered to announce the vote by which Congressman Gradison was cleared. This is also absurd.

Third. Gradison's volunteer committee had to incur costs of approximately $20,000 to defend itself. This is the worst outrage of all.

If the FEC cannot develop a system by which alleged violations can be judged in a reasonable amount of time at a reasonable expense, and then publish its determination to the public, we do not need a FEC.

I think we do need a Commission. I have supported this one through good times and bad, through good regulations and sometimes regulations which were not so good. The Gradison matter, however, represents the worst failing of the Commission to date. Its primary mission is to supervise elections. So far it has proved it cannot supervise anything.

PRESIDENT FORD'S STATE OF THE UNION MESSAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. Rhodes) is recognized for 5 minutes.

Mr. RHODES. Mr. Speaker, President Ford's state of the Union message was a straightforward look at our Nation's current status, and our immediate needs for the road ahead. It chronicled our progress over the past year, as well as reporting on tasks left undone.

I think the President hit exactly the right note for the times. It was a positive message, an optimistic message, and one that did not sidestep the realities of the problems that still must be faced and solved.

It was not a message that launched new flights of federalism. The President, concentrated on the hard budgetary decisions that Congress must make during the coming year. He recognized the need to continue help for the disadvantaged. He asked for reforms to eliminate waste and duplicative Federal effort. It was a statement that struck a balance between fiscal responsibility and our need for human compassion. Mostly it was the kind of commonsense that America needs at this hour of decision. It calls for consolidation of overlapping programs, extension of protection in the field of health care, and a direct relationship between budget cuts and continued tax relief for the American people.

It was in no sense a stand pat, status quo statement. It called on the Congress for positive, constructive action to make our Government perform better within the bounds of fiscal restraint. It was, in many areas, a statement that poses a challenge of responsibility to the Congress that must enact the changes and shape the new programs. The President has exercised judgment and leadership. Now it is up to Congress to rise to the need, to work with the President, for the benefit of our national well-being.

DELINQUENCIES ON DEBTS OWED THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, the latest Treasury Department rundown on delinquent debts owed to the United States by foreign countries and international organizations shows that our track record on collection continues to be a poor one.

Principal and interest due and unpaid 90 days or more on U.S. Government foreign loans and credits as of June 30, 1975, totals over $633 million as compared with $609 million for the previous reporting period ending December 31, 1974.

While some nations have made substantial progress in repayment, 71 countries and organizations of the 124 that owe the United States are falling still further behind in thtir payments.

I would once again remind my colleagues and the administration of the amendment we passed to the Foreign Assistance Act of 1974 that directs the President to promptly enter into negotiations with each country that is delinquent in payment of its principal and interest to secure payment of such debts or to arrange transfer of goods and services in lieu of payment. Something has been lost in the translation.

If the administration, as it contends, places "very high priority on insuring that there is prompt payment for foreign debts owed to the U.S. Government," then I say there is no time like the present to speed up such collection. It is certainly in the best interest of the American taxpayer, not to mention the overall economy.

I would like to share with my colleagues a table which compares country by country for the last three reporting periods the delinquencies on debts owed the United States:

PRINCIPAL AND INTEREST DUE AND UNPAID 90 DAYS OR MORE AS OF JUNE 30, 1974, DEC. 31, 1974, AND JUNE 30, 1975, ON U.S. GOVERNMENT FOREIGN LOANS AND CREDITS

Area/country	Principal and interest due and unpaid 90 days or more as of—[1] June 30, 1974	Dec. 31, 1974	June 30, 1975
Total, all countries and international organizations	$562,706,773	$609,425,692	$633,016,602
Western Europe (excludes Greece and Turkey):			
Austria	181	209,379	82,804
Belgium	121,682	765,976	661,942
Denmark	259,292	66,313	58,184
Finland			156
France	90,965	503,567	57,427
Germany, Federal Republic of	254,280	152,192	159,530
Iceland	898		13,421
Ireland	13,299	73,724	13,406
Italy	5,424,420	4,837,245	4,277,065
Luxembourg		11,057	14,795
Malta			
Monaco			
Netherlands	215,605	490,903	695,281
Norway	296,656	190,630	206,362
Portugal	11,017	14,616	118,392
Spain	262,420	731,121	599,259
Sweden	206	453,819	2,843
Switzerland	64,768	137,355	54,829
United Kingdom	422,952	856,301	441,988
Vatican City			
Yugoslavia	38,494	321,192	19,724
European Atomic Energy Community		2,038	1,131
European Coal and Steel Community			
North Atlantic Treaty Organization	17,499	313,434	269,251
Total, Western Europe	7,494,634	10,444,296	7,747,790
Eastern Europe:			
Czechoslovakia	6,833,203	7,145,980	7,143,675
Germany, Soviet Union			
Hungary	700,167	700,167	216,234
Poland			
Romania			
Union of Soviet Socialist Republics		2	
Total, Eastern Europe	7,533,370	7,846,149	7,360,196
Near East (includes Greece, Turkey, and Egypt):			
Cyprus	1,573	1,928	6,026
Egypt, Arab Republic of	47,455,318	59,205,813	13,441,692
Greece	18,220,771	21,371,519	21,439,755
Iran	39,152,815	42,066,979	45,863,117
Iraq	538	538	1,538
Israel	1,056,451	3,086,765	15,561,377
Jordan	13,925	3,187,332	241,195
Kuwait			1,000
Lebanon	3,432	1,061	853
Muscat and Oman			1,126
Qatar			
Saudi Arabia	23,138	386,799	2,116,522
Syria	4,268,114	4,679,264	5,091,836
Turkey	87,238,793	88,495,660	91,180,749
United Arab Emirates			
Yemen Arab Republic			
Total, Near East	197,434,868	222,483,658	194,946,778
South Asia:			
Afghanistan	2,823	2,800	2,769
Bangladesh		310,941	475,990
India	15,579,509	17,400,063	13,638,012
Nepal	183,242	179,149	192,974
Pakistan	18,091,171	35,408,733	60,117,256
Sri Lanka	1,507,896	250	248
South Asia—Regional			
Total, South Asia	35,364,641	53,301,936	74,427,249
Africa (excludes Egypt):			
Algeria	$2,396	$6,613	$18,793
Angola			
Botswana	13,678		
Cameroon	13,052	504	504
Central African Republic			42,700
Chad			
Dahomey	4,228	4,228	17,646
Ethiopia	14,318,967	14,319,208	17,951,925
Gabon		56,300	
Gambia			
Ghana	175,253	175,253	175,486
Guinea	1,032,317	1,791,177	2,083,587
Ivory Coast	70	27,336	413
Kenya	875	208,193	826
Liberia	29,787	31,881	26,398
Libya	13,919	137,381	154,877
Malagasy Republic			
Malawi	155		
Mali	40,896	50,430	58,617
Mauritania			
Morocco	2,573,553	78,912	4,100,756
Niger		7,893	
Nigeria	1,170,211	2,494,668	3,683,456
Rhodesia	43,579	43,579	43,579
St. Helena			
Senegal	33,666	322	22,0924
Sierra Leone	135,590	159,631	172,883
Somali Republic	2,052,000	2,292,235	2,529,373
South Africa	12,114	11,195	35,983
Sudan		545,585	882,935
Swaziland			
Tanzania	41,536	20	224
Togo			88,200
Tunisia	84,648	80,313	77,742
Uganda	2,046	2,782	6,284
Upper Volta			
Zaire	43,849	48,554	348,711
Zambia	6		
Council of Entente States	6	4	
East African Common Services Organization			6,387
University of East Africa	2		
West Africa Development Bank			
Africa—Regional	1,578,167	2,142,750	1,953,974
Total, Africa	23,416,575	24,716,947	34,485,741
Eastern Asia and Pacific:			
Australia	272,027	912,142	447,910
British Solomon Islands			
Brunei			
Burma	3,687	3,687	
China, Peoples Republic of		237,311	247,491
China, Republic of	93,149,972	96,344,051	96,839,994
Fiji Islands	2	172	
Gilbert and Ellice Islands			
Hong Kong	38	106	487
Indonesia	137,841	441,819	2,009,342
Japan	483,338	821,759	474,457
Khmer Republic	2,128,289	2,128,289	2,114,318
Korea, Republic of	2,218,030	1,978,118	1,973,418
Laos	49,695	54,843	2,156
Macao			
Malaysia	387,734	212,395	209,579
Nauru			
New Caledonia			
New Guinea (Papua)	97	136	825
New Zealand	14,721	185,711	51,024
Philippines	48,078,728	48,642,518	49,054,067
Pitcairn Island			
Singapore	413,220	2,065,004	471,457
Thailand	20,273,423	19,080,422	20,573,000

Area/country	Principal and interest due and unpaid 90 days or more as of—[1] June 30, 1974	Dec. 31, 1974	June 30, 1975
Tonga			
Trust Territory of Pacific	$206	$206	$231
Vietnam, Republic of	865, 798	890, 742	6, 322, 349
Western Samoa			
Total, Eastern Asia and Pacific	168, 476, 846	173, 999, 431	180, 793, 344
Western Hemisphere:			
Antigua	416, 400	468, 800	
Argentina	1, 044, 609	2, 113, 050	3, 063, 045
Bahamas	57, 299	59, 058	37, 353
Barbados			
Belize	6, 125	24, 569	27, 491
Bermuda			
Bolivia	1, 689, 827	1, 920, 155	2, 171, 301
Brazil	84, 593	568, 374	3, 831, 414
British Virgin Islands			
Canada	248, 298	319, 194	461, 292
Cayman Islands		197, 744	1, 241
Chile	19, 148, 088	4, 000, 651	8, 235, 087
Colombia	13, 869, 657	13, 479, 545	14, 484, 344
Costa Rica	584, 484	1, 427, 928	203, 202
Cuba	58, 342, 708	64, 569, 272	67, 875, 972
Dominica	130, 810		197, 622
Dominican Republic	1, 053, 271	1, 078, 896	1, 855, 020
Ecuador	587, 520	581, 634	2, 978, 688
El Salvador	152, 532	156, 117	157, 000
French Guiana		127, 154	127, 154
Grenada			
Guadeloupe	50		
Guatemala	170, 252	256, 154	246, 775
Guyana	4, 555	1, 041	1, 009
Haiti	248, 973	544, 148	503, 595
Honduras	101, 603	100, 981	111, 114
Jamaica	13, 176	14, 540	18, 118
Martinique			50
Mexico	2, 776, 755	2, 926, 902	3, 406, 925
Montserrat			
Netherlands Antilles	502	502	11, 962
Nicaragua	159, 020	175, 426	67, 962
Panama	6, 225, 849	6, 820, 573	6, 815, 197
Paraguay	1, 780, 453	1, 796, 437	1, 825, 419
Peru	1, 415, 661	2, 455, 849	2, 025, 574
St. Christopher-Nevis-Anguilla			
St. Lucia	67, 812		
St. Pierre and Miquelon			
St. Vincent			
Surinam	16	16	16
Trinidad and Tobago	11, 935	12, 435	12, 893
Turks and Caicos Islands	167	335	7, 906
Uruguay	1, 399, 997	653, 922	463, 099
Venezuela	3, 351, 285	2, 245, 644	4, 164, 088
Caribbean Development Bank			
Central American Bank for Economic Integration			
Western Hemisphere—Regional	59	50	
Western Hemisphere—Unspecified	494, 399	494, 399	494, 399
Total, Western Hemisphere	115, 638, 740	109, 413, 525	125, 88 , 397
nternational organizations and unspecified countries:			
International Finance Corporation			
United Nations	7, 347, 099	7, 352, 740	7, 368, 167
Unspecified countries			
International Atomic Energy Agency		2, 514	5, 599
Total, unspecified countries and official international institutions	7, 347, 099	7, 355, 254	7, 373, 766

[1] In dollar or dollar equivalents.

Department of the Treasury, OASIA, Office of International Financial Analysis, Jan. 14, 1976.

THE RESIGNATION OF SECRETARY OF LABOR DUNLOP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

Mr. THOMPSON. Mr. Speaker, it is with deep and sincere regret that I learned of the resignation of Secretary of Labor John Dunlop. My colleagues and I have enjoyed a close, productive, and cooperative relationship with John Dunlop during his all too brief tenure. He brought a rare combination of high intelligence, broad perspective, long experience, and skill as an economist to his difficult job. In particular, he was unique in his understanding of the Byzantine complexity of the construction industry and his ability to win the confidence of both labor and management in this field. It is most unfortunate for the Nation that the President fatally undermined Mr. Dunlop's credibility by reneging on his promise to sign the legislative package to stabilize and reform labor relations in the construction industry. John Dunlop was an outstanding Secretary of Labor and a splendid servant of the public interest. His wisdom and skill will be sorely missed.

It is interesting to note the number of newspapers, which editorially opposed the common situs picketing and construction industry collective bargaining bill, which now characterize it as an outstanding piece of legislation. One of America's most prestigous dailies, which editorialized against the bill, now describes it as "a monumental piece of labor legislation." We certainly agree, but regret that it took Secretary Dunlop's resignation to get them to see the light.

The editorial on the resignation of Secretary Dunlop from the Washington Post follows:

[From the Washington Post, Jan. 18, 1976]

THE RESIGNATION OF SECRETARY DUNLOP

It is understandable, though highly unfortunate, that Secretary of Labor John T. Dunlop felt compelled to resign—understandable because President Ford had made Mr. Dunlop's position in the Cabinet totally untenable, and unfortunate because the resignation deprives the Administration and the country of the services of a man we sorely need.

During his brief stay in Washington, Mr. Dunlop performed his job remarkably well. He successfully steered through Congress a monumental piece of labor legislation, believing that he had the President's support in what he was doing. Then, he discovered that the President was not with him after all; his credibility as a member of the Administration was destroyed with both labor and business when Mr. Ford vetoed the legislation.

The costs are particularly heavy. Mr. Ford must now find a new Secretary of Labor in the waning days of his term, not an easy job. And he has lost whatever hope he may have had of reaching some sort of accord with organized labor in an election year. Beyond this, however, the government has lost one of the few men who had a broad grasp of the labor field, and it has lost him at the beginning of a year which most observers expect to be full of labor problems.

Mr. Ford, of course, has no one to blame for this except himself and his staff. Leaving aside the merits of the piece of legislation that caused the trouble—it was a two-pronged bill to give labor the common site picketing authority it has long sought and to try to bring more orderly bargaining procedures to the construction industry—this episode reflects far worse on the President than it does on Mr. Dunlop. It is another in a series of incidents that raise serious questions about the ability of Mr. Ford and his staff to look beyond the political and personal problems of the moment and plan a coherent program.

It was foreseeable months ago that if Mr. Dunlop were to push this legislative package through Congress, the President would either have to sign it or face the possible loss of his Secretary of Labor. It was also foreseeable that this legislation would be strongly opposed by the Republican Party's right-wing. If Mr. Dunlop erred in any way, it was in underestimating the strength of that opposition. But Mr. Dunlop is not a professional politician, a fact that the White House should have grasped; it could then have taken steps either to cool his enthusiasm for proposals the President eventually found politically unacceptable or to force Mr. Ford to confront the issues squarely before Mr. Dunlop's credibility was so fully on the line.

This inability of the White House to think out the potential problems of any particular course of action has plagued this Administration from the beginning. As a result, it has blundered into the crises of the energy legislation, the dismissal and later retention of CIA Director Colby, the confrontation that led to the dismissal of former Defense Secretary Schlesinger, and the criticism and difficulties it has had with some of its nominations of people for important jobs. Mr. Ford may well have been able to function as an effective member of Congress on an ad hoc, day-to-day basis without much concern whether his actions were consistent over a period of time. But a President cannot; he needs to look down the road before embarking on, or authorizing someone in his Administration to embark upon, a particular course of action. Until this White House gains that ability, it will continue to have highly damaging incidents—like that which obliged Mr. Dunlop to resign.

WHO IS MINDING THE STORE IN WASHINGTON?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, since the new revelations about the difficulties of First National City Bank and Chase Manhattan, I have received a number of letters questioning the manner in which the regulatory agencies carry out their duties.

This morning, I received a letter which raised the pertinent question:

"Who is minding the store?"

This is a legitimate question and it is something that we have been asking for years in regard to the Federal Reserve and the Comptroller of the Currency. It is high time, Mr. Speaker, that the Congress find the answer to this question because I am convinced that millions of Americans—who may not have taken the time to write—are also wondering what—if anything—is happening on bank regulation.

The Washington Post, under the byline of Ron Kessler, has suddenly jumped forward with an important series of articles on the banking industry and the regulatory agencies which nurture this industry. Needless to say, I am delighted that the Washington Post—followed by other publications—is picking up this issue and raising questions about the secret manner in which the public's business is conducted.

As I am sure the Washington Post would concede, the series has touched only the tip of the iceberg. I sincerely hope that this huge publishing and broadcasting corporation will continue its efforts to peel back the secrecy which surrounds the financial community and its so-called regulators.

Mr. Speaker, I want to also commend Senator PROXMIRE, chairman of the Senate Banking Committee, and our colleague in the House, Representative BENJAMIN ROSENTHAL, who have spoken out in forthright terms concerning the recent revelations about the banks. Let me assure them that they will be attacked from many quarters, but I know they will continue to press the issues in the public interest. I know from experience that this is an uphill fight.

Mr. Speaker, the Congress must share the blame. We have too often tied our own hands and restricted our ability to obtain information about the financial community and the bank supervisory agencies. Even so simple a proposal as an audit of the Federal Reserve system—one of the regulators in question—has been blocked. Too often, the Congress has been willing to accept the pat answers of the Federal Reserve and the Comptroller of the Currency on why virtually everything of importance about the banking system is kept secret.

Mr. Speaker, if the Congress is going to restructure the financial community and rework the regulatory framework, it is going to have to have full information and current data on every aspect. This kind of information has to be forthcoming and the Congress has got to stop inserting all kinds of "ifs, ands, and buts" about what it demands from the banking agencies. I urge my colleagues to put the public interest first and to require full-scale audits of all these regulatory agencies and to require ongoing, no-holds-barred oversight functions.

In my opinion, the Post series is not only embarassing for the financial community and its regulators but for the Congress as well.

Mr. Speaker, I want to place in the RECORD a letter which I have written to the Washington Post on this issue which appeared today and an editorial from the January 14 issue of the Washington Post entitled, "Secrecy and the Banks."

The articles follow:

SUBCOMMITTEE ON DOMESTIC
MONETARY POLICY,
Washington, D.C., January 13, 1976.

THE EDITOR,
The Washington Post
Washington, D.C.

DEAR SIRS: Traditionally, the bank regulatory agencies have contended that the release of any meaningful information about the condition of commercial banks would result in chaos for the industry and the economy. The result has been a thick wall of secrecy which has kept the investing public, the depositors and the Congress almost totally in the dark about this all important segment of our economy.

Now, the Washington Post has released key portions of bank examination reports and, contrary to the often repeated fears of the bank regulators, the world has not come to an end. The Post story—and resulting events—prove that such information can be divulged to the public and the Congress without severe damage.

It is unfortunate that the Comptroller of the Currency—and his fellow regulators—continue to take the view that their principal role is to defend and protect the banking industry rather than the public interest.

The Comptroller's knee-jerk reaction to the public revelation is a clear case in point.

As a follow-up Post story on Tuesday, January 13, indicates, the Federal Reserve—working in conjunction with the other regulators—will always rush to the rescue of commerical banks regardless of their condition or management—providing that they are large multi-billion dollar corporations. Whether such a benevolent welfare program improves banking practices and provides good bank management is a policy question that is rarely addressed.

Big commercial banks and the so-called supervisory agencies have traditionally been regarded as sacrosanct and this attitude has dominated the approach of both the Congress and the press on banking and related issues. So long as this attitude prevails, the banking agencies—and their constituency—are going to be able to sell their thin reasoning for continued secrecy.

The public interest is obviously best-served by disclosure—and this applies to the banking industry as well as the rest of corporate America. A system must be developed for an orderly disclosure of pertinent information which will allow the public and the Congress to make informed decisions. It is not enough to accept the bland assurances of the Arthur Burns and the James Smiths. Obviously more adequate disclosure will reveal just how well the regulators such as the Federal Reserve and the Comptroller are performing their duties. As a result, they have a self-interest in maintaining the tightest secrecy.

Sincerely,

WRIGHT PATMAN,
Chairman.

SECRECY AND THE BANKS

Two of the Nation's largest banks, it now develops, were placed last year on the federal list of those that requires special supervision. That action raises urgent questions of public policy. But the official who put them on the list, James E. Smith, the U.S. Comptroller of the Currency, evidently does not care to discuss it in public. Neither do the banks themselves, naturally enough. They regard the whole affair as their private business—but they are wrong. Fortunately, Congress takes a larger view of the interests here, and two committees have already began to prepare hearings.

The two banks—the First National City and the Chase Manhattan, both of New York City—have more than $100 billion in assets between them, and are respectively the second and third largest in the world. (The largest is the Bank of America, in San Francisco.) Even a small bank is central to its regional economy, with responsibilities far beyond those of most private businesses. Citibank and Chase Manhattan operate on a scale that affects the economic stability not only of this country but of the world. Both of these banks are extremely strong and durable institutions. Their survival is not in question at all. But when they change their policies, under the pressure of their internal strains, it can have substantial effects upon the way other people must conduct their businesses and earn their livings.

Both banks, as well as the Comptroller, have denounced this newspaper for its effrontery in publishing the federal bank examiners' assessments. The traditional view is that this kind of publication threatens the bank and therefore the economy as well. But the truth is just the opposite; the custom of secrecy is the greater threat, and this episode illustrates the point. Citibank is widely known for very effective management, and the examiners confirm that opinion. At the Chase Manhattan on the other hand, the examiners found the internal controls to be poor and added that the defects identified at one examination might not only remain uncorrected at the next, but indeed might have become more severe. This observation alone is a strong reason for bringing more light into the process. If a system of examination does not reliably bring about prompt correction of faults, it is hardly worth having.

The conventional wisdom holds that open disclosure of these defects can only destroy public confidence in the banks. But the real erosion of confidence occurs when a major breakdown takes place and it subsequently appears—as in some of the recent business collapses—that the warning signals were suppressed from public notice and remedy by good manners, personal friendships and the habit of discretion. In the present case, the publication of the examiners' findings resulted in no run on the banks.

The general public knows that its deposits are insured by the federal government and are totally safe. As for the professional investors who handle large sums of money, their reactions can be accurately measured by the behavior of the two banks' stocks the day after the news story appeared. In each case the stock opened about one point below its previous level and then gained some of it back in the course of the day's trading. There was nothing in the examiners' words that was not already known, or long suspected, throughout the New York financial community.

The two banks are on the Comptroller's list because the total of their "classified" loans—those that the examiners consider to be in some degree of danger of not being paid back punctually or fully—are high in relation to their capital. Or to put it the other way the examiners concluded that their capital, which is in each case over $2 billion, has become inadequate. Both banks, and the Comptroller as well, ascribe this awkward circumstance to the recession. But obviously there is more to it. Only about 200 banks throughout the country are usually on this list at any one time. The 14,000 banks not on the list have been through the recession too.

The deeper reason for the present embarrassment goes back to the high-flying securities markets of the 1960s. In those years some banks, particularly in New York, began to look for rapid increases in the prices of their own stock. Within these banks, there began to be a rising pressure for great growth and high earnings in relation to capital. That was a distinct change in the banking business, but the whole climate in financial circles was changing; the cautious old men who remembered the ordeal of the Depression were departing from the scene. From 1960 to 1969 there were no recessions, and some people of influence had begun to believe that modern economics had eliminated the business cycle altogether. The standards of normal risk shifted. The federal examiners' description of the situation within Citibank offers an illuminating vignette:

Experienced managers were pulled out to run the bank's multiplying tribe of satellites and subsidiaries. Their replacements were younger men schooled in marketing and the art of finding new business. Loans in the real estate field have been a source of particular trouble at Citibank as well as at Chase Manhattan. The examiners note that the younger men, having been trained entirely on a rising market, had no preparation for the recessions of the 1970s with their failed shopping centers and half-empty condominium projects.

That raises another point for congressional consideration. Banks are not like other corporations; growth and earnings alone are not adequate measures of their performance. Other indicators—including, perhaps, the ratio of "classified" loans to capital—are necessary. Stability and service count as heavily as profitability, and all of the indicators need to be equally accessible to the public.

LIBRARY OF CONGRESS STUDY ON WHITE HOUSE REQUESTS FOR TELEVISION TIME

Mr. BRADEMAS. Mr. Speaker, the Library of Congress, at your suggestion, recently undertook a study of responses by the television networks to White House requests for simultaneous coverage of Presidential addresses.

The study was intended to determine whether the networks do in fact apply "independent news judgment" to such requests, or if the exercise of such judgment is merely perfunctory. This is an important question, for simultaneously televised addresses by the President have been demonstrated to have a marked effect on public attitudes toward various national issues. Moreover, simultaneous coverage of statements by other principal officials of the Federal Government, including the leadership of the Congress, is customarily denied by the networks.

The results of the study are enlightening. The Library found that during a 10-year period Presidents Johnson, Nixon, and Ford sought simultaneous coverage on 45 different occasions, and it was granted 44 of those times. The examples run from President Johnson's statements in defense of his Southeast Asia policy to President Nixon's explanations of his Watergate difficulties, and President Ford's remarks on energy, all matters of considerable public controversy. In at least some of these instances the networks could not possibly have exercised any "news judgment" in that they were unaware in advance of the content of the President's proposed remarks.

Thus, during the past decade American Presidents, virtually at will, have had access to blanket coverage by the television networks while a similar opportunity has been denied to those with complementary constitutional responsibilities but different points of view.

Mr. Speaker, this record poses some extremely difficult questions. No one would deny that the President, as Chief Executive, is entitled to communicate his views on national policy to the Amercan public. We all recognize, moreover, that three of the four major television networks are organized principally for the purpose of returning a profit to their stockholders, and that freely to extend unpaid air time to all public officials who request it is manifestly unprofitable.

I would suggest, however, Mr. Speaker, that if we are to preserve the integrity of our tripartite system of Government, it is of the highest importance that one branch of the Government not be allowed to monopolize the television screen. Television is an extremely powerful, indeed the most powerful, medium of communication in our society. It offers an opportunity to those who control it to argue a case, good or bad, under the most favorable circumstances. And when done on a blanket basis, as when a President is granted simultaneous coverage, television can be used in a fashion that effectively blots out or deliberately distorts opposing points of view.

No free society can afford to dismiss access by any public figure to a medium so powerful. Both Congress and the executive branch, and, particularly, Congress, in its role as guardian of the public's airwaves, have a duty to consider carefully the impact of the report prepared by the Library. I, therefore, include the text of the report at this point in the RECORD in order that all Members might have access to its contents:

[From the Library of Congress Congressional Research Service]

A REPORT ON SIMULTANEOUS TELEVISION NETWORK COVERAGE OF PRESIDENTIAL ADDRESSES TO THE NATION

(By Denis S. Rutkus, Analyst, American National Government, Government Division, Jan. 12, 1976)

FINDINGS IN BRIEF

A study by the Congressional Research Service (CRS) discloses that, for the past ten years, the three commercial television networks—ABC, CBS and NBC—have provided simultaneous coverage of the President on almost every occasion that he has sought to deliver a nationwide television address. By contrast, in the early years of television, simultaneous three-network coverage of Presidential addresses occurred less regularly.

Telephone interviews with network spokesmen, moreover, indicate that in recent years, it has become the routine practice of the networks to make television airtime available to a President when he requests it. Statements of network spokesmen suggest two bases for this practice: first, a presumption by the networks that any given Presidential address prepared solely for television almost surely will prove to be sufficiently newsworthy to justify preemption of regular network programming; second, a complementary premise that a Presidential address, regardless of its substance, has a unique inherent news value because of the importance of the Presidential office. These premises appear presumptively to commit the networks to coverage of Presidential addresses and virtually to entrust the President with judging their news value.

Consequently, this study would seem to raise the question of whether the networks fully exercise their news judgment when a Presidential address prepared solely for television is concerned or whether the presumption of the address's high news value takes the place of rigorous news judgment.

Specifically, this study discloses, through examination of the historical record, that during the Eisenhower, Kennedy and early Johnson years, the television networks occasionally declined to make live television airtime available when advised of a President's wish to address the Nation. This sometimes occurred when the networks could not be satisfied beforehand that the particular Presidential message was sufficiently newsworthy to merit special live coverage.

Subsequently, during the latter years of the Johnson administration, through the Nixon and into the Ford Presidency, a pattern emerges of the networks almost always making television airtime available when Presidents have sought it. Examination reveals that this pattern of simultaneous three-network coverage began almost exactly ten years ago, on January 31, 1966, when Lyndon Johnson announced live over the three networks a resumption of American bombing of North Vietnam. Since then, it has been broken only once, in October 1975.

From January 1966 through December 1975, Presidents Johnson, Nixon and Ford sought simultaneous television network time to address the Nation on 45 identifiable occasions and received it 44 of those times from all three networks.

The typical Presidential address, broadcast on all three networks at the same time and in prime viewing hours, reaches an audience of between 40 and 80 million people. In recent years, the President has enjoyed the distinction of being the only person in the land regularly to gain access to all three television networks at the same time.

Such access evidently can be an invaluable political asset, as public opinion polling data indicate that recent Presidents often have used television to mobilize support for controversial policies, sometimes with dramatic results.

This study provides, first, an overview of the initiatives of recent Presidents to gain network access to deliver addresses solely for nationwide television audiences. It then examines the responses of the networks to Presidential requests for airtime and the apparent extent to which they apply independent news judgments before airtime to Presidential addresses delivered on television. Finally, it briefly considers the extent to which ready access to the networks has enabled Presidents Johnson, Nixon and Ford to mold public opinion.

BACKGROUND

The function of independent news judgment in broadcast journalism

William S. Paley, the Chairman of CBS, Inc., once characterized the broadcast journalist "as a free and autonomous institution exercising to the best of his ability an influence and responsibility dedicated to the interests of all the people."[1] His remark reflects a view widely accepted in the journalism profession: that autonomy from government is as basic to the integrity of the broadcast newsman as it traditionally has been to the print journalist.

Against this backdrop, the exercising of independent news judgment can be seen as a central function of a broadcast news organization; for by applying independent news standards to the myriad events and developments of each news day and by measuring the relative importance of these events, journalists and editors select what television audiences eventually see as news. Similarly, by exercising news judgment, editors decide the nature and subject of news documentaries and special in-depth reports that appear on television, and decide whether a major event or statement by a public figure is so dramatic, momentous, or interesting to the public as to justify special live coverage and the preemption of regular programming.

THE NEWS VALUE OF THE PRESIDENT

Because of the President's responsibilities as constitutional leader, supreme military commander and administrator of the Executive branch, the Presidency attracts more television network news coverage than any

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other office in the land. The importance and far-reaching effects of a President's words and actions make him a frequent network subject for special news coverage, in addition to regular news coverage; his words and actions attract simultaneous special news coverage by the three networks more frequently than those of any other figure, public or private.

Even the most publicity-conscious President, nonetheless, competes against other formidable newsmakers for airtime on the television networks, and while the President enjoys the special advantages of his office, the networks can, and often do, provide greater news coverage of other public figures or news developments on any given day.

It consequently may be hypothesized that, when a President dominates regular or special news programming on network television, this is the result of independent news judgments made by the networks; that the networks' news editors deliberately determined, on the basis of their news judgments, that the President merited such coverage, and that they made these decisions on their own, independently of the President.

An apparent exception to this hypothesis is the Presidential address prepared for television. A review of the special news programming of the three networks, and interviews with network executives, suggest that in recent years, when Preisdents have sought television airtime, the networks have not subjected the President to a rigorous news standard before granting him access, but rather have provided access routinely. By contrast, in the early years of television, simultaneous live coverage of Presidential addresses by the three networks was less routine than now.

The Advent and Early Years of the Televised Presidential Address

President Harry Truman set the precedent for use of television to address the Nation in 1947 when he launched the Food Conservation Program in a telecast from the White House. The television networks thereafter carried all of Truman's major addresses.[2]

When Dwight Eisenhower became President, the networks created an ad hoc committee to consider his requests for nationwide television time. Like Truman, President Eisenhower used television broadcasts during crises—the Suez crisis, the Lebanon crisis, the sending of Federal troops to Little Rock, Arkansas, and the 1959 Berlin crisis.[3]

In his three years in office, President Kennedy delivered nine television "reports to the Nation." More than half of these concerned national crises, such as the 1961 tension over Berlin, the Cuban missile crisis of 1962, and the confrontations over desegregation in Mississippi and Alabama. The available record indicates that the networks never refused an Eisenhower or Kennedy request for airtime, although the networks occassionally broadcast an address live at a time other than that requested by the White House or filmed an address for later broadcast, thereby providing themselves the opportunity to judge the address' news value before televising it.[4]

Kennedy's successor, Lyndon Johnson, was especially attracted to television as a communications tool, and in his first year in office he appeared on television more often than President Kennedy had in three years and in two years more often than Eisenhower had in eight. In 1965 alone, Johnson appeared on *live* television 36 times.[5]

The bulk of Johnson's appearances on special network news programs, however, did not take the form of television addresses for delivery only before the network cameras. Instead, he was seen most frequently on television in news conferences, delivering speeches before public gatherings or participating in ceremonial or diplomatic functions. Moreover, President Johnson could not be assured of live access to the networks whenever he wished to address the Nation on television.

Examination of President Johnson's Public Papers and of network special news coverage data reveals eight occasions from January 1964 through September 1965 when Johnson evidently requested network television airtime to deliver a message to a nationwide broadcast audience. The three networks provided simultaneous coverage of only three of these television messages; that is, at least one network declined to televise the message simultaneously with the other networks or decided against any form of special news coverage. (These occasions are noted in the appendix of this report.) Sometimes, the networks refused to cover Johnson live when he would not disclose the subject of his address in advance, making even tentative network news judgments of the address almost impossible.

In one such instance, on a Sunday evening, May 2, 1965, President Johnson addressed the Nation on the situation in the Dominican Republic, where American troops had been sent days earlier. Although CBS feared that the President "wanted to talk about postal reform or agriculture," according to the network's Washington bureau chief, the network covered the broadcast live.[6] NBC, however declined to give the President immediate access, videotaped the broadcast and televised it an hour later, while ABC provided no special news coverage of the address at all that evening.[7]

By 1966, however, a different pattern begins to emerge.

The Era of Simultaneous Network Television Coverage of Presidential Address

Examination by CRS reveals that a virtually unknown pattern of simultaneous three-network coverage of Presidential addresses began almost exactly ten years ago, on January 31, 1966, when Lyndon Johnson announced live over the three networks a resumption of American bombing of North Vietnam. From January 1966 through December 1975, President Johnson, Nixon and Ford sought simultaneous television network time to address the Nation on 45 occasions and received it 44 of those times from all three networks before President Ford was denied access by two of the networks in October 1975.

These findings are consistent with the observation in a 1973 study that the networks began the practice of "giving the President virtually any time slot he asked for" during the tenure of Lyndon Johnson.[8]

From the evening of January 31, 1966, until he left office in January 1969, President Johnson delivered seven television addresses, all of which were carried simultaneously by the three networks.

Records disclose that the three networks always granted live coverage whenever President Nixon wished to address the Nation. In his five and a half years in office, President Nixon sought to deliver 32 television addresses to the Nation, and all 32 were televised simultaneously by the three networks.[9]

Coming to the Presidency with considerable television experience, Nixon used television extensively and surpassed even Lyndon Johnson in his use of prime time, the 7:00 to 11:00 p.m. period during which commercial broadcasting attracts the largest audiences. In his first 18 months in office, President Nixon appeared during prime viewing hours as frequently as Presidents Eisenhower, Kennedy and Johnson combined during the first 18 months of their respective terms.[10] During Nixon's five and a half years as President, 26 of his 32 addresses to the Nation were televised in the prime viewing hours. (See appendix.)

Nixon's increased use of prime time was a significant development because of the marked difference between the size of prime-time and non-prime-time television audiences. When, for example, President Nixon's 1970 State of the Union Message was broadcast live at 12:30 p.m. over the three networks, it was viewed by about 22.5 million people. By contrast, his 1971 State of the Union message, broadcast at 9 p.m., was viewed by 54.4 million people. Research by one network concluded that by moving his televised addresses to prime time, President Nixon was seen by an average viewer for almost 50 percent more time than was President Kennedy, during the first 18 months of their respective terms.[11]

In his first 16 months in office, Nixon's successor, Gerald Ford, has requested television time to deliver addresses to the Nation on *six* occasions. One of the three networks, ABC, has agreed in every instance to Ford's preemptions; CBS and NBC have accommodated the President *five* of *six* times. (See appendix.)

The lone time that any of the networks refused President Ford access for a television address came on October 6, 1975, when the President delivered a message on a proposed tax cut which CBS and NBC declined to cover live. In a preperade statement, Richard S. Salant, CBS News president, said the network's decision was influenced by President Ford's announced candidacy for the 1976 Republican nomination and the possibility that, under Federal broadcast rules, networks which carried the address would be subject to demands for equal time by other Republican candidates. (Salant noted, for example, that one other declared candidate for the Republican nomination claimed to be eligible for equal time in situations like this.) The network's position, Salant said, would have been different if the address had been of urgent importance or involved national security.[12]

In a telephone interview, Don Meaney, NBC Washington bureau chief, said NBC's decision was also based on equal time considerations in light of the President's announced candidacy.[13] Wally Pfister, ABC vice president for special news programs, said his network made a news judgment that the address merited live coverage as "strictly an on-the-spot news story."[14]

In a recent interview, Robert Chandde, a CBS News vice president, reaffirmed that equal time considerations, not news values, were the deciding factor in his network's decision against coverage of the tax message. Chandde added that, in his opinion, in the absence of the equal time question, "I think we would have covered it (the Ford message). It was a newsworthy speech."[15]

Thus, it apparently would be misleading to say that in their October 6, 1975 decisions CBS and NBC, by virtue of exercising independent news judgments, broke a ten-year pattern of simultaneous three-network coverage of Presidential addresses. (Viewing it from a different perspective, the New York Times concluded, in an editorial, "It is hard to escape the suspicion that the decision to black out live coverage of the President was itself a ploy aimed at forcing the Federal Communications Commission to move all the way toward suspending the 'equal time' provision of the Communications Act.")[16]

Instead, the episode perhaps served most of all to demonstrate the inability of the President, when denied simultaneous access to all three networks, to be seen by the extraordinarily large audiences that customarily accompany simultaneous coverage. While Ford had been viewed by a three-network television audience estimated at between 70 and 81 million when he delivered a January 13, 1975 preview of his State of the

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Footnotes at end of article.

Union message,[17] his October 6 tax message, broadcast only on ABC and placed in competition with the regular programming of the other two networks, was viewed by an audience estimated at no more than 11 million.[18]

Presuming news value versus the exercising of news judgment

The networks acknowledge in so many words that when the President notifies the networks he wants to address the Nation on television, they, as a standard practice, agree to make airtime available.

Statements of network spokesmen suggest two bases for this practice: first a presumption that any given Presidential address almost surely will be sufficiently newsworthy to justify the preemption of regularly scheduled programs; and second, a complementary premise that, regardless of its substance or the circumstances surrounding it, a Presidential address has special intrinsic news value because of the importance of the Presidential office.

These policy assumptions, it would seem, tend to commit the networks to coverage of any given Presidential address and to entrust the President with judging its importance as a news story against other competing developments of the day. In short, the networks' presumptions about the high news value of a Presidential address prepared solely for television appear to take the place of their rigorous exercise of news judgments.

Although circumstances vary, the White House in a typical situation advises the networks of the President's desire to speak to the Nation, usually earlier the same day on which the President will deliver the message. The general practice, followed by the Johnson and Nixon Administrations and now by the Ford White House, is to brief network correspondents beforehand of the general subject of the address and then to make a text of the address available to the network shortly before the President goes on television.[19]

While this procedure would seem to afford the networks an appropriate opportunity to evaluate the address for its news worth, network spokesmen acknowledge that the decision to televise the address is made well before this point, virtually at the instant the White House first notifies them.

In a December 1975 interview, Robert Chandde, a CBS News vice president, explained, "In all candor, the decisions (to televise a Presidential address) are made before receipt of the text of the message." Almost invariably, Chandde added, the decision is in favor of the President: "Because the President as Chief Executive is in the position to implement policy, it is almost by axiom that a Presidential address is newsworthy." [20] (Nevertheless, another network executive, William Small, senior vice president and director of news, noted that CBS "technically" reserves the right to refuse a President's request for airtime.) [21]

Similarly, in an October 1975 interview, Don Meaney, NBC News vice president and Washington bureau chief, indicated that NBC commits itself to coverage of any given Presidential address before evaluating it against regular news standards: "If the White House asks for airtime to deliver a message, we give it. The implication is that the President has an important message to deliver, having to do with his office, not with something political or trivial." As for the chance that a President might use the prestige of his office to deliver a political message on television, Meaney said the network's position has been that "we accept that risk." [22]

Likewise, the practice of ABC News, Nick Archer, director of news services, answered in an October 1975 interview, has been that "every time they (the White House) request time, we give it to them. It is our policy . . ." [23]

It would appear that Presidential requests for airtime somehow alter the ordinary adversary relationship between the President and the press, for, in such situations, the President rather than the networks appears to decide when he merits network coverage.

Such an altered relationship is perhaps best illustrated in an October 1974 episode when the networks first declined to televise a speech by President Ford, then made live simultaneous television network coverage available when the President formally requested airtime.

President Ford was scheduled to deliver an October 15 speech on the economy before the Future Farmers of America convention at Kansas City. When the White House at first made the event open for television coverage and described the contents of the speech, all three networks decided the speech lacked sufficient news value to warrant live coverage.[24] But then the President formally requested live coverage, and all three networks immediately reversed themselves and complied.

The New York Times afterwards reported in a news analysis that the President's request "was strongly resented as a preemption of the networks' own news judgments and an abuse of natural access by dint of office." Arthur R. Taylor, president of CBS, Inc., responded to the incident in a letter to President Ford reportedly protesting the White House request for airtime and referring to "grave problems" it raised concerning Presidential access to television.[25]

The Times observed that the episode illustrated an "ambiguity in the broadcasters' historical position toward political access":

> . . . On the one hand, broadcast professionals insist on their journalistic rights, guaranteed by the First Amendment, to determine what is worthy of coverage. On the other, they frequently abdicate that right in encouraging and inviting free use of the air by elected officials.[26]

A near admission that the networks in this episode perhaps relinquished their news judgment to the judgment of the President came from CBS News president Richard S. Salant, who remarked, "The big question is at what point do we stop being a news organization and start being a White House transmission belt." [27]

The episode served to bring into sharp focus the different approaches the network news operations take to Presidential speeches and statements, on the one hand, and Presidential "addresses" prepared solely for television on the other. At the outset, the networks viewed the speech as different from a television address because the President was giving it before a public gathering, had not prepared it solely for television consumption and had not requested airtime as he would for an "address". Because of this distinction, the networks applied rigorous news standards to this speech at first, only to abandon these standards later, when the President formally requested coverage, as ABC News President William Sheehan explained:

> Historically, any time a President flat-out asks for air time, he gets it . . . when the President wants to speak to the nation, there's no way we can deny him the air.
>
> But when the White House only announces that the President will be speaking somewhere, and leaves the coverage of it to our judgment, we may decide it's not all that newsworthy. That's apparently what all three networks had decided in this instance.[28]

The networks apparently take the position that the unappealing possibility of appearing slavishly accommodating to Presidential requests for airtime is outweighed by their need to make sure that live coverage is provided of important Presidential addresses. Robert Chandde of CBS News explained, "you could decide not to carry the President, but you'd be hard put to say (beforehand) that it's not newsworthy, particularly if you're dealing with a policy address on war or peace." [29]

Similarly, following the controversy over President Ford's Future Farmers speech, *New York Times* columnist Tom Wicker wrote of the difficulties in preventing the President from "commanding" network airtime:

> The best remedy would be for network news executives to exercise rigorous news judgment on every Presidential attempt to use the airwaves and to reject all such attempts that in their news judgment are unworthy. Practically speaking, however, it is not easy for the networks to turn down a President who wants to go on the air, particularly if he says he intends to speak on "national security" matters. Nor is it easy to ascertain in advance if such claim is valid.[30]

And yet, as noted in eariler paragraphs, the usual procedure of briefings and making texts of a Presidential address available beforehand appears to provide the networks with an opportunity to exercise news judgments without running the risk of passing over a genuinely important address. In the Future Farmers episode, for example, the networks know well in advance that by their standards, the Ford address was not an urgent one and that it did not involve "national security" matters. (As a tactical matter, of course, a President may make 11th hour changes in a prepared address potentially embarrassing to any network missing live coverage.)

The networks, consequently, appear to put themselves in a paradoxical position when a President requests airtime by leaving their judgments of the address' news worth to the President, whom they as journalists ordinarily monitor and report on with jealous independence and on whose judgments of news they ordinarily do not rely.

Presidents Johnson, Nixon and Ford as molders of public opinion

With Presidential access to the airways comes the power to reach millions of people and the potential to influence their views on national issues. Polls taken after various televised addresses suggest that ready access to the television networks often enabled Presidents Johnson, Nixon and Ford to rally public opinion to their points of view.

In mid-summer 1964, for example, the Harris Survey found that 42 percent of persons polled supported the Johnson Administration's Vietnam policies. But after the President announced in an August 4 nationwide television address that he had ordered air strikes against the North Vietnamese to retaliate for their attacks against U.S. destroyers, public support of the President's policies rose to 72 percent in the following Harris Survey. Similarly, during a pause in the American bombing of North Vietnam in January 1966, Harris found 61 percent of the public favoring resumed bombing. But after LBJ announced and explained in a January 31 television address a resumption of the bombing, public support for a bombing resumption rose to 73 percent in the next Harris Survey.[31]

Between November 1969 and April 1971, President Nixon preempted prime television time seven times to ask the public for support of his Vietnam policies and to slow the momentum of the anti-war movement. Televised simultaneously on the three networks, he reached an audience of 72 million people in a November 1969 address, 42 million the following month, more than 60 million in April 1970, and 50 million in June 1970.[32] Following these national addresses, President Nixon rallied much of the public behind him. After his announcement of a policy of

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phased troop withdrawals on May 14, 1969, public support of his Vietnam policy jumped from 49 to 67 percent. Again, after he announced and defended the Cambodian incursion by American troops on April 30, 1970, public support for the use of American troops in Cambodia jumped from 7 to 50 percent.[33]

Between March and August 1975, President Ford delivered three televised addresses and held eight televised press conferences in which he sought to win public support of his economic policies and blamed Congress for a stalemate between the White House and Congress on energy legislation. Results of a July 24, 1975 Harris Survey suggested that President Ford, like his predecessors Nixon and Johnson, apparently had built public support for his policies through the use of television. "In the recent confrontations between President Ford and the present Congress," the Harris Survey found, "the public sides with Ford. Only 18 percent of the Americans approve of the way Congress has handled relations with the President. . . . Ford, on the other hand, receives a 33 percent positive rating for his handling of relations with Congress." [34]

Though not the only opinion-shaping factor at work, it is implausible to argue that the nationwide televising of the Presidential viewpoint, unrebutted in comparable fashion, is without substantial effect on the opinion polls. Indeed, after examining his surveys spanning the period from 1963 to September 1970, Louis Harris decided the data revealed "a definite and distinct pattern of increasing support for a President after he has taken to television to appeal for his position.

"The pattern is so consistent, with so few exceptions," Harris continued, "that it is probably fair to conclude that Presidential use of television almost automatically gives him an important advantage." [35]

FOOTNOTES

[1] Paley, William E. The road to responsibility. An address before the National Association of Radio and Television Broadcasters in Chicago, May 25, 1954.

[2] Minow, Newton N., John Bartlow Martin and Lee M. Mitchell. Presidential Television. New York, Basic Books (1973) p. 33.

[3] *Ibid.*, pp. 35–36.

[4] *Ibid.*, pp. 35, 38, 42.

[5] *Ibid.*, p. 44.

[6] *Ibid.*, p. 45.

[7] Information provided by ABC News and NBC News.

[8] Minow et al, op. cit., p. 35.

[9] This listing was compiled from information available in Minow, Martin and Mitchell, op. cit., and from data provided by the White House and the three networks. The 32 Nixon addresses are listed in the appendix at the end of this report.

[10] Minow et al., op. cit., p. 56.

[11] *Ibid.*

[12] Salant, Richard S., President, CBS News. Prepared statement, October 6, 1975.

[13] Telephone interview by author of Don Meaney, October 1, 1975.

[14] 2 networks decline to carry Ford speech, cite FCC rule. Washington Post, October 8, 1975.

[15] Telephone interview by author of Robert Chandde, December 2, 1975.

[16] The President "show" New York Times, editorial, October 8, 1975.

[17] Democrats reach low TV audience. New York Times, January 25, 1975, and, The high cost of stagecraft. Newsweek, April 7, 1975: 17.

[18] Access to TV is creating issue of its own for '76. New York Times. October 8, 1975: 65.

[19] In a December 2, 1975 telephone interview, Robert Chandde, a CBS News vice president, explained that the regular procedure is for the White House to inform the networks before airtime of the subject of a televised address. As recently as July 15, 1971, however, President Nixon gained simultaneous access to the three networks without giving any indication beforehand of the subject of his message. Authors Minow, Martin and Mitchell, op. cit., pp. 3–4, recount that at airtime, several hours after being notified by the President, the networks were "as much in the dark as anyone else." Nixon used the occasion to announce he would visit mainland China.

[20] Telephone interview by author of Robert Chandde, vice president for public affairs broadcasts, CBS News, December 2, 1975.

[21] Telephone interview by author of William Small, October 1, 1975.

[22] Meaney interview, *op. cit.*

[23] Telephone interview by author of Nick Archer, September 30, 1975.

[24] TV networks, in a shift, air Ford at his request. New York Times, October 16, 1974: 20. Also, President vs. networks. Newsweek, October 28, 1974.

[25] Political access to television: a double standard. New York Times, news analysis, October 26, 1974: 63.

[26] *Ibid.*

[27] President vs. networks. Newsweek, October 28, 1974.

[28] New York Times, October 16, 1974: 20. For consistency's sake, the appendix at the close of this report, which lists addresses by Presidents Johnson, Nixon and Ford prepared solely for delivery before network television cameras, omits the Future Farmers speech, since it was delivered before a public gathering.

[29] Chandde interview, *op. cit.*

[30] Wicker, Tom. The 'pulpit' magnified. New York Times, October 18, 1974:41.

[31] Harris, Louis. President's use of TV helps. Chicago Tribune, September 3, 1970: (Sect. 2) 17.

[32] Minow et al, *op. cit.*, pp. 59–61.

[33] Harris, *op. cit.*

[34] The Harris Survey, July 24, 1975.

[35] Harris, *op. cit.* (September 3, 1970).

APPENDIX

PREEMPTIONS OF NETWORK TELEVISION BY PRESIDENTS JOHNSON, NIXON AND FORD—NOV. 22, 1963 TO DEC. 31, 1975[1]

[Explanatory note: The following is a list of 53 Presidential addresses which were delivered to network television audiences as the result of White House requests for network airtime. The list includes only addresses prepared solely for television audiences and indicates whether an address received simultaneous coverage by the 3 networks]

Date	Time[2]	Subject	Simultaneous coverage?
Network television addresses by President Johnson (Nov. 22, 1963 to Jan. 19, 1969):			
Apr. 9, 1964	11:05 p.m.	Moratorium in railroad labor dispute	No; ABC declined to provide special coverage.
Apr. 22, 1964	6:55 p.m.	Settlement of railroad dispute	Yes.
Aug. 4, 1964	11:36 p.m.	Gulf of Tonkin incident	Yes.
Oct. 18, 1964	8:30 p.m.	Khruschev ouster and Chinese detonation of atom bomb	Yes.
Apr. 28, 1965	8:40 p.m.	Troops ordered into Dominican Republic	No; NBC live coverage, CBS delayed coverage at 11 p.m. (ABC records do not indicate time of broadcast).
May 2, 1965	10 p.m.	Developments in Dominican Republic	No; CBS live, NBC delayed coverage at 11:15 p.m.; ABC declined to provide special coverage.
Aug. 30, 1965	9 p.m.	Postponement of steel industry shutdown	No; ABC declined to provide special coverage.
Sept. 3, 1965	6:30 p.m.	Settlement of steel strike	No; ABC declined to provide special coverage.
Jan. 31, 1966	10 a.m.	Resumption of bombing of North Vietnam	Yes.
July 27, 1967	10:30 p.m.	Civil disorders in the inner cities	Yes.
Jan. 26, 1968	3:58 p.m.	North Korea's seizure of the Pueblo	Yes.
Mar. 31, 1968	9 p.m.	Vietnam and noncandidacy for President	Yes.
Apr. 5, 1968	1:22 p.m.	Day of mourning following death of Martin Luther King	Yes.
June 5, 1968	10:05 p.m.	Attack on Robert F. Kennedy, appointment of commission to study violence in America.	Yes.
Oct. 31, 1968	8 p.m.	Halt of bombing of North Vietnam	Yes.
Network television addresses by President Nixon, (Jan. 20, 1969 to Aug. 8, 1974):			
May 14, 1969	10 p.m.	Southeast Asia: Vietnam	Yes.
Aug. 8, 1969	10 p.m.	Domestic programs: Welfare system overhaul	Yes.
Nov. 3, 1969	9:30 p.m.	Southeast Asia: Vietnamization announced	Yes.
Dec. 15, 1969	6 p.m.	Southeast Asia: Progress toward peace.	Yes.
Jan. 26, 1970	9 p.m.	Veto of HEW appropriations bill	Yes.
Mar. 23, 1970	2:15 p.m.	Postal strike: Emergency declared	Yes.
Apr. 20, 1970	9 p.m.	Southeast Asia: Vietnam	Yes.
Apr. 30, 1970	9 p.m.	Southeast Asia: Cambodian invasion	Yes.
June 3, 1970	9 p.m.	Southeast Asia: Cambodian sanctuary operation	Yes.
June 17, 1970	12 m.	Economic policy and productivity	Yes.
Oct. 7, 1970	9 p.m.	Southeast Asia: New peace initiative	Yes.
Apr. 7, 1971	9 p.m.	Southeast Asia: Vietnam	Yes.
May 20, 1971	12 m.	Strategic Arms Limitation Talks (SALT) agreement with U.S.S.R.	Yes.
July 15, 1971	10:30 p.m.	Announcement of trip to the People's Republic of China	Yes.
Aug 15, 1971	9 p.m.	The Economy: The new prosperity	Yes.
Oct. 7, 1971	7:30 p.m.	The Economy: Phase II	Yes.
Jan. 25, 1972	8:30 p.m.	Southeast Asia: Indochina peace proposal	Yes.
Mar. 16, 1972	10 p.m.	Domestic issue: Busing	Yes.

Date	Time[2]	Subject	Simultaneous coverage?
Apr. 26, 1972	10 p.m.	Southeast Asia: Vietnam	Yes.
May 8, 1972	9 p.m.	Southeast Asia: Vietnam blockage	Yes.
Jan. 23, 1973	10 p.m.	Southeast Asia: Vietnam	Yes.
Mar. 29, 1973	9 p.m.	Economic policy	Yes.
Apr. 30, 1973	9 p.m.	Watergate	Yes.
June 13, 1973	8:30 p.m.	Economy	Yes.
Aug. 15, 1973	9 p.m.	Watergate	Yes.
Nov. 7, 1973	7:30 p.m.	Energy crisis	Yes.
Nov. 25, 1973	7 p.m.	Energy	Yes.
Jan. 17, 1974	3 p.m.	Egyptian-Israeli disengagement agreement	Yes.
Apr. 29, 1974	9 p.m.	Watergate tapes	Yes.
May 29, 1974	1 p.m.	Middle East crisis	Yes.
July 3, 1974	7:30 p.m.	Report on trip to Soviet Union	Yes.
July 25, 1974	7:30 p.m.	Economy	Yes.
Network television addresses by President Ford (Aug. 9, 1974 to Dec. 31, 1975):			
Sept. 8, 1974	11:05 a.m.	Pardon of President Nixon	Yes.
Jan. 13, 1975	9 p.m.	State of the Union preview	Yes.
Mar. 29, 1975	7:30 p.m.	Tax reduction bill	Yes.
May 14, 974	12:25 a.m.	Mayaguez rescue	Yes.
May 27, 1975	8:30 p.m.	Energy proposals	Yes.
Oct. 6, 1975	8 p.m.	Tax cut proposal	No; ABC live coverage; NBC and CBS declined to provide special coverage.

[1] This list was compiled from information made available by the television networks, the White House, the book "Presidential Television," and the public papers of Presidents Johnson and Nixon

[2] Eastern time.

PRAY FOR THE SURVIVAL OF THE CHRISTIAN COMMUNITY IN LEBANON

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, how long will it be before some of the nations of the United Nations speak out for the Christian community in Lebanon? The Moslems have declared a holy war against that community, and an estimated 7,000 troops from Syria under the name of the Palestinian Liberation Army are advancing, according to a UPI description today, "behind columns of armored cars and artillery to seize large areas of the Lebanese countryside." In the last 48 hours, the estimates are that as many as 350 people have been killed and 750 people wounded. The UPI dispatch states "there is the expectation of a major assault on the Christian community (Zahle) of 60,000 people 25 miles east of Beirut."

Nations in the United Nations cower in fear of Moslem Arab oil blackmail and refuse to speak out; they are hiding behind the fiction that this is an "internal matter." What we are witnessing is a possible repetition of the genocide that befell the Armenians at the hands of the Turks. In my elementary school days every school child read and wept at the story depicting the slaughter of the Armenians by the Turks set forth in Forty Days at Musa dagh by Franz Werfel.

If the Christian community in Lebanon is overrun and slaughtered, what will the civilized nations say then? Will they say what they said after the deaths of six million Jews at the hands of the Nazis? Will they say as they said after World War II: "This must not ever again occur." Time for the Christian community in Lebanon is running out, and the representatives of civilized countries throughout the world are running for cover. How shameful. Let us pray for the survival of the Christian community in Lebanon.

THE PRESIDENT'S PROMISES FOR HOUSING IN HIS STATE OF THE UNION MESSAGE

(Mr. BARRETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BARRETT. Mr Speaker, last night we heard President Ford outline his views on the state of the Union and we heard the President, for the first time in an address before us, mention the problems of the housing industry and what his administration's responses will be to this devastated industry. As you will recall, there was no mention of the housing industry's problems whatsoever in the President's state of the Union address to us last year. This time though, the President stated:

> With the strict budget total that I will recommend for the coming year, I will ask for additional housing assistance for 500,000 families. These programs will expand housing opportunities, spur construction, and help to house moderate and low income families.

I would suggest to the President, Mr. Speaker, that actions speak louder than words. We who serve on the House Banking Committee and its Subcommittee on Housing and Community Development have heard these promises of hundreds of thousands of housing starts before. During our consideration of the Housing and Community Development Act of 1974, then HUD Secretary James Lynn also promised us at that time that the administration would produce 400,000 units of assisted housing for low-income families. Of course, this was never accomplished in 1975 and was, more or less, a pipedream.

The President did not detail exactly what programs he would use, what new initiatives, if any, would be presented to the Congress in order to accomplish this goal of providing 500,000 families with much needed housing assistance. It is my guess, Mr. Speaker, that the administration will attempt to provide such assistance through the use of the section 8 housing assistance program which was enacted as part of the Housing and Community Development Act of 1974. Also, I believe, that the administration plans to use the existing $264 million of section 235 assistance funds to provide homeownership for moderate income families in a revised and, hopefully, better administered section 235 program.

The administration has had, since August of 1974, the program and the funds to provide housing assistance that the President promised us last night. It did not provide such assistance in 1975 and the housing industry was in the worst shape since the end of World War II. Mr. Speaker, I will be the first one to congratulate President Ford if his administration can produce the results that he promised in his state of the Union message, but unfortunately, the administration's track record with regard to providing assistance to the housing industry is a poor one indeed.

We on the Housing Subcommittee hopefully await the administration's actions and proposals to assist housing in this our Bicentennial Year of 1976.

STATEMENT BY THE HONORABLE PAUL G. ROGERS IN SUPPORT OF HIS NEW LEGISLATION TO AMEND THE FEDERAL CRIMINAL CODE TO PROVIDE FOR THE DEATH PENALTY FOR THE COMMISSION OF A BOMBING WHERE THE DEATH OF ANY PERSON RESULTS

(Mr. ROGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROGERS. Mr. Speaker, I am today introducing legislation to amend the Federal Criminal Code to provide for the death penalty for commission of a bombing where the death of any person results.

I believe this legislation is necessary to help combat what threatens to become the No. 1 problem of the governments of the world—violent acts of terrorism.

Each of us in this Chamber is painfully aware of the increase in terrorist activities in recent months not only abroad but also here in the United States, culminating in the recent bombing at LaGuardia Airport in which 11 persons lost their lives.

The purpose of these terrorists' actions is to bring about their immediate and long-range political goals by generating fear through calculated, premeditated acts of violence, including kidnaping, armed robbery, murder, and indiscriminate bombing. The technique is one of extorting society by preying upon its innocent victims.

The use of bombs is one of the terrorists' favorite mediums of fear, and it is increasing. The FBI reports that there were 89 bombings attributable to terrorist activity in the United States last year, as compared to 45 in 1974 and 24 in 1973. Action must be taken to stem this tide, and I believe one effective means we can employ is to put would-be terrorist bombers on notice that if they will kill innocent persons, they do so at the peril of their own lives.

This would not be a new recognition of the problem by Congress. In 1970, Congress expanded the Federal criminal bombing law to be applicable to most bombings, and increased the penalties from a maximum of 1 year or $1,000 or both, to a minimum sentence of 10 years or $10,000 or both and a maximum of 20 years or $20,000 or both. If death resulted, a penalty of death or life imprisonment was provided. At that time the Judiciary Committee reported that the gravity of the offense, in our judgment, clearly warrants the increase in penalties.

As you know, in its 1872 decision in *Furman against Georgia*, the Supreme Court effectively struck down most capital punishment laws on the books, including those for such Federal felonies as bombing, kidnaping and aircraft hijacking, as being applied in a capricious or discriminatory fashion. Congress responded by enacting the Antihijacking Act of 1974, reinstating the death penalty for aircraft hijacking, but providing that death shall be imposed only in the presence of at least one of certain aggravating circumstances, and in the absence of any of the enumerated mitigating circumstances. A death sentence would be imposed only if a death resulted from the hijacking, and the sentence would be determined in a separate proceeding from the trial.

The bill I proposed today would incorporate identical provisions into the existing Federal bombing statute, 18 U.S.C. 844.

Mr. Speaker, I believe it is necessary and appropriate that the death penalty be reinstated where death results in the commission of a bombing.

First, the punishment fits the crime. We all abhor the act of murder by a "hired gun" under contract to kill a certain person. It seems even more heinous to deliberately use explosives to kill and disfigure at random innocent men, women, and children who have had the bad fortune to be present at the designated time.

Second, this is not a crime of passion—an act of bombing is nearly always a premeditated affair, prepared with coolness and calculation. We have long recognized that penalties for such acts should be more severe. But more importantly, the death penalty can act as an effective deterrent to these crimes of premeditation. We must require that the planner of a bombing take into account that if his bomb kills anyone he will be punished by death.

Finally, I think we must not underemphasize the retribution value of the death penalty. As I have noted, our morality and jurisprudence have long embraced the principle that the punishment should be commensurate with the gravity of the offense. An important corollary to this, however, is that the failure to punish serious offenders undermines the respect of law-abiding citizens for the law.

Without punishment as an expression of our society's moral condemnation of these acts of violence, the stability of the rule of law is threatened. As Justice Stewart stated it in the Furman decision:

> When people begin to believe that organized society is unwilling or unable to impose upon criminal offenders the punishment they "deserve" then are sown the seeds of anarchy—or self-help, vigilante justice, and lynch law.

The imposition of the penalty of death, society's ultimate sanction, is indeed a grave undertaking. I would urge each of the Members of the House to give careful consideration to taking this step. With a purpose not of vengeance, but rather, as a necessary, measured response to eliminate a recognized social evil. I believe the Congress should take this step in dealing with those who would take human life through the use of explosives. I urge enactment of this legislation.

EDUCATIONAL BROADCASTING FACILITIES PROGRAM

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include a letter from Secretary of Health, Education, and Welfare.)

Mr. GUDE. Mr. Speaker, I include this letter for the information of the Members at this point:

The Secretary of Health,
Education, and Welfare,
Washington, D.C., January 19, 1976.

Hon. John J. Rhodes,
Minority Leader, U.S. House of Representatives, Washington, D.C.

Dear Mr. Rhodes: As the House of Representatives moves toward consideration of H.R. 9630, a bill "To extend the Educational Broadcasting Facilities Program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and social service information, and for other purposes," I would like to share with you the Administration's views concerning this measure.

In summary, H.R. 9630 substantially embodies an Administration proposal for the extension of the Educational Broadcasting Facilities Program and the creation of a new Telecommunications Demonstration authority. However, we object strongly to certain provisions in the bill as reported by the Committee on Interstate and Foreign Commerce, particularly the proposed funding level, the modification of the criteria for funding of facilities applications, separation of the authorizations for the broadcast facilities program from that for the demonstration authority, and the limitation of the authorization of these programs to one year.

The bill would assist (through matching grants) in the construction of noncommercial educational television or radio broadcasting facilities and promote the development of nonbroadcast telecommunications facilities and services for the transmission, distribution and delivery of health, education, and social service information. It proposes a total of $7,500,000 to support facilities grants for the period July 1, 1976 through September 30, 1976 and $30,000,000 for the fiscal year ending September 30, 1977. In addition, the bill proposes $1,000,000 for demonstration grants or contracts for the fiscal year ending June 30, 1976 and $250,000 for the period July 1, 1976 through September 30, 1976.

With regard to the funding level for facilities, we believe that the authorization of $30,000,000 for one year greatly exceeds the highest priority needs of the program and is, therefore, fiscally unnecessary. We also believe that the $7,000,000 annual authorization level recommended by the Administration is adequate to accomplish the goals expressed in our proposal and further articulated in the testimony of the Assistant Secretary for Planning and Evaluation, William A. Morrill, on June 3, 1975 before the Subcommittee on Communications.

In H.R. 9630 the criteria upon which the Secretary shall base his determinations of whether to approve applications for grants have been separated for television and for radio and are given in a different order for the two. The bill may be read as implying that these criteria are fixed priorities which must be followed in funding applications under the facilities program. It should be made clear that any criteria contained in the statute are meant to serve as a framework around which the Secretary, through regulations, can develop specific priorities in which changing needs can be more readily reflected. Therefore, it is recommended that Section 4 be modified by substituting the language proposed in H.R. 4564. In any event, clause (C) of section 392(d)(2) should be eliminated, because providing cost effective first radio service to all people is more important than multiple radio service in major population centers.

A single authorization for both the Educational Broadcasting Facilities Program and the Telecommunications Demonstration authority, as opposed to the separate authorizations now in H.R. 9630, would allow the Department the flexibility necessary to respond quickly and effectively to changing conditions. While we have suggested approximate funding levels for these programs in the past, we believe that their needs will be better served by a single authorization.

Limiting the authorization for these programs to one year, as proposed in H.R. 9630, will unduly constrain our ability to make orderly and efficient plans for a nationwide public service telecommunications system. The limited period of authorization would also serve to discourage potential local and institutional partnerships in these long-range developments from investing their own resources in the face of what might appear to be a short-term Federal commitment. Further, cooperative efforts with NASA, other Federal agencies, and private organizations require long-term commitments to support the experimentation and evaluation associated with new telecommunications technology.

In addition, I am enclosing a list of specific recommendations which cover other provisions of concern to us. I hope you will find them useful in your consideration of the bill.

We therefore recommend that the bill be favorably considered, if it is modified to meet the concerns described above.

Thank you for this opportunity to share the Department's views with you. If you need additional information, please call on me or the appropriate members of my staff. We will be pleased to work with you as you wish or have need.

Sincerely,

David Mathews,
Secretary.

Additional HEW Comments on House Committee on Interstate and Foreign Commerce, Reported Bill H.R. 9630

In addition to the major concerns expressed in Secretary Mathews' letter, the

Department of Health, Education, and Welfare has the following comments with regard to specific provisions in the measure.

1. The definition of "construction" in H.R. 9630 contains language that would open up an entirely new area of Federal support under the facilities program. The program has not in the past supported reception facilities other than those necessary to monitor signal's being transmitted. If receivers do become eligible for Federal funding, as proposed in H.R. 9630, one result might be the ownership and distribution of receivers by noncommercial educational television or radio stations. This is not a proper function of such stations. Thus, it is recommended that on page 5 the words "and reception" be omitted from line 13 and the words "radio subcarrier receivers" be omitted from line 16. In addition, the inclusion of non-video recording equipment and satellite transceivers in lines 15 through 17 should be deleted, as they are covered under existing regulations for the facilities program.

2. Section 399(b)(5), which provides one hundred percent grants to television and radio stations for the purchase of log-recorders, should be deleted. Such equipment can now be purchased, but as is the case with all other equipment, must meet the minimum 25% matching requirement. Most television stations and many radio stations already have equipment necessary to comply with paragraph (1) of (Section 399(b)). To provide full funding to those stations not having equipment would discriminate against those which have either purchased it with local funds or through a matching facilities grant from the Federal Government.

OUR MISGUIDED POLICY IN ANGOLA

(Mr. **OTTINGER** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, during the holiday recess the civil war in Angola continued to rage and the administration continued to pursue its ill-considered policy of backing elements which have questionable support among the populace of that ravaged nation and to aline itself with South Africa, a nation whose racial policies are resented by the vast majority of African States.

American involvement in the internal dispute in Angola has insidious similarities to what happened in Vietnam. One would have thought that President Ford and his advisers would have learned something from our tragic experience in Southeast Asia and the revelations made during the recent investigations into CIA activities. Surely our active involvement in Angola—particularly as it has been in concert with the South Africans—is bound to set back our relations with most of Africa for years to come.

Most disturbing, Mr. Speaker, is the fact that the administration has involved the United States in Angola in secret and without any participation by the Congress. The Central Intelligence Agency has been authorized to send more than $32 million in weapons and military support funds to Angola and has clearly indicated that it intends to send millions more in military aid. In making these determinations the administration has deliberately kept the Congress and the American people in the dark.

Frankly, Secretary Kissinger's pledge that this Nation will "not intervene militarily" in Angola rings rather hollow in light of his past pronouncements, especially during our involvement in Southeast Asia—and the fact that Americans apparently have been flying observer and supply missions over hostile areas in Angola.

Congress must take prompt action to reassert its control over U.S. involvement in Angola and require the administration to present all of the facts before the appropriate congressional committees. It is shameful that the administration has yet to send a ranking official to formally advise the Congress—much less to consult with the responsible committees—on our policy in Angola.

Next week the House will consider the Tunney amendment to the defense appropriations bill—which cuts off future funds for covert aid to the two Angolan groups being supported by the United States—and I urge that we overwhelmingly accept this provision in order to demonstrate both our concern over the manner in which our African policy is being mismanaged and our disapproval of American covert operations in Angola.

It seems to me, Mr. Speaker, that our real concern in Angola is with the Soviet intervention. The appropriate American response from the beginning should have been to put pressure on the Russians to withdraw rather than intervening in the dispute ourselves. I trust the administration will take much stronger measures—and soon—than it already has to make crystal clear to the Soviets that we view their intervention with utmost seriousness and that a failure to withdraw their active support will gravely jeopardize détente and will result in specific economic measures to demonstrate our disapproval.

Earlier this month Tom Wicker wrote a timely and perceptive column for the New York Times on our disastrous policies and activities in Angola. Mr. Wicker very aptly observes that this country "has virtually no moral standing in Africa to act as a peacemaker in Angola" in view of American support of the Portuguese colonial control over Angola for so many years. By pursuing the present bankrupt plan of action in Angola the administration gives ample credence to Mr. Wicker's contention that "Washington has learned nothing, either from Vietnam or the last 15 years in Africa." I insert Mr. Wicker's article for inclusion in the RECORD and commend it to the attention of our colleagues as well as to the so-called "policymakers" in Foggy Bottom.

We simply cannot afford to repeat past mistakes, Mr. Speaker, and the United States must take prompt and meaningful action to not only end covert activities in Angola, but to also disengage ourselves from our present involvement in the strife-torn nation.

The article follows:

EITHER WAY IT COMES OUT QUAGMIRE

(By Tom Wicker)

Gerald Ford and other backers of American intervention in Angola insist that the situation there should be judged on its own merits, and not by reference to what happened in Vietnam. Either way it comes out quagmire.

There is, for example, Mr. Ford's turn to diplomacy after the Senate frustrated his request for funds for military assistance to one of the contending factions in Angola. American officials have been traveling Africa to urge, and Mr. Ford himself has called for, "an immediate cease-fire, an end to all outside intervention and a government of national unity, permitting the solution of the Angolan problem by the Angolans themselves."

This sounds fine, and is much preferable to shipping over more American arms and mercenaries, maybe eventually a few American military "advisers," and who knows what after that. But the basic proposal—"a government of national unity" formed by the contending factions—probably won't work, and for much the same reasons that the United States could never get the North Vietnamese and the Vietcong to participate in "free elections" with the South Vietnamese.

In the first place, the Popular Movement for the Liberation of Angola, which has received substantial assistance from the Soviet Union and a troop contingent from Cuba, is more effective than either of the two factions that have formed an uneasy coalition backed by the United States. The Popular Movement's armed forces are better equipped, trained and motivated and its leadership is better. So far as can be ascertained, it has more popular support among Angolans—not least because it holds out hope of more efficient government—and it is not distracted by the tribal and personal animosities that hamper the effectiveness of the coalition forces. It is reported of the latter, moreover, just as was true of the South Vietnamese army, that they are callous and contemptuous of the rights and property of the civilians for whose support they are supposedly contending.

Why should the Popular Movement, therefore, give up its advantage and form a national-unity government with its rivals—even if there were more political unity among all three factions than there evidently is? Why should the Popular Movement believe that the United States, having sought to arm its opponents—and having already provided them about $30 million in arms—is seeking anything now but another way to prevent their defeat? Why should the movement believe in the integrity of "a government of national unity" proposed by the backers of its opponents, any more than the Vietcong and the North Vietcong believed in the integrity of the "free election" so often touted by the United States?

The Popular Movement, moreover, has already received diplomatic recognition as the legitimate Govenment of Angola from more than forty nations, including the Soviet Union and many African states. It is not at all clear that these governments would extend the same recognition to a coalition government including factions not now recognized by anyone. In any case, the Popular Movement could hardly be expected to give up such a head start toward the sole power.

The major reason for the movement's widespread international support is not, however, its domestic authority. It is rather that the other side is backed by the racist regime in South Africa, which has unwisely sent troops to aid the same coalition the United States has supported. Having the immense political advantage of not being backed by South Africa is reason enough for the Popular Movement not to enter a coalition with the factions that do have such backing.

Finally, as made clear in a striking report by Michael Kaufman of The New York Times, the United States has virtually no moral standing in Africa to act as a peacemaker in Angola because of the stubborn American support of the Salazar-Caetano regimes in Portugal. When these regimes were fighting a lengthy colonial war to retain possession of Angola and other African territories, the Soviet Union supported the Popular Movement's liberation struggle—while the United States, with an eye to its air base in the Portuguese Azores, backed the white colonists.

In these circumstances, the only sensible American policy is to use the channels of détente—and the implicit threat of closing them—to get the Soviet Union to live up to its stated policy of ending all foreign interference in Angola, while Washington works—as it is doing—to get the hated South Africans out too. That could clear the way to "the solution of the Angolan problem by the Angolans themselves." And if that should result, as is probable, in the Popular Movement coming to power, the United States would be in better position to offer its friendship and assistance, thus to some extent countering Soviet influence in Luanda.

But instead, White House circumlocutions and Mr. Ford's remarks in his interview with the National Broadcasting Company suggest that the United States probably is financing the training of mercenary forces to fight the Popular Movement. If so, Washington has learned nothing, either from Vietnam or the last 15 years in Africa.

DR. MARTIN LUTHER KING, JR., BUST OR STATUE

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am proud and honored to be a cosponsor of the resolution before us this afternoon which authorizes a joint committee to procure a bust or statue of the late Dr. Martin Luther King, Jr., and to place this sculpture in a suitable location in the Capitol. Almost 8 years have passed since I walked that long walk in Atlanta with a number of our colleagues and other national leaders who attended Dr. King's funeral. However, his voice and words continue to ring clear in my mind and I can think of few tributes which would so honor this great man as having an appropriate piece of sculpture placed in the Capitol.

With courage, dignity, a single-mindedness of purpose and deep faith, Martin Luther King, Jr., struggled for almost his entire adult life to achieve equality and justice for all Americans—whether for blacks in the rural South or the teeming inner-cities of the North, impoverished whites in Appalachia or Spanish-speaking Americans in the Northeast and Southwest. He dedicated himself to correcting gross social, racial and economic inequities and served as a courageous and effective spokesman not only for the black community, but also for other Americans who were disadvantaged and underprivileged.

Paying little heed to his own safety and comfort, Dr. King devoted his energies to eradicating all remnants of racism, discrimination, and inequality wherever and whenever they might exist. He effectively enlisted all elements of American society in working to reorder and redirect our country's badly distorted priorities in an effort to achieve that wonderful dream of which he so eloquently spoke.

By placing an official remembrance of Dr. King in the Capitol along with statues of such Americans as Jefferson, Adams, Monroe, Madison, and others, we will be honoring not only the man but those ideals and principles which he so diligently espoused and for which he gave his life. It is, indeed, tragic that of the 681 works of art in the Capitol, not one pays tribute to or gives recognition to a black American. Certainly Dr. King more than merits the honor of being officially remembered by a grateful Nation. Therefore, I urge the enactment of this legislation without delay.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Lehman (at the request of Mr. O'Neill), for today, on account of illness in family.

Mr. Corman (at the request of Mr. O'Neill), for today, on account of official business.

Ms. Holtzman (at the request of Mr. O'Neill), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Devine, for 30 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Goodling), and to revise and extend their remarks and include extraneous matter:)

Mr. McKinney, for 5 minutes, today.
Mr. Frenzel, for 5 minutes, today.

(The following Members (at the request to Mr. Evans of Indiana), to revise and extend their remarks and include extraneous material:)

Mr. Reuss, for 10 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Alexander, for 60 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Thompson, for 5 minutes, today.
Mr. Patman, for 20 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Brademas, to extend his remarks in the body of the Record, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,072.50.

Mr. Boland to revise and extend his remarks and include extraneous matter.

Mr. Michel in two instances and to revise and extend his remarks and include extraneous matter.

Mr. Ashbrook to include extraneous matter in his remarks today.

(The following Members (at the request of Mr. Goodling) and to include extraneous matter:)

Mr. Wiggins.
Mr. Anderson of Illinois in two instances.
Mr. Lent.
Mr. Broomfield.
Mr. Lagomarsino.
Mr. Ketchum.
Mr. Gilman.
Mr. Ashbrook in two instances.
Mr. Collins of Texas in four instances.
Mr. Gude.

(The following Members (at the request of Mr. Evans of Indiana), and to include extraneous matter:)

Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Mazzoli.
Mr. Wolff.
Mr. McCormack in two instances.
Mr. McHugh.
Mr. Waxman.
Mr. Eilberg.
Mr. Carney in two instances.
Mr. Fisher.
Mr. Baucus.
Mr. Karth in six instances.
Mr. Teague in 10 instances.
Mr. Rosenthal in 10 instances.
Mr. Vanik.
Mr. Zeferetti.
Mr. Mikva.
Mr. Won Pat.
Mr. Florio.
Mr. Beard of Rhode Island.
Mr. Boland.
Mr. Downey of New York.
Mr. Harrington.
Ms. Holtzman in 10 instances.
Mr. Solarz.
Mr. Riegle.
Mrs. Mink.
Mr. Russo.
Mr. Mollohan.
Ms. Abzug.
Mr. Ford of Michigan.
Mr. Early.
Mrs. Spellman.

ADJOURNMENT

Mr. EVANS of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 56 minutes p.m.) the House adjourned until tomorrow, Wednesday, January 21, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2339. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment during the quarter ended December 31, 1975, pursuant to section 201(h) of the Federal Civil Defense Act, as amended [50 U.S.C. App. 2281(h)]; to the Committee on Armed Services.

2340. A letter from the Chairman, Federal Election Commission, transmitting a proposed regulation pertaining to the allocation of candidate and committee expenditures, pursuant to section 316(c) of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 438(c)) (H. Doc. No. 94–338); to the Committee on House Administration and ordered to be printed.

2341. A letter from the Chairman, Federal Election Commission, transmitting a proposed regulation pertaining to the procedure for the issuance of advisory opinions, pursuant to section 316(c) of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 438(c)) (H. Doc. No. 94–339); to the Committee on House Administration and ordered to be printed.

2342. A letter from the Chairman, Federal Election Commission, transmitting a proposed regulation pertaining to Presidential primary matching funds, pursuant to section 403(c) of the Federal Election Campaign Act of 1971, as amended (26 U.S.C. 9039(c)) (H. Doc. No. 94–340); to the Committee on House Administration and ordered to be printed.

2343. A letter from the Commissioner, Bureau of Reclamation, Department of the Interior, transmitting a copy of a notice from the Secretary's office regarding the criteria for coordinated long-range operation of the reservoirs of the Colorado River, pursuant to Public Law 90–537; to the Committee on Interior and Insular Affairs.

2344. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense services to the Republic of China, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2345. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to the Netherlands, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2346. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Iran, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2347. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report on the argicultural and productive credit and self-help community development programs in five Latin American countries, pursuant to section 222A(j) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2348. A letter from the Clerk, U.S. Court of Claims, transmitting a report of judgments rendered by the Court of Claims for the year ending September 30, 1975, pursuant to 28 U.S.C. 791(c); to the Committee on the Judiciary.

2349. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting a statement of liabilities and other financial commitments of the U.S. Government as of June 30, 1975, pursuant to section 402 of Public Law 89–809 [31 U.S.C. 757f]; to the Committee on Ways and Means.

2350. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report on the nuclear energy center site survey, pursuant to section 207(a)(4) of Public Law 93–438; to the Joint Committee on Atomic Energy.

Received From the Comptroller General

2351. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Federal Home Loan Bank Board, the Federal Home Loan banks, and the Federal Savings and Loan Insurance Corporation for calendar year 1974, pursuant to section 106 of the Government Corporation Control Act, as amended [31 U.S.C. 851] (H. Doc. No. 94–341); jointly to the Committees on Government Operations, and Banking, Currency and Housing and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 965. Resolution providing for the consideration of H.R. 6721. A bill to amend the Mineral Leasing Act of 1920, and for other purposes (Rept. No. 94–773). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 966. Resolution providing for the consideration of H.R. 10680. A bill to revise and extend the Renegotiation Act of 1951 (Rept. No. 94–774). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 967. Resolution providing for the consideration of H.R. 10807, a bill to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to provide authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes. (Rept. No. 94–775). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota (for himself and Mr. Abdnor):

H.R. 11390. A bill to extend the protection of section 1114 of title 18, United States Code, to officers and employees of the Indian Health Service of the United States; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.R. 11391. A bill to establish a reduced rate of postage for letters sealed against inspection mailed by private individuals; to the Committee on Post Office and Civil Service.

By Mr. BURLISON of Missouri:

H.R. 11392. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Mr. ECKHARDT (for himself and Mr. Brodhead):

H.R. 11393. A bill to amend the Fair Packaging and Labeling Act to provide for the regulation of oversized and excessive packaging of consumer commodities; to the Committee on Interstate and Foreign Commerce.

By Mr. FREY (for himself and Mr. Breaux):

H.R. 11394. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to establish minimum mandatory sentences for persons convicted of offenses involving narcotic drugs, to provide emergency procedures to govern the pretrial and posttrial release of persons charged with offenses involving certain narcotic drugs, to provide procedures to reach large sums of money used for narcotic trafficking, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HANLEY:

H.R. 11395. A bill to amend title 23 of the United States Code relating to highways to provide that all sections of the officially designated National System of Interstate and Defense Highways shall become toll free for public use; to the Committee on Public Works and Transportation.

By Mr. HELSTOSKI:

H.R. 11396. A bill to extend as an emergency measure for 1 year the District of Columbia Medical and Dental Manpower Act of 1970; to the Committee on the District of Columbia.

By Mr. MOTTL:

H.R. 11397. A bill to terminate the existence of certain Federal regulatory agencies after a specified period of time, and for other purposes; to the Committee on Government Operations.

By Mr. NOLAN (for himself, Mr. Brademas, Mr. Sarbanes, and Mr. Sarasin):

H.R. 11398. A bill to amend the Domestic Volunteer Service Act of 1973 to provide that developmentally disabled children receiving services under the foster grandparent program may continue to receive such services as adults; to the Committee on Education and Labor.

By Mr. NOLAN (for himself, Mr. Breaux, Mr. Fraser, Mr. McCormack, and Mr. Jenrette):

H.R. 11399. A bill to amend title 13, United States Code, to require the Secretary of Commerce to use sampling methods in taking agricultural censuses; to the Committee on Post Office and Civil Service.

By Mr. HECHLER of West Virginia:

H.R. 11400. A bill to amend title 39, United States Code, to reduce the rate of postage for first-class mail, to abolish the Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATTERSON of California:

H.R. 11401. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes; to the Committee on the Judiciary.

By Mr. PATTISON of New York:

H.R. 11402. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, and anticompetitive regulation; jointly, to the Committees on Government Operations, and Rules.

By Mr. ROBERTS (by request):

H.R. 11403. A bill to amend title 38, United States Code, in order to require that the time period for the posting of jobs for veterans be 5 working days and to require that funds made available for veterans employment programs not be used for any other purpose; to the Committee on Veterans' Affairs.

By Mr. SOLARZ (for himself, Mr. Ambro, Mr. Badillo, Mr. Cohen, Mrs. Collins of Illinois, Mr. Edgar, Mr. Eilberg, Mr. Ford of Tennessee, Mr. Harrington, Mr. Hyde, Mr. McHugh, Mr. Melcher, Mr. Metcalfe, Mr. Ottinger, Mr. Pritchard, Mr. Randall, Mr. Riegle, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Scheuer, Mr. Waxman, Mr. Weaver, and Mr. Whitehurst):

H.R. 11404. A bill to require recipients of Federal aid to higher education to provide senior citizens with access, on a space available basis, to already scheduled courses and programs; to the Committee on Education and Labor.

By Mrs. SPELLMAN:

H.R. 11405. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State or local taxes imposed on the rental of dwelling units; to the Committee on Ways and Means.

By Mrs. SULLIVAN (for herself, Mr. Biaggi, and Mr. du Pont):

H.R. 11406. A bill to amend the Intervention on the High Seas Act to implement the Protocol Relating to Intervention on the High Seas in Cases of Marine Pollution By Substances Other Than Oil, 1973; to the Committee on Merchant Marine and Fisheries.

H.R. 11407. A bill to amend title 14, United States Code, to authorize the admission of additional foreign nationals to the Coast Guard Academy; to the Committee on Merchant Marine and Fisheries.

H.R. 11408. A bill to authorize the Secretary of Transportation, when the Coast Guard is not operating as a service in the Navy, to lease for military purposes structures and their associated real property located in a foreign country; to the Committee on Merchant Marine and Fisheries.

H.R. 11409. A bill to amend Public Law 85–445 to authorize and request the President to proclaim annually the 7-day period beginning June 1 as National Safe Boating Week; to the Committee on Post Office and Civil Service.

By Mrs. SULLIVAN (by request):

H.R. 11410. A bill to simplify the tonnage measurement of certain vessels; to the Committee on Merchant Marine and Fisheries.

H.R. 11411. A bill to eliminate Federal documentation of pleasure vessels; to the Committee on Merchant Marine and Fisheries.

H.R. 11412. A bill to revise and improve the laws relating to the documentation of vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HARSHA (for himself, Mr. Maguire, Mr. Montgomery, Mr. Pepper, Mr. Shuster, Mr. James V. Stanton, Mr. Won Pat, Mr. Traxler, Mr. Mann, and Mrs. Spellman):

H.J. Res. 768. A joint resolution to authorize and request the President to issue a proclamation designating 1976 as National Bicentennial Highway Safety Year; to the Committee on Post Office and Civil Service.

By Mr. MATSUNAGA (for himself, Mr. Udall, and Mr. Waxman):

H.J. Res. 769. Joint resolution to declare a U.S. policy of achieving population stabilization by voluntary means; to the Committee on Government Operations.

By Mr. RINALDO:

H.J. Res. 770. Joint resolution proposing an amendment to the Constitution to permit the imposition and carrying out of the death penalty in certain cases; to the Committee on the Judiciary.

By Mr. ROBINSON:

H. Con. Res. 528. Concurrent resolution to recognize the Washington-Rochambeau National Historic Route; to the Committee on Interior and Insular Affairs.

By Mr. MATHIS:

H. Res. 963. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. SARASIN:

H. Res. 964. Resolution designating January 22 as Ukrainian Independence Day; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. WYLIE:

H.R. 11413. A bill for the relief of Henry T. Phillips III; to the Committee on the Judiciary.

H.R. 11414. A bill for the relief of Capt. Mary K. Van Tilburg, U.S. Army; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rules XXII,

373. The SPEAKER presented a petition of the board of directors, California Asparagus Growers' Association, Stockton, Calif., relative to illegal aliens, which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6721

By Mr. HECHLER of West Virginia:

On page 20, line 14, page 28, line 10, and on page 29, lines 11 and 23, strike the word "fifteen" and insert therein "ten".

On page 25, line 9, strike "The" and insert therein the words: "Subject to the provisions of section 8A(d) of this Act, the"; and on page 32, strike the sentence beginning on line 5 and insert in lieu thereof the following:

"All information acquired by the Secretary pursuant to this Act shall be available to the public, subject to the provisions of section 552 of title 5, United States Code, and section 1905 of title 18, United States Code, and to other Government agencies in a manner that will facilitate its dissemination: *Provided*, That upon a showing satisfactory to the Secretary by any person that any information, or portion thereof, obtained under this Act by the Secretary directly or indirectly from such person, would, if made public, divulge proprietary information of such person, the Secretary shall not disclose such information until the areas involved have been leased or at such other time as provided in this Act, and disclosure thereof shall be punishable under section 1905 of title 18, United States Code; *Provided further*, That the Secretary shall, upon request, provide such information to (a) any delegate of the Secretary for the purpose of carrying out this Act, and (b) the Attorney General, the Secretary of Agriculture, the Federal Trade Commission, the General Accounting Office, and other Federal agencies, when necessary to carry out their duties and responsibilities under this and other statutes, but such agencies and agency heads shall not release such information to the public. This section is not authority to withhold information from Congress, or from any committee of Congress upon request of the chairman."

On page 41, line 6, insert the following new sections:

"Sec. 16. The provisions of this Act shall not be effective for the leasing of tracts for coal by surface mining until such time as such mining is specifically authorized by Act of Congress enacted hereafter.

"Sec. 17. Nothing in this Act or the Mineral Lands Leasing Act and the Mineral Leasing Act for Acquired Lands which are amended by this Act shall be construed as authorizing coal mining on any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, the National System of Trails, and the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act."

H.R. 9464

By Mr. MOFFETT:

(Amendment to Mr. Krueger's amendment published in the Congressional Record of Decmber 8, 1975, on pages 39152–39156.)

Section 204 is amended as follows: In paragraph (8), delete all of clause B.

SENATE—*Tuesday, January 20, 1976*

The Senate met at 12 meridian and was called to order by Hon. Patrick J. Leahy, a Senator from the State of Vermont.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God, very great yet very near, in whom we live and move and have our being, we thank Thee for the reverent calm and the quiet mood with which we undertake the work of this Chamber. Enter our waiting hearts and be our guide and strength. Facing the aching needs of the Nation and the world may we scorn all that is base, selfish, or vindictive and lift high all that is beautiful and good and true. Strengthen us to oppose the wrong which needs resistance and support the right which needs assistance. And as we work may Thy presence be the answer to all our prayers. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., January 20, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Patrick J. Leahy, a Senator from the State of Vermont, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. LEAHY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, January 19, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ATTENDANCE OF SENATORS

Hon. GARY HART, a Senator from the State of Colorado, Hon. FRANK E.

MOSS, a Senator from the State of Utah, Hon. BOB PACKWOOD, a Senator from the State of Oregon, Hon. RICHARD S. SCHWEIKER, a Senator from the State of Pennsylvania, and Hon. HARRISON A. WILLIAMS, JR., a Senator from the State of New Jersey, attended the session of the Senate today.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR DEBATE ON THE PRESIDENTIAL VETO AND VOTE THEREON TO OCCUR ON THURSDAY AT 12:30 P.M. AND 1:30 P.M., RESPECTIVELY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order which was previously entered to the effect that on Thursday at 12 o'clock meridian the Senate proceed for 1 hour to debate the Presidential veto and that a vote occur at the hour of 1 p.m. be changed to 12:30 p.m. and 1:30 p.m., respectively.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, at the direction of the distinguished majority leader I indicated on yesterday that the nomination of Mr. George Bush to be Director of Central Intelligence was tentatively scheduled for next Monday.

Upon the request of a Senator, who represents other Senators, I am sure, the distinguished majority leader has indicated that we should state that the consideration of that nomination is now being tentatively thought of in connection with next Tuesday rather than Monday and that hopefully a time agreement can be entered into at that time or even prior thereto.

ORDER FOR JOINT MEETING OF CONGRESS ON JANUARY 28, 1976, TO RECEIVE THE PRIME MINISTER OF ISRAEL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate join the House on January 28, 1976, for a joint meeting of Congress to receive the Prime Minister of Israel, Mr. Rabin.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM WEDNESDAY UNTIL THURSDAY, JANUARY 22, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Wednesday it stand in adjournment until the hour of 12 o'clock meridian on Thursday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BARTLETT ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on Thursday, Mr. BARTLETT be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO VITIATE ORDER FOR RECOGNITION OF SENATOR JAVITS TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. JAVITS at this time be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JAVITS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. JAVITS be transferred to tomorrow, and that upon the completion of the order for the recognition of Mr. SYMINGTON, Mr. JAVITS then be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JAVITS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. JAVITS on tomorrow follow the order for the recognition of Mr. TUNNEY, instead of the order for the recognition of Mr. SYMINGTON.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF S. 2807, THE REHABILITATION ACT EXTENSION OF 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 563, Senate Resolution 332.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 332) waiving sec. 303(a) of the Congressional Budget Act of 1974 with respect to consideration of the provisions of the "Rehabilitation Act Extension of 1975" (S. 2807).

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

The resolution (S. Res. 332) was considered and agreed to, as follows:

S. RES 332

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of the provisions of the "Rehabilitation Act Extension of 1975" (S. 2807). Such waiver, with respect to so much of such provisions as would provide new budget authority, and new spending authority under section 401 (c)(2)(C) of the Congressional Budget Act of 1964, for fiscal year 1977 prior to adoption of the first concurrent resolution on the budget for such year (by extending the State allotment formula in the Rehabilitation Act of 1973 (Public Law 93–112), as amended, through fiscal year 1977 to be determined, pursuant to section 110 of such Act, based on a nationwide allocation level equal to the amount authorized to be appropriated for making grants to the States for basic vocational rehabilitation services), is necessary because the authorization of appropriations in the Rehabilitation Act of 1973, as amended, for the State grant vocational rehabilitation program, on which authorization level the State-by-State allocation formula is based, expires on June 30, 1976. The 20 per centum matching requirement for such allotments to States is determined on the basis of funding decisions by State legislatures which generally meet and adjourn prior to May 15, the date by which the first concurrent resolution on the budget must be adopted under the Congressional Budget Act of 1974. During such sessions of State legislatures, commitments are made to provide each State's share, on the basis of which the Federal 80 per centum allotment is then paid to each State with an approved State plan. If legislation authorizing a nationwide allotment level for the program for fiscal year 1977 is not enacted at an early date, many State legislatures will be unable to authorize the funds needed for vocational rehabilitation programs for such year.

Further, the authorization of appropriations and the nationwide allotment level for fiscal year 1977 for State grants for basic vocational rehabilitation services in the provisions of the "Rehabilitation Act Extension of 1975" (S. 2807) would not increase the currently authorized and congressionally approved program level for fiscal year 1976 but would maintain continuity in the vocational rehabilitation program and permits the States to continue such programs at reasonable levels.

For the foregoing reasons, pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of H.R. 11045, the Rehabilitation Act Amendments of 1975, but only for purposes of consideration of an amendment, incorporating the provisions of S. 2807, in the nature of a substitute for the text of H.R. 11045.

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, what is the pending business?

The **ACTING PRESIDENT** pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Leahy) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

FOREIGN ASSISTANCE—MESSAGE FROM THE PRESIDENT

The **ACTING PRESIDENT** pro tempore (Mr. Leahy) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

The Foreign Assistance Act of 1974, enacted by the 93d Congress on December 30, 1974, expresses the sense of the Congress that the policies and purposes of the military assistance program should be "reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance." Section 17(a) of the act expresses the view that the program, except for military education and training activities, "should be reduced and terminated as rapidly as feasible consistent with the security and foreign policy requirements of the United States."

To give effect to section 17(a) of the act, the Congress directed that I submit to the first session of the 94th Congress a detailed plan for the "reduction and eventual elimination of the present military assistance program." In the intervening period, the two foreign affairs committees are considering draft legislation that would arbitrarily terminate grant military assistance programs after September 30, 1977, unless authorized by the Congress.

I have stressed repeatedly in my messages to the Congress and in my reports to the American people, the need for constancy and continuity in our foreign policy, and, in particular, in our relationship with nations which turn to us for necessary support in meeting their most pressing security needs. Since World War II, the United States has extended such assistance to friends and allies. This policy has contributed immeasurably to the cause of peace and stability in the world. Many countries which once received grant military assistance have achieved self-sufficiency in providing for their security interests, and grant military assistance to a number of current recipients is being reduced or eliminated.

I firmly believe that grant military assistance in some form will remain a basic requirement for an effective U.S. foreign policy for the foreseeable future. In the Middle East and elsewhere, we must maintain our flexibility to respond to future assistance requirements which cannot now be reckoned with precision. It will continue to be in our interest to be able to meet the legitimate security requirements of countries who cannot shoulder the full burden of their own defense and grant assistance will continue to be needed to assist countries that provide us essential military bases and facilities. These requirements will not disappear; they are the necessary result of the unsettled state of the world and of our role as a world power.

Nevertheless, in recognition of the expressed sense of the Congress, I have, in preparing the 1977 budget and legislative program, reexamined the policies, purposes, and scope of the military assistance program with a view to reducing or terminating any country programs no longer essential to the security and foreign policy interests of the United States. As a consequence of this review, the 1977 military assistance budget request will reflect a 28 percent reduction below the 1976 request, the termination of grant materiel assistance to Korea, and elimination of five small grant programs in Latin America. Furthermore, our preliminary estimate of the 1978 requirements indicates that additional reductions and some additional program terminations should be feasible in the absence of unfavorable security or economic development in the countries concerned.

I must emphasize, however, that offsetting increases in foreign military sales credits will be required in most instances to meet the legitimate military needs of our friends and allies at a time when much of their military equipment is reaching obsolescence and prices of new equipment are increasing drastically. Moreover, the capacities of many of these grant military aid recipients to assume additional foreign exchange costs because of reduced military aid are limited by the necessity to cope with higher oil prices as well as the impact of the recession in the developed countries on their exports. In these circumstances, I believe the interests of the United States in the continued security of these countries are better served by a gradual reduction of grant military assistance attuned to the particular circumstances of each country than by an arbitrary termination of all such assistance on a given date.

Finally, I must emphasize that in this uncertain and unpredictable era we must maintain our national strength and our national purposes and remain faithful to our friends and allies. In these times, we must not deny ourselves the capacity to meet international crises and problems with all the instruments now at our disposal. I urge the Congress to preserve the authorities in law to provide grant military aid, an instrument of our national security and foreign policy that has served the national interest well for more than 30 years.

Gerald R. Ford.

The White House, *January 20, 1976.*

MESSAGES FROM THE HOUSE

At 12:40 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed without amendment the bill (S. 1657) to amend the National Portrait Gallery Act to redefine "portraiture."

At 2 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House has passed the bill (S. 2145) to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The **ACTING PRESIDENT** pro tempore (Mr. Leahy) laid before the Senate the following letters, which were referred as indicated:

Report of the Assistant Comptroller General

A letter from the Assistant Comptroller General of the United States reporting, pursuant to law, on the release of certain budget authority; referred, jointly, to the Committees on Appropriations, Budget, Interior and Insular Affairs, and ordered to be printed.

Report of the Assistant Secretary of Defense

A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a report on 79 construction projects to be undertaken by the Air National Guard (with an accompanying report); to the Committee on Armed Services.

Report of the Export-Import Bank

A letter from the Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions supported by Eximbank during November 1975 to Communist countries (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Special Representative for Trade Negotiations

A letter from the Special Representative for Trade Negotiations transmitting, pursuant to law, a report on certain trade practices of foreign governments (with an accompanying report); to the Committee on Finance.

Report of the Agency for International Development

A letter from the Administrator of the Agency for International Development transmitting, pursuant to law, a report on foreign assistance and related transactions for fiscal year 1975 (with an accompanying report); to the Committee on Foreign Relations.

Report of the National Advisory Council on International Monetary and Financial Policies

A letter from the Chairman of the National Advisory Council on International Monetary and Financial Policies transmitting, pursuant to law, the annual report of the Council for the fiscal year 1975 (with an accompanying report); to the Committee on Foreign Relations.

Report of the Secretary of State

A letter from the Secretary of State transmitting, pursuant to law, a report on the extent and disposition of United States contributions to international organizations, for the fiscal year 1974 (with an accompanying report); to the Committee on Foreign Relations.

Report of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Why NASA's Property Accounting and Control System Should Be Improved" (with an accompanying report); to the Committee on Government Operations.

Proposed Economic Coercion Act of 1975

A letter from the Attorney General, Department of Justice, transmitting a draft of proposed legislation to prohibit economic coercion based upon race, color, religion, national origin, or sex (with accompanying papers); to the Committee on the Judiciary.

Report on the Runaway Youth Act

A letter from the Under Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the annual report on Title II of the Runaway Youth Act, Public Law 93-415 (with an accompanying report); to the Committee on the Judiciary.

Report of the National Labor Relations Board

A letter from the Chairman, National Labor Relations Board, transmitting, pursuant to law, the 40th annual report of the National Labor Relations Board for the fiscal year ended June 30, 1975 (with an accompanying report); to the Committee on Labor and Public Welfare.

Report on Manpower Program Coordination

A letter from the Director, National Commission for Manpower Policy, transmitting, pursuant to law, a Report on Manpower Program Coordination (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the Administrative Office of the U.S. Courts

A letter from the Deputy Director, Administrative Office of the U.S. Courts, reporting, pursuant to law, on duties of GS-17 positions; to the Committee on Post Office and Civil Service.

Report of the U.S. Court of Claims

A letter from the Clerk, U.S. Court of Claims, transmitting, pursuant to law, a report of judgments rendered by the U.S. Court of Claims for the year ended September 30, 1975, the amount thereof, the parties in whose favor rendered, and a brief synopsis of the nature of the claims (with an accompanying report); to the Committee on the Judiciary.

Report of the Nuclear Energy Center Site Survey

A letter from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, a report on the Nuclear Energy Center Site Survey (with an accompanying report); to the Joint Committee on Atomic Energy.

Proposed Legislation Designating Certain Lands a Wilderness

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to designate certain lands in the North Cascades National Park and in the Ross Lake and Lake Chelan National Recreation Areas, Washington, as wilderness (with accompanying papers); to the Committee on Interior and Insular Affairs.

Small Reclamation Project Application

A letter from the Deputy Assistant Secretary of the Interior, reporting, pursuant to law, on the applications from Mitchell Irrigation District, Nebraska, and Roy Water Conservancy Subdistrict, Utah, for supplementary loans; to the Committee on Interior and Insular Affairs.

Petition for Assistance to the Enewetak People

A letter from the Acting Director of Territorial Affairs, Department of the Interior, transmitting, pursuant to law, a petition which expresses the desire of the people of Enewetak to return to their home atoll (with accompanying papers); to the Committee on Interior and Insular Affairs.

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. Leahy) laid before the Senate the following petitions, which were referred as indicated:

A resolution adopted by the City Council of Pembroke Pines, Fla., expressing opposition to the United Nations resolution labeling Zionism as a form of racial discrimination; to the Committee on Foreign Relations.

A resolution adopted by the Martin County Chapter, Florida, Izaak Walton League of America, relating to enlargement of the St. Lucie Canal; to the Committee on Public Works.

A resolution adopted by the City Council of Youngstown, Ohio, relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the Council of the City of Grand Prairie, Tex., relating to general revenue sharing; to the Committee on Finance.

A resolution adopted by the Council of the City of Norfolk, Va., relating to general revenue sharing; to the Committee on Finance.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. WILLIAMS:

S. 2849. A bill to amend the Investment Advisers Act of 1940 to authorize the Securities and Exchange Commission to prescribe standards of qualification and financial responsibility for investment advisers, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. DOLE:

S. 2850. A bill for the relief of John Ming Chan. Referred to the Committee on the Judiciary.

By Mr. STEVENS (for himself and Mr. Gravel):

S. 2851. A bill to provide temporary authority for the Secretary of Agriculture to sell timber from the U.S. Forest Service lands in Alaska consistent with various acts. Referred to the Committee on Agriculture and Forestry.

By Mr. STEVENS:

S. 2852. A bill to amend section 5728 of title 5, United States Code, with respect to vacation leave in connection with a tour of duty outside the continental United States. Referred to the Committee on Post Office and Civil Service.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILLIAMS:

S. 2849. A bill to amend the Investment Act of 1940 to authorize the Securities and Exchange Commission to prescribe standards of qualification and financial responsibility for investment advisers, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

INVESTMENT ADVISERS ACT AMENDMENTS OF 1975

Mr. WILLIAMS. Mr. President, I am today introducing a bill to amend the Investment Advisers Act of 1940 to provide substantial additional protections to clients of registered investment advisers principally by upgrading that act's provisions governing qualification and financial responsibility requirements.

The Investment Advisers Act was the last in the series of basic Federal securities laws enacted as a result of the extensive investigations and studies during the 1930's of the securities markets and securities industry. Beginning in 1933, Federal statutes have been enacted to regulate the conduct of broker-dealers and securities exchanges, public utility holding companies, trustees under bond indentures, investment companies and investment advisers. Most recently, in June of last year, the Securities Acts Amendments of 1975 for the first time subjected municipal securities dealers, both bank and nonbank, to regulation under the Securities Exchange Act of 1934.

Notwithstanding the pervasive pattern of securities regulation established four decades ago for other segments of the securities industry, and periodic congressional reexaminations of regulatory needs and appropriate statutory changes, the Investment Advisers Act has been treated, in the words of one member of the Securities and Exchange Commission, as a "stepchild."

This is a particularly apt characterization for several reasons. The origin of the Advisers Act is the first. Essentially it came into existence as title II of the act which included as part I the more important Investment Company Act of 1940. One eminent legal commentator has written of the Advisers Act's origins that—

> . . . it followed a brief supplemental report on investment advisers which the Commission . . . filed as an incident of its investment trust study.

In short, the Investment Advisers Act appears to have been a legislative afterthought to the much more comprehensive Investment Company Act.

Another explanation is the relatively slight attention Congress has devoted to the act over the past 36 years. This is in marked contrast to the nearly constant attention given by Congress to other statutes administered by the SEC. Unlike active congressional oversight and periodic revisions to the securities laws, as evidenced most recently by the Securities Act Amendments of 1975, the Investment Advisers Act has been amended on only a few occasions and usually in insubstantial ways. In fact, it was not until 1960 that the act was amended in any material sense, and this followed changes the SEC had first urged in 1945.

In recent years, however, the adequacy of regulation of investment advisers has been a subject of considerable concern and debate. The consensus of many in Congress, the Securities and Exchange Commission, public investors and members of the investment advisory industry is that the pattern established in 1940 is seriously deficient in light of current regulatory needs, industry growth, and the longstanding objective of the securities laws—the protection of investors.

This consensus has developed for obvious reasons. First, the amount of money being managed by registered investment advisers and the number of firms registered with the SEC have increased dramatically in the last 6 years. Recent figures indicated that there are approximately 3,059 such firms managing approximately $260 billion. By way of contrast, in 1969, there were only 1,343 registered investment advisory firms and it was estimated they had approximately one-half or $130 billion under management.

In addition, authoritative spokesmen—including present and former SEC commissioners—have pointed to specific deficiencies in the regulatory pattern established for investment advisers. Most of these regulatory gaps result from an anomalous absence of standards of financial responsibility in the Advisers Act comparable to those applicable to broker-dealers and investment companies. For example, in so far as investment advisers are concerned, there are no minimum initial capital requirements, no requirements for continuing financial responsibility and no requirements for reporting financial information to the SEC.

Finally, many professionals in the business have become concerned that the ease of entry and virtual absence of minimal initial or continuing financial responsibility standards may jeopardize the reputation of the entire industry. To help maintain a high level of public confidence and trust, a number of industry leaders have expressed interest in upgrading their regulation. These efforts have concentrated primarily on State legislation and on self-regulation as an alternative to direct federal regulation by the SEC.

In response to these developments, the Commission has transmitted the proposed amendments to the Investment Advisers Act of 1940 which I am introducing today. Briefly, the bill has eight sections which would:

First. Authorize the SEC to prescribe qualification standards and financial responsibility requirements with respect to investment advisers and their associated persons;

Second. Require registered investment advisers to pay reasonable fees and charges to the Commission to defray the additional costs of the regulatory duties which would be imposed pursuant to the proposed legislation which payment the Commission contemplates would not be required of any member of a self-regulatory organization which may be established pursuant to future legislation;

Third. Make certain technical and conforming changes in the act;

Fourth. Eliminate the "intrastate" exemption provided by section 203(b)(1) of the act;

Fifth. Clarify the existence of a private right of action based on a violation of the act;

Sixth. Amend the definition of "person associated wtih an investment adviser"; and

Seventh. Authorize and direct the Commission to study: the extent to which persons not included in the definition of investment adviser or specifically excluded therefrom engage in activities similar to those engaged in by investment advisers and whether such exclusions are consistent with the act's underlying purposes; and the extent to which the establishment of one or more self-regulatory organizations would facilitate the act's purposes.

In the letter of transmittal, the Commission states its beliefs that "the attached proposals represent a significant step toward improvement of the Advisers Act which, if enacted, would enable the Commission to develop and conduct a regulatory program providing much needed and comprehensive protections to the investment public."

As chairman of the Subcommittee on Securities, I am in general agreement with the need for improving the regulation of investment advisers as well as the approach suggested by the Commission. Although I recognize that many difficult questions will have to be resolved during the deliberative process, I believe this bill is a sound, measured effort to upgrade the protections afforded clients of investment advisory firms.

Mr. President, I now ask unanimous consent that the transmittal letter from the SEC, the full text of the bill and the SEC's explanatory statement in support of the bill be reprinted in full in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2849

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Investment Advisers Act Amendments of 1975".

SEC. 2. Section 208 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–8) is amended by adding at the end thereof the following new subsections:

"(e) No investment adviser registered or required to be registered under section 203 of this title shall make use of the mails or any means or instrumentality of interstate commerce in connection with his business as an investment adviser unless such investment adviser and all natural persons associated with such investment adviser meet such standards of training, experience, competence, and such other qualifications, including minimum age and contractual capacity, as the Commission finds necessary or appropriate in the public interest or for the protection of investors. The Commission shall establish such standards by rules and regulations, which may—

"(1) specify that all or any portion of such standards or qualifications shall be applicable to any class of investment advisers and persons associated with investment advisers; and

"(2) require persons in any class to submit to such tests or examinations as may be prescribed in accordance with such rules and regulations.

The Commission, by rule, may prescribe reasonable fees and charges to defray its costs in carrying out this subsection, including, but not limited to, fees for any test administered by it or under its direction."

"(f) No investment adviser registered or required to be registered under section 203 of this title shall make use of the mails or any means or instrumentality of interstate commerce in connection with his business as an investment adviser in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to provide safeguards with respect to the financial responsibility of investment advisers. The Commission, by rule, may prescribe reasonable fees and charges to defray its costs in carrying out this subsection.

"(g) The Commission is authorized, in connection with the promulgation of rules and regulations under subsections (e) and (f) of this section—

"(1) to create one or more advisory committees pursuant to the Federal Advisory Committee Act;

"(2) to employ one or more outside experts; and

"(3) to hold such public hearings as it may deem advisable."

SEC. 3. Section 203(b) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(b)) is amended by striking out paragraph (1) thereof and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 4. Section 203(g) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(g)) is amended by striking out "subsection (d)" and inserting in lieu thereof "subsection (c) or subsection (e)".

SEC. 5. The first sentence of section 211(c) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–11(c)) is amended to read as follows: "Order of the Commission under this title (except orders granting registration pursuant to section 203(c) of this title) shall be issued only after appropriate notice and opportunity for hearing."

SEC. 6. The first sentence of section 214 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–14) is amended to read as follows: "The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this title or the rules, regulations, or orders thereunder, and, concurrently with State and Territorial courts, of all suits in equity and actions at law brought to enforce any liability or duty created by, or to enjoin any violation of, this title or the rules, regulations, or orders thereunder."

SEC. 7. Section 202(a)(10) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(10)) is amended by inserting before the period at the end thereof a comma and the following: "and includes intrastate use of (A) any facility of a national securities exchange or of a telephone or other interstate means of communication, or (B) any other interstate instrumentality".

SEC. 8. Section 202(a)(17) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(17)) is amended to read as follows:

"(17) The term 'person associated with an investment adviser' means any partner, officer, or director of such investment adviser (or any person performing similar functions), or any person directly or indirectly controlling, controlled by, or under common control with such investment adviser, including any employee of such investment adviser, except that for the purposes of section 203 of this title (other than subsection (f) thereof), persons associated with an investment adviser whose functions are clerical or ministerial shall not be included in the meaning of such term. The Commission may, by rules and regulations, classify, for the purposes of any portion or portions of this title, persons associated with an investment adviser within the meaning of this paragraph."

SEC. 9. Section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2) is amended by adding at the end thereof the following new subsections:

"(c) The Commission is authorized and directed to make a study of the extent to which persons not included in the definition of 'investment adviser' or specifically excluded therefrom engage in activities similar to those engaged in by investment advisers, including but not limited to (i) the furnishing of advice, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities, (ii) the issuance or promulgation of analyses and reports concerning securities, and (iii) the exercise of investment discretion with respect to securities accounts, and whether the exclusion of such persons from the definition of 'investment adviser' is consistent with the protection of investors and the other purposes of this title. The Commission shall report to the Congress, within eighteen months from the date of enactment of this subsection, the results of its study together with such recommendations for legislation as it deems advisable.

"(d) The Commission is authorized and directed to make a study of whether and to what extent the protection of investors and the other purposes of this title would be facilitated by the establishment of one or more self-regulatory organizations which would be registered with the Commission under this title and, subject to appropriate Commission oversight, adopt rules, establish standards of conduct, take appropriate disciplinary action, establish and administer tests, and perform such other functions with respect to the regulation of their members as are consistent with the purposes of this title. The Commission shall report to the Congress, within eighteen months from the date of enactment of this subsection, the results of its study together with such recommendations for legislation as it deems advisable.

"(e) The Commission is authorized, in furtherance of the studies required by subsections (c) and (d) of this section, to create one or more advisory committees pursuant to the Federal Advisory Committee Act, to employ one or more outside experts, and to hold such public hearings as it may deem advisable."

SEC. 10. This Act shall become effective on the date of its enactment.

SECURITIES AND EXCHANGE
COMMISSION,
Washington, D.C., December 11, 1975.

Hon. NELSON A. ROCKEFELLER,
President, U.S. Senate,
The Capitol, Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to transmit, on behalf of the Commission, the attached legislative proposals which would amend the Investment Advisers Act of 1940 to provide substantial additional protections to investment advisory clients, with the Commission's recommendation that such proposals be enacted into law.

In the recent past, a strong interest has been expressed by members of the Congress and of the Commission in upgrading the standards and quality of regulation of investment advisers.

For example, then Commissioner Hugh F. Owens, now Chairman of the Securities Investor Protection Corporation, stated in an address to the Money Management Institute on October 12, 1972 that "a problem too long neglected in connection with investment advisory firms, no provisions requiring continuing financial responsibility and no requirements for reporting financial information to the Commission. The absence of any controls in this area is very disturbing to me." Commissioner Owens also expressed concern about the lack of appropriate standards of qualifications.

In a March 6, 1974 letter, Congressman Moss, former Chairman of the then House Subcommittee on Commerce and Finance of the Committee on Interstate and Foreign Commerce, asked former Chairman Garrett whether the Commission intended to promulgate rules to increase protections to investors, as had been suggested by Commissioner Owens. Commissioner Loomis, in the absence of the Chairman, replied in a letter dated April 5, 1974 that the existing authority of the Commission to prescribe qualifications standards and financial responsibility requirements for investment advisers is somewhat limited and that, with respect to these areas, the Commission would direct its efforts toward developing legislative proposals.

Congressman Moss reiterated his concern on this subject in addressing the Sacramento Chapter of the International Association of Financial Planners on November 1, 1974, and expressed the view that "a cursory examination of that Act [the Investment Advisers Act of 1940] indicates apparent weaknesses" and, further, pointed out that "the types of regulation that the Securities and exchange Commission may impose on registered investment advisers appears to fall short of the kinds of regulation the SEC can impose on brokers, dealers, or investment companies."

More recently, Commissioner A. A. Sommer, Jr., speaking before the Practicing Law Institute on May 22, 1975, stated that "[t]here is a wide scale realization of the deficiencies of regulation in this area." He emphasized the need for a regulatory program which would assure the investing public that investment advisers are subject to appropriate professional standards, particularly with respect to qualifications and financial responsibility.

While in the 35 years since the passage of the Investment Advisers Act of 1940, the combined efforts of Congress, the Commission and the courts have provided significant protections to the public and investment advisory clients through the expansion, administration, and interpretation of the Advisers Act, certain regulatory deficiencies remain. Although the Securities Acts Amendments of 1975 did amend the Advisers Act in certain respects, that legislation left unchanged the fact that the investment advisory industry is not yet subject to a comprehensive regulatory program with respect to qualifications and financial responsibility.

The Commission believes that legislation authorizing such a program is necessary and appropriate at this time. The Commission is aware, however, that it may be necessary for it to supplement its knowledge of the practices and operations of the industry as they exist today before exercising the powers which would be conferred by the new sections. Accordingly, the proposed legislation would provide that the Commission may create advisory committees, employ outside experts, and hold public hearings in developing standards. Similarly, the Commission believes that the appropriateness, feasibility, and proper scope of self-regulation should be studied further by the Commission before it recommends specific legislative proposals on these matters, and the attached proposed legislation would so provide. Although there may be certain difficulties to overcome, the Commission believes that self-regulation would provide a valuable supplement to its own regulatory functions under the Act, and the Commission desires and intends, if at all possible, to foster a self-regulatory structure that would be both practicable and meaningful. Accordingly, one major goal of the proposed study would be the development of appropriate incentives to encourage voluntary participation in self-regulatory organizations.

In addition to authorizing the Commission to prescribe qualifications standards and financial responsibility requirements, the proposed legislation would conform the Advisers Act in certain respects to similar provisions contained in the Securities Exchange Act of 1934 and would also resolve certain regulatory problems which have arisen in the course of the administration of the Advisers Act. Briefly, the proposed legislation has eight sections which would:

(1) authorize the Commission to prescribe qualifications standards and financial responsibility requirements with respect to investment advisers and their associated persons;

(2) require registered investment advisers to pay reasonable fees and charges to the Commission to defray the additional costs of the regulatory duties which would be imposed pursuant to the proposed legislation (which payment the Commission contemplates would not be required of any member of a self-regulatory organization which may be established pursuant to future legislation);

(3) make certain technical and conforming changes in the Act;

(4) eliminate the "intrastate" exemption provided by Section 203(b)(1) of the Act;

(5) clarify the existence of a private right of action based on a violation of the Act;

(6) amend the definition of "person associated with an investment adviser"; and

(7) authorize and direct the Commission to study:

(i) the extent to which persons not included in the definition of investment adviser or specifically excluded therefrom engage in activities similar to those engaged in by investment advisers and whether such exclusions are consistent with the Act's underlying purposes; and

(ii) the extent to which the establishment of one or more self-regulatory organizations would facilitate the Act's purposes.

The Commission believes that the attached proposals represent a significant step toward improvement of the Advisers Act which, if enacted, would enable the Commission to develop and conduct a regulatory program providing much needed and comprehensive protections to the investing public.

The views expressed herein and in the accompanying materials are those of the Commission and do not necessarily represent the views of the President. These materials are being simultaneously submitted to the Office of Management and Budget. We will inform the Congress of any advice we receive from that Office concerning the relationship of the materials to the program of the Administration.

Sincerely,

RODERICK M. HILLS,
Chairman.

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., December 11, 1975.
Hon. CARL ALBERT,
Speaker, U.S. House of Representatives, the Capitol, Washington, D.C.

DEAR MR. SPEAKER: I am pleased to transmit, on behalf of the Commission, the attached legislative proposals which would amend the Investment Advisers Act of 1940 to provide substantial additional protections to invest advisory clients, with the Commission's recommendation that such proposals be enacted into law.

In the recent past, a strong interest has been expressed by members of the Congress and of the Commission in upgrading the standards and quality of regulation of investment advisers.

For example, then Commissioner Hugh F. Owens, now Chairman of the Securities Investor Protection Corporation, stated in an address to the Money Management Institute on October 12, 1972 that "a problem too long neglected in connection with investments advisers concerns the financial responsibility of these firms. At present, there are no minimum initial capital requirements for advisory firms, no provisions requiring continuing financial responsiblity and no requirements for reporting financial information to the Commission. The absence of any controls in this area is very disturbing to me." Commissioner Owens also expressed concern about the lack of appropriate standards of qualifications.

In a March 6, 1974 letter, Congressman Moss, former Chairman of the then House Subcommittee on Commerce and Finance of the Committee on Interstate and Foreign Commerce, asked former Chairman Garrett whether the Commission intended to promulgate rules to increase protections to investors, as had been suggested by Commissioner Owens. Commissioner Loomis, in the absence of the Chairman, replied in a letter dated April 5, 1974 that the existing authority of the Commission to prescribe qualifications standards and financial responsibility requirements for investment advisers is somewhat limited and that, with respect to these areas, the Commission would direct its efforts toward developing legislative proposals.

Congressman Moss reiterated his concern on this subject in addressing the Sacramento Chapter of the International Association of Financial Planners on November 1, 1974, and expressed the view that "a cursory examination of that Act [the Investment Advisers Act of 1940] indicates apparent weaknesses" and, further, pointed out that "the types of regulation that the Securities and Exchange Commission may impose on registered investment advisers appears to fall short of the kinds of regulation the SEC can impose on brokers, dealers, or investment companies."

More recently, Commissioner A. A. Sommer, Jr., speaking before the Practising Law Institute on May 22, 1975, stated that "[t]here is a wide scale realization of the deficiencies of regulation in this area." He emphasized the need for a regulatory program which would assure the investing public that investment advisers are subject to appropriate professional standards, particularly with respect to qualifications and financial responsibility.

While in the 35 years since the passage of the Investment Advisers Act of 1940, the combined efforts of Congress, the Commission and the courts have provided significant protections to the public and investment advisory clients through the expansion, administration, and interpretation of the Advisers Act, certain regulatory deficiencies remain. Although the Securities Acts Amendments of 1975 did amend the Advisers Act in certain respects, that legislation left unchanged the fact that the investment advisory industry is not yet subject to a comprehensive regulatory program with respect to qualifications and financial responsibility.

The Commission believes that legislation authorizing such a program is necessary and appropriate at this time. The Commission is aware, however, that it may be necessary for it to supplement its knowledge of the practices and operations of the industry as they exist today before exercising the powers which would be conferred by the new sections. Accordingly, the proposed legislation would provide that the Commission may create advisory committees, employ outside experts, and hold public hearings in developing standards. Similarly, the Commission believes that the appropriateness, feasibility, and proper scope of self-regulation should be studied further by the Commission before it recommends specific legislative proposals on these matters, and the attached proposed legislation would so provide. Although there may be certain difficulties to overcome, the Commission believes that self-regulation would provide a valuable supplement to its own regulatory functions under the Act, and the Commission desires and intends, if at all possible, to foster a self-regulatory structure that would be both practicable and meaningful. Accordingly, one major goal of the proposed study would be the development of appropriate incentives to encourage voluntary participation in self-regulatory organizations.

In addition to authorizing the Commission to prescribe qualifications standards and financial responsibility requirements, the proposed legislation would conform the Advisers Act in certain respects to similar provisions contained in the Securities Exchange Act of 1934 and would also resolve certain regulatory problems which have arisen in the course of the administration of the Advisers Act. Briefly, the proposed legislation has eight sections which would:

(1) authorize the Commission to prescribe qualifications standards and financial responsibility requirements with respect to investment advisers and their associated persons;

(2) require registered investment advisers to pay reasonable fees and charges to the Commission to defray the additional costs of the regulatory duties which would be imposed pursuant to the proposed legislation (which payment the Commission contemplates would not be required of any member of a self-regulatory organization which may be established pursuant to future legislation);

(3) make certain technical and conforming changes in the Act;

(4) eliminate the "intrastate" exemption provided by Section 203(b)(1) of the Act;

(5) clarify the existence of a private right of action based on a violation of the Act;

(6) amend the definition of "person associated with an investment adviser"; and

(7) authorize and direct the Commission to study:

(i) the extent to which persons not included in the definition of investment adviser or specifically excluded therefrom engage in activities similar to those engaged in by investment advisers and whether such exclusions are consistent with the Act's underlying purposes; and

(ii) the extent to which the establishment of one or more self-regulatory organizations would facilitate the Act's purposes.

The Commission believes that the attached proposals represent a significant step toward improvement of the Advisers Act which, if enacted, would enable the Commission to develop and conduct a regulatory program providing much needed and comprehensive protections to the investing public.

The views expressed herein and in the accompanying materials are those of the Commission and do not necessarily represent the views of the President. These materials are being simultaneously submitted to the Office of Management and Budget. We will inform the Congress of any advice we receive from that Office concerning the relationship of the materials to the program of the Administration.

Sincerely,

RODERICK M. HILLS,
Chairman.

A bill to amend the Investment Advisers Act of 1940 to provide for qualifications and financial responsibility of investment advisers and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Section 208 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–8) is amended by adding at the end thereof the following new subsections:

"(e) No investment adviser registered or required to be registered under Section 203 of this title shall make use of the mails or any means or instrumentality of interstate commerce in connection with his or its business as an investment adviser unless such investment adviser and all natural persons associated with such investment adviser meet such standards of training, experience, competence, and such other qualifications, including minimum age and contractual capacity, as the Commission finds necessary or appropriate in the public interest or for the protection of investors. The Commission shall establish such standards by rules and regulations, which may—

"(1) specify that all or any portion of such standards or qualifications shall be applicable to any class of investment advisers and persons associated with investment advisers; and

"(2) require persons in any such class to pass tests prescribed in accordance with such rules and regulations. The Commission, by rule, may prescribe reasonable fees and charges to defray its costs in carrying out this subsection, including, but not limited to, fees for any test administered by it or under its direction."

"(f) No investment adviser registered or required to be registered under Section 203 of this title shall make use of the mails or any means or instrumentality of interstate commerce in connection with his or its business as an investment adviser in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to provide safeguards with respect to the financial responsibility of investment advisers. The Commission, by rule, may prescribe reasonable fees and charges to defray its costs in carrying out this subsection."

"(g) The Commission is authorized, in connection with the promulgation of rules and regulations under subsections (e) and (f) of this section, to create one or more advisory committees pursuant to the Federal Advisory Committee Act, to employ one or more outside experts, and to hold such public hearings as it may deem advisable."

SECTION 2

Subsection (b) of Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(b)) is amended—

(1) by striking out paragraph (1) thereof; and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SECTION 3

Subsection (g) of Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(g) is amended by striking out the words "subsection (d)" and inserting in lieu thereof "subsection (c) or subsection (e)."

SECTION 4

The first sentence of subsection (c) of Section 211 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-11(c)) is amended to read as follows:

"(c) Orders of the Commission under this title (except orders granting registration pursuant to Section 203(c) of this title) shall be issued only after appropriate notice and opportunity for hearing."

SECTION 5

The first sentence of Section 214 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-14) is amended to read as follows:

"Sec. 214. The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this title or the rules, regulations, or orders thereunder, and, concurrently with State and Territorial courts, of all suits in equity and actions at law brought to enforce any liability or duty created by, or to enjoin any violation of, this title or the rules, regulations, or others thereunder."

SECTION 6

Paragraph (10) of subsection (a) of Section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(10)) is amended by adding at the end thereof the following new sentence:

"The term includes intrastate use of (A) any facility of a national securities exchange or of a telephone or other interstate means of communication, or (B) any other interstate instrumentality."

SECTION 7

Paragraph (17) of subsection (a) of Section 202 of the Investment Advisers' Act of 1940 (15 U.S.C. 80b-2(a)(17)) is amended to read as follows:

"(17) The term "person associated with an investment adviser" means any partner, officer, or director of such investment adviser (or any person performing similar functions), or any person directly or indirectly controlling, controlled by, or under common control with such investment adviser, including any employee of such investment adviser, except that for the purposes of Section 203 of this title (other than subsection (f) thereof), persons associated with an investment adviser whose functions are clerical or ministerial shall not be included in the meaning of such term. The Commission may, by rules and regulations, classify, for the purposes of any portion or portions of this title, persons associated with an investment adviser within the meaning of this paragraph."

SECTION 8

Section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2) is amended by adding at the end thereof the following new subsections:

"(c) The Commission is authorized and directed to make a study of the extent to which persons not included in the definition of "investment adviser" or specifically excluded therefrom engage in activities similar to those engaged in by investment advisers, including but not limited to (i) the furnishing of advice, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities, (ii) the issuance or promulgation of analyses and reports concerning securities, and (iii) the exercise of investment discretion with respect to securities accounts, and whether the exclusion of such persons from the definition of "investment adviser" is consistent with the protection of investors and the other purposes of this title. The Commission shall report to the Congress, within eighteen months from the date of enactment of this subsection, the results of its study together with such recommendations for legislation as it deems advisable."

"(d) The Commission is authorized and directed to make a study of whether and to what extent the protection of investors and the other purposes of this title would be facilitated by the establishment of one or more self-regulatory organizations which would be registered with the Commission under this title and, subject to appropriate Commission oversight, adopt rules, establish standards of conduct, take appropriate disciplinary action, establish and administer tests, and perform such other functions with respect to the regulation of their members as are consistant with the purposes of this title. The Commission shall report to the Congress, within eighteen months from the date of enactment of this subsection, the results of its study together with such recommendations for legislation as it deems advisable."

"(e) The Commission is authorized, in furtherance of the studies required by subsections (c) and (d) of its section, to create one or more advisory committees pursuant to the Federal Advisory Committee Act, to employ one or more outside experts, and to hold such public hearings as it may deem advisable."

STATEMENT OF THE SECURITIES AND EXCHANGE COMMISSION IN SUPPORT OF PROPOSED AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940

Section 1 of the bill would amend Section 208 of the Investment Advisers Act of 1940 ("Act") by adding three subsections. New subsection 208(e) would authorize the Commission to establish standards for investment advisers and their associated persons with respect to training, experience, competence, and such other qualifications, including minimum age and contractual capacity, as the Commission finds necessary or appropriate in the public interest or for the protection of investors. Under new Section 208(e)(1) the Commission would be authorized to specify that all or any portion of such standards shall be applicable to any class of investment advisers and persons associated with them. Section 208(e)(2) would enable the Commission to require persons in any such class to pass prescribed tests.

New subsection (f) of Section 208 would authorize the Commission to provide, through rules and regulations, such safeguards as are necessary or appropriate in the public interest or for the protection of investors with respect to the financial responsibility of investment advisers.

New subsections (e) and (f) of Section 208 would also authorize the Commission to defray the costs of carrying out the respective subsections by prescribing reasonable fees and charges.[1]

Proposed subsection (g) of Section 208 would authorize the Commission to create one or more advisory committees, employ outside experts and hold public hearings in implementing subsections 208(e) and (f).

The need to subject investment advisers to appropriate standards, in order to assure that they have the competence and financial strength necessary to carry out their functions in a manner consistent with their obligations to clients, has previously been addressed by the Commission. A 1939 study of the investment advisory industry conducted by the Commission[2] noted that no uniform standards of qualifications existed for personnel of investment counsel firms and that no conditions respecting the financial responsibility of investment advisory firms were imposed. More recently, the 1963 *Report of Special Study of the Securities Markets*,[3] expressed concern with the fact that "[q]ualifications standards for persons who are responsible for disseminating investment advice, whether through broker-dealers or through registered investment advisory or investment counsel firms, are non-existent beyond the negative standards of disqualifying statutory bars."[4]

A survey conducted by the Special Study revealed that of all investment adviser registrations which became effective during the three month period between May 1 and July 31, 1961, 63 of the principals associated with the 79 firms registering had no prior experience in the securities business and 42 of the 79 firms, or 53 per cent, had no experienced principals. Of these 42 firms without any experienced principals, nine proposed to render investment supervisory services;[5] 23 to issue periodic publications on subscription basis; and 15 to prepare special reports and charts to evaluate securities. Of these 42 firms, nine intended to have complete discretionary authority over clients' accounts.[6]

Based on these and other findings, the Special Study recommended that:

"The right to carry on those functions of the industry which involve the public investor should be available only to those who have demonstrated the ability to meet at least minimal standards of integrity, competence and financial responsibility."[7]

Although Congress amended the Securities Exchange Act of 1934 to provide the Commission with authority to prescribe standards for broker-dealers with respect to training and qualifications,[8] which the Commission implemented through the promulgation of Rule 15b8–1, no similar authority was granted with respect to investment advisers. As a result, the absence of qualifications standards for investment advisers and persons associated with them continues as an unjustified gap in the pattern of federal regulation. Clearly clients of investment advisers rely as heavily on the competence of their investment advisers as do clients of broker-dealers.

The amendments which the Commission

Footnotes at end of article.

proposes are designed to close that regulatory gap in a manner similar to that found in the Securities Exchange Act of 1934. In light of the substantial impact which investment advisers can have on both the economy and the public investor, the Commission believes it is important to provide similar safeguards for investment advisory clients.[9]

It is also important to note that state regulation in this area is not uniformly adequate. In the course of our preliminary study of the need for qualifications standards, the staff conducted a survey of state law which revealed that only 27 of the 52 jurisdictions surveyed (the 50 states, the District of Columbia, and Puerto Rico) had statutes or regulations authorizing the administration of an examination for investment advisers or requiring applicants for investment adviser registration to pass an acceptable examination. The survey of state law also indicated that only 26 jurisdictions have a statutory provision or a rule authorizing a determination of qualifications of investment advisers by a means other than an examination and only three states have specific qualifications requirements for investment advisers in addition to the requirement of passing a written examination.[10]

Because of the broad range in the nature of services furnished by different investment advisers and the varying responsibilities and functions of supervisors, research analysts, account managers, or other categories of personnel employed by investment advisers, proposed Section 208(e) is intended to allow the Commission maximum flexibility to take into account these factors, some of which are unique to the investment advisory industry, in connection with the imposition of specific requirements. In this connection, the subsection would empower the Commission to require investment advisory personnel to pass an appropriate examination, and would permit the Commission to adapt such examinations to the different types of investment advisers and the kinds of services which they provide.

Of course, the examination is not the exclusive means with which to measure qualifications. Prior experience and training in the investment advisory field or in the securities business generally may be valuable supplements to, and, in certain circumstances, appropriate substitutes for, the examination procedure in determining competence. Accordingly, the proposed subsection would also afford the Commission the requisite flexibility to take into account such factors in establishing overall qualifications standards.

In addition, proposed Section 208(e) would explicitly authorize the Commission to establish standards relating to minimum age and contractual capacity of investment advisers and their associated persons. Under state law, the contracts of minors may be voidable and there is a serious question whether an adviser should be permitted to enter into contractual relationships with clients under circumstances where such contracts may be disaffirmed at the election of the adviser. While the anti-fraud provisions of Section 206 of the Act could be interpreted to preclude an adviser from entering into an advisory contract under these circumstances, the Commission believes it would be appropriate for it to have specific statutory authority to deal with the problem of minors and others who may have limited or no contractual capacity under applicable local law. Furthermore, even if an investment adviser is organized as a business entity which may not disaffirm its contracts, there is a very substantial question as to whether a minor should be permitted to control, or have a responsible position with, a registered adviser in light of the comprehensive regulatory and fiduciary obligations to which investment advisers are subject. For this reason, proposed Section 208(e) would also include minimum age as one of the matters as to which the Commission may establish standards through rulemaking.

In the Commission's view, the financial responsibility of investment advisers is also essential to the protection of the investing public. At the present time there are no specific requirements imposed by the Act on investment advisers in order to assure that they have the financial strength necessary to carry out their functions in a manner consistent with their obligations to clients, nor are they subject to bonding requirements to prevent losses to clients which might result from embezzlement, misappropriation, breach of duty, or insolvency.

In addition, the previously mentioned survey of state regulation of investment advisers conducted by the Commission's staff[11] indicates that only 18 of 52 jurisdictions surveyed have enacted legislation and/or promulgated regulations concerning capital requirements for investment advisers and only 22 of those jurisdictions require, or authorize their respective securities administrators to require, investment advisers to furnish and maintain a surety bond under certain circumstances.

In sharp contrast, Section 15(c)(3) of the Securities Exchange Act and Rule 15c3-1 thereunder (the "net capital" rule) are designed to protect investors from the hazards to which they are exposed in dealing with broker-dealers.

The absence in the Act of any provision similar to Section 15(c)(3) of the Exchange Act represents another unjustified gap in the federal regulatory pattern. The Commission believes that the lack of financial responsibility requirements in the investment advisory area unduly jeopardizes investor assets and subjects the public investor to a degree of risk which is inconsistent with the underlying purposes of the Act.

The problems resulting from inadequate financial strength of an adviser can affect both investment company shareholders and individual advisory clients. The investors in investment company shares, in effect, look to the funds's adviser to furnish investment advice to the fund on a regular basis and the sudden inability of the adviser to do so because of financial difficulty can subject the funds and its shareholders to potential losses of a substantial nature.[12]

Section 14(a) of the Investment Company Act of 1940 requires that a registered investment company have a minimum net worth of $100,000 before publicly offering its shares in order to prevent the creation of inadequately financed organizations. At the same time, however, the Advisers Act has no corresponding provision to insure that those receiving compensation for managing investment company assets have a minimum capital base.

In addition to the detrimental effect which undercapitalization of an advisory investment advisory clients may be subjected to equal, if not greater, jeopardy where the adviser encounters serious financial difficulty or becomes insolvent. In these instances, a plan of investment may be temporarily or permanently disrupted in the course of its execution and the assets of the individual may be substantially reduced. In addition, in the case of insolvency, clients may lose prepaid fees or may be forced to incur substantial additional costs and inconvenience in selecting another adviser.

Proposed Section 208(f) is designed to alleviate these risks and to prevent the economic dislocations to shareholders of mutual funds and individual advisory clients which can be caused by the absence of financial responsibility. New Section 208(f) would empower the Commission to prescribe standards of financial responsibility and, like proposed Section 208(e) concerning qualifications, would permit the flexibility necessary appropriately to gear standards to the various segments of the industry.

In this connection, while the Commission believes that the need for financial responsibility requirements is apparent, the net capital concept embodied in Rule 15c3-1 under the Exchange Act for broker-dealers may not be appropriate for investment advisers. As discussed above, a primary objective of any financial responsibility rule under the Advisers Act would be the existence of the investment adviser as a going concern to provide the requisite continuity to long-range investment planning. In contrast, the primary concern in the broker-dealer industry, where the mere execution of transactions does not necessarily involve a continuing relationship, is the safeguarding of monetary and proprietary obligations to customers which an unhealthy level of indebtedness might endanger.

In view of these questions concerning the applicability of the net capital concept to investment advisers, the Commission makes no specific legislative recommendation at this time concerning the appropriate standards of financial responsibility. The Commission intends, however, to utilize fully the authority which would be conferred upon it pursuant to proposed Section 208(g) to determine the most propitious and effective manner in which to provide conditions of financial responsibility.

In addition, investment advisers are not subject to any bonding requirements to protect clients from losses due to embezzlement, breach of duty, or insolvency, although Rule 206(4)-2 under the Act does impose certain conditions upon an investment adviser who has custody of the funds or securities of clients.[13] In connection with the implementation of standards of financial responsibility, the Commission would be authorized to consider whether and in what manner to require the bonding of investment advisers and their employees to protect clients from dishonest or careless acts.

Proposed Section 208(f) has another, equally compelling, purpose. Recently, in *Intersearch Technology Inc.*,[14] an administrative law judge held that an investment adviser's failure to disclose to subscribers or potential subscribers to its investment advisory publication its insolvent financial condition which presented a material risk that it might be unable to meet its contractual commitments throughout the subscription periods, constituted a violation of the Act's general antifraud provisions.[15] While it is clear that investment advisers may not operate in a precarious financial situation without disclosing the facts surrounding that situation to clients and prospective clients, there remains a need for more precise and definite standards than those enunciated on a case by case basis, and a need to insure uniformity in the applicability of such standards. Proposed subsection 208(f) would provide the necessary authority to do this.[16]

Although the need for the foregoing legislation is evident, the Commission believes it may be necessary to update further its knowledge of the practices and operations of the industry today before exercising the powers conferred by the new subsections. Furthermore, unlike the 1964 amendments to the Securities Exchange Act providing Commission authority to promulgate standards for brokers and dealers which were superimposed on a pre-existing self-regulatory structure administered by the NASD and the various securities exchanges, no similar

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Footnotes at end of article.

framework exists to any appreciable extent in the investment advisory field. Therefore, proposed subsection 208(g) would authorize the Commission to create one or more advisory committees, to employ outside experts, and to hold such public hearings as it may deem advisable in developing and implementing a program of qualifications standards and conditions of financial responsibility. As a result, the Commission will be able to draw upon the considerable expertise of the various segments of the investment advisory industry in adopting appropriate standards, thereby enhancing the efficacy of the protections provided to the public.

SECTION 2

Section 203(b) of the Act exempts certain investment advisers from the Act's registration requirement. Among these is the so-called "intrastate" investment adviser, who, pursuant to paragraph (1) of Section 203(b), is exempt from registration if he satisfies two conditions: 1) all of his clients are residents of the state in which he maintains his principal office and place of business; and 2) he does not furnish advice or issue analyses or reports with respect to securities listed or admitted to unlisted trading privileges on any national securities exchange.

This exemption was apparently included in the Act in the belief that federal regulation of investment advisers was unnecessary where their activities are confined to a single state and where no advice is given with respect to securities which were presumably considered to have the most substantial impact on the national economy—those traded on the national securities exchanges. Under these circumstances, it was considered appropriate and adequate to subject such advisers to regulation by the states in which they are engaged in business. For the reasons set forth below, the Commission believes that it would not be in the public interest to retain this exemption in the Act.

First, the above-mentioned survey of state regulation of investment advisers conducted by the Commission's staff[17] indicates that 17 of the 52 jurisdictions surveyed have no registration requirement for investment advisers. Thus, it appears that some intrastate advisers are not presently subject to regulation at the state level.

In addition, certain amendments to the Securities Exchange Act of 1934 ("Exchange Act") were adopted in 1964 which are indicative of a Congressional determination that, as a result of evolving developments in the securities markets, certain classes of securities not traded on exchanges are also of significant national concern. Thus, Section 12 (g) was enacted to require registration of a security held of record by 500 or more persons where the issuer has total assets exceeding $1 million. The effect of this legislation was to place such securities on a par with listed securities for purposes of Section 13 (reporting requirements), Section 14 (proxy statement rules) and Section 16 (beneficial ownership reports and short-swing profits of insiders) of the Exchange Act. In addition, Section 15(d) of that Act was amended to impose the reporting requirements of Section 13 on any issuer whose registration statement under the Securities Act of 1933 has become effective, except as to any fiscal year in which there are less than 300 holders of record of the class of securities to which the registration statement relates. The Commission believes that the policy considerations underlying the 1964 expansion of the types of securities subject to the reporting requirements and other provisions of the Exchange Act are also indicative of the desirability and appropriateness of subjecting investment advisers who render advice concerning such securities to federal regulation.

Furthermore, securities issued by investment companies registered under the Investment Company Act of 1940, which are subject to extensive disclosure requirements under that Act, also appear to be of sufficient national significance as investment media to warrant federal regulation of advisers who furnish advice regarding such securities. Moreover, because investment company securities represent an indirect investment in the portfolio securities held by investment companies, advice concerning securities issued by investment companies constitutes an indirect form of advice concerning the listed and other securities in which those companies invest.

In view of the foregoing, any amendment to Section 203(b) (1) of the Act which would be consistent with the above policy considerations would restrict the range of securities as to which investment advice could be rendered without registration to an extent that would make it highly questionable whether an adviser qualifying for the exemption could also comply with his fiduciary obligation to provide the kind of advice which is most suitable for his clients. The Commission believes that it would be undesirable to impose conditions for an exemption which might lead to possible breaches of fiduciary duty.

Finally, Section 201(2) and 201(3) of the Act, containing the findings upon which the Act is based, indicates that Congress considered investment advisers to be of national concern because of their substantial effect on interstate commerce and the securities markets generally as well as the national banking system and the national economy. In view of the broad scope of these Congressional findings, the specialized or localized nature of investment advice would appear to have little relevance to the need for the protections provided by the Act.

For these reasons, the Commission recommends that paragraph (1) of Section 203(b) of the Act be eliminated. Section 2 of the bill would accomplish this as well as the redesignations of the remaining paragraphs of Section 203(b) which would be made necessary by the striking out of paragraph (1).

SECTION 3

The Investment Company Amendments Act of 1970 added a new subsection (d) to Section 203 of the Act and redesignated former subsection (d) as (e). Apparently through inadvertence, this redesignation was not reflected in the reference to subsection (d) in subsection (g).[18] In addition, the Securities Acts Amendments of 1975 transferred the Commission's statutory authority to deny registration to an investment adviser from subsection (e) to subsection (c) of Section 203. Since subsection (g) refers to denial, as well as revocation or suspension, in connection with registration of a successor to the business of a registered investment adviser, the statutory reference in subsection (g) should be to subsection (c) as well as subsection (e).

Accordingly, the Commission recommends that subsection (g) be amended by deleting the words "subsection (d)" and substituting "subsection (c) or subsection (e)."

SECTION 4

The Securities Acts Amendments of 1975 amended Section 203(c) of the Act to provide a new procedure for the granting of registration to an investment adviser. Formerly, registration automatically became effective thirty days after receipt by the Commission of an application for registration unless a proceeding to deny registration was commenced. As amended, however, Section 203(c) (2) now provides that, within forty-five days from the date of filing of an application for registration (unless the applicant consents to a longer period), the Commission shall either grant registration by order or institute proceedings to determine whether registration should be denied.

Section 211(c) of the Act provides that orders of the Commission under the Act shall be issued only after appropriate notice and opportunity for hearing. Apparently through inadvertence, this section was not amended by the 1975 amendments to except from its provisions orders granting registration pursuant to Section 203(c). It seems clear that the notice and opportunity for hearing requirements of Section 211(c) were not intended to apply to routine orders granting registration (which orders did not exist when Section 211(c) was enacted), and the Commission has not in practice considered these requirements as being applicable to such orders. However, the Commission believes it would be appropriate to clarify this matter through the insertion of a specific exception in Section 211(c) for orders granting registration pursuant to Section 203(c).

SECTION 5

There has been a recent split among federal district courts on whether a private right of action exists based on a violation of the Advisers Act. In *Bolger* v. *Laventhol, Krekstein, Horwath & Horwath*, 381 F. Supp. 260, (S.D. N.Y., 1974) and *Angelakis* v. *Churchill Management Corp.*, CCH Fed. Sec. L. Rept. [Current Vol.] para. 95, 285 (N.D. Cal. 1975), the courts held that a private right of action exists, but the contrary conclusion was reached in *Gammage* v. *Robert, Scott & Co. Inc.*, CCH Fed. Sec. L. Rep. para. 94, 761 (S.D. Cal. 1974) and *Greenspan* v. *Eugene Campos Del Toro*, 73–638–Civ. (S.D. Fla., May 17, 1974, unreported).

In the *Greenspan* case, the court, in holding that the Act does not imply such a right, relied primarily on the absence of any reference to "actions at law" in Section 214 of the Advisers Act, which gives the federal district courts jurisdiction of violations of the Act. While the phrase does appear in comparable jurisdictional sections of the Securities Exchange Act of 1934 (Section 27) and the Investment Company Act of 1940 (Section 44), under which private rights of action have been held to exist,[19] the Commission believes that the Advisers Act, properly interpreted, also affords this right. Furthermore, it is the Commission's view that it is anomalous to deny advisory clients the right to recover damages sustained as a result of a violation of the Advisers Act when private rights of action have been implied by the courts under other federal securities laws. Moreover, private litigation would serve as a valuable adjunct to Commission enforcement action. Accordingly, in order to make it clear, to the extent that it is not already, that the private rights of action implied in other federal securities statutes also exist under the Investment Advisers Act, the Commission is of the view that the first sentence of Section 214 of the Act should be amended to conform to the first sentence of Section 44 of the Investment Company Act.

SECTION 6

The Securities Acts Amendments of 1975 amended Section 3(a) (17) of the Securities Exchange Act of 1934 to provide that the term "interstate commerce" includes "intrastate use of (A) any facility of a national securities exchange or of a telephone or other interstate means of communication, or (B) any other interstate instrumentality." This amendment was in accord with the decisions of federal Courts of Appeals in a number of circuits involving section 10(b) of the Securities Exchange Act of 1934 and Rule 10b–5 thereunder.[20] The Commission believes that it would be appropriate to amend Sec-

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tion 202(a)(10) of the Investment Advisers Act, which defines the term "interstate commerce," in an identical manner.

SECTION 7

This section of the bill would amend the definition of the term "person associated with an investment adviser" in Section 202(a)(17) of the Act to provide that, in addition to persons controlling or controlled by an investment adviser, who are presently included in the definition of the term, persons "under common control with" the adviser would also be within the scope of the definition. The Securities Acts Amendments of 1975 effected, among other changes, the same amendment to the definition of the term "person associated with a broker or dealer" in Section 3(a)(18) of the Securities Exchange Act of 1934.

The Commission believes that this amendment would provide it with necessary regulatory and enforcement jurisdiction under the Act over persons employed or otherwise controlled by entities which also control registered investment advisers. Such persons may perform substantial services in connection with the business of registered advisers but, under some circumstances, may not fall within the present definition of "associated person" in Section 202(a)(17) of the Act.

For example, in 1972 the Commission expressed concern that in some situations where a registered adviser is a subsidiary or controlled company of another company, the controlling person or an affiliate thereof may be the entity which is in fact providing the services, personnel, and capital essential to the rendering of advice by the registered adviser.[21] In response to this concern, the Commission proposed Rule 202-1, which would exclude from the definition of "investment adviser" controlling persons and their affiliates only if specified conditions were met which were intended to assure the independent viability of the controlled registered adviser. The proposed rule, which elicited a significant number of public comments, is still under consideration. However, the Commission believes that a more direct resolution of some of its concerns in this area could be achieved by a specific provision in the Act which would make it clear that persons employed or otherwise controlled by a person who also controls an investment adviser are regarded as associated persons of that adviser. As such, they would, where appropriate, be subject to the regulatory and enforcement provisions in the Act applicable to persons associated with an investment adviser, including such rules as the Commission may adopt pursuant to other sections of this bill, such as rules relating to qualifications standards.[22]

The second sentence of Section 202(a)(17) of the Act authorizes the Commission, by rules and regulations, to classify, for purposes of any portion of the Act, persons, including employees, controlled by an investment adviser. In view of the bill's proposed amendment to the first sentence of Section 202(a)(17) which would include persons under common control with an investment adviser within the section's definition of "associated person," the Commission believes it would also be appropriate to include such persons among those who may be classified by the Commission for purposes of any portion of the Act. Furthermore, the Commission believes it would be desirable to extend the Commission's classification power so as to make it applicable to other associated persons of an investment adviser as well. Accordingly, Section 7 of the bill would amend Section 202(a)(17) of the Act to achieve these purposes.

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SECTION 8

Section 8 of the bill would amend Section 202 of the Act by adding three new subsections. New subsections 202(c) and (d) would, respectively, authorize and direct the Commission to make studies of (1) the extent to which persons not included in the definition of investment adviser or specifically excluded therefrom engage in activities similar to those engaged in by investment advisers and whether the exclusion of such persons is consistent with the protection of investors and (2) whether and to what extent the protection of investors would be facilitated by the establishment of one or more self-regulatory organizations. New subsection 202(e) would authorize the Commission to create one or more advisory committees, to employ outside experts, and to hold public hearings in furtherance of the studies required by subsections (c) and (d).

The Securities Acts Amendments of 1975, through the addition of Section 11A(e) to the Securities Exchange Act, directed the Commission to study the extent of trading in listed securities on behalf of public customers by persons excluded from the present definitions of "broker" and "dealer," and the appropriateness of those exclusions. The Commission believes that the premise of this mandate to re-evaluate the consistency of statutory exclusions with the underlying purposes of the Exchange Act is appropriate as well to the investment advisory area. The Commission envisions that the study would enable it to make recommendations concerning the possible need for, and appropriate scope of, regulation under the Advisers Act of, among others: (1) bank-sponsored investment services; (2) financial analysts, whether employed by entities which are subject to regulation under the federal securities laws or otherwise; (3) accountants, lawyers, engineers, and teachers who provide investment advisory services; (4) publishers of newspapers, news magazines, and other publications which contain investment advice; and (5) other persons presently excluded from the Act's definition of investment adviser.

Proposed Section 202(d) would authorize and direct the Commission to conduct a study of the degree to which the establishment of one or more self-regulatory agencies might facilitate the achievement of the Act's purposes. As previously discussed, the Special Study, following its survey of persons engaged in the securities business and the activities and responsibilities of broker-dealers and investment advisers, found qualifications standards for these securities professionals to be inadequate. In order to remedy this deficiency, the Special Study recommended that:

"Membership in an effective self-regulatory agency should be required for all investment advisers now or hereafter registered with the Commission, and the agency should assume responsibility for determining and imposing minimum standards for principals and appropriate categories of employees of registered investment adviser firms."[23]

A number of factors are persuasive in support of the self-regulatory concept. The imposition of standards of qualifications on the investment advisory industry requires considerable resources, and the delegation of responsibility for such standards would result in some conservation of the Commission's budget and manpower. Moreover, self-regulation would enable representatives of the industry with a significant degree of experience to have a direct role in the implementation of regulatory standards.

On the other hand, the limits to which a self-regulatory organization can go in disciplining members and the Constitutional barriers which may be confronted in attempting to require membership in such an organization may raise problems with respect to the development of an effective self-regulatory program. Moreover, while the pattern of regulation established or broker-dealers combining both elements of self-regulation and government regulation has worked well, such a model may not be suitable to the structure of the investment advisory industry in view of the widely disparate group registered under the Act, including bank subsidiaries, insurance company subsidiaries, publishers of periodic securities reports and market letters, financial columnists and business consultants.

For these reasons, the Commission believes it is appropriate to conduct a study of these and other questions, and it would be empowered to do so by proposed Section 202(d). Although there may be certain difficulties to overcome, the Commission believes that self-regulation would provide a valuable supplement to its own regulatory functions under the Act, and the Commission desires and intends, if at all possible, to foster a self-regulatory structure that would be both practicable and meaningful. Accordingly, one major goal of the proposed study would be the development of appropriate incentives to encourage voluntary participation in self-regulatory organizations.

Proposed Section 202(e) would authorize the Commission to draw on industry expertise in various ways in conducting the studies mandated by proposed subsections (c) and (d) of Section 202.

FOOTNOTES

[1] Since there are presently no self-regulatory organizations registered under the Advisers Act, it would be necessary initially to impose such fees on all investment advisers in order to defray the Commission's costs in performing the additional regulatory duties which would be required by enactment of this bill. However, as discussed in more detail below in connection with Section 8 of the bill, the Commission would be authorized and directed by proposed Section 202(d) of the Act to make a study of whether and to what extent the Act's purposes would be facilitated by the establishment of one or more self-regulatory organizations which, subject to Commission oversight, would perform various regulatory functions with respect to investment advisers. If, as a result of the Commission's report of its findings to the Congress, legislation is enacted in the future providing for the establishment of such self-regulatory organizations, the Commission contemplates that such legislation would also include a provision similar to Section 15(b)(8) of the Securities Exchange Act of 1934 so that certain fees would be paid to the Commission only by those investment advisers who are not members of a self-regulatory organization.

[2] SEC, Report on Investment Trusts and Investment Companies (Investment Counsel, Investment Management, Investment Supervisory and Investment Advisory Services), House Doc. 477, 76 Cong., 3d Sess. (1939).

[3] SEC, Report of Special Study of Securities Markets, H.R. Doc. No. 95, 88th Cong., 1st Sess., (1963) (hereinafter "Special Study").

[4] 1 Special Study 158.

[5] Section 202(a)(13) of the Act defines "investment supervisory services" as the giving of continuous advice as to the investment of funds on the basis of each client's individual needs.

[6] 1 Special Study 146.

[7] 1 Special Study 150.

[8] Section 15(b)(8) of the Securities Exchange Act of 1934, 15 U.S.C. § 780(b)(8). The Securities Acts Amendments of 1975 amended this section and redesignated it as Section 15(b)(7).

[9] Because of concern over the lack of qualifications in this area, the Commission announced on March 5, 1975 that it is considering the adoption of new Rule 206(4)–4 under the Act. Its purpose is to assure that existing and prospective clients of an investment adviser obtain written disclosure of material information which would enable such persons to evaluate among other things, the adviser's qualifications, methods, services and fees. As the release announcing the proposal stated: "The Commission considers the most important aspect of this disclosure requirement to be that pertaining to the qualifications of advisory personnel." (Inv. Adv. Act Rel. No. 442, March 5, 1975). However, the proposed rule is of only limited effect, since it would merely require the disclosure of certain information relating to qualifications, but would impose no specific requirements in this regard. While the Commission believes it is an appropriate interim measure, it is not a substitute for a comprehensive scheme of qualifications standards.

[10] See Appendix, Memorandum of the Division of Investment Management Regulation of the Securities and Exchange Commission on State Regulation of Investment Advisers.

[11] See Appendix, Memorandum of the Division of Investment Management Regulation of the Securities and Exchange Commission on State Regulation of Investment Advisers.

[12] The insolvency of the adviser and the subsequent inability to manage effectively the fund's assets may result in large losses in the value of the fund portfolio. Should the adviser be permanently disabled, months may pass before a new adviser can be found. Aside from a decline in fund assets, it may also be difficult to locate an adviser willing to enter into an advisory contract with a fund which has sustained losses and which as a result may not yield a satisfactory management fee.

[13] Rule 206(4)–2 requires an investment adviser having custody or possession of funds or securities of any client to segregate the securities of each client, mark the securities to identify the particular client who has the beneficial interest in the security, and hold them in a reasonably safe place. All funds of such clients must be deposited in one or more bank accounts which contain only clients' funds with the investment adviser named as agent or trustee for such clients. The adviser is required to maintain a separate record for each account, showing where it is, the deposits and withdrawals and the amount of each client's interest in the account. The adviser must send each client at least once each quarter an itemized statement showing the funds and securities in his custody or possession at the end of such period and all debits, credits and transactions in the client's account during that period. Finally, an independent public accountant must verify all funds and securities at least once a year without giving prior notice to the adviser and file a certificate of examination with the Commission promptly after such examination.

[14] CCH Fed Sec. L. Rep. [1974–75 Trans. Binder] para. 80, 139 (February 28, 1975).

[15] Section 206(1), (2), and (4).

[16] Apart from the institution of enforcement proceedings in specific cases, it is possible that the Commission might be able to deal in some manner with certain aspects of financial responsibility, e.g., bonding requirements, pursuant to its rulemaking authority under Section 206(4) of the Act to define, and prescribe means reasonably designed to prevent acts, practices, and courses of business which are fraudulent, deceptive, or manipulative. Similarly, it may well constitute a fraudulent or deceptive course of business under Section 206 of the Act for an investment adviser to hold himself, out, either directly or by implication, as an expert in providing advice concernng securities if he is, in fact, uniqualified in this field. However, the Commission believes that legislation which would explicitly authorize it to prescribe specific qualifications standards and financial responsibility requirements is necessary and appropriate, since the extent to which the Commission can regulate these areas under existing law is presently unclear, and it would appear that both the public interest and the investment advisory industry would be better served by the promulgation of uniform and precise requirements than by the more general standards which might be developed under present law through possible litigation or Commission rulemaking.

[17] See Appendix, Memorandum of the Division of Investment Management Regulation of the Securities and Exchange Commission on State Regulation of Investment Advisers.

[18] Subsection (g) was formerly subsection (h) prior to its redesignation as (g) by the Securities Acts Amendments of 1975.

[19] *J. I. Case Co.* v. *Borak* 377 U.S. 426 (1964) (implied right of action under Section 14(a) of the Securities Exchange Act); *Superintendent of Insurance of New York* v. *Bankers Life and Casualty Co., et al.*, 404 U.S. 6 (1971) (implied private right of action under Section 10(b) of Securities Exchange Act); *Moses* v. *Burgin* 445 F.2d 369 (1st Cir. 1971); *Esplin* v. *Hirschi* 402 F.2d 94 (10th Cir. 1968); *Brown* v. *Bullock* 194 F. Supp. 207 (S.D.N.Y. 1961), aff'd under other sections, 294 F.2d 415 (implied right of action under Investment Company Act of 1940). But see *Brouk* v. *Managed Funds. Inc.* 286 F.2d 901 (8th Cir. 1961). The Eighth Circuit, however, stands alone in its reading of the Investment Company Act to exclude implied private liability. Furthermore, even *Brouk*, decided before *Borak, supra*, was implicitly overruled by *Greater Iowa Corp.* v. *McLendon*, 378 F.2d 783 (8th Cir. 1967), in which the court, referring to *Borak* and the trend in other circuits toward implied liability, stated that, "the strong indications are, that if given the opportunity, the Supreme Court would also find an implied civil liability in the Investment Company Act and thereby overrule our opinion in *Brouk*." 378 F.2d at 793.

[20] See, e.g., *Dupuy* v. *Dupuy* 511 F.2d 641 (5th Cir. 1975); *Aquionics Acceptance Corporation* v. *Kollar* 503 F.2d 1225 (6th Cir. 1974); *Myzel* v. *Fields* 386 F.2d 718 (8th Cir. 1967), *Spilker* v. *Shayne Laboratories*, CCH Fed Sec. L. Rep. [Current Vol.] para 95,244 (9th Cir. 1975) *Kerbs* v. *Fall River Industries Inc.* 502 F.2d 731 (10th Cir. 1974). However, two federal district courts have held otherwise. See *Cerber* v. *Essex Wire Corporation* 342 F. Supp. 1162 (N.D. Ohio 1971), *Rosen* v. *Albern Color Research* 218 F. Supp. 473 (E.D. Pa. 1963).

[21] See Investment Advisers Act Release No. 353 (December 18, 1972).

[22] In this connection, the problem noted by the Commission regarding the nominal capitalization of some registered advisers which are subsidiaries of other companies could be appropriately remedied through rulemaking of uniform applicability under proposed Section 203(f) of the Act in Section 1 of the bill.

[23] 1 Special Study 158.

APPENDIX—MEMORANDUM OF THE DIVISION OF INVESTMENT MANAGEMENT REGULATION OF THE SECURITIES AND EXCHANGE COMMISSION ON STATE REGULATION OF INVESTMENT ADVISERS

In connection with the Division's consideration of the need for strengthening federal regulation of investment advisers, a survey has been made of the types of regulation imposed on investment advisers by the 52 jurisdictions of the United States (the 50 states, District of Columbia and Puerto Rico), respectively. An attempt has been made to ascertain the nature and extent of state regulation with respect to several specific areas of regulatory concern. To facilitate this effort, the staff contacted the securities administrators of each jurisdiction requesting copies of, or citations to, all written materials relating to the regulation of investment advisers in their respective jurisdictions, including statutes, rules and regulations, formal or informal interpretations or guidelines of general applicability, and relevant administrative or judicial decisions of significance. Thirty-eight of the 52 jurisdictions responded to our inquiry. Additional information concerning state regulation of investment advisers was obtained from legal reference materials.

The findings of our survey are based upon the information gathered from the above sources. However, in view of comments made by some state regulatory authorities, both in written communications and in telephone discussions with the staff, concerning the implementation of certain requirements, particularly examinations, it appears that there is great flexibility and discretion in the practical administration of regulation of investment advisers on the state level. For this reason, our findings may not reflect the true extent of state regulation of investment advisers and such regulation may in practice be less comprehensive than is indicated in the discussion below.

It should be noted that regulation of investment advisers is in most cases related to a requirement that investment advisers register with the state in which they wish to do business. Thirty-five of the 52 jurisdictions have a registration requirement for investment advisers. The 17 jurisdictions without such a registration requirements are Alabama, Arizona, Colorado, District of Columbia, Georgia, Hawaii, Iowa, Kansas, Maine, Maryland, Massachusetts, Mississippi, Nevada, North Carolina, Ohio, Vermont, and Wyoming. Five of these jurisdictions, however, Hawaii, Kansas, Maryland, Massachusetts, and Wyoming prohibit advisers from engaging in certain fraudulent advisory activities. The four categories of regulation covered by this survey consisted of the following: examination requirements, qualification requirements, capital requirements, and bonding requirements. Nineteen jurisdictions imposed no regulation of investment advisers in any of these four categories.

A. EXAMINATIONS

The most widely used method of establishing a standard of qualification for investment advisers by the states is the requirement that an examination be taken and passed by all applicants for registration as an investment adviser in a particular state. These examinations are designed to test an applicant's knowledge of the securities business and in some cases of the blue sky laws of a particular jurisdiction. Twenty-seven of the 52 jurisdiction surveyed had statutes or regulations authorizing the administration of an examination for investment advisers or requiring applicants for investment adviser registration to pass an acceptable examination. In two states, Virginia and Oregon, it does not appear that the state securities administrator has exercised his authority to require examinations. In South Carolina an oral examination may be given at the discretion of the securities administrator. In California, an applicant for registration as an investment adviser must pass, not more than one year prior to the filing of the application, a securities examination for principals or registered representatives administered by the NASD, the New York Stock Exchange, the Pacific Coast Stock Exchange, the Securities and Exchange Commission or the examination required of a Chartered Financial Analyst. In lieu of these tests, California requires applicants to pass the NASD General Securities Examination for nonmembers of that Association.

In some jurisdictions, such as Idaho, Oklahoma, and Oregon, investment advisers have been required to pass the same examination which is required of registered representatives who wish to do business in those states. In other states, however, such as Illinois and Wisconsin, the securities administrator has prescribed a special examination to be passed by all applicants for investment adviser registration. In Wisconsin, for example, the examination which is presently required of investment advisers consists of two parts: part 1 is a 100 question examination, 70 of which are true or false and 30 of which are multiple choice, all testing the examinee's knowledge of the Wisconsin Uniform Securities Law and Rules of the Commissioner of Securities; part II of the examination has 100 multiple choice questions testing the examinee's general knowledge of the securities industry.

With respect to the personnel of investment advisers to whom the examination requirements apply, in Wisconsin the examination is required for all supervisory personnel of the investment adviser and for any persons who represent the investment adviser in that state. In Texas, the officers, directors or partners of a corporate or partnership investment adviser must take the examination. In Pennsylvania, no corporation or partnership may be registered as investment adviser until each associated person of the adviser has satisfied the examination's requirement. The term "associated person" is defined by administrative regulation of the Pennsylvania Securities Commission to mean: any general partner, officer, director, principal or other person occupying a similar status or performing similar duties for an investment adviser who, in Pennsylvania, makes any recommendation or otherwise renders advice regarding securities, or who determines which recommendations or what advice should be made or given in Pennsylvania. The officers and directors who serve merely as qualifying directors or officers and who do not perform any advisory function, are excluded from the definition. California has a similar regulation with respect to its examination requirement. In Missouri, if the investment adviser is a non-resident of the state, the manager or agent in charge of the principal branch office in Missouri may be permitted to satisfy the exam requirement on behalf of the adviser.

In at least 17 states, the examination requirement for investment advisers may be satisfied by the presentation of evidence that the adviser has passed a securities examination administered by the NASD, the examination required of SECO broker-dealers, or an examination administered by one of the national securities exchanges. In five states an adviser can be exempted from the examination requirement if he has had a certain specified period of work experience in the securities business. These are: Delaware (2 years of experience), Missouri (10 years of experience or special education), New Jersey (2 years experience), Purto Rico (5 years experience), Wisconsin (5 years experience). California, Illinois, and Pennsylvania have "grandfather clause" exemptions whereby investment advisers registered in these states prior to the promulgation of an examination requirement are exempted from it. Washington provides for exemptions as a matter of administrative discretion. Only 4 states, Arkansas, Oklahoma, Tennessee and West Virginia, fail to provide some kind of exemption from their examination requirements for investment advisers.

B. QUALIFICATIONS

Twenty-six jurisdictions have a statutory provision or a rule concerning qualifications of investment advisers other than an examination requirement. Most of these however, have language similar to that found in the Uniform Securities Act authorizing state securities administrators to revoke, suspend or deny registration to any investment adviser or any controlling person of an investment adviser whom the administrator finds is not qualified on the basis of such factors as training, experience or knowledge of the securities business. Hence, in these jurisdictions, standards of qualifications may apparently be informally specified in particular cases by the administrator.

Three states have specific qualifications requirements for investment advisers in addition to the requirement of passing a written examination. In Pennsylvania, an investment adviser must have engaged in business as a principal of a broker-dealer or investment adviser or as an employee of a broker-dealer or investment adviser in other than a clerical capacity, or have occupied some other position satisfactory to the Pennsylvania Securities Commission in the securities, banking, finance or other related business on substantially a full time basis during the two-year period immediately prior to the filing of an application for registration or during three of the five years immediately preceding such filing. These requirements must also be satisfied by each associated person of a corporate or partnership applicant for an investment adviser's license. In Connecticut each applicant for registration as an investment adviser is required to have been engaged in the securities business as a broker, dealer, salesman, investment counsel or investment counsel agent, spending a major portion of his working time in the securities business for at least two years within the 10 calendar years next preceding the application. In Kentucky, an applicant for registration as an investment adviser must have been in the securities business for at least five years or must otherwise demonstrate to the Kentucky Securities Commissioner that he is qualified on the basis of training, experience or both.

In Delaware any person or firm who is a member of the NASD, the New York Stock Exchange or the American Stock Exchange may, without more, register as an investment adviser. Other persons may register by meeting any of the following qualifications:

(a) Two (2) years experience as an Investment Adviser registered as such in any of the United States, or two (2) years experience as an employee or officer of such an Investment Adviser or a trust company performing the functions of an Investment Adviser; or, two (2) years experience being employed by a corporation whose securities are listed on a principal exchange and primarily performing detailed analysis directly related to and involved in investment or business acquisition decisions; or

(b) An earned master's degree or higher in investment analysis or a similar course of study and one (1) year experience as described in (a) above; or,

(c) a Certified Financial Analyst.

An applicant for investment adviser registration who cannot meet any of these requirements must pass the investment adviser's examination administered by the Delaware state securities commissioner.

In California the securities administrator has the power to classify different types of investment advisers by administrative regulation and to establish standards of qualification for each classification. This power has not been exercised except with respect to the requirement of an examination for investment advisers in California.

Illinois and Wisconsin provide that no person shall be licensed as an investment adviser in their respective states unless satisfactory evidence is presented to the state securities commissioner establishing the trustworthiness, training, experience and knowledge of the securities business of the adviser and, where applicable, its officers, directors, partners, controlling persons or managing agents and of their competence to engage in the business of giving investment advice.

C. CAPITAL REQUIREMENTS

Eighteen of the 52 jurisdictions surveyed had enacted legislation and/or promulgated regulations concerning capital requirements for investment advisers. Most of these jurisdictions refer to a minimum net capital requirement, but several refer to a requirement of minimum net worth. Although many jurisdictions do not indicate the manner in which net capital or net worth is to be computed, in at least four states, Michigan, Missouri, New Jersey and Pennsylvania, the term net capital is defined to have the same meaning as the net capital requirement imposed on broker-dealers by Rule 15c3–1 under the Securities Exchange Act of 1934. In Florida, the term net worth is defined to mean total assets minus total liabilities adjusted by any subordination agreements made in accordance with the Securities Exchange Act of 1934. In Puerto Rico an investment adviser must have a "minimum capital or net worth" as computed by generally accepted accounting principles but excluding certain items such as furniture and fixtures and securities and cash pledged for a bond. In California and Arkansas, the method of computing net capital is defined in detail by administrative regulation.

In five states, Connecticut, Idaho, Minnesota, West Virginia, and South Carolina, the securities administrators have the authority to impose net capital requirements but do not appear to have done so. In five states an investment adviser must maintain a minimum net capital only when he has custody or possession of client's funds or securities or when he may exercise discretionary authority over advisory accounts. In Arkansas an investment adviser is exempt from that state's net capital requirement if he is registered with the SEC. In Florida, the adviser's capital requirement of $5,000 is reduced by half where the adviser does not have custody or possession of client's funds. In Utah an adviser who has custody of client's funds must maintain a net capital of at least $20,000; without such custody, the requirement is $5,000. In Pennsylvania the state securities commission must be notified immediately in the event that an investment adviser's net capital drops below 120% of the $20,000 required by that state, and within 24 hours of such notice, the adviser must submit to the commission a financial report including at least the following items: (a) a proof of money balances of all ledger accounts in the form of a trial balance; (b) a computation of the adviser's net capital; (c) an analysis of all customer's securities or funds which are not segregated; (d) a computation of the aggregate amount of customer's ledger debit balances; and (e) a statement of the approximate number of customer accounts.

In Puerto Rico, the amount of the minimum net capital requirement is based on the form of business organization of the investment adviser, and the adviser must maintain net capital of $8,000 if it is a corporation, $5,000 if it is a partnership and $2,500 if a sole proprietorship. Investment advisers in Puerto Rico are also required to have an additional net capital of $2,500 for each place of business maintained by the adviser in the jurisdiction.

Net capital requirements, where imposed, range in amounts from $1,000–$2,000 (Utah) to $25,000 (Arkansas, New Hampshire, New Jersey).

D. BONDING REQUIREMENTS

Twenty-two of the jurisdictions surveyed require, or authorize their respective securities administrators to require, investment advisers to furnish and maintain a surety bond under certain circumstances. The purpose of these bonds is to provide a fund to permit persons who have a cause of action against the investment adviser for violation of the state securities laws to recover financial losses suffered as a result of such noncompliance by instituting a lawsuit on the bond. Payment of liabilities incurred on such bonds are guaranteed by surety companies which are legally obligated to make such payment, in the event that the principal obligor, who is the investment adviser, fails to perform the condition of the bond which is compliance with the state Blue Sky law.

In a few states coverage of the bond extends to other illegal acts of the adviser. For example, in Michigan, the required surety bond, in addition to covering breach of that state's blue sky laws, is also for the benefit of any person who may have a cause of action in the state for embezzlement, defalcation or misappropriation of securities or funds by the investment adviser, and its agents or employees. In several states, however, the kind of misconduct by an adviser that would incur liability on the bond is considerably narrower. In New Jersey, for example, coverage of the bond extends only to recovery of damages sustained by third parties as a result of misuse or misappropriation of client's funds or securities. In Florida, liability on a bond is limited only to situations where the investment adviser knowingly gives fraudulent investment advice or knowingly or fraudulently makes or publishes false statements, directly or indirectly as to the value of securities. The state securities administrators in four states, Delaware, Kentucky, West Virginia, and Wisconsin, do not appear to have exercised their authority to impose such a bonding requirement.

In three states, California, Michigan and New Jersey, a bond is required only where an adviser has custody of client's funds or securities. In Arkansas, investment advisers registered with the SEC are exempt from the bond requirement. In six jurisdictions, Michigan, Missouri, Pennsylvania, Puerto Rico, Virginia, and West Virginia, an investment adviser who maintains in excess of a specified amount of net capital is exempt from the bonding requirement. In New Jersey, an investment adviser who has custody of client's funds or securities may at his election meet either the minimum net capital requirement or the bonding requirement, which are in the same amount. In Pennsylvania, where an investment adviser is required to maintain a net capital of $20,000, he may at his election choose to post a surety bond in the amount of $10,000 which would be deemed by the securities administrator to satisfy half of the net capital requirement. In Utah, an investment adviser is required to post $1,000 surety bond if such bond is furnished by a bonding company licensed to do business in Utah, but a $2,000 bond is required if such bond is furnished by qualified personal sureties. Alaska requires a $5,000 bond of investment advisers, but exempts those advisers who meet the Alaska broker-dealer net capital requirement of $25,000.

Several of the jurisdictions which have a bonding requirement for investment advisers, including California, Michigan, New Jersey, Oklahoma, and Pennsylvania, have enacted regulations permitting investment advisers to make a deposit of cash or securities with the state securities commissioner or an appropriate bank in lieu of maintaining a surety bond. In most cases, the amount of cash must be equal to the value of the required surety bond and a deposit of securities must have an aggregate market value on the date of deposit of at least the amount of the required bond. However, in Michigan and Oklahoma, the securities deposited by an investment adviser in lieu of the bond must have an aggregate market value on the date of deposit of at least 125% of the amount of the required bond, and in Oklahoma, only government guaranteed securities may be used for this purpose.

	Examinations	Qualifications	Capital requirements	Bonding
Alabama	No	None	None	None.
Alaska	Yes. Exemption where adviser has passed securities exam of NASD, SECO or national securities exchange.	Administrative discretion	None for investment adviser, but $25,000 minimum net capital for broker-dealers. Investment advisers may meet this or obtain a bond.	$5,000 bond for investment advisers. Not required if broker-dealer net capital requirement is met by adviser.
Arizona	No	None	None	None.
Arkansas	Yes	Administrative discretion	Yes, $25,000, but exemption where adviser is registered with SEC.	Yes, $12,500. Exemption where adviser is registered with SEC.
California	Yes. Adviser must pass securities exam of NASD, SECO or a national securities exchange or adviser must have been registered since Jan. 1, 1966.	do	Yes, if adviser has custody of client's funds or has discretionary authority.	Yes, if adviser has custody of client's funds or has discretionary authority.
Colorado	No	None	None	None.
Connecticut	No	Yes, 2-yr experience in securities business.	Administrative discretion	No.
Delaware	Yes, if qualifications requirements not met	2-yr experience in advisory business or CFA or masters degree in appropriate field.	None	Administrative discretion.
District of Columbia	No	None	do	None.
Florida	Yes, 2 exams, 1 for general knowledge of securities, 1 for knowledge of Florida law. Exemption from 1st exam if NASD, SECO or NYSE exam is passed.	do	Yes, $5,000, $2,500 if advised only concerning mutual funds and has no custody of funds.	Yes, $5,000.
Georgia	No	do	None	None.
Hawaii	No	do	do	Do.
Idaho	Yes. Exemption where adviser has passed securities exam of NASD SECO or a national securities exchange.	Administrative discretion	Administrative discretion	Yes $25,000.
Illinois	Yes. Grandfather clause exemption	do	None	None.
Indiana	No	do	do	Do.
Iowa	No	None	do	Do.
Kansas	No	do	do	Do.
Kentucky	No	Yes, 5 yr experience in securities business or otherwise qualified.	Yes, $2,500	Administrative discretion for advisers with less than $100,000.
Louisiana	Yes. Exemption where adviser is registered with SEC or passed securities exam of NASD SECO or a national securities exchange.	None	None	None.
Maine	No	do	do	Do.
Maryland	No	do	do	Do.
Massachusetts	No	do	do	Do.
Michigan	Yes. Exemption where adviser is registered with SEC or has passed securities exam of NASD SECO or a national securities exchange.	Administrative discretion	Yes, if adviser has custody of client's funds or has discretionary authority.	Yes if adviser has custody of funds or has discretionary authority and less than $50,000 net capital.
Minnesota	Yes. Exemption where adviser has passed securities exam of NASD, SECO or a national securities exchange.	do	Administrative discretion	Yes $15,000.
Mississippi	No	None	None	None.
Missouri	Yes. Exemption where adviser has passed securities exam of NASD, SECO or NYSE, also exemption for 10-yr experience in securities business or special education.	Administrative discretion	Yes, at least $5,000	Yes, at least $10,000 exemption if adviser has capital in excess of $100,000.
Montana	No	do	None	None.
Nebraska	No	do	do	Do.
Nevada	No	None	do	Do.

	Examinations	Qualifications	Capital requirements	Bonding
New Hampshire	Yes. Exemption where adviser has passed NASD or NYSE securities exam.	Administrative discretion	Yes, minimum net worth of at least $25,000.	No.
New Jersey	Yes. Exemption where adviser has passed an appropriate securities exam, also waiver for 2 yr of experience in securities business.	do	Yes, $25,000 if adviser has custody of client's funds, exemption if adviser has a bond of $25,000.	Yes, $25,000 if adviser has custody of client's funds, exemption if adviser has minimum capital of $25,000.
New Mexico	Yes. Adviser must pass securities exam of NASD, SECO or national securities exchange.	None	None	None.
New York	No	do	do	Do.
North Carolina	No	do	do	Do.
North Dakota	No	do	do	Do.
Ohio	No	do	do	Do.
Oklahoma	Yes	Administrative discretion	do	Yes, $10,000.
Oregon	Administrative discretion	do	do	Do.
Pennsylvania	Yes. Exemption where adviser was continuously registered prior to Jan. 1, 1973.	Yes, experience in securities business last 2 yr prior to registration or 3 of last 5 yr prior to registration.	Yes, $20,000. Administrator must be notified if capital falls below $24,000.	Yes, $10,000. Exemption where adviser has met net capital requirement, may be used as part of net capital requirement.
Puerto Rico	Yes. Exemption where adviser has passed NASD or NYSE securities exam. Exemption where adviser has had 5 yr experience in securities business.	Administrative discretion	Yes, for adviser who has discretionary authority. $8,000 for corporation; $5,000 for partnership; $2,500 for sole proprietorship.	Yes, $10,000, but exemption if adviser's net capital exceeds $25,000.
Rhode Island	Yes. Exemption where adviser has passed securites exam acceptable to Administrator.	None	None	None.
South Carolina	Oral examination may be required in administrative discretion.	Administrative discretion	None, but Administrator has authority to impose.	Yes, $10,000.
South Dakota	No	None	None	Yes, at least $15,000.
Tennessee	Yes	do	Yes, $25,000	Yes, $10,000.
Texas	Yes. Exemption where adviser has passed securities exam of NASD or national securities exchange.	do	None	None.
Utah	Yes. Exemption where adviser has passed securities exam of NASD, SECO, or NYSE.	Administrative discretion	Yes, $5,000, but $20,000 if adviser has custody of client's funds.	Yes, $1,000 if furnished by bonding company qualified in Utah; $2,000 if furnished by 3 qualified personal sureties.
Vermont	No	None	None	None.
Virginia	Administrative discretion	Administrative discretion	do	Administrative discretion to require bond not exceeding $25,000 but can't be required of adviser with over $25,000 net worth.
Washington	Yes, but administrative discretion to exempt certain advisers.	do	do	None.
West Virginia	Yes	do	Administrative discretion	Administrative discretion, but can't be required where adviser has net capital in excess of $25,000.
Wisconsin	Yes. Exemption where adviser has passed securities exam of NASD, SECO, NYSE or CFA; or has had 5 yr experience in securities business.	do	Yes, minimum net capital of $5,000	None, but Administrator has authority to impose.
Wyoming	No	None	None	None.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 2851. A bill to provide temporary authority for the Secretary of Agriculture to sell timber from the U.S. Forest Service lands in Alaska consistent with various Acts. Referred to the Committee on Agriculture and Forestry.

Mr. STEVENS. Mr. President, a recent decision handed down in the U.S. District Court for Alaska seriously threatens the continuance of a viable timber industry in Alaska. Ruling on a suit brought against the U.S. Forest Service and Ketchikan Pulp Co., Judge James A. von der Heydt followed a decision upheld in the Fourth Circuit Court of Appeals which concluded that the Forest Service must comply strictly with the language of the 1897 Organic Act. This act provides, in part: First, only dead or physiologically matured trees may be harvested; second, prior to being sold, all timber must be marked and designated; and third, all timber sold shall be cut and removed from the forest. The Fourth Circuit Court of Appeals decision has resulted in a 1 million board foot reduction in scheduled sales throughout Virginia, West Virginia, North Carolina, and South Carolina by disallowing all future Forest Service sales not in strict conformity with the limitations contained in the 1897 Organic Act.

The decision by Judge von der Heydt goes one step further, however, by applying the harvesting limitations contained in the 1897 Organic Act to an existing Forest Service sale, this being the 50-year sale contract with Ketchikan Pulp Co. in the Tongass National Forest. The sale is the second largest made by the U.S. Forest Service, involving a total of 8.25 billion board feet of timber. Depending upon the wording of the final order that is handed down by Judge von der Heydt, this ruling could have the effect of stopping all logging in the Tongass National Forest due to the economic and physical impracticability of cutting and removing selectively marked trees from the dense stands that comprise the salable timber in the Tongass. For this reason, Alaska's situation is unique. In many forests in Alaska, selective cutting of timber is not only uneconomical but also self-defeating. Since the trees are shallow rooted, those trees left standing after selective cutting would be blown down by high winds, causing fire hazards in Alaska's interior forests and potential breeding grounds for forest disease and insect pests in Alaska's coastal forests. Many responsible timber management experts agree that clearcutting is a proper timber management practice in Alaska.

Ketchikan Pulp Co. is the largest timber operator in Alaska. It provides direct employment for approximately 3,500 people in southeast Alaska, and with the serious decline in the fishing industry, Ketchikan Pulp Co. provides the primary economic base to the communities located in the southern half of the Tongass National Forest. Ketchikan Pulp Co. provides approximately 25 percent of the Nation's supply of high-grade dissolving pulp from which a wide variety of rayon-based products is manufactured. Ketchikan Pump Co.'s sole source of raw material is the timber cut in the Tongass National Forest. In addition, depending upon the Forest Service's application of Judge von der Heydt's final order, small independent timber operators working under short-term sales in the Tongass could also be adversely affected. The judge's final order could result in the termination of ongoing logging operations under existing Forest Service sales to small independent timber operators, and also prevent the Forest Service from making future short-term sales to these independent operators.

Mr. President, the bill I introduce today provides temporary authority for the Secretary of Agriculture to sell timber from national forest lands in Alaska. This bill would allow the U.S. Forest Service to continue to administer the selling and cutting of timber from Alaskan national forests consistent with professionally accepted silvicultural management, and the bill would allow Congress the time needed to redefine the Forest Service's long-term authority for managing the timber in the national forest system. The temporary authority which would be granted in this bill would require that all sales be made in conformity with the National Environmental Policy Act of 1969 and the Multiple Use Sustained Yield Act. This authority would expire on September 30, 1977, which I feel should give the Congress time to enact permanent legislation to resolve the serious problems that have arisen as a result of these recent judicial rulings.

The most recent court decision has placed the timber industry in my State in serious jeopardy. I emphasize, however, that sales for eastern States have already been halted and cases pending in Oregon and several other States could result in similar rulings affecting additional national forests. A nationwide application of the von der Heydt ruling would reduce the annual allowable harvest from the national forests—from which the United States derives 25 percent of its annual timber supply—by as much as 75 percent in 1976 and reduce the allowable cut to the year 2000 by 50 percent. This would result in extremely serious shortages of timber and timber products and would bring on widespread unemployment in the Nation's timber and timber-related industries.

Mr. President, it is imperative that we act now to give the Forest Service temporary authority to continue to administer the selling and cutting of timber in the national forests in a professional manner until the Congress can come up with legislation providing permanent authority. I believe the Congress will come forth with legislation that provides a permanent resolution to this controversy. However, this process is going to take time, and in the interim we cannot afford the disruptions that these court decisions are causing to the Nation's timber industry.

The bill I am introducing today, although limited in scope, could be made applicable to the entire national forest system. I would welcome assistance from my colleagues in working toward the adoption of temporary legislation designed to avert the crisis with which we will shortly find ourselves confronted.

I appreciate the considerable interest that has been shown by the Senate Agriculture Committee in this matter. The House Agriculture Committee has additionally given this matter much attention. I am confident that with their support we can resolve this most serious crisis.

I would like to add that a recent Senate joint resolution of the Alaska State Legislature requests that urgent and immediate consideration be given to amending the Organic Act of 1897 so that the U.S. Forest Service is able to manage the national forests in Alaska according to modern silvicultural techniques.

Mr. President, I ask unanimous consent that this bill as well as the Senate joint resolution of the Alaska State Legislature be printed in the RECORD.

There being no objection, the bill and resolution were ordered to be printed in the RECORD, as follows:

S. 2851

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding Section 1 of the Organic Administration Act of 1897 (30 Stat. 35; 16 U.S.C. 476), the Secretary of Agriculture is authorized to enter into contracts for the sale of timber from the National Forests lands in Alaska at no less than the appraised value in conformance with the National Environmental Policy Act of 1969 (83 Stat. 862), the Multiple-Use Sustained Yield Act (74 Stat. 215; 16 U.S.C. 528–531), and other applicable Acts not herein excluded: *Provided,* That all timber sale contracts hereinbefore entered into by the Secretary or his agents are recognized as being within the authority granted by the Congress: *Provided further,* That authority to sell timber under this section shall expire on September 30, 1977.

SENATE JOINT RESOLUTION NO. 41

Requesting Amendment of the Organic Act of 1897 to Permit Management of the National Forests in Alaska According to Modern Silvicultural Techniques

Be it resolved by the legislature of the State of Alaska:

Whereas the application of the recent decision of the U.S. District Court for the District of Alaska in the case of *Zieski* v. *Butz, et al* will require, unless overturned by a higher court, that outmoded and scientifically discredited timber management practices be applied to the national forests in Alaska and the other western states; and

Whereas the total application of these practices to the national forests of Alaska will virtually destroy the forest products industry in the state by making it economically impossible to harvest Alaska's timber; and

Whereas the forest products industry in Alaska provides direct employment to 3,800 men and women on a permanent and seasonal basis, and indirect employment to thousands of others; and

Whereas implementation of the court's decision will create massive unemployment and untold human suffering among this group, whose homes are concentrated in a part of the state already facing economic uncertainty; and

Whereas selective cutting of mature or over-mature trees as would be required under the decision will result, in many Alaska forests, in extensive wind damage and "blow down" of the remaining timber, creating fire hazards in the forests of interior Alaska and potential breeding grounds for forest disease and insect pests in coastal Alaska forests; and

Whereas the application of the decision will make it impossible to suppress certain types of forest disease and pest infestation, resulting in the loss of billions of board feet of usable timber and prime recreation land; and

Whereas the federal law which has now been interpreted to require these outmoded practices was written more than three-quarters of a century ago, at a time when modern silvicultural science did not exist;

Be it resolved that the Alaska State Legislature respectfully requests that urgent and immediate consideration be given to amendment of the Organic Act of 1897, 16 U.S.C. secs. 473–482, so that the U.S. Forest Service is able to manage the national forests in Alaska according to modern silvicultural techniques, including allowance of the practice of clearcutting when it does not endanger other resources; and be it

Further resolved that the Governor is respectfully requested to work with Alaska's delegation in Congress for the purpose of effecting appropriate amendments to the Organic Act of 1897.

Copies of this resolution shall be sent to the Honorable Gerald R. Ford, President of the United States; the Honorable Earl Butz, Secretary, Department of Agriculture; the Honorable Herman E. Talmadge, Chairman, Senate Agriculture and Forestry Committee; the Honorable Thomas Foley, Chairman, House Agriculture Committee; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

By Mr. STEVENS:

S. 2852. A bill to amend section 5728 of title 5, United States Code, with respect to vacation leave in connection with a tour duty outside the continental United States. Referred to the Committee on Post Office and Civil Service.

Mr. STEVENS. Mr. President, as my colleagues know, I have been concerned over the size of this year's deficit budget. In order to reduce this year's deficit and to provide for funds for new budgetary items without increasing the budget, we in Congress need to look closely at all Federal programs which may have become outmoded, inefficient, or just plain unnecessary in today's economic situation. We must not limit that look to national programs but must also look at Federal programs whose primary impact may be on our own constituency. I am hopeful that the bill I am to introduce today will be an example of what I am referring to.

Federal employees who are recruited "outside" and transferred to Alaska enjoy what is commonly known as "turn around leave" benefit. This benefit is provided in the Administrative Expense Act of 1946, as amended, now codified in title 5, section 5728(a), which provides that an agency shall pay the expenses of round-trip travel of an employee, and the transportation of his immediate family, from his post of duty outside the continental United States to the place of his actual residence at the time of appointment or transfer to the post of duty, after he has satisfactorily completed an agreed period of service outside the continental United States and is returning to his actual place of residence to take leave before serving another tour of duty at the same or another post of duty outside the continental United States under a new written agreement made before departing from the post of duty. The common reference to this law is Public Law 737.

This law was first passed when Alaska was a territory and considered a "hardship" duty station. The reasoning and intent of the law, as originally formulated, was to give employees recruited or transferred from the mainland an opportunity to return to their residences. In many cases, the law no longer serves the original purpose. However, because the statute specifically states that it applies to persons selected for positions outside the continental United States, statehood has had no effect on the applicability of the law to employment of persons in Alaska.

Under section 5728(a), an agency pays for the round-trip travel of the employee as long as he is retained on the rolls of the agency in Alaska. Depending upon the agency, the agreement between the agency and employee is usually for 2 or 3 years, after which the employee and family get a return trip to the point of recruitment prior to returning and working for another tour of 2 or 3 years.

Most employees hired under Public Law 737 provisions are retained on the rolls of the agency in Alaska as long as the need for their services continues to exist.

Now, Mr. President, this law in most cases is simply not necessary for recruiting Civil Service employees in Alaska. There are, however, certain remote duty areas in my State in which Federal agencies have found it very difficult to obtain the necessary and capable personnel. I am submitting today legislation which would abolish this "turn around leave" provision in Alaska after one tour of duty. By allowing the executive branch the option to designate "hardship" areas we provide Federal agencies enough flexibility to recruit necessary personnel through utilization of the "turn around leave" provision. And, recruitment could be conducted in Alaska as well as "outside" if no qualified Alaskan is interested in the position available.

In addition, this bill allows the "turn around leave" benefit to Alaskans who live in nonhardship areas but who are recruited to serve in these areas. This provision should benefit the Federal Government in that more local people can be recruited, thus saving additional moneys.

This bill maintains the Federal Government's faith and contract with current Federal employees who now have this "turn around leave" provision.

Mr. President, I ask unanimous consent that my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2852

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5728 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) The provisions of subsection (a) of this section do not apply to a post of duty located in Alaska, unless that post of duty is, under regulations which the President may prescribe, at a hardship station. If such post is determined to be at a hardship station, the provisions of subsection (a) of this section also apply to an employee whose actual residence is in Alaska if such residence is at a place other than the hardship station.

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, an employee or individual who is not serving at a post of duty in Alaska on the date of enactment of this subsection, and who subsequently satisfactorily completes a period of service at a post of duty located in Alaska (other than a post of duty at a hardship station) and is returning to his actual place of residence within the continental United States to take leave before serving another tour of duty at the same or another post of duty outside the continental United States under a new written agreement made before departing from such post of duty, shall be eligible under subsection (a) of this section for travel expenses for himself and his immediate family for leave to return to such place of residence. An employee who accepts travel expenses under this paragraph shall not be entitled to receive such expenses under this paragraph for any future period of service.".

Sec. 2. Any employee serving a tour of duty in Alaska on the date of enactment of this Act shall be eligible under section 5728(a) of title 5, United States Code, if otherwise eligible under such section, for travel expenses for himself and his immediate family for leave to return to his place of residence in the continental United States after the date of enactment of this Act without regard to the amendment made to such section by this Act if such travel is performed prior to serving another tour of duty at the same or another post of duty outside the continental United States pursuant to an agreement entered by such employee with the United States prior to the date of enactment of this Act.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2484 AND S. 2485

At the request of Mr. Packwood, the Senator from South Dakota (Mr. Abourezk) was added as a cosponsor of S. 2484 and S. 2485, to remove lending limitations on certain watershed and conservation programs administered by the Farmers Home Administration.

SENATE CONCURRENT RESOLUTION 77

At the request of Mr. Curtis, the Senator from Oklahoma (Mr. Bartlett) and the Senator from New York (Mr. Buckley) were added as cosponsors of Senate Concurrent Resolution 77, relating to the authority of the Federal Trade Commission to prescribe rules preempting State and local laws.

SENATE RESOLUTION 319

At the request of Mr. Curtis, the Senator from New York (Mr. Buckley), the Senator from Illinois (Mr. Percy), and the Senator from Pennsylvania (Mr. Schweiker) were added as cosponsors of S. 319 expressing the sense of the Senate that the signing in Helsinki of the Final Act of the Conference on Security and Cooperation in Europe did not change in any way the longstanding policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic nations of Estonia, Latvia, and Lithuania.

NOTICE OF HEARING

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Mississippi (Mr. Eastland), from the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, January 28, 1976, at 9 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

George N. Leighton, of Illinois, to be U.S. district judge for the northern district of Illinois vice Abraham L. Marovitz, retired.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee will consist of the Senator from Arkansas (Mr. McClellan); the Senator from Nebraska (Mr. Hruska); and myself as chairman.

ADDITIONAL STATEMENTS

WHEN IS THE GOVERNMENT GOING TO STOP PROMOTING A DOCTOR SHORTAGE?

Mr. CURTIS. Mr. President, I have consistently supported limiting the Government's burden on the citizen, notably in the area of health care.

Serving on the Finance Committee, with jurisdiction over social security and medicare, I am concerned with the increasing responsibilities being placed on doctors by Federal programs, especially those in rural areas where medical staffing problems have become acute in the past several years.

The workload on rural physicians has increased rapidly in many areas, both because of an increasing patient load and because the number of physicians serving these areas is decreasing. Many small communities have found it hard to attract additional doctors. A problem of this type now exists in Madison, Nebr., according to a recent article in the Lincoln Journal.

As the article states, Dr. William Berrick has literally been forced to leave his family practice after 20 years because of increased paperwork required under Federal programs. Working initially with one assistant, Dr. Berrick now has a staff of four persons constantly battling to keep up with forms and information sheets. In the story, Dr. Berrick continues:

> There is no way you can get quality medical care for less money by sending off to the government or an insurance company and having it processed—especially in a small town.

Dr. Berrick believes paperwork is crowding him out of his office and that it is responsible for skyrocketing medical costs and the erosion of quality medical care.

Dr. Berrick closed his office on December 31, leaving the community without a physician. Residents now must travel 14 miles for medical care.

Instances like that of Dr. Berrick are happening across the United States with increasing frequency. There is no way the Government can responsibly keep adding more welfare programs, including health programs, that are better left to State and local governments. Health outlays have increased tenfold since 1966, to almost $30 billion. The cost of paperwork has increased along with it.

Last March, I introduced S. 1225 to repeal the Professional Standards Review Organization of the 1972 Social Security Amendments, feeling that the boards hamper and interfere with the practice of medicine. The case of Dr. Berrick shows the same type of interference, which is detrimental to the patient, the consumer of medical care.

In Newsweek magazine of December 15, an article pointed out that about 50 hospitals in rural Oklahoma would be forced to close if the PSRO provisions were enforced because there are not enough doctors around to make up the boards. Such steps do not achieve better medical care.

The inflationary impact of governmental programs often negates any advantages that might be gained by implementation. A case in point is the community of Fremont, Nebr., which had to turn down an $880 Federal grant because costs to receive the money and handle paperwork could not be justified.

Citizens in Madison and other communities should not have to suffer the consequences of the increasing Federal burden on the medical profession.

Mr. President, I ask unanimous consent that the articles concerning Dr. Berrick be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TOUGH JOB TO FIND DOCTOR

MADISON.—The loss of Dr. William Berrick "is a real hard pill" for Madison to swallow, Mayor Jack Geary said.

Although he still considers Dr. Berrick a friend, Geary said he had mixed emotions about his decision to leave the community.

Finances and the long hours involved in rural family practice make finding a replacement a difficult task, he said.

"Doctors do have a tendency to not want to go on house calls, and some people do take advantage of them in small communities," he said.

The main concern in Madison is for the old people, especially in the community's nursing home, he said.

Geary said the shock of losing the doctor awakened community spirit and involvement in Madison that he hasn't seen since he was a boy.

"It takes things like this to get the community working together," he said.

With the nearest doctor 14 miles away in Norfolk, citizens have realized the importance of the Madison Rescue Squad and donations to it have increased, he said.

"But if I know the answer to getting a doctor into a rural community, I'd be a millionaire."

Geary is a member of the rescue unit and said it will meet the additional responsibilities caused by the loss of Berrick.

That is only a partial solution, he said, but the only one the community has to meet medical needs until a doctor is secured.

Besides losing a doctor, Madison is losing a couple who have been active in church and civic affairs in the community.

Berrick was president of the Madison School Board for eight years, a member of the county Mental Health Board, chairman of the community's nursing home board, a member of the City Planning Commission and trustee of the Presbyterian Church.

His wife Helen is currently a member of the school board, has been active in church affairs and was chairman of the Madison County Women's Republican organization.

PAPERWORK OUSTS MADISON DOCTOR

(By Tom Cook)

Madison—The family doctor in rural Nebraska isn't disappearing. He's being buried in an avalanche of paperwork.

That's what caused Dr. William Berrick to leave his family practice in Madison after 20 years.

"I always wanted to be a family doctor—to have a one-to-one patient relationship so I know them and they know me," Dr. Berrick said.

There is no room in a small town medical office for the doctor, the patient, the insurance company, the Medicare program and the lawyer, according to the graduate of Northwestern Medical School in Chicago.

"I can never sit down with the patient when there isn't at least a third party there," he said. "They aren't really there, but their presence is overwhelming me."

SKYROCKETING COSTS

Besides crowding him out of his office, Berrick believes the proliferation of insurance policies and federal programs is responsible for skyrocketing medical costs and the erosion of time for quality patient care.

"I've been awfully busy over the years just taking care of my patients. I've always kept good patient records and tried to charge as little as possible," he said.

Until a few years ago, Berrick found he could easily do that with one woman office assistant. Now his staff of four is in a constant battle to keep up with the forms, he said.

EVENTUALLY MINIMUM

Also adding to the cost is what Berrick sees as an economic fact of life: if an insurance policy or federal program allows a maximum for each medical procedure, that will eventually become the minimum cost.

"The American people need to realize, and I think maybe they are, there is no way you can get quality medical care for less money by sending off to the government or an insurance company and having it processed—especially in a small town," he said.

Berrick said there is a need for insurance to cover catastrophic medical expenses, but that comprehensive insurance programs ultimately cost Americans more.

"There are guys that come in for a blood sugar test every week because the government pays for it," he said. "Why they want their veins stuck, I don't know, but they do it."

There have been instances when Berrick told patients they could leave the hospital if they felt up to it, and they said "well, the wife isn't home, or it would be easier to go tomorrow."

RECOVERY SWIFT

But when they learn they will have to pay for the extra day, they make a dramatic recovery and decide it wouldn't be so hard to leave after all, he added.

It isn't the phone calls in the middle of the night, the long days spent between his office in Madison and the hospital in Norfolk or the missed holidays that Berrick says drove him from his practice.

"That was all right, that's what I like to do," he said. "That's the way it's supposed to be. I talk to the patient and make him feel better.

"But now I'm the referee between the patient, the insurance agency and the government."

The "straw that broke the camel's back" came a few months ago after the doctor received a brochure from the Air Force that read: 'Up to your ears in paperwork? Send this card in.'

"I knew something was up when I didn't throw it away," he said.

REVIEWING FORMS

The doctor has reluctantly accepted the task of reviewing Medicare forms on dietary, physical therapy and other treatment received by about 70 of his patients in the local nursing home.

But recently, the government added a summary sheet that must be attached to the patient's record so federal inspectors can have an easier time reviewing them. Late one evening, Berrick decided to throw in the towel.

"I signed the 70 sheets, looked for that card, dug it out and sent it in," he said.

Berrick will close his office Dec. 31 and report to Brooks Air Force Base in San Antonio, Texas, the first week in February for a nine-week flight medical officer course.

Because he holds a private pilot's license and loves flying, he asked to be assigned to an F-111 fighter squadron in Clovis, N.M.

It is front line duty, the 49-year-old Berrick notes, and the squadron is on call to report anywhere in the world on 72 hours notice.

PROPHETIC WORDS

But something one of his four children, who are all away from home, said made him realize the amount of time his practice was taking:

"I bet we'll come home for Thanksgiving or Christmas dinner and Dad will be there."

Berrick will maintain his home in Madison, and sad he has deep regrets at leavng his many friends and patients.

"It's pretty hard for one guy to stem the tide, but at least I'm trying," he said.

TV VIOLENCE, OBSCENITY, UNDERMINES DOMESTIC ORDER

Mr. ALLEN. Mr. President, after a few timid attempts by the Federal Communications Commission to persuade the major television networks to—substantially—reduce the number of violence-oriented, sex-related programs being transmitted into millions of American homes, the FCC has retreated into the security of its laissez-faire posture.

Clearly, the FCC, which has the general authority to direct broadcastng as the "public convenience, interest or necessity" requires, is unwilling to recognize the dimensions and impact of television violence, and thus, is unlikely to institute reasonable guidelines or controls.

In the wake of hard evidence showing a direct relationship between television violence and anti-social behavior, combined with increasing public indignation and pressures, the networks have offered a feeble response: the so-called family viewing time.

The concept is laudable but the approach is far too narrow to have any appreciable effect. Instead of attacking the real problem by showing less violence and less sex on the Nation's television screens, the networks are simply juggling their schedule to delay scenes of violence or sex until after 9 p.m. However, a recent Nielsen survey shows that 10 million 12- to 17-year-olds watch TV until at least 10 p.m. And what effect will it have in Rocky Mountain and Central time zones, where the family viewing time ends at 7 or 8 o'clock?

According to a report by the Census Bureau, 96 percent of American homes have at least one television set. The average set is on more than 6 hours each day. Additional findings show that frequent viewing by children usually begins at age 3 and continues at higher than average levels until about age 12. Approximately 25 percent of all children watch television in excess of 5 hours a day during the week. It has been estimated that by the time a child reaches the age of 15, he will have seen over 13,000 murders on television.

The sixth annual "Violence Profile" report for the 1973–74 television season indicated that although the prevalence of prime-time violence declined slightly from a year ago, the number of victims of violent actions increased.

If current programs serve as a barometer, we can expect only more violence in future programs. American homes will continue to be subjected to an unending stream of television murder, rape, robbery, assault and other violent crimes—as well as programs that border on hard core pornography.

Congressman Torbert H. Macdonald, chairman of the Subcommittee on Communications of the House Interstate and Foreign Commerce Committee, recently addressed the problem of television violence with exceptional clarity and understanding. He said:

> The television industry has its own rationale for violence—"we are in the entertainment business, and we are simply giving the people what they want to see." However, this line of reasoning overlooks the broader responsibility of television to provide high-quality programming that has prosocial value. A recent study under the direction of Dr. Eli Rubinstein, who served as vice chairman of the Surgeon General's Advisory Committee, indicated that a prosocial example shown on television contributes to a child's willingness to engage in helping behavior. In other words, television has a great capacity for exerting a positive social influence on children—a capacity that it demonstrates just often enough to make its failures that much more disappointing.
>
> Television can offer quality programming that does more than pander to the public by exploiting the shock value. It can treat violent themes in a manner that does not produce a negative impact, and its responsibility along these lines should not be limited to the hours between 7 and 9 p.m.

Mr. President, I agree fully with Congressman Macdonald's views. In my judgment, the majority of adult Americans think there is far too much violence and too much pornography on television. But unfortunately, it is all too evident that profit, rather than the public's interest is the governing factor in program decisions.

The flagrant exploitation of violence for violence's sake and profit is simply irresponsible in a medium as powerful and as influential as television.

Yet very little effort is being made to reverse this trend. The FCC steadfastly refuses to live up to its function and responsibility.

Only one bill has been introduced in the 94th Congress, relating to television violence. It is presently pending in the House Interstate and Foreign Commerce Committee. This bill would direct the Federal Communications Commission to conduct a comprehensive study and investigation of the effects of violence in television programs.

It is my very strong opinion that the FCC and the broadcast industry have a duty and a responsibility to the citizens of this Nation. They should take the lead in demanding that television networks adopt a "high-standard" code of operation in programing.

Congress has been reluctant, with good reason, to become involved in the matter. It has no wish to take on the role of policeman in such a sensitive area. But it is my feeling that because of the present trend toward more and more violence and more and more pornography and less consideration for quality, some constructive action must be taken.

The television industry continues to use slick promotional gimmicks like the "family viewing time" concept, rather than make the effort to upgrade its programing, despite the fact that, nationwide, concern over effect of television violence and pornography is increasing, not subsiding.

Mr. President, unless there is positive movement within the very near future to reduce the senseless and endless television violence, it is my considered opinion that Congress will be forced to take action to deal with the problem.

THE SINAI AGREEMENTS

Mr. SPARKMAN. Mr. President, last October when the Foreign Relations Committee held public hearings on the Sinai agreements, the statement of Mr. J. Ashton Greene of New Orleans, La., did not reach the committee in time for inclusion in the printed hearings. I ask unanimous consent that his opposing views to the agreements be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

October 6, 1975.

Statement of J. Ashton-Greene, New Orleans, La., to the Senate Foreign Relations Committee, Senator John Sparkman, Alabama, Chairman

Mr. Chairman, Members of the Senate Foreign Relations Committee:

Your invitation of Sept. 30, 1975, extended by Senator Sparkman, to appear before this Committee is most appreciated and I am deeply grateful.

First, my credentials: I studied political science and foreign affairs, with Senator Hubert Humphrey at L.S.U. Baton Rouge, 1938–41, and I might add, although my memory is hazy on this point, we both carried signs in anti-war demonstrations on said campus which read "Books Not Battleships". This was shortly before Pearl Harbor.

Then, after four years Naval service in the Pacific in WWII, I attended the Fletcher School of Law & Diplomacy, Medford, Mass. an adjunct part of Harvard.

Then, there was a two year period studying at Princeton's newly formed Woodrow Wilson School of Public and International Affairs, 1947–49, specializing in and writing my thesis on the Subject: The Politics of World Oil. My consultants were: Professors P. K. Hitti, Young and Jacob Viner.

Since then, I have been engaged in general business and foreign trade and marine consulting in New Orleans. I have continued my deep interest in diplomacy and foreign affairs and from this interest stems my great desire to testify today.

Today, I want to to make it known publicly and widely my great opposition to the interim Sinai Agreements of Sept. 4, 1975, in all their pomp and circumstances.

These Agreements are flimsy arguments on mere pieces of paper for diplomatic futility, and do not at all justify the extended time and billions of dollars in expense, and *a fortiori*, the future treasure and manpower and time to implement them.

I refuse, and no doubt many other Americans who are not able to be here today, also would refuse to walk the last mile with Kissinger to disaster.

The pacts are laughable and we might just fall for them. Will we ever learn our lessons from history, from Vietnam, from foreign aid, both military and economic? You can't buy peace and you can't buy stability or friends.

Kissinger's track record is nothing but dismisal. Two years on the Paris peace accord with Vietnam and peace was just around the corner—but for the other side. Also the Russian Wheat Deal, also Cyprus, also the Third and Fourth World, Portugal, Helsinki, and soon to be, the Panama Canal.

No, we can't, and must not go along with Kissinger and his cohorts in their step-by-step approach to destroy the United States of America, in this the 199th year of its independence.

If we cannot do better than such policies, we ought to be doomed, and surely not No. 1 for defense spending in the world.

Already, you will note that Syria, Libya, and the Palestinian Liberation Organizations, and offshoots, are not sitting idly by for the full implementation of this latest U.S. mistake. Regardless of what critics of my position might think and say, the record does support my position that the U.S. detente policy is burned out, "kaput." Personal diplomacy with Gromyko works for the Russians, but not for us; and the Middle East and South Asia continue to be paradigms of defeatist U.S. policies.

I cannot see how (and maybe the Committee might enlighten me) shuttling around airports throughout the world helps in any way but building up the Secretary's ego and providing much in the way of vacations for his staff, janizaries, press followers (the Kalb Brothers) and media personnel, etc. etc.

President Ford realized his honeymoon with Congress was over some time ago; and now it is the Secretary's turn to get down to hard work and cease the old pitch line of "detente". As the Hon. George Ball expressed it, the Administration and the Secretary of State are presenting Congress with a *fait accompli*. Act in haste, and repent in leisure, blood and treasure and slavery.

Be that as it may, you are vitally interested in not only the loyal opposition, but also in constructive alternatives and solutions.

I present the following guidelines and suggestions and will be quite willing to spell each one out for implementation as the Committee questioning will so dictate:

1. Neutralizing the Sinai and Golan Heights under international agreement. U.N. peace keeping forces are already doing this essentially. Extend their mandate beyond the Nov. 1 deadline.

2. Using the U.N. teams, good offices, and counsel in all negotiations involving relations between Israel and its antagonists.

3. Resettling the Palestinian Liberation Organization Refugees and its hangers-on, in North Africa, preferably in Libya, Algeria and Tunis. International experience has proved this feasible in the past, where there is a will and a determined effort.

4. Guaranteeing the Arab interested countries and Iran and Israel a "cordon sanitaire" against outside aggression and inside subversion. This is self explanatory and only needs "showing the flag more" and flexing some muscle for a change, as Daniel Moynihan would put it.

5. Appointing through the U.N. of a Middle East High Commission for Peace, Prosperity and Development. The stakes are very significant for not only us but for the whole fabric of international affairs. This is a course of action that could lead to the weakening of the OPEC and regional understandings.

6. Supporting international use of the Suez Canal through U.N. auspices. Reference the Treaty of Lausanne, 1923, internationalizing and demilitarizing the Dardanelles Straits.

The American people, in my opinion, can't further support Congressional efforts, no matter how overwhelming, to bolster Kissinger's image, and spend billions and billions of more hard earned American dollars for another Vietnam and certain disaster.

Thank you very, very much, Mr. Chairman, and Members of this Committee for giving me this opportunity to freely express my views against these hastily contrived and futile Interim Sinai Agreements which even the signatories thereto, Israel, Egypt, and the U.S. by extension must realize are only diplomatic exercises of record and of *paper*, which can surely be negated by changes in governments, leaders, and musical chairs.

Billions for defense, but not one cent for tribute!

ACTIVITIES AND ACCOMPLISHMENTS OF THE JOINT COMMITTEE ON ATOMIC ENERGY

Mr. PASTORE. Mr. President, as chairman of the Joint Committee on Atomic Energy, I ask unanimous consent to have printed in the Record for the information of my colleagues the annual report on the activities and accomplishments of the joint committee. This report covers the activities of this 1st session of the 94th Congress.

There being no objection, the report was ordered to be printed in the Record, as follows:

Activities and Accomplishments of the Joint Committee on Atomic Energy in the 94th Congress, First Session, (1975)

FOREWORD

It has been the practice of the Joint Committee on Atomic Energy, at the close of each session of the Congress, to submit for the information of the Congress, the executive branch, and the public, a report of its activities. (The report for the second session of the 93rd Congress was printed in the Congressional Record of December 20, 1974, H–12729.)

The Joint Committee on Atomic Energy was organized on August 2, 1946. It consists of nine Members from the Senate and nine Members from the House of Representatives. No more than five from each body can be members of the same political party. The chairmanship alternates between the Senate and the House of Representatives with each Congress.

Present membership is: John O. Pastore, Rhode Island, Chairman; Melvin Price, Illinois, Vice Chairman.

Henry M. Jackson, Washington; Stuart Symington, Missouri; Joseph M. Montoya, New Mexico; John V. Tunney, California; Howard H. Baker, Jr., Tennessee; Clifford P. Case, New Jersey; James B. Pearson, Kansas; and James L. Buckley, New York.

John Young, Texas; Teno Roncalio, Wyoming; Mike McCormack, Washington; John E. Moss, California; John B. Anderson, Illinois; Manuel Lujan, Jr., New Mexico; Frank Horton, New York; and Andrew J. Hinshaw, California.

The Joint Committee is one of the few Committees established by statute rather than by rule of each House and is unique in several respects. For example, it is the only Joint Committee of the Congress with legislative functions, including the receipt and reporting of legislative proposals. The Committee is also charged by law with legislative responsibility as "watchdog" of the U.S. atomic energy program. As part of its responsibilities, the Committee follows closely the classified activities of the executive agencies including the Energy Research and Development Administration and the Departments of Defense and State, concerning the peaceful and military applications of atomic energy. The unclassified nuclear activities of these agencies and of the Nuclear Regulatory Commission are closely reviewed as well.

In all of these activities, the Joint Committee on Atomic Energy, representing the Congress and the public, seeks to assure the implementation of the following national policy expressed in the Atomic Energy Act of 1954:

". . . the development use, and control of atomic energy shall be directed so as to make the maximum contribution to the general welfare, subject at all times to the paramount objective of making the maximum contribution to the common defense and security."

During the 94th Congress, first session, the Joint Committee and its subcommittees held a total of 50 meetings, of which 7 (14%) were held in executive session because the subject matter discussed was classified, and 43 (86%) were held in public session.

A total of 52 publications consisting of hearings, reports, and committee prints were released by the Joint Committee in this session of the 94th Congress. Included in these publications was testimony taken in executive session with classified material deleted before printing. A backlog of publications from the 93rd Congress is included in the above total and identified in the listing which follows:

1973–74

Proposed Changes in AEC Contract Arrangements for Uranium Enrichment Services: Hearings, March 7, 8, 26, and April 18, 1973.

AEC Authorizing Legislation, Fiscal Year 1975: Part 4, Hearings, March 4 and 5, 1974.

(Note: Included in this volume are the proceedings of the hearing "Current Status of AEC Controlled Thermonuclear Research Program" held by the Subcommittee on Research, Development and Radiation, on July 25, 1973.)

Nuclear Reactor Safety:

Part 2: Vol. I: Phases IIb, and III, Hearings, Jan. 22, 23, 24 and 28, 1974.

Part 2: Vol. II, Appendixes.

AEC Weapons Program Authorization Request, Fiscal Year 1975, (declassified), Hearing, Feb. 19, 1974.

To Consider NATO Matters, Hearing, Feb. 19, 1974.

Naval Nuclear Propulsion Program, 1974 (declassified), Hearing, Feb. 25, 1974.

Future Structure of the Uranium Enrichment Industry (Phase III), Part III: Vol. I, Hearings, June 25, 26, 27; July 16, 17, 18, 30, 31; Aug. 6; Nov. 26; and Dec. 3, 1974.

Nominees to the Nuclear Regulatory Commission, Hearings, Dec. 10 and 18, 1974.

Nomination of Dr. Robert C. Seamans, Jr., to be Administrator, Energy Research and Development Administration, Hearing, Dec. 11, 1974.

Nuclear Powerplant Siting and Licensing:

Vol. I, Hearings, March 19, 20, 21, 22; April 24, 25, 26; and May 1, 1974.

Vol. II, Appendixes.

Possible Modification and Extension of the Price-Anderson Act—Part 2, Phase II, Hearings, May 9, 10, 14, 15, and 16, 1974.

Development, Growth and State of the Nuclear Industry, Hearings, Feb. 5 and 6, 1974.

Proposed Modification of Restrictions on Enrichment of Foreign Uranium for Domestic Use, Hearings, Sept. 17 and 18, 1974.

Solar Energy Research and Development, Hearings, May 7 and 8, 1974.

1975 (94TH CONGRESS, 1ST SESSION)

ERDA Authorizing Legislation, Fiscal Year 1976:

Part 1, Hearing, Feb. 4, 1975.

Part 2, Hearings, Feb. 18 and 27, 1975.

Part 3, Hearings, March 4 and 6, 1975.

Part 4, Hearings, March 11 and 13, 1975.

Reports: Authorizing Appropriations for the Energy Research and Development Administration for Fiscal Year 1976 and for the Transition quarter ending September 30, 1976, S. Report 94–104, May 6, 1975.

(Note: Report titled as above filed in House jointly with House Committee on Science and Technology), H. Report 94–294, June 13, 1975.

Atomic Energy Legislation through 93d Congress, 2d Session, Committee Print, July 1975.

Proposals for International Cooperation in Nuclear Energy, Hearing, Feb. 6, 1975.

Nuclear Regulatory Commission Action Requiring Safety Inspections which Resulted in Shutdown of Certain Nuclear Powerplants, Hearing, Feb. 5, 1975.

(Note: The above hearing was held jointly with the Senate Committee on Government Operations.)

Nuclear Regulatory Commission Fiscal Year 1975 Supplemental Authorization Request, Hearing, Feb. 20, 1975.

Reports: Authorizing Supplemental Appropriations to the Nuclear Regulatory Commission for Fiscal Year 1975, S. Report 94–50, March 20, 1975; (H. Report 94–100, March 20, 1975).

Nuclear Regulatory Commission Authorizing Legislation, Fiscal Year 1976, Hearing, March 19, 1975.

Reports: Authorizing Appropriations for the Nuclear Regulatory Commission for Fiscal Year 1976 and for the Transition Quarter Ending September 30, 1976, S. Report 94–174, June 4, 1975; (H. Report 94–260, June 4, 1975).

Current Membership of the Joint Committee on Atomic Energy, Congress of the United States, Committee Print, April 1975.

Issues for Consideration: Review of the National Breeder Reactor Program, Committee Print, August 1975.

Markup of S. 598 and H.R. 3474: ERDA Authorizing Legislation, Fiscal Year 1976, Committee Print, April 24, 1975.

Development, Use, and Control of Nuclear Energy for the Common Defense and Security and for Peaceful Purposes (First Annual Report of the Joint Committee), Committee Print, June 30, 1975.

Naval Nuclear Propulsion Program, 1975 (declassified), Hearing, Mar. 5, 1975.

S. 1378 and H.R. 5698: Assistance Payments to Anderson County and Roane County, Tennessee (Held at Oak Ridge, Tennessee), Hearing, May 9, 1975.

(Note: Legislation included in ERDA Authorization):

Markup on Nuclear Regulatory Commission Fiscal Year 1976 Authorization, Committee Print, August 1975.

Browns Ferry Nuclear Plant Fire, Hearing, Sept. 16, 1975.

H.R. 8631: To Amend and Extend the Price-Anderson Act, Hearings, Sept. 23 and 24, 1975.

Reports: Amendments to the Price-Anderson Provisions of the Atomic Energy Act of 1954, As Amended, to Provide for Phaseout of Governmental Indemnity, and Related Matters, S. Report 94–454, Nov. 13, 1975; (H. Report 94–648, Nov. 10, 1975).

Towards Project Independence: Energy in the Coming Decade, Committee Print, December 1975.

Markup on H.R. 8631 and S. 2568: Price-Anderson Act Amendments, Committee Print, Oct. 31 and Nov. 6, 1975.

Storage and Disposal of Radioactive Waste, Hearing, Nov. 19, 1975.

S. Con. Res. 13: Proposed Increase in the Amount of Enriched Uranium Which May Be Distributed to the International Atomic Energy Agency (IAEA), S. Report 94–8, Feb. 13, 1975.

H. Con. Res. 115 (same as above), H. Report 94–9, Feb. 13, 1975.

S. Con. Res. 14: Proposed Increase in the Amount of Enriched Uranium Which May Be Distributed to the European Atomic Energy Community (EURATOM), S. Report 94–9, Feb. 13, 1975.

H. Con. Res. 116 (same as above), H. Report 94–10, Feb. 13, 1975.

S. Con. Res. 15: Proposed Extension of Existing Research Agreement for Cooperation Between the United States and Israel

Concern Civil Uses of Atomic Energy, S. Report 94–10, Feb. 13, 1975.

H. Con. Res. 114 (same as above), H. Report 94–8, Feb. 13, 1975.

The following publications will be released in the near future:

Review of the LMFBR Program, Hearings, April 29; May 1, 6, 7; June 10, 11, 17, 18, 24; July 10 and 17, 1975.

S. 1717 and H.R. 7002: Proposed Nuclear Powerplant Siting and Licensing Legislation, Hearings, June 10 and Nov. 11, 1975.

Review of National Breeder Reactor Program, Committee Print, (early 1976).

S. 2035 and H.R. 8401: Nuclear Fuel Assurance Act of 1975 Hearings, Dec. 2, 3, 4, 9, and 10, 1975.

S. 2435 and H.R. 9948: To Amend the Atomic Energy Community Act with Regard to Financial Assistance Payments to the County of Los Alamos and the Los Alamos School, Hearing Oct. 14, 1975.

I. LEGISLATIVE ACTIVITIES

A. Energy Research and Development Administration Authorization Act for Fiscal Year 1976 and the Transition Quarter (Public Law 94–187)

The Energy Research and Development Administration authorization request for fiscal year 1976 and the transition quarter, as initially submitted to the Congress on February 4, 1975, and subsequently amended on April 9, 1975, called for authorization of $3,418,587,000 for "Operating expenses" and $868,867,000 for "Plant and capital equipment" (including increases in prior-year authorization) making a total requested authorization for fiscal year 1976 of $4,287,454,000. The authorization request also called for $1,001,301,000 for "Operating expenses" and $128,876,000 for "Plant and capital equipment" for the transition quarter, making a total requested authorization for the quarter of $1,130,177,000. On March 10, 1975, ERDA transmitted to the Joint Committee some refinements to the proposed revised authorization for the Clinch River Demonstration Plant Project.

The ERDA requests for atomic energy-related programs and projects under the jurisdiction of the Joint Committee totalled $3,750,059,000 and $988,884,000 for fiscal year 1976 and the transition quarter, respectively. The Joint Committee did not consider the non-nuclear programs of ERDA.

The Joint Committee's recommended authorization for atomic energy-related programs for fiscal year 1976 was $3,838,451,000 which is $88,392,000 or about 2 percent more than the amount requested. The Joint Committee recommended an increase of $18,988,000 for the transition quarter, also 2% more than requested.

Generally, the ERDA authorization for atomic energy-related programs reflects estimated costs in two broad categories of effort, namely, military and civilian applications. Military applications include primarily the nuclear weapons and naval propulsion reactors programs, as well as a portion of the nuclear materials program. Approximately 39 percent of the Administration's fiscal year 1976 estimated program costs (as compared to about 43 percent of estimated fiscal year 1975 costs), or $1,763 million, was attributable to military applications. The estimated cost for civilian applications totaled $2,809 million or about 61 percent of the program costs (as compared to about 57 percent of estimated fiscal year 1975 costs). The amounts shown above reflect total program costs and are exclusive of adjustments for revenues received and for changes in selected resources.

The Joint Committee began consideration of the proposed legislation authorizing appropriations to the ERDA for fiscal year 1976 and the transition quarter with a public hearing on February 4, 1975. At this hearing, the Honorable Robert C. Seamans, Jr., Administrator, ERDA, discussed the overall budget request. Subsequent public hearings occurred on February 18 and 27, and March 4, 6, 11, and 13. In the course of these hearings, the ERDA's programs for fusion power research and development; biomedical and environmental research; waste management; operational safety; physicial research; nuclear materials; fission power reactor development; and laser and electron beam pellet fusion research were considered. The hearing records contain information on the status of, and accomplishments under, the various programs being carried out by ERDA.

Other hearings were held in executive session on March 5 and 12. ERDA programs reviewed during these hearings were weapons, nuclear materials security, and naval reactors.

On June 25, 1975, ERDA submitted to the Congress a budget amendment for fiscal year 1976 and the transition quarter. The authorization request for atomic energy-related programs was increased by (1) a total of $105,616,000 for "Operating expenses" and $36,550,000 for "Plant and capital equipment" for fiscal year 1976, and by (2) $12,706,000 for "Operating expenses" and $60,000 for "Plant and capital equipment" during the transition quarter. The Joint Committee considered this revision to the original request of February 5, 1975, and recommended that the amendment be accepted. The Committee also increased the budget amendment by $9,000,000 for the Molton Salt Breeder Reactor and Light Water Breeder Reactor programs for fiscal year 1976, and $400,000 for the transition quarter for these two programs.

B. Supplemental authorization of appropriations for the Nuclear Regulatory Commission for fiscal year 1975 (Public Law 94–18)

On February 3, 1975, the Nuclear Regulatory Commission transmitted to the Congress a request for an increase in appropriations for fiscal year 1975 of $56,400,000. On February 12, 1975, Senator John O. Pastore, Chairman of the Joint Committee on Atomic Energy, introduced, by request, S. 674, authorizing appropriations of such funds as are necessary to carry out the functions and responsibilities on the Nuclear Regulatory Commission for fiscal year 1975. On February 19, 1975, Representative Melvin Price, Vice Chairman of the Joint Committee, introduced an identical bill, H.R. 3275, by request.

On March 4, 1975, Vice Chairman Price introduced H.R. 4224, a substitute bill, in lieu of the above measure. This bill was introduced by Chairman Pastore on March 6, as S. 994. The full Committee met on March 20 in open session and voted without dissent to report those bills favorably without amendment and to adopt the report.

On February 20, 1975, the Subcommittee on Legislation of the Joint Committee held an open hearing on the request for authorization of supplemental appropriations. The Commission request was for an increase of $56,400,000 in their fiscal year 1975 authorization. This consisted of (1) $39,000,000 to replace anticipated revenues which under the Atomic Energy Commission would have been applied as an offset to budget authority, but which under NRC will be deposited directly to the miscellaneous receipts of the U.S. Treasury, (2) $9,500,000 for refunds of license fees which have been collected since 1968 based on a fee schedule that was not in accordance with constitutional standards recently prescribed by the U.S. Supreme Court, and (3) $7,900,000 to support new activities of NRC which were required by the Energy Reorganization Act of 1974 as well as various staff services required for NRC to function as a separate and independent agency.

The Committee concurred with the request of the Commission with the following exceptions. The Committee reduced the requested authorization by $6,200,000 because of the revenues received during fiscal year 1975 by the office of the Director of Regulation of the Atomic Energy Commission prior to its dissolution January 19, 1975, exceeded by that amount the revenues expected to be received at the time the Commission request was submitted to the Office of Management and Budget in November 1974. The reduction did not in any way affect the planned operations of NRC.

C. Nuclear Regulatory Commission Authorization Act for fiscal year 1976 and the transition quarter (Public Law 94–79)

The Nuclear Regulatory Commission's authorization request for fiscal year 1976, as submitted to the Congress on February 3, 1975, called for authorization of $219,935,000 for salaries and expenses. Although the Commission request did not include an authorization amount for the transition quarter, the supplemental supporting data furnished to the Joint Committee by the Commission indicated that an authorization of $52,000,000 for salaries and expenses for the transition quarter would be needed.

The Joint Committee recommended authorization for fiscal year 1976 of $219,935,000, which was the same as the amount requested. The Joint Committee's recommended authorization for the transition quarter was $52,000,000.

The NRC authorization request generally reflected estimated costs in three major areas: the regulation of nuclear reactors, nuclear materials safety and safeguards, and nuclear regulatory research. Nuclear reactor regulation is expected to cost $65,779,000 in fiscal year 1976. The nuclear materials safety and safeguards program fiscal year 1976 request was for $10,955,000, and the nuclear regulatory research effort for fiscal year 1976 is budgeted at $97,223,000.

The Subcommittee on Legislation in the Joint Committee on Atomic Energy, chaired by Senator Joseph M. Montoya, considered the proposed legislation authorizing appropriations to the NRC for fiscal year 1976 and the transition quarter at a public hearing on March 19, 1975. At this hearing, the Honorable William A. Anders, Chairman of the NRC, testified concerning the NRC budget request. Subsequently, NRC provided additional statements for the hearing records which provide detailed information on the budget requests of each of the component organizations of NRC.

D. Extension and Modification of the Price-Anderson Act

The Price-Anderson Act was enacted in 1957, and extended and amended in 1965 and 1966. The Act was designed to protect the public by providing for the payment of claims in the unlikely event of a catastrophic nuclear incident. Among other things, the Act provides funds for public liability in the event of a nuclear incident up to a total amount of $560 million. This amount is provided for by requiring nuclear powerplant licensees to maintain financial protection through insurance or other means in the full amount available from private insurance (currently $125 million) and by providing for government indemnity for the remainder of the $560 million. Other features included in the Act by the amendments of 1966 are no-fault liability and provisions for accelerated payment of claims immediately upon occurrence of a nuclear incident.

The Act was scheduled to expire on August 1, 1977. Because of the long lead times involved in planning new commitments to nuclear power, the Joint Committee began considering the matter of extension and possible modification of the Act during the 93rd Congress in order to prevent an unwarranted disruption in the planning process for nuclear power plants, such as might result from uncertainty over the future of the Price-Anderson Act.

The question of whether to extend the Price-Anderson Act received extensive consideration during the 93rd Congress. After comprehensive hearings, the Joint Committee reported out a bill, H.R. 15323, which was passed by the Congress with amendments and sent to the President on October 1, 1974. The President vetoed the measure on October 12, 1974, citing his approval of the substantive sections of the bill and basing his veto on "the clear constitutional infirmity of a provision in the bill which allowed the Congress to prevent it from becoming effective by passing a concurrent resolution within a specified time."

On June 9, 1975, the Nuclear Regulatory Commission submitted to the Joint Committee the report on the subject of sabotage and the theft of nuclear materials which had been requested by the Conference Committee on H.R. 15323.

On July 10, 1975, the Federal Energy Administration forwarded to the Congress proposed legislation which was introduced as H.R. 8631 by Mr. Price (for himself and Mr. Anderson of Illinois) on July 14, 1975, and as S. 2568 by Senator Pastore (for himself and Senator Baker) on October 28, 1975. These bills were identical to the bill which was passed by the 93rd Congress with two exceptions: first, the provision which caused the President to veto the bill was omitted; and second, the measure called for a 10-year rather than a 5-year extension of the Act.

The major change to existing law which would be made by the bills is a provision for replacing the Government indemnity with a retrospective premium insurance system over a period of years as more power reactors become licensed. This system would also allow an increase in the limit on liability above $560 million after Government indemnity has been phased out. This is expected to occur no later than 1985. Price-Anderson coverage would also be extended to offshore nuclear power plants and to shipments of nuclear material between NRC licensees via routes wholly or partially outside U.S. territorial limits.

The bills were referred to the Joint Committee and hearings were held on September 23 and 24, 1975, to consider that measure and the question of whether the Price-Anderson system should be extended to cover sabotage and the theft of nuclear materials. At those hearings, the Committee heard testimony from the nuclear power and insurance industries, the electric utilities, the Executive Branch, and a number of other organizations interested in this area.

The Joint Committee met in open session on November 6, 1975, and after full discussion, voted by a rollcall vote of 14–2 to report the bills favorably with six technical amendments. On December 8, 1975, the House of Representatives considered H.R. 8631 and passed the bill with one amendment by a vote of 329–61. On December 16, 1975, the Senate considered and adopted three amendments to S. 2568. By a vote of 76–18, the Senate then voted to pass H.R. 8631 with the Senate amendments. On December 17, 1975, the House agreed to the Senate amendments to H.R. 8631. The President signed the bill on December 31, 1975 (Public Law 94–197).

In its report on the bills to amend and extend the Price-Anderson Act, the Joint Committee requested that the Nuclear Regulatory Commission review the need for extending the Price-Anderson system to include plutonium processing facilities. The Nuclear Regulatory Commission advised the Committee on December 3, 1975, that once H.R. 8631 has been signed into law, the NRC will publish a "Notice of Intended Rule Making" as the first step in implementing the legislation. This notice will solicit the views of the public and interested groups on the question of extending Price-Anderson coverage to plutonium processing facilities and to the transportation of nuclear material to and from those facilities. Based upon those views, NRC will then decide whether Price-Anderson coverage should be extended.

E. Communities

The Subcommittee on Communities, chaired by Congressman John Young, held hearings in Oak Ridge on May 9, 1975, on H.R. 5689 and S. 1378, identical bills to permit financial assistance to be given to Anderson and Roane Counties, Tennessee, under the provisions of the Atomic Energy Community Act of 1955, as amended. The record of the hearings contains extensive data concerning the economic, social and financial characteristics of the two counties and the financial burdens imposed on the counties by the location and operation of the ERDA facilities at Oak Ridge, Tennessee.

It is essential that the communities at Oak Ridge maintain a level of services which will attract and maintain well qualified personnel for the national energy program being pursued in the Federal facilities at Oak Ridge. This need applies not only within the boundary of the City of Oak Ridge, but extends into the two counties, Roane and Anderson, from which the Federal Government carved the Oak Ridge Reservation during World War II. The need to provide an adequate level of services imposes financial burdens on these two counties as well as on the City of Oak Ridge, but the Community Act permits payments only to the city and not to the counties. S. 1378 and H.R. 5698 would correct this inequity which appears to have been as a result of an oversight when the Community Act was originally enacted.

The ERDA Authorization Bill was amended in the Senate to include Anderson and Roane Counties in the Community Act and to provide assistance to them for a ten-year period, ending June 30, 1986.

The House accepted the Senate amendment in Conference and the Atomic Energy Act will be so amended upon the enactment of the ERDA Authorization Bill. The President signed the bill on December 31, 1975 (Public Law 94–187).

The Subcommittee on Legislation, chaired by Senator Montoya, conducted hearings in Los Alamos, New Mexico, on October 14, 1975, to consider identical bills. S. 2435 and H.R. 9948, to amend the Atomic Energy Community Act with regard to the extension of the existing authorization to the Administrator of the Energy Research and Development Administration to continue to make payments of just and reasonable sums to the Los Alamos schools and the County of Los Alamos. The existing authority under the Community Act expires on June 30, 1976, for the schools and on June 30, 1977, for the county. The legislation would place the authority of ERDA to continue to make assistance payments to Los Alamos on essentially the same basis as that which now exists for the former AEC communities of Oak Ridge, Tennessee, and Richland, Washington.

As in the case of these other communities, the Federal Government expects Los Alamos to maintain schools and other local governmental services at a high level in order that the recruitment and retention of highly qualified people necessary for the very important energy research and development programs at the Los Alamos Scientific Laboratory will not be inhibited. The Los Alamos community, because of its genesis, its isolated geographical location and Federal activities, is essentially a one industry community and that industry is Government owned and tax exempt. It is for these reasons that legislation was introduced to continue the necessary assistance payments not only to reimburse the schools and local government for the burdens imposed on them by the Federal Government, but also to insure the success of the energy research and development programs at the Los Alamos Scientific Laboratory.

F. Nuclear power plant licensing improvements

Since 1971, the Joint Committee has been looking intently at the problem of delays in the siting and licensing of nuclear power plants. Extensive hearings on this issue were conducted in 1971, 1972, and 1974. The hearings conducted during the 93rd Congress focused on a number of legislative proposals which had been referred to the Joint Committee. These proposals included a bill sponsored by then-Chairman Price, a bill proposed by Representative McCormack, and a legislative proposal by the AEC. As a result of the hearings, Representative Price submitted a composite bill incorporating features of the various bills mentioned above.

During 1975, the Joint Committee continued its consideration of methods to improve the procedures for siting and licensing of nuclear power plants. Legislative proposals were again introduced on February 25, 1975, by Mr. McCormack (H.R. 3734), and on February 27, 1975, by Mr. Price for himself, Mr. Anderson of Illinois, Mr. Hinshaw, Mr. Horton, and Mr. Lujan (H.R. 3995). A legislative proposal was also submitted by the Nuclear Regulatory Commission and introduced as S. 1717 in the Senate and H.R. 7002 in the House of Representatives. Finally, a related bill to provide financial assistance to intervenors in nuclear licensing proceedings was introduced by Senator Kennedy on May 6, 1975 (S. 1665). Each of these bills was referred to the Joint Committee.

The changes in existing licensing procedures which would be made by those proposals include provisions for the following: designated sites reviewed in advance of specific applications; standardized plants; replacement of mandatory hearings with an opportunity for a hearing in certain instances; discretionary, rather than mandatory ACRS review of applications; limited work authorizations; interim operating licenses prior to completion of hearings, where need is shown and environmental and safety reviews have been completed; expedited hearing procedures; coordination of Federal and State reviews; and increased participation by intervenors through early notice of intent to file applications and through provision of technical reports and other documents.

Further hearings on these specific proposals were held by the Joint Committee on June 25 and November 11, 1975. Witnesses for the Nuclear Regulatory Commission testified at the June 25 hearing. During the November 11 hearing, the Committee received testimony from witnesses representing the nuclear power and electric utility industries, state energy facility siting agencies, utility regulatory authorities, and other groups with interest in this area.

Early in this session, the Committee conducted a survey of a large number of electric utilities in the country which have had experience with the licensing of nuclear power plants. With few exceptions, the respondents expressed disillusionment and frustration with the procedures governing the siting and licensing of nuclear plants. The principal areas of their concern include:

a. Time and technical resources consumed—The regulatory process requires that skilled scientists and engineers devote substantial amounts of time to answering regulatory questions and participating in licensing hearings, where that time would otherwise be used to develop designs and criteria for nuclear plants. The result of this burden is delay in plant design and completion.

b. Overlapping of Federal, State and local requirements—The regulatory requirements of many State, local and regional agencies overlap and conflict with Federal regulatory requirements. The need to satisfy these differing requirements has added to the delay in bringing nuclear plants into operation.

c. Review process and intervention procedure—Several respondents addressed the need to further improve the review process, including the resolution of generic issues, establishing the acceptability of the site early, and establishing specific limits on the scope of the various hearings. The hearing process itself drew considerable criticism because of the ease with which opponents of nuclear power projects, regardless of qualifications, can intervene and thereby delay the process.

d. Ratcheting or backfitting requirements imposed by NRC—The changes in regulatory requirements and regulations cause the applicant substantial uncertainty in planning a nuclear plant and result in substantial delays in the construction and operation of those plants already in the licensing process.

During this session, these and other similar concerns have been the subject of further inquiry by the Committee (see e.g. H. Rept. 94–260, June 4, 1975, at pp. 4–7; S. Rept. 94–174, June 4, 1975 at pp. 3–7) and the subject of extensive correspondence with the Nuclear Regulatory Commission (see e.g. March 19, 1975, Hearings on the Nuclear Regulatory Commission Authorizing Legislation, Fiscal Year 1976, Appendix 4).

In view of the State role in the approval of sites for nuclear power plants, the Committee's Executive Director sent a letter to the States which have already enacted or which are considering siting and licensing legislation, and, among others, the Governors' Task Force on Energy, and the National Conference of State Legislatures. The letter noted that an important part of the Administration's proposed legislation concerns the early approval of prospective sites for nuclear facilities. The success of the early site approval procedures would appear to depend in large measure on the participation in the site approval process by the State in which the site is located. A major area which apparently has not yet received thorough consideration is the role which a state should play in the site approval process considering, among other things, the Nuclear Regulatory Commission's and other Federal agencies' responsibilities, including those in the area of environmental decision making under the National Environmental Policy Act, as well as the responsibilities of state agencies and departments under state law. The letter solicited views and recommendations of the state agencies and departments which have responsibilities under state law for the approval of sites for power plants.

At the end of the session, the responses to these Committee initiatives and the record of the June and November hearings were being reviewed by the Committee staff.

G. Uranium Enrichment (Nuclear Fuel Assurance Act)

On June 26, 1975, Chairman John Pastore and Senator Howard Baker introduced in the Senate, by request, the Administration's proposed legislation for securing the construction of additional uranium enrichment plants in the United States. This legislation, entitled "The Nuclear Fuel Assurance Act of 1975" (S. 2035), is designed to provide the authority necessary to achieve objectives established by the President for the Nation's next increment of uranium enrichment capacity.

An identical bill (H.R. 8401) was introduced on July 8, 1975, in the House, also by request, by Vice Chairman Melvin Price and Congressman John Anderson. Under the proposed legislation, the Energy Research and Development Administration (ERDA) would be authorized to negotiate and enter into cooperative agreements with private organizations to build, own and operate uranium enrichment plants. The proposed legislation would also authorize ERDA to initiate construction planning and design activities for expansion of an existing Government-owned uranium enrichment facility. The submission of this legislation is consistent with the Committee's belief that additional uranium enrichment capacity is required and that action is needed now to assure that sufficient nuclear fuel will be available in the mid-1980's to meet our domestic and foreign commitments.

In order to have an objective review of all important aspects of the Administration's complicated proposal, the Chairman of the Joint Committee asked the Comptroller General of the United States to make an exhaustive analytical review of the Administration's proposal for Government assistance to private uranium enrichment groups. The GAO report, entitled "Evaluation of the Administration's Proposal for Government Assistance to Private Uranium Enrichment Groups", was submitted to the Committee on October 31, 1975.

On December 2, 3, 4, 9 and 10, 1975, the Joint Committee held extensive hearings on the Administration's proposed plan. Testimony was received from senior officials of the following organizations within the Executive Branch: the Energy Research and Development Administration, the Nuclear Regulatory Commission, the Federal Energy Administration, the Environmental Protection Agency, the Department of Justice, the Department of Labor, the Council of Economic Advisors, the Department of Treasury, and the Office of Management and Budget. In addition, the Committee heard testimony from Congressman William Harsha (R. Ohio) and from Elmer B. Staats, the Comptroller General.

The Committee also intends to receive testimony from the Secretary of State early in the next Congressional session, which will complete the Governmental phase of the hearings on this subject. It is anticipated that additional hearings will be scheduled soon thereafter to receive testimony from industrial firms interested in building enrichment facilities, from the utilities who would buy the output of such facilities, and from other interested parties and the public. The Committee intends to publish the record of the first five days of these hearings in the near future.

The hearings conducted to date have proven highly informative in terms of identifying the major policy issues associated with the Administration's proposed plan. Issues such as the appropriateness of the Government's proposed guarantees; the international implications; safeguards and security considerations; foreign participation; the sufficiency of competition; and the viability of the contingency plan to build an add-on Government facility have been thoroughly explored. Although the Committee has not yet reached any decision on the Administration's proposed plan, a consensus has developed that the Committee's review and approval authority for any specific proposals must be significantly strengthened. This matter is being explored further by the Committee with the Executive Branch.

II. AGREEMENTS FOR COOPERATION

A. On January 14, 1975, the Atomic Energy Commission submitted to the Congress a proposed amendment to extend for two years, until April 11, 1977, the Agreement for Cooperation between the United States and Israel which has been in existence since 1955. The proposed amendment was subject to the Congressional review procedure in Section 123d. of the Atomic Energy Act of 1954, as amended, in 1974 by Public Law 93–485 (88 Stat. 1460).

The agreement concerns peaceful research applications in the field of atomic energy such as the use of radioisotopes for agricultural and medical purposes and in reactor physics and nuclear chemistry. Under the Agreement for Cooperation, Israel purchased a 5 megawatt (thermal) research reactor from a United States manufacturer. That reactor, which became operational in 1960, is fueled with highly enriched uranium. The reactor is used for research in physics and chemistry and for the production of radioisotopes.

An open hearing was held on the amendment to the Act by the Subcommittee on Agreements for Cooperation, chaired by Congressman Teno Roncalio, on February 6, 1975, at which time testimony was received from Dr. Abraham S. Friedman, who was the then Acting Assistant Administrator for International Affairs in the Energy Research and Development Administration.

The Committee reported identical concurrent resolutions to the Senate (S. Con. Res. 15) and to the House (H. Con. Res. 114) which favored the proposed amendment. The concurrent resolution was passed in the Senate on February 19, 1975, and in the House on March 11, 1975. In regard to this agreement, it should be noted that the research reactor is capable of producing negligible amounts of plutonium (approximately 2 grams per year), which would become available only after the irradiated fuel is reprocessed. Moreover, the agreement is subject to the safeguards of the International Atomic Energy Agency (IAEA) under a trilateral safeguards agreement among the United States, Israel and IAEA. The terms of the Agreement for Cooperation have worked satisfactorily during its long existence and the Committee is not aware of any violation of its terms.

B. On January 8, 1975, the Atomic Energy Commission submitted to the Congress a proposal to increase the amount of enriched uranium which may be distributed by the United States to the European Atomic Energy Community (EURATOM). The amendment proposes that the 35,000 megawatt ceiling in the existing agreement be increased to 55,000 megawatts of electric energy.

This proposed amendment was subject to the Congressional review procedure under Section 54 of the Atomic Energy Act, as amended, by Public Law 93–377 (88 Stat. 473, 474).

The Subcommittee on Agreements for Cooperation conducted open hearings on this proposed amendment on February 6, 1975, and received testimony from Dr. Abraham S. Friedman of ERDA. The Committee reported identical concurrent resolutions to the House (H. Con. Res. 116) and to the Senate (S. Con. Res. 14), which favored the proposed amendment. The Senate passed the concurrent resolution on February 19, 1975. The House resolution was tabled on March 17, 1975. (Note: The Congressional review procedure under Section 54 does not require a Congressional vote on concurrent resolutions as does the procedure under Section 123d. This is why the House concurrent resolution could be tabled.)

Increase in the capacity ceiling from 35,000 to 55,000 megawatts does not constitute a commitment of the United States to furnish special nuclear material in any amount. The commitment to furnish such material would result from contracts for enriching services between the Energy Research and Development Administration and the purchaser of the services to the extent that enriching capacity is available. The Energy Research and Development Administration estimates that the proposed 20,000 megawatt electric increase in the ceiling would be adequate for all nuclear power plants to be built in EURATOM and which will require United States enriching services prior to July 1, 1984.

All special nuclear material which would be transferred to the Community would be subject to agreement provisions for safeguarding against the diversion of special nuclear material to military applications. All transfers of special nuclear material by the United States to the seven nonnuclear weapon States of EURATOM will be in accordance with the United States' obligations under the Non-Proliferation Treaty (NPT), of which safeguards are a part.

C. On January 8, 1975, the Atomic Energy Commission submitted to the Congress a proposal to increase the ceiling of special nuclear material which may be distributed by the United States to the International Atomic Energy Agency. The proposed increase in the ceiling for enriched uranium to a fuel total installed capacity of 2,000 megawatts of electric energy corresponds to the aggregate capacity of three nuclear power reactors to be purchased from United States manufacturers. These are the first power reactors to be purchased from United States sources through IAEA. Two of these reactors will be in Mexico and the other in Yugoslavia.

The proposed amendment was subject to the same Congressional review procedure discussed above with regard to the amendment to the EURATOM Agreement for Cooperation. The Subcommittee on Agreements for Cooperation held open hearings on the amendment to the IAEA agreement on February 6, 1975, and received testimony from Dr. Abraham S. Friedman of ERDA. The Committee reported a concurrent resolution to the House (H. Con. Res. 115) and an identical concurrent resolution to the Senate (S. Con. Res. 13), which favored the proposed action. The concurrent resolution was passed in the Senate on February 19, 1975, and was laid on the table in the House on March 17, 1975. As in the case of the situation with EURATOM discussed above, the commitment to furnish enriched uranium will result only under contracts for enriching services between the Energy Research and Development Administration and the purchaser of the services, and to the extent that enrichment capacity is available.

All of the enriched uranium which would be transferred would be subject to IAEA safeguards. Mexico and Yugoslavia are each member states of IAEA. Each of these countries is a party to the Non-Proliferation Treaty and each has concluded a safeguards agreement with IAEA pursuant to Non-Proliferation Treaty requirements. Reprocessing of the irradiated fuel from each of the three reactors could produce as much as 140 kilograms of plutonium annually. Under the terms of the United States-IAEA Agreement for Cooperation, the IAEA's statute, the United States'-supplied enriched uranium, including the plutonium which is produced by the irradiation and the subsequent reprocessing of that uranium, is subject to the IAEA safeguards system.

With regard to all internatioanl agreements, the Joint Committee stated in its reports on the concurrent resolutions discussed above that the prevention of clandestine proliferation of nuclear weapons is essential to any exchage program. It is therefore necessary that adequate control be maintained over the nuclear fuel for any reactor which is operated outside of this country under any agreement with the United States. This control can be achieved through the IAEA safeguards system or through other systems such as a requirement that the receiving country return the irradiated fuel to the United States for reprocessing. While an objective of the United States international program for peaceful purposes of atomic energy continues to be that other nations have the opportunity to enjoy the benefits of atomic energy, every prudent step must be taken to prevent the clandestine diversion of special nuclear material for other than peaceful purposes.

During this session a number of bills were referred to the Joint Committee on Atomic Energy dealing with the subject of various steps which should be taken to augment the safeguards which should apply to United States' participation in international nuclear trade. The Executive Branch opposed all of the bills which were referred to the Joint Committee. The Chairman of the Committee, Senator John O. Pastore (for himself and for Senator Mondale, Senator Inouye and Senator Montoya) on July 26, 1975, introduced Senate Resolution 221 which was referred to the Committee on Foreign Relations. The resolution called on the President to take the leadership in seeking cooperation in strengthening safeguards of nuclear materials. The purpose of the resolution is to convey the sense of the Senate that the President of the United States should seek:

1. Immediate international consideration of strengthening the effectiveness of the IAEA safeguards on peaceful nuclear activities, and intensified cooperation with other nuclear suppliers to insure that the most stringent safeguards conditions are applied to the transfer of nuclear equipment and technology to prevent the proliferation of nuclear explosive capacity;

2. Through the highest level of consultation in the United Nations and with the other leaders of the world community, an intensive cooperative international effort to strengthen and improve both the scope, comprehensiveness and effectiveness of the international safeguards on peaceful nuclear activities so that there will be a substantial and immediate reduction in the risk of diversion or theft of plutonium and other special nuclear material to military or other uses that would jeopardize world peace and security; and

3. Through consultation with suppliers of nuclear equipment and technology, their restraint in the transfer of nuclear technology and their cooperation in assuring that such technology and equipment is transferred to other nations only under the most rigorous, prudent and safeguarded conditions designed to insure the technology itself is not employed for the production of nuclear explosives.

The Executive Branch fully supported the objective of the resolution and believed that it would be supportive of the United States' efforts to abate the spread of nuclear weapons. Senate Resolution 221 was reported favorably by the Committee on Foreign Relations on December 10, 1975, and was passed by the Senate on December 12, 1975.

III. INFORMATIONAL HEARINGS

A. Naval reactors

On March 5, 1975, the Subcommittee on Legislation, in executive session, heard testimony from Vice Admiral Hyman G. Rickover, Director, Division of Naval Reactors, ERDA, on the status of the Naval Nuclear Propulsion Program and the Administration's request for authorizing funds for that program for fiscal year 1976 and the transition quarter. Much of the material was of classified nature and thus cannot be summarized here. It is of importance to note that Admiral Rickover reported that the United States had in operation 105 nuclear submarines and 7 nuclear surface ships; the 131 reactors in the naval program have been operated for a total of 1250 years without accident; and the nuclear fleet has steamed for a total of more than 28 million miles.

B. Liquid metal fast breeder reactor program

On March 19, 1975, Senator John O. Pastore, Chairman of the Joint Committee on Atomic Energy, established a Subcommittee under the chairmanship of Representative Mike McCormack to review the Liquid Metal Fast Breeder Reactor (LMFBR) Program and related activities of the Energy Research and Development Administration. The purpose of this review was to examine the various concerns that have been expressed and questions that have been raised within the Congress and outside by members of the public with respect to several fundamental issues such as the need and timing of the breeder program, the cost and potential benefits to be realized from it, and the attendant risks associated with the ultimate widespread commercial use of this type of energy production and conversion technology.

In order to gather pertinent background information, Subcommittee Chairman McCormack wrote a letter to 90 organizations and individuals posing a series of questions on energy trends, energy sources, the role of nuclear power, and safety and environmental concerns. Responses received were published in a Committee print entitled "Issues for Consideration—Review of National Breeder Reactor Program," August 1975.

During the Spring and Summer, the Subcommittee held a series of public briefings and hearings on the history of the nuclear power program, the nuclear fuel cycle, reactor types and characteristics, the enrichment process, present status of the civilian nuclear power program and the role of utilities in the Clinch River Breeder Reactor Project.

Throughout June and July, during a series of seven public hearings, the Subcommittee received oral testimony from representatives of government agencies, private industry, public groups and individuals presenting information on both sides of the issue relevant to the need for the breeder program. These included energy trends, alternate energy sources, safety and environmental considerations, safeguards, role of converter and breeder reactors, and cost-benefit analyses.

The Subcommittee has prepared a report stating its views, conclusions and recommendations with regard to the need and timing of the breeder. It is planned that this report will be published early in 1976.

C. Nuclear power reactor safety

The Joint Committee continued to devote major attention to the subject of nuclear power reactor safety over this past year. This was done in recognition of the fact that nuclear activities must be carried out in a manner which fully protects the health and safety of the public and which minimizes the impact of these activities on the environment. The health and safety record in the nuclear programs has been excellent, and there have been no radiation accidents in this country which have in any meaningful way jeopardized the public or the environment.

As part of its continuing attention to matters of safety significance, the Joint Committee held a hearing February 5, 1975, on the Nuclear Regulatory Commission (NRC) action of January 30, 1975, requiring the operators of 23 boiling water reactors to perform prompt safety inspections of certain piping in their plants. The purposes of this hearing were to determine the full extent of the situation requiring reactor shutdowns, its impact on the nuclear power program, and to bring this matter fully and openly to the attention of the public. The precautionary shutdown action was taken by NRC after the discovery of pipe defects in several operating boiling water reactors. Testimony was received at the hearing from NRC and the Union of Concerned Scientists. The hearings clearly brought out the fact that the piping problems presented no hazard to the public, and that there had been no releases of radioactivity associated with the defects in the affected operating plants. During the inspections ordered by NRC, no additional cracks were found in the pipes of 22 plants; one plant reported that it had found one additional small crack in its piping. All pipes in which cracks were identified have been replaced.

The Joint Committee also held a hearing September 16, 1975, on the circumstances and implications, particularly from the standpoint of nuclear safety, of a fire which occurred on March 22, 1975, at the Tennessee Valley Authority's Browns Ferry Nuclear Plant. The purpose of this hearing, as in the previous case, was to examine the causes and impact of the event in question, and to bring this safety-related matter to the attention of the public. Testimony was received from the Nuclear Regulatory Commission, the Tennessee Valley Authority and the State of Alabama.

The record of this hearing showed, contrary to numerous reports in the media, that the fire did not constitute a "near disaster" and that sufficient backup systems were available at all times to provide necessary cooling of the nuclear reactor cores. There was no unusual release of radioactivity to the environment, and no hazard was presented to the public. Although the hearings demonstrated that improvements are needed in design practices and operating procedures to minimize the possibility and consequences of such fires in the future, the incident showed that nuclear power plants indeed have a large margin of safety built into them.

On October 29, 1975, the Nuclear Regulatory Commission transmitted to the Joint Committee the final report of the Reactor Safety Study, which is generally referred to as the Rasmussen Report. The study, which was conducted over a three-year period, undoubtedly represents the most comprehensive risk assessment of nuclear plants ever made. The Joint Committee has strongly encouraged and supported this effort to quantify the risks associated with nuclear power, to put these risks into overall perspective, and to communicate these matters to the public in terms the layman can understand. The overall conclusion of the final report was that the risks attached to the operation of present-day nuclear power plants are very low compared to other natural and man-made risks.

D. Radioactive waste management

On November 19, 1975, the Joint Committee held a public hearing on the policies, plans and programs of the Executive Branch to provide for the safe storage and disposal of radioactive wastes produced in the commercial nuclear fuel cycle. This hearing was a part of the Committee's continuing efforts to stimulate the development of a comprehensive waste disposal program. Among these efforts was the Committee's directive in its report on the bill authorizing ERDA appropriations for fiscal year 1976 that ERDA prepare a comprehensive and detailed analysis of the options for storage and disposal of commercially generated radioactive wastes. This report is to be submitted to the Congress by March 31, 1976.

During the hearing, the Committee received testimony from ERDA on its research, development and demonstration activities on waste processing, storage and disposal. Testimony was also presented by the Nuclear Regulatory Commission and the Environmental Protection Agency on the standards and regulations being developed to assure the safe handling and disposal of radioactive wastes. The hearing served to show that there are no basic technical problems standing in the way of demonstrating an acceptable program for the disposal of radioactive wastes. The Committee will continue to devote major attention to this subject. It is planned that the record of this hearing will be published early in 1976.

IV. CLASSIFIED ACTIVITIES

A. Central Intelligence Agency

On April 8, 1975, the Director of the CIA briefed the Joint Committee on foreign intelligence matters. From time to time during the year, the CIA has provided the Committee with information concerning foreign intelligence relating to atomic energy.

B. Disarmament matters

On April 10, 1975, the Director of the Arms Control and Disarmament Agency briefed the Joint Committee on the status of the Strategic Arms Limitation Talks (SALT II) and the Mutual and Balanced Force Reduction negotiations.

On a continuing basis the Joint Committee, through its contacts with the Department of Defense, Department of State, Energy Research and Development Administration and the Arms Control and Disarmament Agency, keeps fully and currently informed on matters relating to disarmament.

C. Nuclear weapons

The Joint Committee continued its oversight over the nuclear weapons program of both the Energy Research and Development Administration and the Department of Defense. Authorization hearings were conducted on March 12, 1975, on the weapons program with ERDA and DOD witnesses. During the year, the Chairman expressed to the Executive Branch continuing concern over the adequacy of safeguards and security of deployed U.S. nuclear weapons in light of the growing terrorist threats worldwide.

V. OTHER ACTIVITIES

A. Confirmation hearings

The Senate Section of the Joint Committee held hearings on May 1, 1975, to consider the nomination of General Alfred D. Starbird to be Assistant Administrator of the Energy Research and Development Administration for National Security, and on June 27, 1975, to consider the nomination of Dr. Richard Roberts to be Assistant Administrator for Nuclear Energy. A joint hearing was held on March 14, 1975, with the Senate Committee on Interior and Insular Affairs to consider the nomination of Mr. Robert W. Fri to be Deputy Administrator, Dr. James L. Liverman to be Assistant Administrator for Environment and Safety, and Dr. John M. Teem to be Assistant Administrator for Solar, Geothermal and Advanced Energy Research, in the Energy Research and Development Administration.

B. Changes in committee membership, 94th Congress, First Session

James L. Buckley, New York: Appointed January 17, 1975.

Clifford P. Case, New Jersey: Appointed January 17, 1975.

James B. Pearson, Kansas: Appointed January 17, 1975.

John V. Tunney, California: Appointed January 17, 1975.

Andrew J. Hinshaw, California: Appointed January 29, 1975.

Frank Horton, New York: Appointed January 29, 1975.

VI. COMMITTEE'S PLANS FOR 94TH CONGRESS, SECOND SESSION

The Joint Committee on Atomic Energy is unique in that it is the only Committee of Congress authorized to receive and recommend to the Congress proposed legislation in the field of atomic energy. In addition under its statutory charter in the Atomic Energy Act of 1954, as amended, the Joint Committee on Atomic Energy was established as an agent of the Congress and the American people and charged with the responsibility of making continuing studies of the activities of the executive branch in the field of atomic energy and of problems relating to the development, use and control of atomic energy. Thus under the Atomic Energy Act, the Joint Committee on Atomic Energy has the responsibility of carrying out the "watchdog" or oversight function in that field.

The Joint Committee's plans in connection with its legislative and oversight responsibilities during the second session of the 94th Congress include the following:

A. Legislation

1. Annual authorization hearings will be held on the nuclear part of the ERDA budget.

2. Annual authorization hearings will be held on the Nuclear Regulatory Commission budget.

3. The Committee will continue its consideration of the Administration's Nuclear Fuel Assurance Act of 1975, identical bills, S. 2035 and H.R. 8401.

4. The Committee will consider the Administration's proposal to amend the Atomic Energy Act of 1954, as amended, to revise one of the bases for establishing prices for uranium enrichment services provided by ERDA. This proposal was introduced by request as identical bills, S. 2053 and H.R. 8389.

5. The Committee will continue its consideration of proposed siting and licensing legislation regarding nuclear facilities including the Administration's proposals (S. 1717 and H.R. 7002, identical), H.R. 3995 and H.R. 3734, S. 1665, as well as other bills related to the nuclear fuel cycle.

6. The Committee's legislative calendar includes numerous bills which deal with the Nation's atomic energy program and consideration will be given to the need for Committee action on these bills.

7. Additional consideration will be given to extension of the Atomic Energy Community Act of 1955 authority to Los Alamos County and the Los Alamos school district.

B. Oversight Activities

1. The Committee will consider a report, which the Energy Reorganization Act of 1974 requires the President to submit to the Congress, on recommendations regarding the transfer of ERDA's military application functions.

2. The Committee will consider the report which the Energy Reorganization Act of 1974 requires the Nuclear Regulatory Commission to submit to the Congress, on the need for and the feasibility of a Federal agency to carry out certain security functions with regard to safeguards.

3. The Committee will consider the report which the Energy Reorganization Act of 1974 requires the Nuclear Regulatory Commission to submit to the Congress on its nuclear energy center site survey.

4. The Committee intends to schedule hearings in March of 1976 to consider the question of which utilities in this country are in a financial position to permit them to assume additional financial risks under the Price-Anderson Act.

5. The Committee has requested the Nuclear Regulatory Commission to submit a report on whether Price-Anderson protection should be given to plutonium fabrication facilities.

6. The Committee intends to hold further hearings and examine closely matters relating to the proper disposal of radioactive wastes from the civilian nuclear power program as well as matters related to other parts of the so-called "back-end of the fuel cycle," such as reprocessing of irradiated fuel.

7. The Committee also intends to thoroughly review the progress which is being made by ERDA and other agencies to survey the adequacy of uranium ore supplies in the United States.

8. The Committee intends to continue to examine closely the activities of the Nuclear

Regulatory Commission to assure that the safety and environmental responsibilities of that agency continue to be carried out at the highest levels of efficiency and under procedures which are designed to achieve maximum efficiency, but without any sacrifice of the overriding goal of the regulatory mission.

9. The Committee intends to follow closely the progress which is being made with regard to the organization of the important Clinch River Breeder Reactor project and with regard to the plans for construction of the reactor.

10. If time permits, the Committee intends to schedule Section 202 hearings on the status of commercial nuclear power, including such matters as difficulties which are being encountered, fuel cycle problems, reliability and safety record.

11. In the international area, the Joint Committee will continue its active oversight of topics relating to the proliferation of nuclear technology, which could lead ultimately to the possible proliferation of nuclear weapons. The Committee will also continue its long-standing interest in maintaining and improving the security of U.S. nuclear weapons deployed at home and abroad. Finally, the Committee will continue its review of matters related to the International Atomic Energy Agency.

12. In the classified field, the Joint Committee will actively pursue items relative to the strategic arms limitation talks and the mutual and balanced force reduction meetings. Also, in executive session, the Committee will receive its annual briefing by the CIA on overseas matters related to atomic energy.

13. Pursuant to Section 202b of the Atomic Energy Act of 1954, as amended, the members of the Joint Committee who are Members of the Senate and members of the Joint Committee who are Members of the House of Representatives shall, on or before June 30th of 1976, report to their respective Houses on the development, use and control of nuclear energy for the common defense and security and for peaceful purposes.

WAKE UP AMERICA

Mr. TALMADGE. Mr. President, there has come to my attention an excellent address, "Wake Up America," by Mr. W. H. "Bill" Flowers of Thomasville, Ga., one of the State's leading businessmen, that I believe ought to be read by all Americans who value the free enterprise system and the economic security of our Nation.

Mr. Flowers forcefully and eloquently speaks social and economic truths that those of us in positions of leadership and people throughout the country would do well to heed. He is an outspoken critic of the buy-now-pay-later philosophy that has driven the United States into almost $600 billion debt, which has fanned fires of inflation, and which to a very large extent has caused vast segments of the American people to lose faith in the ability of their Government to do anything about problems that daily affect their lives and well-being.

Persistent pursuit of runaway spending policies and the concept that the Government owes the people something for nothing, according to Mr. Flowers, can only destroy the free enterprise system and bring our Nation to economic despair. I might add that I share his concern and concur wholeheartedly.

Mr. President, I bring Mr. Flowers' address to the attention of the Senate and ask that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

"Wake Up America"

Remarks by W. H. Flowers

Before reviewing some of our "myths", let's take a quick look at what we really are as a nation today.

1. We are composed of 200 million-plus souls.

2. 50 states with their own governments patterned after the national government.

3. A national government whose powers are divided between: (a) judicial (b) executive (c) legislative.

Let's put into perspective what this form of government has produced for our Nation:

1. The highest standard of living ever enjoyed by any civilization in history.

2. The framework under law to guarantee—even though imperfectly used at times—to all citizens equal opportunity to achieve the idealistic goal of happiness and well-being.

3. A formula called "due process"—which does not work perfectly at all times—for orderly change, as conditions and times merit change rather than resorting to violence and revolution.

Let's look for a moment at why this system overall has proved superior to any other known governmental form:

1. It makes possible the most efficient use of the three basic economic elements: (a) land (or raw material, and so forth); (b) labor; and (c) capital.

2. When governed by supply and demand instead of bureaucratic bungling, "the free market economy" management of these elements produces more for more people than any system ever devised.

Let's look briefly at how truly remarkable our Nation is when measured against the historic past.

1. Until 100 odd years ago, major change that would alter the course of civilization occurred approximately once every 500 years.

Examples: The discovery of (1) the wheel, (2) metallurgy, (3) the bow and arrow, (4) military formations such as Alexander's phalanx.

2. Now, let's look at some discoveries of the last 100 years: (1) electricity; (2) the combustion engine; (3) the atom; (4) computers; and (5) instant communication, as evidenced by television (where any person, institution or government structure can be accused, tried and convicted in 30 minutes of 6:30 p.m. prime news time).

These innovations have triggered hundreds of changes, any one of which in ancient times would have radically altered the course of civilization.

3. So, the wonder is that our institutions and form of government have held together at all. We are able to measure statistically the impact of most of these changes—except the 20 years of television—who knows what this powerful weapon will brainwash us into?

With what we have reviewed in mind—let's look at some of the "myths" we are living under and which have the Powers to destroy our Nation.

The greatest of these—easily, myth number one—is that Federal funds are inexhaustible, that there is no limit to how much more money Washington can spend, give away and throw away than it collects in taxes.

In its efforts to give every last citizen an ample diet, comfortable housing, good medical care and an old age pension, Congress has handed out benefits much faster than it raised taxes to pay for them. Nor can these tremendously expensive benefits be paid for by just taxing the rich. Even if we take away all the incomes over $20,000 a year we would not make a dent in the deficits.

An example of the fastest growing area of Federal domestic spending is social security. In 1954, the outlay: 4.2 billion dollars. In 1974: 76 billion dollars!

Congress and the administration have vied with each other to increase social security benefits until the program is already bankrupt, unless benefits are measurably reduced or taxes increased beyond reason to fund committed payments.

With the tax base now raised to the first $15,300 of income, about 18 million workers are paying up to $70.20 more social security taxes in 1976 for a yearly total of up to $895.05.

Even with that stiff increase, the projected deficit for the social security system is 6 billion dollars this year, compared with three billion for 1975.

Then, there is the food stamp program. This started in the mid-1960's as a modest experiment in the so-called "war on poverty". Now it has mushroomed into a $6-billion-a-year free-for-all giveaway.

People in genuine need of food stamp benefits—the extreme poor, the aged, the disabled, and children who are the helpless victims of poverty—are often denied adequate assistance because of red tape and bureaucratic mismanagement.

People for whom food stamps were not intended—individuals and families of moderate and even middle incomes, students in college, loafers, and the hustlers who are always on the lookout for something for nothing—find the food stamp program a haven from their own shiftlessness.

In short, it's like a crowded bus—it will hold just so many and the more aggressive persons get aboard. According to many reports, food stamps even have become currency in the blackmarket for liquor, drugs, and prostitution.

We know there is fraud and abuse in the food stamp program. What we do not know is how deep it runs or how much it costs the taxpayer. As the law now stands, I know of no way to untangle this administrative nightmare.

The law is shot full of loopholes. And each time Congress has purportedly tried to "reform" the food stamp program the loopholes have been made even larger. Instead of food stamp reform, we have had food stamp expansion.

It must also be said, to the shame of all Americans, that we have allowed to develop in this country a philosophy that people are entitled to something for nothing, and that Government ought to provide it.

Something must be done, unless, as former Budget Director Roy Ash has warned, the productive sector of our society is to become the slave of the nonproductive sector.

Myth Number 2: Government spending creates prosperity.

Higher taxes to pay for big Government spending programs have cut down the amount of money people can save. That's one reason money is so scarce.

Another reason money is scarce is because the Government has borrowed so much to cover its deficits that has driven interest rates so high people can't afford to borrow the money to buy homes, thus seriously damaging the construction industry.

The deficit for the current fiscal year ending June 30, 1976, is estimated at 70 billion dollars. Projections for fiscal 1977 range beyond 60 to 80 billion dollars.

It is unthinkable that we as a Nation should be going into the hole at a 60 to 80-billion-dollar-a-year clip and expect our Nation to survive.

Such astronomical figures are impossible for us to comprehend. But the principle of spending more than you earn and the consequences of it—are known to all of us.

Say you are earning 15 thousand dollars a year. Now, if you had a personal deficit running at the same rate as Uncle Sam's, you would be 1500 dollars in the hole this year. That might not be bad for one year, but next year you are planning to go over 3000 dollars in the hole—and so on.

Where does the money for the over-spending come from? You would have to borrow it at high rates of interest. The deeper you go into debt, the more interest you pay, and the harder it is to pay back the principle. And if every year brought an increasing deficit, how long do you think the bank would keep lending you money?

It is no different with a nation. If a nation spends more than it takes in, it must borrow. And when the debt mounts up to the place where it cannot pay, the banking community, individuals and other countries, will stop lending it money, and that nation will became bankrupt. We have seen it happen in New York City. The only difference betwen New York City and our Federal Government is the Government's power to print money—the most insidious of all taxation through inflation.

This path at an escalating rate is leading us to bankruptcy and loss of our freedoms. All these stories about tax cuts now—mean higher taxes later. There is no other way.

Myth Number 3: Planned inflation is good for national growth.

The shrinking dollar

Year:	*Worth*
1946	100¢
1956	72¢
1966	60¢
Now—1975	38¢
At this rate in 25 years:	
Inflation rate 3% a year	18¢
Inflation rate 6% a year	9¢
Inflation rate 9% a year	4¢

The only group whose buying powers has increased in recent years are the people who receive government benefits—welfare, food stamps, medical help, and social security, along with employees of government both local and National, these have increased dramatically with Federal employees exceeding those of private industry by 46%.

Social spending of all kinds is far and away the biggest item in government spending today. It takes most of our tax dollars, with the great monster to most liberals—the Defense Department—taking less than 20%. Most of it goes in an attempt to assure equality of education, quality of health care, equality of housing and equality of old age care. But in the end giving those things to the less fortunate puts a burden on all who work. Forty years ago one in sixty Americans paid income tax. Today the figure is one in three. Even the lowest paid workman must give up a large part of his earnings to pay welfare cost.

Myth Number 4: Government can be all things to all people.

Let's look at the "School Lunch and Child Nutrition Act."

Under H.R. 4222, which now becomes law, the old familiar school lunch program will become bloated beyond recognition. The act deals with non-school food programs, with feeding programs for mothers, and with summer feeding programs. The act will make the school breakfast program permanent. Under this measure, children from families of four with incomes up to $9,770 will be eligible for subsidized meals.

No one knows how much H.R. 4222 will cost. The best estimate is $2.7 billion in the current fiscal year, roughly $1.2 billion above what the White House had recommended for such programs. Those who recall the startling growth of the food stamp program will recognize a mushroom spore.

The question ought to have been asked years ago, and it should have been asked last year: How in the name of the Founding Fathers did the Federal Government get into the breakfast business? Does this Constitution impose no limits upon the legislative powers of Congress? Has the general welfare clause become a boundless reservoir in which the tenth amendment drowns?

We can see this irresponsibility in the food stamp program, as well as in the Child Nutrition Act. We come up with a program to help some needy people, and then we start to hear from those just above the level we set, and so we raise the level.

Whereupon, of course, those just above that level start to holler. You can't win that battle. It doesn't matter where you set the level, there is always going to be somebody just above it. That is a fact of life and one we ought to learn to deal with.

But we don't, we keep raising the level. We keep pulling more and more Americans under the welfare umbrella. And every time we do, we sap that much more energy from the economy, just that much more personal responsibility from individual citizens . . .

We are already spending $2.141 billion on six separate nutrition programs which impact directly on elementary and secondary schools and the children attending them. If we did a better job of focusing that money on the truly needy children, I cannot for one moment believe that it is not adequate to provide them with a good lunch . . .

By extending aid to families not in need, this bill would add $1.2 billion to the budget this year. Over the next five years, it would add $5 billion to the current program . . ."

Myth Number 5: Politicians can fool all the people all the time.

Let's consider the Humphrey-Hawkins equal opportunity and full employment bill.

This bill is beginning to gather adherents on Capitol Hill. Developed by Representative Augustus F. Hawkins (D-California) and cosponsored by Senator Hubert H. Humphrey (D-Minn.), the bill would require the President to come up with a new budget within 60 days, a budget that would cut unemployment during an 18-month period from present levels to below 3%—and keep it at that level or lower for all time. In other words, the Government would become the employer of last resort for every American willing and able to work. The bill, in fact, would allow citizens to sue the Federal Government if it failed to provide jobs.

Cost?—No one in Congress sponsoring this bit of political madness seems to know or care.

You ask any Congressman or Senator individually and he believes in (a) motherlove, (b) filial-piety, and (c) fiscal responsibility. Take them as a Congress—they are the most irresponsible people in the Nation in dealing with your money. Bills must be paid through taxation or the printing press—either one of which, and make no mistake about it—will destroy you and our country.

Myth number 6: Socialism is better and more productive than free enterprise.

Many people feel that the term "free enterprise" has a sinister connotation. Heading this list are educators, teachers, the media and students, and I'm sad to say we hesitate to get into the ring with them and slug it out. The word "free" is certainly understandable to everyone, but when it is combined with the word "enterprise", which suggests that people may have to do a little work, they back away from the term.

The degree of ignorance concerning economics in this country is incredible. The business and financial pages of the press have very few readers, Broadcasting—supplies little basic economic information simply because no one wants to listen to it. It's entirely possible that our economic system will go completely authoritarian, and at the same time, we will continue to have freedom of the ballot and the privilege of electing those who administer the economic system. This could happen through ignorance of our people, combined with the insatiable appetite for power by an expanding government bureaucracy and lethargy on the part of the business community.

It may be fitting that New York City, the most "liberal" city in the Nation, will be the first one to lose its representative form of government and be forced to submit to outside control.

Three hundred twenty seven years before Christ, Plato wrote in his great book "The Republic"—

"All forms of government destroy themselves by carrying their basic principles to excess. The first form is monarchy, whose principle is unity of rule. Carried to excess, the rule is too unified. A monarch takes too much power. The aristocracy rebel and establish a government whose main principle is that of selected families' rule. Carried to excess, somewhat large numbers of able men are left out, the middle classes join them in rebellion, and they establish a democracy whose principle is liberty. That principle, too, is carried to excess in the course of time. The democracies become too free, in politics and economics, in morals, even in literature and art, until at last even the puppy dogs in our homes rise on their hind legs and demand their rights. Disorder grows to such a point that a society will abandon all its liberty to anyone who can restore order."

Myth number 7: The purpose of education is to make us more "socially adjustable". Business—profit—and economics are dirty words.

I say the basic job of education is to renew the faith of our citizens. This is to state and to prove visibly that decentralized, lightly regulated system of private enterprise—controlled by the workings of the market—is still the best way to satisfy and serve all individuals in a large and diverse society. The welfare of all is served by the success of the individual parts—business, laborers, producers, and consumers.

Perhaps we should change the name "free enterprise" to "marketing economy". The uncomplicated economics of supply and demand, which are set by what the consumer wants and do not depend on some quota system dreamed up by an out-of-touch bureaucrat, should be taught in our schools. The uncomplicated economics of running a filling station, restaurant, or shoe store should be a required course. We should instruct our children from grade school on—that profit is not a dirty word, but an essential as a tax base for providing services to our people. This system of supply and demand may not be perfect, but neither is any other system of man perfect. Why does it work? Because it rewards productivity, not pandering. It promotes achievement, not complacency. It spurs action and does not condone idleness.

Myth Number 8: (1) A conservative is deaf, dumb, and blind to the needs of the people and the country. (2) A liberal is a socialist and a Communist.

Former Vice President Hubert Humphrey, who started his political career three decades ago as the "flaming" liberal mayor of Minneapolis, said recently that he has come to realize that conservatives are the most misunderstood and maligned people in our political system. . . . That conservatives are the true entrepreneurs, innovators and creators of jobs.

Nor does the liberal fare much better in our modern misuse of words. Some people immediately think of Communist, or, at least pinko, wherever they hear the word "liberal". Of course, he is neither.

We would do well to get these terms straight. In my experience, I have found that conservatives want to preserve the best of the past but are cautious about making changes. Whereas the liberals readily support some of the least productive schemes according to our past experience, yet they do stand for change. And in today's world, change is necessary.

In short, we need them both—liberal and conservative. And when we label one group or another and begin to feel that everyone in that group is bad, we play havoc with the forces of check and balance at work in our political and economic systems.

Myth Number 9: If the Federal Government allows New York City to default, we will create a "domino effect" causing other cities and states to default or not to be able to sell bonds.

How silly can we get when we ask tax payers all over America to pay debts of a city that spends approximately $1,700 per citizen on free services when other large metropolitan areas spend approximately $300 per citizen.

In Georgia a law was passed in 1937 prohibiting cities to spend in any given year more than 99% of revenue collected the previous year. Even Atlanta with its problems has excellent credit with a bond rating of AA.

Myth Number 10: We have 8.6% unemployment in this country.

George Meany and every politician and economist have repeated this misinformation until the majority of Congress and our people believe it. To measure unemployment you must first decide what is "the work force". You think this would be a simple head count at the unemployment office of "heads of families" that are looking for work.

Instead the Labor Department goes into a misleading formula that counts so called secondary bread winners as unemployed. These people are:

1. Part-time workers.
2. Housewives returning to work after years at home with a husband.
3. Teenagers looking for summer work.
4. Workers transferring from one job to another.

In September, 1974, 44% of those reported unemployed were in this category including persons newly entering the job market. The statistics our Labor Department uses includes 40% women.

Like a nightmare? When every politician on both sides of the fence uses these figures as reason for deficit spending it becomes more than frightening. We have spent more by billions than our take in taxes 37 out of the past 40 years and the rallying cry of our elected officials is "we must cure unemployment". The figures they use are more than 40% overstated when those on welfare and those who won't work are added to the tabulation.

Our enemies from within and without may try to profane the idea of a free representative government. And some of these people—though their actions are wrong—may have very good intentions.

Nevertheless, if we as taxpayers do not make our legislative representatives stop this vicious circle of spend more, tax more . . . and spend more again and tax still more . . . those of us who worked hard to build a business or buy a house or some land will soon be outweighed—in number and political influence—by those who did not.

Now—what can we do?—It's really quite simple. We must first accept the basic "walking around sense" premise that it's politically impossible for an elected official to cut a budget by "line item"—by that I mean the horrible problem now existing in Washington when one group of Senators and Congressmen want to cut the welfare budget, then—the group wanting more to spend at HEW rebel and want to cut the Defense budget and here we go—as a result, good intentions end up with no less spending of our tax dollars, but more.

The only way—we must insist massively that legislation be passed, making it mandatory by law that appropriations not exceed tax income. When this happens—by law, spending must be cut the same percentage across the board to match income. The only exception we should allow would be in the case of war. Thirty-seven of our States operate this way most satisfactorily—why not the national government? Time is short, when the President suggested a spending cut to accompany a tax cut—our elected officials screamed as if he had garroted them. Even if we can make Congress wake up and cut spending to match the proposed tax cut, we will still be looking at excess spending in fiscal 1977 in the neighborhood of $70 billion.

Like a mad hatter's tea party? You better believe it. The main difference between New York City and our Federal Government is a printing press—our time cycle is less than five years in my opinion before Government securities will receive the same rejection as New York City unless we can make Congress wake up.

You cannot bring about prosperity by discouraging thrift.

You cannot strengthen the weak by weakening the strong.

You cannot help small men by tearing down big men.

You cannot help the poor by destroying the rich.

You cannot lift the wage earner, by pulling down the wage payer.

You cannot keep out of trouble by spending more than your income.

You cannot further brotherhood of men by by inciting class hatred.

You cannot establish sound security on borrowed money.

You cannot build character and courage by taking away a man's initiative.

You cannot really help men by having the government tax them to do for them what they can and should do for themselves.

Who made these statements? President Lincoln, over 100 years ago.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business, S. 961, which the clerk will state.

The legislative clerk read as follows:

> A bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. The pending business is S. 961.

S. 961—THE WRONG APPROACH

Mr. GRIFFIN. Mr. President, it is not surprising that this and similar legislation in the past has failed to receive the approval of either the Senate Foreign Relations Committee or the House Committee on International Relations.

If enacted, S. 961 would:

Violate solemn international treaty obligations to which we are bound;

Repudiate widely recognized principles of international law that have been acknowledged and invoked by our Government on numerous occasions;

Provide a major precedent for unilateral action by other nations that could restrict our use of nearly one-third of the world's oceans;

Endanger the success of the third United Nations' Law of the Sea Conference when it reconvenes in New York in 2 months to seek a negotiated solution to the very problems this legislation tries to address; and

Increase the chances of a major military confrontation with the Soviet Union, Japan, or other nations endeavoring to protect their access to internationally recognized high seas.

My objections to this bill were spelled out in some detail in the supplemental views which accompanied the Foreign Relations Committee report on S. 961. A copy of those supplemental views—in which I joined the distinguished senior Senator from Wyoming (Mr. McGEE) is on each Senator's desk. I see no reason to restate them here. However, there have been some developments since those supplemental views were written which warrant at least our brief attention.

Shortly after the Foreign Relations Committee reported S. 961 unfavorably, a "Memorandum to the Senate Foreign Relations Committee Concerning S. 961" was released by the Commerce Committee. Since this memorandum argues that S. 961 does not violate international law, and would not require the abrogation of international treaty agreements, further comment is clearly in order.

On page 12, the Commerce Committee memorandum—and incidentally, Mr. President, I happen to be a member of both the Foreign Relations Committee and the Commerce Committee—asserts: "There are no specific treaty provisions that address the question of the permissible seaward limits of coastal State control over fisheries resources," and cites a "concurring opinion" and the opinion of "the five members of the majority" of the International Court of Justice Iceland Fisheries case to support this view.

To begin with, the merits judgment of the 1974 Iceland Fisheries case was decided by a vote of 10 to 4—the opinion attributed by the Commerce report to "the five members of the majority" is not a majority opinion at all, but simply a separate opinion by a minority of the judges of the International Court of Justice in the Iceland Fisheries case.

Then the question arises, are there specific treaty provisions that address the question of the limits of a coastal State's fisheries jurisdiction? Let us look at the provisions of two very important treaties.

The first two articles of the 1958 Geneva Convention on the High Seas—which was ratified by the President of the United States with the advice and consent of the Senate on March 24, 1961, provide:

ARTICLE 1

> The term "high seas" means all parts of the sea that are not included in the ter-

> ritorial sea or in the internal waters of a State.
>
> ARTICLE 2
>
> The high seas being open to all nations, no State may validly purport to subject any part of them to its sovereignty. Freedom of the high seas . . . comprises, *inter alia*, both for coastal and non-coastal States:
>
> (1) Freedom of navigation;
>
> (2) Freedom of fishing;
>
> (3) Freedom to lay submarine cables and pipelines;
>
> (4) Freedom to fly over the high seas . . .

Even though these two provisions of that treaty would clearly prohibit any unilateral control of fishing outside the territorial sea and internal waters of a participating nation, it has been argued that since the treaty does not specify the limits of a State's territorial sea, the practical result is that there are no treaty provisions addressing the question of our permissible fisheries jurisdiction limits.

However, that reasoning ignores article 24 of another international agreement in the 1958 Geneva Convention on the Territorial Sea and the Contiguous Zone, which was also ratified by the President with the advice and consent of the Senate on March 24, 1961.

Article 24 of that treaty provides as follows:

> 1. In a zone of the high seas contiguous to its territorial sea, the coastal State may exercise the control necessary to:
>
> (a) Prevent infringement of its customs, fiscal, immigration or sanitary regulations within its territory or territorial sea . . . .
>
> 2. The contiguous zone may not extend beyond twelve miles from the baseline from which the breadth of the territorial sea is measured.

Thus, when read together, these two treaties, both ratified by the United States in 1961, guarantee freedom of fishing on the high seas limiting a State's unilateral jurisdiction to not more than 12 miles.

At the second U.N. Law of the Sea Conference, in 1960, a U.S.-Canadian proposal for a 6-mile territorial sea and an exclusive fishing zone of another 6 miles failed by only one vote to achieve the necessary two-thirds majority required for incorporation into a treaty.

As I noted in a speech to the Senate on January 31, 1968:

> In 1958 and 1960, international conventions at Geneva were unable to agree on a uniform, universal norm as to the extent of the territorial sea. They did succeed, however, in establishing that a country's exclusive jurisdiction should not extend beyond 12 miles.

Similarly, in the Icelandic fisheries case, which as I said was decided by a 10-to-4 vote, the International Court of Justice said:

> At the 1958 Conference, the main differences on the breadth of the territorial sea were limited at the time to disagreements as to what limit, not exceeding 12 miles, was the appropriate one.

In its opinion the Court continued as follows:

> Two concepts have crystallized as customary law in recent years arising out of the general consensus revealed at that Conference. The first is the concept of the fishery zone, the area in which a State may claim exclusive fishery jurisdiction independently of its territorial sea; the extension of that fishery zone up to a 12-mile limit from the baselines appears now to be generally accepted. The second is the concept of preferential rights of fishing in adjacent waters in favour of the coastal State in a situation of special dependence on its coastal fisheries, this preference operating in regard to other States concerned in the exploitation of the same fisheries, and to be implemented in the way indicated in paragraph 57 below...

Paragraph 57 of the court's opinion reads as follows:

> The contemporary practice of States leads to the conclusion that the preferential rights of the coastal State in a special situation are to be implemented by agreement between the States concerned, either bilateral or multilateral, and in case of disagreement, through the means for the peaceful settlement of disputes provided for in Article 33 of the Charter of the United Nations.

Mr. President, all of this is to make it clear for the RECORD that by treaty and under the decisions of the International Court of Justice the unilateral assertion, as this legislation contemplates, of a fishing zone beyond 12 miles would be a violation of international law.

I hope that all of us are sufficiently aware and concerned about the tragic confrontation in recent weeks and months that has occurred between two of our close NATO allies, Great Britain and Iceland, over this very similar issue.

As I am sure that our colleagues are aware, Iceland's unilateral claim to a 200-mile fishing zone led to conflict with British fishermen who have traditionally made their living in the newly claimed waters. Fishing lines were cut, and in response Britain sent tugboats to the scene. The conflict rapidly escalated to ramming and shooting, and British warships were sent to protect the fleet.

Iceland threatened to break relations with Great Britain and to withdraw from NATO, and an American-manned communications station in Iceland has been made the target of a protest by Icelandic fishermen. According to news reports, these fishermen believe the United States should somehow force Britain to back down and remove its fishing fleet from around Iceland.

The fact that shots have been fired between citizens of Iceland and citizens of Great Britain is a tragedy, but it is only a tiny fraction of the horror that could follow enactment of S. 961.

There is little assurance that the Soviet Union—which is responsible for much of the fishing in the high seas which would come under this jurisdiction—would voluntarily accept our unilateral assertion of jurisdiction over waters extending 200 miles off our coast.

Under section 302(b) of this bill, if a Soviet fishing vessel were to be fishing 195 miles off our coast, the Secretary of Transportation, who has responsibility for the Coast Guard, would be empowered to order U.S. warships to board and inspect the vessel and to seize all fish and fishing gear found aboard the Soviet fishing vessel.

Such an act would violate article 22 of the 1958 Geneva Convention on the High Seas, which provides:

> ARTICLE 22
>
> Except where acts of interference derive from powers conferred by treaty, a warship which encounters a foreign merchant ship on the high seas is not justified in boarding her unless there is reasonable ground for suspecting:
>
> (a) That the ship is engaged in piracy; or
>
> (b) That the ship is engaged in the slave trade; or
>
> (c) That, though flying a foreign flag or refusing to show its flag, the ship is, in relity, of the same nationality as the warship.

Before the Senate acts on S. 961, I think every Senator should consider very carefully the consequences of unilateral disregard of our solemn international obigations—an act that could lead to very serious problems.

In view of the likelihood that our very first target might be a Soviet vessel, and in view of the fact that we would clearly be in the wrong under international law; I am not prepared myself to empower the Secretary of Transportation, or even the President himself, to use military force against foreign fishermen on the high seas 190 miles off our shores.

Mr. President, this is a bad bill. This Nation's foremost scholars of international law are agreed that its implementation would violate international law.

As the tragic situation off Iceland demonstrates, enactment of the bill could lead to very serious consequences. I hope this bill will not be passed by the Senate.

Mr. PASTORE. Mr. President, unlike my dear colleague from the State of Michigan, I believe that the bill we are considering now is a good bill. I must say at this juncture that you have to be hurt to feel the hurt.

The reason why this bill came out of the Committee on Commerce is that we have held hearings, and we have on the membership of that committee Senators who come from States that have felt the hurt. There is no question about it.

As to all this gobbledygook about navigation, there is nothing in this bill that impedes navigation in any way. This is a conservation bill. I know whereof I speak, Mr. President, because I held the hearings in Providence. I held the hearings in Boston. I heard the fishermen.

Only a short time ago, the fishermen from Rhode Island came to my office and explained to me that Russian ships had gone right through their gear, destroying all their lobster pots. These are small boats. These are small fishermen, unlike the fishermen who come here from Bulgaria and from Russia, with their gigantic factory ships that have the whole family aboard. They have cannery facilities aboard. And what are they doing? They are sweeping up all the fish off the coast of the United States of America.

The mackerel is gone, the haddock is gone, and the yellow tail is gone. Everything is going. The next question is, Where are you going to go to get your food, unless something is done?

As to the argument that we have been trying to work for an international agreement, we have become the patsies of that conference. All we do is get a lot of talk. All we do is get a lot of words, and nothing ever happens.

All we are saying here is that we should pass this law now; and if they do come to an international agreement, the law will expire automatically.

I ask the Senator from Washington, am I right?

Mr. MAGNUSON. The Senator from Rhode Island is right.

Mr. PASTORE. Absolutely.

That is the point, Mr. President. We hear all these legalisms about this treaty and that treaty. When are we going to start protecting American rights? That is the question. When are we going to begin to take care of our own people? That is the question.

Their gear and boats and lobsters have been destroyed. In my State, I had to appeal to the Economic Development Administration, and luckily we were able to get $250,000 in long-term, low-interest loans in order to save the businesses of the fishermen whose gear was destroyed by the Russians. These lobstermen came to me and said, "I'm ruined. My gear is all gone. I don't have any capital to buy any new gear. What am I going to do?"

That is bad enough, but there is also the conservation problem. The halibut is all gone. All these other species will be gone in time, unless we begin to conserve.

We are not saying to these people, "You have to stay out." We are not saying that at all. But within that 200-mile limit, we want to have some rules. We want to have some guidelines. We want to do this in a way that will preserve our natural resource. Senators will recall when our forests and our trees were being destroyed. If we had not begun taking conservation measures, where would we be today? That is all we are trying to do. We are trying to preserve the capital assets of America for our children and our children's children, and that is what the story is all about.

Mr. President, I support S. 961, the 200-mile fisheries bill for two fundamental reasons. I urge passage of S. 961, because we have to protect our fleets—our fishermen who have a tradition of three centuries of going out to sea and who are now losing their livelihood by the thousands. And the 200-mile bill should be passed, because we have to move quickly before breeding stocks of already seriously depleted species are endangered.

Virtually every single commercially valuable fish in the waters off New England is being rapidly depleted. You can name them—the cod, the haddock, the lobster, the Atlantic herring, the yellowtail flounder, the Atlantic mackerel, the Atlantic halibut.

If anyone needs to be convinced of the impact made by the foreign fleets on our New England fisheries, let him listen to the desperation expressed by our New England fishermen and the record is replete with these complaints.

All of us who are sponsoring this legislation know that ultimately the solution to the problem of the systematic destruction of our marine fishery resources by overfishing can only come when the nations of the world agree to an international regulatory regime governing the exploitation and the conservation of the world's fishery resources. But we feel very strongly that our fisheries and our fishermen must be given interim protection until such international agreements go into effect. Otherwise, there may be nothing left to protect.

After years and years of negotiations, the Law of the Sea Conference has not been able to arrive at anything even resembling an agreement on 200-mile legislation.

State Department officials have expressed uncertainty about obtaining an agreement by 1976. It may be several more years before deliberations are completed. And it is going to take a few more years after that—some have testified as many as 10 years—before the requisite number of nations will ratify the treaty to implement it.

So now we are talking about 1980 or 1985, or even beyond, before we have a working international instrument. If we continue to sit on our hands, which is the position of the State Department and the White House, there are just not going to be enough fish left worth protecting by 1980.

Our committee has taken testimony that by 1980 the world's fishing fleets are expected to take 100 million tons of fish. Scientists tell us that 100 million tons is the maximum yield of fish that can be taken from the oceans of the world annually without doing biological harm to world breeding stocks. The world's fishing fleets are now harvesting about 70 million tons of fish annually.

These are the best projections available to the National Marine Fisheries Service. But in the face of this kind of forecast, the State Department and the National Oceanic and Atmospheric Administration nevertheless come before us to tell us that we are making a serious mistake in considering this legislation. They plead with us to do nothing until the Law of the Sea Conference completes its deliberations.

In fact, our committee has held field hearings in various coastal locations throughout the country which have been hard hit by foreign fishing. I held hearings a year and a half ago in Providence and in Boston, and without exception the fishermen, the industry people, the academic researchers, and the representatives of State and local authorities responsible for fisheries tell us the same tragic story: The demise of American fishery stocks is directly proportional to the increase in foreign fishing effort.

And the disappearance of our fish is leading to the disappearance of our oldest native industry—fishing—with thousands and thousands of breadwinners being thrown out of work.

The State Department tells us that if the United States takes unilateral action in extending its fisheries zone to 200 miles, the United States position at the Law of the Sea Conference deliberations will be jeopardized.

I am in direct disagreement with the Department of State and so are a considerable number of Senators and Congressmen. Indeed, we feel that congressional approval of a 200-mile limit bill will strengthen the position of our negotiators. In fact, many observers tell us a 200-mile fisheries zone is likely to come out of the Law of the Sea Conference eventually.

We can no longer tolerate or afford delay because foreign fleets, anticipating a 200-mile zone coming out of the Law of the Sea Conference, are increasing their activity off our shores. Once a 200-mile fisheries zone is established, they will then be able to negotiate with us downward from a higher number of vessels because, and we all know this, a 200-mile zone will mean a gradual reduction in the number of foreign vessels, not a disappearance of all foreign vessels.

There is no question that if we do not take action quickly to try to moderate foreign fishing pressure in New England waters and in other American coastal areas, some species are going to be irreversibly depleted. This is not just rhetoric, because the National Marine Fisheries Service has done study after study demonstrating the decline of important New England fish stocks under the impact of foreign fishing fleets.

I am concerned about further delay and I remain skeptical about the effectiveness of international negotiation despite some heralded successes in establishing overall fishing quotas by the International Commision for the Northwest Atlantic Fisheries—(ICNAF)—recently.

My concerns flow from the general and fundamental lack of success of ICNAF, a vehicle for international negotiation, over the past quarter century. Now ICNAF was established when the Northwest Atlantic—the fishing grounds off New England, the Georges Bank and the Grand Banks—was still the richest and most prolific fishing grounds in the world.

With ICNAF watching these great fishing grounds, which New Englanders fished for centuries without doing ecological damage, the foreign fleets moved in and decimated the largest stocks of fish in the world.

Not until the very existence of the haddock was imminently threatened did ICNAF take firm action. But the damage to the haddock was so great that the member nations of ICNAF were forced to clamp a ban on all directed fishing for haddock.

For decades the Georges Bank haddock fishery had been yielding 50,000 metric tons annually, mostly to American fishermen. This is the maximum the Georges Bank haddock fishery could yield without sustaining biological damage. Our scientists knew this when the foreign fleets moved in in the 1960's and disrupted the balance sustained for so long by our New England fishermen.

Now, from a point 30 years ago where we took 50,000 tons of haddock yearly from the Georges Bank, our fishermen have been enjoined from going out and fishing purposely for haddock. Only accidental catches of haddock taken while fishing for other species are permitted.

This is not secret information. The facts and figures concerning the demise of the haddock have been developed by the National Marine Fisheries Service which has been documenting this catastrophe for 10 years now. But what did the United States do about it? Nothing. Nothing effective was done until the haddock was on the edge of extermination and it still remains to be seen if the

ICNAF agreements will work or can be enforced.

How effectively can ICNAF agreements be enforced? Let me tell you how difficult that can be despite the existence of agreements prohibiting trawling in the vicinity of lobster pot sets on the continental shelf, a massive Russian fishing fleet last year did immense damage to the pot sets of Rhode Island fishermen when they hauled their gear right through a restricted zone where the American equipment was located. Because many of these fishermen were about to go out of business as the result of the loss of their gear, we were compelled to appeal to the Department of Commerce, specifically the Economic Development Administration, for help. I am happy to say that Mr. Wilmer Mizell, the administrator of EDA, who understood our plight, made possible $250,000 in long-term, low-interest loan money to these fishermen to keep them in business.

I will not document what has happened to the yellowtail flounder or the herring or the cod but the tale of massive depletion of these species in the face of inaction by the United States is similar if not quite as dramatic. It is a story clearly told in the statistics and documents furnished me by the National Marine Fisheries Service. What I am saying is this is crisis fisheries management and totally inadequate.

As a matter of fact, the depredations upon our fish stocks and our fishermen by foreign fleets have become so severe that last year we had to add an additional Coast Guard helicopter to the fisheries patrol force in New England waters.

And what I am saying is that 25 years of international negotiations involving 16 countries through ICNAF has been tragically ineffective. The time for waiting for international negotiations to succeed is over.

Mr. President, this important bill deserves the support of every Senator who should understand that it has nothing to do with the issue of territorial seas. This bill will not hamper free navigation on the high seas. It will not hamper ocean research vessels. It will not extend the American territorial sea. It is a conservation measure. It will protect our fish stocks so that our children and grandchildren may enjoy as we have the bounty of the sea. It will protect the American fisherman who is generally a small entrepreneur in his competition with the massive state-owned or supported floating fish factories.

We have to move now before our fish and our fishermen find themselves on the endangered species list.

Mr. MAGNUSON. I thank the Senator from Rhode Island.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. MAGNUSON. Mr. President, I move that the Senate stand in recess until 2 o'clock.

The motion was agreed to and at 12:56 p.m. the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HELMS).

The PRESIDING OFFICER. The Chair, in his capacity as the Senator from North Carolina, suggests the absence of a quorum.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I have at the desk amendment No. 1187. It is my understanding that there are two proposed committee amendments from the Armed Services Committee with which this amendment is in conflict. Those amendments recommend the effective date of the act to be January 1, 1977.

My amendment would make the effective date of the act the date of enactment, but the enforcement date would be January 1, 1977.

Therefore, I ask unanimous consent that my amendment No. 1187 be considered a substitute for the two Armed Services Committee amendments en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, in order to explain what is involved here, it is necessary to refer to the concept of regional management used in the bill. This concept employs the use of regional fisheries councils for the preparing of both a plan for the utilization of the fisheries resources of the 197-mile contiguous zone, and the promulgation of regulations which would be approved and published by the Secretary, therefore, become Federal regulations.

These management councils will need some time to become organized. Yesterday the Senate agreed to my amendment which requires the Governors, if they wish to submit names, to do so within 45 days after the enactment of the bill. It requires the President to submit the names within 90 days after the enactment of the bill, and it then requires the management councils to initiate their actions leading to the formulation of these regulations and plans within 60 days after these appointments are confirmed and they have been established as a council.

The purpose of the amendment I have offered is to assure that the effective date of the bill is, in fact, the date of enactment. This will permit the management councils to proceed in accordance with the amendments which we adopted yesterday. This would mean that following the enactment of this legislation the names of potential members of the regional councils would be submitted both by the Governor and the President, the councils would be formed, and within 60 days after formation they could start the work of establishing the regulatory pattern, that is the type of plan for the jurisdictional area of the particular council. There would be no enforcement however of any of those regulations until the January 1, 1977, date.

The intent of having a January 1, 1977 enforcement date is to give those people who have argued that the Law of the Sea Conference will succeed this year an opportunity to demonstrate that, and if, in fact, the Law of the Sea Conference is able to successfully negotiate a treaty, this bill would then become the implementing legislation as far as the procedural aspects of our contiguous zone are concerned with regard to living resources of the sea.

If they do not succeed, then the regulations promulgated under a unilateral 200-mile fisheries jurisdiction would become enforceable.

I hasten to point out the last time we negotiated an international agreement with regard to the seas it was almost 8 years from the time the agreement was initialed until it was proclaimed by the United States to have been ratified by a sufficient number of nations to become effective international law and, of course, it would be a year or so before even this body would be able to ratify such an agreement.

We need interim protection for our fisheries whether the zone is created by a law of the sea treaty or whether we do it unilaterally. The intent of this amendment is to use the regional management councils as the framework for interim action needed to protect our fisheries within the 200-mile contiguous fisheries zone whether that limit is established by international consensus or by unilateral action of this Government.

I have discussed the matter informally with those on the committee that proposed the January 1, 1977, date and, I might say, my impression is they have no argument with the approach I am using in this amendment. I cannot confirm that, of course, until the committee spokesmen are prepared to make such a statement here on the floor.

I am willing to answer any questions about this amendment. I am hopeful we will be able to bring it to a vote as soon as the Armed Services Committee spokesmen are available.

I might inquire of my colleague if he wishes to proceed with his amendment and, if so, I would be more than willing to set this aside temporarily. I believe it would take a unanimous consent agreement to set it aside.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. Is it possible—because of the lack of communication so far from the Armed Services Committee—to set this amendment aside in order to take up another amendment?

The PRESIDING OFFICER. The Chair will state at this point, although the Senator from Alaska has received permission to call up his amendment, he has not technically actually called it up, so if he does not actually wish to call it up at this point, he would be able to yield to the Senator from Alaska for the purpose of offering another amendment.

Mr. STEVENS. Is my understanding correct, Mr. President, that the pending business would still be the committee's amendments unless we set them aside?

The PRESIDING OFFICER. Yes; that is correct.

Mr. STEVENS. I repeat the inquiry to my colleague from Alaska as to whether he wishes to proceed with any other amendment at this time.

Mr. GRAVEL. First of all, I have no objection to this amendment at all.

Second, I do have an amendment which is at the desk, which has been printed, and my colleague has informed me he has it under study. That is the amendment I would hope to press this body to adopt.

The amendment would be to give the States primary responsibility for the preparation of a plan which would then be approved by the secretary, and then the implementation of that plan would be handled by the State Governor in question.

I appreciate that such an individual plan would not work very well on the west coast or the east coast or the gulf coast because those areas lend themselves very readily to regional management systems. But with respect to Alaska, the coastline of which is equal to any one of the individual coastlines I have mentioned, that is, the west coast, the gulf coast, or the east coast, if those three areas offer from a geographic point of view the efficacy of regional management then, certainly, the situation in Alaska, the coastline of which equals any one of those three, would have the same efficacy of management by the State taking over its responsibilities in that regard.

This would not be a new activity for the State. This is an activity we have undertaken since statehood, have done an admirable job, and in fact, my objective analysis is that it has been a considerably better job than has been done by the Federal Government for the 50 years prior to the period we have had management of our fisheries.

So I would be prepared to call up my amendment at any time it would accommodate the managers of the bill, but as was said to me, they had it under study and I will not call it up until they are prepared to adjust themselves to it.

The PRESIDING OFFICER (Mr. SCHWEIKER). The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I ask that the unanimous-consent agreement which was previously agreed to regarding my amendment No. 1187 be rescinded and that my amendment No. 1187 be considered as a substitute for the Armed Services Committee amendments that appear on lines 3 and 4 of page 71.

I send to the desk a modified amendment. In view of the statement just made by my colleague, I will not call that up at this time, but I do want the RECORD to show that the previous agreement was rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRAVEL. Would the handling of that amendment come under the unanimous-consent request secured yesterday by the managers of the bill with respect to not impairing the ability to amend these sections again?

The PRESIDING OFFICER. The agreement of yesterday only applied to yesterday. Any agreement today would have to be specified today.

Mr. GRAVEL. I thank the Chair.

Mr. President, as an inquiry to the managers of the bill, they have stated repeatedly that the fish of our oceans are being drastically depleted by the viciousness of foreign fishermen.

Maybe they already have put it in the RECORD, but I wonder if they might detail for the Senate one at a time what those species of fish are so that we might know. Are we talking about the salmon, are we talking about the halibut, what are we talking about when we talk about what fish are being threatened?

I think it would be edifying to just tick off the fish in question and make a tally sheet and see what is really happening to each one of those species.

Mr. STEVENS. We would be glad to do that.

May I inquire, would the Senator have any objection to scheduling of some votes for Thursday?

We know Thursday will be a very active day. We have got this amendment, we have the Bentsen amendment, we have the Senator's amendment, and I understand that we are to have a motion to recommit.

If we could get an agreement to have those votes on Thursday, I think that it would facilitate the work of the leadership and would give notice to everyone when we intend to begin voting on this bill.

Mr. GRAVEL. I would be happy to have all those votes take place on Thursday. There is just one vote in question. I certainly know of no one at this point in time who intends to make a motion to recommit. Certainly, I have spent time here opposing it, and I hope the movers of the bill would not make a motion to recommit their own legislation. I do not know of anybody on our side right now that is planning a motion to recommit.

But certainly on the other votes and the vote on my amendment, with respect to the managers, I would be happy for a vote on Thursday.

Mr. MAGNUSON. I wonder if the Senator from Alaska would agree to the unanimous-consent request which the senior Senator from Alaska will make—that we conclude all votes on amendments to the bill—not final passage—or a vote on any motion to recommit on Thursday, at a time to be set by the leadership?

Mr. GRAVEL. I am in the process of doing research now for one amendment which I think will be very important—I think the Senator from Washington will appreciate the importance of that amendment when he sees it—that goes to the heart of this legislation, because there has been a lot of good work done by the committee on this legislation and I want to endorse that and support it.

So I am going to try to devise a way where the areas I think are harmful to our national policy can be removed from the bill or substituted to accomplish the same thing the Senator is.

Mr. MAGNUSON. I am not going to discuss the merits of any particular amendment at this time. What I am trying to do is see if we cannot come to some general agreement on voting on whatever amendments there are on Thursday.

Mr. GRAVEL. I would be happy to accommodate the Senator.

Mr. MAGNUSON. We will have to have the time limitation or the time certain for a vote set by the leadership.

I suspect that it would be later in the afternoon on Thursday because of other prior votes. If we can have such an agreement, I think we can then proceed.

Mr. GRAVEL. Yes.

Mr. MAGNUSON. The situation today is that we have no further amendments from our side ready to be voted on. The one to be offered by the Armed Services requires additional discussion with its sponsors. We have not been able to agree on the final terms of the amendment with either Senator TAFT, who sponsored it, or the chairman, Senator STENNIS. Both, Senator STENNIS should be here by Thursday, as I think will Senator TAFT. They are not available right now.

Senator McINTYRE has an amendment, which I think is a minor amendment. I think the managers of the bill would be willing to accept it. We also must have time to work on the Bentsen amendment which is on the shrimp matter. We are attempting to work out our differences on that amendment. So I think we could finish all printed amendments by Thursday.

I would not want to bar further amendments by the Senator from Alaska. He might think other amendments between now and Thursday.

I hope he does not, but he might.

In regard to the ones I have just mentioned, I believe we can get a unanimous-consent agreement to dispose of them by Thursday.

Mr. GRAVEL. I would have one caveat. That is the difficulty I have in catching up on the research, the chances to be able to get a consent request like we had yesterday which would not impair the amendment of a section which has already been amended. I can appreciate the committee wanting to perfect the bill and Members wanting to similarly perfect the bill. But I would like to have as great a latitude as possible.

Mr. MAGNUSON. I would agree to that. There might even be some amendments which the Senator from Washington might think of. But they would be minor.

But I am now talking about the so-called two or three major printed amendments. We will have to meet the problem of additional amendments after we are through with the printed ones.

Mr. GRAVEL. Very good.

Mr. MAGNUSON. I will not make the request now, but I want the RECORD to show that we probably can arrive at some agreement.

Mr. GRAVEL. And I want to underscore the Record in that regard, that we will make every effort to accommodate the Senator.

Mr. MAGNUSON. I would suggest the absence of a quorum, Mr. President, unless the Senator from Alaska wants to proceed.

Mr. GRAVEL. No. There was only the point I raised a moment ago, which I think would be helpful to the colloquy in question, and that would be to arrive at an agreement between ourselves as to what fish are being overfished and what fish are not being overfished. That is the heart of the Senator's argument.

Mr. MAGNUSON. I understand what the Senator from Alaska is trying to say. We have heard substantial evidence concerning this bill. I would like to flood the Chamber with the data and with pictures of the ships the foreign fishermen use. They look like ocean liners. The Chamber is hardly big enough to hold even the pictures.

We should get down to the facts about foreign overfishing.

As far as I am concerned, I want to stop them from fishing for any kind of fish, if I could. I do not care what kind of fish they are.

Mr. GRAVEL. My colleague knows I share his views in that regard.

Mr. MAGNUSON. I am including even the sardines out there.

Mr. GRAVEL. I know of my colleague's good intentions in wanting to protect the fisheries of the United States. I similarly want to protect those fisheries. I have tons of material and the Senator has tons of material. I believe we get carried away with the tons of information and material we have on the subject. When we get right down to the heart of the matter, let us start ticking off for our own edification and the edification of the Nation which species of fish today are threatened. Is it herring? Is it pollack? Is it halibut? Is it salmon? Let us name it and just make a list together. We will work together and with the affection we have for each other will just tick off these species so we will know the problem that the Nation faces. All we have are generalities that the fish are being overfished. I would like to know which ones and where they are located and maybe try to find a way to solve that problem.

Mr. MAGNUSON. I do not know that we should allow them to fish for any kind of fish in our pasture unless they practice conservation. There is no reason for them to do it. Personally, if I had my way about it, I would stop them from fishing for any kind of fish.

Mr. GRAVEL. But certainly the Senator from Washington would not want to deny——

Mr. MAGNUSON. This bill does allow foreign fishing within the 200-mile limit. If there is a good case, if conservation is practiced, we can make agreements such as we have now, within the 200-mile limit. As a matter of fact, the Senator from Alaska and I know that it is too bad this cannot be worked out another way. Two hundred miles is not a magic line. If we could, in some way, figure out how the shelves go out, in one place it might be 50 miles and in Alaska it could be the Bering Sea, the Continental Shelf. President Truman declared the Continental Shelf as part of our territory in the Truman Declaration. But is it possible to get such agreements with this bill?

When we talk about 200 miles we will be enclosing the bulk of the fish off our shores, those we do not want foreigners to destroy.

Mr. GRAVEL. But the Senator will agree with me that, as I stated, as I understood his statement, if we have an abundance of fish that we are not using, we are morally bound to see that that protein gets into the mouths of the hungry of the world.

Mr. MAGNUSON. If we have abundant fish, why not let them stay there?

Mr. GRAVEL. Stay in the water?

Mr. MAGNUSON. Yes. We do not have to fish them just because they are abundant.

Mr. GRAVEL. I believe I would part company, then.

Mr. MAGNUSON. If we want to fish them, we will.

Mr. GRAVEL. That is probably the greatest—I will not say it is the greatest arrogance but I think it is an unfortunate statement. If we have fish, rather than see them rot in the ocean, I would rather see them brought to a maximum sustainable yield and feed some human being. It does not have to be an American human being. I would rather we catch them and make the money in the economic process.

Mr. MAGNUSON. The bill provides for that. I get so put out about these foreigners fishing off the coast of my State I sometimes get carried away and appear willing to bar all their fishing.

Mr. GRAVEL. But with the record of the Senator in the Senate for trying to help the hard-to-help people, I am sure that down in his heart he wants to feed the hungry of the world as much as I do, and maybe more so. The Senator's record cries out that that is his position.

Mr. MAGNUSON. We do not have abundance in every case. We are not talking about that. If the people of the rest of the fishing nations are going to have to rely upon overfished stocks off our shores for the purpose of foodstocks, it is going to be pretty bad for the future of the world.

Mr. GRAVEL. Again, if I might state it again, this is the heart of the matter. Let us detail out what are the fish that we have in abundance and what are the fish that we feel are endangered. Let us make a list. There cannot be that many.

Mr. MAGNUSON. The Senator has a list, does he not?

Mr. GRAVEL. I would suggest some fish and maybe the Senator could agree or disagree.

Mr. MAGNUSON. The Senator's colleague said we would be willing to supply that. There are certain species we know about.

Mr. GRAVEL. For example, we feel that the pollock is overfished

Mr. MAGNUSON. The haddock is one in Senator McIntyre's country, and we know the problems about the salmon.

Mr. STEVENS. We have a chart on it.

Mr. GRAVEL. Maybe the chart could be brought out and we can discuss it.

Mr. MAGNUSON. What I am trying to find out is not to argue about the bill today, but to see if we can get procedures worked out where we can come to grips with these issues and then have some action.

Mr. GRAVEL. I think procedures would be dependent upon knowledge, and the knowledge I am trying to secure in this regard is what specifically are the fish which are being overfished within our 200 miles. If we can begin to identify them in a very methodical fashion, it would be better.

The Senator from Washington has stated haddock, and I agree that is a fish that is overfished. I would recommend that the Alaskan pollock is a fish that is being overfished. Would the Senator agree to that?

Mr. MAGNUSON. We now have the charts. The yellow tail flounder is one of them.

Mr. GRAVEL. I will buy that one, that that is a fish that is overfished.

Mr. MAGNUSON. May I inquire of the Senator from New Hampshire if he wished to make a statement today?

Mr. McINTYRE. That is correct.

Mr. GRAVEL. I would be prepared to hold off and accommodate him since he has just come into the Chamber. I would be happy to yield at this time.

Mr. MAGNUSON. I yield to the Senator from New Hampshire.

Mr. McINTYRE. I thank the distinguished chairman of the Commerce Committee.

Mr. President, I think I speak for the Atlantic seaports up off the New England coast, where we have been putting up with the Russians, the Poles, the behind-the-Iron-Curtain countries for so long that our fishermen are sick and tired of it.

So I rise to speak today with a strong sense of déjà vu. It was about a year ago that the Senate considered legislation similar to S. 961, an interim measure to extend our fisheries zone to 200 miles. At that time this body recognized the need for this interim fisheries protection measure and passed enacting legislation 68 to 27. Failure of the House to act last year resulted in the death of that bill. The earlier action of the House on this year's measure should add momentum to our efforts to enact this much needed legislation.

Today we find our fishing industry in the same situation it was last year. Foreign fleets continue to grow, utilizing destructive fishing practices.

Yet here we sit waiting for a multilateral agreement resulting from the Law of the Sea negotiations. An argument that even Ambassador Jack Stevenson, past head of the U.S. Law of the Sea negotiating team, does not expect for 3 years with several years passing before all nations ratify the agreement and it becomes effective.

We cannot wait any longer. The House

has acted and agreed with the Senate sense of urgency. Let us enact S. 961 and send it to the President for his signature.

Make no mistake, I wholeheartedly support our efforts to negotiate a Law of the Sea agreement. During this past year I traveled to Geneva, Switzerland, as a congressional observer for our negotiating team. I did this to add hope and new life to our team's efforts. I wanted these hard-working women and men to know that their tireless efforts were recognized and supported and that the United States wants to see a comprehensive treaty completed. I went, also, to see first hand the progress being made.

I must report to you that I returned from Geneva more convinced that this interim protection is needed. One single text was developed during this past session. However, my close contact allowed me to see that within the Law of the Sea Conference many factions and interest groups are developing. These barriers will take long and delicate negotiations to circumvent. The time and effort spent on these treaty negotiations must continue; but not at the expense of our domestic fisheries.

Enactment of S. 961 will not undermine these efforts.

S. 961 is consistent with the U.S. negotiating position on an economic zone for fisheries. General agreement does exist among nations at the conference to establish 200-mile fishery zones off coastal States. Given that S. 961 closely parallels the language contained in the Law of the Sea negotiating text with respect to fisheries, it clearly reflects an international consensus on this issue. In addition, the establishment by S. 961 of a 200-mile fishery zone is only interim legislation which will terminate with acceptance of international agreement on fishery jurisdiction. S. 961 therefore supports the Law of the Sea negotiations.

It has been argued that enactment of this legislation would conflict with present international law. Freedom of fishing has been recognized throughout the world but not as an unqualified right. The Geneva Conventions recognized the special right of a coastal nation to unilaterally adopt conservation measures off its shores.

It should be clearly understood that foreign fishing is not excluded in the 200-mile zone; it is merely regulated. Further, S. 961 requires the negotiating of new fisheries agreements to insure compliance with S. 961. These new agreements will include protection for our domestic stocks as well as for anadromous species which spawn in our rivers and waterways.

A clearly defined international rule delimiting coastal nation jurisdiction over fisheries resources does not now exist. Dramatic changes have recently occurred in the levels of fishery stocks, technology of fishing and the extent of distant fishing efforts. Adjustments in international law must be made to accommodate these changed conditions. Interim changes are justified now until such time as more sweeping changes occur through a Law of the Sea Treaty.

Other members of the Armed Services Committee and I, during hearings on S. 961, listened to the arguments of the Departments of State and Defense. Arguments were made that U.S. extension of our fisheries jurisdiction would lead to worldwide extension of a sovereign territorial sea.

Evidence presented in both open and closed sessions before this committee did not convince a majority of the Armed Services Committee on this point, and the Armed Services Committee, with the arguments of the military in opposition, voted, I believe by a vote of 9 to 7, to support this bill.

The committee did express concern for the apparent misrepresentation of this legislation. The International community must understand the limited scope and interim effect of the legislation. I dc not believe that the world community would react to our protection of our fish stocks as strongly as to claim a 200-mile extension of sovereignty.

I was convinced last year of the appropriateness of this action. This year I am even more concerned for waiting any longer and more convinced we should act now to create a 200-mile fisheries zone.

Mr. President, I have an amendment at the desk. I ask unanimous consent that it be reported.

The PRESIDING OFFICER (Mr. BELLMON). Without objection, the committee amendments will be temporarily set aside in order that the Senator's amendment may be taken up. The clerk will state the amendment.

The legislative clerk read as follows:

On page 43, line 9, insert the following new sentence after the period:

"The Secretary of State, upon the request of and in cooperation with the Secretary, shall, in addition, initiate and conduct negotiations with any foreign nation in whose fishery conservation zone or its equivalent, anadromous species spawned of fish spawned in the fresh and estuarine waters of the United States are found for the conservation of such species of fish."

Mr. McINTYRE. Mr. President, I call to the attention of the chairman of the Commerce Committee, the distinguished senior Senator from Washington (Mr. MAGNUSON), that the amendment I am offering today seeks to clarify the international agreements authorized under section 103a of S. 961. Specifically, my amendment will authorize the negotiating of an international agreement between the United States and those nations to which salmon spawned in American rivers and waterways migrate. The language in the original bill is ambiguous. I want to insure the protection and conservation of Atlantic as well as Pacific salmon.

Anadromous fish such as the salmon require special agreements for management and harvest because during their lifespan they visit the waters of several nations. Therefore, the fisheries bill we are considering today should include this provision I am offering.

This amendment is offered for the special protection and restoration of Atlantic salmon of U.S. origin, upon which this Government and the New England States are spending million of dollars. Section 103 of S. 961 authorizes the Secretary of State, upon request of the Secretary of Commerce, to initiate and conduct negotiations with foreign nations for the purpose of effecting international fisheries agreements with nations wishing to fish within the fishery conservation zone of the United States, and with respect to U.S. vessels wishing to fish in the conservation zones of other nations. It does not, however, cover the situation where the United States has no interest in fishing, but wishes to negotiate agreements the sole purpose of which is to conserve stocks of U.S. origin, while on their migrations to the feeding grounds of other nations, before returning to their natal rivers in the United States.

After 8 years of a steeply escalating over-exploitation of Atlantic salmon stocks of West Greenland, in 1972 a United States-Danish Atlantic Salmon Conservation Agreement was reached, by which the Danes agreed to phase out the "high-seas" fishery off Greenland by 1976; they also agreed to limit the "inshore" native Greenlander fishery to 1,100 metric tons. This agreement was incorporated into an identical measure by the International Commission for Northwest Atlantic Fisheries later in 1972.

However, it is generally thought that ICNAF is deficient in that the system of inspection and reporting is inadequate in terms of authority, funding, vessels, and manpower. Also, regulations for punishing infractions are unrealistic and, in effect, unenforceable.

It would be of little use to propagate and protect these salmon while under U.S. jurisdiction only to leave open the potential for exploitation once they migrated beyond 200 miles.

Finally, it is important to note that the amendment I am offering is consistent with proposals for conservation of anadromous fish as expressed in part II of the single negotiating text, as presented by the Chairman of the Second Committee of the Third U.N. Law of the Sea Conference.

I trust that the distinguished chairman and manager of the bill will find this amendment acceptable and agree to accept it.

Mr. MAGNUSON. Mr. President, I wish to say to the Senator that we had thought that the bill to provide for what he is suggesting, and his amendment should be acceptable. But in order to clarify it, the purpose of the amendment is again a classic case of what we need to happen. The Atlantic salmon were just wiped out completely, and what we are trying to do and what he is trying to do is give us a chance to build them back. That is all it amounts to.

Mr. McINTYRE. That is right.

All this amendment attempts to do is clear up any possible ambiguity so the United States and the Secretary of State can negotiate with foreign nations concerning the fish.

Mr. MAGNUSON. It encourages international negotiations as part of the effort to protect our fisheries.

Mr. McINTYRE. That is right.

Mr. MAGNUSON. So I am perfectly willing, and I am sure the Senator from

Alaska is willing, to accept the amendment.

Mr. STEVENS. I think the intent of this amendment is entirely consistent with our bill and clarifies it. I see no objection whatsoever.

I congratulate the Senator. I think it is a good amendment.

Mr. GRAVEL addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. GRAVEL. Mr. President, will the Senator yield for a unanimous-consent request on this amendment?

Mr. McINTYRE. I yield.

Mr. GRAVEL. What I wish to do is treat it as original text so in case we wish to amend that section later on we would not be foreclosed from doing that. We did this yesterday to protect the amendment.

It would not impair his amendment at all, not in the slightest, and I would agree with his amendment.

Mr. McINTYRE. Mr. President, I ask my good friend from the State of Alaska to explain again what he would wish to do.

Mr. GRAVEL. Yesterday we amended the bill with technical amendments. That is a process that normally takes place at the end of debate. The reason we did that is because they had some obvious corrections.

This is similarly an obvious correction.

I ask unanimous consent that it be treated as original text so in case we wished to amend that section of the bill later we would not be precluded from doing that. Under parliamentary rules, if we amend it, then we foreclose the ability to work in that section of the bill at a later time.

So, obviously, I am working on some research for some amendments to various sections of the bill.

It would not impair his section at all. I am in agreement with his amendment. I wish to be added as a cosponsor to this amendment.

All I wish to have done is to have it treated as original text.

Mr. McINTYRE. Mr. President, if I understand the request of the distinguished Senator from Alaska, he is stating that this paragraph, in which we have made this slight change to take out the ambiguity, would be foreclosed from further amendment if we now accept this amendment and take it as such. So, Mr. President, I am perfectly willing to do that, with the understanding, assurance, and promise of the distinguished Senator from Alaska that nothing he or his cohorts may do, or nothing that any of the opponents of this bill may do would have any effect on this very simple amendment which clears up some ambiguities. I am happy to hold the adoption of this amendment and keep it until a later date.

Mr. GRAVEL. No. I would make the unanimous consent right now and adopt the Senator's amendment, have it reconsidered, and lock it in. I shall then offer my name as a cosponsor of the Senator's amendment to show him my good faith.

Mr. McINTYRE. Does that protect the Senator from Alaska?

Mr. GRAVEL. Yes, we are both protected.

Mr. McINTYRE. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. GRAVEL. Yes, reserving the right to object, I ask the Senator to permit me to make the unanimous-consent request first.

Mr. McINTYRE. I am happy to hear the unanimous-consent request.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the amendment of the Senator from New Hampshire when adopted be considered as original text.

The PRESIDING OFFICER. Wtihout objection, it is so ordered.

Mr. McINTYRE. Mr. President, I ask unanimous consent that I be added as a cosponsor.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the distinguished Senator from Alaska be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McINTYRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if a motion to recommit this bill is going to be made it be made at the close of business tomorrow, with a vote to occur thereon on Thursday.

Mr. GRAVEL. Mr. President, I reserve the right to object.

Thus far I have been handling the floor in opposition to the legislation. That kind of a motion certainly would come from those parties who are in opposition to the legislation. I know of no person yet who has indicated to me that he would be making a motion to recommit. With the differences we have in this legislation, I do not know if a motion to recommit would be the best way to approach the problem.

With that thought in mind, I object to the request.

Mr. STEVENS. Mr. President, will the Senator yield before objecting?

Mr. GRAVEL. I am happy to yield, holding my right to object in reserve.

Mr. STEVENS. I made the request to the acting majority leader concerning this because there is, as the Senator knows, a rumor floating around that there will be a motion to recommit. We understand my colleague will not make such a motion. But it does seem that, if it is to be made, it ought to be made at the beginning of a bill like this before we get into the technical detailed amendments. I really think that it would be in order to set a time limit on the making of the motion to recommit. Then if someone wishes to make a motion to recommit, he can make it by tomorrow evening and we will know. When all of the Members are here on Thursday we can take it up. To have it made, say, on the following Monday, or Tuesday, after we have taken so much time on this bill I think would be in error.

I hope the Senator will allow us to set a time limit.

Mr. GRAVEL. I have never heard a unanimous-consent request made based on a rumor and on if someone is going to do something. We would have him locked in before that poor soul would know what he is going to do. So obviously this is so iffy and tenuous a proposal that I am surprised it comes from the proponents of the bill. This is the kind of action I would expect from our side of the aisle, but, no, the proponents wish to lock in a motion to recommit. I do not know as that is the best course of action.

We are sincerely trying to get the best legislation in the best interests of the country. So, with that in mind I feel constrained to object to that unanimous consent request.

The PRESIDING OFFICER. Objection is heard.

Mr. PACKWOOD. Mr. President, once again in the Senate we turn our attention toward the establishment of a coastal fisheries protection zone. As you recall, last year the Senate passed a 200-mile bill by a margin of 68 to 27, but similar legislation did not come up for a vote in the House. Now the House has passed 200-mile legislation of their own.

As we resume consideration of this measure in the Senate, it might be worthwhile to examine a few events which have transpired since we passed the bill 1 year ago:

First. Most significantly, the latest session of the Third Law of the Sea Conference held in Geneva adjourned last May without reaching a 200-mile accord. How this brings back memories of State Department officials who have implored Congress over the years not to act unilaterally on a 200-mile limit because a negotiated one was just around the corner. I can recall the litany all too well. We need to go back only a few short months prior to the Caracas session of the Law of the Sea Conference. The date is February 26, 1974, and Congressman Downing is questioning John Norton Moore, Deputy Special Representative for the Interagency Task Force on Law of the Sea, in proceedings before the House Merchant Marine and Fisheries Committee, Subcommittee on Oceanography on the prospect of achieving a negotiated 200-mile treaty at the upcoming Caracas session:

Mr. Downing. Now the Caracas conference will probably conclude when, in September?

Mr. Downing. Do you reasonably expect agreement at Caracus?

Mr. Moore. August 29.

Mr. Moore. The United States will be going to the session fully prepared to reach an international agreement, which we feel will be not only in our interest but one which will be in the interest of all nations. We hope very much that would be the outcome of Caracus. We would particularly expect at Caracus, at least, that there would be an outline or an agreed parameter of the out-

> lines of the final agreement. For our part, we are going, prepared to reach that agreement at Caracus and will be negotiating accordingly.

Well, Mr. President, by the end of August 1974 the nations meeting in Caracas had not reached agreement on a 200-mile limit so Mr. Moore was back before the House Merchant Marine Committee on September 25, 1974, explaining why. This gave Congressman Kyros an opportunity to ask Mr. Moore about the prospects for a 200-mile treaty at the next Law of the Sea Session in Geneva:

> Mr. Kyros. Let me ask you one question that you can perhaps answer categorically and it is simply this: By what date and in what year will we have a comprehensive Law of the Sea agreement on fisheries that will encompass every foreign nation fishing off our waters right now?
>
> Just give me a figure—10 years, 15 years, 50 years?
>
> Mr. Moore. There is no reason that we cannot have that agreement within 1 year, that is on the General Assembly schedule of not later than 1975.
>
> Mr. Kyros. A 200-mile fishing limit included within an economic zone, controlled by America, by the coast States within 1 year?
>
> Mr. Moore. That is correct. There is no reason we cannot have it on the General Assembly schedule which calls for any additional session or sessions of the Conference to be held no later than 1975 and if we can provisionally apply the treaty then provisional application would go into effect at that point.
>
> Mr. Kyros. When is your meeting in Geneva?
>
> Mr. Moore. March 17 to May 10.
>
> Mr. Kyros. Of what year?
>
> Mr. Moore. Next year.
>
> Mr. Kyros. A year from now, 1975, is that right?
>
> Mr. Moore. This coming year.
>
> Mr. Kyros. You mean to say you will have a treaty that the 37-odd nations that fish off the United States are going to sign?
>
> Mr. Moore. We very much hope it will be a much larger group than even those fishing off our coasts.
>
> Mr. Kyros. In the whole history of the Law of the Sea Conference this has never happened before. You could not go amiss?
>
> Mr. Moore. Unlike 1958 and 1960 we genuinely have a unique opportunity because it is being approached in a package treaty. All of the nations of the international community that have an interest are involved in these negotiations. If we lose the opportunity now for a widely agreed treaty it may never return.

Mr. President, Geneva is history, as will soon be 1975, and the 200-mile limit is not among them. Thus even the most optimistic proponents of a negotiated 200-mile limit have turned to face the pessimistic realities. So Mr. Moore returned to the House this year after Geneva to report that 200 mile negotiations "cannot be completed before mid-1976 at the earliest and at this time it is not clear whether or not a treaty can be completed during 1976." At the same time, Under Secretary of State Maw announced that he could not say whether the Law of the Sea Conference would conclude negotiation of a 200-mile treaty within 3 to 5 years.

Second, Yet the failure of Geneva to achieve a 200-mile accord is not the only event which has taken place this past year which would increase the burden on Congress to make such a limit a reality through legislation. I would like to call attention to valuable surveillance of foreign fishing carried out on a year round basis by the National Marine Fisheries Service. The Service reports each month the number of foreign fishing vessels it observes operating off a given U.S. coastal area. On the west coast, I receive from NMFS reports covering foreign fishing activity in an area stretching generally from San Francisco north to the U.S./Canadian border. In this coastal area of the United States alone, NMFS has observed a dramatic increase in foreign fishing vessels for each of the first 10 months of 1975 over 1974 except September:

Month	Vessels, 1974	This year	Percent increase (1975 over 1974)
January	0	7	700
February	0	8	800
March	0	66	560
April	7	94	100
May	72	107	49
June	75	111	48
July	86	114	33
August	75	82	9
September	87	28	[1] 68
October	13	23	76
Average percent increase (1975 over 1974)			60

[1] Decrease.

It is interesting to note that the only month which shows a decrease in foreign fishing activity is September. This decrease is due to the fact that the Soviet hake fishing fleet left the west coast and headed for home earlier this year. National Marine Fisheries Service estimates that the Soviet hake catch was down this year over last giving rise to speculation that the Soviets may have substantially depleted the west coast hake fishery.

Third. Of course, this year as last, the proposed unilateral establishment of a 200-mile zone brings with it fears that other countries will not respect the zone thereby causing a military confrontation. However, while we cannot cavalierly discard such fears, their credibility must be examined in the light of available evidence. For example, the Soviets have been extremely receptive to negotiations by U.S. private industry to a plan which would pay U.S. fishermen to fish for the Russians should a 200-mile zone be created. The existence of such negotiations indicates to me a certain willingness on the part of the Soviets to respect a 200-mile zone.

Fourth. Lastly, Mr. President, we cannot ignore the fact that other countries continue to move ahead on their own to protect their fisheries resources through the establishment of fishery protection zones. In the past year both Iceland and Mexico declared 200-mile zones joining a list of 36 other countries who have zones extended beyond the traditional territorial limits.

We are told by the State Department and others who oppose the unilateral establishment of fisheries protection zones that such actions are ill-considered and not in keeping with "international responsibilities." We are warned that others would not respect our zone if we went ahead on our own. The merits of recent international agreements are extolled as having a significant impact on reducing foreign fishing. And, as always, there is another session of the Law of the Sea Conference just around the corner upon which we can predicate rosy hopes for multilateral accord.

Mr. President, I am tired of indulging in these fantasies. I have taken some length in this statement to attempt to point out their weaknesses. I would prefer to see a 200-mile zone established in accord with the other countries of the world but I am not prepared to defer the matter indefinitely in favor of diplomatic niceties. When the Senate voted last year to approve a 200-mile zone it was our mandate for action—that we put this matter off long enough. It is time now to reaffirm that mandate. The events of the past year serve only to support our reasons for doing so.

Mr. HATHAWAY. Mr. President, in a recent article in a Wiscasset, Maine, newspaper, James Emerson of Maine Coast Seafoods poignantly posed the issue which we are in reality debating here today in connection with the 200-mile limit bill. Mr. Emerson said:

> Fishing has got to be controlled. What happens if the day comes when there's nothing, nothing at all out there. Then what are we going to do.

This is the issue. That is what we are talking about in debating whether or not to extend the U.S. fisheries limits to 200 miles. What are we going to do if the day comes when we no longer have a viable commercial fishing industry? Will we reach that day soon if we do not take steps to enact effective fisheries management programs? As the article in the Wiscasset newspaper points out, limited steps in fisheries management can be taken now, but they are only a "step in the right direction." Stronger and more effective management and conservation efforts are needed and are needed soon.

That is why I am a long supporter of extended fisheries jurisdiction and of the Magnuson Fisheries Management and Conservation Act. As a Senator from a coastal State, and a former member of the House Merchant Marine and Fisheries Committee, I have seen only too clearly what serious overfishing off our coasts has done to the New England fisheries. The problem is not just that U.S. fishermen are at a competitive disadvantage with the heavily subsidized foreign fleets off our shores, but that the fisheries resources themselves are being depleted. The State Department recognizes this fact clearly; the first response in a list of talking points which they distributed to all Members begins, "It is true that many stocks off the United States have been depleted by foreign overfishing during the past 15 years." The supporters of extended jurisdiction legislation do not disagree with the State Department on this fundamental fact; it is rather on the most effective means of protecting our depleted stock on which disagreement exists.

The effects of foreign fishing have been especially acute off the New England coast. In a particularly rich fisheries area—that of Georges Bank—88 percent of the total catch was taken by U.S. fishermen as recently as 1960. As of 1972, the figures were turned around and foreign fishing accounted for over 89 percent of the total catch from the Georges Bank area. In just 12 years the relative catch of U.S. and foreign fishermen was reversed. This statistic reflects untold economic disruption for our individual fishermen and, of course, an increasingly adverse balance of payments for the Nation as increasing market demand for fish products has been met by imports. Testifying before the Small Business Committee last spring at hearings on the "Economic and Loan Problems of the Fisheries Industry," Richard Reed of the Maine Sardine Council surveyed the damage done by foreign fishing to the sardine industry. He said that from 1941 to 1960, the sardine business had an average pack of about 2½ million cases a year. From 1962 to 1975, after foreign fishing started in earnest, the average pack was from 900,000 to 1 million per year. He felt that foreign fishing was resulting in the taking of the larger, strong fish and that a decline in the number of juveniles was taking place.

At these hearings, fisherman after fisherman stressed the need for extension of the fisheries limits as a necessary first step in correcting this situation: and significantly, they recognized that extended jurisdiction was not a complete or simple answer to a complex situation, but rather that each of them—and the industry as a whole—would have to cooperate in conservation efforts for the sake of the preservation of the industry itself.

It is obvious, however, that management of our fisheries resources is not a parochial issue; it is an issue in which there is an international stake which goes beyond State or national boundaries. And as I know others here have emphasized, S. 961 recognizes the international nature of the issue. It is an interim measure only, limited exclusively to jurisdiction over fisheries, and is designed to end when agreement is reached at the international level. In supporting this bill, I do not intend to denigrate the importance of the international negotiations which have been taking place over the past several years, but I do recognize the constraints that necessarily surround the achievement of a final international agreement. The most important of these constraints vis-a-vis our domestic fishing industry, is time. Now after 8 years of work, with prospects for agreement still not certain for the next Law of the Seas Conference, and with the prospect of several more years for ratification of any LOS agreement, the time constraint of doing nothing, pending successful international agreement, has become a critical factor for our fishing resources and industry.

Presiding at the small business committee hearings this past spring on the fisheries industry, the benign neglect of the Government toward this once thriving industry was again made apparent to me. Our one direct loan program for fishermen has been under a moratorium since 1973, and the Federal/State grant programs have been subject to attempted cutbacks. Fishermen have been denied relief from ravages such as the red tide phenomenon and no effective recourse is offered fishermen whose equipment is damaged or destroyed by foreign vessel operations. Once, the majority of fishermen might even have preferred this attitude of benign neglect on the part of the Federal Government. Now, however, over the past 15 years these people have seen the source of their livelihood, the fisheries resources, increasingly decimated by a force they necesarily cannot confront alone. Highly mechanized, heavily subsidized foreign fleets off our shores necessitate a change in our romanticized notions of the U.S. fishermen as successfully plying their trade against overwhelming odds. The industry is no longer successfully competing against these manmade odds: and in the end, the international community, as well as our domestic industry, will be the losers if effective management programs are not soon instituted.

Of equally significant international concern is the depletion of some species of fish beyond their optimal yields, even under existing bilateral and multilateral agreements. This is seriously threatening the ability of species to reproduce at harvestable rates. Other species are underutilized and need proper management and marketing support so that the resoures that we have may be more fully and beneficially utilized.

Finally, it should be emphasized that S. 961 requires the establishment of just such fisheries management programs, primarily through regional councils representing the States which have such a considerable stake in enactment of this bill. S. 961 is not a simple assertion of limited juridiction over our fisheries resources; enactment of the bill also requires that we assume the responsibility of managing and conserving those resources for the future. This responsibility is an important one, and one which is going to require the maximum cooperation of our fishermen, of other segments of the industry, and those involved at all government levels. That such cooperation can take place is again made apparent in the article which I cited earlier from the Wiscasset newspaper, and extended fisheries jurisdiction will give real force and effect to the limited management efforts now underway.

It will not be an easy task to fulfill the responsibilities assumed under this bill, nor do I expect it to be a noncontroversial effort. But it is a task which should begin now after the several years of delay and apparently unwarranted optimism as to the date of conclusion of international negotiations. I look forward to the expeditious passage of this measure.

Mr. President, I ask unanimous consent that the article by Ted McClellan be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHRIMP FISHING CLOSURE SET FOR APRIL 15

(By Ted McClellan)

New England Marine Fisheries officials and scientists from Maine, Massachusetts, and New Hampshire are treading the delicate path between insuring that shrimp fishermen make a liveable income on the one hand and that on the other, the shrimp population can grow to provide a lasting resource for the area.

To accomplish that, they've ordered a closure on shrimp fishing beginning April 15 after the normally good winter season ends. It is hoped by those involved that the fishermen can still meet their market demands, while also protecting the declining stocks of shrimp.

The species population has been declining ever since the "good days" back in the late sixties when over 31 million lbs. were caught in the Gulf of Maine area. Last year the catch was down to about 12 million lbs. and some experts predict that this year there are only 10 million lbs. of live shrimp in the entire population.

Biologist Ron Rinaldo of Boothbay Harbor's Bigelow Lab was one of several scientists, who warned if something wasn't done soon, shrimping would cease as an industry within three years.

Last summer an abbreviated closure lasted from June until September and received mixed reviews. Most agreed it was too short to have a lasting effect.

Rinaldo, who chairs the scientific advisory committee to the State-Federal Northern Shrimp Management Program, stated this week, that the forthcoming closure to last for an indefinite time possibly the rest of the year was a "good compromise agreement."

His committee had earlier recommended stronger measures including imposing a 5 million lb. yearly quota, a figure which would stabilize the shrimp population, but not necessarily let it grow. To do that, Rinaldo says, the quota figure would have to be even lower.

The plan was vetoed, however, because enforcement of a quota system is virtually impossible in the huge Gulf area. The three states marine resources departments don't have the manpower or the craft to do the job.

Rinaldo approves of the closure and commented, 'It's a step in the right direction'. There must be some form of management over the exploited species.

In an allied move, enforcement of new laws, that increased the mesh width on shrimp nets from 1½ inches to 1¾ inches, began January 1. The increase allows smaller shrimp to escape and thus helps in building up the stocks. The enforcement had been postponed since last year because that size mesh was scarce in some parts of New England. Many Maine shrimpers had already begun using the larger width mesh and the effect of the move here is minimal.

As the shrimp season progresses and the closure begins, the Department of Marine Resources 80 foot research vessel, the Challenge, will be taking samples from selected fishing spots and compiling a population index of the catch.

Shrimp after about 4 years turn, through a series of mutations, from male to female and then spawn. Scientists are concerned that if too many immature males are caught, as is the case now, the future for the fishery would remain in doubt.

The Bigelow Lab will also be checking the composition of catches at local processing plants.

Many area shrimp fishermen have indicated that because of the bleak prospects, they won't be going after shrimp at all this season.

Bob McLellan of Boothbay Harbor, captain of the 73 foot dragger, Miss Paula, is one of these and has rigged his boat with special nets to pair trawl for herring.

At the Bay Fish Co., a local shirmp processor, owner James Genovese indicated that only one small boat from his dock was going out after shrimp. He described the catches thus far in the season as 'way below' previous years, adding that with some species of groundfish going for the high price of $1.10 a lb., fishermen have no incentive to catch shrimp, which earns them 26 cents a lb. (raw).

As far as the closure, Genovese feels it couldn't hurt things, because the catches are so bad now.

His opinion was matched by another processor, James Emerson of Maine Coast Seafoods.

'It's hard to say,' he noted, 'but I think it'll do some good.'

At the moment no boats from the MCSF dock are out after shrimp, but several will be as soon as the weather clears.

Emerson is not bitter about the closure and states, 'Fishing has got to be controlled. What happens if the day comes when there's nothing, nothing at all out there. Then what are we going to do.'

ORDER FOR CONVENING OF SENATE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its busines today, it stand in adjournment until the hour of 12 o'clock meridian tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR KENNEDY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders or their designees have been recognized under the standing order on tomorrow, Mr. Kennedy be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the orders that have been previously entered have been consummated, the junior Senator from West Virginia (Mr. Robert C. Byrd) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS AND RESUMPTION OF CONSIDERATION OF UNFINISHED BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the orders for the recognition of Senators have been completed on tomorrow, there be a period for the transaction of routine morning business of not to exceed 30 minutes with statements limited therein to 5 minutes each, at the conclusion of which period the Senate resume consideration of the unfinished business, Calendar Order No. 498, S. 961.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GOLDWATER TOMORROW IN LIEU OF SENATOR JAVITS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the name of Mr. Goldwater be substituted in lieu of the name of Mr. Javits for the order for recognition on tomorrow which has been entered heretofore.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR NOMINATION OF BOB CASEY TO BE HELD AT DESK

Mr. MAGNUSON. Mr. President, as in executive session, I ask unanimous consent that the nomination of Bob Casey to be a member of the Federal Maritime Commission be held at the desk.

The PRESIDING OFFICER (Mr. Bellmon). Without objection it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 o'clock meridian tomorrow. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized each for not to exceed 15 minutes and in the order stated: Senators Kennedy, Symington, Tunney, Goldwater, and Robert C. Byrd.

There will then ensue a period for the transaction of routine morning business of not to exceed 30 minutes with statements limited therein to 5 minutes each, at the conclusion of which the Senate will resume the consideration of Calendar Order No. 498, S. 961, a bill to extend, pending international agreement, the fisheries management responsibility and authority of the United States.

Rollcall votes are expected on tomorrow on motions or amendments in relation to this bill. Rollcall votes could also occur on conference reports or on other measures.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock meridian tomorrow.

The motion was agreed to; and at 2:59 p.m., the Senate adjourned until Wednesday, January 21, 1976, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 20, 1976:

Department of State

Joseph A. Greenwald, of Illinois, a Foreign Service officer of the class of Career Minister, to be an Assistant Secretary of State.

Robert Anderson, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco.

Anne Legendre Armstrong, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

Willard A. De Pree, of Michigan, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Mozambique.

Albert B. Fay, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Trinidad and Tobago.

James W. Hargroves, of Texas to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nauru.

Rozanne L. Ridgway, of the District of Columbia, Deputy Assistant Secretary of State for Oceans and Fisheries Affairs, for the rank of Ambassador.

International Atomic Energy Agency

Galen L. Stone, of the District of Columbia, a Foreign Service officer of class 1, to be the Deputy Representative of the United States of America to the International Atomic Energy Agency, with the rank of Ambassador.

Department of Defense

James Gordon Knapp, of California, to be an Assistant Secretary of the Air Force, vice Frank A. Shrontz.

Uniformed Services University of the Health Sciences

The following-named persons to be Members of the Board of Regents of the Uniformed Services University of the Health Sciences for terms expiring May 1, 1981:

Lt. Gen. Leonard D. Heaton, U.S. Army, retired (reappointment).

David Packard, of California (reappointment).

Francis D. Moore, of Massachusetts, vice Malcolm C. Todd, term expired.

National Transportation Safety Board

Webster B. Todd, Jr., of New Jersey, to be a member of the National Transportation Safety Board for the term expiring December 31, 1980, vice John H. Reed, term expired.

Webster B. Todd, Jr., of New Jersey, to be Chairman of the National Transportation Safety Board for a term of 2 years (new position).

Consumer Broadcast Safety Commission

S. John Byington, of Virginia, to be a Commissioner of the Consumer Broadcast Safety Commission for a term of 7 years from October 27, 1975, vice Richard O. Simpson, term expired.

Federal Maritime Commission

Bob Casey, of Texas, to be a Federal Maritime Commissioner for the remainder of the term expiring June 30, 1978, vice George Henry Hearn, resigned.

Federal Reserve System

Stephen S. Gardner, of Pennsylvania, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1976, vice George W. Mitchell, term expiring.

U.S. Coast Guard

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

Wayne E. Caldwell
Anthony F. Fugaro
Charles E. Larkin, Jr.
Norman C. Venzke

U.S. AIR FORCE

The following officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. Frank G. Barnes, [redacted]FR, Regular Air Force.

Brig. Gen. James R. Brickel, [redacted]FR, Regular Air Force.

Brig. Gen. Daniel L. Burkett, [redacted]FR, Regular Air Force.

Brig. Gen. Rupert H. Burris, [redacted]FR, Regular Air Force.

Brig. Gen. Lynwood E. Clark, [redacted]FR, Regular Air Force.

Brig. Gen. Richard N. Cody, [redacted]FR, Regular Air Force.

Brig. Gen. John W. Collens III, [redacted]FR, Regular Air Force.

Brig. Gen. Richard B. Collins, [redacted]FR, Regular Air Force.

Brig. Gen. George A. Edwards, Jr., [redacted]R, Regular Air Force.

Brig. Gen. Andrew P. Iosue, [redacted]FR, Regular Air Force.

Brig. Gen. John E. Kulpa, Jr., [redacted]FR, Regular Air Force.

Brig. Gen. Howard W. Leaf, [redacted]FR, Regular Air Force.

Brig. Gen. Louis G. Leiser, [redacted]FR, Regular Air Force.

Brig. Gen. Dewey K. K. Lowe, [redacted]FR, Regular Air Force.

Brig. Gen. James E. McInerney, Jr., [redacted]R, Regular Air Force.

Brig. Gen. Richard E. Merkling, [redacted]FR, Regular Air Force.

Brig. Gen. Kenneth P. Miles, [redacted]FR, Regular Air Force.

Brig. Gen. Harry A. Morris, [redacted]FR, Regular Air Force.

Brig. Gen. William R. Nelson, [redacted]FR, Regular Air Force.

Brig. Gen. William C. Norris, [redacted]FR, Regular Air Force.

Brig. Gen. Jack I. Posner, [redacted]FR, Regular Air Force.

Brig. Gen. John S. Pustay, [redacted]FR, Regular Air Force.

Brig. Gen. Thomas F. Rew, [redacted]FR, Regular Air Force.

Brig. Gen. Carl G. Schneider, [redacted]FR, Regular Air Force.

Brig. Gen. Lawrence A. Skantze, [redacted]FR, Regular Air Force.

Brig. Gen. Henry B. Stelling, Jr., [redacted]FR, Regular Air Force.

Brig. Gen. John C. Toomay, [redacted] FR, Regular Air Force.

Brig. Gen. Stanley M. Umstead, Jr., [redacted]FR, Regular Air Force.

Brig. Gen. Jasper A. Welch, Jr., [redacted]FR, Regular Air Force.

Brig. Gen. George M. Wentsch, [redacted]FR, Regular Air Force.

I nominate the following officers for appointment in the Regular Air Force to the grades indicated, under the provisions of chapter 835, title 10 of the United States Code:

To be major general

Lt. Gen. William Y. Smith, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Lt. Gen. James A. Allen [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Lt. Gen. Eugene F. Tighe, Jr., [redacted]R (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Lucius Theus [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Guy E. Hairston, Jr., [redacted]R (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Charles F. Minter, Sr., [redacted]R (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Robert C. Mathis, [redacted]R (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Andrew B. Anderson, Jr., [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Ranald T. Adams, Jr., [redacted]R (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. William B. Yancey, Jr., [redacted]R (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Edgar S. Harris, Jr., [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Robert L. Edge, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Gerald J. Post [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. James A. Young, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

To be brigadier general

Maj. Gen. Benjamin R. Baker, [redacted] FR (colonel, Regular Air Force, Medical), U.S. Air Force.

Maj. Gen. Jesse M. Allen, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Lincoln D. Faurer, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Charles A. Gabriel, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Lloyd R. Leavitt, Jr., [redacted]R (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Winfield W. Scott, Jr., [redacted]R (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Lovic P. Hodnette, Jr., [redacted]R (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Bennie L. Davis, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Ralph J. Maglione, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Robert A. Rushworth, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Thomas M. Ryan, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Anderson W. Atkinson, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William J. Kelly, [redacted]FR (colonel, Regular Air Force, Judge Advocate General), U.S. Air Force.

Brig. Gen. George W. Rutter, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Edward J. Nash, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John W. Collens III, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William R. Nelson, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Jack W. Waters, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Billy M. Minter, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Kenneth P. Miles, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Louis G. Leiser, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Richard N. Cody, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John E. Kulpa, Jr. [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Charles F. G. Kuyk, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Richard E. Merkling, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. David B. Easson, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William L. Nicholson III, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William D. Gilbert, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Lynwood E. Clark, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284 and 3307:

To be major general

Maj. Gen. James Cliffton Smith, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James Joseph Ursano, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Patrick William Powers, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. George Magoun Wallace II, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles Echols Spragins, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Oliver Day Street III, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Hal Edward Hallgren, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Pat William Crizer, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Bert Alison David, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Bates Cavanaugh Burnell, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Lawrence Edward VanBuskirk, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles Raymond Sniffin, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Calvin McWhorter, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Calvert Potter Benedict, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Alan Hoefling, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Elwood Hoover, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William Loyd Webb, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert Jacob Baer, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Rolland Valentine Heiser, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert Haldane, [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Henry Everett Emerson, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Stan Leon McClellan, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Rutherford McGiffert II, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Thomas Howard Tackaberry, 555–26–9701, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. John William Vessey, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

The U.S. Army Reserve officers named herein for promotion as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371 and 3384:

To be major general

Brig. Gen. William Henry Ecker, Jr., [redacted].
Brig. Gen. Marvin Herman Knoll, [redacted].
Brig. Gen. Franklin Lane McKean, [redacted].
Brig. Gen. Harry Stott Parmelee, [redacted].
Brig. Gen. Harold Newton Read, [redacted].
Brig. Gen. Lawrence Drew Redden, [redacted].
Brig Gen. Walter Livingston Starks, [redacted].
Brig. Gen. Robert Murray Sutton, [redacted].

To be brigadier general

Col. William Roger Berkman, [redacted].
Col. Wilber James Bunting, [redacted].
Col. Robert Lorenzo Lane, [redacted].
Col. Henry Watts Meetze, [redacted].
Col. Lawrence Wilford Morris, [redacted].
Col. Berlyn Keasler Sutton, [redacted].

The Army National Guard of the United States officers named herein for promotion as Reserve Commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major general

Brig Gen. Henry Hammond Cobb, Jr., [redacted].
Brig. Gen. Nicholas Joseph Del Torto, [redacted].
Brig. Gen. Robert Earl Johnson, Jr., [redacted].

To be brigadier general

Col. Edward Donald Bangs, [redacted].
Col. Jean Beem, [redacted].
Col. Robert Julian Bradshaw, [redacted].
Col. John Joseph Dillon, [redacted].
Col. Raymond Eugene Grant, [redacted].
Col. William Walton Gresham, Jr., [redacted].
Col. Charles Edward Lamoreaux, [redacted].
Col. James Ray Owen, [redacted].
Col. Robert Darrell Weliver, [redacted].

The Army National Guard of the United States officer named herein for appointment as a Reserve Commissioned officer of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be brigadier general

Col. Richmond Lindley Vaughan, [redacted].

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be brigadier general

Col. Charles Emerson Murry, [redacted].
Col. John Grady Smith, Jr., [redacted].

IN THE NAVY

Vice Adm. Earl F. Rectanus, U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

IN THE AIR FORCE

The following Air Force officers for reappointment to the active list of the Regular Air Force in the grade indicated, under the provisions of sections 1210 and 1211, title 10, United States Code:

LINE OF THE AIR FORCE

To be colonel

Greene, Julius P., [redacted].

To be lieutenant colonel

Carney, Gilbert J., [redacted].

The following officers for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duty indicated, and with dates of rank to be determined by the Secretary of the Air Force:

DENTAL CORPS

To be captain

Kaplan, Gerald F., [redacted].
Stewart, Edward A., [redacted].

The following-named persons for appointment as a Reserve of the Air Force in the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Bargatze, Fred O., [redacted].
Berrick, William H., [redacted].
Bioletti, John J., [redacted].
Bogard, Dorr E., [redacted].
Carlson, Mary N. S., [redacted].
Fredd, Sumner G., [redacted].
Himelberger, Corydon G., [redacted].
Morgan, Charles J., [redacted].
Petersen, Dean A., [redacted].
Pile, Duane F., [redacted].
Rennebohm, John A., [redacted].
Richards, Warren L., [redacted].
Rose, Donald E., [redacted].
Semler, Leonard, [redacted].
Soman, Howard, [redacted].
Swensen, Alan D., [redacted].
Thesing, Thomas A., [redacted].

The following officer for appointment as a Reserve of the Air Force, in the grade indicated under the provisions of section 593, title 10, United States Code:

LINE OF THE AIR FORCE

To be colonel

Duke, Charles M., Jr., [redacted].

The following-named persons for appointment as temporary officers in the United States Air Force, in the grade indicated, under the provisions of sections 8444 and 8447, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Balais, Miguel F., [redacted].
Barbour, Neil G., [redacted].
Bargatze, Fred O., [redacted].
Baser, Ali N., [redacted].
Berrick, William H., [redacted].
Bioletti, John J., [redacted].
Bogard, Dorr E., [redacted].
Carlson, Mary N. S., [redacted].
Dattilo, Frank S., [redacted].
Domingo, Juanito L., [redacted].
Dunn, Joseph P., [redacted].
Felactu, James O., [redacted].
Fredd, Sumner G., [redacted].
Himelberger, Corydon G., [redacted].
Maddiwar, Gangadhar L., [redacted].
Malabanan, Francisco L., [redacted].
Martinez, Manuel R., [redacted].
Morgan, Charles J., [redacted].
Muzac, Andre, [redacted].
Patrick, Robert G., [redacted].
Payne, James E., Jr., [redacted].
Petersen, Deane A., [redacted].
Pile, Duane F., [redacted].
Rennebohm, John A., [redacted].
Richards, Warren L., [redacted].
Rose, Donald E., [redacted].
Semler, Leonard, [redacted].
Soman, Howard, [redacted].
Swensen, Alan D., [redacted].
Thesing, Thomas A., [redacted].

The following officers for promotion in the Air Force Reserve, under the provisions of sections 8376 and 593, title 10, United States Code:

Major to lieutenant colonel

LINE OF THE AIR FORCE

Tyson, Norman P., [redacted].

MEDICAL CORPS

Bass, Dwight R., [redacted].
Hoche, Georges A., [redacted].
Taylor, Gilbert W., [redacted].

BIOMEDICAL SCIENCES CORPS

Dubose, William P., III, [redacted].

IN THE ARMY

The following-named persons for reappointment in the active list of the Regular Army of the United States, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be colonel, Regular Army and colonel, Army of the United States

Kaplan, Clarence, [redacted].
Cogswell, David G., [redacted].

The following-named persons for appointment in the Regular Army, by transfer in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294:

To be major

Armstrong, Chalmers, [redacted].
Bugay, Glenn L., [redacted].
Connolly, James C., [redacted].
Mayer, Henry A., Jr., [redacted].

To be captain

Barnes, Holman J., [redacted].
Blaney, Thomas D., [redacted].
Copley, John B., [redacted].
Cummings, Douglas M., [redacted].
Eckert, Richard E., [redacted].
Ewart, Thomas W., [redacted].
Freccia, William T., [redacted].
Gandy, Charles L., III, [redacted].
Gonzalez, John J., [redacted].
Guinn, John W., III, [redacted].
Hansen, Mark F., [redacted].
Hayes, Brian E., [redacted].
Illingworth, William H., [redacted].
Jones, Robert P., [redacted].
Lascher, Michael F., [redacted].
Lupton, George P., [redacted].
Pope, John, Jr., [redacted].
Pryor, James E., [redacted].
Rollow, John A., IV, [redacted].
Rucker, Tinsley W., [redacted].
Smith, David S., [redacted].
Traylor, John A., [redacted].
Warncke, Ronald M., [redacted].
Wheeler, Bruce R., [redacted].
Young, Timothy R., [redacted].

To be first lieutenant

Barnhill, Danny R., [redacted].
Blakeslee, Don B., [redacted].
Bressler, Stephen A., [redacted].
Galehouse, Lawrence [redacted].
Gatrell, Cloyd B., [redacted].
Gordon, Maurice K., [redacted].
Harper, Michael G., [redacted].
Hollis, Harris W., Jr., [redacted].
Jones, Robert E., [redacted].
Kaup, Danny P., [redacted].
McCarthy, Joseph P., Jr., [redacted].
McGuinness, John P., [redacted].

McMurdo, Strathmore K. Jr., [redacted].
Moore, John W. M., [redacted].
Moser, Richard P., Jr., [redacted].
Prier, Ronald E., [redacted].
Redd, Richard A., [redacted].
Roberts, Herbert R., [redacted].
Roden, William C., [redacted].
Ryan, John B., [redacted].
Schroeder, David E., [redacted].
Skoog, Steven J., [redacted].
Vaccaro, John A., [redacted].
Van Dam, Bruce E., [redacted].
Wells, James R., [redacted].
West, Sterling G., [redacted].
Whitehead, Myron E., [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grade specified, under the provision of title 10, United States Code, sections 3283 through 3294 and 3311:

To be lieutenant colonel

Blom, John O., [redacted].

To be captain

Carano, James C., [redacted].
Clark, Royce E. S., [redacted].
Kelley, John A., [redacted].
Sirsi, David D., [redacted].

To be first lieutenant

Charlesworth, James, [redacted].
Clarke, Willie M., Jr., [redacted].
Drury, Gary L., [redacted].
Falk, Wonney, [redacted].
Isaac, Carol A., [redacted].
Patterson, Richard F., [redacted].
Rajniak, John D., [redacted].
Rambo, Janice A., [redacted].
Rose, Joseph P., [redacted].
Sculley, Patrick D., [redacted].

To be second lieutenant

Deback, Allyn G., [redacted].
Saye, Jackie W., [redacted].

IN THE ARMY

The following-named officers in the Army of the United States, under the provisions of title 10, United States Code, section 3447.

To be colonel

Adams, James W., [redacted].
Addison, Richard L., [redacted].
Aleong, Fletcher A., [redacted].
Alexander, Lyle K., [redacted].
Allanson, Will B., [redacted].
Andrews, Donald A., [redacted].
Andrews, Donald G., [redacted].
Andrews, William G., [redacted].
Annette, Robert W., [redacted].
Apperson, Jack A., [redacted].
Arnecke, Charles O., [redacted].
Austin, Clinton W., [redacted].
Austin, Kenneth B., [redacted].
Bahnsen, John C., [redacted].
Barry, Joseph A., [redacted].
Basil, Benjamin J., [redacted].
Bass, Robert L., [redacted].
Bassham, Archie F., [redacted].
Bauer, Philip O., [redacted].
Beaumont, Charles D., [redacted].
Beck, Buddy G., [redacted].
Becker, Donald L., [redacted].
Belcher, Eugene R., [redacted].
Bell, James F., [redacted].
Bell, Joel H., [redacted].
Benoit, William R., [redacted].
Benson, Frederick S., [redacted].
Bergen, James P., [redacted].
Bettinger, Francis, [redacted].
Bittl, Frederick E., [redacted].
Blake, Richard J., [redacted].
Bliss, Donald E., [redacted].
Bonito, Louis J., [redacted].
Booras, Peter D., [redacted].
Borris, Roger J., [redacted].
Branscum, Billy R., [redacted].
Brockway, Lawrence, [redacted].
Brokenshire, James, [redacted].
Brown, George A., [redacted].
Brown, James E., [redacted].
Brumback, Robert M., [redacted].
Bryan, Clyde M., [redacted].
Buchwald, Donald M., [redacted].
Buckard, Danny J., [redacted].
Burke, William M., [redacted].
Burnette, Sheldon J., [redacted].
Burns, Joseph C., [redacted].
Burns, Paul P., [redacted].
Cameron, Duane G., [redacted].
Cardillo, Richard G., [redacted].
Carpenter, Robert D., [redacted].
Cataldo, Fulvio J., [redacted].
Cathcart, James E., [redacted].
Chapman, Charles W., [redacted].
Chapman, Robert B., [redacted].
Child, Paul W., [redacted].
Childs, Wendall A., [redacted].
Cipriano, Alexander, [redacted].
Clemmons, Robert H., [redacted].
Cody, William F., [redacted].
Cole, Raymond F., [redacted].
Coleman, Willie A., [redacted].
Collins, William O., [redacted].
Comeau, Robert F., [redacted].
Condry, Willie J., [redacted].
Conner, Donald H., [redacted].
Cook, John J., [redacted].
Cook, John J., [redacted].
Corley, William L., [redacted].
Cornell, Robert K., [redacted].
Cottrell, Walter A., [redacted].
Courtney, Clemon G., [redacted].
Couvillion, Herbert, [redacted].
Cowan, Donnely G., [redacted].
Crawford, William R., [redacted].
Crawley, Paul K., [redacted].
Creel, Tilford C., [redacted].
Cunniff, Roy A., [redacted].
Currey, Charles E., [redacted].
Deberardino, Anthony, [redacted].
Demoss, James R., [redacted].
Deprospero, Albert, [redacted].
Deshields, William, [redacted].
Dill, Bobby M., [redacted].
Dillon, Alfred M., [redacted].
Dowdy, Harry K., Jr., [redacted].
Draper, Leo, [redacted].
Dreher, Henry E., [redacted].
Drummond, James E., [redacted].
Dubose, Perryman F., [redacted].
Dugan, Daniel C., [redacted].
Dunn, James H., [redacted].
Durbin, James J., [redacted].
Durkee, Richard Y., [redacted].
Dyer, Howard B., [redacted].
Easterling, Ned H., [redacted].
Eckelbarger, Donald, [redacted].
Eddins, Watha J., [redacted].
Elam, Fred E., [redacted].
Elder, Perry B., Jr., [redacted].
Elliott, Bernard V., [redacted].
Falbo, John J., [redacted].
Faugust, Robert E., [redacted].
Fitzgerald, Richard, [redacted].
Fleming, Norwood W., [redacted].
Folta, Russell J., [redacted].
Fugitt, Billy W., [redacted].
Fulp, Charles A., [redacted].
Furlong, George P., [redacted].
Gabrielli, Robert J., [redacted].
Gage, Walter G., [redacted].
Gannon, James V., [redacted].
Gates, Kermit H., [redacted].
George, James R., [redacted].
Gibbons, Bruce H., [redacted].
Gimple, Lloyd A., [redacted].
Ginter, Kenneth E., [redacted].
Golden, William L., [redacted].
Goodwin, Robert E., [redacted].
Gorey, Paul J., [redacted].
Gransback, Donald H., [redacted].
Grant, Donald E., [redacted].
Green, Gilbert R., [redacted].
Griffiths, Gerald S., [redacted].
Grimes, Donald B., [redacted].
Grimes, Mary J., [redacted].
Gudinas, Donald J., [redacted].
Gunderson, Raymond, [redacted].
Hadly, William M., [redacted].
Haendle, Karl V., [redacted].
Hagedorn, Zach, Jr., [redacted].
Hall, David R., [redacted].
Hallock, Richard G., [redacted].
Hamel, Albert W., [redacted].
Haponski, William C., [redacted].
Harbuck, James B., Jr., [redacted].
Harleston, Robert A., [redacted].
Harmon, Leonard J., II, [redacted].
Harron, Dennis J., [redacted].
Hart, Edward P., [redacted].
Hayes, Moody E., [redacted].
Heller, John M., [redacted].
Henne, Carl, Jr., [redacted].
Henry, Robert B., [redacted].
Hergenroeder, Leo A., [redacted].
Herring, Shelby D., [redacted].
Hess, Carl H., [redacted].
Higdon, James W., [redacted].
Highfill, James K., [redacted].
Hilmes, Jerome B., [redacted].
Himes, Todd I., [redacted].
Hissong, Fred, Jr., [redacted].
Hix, Preston D., [redacted].
Hogan, Wayne C., [redacted].
Hoge, Philip R., [redacted].
Holbrook, Willard A., [redacted].
Holton, Stanley E., [redacted].
House, Joseph W., [redacted].
Hrncir, Oran T., [redacted].
Hunt, Wallace G., [redacted].
Hunter, Kelvin H., [redacted].
Hutchens, Douglas L., [redacted].
Iller, Alfred J., [redacted].
James, Ralph F., [redacted].
Jarrett, Richard S., [redacted].
Jefferies, Vashti V., [redacted].
Jeter, John R., Jr., [redacted].
Johnson, Charles R., [redacted].
Johnson, Charles R., [redacted].
Johnson, Robert P., [redacted].
Johnston, Norbert B., [redacted].
Jones, Alan R., [redacted].
Jones, John L., [redacted].
Jones, Lincoln, III, [redacted].
Jones, Richard A., [redacted].
Jordan, Horace E., [redacted].
Joseph, Robert E., [redacted].
Kastenmayer, Walter, [redacted].
Katenbrink, Irvin G., [redacted].
Kelly, Edward J., [redacted].
Kelly, Edward V., [redacted].
Kinscherff, William R., [redacted].
Knox, Owen H., [redacted].
Koehler, Joseph R., [redacted].
Kowalczyk, Chester, [redacted].
Koziatek, Norbert W., [redacted].
Kraak, Charles F., [redacted].
Kramer, Leslie J., [redacted].
Krebs, James M., [redacted].
Lackey, Marvin E., [redacted].
Lacy, David W., [redacted].
Laflam, Robert J., [redacted].
Lane, Betty J., [redacted].
Lassiter, Edward A., [redacted].
Lawrence, Norman R., [redacted].
Lee, William R., [redacted].
Leighton, James P., [redacted].
Leonard, Dan S., [redacted].
Leslie, George W., [redacted].
Levinson, Stanley R., [redacted].
Lewis, Robert C., [redacted].
Ley, Donald R., [redacted].
Liesman, John S., [redacted].
Lilje, Donald H., [redacted].
Lloyd, Joseph W., [redacted].
Lockwood, Bill G., [redacted].
Logan, James M., [redacted].
Lopez, Ramon R., [redacted].
Lybarger, Robert C., [redacted].
MacDonald, Alexander, [redacted].
MacDonnell, Thomas, [redacted].
Macedonia, Raymond, [redacted].
Macklin, Joseph D., [redacted].
MacNair, Douglas G., [redacted].
Madden, Margaret J., [redacted].
Maffett, Fletcher H., [redacted].
Malone, Daniel K., [redacted].
Malone, Howard E., [redacted].
Malooley, Rudolph S., [redacted].
Marks, Malcolm L., [redacted].
Marshall, Charles M., [redacted].
Mason, Phillip H., [redacted].

Maxham, Robert L., [redacted]
McDermott, Francis, [redacted]
McGee, Bernard A., [redacted]
McIlroy, Wilmer L., [redacted]
Mensch, Donald H., [redacted]
Meyer, Harvey B., [redacted]
Mikula, Joseph G., [redacted]
Milani, John A., [redacted]
Miller, Charles E., [redacted]
Miller, Harvey F., [redacted]
Minich, Cecil M., [redacted]
Mino, Paul L., [redacted]
Minton, David L., [redacted]
Mitchell, William H., [redacted]
Moellering, John H., [redacted]
Mojecki, John A., [redacted]
Molinelli, Robert F., [redacted]
Momeier, John L., [redacted]
Moore, Daniel, Jr., [redacted]
Moran, William J., [redacted]
Morgan, Robert D., [redacted]
Morrison, Lemuel E., [redacted]
Morrison, Marvin E., [redacted]
Moses, Dan, [redacted]
Mueller, Frederick, [redacted]
Murchison, John T., [redacted]
Neal, Charles A., [redacted]
Neal, James W., [redacted]
Newton, Robert W., [redacted]
Nourse, Robert H., [redacted]
Nutter, Raymond T., [redacted]
Oakley, Howard H., [redacted]
Olson, Hardin L., [redacted]
Ono, Allen K., [redacted]
Overholt, Hugh R., [redacted]
Pagel, John A., [redacted]
Park, David B., [redacted]
Parks, Paul F., [redacted]
Parsons, Robert A., [redacted]
Parsons, Russell L., [redacted]
Passafiume, John F., [redacted]
Patten, John L., [redacted]
Pellegrini, Benjamin, [redacted]
Pemberton, David L., [redacted]
Penzler, Harry D., [redacted]
Pergerson, Benard S., [redacted]
Perkins, Rex V., [redacted]
Perry, John W., [redacted]
Perry, Ronald C., [redacted]
Pershing, Jay W., [redacted]
Peters, Willam G., [redacted]
Petersen, Darwin A., [redacted]
Philbrook, Wilbur W., [redacted]
Phillips, Gary R., [redacted]
Pihl, Donald S., [redacted]
Pitts, George E., [redacted]
Polak, Alexander P., [redacted]
Poydasheff, Robert, [redacted]
Privette, Jake H., [redacted]
Putorek, William P., [redacted]
Quinlan, James A., [redacted]
Radke, Galen W., [redacted]
Raupp, Edward R., [redacted]
Reese, Mark L., [redacted]
Reid, Robert C., [redacted]
Rhyan, Earnest W., [redacted]
Rider, James D., [redacted]
Rixon, Malcolm D., [redacted]
Robertson, Frank J., [redacted]
Rose, Harold L., [redacted]
Rostine, George W., [redacted]
Roth, Bernard J., [redacted]
Rountree, Herbert A., [redacted]
Ryan, Joseph D., [redacted]
Sands, Clifton A., [redacted]
Sargent, Terrence D., [redacted]
Schepps, Madison C., [redacted]
Schuh, Charles A., [redacted]
Scribner, Edwin G., [redacted]
Setzer, Howard L., [redacted]
Sewall, John O., [redacted]
Shaffer, Robert L., [redacted]
Shalala, Samuel R., [redacted]
Shalz, Roger M., [redacted]
Shaul, Rollin E., [redacted]
Shaylor, Thomas C., [redacted]
Shipp, Grantland V., [redacted]
Shore, Edward R., Jr., [redacted]
Shreves, Charles L., [redacted]
Shumway, James D., [redacted]
Skelton, Robert D., [redacted]
Skinner, Gary N., [redacted]
Slater, Burt E., [redacted]
Smith, Glenn A. II, [redacted]
Smith, Glenn N., [redacted]
Smith, Norman M., [redacted]
Smith, Robert T., [redacted]
Snell, Ira, Jr., [redacted]
Soyster, Harry E., [redacted]
Spangler, Billy E., [redacted]
Stallings, David W., [redacted]
Stang, Arthur C., [redacted]
Stapleton, Homer L., [redacted]
Stauber, Ruby R., [redacted]
Steel, Patrick A., [redacted]
Steinman, Charles A., [redacted]
Stephenson, Lamar V., [redacted]
Stephenson, Richard, [redacted]
Stevenson, Bruce E., [redacted]
Stevenson, Michael, [redacted]
Stewart, John P., [redacted]
St. Louis, Robert P., [redacted]
Stokes, John P., [redacted]
Stone, Kenneth M., [redacted]
Strati, Robert A., [redacted]
Strom, Roy M., [redacted]
Strudeman, Richard, [redacted]
Sullivan, Roy F., [redacted]
Summers, Wallen M., [redacted]
Sweet, William E., [redacted]
Symons, John W., [redacted]
Talbot, Bailey M., [redacted]
Taliaferro, Wallace, [redacted]
Taylor, James R., [redacted]
Thayer, Henry J., [redacted]
Thomas, Max E., [redacted]
Thompson, James E., [redacted]
Thorp, Lee L., [redacted]
Threadgill, Frank G., [redacted]
Tito, William J., [redacted]
Tolfa, Edward, Jr., [redacted]
Tomberg, Ralph T., [redacted]
Toner, Richard B., [redacted]
Top, John J., [redacted]
Town, James I., [redacted]
Tuten, Jeff M., [redacted]
Tuttle, William G., [redacted]
Underwood, Frank E., [redacted]
Valz, Donald J., [redacted]
Vanhouten, William, [redacted]
Vanmeter, Harold C., [redacted]
Vanpool, Jack L., [redacted]
Varner, Veloy J., [redacted]
Vassy, Thomas M., [redacted]
Vaughan, Charles U., [redacted]
Ventrella, Rocco F., [redacted]
Vincent, Joseph F., [redacted]
Vinton, James N., [redacted]
Waldeck, James J., [redacted]
Walker, Travis L., [redacted]
Walker, William E., [redacted]
Wall, Kary D., [redacted]
Walrath, Burton J., [redacted]
Walter, Paul B., [redacted]
Walther, Harry J., [redacted]
Watson, Henry G., [redacted]
Watts, James R., [redacted]
Weathers, Edgar W., [redacted]
Weidner, Earl R., [redacted]
West, Pleasant H., [redacted]
Wheeler, Albin G., [redacted]
Wheeler, David E., [redacted]
White, Chad B., [redacted]
White, Frederick B., [redacted]
White, Leroy, [redacted]
Wiggs, Jimmy D., [redacted]
Wilcomb, Gerald A., [redacted]
Williamson, Neil S., [redacted]
Wilmot, Francis G., [redacted]
Wingfield, Damon D., [redacted]
Winter, William J., [redacted]
Wintz, Edward K., [redacted]
Wiser, Robert M., [redacted]
Wohlman, Melvin, [redacted]
Wolfgang, Albert E., [redacted]
Wong, Donald R., [redacted]
Wood, Hector, [redacted]
Woodall, Jack D., [redacted]
Wright, Lewis W., [redacted]
Wyatt, David L., [redacted]
Yeosock, John J., [redacted]
York, Harry M., [redacted]
Yoxtheimer, Donald, [redacted]
Zugschwert, John F., [redacted]
Zurbriggen, Donald, [redacted]

CHAPLAIN CORPS

To be colonel

Allen, Eugene E., [redacted]
Anderson, Alister C., [redacted]
Barry, Raymond E., [redacted]
Cox, Billy H., [redacted]
Craig, Arthur P., [redacted]
Cunniffe, John J., [redacted]
Diaz, Herminio, [redacted]
Dolan, James F., [redacted]
Foley, Raymond J., [redacted]
Forsythe, Walter D., [redacted]
Gibbs, Charles R., [redacted]
Gremmels, Delbert W., [redacted]
Harding, Richard M., [redacted]
Kovacic, Francis, [redacted]
Lapp, Ernest D., [redacted]
Logan, John D., [redacted]
Magalee, John E., [redacted]
McInnes, Thomas J., [redacted]
McMillan, Whitfield, [redacted]
Moss, Ira G., [redacted]
Nagata, William M., [redacted]
Ouzts, Paul D., [redacted]
Polhemus, David W., [redacted]
Reaser, Clarence L., [redacted]
Stover, Earl F., [redacted]
Tibbetts, Alan C., [redacted]
Walker, Conrad N., [redacted]
Wright, Wendell T., [redacted]
Yarbrough, Jimie W., [redacted]

MEDICAL SERVICE CORPS

To be colonel

Allen, Harold E., [redacted]
Brown, Joseph I., [redacted]
Clark, Scott W., [redacted]
Conselman, Charles, [redacted]
Ebner, Donald G., [redacted]
Gulevich, Wladimir, [redacted]
Herman, David E., [redacted]
Hoyt, Max E., [redacted]
Irons, Ernest M., [redacted]
Kennedy, Bruce, [redacted]
Marsh, Raymond M., [redacted]
Midkiff, John L., [redacted]
Miner, Lewis C., [redacted]
Muzzio, Robert J., [redacted]
Piercy, John P., [redacted]
Sommers, George A., [redacted]
Stocks, Harold W., [redacted]
Temperilli, John Jr., [redacted]
Walker, James F., [redacted]

ARMY MEDICAL SPECIALISTS CORPS

To be colonel

Baggan, Mary V., [redacted]
Hamilton, Elizabeth, [redacted]
Metcalf, Virginia A., [redacted]
Vanharn, Mary A., [redacted]

VETERINARY CORPS

To be colonel

Anderson, Ronald D., [redacted]
Chandler, Harold K., [redacted]
Florine, Thomas E., [redacted]

ARMY NURSE CORPS

To be colonel

Antonicci, Anna E., [redacted]
Atchison, Juanita M., [redacted]
Bader, Madelaine A., [redacted]
Baker, Evaline R., [redacted]
Baskfield, Margaret, [redacted]
Bosch, Lila J., [redacted]
Carr, Mary J., [redacted]
Davis, Marion J., [redacted]
Foley, Mary A., [redacted]
Galloway, Katherine, [redacted]
Gehringer, John, [redacted]
Geissinger, Amy D., [redacted]
Glisson, Bessie R., [redacted]
Greene, Patricia A., [redacted]
Hensley, Maurice H., [redacted]
Johns, Lois A., [redacted]
Johnson, Martha E., [redacted]
Keneson, Lorene F., [redacted]

Kuehn, Dorothy M., [redacted].
Labbe, Elizabeth A., [redacted].
Lillard, Callista J., [redacted].
Mackey, Helen J., [redacted].
Mahoney, Rosemarie, [redacted].
McCarthy, Rosemary, [redacted].
Miller, Patricia M., [redacted].
Mulqueen, Mary G., [redacted].
Reddy, Charles J., [redacted].
Rodgers, Elizabeth, [redacted].
Rodgers, Marie, [redacted].
Slewitzke, Connie L., [redacted].
Smith, Cassandra, [redacted].
Sowa, Helen B., [redacted].
Wilson, Essie M., [redacted].
Wisler, Marie G., [redacted].
Young, Mary G., [redacted].

IN THE NAVY

The following-named officers of the U.S. Navy and Naval Reserve for temporary promotion to the grade indicated in the staff corps as indicated subject to qualification therefore as provided by law:

Captain

MEDICAL CORPS

Anderson, Robert Lee
Aubrey, Royal Grover
Boorstin, James Ben
Broussard, Nicholas D.
Byrd, Thomas Raymond
Carson, William Edgar J.
Cassells, Joseph S.
Caudill, Robert Paul, Jr.
Copman, Louis
Cordray, Douglas Roy
Crawford, William Roder
Crosson, Robert Charles
Davis, David Richard, II
Deignan, William Edward
Draper, Wilmot Strathy
Fornes, Michael F.
Gee, William
Harkins, Hugh Harrison
Hutcheson, Janet R.
Johnson, Walter Taylor
Johnson, William Waldo
Larsen, Reynold Thorval
Letourneau, David J.
Ling, Shun Hung
MacLeod, William Asa J.
Mangold, Harry A.
McGlamory, James Clayton
McGrail, John Francis
McMahon, David
Morgan, James Dayle
O'Donnell, Joseph Edward
Oldershaw, John Bramley
Olsen, James Arlen
Pedersen, Carl Marvin
Perlin, Elliott
Powers, Samuel Adam
Rack, Robert Vincent
Rogers, Albert Kandle
Sablan, Ralph Guerrero
Schillaci, Richard F.
Sears, Henry James Tipp
Senn, James Philip
Skinner, Wendell Lawrence
Spaur, William Hamilton
Sphar, Raymond Leslie J.
Stoop, David Roger
Strom, Clarence Gordon
Sturtz, Donald Lee
Thomas, Jackson Walden
Thompson, Robert Leslie
Urbanc, Andrew Neal
Vanburen, William Edward
Vorosmarti, James, Jr.
Wall, Norman Ray
Wenger, James E.
Yon, Joseph Langham, Jr.
Zelles, Gary Warren

SUPPLY CORPS

Biddison, Ted Allen
Blake, James Fred, Jr.
Beuhler, Cyril Henry
David, Robert Wythe
Dolloff, Robert Henry
Douglass, Jerry Burdette
Fidd, Joseph Adam
Flach, Lynn Roger
French, Robert Torbet
Fulks, Logan Gerald
Graessle, Ernest Joseph
Guffy, Wellard Raymond
Hamilton, John Francis
Higgins, Ernest Carter M.
Hines, Duane Eldred
Holder, James Rearick
Jones, Rial Cooper
Kalafut, George Wendell
Killoran, Joel David
Lampton, George Harold
Mead, George Whitefield, III
Newcomb, Frank Norman
Platt, Stuart Franklin
Ruehlin, John Henry
Sojka, Casimir Emil
Speer, John Warren
Sullivan, Patrick Daniel
Tauriello, Frank Sebastian
Vanvalkenburg, Max Weldon
Virden, Frank Stanley
Vogel, Carl Philip, Jr.
Washburne, William Kendall
Webb, Carl Ray, Jr.
Wright, Walter Frederick, Jr.

CHAPLAIN CORPS

Black, Richard David
Bond, Hollis Harold
Brasley, Lucian Roger
Brudzynski, Peter Ferdinand
Cortney, Kevin James
Eller, Max Alfred
Fallon, Edward Francis
Goffrier, Robert Read
Haney, John Clifford, Jr.
Howland, Joseph Albert
Kelley, Thomas William
Kelly, Henry Thornton
Lecky, Hugh Franklin, Jr.
Lemasters, Clarence Edward
Murphy, Michael Andrew
Newman, William Warren
Norton, Lawrence Edward
Parker, Joe Howard
Paulson, Gordon Earl
Riggs, Adna Wayne
Snyder, Marvin Ellsworth, Jr.
Wetzel, Oliver Hugo
Willson, William George

CIVIL ENGINEER CORPS

Auerbach, Ralph William, Jr.
Connor, Donald Lee
Crosson, William Edward
Donaldson, Jacques Edward
Mlekush, Matt Clarence
Oliver, Philip, Jr.
Phenix, Robert Preston
Ruff, Lowell Howard, Jr.
Shafer, Willard George
Skrinak, Vincent Michael
Smith, Ralph Aubery, III
Stallman, Thomas Frank
Weir, James Weldon, Jr.
Weis, John Maximilian

JUDGE ADVOCATE GENERAL'S CORPS

Ake, Charles Paul
Fulton, Elbert Martin, Jr.
Gregory, John Joseph
Lohrey, Thomas Edwin, Jr.
McCarthy, Richard John

DENTAL CORPS

Annis, Robert Blake
Ballard, Gerald T.
Batenhorst, Kenneth Frank
Bloch, George Alfred
Bowen, Lathe Lamon
Box, John Marvin
Callihan, Michael Down
Cassidy, Robert E.
Clegg, Milton Chipman
Cowen, Carlton Roy
Crawford, John Daniel
Cushing, John Renouard
Douglas, Robert Jones
Ebert, Walter, H.
Eklind, Ronald Russell
Esposito, Richard A.
Fishel, David Leslie
Fitzgerald, Donald Edward
Foley, John Morrison
Hudson, Elmer Raymond
Huelster, Peter Charles
Huttula, Charles S.
Kelly, James Charles
Kravets, Thomas Francis
Krzeminski, Arthur Edward
Lekas, James S.
Linkenbach, Charles Russell
Lowe, Cameron Anderson
McCall, Frank James
McMahon, Joseph Patrick
McWalter, George Michael
Mosby, Edward Lee
Nissenson, Marvin
Pedrick, George R.
Scott, Gale Lee
Selby, Vernice Boyd
Shelin, Ronald Albert
Stout, William Andrew
Terhune, Raymond Carey
Trainor, John Edward
Vernino, Arthur Robert
Watkins, Owen Terence
Werning, John Thomas
Williams, Robert Edward
Wingard, Charles Earl
Yeager, James Edward

MEDICAL SERVICE CORPS

Barker, Samuel Dorris
Coulson, Harold Harvey
Hockstein, Edwin Stanley
Lane, Jack Richard
Miller, Harry Philip
Oleson, Russell Herman
Passaglia, Martin, Jr.
Pribnow, James Frederick
Stallings, Orlando
Tanner, Millard Franklin
Whitlock, William Ellis

NURSE CORPS

Conley, Mary Lewis
Effner, Dorothy Jane
Elsass, Phyllis Jean
Ferguson, Miriam M.
Howard, Katherine Alice
MacDowell, Nancy Ann
Merritt, Patricia Ann
Perreault, Madelon Miller
Portz, Patricia Jean
Slater, Beverly Jean
Spencer, Lelah Emma
Walker, Helen Jean
Zigovsky, Bernice Jones

The following-named officers of the U.S. Navy for temporary promotion to the grade of commander in the staff corps of the United States Navy, as indicated, subject to qualification therefor as provided by law:

MEDICAL CORPS

Donaldson, Robert Carter
Hallenbeck, John M.

Comdr. Rafael Roure for temporary promotion to the grade of commander in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the staff corps of the U.S. Navy, as indicated, subject to qualification therefor as provided by law:

MEDICAL CORPS

Drake, Terrance S.
Fillmore, Ralph S.
McReynolds, John W.
Rish, Ronald L., Jr.

DENTAL CORPS

Hall, Ellis H., Jr.
Linville, Robert B.

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps of the U.S. Navy, as indicated, subject to qualification therefor as provided by law:

LINE

Aller, Bernard Morris
Boaz, Steven Alan
Bostick, Robert A.
Chambers, Regan Scott
Dick, Reay Stewart, Jr.
Duncan, Stephen Van
Droz, Charles Albert, III
File, Gary Lee
Gibney, William James
Hatfield Douglas Philip
Heuer, Edward David
Howell, Wayne Morris
Ische, Larry C., Jr.
Jackson, Jimmie Ray
Mattingly, Lloyd Walter
McCamy Steven Ray
Mills, Dennis Reginald
Nichols, Raymond John, Jr.
Ouitmet, James H.
Robert, Leon Emile, III
Robinson, Frederick Thomas, II
Ruggles, Clifford L.
Stevenson, Charles A.
Walker, John B.
Watson, Gregory Harriss

CIVIL ENGINEER CORPS

Campbell, Gordon Moore
Smithey, George W.

MEDICAL SERVICE CORPS

Anderson, Charles Lawson
Beatty, Earl, III
Cline, Ferdinand Charles
Grissom, Michael Philip
Kramer, Jeffrey Allan
Murphy, Patrick Edmond
Parks, Jackie Howard

NURSE CORPS

Burks, Teressa Olivia
Christman, Patricia K.
Franzee, Daniel Clark
George, Melissa Ann
Clenewinkel, Gloria Susan
Iverson, Halvor Edward, Jr.
Paul, John Charles
Ring, Rita Ruth
Spandau, Maritza M.
Stoessel, Kathleen Barbara
Thompson, Thomas Neil
Watson, Patricia Elaine

Lt. Comdr. George D. Ord, Jr., for permanent promotion to the grade of lieutenant commander in the line of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named officers for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps of the U.S. Navy, as indicated, subject to qualification therefor as provided by law:

LINE

Brinkman, Thomas Franklyn, Jr.
Danforth, Lawrence Wayne
Falten, Victoria Lee
Flood, John Thomas, Jr.
Jackson, William Pierce, Jr.
Jolley, Marilyn K.
Jorvig, Daniel Alden
Marcinizyn, Margaret L.
Marshall, William James
Ransbotham, James Irvine, Jr.
Rush, Robert Jacque
Wagner, Charles Steven
Westfall, Susan J.
Woodall, James Mead

SUPPLY CORPS

Herbert, Raymond John
Ishiguro, Steven Edward Susu
McKenna, Kathleen Ann
Westlake, Thomas Edward

CIVIL ENGINEER CORPS

Clark, David J.
Kennedy, Michael G.

MEDICAL SERVICE CORPS

Heisler, Robert P.

NURSE CORPS

Chapman, Gayland J.

The following-named officers in the line of the United States Navy for transfer to the staff corps indicated, in the permanent grade of lieutenant (junior grade) and temporary grade of lieutenant:

CIVIL ENGINEER CORPS

Setzekorn, Robert R.

JUDGE ADVOCATE GENERAL'S CORPS

Scranton, Joseph D.

The following-named officers in the line of the United States Navy for transfer to the staff corps indicated, in the permanent grade of ensign and temporary grade of lieutenant:

SUPPLY CORPS

Grimes, Gary C.

CIVIL ENGINEER CORPS

Campbell, Gary L.

The following-named officer of the line of the United States Navy for transfer to the Judge Advocate General's Corps in the permanent grade of lieutenant (junior grade):

Benton, William D.
Cattanach, Robert E., Jr.
Fayle, Patrick A.
Holt, John B.
Jacobsen, Walter L.
John, Edmund K.

The following-named officers in the line of the United States Navy for transfer to the staff corps indicated, in the permanent grade of ensign:

SUPPLY CORPS

Bunker, Thomas A.
Edelman, Bradley T.
Knaggs, Christopher D.
Poston, Cary D.

CIVIL ENGINEER CORPS

Eckhart, Andrew J.
Peck, Dale W.
Taylor, Chris A.

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line subject to qualification therefor as provided by law:

Abel, Arthur Philip
Abel, Ernest Walter
Alderink, James Wesley
Allison, Daniel Henry
Alvarez, Joseph Albert
Ambrose, Isaiah Hammack, III
Andersen, Harold
Anderson, Gerald Barrett
Anderson, Richard Lester
Anderson, Terrance Edwards
Andres, Stephen Michael
Andrews, Roger Marshall
Angstead, Donald Eugene
Arbini, Jerrold Ernest
Arcari, Joseph Peter
Arendt, Steven Maurice
Arluck, Richard Michael
Armstrong, Robert John
Arsuaga, Miguel Jose
Ashby, Gary Lee
Atchison, Thomas Ludwell
Atkinson, Harvey Eugene, III
Austin, Gary Lee
Awood, Michael
Baillie, James Matthew
Baker, Robert William
Bakkala, Eugene John
Baldwin, Dan William, Jr.
Balovich, Nicholas Michael, Jr.
Bardsley, George Paul
Barker, Joseph Henry, III
Barkley, Stephen John
Barnes, John Winthrop, Jr.
Barr, Richard Wendell
Barr, Richard Conklin, Jr.
Barrett, James Lyall
Bartholomew, James Clayton
Batcheller, Oliver Alden
Bates, Billy Gene
Bates, John C., Jr.
Bates, Kenneth Scott, Jr.
Bauer, William Timmons
Beacham, Richard Frank
Beavers, Ashley Jerome
Bechtel, Donald Gene, Sr.
Beck, Melvin Dewayne
Becker, Frederick Joseph, Jr.
Beckham, Jerry
Beers, Charles Joseph, Jr.
Beers, Lawrence Stanley
Beinbrink, Jeffrey Robert
Beliech, Dewey Eldridge, Jr.
Bell, James Keith
Bell, William Farmer
Bellamy, David B.
Bellew, Patrick Harry
Benzin, Robert William
Berryman, James Charles
Bielicki, Dennis James
Bier, Gary Lanar
Biggerstaff, Ronald Owen
Biller, Charles John
Birchmier, Charles Orland
Bird, Walter Dennis
Bishop, Ernest Frank
Blair, Thomas James
Blanchard, Frank Medford, Jr.
Blankinship, Leslie Scott
Boaz, Lowell David
Bodie, Jeffrey George
Boggio, John Martin
Bond, William Douglas
Bouck, Dudley Charles
Boudreaux, Numa A, III
Bourland, Harry Raymond, II
Bowen, James Leroy
Bowers, William Raymond
Bowler, Roland Tomlin E., III
Boyce, Brian Francis
Boyd, Gerald Glenn
Boynton, Robert William, Jr.
Branum, Richard Cline
Breagy, Thomas Joseph
Breslin, John William
Bridges, Wilmer E., II
Bright, Philip Graham
Broderick, Thomas Powell
Broome, Norval Lagier
Broome, William H
Brown, Carl Ronald
Brown, John Edward
Brown, Michael Eugene
Brown, Oval Dwight
Brown, Patrick Joseph
Brown, Robert Douglas
Brown, Robert Mackenzie
Brown, Stanley Morton, III.
Browne, Thomas Cleage
Brownley, Lawrence Leroy
Brunson, Richard Alan
Bulson, Marvin James
Bunch, Gerald Douglas
Bunton, Ray Lincoln
Burch, John Charles
Burchell, Charles Richard
Burck, Clarence William
Burger, James Carl
Burggren, Peter Charles
Burke, Robert Gifford
Burkhart, Alan Douglas
Burkhart, Daniel Willis, Jr.
Burnett, Robert Vernon
Burnett, William Howard
Burns, Richard, Francis, Jr.
Burns, William Robert, Jr.
Burton, Herbert Walker, Jr.
Bush, Harold Samuel
Butler, George William
Buttinger, James David
Byard, Larry Frederick
Cahill, David Blake
Cahill, William Henry
Calaway, Arvid M.
Callaghan, James Michael
Calvert, Eric Scott
Cameron, John Frederick
Campbell, James Graham
Campbell, Thomas Robertson
Candler, David William
Carbone, Nicholas Daniel
Carlson, James Robert
Carnley, Beauron LaVelle
Carpenter, Melvin James, Jr.
Caruso, Michael Jerome
Carver, William Earnest, Jr.
Casey, Glenn Alton
Cash, Ted E.

Casmer, Stephen Bruce
Castle, William Kenneth, Jr.
Castor, Ralph Johnson, Jr.
Caudill, Garland Wayne
Cegler, Edmund Carl
Chance, Logan Orin
Charest, Jerry Russell
Chase, Robert Winslow
Chatellier, Richard Townley
Chehansky, John Charles
Cherry, Michael Everett
Cherry, Robert William
Chown, Donn Melvin, II
Christianson, Richard Alan
Clapper, Richard Frank
Clark, Bartlett Lee
Clark, Richard Allen
Clark, Robert Joseph
Clarke, Wayne A.
Clinton, John William
Cloyes, Robert Dagwell, Jr.
Cobb, Robert Merton
Cocci, James Alfred
Cochran, Deford Eugene
Cody, Edward Joseph
Cohen, Jay Martin
Colburn, Herbert Temple
Colley, Donald Vernon
Collins, James Patrick
Collins, Wendell Roy
Collins, William Vivian, Jr.
Coltrane, Glenn Gray
Combs, Robert Meredith
Conn, James Loren
Connor, James Vincent
Cook, Bruce Littleton
Cook, Larry Larue
Coon, James Maynard
Cooper, Bruce Paul
Coovrey, Donald Paul
Copeland, William Winston, Jr.
Cordell, Jeryl William
Cornwall, Orville L., Jr.
Corry, Vincent Henry
Coumatos, Michael James
Courts, David Paul
Coven, Richard Allen
Cover, Martin Luther, III
Covington, Donald K., III
Cowgill, Curtis James, III
Cox, Mariner Garnett
Crabtree, Carlton Pierce
Crahan, Gary Michael
Craig, Billy Jack, Jr.
Craighill, John St. Clair
Criss, Nicholas R., III
Crosby, George Robert
Cross, William V., II
Croteau, Gary Howard
Cruser, Peter Jesse
Cumbie, James Billie
Cummings, David Lee
Current, Max Christian
Currie, Michael Patteson
Cwiklinski, Stanley Francis
Dahlinger, Frank W., III
Dall, James Allen
Darnell, Donald Lee
Davie, Clinton William
Davis, Charles John, Jr.
Davis, Joseph Warren
Davis, Kenneth James, Jr.
Dawson, Larry Eugene
Dawson, Wilbert Elwood, Jr.
Deal, Leonard Joseph, Jr.
Dearth, Lawrence Charles
Decker, Peter Brennan
Deemie, William Harold
Degruy, Charles Monroe
Delgado, Robert Edward
Demarest, Harold Raymond, Jr.
Denigro, Joseph Richard
Dennis, John Carlisle, III
Densmore, Dean William
Dentremont, Albert George
Derocher, Paul Joseph, Jr.,
Detter, Gary Lee
Devall, Roger Ronald
Devinny, Richard Arthur
Dewar, Dorel James, Jr.
Diel, Harry Allen
Diller, Marion Hale, II
Dillon, James Patrick
Diman, William Louis
Dinsmore, Edmund Keating
Dobscha, Frank John, Jr.
Dolan, Harold Alvin
Dollar, Stephen Edward
Dolson, Richard Charles
Donaldson, William S.
Donnelly, Ambrose Thomas
Donnelly, Robert Jennings
Donnelly, William Michael
Doran, Walter Francis
Doryland, Adrian Tracy
Dose, Curtis Richard
Downing, Edward Converse, Jr.
Drager, James Michael
Drake, Keland Lawton, Jr.
Dreyer, Gregory Frank
Driesbach, Ronald Eugene
Driscoll, John Robert, Jr.
Driscoll, Robert George
Dryer, Ross E.
Dubois, Vern Allen
Dulin, James Evans
Duncan, Robert Nelson
Dvorak, James Anthony
Eaton, Paul Nealon
Eckhoff, Clarence Joseph, Jr.
Eckler, Joseph Francis
Edmondson, Gary Duane
Ehrig, William Albert
Eicens, Imants Dzintars
Ellington, James David
Elliott, David Floyd
Elliott, Larry Roscoe
Elliott, Walter Michael
Ellis, Michael Alden
Ellis, Thomas Christopher
Emerson, George Allen, Jr.
Engel, Ronald Allen
English, Robert Hugh
Erickson, John Michael
Erickson, Paul Robert
Erskine, John Roger
Erwin, Arthur Robert
Evans, Floyd
Evans, Howard Charles
Evans, William Ashley, IV
Everett, Richard Allan
Ewing, Ward Hubert
Eysenbach, Karl
Faber, Douglas Everett
Fallen, David Lee
Fallon, William Joseph
Falls, James Sidney
Farrell, Patrick Francis
Farver, Richard Kevin
Fears, John Aaron
Fee, James William
Feeback, Ralph Stanley
Feichtinger, William Michael
Felt, Robert Yocum
Fenn, Richard George
Ferdon, Frank Charles
Ferguson, James Theodore
Ferrell, William Morgan
Field, Michael Lee
Field, Richard Johns
Fielder, John Randolph, Jr.
Fifer, Richard Michael
Finch, David Charles
Fitzpatrick, John Louis
Flanagan, Richard James
Fletcher, Bennie Lyle, III
Flowers, Gerald Ectlis
Foltz, Stanley Charles
Foote, David Arthur
Foote, Jerry Lynn
Foster, William Irving
Foxwell, Robert Everett
France, Robert Timothy
Fraser, Donald Ross
Frick, Kenneth Edwin
Fritsch, Curtis Paul, III
Froggett, Stephan John
Fuller, Robert Thorpe
Fullerton, William Ross
Galbraith, Donald Edward, II
Galloway, James Bruce
Garcia, Juan Manuel, Jr.
Garcia, Larkin Enos
Gary, Ronald Darrell
Garza, Jose Eulalio
Gates, Christopher Gleason
Gautier, William Kirten
Gay, Robert George
Gehr, Thomas Rue
Gehrman, Fred Herman, Jr.
Gentile, David Louis
Giardina, Thomas Joseph, II
Giles, Donald Allen
Gilluly, Christopher William
Givens, Gomer T., Jr.
Clerum, Michel Dennis
Godfrey, William Bret
Godwin, Ronald Howard
Goedjen, Russell Clarence, Jr.
Goff, Jerry Duane
Gooding, Leroy Alvert
Goodrich, William Angier
Goodwin, Richard James
Gorla, Thomas W.
Gorman, Joseph Daniel
Gouslin, William Adelbert
Gragg, Richard Vernon
Grandon, Raymond Arthur, Jr.
Granger, William Ernest
Gravatt, Brent Leigh
Gray, Stephen Vern
Green, George William
Green, Michael Pruette
Gregory, Cletis, Jr.
Griffin, David Moss
Grofcsik, Garry Victor
Grove, John Axtell, II
Grutzius, Charles Robert
Guarino, Kenneth Robert
Guilfoil, Thomas Patrick
Gumbert, Ronald Derwood, Jr.
Gunkel, William Alois
Hack, Theodore Walter
Hagen, James Burgess
Haggerty, Daniel Benedict, Jr.
Hahn, Richard A.
Haley, Mark Christopher
Hall, Ronald Eugene
Halley, Elmer John, Jr.
Hallinan, Thomas Joseph
Ham, Edward Everett, Jr.
Hancock, Thomas William
Hanley, Paul Windsor
Hanratty, William John
Hansell, Paul Jerome
Hansen, Frederick Douglas
Harbeson, Richard Finucan
Harnes, James Joseph, Jr.
Harp, Jerry Wayne
Harrison, Chester Flynn
Harsanyi, William Stewart
Hartnett, James Thomas
Hartung, Timothy Ryan
Harvey, Phillip Ivan
Hawk, William Howard
Hawthorne, Robert Earle, Jr.
Hayes, Timothy James
Healy, Martin Joseph
Hearn, Robert Vernon
Heaton, Joel Brion
Hefkin, Donald Clark
Hefty, William Alton
Heinemann, Alfred George, III
Heisig, Alan Louis
Helgeson, James Daniel
Helm, Richard Eugene
Hendrickson, James
Henry, Gary Roy
Hensley, James Maurice
Herr, Marshall Fredrick
Herrington, David Lynn
Herrmann, Robert Herbert
Hershberger, John Louis
Heschl, William Charles
Hess, James Donald
Hester, William Glen
Heustis, Robert Leroy
Hewett, Leslie Wilsdon, Jr.
Hiatt, Douglas Grant
Hickok, John Howard
Hickox, Gary Dee
Hight, Jimmy Frank
Hildebrand, Charles Louis
Hill, William Frederick
Hill, William McDowell, Jr.
Hoffman, Phillip Stewart

Holden, Harry Franklin, Jr.
Holl, Stephen Trygve
Holland, William Eugene
Holt, James Stephen
Holzapfel, Jon David
Horn, Maurice Darnell, Jr.
Horn, Noel Paul
Horne, Robert Jackson
Horst, Gary L.
Hoskins, Robert Anthony
Hotalen, Robert James
Houser, Robert Edward
Howard, Stephen Thomas
Howe, Daniel Bo
Howick, James Francis
Hudson, Charles Edward
Hudson, Gerald Peter
Hughes, Dwight Sturtevant
Hughes, James Leonard
Hughes, Robert Garfield
Hulsey, William Jamie
Hunt, Edmund Joseph, Jr.
Hutchinson, Thomas Gerald
Hyde, John Wendell
Idsinga, William
Ihlenfeld, David Lawrence
Irelan, Dennis Wayne
Irvine, Pickens William
Isban, Michael Andrew
Jacka, Alan Wayne
Jackson, Earl Joseph
Jacobs, Gerald Keith
Janes, James Bernard
January, Paskell Dean, Jr.
Jaros, Joseph M.
Jensen, Robert James
Johnson, Douglas John
Johnson, Golden Harold
Johnston, Bruce Alan
Johnston, Thomas David
Jones, Arthur Dewayne, III
Jones, George Robert
Jones, James William
Jones, John Patrick
Joransen, William Stuart
Jordan, Ronald Robert
Joslin, Leslie Allen
Judd, Steven Edward
Julihn, Lawrence Sumner
Junker, Allan Ernest
Kapernick, Robert Edwin
Kappell, Leslie George
Kauffman, Gordon Eddie
Keegan, Lawrence Thomas
Keeley, Robert Martin
Keiser, Ronald Lee
Keith, Larry Brian
Keller, David Brooks
Kelley, Michael Bernard
Kelly, Harold Wayne
Kelly, Robert Bolling, Jr.
Kelsey, Robert Joe
Kent, Thomas Richard
Kidd, James Stark L., Jr.
Kilgore, Sidney Johnson, III
Kinard, Edgar Carlysle, Jr.
Kincaid, James Edward
Kincaid, Joseph Durward
Kingsley, John Francis
Kish, Robert Alan
Klimchak, Andrew John, Jr.
Kline, Edward Marvin, Jr.
Knappe, Douglas George
Knobloch, Earle William
Kobylk, Nickolai Slate
Koehler, Richard Keith
Koopman, Theodore
Krick, Richard Arlen
Krol, Joseph John, Jr.
Krubsack, Robert Louis
Kuhn, Richard Charles
Labo, Larry Glynn
Lackey, Terry Carter
Lajoie, Oliver Michael
Land, Stephen Ross
Lareau, Jerome Philip
Larkin, James Jay
Larson, Richard Mason
Lash, William Joseph
Lasswell, John Deane
Lauzon, Gilbert Paul
Lavelle, Donald Lewis
Lawhorn, Robert Martin
Lawson, Dunbar, Jr.
Lawver, Allen Eugene
Leach, George William
Lear, George Barrett, Jr.
Lee, Lynden D.
Letter, Stephen Paul
Leum, Peter Lauritz
Leverette, Ronald Stewart
Lewis, Charles Herbert
Lewis, Ralph Warren
Lindfors, Bo Gottfrid
Lindquist, Douglas Wayne
Linzay, Herman Allen
Lium, Rolf R.
Lockwood, Bruce William
Lopez, Joseph Delbert
Loveless, Sheldon Leroy
Lowell, Robert Leroy, Jr.
Loy, Marvel Henry, Jr.
Lubenow, Richard John
Luckman, Thomas George
MacDonald, Douglas Murray
Mackenzie, Donald Kenneth
MacPherson, George William
Madden, Lewis Dot
Madden, Thomas Francis
Mail, Alan Davison
Malloch, Douglas Clark
Mandeville, Donald Ernest
Maniscalco, James Andrew
Mann, John Edwin
Marks, Norman Alfred
Marks, William Leon
Marnane, Michael Joseph
Maroon, Jerry Wayne
Marsh, Walter Crask
Marsh, William Thomas, Jr.
Marshall, Gregory Sarver
Martin, Michael Dean
Martin, Michael Louis
Martin, Thomas Gordon
Martinsen, Larry Gene
Mason, James Rutledge, Jr.
Mate, Stanley Sykes
Materna, David Alan
Mattioda, Ronald Lee
Maxwell, John Scott
Maxwell, William Haskew
Mayer, Martin J.
Mazza, Joseph Dennis
McArthur, Donald Mack, Jr.
McCarthy, Dana Garrett
McComas, John Philip
McConathy, Donald Reed, Jr.
McConnell, William Spear
McCracken, William Lowell
McCrary, Michael Shannon
McCurdy, Philip Dean
McDaniel, Edwin Ralph
McDonald, Gerald Warner
McDonald, Raymond A.
McDowell, Elmer Jay
McGaughey, James Wilbur, Jr.
McGinlay, Thomas Charles Joh
McGinnis, Stephen Jack
McGuffey, Artie Taft, Jr.
McKay, Ludwell Howard
McKinney, James Aloysius, II
McMahon, John Patrick
McMahon, John Sherman, Jr.
McMahon, Thomas William
McMenimen, Lawrence Leroy
McPherson, Thomas Lee
McQuiston, Michael Kerry
McWhorter, John Douglas
Meier, Michael Arthur
Meintzer, Robert Ells
Mero, Kenneth
Messina, Edward Frederick
Miles, Robert James
Miller, Bruce Martin
Miller, Gary Wayne
Miller, Randall Harold
Miller, Roger Lee
Miller, Ronald Dean
Miller, William Cole, III
Miller, William Pearcy
Mitchell, Anthony Edward
Mitchell, Daniel Benjamin
Mockford, Martin David
Moore, Gregory Rayfield
Moore, Richard Warren
Moore, Springer H., III
Moore, Thomas Weller
Moore, Timothy Blair
Moran, Michael Charles
Morgan, Benny Mount
Moriarty, Richard William
Morrison, Virgil Eugene
Moser, Robert Dayman
Moses, Donald Albert
Moss, Dennis Ray
Moynihan, Patrick Joseph, Jr.
Muccia, Daniel Richard
Muller, Richard Arnold
Mumford, Thomas Frederick
Murrell, Douglas Monroe
Mushen, Robert Linton, II
Myers, Henry Benjamin, Jr.
Naile, Thomas Clinton
Nanos, George Peter, Jr.
Nebiker, Ralph Robert
Nekomoto, David Seiji
Nelson, Robert Edward
Nesbitt, Howard Wayne
Neville, William Joseph, Jr.
Newkirk, Schirrell Richard
Newton, William John
Nick, John Irvin
Nisbet, Robert Earl
Noel, Raymond J., Jr.
Nordgren, Robert Carl
Nordman, Robert William
Norelius, Allen Jay
Norman, Ronald Wayne
Norrell, Billy Edgar
Norris, William Leland
Norton, Arthur Easton
Nosco, Robert Gene
Nutt, Forrest Ray
Oates, John Scott
O'Brien, John Laurence
O'Connell, Michael Keith
O'Connor, Dennis Joseph
O'Connor, Joseph Michael
Ogar, Walter Thomas, III
O'Grady, James W., Jr.
Olbert, Donald Ernest
Oldach, Robert Dorr
Olden, Irvin Leon
Olsen, Arthur Emanuel
Olsen, Sven Ivar
Olsen, Wayne Lewis
Olshinski, John Albert
Orvis, James Worthington
Osborn, Kenneth Eugene
Oser, Eric Leroy
Osiecki, Arthur Eugene
Osterhoudt, Robert Russell
Ostheimer, William L.
Othic, Francis Eugene
Ott, Christopher Stephen
Overgaard, Raymond Melvin
Overson, Claude Lemaun
Overton, Christopher Grasett
Owens, Gregg Ouray
Palmer, Burdette Allan, III
Parish, Philip Walter
Parker, Edward William
Passmore, Leonard Harrison
Patten, Freddie Joe
Patton, Bernard Warren
Paul, Thomas Walder
Payne, John Scott
Peirce, Gregory Neil
Perkins, Thomas William
Perry, Albert Kevin
Pester, James Leroy
Peszko, David Adam
Peter, Leo Edwin, Jr.
Peters, Robert K.
Pfeiffer, John Francis
Pfitzenmaier, Larry David
Phillips, Glenn Patrick
Phipps, Jeffrey Richard
Phoebus, Ronald Wayne
Piehl, James William
Pieper, Bruce Allen
Pillsbury, Seth Clinton
Pinz, Bradley Adkins
Piper, Jack Lee
Piwowar, Thomas Michael

Plante, Robert John
Ploeger, Robert Bowers
Plummer, David Morris
Pocklington, Thomas Philip
Polencot, Glenn Paul
Porter, Charles Wayne
Porter, Joel Alan
Powell, Richard Allen
Powers, James Arthur, Jr.
Pribula, Stephen Matthew
Price, Leland Herbert
Pugh, Jon Gilbert
Queen, Stephen J.
Quigley, Michael Dennis
Qurollo, James Victor, Jr.
Raaz, Richard Dean
Rabb, Michael Tribble
Radford, David Alvin
Ralston, Gene Duain
Rankin, Robert Eugene
Raysbrook, Charles Frank
Razzetti, Eugene Anthony
Recknor, Robert Bruce
Reinauer, James Richard
Reissig, Harold Leroy
Revenaugh, John Timothy
Reynolds, Felix Michael
Reynolds, Richard Byron
Rhamy, Thomas Lee
Rheinstrom, Gordon Harkness
Rhoades, Alan Sherburne
Rice, Marvin R.
Rice, Theodore Lee
Richard, Jeffrey Luke
Richards, Robert Roger
Richardson, Robert Lamar
Richardson, Arthur Fields
Richmond, Steven Allen
Richt, Harvey Francis
Riley, Charles William
Rinehart, Robert Coleman
Ringwood, Paul
Ritz, Richard Wilfred
Rivers, Almon Duncan
Robb, William Stewart, Jr.
Roberts, Frank Stewart, II
Roberts, Malcolm William
Roberts, William Albert
Robertson, William Clark
Robertson, Terry Gene
Robinson, Charles Leon
Roesh, Donald Richard
Roffey, Robert Charles
Rogers, George Charles, Jr.
Rogers, Stephen H.
Rollen, Claude Terence
Rollins, Richard Edward
Romanski, Paul Arthur
Roop, William Arthur
Rosedale, Burgess Eugene
Ross, Alan Lawrence
Roth, Milton Dudley, Jr.
Rowney, John Victor
Rubel, Carl McHenry
Rueger, Walter Conrad
Rump, Richard Bryant, Jr.
Ruppel, Jack Clyde Louis
Ryan, Norbert Robert, Jr.
Sabatini, Joseph Francis
Sadauskas, Leonard
Sadlier, Richard Thomas
Sage, David Morlan, Jr.
Sager, Harold Eugene
Samuels, Michael William
Sansom, Edward Lee
Sappington, Merrill Arthur
Sargent, David Putnam ,Jr.
Savage, Wayne Franklin
Scalzo, John Carmine
Schalk, William Henry
Scheber, Thomas Keith
Schissler, Paul Frederick, Jr.
Schmidt, William Wallace
Schottle, Robert Allan
Schranz, Peter Allen
Schultz, Dale Edward
Schuster, Michael Anthony
Schwendinger, Ronald George
Scott, Gary Everett
Scott, Jerry Lee
Scott, Robert Peter
Scott, William Robert
Scrivener, Orlin Robert
Sego, Thomas Edward
Seiden, Steven Samuel Sutton
Sexton, Theodore Covert
Shapiro, Alan Jay
Shaw, Herbert Bramwell, III
Shaw, Laroyce
Shearer, Richard P.
Sheehan, Daniel Brace, Jr.
Sheeley, Royal Edwin
Sheffield, Terry Randolph
Shellenberger, Wilmont N.
Shelton, John Robert
Sherlock, James Carter
Sherman, Michael Terry
Shond, John William, Jr.
Shultz, Robert Joseph, II
Shumadine, William Albert
Signorelli, Ignatius Anthony
Simkins, Kenneth Ray
Simmons, Donald Kent
Simoneaux, Donald Carlton
Sims, James Hubert
Singler, Charles Walter
Sinness, Kenneth Robert
Siverling, Robert Charles
Skaar, Gerhard Erling
Skinner, Thomas R.
Skjei, Sidney Minard, Jr.
Sloat, Gordon Richard
Smedley, Grant William, III
Smith, Billy Joe
Smith, Donald Lloyd, Jr.
Smith, Douglas Edwin
Smith, James Lawrence
Smith, James Cornelious
Smith, Michael John
Smith, Robert Wayne
Smith, Ronald Ernest
Smith, Thomas H.
Snead, Thomas Shockley
Soares, Paul Louis
Sollenberger, Robert Travis
Solomon, William Emert, Jr.
Spahr, John Franklin III
Spayd, Steven Howard
Specht, Harry Frederick, Jr.
Speed, James Guy
Speidel, David Poor
Stabb, John Albin
Standley, Cecil Edmond
Stanley, Harold Gene
Stanley, Robert Ray, Jr.
Staples, Patrick Ryan
Staudte, Paul Vincent
Steenburgh, Charles Joseph
Stevens, Larry James
Stevenson, Robert William
Stewart, Joseph Stanley, II
Stewart, William Cole
Stillinger, James Morris
Stillmaker, William James
Stolt, Robert Dean
Storaasli, Leroy Oscar
Story, Robert Garner
Stout, Charles Lawrence, Jr.
Strada, Joseph Anthony
Stratton, Phil Zeh
Strausbaugh, Thomas Ligore
Struble, Arthur Dewey, III
Stuart, Jay Clyde
Stumm, Albert Francis, Jr.
Sturm, William Philip
Sullivan, Donald Lee
Sullivan, George Thomas, Jr.
Sullivan, Jourdan T., Jr.
Sullivan, Timothy John
Svendsen, Michael Roy
Swientek, Francis Martin
Tanber, Terry Neal
Taylor, Billy Byron
Taylor, Edward J.
Taylor, Kermit Allen
Taylor, Richard Howard
Tennant, Donald Alan
Terrill, Thomas Joseph
Tessada, Enrique Augusto, IV
Tetrick, Edward Leslie
Thomas, William Newton
Thompson, Ronald Melvin
Thompson, Vernon Ross
Thurman, Ronald Jack
Tickle, Harold Joseph
Tighe, Glen Edward
Tincher, Edward Sheridan
Tobin, Roy W.
Torgerson, Larry Peter
Tosspon, Maurice Clyde
Touve, Bruce Norman
Tow, James Dewane
Transue, Michael John
Trautman, Kurt MacGregor
Tritten, James John
Trotter, Timothy Adron
Troy, Thomas Gerald, Jr.
Truesdell, William Clare, Jr.
Tuck, Charles Marion
Tucker, Roger William
Tulloch, Allan Wiley
Turner, Dean
Turner, Guy Foster, Jr.
Turner, James Frederick
Tuthill, James Erwin
Tye, James Milton, Jr.
Uelses, John Hans
Uhrie, Richard James, Jr.
Urbik, Lawrence Walter
Vandivner, Clifford Leroy
Vandivort, Walter Derris
Vanrenselaar, Larry Jack
Vansaun, David
Vansickle, Garth Allan
Vazquez, Frank Xavier
Verhoef, Thomas Tymen
Villanueva, Zall G., Jr.
Vinson, John Emmanuel
Vion, Charles P.
Vivian, William Charles
Voight, Thomas Charles
Volkman, George Charles, II
Vonsuskil, James David
Voorheis, Gary Martin
Voshell, John Eugene
Wagner, Robert Joseph
Wainwright, Stanley Dean, Jr.
Waite, Robert Clark
Waldron, Michael Lewis
Walker, Bill
Walker, Robert Joseph
Wallen, William Elbert
Walt, Charles Edward III
Walter, Steven G.
Ward, Chester Douglas
Ward, Douglas Earl
Ward, Paul Charles
Wasowski, Walter Michael
Wasson, Gary Clinton
Waterman, Steven George
Waterman, William Lloyd
Watson, Alva David, Jr.
Webb, Stephen Louis
Webster, Kirwin Shedd
Weigand, Garry Lee
Weir, Marshall Ray
Welch, Daniel Francis
Welch, James Taylor
Wells, Kent William
Wells, Linton, II
Welsh, James Edward
Welsh, Walter Lee
Welton, Donald Ernest
Welty, Robert William
Wendt, Terrill Jay
Wesh, Francis Reid
West, William Robert
Westerbuhr, Norman Lee
Westfall, John Charles
Whalen, Daniel Patrick
Wheeler, Howard Alvin
White, David O.
White, Peter Leroy
White, Robert Dale
Whitehead, Robert Clifford
Whitehouse, Theodore Wayne
Wied, Edwin Milton, Jr.
Wilks, Robert Edgar
Willan, Robert Freter
Williams, David Michael
Williams, John William, Jr.
Williams, Robert Milo
Williams, Thomas Ryland
Williamson, Terrence Lyle
Williamson, Francis T., Jr.

Williamson, Robert Charles, Jr.
Wilson, Martin Bernard
Wilson, Wayne Bruce
Windle, Ralph Edward
Wise, Billy Butch
Wise, Bobby Gene
Witt, George S.
Wolcott, Hugh Dixon
Wolf, Edward James
Wolf, Robert William
Wolfgang, Earl Dale
Wolford, Norman Henry
Womack, Jack Edward, Jr.
Wood, Bruce V.
Wood, Gordon Leo, Jr.
Wood, Kenneth Arthur, Jr.
Wood, Stephen Carl
Woodall, Stephen Russell
Woodfield, Jeffrey Reynolds
Woodson, Walter Browne, III
Woolard, Richard Trusty P.
Worthington, Richard Ogle
Wozniak, John Frederick
Wright, Clinton Ernest
Wright, James Earl
Yakeley, Jay Bradford, III
Yarbrough, Earl C.
Yenzer, Ronald Dean
Zacharias, Bernard Louis
Zahalka, Joseph Harold, Jr.
Zuga, Leonard Francis

The following named women officers of the United States Navy, for permanent promotions to the grade of lieutenant commander in the line subject to qualifications as provided by law:

Anderson, Betty Sue
Apfel, Christine Reilly
Byerly, Kathleen Donahue
Gabryshak, Betty Jane
Haynes, Edith Elaine
Kazanowska, Marie
Kilmer, Joyce Elizabeth
Kummer, Sandra Ilene
Lee, Patricia Ann
McBride, Mary Lou
Paryz, Ellen Ann
Prose, Dorothy Anne
Reid, Heather Margaret
Wilson, Mary Faye
Yont, Mary Pauline

In the Marine Corps

The following-named (Navy enlisted scientific education program) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Bearce, Maynard P.
Courson, Leonard A.
Held, Raymond B.
Jenkins, Luther B.
Lott, Joseph N.
Lowery, Steven M.
McCarty, Robert T.
Perry, Michael F.
Wallander, Paul H.
Washington, William G., Jr.

The following-named (Marine Corps enlisted commissioning education program) gradustes for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Clark, Barry H.
Dawson, Kerry B.
Harraman, William L.
Miller, Edward L.
Neathery, James E., III
Pierce, Merrill L.
Price, Charles R.
Sizemore, Neil R.
Stoker, Glenn D.
Terry, Kenneth W.
Tretter, Dennis F.
Vanderburg, Jackson M.

The following-named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Adams, James E.
Aguilar, Daniel
Allegro, Donald B.
Andrus, James C.
Atkisson, Richard A.
Auston, Leroy
Barger, Terry L.
Barthel, Mark P.
Bean, Ronald D.
Behnke, Patrick J.
Bergmeister, Francis X.
Betros, Raymond L.
Beverly, Brent J.
Bickham, Eddie
Blasiol, Leonard A.
Bott, Steven C.
Bower, Terry R.
Boykin, Calvin C., III
Brandt, Edward A., Jr
Brown, Larry K., Jr.
Rabusin, Mario T.
Radtke, William A.
Ramik, Edward J.
Randall, Stephen W.
Reagan, Franklin V.
Recoppa, Lawrence J.
Reynolds, Steven A.
Ryan, Brendan P.
Sarnes, Michael W.
Salzman, David A.
Sanderson, William A.
Schattle, Duane E.
Schneider, Paul A.
Schoelwer, Michael H.
Schwenn, Robert M., Jr.
Seifert, Thomas M.
Shaw, Michael T.
Shihata, Karim
Shy, Patrick K.
Smythe, Douglas L.
Souza, Paul F.
Sparks, Jack K., Jr.
Spiese, Melvin G.
Spooner, Edward J.
Stanley, Paul T.
Taylor, Jonathan M.
Taylor, Michael E.
Thompson, Dennis C.
Todsen, Peter B., II
Torres, Randall G.
Trout, Danny K.
Troy, Robert P., Jr.
Urban, Robert L.
Wade, Derrell E.
Wallace, Joseph A.
Walls, David W.
Warkentin, Kevin L.
Warrick, Charles V.
Waters, Raymond F., III
Watson, Paul W.
Weiss, Richard E.
Wende, Stanley W.
Wescoat, Rodney E.
White, Jonathan C.
White, Steven E.
Wilkinson, Robert J.
Williams, Michael V.
Winters, Kevin H.
Worden, Dale D.
Wyatt, Benjamin G.
Young, Robert W., Jr.
Zobel, Robert H., Jr.
Brown, Terrence D.
Busch, Steven
Bushee, James M.
Byrd, Roy R.
Campbell, Mitsunori M.
Campbell, Robert I.
Campbell, William O.
Carrabus, Andrew J.
Case, David W.
Casey, Mark E.
Casey, Michael J.
Caslin, Michael W.
Chwalisz, Daniel F.
Clark, Michael E.
Cody, John J.
Cohlan, Christopher J.
Cornelius, George R.
Crites, James M.
Curry, John P.
Cuva, Roger T.
Dammer, Michael L.
David, Robert G., Jr.
Davis, Lester B.
Davis, Thomas M.
Dempster, Dymond R.
Devers, Bruce D.
Dickerson, Joe W., Jr.
Dorsett, Stephen C.
Evans, Mark C.
Fennell, Kevin P.
Fields, Paul C.
Forrester, Michael F.
Foster, Preston H.
Fredericks, William F.
Friday, Michael L.
Friedman, Mark L.
Fris, Steven A.
Furlong, Myles W.
Gelsomino, Joseph A.
Gibson, Mark J.
Golson, Richard L., Jr.
Gose, Robert W.
Guenzler, Leon D.
Gurganus, Charles M.
Hamilton, Larry K.
Harris, Charles R.
Hemleben, John F.
Hendricks, Mark L.
Higgins, James M.
Hoffman, William M.
Hommer, Jay W.
Hutchinson, Maurice B.
Jannell, Richard E.
Jennings, Harold L., Jr.
Johnson, Gary
Johnston, Jere J.
Jones, Susie K.
Knobel, Philip E.
Kozlusky, Gary R.
Krigbaum, Mark L.
Larsen, Randall W.
Lederman, Marc D.
Lindsey, James E.
Lowe, James M.
Mariani, Joel R.
Matteson, Richard J.
McAvoy, Kelly J.
McClain, Charles B.
McClelland, Tommy B., Jr.
McCleskey, Howell G.
McDole, Harry F., Jr.
McGuire, Peter S.
McIlhinney, Joseph V.
McKain, Keith D.
McKenzie, William T.
Miles, John R.
Misiewicz, John M.
Moriarty, Michael T.
Murray, Robert B.
Nans, Clayton F.
Neu, Kenneth E., Jr.
Norris, David B.
O'Connor, John P., Jr.
Olson, Nancy J.
Page, Roy F.
Perry, Ronald C.
Pike, Bruce G.
Pliska, Robert J.
Pratt, Dennis C.
Rabickow, Carl M., Jr.

The following-named officers of the U.S. Marine Corps for appointment to the grade of chief warrant officer W-4:

William T. Adams
David G. Albizo, Jr.
Frank A. Alexander
Ronald H. Alnutt
George L. Alvarez
William D. Amberson
Ronald S. Ambrose
Valentine P. Amico
Robert D. Amos, Jr.
Byron A. Anderson
Wenceslao U. Aquino
Raymond F. Asselin
George F. Aylward
Donald G. Baldwin
Ronald A. Balius
John C. Bardon
Boyd B. Bare
James W. Barotti
Odis L. Barrett
Daniel D. Barth
Bernard R. Barton
Salvatore A. Battista
Rodney A. Beal
Kenneth W. Berkey
Edward H. Bell
Raymond L. Bernard
Lois J. Bertram
Homer E. Bever
Raymond R. Bickel III
John A. Binder
Thomas W. Bland
Philip W. Blaylock
Gary M. Boggess
Lee A. Boise
Jackson D. Boley
George P. Bond
David I. Boyd II
Edward B. Boyle
Jerry J. Briggs
Charles H. Brittain
Austin W. Bromley
Garold N. Brooks
John V. Brooks, Sr.
Palmer Brown
James H. Buchholz
Delbert A. Bullock
William F. Campbell, Jr.
Robert H. Canning
Charles E. Cannon
Joseph A. Canonico
Floyd A. Carlson, Jr.
William R. Carr
Thomas L. Carroll
Russell C. Cedoz
James F. Chapman
Norman F. Charboneau
Marshall C. Chase
Larry D. Choate
Kenneth R. Clark
Leonard T. Clark
John P. Clelland, Jr.
Edgar L. Clemons
Gerald R. Clifford
Robert S. Collins
Frank J. Conti
Anthony J. Cotterell
David G. Cotton
Billy J. Cox
Leon R. Coxe
Larry G. Cravens
Charles R. Craynon
Charles E. Creamer
Keith D. Creech
Robert Crosby
Charles F. Cross
John T. Crowe
John M. Culver
Wayne R. Dale
Robert K. Davis
Samuel L. Dawson
David W. Decherd
James W. Defrank
Herman W. Dial
Kenneth R. Diana
Donald L. Dickerson
Don E. Diederich
Henry E. Dill
Robert J. Dolman
Thomas L. Doss
Jerome Drucker
Donald L. Dugan
Sidney E. Durham
Bobby E. Dusek
George H. Dustman, Jr.
Robert E. Ecklund
William A. Eichholz
James L. Eure
William L. Eveland
Frank H. Falkson R.
Robert C. Farrand
William T. Farrow
Francis P. Faubion
Donald W. Felty, Jr.
William J. Ferral
Richard L. Ferris
Bobby J. Fields
William J. Fitzgibbons
Jerry D. Floe
Raymond O. Florence
Arturo Flores
Johnny M. Floyd
Edwin C. Ford, Jr.
John H. Fraser
Ray Fritz
Leo P. Gagnon
Michael P. Galasky
Craig D. Gallan
Lawrence R. Gardner
Robert L. Garoutte
Joe D. Garrett
Earl E. Giles
Joseph A. Gorzynski
Ronald W. Gould
Norbert B. Grabowski
Frank N. Green
Ray H. Green
Leroy R. Greth
Philip A. Grazanich
James F. Guenther
Charles K. Haley
Walter D. Hamelback
Thomas E. Hamic
Robert E. Hamilton
Edwin A. Hamlin
Martin H. Handelsman
James F. Hansen
Joseph B. Harbin
Leonard J. Harrison
William H. Harris
Berne C. Hart
Orville L. Hastie
Emerson W. Hawkins
Thomas E. Hayward
Robert C. Hitte III
Jack Hofstra
James N. Holk
William C. Howey
Carl L. Huddleson
James W. Ivey
Walter L. Jabs
Buddy K. Jackson
James W. Jackson
Charles R. Jernigan
Joseph M. Jewett
Herman H. John
Arney M. Johnson, Jr.
John L. Johnson
Vernon J. Johnson
Bobbie J. Johnston
John A. Jones
Leonard P. Juck
George P. Kasson
Gary S. Kee
Charles R. Kellison
Peter C. Kendall III
Clyde W. Keniston
Mark M. Kenney
Richard J. Kerch
James Kight
John D. Kimberl
Elmer R. Kimbro
Joseph G. Knagge
Harold D. Klein
William L. Kroelinger
Martin Kusturin
Neil B. Labelle
Don C. Lacey
Robert P. Lacoursiere
Michael S. Lainhart
Michael R. Lamb
Robert B. Lambdin
Scott M. Lamberth
Benny W. Lane
Gerald S. Lane
Albert L. Larson
John H. Larson
Donald E. Laughner
Alfred H. Legere
Richard A. Lenhart
Larry G. Lephart
James W. Lewallen
John A. Lidyard
Regenald F. Lightsey
John M. Lilley
Warren G. Litzburg

Arron K. Lockyer
Leonard A. Long
William N. Lowe
Troy A. Lucas
David A. Luke
Allen J. Luma
David G. Mackey
Tommy E. Manry
Frank G. Markowski
Daniel Marland, Jr.
Bobby O. Martin
Kenneth W. Martin
Travis E. Martin
Michael P. Mastroberti
Joseph G. Mates
Peter J. Matthews
Philip S. Mayo
William L. Mazourek
Wiliam T. McAuley II
Alonzo B. McCall
William D. McCall, Jr.
John E. McCarthy, Jr.
William S. McClenithan
Francis McCombs
Richard G. McCord
Richard L. McDeavitt
Mack L. McGlumphy
Jack McKee, Jr.
Bert L. McSpadden
George B. Meegan
James M. Meehleder
Edmund M. Mello
Walter M. Mielnicki
Anthony F. Milavic
Ashby R. Miller
Thomas J. Miller
Stanley S. Minatogawa
Michael J. Mino
Frank G. Misemer
John M. Mitchell
Donald E. Monnot
Edward L. Moore II
Robert D. Moorhead
Grover K. Morgan, Jr.
William P. Moriarity
Bobby J. Morton
Don E. Mosley
Harry D. Moss
Donald J. Mossey
Timothy J. Murphy
Roy L. Myers, Jr.
Arthur G. Nadeau
David E. Nelson
John N. Newman
Richard J. O'Brien
Charles W. Occhipinti
Robert F. Okamoto
Almart H. Olsen, Jr.
John O. Olsen
Robert D. Olson
Bobby L. Osborne
Robert H. Page
Robert T. Paris
Robert H. Pendarvis
Edmund T. Peregoy
Carl E. Peterson
Clark A. Peterson
Douglas R. Phelps

Lloyd G. Phillips
Kenneth W. Phipps
Arthur A. Pierce
Len E. Pierce
Kenneth E. Pitcher
Lawrence D. Poling
Carl N. Ponder
Lynn M. Porter
William H. Powers, Jr.
Michael E. Rafferty
Jerry A. Raley
Frederick A. Randlett
Virgil Rankin
Donald Ratcliffe
Robert E. Ray
Walter J. Ray
Bobby D. Redic
Wililam A. Reitmeister
Edward T. Richards
Herbert C. Richardson
Thomas F. Roberson
John E. Robertson
Neil H. Robinson
James J. Roche
Lyonel K. Roepke
William P. Rohleder
Edward P. Rolita, Jr.
Warren H. Rooks
John W. Roth
Hugh T. Rowe, Jr.
Charles B. Russell
Vincent B. Russell, Jr.
William C. Russell, Jr.
Billy C. Sanders, Jr.
Theodore W. Schauer
Clifford C. Scheck, Jr.
Clifford G. Schleusner
Leonard L. Schlitz
Robert L. Schlott
Charles W. Schmidt
Bill M. Schooler
Donald W. Schwanke
Stephen G. Seman
Louis E. Sergeant, Jr.
Jerry M. Shelton
Thomas R. Shine
Warren A. Singer
George T. Singleton
Robert M. Slater
Charles R. Slavens
Robert J. Smethrust
Dever W. Smith, Jr.
Frank R. Smith
Herbert S. Smith, Jr.
James C. Smith
James L. Smith
Joseph Smith
Frank M. Spady
James A. Spalsbury
Billy R. Sparks
Roger V. Speeg
Philip S. Speliopoulos
Jack G. Spence
Robert R. Spitze
Dennis E. Springer
James E. Stant, Jr.
Lloyd E. Stanton, Jr.
Robert E. Stewart
Frederick C. Stilson

Donald E. Strassenberg
Raymond P. Sturza
Kenneth C. Sullivan
Robert P. Sullivan
James D. Svitak
David O. Swaney
Allen M. Sweeney
Eugene Swidonovich
Thomas E. Swindell
James D. Taylor, Jr.
Thomas W. Taylor
Bobby A. Templeton
J. T. Tenpenny
William E. Thomas, Jr.
Richard A. Thome
Kenneth E. Thorn
Joseph Thurmond
Richard E. Toepfer
Ralph E. Toholsky
Jerry L. Tomlinson
Eugene M. Trippleton
Richard D. Twiford
Leonard D. Tygart
Robert J. Underwood
Michael D. Villarreal
Richard L. Vincent
Larry F. Wahlers

Jerry E. Walker
William D. Walkup, Jr.
John R. Waterbury
Carl V. Watts
Fred L. Weaver
James P. Weaver
Patrick J. Webb
Robert W. Weeks
Lloyd J. Wengeler
Lloyd M. Wentworth, Jr.
Kenneth L. Werbinski
James M. Wheatley
William A. Whiting
Charles E. Whitaker
Bruce M. Wincentsen
Hershel E. Wisdom
William J. Witt
Charles F. Wolverton
Charles W. Woods
Robert L. Woodward
Peter A. Woog
Eddie B. Wright
Leslie Yancy
Jere W. Yost
Edward M. Zerbe
Dennis R. Zoerb
Roger D. Zorens

The following-named officers of the U.S. Marine Corps for appointment to the grade of chief warrant officer W-3:

Curtis E. Anderson
Willie A. Armstead
Lorenza T. Baker
Bonnie H. Bass
Richard J. Beatty
Thomas J. Berryhill
Ronald C. Biggs
Archie G. Bobo
Victor H. Bode
Luther A. Bolenbarker
Robert L. Bowen
Reganold A. Bowser
Dennis A. Braund
Albert K. Britton
Charles J. Bruce
Ben W. Caesar
Robert L. Caldwell
James E. Carter
Donnie E. Cavinder
Jackie E. Certain
George C. Cleveland
John H. Cole, Jr.
Gregory Connor
Rex L. Curtis
Eldon L. Dodson
Arthur J. Douglas
Terrell L. Dulaney
James M. Edgerton
Dennis Egan
Robert R. Epps
Donald T. Eskam
Charles A. Fitzgerald
Sandra L. Furber
Earl G. Gale III
William M. Grant
Jesse E. Giles

Leon E. Gingras, Jr.
Philip E. Goble
Richard L. Gregg
William L. Grinnell
James W. Grooms
Hubert A. Grummer
Charles W. Hahne
Henry D. Holloway
Frank R. Hart
Albert L. Hayes
Harold S. Heinbaugh
David M. Highwarden
William J. Hisle III
Raymond L. Hug
Guy L. Hunter, Jr.
Robert R. Irvine
Raymond T. Jackson
Harold R. Jacobs
William R. Johnson
Allen F. Kent
Joe Killebrew
Leslie C. King
Chester C. Kinsey
Charles E. Lambert
Albert R. Lary
Philip D. Leslie
John E. Lewis
John W. Loynes
Raymond J. Main
John P. Marlowe
Barry E. Marsh
Benjamin A. Marsh
Charles P. McCormick
Howard McDonald
William L. McGinn
Larry G. Merrifield

John Molko
Allen R. Morris
James T. Morris
Lawrence T. Mullin
Nicholas P. Nester
Hillman R. Odom, Jr.
William D. Penn
Walter D. Perry
Jimmie F. Peters
Charles T. Pettigrew, Sr.
Robert P. Phillips
Alfred M. Pitcher
Wilfred, Puumala
William C. Riddle, Jr.
Richard A. Rossi
Michael J. Schulke
John D. Scroggins
John C. Seig
Albert W. Sheldon
William F. Shidal, Jr.
Charles R. Shoemaker
Dan W. Showalter, Jr.

David E. Shumpert
Wilbert O. Sisson
Robert M. Skidmore
Charles G. Skinner
Minter C. Skipper, Jr.
Isaac A. Snipes
Jeffrey J. Snyder
Elias J. Soliz
Ronald J. Stopka
Joseph J. Stours C.
George B. Strickroth
Michael E. Thomas
Paul W. Thomas
Joseph Thorpe
Paul R. Tippy
Louis G. Troutman
Bennie R. Walker
William T. White
Arthur P. Williams
Jerome K. Williams
Richard K. Wolfe
Charles E. Young
Arthur Yow, Jr.

The following-named officers of the U.S. Marine Corps for appointment to the grade of chief warrant officer W-2:

Joe W. Arnett
Joseph E. Ashton
Lauren D. Ayres, Jr.
David B. Bartz
Jon C. Benrud
Richard J. Bessette
Ronald M. Brahmer
Ronald G. Brogdon
William L. Burke
Robert C. Burlingame
Douglas M. Catlett
Joseph C. Chiles
Richard W. Christiansen
John C. Clark
Ronald E. Clemons
Gerald L. Colby
Larry A. Cowart
William T. Cumbie
Cecil R. Delarosa
Robert N. Diab
Ronald T. Dudley
Kelly R. Edwards
Charles A. Fields, Jr.
Carmelo A. Finocchiaro
Harold A. Gawerecki
Sylvester Graves
Thomas M. Grenier
Gary R. Grothe
William R. Hayes
Gerald T. Janda
Marcus W. Johns
Joe V. Johnson
Charles J. Kathrein
Frederick J. Keegan
John J. Kenney
Ronald A. Koren
Larry G. Lawson
Curtis A. Leslie
Larry D. Logsdon
Tommy L. Lopez

Darrell F. Martin
Joseph A. McDonald
Paul A. McInerney
Raymond E. McNeal
Richard L. Meeker
Marlen B. Meierdierks
Leslie A. Meyer
Vernon J. Meyer
Fredrick M. Morrone
Leonard A. Mueller
John L. Owens
Lance E. Parker
Teddy H. Perrodin
Paul J. Prevost
Daniel B. Pickens
Loren D. Primmer, Jr.
Jerry R. Prince
Edward Richey, Jr.
Carl Romero
Larry R. Rudolf
Ronald G. Ruppelt
Daniel W. Sable
Winston J. Scott
John R. Seay
John D. Self
Robert L. Sessions
Cathy J. Sieber
Charles C. Simpson
Richard M. Speidel
Ryan E. Stafford
Robert T. Stockman
Robert D. Stride
Ralph Sturgeon, Jr.
Peter W. Tallman
Teodoro R. Tenorio
Lyndon F. Vrooman
Dean A. Waller
Richard J. Walter
James C. Wheeler, Jr.
Anthony W. Williams
Cecil E. Wilson
Robert F. Zurface

EXTENSIONS OF REMARKS

ADVICE TO GOURMETS ON THE WING

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. HUNGATE. Mr. Speaker, since this is an election year, Members of Congress will be spending more time in the air on the way home. They may find the enclosed article useful:

ADVICE TO GOURMETS ON THE WING

(By Sam Goldberg)

At its conception, this column was planned as a set of guidelines for the successful interviewee. It was felt that those still looking for a job after December 15 would probably not have had the opportunity to do enough travelling to fully appreciate our remarks.

However, this year's free trips have come and gone, and where guidelines once were needed, reminiscences are perhaps more in order. In other words, our review of the fare of various airlines is too late.

Planning ahead, then, and with the hope that we will all in the future be as successful as some of us have been in the recent past, we offer a few tips on whose skies offer the friendliest service to our collective digestive tracts.

Fear of flying? You should have. Not because your destiny is totally out of your own hands and you know that the pilots are talking about the virtues of "that nice one in the third row" rather than watching their control panel. No, we're all aware that flying is safer than driving a car down Mass. Ave.

At least in your car you can hit your neighborhood McDonald's and wind up, if not nourished, at least satisfied. Well, McDonald's may be opening new stands in

Guatemala, but you can't yet get a quarter-pounder at 30,000 feet. And therein lie the dangers of the airlines.

We start with the basic proposition that airline food only gives the *illusion* of being free, even though it "comes with the flight." You're paying for it all the way (if not with dollars, then with indigestion). And in light of the results of our ad hoc sampling, it would be best not to choose your flights on the basis of whether or not they serve dinner.

Some mention should be made of Logan Airport. Early in the morning the sweet rolls were fresh, but grossly overpriced, and the coffee was tasteless. Avoid them both. Hardly the type of breakfast we can in good conscience recommend. As for their typical classy airport restaurant—well, have *you* ever eaten in one? But you could pick up a live lobster there, and with some daring ask for a pot of boiling water on the plane (ostensibly for tea, but we know better). Perhaps that is a bit too perverse.

Substantively, TWA comes out ahead. They've started giving roasted peanuts with their drinks, and they often have real tomato juice as opposed to simply Bloody Mary mix. One would think that it would be difficult to screw up the serving of drinks, but we did order a beer on an American flight, and even *aside* from the fact that we were served Schaefer (is this beeah or is this watah?), it came *warm*. And you know what *kind* of warm (this is a family newspaper). Unforgivable.

Northwest served a substantial breakfast, but we were not foolish enough to eat it all. We *think* it involved an omelet and some strange sausage-and-potato combination, but we had to extrapolate from appearance and texture. Both items tasted the same—very much like the rubberized pacifier we would occasionally use after some of our more trying first-year classes.

Lunch on TWA was cognizable. A small piece of roasted chicken that actually tasted like chicken was delivered, and if one ignored the potatoes and dried-out cake, it provided an adequate meal. No seasoning, and hardly exciting, but not affirmatively unpleasant.

The other option, however, was an alleged corn beef sandwich, which hardly merits comment. Suffice it to say that we never eat potato salad on an airplane.

As for United—in terms of culinary mastery, the current strike may well be a blessing in disguise. United committed one of the cardinal sins of air travel by leaving the passageway from coach to first class open so that the coach passengers could see what the first class passengers were being served. If we have our choice, we shall never fly United again.

You should be aware that wine is available (with or without dinner) for a small fee on most flights. We found it acceptable, though barely so. Perhaps it is best described as better than the coffee. In other words, if there were an appellation de-controllée, this wine would merit inclusion. Palatable, but certainly not eminently so.

For the evening meal, there is little variety among airlines, but here we admit a bias towards TWA simply because, as the result of a surplus, we were served a meal ordinarily intended for a first-class customer. American generally offers a choice between an Italian dish on a gastronomic par with the Three Aces pizza, and a Swiss steak probably very similar to the ones your girlfriend's mother made when you were invited to dinner. All airlines serve a kind of chocolate mush under the guise of dessert. If you believe, as most Americans apparently do, in feeding your animals better than most people are fed, do *not* bring this home to your pet fish.

Finally, a note on atmosphere and ambience. We simply cannot understand where the incredible amount of erotic literature and fancy re stewardesses (stewardi?) comes from. Most (again we have an observational bias in favor of TWA) are only slightly more appealing than the average law student. Thus the one criterion we would at least feel comfortable with in selecting an airline turns out, unfortunately, to be largely meaningless.

Our conclusion is obvious. Jetting around the country can be fun, and exciting. But save the wining and dining until you get there. Or eat before you go.

UKRAINIAN INDEPENDENCE DAY

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 20, 1976

Mr. SCHWEIKER. Mr. President, as we celebrate the bicentennial of our Declaration of Independence, it is appropriate that we acknowledge and support the right to independence and free self-determination of the Ukrainian people. Accordingly, I have written to President Ford urging that he proclaim January 22, 1976, as Ukrainian Independence Day.

The Ukrainian National Revolution culminated in the establishment of the independent Ukrainian Republic on January 22, 1918. In commemoration of this important historic event, I ask unanimous consent that a letter from my constituent, Dr. Peter G. Stercho, president of the Philadelphia Branch of the Ukrainian Congress Committee of America, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UKRAINIAN CONGRESS COMMITTEE
OF AMERICA,
Philadelphia, Pa., January 5, 1976.

Re: Ukrainian Independence Day Proclamation—January 22

Hon. GERALD FORD,
President of the United States, the White House, Washington, D.C.

DEAR MR. PRESIDENT: As we, free Americans, have just entered officially into the Bi-Centennial of the glorious American Revolution which formulated the best workable principles for the Free Man constituting a Free Society in the history of mankind, and as we have inaugurated the Bicentennial Celebrations of the Independence of the United States of America, many historic and civilized nations are suffering foreign oppression within the political "sphere of influence" of the Russian-dominated Soviet Union.

Among those that probably suffered most under the Russian Leninist and Stalinist terror are the Ukrainians, a historic nation of fifty million possessing the second largest territory in Europe.

Adhering to the principles of national self-determination, on January 22, 1918, the Ukrainian people declared through their duly elected representatives the Independence of Ukraine. After three years of defensive war, the Ukrainian people once again were subjugated by the brutal Communist forces of Lenin's Russia.

As spokesman of Ukrainian Americans in the Greater Philadelphia area, I appeal to you, Mr. President, to give moral support to those freedom loving Ukrainians who hope that some day the people of Ukraine will be free to enjoy liberties outlined in the Ukrainian Declaration of Independence of January 22, 1918, inspired greatly by the American Revolution and the Founding Fathers' writings.

Therefore, the Ukrainian Americans of the Greater Philadelphia area urge you, Mr. President, to issue a Proclamation designating January 22, 1976, as "Ukrainian Independence Day."

Thanking you, Mr. President, in advance for your understanding, I am

Respectfully yours,
DR. PETER G. STERCHO,
President, Philadelphia Branch.

THE CIA: IS AMERICA GOING MAD?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. MICHEL. Mr. Speaker, the Daily Telegraph of London in an editorial earlier this month asked the rhetorical question, "Is America going mad?"

The editorial says:

> The self-criticism and self-destructive tendencies are running mad with no countervailing force in sight * * * the CIA is being gutted and rendered inoperative, the names of its staff being published so that they can be murdered.

Well spoken, and directly to the point that has caused me to propose legislation making it a crime to reveal the identity of an intelligence agent or employee.

Since it became known that I was going to take that step, I have received many letters on the subject, the overwhelming majority of them strongly supporting my position, and echoing the sentiments of the Daily Telegraph, not to mention those of the Washington Star, which had earlier editorialized in favor of "stiff prosecution" of secret spillers. But not all of the mail has been favorable. Some, sadly, has been symptomatic of the "madness" to which the Daily Telegraph refers. For example:

DEAR CONGRESSMAN MICHEL. According to news reports today, you plan to introduce legislation to make it a federal crime to disclose publicly the identity of an American intelligence employee or agent.

I suggest strongly, sir, that before you do so, you include in your bill strict provisions prohibiting certain activities by these agents to "cover" themselves.

I refer specifically to agents of the CIA, FBI or any other agency posing as news reporters to disguise their actual activities.

I am, and have been for more than 20 years, a reporter for the Baltimore Sun. As such, I covered the Vietnam war from 1966 to 1968, and was the Latin American correspondent from 1969 to 1973.

Although I could not prove, and did not try, I am morally certain that members of the Vietnam press corps were actually intelligence agents keeping reporters under surveillance and seeking their sources. And I believe congressional investigation has shown that this "cover" was used in domestic surveillance during this period.

Several legitimate reporters were disclosed a year or so ago to have been federal informers at the same time.

As reporters we have a difficult enough time simply gathering the news, particularly abroad, without having to contend with accusations of being spies. This occurred frequently in South America, particularly in Chile during the period of Salvador Allende's election and presidency.

We all know now just how active the CIA was in Chile at that time, and earlier. I can still recall Ambassdor Korry's pious denials of "any" American involvement in the Chilean election or other internal affairs.

And I can also recall being picked up at midnight from my hotel room in La Paz, Bolivia, by five secret policemen with submachine guns. The detention was brief and of little consequence, but it was not fun.

I have said in the past, and I will repeat it now for the record: If I ever discover an intelligence agent posing as a news reporter and attempting to use such credentials as a "cover" for intelligence work—I will expose him, by discreet persuasion, if possible; publicly, if necessary.

This is not said without thought of the potential consequences of such disclosure.

But to me it is a matter of principle.

I agree that intelligence work is vital to the national security of the United States.

But, as practiced by Americans under our Constitution, journalism holds special responsibilities as well as privileges.

Therefore, as a reporter, I could not, in good conscience, allow an intelligence agent, or anyone else for that matter, to use my profession as a disguise and, thus, jeopardize both the responsibility and the privilege.

We have seen enough of the abuse of government power in the United States in recent years to know how easily it can be done, and its disclosure has been largely the work of honest, legitimate, reporters.

Therefore, sir, before you impose a legal burden of secrecy on the citizens and reporters of the United States to protect spies, I again suggest that you impose an equally heavy burden on the spies to choose their disguises responsibly.

Sincerely yours,

RORERT A. ERLANDSON.

Mr. Speaker, for Mr. Erlandson, clearly, "privilege" for members of his profession is more valuable than life itself for other, presumably lesser, human beings. I think that is indeed madness, and suggested my displeasure in response to the letter:

DEAR MR. ERLANDSON: Why are some reporters always trying to claim special privileges and status for themselves? The fact that the Constitution of the United States guarantees a free press does not make reporters above the law, or better than anyone else.

I fail to see why it is any less responsible for an intelligence agent to adopt the cover identity of a reporter than, say, an oil company executive, diplomat, or clergyman. The latter example may be particularly to the point, since like freedom of the press, freedom of religion is constitutionally guaranteed to the American people.

You do not say in your letter why it was that you were picked up by the police in Bolivia, but I suggest that the incident would have been no more fun for a member of any other profession. I suggest further that the best way we can go about trying to create the sort of world where such incidents do not happen is to have a foreign and military policy, backed by solid and competent intelligence work, which protects the rights of Americans, and respect for America around the world.

Sincerely,

ROBERT H. MICHEL,
Member of Congress.

Mr. Speaker, it is time for us to step back and act sensibly about some things. If we are to have a foreign intelligence operation, and surely in this dangerous and unfriendly world we must, then for heaven's sake why do we seem bent on rendering it incapable of effective service? Under what perverted logic is it true that an incompetent CIA is preferable to a competent one?

You just cannot apply the Freedom of Information Act to spies. It is that simple.

The editorials I have mentioned are cogent and thoughtful analyses of the situation. We will do well to heed their admonitions:

[From the London Daily Telegraph, Jan. 3, 1976]

IS AMERICA GOING MAD?

It is time America's friends spoke out, with some nasty questions to the so-called "liberal" east-coast establishment. By that we mean sections of the Press, sections of Congress, television commentators and comedians, university pundits and a lot of other people who may think there is a dollar to be made out of denigrating their country's institutions and leaders. We all know about the "trauma" of Vietnam and Watergate, but it's getting a bit boring. How long has the rest of the free world got to put up with these tender-minded people recovering from their "trauma"? Indefinitely?

America is accustomed to, and has merited, a good deal of deference from her allies. But deference can be a disservice. The United States should know that her European cousins and allies are appalled and disgusted by the present open disarray of her public life. The self-criticism and self-destructive tendencies are running mad, with no countervailing force in sight. She has no foreign policy any more, because Congress will not allow it. Her intelligence arm, the CIA, is being gutted and rendered inoperative, the names of its staff being published so that they can be murdered. Her President and Secretary of State are being hounded, not for what they do but simply because they are people there to be pulled down for the fun of it.

We hope and believe that the vicious antics of the liberal east-coast establishment, which are doing all this untold harm, do not reflect the feelings of the mass of the country. But it is a matter for wonder. Is the country as a whole becoming deranged? Surely not. Perhaps the Presidential election later this year will clear the air. Yet that is still 11 months away, and in the meantime there is all the campaigning to be gone through. Please, America, for God's sake pull yourself together.

[From the Washington Star, Dec. 31, 1975]

A MATTER FOR PROSECUTION

The hard truth, even for those who take a very broad view of the First Amendment, is that last week's chilling murder of Richard Welch, the CIA's station chief in Athens, reinforces the case for a stiff official secrets act.

If, as various justices of the Supreme Court thought during the Pentagon Papers case, the First Amendment would not sanction publication of the date of a troopship sailing in wartime, it shouldn't and wouldn't protect those who reveal the identities of American intelligence agents and thus expose them to kidnaping, injury or death.

It would be a perverse notion of freedom of the press to hold otherwise. The First Amendment does not license revelations and utterances carrying "clear and present danger" to life and limb.

But when all this is said, it remains difficult to know how and when to draw the line in law. The Welch case, like so many others nowadays, falls into a constitutional twilight zone. The writers of the First Amendment knew nothing of cold wars and their confusing effect on the law.

Moreover, if Congress empowered the courts to enjoin publication of the identities of American agents abroad, we would shortly find the courts stretching this constitutional inch into constitutional miles. Too many names, and too many activities, would be raked under legal shelter.

Furthermore, it is often difficult to trace effect to cause. Was Mr. Welch's deplorable assassination the indirect result of the blowing of his cover by an American publication frivolously called Counter-Spy? Or was it the result of his identification by the Athens News? Or was it neither? Courts must proceed on facts, not suppositions, and they might be hard to come by in such a case.

As for prior restraint, then, we have our doubts. Yet a law providing for the stiff prosecution of those who publish certain limited kinds of information might have a salutary effect. Such prosecutions would not bring Mr. Welch back to life. But they might save some other lives.

STATEMENT ON INDOCHINA REFUGEE CHILDREN ASSISTANCE ACT

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. FISHER. Mr. Speaker, yestreday I voted in favor of the bill H.R. 7897, which authorizes funds for assistance to local educational agencies for the education of Indochinese refugees.

It is my understanding that H.R. 7897, as originally reported by the Education and Labor Committee, would determine the amount of reimbursement to which each State educational agency is entitled by multiplying the number of Indochinese refugee children enrolled at the local educational institutions of the State, times the average per-pupil expenditure for the State during that year; minus administrative costs. The amount of the State's grant for local school districts is distributed among the school districts and in proportion to the per-pupil expenditure of each district. The State must provide assurances in their application form that the funds will be appropriately distributed to the local districts.

Under the existing program, administered by HEW, the Federal Government reimburses the local educational agencies $300 for each of the first 100 Indochinese refugees between the ages of 5 and 17 enrolled in the schools, and $600 for every student beyond that number.

My district has absorbed an unusually large number of Indochinese refugees, over 1,000 of whom are enrolled in schools. The school boards representing the counties located in my district have indicated that the grant currently being offered by HEW does not adequately compensate the local school districts for base costs, which normally average between $1,200–$2,000 per pupil per year. Furthermore, I have been assured that these local school budgets were decided on before the prospect had become clear that Indochinese refugee children would have to be accommodated in the schools. The present program offered by HEW barely covers the added costs associated with educating a refugee student, such as bilingual teachers and aides. Since northern Virginia schools are already financially distressed, this places a further burden on them.

The Federal Government authorized

the admission to this country of the many Indochinese refugees and it should be a Federal responsibility to insure that local governments are not unduly burdened financially in the first year or two after the refugees arrive. I believe the 2-year program provided for in the committee bill was long enough to allow the refugee students to be absorbed into the schools and the community and for the adult refugees to become full contributing members of the community, yet the period was not so long that the program would become merely another continuing subsidy by the Federal Government to local schools.

The Quie amendment which was adopted by the full House yesterday, but which I did not support, substantially decreases the amount of the funds that educational institutions would receive for educating the refugee students. In northern Virginia it can be clearly demonstrated that the funds set forth in the Quie amendment do not adequately compensate the local educational agencies for the costs incurred while educating the Indochinese refugee students this year. I did vote for final passage of the bill, however, in order to support some needed aid.

JOE McCAFFREY

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1976

Mr. ROONEY. Mr. Speaker, I am pleased to insert in the RECORD today the remarks of Mr. Joe McCaffrey, the well-known radio-television commentator, made in a recent show. It is my pleasure to have his kind remarks about the distinguished former Speaker of the House, John W. McCormack reprinted for the benefit of the other members:

Just before Christmas a wonderful old gentleman celebrated his 84th birthday.

He is still active, still busy remembering to do nice things for people—visiting the sick, dropping notes to old friends to congratulate them on some achievement—doing what all of us wish we ourselves did more often; being considerate of others.

I am talking, of course, of one of the kindest, people-related men ever to serve in Congress: former House Speaker John W. McCormack.

He is now back in his home town of Boston, but once in awhile he ventures out to visit once again the city he learned to love, Washington, D.C.

There are still in this city so many men and women he helped over the years, because John McCormack always believed we were put here on Earth to help others.

Once, in an interview, I asked him, "Mr. Speaker, people are just naturally ungrateful—sometimes don't you feel hurt when someone you have helped turns against you."

He was genuinely surprised at the question, and shaking his head he said, "Oh, my, Joe—I never think about that because most people are not like that. Most people, Joe, are so nice you want to do as much as you can for them."

Even today, at the age of 84, John McCormack has not become cynical, not become bitter. If only all of us could say the same.

MEMORY OF MARTIN LUTHER KING HONORED AT SPRINGFIELD'S THIRD BAPTIST CHURCH AND BY HOUSE CONCURRENT RESOLUTION 96

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. BOLAND. Mr. Speaker, on January 15 the Reverend Martin Luther King would have been 47. This young age reminds us of the great positive effect he had on the people of this country in his less than 40 years on Earth. His accomplishments live on in our memories and we must all strive for his ultimate goal: True equality for all men.

The world will not soon forget Martin Luther King. His vision, his "dream," has been carried on by thousands of his followers. The "dream" of equality, peace and brotherhood, is one which we all should share and promote. We can honor Dr. King's memory in no better way than to make his dream a reality.

On his birthday observance last week, the State of Massachusetts and the city of Springfield marked the day with numerous services and other public meetings and ceremonies. One church service of note was the stirring ceremony held at the Third Baptist Church in Springfield. This joint service, held by the Rev. Dr. Paul A. Fullilove, featured tributes to Dr. King by Rev. Donald G. Whitney of the Greater Springfield Council of Churches, the Rev. James H. Hamer, president of the Greater Springfield Pastors Council, Bishop William J. Marshall, Mr. Frank H. Buntin of the National Association for the Advancement of Colored People, the Rev. Miles Crawford, Mr. Henry Thomas, Urban League Director, the Rev. O. Urcille Ifill and was highlighted by a moving speech by Dr. Kelly Miller Smith, the award-winning pastor of the First Baptist Church of Nashville, Tenn. Also featured was a 100-voice "Freedom Choir," composed of choir members from churches and led by Mrs. Josephine Fullilove, the Reverend Fullilove's wife.

Services like this one attest to the strength of Martin Luther King's dream of equality for all men. We must never forget him or his goal.

I believe we can also pay tribute to Dr. Martin Luther King by honoring his memory here in the U.S. Capitol. One way of doing this is by placing a statue or bust of Dr. King in the Capitol for millions of visitors to view each year. As a cosponsor of House Concurrent Resolution 96, which would commission this statue or bust, I urge my colleagues to support this concurrent resolution and honor a great American and defender of freedom.

Mr. Speaker, with my remarks, I would like to include an editorial from the Springfield Daily News of January 15, 1976 entitled, "The Best Tribute to Martin Luther King" and an article from the Springfield Union of Friday, January 16, 1976 recounting the service at the Third Baptist Church.

The articles follow:

DR. KING'S DREAM RECALLED IN RITES

(By William K. Howard)

Dr. Martin Luther King's dream of equality and brotherhood was recalled Thursday night on the 47th anniversary of his birth by Dr. Kelly M. Smith in a joint service before more than 1,000 persons at Third Baptist Church, Springfield.

Dr. Smith, pastor of First Baptist Church, Nashville, Tenn., was guest speaker at the service sponsored by 16 area churches.

Public schools, municipal offices and state offices were closed Thursday in honor of the civil rights leader who was slain April 4, 1968 in Memphis, Tenn., while participating in a garbage-workers strike.

Speaking along a theme of a suitable birthday present for Dr. King, Dr. Smith said King in his lifetime had little use for material gifts and the condition of American society today makes it difficult to give him a suitable moral gift: the fulfillment of his dream of equality, peace and brotherhood.

"Martin, for a birthday present that would make you happy . . ." Dr. Smith said, "We should let justice run down. You would want us to go down by the river, lay down our swords and shields and make war no more."

Dr. Smith recalled Dr. King's gifts to America and the world: dignity, consciousness, compassion and most importantly, he said, the dream.

"The poor man is not a man who is without a sin, but a man who is without a dream," Dr. Smith said.

Smith was referring to King's Aug. 28, 1963 speech at the Lincoln Memorial in Washington, D.C.:

"I have a dream that one day this nation will rise up and live out the true meaning of its creed: "We hold these truths to be self-evident, that all men are created equal."

THE BEST TRIBUTE TO MARTIN LUTHER KING

Today's observance of Dr. Martin Luther King's birthday is marked by appropriate tributes to the memory of the man who led the crusade for civil rights in America.

Schools, which are closed today as part of the state holiday, held special programs this week honoring Dr. King. A proclamation issued by Mayor William C. Sullivan pays the city's official tribute to Dr. King's work.

The bullet that killed the civil rights leader in Memphis brought his career to a tragic and premature end.

But violence did not triumph over nonviolence. Dr. King's assassin could not kill the goal of a better America.

This goal was only partially realized dur-his lifetime. However, it remains today not only as his legacy, but as a guideline for the future.

Martin Luther King Jr. had a dream which he enunciated in his now famous speech during the march on Washington in the summer of 1963.

He had a dream of an America that would be free of racial prejudice, an America that would be a true land of opportunity, a land in which all men and women would, indeed, be equal.

Much has been accomplished for racial equality because of Dr. King's vision and courage. The civil rights movement of the 1960's is history now. But there are new men and women of vision in the 1970's who are pressing for human rights.

If today's causes lack the drama that was contained in the civil rights movement, that does not mean that the task in the 1970's is any less challenging.

Segregated schools still exist. Racial prejudice still rears its ugly head. Discrimination in housing is far from being eliminated.

Equality is still a myth in many places in America—in the North as well as the South, in the East as much as in the West.

Members of minority groups are still persecuted. And, we should note, there is even some discrimination in reverse, against members of so-called "majority groups." Lowering test scores of academic standards in the name of racial equality is a disservice, for example, to blacks and white.

Facing up to our weaknesses is the key to building on our strengths.

On the 47th anniversary of the birth of Martin Luther King, the challenge for all Americans is to put renewed life into Dr. King's dream of a great nation in which its millions of people are judged by what they can do for their country, and not by the color of their skin.

There is no better tribute to the man we honor today.

RENTERS' TAXES

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mrs. SPELLMAN. Mr. Speaker, as Members of this body compare notes of their recent trips home, I think they will find taxes on the top of the list of constituent concerns. Not only Federal taxes, but State and local taxes as well are dipping deeply into citizens' pockets every day, as all levels of government struggle with inflation-plagued budgets to meet the demands of their communities. In their desperation, the local governments have joined the Federal Government in taxing their people to near-revolt, and have continually searched for new ways to raise the money needed to provide services.

In this process, inequities are sometimes spontaneously developed as the taxing decisions of one level of government adversely affect the actions of another level. Such is the case in Prince Georges County, Md. An "apartment tax" was developed as an alternative to another property tax increase. Proponents of this tax proposal argued that the beleaguered property owner could not pay any more; that any increase in the property tax would drive property owners from the county and eventually reducing its already tenuous tax base. By taxing apartment dwellers, however, the county felt it had not only eliminated the need for a real property tax increase, it had forestalled a series of rent increases that inevitably accompanied any property tax increase. The strongest argument, however, was that such an apartment tax would be deductible from Federal income taxes in the same manner as were property taxes.

On December 23, 1975, the Internal Revenue Service handed apartment dwellers in Prince Georges County an unwelcome Christmas present. They classified the renters' tax as an excise tax, not deductible on Federal tax returns. This tax that had been compared to a homeowner's property tax was to be treated in an entirely different manner; in effect, discriminating against the apartment dweller because he or she does not own the residence.

I am introducing legislation today to correct this inequitable treatment, not only for apartment dwellers in Prince Georges County, but in any other jurisdiction that may have, or may be contemplating, such an apartment dweller's tax. My bill amends the Internal Revenue Code to allow a deduction for such State and local occupancy taxes, so that they receive the same treatment as real property taxes.

If State and local governments must use such an occupancy tax to increase revenues, we can, at least, insure that these taxes are treated in an equitable manner in the Federal tax system. I hope that my colleagues will give this measure careful consideration and will join me in support of this legislation.

The text of my bill follows:

A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State or local taxes imposed on the rental of dwelling units

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 164 of the Internal Revenue Code of 1954 (relating to deduction for taxes) is amended by inserting after paragraph (5) the following new paragraph:

"(6) State and local occupancy taxes."

(b) Subsection (b) of such section 164 is amended by adding at the end thereof the following new paragraph:

"(6) Occupancy tax.—The term 'occupancy tax' means a tax imposed on amounts paid or incurred for the rental of a dwelling unit."

(c) The amendments made by this section shall apply to amounts paid or accrued after the date of the enactment of this Act in taxable years ending after such date.

UNEMPLOYMENT OUR MOST PRESSING PROBLEM

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. SOLARZ. Mr. Speaker, with more than 8 million persons unemployed, and over $20 billion being spent in compensation to those out of work, unemployment is clearly our most pressing domestic problem. One of our colleagues, Representative PAUL SIMON of Illinois, has addressed himself to this issue by authoring a bold and innovative legislative proposal, which would have the Federal Government experiment with job guarantee programs in high unemployment areas. This worthwhile proposal is detailed in an article by Clayton Fritchey which appeared in the Washington Post of January 17. Congressman SIMON is to be congratulated for his customarily creative contribution to the congressional debate on this issue and I commend the following article to my colleagues for their consideration:

[From the Washington Post, Jan. 17, 1976]

UNCLE SAM: EMPLOYER OF LAST RESORT?

(By Clayton Fritchey)

It is better to pay people to work than pay them to do nothing. While this simple, seemingly incontrovertible, proposition is not yet effective U.S. policy, it's finally on its way to acceptance, maybe before 1976 is over, but certainly soon after the next election.

Congress and the American people seem to be learning the hard way that even semi-productive work is better for the country than totally unproductive idleness, and less costly as well to the taxpayers.

The involuntary idleness of 8 to 10 million unemployed Americans is costing the taxpayers about $40 billion a year in unemployment compensation, welfare payments, food stamps, subsidized housing and other benefits, which is more than it would cost to put almost everybody to work through government-guaranteed full employment.

Belated recognition of that fact is changing the political scene. The idea of the government accepting the responsibility of being the employer of last resort has long been resisted on the assumption that it would be a burden on the taxpayers, but now at last it is dawning on the public that there is nothing so costly, so extravagant, so utterly wasteful as unemployment and plowed-under manpower.

So the welcome change in attitude is not so much a burst of compassion for the jobless as a realization that everybody's pocket is picked by mass unemployment. Part of the change is due to the leaders of organized labor who have discovered that the economy loses about $16 billion a year for every million out of work, to say nothing of the billions in tax revenues that are also lost through reduced payrolls.

Since President Ford has resisted most job-creating proposals introduced in Congress, it is not likely that legislation guaranteeing full employment can be put into effect while he still has the power to veto, but it may be possible to adopt a pilot plan advanced by Rep. Paul Simon (D.-Ill.), which would pave the way for a subsequent national program.

Simon's novel bill would establish a two-year experimental guaranteed-jobs program in 20 high unemployment counties throughout the country, with the idea of convincing even skeptics that there can be a practical and constructive way of putting the jobless to work and rejuvenating the economy.

The legislation would require the Secretary of Labor to study the effects public service jobs on such things as unemployment compensation, criminal activity, welfare payments, sales and income tax revenues, and a variety of other factors affected by creation of new jobs.

"We may find," Simon says, "that by making government the employer of last resort we will both save some money and eliminate or substantially reduce some of the social costs of unemployment."

Jobs would be created in several ways, one being government subsidy of new private enterprise jobs created especially for the program. There also would be federal subsidy of new state and local jobs, along with specially created federal jobs to improve community living standards.

Any employer who now employs one to 10 persons would be able to add one worker and be reimbursed by the government for one-half of the minimum wage of that person for one year. An employer with 11 to 20 people could add two employees, and this scale would continue up to a maximum of 10 who could be added. Basically the same provisions would apply to local and state governmental units.

By limiting the program to a two-year trial, and applying it to only a handful of small counties, Simon says, "we can stop it if it is a failure." The estimated cost for a year's trial would be only $45 million.

Except for the old Works Progress Administration (WPA), which tackled unemployment in a limited way during the Great Depression more than 40 years ago, the United States has had little experience with government-guaranteed full employment. The WPA effort became the butt of many pejorative jokes during its brief life, but in retrospect the record looks impressive.

It left the nation a legacy of 600,000 miles of highway (new or rebuilt), 116,000 bridges and viaducts (built or repaired), 110,000 schools, libraries and auditoriums built, 600 airports constructed, 8,000 parks and 13,000 playgrounds created, millions of trees planted, countless swamps drained, many sewer and water systems provided.

That only scratches the surface of the record. Simon says, "There is no question that we also are a richer nation culturally because of the WPA experience." And, as he might have added, we are certainly a poorer nation because of the present unemployment experience.

UKRAINIAN COMMUNITY OF METROPOLITAN DETROIT PASSED THE FOLLOWING RESOLUTION

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. BROOMFIELD. Mr. Speaker, on November 2 of last year the Ukrainian community of Metropolitan Detroit passed the following resolution which I would like to offer for my colleagues consideration:

We, the members of the Ukrainian Community of Metropolitan Detroit, gathered at the Protest Meeting in defense of Ukrainian women political prisoners on this date of November 2nd, 1975 at the Community Arts Auditorium, Wayne State University, fully support the Petition of the Ukrainian Congress Committee of America and World Federation of Women's Organizations to President Ford in their defense.

These women political prisoners are presently incarcerated in jails, concentration camps and psychiatric institutions in Siberia and throughout USSR.

We therefore declare as follows:

1. Whereas Ukraine, against the will of its people, was forcefully incorporated into the USSR as the Ukrainian Soviet Socialistic Republic, and

2. Whereas the Soviet Government continues to violate the human rights guaranteed by the constitution of the Ukrainian Soviet Socialistic Republic, by the constitution of the USSR and by the International Declaration of Human Rights of which the governments of the USSR and the Ukrainian Soviet Socialistic Republic are signatories, and

3. Whereas, among the violations are an alarming number of arrests and persecutions of Ukrainian women, who are not criminals but are respected ladies of all strata who refused to renounce their arrested husbands and loved ones, and who opposed the policy of russification, forced atheism, colonialism, and police control of family and public life, and

4. Whereas, among persecuted victims are hundreds of children and under aged youth whose only crime was being children of political prisoners,

5. Therefore, in the name of humanity and justice, and in the spirit of the International Year of Women, we, the members of Ukrainian Community of Metropolitan Detroit, gathered at the Protest Meeting in defense of Ukrainian women political prisoners, petition Gerald R. Ford, President of the United States of America, to intervene before the government of the USSR to grant amnesty to Ukrainian and all other women political prisoners in the USSR and particularly to release Iryna Stasiv-Kalynets, Stefania Shabatura, Nina Strakata-Karavanska, Iryna Senyk, Nadia Svitlychna and Oksana Popovych and return them to their families and homeland with restoration of citizen's rights.

Detroit, Michigan, November 2, 1975.

HAWAII SUFFERS LOSS WITH PASSING OF J. WALTER CAMERON

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Ms. MINK. Mr. Speaker, the people of Hawaii suffered a great loss with the passing of J. Walter Cameron, a respected and honored businessman and community leader from the island of Maui. Mr. Cameron came to the islands in 1924, married Frances Baldwin, daughter of Maui's Harry F. Baldwin, and soon after made his home on the Valley Isle where he became a giant in the development of Hawaii's pineapple industry.

Mr. Cameron served as president and general manager of the Maui Pineapple Co. from 1932 to July 1964, when he was elected as chairman of the board. Following in the footsteps of his father, Mr. Cameron's son, Colin C. Cameron, was named as executive vice president and general manager of the company.

In addition to his interests in the Maui Land and Pineapple Co., Mr. Cameron was the president and publisher of the Maui News, a top official of the Haleakala Ranch Co., Ltd. and the Maui Electric Co. as well as a director of Hawaiian Airlines and the Sheraton Corp./Hawaii.

He was a member of the Hawaiian Sugar Planters Association Executive Committee, the Maui Country Club, Pacific Club in Honolulu, and the Pacific Union of San Francisco. He also served as president of the Pineapple Research Institute in 1955.

His other business interests included the Bank of Hawaii, Hawaiian Telephone Co., and Alexander and Baldwin, Inc., as vice president, general manager, and manager.

Because of his great love for people and the community, he devoted nearly 50 years of unselfish service to various civic organizations. He served for more than 30 years on the managing committee of the Kula Sanatorium and General Hospital. He was also a trustee of the Maui Memorial Hospital, and was for many years, a leader of the Maui Tuberculosis Association—now the American Lung Association.

But, perhaps the greatest demonstration of his philanthropy and concern for humanity can be seen in the $2 million J. Walter Cameron Center which has become the heart of the Maui Rehabilitation program for the handicapped. The Center became a reality in April 1973 largely through the efforts of J. Walter Cameron who led and molded the community effort and initiative.

A very personable and modest gentleman, Mr. Cameron often would take little or no credit for his contributions to the local community. His entire life was full of worthy accomplishments, but as he often stated, "I came to the Islands as a newspaperman, and I'm still a newspaperman at heart."

J. Walter Cameron will long be remembered by all of us for his life of service to the people of Maui and the State of Hawaii. His strength and dedication to the cause of humanity will serve as an inspiration for many years to come.

An article written by Jeanne B. Johnson, staff writer for the Maui News, vividly covers the numerous contributions of J. Walter Cameron in her story published on Friday, January 2, 1976. I ask that this article appear in the RECORD so that the Members of this honorable body might become fully acquainted with this great man:

HAWAII SUFFERS LOSS WITH PASSING OF J. WALTER CAMERON

(By Jeanne B. Johnson)

J. Walter Cameron, of Haliimaile, is dead, but the memory of his contribution to the community will live on forever in the hearts of the countless numbers of Mauians and others who, either directly or indirectly through his love of humanity, found life's darker moments made brighter.

He will be remembered not only for his business acumen, which was outstanding, and not only because of the great building which bears his name, but for the foresight and perseverence and the love of man that he has had for the people of his community which made it possible.

Although he was born at Canton, Massachusetts on June 6, 1895, his heart has been on Maui and in the islands from the time he met and married Frances H. Baldwin on July 17, 1924.

He was the son of Colin Campbell and Mary E. (Pond) Cameron, and attended public schools in Brookline, Massachusetts, following which he worked for a few short years in Boston, first with Street & Smith Publishing Co. and then with Hearst's International Magazine before coming to the islands in 1923 to work with the Advertiser Publishing Company of Honolulu.

Throughout his long and many-faceted lifetime which led him to prominence in the business world, he never lost his love for the publishing field, and even greater than that, his love for the less fortunate.

He was the center and the heart of Ka Lima O Maui—the Maui Rehabilitation Center where people who are handicapped find that they have something to offer themselves and find a better quality of life and hope. Ka Lima O Maui literally means "The Hands of Maui" and there have never been more helping hands to benefit the entire Maui community than those of J. Walter Cameron.

Perhaps that is why, when the moment of formal dedication came during ceremonies for the Cameron Center, in April, 1973, two young men from Ka Lima O Maui were accorded the privilege af raising the flags to the top of the pole. One of them moved surely, but with difficulty on crutches. He laid down one crutch and took hold of the halyard, pulling firmly so that the two flags—the national ensign and that of Hawaii rose evenly to the top of the pole. And when it was all over and the line was firmly secured, he picked up his crutch and slowly urged his feet back across the lawn.

More than anyone else present, he had typified what the Cameron Center is all about.

The compassionate structure officially provides "coordinated services in the continuum of life, from birth to death, to individuals of Maui County so that they may live to their fullest potential."

It was cooperation between all levels of government as well as the foundations and individuals who made the Cameron Center possible, but it was more than that. It was through J. Walter Cameron's love of man and the people of Maui that the thought, the idea, the dream came true—a living reality and a tribute to a man, who, though he reached to pinnacles of success never lost qualities of humility and love for his fellow man.

Although he had been president, chairman of the board, or a director of many of Hawaii's great corporations, he loved Maui Publishing Co., and "his paper" The Maui News. By maintaining, through the media of the newspaper and Radio KMVI—I–55, integrity and honesty in keeping the public informed, and a strong editorial policy, he instilled in all with whom he was associated, his own humanitarian qualities.

He often said: "I came to the Islands as a newspaperman, and I'm still a newspaperman at heart."

Although, through the years, there have been many offers for the purchase of the company, J. Walter Cameron, through his keen sense of civic responsibility turned them down. The Maui News and Radio KMVI must be a Maui owned entity—"the voice of Maui" with Maui's interests at heart, he said.

More than anything else, in the years to come, his name will live on as a great humanitarian—a man who gave of himself unstintingly so that life could be made better for all.

WGBB EDITORIAL ON THE CONCORDE SST

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. LENT. Mr. Speaker, an editorial broadcast on WGBB-AM radio on Long Island earlier this month offers a succinct summary of the good and substantial reasons why the flying Leviathans called SST's must not be permitted to land in this country. I commend this commentary, written by News Director Ed Grilli, to my colleagues:

WGBB EDITORIAL ON THE CONCORDE SST

Within the next 3 weeks a final decision is expected on the fate of the supersonic Concorde with respect to the United States. Secretary of Transportation William Coleman promises a decision soon.

I cannot understand the big delay and why he'd have to even contemplate the matter for such a long time. It's clear that the citizens of the United States are against the idea. I've yet to hear from one American who says let the SST land at Kennedy and Dulles Airports, it will be good for our economy and help cut down the travel time between the U.S. and Europe. The only ones pushing for the idea is the British and French Governments—the plane's manufacturers.

If for no other reason—and there are plenty of reasons why this plane should not be permitted to land in the United States—Mr. Coleman should deny the application because of a childish threat by the British and French. Let the SST land in the United States or there will be economic retaliation.

I fear that this delay in a decision by Mr. Coleman means he's taking the threat seriously—checking with officials in the White House the implication of a no decision. I pray someone has the guts to tell him the American people come first.

While my heart goes out to the British and French Governments who spent a great deal of time and 3 billion dollars developing the SST . . . the opposition in the United States should come as no surprise to them. The Americans contemplated doing the same thing but decided not to go ahead with the idea because of the same objections being raised today about the British-French model. It's too noisy, too dangerous, and not worth the aggravation.

CONGRESS IS THE CULPRIT IN RUNAWAY SPENDING

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. ASHBROOK. Mr. Speaker, one of the great problems facing our Nation is runaway Federal spending. The Federal Government is spending far more than it is taking in. The estimated budget deficit for this year alone is in the $70 to $80 billion range. Such large deficits fuel inflation, drive up interest rates and lead to more unemployment.

The Congress must bear ultimate responsibility for this problem. It is the votes of Congressmen that have made such spending possible. No money can be spent without specific authority and the Congress has been all too willing to give its authority.

Now that the first session of the 94th Congress has drawn to a close, I think it would be useful to reflect for a moment on the spending habits of the House. Consequently I have selected a number of key votes that have occurred during the past year.

Anyone looking at these votes should have no trouble understanding why the Federal Government is spending far beyond its means. An examination of these votes also gives a good indication of whether a Congressman stands for spending or economy.

Following is a sad record of wasted taxpayers dollars. In each case, I voted for the reductions or against the increased spending. As a consistent advocate of economy in Government over the years of my service, I am glad to find that the average taxpayer is coming to realize that big Government is the major problem confronting us and liberal spending policies which have overcommitted us have us locked on the road to national bankruptcy. Inflation has eroded the dollar and bureaucracy has overregulated every aspect of our lives. All this can be traced to spending policies of the Congress, a few examples of which are illustrated here:

Rollcall No. 11 H.R. 1589, a bill to rescind the Administration's proposal to save approximately $650 million a year by raising the price of food stamps. Passed February 4, 374–38.

Rollcall No. 25 H.R. 3260, an amendment in the nature of a substitute seeking to include all rescissions requested by the President except $284 million appropriated for the Hill-Burton Act. This would have resulted in a $545 million saving. Defeated February 25, 127–268.

Rollcall No. 41 H.R. 4075, an amendment that sought to restore $259.4 million in Presidential rescissions in 25 Health, Education, and Welfare programs. Defeated March 10, 132–252.

Rollcall No. 49 H.R. 4592, a bill appropriating $3.5 billion for foreign aid programs for fiscal year 1975. Passed March 13, 212–201.

Rollcall No. 123 H.R. 5901, an amendment to provide an additional $487.5 million for certain educational services. Passed April 16, 259–143.

Rollcall No. 128 H.R. 46, a bill providing $7.5 million a year for Federal regulation of youth camps. Passed April 17, 197–174.

Rollcall No. 171 House Concurrent Resolution 218, an amendment to reduce the proposed Federal deficit from $73.2 billion to $54.1 billion. Defeated May 1, 159–248.

Rollcall No. 370 H.R. 6706, an amendment to retain the number of high-level White House positions at last year's level rather than increasing that number. Defeated July 9, 157–234.

Rollcall No. 459 House Resolution 653, a resolution providing a cost-of-living increase—that is, pay raise—for Members of Congress. Passed July 30, 214–213.

Rollcall No. 506 H.R. 9005, a bill authorizing $1.35 billion in fiscal 1976 and $1.52 billion in fiscal 1977 for foreign aid. Passed September 10, 244–155.

Rollcall No. 691 House Concurrent Resolution 466, an amendment to increase new budget authority by $7.5 billion. Passed November 12, 213–203.

Rollcall No. 728 H.R. 10481, a bill authorizing $2.3 billion in Federal loans to New York City. Passed December 2, 213–203.

Rollcall No. 753 H.R. 9721, a bill to provide for increased financial participation by the United States in the Inter-American Development Bank and initial participation in the African Development Fund. Passed December 9, 249–166.

Rollcall No. 761 H.R. 9924, a bill authorizing $5 million to organize and convene a National Women's Conference. Passed December 10, 252–162.

THE LIKES OF MORRIE STEINMAN WOULD NOT COME THIS WAY AGAIN

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. KARTH. Mr. Speaker, St. Paul, and indeed all Minnesota, mourns the passing of one of the State's most colorful figures.

Morrie Steinman, before his recent untimely death, had become what we nowadays refer to as "a legend in his own time." Morrie was a promoter, a press agent, and a public relations man whose methods were as picturesque as his personality.

Morrie was a press agent for movies and other forms of entertainment, but his versatility went far beyond show business. He promoted community and civic projects and was probably the principal motivator in organizing Duluth's St. Patrick's Day Parade.

Recently Oliver Towne, popular columnist of the St. Paul Dispatch , cast an affectionate eye back over Morrie Steinman's eventful career, and after recalling the excitements Morrie created down through the years Columnist

Towne concluded, "The likes of him won't come this way again." To this I and a great many Minnesotans will say Amen.

Mr. Speaker, I include in the RECORD Oliver Towne's affectionate farewell to a man who made our lives and our communities more exciting:

THE PASSING OF AN OLD-TIME BALLYHOO ARTIST

(By Oliver Towne)

The first time I met Morrie Steinman I could hardly see him. And that's odd. Because he was the original Mr. Five by Five.

But his cigar hardly came up to the level of the Pioneer Press city desk and Bill Greer, the city editor, had a standard greeting for Morrie, who was the first and also the last of the stereotypes of the old-time press agent.

"Get up off your knees, Morrie," he'd say. "Praying won't get you anything in this paper."

I was an impressionable young reporter then, which must have been about 1940. And Morrie was as close to a live character out of "Front Page" as I'd ever met.

Morrie zoomed out of the old 13th Street neighborhood where St. Paul-Ramsey Hospital stands. He never did anything easily, calmly, or contemplatively.

He was a promoter. Of anything and everything. Mostly movies during 25 to 30 years.

He had the belief—that wherever he was and whatever he was touting were the greatest things to happen for mankind's benefit since the invention of the wheel.

He came on stronger than any man I've ever known. And if you sorted out the overly enthusiastic messages he brought, you got the nub of what he really meant.

He lived at peak every waking minute and when he died at 65 last week in Duluth, I wasn't surprised.

He worried about high blood pressure, overweight, over-eating and a bad heart almost as long as I knew him.

It was, in fact, a miracle he lived as long as he did.

I can recall walking up Fourth Street with him and his short, little legs would be churning up the incline. Suddenly he'd stop, gasping for air, put one hand to his heart and say, "Kid, I just can't make it without resting. Bad ticker. I've got to watch it."

But next day he was out ballyhooing something like Emil Jandric's Inver Grove housing project and persuading me that if one street were named Towne Lane, I should show up for the ribbon cutting.

I did. It was the only street ever named for me and a few years later they changed it.

Morrie turned up in many places.

In the 1960s, I was on Army Reserve duty, in a maneuver area near Columbia, S.C., running a public information team.

One dark, hot, muggy night, in the bivouac area, I was visiting one of the Army units and the whole operation was a simulated battle condition—the Reds against the Blues, hush-hush.

Suddenly through the woods and foliage, lights blazing, bounced a white Cadillac convertible, top down, a bevy of Hollywood starlets filling the back and front.

At the wheel, cigar at a jaunty angle, was Morrie Steinman. He was promoting a movie in Columbia—a premiere of some kind—and heard about the troops. He thought it would be great if they'd come and escort his starlets.

That broke up the entire exercise for 24 hours.

Both sides wanted to take him prisoner and at least one general suggested a better punishment might have been taping Morrie's mouth for 24 hours. That would have been worse than jail and bread and water.

He would invite you to lunch and unfold a magnamimous promotion and then discover he had neither checkbook nor cash to pay.

Then a year later, you'd be traveling through Duluth, meet him in the lobby of the Duluth Radisson by chance and he'd remember that lunch you'd bought him. And he'd repay it with a dividend by inviting you for dinner.

Duluthians will remember Morrie as the gent who brought them their first St. Patrick's Day Parade several years ago and the fellow who tried to change the public image of Duluth from that of ice, cold and snow to tropical paradise year round . . . from a brash, raw, inland seaport to the cultural capital of the north.

Morrie's impossible dreams often grated on your nerves; his mental lapses at keeping appointments were infuriating. But those who found that big heart, that overflowing cup of sentiment and emotion knew a different Morrie Steinman.

And we added him to that procession of true characters whose lives have touched ours for the better along the Big Path.

The likes of him won't come this way again.

THE STATE OF THE UNION

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. ANDERSON of Illinois. Mr. Speaker, the President is to be commended for talking commonsense instead of election year nonsense to the American people. The Democrats have predictably criticized the President for breaking no new ground, even though their past ground breakings have too often led to broken promises and mounds of costly rubble. The real test of government and politics in this critical year will not be in who wields the biggest golden spade, but rather in whether we can recultivate the old ground for a more productive government and economy.

The President's call for program reform and less government does not conform to the usual election year promises of new programs and more government. But then, the pollsters tell us that the American people are tired of politics as usual and expect more honesty and candor out of their leaders. And that is just what President Ford gave them.

The state of the Union last year was not good, according to the President. This year it is better though still not good enough. Inflation continues to be the greatest threat to this Nation, and the American people know there is a direct link between the high cost of living and the high cost of government. The time has come to curb the growth in government spending and the rate of inflation, and return more economic and personal freedom to the American people. Further tax cuts must be accompanied by further spending cuts. Government programs must be consolidated and streamlined to effect cost savings and return greater decisionmaking powers to State and local governments. The Federal regulatory system must be overhauled to reduce inflation, restore competition and remove the burdensome shackles from our free enterprise system.

These are the hard truths and new realities of our Bicentennial Year. For those living in a previous generation they may be difficult to recognize or confront. But most Americans not only recognize and accept these new realities, but are ready and willing to tackle them in the spirit of ingenuity and sacrifice with which our forefathers forged this great Nation.

The President has appealed to this founding spirit to meet the new nation-building challenges of today. Only by once again involving all the people in this great endeavor can we hope to succeed. The continued concentration of all power in the Federal Government based on a cynical mistrust of the people can only doom this great American experiment to failure.

THE CAMPAIGN TO SAVE COVERT ACTION

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. HARRINGTON. Mr. Speaker, I plan to offer an amendment to the military aid bill now before the International Relations Committee which would outlaw the manipulative "covert action" side of the Central Intelligence Agency, restricting the agency's future operations to the gathering and analysis of intelligence. In my judgment, the CIA's covert action functions—ranging from paramilitary activity to propaganda to the passing of cash—have been thoroughly discredited as instruments of U.S. foreign policy. For our own good, they ought to be prohibited in peacetime.

I will be elaborating on my reasons for coming to this conclusion in the days ahead. For now, I would like to insert in the RECORD a very thoughtful article by Anthony Lewis which appeared in yesterday's New York Times. In it Mr. Lewis expresses his alarm at the growing campaign to head off all efforts at curtailing covert action. His observations merit our careful attention.

Mr. Lewis' article follows:

THE COVERT PRESIDENCY

(By Anthony Lewis)

BOSTON, Jan. 18.—Those interested in the game of opinion-molding will have noticed the signs. Suddenly we read warnings that our leaders' hands will be tied, our foreign policy crippled, our enemies given a free run. A campaign is on to block reform in government—this time of the Central Intelligence Agency.

A Washington column that used to predict doom unless William E. Simon had his way three times before breakfast now sees disaster if Congress exercises meaningful oversight of the C.I.A. Time magazine publishes a ringing call for continued covert actions by the C.I.A., coupling with it an interview of C.I.A. Director William E. Colby so tame that it might have been written by his press agent.

What is going on is an attempt to rehabilitate the C.I.A., in the public mind, after the uncovering of its secret abuses and crimes. The reason for the campaign is not obscure. Congress will shortly be considering proposals to regulate the agency. Powerful forces in favor of the status quo are trying to rouse support on the crucial issue: covert operations.

Mr. Colby is of course entitled to argue the case for continued covert actions by the C.I.A., and supporters in the press to agree. But it is important to recognize the issue for what it is, and that is something much more fundamental to our society than the particular shape of an intelligence agency.

Consider the recent disclosure that President Ford directed the C.I.A. to pass $6 million to non-Communist political parties in Italy. The White House press secretary, Ron Nessen, said Mr. Ford was "angry" at the leak and thought such reports "undermine our capability to carry out our foreign policy."

By the phrase "our foreign policy" Mr. Nessen evidently meant the policy chosen, in secret, by the President and his Secretary of State. For the decision to subsidize Italian politicians had not been approved by Congress, and there is not the slightest chance that it would be approved if put to a vote.

In essence, then, we are talking about the covert power of the President. When the C.I.A. has a standing covert capability, with thousands of employees and millions of unaccountable dollars to put it into operation, the effort is to let the President make and execute policy for this country without the ordinary constraints of the Constitution—without public knowledge, without debate, without the limiting Congressional power of the purse.

We have learned enough about the dangers of uncontrolled power in this country lately so that its advocates should have a heavy burden of proof. In some ultimate test—say the seizure of nuclear weapons by a terrorist group—most of us would say that a President should be able to move quickly and covertly. But that is a very long way from approving a standing covert capability that Presidents can use whenever convenient.

Reasonable people, even those who disagree about the C.I.A.'s role in covert operations, would probably agree that a number of conditions should be fulfilled before a President goes to that dangerous, potentially embarrassing, technique.

1. The policy aim should have a broad consensus of approval in this country.

2. The need should be urgent, vital to our national security.

3. There should be no less risky means able to achieve the end.

4. The operation should not be so large that it really makes foreign policy—and is likely to become known.

There is no consensus in this country, and certainly not among informed persons, that the United States should be subsidizing the tired anti-Communist politicians who are at such a dead end in Italy. It is not a desperate postwar situation there, and the Italian politicians are well able to support themselves. If they cannot succeed, they probably have their own corruption to blame—and United States money is not likely to help.

The other covert operation currently in controversy, in Angola, defies the final caution. It represents a weighty foreign policy decision, involving the United States in a new area of the world. The argument against taking that kind of decision in secret is one not only of Constitutional law but of practical experience. Our large adventures begun in secret have proved disasters: in Vietnam, Cuba, Chile.

Senator Frank Church has said that his intelligence committee will propose a requirement that covert plans be submitted to a new Congressional group before action, with an implicit opportunity for the oversight committee to say no. The White House-C.I.A. campaign is designed to head off that modest constraint. I think Congress's intelligence investigators will be derelict if they do not impose severe statutory limits on covert capability and the occasions for its use, in addition to legislative oversight.

CONGRESSMAN PAUL SIMON PROPOSES EXPERIMENTAL GUARANTEED JOBS PROGRAM

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. MIKVA. Mr. Speaker, I am very pleased to bring to the attention of the Members an editorial which appeared in the Washington Post on Saturday, January 17, 1976. The editorial praises legislation drafted by Congressman PAUL SIMON which would establish an experimental program in 20 high unemployment counties throughout the country. Unemployment remains one of the most serious and persistent problems facing the United States and I urge all of the Members of Congress to consider the thoughtful and innovative proposal put forward by the distinguished Congressman from Illinois.

The article follows:

[From the Washington Post, Jan. 17, 1976]

UNCLE SAM: EMPLOYER OF LAST RESORT?

(By Clayton Fritchey)

It is better to pay people to work than pay them to do nothing. While this simple, seemingly incontrovertible, proposition is not yet effective U.S. policy, it's finally on its way to acceptance, maybe before 1976 is over, but certainly soon after the next election.

Congress and the American people seem to be learning the hard way that even semi-productive work is better for the country than totally unproductive idleness, and less costly as well to the taxpayers.

The involuntary idleness of 8 to 10 million unemployed Americans is costing the taxpayers about $40 billion a year in unemployment compensation, welfare payments, food stamps, subsidized housing and other benefits, which is more than it would cost to put almost everybody to work through government-guaranteed full employment.

Belated recognition of that fact is changing the political scene. The idea of the government accepting the responsibility of being the employer of last resort has long been resisted on the assumption that it would be a burden on the taxpayers, but now at last it is dawning on the public that there is nothing so costly, so extravagant, so utterly wasteful as unemployment and plowed-under manpower.

So the welcome change in attitude is not so much a burst of compassion for the jobless as a realization that everybody's pocket is picked by mass unemployment. Part of the change is due to the leaders of organized labor who have discovered that the economy loses about $16 billion a year for every million out of work, to say nothing of the billions in tax revenues that are also lost through reduced payrolls.

Since President Ford has resisted most job-creating proposals introduced in Congress, it is not likely that legislation guaranteeing full employment can be put into effect while he still has the power to veto, but it may be possible to adopt a pilot plan advanced by Rep. Paul Simon (D-Ill.), which would pave the way for a subsequent national program.

Simon's novel bill would establish a two-year experimental guaranteed-jobs program in 20 high unemployment counties throughout the country, with the idea of convincing even skeptics that there can be a practical and constructive way of putting the jobless to work and rejuvenating the economy.

The legislation would require the Secretary of Labor to study the effects of public service jobs on such things as unemployment compensation, criminal activity, welfare payments, sales and income tax revenues, and a variety of other factors affected by creation of new jobs.

"We may find," Simon says, "that by making government the employer of last resort we will both save some money and eliminate or substantially reduce some of the social costs of unemployment."

Jobs would be created in several ways, one being government subsidy of new private enterprise jobs created especially for the program. There also would be federal subsidy of new state and local jobs, along with specially created federal jobs to improve community living standards.

Any employer who now employs one to 10 persons would be able to add one worker and be reimbursed by the government for one-half of the minimum wage of that person for one year. An employer with 11 to 20 people could add two employees, and this scale would continue up to a maximum of 10 who could be added. Basically the same provisions would apply to local and state governmental units.

By limiting the program to a two-year trial, and applying it to only a handful of small counties, Simon says, "we can stop it if it is a failure." The estimated cost for a year's trial would be only $45 million.

Except for the old Works Progress Administration (WPA), which tackled unemployment in a limited way during the Great Depression more than 40 years ago, the United States has had little experience with government-guaranteed full employment. The WPA effort became the butt of many pejorative jokes during its brief life, but in retrospect the record looks impressive.

If left the nation a legacy of 600,000 miles of highway (new or rebulit), 116,000 bridges and viaducts (built or repaired), 110,000 schools, libraries and auditoriums built, 600 airports constructed, 8,000 parks and 13,000 playgrounds created, millions of trees planted, countless swamps drained, many sewer and water systems provided.

That only scratches the surface of the record. Simon says, "There is no question that we also are a richer nation culturally because of the WPA experience." And, as he might have added, we are certainly a poorer nation because of the present unemployment experience.

IN THE BICENTENNIAL TRADITION—THE KOSCIUSZKO HOUSE

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. EILBERG. Mr. Speaker, the continuing efforts of the Polish Heritage Society, the Polish National Congress, and the Philadelphia City Council have been successful in preserving the historic Thaddeus Kosciuszko House in Philadelphia. I detailed the fine work of these organizations in the CONGRESSIONAL RECORD November 13, 1975.

But today I would like to extend special recognition to one individual, Edward J.

Piszek of Philadelphia, as the single most important figure in helping the Kosciuszko house reach its readiness in time for the Bicentennial celebrations.

Mr. Piszek has contributed to the restoration efforts of the brigadier general's American home for many months now. He purchased the home at 301 Pine Street for $25,000 when the city of Philadelphia announced it was condemned because of zoning and redevelopment violations.

Mr. Piszek later signed the necessary guarantee papers for the Philadelphia Redevelopment Authorty to delay destruction of the house, and immediately began efforts to have the National Park Service declare the Polish American general's house a national memorial.

When the Park Service rejected the Kosciuszko house as fitting for national historic recognition, Edward Piszek did not give up his efforts to see the house preserved.

He traveled to Washington dozens of times on personal visits seeking congressional support for the bills in the Senate and House designed to save the home—S. 4012 and H.R. 811. Mr. Piszek then selected and paid a legal firm to represent the cause for the historic structure.

His continuous efforts were finally successful. Mr. Piszek testified before the Senate Interior and Insular Affairs Committee, and with the energetic aid of many historical societies, the bill was passed.

Mr. Piszek, along with Representatives Frank Annunzio and Joseph Minish, held a meeting with House Speaker Carl Albert, and gained his support for the House bill. Soon afterwards H.R. 811 was approved.

But Mr. Piszek's outstanding efforts did not end when Park Service agreed to restore the hero's home. He met with officials from the National Park Service and gave the property at Third and Pine Streets to the U.S. Government, free and clear. And in order to give the public sufficient space to properly view the Kosciuszko house, Mr. Piszek also purchased the house next door for an additional $70,000, turning it over to the Government as well.

Since the final clearance for the home's restoration has been granted, Mr. Piszek has continued to provide his concern and support. He is working closely with Hobart Cawood, superintendent, Independence National Historic Park in Philadelphia for the upcoming Bicentennial celebrations.

Dedication and opening ceremonies for the reopening of Gen. Thaddeus Kosciuszko's home are scheduled February 4, 1976. But the proper respect due this Revolutionary War freedom fighter would not have been possible without the present-day efforts of Americans like Edward Piszek.

PICKING CANDIDATES

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. YOUNG of Florida. Mr. Speaker, as we enter a new year, a Presidential election year, WTVT of Tampa-St. Petersburg, Fla., a television station serving my district, has provided me with ar editorial which I believe is worthy of consideration by our colleagues and also our voters:

PICKING CANDIDATES

As we move into a new year, our attention will be fixed on what looks to be a lively presidential campaign in both major parties. We'll be hearing a lot of promises and nice-sounding words, but probably not many specific solutions to our many problems. The founder of the citizen's lobby called Common Cause . . . former cabinet member John Gardner . . . has come out with some advice for voters we think is pretty sound. While Common Cause is generally considered somewhat on the liberal side, Gardner takes an objective view in this comment. He warns us against people who simply run against government, taking advantage of peoples' fears and disillusionment. But he also warns against what he calls, in his words, "The liberal illusion that federal aid per se solves problems" . . . the idea that all we have to do is spend more dollars and pile program on program. He makes a pitch for effective but stripped-down governmental machinery.

Americans seem to have a natural distrust of government, especially at the national level, which is healthy in some ways. But we should remember that government does have a purpose. It is there to serve us. We should be just as careful about piling on so many restrictions that it can't do its job as we are about letting it run out of control. Gardner suggests what he calls a "sunset law," under which all federal programs would have to rejustify their existence every once in a while, or face reduction or even termination. And he suggests we make the Presidential candidates talk plainly and specifically about what they intend to do about the problems we face. Vague, general promises to improve services while cutting taxes should not satisfy serious voters.

NATIONAL DRIVER EDUCATION CONTEST

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. FORD of Tennessee. Mr. Speaker, on May 28–29, 1976, the first National Driver Education Contest will be hosted by the Memphis city schools. This event deserves the full suport and attention of the country as a focus on the importance of driver education and safety.

This national contest evolves from the West Tennessee Driver Education Contest established 4 years ago, and the statewide contest inaugurated the next year by the Memphis city school system's driver education department. With the generous assistance of the Chevrolet Division of General Motors and the Insurors of Tennessee, many excellent prizes have been awarded in the past. This tradition of awards will be even bettered this year with the prizes including the use of a new Chevrolet automobile for a year.

A brief look at the traffic accident reports will show that fatalities on the highways are still alarmingly high, with the young drivers composing a disproportionate number. The brakes must be applied to this slaughter of our youth on the highways. The National Driver Education Contest is a way for us to begin spotlighting the need for safety in driving.

In order for this contest to succeed, each State needs to send to Memphis on May 28–29, the outstanding driver education student from that State. In order to hold its own statewide contest, each State also needs to establish a qualified representative board of directors, to secure financial backing, and to enlist an interested group of instructors to grade the participants tests.

In Memphis, for the national contest, the National Driver Education Contest's board of directors, of which I am honored to be a member, will provide necessary transportation in the Memphis area, lodging, meals, and entertainment.

It is my hope that all my colleagues in the Congress will urge the high schools in their districts to participate in this contest in the interest of the safety of their youth.

Any interested high school should contact Mr. R. E. "Brick" Mason, supervisor, driver education, Memphis city schools, 2597 Avery Avenue, Memphis, Tenn. 38112.

UTICA, N.Y., HONORS DR. ARDOW AMEDURI, MILITARY AND MEDICAL PROFESSIONAL

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. MITCHELL of New York. Mr. Speaker, on January 24, the people of Utica, N.Y., will pay tribute to a man who has been a faithful servant of his country and community. On that date, Col. Ardow Ameduri will retire after 26 years of Active and Reserve Army duty.

The military career of this distinguished Utica physician has been a long and productive one. Colonel Ameduri served 4 years of active duty during World War II and 22 years in the Reserves, 14 of which as a commanding officer. Military units under his capable command have included the local 912th Hospital Unit, the 1205th Dental Detachment, and the 330th Medical Unit. He also commanded the 440th Medical Detachment in Watertown. At the time of his retirement, the colonel holds the position of commander of the 912th Combat Support Hospital. His retirement will be a great loss to all those under his command and connected with him.

The colonel received his medical degree from New York Medical College and Flower Fifth Avenue Hospital. He interned at Crouse—Irving Hospital in Syracuse and served his residency at Gotham Hospital in New York City. His service as a general practitioner in the Utica area for the past 26 years has been more than reliable and capable; it is held in high regard by all those associated with him.

In addition to these responsibilities, Colonel Ameduri has been instrumental in several professional and community groups. Included among these are the

Oneida County Medical Society, the Utica Academy of Medicine, the Aero-Medical Association, the Association of Military Surgeons, the American Medical Association, Diplomate of the National Board of Medical Examiners, the Utica Water Board and the Council on Alcoholism.

The colonel resides with his wife at 2603 Crestway. He has three children, Dr. Ardow Ameduri, Jr., San Antonio, Tex.; Stephen Ameduri, who resides in Massachusetts and Dr. Clifford Ameduri, Orange, Calif.

For his distinguished service, Colonel Ameduri will be presented with the Meritorious Service Medal in a special military ceremony. This is a small honor for a man so dedicated to his profession and to his country.

GOLDA MEIR ON THE PALESTINIANS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. SCHEUER. Mr. Speaker, the former Prime Minister of Israel, Golda Meir, has written a valuable article on the role of the Jewish settlers in the land of Palestine and their relationship to the Arab communities in the Middle East.

This article appeared in the New York Times on January 14:

GOLDA MEIR ON THE PALESTINIANS

To be misquoted is an occupational hazard of political leadership; for this reason I should like to clarify my position in regard to Palestinian issue. I have been charged with being rigidly insensitive to the question of the Palestinian Arabs. In evidence of this I am supposed to have said, "There are no Palestinians." My actual words were: "There is no Palestine people. There are Palestinian refugees." The distinction is not semantic. My statement was based on a lifetime of debates with Arab nationalists who vehemently excluded a separatist Palestinian Arab nationalism from their formulations.

When in 1921 I came to Palestine—until the end of World War I a barren, sparsely inhabited Turkish province—we, the Jewish pioneers, were the avowed Palestinians. So we were named in the world. Arab nationalists, on the other hand, stridently rejected the designation. Arab spokesmen continued to insist that the land we had cherished for centuries was, like Lebanon, merely a fragment of Syria. On the grounds that it dismembered an ideal unitary Arab state, they fought before the Anglo-American Committee of Inquiry and at the United Nations.

When the Arab historian Philip K. Hitti informed the Anglo-American Committee of Inquiry that "there is no such thing as Palestine in history," it was left to David Ben-Gurion to stress the central role of Palestine in Jewish, if not Arab, history.

As late as May 1956, Ahmed Shukairy, subsequently head of the Palestine Liberation Organization, declared to the United Nations Security Council, "It is common knowledge that Palestine is nothing but southern Syria." In view of this, I believe I may be forgiven if I took Arab spokesmen at their word.

Until the 1960's, attention was focused on the Arab refugees for whose plight the Arab states would allow no solution though many constructive and far-reaching proposals were made by Israel and the world community. I repeatedly expressed my sympathy for the needless sufferings of refugees whose abnormal situation was created and exploited by the Arab states as a tactic in their campaign against Israel. However, refugee status could not indefinitely be maintained for the original 550,000 Arabs who in 1948 joined the exodus from the battle areas during the Arab attack on the new state of Israel.

When the refugee card began to wear thin, the Palestinian terrorist appeared on the scene flourishing not the arguable claims of displaced refugees but of a ghoulish nationalism that could only be sated on the corpse of Israel.

I repeat again. We dispossessed no Arabs. Our toil in the deserts and marshes of Palestine created more habitable living space for both Arab and Jew. Until 1948 the Arabs of Palestine multiplied and flourished as the direct result of Zionist settlement. Whatever subsequent ills befell the Arabs were the inevitable result of the Arab design to drive us into the sea. Had Israel not repelled her would-be destroyers there would have been no Jewish refugees alive in the Middle East to concern the world.

Now, two years after the surprise attack of the Yom Kippur War, I am well aware of the potency of Arab petrobillions and I have no illusions about the moral fiber of a United Nations, most of whose members hailed gun-toting Yasir Arafat and shamefully passed the anti-Semitic resolution that described Zionism, the national liberation movement of the Jewish people, as racist.

But though Israel is small and beset, I am not prepared to accede to the easy formula that in the Arab-Israeli conflict we witness two equal contending rights that demand further "flexibility" from Israel. Justice was not violated when in the huge territories liberated was set aside for the Jewish homeland on its ancestral site, while in a parallel settlement 99 percent of the area was allotted for the establishment of independent Arab states.

We successively accepted the truncation of Transjordan, three-fourths of the area of historic Palestine, and finally the painful compromise of the 1947 partition resolution in the hope for peace. Yet though Israel arose in only one-fifth of the territory originally assigned for the Jewish homeland, the Arabs invaded the young state.

I ask again, as I have often asked, why did the Arabs not set up a Palestine state in their portion instead of cannibalizing the country by Jordan's seizure of the West Bank and Egypt's capture of the Gaza Strip? And, since the question of the 1967 borders looms heavily in the present discussions, why did the Arabs converge upon us in June 1967, when the West Bank, the Golan Heights, the Sinai, the Gaza Strip and old Jerusalem were in their hands?

These are not idle questions. They go to the heart of the matter—the Arab denial of Israel's right to exist. This right is not subject to debate. That is why Israel cannot by its presence sanction the participation of the Palestine Liberation Organization at the Security Council, a participation in direct violation of Resolutions 242 and 338.

We have no common language with exultant murders of the innocent and with a terrorist movement ideologically committed to the liquidation of Jewish national independence.

At no point has the P.L.O. renounced its program for the "elimination of the Zionist entity." With startling effrontery P.L.O. spokesmen admit that their proposed state on the West Bank would be merely a convenient "point of departure," a tactical "first stage" and finally, a combatant "arsenal" strategically situated for the easier penetration of Israel.

I am often asked a hypothetical question: How would we react if the P.L.O. agreed to abandon its weapon, terror, and its goal, the destruction of Israel? The answer is simple. Any movement that forswore both its means and its end would by that fact become a different organization with a different leadership. There is no room for such speculation in the case of the P.L.O.

This does not mean that at this stage I disregard whatever national aspirations Palestinian Arabs have developed in recent years. However, these can be satisfied within the boundaries of historic Palestine.

The majority of the refugees never left Palestine; they are settled on the West Bank and in Jordan, the majority of whose population is Palestinian. Whatever nomenclature is used, both the people involved and the territory on which they live are Palestinian.

A mini-Palestine state, planted as a time bomb against Israel on the West Bank, would only serve as a focal point for the further exploitation of regional tensions by the Soviet Union.

But in a genuine peace settlement a viable Palestine-Jordan could flourish side by side with Israel within the original area of Mandatory Palestine.

On July 21, 1974, the Israeli Government passed the following resolution: "The peace will be founded on the existence of two independent states only—Israel, with united Jerusalem as its capital, and a Jordanian-Palestinian Arab state, east of Israel, within borders to be determined in negotiations between Israel and Jordan."

All allied problems can be equitably solved. For this to happen the adversaries of Israel will have to stop devising overt schemes for her immediate or piecemeal extinction.

There are 21 Arab states, rich in oil, land and sovereignty. There is only one small state in which Jewish national independence has been dearly achieved. Surely it is not extravagant to demand that in the current power play the right of a small democracy to freedom and life not be betrayed.

PAUL A. HALEY

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. BYRON. Mr. Speaker, Paul A. Haley, former editor of the Frederick Post, died December 26, at Suburban Hospital in Bethesda. Paul Haley was a distinguished citizen of several communities in Maryland as well as his home in Saugus, Mass.

Mr. Haley worked for over 50 years in the field of journalism. He joined the staff of the Frederick Post in 1964 after having served as press office to ex-Secretary of State Christian A. Herter and ex-Secretary of Labor James P. Mitchell of the Eisenhower administration.

He had also worked on the Washington Evening Star-News, the Falmouth Enterprise, and the Maryland Monitor. He served as editor of the Frederick Post from 1964–68. He worked closely with me on preparing legislation to authorize and create a National Battlefield Park at Monocacy near Frederick, Md. His long standing interest in history lead him to work for the preservation of important national landmarks throughout the area.

Paul Haley will be sorely missed by his family and his friends. He was a creative person who loved the English language and who was greatly admired by all those who knew him.

TRIBUTE TO FRANK GIFFORD

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. KETCHUM. Mr. Speaker, I ask that my colleagues join with me in paying a very special tribute to an outstanding figure in the world of sports. I am sure that each of us is familiar with the name of Frank Gifford. All of us recognize him now as the host of NFL pregame television shows, and the play-by-play reporter of "Monday Night Football." However, there is one facet of Frank's career which many of my colleagues may not know and, as I am the man privileged to represent Bakersfield, Calif., in this Congress, it is this particular aspect of Frank Gifford's background which makes me most proud of his achievements.

Frank Gifford's sports career began even before his famous days as All American player for the University of Southern California—he made his first mark in the world of football playing for the Bakersfield Drillers, in 1946.

On February 24, Bakersfield will honor its native son, by proclaiming "Frank Gifford Day in Bakersfield." On that date, the Bob Elias Hall of Fame, which recognizes the professional accomplishments of Kern County, Calif., athletes, will recognize Frank at its 10th anniversary dinner. It is an honor well deserved, for few men have given so much in every area of sports as has Frank Gifford.

Following his football achievements with USC, Frank was No. 1 draft choice of the New York Giants. By 1965, he was well established in the minds of all who know the sport as one of football's all-time greats. Frank led the Giants to the World Championship in 1956, and was named the league's "Most Valuable Player"; 1962 earned for Frank UPI's designation as "Comeback Player of the Year in the NFL" as he returned to the Giants following forced retirement brought about by an injury acquired playing against the Philadelphia Eagles.

Frank Gifford's records still stand, including the most yards gained pass-receiving. His last 3 years of play led the Giants to two titles. During his 12-year career with that professional team, Frank played both offense and defense, and scored 484 points. His final retirement after the 1964 season found him the recipient of yet another well-deserved award: "Sportsman of the Year."

Frank's broadcasting debut took place even while he was still playing ball, in 1957; his eventual retirement from pro ball permitted him to assume a fulltime position with CBS television.

Not only has Frank Gifford blazed a sensational trail across the field of active football participation, and in the broadcast media—he has also contributed his wealth of knowledge in the realms of football, sports in general, and sportscasting through his authorship of various books, guidebooks, and magazine articles.

It is no wonder to me that the name of Frank Gifford is so well known, and it is certainly fitting that his accomplishments be so honored. I ask that my colleagues join with me in recognizing Frank not simply because he is a fine athlete, or a knowledgeable and enthusiastic sportscaster, or a man who has contributed greatly to the sports arena. Rather, I request your participation, because Frank Gifford is a sterling example of professional success for my hometown of Bakersfield, Calif., which is eagerly anticipating welcoming him home on February 24.

PROTESTANT AND ANGLICAN MINISTERS CONDEMN U.N. ASSEMBLY RESOLUTION ON ZIONISM

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. KOCH. Mr. Speaker, I would like to place in the CONGRESSIONAL RECORD a letter signed by 7 Protestant and Anglican ministers in the city of New York. The letter records the shock of these ministers at the anti-Semitic resolution passed by the United Nations General Assembly condemning Zionism "as a form of racism and racial discrimination."

It is my privilege and pleasure to personally know almost all the cosigners of the letter. As one who has expressed himself in a similar vein, I want to applaud their statement. The text of the letter follows:

> As Protestant and Anglican ministers in this city, we want to record our concern about the repercussions of the recent vote in the United Nations Assembly condemning Zionism "as a form of racism and racial discrimination."
>
> Our concern is not with the question of Zionism as a political movement but with the religious implications of the resolution, and the strident undertones of anti-semitism that it carries. We are shocked that the United Nations, which we have supported as a forum for the peaceful solution of conflicts and the sober discussion of questions that dangerously divide our world, should have committed itself to a resolution that breathes a spirit of vindictiveness, and arrogantly condemns the nation of Israel.
>
> We should like to express our solidarity with those who are the victims of this sinister maneuver and call on Christian people to be alert to the virus of anti-semitism in all its forms.
>
> John Andrew, St. Thomas Episcopal Church.
>
> Ernest T. Campbell, Riverside Church.
>
> Lawrence L. Durgin, Broadway United Church of Christ.
>
> Howard R. Moody, Judson Memorial Church.
>
> Ralph E. Peterson, St. Peter's Lutheran Church.
>
> David J. Randolph, Christ Church Methodist.
>
> David H. C. Read, Madison Avenue Presbyterian Church.

ANNOUNCEMENT OF OVERSIGHT HEARINGS ON SUPPLEMENTAL SECURITY INCOME

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. VANIK. Mr. Speaker, today I am announcing plans for additional hearings on HEW's supplemental security income program for January 26, 1976, at 10 a.m. in the main Ways and Means Committee hearing room. The hearings will include, but not be limited to, the following topics:

1. THE IMPACT OF RECENT COURT DECISIONS ON SSI COSTS

The principal focus of the January 26 hearing will be the impact of the Cardinale decision on SSI costs and manpower requirements. In response to a question submitted to Social Security at the subcommittee's October 20 hearing, the Social Security Administration has supplied data on the cost of carrying out a recent U.S. district court opinion, Cardinale against Mathews. Previous to the decision, Social Security regulations required advance notice and continuation of SSI payments pending the opportunity of a hearing before benefits could be reduced, suspended, or terminated. Social Security had four exceptions to this policy: First, death of a recipient; second, report from the recipient or a report from a third party corroborated by the recipient; third, clerical or math errors; and, fourth, SSI decreases due to increases in other Federal benefits payable. The court in the Cardinale decision, struck down all of these exceptions except for the obvious one of termination of benefits in case of death.

According to the data supplied to the subcommittee by Social Security, the implications of this decision are enormous. The decision—which we understand the Government will appeal—will cost SSI an additional $300 million per year in administrative and benefit costs and 4,190 man-years of staff to implement.

The subcommittee is concerned about unannounced changes in benefit levels and the confusion and hardship this creates for beneficiaries. Social Security should devise a system to explain changes in benefit levels and allow beneficiaries a chance to appeal.

However, there are real questions concerning the "cost/benefit" ratio of the Cardinale decision. Is this the area that an additional $300 million in welfare outlays should be made? SSI staffing in the district offices is just beginning to reach adequate levels—how will the burden of an additional 4,190 man-years affect SSI and other Social Security services? Should legislation be considered to provide adequate notice to beneficiaries but at less of a burden to the Treasury and Social Security?

2. CORRECTION OF DEFICIENCIES IN THE BUREAU OF SUPPLEMENTAL SECURITY INCOME SYSTEMS

Concern exists over the coordination among the various Social Security Administration bureaus to correct known systems problems, tests of the systems to reveal and correct other deficiencies, and the controls over the input of data into the systems by the district offices.

Regarding the input of data by the district offices, the subcommittee is concerned that district office input can override existing data at the central office in Baltimore, creating the potential for over/underpayments and fraud.

In one specific case this year, the district input changed central office data and created an erroneous payment obligation to a beneficiary of more than $10,000.

3. TRAINING OF SEA DISTRICT OFFICE STAFF

While SSA spends millions each year training district office staff, the subcommittee believes part of SSA's current problems can be traced to failures in the training programs. The subcommittee plans to raise basic questions on the specialization of staff, evaluation of the effectiveness of the training programs, and the training and use of term employees—hired for a maximum of 2 years. The subcommittee has learned that in fiscal year 1976, to date, some 980 term employees are receiving up to 11 weeks of training to become claims representatives, but that there has been, so far this year, an attrition or turnover rate of 40 percent—and in the Seattle area, the turnover rate has reached nearly 70 percent. This means that enormous amounts of expenditures are being made to train short-term employees, nearly half of whom quit or switch to other jobs. The subcommittee is interested in the wisdom of this type of expenditure on short-term employees who have no long-range commitment or, in many cases, interest in the service to SSI beneficiaries.

The training of district office staff is a particularly critical problem because many offices have 50 percent of their claims staff in that position only about 1 year. In some SSA regions, the number has reached nearly 70 percent. The subcommittee is concerned that inadequately trained employees are moving into the field and working with beneficiaries. For example, it is Social Security's policy not to administer any written tests to trainees to determine how well the trainees know the complex subject matter. In other words, even after 11 weeks of training, the Social Security Administration has no objective measure of the quality of its new employees. Since these employees will be making decisions of monumental importance to the beneficiaries concerned, the subcommittee may want to question this "no-test" training policy.

TESTIMONY OF MR. WILLIAM E. WOODS

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. RUSSO. Mr. Speaker, I would like to direct the attention of my colleagues to the testimony of a distinguished representative of the National Association of Retail Druggists, Mr. William E. Woods, given on December 10, 1975, before the White House Domestic Council Review Group on Regulatory Reform.

This testimony is especially important in light of recent testimony before the Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act and Related Matters of the House Small Business Committee, of which I am a member. Mr. Woods, speaking on behalf of some 35,000 retail druggists, has expressed the same vigorous support for the Robinson-Patman Act which that subcommittee has repeatedly heard from independent businessmen and antitrust and economic experts alike.

Mr. Speaker, I hope that the Domestic Council has given this testimony the same careful attention which we on the Antitrust Subcommittee have. The statement speaks for itself. It conveys with plain common sense, the ring of truth and the sense of reason. It defends an act which protects the manufacturer against coercion by volume buyers, protects the small buyer from unfair price discrimination, and ultimately protects the consumer from victimization by a monopolistic distribution system.

I would like to present here a summary of Mr. Woods' testimony for the benefit of my colleagues:

STATEMENT OF THE NATIONAL ASSOCIATION OF RETAIL DRUGGISTS BEFORE THE DOMESTIC COUNCIL REVIEW GROUP ON REGULATORY REFORM, DECEMBER 10, 1975

I am William E. Woods, Washington Representative of the National Association of Retail Druggists, which was established almost a century ago and represents some 35,000 independently owned retail drug stores. In these stores, approximately two-thirds of the nation's pharmacists practice their profession and dispense about two-thirds of the nation's prescriptions. These pharmacists are both health care professionals and small businessmen.

NARD and its members vigorously support the American free enterprise system and strongly endorse the Robinson-Patman Act. We oppose repeal of the Act. The problem is not with the Act, but with the agencies who refuse to enforce the Act. FTC annual reports to Congress clearly document this non-enforcement record.

Repeal or continued non-enforcement of the Robinson-Patman Act will make it impossible for many of the sick, poor and aged to obtain life saving drugs where and when they are needed. It will create havoc in the availability of retail pharmacy services to members of the community.

If the large corporate chains are encouraged by repeal or continued non-enforcement to use their national buying power to obtain unwarranted price favors, the effect will be retail prescription monopolies in many communities. The predatory habits used by large corporate nonpharmacist-owned chains today make this forecast easy. They demonstrate daily that their concern is store traffic—not service.

While we support the Administration's position with respect to less government regulation and increased antitrust enforcement, we believe those who support repeal are confused if they feel their proposal is consistent with those goals. Those goals are not satisfied by the proposals to repeal one of the basic antitrust laws—the Robinson-Patman Act. Supporters of repeal seem to forget that all antitrust laws are a form of regulation of business.

If the retail drug field is characteristic of the effect of the repeal of this Act the result will be the wholesale demise of independent businessmen and the rapid demise of the independent retail pharmacies, in both urban and rural areas. The end result in many areas will be a monopoly situation controlled by some large-out-of-state corporate chain drug store, little concerned with serving the community except to the extent that it has a positive effect on its corporate ledger.

NARD urges this group to demand factual evidence that the theory and social policy expressed in the Robinson-Patman Act is no longer valid. Theoretical economic analysis which attempts to create a perfect economic model has little relationship to the real world of economic power, and its abuse, or to the social policies, other than economic theory, embodied in the antitrust laws. The repeal proposals are simply special interest legislation to allow large organizations to get larger until the consumer is left not only without freedom of choice but without vital health services.

When the monopoly is complete and the independent service-oriented drug store is driven out of business, you may be sure that the consumer will start paying higher prices.

The critics of the Robinson-Patman Act who support the present proposals for repeal include many of the interest groups most likely to benefit from the repeal. Thus, it is not surprising to see that the corporate chain drug stores support repeal. With their increased economic power, you can be sure they would be gleeful if the Act were repealed. You can also be sure that they would use their economic power to coerce preferential pricing from their suppliers.

While the interest of large corporate purchasers in repeal is clear, the interest of academic economists and certain lawyers is not as readily apparent. The economist with his model of the perfect economic order worked out in the quietude of his study declares with seeming authority that the Act does not make economic sense. I am not prepared to argue whether the Act makes theoretical economic sense. I would point out, however, that all of the antitrust laws are subject to the same criticism. The antitrust laws were not enacted solely to express economic theory. The antitrust laws embody and were motivated by certain important social considerations. While monopoly or oligopoly control of various industries might make "economic" sense, Congress has long held that such a situation is not in the public interest. I do not feel that this is a principle that we should now abandon.

The overwhelming support for the Robinson-Patman Act by representatives of small business results from their understanding of real world "economies". Absent the existence of the Robinson-Patman Act, and its vigorous enforcement, the small businessman knows that he will face real economic facts. Large corporate interests engaged in the retail field will use brute economic power to extract preferential prices from their suppliers. The result will be unfair competition between large and small retailers with the eventual demise of the latter.

These are the real facts, not economic theories. An equal opportunity enhances competition and thereby encourages the social policy embodied in the antitrust laws.

The supporters of repeal should be required to address these facts and discuss the social policy embodied in the antitrust laws rather than theoretical economic considerations.

When the large nonpharmacist-owned chain drug corporations become the monopolists, I ask this group whether supposed cost savings will be distributed to the consumer or to the stockholders. I ask this group whether the chain drug store which has already so clearly demonstrated its concept of insensitivity to community service by stocking only the most frequently prescribed prescription products, eliminating emergency service and home delivery, and by isolating the pharmacist from the patient, all in the interest of profit—dollar profit—will not also exact the monopoly profit which history teaches us is the reward of the successful monopolist.

It seems totally inconsistent, or insincere, to argue for increased antitrust enforcement on the one hand, while taking action which will generate the conditions requiring increased enforcement in the years ahead. The Robinson-Patman Act like the other antitrust laws assist all businesses to compete freely and fairly in the marketplace.

The Robinson-Patman Act is not a handout to small business. It does not provide a subsidy or guarantee of success. The Act merely provides a method to insure the continuation of competition by the prevention of the abuse of economic power in the hands of large organizations.

One final note: the Federal Trade Commission, the principal government enforcement agency for this Act, is not only refusing to enforce the statute, but is actively seeking its repeal. We find this situation intolerable and a mockery of duly enacted federal legislation. We request whatever assistance this group can provide the small independent businessman by insisting on enforcement of this important statute.

TRIBUTE TO GEORGE MAJESTIC

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. McHUGH. Mr. Speaker, in the Hudson Valley town of Gardiner, N.Y., the town board reconvened this January for the first time in almost two decades without being called to order by George Majestic, who died suddenly in November at the age of 59.

George Majestic has been supervisor of the town of Gardiner for 18 years, and in November had been reelected to another term. His electoral popularity is striking if one considers that he was the first Democratic supervisor in 50 years, in a traditionally Republican town, and his biennial election as supervisor soon came to be regarded as almost a foregone conclusion. He commanded not only the respect of the people of his community, but also their deep and lasting affection. As his long-time friend Bert King said of George Majestic, "He was not one who just attended many various meetings, but one who worked with his hands and his heart for a communtiy he loved."

Even the people who occasionally disagreed with some of his policies admired him for always "doing his homework" and paying painstaking attention to detail. Nobody, it seems, ever had a disagreement about his unbounded capacity for friendship, respect for other people, and diligence in fulfilling a public trust. He was a man who gave politics a good name, and he will be sorely missed by the people of Gardiner and all those who were proud to be his friends.

Horace Mann once said:

> Be ashamed to die until you have won some victory for humanity.

George Majestic was still young when he died, yet his life had been full in its profound impact on his devoted family, his friends and his community, so much so that every day was a victory. We salute and cherish his memory.

BIRTHDAY OF DR. MARTIN LUTHER KING

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. GILMAN. Mr. Speaker, this week observances were held across the breadth of our Nation to honor the 47th birthday of Dr. Martin Luther King.

During his lifetime, Dr. King set forth many goals intended to enable the black citizens of our Nation to better their lives. After his tragic death, our country still strives to realize the goals and ideals for which he dedicated and finally sacrificed his life.

Martin Luther King dreamed of obtaining basic civil rights and human dignity for America's black citizens . . . rights that have been enjoyed by other citizens of our Nation since the Revolution. These civil rights are now part of our law and our system of government. Regrettably, the struggle for full economic and social freedom still goes on.

On this memorial occasion, it is appropriate that we reflect on what Dr. Martin Luther King contributed in his few short years to our Nation's history. Dr. King made us remember our obligation to our poor and to the disenfranchised. He made us aware that we cannot forget the needs of those persons who must have adequate housing, full employment, an education, and proper nutrition and health care. Then, and only then, can they become full contributing members of our society.

Dr. King fully realized that we as a Nation would be equal to the challenge. We would, in his thinking, ultimately transcend racial barriers and political lines; we would strive for the goal of making a better life for each and every American citizen.

Today, in further recognition of Dr. King's contributions, the House of Representatives appropriately passed House Concurrent Resolution 96, authorizing the placing of a bust of Dr. King in the Hall of Statutes of the U.S. Capitol in Washington, D.C.

It is our privilege to honor Dr. Martin Luther King, Jr. and the legacy he left for all Americans. He "had a dream"—a dream to make America a better place for all of us.

ALTON Y. BENNETT

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. BYRON. Mr. Speaker, with the passing on Wednesday, December 31, 1975, of Judge Alton Y. Bennett, Frederick County, Md., lost one of her most distinguished sons.

To list the many achievements of Judge Bennett would not begin to indicate the profound and lasting impact this distinguished gentleman had on his local community, his county, and his State. His dedicated service to the political process and the Democratic Party in Frederick Conuty influenced the lives of many people including me.

I want to express to his many friends and to his beloved family my sincerest sympathy. Judge Alton Y. Bennett leaves behind a legacy which all should strive to emulate. The feelings of many people in the local area were best expressed by an editorial-obituary from the Frederick News, which I would like to share with my colleagues:

ALTON Y. BENNETT

The man who more than any other person wielded the sceptre leadership in the Democratic Party in Frederick County during the last half century, Judge Alton Y. Bennett, died Wednesday, Dec. 31, 1975. He was 78.

Judge Bennett, a practicing attorney in Frederick 52 years, a former Maryland legislator and a trial magistrate 17 years (his son, Stanley Y. Bennett is now a judge of the Distict Court), also served his community as a leader in many civic, social, church and governmental capacities for many years.

Perhaps his most significant community contribution outside politics was his service and his dedication to the United Steam Fire Engine Company No. 3—a love he "inherited" and nurtured—a love he shared with five generations of this pioneering Bennett family that came to Frederick County in the early 1700s, long before the American Revolution we are celebrating this Bicentennial year.

A member of the Uniteds 60 years, he had been unanimously conferred the coveted title of "President-Emeritus" and only recently presented a life membership by the company.

Mr. Bennett leaves his loving wife, Sara Staley Bennett; a daughter, Mrs. Ruth N. Sample of Hopedale, Mass.; two sons, Thomas M. Bennett and Judge Stanley Young Bennett, both of Frederick; six grandchildren; two cousins, W. Verl Forney and John Bennett Landis, both of Frederick, and several other cousins.

Funeral services will be held at 11 a.m. Saturday, Jan. 3, at the Evangelical Lutheran Church, with viewing at the church from 10 a.m. The family will also receive friends at the family residence at 301 W. 2nd St., where friends may call after 1 p.m. Friday, Jan. 2. His pastor, the Rev. Francis Reinberger, will officiate. Interment will follow in Mt. Olivet Cemetery. The Smith, Fadeley, Keeney Basford Funeral Home is in charge of arrangements.

Alton Young Bennett was a handsome, dignified man with a friendly, forceful manner that coupled with his innovative mind, easily gained him the confidence of his fellowmen and elevated him into positions of leadership in the community. He was a hard worker and he got results.

If there was one activity from which he gained a personal pleasure it was serving as marshal nearly 40 years for many of Frederick's traditional parades.

There was little that was good for the community that he was not involved in, contributing his time and talents tirelessly and unselfishly.

Judge Bennett was the fourth of five generations of Bennetts to serve the Uniteds' volunteer fire company. His great-grandfather, Lewis H. Bennett served with the Uniteds in the 1840s; his grandfather, John H. Bennett, was an officer for many years; his father, Robert A. Bennett, served 25 years as president; and his sons are both members.

Uniteds President Herman B. Miller recalls that Judge Bennett had been a member of the fire company since he was 18 years old, holding several offices including the presidency for seven years, and then president-emeritus. During his presidency the Uniteds bought a new ambulance, an Oren pumper and rescue squad truck, also reconditioned the old Fox engine, and purchased in the company's name the Kehne property adjoining the Engine House.

Mr. Bennett was born Nov. 15, 1897, in Frederick, a son of the late Robert and Hallie M. Young Bennett. His ancestors had lived in Frederick County since 1728. He belonged to the Evangelical Lutheran Church.

Educated in Frederick County's public schools, he was graduated from the Boys' High School, attended Columbia University and was graduated with a law degree from the University of Maryland in 1922. He was admitted to the Maryland Bar in 1922 and had practiced as an attorney in Frederick for 52 years. He was a past president of the Frederick County Bar Association. He had also served as an appeal agent for the United States Selective Service Board.

Enlisting in the U.S. Army in World War I, Alton Bennett served for the duration of the war with Company L of the 22nd Infantry Division.

In addition to his law practice, election to the legislature in 1923, 17 years' service as trial magistrate, service to the Uniteds and his leadership in the Democratic Party, Judge Bennett was also very active in civic affairs.

He was one of the founders and past presidents of the North End Civic Association, which is still active; was one of the first Boy Scout Commissioners in the early days of scouting; was active in veterans' affairs, serving as a member and past commander of Francis Scott Key Post 11, American Legion, and past chef de gare of Voiture 155 of the 40&8; parade marshal for all major parades in Frederick from 1919 to 1959; was active as a member of Veterans of World War I of USA Inc.

During World War II he was chairman of the Aluminum Drive (to collect aluminum for the war effort), director of Civil Defense and director of the USO (United Services Organization).

Judge Bennett also served 20 years with the National Foundation for Infantile Paralysis (March of Dimes), serving as chairman and also heading the March of Dimes campaign. He was also chairman of the county's Mental Health campaign and served this cause for many years.

He was still active as a member of the Advisory Board of the American Automobile Association (AAA); director of Fidelity Building & Loan Association; director of the Independent Order of Odd Fellows (IOOF), King David Lodge 50 IOOF; a member of the Fraternal Order of Eagles Aerie 1071; and a member of the University of Maryland Club.

Mr. Bennett had served many years as superintendent of the Sunday School of the Evangelical Lutheran Church.

Judge Alton Young Bennett's life was full and useful, and his community, his state and his nation are better because of him. He was a dedicated American and a dedicated husband and father. All of Frederick County and certainly all Marylanders whose fortune it was to know this man join with his family in mourning his passing.

JOHN T. CRONIN RETIRES

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. EARLY. Mr. Speaker, this week a distinguished member of the press in Worcester, Mass., will be honored on the occasion of his retirement. That man, Mr. John T. Cronin, for more than 47 years was a vital cog in the system which brought the news to the people of central Massachusetts. For more than 20 years he authored the "Harrington Corner" column for the Worcester Telegram and Gazette. This column was a distinctive piece of literary and journalistic work. It combined news and human interest materials in a most enjoyable and readable manner.

In tribute to Mr. Cronin I am today entering in the Record a copy of a story, written by John's colleagues and printed in the employee magazine of the Worcester Telegram and Gazette. I am sure that each of us wishes Mr. Cronin good health and happiness in the future.

The article follows:

John T. Cronin Retires

In 1928, the Telegram and Gazette city room had old wooden desks with single electric light bulbs hanging over each desk and the male reporters wore eyeshades.

And John T. Cronin joined these newspapers.

In 1975, the Telegram and Gazette hovered on the edge of electronic journalism.

And John T. Cronin retired.

In the intervening years, the city had floods, hurricanes and a tornado. And John Cronin was there.

The city had a column called Harrington Corner, which was named the most read feature of the Telegram in a readership survey. And it was written by John Cronin.

Any reporter worth his printer's ink has a favorite John Cronin story.

And John, of course, has his favorite stories about his life at the Telegram. A few, he confides in an Irish whisper, could never be printed.

John's journalistic life has two chapters. The early years as a police and court reporter. And his later years as dean of the birthdays, anniversaries and retirements.

Reflecting on the beginnings of his column, John explained that in 1951 the late Frank Murphy who was managing editor of the Telegram called John in and told him, "This newspaper is in dire need of a local column."

"I was told to fool around with the idea for a few months and also to continue on in the police station."

John said the column originally was small—about eight items a day.

About a year later, Murphy called John in again and announced, "I hate to take you out of the police station but we have to lengthen that column."

"It's the most popular thing in the newspaper. It's what the people want and it's what they're going to get."

A trademark of his column became "You are getting along in years brother . . ."

The sentence would be completed with a familiar practice of bygone days.

John chuckled in discussing the phrase. "People would send me long lists of these. One man sent me 100 a month."

One of the many popular John Cronin stories is why he was hired as a full-time reporter. "Because I was working for *The Gazette* as a stringer and one week made more money than the managing editor . . ."

While still attending St. Peter's High School, John began working as a sports stringer for *The Gazette*.

"We were paid 12-and-one-half cents an inch and 50 cents a picture."

"Joe Kiernan was the sports editor and he looked out for me. I was able to make $15 a week and that wasn't bad. Many people were making nothing."

John came to work one day to find the sports editor and the only full-time reporter out sick.

For two weeks he put out the sport pages being paid his 12-and-one-half cents an inch.

"I put in a voucher and two days later was called into the managing editors office.

"He told me, 'You made more money than me last week. This can't go on. You are starting on the staff next week at $25 a week.' That was in 1936."

Two years later John switched over to the *Telegram* when Frank Murphy, then city editor, wanted a local man to help cover that year's state elections.

"We worked six days a week and if you had a phone you would get a call and work seven days a week."

"One of the desk people kept a little black book which recorded your overtime—and you got what he gave you."

John related he had nine days overtime but the little black book said three and John got three.

John served in the Army during World War II and at the same time wrote for the Columbus, Georgia *Ledger-Enquirer*.

He was joined in his retirement by his wife.

RESPONSIBILITY TO PLACE CEILING ON FEDERAL SPENDING?

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. MITCHELL of New York. Mr. Speaker, in my most recent report to my constituents I made special reference to Federal spending policies and asked individuals to provide me with their answer to a most important question: "Do you think Congress has a responsibility to place a ceiling on Federal spending?" The collective judgment of a concerned constituency is a most emphatic "Yes." That is a judgment that I share and will continue to try my best to see implemented.

As you might suspect, those who wrote me expressed their opinions in various ways. One of the most interesting communications was signed by a number of concerned people in the Whitesboro-Yorkville area of Oneida County. I am pleased to share this response with my colleagues:

You have asked us, in your "Washington Report," to answer the question: Do you think Congress has a responsibility to place a ceiling on Federal spending?

We, the undersigned, say Yes, Absolutely, and we state why. Common sense tells you that you cannot continue to spend more than you take in for very long without going broke. The United States has now been doing this for many years. We want it stopped!

For when the United States goes broke that means that We the Citizens go broke and our life savings along with it. It is criminal for this government to keep spending billions of taxpayer-produced dollars on foolish, wasteful programs, many of them in foreign countries. We hope the day comes when those in Congress must be held accountable for the People they represent for every dollar they vote to spend. Only in this way can America remain strong and solvent. Here is what George Washington says on the subject and we can't think of a better time to quote his words than in 1976:

"As a very important source of strength and security cherish public credit. One method of preserving it is to use it as sparingly as possible; avoiding the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions in time of Peace to discharge the debts which unavoidable wars may have occasioned. . . . The execution of these maxims belongs to your Representatives (you and your fellow lawmakers, Mr. Mitchell), but it is necessary that public opinion should cooperate.

"To facilitate to them the performance of their duty, it is essential that you should bear in mind that toward the payment of debts there must be Revenue; that to have Revenue here must be taxes. . . ." From the Farewell Address.

We know that taxes keep government going, but we strongly object to this continued criminal, wanton waste of the sweat of our brows. We demand that Congress stop much of this spending, get its house in order and keep it there, as we citizens must do to provide for our retirements!

ANGOLA: NO MORE VIETNAMS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. DOWNEY of New York. Mr. Speaker, less than 9 months after the close of our tragic involvement in Vietnam, we are once again involving ourselves in a civil war thousands of miles from our shores, once again spending millions of taxpayers' dollars to fight a war in a country where we have no vital interest, and once again risking American prestige in a battle which we are not likely to win.

I am referring to our involvement in the Angolan civil war. There, three political factions which emerged during the struggle for independence from 500 years of Portuguese domination are now fighting for control of the government.

The CIA has supplied two of these factions with more than $32 million in military assistance. It has also been reported that the CIA is training Angolan troops and recruiting American mercenaries to fight in the conflict. All this aid has been supplied for months to these warring factions without the administration once advising Congress or the American people of our involvement.

When our aid was finally acknowledged, the American people were told that this aid was furnished solely as a response to military assistance by the Russians and the Cubans to the third faction in Angola. Recent investigative reports, however, have shown that our secret and massive assistance to our Angolan "allies" was authorized before the buildup of Soviet and Cuban aid to their "allies."

Moreover, it appears that many officials within our own State Department had urged the President not to send massive military aid to Angola, arguing that the leaders we are supporting are not representative of the majority of Angolans and will probably not be able to win the current struggle even with our support.

Furthermore, our involvement has necessitated an unholy alliance with the Government of South Africa—a regime hated throughout Africa for its policy of apartheid. This alliance will prevent us from increasing our influence among other African nations.

Finally, State Department officials pointed out that the Russians have supplied aid to African nations for years without significant success—and that it is unlikely that Russian attempts in Angola will be any more successful than prior efforts.

The Senate has voted to cut off all military aid to Angola. I am urging the House to enact a similar measure, which I have cosponsored, that would call upon President Ford to refrain from further involvement in Angola until we have had an opportunity to give the situation further study. I firmly believe that a peaceful settlement, without unnecessary and fruitless American intervention, can be achieved.

TRIBUTE TO STEVE BROIDY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. WAXMAN. Mr. Speaker, it is my pleasure to join with my district's civic, business and social leaders in paying tribute to Steve Broidy, a man whose deeds match his dreams and whose contributions to the community at large have been great both in number and in substance.

The friends, colleagues, and admirers of Steve Broidy will fill the International Ballroom at the Beverly Hilton Hotel on Saturday, January 31, 1976 to honor this man who serves as president and chairman of the board of directors of Cedars-Sinai Medical Center and to express their tremendous appreciation for his dedicated work and significant accomplishments.

It was Steve Broidy who envisioned the rebirth of Cedars of Lebanon and Mount Sinai Hospitals as a single new medical center which would offer, at one location, total health care services of the highest quality for the people of Los Angeles.

The realization of this dream is the 1,120-bed Cedars-Sinai Medical Center which will be dedicated early this spring.

Steve Broidy has been an innovative and forward thinker in his professional pursuits, working up through the ranks to become president of Allied Artists and earning the Motion Picture Pioneers' "Pioneer of the Year" award.

In community service, Steve Broidy has earned recognition for his generous involvement with the Jewish Federation Council, Brandeis Camp Institute, United Way, Salvation Army and Claremont Men's College.

The Academy of Motion Picture Arts and Sciences honored Mr. Broidy with its prestigious Jean Hersholt Humanitarian Award. He was also the first west coast recipient of the American Judaism Award of the United American Hebrew Congregations and Hebrew Union College.

Mr. Broidy's accomplishments have not only brought progress and a better life to the people of my district—but to our Nation and, indeed, our world. I am honored to be among the many paying tribute to him and saying "Thank you, Steve Broidy."

THE PERILS SECRET AGENTS FACE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. MICHEL. Mr. Speaker, I want to draw to the attention of my colleagues an informative and important letter to the editor which appeared in the Washington Star on Monday, January 19.

Written by Brig. Gen. William A. Tidwell, (retired), it outlines the nature of and necessity for secrecy in certain aspects of foreign policy. Members who may be considering joining with me in sponsoring legislation to protect intelligence agents and employees from exposure will want to read his well-reasoned discussion.

"Persons who expose intelligence personnel," he writes:

> . . . must recognize that in addition to opposing actions by the U.S. government in the public interest, they may also be playing with the lives and careers of dedicated human beings and their families.

That is correct, and that is why we need to make such exposures illegal, as my bill does. As Tidwell says, "Somehow we have got to stop those who play parchesi with our lives."

The letter follows:

[From the Washington Star, Monday, Jan. 19, 1976]

LETTERS TO THE EDITOR: THE PERILS SECRET AGENTS FACE

Norman Kempster missed the mark in his article on the CIA in the Jan. 11 "Comment" section of The Star ("One CIA Effort That Worked"). There is a great deal of naivete and misunderstanding about the nature and purposes of secrecy in intelligence operations, and, unless we learn quickly, we may well lose more than the life of a dedicated public servant.

In general, there are four types of situations in which secrecy is an important aspect of U.S. policy:

First, there are those operations whose preparation and timing must be kept secret for a short time or which must be denied as a formality. Once they have taken place, they can be told about with no real risk to our national well-being.

Second, there are those operations that must remain secret lest their exposure undo their success or destroy our ability to repeat the operation elsewhere. There are many past covert operations whose exposure would tend to discredit or counteract their success. In some cases, exposure would embarrass apparent enemies and secret friends.

Third, security is an important element in situations in which "deep" cover is involved. In other words, a person can perform effectively only if he is not known to be involved with the U.S. government or with intelligence. People in this category run the risk of execution or imprisonment because they do not have the protection of official position.

Fourth, there is the security of the thousands of individuals under light cover or no cover at all, those involved in operating the machinery of the intelligence community. Because they deal with secret matters, they are potential targets for harassment or recruitment by people who want to know what the U.S. is doing, and that would include the curious, the irresponsible and a host of cliques, factions and conspiracies as well as the professional intelligence services of the major powers.

The only truly safe intelligence officer is one who does nothing except live his cover. Since that would be purposeless, the normal life of an intelligence officer is one of balancing the need for results against the need for security. Most intelligence personnel inside the U.S. are reasonably free from harassment or attempted recruitment. It usually does no harm if they are known by their friends and neighbors as members of the intelligence community.

If these people go overseas, however, the dangers mount greatly. They are particularly vulnerable if it is widely known that they worked in intelligence in their previous assignment in the United States.

People in this fourth category are especially vulnerable to the discretion of their friends and acquaintances. It is a common game in some American communities overseas for the gossips to try to pin-point the intelligence personnel in their midst. After all, their identity is sometimes pretty obvious and denial seems pretentious and hypocritical.

This is the point where naivete reaches its peak. Of course the identity of many intelligence personnel overseas, working under light cover, is easy to discover! The Russians know many of the CIA personnel as we know many of the KGB. Neither group could do anything worthwhile without exposing themselves to identification.

But, in spite of James Bond, the KGB probably does not have a policy of murdering CIA agents, and it is not CIA policy to kill KGB agents. What both groups have to fear is the crackpots, the irresponsible, the people with personal grudges, the conspirators trying desperately to attract publicity to their cause, and the people who oppose them in specific policies.

Cover and security are intended to protect the people under light cover from irresponsible attack, not from identification by professionals.

To underscore the point, think what public reaction would have been if an obscure first secretary of an American embassy were assassinated, and compare that to the reaction aroused by the assassination of a man alleged to be an important intelligence officer. The fact of whether he was or was not an intelligence officer is immaterial. The widespread public allegation that he was an intelligence officer at a moment when intelligence matters were attracting world-wide publicity made him a classic target for somebody wanting to make a splash in the news media.

Persons who expose intelligence personnel to publicity may seek merely to gain publicity or to embarrass the U.S. Government and its policies, but they must recognize that in addition to opposing actions taken by the U.S. government in the public interest, they may also be playing with the lives and careers of dedicated human beings and their families.

As a society, we must find some way in which we can hold them accountable for their actions. Somehow we have to stop those who play parchesi with our lives.

WILLIAM A. TIDWELL,
Brigadier General, USAR (Ret.), Fairfax, Va.

TOXIC SUBSTANCES IN OUR ENVIRONMENT

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. ZEFERETTI. Mr. Speaker, gradually, the Nation is becoming aware of the presence around us of potentially lethal and unacceptably menacing toxic chemical substances. For some years now, our chemical industry has been tinkering with various basic chemical building blocks of our environment. As more complex combinations are created and brought into everyday commercial use, our daily world is becoming laced with these substances and their residues. Few of these exotic chemical combinations are fully tested, and certainly not from a public health viewpoint. Few are adequately tested insofar as their immediate aftereffects on any form of life. Regrettably, some of our Federal agencies charged with careful oversight of such commercial substances are far behind in exercising that function in any effective manner.

As a result, we are steadily confronted with news that this substance or that chemical is contaminating one or another portion of our environment, possibly affecting use in a variety of ominous ways. In just the last few months, PCB's and asbestos fibers as well as certain other substances in our drinking water supplies have been revealed as potential menaces. It is therefore critical for us to obtain some handle on them to prevent more and worse occurrences than those we have already had to come to grips with. What we must do is to place some sort of control upon these substances before they are unleashed upon a vulnerable environment and an unsuspecting public by their developers in the name of commerce.

Over 5 years ago, the Council of Environmental Quality sought legislation to control such potentially toxic chemical substances. Up to now, the Congress has not acted. However, recent disclosures such as those I have mentioned lend a new urgency to our task. H.R. 10318, the Toxic Substances Control Act, which I have joined other colleagues in sponsoring, would institutionalize just such oversight in the public interest. It would give the Administrator of the Environmental Protection Agency power to require manufacturers of a chemical the agency determines may pose "an unreasonable risk to health or the environment," to test that chemical fully. If there are several makers of the chemical, testing costs may be shared among them. Should the substance be found to be hazardous, the head of the EPA shall make rules controlling use of the substance. EPA would also have to receive premarket notice of all new chemical substances.

We know some Americans have died because of such substances and the totally uncontrolled manner in which they now reach the public. Also, we know the danger grows with proliferation of new products. To allow continuation of this situation is absolutely unacceptable to the nation. Congress has an obligation to alter this equation in favor of the public.

GUAM BISHOP SUPPORTS COMPACT

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. WON PAT. Mr. Speaker, as our colleagues in the Senate continue to deliberate the provisions of the measure authorizing commonwealth status for the Northern Marianas Islands, I am pleased to announce support for this historic measure from one of Guam's most respected citizens, the Most Reverend Felixberto C. Flores, bishop of Guam and the Northern Marianas.

Bishop Flores' decision to support the commonwealth proposal comes at a time when a few here are having their doubts about such a move. There are some who question whether commonwealth status is in the best interests of the people of the Northern Marianas and for the United States.

I believe that their doubts would be instantly dispelled if they could meet with Bishop Flores. The bishop is not a man who makes decisions lightly. As the first native-born Guamanian to be chosen for the position of bishop of Agana, the Most Reverend Flores is a man who knows his people and his duties. His support for the compact is predicated on both a profound spiritual sense of duty to those whom he serves and an inherent appreciation of the benefits which commonwealth status will bring not only to the Northern Marianas, but to Guam and our fellow citizens in the States as well.

The bishop also speaks as a fellow Chamorro, who, as do all Guamanians, possesses close ethnic, cultural, and religious ties with the Chamorro residents of Saipan, Tinian, and Rota. He is acutely aware that the Chamorros were once one, but have remained politically divided by the arbitrary decisions of powers much greater than we.

For countless centuries, Guamanians roamed these islands, living in peace and harmony. The coming of the Spanish brought Christianity, which in time, became the religion of our people.

Following the Spanish-American War, however, Guam was ceded to the United States, and our fellow islanders to the north went through a series of interventions by foreign powers culminating in their conquest by American forces in World War II.

We on Guam who have been privileged to be associated with the United States are proud of our American citizenship. We have flourished and prospered. It is our hope that similar benefits will be granted to the Northern Marianas by the U.S. Government in exchange for agreements to utilize certain portions of those islands to enhance our strategic position in the Western Pacific.

In a recent letter to the Honorable Francisco C. Ada, District Administrator of the Northern Marianas, Bishop Flores pointed out that the decision to request commonwealth status with this country is a clear-cut decision "made known by an overwhelming vote of the peoples of the Northern Marianas in favor of such a status last June."

I congratulate Bishop Flores for espousing the Commonwealth proposal and urge our friends in the U.S. Senate to ratify House Joint Resolution 549 in the very near future. Their actions will permit the United States to take a historic step toward unifying all the peoples of the Marianas in a common political bond under the American flag.

Thank you.

TRIBUTE TO FRANK ITALIANO

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. FLORIO. Mr. Speaker, we often encounter individuals whom we respect for a certain particular quality; intelligence, ability, competency or personality. It is very rare to know a person whom we respect for all of these qualities. I knew such a man, a resident of my district, Frank Italiano.

During the recent recess I had the great misfortune to learn that Frank had passed away. He had dedicated his life to public service most outstandingly as a New Jersey State senator and lastly as a judge in Camden County.

I will never forget Frank Italiano and I wish to place in the Record the remarks of the Reverend Richard Gerbino who expressed my sentiments and the sentiments of all who knew Frank far more eloquently than I.

REMARKS BY REV. RICHARD GERBINO

May it please your Excellency (George H. Guilfoyle, Bishop of Camden), brother Priests, beloved Italiano family, and dear friends of Frank C. Italiano.

It is with very heavy heart that we offer this day, this Mass, for the soul of Frank C. Italiano. I got to know Frank twenty-four years ago as a law student in Rutgers College of South Jersey. Frank not only worked hard as a student, but also drove an oil truck for "La Buona Anima", his father. Frank worked hard, always worked with enthusiasm, and total dedication.

I could relate to you his climb to success. I could tell you with great detail his service to the city of Camden, to the state of New Jersey, and then as a judge to Camden County. But this is not what made Frank Italiano great. What made Frank Italiano great was his tremendous faith. This man went to Mass and Communion in this very church every Sunday. This man (and Frank will forgive me for divulging his secret) made a visit to the Blessed Sacrament every day in this very church. This man knelt down in prayer for thirty minutes every time he was about to go to the Bench to beg God's guidance and wisdom. This was and is Frank Italiano.

If there is a word that I could sum up my dear friend Frank, it is this . . . he was "Una Persona Simpatica." This is a very difficult word to translate from the Italian to English. "Una Persona Simpatica" is a person who so identifies himself with his neighbor that when his neighbor feels pain, he feels pain—when his neighbor is joyful, he is joyful. Frank C. Italiano was in all truth "Una Persona Simpatica."

Now the question is, "WHY?" WHY should a man at the zenith of his career, who had so much to live for, and so much to give, be so unceremoniously snatched from life? He had so much more to give and is denied it . . . so many people to serve and not given the opportunity. The question is WHY—WHY—WHY!

The answer is WHY NOT? Frank Italiano knew only too well that we have not here a lasting city. He new only too well that we are only passing through this life. As St. James says in his Epistle, "What is your life? It is a mist which appears for a while and is seen no longer." Frank knew and understood this only too well.

I recall very well when Frank Italiano's father died over twenty years ago, and was laid out right across the street from this church. I was there. I will never forget what Frank told me that night. He said to me, pointing to the body of his father, "That's not my father over there. This is what my father left behind. My father is with God." This was, this is, and this will always be the faith of my brother, Frank C. Italiano.

In our humanity certainly we lament the loss of Frank Italiano. We offer to the Italiano family our sympathy and our love. At the same time I invite the Italiano Family and all of you here present to offer this Mass with us, not for the soul of Frank C. Italiano, but to live as well and to die as well as Frank C. Italiano.

EMANUAL MEYER RUBENSTEIN OF YOUNGSTOWN, OHIO, HONORED FOR 70 YEARS OF COMMUNITY SERVICE

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. CARNEY. Mr. Speaker, I am pleased to announce that Emanual Meyer Rubenstein, a constituent of mine, was honored by the Jewish Federation of Youngstown on his 90th birthday, which was January 10, 1976.

On that date, Mr. Rubenstein was commemorated for 70 years of humanitarianism and devotion to his family and community. After World War II, Mr. Rubenstein brought his brother, whom he had not seen in nearly 50 years, his sister-in-law, nephew, niece, and her husband to Youngstown from a displaced persons camp in Europe.

Emanual Rubenstein first came to Youngstown as a teenager before the turn of the century. Since that time, he has spent 50 years in the real estate business and is now the proprietor of the Rubenstein Realty Co.

In honor of his many years of civil and humanitarian work in the community, the Honorable Jack C. Hunter, mayor of Youngstown, officially proclaimed January 7, 1976, as "Emanual Rubenstein Day."

Mr. Speaker, I am indeed proud to have Mr. Emanual Meyer Rubenstein as one of my constituents. I am sure all of my colleagues in the U.S. Congress will join me in commending Mr. Rubenstein for having worked unceasingly for 70 years toward achieving good will and brotherhood for all men.

NATIONAL POLICY OF FIGHTING INCREASED COLLEGE TUITION

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. FORD of Michigan. Mr. Speaker, one of the most serious problems facing many lower- and middle-income Americans is the rapidly escalating cost of sending their kids, or helping their kids send themselves, to college. Tuition increases are caused in part by uncontrollable costs. But they are also at least partly due to pressures on State legislators to shift more and more of the burden of going to college onto the backs of students.

My friend and colleague from Michigan Mr. O'Hara, as chairman of the House Subcommittee on Postsecondary Education, has been among the foremost advocates of a national policy of fighting increased tuition. Jim O'Hara has been joined by Student organizations, the labor movement, and a great many academic associations in this effort.

One of the most recent comments along these lines is the outstanding commencement address delivered on December 13 at Central Michigan University, Mount Pleasant, Mich., by Allan Ostar, executive director of the American Association of State Colleges and Universities. Allan Ostar's comments on this issue, and his praise of what schools like central Michigan are doing to preserve the dream of broad access to college for a broad cross-section of our people, should receive the attention of all of us who are facing this issue:

THE STATE UNIVERSITY MISSION

Thank you President Abel, and good afternoon graduates, parents, faculty, members of the board and distinguished guests. It is an honor to share the platform with such outstanding people as former Congresswoman Martha Griffith, President William Spoelhof of Calvin College and Dr. Lloyd Cofer.

Let me make a confession. If it weren't for the fact that Dr. Abel and Dr. Cofer are two outstanding national leaders in higher education for whom I have the highest respect, I would just as soon be home watching the Washington Redskins battle the Dallas Cowboys to see who gets into the playoffs on the way to the Super Bowl.

Now since you got to go the Camellia Bowl last year, you are accustomed to having a winner. But in Washington we just don't have very many winners—in or out of government.

So the Redskins occupy a very special place in the hearts of Washingtonians, as I'm sure Congresswoman Griffith would agree. If any of you has a radio tucked under his robe, let me know right after commencement how the game is going, would you?

Speaking of Washington, of course we are all aware that President Ford is from Michigan. Shortly after he became vice president my wife and I attended a reception for the Fords. Anxious to make a good impression and to find something in common to say, we approached the Fords and told them that our daughter lived in Grand Rapids and was a student at Grand Valley State College. Whereupon Mr. Ford responded with somewhat of a chill in his voice, "Oh yes, I know Grand Valley State College quite well. The last time I spoke on the campus, the students booed me."

How's that for a conversation stopper?

I have enjoyed seeing your campus, and I was able to spend several hours yesterday driving through it—looking for a parking place. I also am happy to have some time to talk with Harold Abel, who, as you already know, is a very dynamic educational leader whose enthusiasm and energy for this university appear to have no bounds. President Abel has given some of this same energy and purposefulness to the American Association of State Colleges and Universities through his service as state representative, former chairman of the Committee on Workshops and Conferences, and his present membership on our Committee on Academic Freedom, Tenure and Responsibility. He has a number of ideas for Central Michigan University which I think will make the years ahead very exciting years of change and growth. I know that he already has achieved one of his priorities set for this fall: to get the seniors through the drop and add lines in time for commencement. Since you are here, obviously he was successful. For those graduates who have friends that didn't make it into the arena, don't worry. They aren't missing a thing—this speech is being broadcast in the Alibi East.

As graduates of Central Michigan, you should be quite proud of your degree. It is awarded to you by an institution of high quality. Unlike national research universities such as the University of Michigan, Central Michigan University is characterized by its vitality, flexibility and "people-orientation." The concern here is for building futures rather than building traditions, for being found on the cutting edge of change in our society.

Because they are public institutions, state colleges and universities have a unique responsibility to the public. They are charged, through teaching, research and public service, to serve the public. Our state colleges and universities have always been responsive to changing needs—as normal schools, teachers colleges, and now as comprehensive universities.

This growth and change is characteristic of state universities as they fulfill their double educational role. One, to serve the present capabilities of students and their expectations for the future. And two, to provide the community, the region, the state and the nation with graduates who are prepared and qualified to meet the health, social and business needs of the people.

And Central Michigan will continue to change. It will continue to respond to new needs and new expectations. I am continually amazed at the number and the kind of new programs which are being offered by state colleges and universities across the country.

In Louisiana, a program in sugar cane technology. In West Virginia, a program in mining reclamation. In California, a university which opens its doors to the community for a weekend college. And right here at Central, an external degree program for students who may never see the campus. These are only a few examples of the kinds of responses state colleges and universities are making. They confirm my belief that state universities like Central Michigan are the cutting edge of change in American higher education.

I mentioned earlier that state universities, of which Central Michigan is an outstanding example, are "people-oriented." This designation carries with it some very important responsibilities. At the top of this list is the need to provide educational access for members of the community, the region and the state. It stands to reason. State universities are supported in large part by public tax dollars, which everyone pays. Therefore all citizens in the state who are qualified should have an equal opportunity to attend the university. And this does mean everyone—recent high school graduates as well as housewives wishing to resume careers, workers trying to upgrade employment skills, and older persons who wish to redirect their time and energies.

Unfortunately, that opportunity is decreasing. Access to college depends not just on drive or desire or potential, but on money. Across the nation, many people steadily are being priced out of college.

Recent studies have found that one of the most important factors in determining college attendance is the price of tuition. The National Commission on the Financing of Postsecondary Education found that an increase of $100 in tuition could cause a decrease in student enrollment of from one to three percent, depending on family income. A recent survey of state colleges and universities conducted by AASCU found that in many states, high or rising tuition rates during the years from 1969 to 1974 were accompanied by relatively low rates of enrollment growth compared to the national average. In some cases rising tuition rates were accompanied by enrollment declines.

Finally, a study conducted by the University of Wisconsin system in 1973 found that lowering tuition rates led to substantial increases in the number of students going to college. Importantly, follow-up of the additional students revealed that for the most part they would not have attended any other college otherwise.

There is a definite relationship between tuition and enrollment. Who gets shut out when tuitions rise? Data collected by the U.S. Census shows that between 1969 and 1973 the percentage of 18 to 24 year olds enrolling from families earning over $15,000 a year dropped from 8 percent. At the same time, the percentage of students from families earning less than $15,000 a year dropped 20 percent. This means that children from working class and middle-income families, as well as poor and disadvantaged families, are being greatly affected by increasing tuitions. Because the median family income in America is now about $13,000 a year, it means that more than half of all American families finding access to college a financial

It is a clear-cut issue. Unfortunately its clarity has been muddled somewhat by advocates of pay-as-you-go plans and other full-cost pricing plans which depends upon massive student aid programs. Some spokesman have argued that financial and access problems can be solved by emphasizing student aid programs, not by keeping tuition low. However necessary student aid is as a supplement, it can never be a substitute for low tuition. For one thing, student aid is caught up in a government tangle of appropriations battles, forms, needs tests and regulations. Second, most student aid programs are targeted at the poor. Students from working class and middle class families are eligible for little, if any, aid. One of your own Michigan Congressmen, James O'Hara, summed up very well these plans to increase tuition and give more student aid to the poor. He said, "It is time to blow the whistle on the grandiose schemes of the rich to help the poor with the money of the middle class." Third, student aid just does not have the force of equal opportunity behind it as does low tuition. For example, G.I. benefits are the most generous form of student aid available, and available uniformly throughout the country. But it is not used uniformly. A study conducted for the House Committee on Veterans Affairs found that the utilization of the G.I. Bill by Vietnam era veterans varied greatly: from a high of 36 percent in California to a low of 14.2 percent in Vermont. The state colleges and universities in California are tuition-free, while the state colleges in Vermont had among the highest tuition rates in the country. The study concludes that the effectiveness of the G.I. benefits is related directly to the availability of low-cost, readily accessible public institutions.

Well, why are tuitions increasing? A combination of reasons: soaring costs of fuel and electricity; inflation-driven price rises in supplies and equipment; State appropriations which in many cases do not match the rate of inflation; increasing demands from other educational sectors which siphon off the funds which should support low tuition levels in public universities. This last factor is gaining increasing weight in the effort to maintain a balance of opportunity for students in public institutions. State aid to the private and proprietary education sectors has increased five times over the past ten years and 190 percent in the past five years.

During AASCU's annual meeting in Boston last month, the membership, which includes 320 State colleges and universities, adopted a policy position on State aid to private and proprietary education. Basically, the policy is that any public aid to private institutions must take into consideration the best interests of the nation's college students.

The policy does not oppose aid to private schools. I happen to believe, as many people do, in the value of a dual system of higher education. Private institutions offer us diversity. Their independence serves as a model. But states cannot short-change public institutions to come up with the money for private schools. State universities caught short can't try and make it with a Bank America card until the end of the year. They have to lay off faculty and crowd more students into a classroom. They have to cut back on equipment and crowd a few more students around the same microscope. They cut back on their class offerings, and Joe Smith, who wanted to go to school in the evening, finds that his degree is going to have to wait a couple of years more. And most tragically, they are forced to raise tuition. While a recent national report found that the private colleges are in reaitively good shape and few if any decreases in academic quality were reported, I cannot make the same statement about state colleges. I think academic quality is threatened. I think educational opportunity is threatened. And I don't think that the states can mug Peter to fund Paul.

The rising tuitions in public colleges have not generated much excitemnet in the media or the public at large. I guess that a $50 or a $100 or a $200 a year increase is not considered sensational or gripping. Some people even think that tuitions at public universities are relatively inexpensive anyway. Are they inexpensive? Maybe we should ask the 20 percent of lower and middle income young people who couldn't go to college in the past five years how inexpensive tuitions are. And if "20 percent" isn't a very gripping picture, maybe you should think of how many of those young people wanted to become nurses or engineers or medical researchers.

Harry Emerson Fosdick said, "Democracy is the conviction that there are extraordinary possibilities in ordinary people." State Colleges and universities are the proof of that conviction. They were created in the belief that everyone benefits by investing in the education of their young people. Through them we have benefited from people such as Jonas Salk, author Eudora Welty, civil rights leader Ralph Abernathy, and your own alumnus, Senator Robert Griffin.

Another example which is fresh in mind because he received the AASCU Distinguished Alumnus Award last month is Philip Sanchez, U.S. ambassador to the Honduras. He is a brilliant, resourceful, and admired ambassador and administrator. He is also the youngest of eight children born to farm laborers who would not have attended college had it not been for the existence of a regional state university, California State University at Fresno.

Your state can be justly proud of having one of the finest group of higher education institutions in the nation. Although Michigan's economy is depressed, I am confident that the people of this state will continue to invest in their own futures by providing the funds needed to maintain access and equality in their public colleges and universities.

That investment will mean that tuition will not have to be raised as it was this year. That investment keeps the door open for the future Jonas Salks, the Philip Sanchezes and the future graduates like you. We can't afford to lose your extraordinary possibilities.

Knowledge is a priceless resource. Once obtained, it cannot be lost. Colleges and universities are the most efficient institutions this country has for instilling knowledge. Their function is irreplacable, as is the degree which you have earned. I find it puzzling that some current writers and researchers are taking the position that a college education is not worth the time, effort and money that students put into it. A new book that has been receiving wide publicity is called The Case Against College. In it, the author Caroline Bird, attacks college because she says that it doesn't guarantee a good job or success.

The rationale for higher education has never been solely to guarantee a good job or personal success. This is an institution of learning, not a "Dare to be Great" program. The purpose of higher education is to develop intellectual potential, to develop a perception of self, to better understand the external forces of culture, history, economics and politics that affect one's life, and to come to grips with one's capabilities as they relate to personal expectations and the expectations of others. Nowhere, not even in the fine print, does it say graduate from college and you're guaranteed $20,000 a year, two cars and a membership in the country club.

In another widely publicized article, two researchers, one from MIT and the other from Harvard, asserted that the value of a college education is declining and that a surplus of college graduates exists, and will continue to accrue. The facts are that, yes, high school graduates do earn more than they used to, thanks to increases in the minimum wage, but college graduates still earn approximately 46 percent more. Furthermore, research done by Stephen Withey, professor at the University of Michigan, shows that college graduates have steadier employment, lower unemployment rates, more fringe benefits, safer working conditions, and greater job satisfaction. They also are more humanistic in their values, more tolerant of differences, more opposed to simplistic and violent solutions to problems at home and abroad, more supportive of the arts and humanities, and make better parents.

Those two researchers at MIT and Harvard may choose not to send their own kids to college, but I won't deprive mine of the opportunity.

Now a word about the so-called manpower surplus. In this country today, there are adults who cannot write their names. There are anywhere from 3 million to 18 million adults who cannot read the report cards their children bring home from school, or the help wanted ads in the newspapers, or medicaid applications or the questions on their driver's license tests. There are children with learning disabilities who cannot go to school, and gifted children who are bored in normal classes. There are 160 counties which do not have doctors or primary health care.

There are approximately 20 cities where the water theoretically is undrinkable. There are prisons which retain criminals between crimes rather than rehabilitate people. There are urban centers which continue to decay while suburban sprawl continues to eat into rapidly disappearing farmland.

Now, you tell me: Do we have a college manpower surplus? We do have an acute shortage of people trained to solve the problems which beset the quality of our lives. We do have a Federal government which cannot seem to grasp a higher order of humanistic priorities. We have an administration in Washington which proposes to cut out almost 800 million dollars for higher education already appropriated by Congress—sharply reducing funds for such programs as college work-study, SEOG, and direct loans for students. It proposes also to cancel the G.I. Bill which would eliminate a billion dollars now going to higher education.

The priorities of the near future will be a matter of your choice. You will decide what is important, what problems—be they environmental repair, health care or housing—must be resolved, and how public funds will be spent. I hope you will remember that the key to problem solving is knowledge, that the cornerstone to problem solving is an educated citizenry, and that the foundation is a strong public university system.

No one should know better than you the value of having society invest its money and faith in the education of its young people.

As graduates, you have had the opportunity to benefit from low tuition public higher education. As citizens and taxpayers, you will assume the responsibility for the support of this college. How well you guard that responsibility will determine whether this college can continue to provide an education for the people of this state. Without your public support, future generations may be denied the same opportunities that you have had.

Public colleges and universities like Central Michigan University are the perpetuators of American values. They are the springboard from which generations of students have taken their places as respected citizens and important contributors to American society.

When I say that state colleges and universities are the perpetuators of American values, I don't mean two-car garages, color television sets and campers with built-in showers. The values they impart are very basic ones: That education is an opportunity to better oneself as an individual; that education is an opportunity to better society through one's acquired knowledge; that no man can esteem his own thoughts unless he listens to the thoughts of other men; that the search for knowledge and truth is a never-ending quest; and that all men owe a responsibility to their fellow men.

Society is better for these values. It will continue to get better with the increasing number of students who are provided with the opportunity to learn here. Your support of Central Michigan University through your development fund and through your legislature is an investment in the degree you earned here. As Central Michigan University continuously improves its quality, the more your degree is worth. You can't find a better investment than that.

Congratulations to you all as you begin your future.

ILLEGAL NARCOTICS TRAFFIC INCREASING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. RANGEL. Mr. Speaker, as you know, I have just recently responded to questions which have been raised concerning the need for, and effectiveness of our contribution to the international community's effort to combat illicit narcotics trafficking. I have cited, among other things, the progress that has been made in programs designed to eradicate and interdict illicit narcotics and have attributed these results to joint planning and execution between this country and other nations.

We must intensify these international arrangements and move forward to insure this Nation and the world that the war on illicit narcotics is among the highest priorities on the international agenda.

In the meantime, Mr. Speaker, we can not turn our backs on the fact that we may yet be faced with an illicit narcotic crisis of unprecedented proportions in this country. A two-part article from the New York Times of December 8–9, 1975, candidly discusses the problem noting particularly the effect it is having on my community of Harlem. Even though it is a grim accounting of the drug abuse problem there it should propel us to do more, not less, both at home and abroad in controlling this deadly menace.

I commend the first portion of the article to my colleagues at this point and request that the concluding section be placed in the RECORD the next following day:

ILLEGAL NARCOTICS TRAFFIC IS WORST HERE IN 5 YEARS

(By Selwyn Raab)

New York is experiencing its worst illegal narcotics trafficking problem in five years, according to high law enforcement officials.

Narcotics investigators believe that not since the late 1960's have such large supplies of heroin and cocaine been smuggled into the city by drug dealers. Moreover, these investigators say that open street sales are again a common sight in Harlem and the East Village.

In addition, heroin overdose deaths apparently are rising this year—a grim sign that the addict population may be increasing.

Among the factors in the increase in narcotics trafficking here, law-enforcement officials say, are the recent emergence of major black and Hispanic narcotics rings and cutbacks in the Police Narcotics Division here.

"It's wide open again," said Sterling Johnson, the city's special narcotics prosecutor.

"We've got more heroin than ever before. The quality has increased and the price stabilized. From the reports I get, it looks like we're right back where we were in the late 1960's."

A Federal drug enforcement official, Michael J. Costello, agrees that heroin and cocaine problems in the metropolitan area are "escalating."

"We had a leveling off around 1973 and it appeared that the action was down compared with the peak years of 1969 and 1970, but it is starting to climb again," said Mr. Costello, deputy chief of intelligence for the New York office of the Drug Enforcement Administration.

In Harlem, Gregory Hutchins, a narcotics rehabilitation worker, said: "I've never seen it the way it is now. Walk up Eighth Avenue and you can hear the pushers calling out brand names."

An investigation of the current drug situation here by the New York Times has found that during the last year the following major changes have occurred:

Control of the illicit narcotics trade has shifted significantly from the hands of the Mafia, to new black and Hispanic importers and dealers. The Mafia still retains a sizeable, if reduced, role in drug trafficking. City police and Federal agents believe that the old bosses could make a comeback with the resumption this year of opium cultivation in Turkey.

One example of the expanding black underworld influence in narcotics trafficking is the reported establishment of a group of Harlem-based drug dealers, known as the Council of 12. Few details are known about this group, which was reportedly organized to oversee the heroin business in Upper Manhattan.

Black and Hispanic importers and distributors nudged the Mafia out of its dominant position partly because of their success in establishing ties with Mexican and Asian heroin suppliers following the Turkish Government's ban on opium growing in 1973. The Hispanic dealers also are deeply involved in cocaine trafficking from Latin America.

Dismissals and realignment of personnel in the Police Department's Narcotics Division have led to a 20 percent decline in narcotics arrests this year by that unit. Consequently there has been reduced pressure on narcotics operators at all levels.

Police officials project more than 1,000 overdose deaths this year from various drugs—the highest total since 1969. This steep rise may be attributed partly to an increase in addicts and partly to the availability of stronger heroin.

OPTIMISM MISPLACED

Only two years ago many drug-enforcement officials believed that New York's narcotics problems, especially heroin addiction, were waning. The optimism was based on Turkey's decision to ban the growing of opium popies, which are the source of heroin; the convictions of several important Mafia narcotics figures, and the growth of narcotics rehabilitation programs.

In 1973, although there was a large but undertermined number of drug abusers, wide-open street sales had become rare and heroin supplies appeared to be drying up.

Officials said that the situation began to change last year when black and Hispanic dealers, who had previously relied on the Mafia for their supplies, organized their own heroin networks from Mexico and the Golden Triangle in Asia, Thailand, Burma and Laos.

From laboratory analysis of norcotics seizures here, the police have determined that about 65 percent of the heroin now sold in the city is from Mexico and 35 percent from Asia.

According to Federal sources, some black dealers are purchasing large quantities of heroin in individual deals involving hundreds of thousands of dollars in Asia and Mexico. Some black drug organizations supervise the entire distribution process, from smuggling to "milling" or the packaging of heroin, and the final street sales, Federal investigators say.

The police and Federal intelligence reports indicate that the black and Hispanic operators pushed aside the Mafia without any bloody gang wars.

OLD DONS JAILED

"The old dons like Vincent Papa were going off to jail in the early 1970's and at the same time the Turkish-French connection was cut off," one Federal agent explained.

"The younger Mafia guys have a lot of other good things going for them and, right now, they don't seem interested in narcotics or narcotics wars. They can sit back and wait for the Turkish crop. They know the ropes in Europe and they can always get back in if they want to."

During the last two years, Federal agents discovered that Hispanic drug dealers, especially Cubans had succeeded in establishing ties with Mexican heroin suppliers. The illegal cultivation of opium increased in Mexico following the Turkish Government's restrictions on the legal farming of that crop.

"It was easier for the Hispanics than the Mafia to open up the Mexican market," one Drug Enforcement Administration official said. "They had the language and cultural ability to gain the confidence of the Mexicans. The Hispanic dealers in this area are not as experienced or as well organized in heroin as the blacks or the Mafia. But it certainly looks like they want a piece of the pie."

On the streets today, addicts have made the "brown" Mexican heroin a sought-after product. It has gained a reputation among users for being stronger than white Asian or Turkish heroin.

Recent confiscations in the East Village of "Mexican brown" packages prepared for street sales found heroin contents of 30 percent, an unusually potent level. Most of the Asian white heroin sold elsewhere in the city normally has a drug content of about 5 percent or lower, according to police laboratory tests, with the remainder consisting of milk powder, quinine or other dilutants.

HIGH HEROIN CONTENT

The heroin level has been known to fall below 2 percent of the total two-grain (0.0046 of an ounce) "bag" or package used by the typical addict.

Police officials are uncertain why the Mexican heroin is being marketed with such a high heroin content, since a higher level of the drug in a typical $8 "bag" means a lower profit for wholesale distributors.

"It might be inexperience among new dealers," said Arthur C. Grubert, intelligence chief in New York for the Drug Enforcement Administration. "Nobody gives it away for free."

In Harlem, the recent growth of black narcotics rings reportedly was a major factor behind the formation of the so-called Council of 12. Law-enforcement officials believe that it was organized to regulate drug trafficking and to prevent violence among competing groups.

Intelligence experts also have been told by informers that the council was set up to punish "cowboys," or outsiders, who attempt to rob or kidnap members of existing narcotics groups.

According to these intelligence reports, the council's organizational meeting was held last year in the Gold Lounge, a since-renamed restaurant on Seventh Avenue near 123d Street.

ITALIANS ARE EMULATED

"The council seems to be trying to emulate the Italians in the way of settling matters," one high-ranking Federal official said. "But there is no finely structured organizational plan with chiefs, lieutenants and soldiers, like the Mafia.

"We don't believe that they were set up to fight whites for territory," the official continued. "We think they wanted a game plan to avoid violence among themselves. They don't want any cheating on narcotics deals and they don't want payoffs in counterfeit money, something that has happened. It's a group that sets the rules and that can punish anyone who disobeys."

The police and Federal intelligence agents said they were uncertain of the full membership of the council. But, law-enforcement authorities said they believed that the council's ranks consisted of six major drug dealers. They are: Leroy Barnes; Robert Stepeney; Steven Monsanto; Frank Lucas; James Lofton and Stanley Morgan.

Four other dealers who may have gained membership are: James Hughley; Jasper Crossland; Joseph Osborne and William Mathis.

All 10 have been arrested on various charges but none has been convicted of a major narcotics charge. Police officials say that it is difficult to obtain indictments against major dealers because they make illegal business arrangements only with their most trusted lieutenants, and almost never personally handle major narcotics transactions.

In the face of this narcotics upsurge, felony arrests by the Police Department's narcotics division have dropped this year by 20 percent.

Last summer when four low-level dealers were shot to death in Harlem, there were reports of an impending struggle for power among rival heroin networks. Many in police intelligence believe, however, that the victims were killed because they were suspected of being police informers or because they had spoiled heroin supplies through improper handling.

Murders among "pushers" and customers also is common, detectives said.

1,324 ARRESTS MADE

In the first nine months of this year the division made 1,324 arrests compared with 1,663 for the same period last year. The decrease was mainly a result of personnel cuts brought about by the city's fiscal crisis, according to Deputy Chief Joseph A. Preiss, commander of the Narcotics Division.

The division, which is mainly responsible for the Police Department's major narcotics investigations, has been trimmed to 312 officers from 450 last June. Many of those dismissed were blacks and Puerto Ricans who were considered among the most effective at infiltrating the newly organized illegal drug rings.

"Losing these undercover people has hurt us bad," said Lieut. Stephen Herrer, a narcotics commander in Harlem. "The dealers know what's going on. They read about police work the way other people read the stock market."

The personnel cuts also have compelled the police to curtail operations against small-level street sellers, called "pushers," or "scramblers."

"With fewer men we can't apply as much pressure as we did in the past on the streets," said Chief Preiss. "Containment is all you can hope for."

Police Commissioner Michael J. Codd held out little hope that the narcotics division would be reinforced. Commissioner Codd said that the first priority in personnel would be the uniformed patrol force.

In evaluating the extent of the current drug abuse problems, analysts in the Police Department's narcotics division said that about five tons, or 4,500 kilos, of heroin probably will be smuggled into the city this year. These analysts said the wholesale value or price paid by the large dealers would be about $225 million. Eventually, when this heroin is cut and sold on the streets it will bring in $2.5 billion to $3 billion.

VOLUME IS ELUSIVE

While trafficking in cocaine also is extensive, the narcotics analysts said they were unable to estimate the gross volume of that illegal business.

There are no accurate figures available for the number of heroin addicts or other drug abusers in the city. The police and other experts believe that the drug abuser population here ranges from 100,000 to 250,000.

These abusers include those who illegally use methadone, a synthetic narcotic, or other drugs that can cause overdose deaths. But, because of the large-scale involvement of organized crime in heroin and cocaine, the police have given priority to those investigations.

The Drug Enforcement Administration and the Narcotic Division consider Harlem the focal point for the distribution of heroin to middle- and small-level dealers from other sections of the city and the suburbs.

The East Village is another neighborhood where undercover surveillance has pinpointed "buys" by dealers from the suburbs and other states.

Almost all narcotics law enforcement officials are concerned about the potential impact of heroin from Turkey where the first opium crop in three years was harvested this summer.

So far, there is no evidence that any new Turkish heroin has reached the United States. Most drug experts, however, believe that the Turkish-French connection is back in business in Europe, and that the crop will show up here this winter.

Mr. Grubert said a heroin watch was under way in Western European cities for early signs that the Turkish product was once more on the illegal market.

"Places like Amsterdam and Brussels are the bellwethers on the availability of Turkish heroin," the Drug Enforcement Administration official said. "It hasn't reached those cities yet, which means we might still have a couple months of grace."

Mr. Johnson, the city's special narcotics prosecutor, warned that the Turkish heroin probably would be more potent than the present supplies because of the better processing at illegal laboratories in France and Western Europe. The European laboratories, according to the police, can provide as much as 90 percent heroin purity in processing opium poppies. Mexican and Asian laboratories normally obtain no more than 50 percent purity.

The higher purity permits dealers to increase their sales and profits through the packaging of more "bags."

"Believe me that Turkish heroin will soon show up here. It has nowhere else to go," Mr. Johnson said. "And we are in for even worse times with the possibility of greater supplies and more overdose deaths."

"Unfortunately, the Turkish package has always been much better. In the heroin business, the Mexicans are the short-order cooks. The French are the chefs," he added.

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200 YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today on January 20, 1776, the Continental Congress directed that the colonies "employ proper persons, within their respective colonies, to collect all the gold and silver coin they can, and inform Congress of the sum collected" in an effort to help raise additional funds needed to reinforce and supply the American Army that had invaded Canada in August 1775. The purpose of this invasion was to eliminate a serious threat to the northern colonies. If this effort succeeded, it would immeasurably strengthen the Americans' cause by linking Canada with the 13 colonies, unifying all the British colonies in North America against the Mother Country.

A STATUE FOR DR. KING

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. HARRINGTON. Mr. Speaker, it is important to remember Martin Luther King in the manner he would have wanted to be remembered: as a skillful leader, a leader who reached into the hearts and spirit of the American people, and as a challenger to the old order. He sounded a call for change, and he mobilized the poor and neglected people of this Nation in a struggle for dignity, decency, and justice. With his life and in his death, Dr. King left an indelible mark on the spirit, psyche, and progress of this country.

Martin Luther King, Jr. provided the kind of leadership no less important to the vitality of this country now than during the years of his activism. A time of floundering national purpose needs a leader like Dr. King to build a collective will to change, to improve, and to confront and replace empty or evil traditions.

Above all, Martin Luther King had a dream, a dream that has yet to be realized. A memorial to Dr. King in the Capitol can only represent the place he holds forever in the history of the United States. But a statue is an appropriate tribute to this great man. It will stand to remind us of his vision that is ours to fulfill.

In the article which appears below, Roger Wilkins writes, America was unable to meet the challenge that Dr. King hurled at its people and institutions. Perhaps the future can realize his ideals and live up to his dream.

I have included the full text of Mr. Wilkins' commentary which appeared in the New York Times on January 15, 1976. His article perceptively reflects on the contribution and significance of an extraordinary man, Dr. Martin Luther King.

The text of the article follows:

[From the New York Times, Jan. 15, 1976]

AFTER THE ASSENTER

(By Roger Wilkins)

Last Thursday, the Rev. Dr. Martin Luther King Jr. would have celebrated his 47th birthday. Next April he will have been dead eight years. As the sixties recede, the significance of his life becomes much clearer and the impact of his absence becomes almost tangible. Before he was murdered, he embodied the hope of the vast majority of blacks and of many whites as well. In contrast, his death and the circumstances surrounding it not only symbolize a dramatic decline of faith once firmly held in the black community; they actually fuel and accelerate that decline.

In 1955—except in those communities where the schools were under court order to desegregate—Jim Crow's iron grip on Southern society, along with virulent discrimination in the North, seemed permanent aspects of the American landscape. The white view of race and society was reflected off so many facets of American life and was imposed with such uniformity and regidity that it was impossible even for blacks to resist believing at least some of it.

The Montgomery bus boycott began to change all of that and more. Ordinary black people—domestics, janitors and garbagemen—faced down the segregated system and left it reeling. It was a thunderclap that signaled a new era in the psyches of black Americans, and Martin Luther King Jr. was the human symbol of that thunderclap.

As the movement ripened, Dr. King's symbolism spread beyond the growing black sense of potency to embrace American idealism in its entirety. Dr. King's famous dream—spelled out at the Lincoln Memorial in August 1963—was an expression of profound belief in and love for America. He was not simply a dreamer, he was a believer of such depth and intensity that, in retrospect, the allegations of alien influences in his movement are rendered grotesque and ludicrous.

But even then, in the summer of '63, the belief and fervor generated by Dr. King's work and the audacity of his challenge had unleashed a different set of forces entirely. Because the hypocrisy, greed and sloth which undergirded so much of American racism collided so sharply with Dr. King's clear and honest fervor, J. Edgar Hoover had legions of supporters in his fierce angry obsession with him. When Dr. King held America's most idealistic fantasies up to the light and demanded that the country put up or shut up, disorientation and rage was very often the automatic responses.

Even in the black community during the halcyon days, there were those who did not share his charitable sense of the American character or his optimistic vision of the future; but their numbers were relatively small. Thus, they were easily put down as paranoiacs when they suggested that the intelligence agencies of the United States were actively countering the black movement or when they raised the possibility of official complicity in the assassination of black leaders.

Now, almost eight years after the murder, there is a virtual moratorium on Dr. King's kind of dreaming. Many of the Federal programs designed to give the poor a better break have been discarded, others have been severely crippled and still others such as food stamps are under heavy sustained attack.

Even as catastrophic unemployment levels in minority communities are tolerated, some conservatives are actively plumping for changes in the Government's definitions of unemployment in order to make vast numbers of the minority unemployed even less than they currently are. Intellectuals once considered liberal are hard at work explaining why programs designed to give minorities better job possibilities are destructive and why, since busing is unpopular, the whole notion of school integration might better be rethought.

On the heels of those developments has come documentation of F.B.I. programs to foment intergroup violence between black radical organizations and of its foul and unremitting efforts to nullify Dr. King as a force in American life. As a result, the question, Who killed Martin Luther King? has become a code to suggest a skepticism so broad and so deep as to make the faith of the sixties seem naive and quaint.

From the perspective of 1976, it seems clear that America was not up to the challenge hurled at her people and her institutions by such a thoroughgoing assenter. Dr. King's belief was too much—at least for its time—for America to live up to. So the country turned away from his vision with a number of rationalizations—too busy, too costly or we're there already.

For many blacks, that pretty much disposed of those good fantasies about America that Dr. King pursued so avidly. Thus, the country is in little danger of again facing his brand of rich deep assent from blacks in the near future. At least as long as people continue to wonder, Who killed Martin Luther King . . . and why?

SAVED FROM ANOTHER UNSEEN PERIL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. LAGOMARSINO. Mr. Speaker, sometimes it takes a person outside the Government to see what is wrong inside. As we know, the Federal Trade Commission some time ago embarked on a crusade against chicken eggs. Chickens have been around a lot longer than the FTC, of course, and people have been eating chicken eggs since before Moses. But the FTC apparently feels it has a mandate to protect us from people who go around saying it is OK to eat them.

Mr. Speaker, I submit that the Government would be better off if it used a little more commonsense in its efforts to protect people from themselves. The egg scare is a good example of the kind of bureaucratic do-goodism which winds up being counterproductive of its ends. As evidence, I submit the following editorial from the Ventura County Star-Free Press, which amply and lucidly explains the effect of such crusades, points up the faults of the Federal consumer agency, and print it in the Record.

[From the Ventura County (Calif.) Star-Free Press, Dec. 16, 1975]

Saved From Another Unseen Peril

And now, another chapter in the continuing saga of the federal government's crusade to save us all from perils we didn't know existed until some bureaucratic regulator discovered them. And again it turns out—as it so often does—that the peril we've been saved from wasn't so perilous, after all.

You'll remember that a few years ago the Food and Drug Administration banned the use of cyclamates as artificial sweetening agents in the manufacture of a whole array of products, which created near-chaos for a time in the soft drink industry. Some scientific researchers had produced some cancerous reactions in some laboratory rats by exposing them to cyclamates under certain conditions. (Not simply by feeding them soda pop, however.)

So with great fanfare and at great added cost to the manufacture of certain products—costs which were passed along to the consumer—cyclamates were banned. And we all heaved a great sign of relief at having been saved again from another unseen peril.

Then came the rather disturbing reports that the sweeteners substituted for cyclamates were proving even more harmful than cyclamates in laboratory tests. Rats!

And finaly, just last week, came the admission that . . . well . . . maybe cyclamates aren't so dangerous, after all.

If our federal baby-sitters learned anything from this experience, it's hard to tell what. Because the same day the concession on cyclamates was made, another federal agency, the Federal Trade Commission, launched another loud crusade to save us from another peril. The egg.

That's right—the plain, barnyard, over-easy, chicken egg.

The folks who produce and sell eggs have been advertising them as healthful to eat, and the FTC says that's false advertising—that eating eggs can create a cholesterol level that increases the risks of heart trouble. The FTC wants the ads stopped.

The federal government hasn't actually banned eggs outright yet, but nobody who pays attention to what goes on in Washington would be too surprised if that happened next. Neither should we be too surprised if—a year or two from now—some other federal bureau issues a report that experiments with eggs cured heart disease in laboratory rats.

Well, we claim no more expertise about eggs and heart disease than we do about soda pop and cancer. In fact, we're totally puzzled by the FTC attitude toward eggs, which are one of nature's most versatile foods.

It's hard to believe there's something unnaturally unhealthful about a natural food, like eggs, and we're also puzzled by the FTC's implication that eggs are eggs—whether poached or boiled or fried in grease. There has to be a distinction, in terms of whatever health hazard may exist.

That is, if some health hazard does exist. Given the experience with cyclamates, a touch of skepticism is inevitable.

These examples are only two in the never-ending saga of federal proclamations designed to protect us from similar perils—some real and some only imagined. These bureaucracies occasionaly save us from a real hazard, but just as often they make a federal case out of what's only haphazard.

And in the wake of such FTC and FDA bureaucratic crusades, we might pause for a moment in wonder at public support for creation of a new, edict-issuing bureaucratic crusade—a federal consumer protection agency. How much more of this kind of "protection" can we take?

Meanwhile, Nelson Rockefeller has just discovered that this is what's wrong with the federal government: Too many meddling edicts and too much stifling red-tape.

Gerald Ford says the same thing. So do most of the Democrats in Congress who want to be president.

That leaves one obvious question. Who has been running things in Washington all this time? Which leaves one obvious answer: The rats in the laboratory.

A TRIBUTE TO BUCK, A MEMORABLE FRIEND

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. KARTH. Mr. Speaker, few satisfactions in life, for a youngster or an adult, can match the unique richness of a dog's companionship.

The friendship, fidelity, and devotion of a dog to those who own him—and whom he, of course, owns—cultivates the best in human nature. The abiding friendship of a dog makes a human being more human and humane and endows men and women with a greater respect for all living things.

The deep reciprocal friendship that a dog can generate is reflected in a warm and memorable tribute written recently by William G. Sumner, editor of the St. Paul Dispatch, for that newspaper.

Editor Sumner has given us a moving eulogy to Buck, a gregarious St. Bernard, who made his community a more eventful and probably a happier place to live in for children and adults.

I ask consent, Mr. Speaker, that this tribute by Editor Sumner to one of man's best friends be printed in the Record:

Old Buck, the Neighborhood, Rest in Peace

(By William G. Sumner)

Having written a good many pieces about my dog, Buck, a St. Bernard, I finally come to the most difficult of them all: old Buck is no longer of this world, having succumbed to the ravages of age and various ailments. He departed without fuss or any ornament of dramatics: he just got sick one night a few weeks ago, asked to be let out and disappeared into the sub-zero night.

After search and advertising and phoning, one concludes that he went off into the woods somewhere and gave up the ghost.

After a summer of illness, he had been having a happy winter, even to the point of getting coltish, on our morning walks, so you reason that a generally happy life ended in a nice way and with dignity.

We got Buck as a pup when we moved here from Washington, D.C., this as a bribe to the children who (1) didn't want to move and (2) regarded Minnesota as Siberia. He took over rapidly, once he decided he wasn't a cat.

I'll tell you about that. If you have had animals, you will know that the resident cat will intimidate the new pup, zap, after one playful pawing or sniff. Well, Buck was not so much intimidated as he was intrigued about this nasty creature and, for a time, followed her about the place trying to do whatever it is that cats do when they prowl. He was too clumsy, of course, and couldn't switch his tail, so he took to being a dog.

As such, he became a neighborhood feature at our end of Shady Acres, beloved by what seemed to be generations of children, and a pain in the neck to owners of unspayed bitches.

He believed in turf and took it, ruling during his lifetime the dog club at our recreation center and keeping the peace there with great bellowings at times and frightening lunges at canine interlopers.

Buck had only one bloody engagement that I knew of, and he saved up for it after being bullied by a setter during his awkward days as a pup and yearling, and won. But he could be a nuisance on leash. It went this way: he knew I wouldn't let him after the other dog; the other dog knew it, too. One exception, and an encounter I had forgotten: he was bloodied on the muzzle by a fast attack, and since he could run faster than I and had sharper teeth I let him go. Discipline.

Taking Buck on our walks, and observing him, provided material enough for a doctorate on canine behavior. They don't really want to fight, the males, just bluster, this with the two execptions noted, but the hunting dogs would go after him so long as he was on the restraint of a leash. Released, there would be some ferocious snapping, growling and noises out of a horror show, but no fight.

Once, he cornered a mite of a dog which, I guess, had threatened to bite him in the ear. The owner of the mite ordered me to break it up. Any day I was going to get into a mess such as that. Calls, as usual, only served to spur on his enthusiasm.

"You have to do something," I was told.

"Nothing is going to happen," I said.

I set things straight. I told him to walk on his way and that I would go on mine and that I would give him a buck for every mark on his dog. I resumed my walk. The bellowing grew less enthusiastic. Soon Buck was trotting by my side, still growling. The mite trotted on his way, untouched. That is the way of most dog fights, the growling and the wetting.

Buck did become a sort of neighborhood nuisance on special occasions and, without being named, the subject of a heated editorial in the Shady Acres Gazette. I believe it was a Fourth of July celebration. It was something patriotic, and I had done my duty by tying him up before going off to play golf. Someone let him off the chain.

After helping a lady get through the National Anthem, by what could only have been pleasing howlings, he then made the rounds of his kid pals, eating their hotdogs, candy and other goodies. I understand that he was on television during this period of disgrace, but thankfully I missed it. This behavior did not go unnoticed in the Gazette. It led to the passage of a dog ordinance forbidding the singing by dogs of patriotic songs.

He will be missed by us, by the Malamute female who lives down the street and by a lot of children in the neighborhood. He wasn't trained as he should have been. Every door has scratchings from his subtle hints that he would prefer to nap on a rug. He was a lousy watchdog and snored very loudly, but comfortably.

SENATE—*Wednesday, January 21, 1976*

The Senate met at 12 o'clock meridian and was called to order by Hon. GARY HART, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord, open our eyes to Thy beauty, open our minds to Thy truth, open our hearts to Thy love that we may be fit to serve Thee in this place. Anoint us by Thy spirit until the time of work and the time of worship knows no distinction. While we labor for so much that is of material benefit to the Nation, may we also keep kindled the fires of the spirit.

Shepherd us, we beseech Thee, through the difficulties and perils of the coming months. Lead us in paths of righteousness for Thy name's sake in the confidence that goodness and mercy shall follow us all the days of our lives, and our dwelling place will be the house of the Lord forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C. January 21, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. GARY HART, a Senator from the State of Colorado, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GARY HART thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, January 20, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

JOINT REFERRAL OF A BILL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 2845, a bill to provide small business concerns with energy research information, which is presently in the Committee on Banking, Housing and Urban Affairs, be referred jointly to the Committee on Banking, Housing and Urban Affairs and the Committee on Interior and Insular Affairs.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. Bob Casey, which I understand is at the desk, and it has been cleared all around.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

FEDERAL MARITIME COMMISSION

The legislative clerk read the nomination of Bob Casey, of Texas, to be a Federal Maritime Commissioner.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

THE PRESIDENT'S BUDGET MESSAGE

Mr. HUGH SCOTT. Mr. President, the President's budget is before us. It sets some important limitations on the amount of money which the Federal Government will have to expend, and it makes a number of suggestions as to how the money should be expended.

I believe that the Committee on the Budget of each House will work very diligently to seek to bring expenditures within the ceiling limitation. However, I think it is equally important that they work closely with the President and the President work closely with them, as the President suggested to a bipartisan leadership meeting of Congress yesterday afternoon.

The holding of the line is going to be extremely difficult. It is going to require discipline. It is going to require a sense of priorities. It is going to require that we recognize that somebody has to pay for everything Congress does, and that somebody is the people; that sometimes in the past we have given people things they did not ask for, or we have given them more than they wanted, and we certainly have taxed them more than they can stand.

If we are to have any further tax relief, we will have to hold the budgetary line. If we are going to continue to cut down inflation, which has been reduced by nearly half, we will have to hew to the budgetary line; and if we are going to avoid new taxes, we certainly will have to stay close to the budgetary line.

So it is my hope that Congress and the President, instead of confrontation, instead of politics, instead of a grasping for advantage, will truly work closely together, in a spirit of genuine cooperation, in an effort to hold that budgetary line.

Mr. GRIFFIN. Mr. President, will the Senator from Pennsylvania yield, so that I may add an observation or two?

Mr. HUGH SCOTT. I am glad to yield.

Mr. GRIFFIN. Mr. President, I agree with the Senator from Pennsylvania, and I wish to be associated with his remarks.

In the spirit of the President's state of the Union message, which called for new realism and commonsense in the affairs of our Government, the budget submitted certainly does reflect realism and commonsense.

Furthermore, as one who has served nearly 20 years in the Congress—10 years on the other side of the Capitol and now almost that long in this body—I cannot recall a year, under any administration, of either party, when there has been such careful preparation and such an excellent presentation made as in the case of this budget for fiscal 1977.

Late in the afternoon on yesterday the President briefed the joint leadership of Congress on the budget—a group which included the leadership of committees. I understand that earlier in the same day, the President also personally briefed the press on the budget, and demonstrated quite effectively just how thoroughly familiar he is with the details of this budget. He demonstrated also, in my view, some of the advantages and the importance of having a President who has served and worked for a long time in the Congress—a President who understands the budget process from the viewpoint of Congress as well as from the viewpoint of the executive branch.

So, despite the fact that this is an election year, as the minority leader has suggested, I hope that it will be possible to put politics aside with respect to most of the matters related to this budget. I am convinced that there is a consensus among the people in the country that it is time for restraint in Government spending, that it is time to hold the line and fight inflation, by adopting the new realism and commonsense, called for by President Ford.

ORDER FOR TIME OF SENATOR KENNEDY TO BE GIVEN TO SENATOR SYMINGTON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time allotted to Mr. KENNEDY under the order previously entered be given to Mr. SYMINGTON, along with his order, which also has been entered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO VITIATE ORDER FOR RECOGNITION OF SENATOR TUNNEY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. TUNNEY be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Missouri is recognized for a time not to exceed 30 minutes.

Mr. SYMINGTON. Mr. President, I thank the assistant majority leader for his typical courtesy.

VETO OVERRIDE OF BILL TO PLACE THE SECRETARY OF THE TREASURY ON THE NATIONAL SECURITY COUNCIL

Mr. SYMINGTON. Mr. President, last New Year's Eve, the President vetoed S. 2350, a bill to make the Secretary of the Treasury a statutory member of the National Security Council.

This proposal to place the Nation's top public servant on financial matters on this Council was no "casual idea." It had been recommended by the Murphy Commission, that Presidential Commission on the Organization of Government for the Conduct of Foreign Policy which was established by President Nixon in 1972.

It had been the subject of congressional hearings.

It had been approved and recommended by the appropriate committees of the Senate and the House of Representatives; and was passed unanimously by both Houses of Congress, with bipartisan support.

Ironically, the President vetoed the bill for the very reason it was introduced, because as his veto message stated:

> The Council's function under the law, is to advise the President with respect to the integration of domestic, foreign and military policies relating to national security.

That is precisely what we had in mind when Congress passed S. 2350.

As everybody knows, foreign and domestic policies relating to national security are discussed at the highest level in the National Security Council, with the President thereupon making final decisions.

In addition to the President and Vice President, however, statutory membership on the National Security Council is presently limited to but two others, the Secretary of State and the Secretary of Defense; and the primary purpose of S. 2350 was to insure that, in accordance with the function of the National Security Council as described by law, the economic and fiscal aspect of national security be considered in any discussion of various domestic or any foreign policy matters.

A sound economy, with a sound dollar, is recognized as a vital aspect of a national security; therefore, the Nation's chief financial officer should have the statutory right to participate in formal discussions of national and international policy issues which relate to overall national security.

Such issues obviously relate to the area of special knowledge and responsibility of the Secretary of the Treasury; and they are issues about which all responsible citizens, regardless of party, are becoming increasingly concerned.

This was precisely the thinking of the Murphy Commission. In its June 1975 report that Commission stated:

> Increasingly, economic forces define the strength or weakness of nations, and economic issues dominate the agenda of international negotiation. National security policy is no longer simply a mix of diplomatic and military affairs; properly understood, national security embraces economic policy too. Accordingly, the membership of the National Security Council should be expanded to include the Secretary of the Treasury, and its jurisdiction expanded to include major issues of international economic policy-making.

Let us note also that as early as 1949, 2 years after the National Security Council was created, former President Hoover, then Chairman of the Commission on the Organization of the Executive Branch of Government, declared in testimony before the Senate Armed Services Committee:

> It would seem to me that certain fundamentals of economics ought to be represented on that Commission [the National Security Council], because the Nation is in as much jeopardy from economic overstrain as it is from military destruction. I was in hopes that the composition of the Council would be widened out, with more representation from the economic side.

President Hoover added:

> I have the feeling we are discussing problems that are constantly intermixed ones—one is economic capacity and others are preparedness and action in war.

Since Mr. Hoover made those statements, the National Security Council, once composed of seven people, has now been reduced to four.

The Hoover Commission on the Organization of the Executive Branch of Government, in a special report on National Security Organization, dated January 1949, emphasized the "fundamental importance" of economic representation on the National Security Council as follows:

> The [National Security Act of 1947] contemplates that the National Security Council should weigh our foreign risks and commitments against our domestic and military strength and bring them into realistic balance.
>
> The Council membership wisely includes the Chairman of the National Security Resources Board, thus bringing into its deliberations an appraisal of the effect of its recommendations upon our domestic economy.
>
> As a result, the President should be better able to assess the impact of any plans and programs upon the Nation as a whole.

I served as Chairman of the National Security Resources Board under President Truman—a position which no longer exists—therefore, at present there is no economic representation left on the Council.

President Ford, however—again I refer to his veto message—now tells us that to place the Nation's top economic—domestic—representative on the National Security Council, would be "undesirable as well as unnecessary."

The President noted that any official may attend Council meetings at the President's invitation, but that economic matters are handled as a matter of routine through other channels. In his veto message he further stated:

> The proper concerns of the National Security Council extend substantially beyond the statutory responsibilities and focus of the Secretary of the Treasury. Most issues

> that come before the Council on a regular basis do not have significant economic and monetary implications.

That this President, or any President, would subscribe to the narrow view that national security is limited to only diplomatic and military problems—and would not automatically include economic considerations—is little short of astounding.

Are not increases in the price of oil, or foreign sales of grain, vital economic as well as diplomatic, and perhaps military, matters?

Earlier this month, at Kingston, Jamaica, the 128-nation International Monetary Fund approved a new world monetary system that represents a radical departure from the Bretton Woods Conference of 1944. No member of the National Security Council was present. The Secretary of the Treasury was the top U.S. representative at this conference.

It is almost inconceivable that in the deliberations of the National Security Council on the "integration of foreign, domestic, and military policies," as provided by law, such fiscal and monetary considerations as dealt with by the Secretary of the Treasury would not be included.

The Secretary of the Treasury, incidentally, is the highest ranking Cabinet official charged with looking after our Nation's economic interests. In the Cabinet succession to the Presidency, he is preceded only by the Secretary of State.

His absence from the National Security Council reflects a significant weakness in the organization of our Government—a weakness that was recognized by the Hoover Commission back in 1949, the Murphy Commission last year, and now by both Houses of Congress.

If a President truly cares about the economic implications of national security policy, why would he not welcome his Secretary of the Treasury as a member of his highest advisory body?

A bipartisan group of the Senate, including both the majority and minority leaders, cosponsored this bill when it was introduced last September.

The Senate Armed Services Committee, to which the bill was referred originally, voted 16 to 0 to report it favorably. Its report stated, "The Committee strongly supports this legislation," and went on to say:

> The addition of the Secretary of the Treasury to the National Security Council reflects the growing significance of international economics and domestic fiscal affairs in the development of national security policies.
>
> The presence of the Secretary of the Treasury on this Council would help to ensure that fiscal and monetary issues are considered in the discussion of problems relating to our national security.

Later this bill was passed unanimously by the Senate.

Subsequently the House Armed Services Committee, after hearing administration witnesses oppose the bill on grounds it was both "unnecessary and undesirable," also acted favorably, recommending it be passed by the House; and thereupon the House also approved the bill unanimously.

As we now know, however, the President vetoed this bill over the Christmas recess.

Last December 12, the Wall Street Journal reported that the Secretary of State had objected to placing the Secretary of the Treasury on the National Security Council.

The Secretary of State managed Council affairs for the past 7 years, first as National Security Adviser to the President and head of the National Security Council staff, then later as Secretary of State in addition to being the President's National Security Adviser.

Whatever the motivation, surely anyone with experience in either government or business will recognize the basic need for consideration of our growing economic problems before the President makes decisions on matters vital to the security and prosperity of the Nation.

Failure of Congress to recognize that these economic problems are equally important would operate against that security and prosperity; therefore I urge the Congress to override the veto of S. 2350.

I yield the floor, Mr. President.

ORDER OF BUSINESS

The **ACTING PRESIDENT** pro tempore. Under the previous order, the Senator from Arizona is recognized for not to exceed 15 minutes.

Mr. **GOLDWATER**. I thank the Chair.

CONGRESSIONAL INTERFERENCE WITH FOREIGN POLICY IS PERFORMING THE WORK OF THE ENEMY

Mr. **GOLDWATER**. Mr. President, as we enter upon the 200th year of America's independence, I believe the American people—and particularly their representatives in the Congress—would be well served by bringing back into public consciousness the first principles which guided the early leaders of America in establishing our unique form of government. The wisdom of our founders and blood of our patriots were devoted to their attainment. These principles should remain the model of our political practice

It is strange and saddening for me that I should have to invoke in this Chamber the essential political creed that won our independence and animated our first efforts at self-government, but I believe we are witnessing a counterrevolution against these principles in the very Halls of Congress that should be their first line of defense.

What are these principles? They are too numerous to detail here in full, but among them is the faith held by the patriots and founders that the American people are unique in their character, their opportunity, and their mission, and that our experiment in freedom and self-government will be an example for the world. They also include the notion, as expressed by Jefferson, that the will of the majority "to be rightful must be reasonable." And they certainly encompass the purpose that government must be strong enough to preserve our freedoms.

Mr. President, I make these comments because I believe that for the first time in the history of our country, we in Congress are forcing a President to come to this body for prior permission to do what he is charged to do under the Constitution—to manage foreign policy as he determines necessary for preserving the safety, the property, and the freedom of Americans.

For what may be the second time in our history, with the period of the 1920's and the 1930's being the only other time, we seem to be losing our faith in the ability of our principles and the role of international leadership which the success of these principles has brought about.

The immediate reason for my remarks is the action taken by the Senate late in December to block any flexibility for the President in funding military assistance to the majority of people in Angola who are resisting Soviet-imposed rule. The things said during debate on Angola, both in closed and open sessions, make me shudder in concern about keeping up our national will to survive in freedom as we now know it. But my remarks apply equally as well to the general phenomenon of congressional adventurism in the field of foreign policymaking.

What the opponents of Presidential direction of foreign policy do not recognize is that their persistent confrontations with the Executive is derogatory to the best interests of the United States. Repeated congressional interference with Presidential decisionmaking at the outset of every foreign crisis, before there is any reasonable time for Members of Congress to make informed judgments of their own, is performing the work of the enemy who wish to negate the will of this country. Each time Congress hinders the Executive from responding in a considered way to totalitarian expansionism and compels the abandonment of friendly foreign groups, we create an impression in the world among allies and enemies alike that we have lost the will to defend freedom.

In the words of the Nobel Prize winner, Alexandr Solzhenitsyn, who has been in the "Archipelago" and knows of what he writes:

> A very dangerous state of mind can arise as a result of this feeling of retreat: give in as quickly as possible, give up as quickly as possible, peace and quiet at any cost.

According to Solzhenitsyn—

> The Communist leaders respect only firmness and have contempt and laugh at persons who continually give in to them. Our liberals respond that a demonstration of power will lead to a world conflict. Solzhenitsyn's reply is that power with continual subservience is no power at all.

Thus, a continual policy of nonaction, not even allowing the President flexibility in making a response at the onset of a crisis, will only solidify an impression among totalitarian leaders of our weakness of will. By leaving the United States no option but to retreat at every point where the Soviets wish to expand, Congress will not only cause us to appear all the more weak in the eyes of totalitarian leaders, but the failure of action reduces the national will to deal with attacks on freedom by creating confusion in the public over whether resistance is ever necessary.

Mr. President, it is my contention that the Founding Fathers did not vest foreign policy initiative with Congress. The framers understood that a legislature consisting of two bodies with a numerous membership would inherently be reluctant or unable to act in some time of grave need. They saw the Presidency as the Office whose unity and energy would enable it to take independent action when necessary for the public well-being.

The framers had witnessed, the majority of them at firsthand, the incompetency of Congress meddling into military policy during the War of Independence, when the interference of the Continental Congress with the plans of General Washington nearly caused disaster on several occasions. In contrast with this inefficiency of Congress, the framers had fresh memories of the prompt and firm military steps taken by the Executives of Massachusetts and New Hampshire to end armed rebellions in 1786 and 1787.

The framers also recalled that the Continental Congress had actually circulated among the Thirteen States during a low ebb in the Revolution a written plea asking that the powers of the Executives be increased as a solution to the failure of the States in meeting the wartime applications of Congress. Moreover, the framers understood that the obsessive fears of royalty that had dominated public opinion at the outbreak of the Revolution had greatly diminished and that a new concern with possibly tyrannical legislatures had developed in the early 1780's.

This means of interpreting the Constitution, by expounding a power from the defects for which the Constitution was to provide a remedy, was used by George Washington, after becoming President, when he issued the well-known Neutrality Proclamation of 1793. His action is almost universally viewed as establishing the doctrine of Presidential responsibility for determining upon the initial course of foreign policy.

It is very important for us to understand today that Washington's policy was at variance with the prejudices, the feelings, and the passions of a large portion of society at the time he made it, and did not rest on any previous guidance of the legislature. For these reasons, it is an outstanding example of a President making foreign policy for the Nation in conflict with the public passions of the moment in order to uphold what that President judged as required for the safety of the Nation.

This ability to rise above gusts of passion and temporary prejudices is one quality of Presidential leadership which distinguishes executive initiative in the direction of foreign policy and cannot be matched by Congress.

One fact we must remember is that in the context of attitudes toward foreign policy, we as Americans have never really become a nation of Americans. We are still a nation of hyphenated origins, such as Jewish-American. German-American, Italian-American, Polish-American, and so forth. So, when the problem comes upon the floor of the Senate or House as to what we are going to do in the field of foreign policy involving any of the countries with whom substantial numbers of Americans have ancestral tics, you can lay a pretty good sized bet that these ethnic relationships are going to have a strong bearing on how that foreign policy is going to be formulated or implemented.

This is why I believe that, even if the President were not vested with primary control over foreign policy, Congress should not assert its distinct power, but should realize that a single elected official, who would not be disturbed by the politics of the moment, would use these powers far more wisely in the long run of history than a Congress which is constantly looking toward the political results. To put it another way, I would feel safer in this country with the decision for foreign policy being in the hands of one man who had to live with it and be accountable for that decision to the decision to the American people for the rest of his life than in the hands of 535 people whose decisions would be based mostly on the question, "Would it help me get reelected?"

Another consideration we must remember is that Congress it not equipped to direct the day-by-day business of foreign policy; nor is it what we can call a continuing body for other than procedural purposes. Congress changes every 2 years. Sometimes it changes very radically; so what might be a foreign policy subscribed to by the Senate or House this year, 2 years from now might not represent that policy at all. But we do have a President elected for 4 years in the only truly national election provided in our system, whose foreign policy is much more constant and whose corps of advisers is professionally equipped for producing reasoned policies.

In conclusion, Mr. President, I believe Congress should not react instantly to every foreign policy crisis as if it were the State Department, intelligence agencies, National Security Council, and President collectively made into one. Rather, it should conscientiously consider and fully deliberate on foreign matters and give fair opportunity for the executive machinery of government to function before interposing itself in judgments it is neither constitutionally structured, nor qualified, to initiate.

ORDER OF BUSINESS

Mr. GOLDWATER. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 5 minutes remaining.

Mr. GOLDWATER. Well, instead of asking unanimous consent to insert this statement, I will take advantage of the opportunity that I have to address this rather complete assemblage.

THE GOLDEN COVERUP AWARD

Mr. GOLDWATER. Mr. President, in late December our good friend, Senator PROXMIRE of Wisconsin, made his annual Golden Fleece Award. It was awarded to the Air Force for its having carried Members of Congress on various missions and, of course, this included me. Senator PROXMIRE's award really arouses my interest, so I have been doing some checking since coming back to Washington, and I think it is necessary that we establish another award, The Golden Cover-Up Award. I have not made up my mind as to who should receive it, but I temporarily award it to the Senator from Wisconsin. But it could go equally as well to other Members but that will remain for a later decision.

First, Mr. President, in 1973 the Congress voted to increase the daily counterpart funds from $50 to $75 to Congressmen, staff, et cetera. Lo and behold, the Senator from Wisconsin voted for it and the Senator from Arizona voted against it. Then the Congress voted that these counterpart funds would not be published. What that means is that the public is denied the knowledge of vast sums of money spent by Members of Congress, staff, et cetera, traveling all over the world. But those figures are available and I have assembled them, not only those but others, and from time to time I will put them in the RECORD so that the public can know just what we do on our so-called junkets.

Now I will admit that some of these trips are necessary, but I will also admit that some of them are not and maybe the disclosure I will make, will reduce the number of trips made by Members and staff to any point on the globe they care to go. Now for disclosure No. 1. The Air Force during October of 1974 and the entire year of 1975 carried 162 congressional staff members—this does not include Members of Congress—to 91 countries and these people had to be accompanied by 106 officers of the Air Force, and it cost $928,733.83. In order for the people to have a better idea of just what was spent, I ask unanimous consent that a breakdown of these trips be printed at this point in my remarks.

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

AIR FORCE TRIPS

Date	Number of countries	Senate and congressional staff	Executive staff	Cost
1974				
Oct. 8–15	2	8	6	$49,275.47
Oct. 10–18	4	5	5	48,317.32
1975				
Jan. 1–12	4	3	6	28,927.93
Jan. 2–14	3	1	3	7,102.68
Jan. 5–8	1	5	0	9,757.00
Jan. 8–12	6	2	0	13,068.00
Jan. 17–27	3	4	4	39,709.74
Feb. 6–17	4	2	2	65,582.50
Feb. 7–9	(1)	3	1	1,793.27
Mar. 26–31	1	11	6	5,974.22
Mar. 28 to Apr. 5	(1)	1		478.73
Apr. 2–4	(1)	2	1	1,989.08
Apr. 18 to May 1	2	3		298.50
May 16–17	(1)	5	9	4,442.36
May 5–8	(1)	4	1	8,089.90
May 25 to June 1	1	2		2,538.00
May 29 to June 3	2	24	5	28,156.99
May 26 to June 1	1	2	1	4,185.95
May 24 to June 1	1	5	4	28,145.23
May 23 to June 2	2	7	9	58,976.99
June 29 to July 7	2		1	3,357.71
July 1	(1)	1	1	440.80
July 2–6	1	10	4	45,570.72
July 4–7	1	7	3	44,717.28
July 22 to Aug. 5	3	1		2,900.00
Aug. 1–13	2	3	2	62,128.00
Aug. 1–13	2	3	3	62,430.08
Aug. 4–28	5	7	7	75,069.84
Aug. 10–19	(1)	5	2	11,068.00
Aug. 16–30	5		1	3,592.22
Aug. 13 to Sept. 13	3	4	8	62,497.00
Sept. 27–30	(1)	5		5,089.00
Oct. 6–17	3	1		2,288.50
Oct. 9–19	3	2	1	2,174.85
Oct. 11–26	3	1	1	7,177.77
Oct. 21–25	(1)	1		433.47
Nov. 11–16	(1)	3	1	11,742.61
Nov. 8–9	2	2	1	4,893.27
Dec. 5–8	1	4	4	25,416.00
Dec. 18–24	1	2	2	60,766.00
Dec. 26 to Jan. 9	7	1	1	28,170.85
Total	91	162	106	928,733.83

[1] United States.

Mr. GOLDWATER. Mr. President, as I have indicated from time to time, I will try to illustrate to this body, and any other, as to just where this money is not dribling away but flowing away.

I hope that the Golden Fleece Award given every year by the Senator from Wisconsin will be matched in seriousness by the Gold Cover-Up Award which the Senator from Arizona is going to award, maybe weekly.

Mr. President, I yield the floor.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I yield myself 2 minutes on the time of the Senator from West Virginia (Mr. ROBERT C. BYRD).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

THE BUDGET MESSAGE OF THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States:

To the Congress of the United States:

The Budget of the United States is a good roadmap of where we have been, where we are now, and where we should be going as a people. The budget reflects the President's sense of priorities. It reflects his best judgment of how we must choose among competing interests. And it reveals his philosophy of how the public and private spheres should be related.

Accordingly, I have devoted a major portion of my own time over the last several months to shaping the budget for fiscal year 1977 and laying the groundwork for the years that follow.

As I see it, the budget has three important dimensions. One is the budget as an element of our economic policy. The total size of the budget and the deficit or surplus that results can substantially affect the general health of our economy—in a good way or in a bad way. If we try to stimulate the economy beyond its capacity to respond, it will lead only to a future whirlwind of inflation and unemployment.

The budget I am proposing for fiscal year 1977 and the direction I seek for the future meet the test of responsible fiscal policy. The combination of tax and spending changes I propose will set us on a course that not only leads to a balanced budget within three years, but also improves the prospects for the economy to stay on a growth path *that we can sustain*. This is not a policy of the quick fix; it does not hold out the hollow promise that we can wipe out inflation and unemployment overnight. Instead, it is an honest, realistic policy—a policy that says we can steadily reduce inflation and unemployment if we maintain a prudent, balanced approach. This policy has begun to prove itself in recent months as we have made substantial headway in pulling out of the recession and reducing the rate of inflation; it will prove itself decisively if we stick to it.

A second important dimension of the budget is that it helps to define the boundaries between responsibilities that we assign to governments and those that remain in the hands of private institutions and individual citizens.

Over the years, the growth of government has been gradual and uneven, but the trend is unmistakable. Although the predominant growth has been at the State and local level, the Federal Government has contributed to the trend too. We must not continue drifting in the direction of bigger and bigger government. The driving force of our 200-year history has been our private sector. If we rely on it and nurture it, the economy will continue to grow, providing new and better choices for our people and the resources necessary to meet our shared needs. If, instead, we continue to increase government's share of our economy, we will have no choice but to raise taxes and will, in the process, dampen further the forces of competition, risk, and reward that have served us so well. With stagnation of these forces, the issues of the future would surely be focused on who gets what from an economy of little or no growth rather than, as it should be, on the use to be made of expanding incomes and resources.

As an important step toward reversing the long-term trend, my budget for 1977 proposes to cut the rate of Federal spending growth, year to year, to 5.5%—less than half the average growth rate we have experienced in the last 10 years. At the same time, I am proposing further, permanent income tax reductions so that individuals and businesses can spend and invest these dollars instead of having the Federal Government collect and spend them.

A third important dimension of the budget is the way it sorts out priorities. In formulating this budget, I have tried to achieve fairness and balance:

—between the taxpayer and those who will benefit by Federal spending;

—between national security and other pressing needs;

—between our own generation and the world we want to leave to our children;

—between those in some need and those most in need;

—between the programs we already have and those we would like to have;

—between aid to individuals and aid to State and local governments;

—between immediate implementation of a good idea and the need to allow time for transition;

—between the desire to solve our problems quickly and the realization that for some problems, good solutions will take more time; and

—between Federal control and direction to assure achievement of common goals and the recognition that State and local governments and individuals may do as well or better without restraints.

Clearly, one of the highest priorities for our Government is always to secure the defense of our country. There is no alternative. If we in the Federal Government fail in this responsibility, our other objectives are meaningless.

Accordingly, I am recommending a significant increase in defense spending for 1977. If in good conscience I could propose less, I would. Great good could be accomplished with other uses of these dollars. My request is based on a careful assessment of the international situation and the contingencies we must be prepared to meet. The amounts I seek will provide the national defense it now appears we need. We dare not do less. And if our efforts to secure international arms limitations falter, we will need to do more.

Assuring our Nation's needs for energy must also be among our highest priorities. My budget gives that priority.

While providing fully for our defense and energy needs, I have imposed upon these budgets the same discipline that I have applied in reviewing other programs. Savings have been achieved in a number of areas. We cannot tolerate waste in any program.

In our domestic programs, my objective has been to achieve a balance between all the things we would like to do and those things we can realistically afford to do. The hundreds of pages that spell out the details of my program proposals tell the story, but some examples illustrate the point.

I am proposing that we take steps to address the haunting fear of our elderly that a prolonged, serious illness could cost them and their children everything they have. My medicare reform proposal would provide protection against such catastrophic health costs. No elderly person would have to pay over $500 per year for covered hospital or nursing home care, and no more than $250 per year for covered physician services. To offset the costs of this additional protection and to slow down the runaway increases in federally funded medical expenses, I am recommending adjustments to the medicare program so that within the new maximums beneficiaries contribute more to the costs of their care than they do now.

My budget provides a full cost-of-living increase for those receiving social security or other Federal retirement benefits. We must recognize, however, that the social security trust fund is becoming depleted. To restore its integrity, I am asking the Congress to raise social security taxes, effective January 1, 1977, and to adopt certain other reforms of the system. Higher social security taxes and the other reforms I am proposing may be controversial, but they are the right thing to do. The American people understand that we must pay for the things we want. I know that those who are working now want to be sure that the money will be there to pay their benefits when their working days are over.

My budget also proposes that we replace 59 grant programs with broad block grants in four important areas:

—A health block grant that will consolidate medicaid and 15 other health programs. States will be able to make their own priority choices for use of these Federal funds to help low-income people with their health needs.

—An education block grant that will consolidate 27 grant programs for education into a single flexible Federal grant to States, primarily for use in helping disadvantaged and handicapped children.

—A block grant for feeding needy children that will consolidate 15 complex and overlapping programs. Under existing programs, 700,000 needy children receive no benefits. Under my program, all needy children can be fed, but subsidies for the nonpoor will be eliminated.

—A block grant that will support a community's social service programs for the needy. This would be accomplished by removing current requirements unnecessarily restricting the flexibility of States in providing such services.

These initiatives will result in more equitable distribution of Federal dollars, and provide greater State discretion and responsibility. All requirements that States match Federal funds will be eliminated. Such reforms are urgently needed, but my proposals recognize that they will, in some cases, require a period of transition.

These are only examples. My budget sets forth many other recommendations. Some involve new initiatives. Others seek restraint. The American people know that promises that the Federal Government will do more for them every year have not been kept. I make no such promises. I offer no such illusion. This budget does not shrink from hard choices where necessary. Notwithstanding those hard choices, I believe this budget reflects a forward-looking spirit that is in keeping with our heritage as we begin our Nation's third century.

Gerald R. Ford.

January 21, 1976.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the budget message of the President be referred jointly to the Appropriations and Budget Committees.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 347—PRESERVATION OF THE BALD EAGLE AS THE NATIONAL SYMBOL OF THE UNITED STATES

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from Wisconsin (Mr. Nelson), I send to the desk a resolution and ask for its immediate consideration. This resolution has been cleared all around.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 347) to express the sense of the Senate that the people of the United States recognize the importance of the preservation of the Bald Eagle, the national symbol of the United States.

Mr. MANSFIELD. Mr. President, will the clerk read the concluding paragraph, the resolving clause?

The legislative clerk read as follows:

Resolved, That it is the sense of the Senate that the people of the United States observe the weekend beginning January 30, 1976, with observations and activities which recognize the importance of the preservation of the Bald Eagle, the national symbol of the United States.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 347) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 347

Whereas the Bald Eagle is the national symbol of the United States; and

Whereas it has been the policy of the Federal Government since 1941 and many State governments to provide protection for the Bald Eagle; and

Whereas the number of bald eagles has declined in spite of Federal and State protection; and

Whereas hundreds of these great birds migrate along the Mississippi River and its tributaries during the winter to search for fish in the open water near power plants and dams and to nest in the natural land formations near the rivers; and

Whereas to increase protection of the Bald Eagle it is the policy of the Federal Government to preserve vital winter roosting valleys throughout the United States; and

Whereas it is most important that the people of the United States become aware of the magnificent Bald Eagle and what it represents as the national symbol of the United States; and

Whereas the bicentennial year is an appropriate time to expand recognition of the need to preserve the Bald Eagle to insure its presence in the skies of the United States during the tricentennial year; and

Whereas, environmentalists concerned with the protection of the Bald Eagle have designated the weekend beginning January 30, 1976, as "Bald Eagle Days": Now, therefore, be it

Resolved, That it is the sense of the Senate that the people of the United States observe the weekend beginning January 30, 1976, with observances and activities which recognize the importance of the preservation of the Bald Eagle, the national symbol of the United States.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Montana yield back the rest of the time of the Senator from West Virginia?

Mr. MANSFIELD. I withhold the rest of the time.

Mr. HELMS. Mr. President, with the approval of the distinguished assistant majority leader (Mr. Robert C. Byrd), I ask unanimous consent that the time previously allocated to him be transferred to me.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

EMERGENCY FOOD STAMP VENDOR ACCOUNTABILITY ACT OF 1976—S. 2853

Mr. HELMS. Mr. President, the latest series of revelations regarding fraud and misuse of the taxpayer's funds in the highly controversial food stamp program should certainly come as no surprise to Members of this body. For several years now, many Senators have raised questions about the manner in which the food stamp program is administered and the criteria used in determining who should receive this form of social welfare. Indeed, some of us in Congress have repeatedly warned against the fiscal irresponsibility pervading the entire Federal bureaucracy, and the inadequate accounting practices and financial controls that accompany the waste of millions upon millions of tax dollars sent to Washington by the citizens of this land.

The tragedy, Mr. President, is that the truly needy of our society—the elderly, the blind, the crippled, those who are unable to care for themselves—have been shortchanged by the irresponsibility of the Federal Government in connection with the operation of various welfare programs.

Now, there are reports that the extent of fiscal mismanagement goes much further than providing public funds and resources to those who are not truly needy, or to individuals who seek to obtain benefits for which they are not eligible under provisions of law. Now, Mr. President, there are clear indications of massive and potentially illegal uses of Government funds by persons who have been entrusted with the selling of food stamps to those who have established an eligibility for them. Indeed, a preliminary check by Federal auditors and FBI agents indicates that a total of more than $8.7 million in undeposited receipts for the sale of food stamps has not been accounted for. I would emphasize that this is the result of checks made on only 18 of the more than 14,000 food stamp vendor offices across the country. The food stamp program now costs more than $6 billion annually, and the vendors took in $2.6 billion in cash last year alone. The potential for illegal use of Government funds is appalling. It could run into hundreds of millions of dollars.

Evidence exists to indicate that over the years vendors have been holding onto accumulated receipts from the sale of food stamps for extended periods, instead of depositing them promptly as required. To the extent that they may have made use of such money for unauthorized purposes, it has been charged that they clearly manipulated the food stamp program—callously and unconscionably exploiting both the truly needy and the hard-pressed American taxpayer.

As Senators know, Agriculture Secretary Butz found the reports of this newly surfaced from a fraud so alarming and so potentially pervasive that he has ordered an immediate audit of the entire food stamp program vendor operation. The distinguished Senator from Kansas (Mr. DOLE) in his capacity as ranking minority member on the Senate Subcommittee on Agricultural Research and General Legislation which has jurisdiction over the food stamp program, has arranged for the responsible officials in the Department of Agriculture's Food and Nutrition Service to appear before special hearings to determine the extent of wrongdoing among food stamp vendors; and the distinguished Senator from Missouri (Mr. EAGLETON) has requested the General Accounting Office to conduct a separate investigation.

Clearly then, there is substantial concern among the highest officials of the Government that there are fundamental inadequacies in the manner in which food stamps are put into the hands of those who are determined to be eligible for them. And, indeed, there should be. A careful examination of the procedures reveals that there is not only a fundamental inadequacy in the system for monitoring the sale of food stamps, but that there is virtually no control or accounting of the receipts collected by the vendors of food stamps.

Senators may ask, who is responsible for the proper handling and sale of the food stamps to those who have been determined to be eligible for them? Who is accountable for insuring that the receipts from the sale of the stamps are paid to the Government by the vendors? How is this accomplished?

Surely, Senators would say, procedures exist whereby these matters may be handled promptly, efficiently, and within minimum opportunity for fraud or misuse. Well, yes, procedures do exist. But they are inherently defective—defective because they do not require sufficient accountability for proper handling of the stamps and the receipts collected from their sale. Let me explain:

The Food Stamp Act requires that each State designate an agency to assume responsibility for both the certification of applicant households, and for the issuance of the food stamps. State agencies may delegate actual issuance of the food stamps by contract to "issuing agents," that is, to vendors. Every State but one does this. The State agency remains responsible and financially liable to the Department of Agriculture for all issuance activities, which includes loss of the stamps or sums required to be collected from sale of stamps, for overissuance of stamps, and for undercollection of receipts.

Now, Mr. President, this means that the vendors of the food stamps, agents of the States, collect money which actually belongs to the Federal Government. They are required to deposit this money in accounts maintained by the Federal Government. These vendors, Mr. President, are not directly accountable to the Federal Government and there is no assurance of accountability to the States—therein lies the problem. Frankly, the States, though liable for any actual losses or disappearance of funds, have no direct interest in monitoring a timely and accurate deposit of Federal funds into Federal accounts. Indeed, it has been suggested by some observers that States have a direct interest in not monitoring the program. Certainly, it is said by some, that if no discrepancies should be discovered, the State could not be called upon to provide reimbursement. At any rate, States are not even guaranteed timely or accurate data which would enable them to adequately monitor the program.

I hasten to add that the Food and Nutrition Service also tries to monitor the flow of food stamps and money to and from each of the vendors. I have been advised, however, that because of the enormous size of the program—with more than 6,700 reporting vendors and over 14,000 actual issuing points, and more than 19 million recipients of food stamps—and because the States are regarded as having all liability for the accurate collection of funds, the FNS simply has not used the data it has received in a structured program of review and systematic monitoring. This lack of useful information on the Federal level has adversely impacted upon the availability of data at the State level. Indeed, there is no way any State could have used the information provided to it by the FNS to carefully monitor abuses in the program on a regular and frequent basis. Of course, the States have been held responsible for the money, but as indicated, they have been denied the sufficient information to assure accountability. Indeed it is only now in the face of the present scandal that the FNS is beginning to develop any real, structured program of review and monitoring. Simply stated, the information just has not been received or handled in a manner which makes the current system of accountability effective, and we have no positive assurance that present and future developments within FNS will satisfactorily resolve the problem.

Each month the FNS is scheduled to receive approximately 6,700 certified reports from the reporting vendors. These reports summarize, for the previous month, the status of food stamp inventories, the issuance of food stamps and resulting receipts, and the subsequent deposit of such receipts to special Federal Treasury accounts. In the event that information contained in these reports does not reconcile with actual deposits or with in-house information, the FNS charges the difference to the States. Semiannually, the FNS prepares a statement of account for each State agency. Such statement summarizes inventory, issuance, and depositing discrepancies and serves as a billing notice to the State if there are any shortages. Obviously, by providing the reports to the States only once every 6 months, FNS is doing no more than closing the barn door after the horse is out.

That is precisely what we have discovered in the latest scandal involving food stamps.

Mr. President, this elaborate and seemingly concise system does not work. It depends upon a consistent and timely flow of accurate information and completely honest intent on part of the vendors. Again, because of the enormous size and rapid growth of the program, this accountability system leaves the vendors who receive money properly belonging to the Federal Government strangely unaccountable, except in the most indirect way—and often only in the event that the States choose to pursue the matter of tardy deposits. Despite the theory, then, the vendors are not really accountable to anyone. And it is obvious from current reports that many of them are acting just as they please, and are retaining funds for their own gain.

Furthermore, it has been reported that officials in the Food and Nutrition Service were aware of fiscally irresponsible actions by certain vendors and other parties, but again, because of the enormity and complexity of the food stamp program, and because of the propensity of many of the welfare-oriented bureaucrats to concern themselves with expanding the program, there was no action taken to rectify the problems of vendor accountability which would put an end to abuses and illegal uses of Federal moneys for indefinite periods.

Mr. President, the Emergency Food Stamp Vendor Accountability Act will in-I am today introducing on behalf of myself, the Senator from Kansas (Mr. DOLE), and the Senator from Alabama (Mr. ALLEN), addresses this problem. It is designed to ensure order and accountability on the part of food stamp vendors.

Certainly there are other problem areas regarding the food stamp program, and there are other issues that very clearly need to be addressed. But, the bill that I am now introducing is emergency legislation. I had indications at the meeting of the Committee on Agriculture and Forestry this morning that immediate consideration will be given this bill, and I hope approvingly. As such it deals with a limited aspect of the food stamp program, and only one participant in the total nutritional distribution system embraced in that program—the vendors of food stamps. Obviously, the individuals and corporations who dispense food stamps for a profit, a share of the Federal tax dollars that go to support the program, are not the program's real intended beneficiaries. Rather, they perform a service for which they are entitled to just compensation, not excess profits or undue advantages at the expense of the American taxpayers, as has been the case, and the truly needy.

I, therefore, propose that the Congress mandate that tight controls be placed on these vendors—controls that will ensure their accountability for the food stamps in their possession and for the funds that they collect from our Nation's poor and underprivileged, with stiff penalties for abuses of the public trust placed in them. To achieve this, the Emergency Food Stamp Vendor Accountability Act does essentially three things.

First, it declares that funds in the hands of vendors, that are derived from the sale of food stamps, are Federal funds, and that the vendors are receiving the funds as fiduciaries of the Federal Government—trustees of public money. And, since it is public money, the vendor will be required to deposit the funds promptly in an appropriate Federal account in the manner prescribed by the Secretary of Agriculture.

Additionally, realizing that specific guidelines regarding the timeliness of such deposits are needed, the bill requires that the Secretary's regulations provide, at a very minimum, that the funds must be deposited weekly; but it is further provided that whenever the accumulated balance of such funds in the hands of a food stamp vendor reaches $1,000 or more, the vendor must deposit the funds within 2 banking days. The Secretary may establish a more stringent standard if he deems it appropriate. This is simply the minimum requirement.

Further, the bill specifically provides that funds derived from the sale of food stamps shall not be used by the vendor for the benefit of any person, partnership, corporation, association, organization or entity other than the Federal Government. Any food stamp vendors convicted of violating this provision will be subject to stiff criminal penalties. Such misuse of Federal funds is declared to be embezzlement—which is exactly what it is—and any vendors convicted of violating the prohibition may be fined up to $10,000 or an amount equal to the amount of funds so embezzled, whichever is greater; or imprisoned up to 10 years, or both.

May I ask the Chair how much time I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 5 minutes remaining.

Mr. HELMS. I thank the Chair.

Therefore, under this legislation, the so-called practice of "lapping" by food stamp vendors will be stopped; there can be no use of these public funds for their own benefit by such private individuals or corporations. Vendors would engage in such a practice at the peril of criminal prosecution, and upon conviction would be subject to a fine or imprisonment; or, in the judgment of the Senator from North Carolina preferably, both.

Second, immediately following each deposit of funds derived from the sale of food stamps, vendors will be required to send a notice of such deposit, accompanied by an appropriate voucher verifying the deposit, to the State agency responsible for administering the program. In addition to such information as is deemed appropriate by the Secretary of Agriculture, the notice must identify the vendor, state the vendor's total receipts and the total amount deposited, and identify the depository. Any such notice must be signed and contain an oath certifying that the information contained therein is true and correct to the best of the knowledge and belief of the vendor. In the case of a corporation, the notice would, of course, be signed by an appropriate official of the corporation. Any vendor who knowingly provides false information in any such notice would be subject to a fine of not more than $10,000 or imprisonment up to 10 years or both.

The failure to make the deposit or send in the report in a timely manner would be punishable as a misdemeanor, with a fine of not more than $3,000 or imprisonment up to 1 year, or both. This will insure that the Secretary will have sufficient authority to enforce his regulations and to carry out the duties imposed upon him under the existing food stamp legislation.

In addition to the notices to the State agencies responsible for the food stamp program in their respective States, the Secretary shall require periodic reports by vendors to the appropriate agency of the Department of Agriculture. These vendor reports shall be made at least monthly, and will contain a consolidation of the vendor's operations under the program during the period. In order to provide a cross-check with the States, the Secretary may, in his discretion, require the respective State agencies, who receive the deposit notices from the vendors, to provide periodic reports containing consolidations of the data they receive. Needless to say, the depositories of the funds derived from sale of food stamps already have an obligation to provide needed information respecting the Federal funds in their hands. Thus, the implementation of this portion of the Emergency Food Stamp Vendor Accountability Act, which sure ample opportunity for the Secretary of Agriculture to obtain the necessary information to regulate and control the flow of Federal money coming into the hands of vendors.

And, for the first time, this bill will guarantee the State agencies the information they need to establish a system to monitor receipts from food stamp sales for which they have always been liable. The Food and Nutrition Service will be obliged to check the reports it receives from vendors, and to prosecute those who willfully misstate facts. Current practice seems to indicate that the reports are received from vendors and simply filed away and forgotten.

Third, the bill provides that the Secretary of Agriculture shall, by regulation, develop an appropriate procedure for determining and monitoring the level of food stamp inventories in the hands of the vendors. This will not only enhance the level of accountability and prevent abuses and misuse of the stamps, but it will insure that the vendors have a proper inventory level to meet the needs of the persons who are eligible to receive them.

Additionally, in his regulations, the Secretary must prescribe appropriate procedures for the delivery of food stamps to vendors and for the custody, control, and storage of the stamps by the vendors in order to secure them against theft, embezzlement, misuse, loss or destruction. Obviously, the food stamps are obligations of the Federal Government, and as such, they should be stored in a manner that properly safeguards them. These are not meaningless pieces of paper. They have substantial value. As I have indicated, there is a market for them. Just as no responsible person would leave public money laying around unsecured, no responsible vendor should store food stamps carelessly. The failure of the vendor to comply with these regulations respecting the storage of the stamps, et cetera, will be punishable as a misdemeanor. In this instance, a violation will carry a fine of not more than $3,000 and imprisonment for up to 1 year.

With this proper control over inventory levels, the Secretary will have the authority he needs to insure a proper supervision of all aspects of the operations of food stamp vendors. No longer will millions upon millions of tax dollars be thrown irresponsibly at vendors without appropriate accountability on their part for the use of the food stamps or the funds that they collect from the poor and the needy of the Nation. No longer will any individual or corporation be able to traffic in food stamps in a manner not intended by Congress, or gain undue advantages with the use of public money—money that belongs to the people of this country, average citizens who are struggling in the face of sustained inflation to provide for their families, educate their children, and be productive members of their community.

This legislation will make the abusive use of public money by food stamp vendors a Federal crime, punishable by substantial fine or imprisonment in a Federal penitentiary. It will provide a deterrent for the unscrupulous who would seek to benefit from the misfortune of others. And, most importantly of all, it will insure a more effective, efficient food stamp program that will meet the needs of the intended beneficiaries of the program in a more complete way.

Mr. President, I again point out that the proposal I have introduced does not address the need for a careful assessment of the entire food stamp program. This is strictly an emergency measure designed to insure that the vendors of food stamps are directly accountable under Federal law for their handling of food stamps and the money collected from their sale. Indeed, there are, no doubt, many administrative complexities which this bill does not address and with which the Food and Nutrition Service must continue to struggle if a truly efficient and lawful administration of the food stamp program is to come about.

This bill does, for the first time, make the food stamp vendor directly and clearly accountable before the law. Its criminal penalties will underscore the requirement that food stamp vendors must be very careful and precise in their acceptance of the public trust placed in them. It will mean that persons who seek to manipulate the food stamp program defrauding the truly needy and the hard-pressed American taxpayers will face serious criminal penalties.

As the public investigations into these despicable abuses get underway, they should proceed in the light of the recognized fact that one out of every 13 Americans is receiving food stamps, and that the cost of the program has increased more than 14,000 percent in the past decade. The haunting question confronts us: How much of the $6 billion of hard-earned tax dollars spent this year on food stamps will go to help the truly needy, and how much will go for illegal and fraudulent use?

If abuses are to be corrected, if the truly needy are to be provided for, if the ravages of reckless Federal spending and the attendant inflation are to be checked, action is needed now. Making each food stamp vendor accountable is an important first step in eliminating the abuses which plague the program.

Mr. President, I ask unanimous consent that the Emergency Food Stamp Vendor Accountability Act be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2853

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Food Stamp Vendor Accountability Act of 1976."

SEC. 2. Section 7 of the Food Stamp Act of 1964 is amended by designating the existing subsection (d) as paragraph (1) of such subsection, and adding the following new paragraphs under such subsection (d):

"(2) The Secretary shall by regulation prescribe the manner in which funds derived from the distribution of coupons (charges made for the coupon allotments) shall be deposited by coupon vendors. Any such regulations shall contain provisions—

(A) Requiring that coupon vendors promptly deposit such funds in the manner prescribed by the Secretary; *Provided*, That such regulations shall, at a minimum, require that such deposits be made weekly; *Provided further*, That such regulations shall, at a minimum, require that upon the accumulation of a balance on hand of $1,000 or more, such deposits be made within two banking days following the accumulation of such amount.

(B) Any coupon vendor convicted of violating the regulations issued pursuant to subparagraph (A) above shall be guilty of a misdemeanor and shall be fined not more than $3,000 or imprisoned not more than one year, or both.

"(3) (A) Coupon vendors receiving funds derived from the distribution of coupons (charges made for coupon allotments) shall be deemed to be receiving such funds as fiduciaries of the Federal Government, and such coupon vendors shall immediately set aside all such funds as funds of the Federal Government. Funds derived from the distribution of coupons (charges made for coupon allotments) shall not be used, prior to the deposit of such funds in the manner prescribed by the Secretary, for the benefit of any person, partnership, corporation, association, organization, or entity other than the Federal Government.

(B) Any coupon vendor convicted of violating subparagraph (A) above is quilty of embezzlement, and shall be fined not more than $10,000 or a sum equal to the amount of funds so embezzled, whichever is the greater, or imprisoned not more than ten years, or both; provided that if the amount of such funds used in violation of such subparagraph (A) above is less than $1,000, such vendor shall be guilty of a misdemeanor, and shall be fined out more than $3,000 or imprisoned not more than one year, or both.

"(4) (A) The Secretary shall by regulation require that upon the deposit, in the manner prescribed by the Secretary, of funds derived from the distribution of coupons (charges made for coupon allotments), coupon vendors shall immediately send a written notice to the State agency, accompanied by an appropriate voucher, confirming such deposit. In addition to such other information deemed by the Secretary to be appropriate, such regulations shall require that such notice contain—

(i) the name and address of the coupon vendor;

(ii) the total receipts of such coupon vendor derived from the distribution of coupons (charges made for coupon allotments) during the deposit period;

(iii) the amount of the deposit;

(iv) the name and address of the depository; and

(v) an oath, or affirmation, signed by an appropriate official of the coupon vendor certifying that the information contained in such notice is true and correct to the best of such official's knowledge and belief.

(B) Any coupon vender convicted of failing to provide the notice required by subparagraph (A) above shall be guilty of a misdemeanor, and shall be fined not more than $3,000 or imprisoned not more than one year, or both.

(C) Any coupon vendor that knowingly provides false information in any notice required pursuant to subparagraph (A) above shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"(5) (A) The Secretary shall by regulation require each coupon vendor at intervals prescribed by the Secretary, but not less often than monthly, to send to the Secretary, or his designee, a written report of such vendor's operations during such period under any program promulgated pursuant to the provisions of this title. In addition to such other information deemed by the Secretary to be appropriate, such regulations shall require that such reports contain—

(i) the name and address of the coupon vendor;

(ii) the total receipts of such coupon vendor derived from the distribution of coupons (charges made for coupon allotments) during the report period;

(iii) the total amount of deposits made by such vendor of funds derived from the distribution coupons (charges made for coupon allotments) during such period;

(iv) the name and address of each depository receiving such funds from such vendor; and

(v) an oath, or affirmation, signed by an appropriate official of the coupon vendor certifying that the information contained in such report is true and correct to the best of such official's knowledge and belief.

(B) Any coupon vendor convicted of failing to provide any notice required pursuant to subparagraph (A) above shall be guilty of a misdemeanor, and shall be fined not more than $3,000 or imprisoned not more than one year, or both.

(C) Any coupon vendor that knowingly provides false information in any notice required pursuant to subparagraph (A) above shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"(6) The Secretary may by regulation require State agencies to provide periodic reports to the Secretary, or his designee, containing a consolidation of the respective vendor's notices to such State agencies at such intervals as the Secretary in his discretion deems appropriate.".

SEC. 3. Section 6 of the Food Stamp Act of 1964 is amended by redesignating the existing subsections (b) and (c) as subsections (d) and (e) respectively, and inserting new subsections (b) and (c) as follows:

"(b) (1) The Secretary shall by regulation develop an appropriate procedure for determining and monitoring the level of coupon inventories in the hands of coupon vendors for the purpose of ensuring that such inventories are at proper levels (taking into consideration the historical and projected volume of coupon distribution by such vendors). Any such regulations shall contain procedures to ensure that coupon inventories in the hands of coupon vendors are not in excess of the reasonable needs of such vendors taking into consideration the ease and feasibility of resupplying such coupon inventories. The Secretary may in his discretion require periodic reports from such coupon vendors respecting the level of such inventories.

"(2) Any coupon vendor convicted or failing to provide a report required pursuant to paragraph (1) above shall be guilty of a misdemeanor and shall be fined not more than $3,000 or imprisoned not more than one year, or both.

"(3) Any coupon vendor that knowingly provides false information in any report required pursuant to paragraph (1) above shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

"(c) (1) The Secretary shall by regulation prescribe appropriate procedures for the delivery of coupons to coupon vendors and for the custody, care, control, and storage of coupons in the hands of coupon vendors in order to secure such coupons against theft, embezzlement, misuse, loss, or destruction.

"(2) Any coupon vendor convicted of violating any regulations issued pursuant to paragraph (1) above shall be guilty of a misdemeanor, and shall be fined not more than $3,000 or imprisoned not more than one year, or both.".

SEC. 4. Section 3 of the Food Stamp Act of 1964 is amended by adding the following new subsection (o) at the end thereof:

"(o) The term 'coupon vendor' means any person, partnership, corporation, association, organization, political subdivision, or other entity with which a State agency has contracted for, or to which it has delegated administrative responsibility in connection with the issuance of coupons to households.".

SEC. 5. The regulations required by this Act shall be published in the Federal Register in tentative form within 30 days following the enactment of this Act and shall be available for public comment for not more than 60 days following such publication. Any such regulations shall be published in the Federal Register in final form within 30 days following the conclusion of such public comment period and shall become effective immediately upon such publication.

SEC. 6. The amendments made by this Act shall be effective upon enactment.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. GARY HART) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Foreign Relations.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed without amendment the bill (S. 1847) to authorize the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs.

The message also announced that the House has passed the bill (H.R. 9630) to extend the educational broadcasting facilities program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and public or social service information, and for other purposes, in which it requests the concurrence of the Senate.

The message further announced that the House has passed the bill (S. 151) to authorize the Secretary of the Interior to construct, operate, and maintain the Polecat Bench area of the Shoshone extensions unit, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes, with amendments in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the following concurrent resolutions in which it requests the concurrence of the Senate:

H. Con. Res. 96. A concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; and

H. Con. Res. 527. A concurrent resolution vacating certain actions of the Senate and the House of Representatives with respect to the bill (S. 2718) relating to railroad revitalization and regulatory reform, and for other purposes.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 8235) to authorization appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. JONES of Alabama, Mr. WRIGHT, Mr. JOHNSON of California, Mr. HOWARD, Mr. MCCORMACK, Mr. JAMES V. STANTON, Mr. BREAUX, Mr. HARSHA, Mr. CLEVELAND, Mr. SHUSTER were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GARY HART) laid before the Senate the following letters, which were referred as indicated:

PROPOSED REGULATIONS OF THE FEDERAL ELECTION COMMISSION

Three letters from the Chairman of the Federal Election Commission, each transmitting, pursuant to law, a proposed regulation pertaining to (1) presidential primary matching funds, Parts 130–133 of the regulations; (2) the procedure for the issuance of advisory opinions, part 114 of the regulations; and (3) the allocation of candidate and committee expenditures, part 107 of the regulations (with accompanying detailed statements explaining and justifying the regulations); to the Committee on Rules and Administration.

REPORT OF THE GENERAL SERVICES ADMINISTRATION

A letter from the Administrator of General Services reporting, pursuant to law, on an overobligation against the first quarter apportionment of the GSA 1976 appropriation; to the Committee on Appropriations.

REPORT OF THE DEPARTMENT OF THE TREASURY

A letter from the Fiscal Assistant Secretary of the Treasury transmitting, pursuant to law, a report of liabilities and other financial commitments of the U.S. Government as of June 30, 1975 (with an accompanying report); to the Committee on Finance.

REGULATIONS ON THE DEPARTMENT OF STATE

A letter from the Assistant Secretary of State transmitting, pursuant to law, copies of regulations relating to the protection of certain foreign and U.S. officials and members of their families (with accompanying papers); to the Committee on Foreign Relations.

REPORT OF THE U.S. ADVISORY COMMISSION ON INTERNATIONAL EDUCATIONAL AND CULTURAL AFFAIRS

A letter from a member of the Advisory Commission on International Educational and Cultural Affairs relating to the report entitled "A Special Report on the Effects of the Conference on Security and Cooperation in Europe on the Cultural Relations of the United States and Eastern Europe"; to the Committee on Foreign Relations.

PROPOSED REGULATIONS OF THE GENERAL SERVICES ADMINISTRATION

A letter from the Administrator of General Services requesting a withdrawal of certain proposed regulations of GSA previously submitted; to the Committee on Government Operations.

INDIAN BUSINESS DEVELOPMENT PROGRAM

A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, a notice of change in its record maintenance system relating to the Indian business development program (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORTS OF THE COMPTROLLER GENERAL

Two letters from the Comptroller General of the United States transmitting, pursuant to law, two reports entitled "The Integrated Grant Administration Program—An Experiment in Joint Funding"; and "Examination of Financial Statements for the Year Ended December 31, 1974" (with accompanying reports); to the Committee on Government Operations.

APPROPRIATION REQUEST FOR THE U.S. RAILWAY ASSOCIATION

A letter from the President of the U.S. Railway Association transmitting an appropriation request for the Association in the amount of $3 million for fiscal year 1977 (with accompanying papers); to the Committee on Appropriations.

BOARD OF VISITORS—AIR FORCE ACADEMY

A letter from the Secretary of the Air Force inviting the Senate to designate its three members to the Board of Visitors to the Air Force Academy; to the Committee on Armed Services.

REPORT OF THE DEFENSE CIVIL PREPAREDNESS

A letter from the Director of the Defense Civil Preparedness Agency transmitting, pursuant to law, a report on property acquisitions of emergency supplies and equipment for the quarter ending December 31, 1975 (with an accompanying report); to the Committee on Armed Services.

PROSPECTUS OF THE GENERAL SERVICES ADMINISTRATION

A letter from the Administrator of General Services transmitting, pursuant to law, a prospectus proposing a succeeding lease for space presently occupied at 8060 13th Street, Silver Spring, Md. (with accompanying papers); to the Committee on Public Works.

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. GARY HART) laid before the Senate the following petitions, which were referred as indicated:

Four petitions from citizens of the State of Montana seeking a redress of grievances; to the Committee on Government Operations.

ORDER FOR A STAR PRINT OF S. 2239

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that a star print be made of my bill S. 2239, to permit the enlistment of Vietnamese and Cambodian refugees into the Armed Forces of the United States under certain circumstances.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILL AND CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 96) authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol, was referred to the Committee on Rules and Administration.

The bill (H.R. 9630) to extend the Educational Broadcasting Facilities Program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and public or social service information, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on Banking, Housing and Urban Affairs, with an amendment:

H.R. 8835. An act to amend the Truth in Lending Act to protect consumers against inadequate and misleading leasing information, assure meaningful disclosure of lease terms, and limit ultimate liability in connection with leasing of personal property primarily for personal, family, or household purposes, and for other purposes (together with additional views) (Rept. No. 94–590).

H.R. 6516. An act to amend title VII of the Consumer Credit Protection Act to include discrimination on the basis of race, color, religion, national original, and age, and for other purposes (together with additional views) (Rept. No. 94–589).

SECOND REPORT ON THE CONDUCT OF MONETARY POLICY (S. REPT. NO. 94–591)

Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, submitted a report entitled "Second Report on the Conduct of Monetary Policy," pursuant to House Concurrent Resolution 133, 94th Congress, 1st session, which was ordered to be printed.

ATTENDANCE OF SENATORS

Hon. BIRCH BAYH, a Senator from the State of Indiana; Hon. JOSEPH R. BIDEN, JR., a Senator from the State of Delaware; Hon. FRANK CHURCH, a Senator from the State of Idaho; Hon. ALAN CRANSTON, a Senator from the State of California; Hon. JAMES O. EASTLAND, a Senator from the State of Mississippi; Hon. PHILIP A. HART, a Senator from the State of Michigan; Hon. JAMES B. PEARSON, a Senator from the State of Kansas; Hon. CLAIBORNE PELL, a Senator from the State of Rhode Island; and Hon. JOHN V. TUNNEY, a Senator from the State of California; Hon. VANCE HARTKE, a Senator from the State of Indiana; Hon. WALTER F. MONDALE, a Senator from the State of Minnesota; and Hon. LLOYD BENTSEN, a Senator from the State of Texas, attended the session of the Senate today.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HELMS (for himself, Mr. Allen, and Mr. Dole):

S. 2853. A bill to amend the Food Stamp Act of 1964 to ensure a proper level of accountability on the part of food stamp vendors. Referred to the Committee on Agriculture and Forestry.

By Mr. PEARSON (for himself, Mr. Bartlett, Mr. Stone, Mr. Bellmon, Mr. Bentsen, Mr. Curtis, Mr. Moss, Mr. Domenici, Mr. Eastland, Mr. Garn, Mr. Hansen, Mr. Huddleston, Mr. Johnston, Mr. McGee, Mr. Montoya, Mr. Hugh Scott, Mr. Tower, and Mr. Young):

S. 2854. A bill to provide that the first sale of crude oil produced from stripper wells be exempt from price controls. Referred to the Committee on Interior and Insular Affairs.

By Mr. BUCKLEY:

S. 2855. A bill to provide for automatic cost-of-living adjustments in the rate of interest and redemption value of certain U.S. savings bonds and certificates. Referred to the Committee on Finance.

By Mr. THURMOND:

S. 2856. A bill to amend title 38 of the United States Code in order to clarify the purposes for which the Administrator of Veterans' Affairs may release the names and addresses of present and former personnel of the armed services and their dependents. Referred to the Committee on Veterans' Affairs.

By Mr. HUMPHREY:

S. 2857. A bill for the relief of Mrs. Zenia Yee; and

S. 2858. A bill for the relief of Mr. Asanga Taraka Weerakoon. Referred to the Committee on the Judiciary.

By Mr. BROCK:

S. 2859. A bill to authorize the Federal Energy Administration to enter into an agreement with the Tennessee Valley Authority to carry out an experimental rate design project. Referred jointly, by unanimous consent to the Committees on Commerce, Interior and Insular Affairs, and Public Works.

By Mr. CHURCH (for himself and Mr. Williams):

S. 2860. A bill to amend title II of the Social Security Act to permit payment of benefits to divorced husbands and surviving divorced husbands in like manner as benefits thereunder presently are payable to divorced wives and surviving divorced wives, and to reduce from 20 to 15 years the number of years that a divorced spouse must have been married to an insured individual in order to be eligible for benefits on that individual's earnings record. Referred to the Committee on Finance.

By Mr. HUMPHREY:

S. 2861. A bill to require the Congressional Joint Economic Committee and the Council of Economic Advisers to prepare inflation impact statements in connection with legislation reported by congressional committees and in connection with rules and regulations proposed by Federal agencies. Referred to the Committee on Government Operations.

By Mr. RANDOLPH:

S.J. Res. 158. A joint resolution to provide for the designation of the second full calender week in March 1976 as "National Employ the Older Worker Week." Referred to the Committee on the Judiciary.

By Mr. THURMOND:

S.J. Res. 159. A joint resolution to authorize and request the President to issue a proclamation designating October 8, 1976, as "'National Chess Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS (for himself Mr. Allen, and Mr. Dole):

S. 2853. A bill to amend the Food Stamp Act of 1964 to insure a proper level of accountability on the part of food stamp vendors. Referred to the Committee on Agriculture and Forestry.

(The remarks of Mr. Helms on the introduction of the above bill are printed earlier in the Record.)

By Mr. PEARSON (for himself, Mr. Bartlett, Mr. Stone, Mr. Bellmon, Mr. Bentsen, Mr. Curtis, Mr. Moss, Mr. Domenici, Mr. Eastland, Mr. Garn, Mr. Hansen, Mr. Huddleston, Mr. Johnston, Mr. McGee, Mr. Montoya, Mr. Hugh Scott, Mr. Tower, and Mr. Young):

S. 2854. A bill to provide that the first sale of crude oil produced from stripper wells be exempt from price controls. Referred to the Committee on Interior and Insular Affairs.

DECONTROL OF STRIPPER WELL PRODUCTION

Mr. PEARSON. Mr. President, I am introducing today, on behalf of myself and Senators Stone, Bartlett, Bellmon, Bentsen, Curtis, Domenici, Eastland, Garn, Hansen, Huddleston, Johnston, McGee, Montoya, Moss, Hugh Scott, Tower, and Young, a bill to provide that the first sale of crude oil produced from stripper wells be exempt from Federal price controls.

I ask unanimous consent that the text of our bill be printed in the Record immediately following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, the Energy Policy and Conservation Act approved in December, as everyone knows, mandates a rollback of the price of new, released and stripper crude oil. The effect of the rollback, to an initial maximum weighted average first sale price of $7.66 per barrel, will be to reduce the capital available for exploration and development in 1976 by approximately $3.5 billion and to force the abandonment of marginal wells whose limited production does not justify continued operation and the controlled price.

The stated benefit of the new price control system, according to its proponents, will be to save consumers between 1 to 3 cents per gallon of gasoline.

Mr. President, the purpose of the bill we submit today is to maintain maximum production from marginal, or stripper wells producing less than 10 barrels per day. There are about 300,000 stripper wells throughout the United States producing an average of 3 barrels per day. Their aggregate production accounts for about 11.5 percent of all U.S. domestic production. The crude oil produced from stripper wells can be decontrolled without significant impact on the cost of petroleum products to the consumer. If it is not decontrolled, many of these wells will be plugged by the producers and the equipment from them will be sold for salvage.

Mr. President, the cost of production increases substantially toward the end of the useful life of an oil well. The equipment is old and requires continual maintenance. Every producer must make the decision to shut in the well or continue production for a few more months. In my judgment, it is in the national interest for these wells to continue in production as long as possible. A few additional barrels from a marginal domestic well reduces in a small way our dependence upon foreign suppliers. The free market incentive price should be allowed for stripper production as a demonstration of total commitment to energy independence for America.

Mr. President, the choice is clear. Either we pay U.S. producers the incentive free market price for stripper production, or we pay the OPEC cartel that same, free market price for the same volume of production. All of the stripper wells in America are reaching the end of their useful life. They will be abandoned eventually. Even at free market prices, Kansas independent producers were forced to shut in more than 1,000 wells in 1975. The purpose of our bill is not to increase revenues where revenues are not needed to maintain production. It is simply to recover from our own resources oil that otherwise must be purchased from the OPEC cartel.

Mr. President, on behalf of myself and 17 of our colleagues who have joined as original cosponsors of this bill, I urge prompt action to decontrol the wellhead price of crude oil produced from marginal wells averaging less than 10 barrels per day of production.

S. 2854

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 757) is amended by adding the following new subsection and appropriately redesignating the succeeding subsections:

"(b) Any regulation relating to crude oil ceiling prices or to the weighted average first sale price for crude oil promulgated under subsection (a) of this section or section 4 of this Act shall not apply to the first sale of crude oil produced in the United States from any lease whose average daily production of crude oil for the preceding calendar year does not exceed ten barrels per well. The first sale price of such oil shall not be used in the computation of the 'maximum weighted average first sale price' as defined in subsection (a) of this section."

STONE SUPPORTS STRIPPER WELL EXEMPTION FROM OIL PRICE CONTROLS

Mr. STONE. Mr. President, I am pleased to join with Senator PEARSON, and other Senators, in proposing an exemption for "stripper well" production from the oil price controls established by the Energy Policy and Conservation Act of 1975.

As a member of the House-Senate conference committee which put together the Energy Policy and Conservation Act, I strongly supported an exemption for stripper well oil. Unfortunately by very narrow margins, several attempts to provide such an exemption in the course of the conference were defeated. Although I signed the conference report and voted for final passage, I was not satisfied and am not satisfied that the Congress has provided sufficient incentives for encouraging more domestic oil production. Exempting stripper well production, approximately 12 percent of our domestic crude production, will improve this situation without significantly affecting the consumer price for refined oil products.

It is important to remember that prior to the enactment of the Energy Policy and Conservation Act stripper well oil had been free from price control. The approximately 300,000 stripper wells account for about 1 million barrels per day of domestic crude oil. We cannot expect this level of production to be maintained, or possibly increased, if a drastic reduction of price, as contemplated by the pricing policy of the Energy Policy and Conservation Act, is implemented.

While I remain hopeful that the Energy Policy and Conservation Act will assist our country in meeting the serious problems of energy supply and energy conservation facing our country, I sincerely believe that it can only be viewed as a beginning. The Congress, the President, and the oil industry have many miles to go before we put into operation an energy policy which contains realistic solutions to our energy problems.

Mr. MONTOYA. Mr. President, today, I am pleased in joining Senator PEARSON in introducing a bill to amend the Emergency Petroleum Allocation Act of 1973. This bill would exempt from price controls crude oil produced from leases whose average daily production per well does not exceed 10 barrels. Crude oil extracted from these so-called stripper wells has traditionally been exempted from price controls under the original Emergency Petroleum Allocation Act of 1973. Now, with the enactment of the Energy Policy and Conservation Act, it is extremely important that we maintain this exemption to insure the current level of production from these wells.

Currently, stripper well production represents approximately 12 percent of our domestic crude oil recovery. On a daily yield basis, this means approximately 1 million barrels per day. In my own State of New Mexico, based on 1974 figures, crude oil recovered by stripper wells accounted for 10.1 percent of the total oil produced in the State. Looking at these figures, one can see the important role stripper well production plays in our total domestic crude oil production. For this reason, it is imperative that we maintain a financially beneficial climate to maximize stripper well production.

Mr. President, with the rising costs of production coupled with the minimal yield of these wells, the exemption of price controls on stripper well oil is a necessary measure to provide the incentive for continued production.

As we move forward toward energy independence, we must help, not hinder, production of all available energy resources. As my colleagues may remember, I have long been a supporter of a more reasonable price structure for the production of secondary and tertiary oil. Too often in the past, economic reasons have forced producers, especially independents, to leave oil in the ground when primary recovery methods begin to be ineffective. I hope that we will continue to explore legislative methods to encourage independents to use all available methods to remove all oil from each well, efficiently and completely. Stripper well production is the final stage in the life of an oil well, and is one of those methods which must be used if we are going to stop wasting our domestic energy supplies. This is one small step to aid the independent petroleum producers while contributing to the national energy independence effort. We must maintain a healthy independent oil industry. It is these independents who drill approximately 80 percent of all new domestic wells annually, while accounting for 20 percent of the total domestic production of crude oil.

Mr. President, I am hopeful that this bill will be dealt with swiftly, and enacted into law. In a time when oil production is declining, it is essental that we maximize production. I believe this legislation creates the incentives for maximizing the production of this important energy resource.

By Mr. BUCKLEY:

S. 2855. A bill to provide for automatic cost-of-living adjustments in the rate of interest and redemption value of certain U.S. Savings Bonds and certificates. Referred to the Committee on Finance.

FAIR SAVINGS BOND ACT OF 1976

Mr. BUCKLEY. Mr. President, the concept of thrift has long been central to the American ethos. By cultivating the habit of saving, of setting aside a portion of our earnings, we have not only protected our individual independence, we have made possible the huge accumulation of capital that has created the miracles of American productivity.

For years, Americans seeking to safeguard their savings and earn a reasonable and secure return on them have invested in U.S. Savings Bonds. For years, Americans could boast that their dollars were "as good as gold," and the phrase "sound as the dollar" had a real meaning for them.

Unfortunately, the misguided economic policies of the past few decades have, in effect, embezzled tens of billions of dollars from the value of the savings that Americans have entrusted to their Government. And the Government itself, which continues to follow deliberately inflationary policies, is engaged—through its continued promotion of its savings bonds as a sound, prudent investment—in a kind of deception that the SEC would not tolerate in a private issue. As the University of Chicago economist Milton Friedman has accurately observed, the U.S. Treasury now supervises "the biggest bucket shop operation in the history of the United States."

Dr. Friedman is not overstating the case. The "earnings" and the security of principal promised by the Government are illusory at best. The reasons for this are distressingly simple. If we assume a continuation of the average rate of inflation we have experienced over the past 10 years, some one purchasing a savings bond today can expect that by the time that bond matures 10 years hence, the real value of the principal will have eroded by more than 50 percent. A $100 bond purchased in 1976 will be worth less than $50 in 1986 in terms of its purchasing power at maturity. In the meantime, the depreciation of the value of the principal will more than offset the interest "earned" by the holder of the bond; and to add insult to injury, the holder is compelled to pay taxes on this fictitious "income."

This example underscores the fact that one of the most significant means by which a government can profit from the inflation it causes is through what amounts to a partially confiscatory tax on its bondholders. Inflation enables a government to borrow money from private citizens, and to pay back only a portion of what it borrows because in servicing its debt, it uses dollars that are worth less and less than the dollars it initially borrowed.

Thus under present circumstances, this de facto confiscation of the financial assets of the American saver can be said to create a positive incentive for the Federal Government to continue its inflationary policies.

I am introducing legislation today which would help not only to take the Federal Government's profit out of inflation, but at the same time to restore a measure of fairness in the relationship between the citizen as lender and the Federal Government as borrower. Specifically, my bill would provide for regular adjustments in payments of both interest and principal on all future Government obligations having a maturity of 1 year or more, such adjustments to reflect changes in the consumer price index caused by inflation. Adoption of this bill would assure future investors in U.S. Treasury obligations that the purchasing power of their investment will be fully protected. If, between the date of purchase and the date of maturity, the cost-of-living index has doubled in order to reflect a 50-percent decline in the purchasing value of the dollar, then the bondholder will be paid at maturity twice the face value of his bond.

Mr. President, adoption of my bill is not a substitute for economic policies that will bring inflation under full control. What it will do, however, is to eliminate a portion of the profit that Government realizes from inflation while restoring to the individual some ability to protect savings and to provide for retirement years. It would also enable private pension funds to provide for their beneficiaries a measure of the protection against inflation that employees of the Federal Government and social security recipients now enjoy by virtue of the automatic cost-of-living adjustments in retirement benefits that are now written into law.

Mr. President, I send my bill to the desk and ask that it be appropriately referred. I ask unanimous consent that it be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2855

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 22(b) of the Second Liberty Bond Act (31 U.S.C. 757c(b)) is amended—

(1) by striking out the colon and "Provided, That" in paragraph (1) and inserting in lieu thereof a period and "Except as provided in paragraphs (4) and (5), the"; and

(2) by adding at the end thereof the following new paragraphs:

"(4) In the case of a savings bond or savings certificate on which interest is paid and which is issued more than ninety days after the date of enactment of the Fair Savings Bonds Sales Act, the rate of interest on that bond or certificate shall be multiplied by the ratio which the price index for the calendar year in which the bond or certificate is issued bears to the price index for the calendar year preceding the year in which any amount of interest accrues. Whenever interest accrues on such a bond or certificate, the amount of interest which accrues shall be equal to the amount corresponding to the interest rate as multiplied under this paragraph. For purposes of this paragraph, the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

"(5) In the case of a savings bond or certificate issued more than ninety days after the date of the enactment of the Fair Savings Bonds Sales Act, the redemption value of that bond or certificate shall be multiplied by the ratio which the price index for the calendar year in which the bond or certificate is issued bears to the price index for the calendar year preceding the year in which the bond or certificate is redeemed. The amount for which such a bond is redeemed shall be equal to the amount of the redemption value as multiplied under this paragraph. For purposes of this paragraph, the term 'price index' means the average over a calendar year of the Consumer Price Index (all items United States city average) published monthly by the Bureau of Labor Statistics.".

(b) (1) Rate of Interest.—Notwithstanding any other provision of law, the rate of interest on any interest-bearing obligation of the United States having a maturity of 1 year or more issued more than ninety days after the date of enactment of this Act shall be multiplied in accordance with the provisions of section 22(b)(4) of the Second Liberty Bond Act as if that obligation were a savings bond or certificate. The Secretary of the Treasury shall promulgate such regulations as may be necessary to carry out the provisions of this paragraph.

(2) Redemption Value.—Notwithstanding any other provision of law, the face value of any obligation of the United States issued more than ninety days after the date of enactment of this Act having a maturity of 1 year or more, without regard to whether that obligation is interest bearing or not, shall be multiplied, on the maturity date of that obligation, in accordance with the provisions of section 22(b)(5) of the Second Liberty Bond Act as if that obligation were a savings bond or certificate. The Secretary of the Treasury shall promulgate such regulations as may be necessary to carry out the provisions of this paragraph.

(c) Short Title.—This Act may be cited as the "Fair Savings Bond Sales Act of 1976."

By Mr. THURMOND:

S. 2856. A bill to amend title 38 of the United States Code in order to clarify the purposes for which the Administrator of Veterans' Affairs may release the names and addresses of present and former personnel of the armed services and their dependents. Referred to the Committee on Veterans' Affairs.

Mr. THURMOND. Mr. President, today I am introducing legislation to clarify the purposes for which the Administrator of Veterans' Affairs may release the names and addresses of present and former personnel of the armed services and their dependents.

Until recently, the Veterans' Administration observed the practice of reporting to appropriate public health authorities the names and addresses of patients with communicable diseases who were treated at VA health care facilities.

This policy enabled local and State health authorities to provide for the public health and safety by seeking out and treating those who may have come in contact with various infectious diseases in the community.

In general Counsel's Opinion 13–74 dated May 30, 1974, however, the General Counsel of the Veterans' Administration interpreted the 1972 Vietnam Era Veterans Readjustment Assistance Act, Public Law 92–540, to mean that this information could no longer be released.

In the 1972 amendments, a paragraph (9) was added to section 3301 for two reasons. First, legislative history reveals that the Congress wanted to stop the unauthorized release of lists of veterans' names and addresses to commercial organizations interested in solicitation. Second, the Congress sought to provide standards to govern the release of such lists for VA program related purposes.

On November 17, 1975, I wrote to the Veterans' Administration in an effort to see if it was possible for the Administrator to review and rescind the General Counsel's opinion. Given the legal complexities involved in this issue and the interpretation of the legislative history as applied by the General Counsel's office, it is my understanding that it is unlikely that Opinion 13–74 will be rescinded or modified. It appears that the only solution involves the enactment of corrective legislation.

Mr. President, there are several reasons I regard the current situation with some urgency. I am told that this new policy has had a profoundly deleterious effect on local and State health authorities to provide for the public health and safety. It has greatly encumbered their ability to seek out and to treat those who have come in contact with various infectious diseases in the community.

Further, I am told that the new policy has inhibited the voluntary cooperation of VA officials with law enforcement authorities and State licensing authorities.

Mr. President, I regard the current situation as a grave matter, since it strikes at the heart of the mission of State and local health and law enforcement agencies. Unfortunately, this situation illustrates how some Federal laws and regulations can interfere with the good work of local public health and safety agencies.

Mr. President, I send a bill to the desk for appropriate reference, and I ask unanimous consent that it be printed in the RECORD together with a copy of General Counsel's Opinion 13–74.

There being no objection, the bill and opinion were ordered to be printed in the RECORD, as follows:

S. 2856

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (9) of section 3301 of title 38, United States Code, is amended to read as follows:

(9) The Administrator may, pursuant to regulations he shall prescribe, release the names and addresses of present or former personnel of the armed services, and/or dependents to any nonprofit organization but only if the release is directly connected with the conduct of programs and the utilization of benefits under this title or to another agency or to an instrumentality of any governmental jurisdiction within or under the control of the United States for a criminal or civil law enforcement activity if the activity is authorized by law and if a qualified representative of the agency or instrumentality has requested such names and addresses. Any such organization or member thereof or other person having access to names and addresses released by the Administrator pursuant to the preceding sentence and knowing that the use of such names and addresses is limited to the purposes specified in this clause, willfully uses such names and addresses for purposes other than those specified, shall be guilty of a misdemeanor and be fined not more than $5,000 in the case of a first offense and not more than $20,000 in the case of any subsequent offense.

SEC. 2. Any disclosures made pursuant to 38 U.S.C. 3301, as amended by the first section of this bill, shall be made in accordance with the provisions of 5 U.S.C. 552a.

MAY 30, 1974.

GENERAL COUNSEL'S OPINION, VETERANS ADMINISTRATION—OP. G.C. 13–74

Subject: Release of Names and Addresses

Question presented: The question has arisen as to whether the Administrator has discretionary authority to release the names and addresses of present or former personnel of the armed services, and their dependents, in accordance with the provisions of 38 U.S.C. 3301(1) through (8) as well as 3301(9), or whether the latter provision of law, since its enactment in October 1972, constitutes his only discretionary authority for the release of such names and addresses, thus restricting exceptions 3301(1) through (8) as they may be concerned with releasing names and addresses. In particular, this question has recently been brought to our attention in the context of whether or not the Veterans Administration should comply with an Arkansas statute requiring the reporting of the name, age, sex, and address of persons found to have venereal infection to the Arkansas Department of Health, and a Maryland statute requiring the reporting of names and addresses of persons being treated for certain specified disorders to the Depatment of Motor Vehicles.

Comments: The specific State statutes with which this opinion is concerned read, in pertinent part, as follows:

In Maryland, at Maryland Code Annotated, Section 6–1103,

". . . all physicians and other persons authorized to diagnose, detect, or treat disorders and disabilities defined by the State Department of Health and Mental Hygiene shall report to the Medical Advisory Board of the Department of Motor Vehicles and to the person who is the subject of each report, in writing, the full name, date of birth, and address of every person over 15 years of age having any such specified disorder or disability within 10 days of diagnosis."

In Arkansas, Act 60, Acts of Arkansas 1973,

"Any person who determines by laboratory examination that a specimen derived from a human body yields microscopic, cultural, serological, or other evidence suggestive of those venereal diseases enumerated hereinafter shall notify the Division of Cummunicable Diseases, Arkansas State Department of Health, of such findings, ... Notification of positive or doubtful test results shall contain the name, age, sex, and address of the person from whom the specimen was obtained. . . ."

While it is clear the Veterans Administration cannot be compelled by the several States to comply with their statutory requirements to report matters of the types with which the Maryland and Arkansas statutes deal, the agency has, through the years, as a matter of policy, voluntarily filed reports of this nature.

Section 10 of Public No. 866, 76th Congress, October 17, 1940, first enacted a provision authorizing the Administrator of Veterans Affairs to "release information, statistics, or reports to individuals or organizations when, in his judgment, such release would serve a useful purpose." Identical language has since been reflected in the law and is now set out as 38 U.S.C. 3301(8). Since 1940, this authority has been utilized by the several Administrators on a number of occasions to release names and addresses of veterans and their survivors (and, of course, other information, statistics, and reports) when it was determined that the release "would serve a useful purpose."

In addition, through the years, the names and addresses of veterans, and their dependents, have been released in accordance with other enumerated exceptions to the basic confidentiality provision of 38 U.S.C. 3301, some of which are discretionary in nature while others are directive. This could have been done, for example, when required by process of a United States Court to be produced in any suit or proceeding therein pending (exception (2)); when required by any department or other agency of the United States Government (exception (3)); in all proceedings in the nature of an inquest into the mental competency of a claimant (exception (4)); when furnished to independent medical experts for purpose of obtaining an advisory opinion pursuant to 38 U.S.C. 4009 (exception (1)); and in any suit or other judicial proceeding when "in the judgment of the Administrator" the disclosure is deemed necessary and proper (exception (5)).

In 1972, the Congress (by section 412 of P.L. 92–540) revised the provisions of 38 U.S.C. 3301 to specifically provide that the "names and addresses of present or former personnel of the armed services, and their dependents, in the possession of the VA" shall be confidential and privileged, and to add an additional exception to such confidentiality, reading:

"(9) the Administrator may, pursuant to regulations he shall prescribe, release the names and addresses of present or former personnel of the armed services, and/or dependents to any non-profit organization but only if the release is directly connected with the conduct of programs and the utilization of benefits under this title. Any such organization or member thereof which uses such names and addresses for purposes other than those specified in this clause shall be fined not more than $500 in the case of a first offense, and not more than $5,000 in the case of subsequent offenses."

At the outset, it is apparent that the enactment of subsection 3301(9) in no way affects the authority of the Administrator to release "information, statistics, or reports" encompassed by 38 U.S.C. 3301 other than names and addresses. Moreover, under the doctrine of *ejusdem generis,* the new subsection 3301(9) has no effect on the release of names and addresses pursuant to those subsections of 38 U.S.C. 3301 which *direct* rather than *grant discretionary authority* to the Administrator to effect such release.

While the language added by P.L. 92–540 seems to be permissive in nature, i.e., "the Administrator *may, pursuant to regulations he shall prescribe,* release the names and addresses", it should be noted that at the same time the new subsection (9) was enacted, the Congress amended the basic paragraph of section 3301 to declare that names and addresses in the Veterans Administration's possession, generally, are confidential and privileged, and also limited whatever discretionary authority it was providing to the Administrator "to nonprofit organizations" and then only if the release satisfied certain specified criteria. This would seem to suggest that the Congress believed it was removing names and addresses from the Administrator's broad authority under 3301(8) and other discretionary exceptions to section 3301, and was identifying the only group to which the names and addresses could be released and the criteria governing such release. The comments of Chairman Hartke of the Senate Committee on Veterans' Affairs, on the Senate floor on October 13, 1972, during the consideration of the bill that was ultimately enacted as P.L. 92–540, add support to this conclusion. He stated, for example, that the Committee believed that "if the names are to be released *at all,* it should be done on a nondiscriminatory basis *to those who are working to aid the veteran in utilization of his benefits*", and "The names are not to be released to any commercial organization." This latter sentence suggests that the Administrator no longer has authority under section 3301 to release names and addresses to organizations for any commercial use.

Another compelling consideration is the establishment of criminal penalties for the use of the names and addresses by any organization (or member thereof) to whom they are released, for any purpose other than the conduct of programs or the utilization of benefits under title 38, United States Code. To conclude that the Administrator's discretionary authority under section 3301 continues to encompass names and addresses would negate the Congressionally prescribed criminal penalties merely by releasing the names and addresses to such organization under one of the other subsections rather than subsection 3301(9). Having seen fit to limit the release to nonprofit organizations and to specify fairly narrow purposes for which the released names and addresses may be used, and having prescribed criminal penalties for violation, we conclude that the Congress did not anticipate that the Administrator would continue to have authority to release names and addresses to other groups or individuals who do not meet the test prescribed, for purposes outside of those specified, and not subject to the criminal penalties established.

We recognize that the Congress could have resolved any doubts by amending subsection 3301(8) to specifically exclude it from application to names and addresses (assuming that was its intention). The Congress' failure to so amend subsection 3301(8) does not necessarily mean that that provision remains available for use with respect to names and addresses, since the Congress may have believed that having provided only one specific exception, that that was the only way the several provisions could be interpreted. A review of the legislative background of this amendment supports this interpretation.

In light of the foregoing, I conclude that 38 U.S.C. 3301(9), as enacted by P.L. 92–540, constitutes the Administrator's only discretionary authority for, and specifies the conditions governing, the release of names and addresses of present or former personnel of the armed services and/or dependents. This conclusion also applies to the release of a single name and/or address. To say that the restricted release provisions for names and addresses in subsection 3301(9) apply only to lists of names and addresses, which might be assumed from the Congressional discussion, would not change this interpretation since a list may consist of a single item (see Bouvier's Law Dictionary, citing 14 New Hampshire 85).

Held: Any names and addresses or any name or address of present or former personnel of the armed services, and/or dependents may only be released by the Veterans Administration in accordance with the provisions of 38 U.S.C. 3301(9), that is, to a nonprofit organization, and only if directly connected with the conduct of programs and the utilization of benefits under title 38. (As noted above, the conclusion reached in this opinion does not affect the mandatory exceptions to 38 U.S.C. 3301, i.e., (2), (3), and (4).)

Held further: While the Arkansas Department of Health and the Maryland Department of Motor Vehicles would meet the requirement of "nonprofit organization" in 38 U.S.C. 3301(9), it cannot be said that the release of names or addresses to such bodies would be directly connected with the conduct of programs or the utilization of benefits under title 38.

JOHN J. CORCORAN,
General Counsel.

NOTE: This opinion combines the opinions expressed in letters released to the Chief Attorney in Little Rock on June 24, 1974, and the Chief Attorney in Baltimore on June 27, 1974.

By Mr. BROCK:

S. 2859. A bill to authorize the Federal Energy Administration to enter into an agreement with the Tennessee Valley Authority to carry out an experimental rate design project. Referred jointly, by unanimous consent to the Committees on Commerce, Interior and Insular Affairs, and Public Works.

Mr. BROCK. Mr. President, the citizens of this Nation have been hard hit in the past few years by rapidly rising power rates. I am sure every Member of this body has been besieged by letters from constituents asking that something, anything, be done to halt the increase in monthly electric bills. Unfortunately, there are few immediate answers. We cannot "roll back" power rates. We cannot, in good conscience, devise whole new utility rate structures without some solid data on the results of such new rate structures. What we must do is get that data, test out various promising types of alternate rate structures, and see what works and what does not.

Some work in this area is already being done under the supervision of the Federal Energy Administration. A ripe area for further research into innovative rate structures is the Tennessee Valley Authority. This Federal Authority was intended to serve as a "yardstick" by which other utilities measure their rate structures. What better place to test these new forms of rate design than in a system designed to encourage just such innovation? TVA could serve as a model for the other utilities of the Nation by taking the lead in trying out rate design structures such as peak load, lifeline, and others.

Therefore, I am today introducing legislation to set up a TVA rate design pilot project to provide that TVA, in cooperation with the Federal Energy Administration, undertake a pilot program to study innovative rate structures and their potential for use in the Tennessee Valley and the rest of the Nation.

The study would be for a period of 3 years and would be for the purpose of determining: First, the efficiency and energy conservation resulting from peak load pricing; second, the efficiency and practicability of a lifeline rate as a means of providing a low cost block of power to low-income families; and third, the benefits in terms of lower rates or conservation from other types of rates that TVA, in consultation with FEA, might wish to test out.

Mr. President, the Tennessee Valley Authority offers an ideal laboratory for testing innovative rate structures. In cooperation with FEA, I am sure an excellent pilot program can be designed which will give TVA, and utilities across the Nation the information they need to adequately consider alternate rate structures. The cost will be a few hundred thousand dollars a year over a 3-year period. The savings to TVA customers could be many millions due to lower and/or more efficient rates. The savings to utility customers across the Nation could be many times that figure. Providing hard data on new rate structures may be one of the most important steps we can take to achieve energy independence for America, and relieve our citizens of the crushing burden of constantly increasing utility bills.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2859

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of the Federal Energy Administration is authorized and directed, by contract or other agreement, to enter into an arrangement with the Tennessee Valley Authority pursuant to which the Tennessee Valley Authority shall conduct, over a thirty-six month period, an experimental rate design pilot project for the purpose of determining—

(1) the economic efficiency and energy conservation resulting from peak load pricing;

(2) the efficiency and practicability of a lifeline rate as a means of providing a subsidized or low cost block of power to low income individuals; and

(3) the efficiency, conservation benefits, or practicability of such other methods of rate design as might, in the opinion of the Tennessee Valley Authority and the Federal Energy Administration, warrant further study.

SEC. 2. The Tennessee Valley Authority shall, within ninety days following the expiration of such project, report to the Congress the results of such project, together with the recommendations of the Tennessee Valley Authority.

SEC. 3. There is authorized to be appropriated such sum, not to exceed $750,000, as may be necessary to carry out the purposes of this Act.

Mr. MAGNUSON subsequently said: Mr. President, I ask unanimous consent that a bill introduced earlier today by the Senator from Tennessee (Mr. BROCK) to authorize the FEA to enter into an agreement with TVA to carry out an experimental rate design project, be referred jointly to the Committees on Commerce, Interior and Insular Affairs, and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. CHURCH (for himself and Mr. WILLIAMS):

S. 2860. A bill to amend title II of the Social Security Act to permit payment of benefits to divorced husbands and surviving divorced husbands in like manner as benefits thereunder presently are payable to divorced wives and surviving divorced wives, and to reduce from 20 to 15 years the number of years that a divorced spouse must have been married to an insured individual in order to be eligible for benefits on that individual's earnings record. Referred to the Committee on Finance.

IMPROVING SOCIAL SECURITY PROTECTION FOR ELDERLY WOMEN AND THEIR DEPENDENTS

Mr. CHURCH. Mr. President, on behalf of myself and the Senator from New Jersey (Mr. WILLIAMS), I introduce for appropriate reference, a bill to improve social security protection for elderly women and their dependents.

Last fall the Senate Committee on Aging's task force on Women and Social Security issued a comprehensive working paper on the treatment of women under Social Security.

Its findings and recommendations merit the close attention of the Congress and the general public, because:

Today a retirement income crisis affects millions of elderly women, and threatens to engulf many more.

Older women are nearly twice as likely to be poor as older men.

Nearly 2.3 million aged women live in poverty, or 18.3 percent of all elderly women.

Poverty among older men is significantly lower. About 1 million are now considered poor under Bureau of Census definitions, or 11.8 percent of all males in the 65-plus age category.

The task force emphasized that the social security system has not shortchanged aged and aging women beneficiaries. Quite to the contrary, it has helped to provide some protection for women workers against the long standing discriminatory employment pattern in our society.

One clear-cut example is that women receive a greater advantage from the weighted benefit formula because a substantially larger proportion work in low-paying employment.

However, the task force also stressed that there are a number of areas where social security protection can be improved for women and their dependents.

The proposal I now introduce is designed to implement three important recommendations of the task force.

DIVORCED HUSBAND'S BENEFITS

First, my bill would provide social security benefits for husbands and widowers who are divorced on the same basis as for wives and widows who are divorced.

Under existing law, benefits based on a retired, disabled, or deceased worker's earnings record are available for aged divorced wives and aged or disabled divorced widows, provided their marriages lasted for 20 consecutive years. But comparable protection is not provided for aged or disabled divorced husbands or widowers.

The net impact is that social security contributions made by women workers do not generate as much protection for their family members as the contributions of men.

My proposal would respond to this problem, and in a way to provide equality of treatment for divorced spouses under social security.

Sex, in my judgment, should not be the basis for variable treatment of persons under the Social Security Act.

This point was also made emphatically by the 1975 Social Security Advisory Council when it said:

> In general, the provisions of the social security law that are different for men and women should be made the same for both in a way that is consistent with the purpose and principles of the social security program.

DURATION OF MARRIAGE REQUIREMENT FOR DIVORCED SPOUSES

Second, my proposal would first, reduce the duration of marriage requirement from 20 to 15 years for a divorced wife or husband to qualify for benefits on the basis of the spouse's earnings record, and second, remove the consecutive years requirement.

As things now stand, a couple can have an interrupted marriage lasting for 25 years before it is ultimately dissolved. Yet, a spouse may not qualify for social security because the continuous marriage requirement is not fulfilled.

These changes, I strongly believe, are necessary to provide greater equity for divorced spouses.

The 20-year marriage requirement for a divorced spouse to qualify for benefits is unduly long. A 15-year requirement is much more reasonable.

Moreover, it would provide built-in protection against a situation where several divorced spouses could conceivably receive benefits on the earnings record of a single worker. A 10-year requirement, though, would greatly increase the likelihood of this possibility.

Finally, a 15-year duration of requirements would provide helpful protection for a spouse married for a long period of time who, in fact, suffered a loss of support. In most cases, the likelihood of these individuals remarrying or finding new employment is considerably less than a younger divorcee or one married for 10 years.

REMOVE DEPENDENCY REQUIREMENT FOR HUSBANDS AND WIDOWERS

My bill would also remove the dependency requirement for husbands and widowers to receive benefits on the basis of a wife's earnings record.

Under present law, a husband or widower must prove that he was receiving at least one-half of his support from his wife when she retired, died, or became disabled. However, this requirement does not exist for women to receive a wife's or widow's benefit on her husband's earnings.

This is another example of a woman's contributions to the social security system not generating as much in benefits for family members as those made by a man.

It seems to me that there should be equality of treatment between males and females, whether they be workers or dependents. Social security compensates for earnings loss. And, it should recognize the earnings loss of the woman, regardless of the part the earnings play in family income.

Moreover, at least four Federal district court cases—Goldfarb against Secretary of Health, Education, and Welfare; Coffin against Secretary of Health, Education, and Welfare; and Jablon against Weinberger—have held that the support requirement for widowers and husbands to receive social security benefits violates the Constitution.

This, of course, is not a final pronouncement on the constitutionality of the provision. But the policy reasons are so overriding, I believe that this change should be made now.

Mr. President, I urge the adoption of this bill, and I ask unanimous consent that it be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2860

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) section 202(c)(1) of the Social Security Act is amended, in the matter preceding clause (A) thereof, by—

(A) inserting "and every divorced husband (as defined in section 216(d))" immediately after "husband (as defined in section 216(f))", and

(B) inserting "or such divorced husband" immediately after "if such husband".

(2) Section 202(c)(1)(C) of such Act is amended to read as follows:

"(C) in the case of a divorced husband, is not married, and".

(3) Section 202(c)(1) of such Act is further amended by striking out the matter following clause (D) and inserting in lieu thereof the following: "shall (subject to subsection (s)) be entitled to a husband's insurance benefit for each month beginning with the first month in which he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs—

"(E) he dies,

"(F) such individual dies,

"(G) in the case of a husband, they are divorced and either (i) he has not attained age 62, or (ii) he has attained age 62 but has not been married to such individual for not less than 15 years (whether consecutive or otherwise) before the date the divorce becomes effective,

"(H) in the case of a divorced husband, he marries a person other than such individual,

"(I) he becomes entitled to an old-age or disability insurance benefit based on a primary insurance amount which is equal to or exceeds one-half of the primary insurance amount of such individual, or

"(J) such individual is not entitled to disability insurance benefits and is not entitled to old-age insurance benefits.".

(4) Section 202(c)(2) of such Act is amended to read as follows:

"(2) In the case of any divorced husband who marries—

"(A) an individual entitled to benefits under subsection (b), (e), or (h) of this section, or

"(B) an individual who has attained the age of 18 and is entitled to benefits under subsection (d),

such divorced husband's entitlement to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) (but subject to subsection (s)), not be terminated by reason of such marriage; except that, in the case of such a marriage to an individual entitled to benefits under subsection (d), the preceding provisions of this paragraph shall not apply with respect to benefits for months after the last month for which such individual is entitled to such benefits under subsection (d) unless she ceases to be so entitled by reason of her death.".

(5) Subsection 202(c)(3) of such Act is amended by inserting "(or, in the case of a divorced husband, his former wife)" immediately after "of his wife".

(b)(1) Section 216(d)(1) of such Act is amended by adding at the end thereof the following new sentence: "The term 'divorced husband' means a man divorced from an individual, but only if he has been married to such individual for not less than 15 years (whether consecutive or otherwise) before the date the divorce became effective.".

(2) The heading of section 216(d) of such Act is amended by inserting "and Husbands" immediately after "Wives".

(c) Section 202(p)(1) of such Act is amended by striking out "subparagraph (C) of subsection (c)(1),".

(d) Section 202(s)(3) of such Act is amended by striking out "Subsections (c)(2)(B) and" and inserting in lieu thereof "Subsection".

(e) The second sentence of section 205(b) of such Act is amended by inserting "divorced husband," after "husband,".

(f) Section 222(b)(3) of such Act is amended by inserting "divorced husband," immediately after "husband,".

(g) Section 202(b)(3)(A) of such Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(c), (f), or (h)".

Sec. 2. (a)(1) Section 202(f)(1) of such Act is amended, in the matter preceding clause (A) thereof, by—

(A) inserting "and every surviving divorced husband (as defined in section 216(h))" immediately after "widower (as defined in section 216(d))", and

(B) inserting "or such surviving divorced husband" immediately after "if such widower".

(2) Section 202(f)(1)(A) of such Act is amended by striking out "has not remarried" and inserting in lieu thereof "is not married".

(3) Section 202(f)(1) of such Act is further amended by striking out clause (D) thereof and redesignating clauses (E), (F), and (G) thereof, as clauses (D), (E), and (F), respectively.

(4) Section 202(f) of such Act is further amended by striking out paragraph (2) thereof, and by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively.

(5) (A) Section 202(f) (1) (B) of such Act is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

(B) The clause of section 202(f) (1) of such Act which is redesignated as clause (F) by paragraph (3) of this subsection is amended by striking out "paragraph (7)" and inserting in lieu thereof "paragraph (6)", and by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

(C) Clause (A) of the paragraph of section 202(f) of such Act which is redesignated as paragraph (2) by paragraph (4) of this subsection is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (4)".

(D) The paragraph of section 202(f) of such Act which is redesignated as paragraph (4) by paragraph (4) of this subsection is amended by striking out "paragraph (4)" and inserting in lieu thereof "paragraph (3)" and by striking out "paragraph (3)" and inserting in lieu thereof "paragraph (2)".

(E) The paragraph of section 202(f) of such Act which is redesignated as paragraph (6) by paragraph (4) of this subsection is amended by striking out "paragraph (1) (G)" and inserting in lieu thereof "paragraph (1) (F)", and by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

(6) (A) Section 202(f) of such Act is further amended by inserting "or surviving divorced husband" immediately after "widower" each place it appears in paragraphs (2) (B), (3), (5), and (6) (as such paragraphs are redesignated by paragraph (4) of this subsection).

(B) Section 202(f) (3) of such Act (as redesignated by paragraph (4) of this subsection) is amended by inserting "or surviving divorced husband" immediately after "widower's".

(b) Section 216(d) (2) of such Act is amended by adding at the end thereof the following new sentence: "The term 'surviving divorced husband' means a man divorced from an individual who has died, but only if he had been married to such individual for not less than 15 years (whether consecutive or otherwise) before the date the divorce became effective.".

(c) (1) (A) Section 202(q) (3) (E) of such Act is amended, in the matter preceding clause (i) thereof, by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(B) Section 202(q) (3) (F) of such Act is amended, in the matter preceding clause (i) thereof, by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(C) Section 202(q) (3) (G) of such Act is amended by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(e) Section 202(k) of such Act is amended—

(1) by striking out "or (f) (5)" wherever it appears in paragraphs (2) (B) and (3) (B) and inserting in lieu thereof in each instance "or (f) (4)", and

(2) by striking out "or (f) (3)" in paragraph (3) (A) and inserting in lieu thereof "or (f) (2)".

(f) Section 202(p) (1) of such Act is amended by striking out "clause (i) or (ii) of subparagraph (D) of subsection (f) (1), or".

(g) (1) Section 202(s) (2) of such Act is amended by striking out "(f) (4)" and inserting in lieu thereof "(f) (3)".

(2) Section 202(s) (3) of such Act (as amended by subsection (d) of the first section of this Act) is further amended by striking out "Subsection (f) (2) (B) of this section, so" and inserting in lieu thereof "So".

(h) The second sentence of section 205(b) of such Act is amended by inserting "surviving divorced husband," after "widower,".

(i) (1) The first sentence of section 222(b) (1) of such Act is amended by striking out "or surviving divorced wife" and inserting in lieu thereof ", surviving divorced wife, or surviving divorced husband".

(2) Section 222(d) (1) of such Act is amended by inserting "and surviving divorced husbands" immediately after "for widowers".

(3) Section 223(d) (2) of such Act is amended by striking out "or widower" in subparagraphs (A) and (B) and inserting in lieu thereof "widower, or surviving divorced husband".

(j) The first sentence of section 225 of such Act is amended by inserting "or surviving divorced husband" immediately after "a widower".

(k) Section 202(e) (3) (A) of such Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(c), (f), or (h)".

SEC. 3. (a) Section 202(b) (1) (G) of the Social Security Act is amended by striking out "for a period of 20 years immediately" and inserting in lieu thereof "for not less than 15 years (whether consecutive or otherwise)".

(b) (1) The first sentence of section 216 (d) (1) of such Act is amended by striking out "for a period of 20 years immediately" and inserting in lieu thereof "for not less than 15 years (whether consecutive or otherwise)".

(2) The first sentence of section 216(d) (2) of such Act is amended by striking out "for a period of 20 years immediately" and inserting in lieu thereof "for not less than 15 years (whether consecutive or otherwise)".

SEC. 4. The amendments made by this Act shall apply with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted, on the basis of applications filed in or after the month in which this Act is enacted.

Mr. WILLIAMS. Mr. President, I am most pleased to join the Senator from Idaho (Mr. CHURCH) in introducing legislation which corrects several longstanding inequities in the treatment of women and their dependents under social security. These proposals are based on several of the findings and recommendations of the Senate Aging Committee's Task Force on Women and Social Security.

The goal of these amendments is to make the social security system as free as possible of unfairness to women. Despite past efforts to make the System equitable, sex discrimination under social security still exists. This timely legislation of special importance to both women and men seeks to improve social security by recognizing the changing role of women in today's society.

Times have changed drastically over the past quarter century, particularly the growing role of working women. And there is every indication that this trend will continue for the foreseeable future. Accordingly, it is important that the social security laws be amended to reflect these changes in society.

The bill being introduced today would make these changes in the social security law:

Husbands or widowers who are divorced would be treated on the same basis as wives and widows who are divorced. Under present law, aged divorced wives and aged or disabled divorced widows are provided benefits based on a retired disabled, or deceased worker's earnings record. Equal benefits would now apply for husbands or widowers.

Second, it would reduce from 20 consecutive years to 15 years the marriage requirement for a husband or wife to qualify for a spouse's benefits. This change would reduce both the extremely long eligibility requirement and remove the consecutive years requirement. I believe these modifications would provide more reasonable eligibility criteria.

A third provision would eliminate the dependency requirement for entitlement to husbands and widowers social security benefits. If a husband covered by social security dies, his wife is presumed eligible for benefits even if she is working, and has always worked. But if a working woman covered by social security dies or is disabled, under present law, the husband must prove his dependency. This bill would drop the dependency requirement and make the law apply equally to men and women.

Mr. President, it has become evident that, compared to a husband, a wife's contributions to social security purchase less in terms of dependent benefits. The legislation being offered today is a step toward eliminating discrimination on the basis of sex in social security.

It is time to amend these unjust regulations which affect over 30 million working women in America. These certainly deserve the same rights and protection for their dependents as working men.

By Mr. HUMPHREY:

S. 2861. A bill to require the Congressional Joint Economic Committee and the Council of Economic Advisers to prepare inflation impact statements in connection with legislation reported by congressional committees and in connection with rules and regulations proposed by Federal agencies. Referred to the Committee on Government Operations.

INFLATION IMPACT ACT OF 1976

Mr. HUMPHREY. Mr. President, we are seemingly unable to reduce our rate of inflation to a tolerable level. Despite an average 8.5 percent unemployment rate this past year, inflation still averaged above 7 percent—a frankly unacceptable level.

Even the administration expects little or no reduction in that rate in 1976.

In short, we are now in the midst of our most sustained period of inflation since the late 1940's.

The cost of goods and services, of producer goods and of consumer and household products, continues to climb despite the recession which we were all told was guaranteed to put an end to inflation. There is little confidence in the administration's ability to lead us out of our economic morass.

Our inflation is due to a variety of factors, including, foremost, increases in corporate prices in an effort to restore battered profit margins.

Looking to the future, there are several important specific steps which the Government should and must take to reduce both unemployment and the rate of inflation. But, at the same time, we must give serious attention to fundamental, structural changes in the methods Congress and the Federal agencies use in making decisions affecting prices and the rate of inflation.

For two centuries, Congress and the Federal regulatory agencies have made far-reaching decisions largely within an inflationary impact vacuum. In evaluating proposed legislation, or executive branch rules and regulations, attention has been given in most cases only to the likely impact on short-run Government costs, on the budget, and on the industry or sector directly affected. We frequently have had situations in which the probable impact on prices, of import controls or of regulations governing transportation rates, for example, was ignored.

The fact is that Congress and the Federal regulatory agencies must have a professional, sound, comprehensive evaluation of the likely inflation, employment and production impact of their significant decisions. The regulatory authorities now receive economic evaluations pertaining largely, if not only, to the specific industry involved. Likewise, Congress is now and will be receiving sound but limited economic information on legislation from the standing committees and the newly established Budget Committees.

Congress and the regulatory agencies must know, to the extent possible, the long-run inflationary and employment impact of all our decisions well in advance of making them. Too many decisions over the years have been based on a penny-wise but pound-foolish economic rationale, decisions like those restricting the antitrust budget in the Justice Department or the Federal Trade Commission. Because Government has not spent a modest additional amount in those areas in the past, consumers today are paying an estimated $80 billion in price overcharges due to anticompetitive business practices.

To rectify this gap in the decisionmaking process of Congress and the regulatory agencies, I am now proposing that for the first time, the Congress adopt a formal procedure requiring inflation impact statements for legislation that is reported to the floor and for rules and regulations of Federal agencies.

Today, I am introducing such a proposal, the Inflation Impact Act of 1976. It requires, in regard to legislation, that the Congressional Joint Economic Committee prepare an impact statement for each bill, joint resolution, and amendment reported or offered on the floor of either body of Congress. These statements will include an analysis of the direct and indirect short- and long-term effects of the legislation, including its impact on production, employment, inflation, and real income. Also, they will evaluate potential savings or direct budgetary costs and shall cover the first year and the 5 succeeding years following enactment of the legislation.

The Inflation Impact Act of 1976 also requires the Council of Economic Advisers to prepare a similar statement for each proposed rule or regulation of a Federal agency. This will enable the Congress to gain a firmer grip over the Federal regulatory agencies it has established.

Their proposed rules or regulations must be evaluated before they are promulgated—something Congress has not done in the entire history of these agencies. At least 30 days before a proposed rule or regulation becomes effective, the Council must distribute an impact statement to all Congressmen which, in addition to those items already noted, must contain an analysis of the rule or regulation's impact on the fiscal integrity of State and local governments, on major industrial sectors of the economy, on employment by industry, trade sectors, and regions, on the availability of goods and services, on low- and middle-income families, on competition, and on small business.

This is quite an undertaking, but the Council will be given some discretion in the depth of the analysis it will undertake. Both the committee and the Council will, incidentally, be able to call upon any Federal agency or department for assistance in preparing these inflation impact statements.

Most important, in my view, is the requirement that proposed legislation, Federal rules and regulations be evaluated in terms of whether they further the objectives set forth by the Employment Act of 1946. This act, as you know, proclaimed as a continuing policy of the Federal Government the promotion of maximum employment, production, and purchasing power. We are failing to meet this obligation today. But with the aid of the Inflation Impact Act of 1976, the Congress will be in better position in the future to see that we meet this obligation.

Mr. President, I ask unanimous consent that the Economic Impact Act of 1976 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2861

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. That this Act may be cited as the "Inflation Impact Act of 1976".

Sec. 2. The Congress finds that—

(1) Federal legislation has a direct impact on the level of prices, the rate of inflation, employment and production.

(2) rules and regulations promulgated by Federal agencies, under authority granted by Congress, have a direct impact on the levels of employment, production, and inflation;

(3) the Congress declared in the Employment Act of 1946 that it is the continuing policy of the Federal Government to promote "maximum employment, production, and purchasing power", yet Americans are facing severe unemployment, falling production, and severe inflation simultaneously; and

(4) it is imperative that the Congress be informed in advance of the economic impact on prices, on real purchasing power, on employment and on production of any program or policy which comes before it or which is proposed for consideration by any Federal agency so that the total economic impact can be evaluated in relation to the objectives set forth in the Employment Act of 1946.

PURPOSE

Sec. 3. The Congress declares that it is the policy of the United States and the purpose of this Act to require Inflation Impact Statements in connection with legislation reported by Congressional Committees and in connection with rules and regulations proposed by Federal agencies.

DEFINITION

Sec. 4. (a) The term, "Committee" means the Congressional Joint Economic Committee.

(b) The term, "Council" refers to the Council of Economic Advisers.

(c) The term, "Federal agency" means an agency as defined in section 551 (1) of title 5, United States Code.

INFLATION IMPACT STATEMENTS

Sec. 5. (a) Duties of the Committee—

The Committee shall, to the extent practicable, prepare an inflation impact statement for each bill or joint resolution which has been reported in the Senate or House of Representatives, and for each amendment proposed on the floor of the Senate or the House of Representatives.

Such statements shall—

(1) be appended as a part of each such bill, joint resolution, or amendment, when it is printed;

(2) contain an analysis of the direct and indirect short- and long-term effects of the bill, joint resolution, or amendment, on the rate of inflation, including its impact on real income, on the level of employment and on production;

(3) contain an analysis of the direct and indirect costs likely to be incurred, or the direct and indirect savings likely to be achieved, in the Budget in carrying out the bill, joint resolution, or amendment;

(4) cover the fiscal year in which it is reported and each of the five fiscal years following such fiscal year (or for the authorized duration of any program or policy authorized by the bill, joint resolution, or amendment, if less than five years).

(b) Duties of the Council—

The Chairman of the Council shall, to the extent practicable, prepare an inflation impact statement for each rule or regulation proposed by any Federal agency. Such statements shall—

(1) be appended as a part of each such proposed rule or regulation, and distributed to each Member of Congress;

(2) contain an analysis of the direct and indirect short- and long-term effects of the proposed rule or regulation on the rate of inflation, including its impact on real income, on the level of employment, and on production;

(3) contain an analysis of the direct and indirect costs likely to be incurred, or the direct and indirect savings likely to be achieved, in the budget in carrying out the bill, joint resolution, or amendment, or proposed rule or regulation; and

(4) cover the fiscal year in which it is proposed and each of the five fiscal years following each fiscal year (or for the authorized duration of any program or policy authorized by the proposed rule or regulation, if less than five years).

(c) In carrying out the provisions of subsection (b) as they apply to a proposed rule or regulation of a Federal agency, the chairman shall, to the greatest extent practicable, insure that the inflation impact statement includes an analysis of the effect on—

"(1) the fiscal integrity of State and local governments;

"(2) major industrial sectors of the economy;

"(3) employment, by industrial and trade sectors, as well as on a regional, State, and local basis;

"(4) the overall economic viability of regional, State, and local areas;

"(5) the availability of consumer goods and services;

"(6) low and middle income families, as defined by the Bureau of Labor Statistcs;

"(7) competition in all sectors of industry and commerce and

"(8) small business."

(d) Such inflation impact statement shall be distributed as soon as possible after such rule or regulation is proposed, and not later than 30 days before it is to become effective.

(e) Each federal agency shall provide all necessary assistance to the Committee and the Chairman of the Council to enable them to carry out their functions and duties pursuant to subsections (a) and (b).

AUTHORIZATION FOR APPROPRIATION

SEC. 6. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this legislation.

By Mr. RANDOLPH:

S.J. Res. 158. A joint resolution to provide for the designation of the second full calendar week in March 1976 as National Employ the Older Worker Week. Referred to the Committee on the Judiciary.

NATIONAL EMPLOY THE OLDER WORKER WEEK

Mr. RANDOLPH. Mr. President, I introduce for appropriate reference, a joint resolution to designate the second full week in March as National Employ the Older Worker Week.

Today many false stereotypes exist about older workers.

The net impact is that an increasing number of these persons are discovering that advancing age is a serious barrier to job opportunities.

With our unacceptably high level of unemployment, these problems are intensifying for persons 45 and above.

Too often, they are the first to be fired and the last to be hired.

Unemployment frequently produces a double adverse impact for them—not only do they lose their jobs at a time when their financial responsibilities are the greatest, but thousands will also lose their pension coverage as well.

Over the years the American Legion has designated a particular week during each year as Employ the Older Worker Week.

The purpose is to call national attention to the advantages of hiring middle-aged and older workers. The American Legion also presents awards to employers demonstrating outstanding leadership in hiring older Americans.

These efforts have been effective in promoting job opportunities for mature workers. I commend the American Legion for its leadership in this vital area.

I strongly believe that these activities should be continued and expanded. The resolution I introduce is designed to achieve this objective.

My proposal would designate the second full week in March as National Employ the Older Worker Week.

This action would help to encourage the private and public sectors to observe this week with appropriate activities and programs to encourage employment opportunities for older workers.

Educational efforts are needed now to inform the public about the true work capabilities of persons in their forties, fifties, and above.

Several studies have made it abundantly clear that older workers perform as well on the job as their younger counterparts, and in some cases noticeably better.

Mature workers, for example, are less likely to change jobs than younger persons.

They are less likely to be absent from work for trivial reasons.

Their productivity compares very favorably with younger Americans.

This resolution takes on added importance, because nearly 1.6 million persons in the 45-plus age category are unemployed. During the past 2 years, joblessness for middle-aged and older workers has increased by 88 percent.

No nation can hope to achieve its full potential if some of its most experienced and productive citizens are forced to the sidelines.

Much more can be gained through a comprehensive effort to maximize job opportunities for all workers—the young as well as the old.

This resolution would help to create a more favorable climate for the employment of mature workers and complement our Nation's efforts to develop new job opportunities for younger workers.

Both goals are clearly obtainable. What is needed is a sense of commitment.

Mr. President, I urge early approval of this resolution and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 158

Resolved by the Senate and House of Representatives of the United States in America assembled, That the President is authorized and requested to issue a proclamation designating the second full calendar week in March of 1976 as "National Employ the Older Worker Week," and calling upon employer and employee organizations officially concerned with employment, and upon all the people of the United States to observe such week with appropriate ceremonies, activities, and programs designed to promote employment opportunities for older workers.

By Mr. THURMOND:

S.J. Res. 159. A joint resolution to authorize and request the President to issue a proclamation designating October 8, 1976, as National Chess Day. Referred to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, today I am introducing a joint resolution to authorize and request the President to issue a proclamation designating October 8, 1976, as National Chess Day. I believe a National Chess Day is appropriate for two main reasons. First, a recent Harris poll indicated that over 30 million Americans play chess. This is more than golf and tennis together. Second, ours is the only major nation in the world that has not honored this great game with even so much as the issuance of a postage stamp.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 17

At the request of Mr. DOLE, the Senator from Arizona (Mr. FANNIN) and the Senator from Iowa (Mr. CLARK) were added as cosponsors of S. 17, a bill exempting highway motor vehicles used exclusively in soil and water conservation work from the highway use tax.

S. 337

At the request of Mr. CRANSTON, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 337, for the relief of Viola J. Stewart, Louis Souby, Jane Robertson, and Norma Jean Ridgeway.

S. 1223

At the request of Mr. BAYH, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1223, a bill to discourage the use of painful devices in the trapping of wild and domestic mammals and birds.

S. 1329

At the request of Mr. PROXMIRE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 1329, a bill to prohibit Federal employees from seeking or accepting certain employment.

S. 1379

At the request of Mr. FANNIN, the Senator from North Carolina (Mr. MORGAN) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 1379, a bill to provide tax incentives for solar heating and cooling equipment.

S. 1625

At the request of Mr. PACKWOOD, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1625, a bill to extend and revise the State and Local Fiscal Assistance Act of 1972.

S. 2250

At the request of Mr. MONDALE, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of S. 2250, the Family Research Act of 1975.

S. 2409

At the request of Mr. BENTSEN, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 2409, a bill to require committee reports on legislation to contain certain statements.

S. 2427

At the request of Mr. HELMS, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 2427, a bill to amend the National Science Foundation Act of 1950.

S. 2443

At the request of Mr. MOSS, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 2443, the Government Forms Justification Amendments of 1975.

S. 2446

At the request of Mr. CHURCH, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 2446, a bill to amend the Social Security Act to freeze medicare deductibles.

S. 2621

At the request of Mr. NELSON, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 2621, a bill to amend the Federal Food, Drug, and Cosmetic Act.

S. 2677

At the request of Mr. BIDEN, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 2677, the Regulatory Agency Responsibility Act.

S. 2813

At the request of Mr. ROBERT C. BYRD, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 2813, a bill making it a Federal crime to vandalize radio or TV facilities.

S. 2819

At the request of Mr. NELSON, the Senator from Wyoming (Mr. MCGEE), the Senator from Georgia (Mr. NUNN), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. 2819, the Small Business Estate and Gift Tax Reform Act.

S. 2822

At the request of Mr. KENNEDY, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 2822, a bill to extend the provisions of the Rehabilitation Act of 1973.

SENATE RESOLUTION 291

At the request of Mr. BEALL, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of Senate Resolution 291, clarifying the intent of Congress regarding the regulation of pay cable television.

SENATE RESOLUTION 306

At the request of Mr. NELSON, the Senator from Georgia (Mr. NUNN) and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of Senate Resolution 306, designating an expert on long-range tax simplification and tax reform for small business.

SENATE JOINT RESOLUTION 127

At the request of Mr. BAYH, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Joint Resolution 127, to restore posthumously full rights of citizenship to Eugene Victor Debs.

SENATE RESOLUTION 348—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL COPIES OF A COMMITTEE PRINT

(Referred to the Committee on Rules and Administration.)

Mr. BAYH submitted the following resolution:

Resolved, That there be printed for the use of the Committee on the Judiciary five thousand additional copies of its Committee print entitled "Our Nation's Schools—A Report Card: 'A' in School Violence and Vandalism," a preliminary report of the Subcommittee to Investigate Juvenile Delinquency.

AMENDMENTS SUBMITTED FOR PRINTING

FISHERIES MANAGEMENT AND CONSERVATION ACT—S. 961

AMENDMENT NO. 1329

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to amendment No. 900, intended to be proposed to the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

NOTICE OF HEARINGS ON FEDERAL COAL LEASING PROGRAM

Mr. METCALF. Mr. President, on February 3 the Subcommittee on Minerals, Materials, and Fuels will hold an oversight hearing on the Department of the Interior's Federal coal leasing program. We have asked Secretary Kleppe to brief us on all current and proposed actions related to coal leasing including: First, plans for implementation of EMARS energy mineral activity recommendation system; second, the proposed regulations on "diligent development" third, the proposed strip mining regulations, fourth, the proposed coal preference right lease regulations; and fifth, the impact of Sierra Club against Kleppe on any coal leasing program.

Sixteen billion tons of Federal coal are currently under lease. Preference right lease applications are pending for another 12 billion tons. Many other applications are pending. It appears that large-scale leasing may take place this year despite the fact that President Ford has twice vetoed the surface mining bill, and that the Department's proposed regulations are ridiculously weak.

Both the Senate and House have approved bills (S. 391 and H.R. 6721) to revise the Federal coal leasing laws. The Senate bill contains vitally needed statutory standards for surface mining of Federal coal. There must be such standards prior to further coal leasing so that our priceless public lands will be protected.

It is appropriate at this time for Congress to review the current situation with Federal officials who bear the most direct and inescapable responsibility for management and conservation of these resources. We have therefore also invited the Administrator of the Environmental Protection Agency and the Chairman of the Council on Environmental Quality to testify.

The hearing will begin at 10 a.m. in room 3110, Dirksen Senate Office Building. For further information call D. Michael Harvey, Deputy Chief Counsel of the Committee on Interior and Insular Affairs at 224–1076.

ANNOUNCEMENT OF HEARINGS ON ECONOMIC PROBLEMS OF SMALL BUSINESSES, FISHERIES, AND FARMS IN THE CENTRAL GULF

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold public hearings on the current economic problems of small businesses, fisheries and farms on February 6, 1976, in courtroom 207, U.S. Courthouse, St. Louis and St. Joseph Streets, Mobile, Ala., from 1:30 p.m. to 4:30 p.m.

Cochairing the hearings will be the Senator from Alabama (Mr. SPARKMAN) and the Senator from Maine (Mr. HATHAWAY).

Further information on the hearings can be obtained from the offices of the committee, 424 Russell Office Building, telephone 224–5175.

NOTICE OF HEARING

Mr. JOHNSTON. Mr. President, I wish to announce, for the information of the Senate and the public, the scheduling of public hearings before the Parks and Recreation Subcommittee of the Senate Interior and Insular Affairs Committee.

The hearings will be held in room 3110 of the Dirksen Senate Office Building and will commence at 10 a.m. on the respective dates.

On February 5, testimony is invited on S. 885 and S. 1096, to designate certain lands in the Shenandoah National Park, Va., as wilderness.

On February 19, testimony is invited on S. 1085 and S. 1675, to designate certain lands in the Isle Royale National Park, Mich., as wilderness; S. 731 and S. 1069, to designate certain lands in the Bandelier National Monument, N. Mex., as wilderness; and S. 1068, to designate certain lands in the Badlands National Monument, S. Dak., as wilderness.

On February 24, testimony is invited on S. 2561, to establish the Potomac River Historical Area in the States of Maryland, Virginia, and West Virginia, and for other purposes.

On March 2, testimony is invited on S. 72 and S. 1092, to designate certain lands in the Pinnacles National Monument, Calif., as wilderness; S. 1093 and S. 2472, to designate certain lands in the Point Reyes National Seashore, Calif., as wilderness; and S. 97 and S. 1099, to designate certain lands in the Yosemite National Park, in Calif., as wilderness.

For further information regarding the hearings, you may wish to contact Mr. James Beirne, of the subcommittee staff on extension 47145. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Parks and Recreation Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

NOTICE OF FISCAL YEAR 1977 NASA AUTHORIZATION HEARINGS

Mr. MOSS. Mr. President, I wish to announce that the Committee on Aeronautical and Space Sciences will conduct 7 days of hearings on the fiscal year 1977 authorization request for the National Aeronautics and Space Administration beginning on Monday, January 26. Hearings will continue on January 27, February 3, February 5, February 17, February 24, and March 3 receiving testimony from witnesses from the National Aeronautics and Space Administration, the Energy Research and Development Administration, the Department of Interior, the Department of Agriculture, the National Oceanographic and Atmospheric Administration and the Department of Defense.

SECRETARY BUTZ TO TESTIFY ON U.S. FOREIGN AGRICULTURAL POLICY—NOTICE OF HEARINGS

Mr. HUMPHREY. Mr. President, recent U.S. foreign agricultural policy decisions demonstrate that our present food policymaking mechanism is inadequate.

U.S. foreign food policy is little more than the haphazard and ad hoc product of the prevailing political interests. In the absence of an explicit national food policy, food and agricultural decisions will continue to be shaped by the forces of the moment. Frequently, these forces are not in the long-term interest of the Nation and, as we have seen, many inflict hardship on specific groups of people or sectors of our economy.

We cannot have a separate policy for grain producers and another for livestock, dairy and poultry producers. Nor can we afford to have just an agricultural policy, or a consumer policy, or a trade policy. We must have a policy which interrelates and balances all of these elements. And we must have a context within which these complex interrelationships can be balanced and weighed. We have the capability—but lack the machinery to "put all the elements together."

If we are to avoid future crises, we need to develop a process or rules which provide for a balance of the interests affected. These rules need to be made clear beforehand rather than waiting for the next crisis to come along.

In this regard, I intend to conduct a comprehensive review of the present process of decisionmaking in the area of foreign agricultural policy in order to improve the coordination of that policy.

As a first step in this process, I have called 2 days of hearings to look at the adequacy of the present mechanism for making foreign agricultural policy decisions.

The hearing will begin at 10 a.m., on both days and will be held in room 324, of the Russell Senate Office Building. Testifying before the Subcommittee on Foreign Agricultural Policy will be:

ON THURSDAY, JANUARY 22

Hon. Earl L. Butz, Secretary of Agriculture; Hon. Charles W. Robinson, Under Secretary of State; and Hon. Clayton K. Yeutter, Deputy Special Representative for Trade Negotiations.

ON FRIDAY, JANUARY 23

Mr. Edward W. Cook, chairman, Cook Industries, Inc.; Mr. Oren Lee Staley, president, National Farmers Organization; Mr. Tony Dechant, president, National Farmers Union; Mr. Joseph Halow, executive vice president, Great Plains Wheat; Mr. Rodney E. Leonard, executive director of Community Nutrition Institute; and Hon. Gary L. Seevers, Commissioner, Commodity Futures Trading Commission.

NOTICE OF HEARINGS ON JUDICIAL TENURE ACT

Mr. BURDICK. Mr. President, I wish to announce that open public hearings will be held by the Subcommittee on Improvements in Judicial Machinery on S. 1110, the so-called Judicial Tenure Act, a bill to establish a procedure, in addition to impeachment, for the retirement or the removal of justices and judges. The first 2 days of hearings will be held on February 18 and 19 in room 6202, Dirksen Senate Office Building commencing at 10 a.m.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the subcommittee office, 6306 Dirksen Senate Office Building, telephone 224-3618.

NOTICE OF HEARINGS ON REPORTING BURDENS OF SMALL PENSION PLANS

Mr. NELSON. Mr. President, I wish to announce that a public hearing will be held on the burdens imposed on small businesses in reporting and otherwise complying with the Employee Retirement Income Security Act of 1975—ERISA.

These will be joint hearings of the Senate Small Business Committee and the Financial Markets and Private Pensions Subcommittees of the Senate Finance Committee.

BACKGROUND

About 98 percent of all retirement plans have less than 100 participants, and approximately 93 percent of the plans have 25 or less participants. When Congress considered this landmark legislation, it envisioned that there should be lesser compliance burdens for smaller plans and enacted section 110 of the act to permit such simplified reporting.

Nevertheless, the form proposed for the collection of basic information about smaller plans—the EBS-1 form—was 16 pages long when first proposed and the draft annual report—Form 5500—extended to 5½ pages, plus certain exhibits.

Later, a requirement for an accountant's opinion extending beyond normal audit boundaries was announced to the public.

In testimony before a joint session of the Senate Small Business Committee and the Financial Markets Subcommittee of the Senate Finance Committee, witnesses complained that the costs of administration of smaller pension plans under ERISA would be double or triple those under the previous law. (See "Cost of Administering Pension Plans of 10 Small Corporations," statement of Bruce G. Fielding, "Small Business Tax Reform, part 2," page 1138, at page 1150.)

The committee has heard reports that many small business owners were considering termination of their pension plans because of such problems.

In an effort to respond, I joined with Senator Bentsen in introducing a bill in mid-1975 (S. 2344) which would mandate the more simplified pension reporting for smaller plans which Congress authorized in section 110.

LETTER REQUESTS SIMPLIFICATION OF PROPOSED FORMS

Because of the urgency of these matters, a joint letter from Senator LONG, chairman of the Senate Finance Committee, Senator BENTSEN, chairman of the Financial Markets Subcommittee, and myself, was sent to the Department of Labor and the IRS on November 18, 1975, asking that the proposed forms be shortened and simplified; that the requirement for an auditor's opinion be modified for smaller plans; and that several short notice provisions of the proposed regulations be mitigated.

I ask unanimous consent that the letter be printed in the RECORD at the conclusion of my remarks for the information of all concerned.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

RESPONSE BY DEPARTMENT OF LABOR AND IRS

Mr. NELSON. We are pleased to report to the Senate that some results of these efforts are already evident. Just before Christmas, the Department of Labor confirmed that the EBS-1 form would be reduced from 16 to 6 pages and that the joint form 5500 would be cut from 5½ to 2 pages. The requirement for an auditor's opinion, the Department announced, would also be waived for smaller plans. For information purposes, I ask unanimous consent that the press release of the Department of Labor on this subject also be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

OBJECTIVES OF HEARINGS

Mr. NELSON. While the agencies concerned are in the process of finalizing their forms and regulations on this subject, the committees concerned felt it desirable to hold a public hearing to monitor their efforts. We hope to learn the extent to which shortening of the forms has resolved the cost, time, and other reporting burdens of smaller plans, and whether legislation such as S. 2344 is desirable. We also want to know whether serious compliance problems continue to exist for smaller retirement plans under ERISA, and whether, as a result, terminations are in fact taking place in significant numbers.

The witnesses for the hearings will be as follows:

Department of Labor: James D. Hutchinson, Administrator for Pension and Welfare Benefit Programs;

Internal Revenue Service: Hon. Donald C. Alexander, Commissioner, and Alvin D. Lurie, Assistant Commissioner for Employee Plans and Exempt Organizations;

The Pension Benefit Guaranty Corporation: (representative to be announced);

American Institute of Certified Public Accountants: George Voght, CPA, chairman, pension task force, New York City;

American Society of Pension Actuaries: Robert D. Conkel, Esq., pension reporting forms member, Washington Affairs Committee, Richardson, Tex.; and William W. Hand, MSPA, ERISA member, Washington Affairs Committee, of Houston, Tex.; and

National Association of Pension Consultants and Administrators: John W. Baker, C.L.U., president, of Atlanta, Ga.

Upon completion of the record, it is expected that we will submit a report of findings and recommendations for the information of the Senate.

The hearings will begin at 9:30 a.m. on February 2 in room 2221 of the Dirksen Senate Office Building and will be open to the public.

Anyone wishing further information may contact the committee or subcommittees concerned.

EXHIBIT 1

[Letter to Department of Labor and IRS from Senators Long, Nelson, and Bentsen]

U.S. SENATE,
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D.C., November 18, 1975.
Hon. JOHN T. DUNLOP,
Secretary of Labor,
Washington, D.C.
and
Hon. DONALD C. ALEXANDER,
Commissioner, Internal Revenue Service,
Washington, D.C.

DEAR MR. SECRETARY AND MR. COMMISSIONER: During the course of our inquiry on small business tax reform, the Select Committee and the Financial Markets Subcommittee of the Senate Finance Committee heard testimony in our September hearings about the intention of some small employers to terminate their employee retirement plans because of increased costs and administrative requirements. One study showed that, in several instances, costs had risen to over $1,000 per employee, or over 10 percent of the income of the plan. We have also received extensive correspondence about the reporting requirements of the proposed extensive correspondence about the reporting requirements of the proposed EBS–1 and the Joint Form 5500.

As a result, we have become increasingly concerned over the impact of cost and reporting burdens of complying with the Pension Reform Act and possible termination of the smaller employee benefit plans, those with less than 25 participants.

One expression of this concern is the recently introduced legislation regarding simplified reporting for smaller plans (S. 2344). Our understanding of the intent of the Congress in enacting the Employee Retirement Income Security Act of 1974 was that lesser burdens would be imposed on the smaller plans.

The Department of Labor and the Internal Revenue Service have made commendable efforts toward that objective, as indicated by the agreement upon a joint annual return/report, which in our view is a major accomplishment.

However, in a further effort to respond to the contentions of the small business community about the specifics of the proposed EBS–1 Plan Description and Form 5500 Annual Report, we have examined the proposed forms in the light of the views they have expressed to us. Despite considerable hesitation because of the technical complexities of these matters, we would offer the following suggestions for your consideration:

1. *Periods for Comment and Evaluation.* It appears that the comment period, and perhaps especially the evaluation period of less than three weeks, ending November 18, is somewhat compressed. This schedule has generated doubt as to the thoroughness of the evaluation of the views and recommendations submitted by the small businesses and professionals affected.

Since the ultimate information requirements have now been disclosed to all interested parties, we feel it would be advantageous to extend the comment and evaluation periods if this can be done without changing the ultimate filing deadlines. Such extensions should provide additional time for analysis, and changes if necessary. They would have the additional advantage of assuring the business community of the orderly consideration of its contentions.

2. *Goals of the Forms.* Examination of the forms raises the question as to whether all the information sought by the EBS–1 and the Joint Form 5500 Annual Report from the small plans can be physically processed, reviewed, and acted upon within the forthcoming year.

Small business spokesmen have advocated that the basic identification material should be emphasized in the first reporting year for smaller plans, as a basis for setting up computer files which could then readily absorb additional information. If this is feasible, it might reduce the quantity of information required at the outset.

An analysis of the two forms attached reveals several questions which are common to the two forms. Although some of the information, such as the number of participants, tends to change, we would ask whether additional consideration could be given to the opportunity to report changes in the items concerned, and to the use of retrieval techniques to recover basic information. A related question involves the possible usefulness of Form 4848 for 1975 for the existing small plans in this context.

Perhaps your experts could also re-examine appendix items closely with a view to restricting any duplication which may occur.

3. *Furnishing of Plan Descriptions.* Businesses have complained that the Summary Plan Descriptions which must be provided to participants and filed with the EBS–1 form, must be completed at a time when significant amendments required to bring many plans into conformity with the Act may still be in preparation. Businessmen state further that, in many instances, amendments must await the publication of regulations, which may not yet have been used.

They argue that a second summary plan description would have to be prepared after the filing amendments. Because of this, employers would incur additional expense and participants might become confused. It has been agreed that it would be more valuable to employees to receive a single description which does take into account the new standards of the Act.

There thus appears to be some logic in suggesting that the Summary Plan Descriptions be deferred for some period, perhaps until 30 days subsequent to the required amendment date under the regulations. We so recommend, but only on the condition that the substance of the Act, requiring disclosure to employees, is honored by providing all plan participants as early as possible with an explanation of their rights and benefits. Perhaps this could be done by distributing applicable provisions of the EBS–1 form itself.

4. *Requirement of Accountant's Opinion.* The recently announced requirement for accountants' opinions for all small- and medium-sized plans under Section 103(a) have been described to us as going far beyond a normal audit. It would therefore reportedly be costly, especially for the smaller plan. In view of the fact that other agencies, such as the Securities and Exchange Commission, draw distinctions for accounting requirements by size of companies, we would hope similar differences could be recognized in this area.

As you know, we have supported and worked for an effective Pension Reform Act, and certainly do not wish to see it weakened in any way. However, in our view, it seems to us reasonable to explore possibilitiese of this kind in order to alleviate some of the short-notice provisions of the required reporting, simplify initial reporting for smaller plans, and phase in the furnishing of information in such a way as to mitigate the paperwork burdens and costs of obtaining and processing the required information for both the business community and the government.

Because of our interest in these matters, we would welcome any reaction you might have to the practicability of these suggestions, and would appreciate the opportunity of having your thoughts in this area. Our Committees plan to hold joint hearings on the questions discussed in this letter at a later time, and we shall be pleased to confer with your staffs to determine a timetable that would be in the best interests of all concerned. Please be assured of our cooperation in bringing about the effective and reasonable application of this very important legislation.

Very truly yours,
GAYLORD NELSON,
Chairman, Senate Select Committee on Small Business
LLOYD BENTSEN,
Chairman, Subcommittee on Financial Markets, Senate Finance Committee
RUSSELL LONG,
Chairman, Senate Finance Committee

COMPARISON OF EBS-1 PLAN DESCRIPTION AND FORM 5500 ANNUAL REPORT

	EBS–1	5500
1. Name, address, other identification of employer/sponsor	1(a)–(e)	1(a)–(c)
2. Identification of administrator	2(a)–(c)	2(a)–(c)
3. Differences from prior report		3
4. Structure of the plan	3(a)–(d)	4(a)–(d)
5. Name and number of plan	4(a)–(b)	5(a)–(b)
6. WP file number	5	------------
7. Initial effective date of plan	6	------------
8. Year ending date	7	------------
9. Administrator agent for process	8	------------
10. Type of plan	9(a)–(b)	6(a)–(b)
11. Number of participants	10(a)–(f)	7(a)–(f)
12. Persons performing selection functions	11(a)–(n)	------------
13. Whether derived from collective bargaining agreement	12	------------
14. Documentary basis	13	------------
15. Type of employees participating	14	------------
16. Sources of contributions	15(a)–(g)	------------
17. Method of accumulation and disbursement	16	11
18. Claims procedure	17(a)–(e)	------------
19. Pension eligibility criteria	18	------------
20. Vesting provisions	19(a)–(b)	------------
21. Portability or reciprocity	20(a)–(b)	------------
22. Computation method for length of service	21(a)–(c)	------------
23. Break-in service rules	22	------------
24. Type of benefit/requirements therefor	23(a)–(e)	------------
25. Ineligibility/forfeiture	24(a)–(b)	------------
26. Annuity conditions	25	------------
27. Disposition of contribution not paid	26(a)–(d)	------------
28. Welfare plan provisions	27	------------
29. Loss of welfare benefits	27(a)–(d)	------------
30. Summary plan description—furnished to participants	29	------------
31. Summary plan description—filed	30	------------
32. Plan amendment information		8
33. Termination during past year		9
34. Merger or consolidation within year		10
35. Identification of fiduciaries		12
36. Change in personnel		13
37. Compensation of fiduciaries, etc		14(a)–(f)
38. Assets and liabilities		15(a)–(c)
39. Income statement		16
40. Explanation of 3-percent transactions, defaults, etc		17
41. Bonding		18(a)–(f)
42. Plans with 5 percent shareholder participant		19(a)–(b)
43. Employee stock ownership plans		20
44. Master or prototype		21
45. Qualification/determination		22
46. Percentage test of 410 of Internal Revenue Code		23
47. Integration		24

EXHIBIT 2

[News Release of Department of Labor]

LABOR DEPARTMENT REDUCES PAPERWORK REQUIRED OF PRIVATE EMPLOYERS UNDER PENSION REFORM LAW

The Department of Labor announced today its intent to make changes to reduce paperwork pressures on the 600,000 private pension and welfare plans required to file government reports each year. The reports must be filed with the department under the Employee Retirement Income Security Act of 1974.

Four revisions of the requirements were spelled out by James D. Hutchinson, pension and welfare benefits administrator. He said they result from comments received from the public on annual reporting forms and regulations proposed earlier.

The revisions are:

The Internal Revenue Service and the department developed the first change, an annual report form 5500C for non-Keogh pension and funded welfare plans with under 100 participants. (Keogh plans are for the self-employed.) This form is three pages shorter than the five-page form 5500 required of larger plans.

Waiving the requirement for an opinion by an independent certified public accountant for plans with fewer than 100 participants throughout the plan year. This approach should reduce the burden and costs to small plans while still providing adequate protection to their participants.

Only defined benefit plans subject to the minimum funding standards for the year actually being reported on are required to provide actuarial information and a statement by an enrolled actuary as part of their annual reporting obligtion. As a result, very few plans will be required to file such data for the first year the new report forms are in use.

The department is giving filers more time. Annual report forms must now be filed seven months after the end of the plan year rather than the four-and-one-half-months previously proposed.

ADDITIONAL STATEMENTS

THE COMMON SITUS PICKETING BILL

Mr. FANNIN. Mr. President, before we adjourned for the holidays, the U.S. Senate gave its approval to the controversial "common situs" picketing bill, H.R. 5900.

Many of us stood firm against this special-interest legislation, but it was approved, nonetheless, and when we retired from Washington, the issue was squarely in the hands of the President.

The turn of events since then, I am sure, has not been missed. Responding to virtually unanimous editorial opposition and a massive outpouring of grassroots expression against the bill, President Ford wisely vetoed the measure.

Mr. President, this veto did not just happen. The 700,000 letters the White House received from citizens opposed to common situs picketing did not materialize out of thin air. They were the result of an informed and inspired public.

The President's decision was a wise, and a morally sound one. It was a decision which reflected the opinions of the overwhelming majority of Americans. The President deserves our thanks.

Also deserving of our thanks and highest commendation is the National Right to Work Committee, which correctly interpreted the situs bill as a further intrusion into the individual liberties of American workers. The Right to Work Committee led the fight in the public arena against the bill land deserves considerable credit for the President's about-face.

For the interest of my colleagues, I ask unanimous consent that an article which appeared in the January 19 issue of U.S. News & World Report be printed in its entirety in the RECORD. It makes very clear the crucial role the Right to Work Committee played in alerting the American people to the harm posed to our Nation's economy by common situs legislation and in leading the public in opposition to this bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BEHIND THE STORM OVER FORD'S VETO OF UNION "PICKETING" BILL

A little-heralded group in Washington has been thrust into national prominence in the wake of developments that have shattered the Ford Administration's relations with a big segment of organized labor.

The upheaval is an aftermath of President Ford's veto of union-backed legislation to expand picketing rights at construction sites.

Already, some of the country's most conservative union leaders are planning political retaliation against Mr. Ford. The nine union members of a key presidential advisory committee quit their posts. And Labor Secretary John Dunlop, his credibility with the labor movement weakened, was reported on the verge of resigning.

The group credited with a large role in bringing all this about is the National Right to Work Committee, whose chief cause is promoting the right of a worker to refuse to join a union.

A PROMISE

The committee claims it was the decisive element in obtaining the President's veto on December 23 of one of organized labor's pet legislative goals—a bill that would have altered picketing and wage-bargaining practices in the construction industry. Mr. Ford had pledged he would sign the bill, and Mr. Dunlop lobbied in its behalf on that basis.

Reverberations of that veto may be felt for months and years to come—in chaotic construction labor confrontations, in the makeup of Mr. Ford's Cabinet, and in the November elections.

Few of the 60 employer and builders groups that got together to oppose the "situs picketing" legislation are as generous with praise of the Right to Work Committee as the committee is itself.

Still, its $800,000 campaign against the bill began last fall at precisely the time the cause seemed lost. Now, with the bill halted by veto, the committee has served notice on politicians and unions alike that it can wield a heavy club over issues involving its cause.

The techniques employed in the battle illustrate how an effective one-purpose organization in Washington fans citizen interest in political topics.

"All the other groups working against this legislation represented employers, and they couldn't reach the general public," contends Reed Larson, executive vice president of Right to Work. "We alone could arouse the public, and had we not done so, President Ford would not have changed his mind and vetoed the bill."

Agreement on the group's key role comes not from Mr. Larson's allies in the fight, but from labor-union foes.

"They pushed it over the top," concedes Victor Kamber, top aide to President Robert Georgine of the AFL–CIO building-trades department. "We were neck and neck with the opposition until they got involved."

The bill would have permitted construction unions to picket all contractors at a building site, even when the dispute is with only one contractor, and would have let officials of national unions and employer groups intervene in difficult local wage talks.

Key officers of such associations as the U.S. Chamber of Commerce and the Associated General Contractors are more reserved than Mr. Kamber in assessing the committee's impact.

"There are various groups proclaiming, 'We were really the leader,'" says Argyll Campbell, a Chamber lobbyist. "The truth is that it was one hell of a co-ordinated effort by the business community that jointly beat the bill." For sheer energy, however, the Right to Work Committee had no equal. In letters to 4 million Americans, it broadcast appeals to stop the "union goon squads" from invading their home towns, and prompted an estimated 600,000 letters and postcards to President Ford.

Fighting hard—and tooting its own horn—is not new to the Right to Work Committee. It was formed in 1955, principally to push for State "right to work" laws. At that time, 16 States already prohibited required membership in a union or payment of dues to it in order to get or keep a job.

Since the committee's inception, only three additional States—Utah in 1955, Kansas in 1958 and Wyoming in 1963—have been added to the list. The Right to Work Committee's attention turned to national issues pertaining to "compulsory unionism."

In 1965, it spearheaded the successful fight to prevent repeal of Section 14–B of the Taft-Hartley Act, which permits States to enact "right to work" laws. Five years later, the committee won another legislative victory. This time, it got deleted from the Postal Reorganization Act a provision that would have required postal employes to belong to a union or pay representation fees.

In 1968, the committee established the National Right to Work Legal Defense Foundation to represent in court workers who suffer from their refusal to join unions. At the moment, the foundation is involved in some 60 lawsuits—including one filed against it by 10 unions charging that the foundation is a front for employers who illegally finance workers' lawsuits against the unions. For 18 months now, the foundation has refused to obey a federal judge's order to turn over to the unions a sampling of the names of its big contributors. The committee's defense: Exposure would invite labor retaliation against the donors.

Most recently, the committee has readied plans for its own political-action arm to help sympathetic politicians.

Mr. Larson contends his committee is not antiunion but merely anticompulsion, and denies that it is a pawn of big business, as critics claim.

The committee, he says, cannot depend upon large businesses to finance its budget, which was 1.7 million dollars in 1974 and 4 million in 1975.

"We can't get big money from big companies," says Mr. Larson. "They're not interested. They've often concluded it's a convenience to them for all their employes to be unionized—it lessens frictions." Also, Mr. Larson adds, to be politically effective the committee must involve a broad segment of the American public—not just business executives.

PRACTICAL ACTION

How it harnessed public sentiment against the situs-picketing bill is a case in point.

Such a law has been sought by the building-trades unions for a quarter century, ever since the National Labor Relations Board ruled that picketing employers not involved in a dispute at a construction site was an illegal secondary boycott.

Not until last spring did the climate for passage of such a bill appear right. Mr. Georgine of the building-trades department says President Ford had assured him he would not oppose the bill, provided that several safeguards suggested by Mr. Dunlop were included.

The bill, however, stirred up a hornet's nest of opposition from construction employer groups and industry in general. So Mr. Ford and Mr. Dunlop added another proviso: The unions must agree to a broad restructuring of bargaining procedures in that industry. Mr. Dunlop believed unreasonably high wage settlements, an excess of lengthy strikes and unnecessary strife over work rules might be lessened if national union leaders and officers of construction employer groups got authority to inject themselves into troublesome local labor situations.

The unions, anxious to retain the President's blessing of the picketing bill, say they consented to the addition of changes in bargaining procedures to the legislation, after Mr. Ford repeated his intention to sign the package.

It was into this seemingly lost battle that the National Right to Work Committee plunged headfirst last fall.

The committee flooded the country with letters against this legislation. The language of these letters was harsh. It described officers of the building-trades unions as "some of the most corrupt, ruthless and violent union bosses in our nation" and called the unions "a haven for bullyboys, mobsters and anyone else who enjoys kicking anyone around." These letters, signed by Mr. Larson, ended with appeals to write President Ford—and to contribute money.

Eventually, more than 4 million letters were mailed. By mid-December, the White House was receiving denunciations of the legislation at the rate of 20,000 a day.

The committee also paid for a letter from Senator Paul Fannin (Rep.), of Arizona, to 100,000 Republican Party contributors to put pressure on Mr. Ford to veto the situs-picketing bill.

Full-page newspaper ads appeared in more than 50 home-State newspapers of Senators who were either supporting the measure or were undeclared. In the upper right-hand corner of many such ads was the shadow of a strong-armed tough clenching a baseball bat and threatening a group of workers. The title of these ads: "An Open Letter . . . on Beating, Bombings, Shootings."

All this was too much for some participants. Senator Lowell Weicker (Rep.), of Connecticut, told the Senate that the committee was creating a "stench" and making it "toilet clear" that its target was the concept of trade-unionism. The Senate broke two filibusters and approved the bill, 52 to 45.

HELPING REAGAN

The committee's public-relations counsel, Hugh Newton, cultivated newspaper allies and gave the staff of Republican presidential candidate Ronald Reagan material which Mr. Newton says was directly quoted in Mr. Reagan's opposition to the picketing measure.

All these tactics had one undeniable effect: They elevated what had been an intramural battle between unions and employers in construction into a major political issue. The pressure on Mr. Ford from his own advisers, party leaders and contributors to reverse his stand then mounted day by day.

Would this have occurred without the committee's intervention?

Many of the business organizations that fought the measure from its inception think the veto was inevitable. But union figures give grudging acknowledgment to Right to Work's effectiveness, if not to its tactics, which Mr. Kamber calls the "politics of hysteria and emotion, rather than reasoning."

"It's certain that without the Right to Work people, Mr. Ford would have had more room to maneuver," comments the president of the Teamsters Union, Frank E. Fitzsimmons.

ARTHUR SPITZER CHAIR OF SCIENCE AND TECHNOLOGY

Mr. TUNNEY. Mr. President, as chairman of the Science, Technology, and Commerce Subcommittee of the Senate Commerce Committee I was very pleased to learn about the recent endowment of the Arthur Spitzer Chair of Science and Technology at Pepperdine University in California. This prestigious chair is the first to be established at Pepperdine.

The first occupant of the chair is the renowned scientist Dr. Edward Teller. Dr. Teller is currently university professor and associate director of Lawrence Laboratory at the University of California.

Dr. Teller has made continuing significant contributions to various aspects of science including chemistry, molecular and nuclear physics, and quantum theories.

Dr. Teller, of course, has been a leading researcher in the study of thermonuclear reactions and recently has been one of the most important exponents of the peaceful uses of nuclear explosives. He is a worthy recipient of this honor.

I believe this chair is particularly important as it will assist in creating an increased focus by the scientific community on the interactions of science and technology. All too often this interaction has not received adequate attention in the past. However, it is becoming increasingly clear that to ignore questions related to the proper utilization and support of science and technology, is to invite crisis in the future, whether related to health, energy supply, national security, or many other aspects of national welfare.

Science and technology is crucial for our Nation's future, and it is extremely important that experts such as Dr. Teller are provided opportunity and time to analyze these issues.

Arthur Spitzer understands these needs, and should be highly congratulated for this endowment. I have known Arthur Spitzer for many years, and his action in endowing this chair, is just one more example of his continuing charitable and educational contributions to this Nation.

Spitzer, a noted businessman, was born in a part of the Austria-Hungary empire which later became Romania.

He went to Germany following World War II and worked as a junior department head in the Ministry of the Interior for the Bavarian Government.

In 1951, he came to America and began his business career. Spitzer is noted for his many charitable and educational contributions. He supports the USC-Austrian student exchange program and is a director of the International Student Center at UCLA. In addition, he provided the Edward Teller Center for Science, Technology and Political Thought at the University of Colorado in 1972.

MORE ON AIR FORCE GOLF COURSES

Mr. GOLDWATER. Mr. President, yesterday I discussed the matter of military, and particularly Air Force, golf courses. On reading my remarks, I am concerned that I may have left the impression that the Air Force spends sums on the order of $3 million per year to operate these golf courses. On the contrary, the sums of money which were inserted in the RECORD as Air Force golf course financial data represent the net income which the golf courses received through 1974 and through September of 1975. The total income of the golf courses would typically be received as green fees, profit from items sold in the pro shop, fees for lessons, and similar sources. As I stated in the first paragraph of my remarks yesterday, the total golf course income offsets all nonappropriated fund expenses related to course operation and produces a reasonable net income. This net income subsequently is used to supplement appropriated funding support to other morale, welfare, and recreation activities and programs such as libraries, athletic programs and recreation centers.

Mr. President, to completely clarify the use of the financial data which I have submitted, let me make this statement. Air Force golf courses, after paying all their operating costs, produced a net income of over $3 million in 1974 and a net income of slightly less than $3 million in the first 9 months of 1975.

It is quite apparent then, that the Air Force golf courses subsidize much of the other recreational activity on our bases. They are hardly a subject for criticism but much more likely worthy of praise for good management. I believe that the operation of these golf courses represents cost effectiveness and a very excellent supplement to other Air Force recreation programs. Our military services, as indicated by this brief example, are often much more efficient than they are given credit for.

ENERGY CONSERVATION

Mr. BAYH. Mr. President, the Nation's energy needs can be met only by curbing the immense waste of energy which now goes on throughout our economy. Yet the Ford administration refuses to face this essential fact. It will not make any serious effort to encourage energy conservation; instead it plans to spend billions of dollars of the taxpayers' money to produce more energy that will simply be wasted.

The nature of the administration's policy is shown by the budget President Ford proposed in the current fiscal year for the Energy Research and Development Administration. Out of a total of more than $3 billion, less than 2 percent was allocated for conservation. Nearly all the rest was earmarked for increasing supply.

When the need for energy conservation is mentioned at all by the administration, it is usually as an excuse to justify its efforts to raise oil and gas prices. But, at present, price is not the crucial obstacle to ending waste. The practices of industry and consumers have not yet changed to reflect the enormous price increases that have already occurred. Factory managers often will not install energy-saving equipment, even when the fuel saving would pay off the initial investment in a very short time. Some builders are reluctant to raise the selling price of a house by installing extra insulation, no matter how much the homebuyer would save on his heating bill.

We need a national conservation policy, not higher prices that will place an additional burden on the consumer without getting at the root causes of energy waste.

What little real effort the administration has made in energy conservation has focused on short-term measures, ignoring the immense savings of energy that are only possible through more fundamental changes, such as recycling waste heat. This results from a basic error in the Nixon-Ford energy program. President Nixon set a national goal of energy independence by 1985. Yet the Nixon-Ford program—geared to the interests of giant oil companies and other large corporations—has concentrated on the areas of nuclear power and coal gasification, where these corporations can make the largest profits. But these projects are so large and take so much time to build that nothing we do today in these fields can greatly affect the energy situation in 1985.

The energy conservation program has been asked to take up the slack. Thus the emphasis has been placed on measures, like lower thermostat settings and slower speed limits, which reduce energy use quickly by making people reduce their standard of living. Longer term measures, which could actually raise our standard of living by making energy use more efficient, are generally ignored. The result has been to encourage the misconception that energy conservation requires us to give up jobs and comforts.

In fact, our present standard of living does not at all depend on continued waste of energy. Countries such as West Germany and Sweden are nearly as wealthy as we, but consume only half as much energy per person. In our own country, per capita energy use grew less in the 40 years between 1920 and 1960—while the standard of living rose immensely—than in the single wasteful decade of the sixties.

Another pernicious myth is that energy conservation will cause unemployment, and that only by increasing energy supplies can we maintain full employment. It is striking that this argument comes from an administration which deliberately threw millions of Americans out of work.

In fact, energy conservation can create more jobs than development of new supplies. Most energy supply systems, such as oil wells, coal gasification plants, and nuclear power stations, are highly automated. They employ skilled workers whose talents are already in short supply, such as petroleum engineers, or involve dangerous and unpleasant tasks like coal mining. New jobs are usually located in mining areas far from centers of unemployment. Conservation, on the other hand, requires many skills possessed by those who are now out of work. Insulating buildings, constructing new mass transit systems, and cutting energy waste in industry will give a boost to the economy where it is most needed.

CONSERVATION IN INDUSTRY

Tremendous savings are possible in industrial energy use. While some companies now boast of reducing their energy consumption by 5 to 15 percent, much greater cuts are possible. The U.S. Mint, for example, reduced its energy use by 25 percent in a single year while producing 1 billion more coins. It is entirely realistic to set a national goal of improving the efficiency of energy use in industry by 25 percent or more.

The greatest need in this area is a change in the outlook of our industrial managers and engineers. Increased production can no longer be the only way to raise profits; greater efficiency must be pursued with equal vigor. The country's engineering societies have led the way with an extensive program of courses and publications to reeducate their members.

Unfortunately, the Ford administration's energy program has failed to contribute significantly in this effort. The administration has relied almost entirely on the "free market" to encourage industrial energy conservation. This approach ignores the failure of many managers to use energy saving devices even when they can thereby save large amounts of money. Whether this occurs because of lack of knowledge, unwillingness to change established procedures, lack of capital, or monopoly power, it is a problem that must be addressed.

A first step in dealing with this issue should be the establishment of an Energy Conservation Extension Service, designed to educate industry as the Agricultural Extension Service has helped farmers. The administration has resisted this step, preferring to rely on the existing inadequate facilities of the Commerce Department.

Sometimes it is difficult to raise capital to pay for energy conservation equipment. Subsidies, either directly or through tax credits, are not the only solution here, since many energy conservation investments will already pay back enough to cover bank interest rates. The problem often lies in the risks connected with the use of new techniques and the uncertain future of the economy. Loan guarantees are therefore sometimes a better way to encourage energy saving. This guarantee program would differ fundamentally from the Ford "Energy Independence Authority," since it would be primarily directed at small and medium-sized businesses.

Energy prices do have an effect on conservation in industry. If the price mechanism is to be used to save energy, it must be applied here, where it can work to some extent, rather than in necessities such as home heating oil. This goal can be achieved through pricing policies that reverse the traditional practice of offering low rates to large users. Electricity, in particular, now becomes more expensive to produce as demand rises. Thuus there is no longer any justification for giving discounts to encourage greater consumption. Adoption of a single rate for all customers would reduce homeowners' electric bills while increasing industry's incentive to save energy. In conjunction with the other measures I propose, it would result in a significant reduction in energy use.

Finally, we must end our blind reluctance to adopt good ideas from other parts of the world. Countries such as Britain, Germany, Sweden, and Japan, which must import nearly all their petroleum, have been conservation-conscious much longer than we have. They have developed a multitude of techniques which could be adopted here. There is no point in spending government research money to reinvent things that are already for sale overseas. Instead, Government initiative is needed to encourage the importation of energy saving techniques from overseas.

TRANSPORTATION

The United States consumes a greater proportion of its energy supplies for transportation than any other country in the world. One-quarter of total U.S. energy consumption and over one-half of U.S. petroleum consumption is used in the movement of our people and their goods. The major reason for this inordinate consumption of energy is the private automobile which accounts for over one-half of the energy used in transportation. Any serious program of energy conservation must begin with a plan to significantly reduce the amount of fuel used by these vehicles.

As part of such a plan we must improve the fuel efficiency of our automobiles. For too long our automobile manufacturers have based their car designs on the assumption of a cheap supply of fuel. As a result the average fuel efficiency of our cars has declined over the last two decades. We can no longer afford to have our energy policies set by the auto companies. That is why I sponsored legislation in 1973 to mandate a 50 percent increase in the efficiency of automobiles manufactured in this country without weakening air pollution controls and auto emission standards. I am gratified that my proposal was passed and enacted late last year as part of the Energy Policy and Conservation Act.

In addition, we must reduce the number of vehicle-miles traveled by private automobiles. This can be done through the use of carpooling which can be encouraged by reducing tolls and parking fees for cars carrying three or more passengers.

However, financial incentives alone will not significantly reduce automobile use. As our recent history following the over 50-percent increase in gasoline prices has shown, Americans will not leave their cars at home unless they have a cheap and convenient alternative mode of travel. Only mass transit can provide such an alternative and that is why I favor an increase in Federal aid to mass transit which gives the localities flexibility in dividing the funds between operating subsidies and capital improvements and expansion. It is simply outrageous that last year when the President was preaching to us about energy shortages, the Federal Government spent more than six times as much on highway construction as it did on mass transit. For us to reduce our energy consumption, we must begin to have more balance in our Federal expenditures.

Since mass transit operates most efficiently in areas which have a sufficiently high density, the solution of our energy problems requires us to come to grips with the urban crisis. To reduce the number of people driving to work, we must increase the number of people living near their work or in areas connected to their place of employment by mass transit. This can only be done by a massive program in our central cities to construct new housing and rehabilitate old housing which is both attractive and affordable. In addition, we must encourage employers to stay or relocate in areas which are accessible to mass transit through the use of loan guarantees and reduced interest rates on plant construction.

Besides addressing itself to commuter transportation, an effective energy conservation program should also deal with the problem of intercity travel. The long-neglected railroads are still the most energy efficient and environmentally benign form of transportation. Even on our deteriorated tracks, trains are still 20 percent more fuel efficient than buses and over 800 percent less energy wasteful than airplanes.

I therefore have supported reorganization of our now bankrupt railroads under a public corporation sensitive to public needs which would rebuild the decayed tracks and railbeds which now prevent the introduction of high-speed trains. The rebuilding of our Nation's railroads will not only significantly reduce our energy consumption by attracting passengers and freight from more energy wasteful forms of transportation, but can also help solve our unemployment problem by providing a source of productive and meaningful public service jobs.

HEAT WASTE

One of the largest areas of energy waste is our habit of throwing away useful heat. This practice not only represents a loss of useful energy, but often also causes thermal pollution which is harmful to marine life.

Even with the most modern engineering, electric utilities must throw out nearly two units of heat for every unit of electricity they produce. European countries are now recapturing this waste to heat homes, offices, and stores, to supply homes with hot water, and to meet the needs of industry. These uses account for more than a quarter of U.S. energy consumption, and a large proportion of that could be met with the heat that is now thrown away by utilities. Recycling of waste heat should therefore be a matter of highest priority. Yet the administration is spending less than a million dollars in an energy budget of over $3 billion to recover this valuable resource.

In buildings, the most significant cause of heat waste is poor insulation. Builders often install inadequate insulation in order to cut their building's selling price, even though this will cost the buyer money in the long run. In order to end this practice, there should be tough insulation requirements for all new buildings: homes, stores, offices, and factories.

Even apart from poor insulation, there is tremendous waste in heating systems. The Chief Engineer of the Federal Power Commission has calculated that gas or oil home heating systems now operate at less than 7 percent of the maximum possible efficiency. The best performance can only be obtained by using recycled waste heat or employing heat pumps, and more effort is needed in these areas. In the meantime, however, home heating furnaces often use far more fuel than they should need. These appliances need regular tuneups as much as automobiles. Gas companies and oil dealers should be required to provide regular maintenance of their customers' furnaces. This step would sharply cut many homeowners' heating bills.

Mr. President, the foregoing is not a totally inclusive list of ways in which we can achieve significant energy savings. However it does cover the major areas, and demonstrates the total inadequacy of the Ford administration response to this problem.

At issue here is a basic question of whether U.S. energy policy will be designed in accordance with the best interests of giant energy companies, as it has been during the Nixon and Ford administrations, or in accordance with the best interests of the American people, as it should be.

WE NEED OVERSIGHT HEARINGS ON THE SUPPLEMENTAL SECURITY INCOME OVERPAYMENTS

Mr. **CURTIS.** Mr. President, as we begin the second session of the 94th Congress, we need the courage to face the fact that the massive Federal bureaucracy must be controlled. President Ford, in his state of the Union message last night, stressed a need for commonsense both in the administration and financing of our Government.

With this in mind, Congress should, with all expediency, act to cut out wastes and bring burgeoning agencies, commissions, departments, and programs in line with realistic budgetary financing.

The time for action is now.

I would like to call my colleagues' attention to a story in today's edition of the Washington Star, quoting from a letter written by the Social Security Commissioner to the House Ways and Means Committee and the Senate Finance Committee, on which I serve. As the article points out, the letter states that the federalized welfare program has overpaid clients by $547 million in the last 2 years. As an added distressing note, the story states that the percentage of checks being sent to persons who are ineligible is increasing. I cannot stress enough the importance of stopping this type of abuse of Federal moneys.

Mr. President, I hope that the Committee on Finance will forthwith hold oversight hearings on this program.

Mr. President, because the facts deserve our immediate consideration, I ask unanimous consent that the article concerning the social security program be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Jan. 20, 1976]

SSI ERRORS ROSE UNDER U.S. HANDLING, CHIEF ADMITS

(By John J. Fialka)

The Social Security Administration's federalized welfare program has overpaid its clients by $547 million during its first two years of operation, and the percentage of checks sent to those who are ineligible for such aid is climbing.

In a letter to the Senate Finance and House Ways and Means committees, Social Security Commissioner James B. Cardwell admitted that the error rate in cases processed since the federal government assumed the nation's adult welfare caseload in January 1974 is significantly higher than the errors found in cases turned over to the federal system by the states.

The new overpayment total for the program, called the Supplemental Security Income program, has jumped by $91 million in three months, the sharpest quarterly increase in the program's history.

A spokesman for Cardwell asserted, however, that the jump does not mean an increasing frequency of errors, but rather that there has been a more determined effort during October, November and December to ferret out errors that were committed in previous periods.

The overpayment and error rates are still only partial estimates of what some sources close to the system believe will amount to a $1 billion overpayment. Only about two-thirds of the current 4.2 million cases on SSI rolls have been examined for error, and Social Security officials have asked for funds to re-examine those cases because of mistakes in the initial process of finding errors.

In August, when The Washington Star first reported the SSI overpayments, Social Security estimated that the program's total error rate for the first period the agency uses to measure the program—the second half of 1974—was 24.2 percent, including a 12.9 percent overpayment rate, a 5.0 percent rate of payments to ineligibles and a 6.3 percent underpayment rate.

These estimates, according to the letters released yesterday, were based on "preliminary data." The "final data," according to the agency, now shows a 24.8 percent error rate, including a 13.3 percent overpayment rate, a 6.1 percent rate of payment to ineligibles and a 5.4 percent rate of underpayments.

Final data for the next period, the first half of 1975, shows that the agency was able to trim the overpayment rate from 13.3 percent to 11 percent. However, the rate of payments to ineligibles jumped from 6.1 percent to 7.7 percent, and the underpayment rate jumped by 0.3 percent.

Thus, one out of every 12 welfare clients investigated is now found to be ineligible. The ineligibility takes a double bite out of taxpayers' pocketbooks because, in most states, SSI eligibility automatically means eligibility for state-run Medicaid. How much this has cost in Medicaid dollars is unknown.

Cardwell admitted that, although his agency has undertaken a "number of actions" to reduce SSI error rates, "those measures had not produced any significant improvement during the first six months of the 1975 calendar year."

He promised "significant improvement" when the totals are in for the next six months, however.

The initial Star story put the overpayment at $403 million. That figure included some $30 million worth of errors between the federal books and state welfare agencies, many of which supplement the SSI program with payments of their own.

Since then, according to a Social Security spokesman, the agency has subtracted those cases from overpayment totals, claiming that the errors are cured by simple bookkeeping transactions, or "paper trades" between the two levels of government.

Many states have not been responsive to the paper trade theory, however. They are now holding back well over $200 million in supplemental payments owed to the SSI program, alleging that federal errors have triggered state supplement overpayments. (Both the federal payment and state supplements are usually paid by one check through the federal system, which then bills the states.)

The agency spokesman said he did not know the figure for additional overpayments involving paper trades. "They don't even put it in there any more," he said, referring to the agency's quarterly error calculations.

Of the 4.2 million cases on SSI roles, about 1.7 million are new cases, cases where the applicants came into the system after the old state programs providing aid to the blind, disabled and elderly were disbanded. The new cases have been processed entirely by federal employes. So far, they show a much higher rate of error.

During the last half of 1974, the error rate was 28.8 percent in new cases and 23.7 percent in cases converted from state welfare roles. During the first half of 1975, the error rate was 30.3 percent in new, federally handled cases, and 21.5 percent in cases converted from the states.

A spokesman for the agency said that more of the older, converted cases have been investigated, asserting that when the agency finally rechecks all of its cases, the disparity in error rates between old and federally handled cases should decrease.

Cardwell said in a prepared statement that even when all of his error-finding mechanisms are working, "for a number of reasons SSI will always show what appear to be significant amounts of overpayments," because of conditions that are largely beyond his control.

These conditions, he said, include court decisions requiring the agency to keep up payments even though needs have been reduced and the failure of welfare recipients to report other income and assistance.

THE BALANCED GROWTH AND ECONOMIC PLANNING ACT OF 1975

Mr. BAYH. Mr. President, twice each year Wayne State University in Detroit sponsors a lecture to commemorate the achievements of the late Whitney M. Young, Jr., and to continue working toward the full realization of the ideals and goals for which he labored.

As executive director of the National Urban League, Mr. Young brought corporate America into active participation in the civil rights movement. Also, with the help of labor unions, he was able to greatly increase support from the Government for many of the League's activities aimed at providing more opportunities for black people.

I recall my personal association with Mr. Young fondly, and am proud to have counted him as a friend.

It is appropriate that Leonard Woodcock, president of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America—UAW, gave the most recent Whitney M. Young, Jr., Memorial Lecture on November 15. Mr. Woodcock, another friend who I respect highly, served on the national board of the Urban League for 6 years during the period Mr. Young was its executive director. They shared activities and ideals. Mr. Young was firm in his belief that America could truly become a multiracial society with justice and equality of opportunity for all its citizens. These goals are an integral part of the tradition Mr. Woodcock has supported throughout his career as a leader in the American labor movement. He knows that social justice requires economic justice. His lecture was a timely reminder that the promise of the civil rights legislation of the sixties can become a reality only when Americans understand that they must make a commitment to full employment and to national economic planning.

One effort we have made in the Senate to reach this goal is S. 1795, "The Balanced Growth and Economic Planning Act of 1975," which I have cosponsored. This bill would establish comprehensive planning with consideration of the economy as a whole over a long period of time. It would replace the short-term piecemeal approach to economic thinking that goes on continuously throughout the Federal Government.

S. 1795 is an important first step in achieving the goals of economic opportunity and civil equality for all Americans. We cannot solve social problems without solving the hard economic problems of unemployment and poverty. To make equality available to all Americans, it is essential that we overcome the economic obstacles that have made civil rights an elusive goal for so many.

I ask unanimous consent that Leonard Woodcock's excellent speech, "Equality and Opportunity," be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

EQUALITY AND OPPORTUNITY

(By Leonard Woodcock)

We come together tonight to honor a departed comrade, a vibrant leader in the long struggle for the joint objectives of equality and opportunity.

It was my privilege to serve for six years on the national board of the Urban League during the relatively brief period Whitney Young was its executive director. That experience gave me the chance to know how truly fine a human being Whitney Young was.

He became exceutive director in 1961 and was an integral part of the glorious promise the first half of the decade of the 1960s gave to the cause of civil rights and democracy.

He became executive director in 1961 and the final years of the '60s under the traumatic pressure of Vietnam.

The other day, I reread Whitney's speech to UAW's 1968 convention. It was a long speech; it was a challenging speech—challenging all the individuals in that huge hall. And it was listened to with a silent attentiveness, remarkable for a convention which was in the afternoon session of its sixth day.

His concluding lines quoted the reply of an ancient Greek philosopher to the question: "When shall we achieve justice in Athens?" and who responded: "We shall achieve justice in Athens when those who are not injured are as indignant as those who are."

We are now celebrating our bicentennial and we look back at that exceptional band of heroes and leaders who joined together under the banner that all men are created equal. We are indebted to the scholarship of John Hope Franklin (no stranger to this campus) for the finding that our romantic remembering of our founding days ignores the realities that contradicted the notion that all men are created equal.

Crispus Attucks was the first death of the Revolution, but by July 1775 the policy was that recruiters were not to enlist any deserter from the British army "nor any stroller, Negro, or vagabond."

Later in the year of 1775, the British welcomed all Negroes to their cause, promising freedom in return. Under this pressure, the Continental Congress reversed its policy and admitted blacks into the Continental Army. Five thousand blacks then served the cause of freedom only to find in victory that it did not apply to them.

It is a fact of our national heritage that the author of the Declaration of Independence, the commander of the Revolutionary Army and many heroes of the Revolution were slaveholders. The philosophic concept of freedom and its practical implementation were obviously different things.

Benjamin Franklin brought with him to the constitutional convention a strong resolution against the slave trade entrusted to him by the Pennsylvania Abolition Society. The resolution was never introduced.

Dr. Franklin—the current Dr. Franklin—points to the irony of the dispute over the counting of slaves for purposes of representation and taxation. The northerners insisted slaves were property and could not be counted as people. The southerners, on the other hand, had a political interest in counting slaves as people as well as property. This dispute was resolved on the remarkable basis that a slave was to be counted as three-fifths of a man and that five slaves were to be counted as three persons.

Obviously, this betrayal of principle was based upon economic grounds. It is appalling evidence that the most high-minded can be moved by base economic considerations.

As we consider our current economic circumstances, how can we expect to forge freedom for all our people?

At the peak of the full employment period of World War II, those employed numbered 54 million. Thirty years later, 84 million were employed with unemployment officially at the disturbing level of 8½%. Simply to keep the level from rising higher, we must generate 2 million new jobs each year.

With mass unemployment stretching, so we are told, years into the future, we will see an increasing competition for economic survival. And in that milieu, freedoms and rights will take a back seat as they did two hundred years ago.

Let me relieve the gloom. We have made progress.

We have made great formal and procedural strides toward the goal of true civil rights for all—regardless of race, sex, national origin or religion. We have the Voting Rights Acts which have largely eliminated the exclusionary elections of the South—now extended to those states which would exclude the Spanish speaking from the election process.

We have seen the end of enforceable real estate covenants for racial exclusion. We have a public accommodations law, and we have Title VII of the Civil Rights Act of 1964, which, among other things, has brought about the kind of Fair Employment Practices Commission—the EEOC—which has long been a high priority for the civil rights movement and the labor movement. We are done with the ancient doctrines of segregation.

Those are yesterday's legislative and judicial victories. They are great. They are landmarks in the eternal human struggle for victory, and I have not given you a complete catalogue of the virtuous accomplishments the Whitney Youngs, the Roy Wilkinses and their allies have made. But Whitney Young would understand it when I say that, however momentous and impressive the nation's movement toward equality yesterday, it is only fair to say that today civil rights are more honored in breach than observance. We are not only in danger of having further progress impeded, but also face the peril of losing substantial ground.

There is a wide difference, as any school child knows, between formal and legal equality and real or actual equality. It is plain that the judicially led revolution in the field of civil rights has taken us a very long way toward a kind of abstract, legal and formal equality. But it is also clear that in the closing years of the 20th century, such technical equality is insufficient. What this society must have and can have—if only it summons the will and determination—is equality of result. How it works in practice, what it means to people—those are the things that count. True equality depends on a populace with the resources, security and wherewithal to enjoy liberty and equality.

The right to be served in a restaurant doesn't mean very much to one who does not have the price of a meal. A law against discrimination in employment is important, but not to those who cannot find work of any kind. The right to be free from discriminatory real estate restrictions is merely academic to those who cannot afford to rent or buy a decent dwelling. The poor may be going to inherit the earth some day, but there is no question that the rich run it right now.

In short, status follows power. The jobless and the poor—victims of a governmental non-policy and the destructive selfishness of the market—are, along with the insecure working and middle classes, utterly unable to demand and obtain real equality.

Equality and opportuntiy are inseparable and there can be no equality without economic opportunity. Anatole France instructed us as to the equal right of the poor and rich to sleep under the bridges of Paris. In this day and time, we must forge a new equality—to work, to live, to raise our children, and to sleep in decent homes. That is tomorrow's challenge.

It is a plain fact that we make progress in an expanding economy and that minorities, the powerless and the poor are the real victims in a contracting economy. When times are "good," the society is more willing to share its abundance and redress its wrongs. When things are "bad," individual elements of society are concerned more with self-preservation than social improvement.

To a degree, the official government unemployment figure is meaningless. If you count the so-called "discouraged workers"—those who have left the job market—and part-time workers who need and want full-time jobs, the government's estimate of the unemployment rate was 13% in September. But among non-white teenagers, the rate stands at a startling 37.2%. And I do not expect the current administration to act with concern. Witness, for example, the President's cold heart toward the city of New York. President Ford would rather save a Lockheed or the soft drink industry than a great American city where all races, nationalities and creeds live. I condemn the callous attitude toward New York's difficulties as selfish, political and, in the end, racist.

In today's perilous economy, is it reasonable to tell black teenagers that they can be proud of their newly won civil rights? Is it realistic to implement innovative affirmative action programs in industries like construction, where almost 20% of the workers are still without work? Can one promise the realization of full rights in the society to black men over 20, whose joblessness has increased since May, when unemployment peaked?

Unemployment, poverty and powerlessness are the root causes for the empty performance of our glorious civil rights promises. Most Americans can no longer afford a decent home. The top 1% of the population of the United States receives more income than the bottom 20%. The richest 10% of our population receives the same total income of the bottom 50%.

The truth is that people have little power over their social, economic and political institutions, and it is an almost superhuman task to make social progress in a boom-and-bust society—especially on the bust swing.

If we can draw a lesson about tomorrow from yesterday and today, it is that the promise of civil rights can truly become a reality only when this nation understands that it must make a commitment to full employment and to national economic planning. When von Hayek, the spiritual leader of the "free market" forces admits, "We cannot avoid substantial long-term unemployment," our course should be clear. That is not good enough. It is an unacceptable dictum for minorities, young people and women. It is a prediction of doom for our society. It is an admission of failure.

In the fact of that failure—which is essentially the tragedy of a ragged, erratic economy with no moral compass—we must make the necessary commitment to full employment. And we must comprehend that even the adoption of the unqualified, specific goal of full employment requires implementation. The only way I know to build a full employment society in the short and long range is to begin national economic planning. We must have not only coherency planning so our programs and goals are compatible, we must not only assemble more adequate data and distribute it better, we must begin long range economic planning to achieve measured goals.

There has been much misunderstanding of the words "national economic planning." I want to explain exactly what I mean by that phrase so you will know what I am talking about.

There are several indispensable elements in my notion of national economic planning. An obvious first need is the accumulation, analysis and dissemination of economic data. Then there must be a mandate to work out long term realistic economic programs to offer alternatives to the Congress, the President and the people for the coming 15 to 25 years. Of course, there must also be intermediate programs, coherent and consistent, along with immediate present planning to lead us to the achievement of long-range social and economic objectives. These plans will include a governmental responsibility not only to seek consensus on objectives, but to specify and predict the labor, resources, finances and other economic elements necessary to make the programs and plans workable.

We should build in mechanisms for periodic review and revisions to meet changing circumstances and developments. All of this must be entirely compatible with American principles of voluntarism, freedom and democracy. In short, we are talking democratic, American economic planning.

National economic planning does not involve the reading of tea leaves. What it does involve is a structured effort of intelligent human beings rationally to anticipate and deal with pressing economic problems and by this effort to achieve measured objectives.

Yesterday's victories in civil rights were made possible by a coalition of conscience all across the United States. Every student of modern history knows that it was the quiet, intelligent persistence of a Whitney Young, the unswerving leadership of a Roy Wilkins and the dreams of a Martin Luther King that led us. These great leaders, joined by trade unions, religious leaders and people of good will led the coalitions of yesterday.

Now it is time for a new coalition—one which recognizes that as long as people have no say in their economic destiny and are at the mercy of an unseen hand of a so-called free market, manipulated by powerful and rich corporations, we can never make real social progress and turn our nation to the business of real equality.

Equality and opportunity go hand in hand. Without opportunity there is no real equality.

The new fight I call you to in the name of equality is the fight for full employment and national economic and social planning.

The civil rights movement, the women's movement, the churches, the labor unions, liberals and enlightened business can no longer afford not to coalesce in this new battle for equality and opportunity.

The coalition for full employment and planning to make equality and opportunity realities must, by its very nature, be somewhat different than past coalitions. Its objectives will not be won in the courts or on the streets. Neither slogans nor songs can sustain this long overdue struggle.

This coalition will march to the beat of the same moral drum as the civil rights coalitions of the past, but its road will not be paved with the bricks of glamor and glory.

The work will often be routine and painstaking. The jobs we will have to do involve education in the difficult area of economics and enlightened self-interest and the translation of an educated body of public opinion into cohesive and disciplined lobbying and electioneering efforts.

This battle must be won in the halls of Congress and the state legislatures. It is part of the continuing struggle for true freedom in this country. It can be won and must be won.

It seems clear to me that it is time to correct the mistake the country made in 1946. Then a congress tried to make full employment the national policy. But because of the fuzzy, purposefully ambiguous language of the Act, full employment became a goal which could be traded off, qualified and rendered meaningless.

It is time now to say that it is the responsibility of government to see that all who are willing to work are entitled to meaningful employment at fair rates of compensation. It is time now to say that the national objective of full employment cannot be compromised or qualified. It is time to plan for full employment.

I take this occasion to pay my respects to Senators Javits and Humphrey, who took the leadership in drafting and introducing a national economic planning bill in the Senate. That useful act had as its stated purpose the opening of a debate on the subject and it has already accomplished that purpose. I salute also Congressman Augustus Hawkins, who long has been the chief proponent of legislation to guarantee full employment in the United States. Now, there is forthcoming under the leadership of Congressmen Madden and Bolling, a legislative proposal to wed the Hawkins goal of full employment with the long range planning mechanism of Humphrey-Javits. Out of these very thoughtful proposals I hope we can find a consensus for action.

There are those in our society who believe we must always keep our goals fuzzy. They would argue that progress in this pluralistic society can only be an inch at a time—that trade-offs are always essential—even if the price for the trade is to compromise a basic principle. The theory is that stated principles are not as important as buying the support of powerful interests by giving each a parochial piece of the action—never mind that one piece is inconsistent with the other.

I believe we can form an intelligent coalition on identifiable and specific goals. I refuse to accept the dictum that only ambiguity can keep this system from tearing itself apart.

And so, in the name of Whitney Young, I implore you to work with all those of good will who see equality and opportunity as necessary partners to lead us to a new day in America. Together we can deliver equality and opportunity by making full employment the national objective and ensuring its achievement through national, democratic, economic and social planning. Let us join hands in this newest phase of the age-old struggle for freedom. By removing the economic barrier, we can realize for all our people the American dream.

PRIVATE FOUNDATION DISTRIBUTION RULES

Mr. CURTIS. Mr. President, last fall I introduced legislation (S. 2475) to modify the charitable distribution requirements imposed upon grantmaking private foundations by the Tax Reform Act of 1969. Under present law, these private foundations must annually distribute the greater of their actual income or a specified percentage of the value of their investment assets. My bill would not change these basic rules, but would change the "specified percentage" from 6 percent to 5 percent and would eliminate from present law the authority of the Treasury Department to vary the "specified percentage" from year to year based on changes in money rates and investment yields.

Mr. President, I am pleased to inform the Senate that I have now received a letter from the Treasury Department indicating the Department's support for my bill which, as I said when I introduced the bill, would modify present law to bring it more closely into line with the decision of the Committee on Finance in 1969. I ask unanimous consent that the Treasury Department's letter to me be printed in the Record at the conclusion of these remarks.

I was also pleased to note recently that the Commission on Private Philanthropy and Public Needs recommended that present law be modified in the manner provided for in my bill. This commission has made one of the most far-reaching examinations of private philanthropy in recent years and I commend its report to my colleagues. The commission's analysis, together with the record developed previously by the Finance Committee's Subcommittee on Private Foundations, reinforce my belief that enactment of S. 2475 would represent a much needed change in our tax laws.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Department of the Treasury,
Washington, D.C., Dec. 19, 1975.
Hon. Carl T. Curtis,
U.S. Senate, Washington, D.C.

Dear Senator Curtis: As the sponsor of S. 2475, I thought you would want to know what the Treasury Department's position would be regarding a change in the private foundation minimum payout requirement enacted by the Tax Reform Act of 1969.

Present law sets a basic 6 percent pay-out requirement and authorizes the Treasury Department to change the 6 percent rate based on the relationship of "money rates and investment yields" for the calendar year immediately preceding the beginning of the taxable year to the "money rates and investment yields" for the calendar year 1969. Our regulations require the new rate to be published by May 1 of the year to which it is to apply. For example. during the spring of next year we should issue a new rate for 1976 based on the relationship of the market rates and investment yields for 1975 to those for 1969.

As you know, there have been a number of proposals to change the pay-out requirement. One criticism has been that the basic 6 percent pay-out rate was set too high, with the result that even well-managed private foundations are forced to invade their endowment and be gradually liquidated over time. Moreover, there have been complaints that the Treasury Department has not properly applied the statutory adjustment formula by failing to take into account both money rates and investment yields. The Treasury Department has had these issues under study for several months, during the course of which there have been a number of discussions among Treasury Department staff, the staff of various Congressional committees, and representatives of major private foundations.

We believe there has developed a substantial consenus that the existing statutory formula for periodic adjustment of the pay-out rate cannot be implemented in strict accordance with the law to take into account both money rates and investment yields, at least without very sharp and erratic changes in the pay-out requirement. At a minimum, therefore, it would be desirable to amend the statutory adjustment provisions to provide a workable formula.

However, in studying the existing formula, we have become convinced that the private foundation pay-out requirement should be stated as a fixed rate rather than a variable rate as under current law. The effect of varying the annual pay-out requirement to reflect market changes is simply to require private foundations to pay out the higher nominal return that arises in a period of inflation and which should be retailed by the private foundation if it is to maintain the value of its endowment in real terms. To the extent that inflation occurs, the present variable pay-out requirement operates to erode the endowment value of foundations and does so in an erratic manner depending upon the rate of inflation. Even if the Congress were to adopt a policy of "grinding down private foundations" (which we do not recommend), such a policy should not be effected in the arbitrary and erratic manner inherent in the current provision.

We also believe that the 6 percent minimum pay-out rate is too high. The Treasury Department has generally favored setting the pay-out requirement at a rate that would permit the preservation of the value of private foundation endowments in real terms. While that rate cannot be identified with precision, we believe that 5 percent is a fair approximation. It is generally estimated that 3 to 3½ percent is the long-term rate of return for all capital. After adjustment to take into account their tax-exempt status, the long-term rate of return for private foundations should be in the neighborhood of 5 percent.

Accordingly, we support enactment of legislation such as your bill (S. 2475), which would amend the private foundation provisions to provide a fixed minimum pay out of 5 percent.

Sincerely yours,
Charles M. Walker,
Assistant Secretary.

THE CONCORDE

Mr. BAYH. Mr. President, on January 12, I submitted to Secretary Coleman written testimony expressing my opposition to an amendment of the operations specifications for the Air France and British Airways Concorde supersonic aircraft to permit landings at John F. Kennedy and Dulles Airports.

I have consistently opposed the granting of permission to the Concorde to utilize American airports. I have done so because of the Concorde's excessive noise levels, the air pollution which it will cause, its effects on the depletion of ozone in the atmosphere, and safety factors.

Mr. President, I ask unanimous consent that the text of my written testimony be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Concorde Supersonic Transport: Issues of National Policy

(By Senator Birch Bayh)

The Secretary of Transportation must decide shortly whether to allow the Anglo-French supersonic transport to operate from Kennedy and Dulles Airports. To assist in that decision-making process, the Federal Aviation Administration has prepared an *Environmental Impact Statement,* which has been severely and justly criticized for presenting the strongest possible position in favor of the Concorde.[1] Despite its shortcomings and bias, however, the EIS and its supporting documents are useful; for even when viewed in the most charitable light, the data on the Concorde show it to be an unmitigated economic and environmental disaster. In making his decision, the Secretary of Transportation must consider the record of evidence which shows almost no real benefits to the interests of the United States in granting Concorde permission to operate, contrasted with the serious negative impacts in the areas of economics, noise, land use, air quality and energy conservation. A brief examination of some of these issues makes the need for firm Federal action to ban Concorde apparent.

Economics: The High Cost of High Speed. The Concorde SST is a technological marvel and an economic disaster. The joint efforts of the British and French airframe and aircraft engine industries have overcome enormous technical problems and produced an airplane which will carry passengers more than twice as fast as any existing commercial jetliner. The economic costs of achieving supersonic speed have been enormous. Research and development have cost the British and French Governments about $2.5 billion. This money will never be recouped. Each completed aircraft has a purchase price, based on production costs only, that is two-to-three times that of any existing passenger aircraft, including jumbo jets with three times the capacity of the Concorde. Operating costs for the SST are estimated to be three-to-four times those of existing airliners on a seat-mile basis.[2]

Airlines have not been impressed with the economic benefits of Concorde. The only carriers that have "purchased" the $60 million aircraft are the two airlines owned by the governments who developed Concorde. Having acquired nine of these white elephants, British Airways and Air France face a difficut dilemma in finding routes on which to fly them. The high purchase and operating costs will require fares to be set at a premium above current first-class international fares (a level about double the economy fares), even assuming that load factors much higher than those experienced by existing service can be achieved. The number of airline routes which serve a large number of affluent time-conscious travellers is limited. But the Concorde's operating characteristics limit its potential markets even further. The

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Footnotes at end of article.

sonic boom problem eliminates most routes with significant overland segments, and the Concorde's limited flying range will require it to serve other routes currently receiving nonstop service on a one-stop basis. Slowing down to avoid sonic booms or stopping to refuel reduces Concorde's competitive speed advantage over conventional jets on most very long-range routes. Some east-west routes present scheduling problems because time-zone differences make either arival or departure occur at inconvenient hours. Subsonic transports face this problem, too, of course, but their economics are not so critically dependent on high utilization rates. Concorde's ability to make two round-trips in the same time as other aircraft make only one has been hailed by its supporters, but this makes it almost inevitable that some of those trip segments will begin or end in the early morning.[3]

All of these factors make it difficult for airlines to find routes on which the Concorde can be run in an economically sensible manner. The two routes chosen for inaugural service, London-Bahrein and Paris-Dakar-Rio, are clearly uneconomical. They lack the passenger volume necessary for frequent service. (Transportation analysis has repeatedly shown that when travellers are time conscious, schedule delay, i.e. the time between departures, can be more important as a decision factor than actual travel times.) They also require indirect routes or subsonic overland segments which reduce their competitive time advantage. The only existing routes where the Concorde has a chance of economic survival at the current time are the North Atlantic routes, New York-London and New York-Paris.

The trans-Atlantic routes are the most heavily travelled long-haul international markets, with a relatively high number of affluent, time-conscious business travellers. But even these two markets for Concorde are relatively small. Civil Aeronautics Board figures show that in 1973 there were 89,000 first-class travellers between New York and London and 34,000 between New York and Paris. The proposed four flights a day (two in each direction) on each of these routes would provide service for 125,000 annual passengers at a 75% load factor or for 108,000 at a 65% load factor. For Concorde to succeed on even these two routes, it would have to capture the entire first-class market and also attract a substantial additional market. The Washington-Paris and Washington-London markets are much smaller, as are all other routes from the United States overseas, none of which has much prospect of supporting even a single daily flight in each direction.[4]

With only two potentially viable routes (which would only require two full-time aircraft), it is not surprising that the world's airlines are willing to leave the Concorde to the British and French. Unfortunately, trans-Atlantic carriers will not be able to avoid the disastrous economic consequences of Concorde simply by refusing to purchase and fly it. If Concorde is allowed to fly the trans-Atlantic routes and succeeds in attracting all or most of the existing first-class passengers, the revenue losses to subsonic service will be enormous. At current fares and 1973 traffic levels, the loss on the New York-London route will be about $50,000,000 annually and on the New York-Paris route about $20,000,000. The impacts on airline profitability and on subsonic service will be severe.

United States-flag carriers have been reluctant to press this argument for fear of being charged with self-serving protectionism which might provoke foreign governments to retaliate against them. Ironically, the airlines likely to be hurt the most by Concorde competition are the two which will fly it, British Airways and Air France, who currently serve the largest segments of the first-class markets on proposed Concorde routes. These carriers have not been reticent about complaining of the economic burden Concorde will place on them. British Airways in 1974 estimated that on its entire Concorde service, assuming the most favorable market and competitive conditions, it would achieve an annual operating profit of 1.1 million pounds, which would be offset by losses of 9.4 million pounds on its subsonic service as a result of the diversion of first-class passengers.[5]

Concorde's economic survival depends on skimming the most profitable part of the international travel market and serving it in a manner which at best will be marginally profitable, and then only when considered in isolation from subsonic service. Since everyone will lose money as a result of Concorde service, why is it being flown? The plans for service to Bahrein and Rio and the request for permission to serve Washington, all clearly money-losing ventures, indicate that the only reasons are national prestige and internal political considerations in Britain and France. Having invested enormous amounts of the taxpayers' pounds and francs, political leaders are reluctant to admit that Concorde is a mistake. Ordinarily, one would expect market forces to bring a rapid end to Concorde, but since economic factors are being ignored in the governmental decisions to inaugurate service, action by the United States government is necessary to prevent the predictable economic disaster.

The Noisiest Airliner Ever Built. During its planning and development, the Concorde supersonic transport generated a great deal of public concern about the impact of the sonic boom it would create when flying faster than sound. Attempts to reduce the boom's intensity were only marginally successful, and, as a result, the Concorde must be prohibited from flying at supersonic speed over inhabited areas. With the boom problem supposedly solved, it came as something of a surprise to discover that at subsonic speeds, the Concorde is in many respects the noisiest aircraft ever constructed. Despite claims from its manufacturers that its noise levels are "comparable with the 707–DC8 family" of jetliners, the Federal Aviation Administration's *Environmental Impact Statement* finds that—

> "The Concorde's perceived loudness or noisiness under the takeoff flight path is double that of a B–707, four times the noisiness of a B–747 and eight times as loud as a DC–10. The perceived loudness of the Concorde will be annoying. It will interfere with communications and may cause startle."[6]

Not only will the level of noise be startling, but the low frequency end of the sound spectrum is five times that of present jetliners, causing structures to vibrate, rattling household furnishings, and interfering with communication.[7]

Concorde operations at Kennedy and Dulles would subject thousands of families to increased levels of noise and vibration. Concorde supporters argue that the few additional operations would not add noticeably to the existing noise levels at these busy airports. However, the impact of the Concorde will be very noticeable, because it will mark a reversal of the trend of the last five years toward quieter operations at these and other airports, which has been achieved through the replacement of older, noisier jets with the new wide-bodied aircraft which conform to the Federal Government's FAR Part 36 standards. Controversy over airport noise has subsided in recent years because of the obvious, if slow, progress toward relative quiet. After the initial shock of Concorde's noisy introduction wears off, it is unlikely that airport residents will get used to it; for, as time goes on, and more and more subsonic jets are replaced by quieter models, the two or four Concorde flights each day will stand out more and more in contrast.

Disruption of Airport and Land-Use Plans. The introduction of Concorde service at Kennedy and Dulles airports will disrupt long-range planning of airport facilities and airport-area land use, not only in New York and Washington, but in the entire country. After decades of uncontrolled airport expansion and uncontrolled incompatible development in airport neighborhoods, many communities have finally taken steps to plan for the future development of airports and their surroundings that will accommodate both transportation needs and environmental concerns. This planning has been made possible in part by FAR Part 36 regulations for new aircraft, which insured that existing noise-impacted zones would not expand. As a result, many communities (including some around Dulles Airport, for example) have adopted zoning codes discouraging residential construction in some areas and requiring sound-insulation techniques in others. These regulations are based on the assumption, guaranteed by Federal law, that new aircraft noise levels would improve, not deteriorate.

The introduction of Concorde's noise levels at two airports calls into question the adequacy of airport area land use plans in all communities. While the economics of the Concorde make it unlikely that Concorde operations will be widespread, the public perception that they may possibly occur in the future makes compatible land use planning uncertain and even more politically difficult than it has been.

The threat of Concorde service also disrupts the planning and implementation of airport facilities improvements. Airport neighbors in many communities oppose needed runway improvements for fear that they might be used to attract noisy supersonic transport services. Airport planners and managers have come to realize the need for continued improvements in environmental impacts as a prerequisite for community support for their activities. The existence of Concorde service to the United States adds an unwelcome note of uncertainty to their plans.

Two to Three Times the Fuel. Because of its high speed, the Concorde uses fuel at a much faster rate than existing commercial aircraft on a seat-mile basis. Compared to a wide-bodied DC–10 on a 3000 mile trip, the Concorde consumes 50% more fuel, although it has less than half the seating capacity. In comparison with all other long-range airliners, under a variety of assumptions about relative load factors, the Concorde consistently requires two to three times the fuel per passenger.[8] Although the total fraction of world energy resources which will be wasted by Concorde's relative inefficiency is small, allowing an airplane to travel at Mach 2, while restricting motorists to 55 m.p.h., would hardly promote enthusiasm for much needed energy conservation efforts.

The Cancer Threat. Studies by the Department of Transportation and the National Academy of Sciences indicate grounds for concern about the effects of Concorde on the levels of ozone in the stratosphere. Ozone depletion caused by aircraft emissions of nitrogen oxides can result in increases in the levels of ultraviolet radiation reaching the earth. Ultraviolet radiation has been linked to skin cancer. The increase in the level of nonfatal skin cancer which the proposed Concorde flights would cause is estimated at 0.08%. Considering that the rate of this form of cancer is 250 per 100,000 in the United States, this is a matter of serious concern, even though the disease is not fatal. Ozone depletion may also possibly cause changes in climate.[9]

Although the exact dimensions of the threat to health from ozone depletion are

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Footnotes at end of article.

not certain, it would certainly be wise to restrict stratospheric travel by aircraft as much as possible, at least until the full dimensions of the problem are understood. The argument that the few flights a day to the United States by Concorde are not significant, is unconvincing: the ozone depletion of these regularly scheduled flights equals half that caused by all the military flights in the world. The argument that banning Concorde from the United States will not solve the problem because they will be used on other routes, causing the same levels of global ozone depletion is also incorrect. The economic evidence shows that Concorde has nowhere else to fly. A U.S. ban might even be used as a pretext to ground the whole fleet, eliminating this threat to the sensitive and vital ozone layer.

The Need for Action. Considering the absence of positive benefits of any sort which would result from the introduction of Concorde service to Kennedy and Dulles and the well documented negative impacts on airline economics, public health, and environmental quality, the Secretary of Transportation should have little difficulty in reaching the conclusion that the Concorde ought to be banned. Unfortunately, he has been subject to an enormous amount of political and diplomatic pressure to allow its operation. If he bans Concorde, he will no doubt be accused by some officials of our allies, France and Britain, of having made his decision on the basis of narrow, national self-interest. The record will show, however, that it is the applications for permission to operate filed by these two governments which are lacking in enlightened concern for their own national economic interests, as well as for the global environment. The introduction of Concorde serves only the short-sighted political ends of two governments who wish to postpone the inevitable admission that they have made a multibillion dollar mistake. In banning Concorde, the Secretary of Transportation will ultimately be seen, even in Britain and France, to have acted in the interests of the United States, its closest allies and the world.

FOOTNOTES

[1] U.S. Department of Transportation, Federal Aviation Administration, *Concorde Supersonic Transport Aircraft: Final Environmental Impact Statement,* Volumes I & II, September, 1975.

[2] *Ibid.*, p. III–3.

[3] See, for example, letter from John F. Hellegers, Environmental Defense Fund, to James E. Dow, FAA, May 6, 1975, in *Concorde EIS*, Vol. II, no. 26.

[4] U.S. Civil Aeronautics Board, "Comments," in *Concorde EIS*, Vol. II, no. 10.

[5] "Concorde—for and against," Flight International, June 6, 1974.

[6] *Concorde EIS*, p. VII–1

[7] *Ibid.*, pp. VII–1–2.

[8] *Ibid.*, pp. IX–1–2 & VIII–3.

[9] *Ibid.*, pp. VI–107–125.

CHOU EN-LAI

Mr. HATHAWAY. Mr. President, Prof. John King Fairbank, of Harvard, often called the Dean of American China Scholars, has spent his entire career in the service of better understanding between the Chinese and the American peoples. There were times in the past when his service was not appreciated by his own Government, but it is now clear that without that service, and without that of others like him, our present rapprochement with China would have been much more difficult, if not impossible.

In the January 11, 1976, edition of the Boston Globe, Professor Fairbank pays tribute to a man he came to respect and admire, Mr. Chou En-lai. From his own totally American perspective, Professor Fairbank notes the dedication, idealism, and rationality of a man who, almost single-handedly, preserved and nurtured a receptivity on the part of the Chinese to renewed ties with the United States. As those ties grow and strengthen, it would be good to remember the man who was once personally snubbed by Mr. John Foster Dulles, and who chose to repay that affront by an American Secretary of State by working tirelessly to restore friendship with the nation he represented. I ask unanimous consent that the text of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ACHIEVEMENTS EQUALED BY FEW

(By John K. Fairbank)

To understand the national mourning in China today, we must think back to the death of Franklin D. Roosevelt in 1945.

A charismatic leader has died who has been at the top of the national scene for as far back as many people can remember.

But while FDR had been the American people's chief executive of the New Deal and then in World War II, China has gone through an even more tumultuous period of civil war, foreign war and continual revolutionary campaigns for the remaking of the national life and the social attitudes of every person.

Moreover, Chou En-lai as premier has been the chief executive for almost 27 years, ever since the founding of the People's Republic of China in 1949.

In a revolution where institutions are being recreated, personalities are especially important and influential. Chou not only headed the State Council, but most of the time handled China's foreign relations while also being a principal figure in the Chinese Communist Party. The amount of work he accomplished will have few equals in the annals of any country.

His accomplishments were due to a combination of talents and circumstances: a trim appearance, graceful and alert, with a natural charm that seemed to give him immediate rapport with everyone he met; an extraordinary vitality and durability that let him function almost around the clock with only a few hours' sleep in the early morning; a genius for organization and dealing with people that gave him a devoted staff of great competence.

Of course the principal circumstance in Chou's career has been the revolutionary leadership of Chairman Mao. From the time when they first got together in the early 1930s, after Chou had had for a time a superior position, he subordinated himself to the leadership of Mao Tse-tung, whose social doctrines and revolutionary passion required translation into day-to-day administration. For more than 40 years Chou En-lai was so committed to the goals of Mao that he could avoid rivalry and remain safely subordinate in the hierarchy.

The chief trait of Chou En-lai's character came through as a selfless devotion to the revolutionary cause and an unstinting commitment of his talent and energy without regard for personal power. Humility is of course the best policy among revolutionaries, and by putting his effort into administration more than politics, Chou survived as the even-handed and impartial colleague of all sides, the voice of reason and compromise at the center of the storm of controversy. He became a figure of legendary proportions, so much so that he would fly into Wuhan alone in 1967 and single-handedly quell a military munity.

Considering the pivotal role he performed in the Chinese government all these years, it is amazing that he was also China's chief representative abroad. He went on extended trips to all the major Asian, European and African capitals. including some tense and dramatic appearances in Moscow, and he led Chinese delegations to conferences at Geneva, as well as at Bandung in Indonesia.

This flair for dealing with foreign peoples and diplomats came from Chou's background and early experience. Born into an upper class family, he received a modernized, upper-class education at the Nankai Middle School in Tientsin. As a youth, he spent time in Japan and then went to Paris. During four years in Europe in the early 1920's he acquired international perspectives that Mao Tse-tung, who stayed in China, never achieved. He also worked under Chiang Kai-shek at the Whampoa Military Academy in the mid-1920's when Mao was working on the mobilization of the peasantry and, for a time, headed the Nationalist Peasant Institute, in Canton. By 1946, when Gen. George C. Marshall was trying to mediate in China, he found Chou En-lai to be one of the ablest diplomats he had ever encountered

During his 25 or more years of active leadership at Peking, Chou developed many techniques for handling foreign relations. One principal device was the dinner for foreign visitors at which the premier, as host, would establish personal contact with his guests, usually with great charm and amiability. He would go around the table conducting a series of dialogues to elicit the visitors' views and, in effect, give himself a briefing.

At the same time, he could use his dinner parties in place of press conferences, making numerous statements for the record which his guests, many of whom were journalists, could then report indirectly to the world. On such occasions group photographs and single shots of the premier shaking hands with each principal guest were taken with great precision and efficiency to give the visitors mementos of the occasion.

The most striking characteristic of Premier Chou was undoubtedly his sympathy and intuitive understanding of the people with whom he dealt. Not obliged himself to formulate broad policies de novo, he could spend his time explaining them and adjusting them to his audience. There are countless stories of his concern for individuals and his avoidance of dogmatic or fanatical extremism, no matter how vehement his pronouncements.

Let me offer a personal illustration of this human touch. Similar to Americans in wartime Chungking, I first met Chou En-lai through the young woman who became his principal press officer, Kung Peng. An intelligent and attractive spokesman, she developed wide contacts among the foreign press corps and embassies in the wartime capital. In 1943, she married a colleague on Chou's staff who is now China's foreign minister, Chiao Kuan-hua, and in 1945–46 my wife and I, working under the American Embassy, saw something further of this attractive Chinese couple.

When we returned to China at Chou En-lai's invitation 26 years later in 1972, we found that Kung Peng, after brilliant service as head of the Foreign Ministry information section, had died a year before. She had suffered a massive stroke and remained for several months alive but unconscious. During this unhappy time we were told that the premier had come regularly to sit for a while by her bedside in the hospital. When we were invited to dinner with him and I sat down beside him, his first remark was (in Chinese) "You knew Kung Peng." "Yes," I said. And that was all that needed to be said.

As Chou En-lai now becomes more and more of a legendary figure, a preeminent hero of the revolution, we can regret that he never came to the United States, that our official attitude prevented it, and that his realistic perspective can no longer help us to work out the Sino-American relationship. To be rational and self-disciplined is a Chinese specialty. Perhaps Chou En-lai can become a folk hero of the modern age among us, too.

JUSTICE WILLIAM O. DOUGLAS

Mr. BAYH. Mr. President, on December 21, 1975, the Washington Star carried an article by Eliot Janeway entitled "Douglas Revisited: Braintrusting Social Change."

Mr. Janeway, who I am privileged to know personally, is one of our foremost political economists and a life-long friend of Mr. Justice Douglas. His article appeared at a most appropriate time. On November 12, Mr. Justice Douglas retired from the Supreme Court after 39 years of service, longer than any other justice in the Court's history.

On the occasion of his retirement I spoke in the Senate about Mr. Justice Douglas' distinguished career on the Supreme Court. As a true civil libertarian it is his belief, and one I share, that the strength of Government is grounded in the free exchange of ideas. His vigorous and untiring defense of the individual freedoms enshrined in the Bill of Rights will certainly distinguish him as one of the great justices in the history of the Supreme Court.

But Mr. Justice Douglas should not be remembered solely for the opinions he wrote as a Supreme Court justice. Even before his elevation to the Court he was influencing Government policy and public opinion.

During the turbulent days of New Deal legislation, Mr. Justice Douglas was chairman of the Securities and Exchange Commission, a philosophical and organizational center of New Deal activity. In the 1930's he helped set up the first joint congressional and executive hearings on the economic problems that followed the Great Depression. As a skillful politician, he was instrumental in recruiting support for the Reorganization Bill in 1938.

Mr. Janeway's article is a valuable and interesting discussion of these activities and of Mr. Justice Douglas' many years on the Supreme Court.

I ask unanimous consent that the article from the Washington Star be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Douglas Revisited: Braintrusting Social Change

(By Eliot Janeway)

Essayists are writing off William O. Douglas with faint praise as if the great leap forward he led had been launched in the robing room of the Supreme Court and had landed him in a musty archives reserved for cranky dissenters.

The Supreme Court provided Douglas with an operating base, not just an institutional framework. The part of the Washington jungle reserved for the judiciary was not a habitat to which his labors were limited. His abrasive opinions and momentous decisions account for only part of his contribution to our times. He made his full impact as a triple threat man: political operator, social revolutionary, legal craftsman.

The late Allan Nevins labored a generation ago to "de-Teutonize" the study of history. Von Ranke had established the dependence of every historical dictum on a chronicled footnote and, conversely, the formative influence of a chronicled footnote on every historical dictum. The Germanic school of historiography imposed its *Dictat* over generations of historians with the rule of "one dictum, one document."

Nevins broadened historical scholarship to encompass the stream of oral history. He knew that the written word could be just as misleading as the spoken word, and vice versa.

Professor A. E. Dick Howard of the University of Virginia Law School, who once clerked for the late Justice Hugo Black, wrote an evaluation of Douglas' labors on the Supreme Court in *The Washington Star* of Nov. 30. It represents a retrogression to the pre-Nevins era of purely textual criticism For Douglas' opinions are not the only criterion for judging his contribution. They were weapons expressing his philosophy and covering his politics. But they do not tell the whole story. Douglas talked and maneuvered his way across the stage of history.

First, the historical setting for Douglas' appointment to the court. The traumatic event of Roosevelt's first term was the collision of the New Deal with the Supreme Court. (Even after Hoover had been repudiated, the Supreme Court remained the bastion of the Old Deal.) The critical event of his second term was his rush to pack the court just when the "Nine Old Men" were ripe for retirement anyway. FDR's error was in disregarding the law LBJ subsequently formulated: "Politics is just a matter of waiting around to go to funerals."

Early in the Roosevelt era, the SEC emerged as the powerhouse of the New Deal. New philosophical ideas, new organizational structures and new political careers were launched there, first with the arrival of Douglas at the SEC and then under his sponsorship as chairman. For example, it was Douglas who activated the formidable power base of Sen. Joseph O'Mahoney of Wyoming. After O'Mahoney had cast the "swing vote" against Roosevelt's court-packing plan, Douglas recaptured him for the Roosevelt alliance.

Douglas and O'Mahoney collaborated to form an operation not seen before or since; A joint congressional-executive policy-probing and program-launching mechanism. Its hearing presented the first full-dress exposition witnessed in America of the new Keynesian technique for reversing recession. They could not have been more timely. The monumental fiscal mismanagement by FDR's Treasury of the cash flows from the new system of Social Security was plunging the shaky recovery of the 1930s into a big new recession. Prophetically, the hearings identified the interlocking of federal with state and local government financing as the key relationship in the economy. The Douglas-O'Mahoney team perceived ways in which the political structure impacts the operations of the economy.

After nearly 40 years, the scramble is now on to catch up with the seminal pioneering explorations of the Temporary National Economic Committee formulated by Douglas and O'Mahoney. Its missionary work was responsible for the White House acquiring an entirely new apparatus; the first presidential staff. Thanks to Douglas' political skill in recruiting Roosevelt's conservative senatorial critics as allies for his own radical ideas, Roosevelt managed to win his hard-fought battle for the Reorganization Bill of 1938, after the politics of confrontation and temper tantrum had lost him the court fight.

Victory in the court-packing fight would not have re-engineered the White House into a powerhouse. Victory for the reorganization bill *did*. The stratagems and forays that molded this episode, and went on to create the modern White House, won't be found in the random footnotes of the dockets of the Supreme Court.

Then, Douglas' elevation to the court. The idea was the inspiration of the late Judge Jerome Frank, who saw in Douglas the potential for revitalizing the Supreme Court.

Two obstacles immediately formed. The Eastern Conservative Establishment opposed Douglas as a Main Street radical; and the Western contingent of the New Deal was entitled to the next vacancy in the power structure for themselves. (Douglas had indeed come from the Pacific Northwest, but he was seasoned in New York and New Haven.) Soon, his endorsement by Sen. William Borah of Idaho, the ranking Republican on the Senate Judiciary Committee, smothered both objections.

Roosevelt—once burnt, twice shy—had had his court fight. "Divide and rule" had become his new policy towards the court as funerals and retirements invited him to take it over through his nominees. While he was intrigued with the idea of putting Douglas on the court, Roosevelt also wanted reassurance that he was not inviting a fuss over Douglas' confirmation. But Justice Brandeis, who had the most hallowed name in town, assured Roosevelt that, politically, Douglas was his adopted son. Soon Douglas was in business.

Douglas arrived at the court wearing the mantle of the New Deal. Roosevelt, meanwhile, as he himself put it, was about to abandon the role of "Dr. New Deal" for that of "Dr. Win the War." Just as Roosevelt's presidency was complicated by this dichotomy between his reform past and his military present, so the court's function was complicated too as it was drawn into the adjudication of the inner conflicts raging in the White House.

From its beginning, the wartime New Deal was braintrusted and brokered from the Supreme Court. Douglas was the braintruster of the social changes engineered by the court; and he was the broker of the power shifts inside the court itself. The revolutionary role that Douglas was to play unfolded in his special relationships with Chief Justices Stone and Warren, as well as through his alliance with Justice Black and his war with Justice Frankfurter.

The Roosevelt war years exaggerated the importance of Harry Hopkins as the mover and shaker in the White House. As Douglas used to say "Harry is just Roosevelt's lapdog." It was Justice Frankfurter who was Roosevelt's working ambassador to the conservative establishment.

Frankfurter dominated the court at the time of Douglas' appointment, and he justified the evolution from his early liberalism of Sacco and Vanzetti days by lining up on Roosevelt's "Dr. Win the War" team. Douglas, in contrast, insisted that "Dr. New Deal" was still needed to win the war as well as the peace to come after it.

The guerrilla warfare between Frankfurter and Douglas soon infiltrated every level of White House operations from grand strategy (could the Pacific front demand equal rights with the Atlantic? or any priority at all?) to personal politics (would Secretary of the Navy Forrestal be allowed to have Tommy Corcoran as his assistant secretary for air?)

Mere exegesis of judicial opinions can't ferret out the full ramifications of the political and philosophical conflict between Douglas and Frankfurter. It dominated not only the court, but the conflict within the White House as well. Their judicial opinions served as the conning towers in a submarine war that never stopped. Douglas and Frankfurter suffered coexistence without seeking detente. (Douglas' way of expressing frustration when Frankfurter was thwarting his operations was to grunt, "Felix is on his rollerskates.")

The tragedy of Hiroshima provided just one example of how the ups and downs of these two belligerents determined the course of history. Stimson, the secretary of war, was Frankfurter's ally. Forrestal, the secretary of the Navy, was Douglas' protege. When Stimson forced the decision to drop the bomb on Hiroshima in 1945, Douglas' private reaction was to anticipate that Asia would not be safe for Americans again in this century (a judgment confirmed more than 20 years later at the climax of the American experience in Vietnam). Douglas subsequently went public with the statement that if he had been president instead of Truman, he would have vetoed this recommendation. It was an irony of history that the faction which downgraded priorities for the Pacific while the war was on, opted for overkill as it was winding down.

Clearly, Frankfurter was the life-long political adversary worthy of Douglas' mettle. "I was his protege," Douglas used to admit, "until he found out that I had grown out of knee pants." Frankfurter, for his part, was torn between his desire to ease Douglas off his independent power base on the court into an executive job, and his fear that Douglas might wind up with the coveted succession to Roosevelt.

My account of Roosevelt's war administration, *The Struggle for Survival*, chronicled this part of the war between Douglas and Frankfurter. (When John Kenneth Galbraith reviewed my book in *The New York Times*, he complained that he had spent the war years in Washington without ever having stumbled across any such goings-on. The publication of the Frankfurter papers has obliged Galbraith to recognize the need for changing at least this opinion over the years.)

Finally, the politics of positioning on the court. The strategy unveiled from Douglas' SEC base—alliance with conservative figures to channel radical ideas into the political center—was quickly reactivated from his court base.

The retirement of "Old Whiskers," Chief Justice Hughes, precipitated a pitched battle for the position of chief justice. Atty. Gen. Robert Jackson was the favorite. By contrast with Douglas, Jackson was a conservative thinker projecting a radical image. But Jackson's claim to the chief justiceship was in double jeopardy: it was clouded by a verbal promise from Roosevelt to Jackson, which, as the saying goes, "wasn't worth the paper it was written on."

And Douglas posed the second obstacle to Jackson; he favored another candidate. Justice Harlan S. Stone had been Coolidge's attorney general and had cleaned out the Ohio Gang and cleaned up Teapot Dome. Before that, he had been dean of the Columbia Law School when Douglas was learning how to use law books without spending time on them. "Clean as Vermont granite" was Douglas' affectionate thumbnail sketch of his old teacher and senior brother. Stone, a holdover from the Republican past, was Douglas' choice over Jackson, the Democratic firebrand, to succeed to the chief justiceship.

Sen. Jame F. Byrne of South Carolina was Roosevelt's inside Senate operative; he too aspired to the presidential succession and, therefore, wanted to share the power base on the court. (Do any academic students of court exegesis believe that Justice Jimmy Byrnes' brief labors on the court were limited to the promulgation of sacred texts? Or that he failed to leave a large imprint on the sands he trod?).

Roosevelt looked like Knute Rockne unleasing the Four Horsemen on the day he moved Stone up to chief justice, and put Jackson and Byrnes onto the court too. The Fourth Horseman—Douglas—stood still, executing the "State of Liberty" play for Stone to score on.

The Stone Court set the stage for the rise of the Black-Douglas combination, which broke the hold of Frankfurter on the court. The roots of Watergate were planted with Frankfurter's affirmation for the court, on the occasions of the flag-saluting and Japanese-American internment cases, that the government is always right—even when it violates the Constitution. Two joint historic switches from concurrence into dissent by Black and Douglas signalled the break with Frankfurter. Black and Douglas, in reevaluating their positions, went public with the admission that men at the top of the power structure can err.

The new Black-Douglas minority did not take very long to organize a new majority. At the time, America was still a white man's society. The Black-Douglas dissents broke the establishment mould and activated the ferment of social change. Chief Justice Stone was their pivot, emerging as the conservative voice for their radical thinking.

The intricacies and ambiguities of the Black-Douglas relationship will present a challenge to literature for years to come. Sometimes the two giants were allies, and sometime competitors. But always the frustrations of one matched the achievements of the other. "Hugo knew how to get elected," Douglas used to say, "He's a member of the Senate Club." Douglas was content to wear kneepants as Black talked about how to see the Senate and how to play it from the court. Justices who leave their imprint learn to count the Senate just as professionally as senators who survive learn to listen to the court.

Black, for his part, was content to wear knee pants too as Douglas wove words out of concepts and hardened them into weapons. "Bill doesn't have to work nearly as hard or as long as I do to turn out more and better work," Black once told me. He was the original source of the subsequent canard, which pops up in the current crop of retirement essays, that Douglas goofed off from the work of the court. But Black himself started the story as an expression of admiration, not as a slur.

Douglas went along with the praise for Black's judicial craftsmanship; Black went along with the buildup for Douglas' political charisma. Stories were subsequently spread that Black resented the talk that Douglas might leave the court to run an executive agency as part of a plan to run for high political office. The resentment was real, but the motivation was mixed. Black himself talked with Douglas and others about the priority of his claim over Byrnes' to the Rooseveltian succession. He recalled his old clubmate O'Mahoney's jibe about Byrnes as "just a fixer." In fact, Black felt, and Douglas concurred, that his own unpublicized option was senior to even Douglas' highly publicized claim.

The Warren Court came into focus as the authentic heir of the Stone Court and the O'Mahoney Committee: a conservative consensus speaking for the advancement of radical ideas. Warren had been elected the governor of California as an ultra-respectable conservative ousting a tendentious radical. He came to the 1952 Republican convention as the obvious compromise candidate between Eisenhower and Taft. Nixon's treachery in selling himself to Ike as the vice presidential nominee and running out on Warren cost California's favorite son the presidential nomination and left Warren the legacy of the chief justiceship as a consolation prize. It was this shared frustration of the presidential dream that helped draw Warren to Douglas.

The Black-Douglas relationship was repeated in the Warren-Douglas alliance. Like Black, Warren knew how to get elected; and reciprocally, Douglas knew how to use legal opinions as political weapons. The O'Mahoney-Douglas type of relationship was reincarnated here too, and so too the Stone-Douglas relationship. Radical ideas were harnessed to speed the progress of a harsh present into a more benign future under auspices that had seemed conservative, but became liberal.

No mere political genius alone, operating as a judicial virtuoso to channel a social revolution, could have consolidated the achievements of the Stone Court into the monuments of the Warren Court. Character was an indispensible ingredient too. (Warren told me that, when Atty. Gen. John Mitchell, of odious memory, called Douglas to tell him to get off the court or else, Douglas replied: "Saddle your horses," and banged the phone down.)

The best kept open secret on the court these many years has been the dependence of Douglas' brethren on him to help write their positions. No commentary on Douglas' opinions can be complete without taking into account the impact of his counsel on his clients on the court. Sometimes they concurred with Douglas, sometimes they dissented, sometimes they outvoted him; but always they drew on his unrivalled knowledge of the court's uncanny sense of judicial tactics. Nothing like it has been seen in the upper reaches of the Washington power structure since Bob Taft ("Mr. Republican") doubled in brass as the ghost writer for the "socialist" legislation sponsored by Democratic colleagues less accomplished as draftsmen.

Douglas' services will remain on call when he sets up shop in the same chambers Warren used in his retirement. Perhaps his listing in the next edition of Who's Who will describe him as a ghost writer with a select circle of non-paying clients.

Altogether the real business of the court was the battle over high policy, legal opinions were part of the routine of judicial fencing. They represented what philosophers call the outward appearance of things. The ways in which the court molded history during the Roosevelt administration and afterwards were political and not just in the Aristotelian sense. The political history of the court was made orally, just as all political history is made. The Beckers, the Beards, the Nevins and the Potters will need to search out the oral sources of this period and fall back on the supporting judicial opinions as circumstantial evidence in order to reconstruct and interpret it. The judicial opinions were philosophical premises into practical political operations.

"Mediocrity," Douglas grumbled last summer, "is bogging down the court along with the rest of the political process." Douglas' enemies ran out of epithets for him, but they never called him mediocre. He turned his friendships into alliances, his feuds into holy wars. He failed to break the jinx, part of the oral history of the court, on justices making it to the presidency.

But if Truman, Stevenson and Kennedy carried the political torch of the New Deal into history, Douglas husbanded its philosophical and social heritage. We are the richer and the wiser because he did.

STONEWALL JACKSON—ILLUSTRIOUS SON OF WEST VIRGINIA—BORN 152 YEARS AGO TODAY

Mr. RANDOLPH. Mr. President, today marks the commemoration of the 152d anniversary of the birth of one of the most illustrious sons of West Virginia and of our country. On January 21, 1824, Gen. Thomas Jonathan Jackson was born in the western region of Virginia, in what is now the city of Clarksburg, W. Va.

His grandfather, born in England, came to America in 1748. Stonewall was reared by his uncle for 12 years following the death of his parents, who died in poverty.

Stonewall Jackson was a born fighter. When he entered West Point in July 1842, he had a poor preliminary education. He admitted that he "studied very hard for what he got." By 1846 he was graduated in the top third of his class.

Jackson is usually portrayed as a militarist and a strange character. However, he deplored the prospect of war as the "sum of all evils." On the eve of a battle, he prayed several times during the night. He was a religious person. His favorite conversation was theology. Both of his wives were the daughters of Presbyterian ministers. His first wife died during childbirth 14 months after their marriage.

His poverty-stricken youth contributed to his stern self-discipline. Stonewall demanded much from his subordinates and he rarely communicated with them. Yet he was popular with his men.

Jackson's interests in life were varied. He enjoyed art. He read poetry. He loved his daughter very much. The few slaves that he owned were bought at their request.

General Jackson died on May 10, 1863, at the early age of 39. His short but successful life ended when, during the famous Battle of Chancellorsville in Virginia, Jackson was severely wounded by the mistaken fire of his own men when he was returning to the battle front. Jackson's troops' rear attack on the large Union forces helped give Gen. Robert E. Lee perhaps his most spectacular victory.

Jackson was one of the greatest military strategists. He mastered the art of initiative and surprise in battle. It is interesting that his duty in field service in the Confederate Army was less than 25 months.

Stonewall was reared in what is now Lewis County in West Virginia, an area where our State 4-H camp is located at Jackson's Mill. He was 18 years old when he was elected to the position of constable of Lewis County. On the original five acres of his boyhood home, which unfortunately was destroyed by fire, is located the reproduced grist and sawmill, completed in 1937, which is listed on the National Register of Historic Places by the National Park Service. Jackson's grandfather built the first mill on the West Fork River before 1800.

Today, Mr. President, the city of Clarksburg, first settled in 1773, honors this historic occasion with appropriate ceremonies. The United Daughters of the Confederacy is placing a wreath on the bronze plaque at the birthplace site in the 300 block of West Main Street in Clarksburg.

The Stonewall Jackson Civic Club will place a wreath on the Stonewall Jackson equestrian statue on the plaza of the Harrison County Courthouse, across the street from the Stonewall Jackson Hotel, and near the location where Jackson was born.

These events were coordinated through the leadership of S. J. Birshstein, who has been chairman of the Stonewall Jackson Historical Committee of the Clarksburg Chamber of Commerce for 36 years.

As we express tribute to Stonewall Jackson, we remember two of his favorite maxims: "You may be whatever you resolve to be" and "Never take counsel of your fears."

During our Bicentennial celebration, we read and learn of those men and women who contributed to the shaping of the history of the United States. Gen. Thomas Jackson is recognized as an outstanding American military genius, but his personal strength and "soul of fire" should not be forgotten.

CASH AND CRISIS

Mr. BIDEN. Mr. President, I wish to call the Senate's attention to a perceptive treatment of the problem of covert U.S. bankrolling of foreign elections, "Cash and Crisis," a column by Tom Wicker which appeared in the New York Times during the congressional recess. Mr. Wicker hits the right note of alarm about possible Communist Party gains in Italy, but questions whether simply disbursing $6 million around the Italian political scene is the most effective way to attack what is a much more profound question.

In a number of specific ways this article reminds us of the high price the United States—and the Congress—pays for foreign policy secrecy; that is, treating symptoms rather than causes; giving the Communist party an opportunity to berate us for "interference" in Italian affairs; demonstrating poor fiscal responsibility; and most importantly confronting the Congress with one more example of a foreign policy fait accompli. I ask unanimous consent that Mr. Wicker's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 6, 1976]

CASH AND CRISIS

(By Tom Wicker)

Whether the Central Intelligence Agency did or did not recently pour $6 million into the coffers of various non-Communist Italian politicians seems to have nothing to do with the most recent Italian governing crisis. But the coincidence of the crisis coming just as the C.I.A. payments were being reported illustrates how hopeless it probably is for the United States to attempt such methods of untangling the thickets of Italian politics.

Actually, William Colby, the C.I.A.'s lame-duck director, says the agency has not spent a nickel in Italy in the past few months. But he refused to say, in an interview on the National Broadcasting Company's "Today" show, if there were plans for such expenditures. White House sources, meanwhile, confirmed that the C.I.A. had been authorized by President Ford to lay out the $6 million, and Congressional committees apparently have been briefed on the matter.

If the money, or any part thereof, has not yet actually been spent it might make more sense for Mr. Colby to turn it over to the new fund for American Presidential candidates. This is not just because, as Representative Wayne Hays of Ohio has cynically suggested, some of the intended Italian beneficiaries might have numbered bank accounts in Switzerland.

It is more important because this kind of American meddling in another country's politics is likely to help the Communist Party, not hurt it, as Washington's cumbersome intelligence machinery intended. That party, working as hard and as successfully as it has in recent years to picture itself as independent of Moscow, will welcome the opportunity to accuse its rivals of being subservient to Washington—"sold out" to the Americans.

It was always a dubious proposition that the C.I.A. payments, or intention to pay, could have been kept secret in the post-Watergate era of more aggressive journalism, when the C.I.A. itself is under sustained investigation by Congress, and when the law requires this kind of "covert" operation to be reported to the Congress.

But even if secrecy could have been maintained, the undercover payments were ill-conceived. All political parties and candidates can use money, of course, but the besetting problem of the leading Italian non-Communist parties is not their lack of funds but their decades of incompetent and corrupt government. To the extent that the United States subsidizes or plans to subsidize these parties, it is subsidizing inefficiency, ineptitude, laziness, graft and favortism. That, too, plays into the hands of the disciplined, imaginative and effective Communists, since American funds simply help the non-Communist parties to go about their business as usual, rather than seeking the internal reform, new leadership and programs that might rescue their prospects.

As an American official pointed out to Seymour Hersh of The New York Times, $6 million is "peanuts" anyway, in a modern election campaign. That sum could not have helped the non-Communist parties to any degree commensurate with the risks involved—and probably not half as much as some blunt American advice to get their political houses in order, so that they could compete effectively with the Communists.

The coincidental Government crises suggests, furthermore, the kind of complexities into which the C.I.A. has bumbled with its open wallet. It was not the Communists who precipitated the crisis, but the Socialists—presumably one of the target parties for the $6 million slush fund. Why did the Socialists do it? Not least because they have been sharing some Government responsibility with the Christian Democrats, while the Communists—from their positions of strength in the labor unions, local governments, and popular opinion—have had more influence with the Government although accepting none of the responsibility.

The Socialists may well want new elections sooner than those scheduled for 1977, in the hope that the Communists may be forced more openly into some form of Government responsibility—while the Communists are opposed to early elections in fear of the same outcome. Why should they want to be associated in any formal sense with the unpopular governing parties when through the peculiarly Italian arrangement of "confronto" (which does not mean confrontation but a vague form of consultation) they already have great informal influence on the Government?

It is by no means clear as yet that the Italian Communists are as independent of Moscow and as tolerant of democratic institutions as they say they are; and even if these claims are true, it still is hard to reconcile a Communist presence in the Government of Italy with the North Atlantic Treaty

Organization and other Western institutions. Washington is rightly concerned, therefore, about Communist political gains in Italy; but American cash is not likely to reverse a tide that flows primarily from the gross deficiencies of the very parties it would reward.

THE BUDGET

Mr. BAYH. Mr. President, President Ford's budget proposal will not meet the needs of the American people and represents another act of political deception by the Republican administration.

While President Ford talks about a strong economic recovery, the fact is that we are rebounding very slowly from the worst recession since the 1930's. Gross national product grew at a rate of only 5.4 percent in the fourth quarter of 1975. Such expansion will make only a small dent in unemployment and is exceedingly sluggish compared to recoveries from previous postwar recessions.

What is needed is a more expansive fiscal policy to provide jobs. Only by putting people back to work will we solve the problems of budget deficits. Yet President Ford has chosen to settle for slow economic growth and continued high unemployment and to call it progress. What is worse, the restrictive budget for fiscal year 1977 will slow growth even further next year. It is characteristic that the President has structured his program so that these restrictive measures will impact on the economy only after he has gained every possible advantage from his political rhetoric on big government and from the economic stimulus which Congress fought to provide for the current fiscal year and transition quarter.

By looking at some specifics it becomes even more clear just what a cruel political hoax the President would perpetrate on the American people. While he speaks with sympathy of the problems of the elderly and proposes a new catastrophic health insurance plan for them, he at the same time asks for an increase in premiums for medicare. While he calls for more aid to the depressed housing industry, his budget allocates absolutely no increase in funding for the Department of Housing and Urban Development, not even an adjustment for inflation.

Further, the President has asked for additional reductions of personal income taxes and simultaneously requested an increase in the social security payroll tax. The worker carries the burden of even the employer's share of this tax as less funds are available for wage increases, and the structure of the social security tax system is most regressive, hitting the low-income workers the hardest. While Mr. Ford pretends to be giving with one hand, his other is reaching into the wallets of those who are in the most need of cash.

While the President has slashed expenditures for every Government program directed to the human needs, he has refused to cut the fat from the defense budget. The Pentagon is once again getting all it wants from a Republican President.

In short, President Ford's budget is a phony one. As Congress moves through the budgetary process, I am certain we will find that even the estimates of revenues and expenditures are based on miscalculation of unemployment.

President Ford knows Congress will not permit the economy to stagnate. He knows Congress will not permit him to increase burdens on the poor and the elderly. Yet he presents an unrealistic budget in order that he can flail away at Congress as a big spending strawman when it meets its responsibilities.

It is time that we stop this charade. It is time that we elect a President who will candidly appraise our needs and our abilities. This country desperately needs a Chief Executive who will level with the American people and talk true commonsense, rather than giving it lipservice.

S. 1379, THE SOLAR TAX INCENTIVES ACT

Mr. MONTOYA. Mr. President, today, I am pleased to be added as a cosponsor to S. 1379, the Solar Tax Incentive Act. I would like to thank the distinguished Senator from Arizona (Mr. FANNIN) for adding me as a cosponsor, and would like to commend him for his hard work in developing this legislation.

Briefly, this bill amends the Internal Revenue Code to allow a limited tax credit for expenditures made in order to use solar energy to heat and cool a person's principal residence or place of business. With this tax incentive for the installation of solar energy systems, we will be promoting the commercial development of this alternative energy source, and we are encouraging the use of a valuable new energy supply.

Mr. President, as our reserves of oil and natural gas slowly become depleted, we must explore the viability of alternative energy sources to replace oil and gas. The bill is a necessary step to aid those Americans who are interested in contributing to our national energy effort by changing over to solar energy systems for their homes and businesses. If we are to ever achieve energy self-sufficiency, we must establish legislation to promote alternative energy use at all levels. The Solar Tax Incentives Act brings immediately benefits to homeowners who install solar heating equipment. This kind of individual effort has been neglected in our many governmental incentive programs for energy conservation in the past. With this legislation, the use of solar energy for heating and cooling homes will become a realistic and immediate reality.

Mr. President, again, I would like to thank Senator Fannin for adding me as a cosponsor. Also, I urge my colleagues in the Senate to vote in favor of S. 1379 at the appropriate time.

AMBASSADOR JOSEPH FARLAND—CORRECTING A MISIMPRESSION

Mr. CHURCH. Mr. President, the Washington Post story, "Summary of CIA Plots, 1959–1972," November 21, 1975, page A9, contains an assertion about Ambassador Joseph S. Farland which is incorrect. In summarizing the committee's report, "Alleged Assassination Plots Involving Foreign Leaders," the author of the Post story apparently combined two separate incidents, making it appear that both pertained to Ambassador Farland.

In the second paragraph of the portion of the Post story pertaining to the Dominican Republic, the first sentence reads as follows:

> June, 1960—U.S. Ambassador to the Dominican Republic Joseph Farland agrees to be link between Dominican Republic dissidents and CIA.

That is incorrect. Ambassador Farland had left the Dominican Republic by June 1960. As page 192 of the committee report makes clear, it was his successor as chief of the American mission in the Dominican Republic, and not he, that agreed to be the link between the CIA and the Dominican dissidents.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, one of the most basic questions concerning the ratification of the United Nations Genocide Convention is whether genocide is the proper subject of an international treaty. Some would argue that social reform within a sovereign state cannot be accomplished by an international treaty. Many of these opponents of all human rights treaties believe that no nation has the right to influence the internal affairs of another nation.

Mr. President, to the extent that prevention of mass murder is considered involvement in the internal affairs of another nation, then we must join the 84 nations of the world which have seen fit to "violate" their own boundaries and seek an end to genocide everywhere. Ratification of the Genocide Convention is our way to join formally those who oppose mass murder.

When nations act unilaterally in the international sphere, they hope to change world conditions for their own benefit. In this sense, all nations participate to some degree in the internal affairs of other nations. We give food to some nations and industrial technology to others so that they will be friendly to us and so that they can afford to grant basic human rights to their citizens. Our foreign aid is an inducement for nations to act with reason.

Our ratification of the Genocide Convention will be a warning to nations that we will not tolerate their participation in genocide. We will support those who respect human rights, and we will reject those who transgress these rights.

The cause of human rights transcends national boundaries. Like other international human rights treaties, the Genocide Convention deals with rights which must be accorded men and women simply because they are human beings. Some of my colleagues seem to forget that the U.S. is at present a party to both the United Nations Universal Declaration of Human Rights and the 1929 Slavery Convention. In both of these cases, the Senate believed that the cause of human rights outweighed any apprehensions about "involvement" in the internal affairs of other nations. I hope that my fellow Senators will agree with me and with many other nations that failure to ratify the Genocide Convention is inconsistent with the advocacy of universal human rights.

POLITICAL PERSECUTION IN MALAWI

Mr. CHURCH. Mr. President, one country where political and religious persecution has recently been brought to light is Malawi. There more than 30,000 members of the Jehovah's Witnesses have been forced to leave their homes because of persecution instigated when they refused to join Malawi's only political party.

I ask unanimous consent that an editorial from the Wall Street Journal and an article written in Zambia by Dial Torgerson for the Los Angeles Times which reveals what is happening to the Witnesses be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Jan. 2, 1976]

Plight of the Witnesses

Stories have been trickling out of Africa during the past several months recounting the religious persecution of Jehovah's Witnesses in Malawi. Witnesses have been murdered, beaten by gangs, robbed, sexually abused and their houses burned down. Spokesmen for the Witnesses say that at least 30,000 of their members are being held in detention camps.

Religious persecution is an old, old story, of course, and the comparative handful of Malawi Witnesses are only a tiny fraction of the millions of religious faithful persecuted or harassed in Communist nations and elsewhere. Moreover, the two million or so Witnesses tend to keep a low profile except to proselytize so it's pretty easy for the outside world to overlook their travail.

Still, Jehovah's Witnesses tend to get under the skin of governments more than do most denominations, since they refuse to pledge allegiance, serve in armed forces or join political parties. Democracies tend to tolerate such refusals, but dictatorships are usually not that indulgent. The Castro government harshly persecuted Witnesses, including former world boxing champion Kid Gavilan, and Malawi appears to be going further.

Malawi formally banned the Jehovah's Witnesses in 1967 when they refused to join the country's only political party, the MCP. Many Witnesses fled to nearby Zambia, but most were subsequently forced back to Malawi. Whereupon some 35,000 fled to Mozambique, but when the present Marxist regime came to power last summer it forced them back again because they refused political indoctrination. Last summer the MCP congress urged that all remaining Witnesses be fired from their jobs and evicted from their homes, so many are now reportedly dying of starvation and disease. The Witnesses' publications carry tales of brutal tortures.

The plight of the Witnesses is closely bound up with the wider persecution and harassment of unpopular minorities in Third World nations, not just religious minorities but ethnic and racial minorities as well. Some 50,000 Asians were expelled from Uganda, 30,000 Portuguese, Pakistanis and Greeks were expelled from Zaire, another 10,000 Europeans were forced out of Ethiopia after the military junta seized their enterprises. And Tanzania's President Nyerere frankly warned white settlers they were unwelcome in his country.

Most of the persecuted Witnesses are blacks native of Malawi. But what they have in common with the Asians and Europeans cited above is that they are being used as scapegoats by regimes that never tire of lecturing the developed world on the evils of racism and other sins of Western democracies. More remarkably, there are still Westerners who take such lectures seriously; they ought to talk to the Witnesses.

Jehovah's Witnesses Flee African Persecution

(By Dial Torgerson)

Kitwe, Zambia.—Thousands of Jehovah's witnesses, in hiding or exile here from neighboring Malawi for refusing to join the Malawi Congress Party, are living in fear of being sent back by Zambian officials.

Some members of the New York-based evangelical sect, now seeking shelter in Zambia, said that being forced to return to Malawi could be tantamount to a death sentence.

"If we are sent back, we will be imprisoned for three years," said one elder of a Malawi congregation. "I was in a Malawi prison for one month and I know I could not survive for three years."

Malawi Witnesses and church officials interviewed in this northern Zambian city said persecution of Jehovah's Witnesses in Malawi included:

Brutal beating administered by members of the Malawi Youth League and the Young Pioneers.

Numerous incidents of rape and sexual abuses.

Threats to take children away from Witnesses who refused to join the Malawi Congress Party.

Imprisonment under inhumane conditions.

The Malawi government has encouraged other Malawians, including members of other Christian churches, to harass and attack the Witnesses, elders of the Malawi congregations said.

Members of Jehovah's Witnesses refuse to join political parties; salute flags or say oaths of allegiance and refuse to fight when attacked, citing the words of Jesus to Pontius Pilate (John 18:36); "My kingdom is no part of this world. If My kingdom were part of this world, My attendants would have fought."

The tenets of the Witnesses' beliefs have brought them trouble in many parts of Africa because they clash with a surging spirit of nationalism encouraged by leaders of newly independent states.

Intensive person-to-person evangelism is increasing Witness membership by as much as 14 per cent a year in some African nations and political leaders see the swelling numbers of Witnesses as a threat. Each Witness gained is a loss to the local party.

It has been in Malawi—a bean-shaped land of 5 million—that Jehovah's Witnesses have been subjected to the worst pressures to join the national party. Some 19,000 left Malawi for then-Portuguese Mozambique in 1972 rather than buy membership cards.

Jake Mwale, a stocky man of 54, gives this account of how his family lost their refuge in Mozambique last summer.

"A Frelimo officer came to our camp near the border and ordered all the brothers and sisters to come to a meeting in a grassy field near our huts. (Frelimo is the party which took over from the Portuguese in Mozambique.)

"Some soldiers stood around us and an officer said, 'I will now lead you in a shout of 'Viva Frelimo.' And he shouted 'Viva Frelimo.' None of us said anything. It was very silent. And he said 'Sing one of your own songs, then.' "

An elder led the Witnesses in singing their Hymn 27, which tells how "Jehovah's band of warriors in unity advances." Then, said Mwale, the officer said:

"They can sing their own song but they can't say 'Viva Frelimo.' They must be pushed out of the country."

Mwale, his wife and seven children, ages 6 to 22, were among the thousands of Witnesses marched back across the border Aug. 23. They were forced to return to their home villages, many on foot, where officials again demanded they buy party cards.

Mwale and his family escaped into the bush. Search parties pursued them, setting the brush afire. The Mwales were among thousands who were able to make their way to Zambia.

Mwale said that 1,900 Witnesses are now in prison in Malawi serving three-year terms for belonging to an outlawed organizations. The Witnesses were declared an unlawful society in October 1967.

Thousands of others are in the bush or are living as illegal aliens in nearby countries, subject to deportation if arrested.

MINNESOTA VALLEY NATIONAL WILDLIFE RECREATION AREA

Mr. MONDALE. Mr. President, in July, I introduced legislation to provide for the establishment of the Minnesota Valley National Wildlife Recreation Area. This proposal represents the culmination of an intensive effort spanning several years during which residents of the Minnesota River Valley worked with the U.S. Fish and Wildlife Service and with State and local environmental organizations to develop a realistic and workable plan to protect this important resource.

The Lower Minnesota River Valley is a truly rare environmental resource; a haven for waterfowl and other wildlife located within a few minutes drive of downtown Minneapolis. I know of no other major metropolitan area in this country in which there is a river valley of equal natural beauty or abundance and diversity of wildlife.

To point out the citizen interest and participation in this proposal, I would like to share with my colleagues several editorials from Minnesota newspapers and a letter from a property owner in this area.

Mr. James E. Kelley, of Bloomington, Minn., sent a letter to Senator Wendell Ford who chaired the hearing on the wildlife recreation area in Bloomington in November outlining the historical background of Long Meadow Lake which is located on his property. You will note from his letter the respect the property owners have for their land and the care they take in setting up and maintaining the wildlife areas. Under my proposal, sport fishing and other recreational activities which are so popular in the flood plain would continue.

Unless we protect this unique area from careless development, future generations will not be able to enjoy the many opportunities for hiking, photography, hunting, fishing, and other wildlife-oriented activities this resource provides.

I ask unanimous consent that the letter from Mr. Kelley and the articles from the Minnetonka Sun, the Minneapolis Tribune, the New Prague Times, and the

Minnesota Valley Sun be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

KELLEY AND O'NEILL,
ATTORNEYS AT LAW,
SAINT PAUL, MINN., *November 5, 1975.*

Re Long Meadow Lake.
Senator WENDELL FORD,
Chairman, Commerce Committee, Environmental Subcommittee, Washington, D.C.

DEAR SENATOR: At the suggestion of the Honorable Walter F. Mondale, Junior Senator for the State of Minnesota, I am writing this letter to you in order that you may have some of the historical background of Long Meadow Lake. I am a resident of Bloomington, Minnesota and have been ever since the year 1933 when my wife Margaret and I built our home in which we now live at 2901 East Old Shakopee Road in that city. I am a lawyer by profession. I was admitted to the Bar of Minnesota in 1917 and except for the sojourn in the United States Army in World War I, I have been and now am actively engaged in the practice of law in the City of St. Paul, Minnesota.

It was in the early summer of 1932 that I had the first opportunity of realizing the beauty and charm of Long Meadow Lake. Mrs. Kelley and I were then living in St. Paul on Riverwood Place near St. Thomas College. Our only child, Cynthia, was four years old. We decided we wanted a home in the country. In looking around the area we discovered the old Garret VanNess farmstead at 2901 East Old Shakopee Road in the Village of Bloomington. We immediately fell in love with what we saw and decided then and there to look no further. Old Shakopee Road was then but a dirt road leading from the town of Shakopee in Scott County to and through the Fort Snelling Reservation and ending at Fort Snelling proper. Then it was the Village of Bloomington and in 1932 the population of the entire township did not exceed a thousand persons. It was a farming community exclusively. The majority of the farmers were market gardeners who would sell their products prinicipally in the Minneapolis Farmer's Market. There were also a number of dairy and livestock farms in the area.

Garret VanNess had acquired his forty acres in 1875 from Franklin Steele, a former high-ranking U.S. Army officer who had been stationed at Fort Snelling after the Civil War. The Fort Snelling Reservation, prior to the Civil War, was a much larger area than it is now and evidently at the time the Federal Government decided to cut down the size of the reservation General Steele was able to purchase a sizeable part of the west end of the reservation including, I am told, that portion of Long Meadow Lake east of Cedar Avenue.

The Long Meadow Gun Club is perhaps the oldest duck hunting club still existing in the state of Minnesota. It was incorporated under the laws of the state of Minnesota in the year 1883. The founders were men who lived in Minneapolis and were engaged in the grain business and were avid duck hunters. They were attracted to Long Meadow Lake because of the excellent wild fowl shooting that it provided in the early spring and fall when duck hunting was then permitted. Long Meadow Lake was properly named. One looking at the area from the bluff on the north side of the lake during the summertime would have difficulty in seeing any water in the area east of Cedar Avenue. The Lake is shallow and in the summer it is practically covered with a dense growth of green aquatic vegetation which waves in the summer winds as a set of green lush grass. It is this vegetation that affords excellent cover and feed for all forms of wildlife. Wild fowl, particularly, not only linger in large flocks in the spring on their way north and in the fall on their way south, but many find the area a desirable place to nest and raise their young.

Mrs. Kelley and I purchased the VanNess farmstead from nine members of the Long Meadow Gun Club in October, 1932. They had acquired the property from the VanNess estate in 1918. For many years prior thereto the Club had an agreement with VanNess that permitted the club members to use a driveway from the Old Shakopee Road through the VanNess property down the bluff road and terminating at the clubhouse. The club kept open house the year round and their caretaker and his wife resided therein. This house was a very substantial building, handsomely furnished with fifteen bedrooms and at least four bathrooms, a large dining room and clubroom with a large kitchen and living quarters for the caretaker and his wife. For years, immediately south of the clubhouse there was a sizeable stable wherein the members would stable their horses which they used to haul their carriages to and from Minneapolis. This was the only means of transportation that the club members had prior to the coming of the automobile.

The record discloses that the Long Meadow Gun Club had a lease agreement with Garret VanNess wherein they paid him fifty dollars a year for the privilege of using his driveway through his property and to their clubhouse which was located on a knoll immediately to the west of the westerly boundary of the VanNess property. In addition they gave him the exclusive right to trap wild animals and to catch fish on Long Meadow Lake, "except that the club reserved the right to have the club members and their employees to fish for themselves". We are told that Garret VanNess was not much of a farmer but he was a very successful trapper, fisherman and guide and was able through this endeavor to eke out a good living for himself and his family. The lake has provided a wonderful environment for muskrats, particularly. I recall that one spring the then caretaker for the Club told me that seventy-five hundred dollars worth of muskrat hides had been harvested and sold in that year. My recollection is that this particular year followed a period when trapping had been prohibited for a couple of seasons.

When we made our purchase of the VanNess farmstead it was necessary that we continue to provide a roadway to the clubhouse. This was done by an arrangement with our neighbor, Hanson, immediately to the west of us. He also owned some eighty acres of Long Meadow Lake and leased the shooting rights thereon to the Long Meadow Gun Club. There was public access to the Hanson property from Old Shakopee Road and it was a comparatively simple matter for the Club to build a road east and west across our property below the bluff to the Hanson property and connect it to this public access road. At this time I was invited to become a member of the Long Meadow Gun Club and have continued my membership ever since.

At the northerly end of Long Meadow Lake there is an outlet known as Littles Creek that flows into the Minnesota River. Since the very early history of the Long Meadow Gun Club there has been a man-made dam on Littles Creek which has enabled the club to raise the water level of the lake in the fall for better shooting and to lower it in the spring to aid in the increased growth of aquatic vegetation. It is in the fall with a higher water level and the aid of Jack Frost that the area becomes truly a lake and not a meadow. From the beginning the Long Meadow Gun Club has never permitted wild fowl hunting in the open water of the lake. All of the shooting has been done from blinds that have been built on a point of land which extends almost across the lake from the east toward the west. There is room for about a dozen blinds based pretty much in a straight line from east to west. The members would have their breakfast at the clubhouse, draw for the blinds and then push off in their boats to the point where they would land and go to the blinds of their choice.

In the late 40's the club acquired a right-of-way from Clay Cummings who for years had a dairy farm on 34th Avenue in Bloomington, the southerly border of which is now the center line of 80th street east of 34th Avenue. After acquiring this right-of-way the club abandoned the laborious practice of pushing their boats across Long Meadow Lake and drove their cars around the lake to the south side of the point.

For many years Rosa P. Vincent owned the land consisting of approximately 900 acres, all of which she leased to the Long Meadow Gun Club and which comprised the major part of their shooting and hunting grounds. If I have been informed correctly, she was an heir of Franklin Steele. Upon her death the Trustee of the Rosa P. Vincent estate continued to leave the property to the Club until the summer of 1941. At that time the trustee decided that it wanted to sell this property and some of the members of the club suggested that inasmuch as I owned the land adjoining the club that I buy it from the Trustee and lease the hunting rights to the club. At the time I was representing a Mr. Gust Hohag as his counsel in some protracted litigation and he informed me that he wished to acquire this property. He was an old time resident of Bloomington and also a duck hunter and I suggested to him that we buy it together and we did. We each acquired an undivided one-half interest. Upon his death Mrs. Kelley and I acquired his interest. Some years later I transferred our interest to me as trustee for a trust that had been created for the benefit of my daughter and my grandchildren. I as trustee continue to own the property. Meanwhile, the Long Meadow Gun Club has continued to lease the shooting rights on migratory wild fowl and their members continue to enjoy good duck hunting from this estate. Unfortunately the clubhouse was destroyed by fire in 1956.

While I have not personally hunted wild fowl east of Cedar Avenue along the Minnesota River Valley to Shakopee I know that similar conditions do exist along it in areas that have provided and continue to provide excellent wild fowl shooting.

Yours very truly,
JAMES E. KELLEY.

REFUGEE PROGRESS

Based on the informational meeting and discussion of the Minnesota Valley National Wildlife Refuge proposal, it would appear that all of the important interests in the valley can be served at the same time one of the region's most valuable resources is being preserved.

Sen. Walter Mondale spoke in support of the refuge proposal as did other speakers from the U.S. Fish and Wildlife Service and from the Minnesota River Valley during an informational meeting last week.

Concern was expressed about whether or not the nine-foot river channel necessary for local industry will be maintained, if the wildlife refuge is acquired.

John Hemphill, regional director, U.S. Fish and Wildlife Service, said his agency will not oppose navigation of the river, that this is part of the agency's policy.

We support the wildlife refuge proposal and urge residents to write or wire not only their U.S. senators and congressmen, but also the members of the U.S. Senate commerce committee. The next step in the wildlife proposal becoming a reality will be taken during the hearings before the commerce committee in September.

We are heartened with the progress the proposal has made thus far.

[From the Minneapolis Tribune, July 27, 1975]

PROTECTING THE MINNESOTA RIVER

We hope Congress moves quickly to approve the Mondale-Humphrey bill to establish a national wildlife refuge and recreation area in the lower Minnesota River Valley—the final 25-mile stretch of the river. Through only a small portion of the valley between Carver, where the river's flood plain begins, and Fort Snelling State Park, where the river joins the Mississippi, has been lost to development, close to half of it is zoned commercial or industrial.

The Mondale-Humphrey bill should authorize the U.S. Fish and Wildlife Service to create a 9,540-acre wildlife refuge composed of nine separate units within the boundaries of the proposed wildlife-recreation area. The fish and wildlife service would have exclusive responsibility for management of the refuge, while management of the larger recreation area would be coordinated under a comprehensive plan to be developed jointly by federal, state and local government agencies within two years of enactment of the bill.

The measure would assist state and local preservation efforts by providing federal funds for up to 60 percent of the cost of acquisition of land and easements. Navigation on the Minnesota would not be affected by the bill, nor would the industrialized areas in Burnsville, Chaska, Shakopee and Savage. The main focus of protection would be on "areas in the flood plain whose primary value lies in their richness as a wildlife resource."

If the valley's fast-dwindling touches of nature are saved, credit must go to the enterprising citizens—now joined in the Lower Minnesota River Valley Citizens' Committee—who began the preservation effort two years ago. It was their efforts that convinced the U.S. Fish and Wildlife Service of the value of creating a wildlife and recreation area in the valley and their efforts that persuaded Sens. Mondale and Humphrey to push for congressional action.

It is, as Marialice Seal, co-chairman of the citizens' committee says, "a very rare thing for a major city to have this beautiful and rich river running right through and available by bus. Now it is up to Congress to complete the work citizens have started and secure what could be—on the very doorstep of the Twin Cities—a thing of lasting beauty and value.

NEW PRAGUE TIMES

The possible establishment of an extensive national wildlife refuge and recreation area in the lower Minnesota River Valley was discussed at a hearing of the Senate Commerce Committee's environmental subcommittee, held in Bloomington on Monday morning. Subject of the hearing was a bill proposed by Senator Walter Mondale of Minnesota, which along with certain amendments also proposed by Mondale, would establish a 17,500-acre refuge and recreation area in the river valley, stretching from Jordan to Fort Snelling.

At the meeting on Monday, the governor and various state officials urged a U.S. Senate environmental subcommittee to establish the area forthwith. It was pointed out that the valley is "under intense development pressure" and that prompt federal and state action will be required if the area is to be preserved.

Passage of the Mondale bill was also urged by Robert Herbst, state commissioner of natural resources.

The Times and other area media were informed of the meeting, which was held in the Oxboro Community Library, however we regretted that we could not attend. The Mondale bill would help to achieve something which this writer, personally, has long hoped to see attained, . . . the preservation for posterity of the river valley acreage, in its natural state.

The gradual encroachment by vast industrial complexes, is presenting an ever increasing threat to the existence of the wildlife area, pushing it back ever further, . . . and once it is gone, it is gone forever. The unique, wild quality of the valley along the river recommends it as one of this area's real environmental treasures.

We hope that Senator Mondale's bill will save it . . .

[From the Minneapolis Tribune, Dec. 30, 1975]

PRESERVING THE MINNESOTA RIVER

We hope that when the Senate reconvenes it will give early consideration to a Mondale-Humphrey bill that would set aside 17,500 acres in the lower Minnesota River Valley between Jordan and Fort Snelling as a national wildlife refuge and recreation area. (Rep. Frenzel is sponsoring a companion bill in the House.)

About 3,000 acres of the proposed refuge-recreation area already are in public ownership in the form of parks and preserves. Another 6,600 acres are covered in a U.S. Fish and Wildlife Service proposal which would set them aside as a wildlife area. The remaining 8,000 acres would be administered by the state and local governments. Privately owned land within the refuge would be acquired by the federal government under the Mondale-Humphrey bill at an estimated cost of about $2 million.

Federal action, however, says Sen. Walter Mondale, who has taken congressional leadership of the preservation proposal, is not enough. It's also up to the state and local governments to do their part. The state already has spent $2 million acquiring land and developing the Minnesota Valley State Trail, which would become part of the proposed refuge-recreation area. And the Metropolitan Council has given its support to both the fish and wildlife service proposal and Mondale's bill.

Preserving the natural and aesthetic beauties of the lower Minnesota River Valley is not a new idea. Gov. Floyd Olson suggested it as far back as the 1930s. Now its time has clearly come. As Gov. Wendell Anderson warned at a hearing in Bloomington of the Senate Commerce Committee's environmental subcommittee, the valley is under "intense development pressure," and quick action is needed.

PROPOSED WILDLIFE REFUGE GAINS SUPPORT AT HEARING

(By Frances Berns)

More than 150 persons crowded into the Oxboro Community Library in Bloomington Monday for the first Congressional hearing to be staged in this part of the country.

More than 40 testified before the Subcommittee on the Environment of the Senate Commerce Committee during the hearing on S. 2097, a bill to create a Minnesota Valley National Wildlife and Recreation Area.

Presided over by Senator Wendell Ford (D-Ky.) with Minnesota's Walter Mondale by his side, the hearing included such distinguished witnesses as Governor Wendell Anderson, Bloomington Mayor Robert Benedict, Richfield-Bloomington State Senator William Kirchner, Richfield-Bloomington State Rep. James Swanson, State Senator Bob Schmidt from Jordan and Scott County Board Chairman William Koniarsky.

Besides governmental officials the list also included: representatives of industry and business, witnesses from environmental organizations, private citizens and three young adults.

Senator Ford, who had arrived in the Twin Cities Sunday night during the snowstorm, conducted the hearing in a congenial, yet business-like manner.

Ford described the proposed 9,500-acre refuge site as "one of the few river valleys in the nation that lies in such proximity to a metropolitan area and to a large extent retaining its natural state."

Senator Mondale described the proposal as "one of the most exciting and thrilling proposals I have seen in a long time.

"We can put together some 17,000 acres partly owned by the federal government, partly by local governments and county governments.

"It is an area of spectacular beauty," Mondale said.

The proposal would allow the use of the valley for navigation and would incorporate the state trail system.

The Minnesota delegation in Congress of both political parties stands together in support of the proposed legislation, Mondale said.

Serving as the first witness, Governor Anderson described the Minnesota Valley as a region of "relatively unspoiled natural beauty" endangered by threats of encroachment. The bill is "both timely and appropriate," the Governor said, because the valley is under intense pressure.

The Governor introduced Don Carlson, the metropolitan regional administrator for the Department of Natural Resources and Frank Marzitelli, commissioner of the Minnesota Highway Department.

Carlson asked that the bill be amended to permit a 200-foot strip across the refuge area for the state trail system where hiking, biking, skiing and snowmobiling will be allowed (except in Bloomington where the state legislation does not allow snowmobile use).

Marzitelli spoke in support of the wildlife refuge bill, but asked that the bill provide for the maintenance and replacement of highway needs.

In response to a question from Senator Ford, Governor Anderson said, "We desperately need federal help and help from the local communities in preserving our resources.

"We welcome federal dollars. They will be warmly received," Anderson said.

Senator Schmidt spoke in support of the refuge bill, but asked that there be adequate provision for highway and bridge facilities to accommodate the tremendous growth in his area.

Koniarsky testified that the bill and amendments offer "no firm commitment to the provision of a bridge crossing.

"In fact the wildlife refugee proposal constitutes a new threat to our efforts to get a bridge," Koniarsky said.

The Scott County board chairman read a resolution from his commissioners opposing the bill until the plans for a bridge crossing have been formulated.

Shakopee Mayor Ray Foslid also testified against the bill because there is no assurance of a permanent provision for a bridge crossing.

Bloomington Mayor Benedict read his city council's resolution supporting the refuge bill.

"In Bloomington we have a city policy of acquiring the valley, but at the local level we just do not have the wherewithal it takes to acquire the river valley for future generations.

"We believe today is the day to put our full support behind the bill."

Rep. Swanson supported the proposal with the assurance that there will be provisions for a new Cedar Avenue bridge.

Howard Dahlgren, planning consultant for the City of Burnsville, said the city endorses the concept, but has a problem "that 40 percent of the land in the Northern States Power holdings are included in the proposal.

There would be a potential $213 million

loss in revenue to the Burnsville School District over 25 years if the industrially zoned lands in the valley were not developed, Dahlgren said.

Dahigren estimated the potential development that might be lost at $188 million.

Senator Ford said there will be provision "in lieu of tax payments" and predicted that the wildlife refuge could be a source of revenue in the area, particularly in light of the services such as sewers that would not be needed if there were no industrial development.

Marty Jessen, park and recreation director for Eden Prairie read a resolution of support from the Eden Prairie city council. He urged that the annual revenue payments be made to the local governments.

Jack Mauritz, representing Hennepin County Park Reserve District, who spoke in support of the refuge bill, stressed the need for joint management and interpretation in the James Wilkie Regional Park in Scott County. The park would be surrounded by the wildlife refuge.

Nancy Sullivan, Burnsville, said it was the Burnsville Environmental Council who first proposed the establishment of a national wildlife refuge area in 1973.

There have been five major floods in the past two decades, she said, but Burnsville has zoned the flood plain for industrial development. She described the practice as "unbelievably bad planning."

"In reality the development of flood plains is more costly to the public than preserving the flood plain for wildlife," Mrs. Sullivan said.

Continental Grain Company is currently exploring the possibilities of expansion and would not support any proposal which would curtail the use, maintenance and possible expansion of its facilities, Peter Jacobson, representing Continental Grain, said.

Ray Haik, attorney for the Lower Minnesota Watershed District, said the bill ought to conform to the boundaries of the area needed by the watershed for maintenance of the navigation channel and should consider the district's continuing responsibility for providing spoil sites.

RULES OF COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

Mr. MOSS. Mr. President, I submit for the Record, pursuant to section 190a (2), title 2, United States Code, the rules of the Committee on Aeronautical and Space Sciences, and I ask unanimous consent that they be printed in the Record.

There being no objection, the rules were ordered to be printed in the Record, as follows:

Proposed Rules for the Committee on Aeronautical and Space Sciences

(Adopted Unanimously January 28, 1975)

Rules governing the Procedure of the Senate Committee on Aeronautical and Space Sciences, adopted pursuant to Sec. 133(b) of the Legislative Reorganization Act of 1946, as amended by Sec. 130(a) of the Legislative Reorganization Act of 1970.

1. GENERAL

All applicable requirements of the Standing Rules of the Senate and of the Legislative Reorganization Act of 1946, as amended, shall govern the committee and its subcommittees.

2. MEETINGS

(a) The meetings of the committee shall be on Tuesday of each week at 10:30 a.m. or upon call of the chairman.

(b) Each meeting of the committee shall be open unless pursuant to the Standing Rules of the Senate such meeting is to be closed.

3. NOMINATIONS

Unless otherwise ordered by the committee, nominations referred to the committee shall be held for at least seven (7) days before presentation in a meeting for action. Upon reference of nominations to the committee, copies of the nomination references shall be furnished each member of the committee.

4. HEARINGS

(a) No hearing on an investigation shall be initiated unless the committee or subcommittee has specifically authorized such hearings.

(b) No hearing of the committee or any subcommittee thereof shall be scheduled outside of the District of Columbia except by the majority vote of the committee or subcommittee.

(c) No confidential testimony taken or confidential material presented in an executive hearing of the committee or subcommittee thereof or any report of the proceedings of such an executive hearing shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the members of the committee or subcommittee.

(d) Any witness summoned to a public or executive hearing may be accompanied by counsel of his own choosing who shall be permitted, while the witness is testifying, to advise him of his legal rights.

5. QUORUM

Three Senators, one of whom shall be a member of the minority party, shall constitute a quorum of the Senate Committee on Aeronautical and Space Sciences for the purpose of taking sworn testimony, unless otherwise ordered by the full committee. Each duly appointed subcommittee of the Committee on Aeronautical and Space Sciences is instructed (1) to fix, in appropriate cases, the number of its entire membership who shall constitute a quorum of such subcommittee for the purpose of taking sworn testimony, and (2) to determine the circumstances under which subpoenas may be issued and the member or members over whose signatures subpoenas shall be issued.

BIOGRAPHY OF LATE SENATOR WILLIAM LANGER, PUBLISHER IN NORTH DAKOTA

Mr. BURDICK. Mr. President, during the recess, I had the opportunity to read a book that will be of great interest to many in the Senate.

"The Dakota Maverick," by Agnes Geelan, is the story of North Dakota's late Senator, "Wild Bill" Langer, who served in the U.S. Senate from 1940 until his death in 1959.

Many of my colleagues here today served with Bill Langer, and they no doubt remember what a dynamic and powerful legislator he was. He was unorthodox and flamboyant, but he was highly effective in getting what his constituents needed from the Federal bureaucracy.

"The Dakota Maverick" traces Bill Langer's life from his birth on his father's homestead to his death in 1959 when he was one of this Chamber's most powerful legislators. For those who know only of his colorful career in Washington, the story of his earlier years as a county attorney in the twenties and attorney general and Governor in the thirties is fascinating history. His political success, despite 16 arrests, three trials for conspiracy, and two challenges to his right to sit in the U.S. Senate, was amazing to all, especially to those who opposed him.

Bill Langer was a part of the agrarian-populist movement which dominated not only North Dakota, but the entire Upper Midwest. His rise to power is an important part of the history of this entire region.

The author of this book, Agnes Geelan, is a distinguished State figure in her own right. As a mayor, State legislator, and candidate for Congress, she was active in North Dakota politics and knew Bill Langer well.

Mrs. Geelan's book may not be the definitive account of Bill Langer's career; hopefully more will be written about him and the era in which he lived. It is a factual and well-researched record, however, and historians and nostalgia buffs fascinated by the color and excitement of populist politics and politicians will find "The Dakota Maverick" worthwhile and enjoyable reading.

SPEAKING UP FOR HUMAN RIGHTS

Mr. CHURCH. Mr. President, a column in the January 5 New York Times by Anthony Lewis reminds us of how differently the United States and Great Britain are treating the political repression in Chile. While Great Britain publicly condemns the government for torturing one of its citizens, the United States has done nothing of the kind, although American citizens have been treated similarly. The United States frequently stands silent in the face of brutal treatment of citizens in Chile, Brazil, the Soviet Union, and elsewhere.

Our support of repressive governments and our frequent silence in the face of their misdeeds is remembered long after the fact. Is it any wonder, he asks, if U.S. intentions in Angola are suspect after years of supporting Salazar's right-wing dictatorship in Portugal?

Mr. President, I ask unanimous consent that Mr. Lewis' article, entitled "How To Deal With Thugs," be printed in the Record.

There being no objection the article was ordered to be printed in the Record, as follows:

How To Deal With Thugs

(By Anthony Lewis)

Boston, January 4.—The British Government did something the other day that by contemporary standards was news. It spoke out loud about the bestial behavior of another government. And it did so not to score a point in world politics or ideology, but to stand for a minimum level of decency in human affairs.

This unusual event occurred in the case of a British doctor, Sheila Cassidy. Dr. Cassidy has spent the last four years in Chile, working as doctor for a relief agency led by Chile's Roman Catholic Cardinal, Raul Silva. Last October she treated a wounded left-wing opponent of the Chilean junta. She was arrested Nov. 1.

Last week Dr. Cassidy was released, expelled from Chile and flown home. When she arrived in London, the British Government recalled its ambasador from Santiago. And the foreign secretary, James Callaghan, issued this statement:

"Now that Dr. Cassidy is safely out of Chile, I can state what we have up to now deliberately refrained from publicizing. This is that Dr. Cassidy was tortured by the Chilean security police. In order to obtain information from her, they stripped her and gave her severe electric shocks. This happened on the night of her arrest.

"No British Government can accept such uncivilized, brutal treatment of a British subject at the hands of a foreign government."

As was to be expected, Chile replied with attacks on Dr. Cassidy—including the wonderful Goebbels-like complaint that while in prison she never filed a formal charge of torture. The British Foreign Office reiterated its "absolute belief" in her account.

Britain has old economic and political ties with Chile and would not likely risk its interest there for the sake of mere moralizing. The Government evidently felt that Dr. Cassidy's case involved a national interest, not hers alone. That interest is simply stated: When a once free and civilized country falls into the hands of thugs, those who close their eyes and pass by on the other side risk their own self-respect.

How remarkable it would be if an American Secretary of State perceived as much. U.S. officials are entirely aware of the mass torture and murder practiced by the Chilean junta, and of course our connection is much closer than Britain's: We live in this hemisphere, and our Government helped end democracy in Chile by covert intervention and economic pressure. But when did an American leader last dare to tell the truth about the horrors of Chile?

The U.S. policy of silence in the face of "uncivilized, brutal treatment" is by no means restricted to Chile, or to right-wing tyrannies in Brazil, Indonesia and the like. It has been just as humiliatingly applied in the case of the Soviet Union, in the cause of not rocking the boat.

Since last year's Helsinki declaration, which was supposed to assure freer movement of people and ideas, the Soviets have in fact applied their immigration restrictions even more meanly—against dissenters, Jews, separated families. Our President and Secretary of State worked up a good deal of rhetoric about Soviet activity in Angola, but they never seem to have much to say about Soviet repression of human rights. Indeed, their lickspittle attitude keeps them from meeting a man brave enough to speak openly of that truce.

As we celebrate a revolution made in the name of human rights, it is particularly sad to have leaders who are indifferent to humanity. But the odd thing is that the official American attitude on these matters in recent years has been not only morally shameful but politically disastrous.

For example, the United States kept close to the right-wing dictatorship in Portugal even as that regime was failing, missing the opportunity to press for liberalization. Moreover, Secretary of State Kissinger sided with the Portuguese in their hopeless effort to hold their territories in Africa. Yet Americans are surprised if today's Portuguese are suspicious of us, or if many Africans oppose our intervention in Angola.

A similar pattern can be expected in Chile. When the torturers lose their power, as in due course one may hope they will, their successors are not likely to be grateful to the United States. An unfriendly Chile will then be one more triumph for Mr. Kissinger's realpolitik.

The whole question of our attitudes toward the character of other governments is canvassed in the current issue of Foreign Policy by Prof. Richard H. Ullman of Princeton. Over the last thirty years, he says the United States has embraced many repressive regimes—"always on expediential grounds." He urges that we make it our policy now to break those embraces, avoid new ones and emphasize commitments to governments that honor human values. Security and decency alike commend those goals, but they will not be adopted until we have new leaders.

PERSPECTIVE ON THE AGE QUESTION

Mr. HUMPHREY. Mr. President, I would like to share with my colleagues a few thoughts on age—a phenomenon which all of us cope with as the years pass. Cicero once wrote:

> Intelligence and reflection and judgment reside in old men, and if there had been none of them, no states could exist at all.

Henry Wadsworth Longfellow also had some comments on age:

> For age is opportunity no less than youth itself, though in another dress, And as the evening twilight fades away The sky is filled with stars, invisible by day.

An editorial in the Dallas Evening News, oldest business institution in Texas, recently commented on this subject. I ask unanimous consent that "Too Old for What?" be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Too Old for What?

The Hindus have a saying that one should be ready to die "when the son of his son has sat upon his knee." That would eliminate a lot of grandfathers who are still kicking, including one who tried to swim the English Channel and another at Forest Hills who plays three sets of tennis a day.

These thoughts came to mind when a news analyst, speculating on next year's political conventions, commented that Sen. Hubert Humphrey "may be too old" to be considered as the Democratic nominee. The senator was 64 on May 27 this year.

The news analyst evidently doesn't know the likable Humphrey who, at 64 going on an active 65, can outwalk, outthink and certainly outtalk a lot of his colleagues who haven't hit 45.

In his famous valedictory address at Johns Hopkins in 1905, Sir William Osler declared that "the effective, vitalizing work of the world is done between 25 and 40."

He called that period "the fifteen golden years of plenty, in which there is always a balance in the mental bank and the credit is still good."

Well, what about Gladstone and Palmerston serving as prime minister of Britain at 80? Or John Quincy Adams and Henry Clay, still exhibiting sharp statemanship at the same age? What about those perceptive and balanced judicial opinions handed down by Chief Justice Holmes in his eighties?

Age is immaterial. More important are the man and his brain and his legs. Hamilton helped draft the Constitution in his 20s. Andrew Jackson was a senator before he was 30. Cyprus McCormick invented the harvesting reaper, Alexander Graham Bell the telephone and Eli Whitney the cotton gin before they were 30.

But Thomas Alva Edison filed his last patent at 83. Goethe completed "Faust" at 81. John Quincy Adams, the presidency behind him, was a productive congressman in his eighties. Michelangelo, 16th-century painter and sculptor, was the architect in the rebuilding of St. Peter's in Rome when he died at 89.

So, one has a right to ask: Too old for what?

Too old to play a romantic lover in the movies, no doubt; to pilot a jet around the world or be an Olympic sprinter.

Initiative and ingenuity sometimes flag in the sixties. And certainly the legs.

But the qualities of leadership, humor, determination and good judgment are often resident indefinitely.

WOMEN IN VOCATIONAL EDUCATION

Mr. MONDALE. Mr. President. The Minnesota Advisory Council for Vocational Education has compiled a most interesting study entitled "A Re-Examination of the Elimination of Bias in Minnesota's Area Vocational-Technical Institutes."

The study was initiated by the Advisory Council as a follow-up to the Minnesota State Board of Education's 1972 policy statement requiring local school boards to "develop career education programs for all students which recognize the need for equality opportunity in career choice regardless of sex." The results of this examination indicate that considerable progress has been made, but that further steps should be taken to increase the opportunities of women in vocational education.

I am proud that vocational education leaders in my State have identified this problem and have initiated steps to eliminate it. The problem has also gained considerable recognition on the national level in recent months. For this reason, I have introduced S. 2603 the "Women's Vocational Education Amendments," a bill designed to make existing programs more responsive to the special needs of women.

In order that other States and institutions may benefit from Minnesotan's experience, I ask unanimous consent that the advisory council study be printed in the Record.

There being no objection, the study was ordered to be printed in the Record as follows:

A Re-Examination of the Elimination of Bias in Minnesota's Area Vocational-Technical Institutes—August 1975

(Prepared by the Minnesota State Advisory Council for Vocational Education)

In their September 1972 Policy Statement on Eliminating Sex Bias in Education, the Minnesota State Board of Education requested local school boards and administrators to "Develop career education programs for all students which recognize the need for equality of opportunity in career choice regardless of sex." In full support of the necessity for this directive, the Minnesota State Advisory Council for Vocational Education initiated a study in 1973 to examine the potential existence of sex bias in Minnesota AVTI's. A major component of this study was an examination of sex stereotyping in AVTI bulletins—the most visible means of promoting a schools' general philosophy and attitude. The Council also chose to examine bias in the areas of race, scholastic background, and economics (ability to pay)—equally inhibiting factors in pursuing one's career path. Reviews of the 1974 AVTI bulletins were forwarded to directors of the respective AVTI's. In 1975, the Council sponsored a subsequent project, duplicating the efforts of the original study, in order to determine whether it had effected any changes in the AVTI bulletins. The specific results of this study are contained in this report.

The methodology employed in this study was identical to that used in the 1974 study. The current bulletins and brochures for the thirty-three AVTI's in Minnesota (available as of June, 1975) were examined for any evidences of bias in terminology or policies. As an additional check against sex bias, a female staff person telephoned each AVTI and, without identifying herself, requested information on enrolling in a traditionally male-oriented program. The same phone call format was followed as in the prior study. A written record was made of the responses to these inquiries. Then the 1975 bulletins were compared to the 1974 AVTI bulletins to ascertain what, if any, changes have been made in the publications since the last review.

Analysis of the results of this comparison reveals that three-fourths of the AVTI's evaluated have made revisions in their bulletins, over one-third of which were quite extensive. The Council commends those institutions which demonstrated a sincere effort to respond to last year's criticisms. The Council did find six bulletins which were truly exemplary. However, nine AVTI's made little or no effort, and there still exists a number of opportunities for improvement in the majority of the bulletins. Specific criticisms, which deserved attention when initially raised, remain in this second review. These are:

1. Three AVTI's continue to include a class in "charm" as part of the secretarial course. If this is human relations, it should be so stated and be a part of all courses.

2. Three AVTI's cite high school courses as prerequisites, or "extremely helpful," which have traditionally been all male or all female courses (i.e., shorthand and industrial arts.) Although certain background courses may be considered helpful, the implication should not be made that students who have not taken them would be at a disadvantage. Therefore, if AVTI programs are truly open to all who can profit from the instruction, these policies should be abandoned.

The results of the telephone survey proved to be especially informative as to the attitude of instructors, counselors, and secretaries from the standpoint of perpetuating an image of sex bias. Of the thirty-two AVTI's surveyed, fifteen contacted were encouraging to the prospective female applicant. They demonstrated varying degrees of enthusiasm, ranging from genuine friendliness to avid excitement over having a woman in the program for the first time. Eight AVTI's were neutral, being neither encouraging nor discouraging. Four were definitely not encouraging as was conveyed either by an abrupt manner, doubt about the inquirer's qualifications, or very brief, insufficient answers to questions. Five AVTI's were openly discouraging to the female seeking information. The receptionist she spoke to at one AVTI refused to answer any questions and referred her to the Director of the Admissions Board (a group of lay citizens from the trade) of the program she was inquiring about. She was unable to reach this man after trying on four separate occasions. A counselor at a different AVTI expressed definite skepticism about employment opportunities for the female upon completion of the program and stressed other options. Another source of frustration was encountered when the applicant requested printed material describing the programs offered at each institute. Two AVTI's, which distribute individual pamphlets for every program rather than one consolidated bulletin, insisted that the student make a definite career choice, stating that it was not their policy to send out all program descriptions. They were, in effect, forcing the student to make a decision regarding her course of study prior to supplying her with any information which would aid in making this decision.

The following pages contain a brief critique of each AVTI bulletin reviewed. To reaffirm what was stated in last year's report, the intent is purely constructive. It is the sincere desire of the Minnesota State Advisory Council for Vocational Education that vocational education be truly available to anyone who needs or wants it, regardless of their sex, race, scholastic background, or ability to pay. An educational system based upon this objective would benefit not only the individual student, but also the State. The Council for Vocational Education that vocajectively examine their bulletins, in light of this report, and make any necessary revisions in policy or terminology to eliminate all bias in AVTI's.

ALBERT LEA AVTI

The 1975 review of the Albert Lea AVTI brochure reveals that a significant number of changes in regard to sex stereotyping have been made. Albert Lea AVTI should be commended for their efforts. In many instances reference to the student as "he" has been revised to read "they;" in the section on Mechanical Drafting, "draftsman" has been rewritten as "draftsperson." However, there is still a need for some improvement.

The 1974 review found the brochure for the Albert Lea AVTI valuable in many areas, including the availability of counseling, a detailed explanation of financial aids, an extended period of time during which students can pay for materials and tools, and general program flexibility. This review was highly critical of references in the general information section which regarded the student as strictly male. Two of these references still remain (pages 1, 4). General program descriptions still contain several such references (pages 8, 9, 18, 22, 30), as well as some course descriptions (pages 34, 38, 39, 45, 47). All of these stereotyped references should be rewritten in a more open manner to include both women and men. An encouraging change has occurred in the Secretarial and Clerical Programs in that students are no longer exclusively referred to as "she." Males would not be discouraged from entering this program, which has traditionally been regarded as solely a woman's occupation.

However, the use of photography in the brochure reflects the sexist attitude discussed above, in that women and men are shown in traditional occupational roles. As suggested in 1974, this situation could be improved by depicting persons of both sexes in all occupational roles. A broader representation of minorities should also be included.

The Council recognizes that an effort has been made to correct stereotyped references. We hope that Albert Lea AVTI will continue to make necessary improvements in their future brochures.

ALEXANDRIA AVTI

The Alexandria AVTI bulletin was not evaluated in 1974 because it was not available at that time. Therefore, this constitutes the first review by the Council.

Applicants who have experienced previous difficulty within a formal academic structure may find the entrance requirements for the Alexandria AVTI discouraging. Requirements for admission are based on past school performance and qualifications for a particular program. Qualification is determined through an interview and an aptitude test. Applicants with poor academic records or who are unsure of their capabilities may find these policies threatening.

The detailed explanation of financial aid programs available in the brochure is encouraging to the prospective applicant. Applicants will also be impressed by the availability of counseling to students requesting it. However, there is no mention of an extended period of time which would allow students to purchase necessary tools and supplies. A more liberal financial arrangement in this area would benefit the students with limited budgets.

The detailed explanation of financial aid programs available in the brochure is encouraging to the prospective applicant. Applicants will also be impressed by the availability of counseling to students requesting it. However, there is no mention of an extended period of time which would allow students to purchase necessary tools and supplies. A more liberal financial arrangement in this area would benefit the students with limited budgets.

Because the institute offers training to both women and men, individual course descriptions should be rewritten to include both sexes. Programs in need of this revision include Diesel Mechanics, Farm Equipment, Law Enforcement, Machine Shop, Mechanical Drafting, Parts Sales, Production Agriculture, Sales Associate, and Farm Management. All of these programs consistently refer to the student as "he" and thereby imply that these courses are for men only. Serviceman should be rewritten as "Service Technician" and Salesman revised to "Sales Representative."

The use of photography in the brochure could include a broader representation of both women and minorities. The photographs that accompany descriptions of Commercial Art, Finance and Credit Management, and Accounting are very good for including both women and men, and their example should be followed.

In conclusion, there are many improvements that could be made in the Alexandria AVTI brochure to eliminate all sex stereotyping of students.

ANOKA AVTI

Since the 1974 review, changes have been made in several of the Anoka AVTI pamphlets. Statements referring to the student as "he," "his," and "him" have been revised to neutral terminology in the general information brochure as well as in some of the course descriptions, such as Drafting, Food, Apparel, and Office occupations.

However, many programs must still be criticized with respect to placing students in traditional female or male occupational roles. Course descriptions for Construction Electrician, Building and Mechanical Maintenance, Numerical Machine Control Electronic Technician, Consumer Electronic Products Service Technician, Research and Development Electronic Technician, Auto Body, Auto Mechanic, Small Engines, Landscape Technology II, Farrier, Optical Technician, Machinist, Welding, and Respiratory Technician imply that these trades are for men only either by referring to the student as "he" or by describing employment opportunities for males. Sexist references are threatening to a person who otherwise may wish to apply. Programs containing these references should be rewritten in a more unbiased manner, following the example of Apparel Occupations, Occupational Therapist Assistant, and Medical Secretary.

As pointed out in the 1974 review, the Anoka AVTI bulletins appeal to the applicant in several respects. Entrance requirements are not emphasized, nor are student qualifications for particular programs. Counseling is available to all students desiring it. Cooperative college transfer is also beneficial, as well as open-ended programs such as Practical Nursing and Nursing Assistant. Many programs are a half-year in length, allowing for greater program flexibility. As noted previously, the institute offers a summer program, allowing students to update office and study skills.

Photographs/illustrations in some of the brochures are very good, depicting both women and men in the same vocational fields. Others continue to perpetuate the idea that some fields are by tradition strictly female or male occupations. This could be improved by depicting persons of both sexes in the pictures of the more traditional occupational fields. A broader representation of minorities should also be included.

In conclusion, some of the bulletins for the Anoka AVTI remain the same as found in 1974. In regards to these, all criticisms made at that time still stand, and the Council hopes that the institute will make an attempt to rectify them in the same manner that some of the pamphlets were revised.

AUSTIN AVTI

Since the last review, the Austin AVTI brochure has improved in several areas. The institute now offers educational, vocational, and personal counseling to all students, and the brochure offers a detailed explanation of financial aid programs that are available. However, for the student who has experienced difficulties in a structured academic setting, the brochure still may be discouraging. It still places strong emphasis on attendance regulations and refers to the dismissal of the student if difficulties arise. Applicants with poor academic records or who are uncertain of their capabilities may find these policies threatening.

Austin AVTI still exhibits a flexible policy toward students with previous work experience or training, allowing such students to enter classes during the school year. Carpentry and Welding courses are open to individual student needs, allowing students to progress at their own rate. In general, entrance requirements are not emphasized, although admission to the institute is determined in part by previous school records.

As noted in the last review, several course descriptions must be criticized in regard to placing students in traditional occupational roles. Obviously, no effort has been made to correct this detrimental stereotyping. Auto Body, Auto Mechanics, Carpentry, Electronics, Machine Shop, Farm Equipment Mechanics, Television and Radio Broadcasting, and Welding imply that these trades are for men only, either by describing employment opportunities in terms of men only or by regarding the student as "he." Two other courses, Practical Nursing and Secretarial Training, imply that these occupations are for women by regarding the student as "she." Both kinds of discrimination are equally discouraging to persons of either sex who want to make their own career choices. Course descriptions should be written in a neutral manner to include both women and men.

The use of photography/illustrations in the brochure must be criticized, with the exception of Data Processing and Offset Printing. All other illustrations portray women and men in traditional occupational roles. There are little or no minority students represented.

The last review of the Austin brochure objected to the teaching of charm in the Secretarial Program. Charm is still listed only under the Secretarial course and not under any other programs requiring good public relations. The applicant can only assume such instruction deals with accepted behavior for women in relation to male employers. If human relations is to be taught, it should be stated as such, and men could benefit by instruction in this area just as much as women.

Although the brochure has improved slightly in several areas since the 1974 review, there is still much room for improvement, particularly in rewriting course descriptions to include both women and men, and the use of photography to depict both sexes in all occupational fields.

BEMIDJI AVTI

In the 1974 study of the Bemidji AVTI brochure, several recommendations were made to delete specific references implying either female or male gender of students in the general information section and certain course descriptions. It is apparent from the 1975 study that very few of these revisions have been made.

As mentioned in the 1974 review, the brochure for Bemidji AVTI is basically very good. Entrance requirements for individual programs are minimized in the brochure, with emphasis placed on beneficial rather than required backgrounds. Some suggestions for improvement include vocational counseling for the student who does not qualify for training, and more liberal financial arrangements allowing students an extended period of time to pay for books, supplies, and tools.

Within the general information section, as well as some individual course descriptions, the student is assumed to be male. These courses include Automotive Body Repair, Automotive Machinist, and Industrial Drafting. The course descriptions for the Clerical and Dental Assisting Programs imply that they are exclusively for women by referring to the student as "she." Course descriptions for all of these programs should be rewritten to include both women and men.

The use of photography/illustrations in the brochure shows women and men in traditional occupational roles and could be improved by depicting persons of both sexes in a variety of occupational fields. A broader representation of minorities should also be included.

With the exception of several course descriptions in need of revision to include both women and men, and the use of photography to include both sexes in more occupational fields, the Bemidji AVTI brochure is a helpful, encouraging guide to the prospective applicant.

BRAINERD AVTI

The brochure for the Brainerd AVTI is identical to the one reviewed in 1974. Although criticisms and subsequent recommendations for improving the brochure were made at that time, the Council finds no evidence of change within the brochure.

For the student who has experienced difficulty within a structured academic setting, several policies described in the general information section of the brochure may be threatening. The institute requires incidental fees for some courses, and there is no mention of an extended period of time in which to buy tools and supplies. A more liberal financial arrangement in this area would be beneficial. The explanation of financial aids available is rather brief and could be expanded to include a variety of financial aid sources to students who qualify. Attendance requirements are also stressed, with reference made to dismissal of the student with unsatisfactory attendance. This policy could be improved by incorporating personal or vocational counseling into its procedures. The applicant who is unsure of her/his capabilities may be threatened by the personal interview required for admission and several references to "better than average" ability in certain course descriptions.

Several courses must be criticized with regard to referring to the student as "he" (pages 11, 13, 21, 31, 36, 37, 39, 43, 45, 47). Conversely, several course descriptions (pages 17, 19, 25, 27) refer to the student as "she." Both kinds of sexist stereotyping are equally discouraging to persons of either sex. Course descriptions containing this stereotyping should be rewritten in a more open manner.

In spite of these criticisms, photographs accompanying course descriptions of Landscape Technology, Recreation Equipment Sales, Auto Parts, Retail Floristry and Automotive Merchandising are excellent in that they depict both women and men in all these fields. Other programs would benefit by following their example. A broader representation of minorities should also be included.

In conclusion, the Council recommends the revision of all sex-role stereotyping references in course descriptions as well as the addition of photographs depicting minorities in various courses of study. Perhaps it would be beneficial to examine the attendance policy and the vaguely stated course prerequisites "above average ability."

CANBY AVTI

Since the 1974 review, the brochure for the Canby AVTI has not changed drastically. The only significant changes have occurred in rewriting the Secretarial and Partsman Manager Programs (although the term "partsman" was not revised) in a more open, nonsexist manner, and deleting charm as a part of the General Secretarial Programs curriculum. The institute is to be commended for making these changes.

However, several policies criticized in 1974 still remain in the latest brochure. Several programs still have high costs for tools (pages 34, 41, 46, 50, 54). As suggested in 1974, these programs would benefit by extending payments for tools over a period of time, thus diminishing student costs.

Individual course descriptions must be criticized with regard to placing students in traditional female or male occupational roles. Many programs (pages 14, 16, 18, 29, 36, 41, 45, 46, 49, 50, 51, 54, 60) still imply that these trades are for men only by regarding the student as male or describing employment opportunities explicitly in terms of men. The Dental Assistant Program discourages males from applying by referring to the student as female. The institute was criticized for sexist references in 1974, and these criticims still stand. Sexist references reinforce the notion that some trades are for women or men only. As these are threatening to a person who otherwise may wish to apply, they must be rewritten in a more open manner.

As noted in the 1974 review, Soil Management and Fertilizer Technology indirectly discourage women from applying by citing examples of former students, all of whom are male. Since this is the only program which includes such samples, it seems as if they could be deleted, as earlier recommended.

The use of photography in the brochure reflects the attitude discussed above, in that women and men are shown in traditional occupational roles. A broader representation of minorities should also be included.

In spite of these criticisms, the brochure for Canby AVTI is encouraging for the prospective student. Formal prerequisites are not emphasized and several programs recognize training outside of high school or equivalent work experience as adequate admission qualifications. The prospective student will also be impressed by the detailed explanation of financial aid sources available. Most books and supplies are furnished by the institute, thus diminishing student costs.

However, the Council recommends that a greater effort be made to remove all sex stereotyped references from the Canby AVTI brochure as well as stronger consideration of the other above mentioned suggestions.

DAKOTA COUNTY AVTI

Changes recommended for the Dakota County AVTI brochure in the 1974 review have occurred, including an attempt on the part of the institution to rewrite course descriptions in an unbiased manner. The institute is to be congratulated for their effort.

In most respects, the brochures are excellent. The open door policy of admissions indicates a responsiveness to the individual needs of students. None of the programs call for formal academic prerequisites in their descriptions. Both of these policies are encouraging to the prospective applicant.

The brochures were criticized in 1974 in that many references repeatedly regarded the student as male. The individual flyers now are exceptional in that women and men are not placed in traditional occupational roles. As mentioned earlier, this effort is commendable. However, the Council feels some expressions such as "combinationman" and "lineman" need to be changed to terms which would include women as well.

As noted in 1974, counseling for students already enrolled at the institute would be beneficial. Also, the financial aid program could be improved by extending payments for tools and supplies over a period of time in order to ease financial burden to the student.

Although course descriptions encourage both women and men to apply, the photography in the brochure does not. Women and men are frequently shown in traditional occupational roles. This could be improved by depicting persons of both sexes in more occupational roles. Pictures need not be limited to students presently enrolled at the institute, but could include persons already employed in their chosen field. A broader representation of minorities should also be included.

Although there has been an attempt to rectify some of the criticisms made in 1974, there is still room for improvement in the brochures. The Council hopes the Dakota County AVTI will seriously consider the suggestions for improving the brochure when it is reprinted.

DETROIT LAKES AVTI

The brochure for the Detroit Lakes AVTI is an encouraging, helpful guide for the prospective applicant. Changes recommended in the last review have occured, including an attempt on the part of the institution to provide alternative training programs if difficulties in a chosen course arise. The section of the brochure dealing with financial assistance has also been expanded to include a wide variety of resources.

The brochure has made a serious attempt to rewrite programs to include both women and men, which is commendable. Programs still refering to the student as male by use of the terms "he," "his," or "him" and in need of revision are Construction, Small Business, and Total Energy. Commercial Cooking and Baking labeled two potential employment positions as "Pantry Man" and "Beverage Man." These titles should be revised to neutral terminology. Programs that have been rewritten to include both women and men are the Agricultural Technology, Secretarial, and Practical Nursing Programs.

Photography in the brochure could be improved by a broader representation of minorities and women in the trades. The brochure has been improved by the addition of some excellent photographs in the Accounting, Fashion and Men's Wear Merchandising, Small Business Management, Architectural Drafting, Commercial Cooking and Baking, and Small Engine Repair Programs in which both female and male students are included.

In conclusion, the Detroit Lakes AVTI has made serious attempts to revise its brochure, making it in most respects a helpful, encouraging guide to the prospective applicant.

DULUTH AVTI

The brochure for the Duluth AVTI is basically the same as the one reviewed in 1974, and now, like then, it is excellent. The procedure for application is described informally, clearly, and in detail. Students not accepted for their chosen program are counseled toward alternative fields of instruction. Referrals are made if a student is unable to continue in a program. Almost one-half of the programs offered at the institute are open-ended, allowing students to enter into and graduate from the programs any time during the year.

The brochure is also excellent in that it avoids reference to sex in its course descriptions. There is not one program description which would discourage either sex from applying. However, charm and personality are still included as a part of the Clerical Program curriculum and the Council finds this objectionable in that it implies females need to be taught appropriate behavior toward male employers.

The brochure could benefit from a broader use of photography and illustrations, including minorities, depicting women and men in a variety of occupations, especially the more non-traditional fields. Photographs need not be limited to students enrolled at the institute, but may be taken of people currently employed in the field.

The Duluth AVTI is to be commended in its effort to revise their brochure. Changes that have occurred help make it an encouraging guide to the prospective applicant.

EAST GRAND FORKS AVTI

Examination of the 1975–76 General Information pamphlet for the East Grand Forks AVTI revealed that several recommended changes have been made. The course previously titled "Partsman Training" has been rewritten as "Parts Service Training" and the term "Nurse Assistant" has been added after "Nurse Aide/Orderly." There are no sex stereotyped references contained in the brochure. All terminology is stated in a neutral fashion encompassing both women and men. Other excellent features are that the institute appears to be committed to the individual needs of each student through the use of progress reports rather than letter grades, and they employ an individualized method of instruction. iFnancial aid is available from a variety of sources.

However, the Council was unable to obtain all of the individual course descriptions this year, other than those for the Clerical/Secretarial and Partsman programs. Therefore, a comprehensive comparison is not possible. In reviewing the two above mentioned course descriptions, it was determined that they are identical to the ones evaluated in 1974. Although the term "Partsman Training" was revised to "Parts Service Training" in the General Information bulletin, this was not done in the course description pamphlet. Apparently, none of the course descriptions have been revised and, as a result, all of the criticisms mentioned in last year's report would still apply.

In conclusion, the Council commends the East Grand Forks AVTI for their excellent general information pamphlet, but strongly recommends the revision of all course descriptions which contain sex biased references, including such terms as "salesman" and "foreman." A broader use of photography or illustrations could also be employed. It would be especially impressive to see pictures of women in some of the more non-traditional fields, as well as the representation of minority students.

EVELETH AVTI

While some discriminatory references have been revised, the brochure for the Eveleth AVTI maintains most of the policies criticized in the 1974 review. There is no mention of allowing the student an extended period of time in which to buy tools or supplies. The institute still adheres to a probationary period and termination policy which may be threatening to an individual who is unsure of her/his capabilities. The institute could benefit by the use of counseing when difficulties arise, such as repeated absence or tardiness. The withdrawal procedure could also be amended in favor of a more personal approach, including the use of exit interviews and referrals to other programs. Despite these criticism, the institute still provides up-to-date facilities and advisory committees for their students, as well as varying sources of financial aid.

As pointed out in the previous review, many course descriptions are discouraging to the high school dropout. A majority of the programs stress either high school graduation (pages 18, 22, 24, 28, 30, 32, 34) or previous academic success (pages 26, 36). Persons having a low estimate of their capabilities may be discouraged by reference to "average or above average intelligence" (pages 20, 22, 24). Such subjective criteria should not be stated as a prerequisite for admission. The institute still requires two years of shorthand as an entrance requirement into the Secretarial Program, which may eliminate those who did not make an early career choice.

The brochure is very good in that it generally avoids reference to sex in its course descriptions. The Auto Mechanics course, which was in need of revision, has been rewritten to include both women and men. The Industrial Instrumentation course and Maintenance Mechanics course have also undergone necessary revision. However, charm is still a part of the Clerical Program curriculum and the Council finds this objectionable in that it implies females need to be taught appropriate behavior toward male employers.

Photographs in the brochure should include both women and men in all occupational fields, with a broader representation of minorities. The photograph for the Graphic Communications course is an excellent example in that it illustrates both female and male enrollment in the program.

Although the brochure has undergone revision since the last review, especially in rewriting course descriptions to include both sexes, most policies criticized previously are still maintained by the Eveleth AVTI. As these policies may appear threatening and discouraging to some prospective applicants, revision is recommended.

FARIBAULT AVTI

The brochures for Faribault AVTI remain essentially the same in many respects as found in 1974. There is still no mention of vocational counseling incorporated into the application procedure. The Council is aware of the fact that the Faribault AVTI does provide counseling services and, therefore, this should be clearly stated in their brochures. The present application procedure would discourage the high school dropout or anyone with a poor academic record. The Council still objects to the expression "slow learner" in that it classifies students on the basis of previous scholastic achievement. There is still no mention of allowing the student an extended period of time in which to buy tools and supplies. As suggested in 1974, an extension policy could be provided to ease the financial burden of the student.

However, the brochures have improved tremendously in that women and men are not relegated to traditional occupational roles by constant reference to either "she" or "he." In fact, the description of job opportunities in the Welding Program is excellent in that it openly states women are considering this trade. There remain two programs (Farm Operator and Management and Machinist I and II) that still allude to the student as male. These course descriptions should be rewritten to include women as well. The Practical Nursing Program, criticized in 1974, has been rewritten in a more unbiased manner so men would not be discouraged from entering the program. These attempts by the institute to eliminate sexist references from the general information section and descriptions of individual programs is commendable.

To repeat the recommendations made last year, the brochures could be further improved by including pictures of both women and men in various occupational roles. The photographs accompanying Commercial Food Preparation are excellent and their example should be followed. A broader representation of minorities should also be included.

GRANITE FALLS AVTI

Since the 1974 review, the brochure for the Granite Falls AVTI has been revised significantly. The institute should be commended for their effort to remove sex-stereotyped references. The brochure retains all of the impressive policies noted in the 1974 review. Individual course descriptions present information unambiguously and fairly with most programs doing without formal prerequisites. Programs having prerequisites encourage students to take first level courses before going on to specialization. For students without previous training in shorthand, the institute provides a general secretarial program. Previous work experience is also recognized as a basis for waiving basic courses. Equally impressive to the prospective student is the explanation of various sources of financial aid. The financial aid program could be improved by extending payments for tools over a period of time, as suggested in the earlier review.

Although references have been rewritten in the general information section to include women as well as men, one course description is still in need of revision in that it refers to the student as male (Auto Body and Fender Repair). Following the suggestion in the 1974 review, the Legal and Private Secretary Programs have been rewritten so as not to discourage men from applying. However, the Legal and Medical Secretary Programs imply unnecessarily that the secretary will be working for men only.

The use of photography in the brochure remains unchanged from the 1974 review. Women and men are placed in traditional occupational roles. The Council seriously questions the propriety of the middle photograph found on page twelve. It is extremely objectionable to see a picture of a female student sitting on a man's lap (perhaps the instructor?), with his arm around her waist, as she attempts to type. This is a poor way to typify the average secretary, if that is the intent. Examples like these only serve to perpetuate sexism. Pictures need not be limited to students enrolled at the institute, but could include persons of either sex in their chosen field. A broader representation of minorities should also be included.

HENNEPIN COUNTY AVTI

The brochure for Suburban Hennepin County AVTI is essentially the same brochure as reviewed in 1974. As noted at that time, it is excellent in several respects. Program flexibility is very good, there are few references to prerequisites for programs, and the institute offers many financial aid sources.

However, the brochure was criticized in 1974 for the many references identifying students by sex. Many of these references remain. These include course descriptions of Retail Floristry, Cook/Chef, Commercial Photograph, Television Production, Bio-Medical Equipment Technician, Child Development Assistant, Practical Nursing, Welding, Agri-Business, Landscape Design, Electro-Medical Technology, Electrical Technology, Packaging Machine Mechanic. Refrigeration, Heating and Air Conditioning, Auto and Truck Mechanics, Automotive Service Management, Diagnostic Technician, Foreign Car Specialist, Parts Manager, Auto Body Repair, and Truck and Travel Mechanics. They continually refer to the student as "he" or "she" making obvious discrimination between programs. Other expressions the Council would like to see changed include "lay-out men," "set-up men," "broiler men," "pantrymen," "salesmen," "draftsmen," "maintenance men," "partsman," and "repairmen." Sexist references reinforce the notion that some trades are for women or men only and are threatening to persons who may otherwise wish to apply. Course descriptions containing these references should be rewritten in an unbiased, neutral manner.

The brochure could also be improved through the use of photography or illustrations depicting both sexes in a variety of occupational fields, especially the more nontraditional fields. A broader representation of minorities would also be beneficial.

The Council found no evidence of change in the brochure for Hennepin County AVTI. All of the criticisms made in the 1974 review still apply. We hope the institute will make a sincere attempt to rectify them.

HIBBING AVTI

The individual brochures for Hibbing AVTI have made a significant improvement over the brochure studied in 1974. Most course descriptions are excellent in that they are written to include both women and men. The only course in need of revision is Auto Mechanics, which still refers to the student as male. As suggested in 1974, the title of the Nurse's Aid Program has been replaced by the title "Nurses Assistant." However, the term "Nurses Aid" still appears within the course description.

The individual brochures are disappointing in the respect that, contrary to the one reviewed in 1974, there is no mention of the policy which provided an extended period of time in which students could purchase necessary tools and other equipment. Apparently, they have discontinued a policy which we considered highly commendable.

Photographs accompanying course descriptions are still in need of revision, as pointed out in 1974, in that they show women and men in traditional occupational roles. This could be improved by depicting both sexes in all occupational fields. The photographs accompanying course descriptions of the General Office, Financial Technology, and Business courses are excellent, and their example should be followed.

The Council feels that these additional revisions in the Hibbing brochures would help to present a more encouraging picture to both women and men considering a field of study in vocational education.

HUTCHINSON AVTI

The brochure for the Hutchinson AVTI is excellent. Following suggestions for improvement in the 1974 review, the brochure is an encouraging guide for the prospective applicant. It emphasizes development of each individual student and is to be commended for its method of individualized instruction, its emphasis on counseling, and its flexibility in allowing students early release for employment. Previous work experience is also recognized as a valuable educational asset.

The brochure offers a detailed explanation of financial aids, which is good. However, the financial aid program could be improved by extending payment for tools and supplies over a period of time.

As pointed out in the 1974 review, many course descriptions were in need of revision with regard to sexist references. Many of these descriptions have been rewritten in a more open manner. However, several references (pages 3, 56, 60) still reinforce the notion that these trades are for men only and may be threatening to women who may wish to apply. The Council also objects to the teaching of Personal Development to women only. If the institute believes this training is necessary for success, it is objectionable that it be restricted solely to the fields dominated by women. Certainly it should be useful to both women and men in all occupations.

Finally, the use of photography in the brochure could be improved by depicting persons of both sexes in all occupational fields. A broader representation of minorities should also be included.

Although the Hutchinson AVTI brochure is presently very good, the Council feels that by making the revisions stated above it could be even better.

JACKSON AVTI

The brochure for Jackson AVTI is excellent. Applicants will be impressed by the extensive explanation of financial aid sources available, although there is no mention of extending payments for tools over a period of time to ease financial burdens. Although all students are placed on probation for the duration of one quarter, which may be threatening to applicants who are unsure of their capabilities, students who are experiencing difficulty in achievement are assisted in developing alternative vocational goals. Applicants will also be impressed by the combination of structured and individualized instruction methods used in Business Agriculture, Plumbing, Drafting, and Telephone Communications courses. Students may also enroll in many programs anytime there is a vacancy or can enter at a level past experience allows.

All program descriptions are written in an open manner. In fact, the only reference to the student as strictly male occurs on page 6, where "his" is mentioned under Federal Insured Student Loans. This effort toward maintaining a nonbiased posture is indeed commendable.

One suggestion for improving the brochure is to rewrite the attendance requirements in a less threatening manner. The other concerns the use of photography in the brochure. The photgraphs in the brochure depict women and men in strictly traditional occupational roles. This could be improved by showing persons of both sexes in a variety of occupational fields. Pictures need not be limited to students enrolled at the institute, but could be taken of people already employed in the field. Illustrations of minority students could also be included.

MANKATO AVTI

The brochure for Mankato AVTI is essentially identical to the brochure reviewed in 1974. Although recommendations for improving the brochure were made at that time, the Council found no evidence of revision in it. The brochure's appeal is primarily directed toward high school students and may be found threatening to persons who did not finish high school. Applicants are unnecessarily assumed to be in high school in that they are told to obtain transcripts from their school counselor or principal and to complete scholarship forms early in their senior year. Financial aid is also available to non-high school students who should be given direction to obtain it. It would also seem beneficial to extend payments for tools and supplies over a period of time in order to ease the financial burdens of the students. The practice requiring women to purchase uniforms in the Cook's Helper Program, while men may rent them, is still maintained by the institute. This practice is clearly discriminatory and violates State Board rules and regulations.

Individual course descriptions must be criticized in that they indicate an unnecessary distinction between female and male occupations. Programs that repeatedly refer to the student as 'he" include Agri-Business Mechanics, Production Agriculture, Auto Body and Auto Mechanics, Commercial and Technical Art, Electronic Technology, Electronics, Fluid Power Technology, Graphic Communications, Industrial Drafting, Machinist Tool and Die, Refrigeration, Heating and Air-Conditioning, and Appliance Repair. All of these courses were criticized in 1974 with the implication being that these trades are for men only. Conversely, men wishing to enroll in the Secretarial Program may be discouraged by reference to the student as "she." Programs containing sexist references should be rewritten in an unbiased manner, encouraging both women and men to apply. Also, as suggested in the 1974 review, the title for the Nurse's Aid Program should be replaced by the title of Nursing Assistant.

Photographs in the brochure generally reflect the attitude criticized in 1974 in that women and men are shown solely in traditional occupational roles. However, photographs accompanying Civil Technology and Commercial Art are very good and their example should be followed.

The Council hopes that the criticisms and subsequent suggestions for improving the brochure will be seriously considered when it is revised.

MINNEAPOLIS AVTI

The brochure for the Minneapolis AVTI is excellent. Following suggestions proposed in the 1974 review, it now is an impressive and encouraging guide. Previous policies, such as directing application procedures only to high school students, referring to completion of high school, and basing admission on previous school records and evidence of scholastic achievement are no longer in the brochure. The emphasis now is on the potential benefit that vocational education would have for the students. As such, people with a low estimate of their capabilities or who are unsure of their academic success would not be threatened.

The brochure is exceptional in that it does not relegate students to traditional occupational sex roles. The photography in the brochure is also excellent. Both women and men are depicted in many occupational fields. It also includes a broad representation of minorities.

The only suggestion for improvement concerns extending payments for tools and supplies over a prolonged period of time in order to ease the financial burden of the student.

The Minneapolis AVTI should be commended for their sincere effort to make effective improvements in their general policies and in the content of their brochure.

MOORHEAD AVTI

The Moorhead AVTI catalog was unavailable at the time of our review due to the fact that they are in the process of reprinting it. Therefore, an accurate and comprehensive evaluation cannot be done at the present time. The Council did obtain a general information pamphlet from the institute, which is simply an abbreviated version of the section in the main catalog. This pamphlet reflects some of the praiseworthy policies noted in the 1974 review, including nonselective admission to most of the programs and an attempt to supply financial assistance to any student who needs it. Although no mention is made of allowing students an extended period of time to pay for books and tools, such a practice is recommended to ease their financial burden. No sex biased references are contained in the pamphlet.

This by no means comprises a conclusive evaluation. The Council hopes that the recommendations suggested in the 1974 report will be taken into account during the reprinting of the Moorhead AVTI catalog and that it will generate the non-biased attitude evidenced in the general information pamphlet.

PINE CITY AVTI

The brochure for the Pine City AVTI has improved since the last review, making the recommended changes. We commend their responsiveness. The section on financial aid has been expanded, offering a detailed explanation of financial aid sources available to students. The institute also provides counseling to students desiring it.

The course description for the Secretarial Training Program was criticized earlier in that the student was regarded as female, implying that it was a woman's occupation and appearing very discouraging to men who might wish to apply. The description has been rewritten in a more neutral fashion. All other course descriptions refer to students either as enrollees or students.

One suggestion for improvement involves the use of photography in the brochure. The only photograph depicts men in a traditional occupational role. Assuming there is room for additional pictures, the use of photography should be improved by using illustrations including both women and men in various training programs, especially the more non-traditional fields.

Pine City AVTI is to be commended for taking suggestions for improvement seriously and cranging their brochure, making it an encouraging guide to the prospective applicant.

PIPESTONE AVTI

While some changes have occurred in the Pipestone AVTI brochure since last year's review, there are still some aspects that are in need of improvement. As was stated in 1974, the brochure is encouraging to the prospective applicant for several reasons. Entrance requirements are not emphasized nor are individual qualifications for particular programs. Only one course, Automotive Technician, suggests the student should have a mechanical background or work experience in a service station. Does this mean that women who developed an interest in mechanics after high school or were denied an Industrial Arts background in the past would not qualify for the program?

The brochure provides an extensive explanation of financial aid sources available to the student. However, there is no mention of extending payments for required tools over a period of time or allowing the rental of tools. A policy such as this would ease the financial burden of the student.

In regard to stereotyping students in traditional female or male occupational roles, several course descriptions must again be criticized. Agricultural Banking, Men's Wear Management and Meat Cutting imply that these occupations are for men only by referring to the student as male. The Fashion Merchandising and Management Program clearly states that it is open to both women and men, but then proceeds to refer to "*his* initiative and interest." Conversely, the Secretarial Program consistently refers to the student as "she." Both kinds of sexist discrimination are equally discouraging to persons of either sex who want to make their own career choice. Program descriptions containing these references should be rewritten in a more unbiased manner. Other expressions the Council would like to see changed include "salesman" and "craftsman."

The use of photography in the brochure could be improved by depicting both women and men in more occupational roles, following the example of the pictures for Meat Cutting. Photographs need not be limited to students presently enrolled at the institute, but may be taken of people employed in the field. A broader representation of minorities should also be included.

In conclusion, the Council strongly recommends that the above mentioned problem areas be corrected prior to reprinting the Pipestone AVTI brochure in order to reflect a totally non-stereotype attitude toward female and male vocations.

RED WING AVTI

Although the Red Wing AVTI brochure has been reprinted since 1974, the Council found no attempt to rectify any criticisms made at that time. All sexist references have been retained. As pointed out previously, the brochure does exhibit a general concern for students through maintaining up-to-date facilities and providing career planning assistance. Entrance requirements are not emphasized in the brochure, nor is there mention of programs requiring graduation from high school or evidence of previous academic achievement. However, a more detailed explanation of financial aid sources would be beneficial to the applicant. There is no mention of the cost of tools and supplies required within the brochure. The Council hopes that the institute considers extending payments for tools over a period of time in order to ease the financial burden of the student.

With regard to relegating students to traditional female or male occupational roles, individual course descriptions must again be criticized. Several courses, including Adult Farm Management, Automobile-Truck Mechanic, Truck Driving, and Welding imply that these trades are for men only, either by repeatedly regarding the student as "he" or by describing job opportunities for men only. Conversely, Practical Nursing implies it is solely a woman's occupation by regarding the student as "she." Both kinds of sexist discrimination are equally discouraging to persons of both sexes. Course descriptions containing this discrimination should be rewritten in an unbiased manner.

The use of illustrations in the brochure could depict both women and men in all occupational careers. A broader representation of minorities should also be included.

In conclusion, the Council strongly recommends that the areas in need of revision in the brochure for the Red Wing AVTI be corrected prior to another reprinting. Vocational education must be presented in a totally unbiased manner in order to provide the student true freedom of career choice.

ROCHESTER AVTI

Many policies criticized in the 1974 review of the brochure for Rochester AVTI are still maintained by the institution. Descriptions of admission procedures and qualifications for entering programs may be threatening to applicants with poor academic records or who have dropped out of high school. Programs requiring completion of high school include Dental Assisting, Human Services Technician, Operating Room Technician, and Child Development Assistant. Programs describing a need for "average or above average learning ability" include Accounting Clerk, Junior Accounting, Administrative Secretary, Clerical Office, Medical Clerical, Medical Secretary, and Human Services Technician. For those applicants who have not experienced success in high school, qualifications such as these may be threatening and defeating. As suggested in the 1974 review, more emphasis should be placed on desire and interest for the subject.

Guidance and counseling is now one of the services provided by the Rochester AVTI. Hopefully, counseling is provided to students who are facing dismissal due to irregular attendance. As noted in 1974, the brochure provides an extensive list of financial aid resources. However, as previously suggested, the financial aids section could be improved by extending payments for tools and supplies over a period of time, thus easing the financial burdens of the student.

The institute is to be commended in that course descriptions (with the exception of Adult Farm Management) were rewritten in an unbiased manner, encouraging both sexes to apply. In fact, several programs, including Electronic Technician, Mechanical Drafting, and Automobile Mechanic encourage women to apply, while the Nursing Assistant Program encourages male applicants.

The brochure could benefit by the use of photography, depicting both women and men in all occupational roles. A broader representation of minorities should also be included.

The Rochester AVTI brochure has undergone change since the last review, especially in the effort made to rewrite course descriptions in an unbiased manner. However, there is still need for revision in rewriting certain admissions policies, as cited in this review.

STAPLES AVTI

Since the 1974 review, the brochure for the Staples AVTI has changed in several respects, most notably in the rewriting of course descriptions in an unbiased manner. The brochure remains an encouraging guide to the prospective applicant. The general information section is written openly and clearly. Contrary to the brochure reviewed in 1974, the student is no longer referred to as "he." Prerequisites for most programs are not stressed, except for the Electro-Mechanical Drafting Program, which requires one year of basic drafting or its equivalent. This prerequisite may discourage women who may have been excluded in the past from drafting courses. One suggestion for improvement in the general information section would be to incorporate counseling as a service to students desiring it. This is a basic service that every educational institution should offer to its students.

The Brochure was previously criticized in that it was primarily directed toward male applicants through repeated reference to the student as male. The brochure has been rewritten in a more open manner, which would not discourage women from applying. However, we feel two expressions could be changed—"draftsman" and "middle man."

The only photographs depicting women at work are found in the photographs for Graphic Communications. The brochure could be improved by depiciting both women and men in a greater variety of occupational fields. Pictures need not be limited to students enrolled at the institute, but could include persons employed in their field. As previously suggested, photographs should also include a broader representation of minorities.

The Staples AVTI is to be commended for its effort in rewriting course descriptions in an open, encouraging manner. However, it could be further improved by revising the specific areas suggested above.

ST. CLOUD AVTI

Examination of the 1975 St. Cloud AVTI bulletin reveals that a substantial number of revisions have been made in response to last year's recommendations. The Council commends them for their conscientious efforts to improve their publication.

The St. Cloud AVTI still maintains the excellent policies noted in 1974, including guidance and counseling, individualized rates of instruction, small classes with personalized attention, placement of students in part-time jobs while attending school and permanent jobs after graduation, and flexible, needs-oriented programs for adults and high school dropouts. Emphasis has been added to the fact that although selection of students is based primarily on previous scholastic achievement, students without a high school diploma or G.E.D. may also be accepted. The section previously entitled "Trial Period" has been changed to "Performance" to delete the threatening connotation. However, this separate statement of the policy of dismissing students due to unsatisfactory grades or irregular attendance seems rather unnecessary when specific graduation requirements are stated in the course descriptions. If a student has poor grades or irregular attendance, he or she naturally will be unable to graduate. Dismissal, or perhaps better termed as suspension, should allow the opportunity for re-enrollment at a later date if counseling indicates that the student could benefit from it. The financial aid program is extremely comprehensive, including an emergency loan fund. This section in the brochure has been extended to include more detailed descriptions of the financial aid sources available. The student is usually allowed the duration of the course to pay for books and tools, a practice which the Council feels is most praiseworthy. The equal opportunity principle that the St. Cloud AVTI adhere to was rephrased to include the fact that there will be no discrimination on the grounds of creed, religion, sex, marital status, and status with regard to public assistance or disability. Previously the only grounds were race, color, and national origin.

All references to one specific gender of students have been deleted from the course descriptions. Where previously the student was referred to strictly as "he" or "she," now everything is stated in neutral terminology to avoid sex bias. Terms such as "salesman," "draftsman," "repairman," and "tradesman" have been revised to salesperson, draftsperson, mechanic, and tradesperson. However, there are a few areas where sex stereotyping still remains. In the financial aid section on page 4, "he" and "his" are mentioned. In the Adult Education Services section, the terms "salesmanship" and "tradesmen" are still employed. Also, a course listed under general interest is entitled "Auto Maintenance for Women." Certainly men may be interested in a basic auto maintenance course as well, and it should not be limited to females.

The use of photography has been improved by the inclusion of pictures depicting both males *and* females in the Advertising Layout Technology, Sales and Management, Drafting and Design Technology, and Commercial Cooking Programs. These examples should be followed in some of the other more non-traditional fields. Also, there are no minority students represented. This should be remedied by having students of various racial background portrayed.

In conclusion, the brochure for the St. Cloud AVTI is essentially an excellent publication. The institute has made an obvious effort to eliminate bias. Aside from the few minor suggestions stated above, it serves as an encouraging and informative guide to the prospective student.

ST. PAUL AVTI

Although the brochures for the St. Paul AVTI maintain a positive commitment toward meeting individual needs through counseling and general program flexibility, it still maintains many of the policies criticized in the 1974 review. Within the brochure, there is no mention of allowing the student an extended period of time in which to pay for tools and supplies. A policy such as this would ease the financial burden of the student.

Several programs still list an extensive high school background as an important qualification for admission. This policy was criticized in 1974 in that it may be threatening to students with poor academic backgrounds, who are unsure of their capabilities, or those who have changed their career objectives since high school. This criticism still applies and the policy could be resolved through providing make-up courses for those requiring them.

However, the institute is to be commended for rewriting many course descriptions to include both women and men, as suggested in the 1974 review. There are still several programs in need of revision. These include Legal and Medical Secretary, Commercial Art, and Restaurant and Hotel Cookery. The sexist references contained within these programs should be rewritten in a more open manner.

The pamphlets could be further improved through the use of photography or illustrations depicting women and men in a variety of occupations. A broader representation of minorities would also be beneficial.

In conclusion, the brochures have improved since 1974, most notably in rewriting course descriptions in an unbiased manner. However, there is still room for improvement, as cited above.

THIEF RIVER FALLS AVTI

In the 1974 review, the brochure for Thief River Falls AVTI was strongly criticized for placing students in traditional female or male occupational roles. It is encouraging to see the revisions that have occurred in this area.

The institute is to be congratulated for their effort to correct the sex stereotypes that existed in their brochure. Within the general information section, the student is only referred to as male ("*his* time") once (page 80). Auto Body Repair and Practical Nursing were previously criticized for being mutually exclusive, designated for men and women respectively. These two programs have since been rewritten in a more neutral manner. The course description for the Legal Secretary Program has also been rewritten so as not to discourage men from applying. The term "Powder Puff Mechanics," which implied women did not have the intelligence to take a regular mechanics course, has been revised to Auto Mechanics for Women, although it is questionable whether the course should be segregated at all. However, several programs (pages 36, 38, 46) still imply that these trades are for men only be referring to the student as male ("him," "his," "himself") and are in need of revision.

A policy criticized in the last review concerned reference to previous industrial arts courses in the Auto Mechanics and Carpentry trades. This reference is still a part of the brochure and it seems unnecessary in that both programs begin at the foundation level. Women have generally been excluded from industrial arts courses in the past, and do not need to be discouraged further.

The Council also objects to the teaching of charm in the Medical Office Services, and General and Legal Secretarial Programs. The implication is that women need to be taught appropriate behavior toward male employers.

Photography in the brochure remains unchanged since the 1974 review. As suggested then, a broader representation of women and minorities would be beneficial. Pictures need not be limited to students enrolled at the institute, but could be taken of those already employed in the field. Illustrations could also be utilized.

The brochure for the Thief River Falls AVTI has changed remarkably since the last review to present a more unbiased attitude to the potential student. However, there is still a need for the additional changes noted above to make it a truly effective reflection of today's enlightened philosophy regarding female/male roles in society.

WADENA AVTI

Outside of revising the male-oriented description for the Electronics Technology course, the brochure for Wadena AVTI remains unchanged since the 1974 review. However, Electronics Technology still requires "average or above average ability," which may be threatening to the applicant who has not achieved academic success in the past. The policy of placing students immediately on probation upon enrollment is still maintained by Wadena AVTI. This may also be threatening to students who are unsure of their capabilities. As pointed out earlier, the counseling procedure for students who fail during the probationary period is beneficial and the institute would do well to incorporate counseling into the procedure for dismissing students due to tardiness.

Some of the programs at Wadena, such as Accounting, Clerical, Secretarial, and Cable Television Technician allow students to enter these classes throughout the year and to finish a course in less than the prescribed time. Most programs at the institute still include limited early release for employment and all students take units in pre-employment skills. These policies are extremely impressive.

As suggested in 1974, the institute could extend payments for tools required for several programs (Auto Mechanics, Construction Electrician, Cosmetology, Auto Appearance Specialist, Lineman Technician, and Plumbing) over a period of time. Such a policy would ease the financial burden of the student.

The Council finds it ironic that despite the addition of the statement "Students are encouraged to consider non-traditional occupations." under Job Placement, no effort has been made to eliminate sex bias in the course descriptions. Several courses (Auto Mechanics and Plumbing) continue to imply that they are for men only by referring to the student as "he." Expressions such as salesman, partsman, instrumentman, foreman, lineman, craftsman, and combinationman are still a part of the brochure and are discouraging to women. The sexist references imply that certain trades are for women or men only. As these are threatening to the person who may otherwise wish to apply, they should be rewritten in a more unbiased manner.

The use of photography in the brochure typically shows women and men in traditional occupational roles. Persons of both sexes should be depicted in a variety of occupational fields, especially those which have been traditionally male or female oriented. A broader representation of minorities should also be included.

As stated previously, the brochure has not changed substantially since the last review. The Council strongly recommends that a sincere effort be made to remove all sex stereotyped references in the Wadena AVTI brochure. It is essential that all areas of vocational education be presented to potential students in a totally unbiased manner to allow true freedom of choice in making career decisions.

916 (WHITE BEAR LAKE) AVTI

The brochures for the 916 AVTI are basically very good. Suggestions made in 1974 for improving the brochure have been taken seriously, most notably in rewriting course descriptions in a nonsexist manner.

As found in 1974, the 916 AVTI brochures are encouraging to the applicant in that the institute operates basically under a first-come, first-serve basis. However, as noted previously, most course sheets are prefaced with the words "post high." It is not clear if high school dropouts are restricted from entering these programs. If such a policy does exist, it may be discouraging to many applicants.

Applicants will be impressed by the various sources of financial aid available at the institute. As suggested in 1974, the financial aid program could be improved by extending payments for tools over a period of time in order to ease the financial burden of the student. Also impressive is the method of individualized instruction utilized at the institute.

However, as pointed out in 1974, it seems as if requirements for certain courses could be made less stringent, as many programs start out at a basic level.

The institute has clearly made an effort to rewrite programs and course descriptions in a neutral manner. This is indeed commendable. However, Clerk Stenographer, Traffic Office Occupations and General Service Technician still contain sexist references, reinforcing the notion that certain trades are for men only. This situation can be remedied by following the example of most course descriptions which openly encourage both women and men to apply, or by refraining from referring to either sex in the descriptions. Phrases such as "repairman," "floorman," and "serviceman" found objectionable in 1974, have also been rephrased in a nonsexist manner.

The brochures for 916 have changed remarkably since the last review to present a more unbiased attitude to the potential student. However, there is still a need for the additional changes noted above to make it even more effective.

WINONA AVTI

The brochure for the Winona AVTI is identical to the one reviewed in 1974. The Council found no attempt to rectify the criticisms made at that time. Although the brochure is encouraging in several respects (no emphasis on entrance requirements or previous scholastic achievement), there are many references alluding to the student as male. As suggested in 1974, these references should be rewritten to include women as well. References in need of revision are found on pages 4, 5, 38, 41, 46, 47, 49, 51, 53, 20, 21, 22, 24, 33, 35. Conversely, several programs (Cosmetology, General, Legal, and Medical Secretary), as well as course descriptions found on pages 40, 41, and 49, discourage men from applying by repeatedly regarding the student as "she." Both kinds of discrimination are equally discouraging to persons of both sexes who want to make their own career choices, and should be changed. Other expressions the Council would like to see revised include "autobody repairman" to auto body rebuilder, "businessmen" to business people or representative, and "serviceman" to service technician. The Council also objects to the teaching of charm in the secretarial courses. It can only be assumed that such instruction deals with accepted behavior for women, because it is listed only under the secretarial courses and not for any other programs requiring good public relations.

The Council is still critical in regard to the photography in the brochure, which places women and men in traditional occupational roles. As suggested in 1974, this could be improved by depicting women and men in a variety of occupational roles, following the example of photographs accompanying the Accounting Program and the Adult Education section. A broader representation of minorities should also be included in the photographs.

The Council strongly recommends that these suggestions be taken into account when the 1976 brochure is printed.

WILLMAR AVTI

The 1975 review of the Willmar AVTI brochure revealed that many of the sex stereotyped references have been corrected. As pointed out in the 1974 review, the brochure is very well done, but the latest edition of the brochure still contains policies criticized in 1974. Probationary periods, graduation requirements and attendance requirements could be rephrased in a less threatening manner. Some problems still remain in alluding to the student as male, as indicated by the use of the pronoun "he" or "his." Programs in need of revision include Adult Farm Management and Veterans Farm Cooperative Training.

However, it is an encouragement to see the effort that has been made to write most course descriptions in an unbiased manner.

As suggested in the 1974 review, the brochure could be improved by the use of photographs depicting both sexes in more occupational fields. A broader representation of minorities should also be included.

In conclusion, the Willmar AVTI brochure is basically an excellent publication, but is still in need of some minor revisions to delete all stereotyped references.

OUR ELDERLY CITIZENS

Mr. KENNEDY. Mr. President, as a member of the Senate Special Committee on Aging, I am acutely aware of the problems confronting the elderly. I know all too well the burden they face from skyrocketing medical and housing costs. And the agony they feel when encountering grocery shelves stocked only with food priced far beyond their fixed budgets is real.

But, I also have come to know the spirit within the elderly that strives to survive. They feel a contempt for idleness and dependency, and a thirst for a gratifying and full life. Our older citizens have unique insights born of their experience and a sincere desire to contribute, to be active and to share. We cannot afford to neglect them.

Unfortunately, few of our elderly citizens escape the loneliness and nonactivity thrust upon them by a young society that segregates them away both consciously and unconsciously. So, when a few older people dare to stand up and refuse to be cast aside, they deserve our attention. The December issue of Ebony magazine vividly portrayed the lives of five outstanding older citizens who participate in Foster Grandparents and RSVP programs—older citizens who lead active lives by giving to others.

To the elderly, these people are an inspiration and encouragement.

To all of us, they are a lesson and a reminder. We must be responsive to the needs of our elderly. We cannot neglect a group of citizens who have so much to give.

I ask unanimous consent that the Ebony article be printed in its entirety in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Ebony, December 1975]

Over 100 But Not Too Old To Care

Old age is supposed to be a quiet, reflective time, a relatively inactive period in an individual's life—a chance to take stock, to reminisce and enjoy one's family. Reality, unfortunately, is not always as it should be. Too often, the elderly find themselves shunted aside, abused, neglected and manipulated. Too often, they are ill and unable to do for themselves; and frequently, they are lonely and afraid in an increasingly complex world. Some, however, have managed to escape this dreary cycle, refusing to be cast aside as inoperative relics by a youth-orinted society; refusing, also to give up hope or to cease functioning as living, social beings. Mrs. Pearl Williams, for instance, is 106 years old and is being trained to work with abused children. John (Spaniard) Brown is 104 years old and is leader of a choir formed to bring joy to the sick and shut-in. Mrs. Rose Richardson is 101 years old and makes orthopedic pillows for patients at a local hospital, and Samuel (Mr. Sam) Weatherford, a spry 104, is involved in a variety of community projects, one of which includes running errands for handicapped friends. Mrs. Caroline (Mama) Brown is only 97 and is a whirlwind of activity, tending her garden and livestock, and counseling five generations of descendants who live nearby.

All except Mrs. Brown are active with RSVP (Retired Senior Volunteer Program), a project which has enrolled more than 140,000 senior citizens in a variety of programs. RSVP is a part of ACTION, the federal agency for volunteer service, and has been a "way out" for thousands of elderly persons—many without help from family or friends—wanting desperately to escape loneliness and non-activity in their golden years.

Mrs. Williams, who lives in Compton, Calif., is one of the best known centenarians in the country. Strangers who meet her often remark on the similarity of her appearance and that of "Miss Jane Pittman," as portrayed by actress Cicely Tyson. The similarity is not accidental. When Miss Tyson was preparing for her Emmy Award-winning role, she visited often with Mrs. Williams, using her eventually as a model for which to pattern her characterization. Since then, Mrs. Williams has appeared on a number of national television shows, including the *Mike Douglas Show* and the *Tonight Show*, starring Johnny Carson. Mrs. Williams also received considerable publicity last May when President Gerald Ford's wife, Betty dropped in on ceremonies honoring her on her 106th birthday.

In the Los Angeles area, and especially at Pepperdine University, Mrs. Williams is known for her work as a foster grandparent for mentally retarded children. As an RSVP volunteer, she recently completed an assignment with the Pepperdine State Pre-School Children's Project which required her to work four hours a day, five days a week. In addition to all her other activities, Mrs. Williams is also an active church-goer. She attends morning and evening services at least three times a week, and Bible classes when she can.

Born in Jefferson County, Ala., in 1869, Mrs. Williams is a widow, who spends very little time dwelling on the past. Though she can recall Jesse James, the notorious outlaw of the Old West, visiting her parents when she was a child, she prefers to look ahead to new challenges such as the work she is doing now with abused children.

On the other hand, Samuel Weatherford, who lives in Pocahontas, Va., a small village nestled near the West Virginia border, is often compelled to recall the past. According to Mrs. Lucy Jeff Heierman, director of the Tazewell County RSVP Program, "Mr. Sam" serves as the "official" historian for Tazewell County. So vivid is his memory of past events, many believe he is older than 104, though that is the age he claims. In addition to running errands for handicapped friends, Weatherford also helps make tray favors for hospital patients, delivers produce from his garden to the needy, and helps in fund-raising projects.

Before his retirement, he worked at a number of different trades. He was, at various times, a carpenter, a gardener and a coal miner. Around the turn of the century, he attended the Bluefield (W. Va.) Academic Institute and Normal Curriculum School, which is known today as Bluefield State College. Recently, he was able to utilize his skill as a carpenter by aiding in the construction of a prize-winning parade float. Fittingly, he rode on the float during the parade.

John Brown, who lives in Portsmouth, Va., is "a bit of a ham," according to his friends and neighbors. He delights in telling unbelievable tales, rib-splitting jokes and an endless variety of stories he has collected during a long and adventurous life. His passion, however, is singing. He always wants to know, "Where are we singing this time?" or "When are we going to sing again?" As a key member of the Mt. Hermon RSVP Singing Seniors, he has never missed an engagement, and the choir is in great demand, particularly at the William T. Hall Center, the Tidewater Assn. for Retarded Children and Mt. Hermon area convalescent homes.

Brown, who was born in 1871 on the Louis Summers farm about 10 miles south of Roanoke Rapids, N.C., moved to Portsmouth when he was 20 years old. He has worked on the railroad, handled lumber in a lumber yard, and labored as a stevedore. He also claims proficiency as a cobbler. He retired in 1945 at the age of 73, and admits today that he has the usual aches and pains associated with aging but is otherwise in good health. Friends say his memory is keen and his energy is unlimited. Asked, as he often is, to what he attributes his longevity, he replies: "No liquor, a bit of chewing tobacco, and faith in the Lord."

Mrs. Richardson of New Orleans, La., is not quite as spry as Mrs. Williams, but is equally committed to public service and is concerned about her friends and neighbors. She makes her orthopedic pillows at home, and the doctors at Charity Hospital in New Orleans call her the "hospital missionary." She says, "I've helped people all my life . . . it means so much to me at my age to help somebody." Mrs. Richardson also does her own housekeeping, which includes washing clothes several times a week on a scrubboard. Her hobby is gardening, and she raises an assortment of vegetables, flowers and herbs in her back yard.

"Mama" Brown, of the Browning Community just outside Greenwood, Miss., is also a gardener. Her garden, however, is an acre plot on which she grows cotton, sorghum, sweet potatoes, peas and berries. On her land, she also has a pig and 20 chickens. Until five years ago, she was a licensed midwife; she delivered all her grandchildren and most of the residents in her community. She has 17 children, 42 grandchildren, 44 great-grandchildren and several great-great-grandchildren. Remarkably, she claims she can call most of them by name.

Though 97 years old, she looks forward to many more active years ahead of her, citing the longevity of her father who lived to the age of 105, and her mother who died in her 90s as proof. She says she has always lived an active life and just doesn't see any reason to slow down.

Felton Gibson, minority communications media specialist for ACTION in Washington, D.C., explains that that's just what RSVP is all about. He says there are legions of old people involved in ACTION who are so busy helping others and trying to better community conditions, they don't have time for loneliness, despondency and self-pity.

THE FISCAL 1977 BUDGET AND THE "NEW REALISM" FOR OLDER AMERICANS

Mr. CHURCH. Mr. President, on Monday President Ford set the tone for his fiscal 1977 budget when he appealed for a "new realism" in his state of the Union message.

Unfortunately, this would mean a bigger budget for the military and cutbacks for many "people" programs.

A vast document—such as the Federal budget—requires considerable scrutiny before a member can make important and complex judgments about national spending priorities.

As chairman of the Senate Committee on Aging, however, I think it is necessary to give an early interpretation of certain budget proposals and their effect on older Americans.

NONRESPONSE AND CUTBACKS

My preliminary analysis reveals that the administration's budget falls far short of responding to many key problems of older Americans.

Almost no new initiatives are recommended. To a very large degree, the budget is characterized instead by retrenchment or inertia.

This is especially true for the Older Americans Act. Nearly 2 months ago the Congress approved the Older Americans Amendments of 1975, which made far-reaching changes in the Older-Americans Act, the Older American Community Service Employment Act, and other legislation for the elderly.

The administration's budgetary response, though, almost totally ignores the congressional initiatives.

For the coming fiscal year, the administration proposes:

An $8 million reduction below the fiscal 1975 appropriation for the title III State and community programs on aging under the Older Americans Act. Yet, this program provides numerous helpful services—including homemaker, home health, friendly visitor, and telephone reassurance calls—to enable elderly persons to live in their own homes, instead of being unnecessarily and prematurely institutionalized.

No funding for title IV training, although a critical shortage of adequately trained personnel continues to be one of the most pressing problems in the entire field of aging.

A $37 million cutback from the fiscal 1975 appropriations for the title VII nutrition program for the elderly, even though rapidly rising food costs have seriously eroded the purchasing power of older Americans.

No funds for multidisciplinary centers of gerontology and the multipurpose senior centers prorgam.

In addition, the administration has failed to request funds for the fourth consecutive year for the popular and successful title IX older American community service employment program. This is pennywise and dollar foolish because title IX enables low-income elderly persons to work their way out of poverty by helping others in their communities, instead of being forced onto the welfare rolls.

Unemployment has nearly doubled during the past 2 years for persons 55 and above. I strongly believe that we should make every effort to maximize job opportunities for older Americans, as well as younger Americans.

Proposed funding for the Age Discrimination in Employment Act would support 81 positions in the enforcement arm of the Department of Labor, the same number as this year. But "age-ism" still continues to be a very serious and real problem for the older worker.

CATASTROPHIC HEALTH INSURANCE FOR MEDICARE BENEFICIARIES

What might appear to be a major proposal in the President's state of the Union message was his catastrophic health insurance package for aged and disabled medicare beneficiaries.

But in reality, it is a carbon copy—with minor modifications—of an earlier, discredited proposal advanced by President Nixon.

That measure was rejected then, and it should be now. And, I plan to lead the fight to resist it because this proposal would add nearly $1.3 billion to the health care costs of aged and disabled Americans.

Briefly stated the Ford catastrophic health insurance package would:

First. Require medicare beneficiaries to pay a coinsurance charge equal to 10 percent of all hospital charges above the inpatient deductible payment of $104. Now medicare patients pay the first $104 of their qualifying hospital bill, and nothing thereafter until the 61st day.

Second. Raise the part B supplementary medical insurance deductible from $60 to $77 in 1977. Afterwards, the deductible would rise proportionately with percentage increases in social security benefits.

Third. Impose a new 10-percent coinsurance charge on hospital-based physician and home health services under part B.

Fourth. Limit a patient's liability to $500 per benefit period for qualifying hospital services. This ceiling, though, would rise proportionately with social security benefit increases.

Fifth. Place a $250 limitation per calendar year on part B covered services. Here again, this amount would rise proportionately with social security increases.

I shall have more to say about these proposals later when I introduce legislation to express congressional opposition to these measures.

ENCOURAGING DEVELOPMENTS

Despite the many negative features in the fiscal 1977 budget message, there are encouraging developments.

Some of these shifts in policy were the direct result of earlier administration defeats to phase out programs for older Americans.

One of the most encouraging developments, in my judgment, is the administration's recommendation to provide a $375 million lending authority for the section 202 housing for the elderly program. This funding level will finance nearly 16,000 units. The administration has also released $375 million for section 202 loans in 1976.

Hearings conducted by the Subcommittee on Housing for the Elderly helped to convince the Department of Housing and Urban Development of the merits of section 202—the most successful housing program ever enacted for older Americans.

Another positive development is the administration's budget request of $55.3 million for ACTION's older American programs: foster grandparents, $34 million; RSVP—the retired senior volunteer program—$17.5 million; and senior companions, $3.8 million. This represents about $6 million more than this year's congressional appropriation.

The administration has also requested $26.22 million for the National Institute on Aging, which conducts and supports biomedical, social, and behavioral research and training relating to the aging process. This amount is nearly $8.7 million above the fiscal 1976 appropriation.

However, I am deeply concerned that the administration has still not named a director for NIA, although 20 months have elapsed since the institute was created under the Research on Aging Act. I urge the administration to act promptly in making this important appointment.

I am pleased that the administration has abandoned its earlier efforts to phase out the senior opportunities and services program. The fiscal 1977 budget recommends $10 million, the same amount as the funding level in this year's continuing resolution.

Finally, I welcome the President's decision not to oppose—as he did last year—the full cost-of-living increase in social security benefits to be paid in 1976.

As things now stand, social security beneficiaries will receive a projected 6.7-percent increase this July.

However, I have serious misgivings about the President's proposal to meet the short-term and long-range financing problems confronting the social security system. He calls for a three-tenths percent across-the-board increase in the employer and employee social security taxes, beginning next year. This appears to be the most regressive approach to provide additional revenue for the social security trust funds.

The Committee on Aging will explore other alternatives—such as an increase in the maximum taxable wage base and other proposals—during our hearings on "Future Directions in Social Security."

Mr. President, I wish to emphasize that the Committee on Aging wants to work with the administration to improve the budget for older Americans.

I believe that much more can be gained through a genuine bipartisan approach. And the committee is ready, willing, and able to cooperate.

NO-TILL FARMING

Mr. HUMPHREY. Mr. President, I invite the attention of my colleagues to an article in the January 18 edition of the Washington Post, entitled "Farming Without the Plow."

This article reports on a recent mid-Atlantic conference in Hershey, Pa., which was held to discuss the concept of "no tillage farming." Already this practice has become widespread in Maryland with 70 percent of corn and 60 percent of soybean acreage planted without turning the soil.

According to the article, yields under the new practices are equal to or even slightly better than those achieved by plowing.

Avoiding plowing helps to reduce soil erosion which is of particular significance to Maryland with its sloping land and light soil.

The conference also outlined the need for specialized use of herbicides and insecticides to control insects which were formerly kept in check by deep plowing. A major benefit from this procedure is the very significant saving of energy with field tests indicating that no-till methods required a third to a sixth the amount of fuel to plant the same acreage. This saving is of major importance, and it may result, according to one individual, in an increased return of $11 per acre.

Mr. President, this is a particularly significant development, and I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMING WITHOUT THE PLOW

HERSHEY, PA.—About 5,000 years after man invented the plow, farmers are learning that they can do better without it.

More than 1,500 agriculture experts from five mid-Atlantic states met here last week to discuss the concept known as "no-tillage farming," which has spread to more than 6 million acres, about 2 per cent of cropland in production, in the last half-dozen years.

No-tillage, or no-till, as it is usually referred to, means exactly that—do not plow the earth. Its increasing acceptance—the U.S. Department of Agriculture predicts more than half of all America's cropland will be farmed without plowing in 30 years—marks "one of the truly basic changes in the history of our agriculture," said James H. Eakins Jr., head of agronomy at Pennsylvania State University.

Essentially, the process works like this: after the fall harvest, a winter "cover crop," usually rye is planted in the field. In the spring the rye is killed with herbicides and the main crop is seeded into the resultant mulch by a special planter. Not a furrow is turned, and the field need not be entered again until harvest time, when the cycle begins anew.

The savings in time and money over traditional plowing, which entails numerous tractor trips over the field to turn the earth and control weeds, are enormous. Field tests comparing no-till with plowing showed no-till required a third to a sixth the amount of fuel to plant the same acreage.

The unturned soil, aided by the protective mulch layer, retains 50 per cent more soil moisture than a plowed field and cuts erosion and runoff on sloping acreages by as much as 90 per cent.

This is of particular significance in Maryland, where runoff from agricultural lands has been a major source of pollution and siltation in Chesapeake Bay. Farmers in Maryland, the leading state in acceptance of no-till, currently have forsaken the plow in planting an estimated 70 per cent of their corn and 60 per cent of their soybeans.

The ability of the no-till method to control erosion even on hilly lands also means it can open millions of acres to productive farming that previously had to be kept fallow, or in pasture. Land in this category in Maryland alone amounts to about a million acres, University of Maryland agronomists said.

Crop yields from no-till farming have proved equal to or slightly better than those achieved by plowing. In one popular variation of the process, a practice known as "double cropping," the time saved by not plowing allows farmers to realize an extra harvest of winter wheat or barley before they plant their main crop. In the spring, farmers can be seen planting literally in the wake of their harvesters.

A no-till field, with the seedlings pushing their way through the mulch of weeds and high stubble, is not as esthetic as the neat furrows of a plowed field.

"It looks ratty as the dickens," admitted Joseph Newcomer, an agronomist from the University of Maryland, "but when you are saving maybe $5 on each acre (over plowing) and getting better yields too, you don't mind."

For all its promise as the corn patch of the future, no one at Hershey last week was billing no-till as the panacea for farmer's worries.

"It (no-till) is advanced farming, substituting radical usage of herbicides and insecticides for what the plow used to do," Eakin explained. "It is not for the casual or sloppy farmer."

Insects that formerly were kept in check by deep plowing tend to thrive in the undisturbed soil and mulch of a no-till field. Failure to anticipate this problem and select the proper insecticides can spell disaster.

Likewise, herbicides must be used with precision in orchestrating cover crops to produce enough mulch to check erosion without smothering the seedlings, Newcomer noted.

The use of no-till outside university test plots did not achieve widespread currency until about 1970, with U.S. Food and Drug Administration approval of the first herbicide effective in controlling weeds without plowing; but agronomists realized the desirability of alternatives to the plow long before that.

In 1942 a book, "The Plowman's Folly," published by a Kentucky agricultural agent named William Faulkner (not the novelist), stirred a minor furor in farming circles with its theme that the plow was obsolete.

"Faulkner had the idea, but he didn't have the herbicides to make it work," said Harry M. Young, Jr., a Herndon, Ky., farmer at the conference here who has recently written a book, "No-Tillage Farming." Young said that at current grain prices, no-till means an additional $11 an acre annual income on his 1,800 acres.

No-till farming, for all its rapid spread along the Eastern seaboard and in the South, is likely to take root more slowly in other areas, notably the Midwestern grain belt, according to Eakin.

"They have such incredibly deep and highly organic soils, along with mostly flat land, that there is nowhere near the concern with moisture retention and erosion as with the lighter soils here," he said.

Even where the economic benefits are clear, he noted, there is some natural resistance by farmers to depart so radically from accepted practice. "You've got to remember that plowing is almost genetic in these guys by now," he said.

"Some of them I think just like to plow," said Newcomer. "They're like kids with those tractors. They like to get the biggest old tractor they can buy and show it off to their friends."

But no-till converts can be zealous. F. Neal Hering, a Westminster, Md., farmer on one of the panels at the conference declared firmly, "I just thank the Lord for no-till."

HUMANITARIAN NEEDS OF REFUGEES IN THAILAND

Mr. KENNEDY. Mr. President, in response to the growing humanitarian problems of refugees in Thailand, the American Council of Voluntary Agencies for Foreign Service recently dispatched a study team to report on current conditions in the field. Today, the study team has released its report, and I would like to share their findings and recommendations with my colleagues.

As chairman of the Subcommittee on Refugees, I have closely followed humanitarian problems in Southeast Asia, including Thailand.

In the finest tradition of the American people, the United States has extended a warm hand of friendship and help to refugees from Southeast Asia who have come to our shores. At the same time, America must not forget the humanitarian needs among the refugees and other war victims who remain behind, in Thailand and in the countries of Indochina.

This point is eloquently stated by the study team report of the American Council of Voluntary Agencies, and I commend their effort to bring the plight of these people to the attention of the American people. I urge the Department of State, and the Immigration and Naturalization Service, to give immediate consideration to their important recommendations, and I pledge to do all I can in the Senate to support their humanitarian goals.

Mr. President, I ask unanimous consent that the text of the report and recommendations of the American Council on Voluntary Agencies, regarding humanitarian needs of refugees in Thailand, be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

HUMANITARIAN NEEDS OF REFUGEES IN THAILAND

BACKGROUND OF SURVEY

On November 25, 1975, the officers of the Committee on Migration and Refugee Affairs, American Council of Voluntary Agencies for Foreign Service, Inc., recommended to the Council's Executive Committee that a survey be undertaken on the humanitarian needs of refugees in Thailand. It was proposed that a survey team visit Thailand to study the refugee situation, prepare proposals on those who must resettle outside of Thailand, and review the care, maintenance and future in Thailand of those who cannot be resettled elsewhere.

The ACVAFS Executive Committee approved the recommendation, and the following people were named to the Survey Team: Donald G. Hohl, Migration and Refugee Services, United States Catholic Conference, Chairman; Elizabeth Thaw, International Rescue Committee; Worthington Linen, Lutheran Immigration and Refugee Service; Warren Hoffecker, Catholic Relief Services, United States Catholic Conference, Bangkok; Keith Meyer, Young Men's Christian Association, Singapore; Theron Van Scoter, ACVAFS Committee on Migration and Refugee Affairs.

During its eight days in Thailand (December 5–12) the Team visited five refugee camps along the Laos and Cambodian borders (Aranyaprathet, Pua and three in Nong Khai) as well as an established Meo community. It interviewed many refugees, government officials in Bangkok, provincial and district officials in each area, and camp authorities. Appointments were held with Nicholas Morris, Acting Director of the Regional Office of the United Nations High Commissioner for Refugees, Albert Corcos, Area Director of the Intergovernmental Committee for European Migration, and Ambassador Charles Whitehouse and his staff at the United States Embassy. Meetings were held with representatives of Royal Thai Government, including H. E. Pirapong Kasemsri, Director General of Department of International Organizations, Ministry of Foreign Affairs; and Major Kamol, Deputy Director of the Operation Center for Displaced Persons in Thailand. A special meeting was arranged with Prince Panya Souvanna Phouma, son of the former Lao Prime Minister; Prince Panya had just escaped by swimming the Mekong River. Informal exchanges took place with representatives of other international organizations and Thai citizens. Of particular importance were consultations with the voluntary agencies in Thailand. Additional insights came from the daily press coverage of border incidents and the evolving relationships with neighboring countries.

SITUATION IN THAILAND

A key point in an evaluation of the situation is the fact that the official position of the government is that there are no refugees in that country. Because of the delicate balance Thailand maintains between its neighbors and the non-Communist world its position is that the people from the three Indochinese countries are displaced persons and the facilities provided them are of a temporary nature. The government does not welcome the refugees, but is unable to keep them out; also the UNHCR has received its promise that the refugees will not be forced to return. On the other hand its announced policy is not to make them comfortable nor to provide them with any assistance which appears to put them in a preferential position over the local people, who themselvs usually are in dire economic circumstances, in the community where they reside. In most instances the refugees are forbidden to leave the camp areas. Despite the official policy government authorities appear to be beginning to recognize that Thailand must absorb large numbers of the refugees, but continue to hope that through the efforts of the United Nations many can be resettled elsewhere.

The conditions in each camp vary depending upon the attitude of the provincial governors, their proximity to the camps, and the relative authority of local district leaders. The governors are appointed from Bangkok to the provinces, which have considerable autonomy. In recent years efforts to democratize the system have resulted in local representatives being named to the capitol, but much competition for power exists between these local representatives and the provincial governors.

At the outset of the refugee influx last spring the Thai Government ignored the situation as the newcomers set up squatter areas in the compounds of Buddhist Temples or adjacent to border villages. As the situation became acute the voluntary agencies in Thailand began emergency programs. The agencies sought to avoid the impression of undue U.S. presence or of favoritism to the refugees, and they functioned insofar as possible through local groups. In June they formed the Committee for the Coordination of Services to Displaced Persons in Thailand. This group under Andrew Bishop Christian and Missionary Alliance (CAMA), meets formally every two weeks to discuss such matters as cooperation with the Royal Thai Government and the UNHCR, allocation of supplies, etc. At present the Committee includes the Baptist Mission, Thailand; Cambodian Childrens Welfare Association; Catholic Relief Services-United States Catholic Conference; Catholic Council of Thailand for Development; Food for the Hungry, Inc.; International Red Cross Societies; "Joint Action" to Indo-China; Ockenden Venture; Project Vietnam Orphans; Seventh-Day Adventist Mission; Thai Red Cross Society; World Vision Foundation of Thailand; Y.W.C.A., Y.M.C.A., Christian and Missionary Alliance; South East Asia Christian Services.

CAMP OPERATIONS

During the summer the government officially recognized the burgeoning problem, invited the cooperation of the UNHCR, and established the Operation Center for Displaced Persons in Thailand, which coordinates all government activities. Sixteen camp locations became the basis of the operation, although there may be several camps at each location and additional unofficial camps all along the border.

(It was explained to the Survey Team that location of the camps near the border is satisfactory to both the hawks and the doves. The doves feel that this arrangement will encourage the refugees to return as they see that conditions across the border are better than they originally feared. The hawks consider that the refugees on the border can serve as a buffer against invasion. Skeptics are uncertain as to the loyalties of refugee groups.)

The principal government agency in this program is the Ministry of the Interior; to a lesser degree the Ministries of Health and Foreign Affairs are also involved, as well as other offices.

All supplies are received through the UNHCR and three UNHCR field offices monitor the distribution, which is handled by the Ministry of the Interior. Supplemental distributions are made by the voluntary agencies directly.

In addition to 60,000–70,000 refugees in the camps (the UNHCR has registered 50,000 Lao, 9,000 Cambodians, and 600 Vietnamese as recipients of its program but it appears certain that there are more), it is estimated that some 10,000 refugees are outside the camps. With the dissolution of the Lao Coalition Government in early December and notwithstanding its closing of the border, (the Thai Government closed its side in mid November) known border crossings accelerated from 50 daily in November to 200 daily in December.

The camp situation is deplorable. In the five camps visited, the Team observed that they are crowded, unsanitary and provide a minimum of shelter. Although in principle the UNHCR feeding program allocates 500 grams of rice daily to each refugee, substantial quantities appear to be diverted through the local administration; at the time of the visit it was reported that at one camp no UNHCR food was reaching the refugees. The voluntary agencies supplement the UNHCR food program and provide considerable aid in the areas of medicine and vitamins. The Team saw no soap.

Inasmuch as it seems clear that it will not be possible for most of the refugees to leave Thailand, the question is one of the dimension and nature of assistance from outside. It appears that the voluntary agencies should be encouraged to participate in the evolving situation, to supplement material provided by the UNHCR, and to adapt to the probable eventual resettlement program of the Thai Government. At present, medical care is totally inadequate. For immediate action it appears that the major health problems are dysentery and malnutrition. Many of the refugees were reported to have walked for as many as 45 nights to arrive in Thailand. They were obliged to scavenge for food along the way with resultant serious digestive disorders. Dysentery now prevents effective malnutrition correction, but malaria and bronchial ailments are also major problems. A large proportion of medical services are supplied by the refugees themselves, often with little training.

On several occasions the Team was advised that assistance from abroad could best be channeled when possible through the existing voluntary agencies' structure or the UNHCR and that the supplies most needed fall in the areas of medicines, vitamins and food supplements. Insofar as assistance can also be given to the communities adjacent to the camps, this would tend to reduce the hostility of the local residents. (There is an understandable resentment on the part of the local population that even though they are Thai citizens they are not receiving as much attention as the refugees. They therefore feel victimized by what they believe to be preferential treatment toward foreigners.) It was also urged that, as soon as feasible, assistance of a long-term nature be developed and hope was expressed that it could successfully avoid the "give-away" concept. Such long-term aid would be contingent upon the refugees being moved to more satisfactory locations, and the Team noted that long-term aid plans with this intent are already underway.

THE NEED FOR RESETTLEMENT OUTSIDE OF THAILAND

As to statistics concerning those people for whom continued residence in Thailand would constitute a severe hardship, the UNHCR reports that it has registered approximately 18,000 people who have applied for migration to the United States and other countries. A troubling question is the case of those refugees who potentially qualify for movement to other countries but whose leadership is absolutely essential to the continued wellbeing of their ethnic communities. The selective removal of community leaders which has sometimes occurred in recent months has often left the remainder of their group in a state of turmoil. Serious consideration must be given to the possibility of moving entire communities.

In this connection it was agreed it would be well for the voluntary agencies to explore through their international counterparts the resettlement possibilities for such communities in countries such as Indonesia, Micronesia, the Philippines, Australia and Brazil.

As of October 30, 1975, the movement from Thailand to all third countries was 19,918 with 7,106 going to other countries than the United States. In addition Malaysia has accepted 1,208 muslims.

The U.S. Embassy case files as of early December indicated that there are 4,100 potential Lao migrants who had applied for parole to the United States (numbers presently exist for only 3,400). Also listed in the case files are 3,700 Vietnamese and Thaidam and 3,800 Cambodians. This leaves a shortfall of some 8,000 parole numbers for those refugees currently registered.

When considering the existing U.S. Embassy case files, it is important to note that the Survey Team has reason to believe that many refugees were inadequately interviewed or overlooked. It appears that the Embassy staff needs to review the entire caseload, including refugees who have not yet been interviewed. There is also a definite need to examine the present qualification categories in the hope that a more flexible system can be developed. Such a system should be based on the two considerations of the need for movement and the capacity to adjust to the American culture.

In light of the constantly changing nature of the refugee population in Thailand, the Team is convinced that it would be preferable not to have to set an arbitrary number limit on migration to the United States. The Team has concluded that, ideally, consideration should be given to all those refugees who have no reasonable resettlement option in Thailand and who are likely to be adaptable to life in the United States. However, in the interests of outlining the size of the problem, the Team reached a conservative estimate that 10,000 additional numbers would be needed for the refugees in Thailand.

While in Thailand the Survey Team explored the need for winter clothing for refugees in transit to the United States. A conclusion was reached that a definite need for distributing winter clothing does exist and the local voluntary agencies will continue to pursue this point with the Embassy. They will also cooperate with the international voluntary agency network to obtain clothing through their respective channels. It is understood that such clothing will be handed out only at the point of departure other than in the camps themselves.

RECOMMENDATIONS

1. The immediate need of the majority of the 70,000 refugees is for adequate food, clothing, shelter and especially, medical care. The Survey Team recommends that the voluntary agencies explore the possiblities of cooperating with and supplementing the UNHCR and Royal Thai Government in their efforts to take care of the basic needs of the refugees.

The voluntary agencies also should be aware of the long-term necessity for material assistance in Thailand, in anticipation that the Royal Thai Government will carry a heavy burden in the years to come.

2. The Survey Team is of the unanimous conclusion that repatriation cannot realistically be considered as a solution to the refugee problem in the foreseeable future.

3. The Team found that there is a large number of refugees who for valid reasons should be resettled outside of Thailand. The Team also believes that resettlement in the United States is the only viable option for many of this group. Due to the changing nature of the situation in Thailand it is difficult to set a specific ceiling for those to be admitted to the United States. Ideally, resettlement opportunities should be made available strictly on the basis of humanitarian need and on the capacity of the refugee to adapt to life in the United States.

As a result, the Team recommends to the appropriate officials in the Department of State and the Department of Justice that the existing parole criteria (Categories I, II and III) be reviewed with the goal of making them more responsive to the realities of the situation in Thailand. Based upon the number of people identified at the time of this report as needing to come to the United States, and in view of the inadequacy of the screening process, we recommend that a minimum of 10,000 additional numbers be made available. (It is important to understand that the number recommended above reflects only the needs of refugees in Thailand. The team would also recommend that the U.S. Government should consider additional numbers for specific family reunion and hardship cases among the Indochinese refugees who now are located in other countries around the world and for whom movement is the only viable solution.)

4. It is obvious that the migration needs of all refugees in Thailand cannot be met by the United States alone. The Team therefore strongly recommends that additional opportunities for resettlement in third countries be explored by the UNHCR and the voluntary agencies, the latter through their international counterparts. (This recommendation reflects what the Team perceives as a pressing need for large scale movements to third countries.)

American Council of Voluntary Agencies for Foreign Service, Inc.

MEMBER AGENCIES

*American Council for Judaism Philanthropic Fund, Inc.
American Friends Service Committee, Inc.
*American Fund for Czechoslovak Refugees, Inc.
*American Jewish Joint Distribution Committee, Inc.
American Mizrachi Women.
*American National Committee to Aid Homeless Armenians (ANCHA).
American ORT Federation, Inc.
*Assemblies of God-Foreign Service Committee.
*Baptist World Alliance.
CARE, Inc. (Cooperative for American Relief Everywhere).
*Catholic Relief Services-United States Catholic Conference.
Christian Reformed World Relief Committee.
*Church World Service, National Council of the Churches of Christ in the U.S.A.
CODEL, Inc. (Cooperation in Development).
Community Development Foundation, Inc.
Foundation For The Peoples of The South Pacific, Inc., The.
*Hadassah, The Women's Zionist Organization of America, Inc.: Hadassah Medical Relief Association, Inc.
Heifer Project International.
*HIAS.
*International Rescue Committee, Inc.
*Lutheran Immigration and Refugee Service—a Department of the Division of Welfare Services of the Lutheran Council in the U.S.A.
Lutheran World Relief, Inc.
Mennonite Central Committee, Inc.
*Migration and Refugee Services, United States Catholic Conference.
Near East Foundation.
PACT, Inc. (Private Agencies Collaborating Together).
Salvation Army, The.
Save the Children Federation, Inc.
*Seventh-Day Adventist World Service, Inc.
*Tolstoy Foundation, Inc.
*United Israel Appeal, Inc.
*United Lithuanian Relief Fund of America, Inc.
United Ukrainian American Relief Committee, Inc.
World University Service.
*Young Men's Christian Association-International Division.
Young Women's Christian Association of the U.S.A., National Board, World Relations.

COOPERATING AGENCIES

American Foundation for Overseas Blind, Inc.

Holt International Children's Services, Inc.

Interchurch Medical Assistance, Inc.

Medical Assistance Programs, Inc.

*Project Concern, Inc.

*Travelers Aid-International Social Service of America.

Committee for the Coordination of Services to Displaced Persons in Thailand

Baptist Mission, Thailand, Ronald C. Hill.

CAMA Services: Christian and Missionary Alliance, Bangkok, Andrew E. Bishop.

Cambodian Childrens Welfare Association, Eileen P. Cough.

Catholic Council of Thailand for Development, Fr. Suthep Nanvong.

Catholic Relief Services-United States Catholic Conference, Warren Hoffecker.

Food For The Hungry, Inc., Mrs. Daw Aye Nu Tin.

International Red Cross Societies, Sven Lampell.

"Joint Action" to Indo-China (Norwegian Refugee Council, Norweigian Church Relief, Norwegian Save the Children, Y.M.C.A. of Norway), Tove Bjerkan.

Ockenden Venture, David K. Tolfree.

Project Vietnam Orphans, Robert Ashe.

Seventh-Day Adventist Mission, Pastor Sopon Jaijuar.

South East Asia Christian Services, Peter Sutjaibun.

Thai Red Cross Society, Dr. Tawan S. Bunnag.

World Vision Foundation of Thailand, Roger Walker.

Y.M.C.A., Bangkok, Lanjul Chairatana.

Y.W.C.A., Mrs. Boonchuan Hongskrai.

REFORM PROPOSED FOR DEATH AND GIFT TAXES

Mr. MONDALE. Mr. President, the Fergus Falls, Minn., Daily Journal of December 23, 1975, contains an editorial entitled "Reform Proposed for Death and Gift Taxes."

This editorial states succinctly the reasons that reforms in the estate and gift tax law are needed in order to preserve the viability of small businesses and farms. The Small Business Estate and Gift Tax Act (S. 2819) provides needed estate and gift tax reforms, and the act's objectives are commenced by this editorial.

Mr. President, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Reform Proposed for Death and Gift Taxes

It may seem that tax formulas have not been adjusted to keep pace with inflation. That's particularly true of estate and gift taxes that haven't been changed since 1942.

A bill whose sponsors include Senators Mondale and Humphrey aims to reform the small business estate and gift tax. They have found that present laws can force small businesses and farms to liquidate in order to pay estate tax bills.

The present exemption of $60,000 has been in effect since 1942 and the rate scale of 3 to 77 percent was adopted in 1941 for the estate tax. The rate for the gift tax, unchanged since 1942, is three-fourths of the estate tax rate.

The effect of the taxes on farm property is discussed in a north central regional extension publication. Farm real estate values in 1975 were 11 times higher than they were in 1940. The average size of farms has more than doubled. An average midwestern farm owner may now have accumulated an estate worth a quarter to half a million dollars.

The number of estate tax returns filed has increased from 17,000 in 1940 to 175,000 in 1973. The growing value of personal wealth is closely related to that increase. So many more farm estates and their heirs face potential death taxes. Heirs face increasing proportionate losses unless there is a change in exemption or rates.

Without advance planning that can involve wills, installment sales contracts, trusts, joint deeds in common and life insurance, a moderate-size farm could have 20 to 30 percent of its value taken by federal death taxes.

The bill introduced last week would increase the exemption level in stages from $80,000 in 1976 to $120,000 in 1980. The lifetime gift tax exemption would be raised from $30,000 to $60,000 and there are other liberalizations.

The bill may be one of several alternatives but it has a commendable purpose to help maintain independent ownership of farms and small businesses. There are enough economic conditions threatening them without the out-of-date death tax policy.

AN EXAMPLE IN COURAGE

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an article in the Rural Minnesota News of January 1976 entitled "A Most Unique Man."

LeRoy Ljungren who is 43 years of age is paralyzed from his neck on down. This has not prevented him from leading an active life which includes providing answering service for after-hours, weekends and holidays for the Todd Wadena Electric Cooperative.

Mr. Ljungren began painting as part of his therapy when he was first hospitalized with polio. He holds a brush between his teeth, and he has painted over 200 paintings and approximately 20 ceramics. Two years ago he put on a one man show in the Twin Cities and won first prize over 300 competitors from all over the world.

Two years ago Mr. Ljungren learned about Camp Courage, which is designed for people with serious disabilities. A camp could not be more appropriately named and also summarize the example of LeRoy Ljungren.

I wish to salute this determined and coureagous individual. And the Todd Wadena Electric Cooperative and Mr. Paul Richter deserve praise for providing encouragement to this unique man.

Mr. President, I ask unanimous consent that this heartwarming story be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Most Unique Man

(By LeRoy Edenloff)

Todd Wadena Electric Cooperative's answering service is operated by a most unique person. Stricken with polio in 1953, LeRoy Ljungren, now 43 years old, is paralyzed from the neck down. This affliction, however, has not prevented this amazing man from living a fruitful life. Not only does he handle the duties of his answering service well, he has also acquired a reputation for his skill in oil painting.

He paints with special equipment designed so that it can be handled with his mouth and teeth.

It was through the encouragement of Paul Richter, General Manager of Todd Wadena Electric Cooperative, Wadena, that Ljungren conceived the idea of the answering service for after-hours, weekends and holidays. It provided him with responsibilities he never thought possible and also with the extra income required to become more self-sufficient.

A specially designed control board was set up by Gordon Olson, meterman for Todd Wadena Electric Cooperative, and by the local telephone company. On the control board is a special speaker phone whereby LeRoy can dial by punching the numbers from a stand alongside his bed.

LeRoy lives with his mother, Mrs. Mabel Ljungren, in a comfortable home in Wadena. His family moved into town from a dairy farm west of Sebeka shortly after he was stricken with polio. Robert Ljungren, his father, passed away in 1972. In addition to losing a loved-one, the death of Mr. Ljungren took away a person that both LeRoy and his mother depended on so much for his strength, courage and devotion.

Since his father's death, LeRoy is almost totally dependent on his mother. She is his cook, nurse and constant companion. Relatives and friends have been very generous in offering help whenever they can and this is greatly appreciated. They do, however, hire a lady who comes in five days a week to help with certain tasks Mrs. Ljungren isn't able to do alone. LeRoy said he will always be indebted to his parents for their many sacrifices and the inspiration they have given him.

LeRoy began painting as part of his therapy when he was first hospitalized with polio. Holding a brush between his teeth, he would paint until nearly exhausted, usually not more than an hour. Now he paints several hours a day and does not tire nearly as easily. He figures he has done over 200 paintings and approximately 20 ceramics.

Practically all of them are nature or animal scenes, relating back to his love of the great outdoors.

His keen mind enables him to paint most of his scenes from memory. So amazing is his memory he can simultaneously remember every name and account number of members calling in outages. He has also done some beautiful painting on wood bowls and plates.

Two years ago LeRoy put on a one-man art show in the Twin Cities and won first prize over 300 competitors from all over the world. These shows are held for disabled painters, but do not lack for talent or enthusiasm. LeRoy usually enters two art shows a year—one in Wadena and the other in the Twin Cities—and has captured a number of prizes throughout the years. Many of his paintings have been sold, but a large number have been given away to relatives and personal friends.

It was two years ago this past summer that Ljungren became acquainted with Camp Courage near Annandale, Minn. He had heard a great deal about the camp but was skeptical about going for fear it was for children and not suitable to take care of a totally disabled adult like himself. He then found that the camp has sessions for people of all ages and facilities to treat people with disabilities similar to his own.

LeRoy has been to the camp for two years in a row now, for 12 "glorious days" each session. He can hardly wait for next summer so that he can go again. Camp Courage, so aptly named, certainly has to be identified with people like LeRoy Ljungren, who himself so truly exemplifies the word "COURAGE." People attending the camp have found it to be a haven and, as LeRoy said, "perhaps there are other disabled persons who have likewise been skeptical about attending for reasons similar to mine."

It was at Camp Courage that LeRoy went fishing for the first time since he was

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*Member of Committee on Migration and Refugee Affairs.

stricken with polio. A camp adviser suggested he try his hand at the sport and LeRoy asked him how this could be accomplishd when he was almost completely dependent on a respirator to breathe. It was accomplished through the use of a pontoon boat and a portable respirator and the ex-outdoorsman spent one very happy afternoon fishing.

Ljungren is so enthused with the camp he often wonders why he didn't investigate its facilities before. He said he has met some very fascinating and interesting people with similar disabilities, interest and problems whom he would never have had the opportunity to meet otherwise.

When LeRoy is at camp Mrs. Ljungren is able to go on vacation hersif for the first time since her son came down with polio. She has visited an older son and his family in Seattle and also a sister in Wisconsin. An older daughter is married and lives in Cambridge, Minn.

Being paralyzed for most of his adult life has not made LeRoy bitter, as is the case with some people he has met. He realizes everything was done for him that was humanly possible. In 1953 it was too soon for the Jonas Salk vaccine that has cured or helped so many polio victims since. After contacting polio he spent three months in an iron lung and 17 months in hospitals in the Twin Cities and Omaha.

While hospitalized he did, as mentioned, learn to paint and do ceramics. He also learned to "frog breathe." Frog breathing is accomplished by drawing air through the nose via throat muscles that bring air into the lungs. By this method LeRoy is able to get along without a respirator for two to three hours in an emergency. Otherwise, a respirator is a constant companion to him since he is dependent on one for about 20 hours a day.

LeRoy has four respirators in all, with two of them being portables. The portables enable him to get outdoors a little and even to take automobile trips.

A respirator is a must for polio patients such as LeRoy. When in a wheel chair, a rubber bladder fastened around his waist inflates and deflates according to a setting on the machine which is determined by his needs. At night while lying down on a portable bed, a plastic shell on his chest is used for supplying oxygen.

It was through the many donators to the March of Dimes campaigns that much of the breathing equipment was furnished.

LeRoy has many interests besides painting. He enjoys his radio and does have a few favorite television programs, especially sporting events. His favorite pastime, however, is enjoying the company of people. He can visit for hours without tiring too badly.

Besides his family Ljungren has several people he is immensely fond of. One of these is his local pastor whom he really enjoys visiting with. Another of his favorite people is Paul Richter. LeRoy said they became very well acquainted when Paul was the local chairman of the March of Dimes.

"Outside of my family and relatives, nobody has done more for me than Paul Richter," LeRoy said. "To him I owe much."

LeRoy Ljungren may be severely handicapped, but this hasn't stopped him from accomplishing things many healthy people wouldn't dare try. Because of his determination and desire for learning, he is now contemplating taking a correspondence course to become a ham radio operator.

After an all too brief visit, we left the Ljungren home with a great deal of admiration for both LeRoy and his mother.

UNITED STATES AFRICA POLICY

Mr. KENNEDY. Mr. President, I would like to enter in the Record a letter written to the editor of the New York Times by Elliott P. Skinner who is a former U.S. Ambassador to the Republic of Upper Volta.

Ambassador Skinner pointedly addresses the matter of U.S involvement in the Angolan war and demands that our policymakers develop "a coherent policy for Africa based upon the primacy of our relations with that continent."

I fully agree with the Ambassador's call for an African policy, developed by Americans in the interests of and not as an extension of European interests in the continent of Africa.

Unfortunately, the administration is also seeing a large part of Africa solely in terms of United States-Soviet relations, ignoring local developments in individual states, themselves. Not only does this show contempt for these nations; it also works against our long-range interests in the peace and development of Africa, and in better lives for millions of people.

The Angola crisis presents an opportunity for the United States to establish our own initiatives with the many countries of Africa—based on their interests and concerns—and to apply our policies in a manner that can be most effective for all of our people.

Ambassador Skinner's concerns deserve the attention of every Member of this Senate, and for this reason, I ask unanimous consent to have that letter printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

[From the New York Times, Jan. 18, 1976]

U.S. Africa Policy: The Unheeded Reality

To the Editor:

Your Jan. 6 editorial "Next Steps on Angola" prompts me to observe that we have seldom attempted to formulate any policy toward Africa with the Africans in mind. Our primary concern has been to support our European allies in their dealings with Africa.

The problem is that the African reality contradicts our European concern. Our support of France in Africa did not stop the independence of Guinea and the subsequent independence of French Africa. Our support of the Belgians in the Congo led inexorably to bringing the cold war to Africa. Our support of the Portuguese in Africa in order to keep our bases in the Azores contributed to the overthrow of the Portuguese Government itself by troops radicalized by fighting in Africa. And our failure to take a hard look at the realities of southern Africa has probably contributed more than most people are presently willing to realize to our debacle in Angola.

Does the Secretary of State really believe that he is serving the long-term interests of the people in Namibia and South Africa by talking about "Communism" or "Russian" influence in Africa? Both the Secretary and his U.N. Ambassador ought to have learned by now that, until African nationalism has run its course, other ideologies will not find fertile ground. One need only recall past predictions that Russia would dominate Ghana, Guinea, Congo (Zafre), Nigeria, Egypt, Somalia and Guinea-Bissau.

The United States itself would be better served if our people attempted to look Africa full in the face and not be alarmed if we see reflected the view of ourselves shaped by centuries of white arrogance and domination. Moynihan's rage at members of the third and fourth worlds might even be therapeutic if it convinces our people that they are dealing with a new reality.

The African states may be poor, their political cultures still inchoate (one must be careful here, noting the absolute chaos in Italy, the heir of Rome, and the present confusion among the descendants of the ancient Greek democrats) but, thanks in part to the United Nations, they do have international sovereignty.

Thus, in order to deal effectively with them, our policy-makers should recognize their existence. While our Secretary of State engages in shuttle diplomacy in the Middle East, pays ceremonial visits to the Far East, goes to Europe for working sessions with NATO and has graced Latin America by his presence, he has not taken the time to visit even such major African states as Nigeria and Zaire.

Everyone would be well served if the United States were to develop a coherent policy for Africa based upon the primacy of *our* relations with that continent. Our very silence has been taken for a lack of interest and, worst of all, has led to a feeling that we are still not prepared to accept Africa's independence.

Elliott P. Skinner,
Stanford, Calif., Jan. 12, 1976.

THE RESIGNATION OF ROY WILKINS

Mr. BENTSEN. Mr. President, last Monday, Roy Wilkins announced his intention to resign as head of the National Association for the Advancement of Colored People. His resignation is to become effective at the end of this year, and he has thus given the association the opportunity to undertake a thoughtful search for his successor.

Mr. Wilkins will not be easily replaced. Since becoming its executive director in 1955, he has become the very personification of the NAACP and one of the most forceful and effective voices in the civil rights movement.

Flamboyance has not been the way of Roy Wilkins, but he has always been in the forefront of the long and continuing struggle of black Americans to win full protection under the law and equal access to the great opportunity of this land.

Mr. Wilkins has guided the NAACP through trying times during his two decades of service, and his leadership has provided a bedrock of strength to those who placed their hope in the NAACP and the civil rights movement. That hope has never been misplaced.

As Vernon Jordan has said of him:

> He's been skillful, and he's been spirited, and he's been solid in his leadership, and he always knew where he stood . . . And he stood there even when the crowd was going the other way. I think that's leadership.

Bayard Rustin has described Roy Wilkins as the "civil rights statesman of this century," and I can think of no more appropriate description.

Mr. Wilkins' leadership has been strong and steady in helping to guide a movement which has touched the conscience of every American. This Nation is a far better place for all of us because of Mr. Wilkins' contributions to it. I wish him well during the last year of his term in office.

INDIAN BOARDING SCHOOLS

Mr. MONDALE. Mr. President, as a member of the Special Subcommittee on Indian Education, which published its landmark report, "Indian Education: A National Tragedy—A National Challenge" in 1969, I have long been concerned with the tragic problems facing Indian children in boarding schools.

Recently my attention was drawn to an article by Dr. George S. Goldstein of the Indian Health Service which eloquently describes the hardships faced by children in Federal boarding schools, and describes one innovative effort to create a more human and caring environment.

Mr. President, I ask unanimous consent that this article, from the November issue of *the American Indian*, may be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE MODEL DORMITORY

(By George S. Goldstein, Ph.D.)

Indian boarding schools are notorious. When the United States Senate formed a special subcommittee on Indian education six years ago, it took sufficient adverse testimony to fill six large volumes.[1] Many of the observations and recommendations were the same as those made by the Merian Commission, which investigated the same problem in 1928.[2] Numerous researchers have studied Indian schools and found a high incidence of mental illnesses, suppression of natural ability, and low achievement among children who attend these schools.[3][7]

Neglect and disregard of Indian culture and language, student and parent powerlessness, overcrowding, and underfinancing are problems common to almost all Indian schools. On the Navaho reservation, more than 25,000 children are attending boarding school. Most boarders are enrolled when they are six years old, but some begin as early as four or five. Those who start later are usually already in emotional difficulty, referred because of delinquency or the disintegration of their families. Thus children who are young, disturbed, or both are subjected to the stress of being separated from their parents and then to all the other stresses of Indian school.

In most instances the ratio of children to adults caring for them is planned to be 80 to one. If a dormitory attendant is sick or a position is unfilled, the ratio often rises as high as 200 to one. This ratio compares unfavorably with that of many prisons, and indeed such a number of students to each staff member implies that nothing more is expected than that the students be controlled. The students are young children more or less permanently separated from their families, and they need to find, in the school, a substitute for the family. But even the greatest child-care worker could not be a surrogate parent to that many children at once.

The lack of concern for the children's basic needs that is reflected by the small number of dormitory staff is evident in many other aspects of dormitory life. The children have little or no encouragement to confide in school personnel. The houseparents at a number of schools are told that they are not qualified to do counseling and should refer all such problems to their superiors. If they manage to find the time to talk with a small child who comes to them in tears for comfort, they may get into trouble for overstepping the limits of their position in trying to help him.

Many of the instructional aides are aware of the faults in this system, but as they are the lowest-ranking, most easily replaced members of the school staff, they are not in a good position to do anything about it. Some schools do encourage aides to try to be substitute parents, but it is not unusual for staff and students to get each other in trouble if they try to develop a personal relationship. One school employee invited several girls to come to her quarters and make fried bread, a traditional Navaho food. All concerned were reprimanded for this violation of the rules.

The lack of parents or parent substitutes leaves the children with few opportunities to identify with any adult, except in a negative way. They see that the Navaho employees of the schools are generally low in status and not much respected by those in authority, and this does not help their own feelings of self-esteem. They have little chance to learn by observation how one may live in the non-Indian world.

For most of us, school was a natural and expected development in our lives. We knew we would go, and when we got there it was not greatly unlike what we had known before. The lessons learned in school only confirmed and extended our identities and values. But many of the Indian children who are introduced to boarding schools each year find themselves in so strange and confusing an environment that they are forced to reconsider most of their ideas of how one goes about the business of living. The physical environment and the goals they are expected to adopt are strange and illogical in terms of their past experience.

If the children found reassuring adults with whom they could identify and share their worries, they would still have a hard time, but they would be much more likely to decide that school was a good place for them and that they were good enough for school. As things are, the children arrive in great numbers, all at once, and the staff have all they can do to meet the bare physical necessities. Too often the children find that they are not supposed to speak the only language they know, and that their way of life is not only vastly different from the school's but poorly regarded by the people who now care for them.

Only an exceptionally energetic and efficient aide has the time to do much in the way of advising, reassuring, or simply befriending children, and then he must pick which child to spend time with. Aides naturally tend to work with the children who come around or who, by being noticeably in trouble, ask for help. The children who in their loneliness and discouragement seclude themselves and are easily missed. Most of the children have no significant adult to admire and use as a model and no one to please by coming back from class with a good grade on a test or a new skill to demonstrate.

The children come to depend on themselves and each other, even becoming alienated from the world of their parents. Many of the adolescent and preadolescent children believe that their old way of life is poor, but they have only vague ideas of what would be better. The school has succeeded in convincing them that some things are not good for them, but not in helping them find what *is* good for them. In many cases we find that they are guided more by their need to oppose the school than by any wish to succeed on its terms. The children, no longer feeling respect for values learned at home and definitely distrusting the school, find their guidance from the values of classmates. In many cases the group pressure is towards delinquency, or at least towards passive resistance.

Deploring the institution of boarding schools is to attack a beaten horse but not a dead one. Some authorities have tried to ignore the problems of boarding schools because these are gradually being replaced. This seems to me a very shortsighted policy, since boarding schools will exist for some time to come. They exist in the form of large, new, reasonably well-built structures whose abandonment would be difficult, fiscally and politically. For many children, day school attendance is impractical for geographic and social reasons. In many areas all-weather roads, necessary for school bus transportation, are nonexistent, and many families depend on free housing and food for their children as a social welfare necessity. Many other children are in boarding schools because their families have become so disrupted and disorganized that it is felt they are better off away from home, and no other care is available.

For many years Indian groups, school administrators, consultants, and a variety of outside experts have pointed to the need for improvement, but new funds were not provided by fiscal managers, who were unconvinced that more money for child care would make any difference. Although much expert testimony was presented to the effect that the children would benefit by having more and better surrogate parents, there was no concrete evidence that this was true. We decided to attempt to provide such evidence in order to increase the pressure for change and to set up what we call the Model Dormitory Project.

This project, which began in the fall of 1969, is a joint venture of the school board of the Toyei Boarding School, the Education Branch of the Navaho Bureau of Indian Affairs, and our program. Financing has come jointly from the Bureau of Indian Affairs, the Indian Health Service, and the United States Office of Education. It is located in the Toyei School, an elementary school near the center of the Navaho nation. The model dormitory serves 200 children, ranging in age from six to 11.

The design of the project is simple. Only the dormitory staff was changed; no facilities were constructed or remodeled, and no changes were made in the classrooms. Thirty-two additional houseparents were hired, a number sufficient to lower the child-adult ratio to 12:1. One of the assumptions in the original plan was that Navaho children are best cared for by Navaho-speaking people; so the houseparents are all Navaho, chosen by the school board for personal qualities and work experience rather than for formal training. The project director and a large group of consultants have carried on continuous in-service training designed to increase the workers' ability to help the children and ultimately to help the houseparents become dormitory directors and houseparent trainers themselves.

Most of the houseparents had attended boarding school themselves, and many had worked in ordinary dormitories. It was hard for them to believe that they should do what seemed sensible and pleasant rather than what had always been done. At first, many of them felt guilty about having so much fun at work. After six months or so these anxieties were largely overcome, and the dorm became a more pleasant place for the children and the staff.

Since our purpose was to demonstrate that such changes could produce objective improvement, a three-year evaluation procedure was in operation from the beginning. The work of a separate team, it aimed to reduce confusion and eliminate any question of prejudice.

Evaluating projects of this sort is notoriously difficult; when dealing with different cultures and languages, it becomes close to impossible. At the beginning of this project, no standardized instruments had been developed for Navaho children at this or any other age level. A few tests that were relatively culture-fair had been used with children this young, but even with these there were no Navaho norms or even evidence that the test was functional with Indian children. Other tests had been validated at these age levels, but they employed the English language and cultural concepts. We made

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Footnotes at end of article.

careful translations of some of these tests, as well as constructing new instruments, making the stimulus materials specific to Navaho children. In addition, we used trained teams of observers to look at actual behavior differences in the dormitories; we asked teachers to make observations; we collected critical incidents that showed what the model dormitory could do for individual children; and we had a specialist study the development of English as a second language. In short, we tried everything we could think of that might tell us whether the model dormitory was having any effect on the children.

About half our attempts failed. Tests were too difficult, specialists were too specialized, supposedly standard calipers were unreliable, and ingenious approaches to measurement proved singularly ineffectual. But more of our measures showed statistically significant differences between our experimental and control groups than we had expected. Although some of the differences are small, they are almost uniform in indicating that the model dormitory is having a positive effect on the children.

In selecting the control school, we looked for a school comparable in size and location, one in which the children had been raised in similar economic and social conditions and the administration would allow such a study. We selected Lower Greasewood Boarding School, located south of Ganado, Arizona, approximately 50 miles from Toyei. After extensive base-line testing we found that the schools and the students were similar, and that the insignificant bias (in economic background and in the children's height and weight) was in favor of the Greasewood School.

We measured three areas—intellective development, emotional adjustment, and physical development. The instruments administered to measure intellective development were the Draw-a-Person, Bender-Gestalt, Developmental Form Sequence, Stanford Achievement Test, and teacher assessments of classroom behavior. Physical-development dimensions included essentially everything from height, weight, arm and leg development, and chest and hip measurements to push-ups, situps, ball throwing, and running.

The problems of measuring emotional adjustment proved more difficult. We found that the emotional signs of the Draw-a-Person and Bender-Gestalt tests were somewhat useful; beyond this, the standard methods proved of almost no value. We had to develop our own measures, test them with other groups, and then try them. When the background culture was carefully considered and the tests were kept direct, they worked well.

Overall, the results were striking. Tests of intellectual development showed that the model-dormitory children, especially the boys, performed better than those in the control school. Teacher ratings indicated that model-dormitory girls worked harder, persevered longer in a job, and paid more attention to directions than did the controls. Model-dormitory children had fewer negative emotional indicators on tests of emotional development. In tests designed to determine how the child sees himself in his environment, model-dormitory boys saw themselves as more cooperative, successful, and generally more active than the control-school boys. They also used less fantasy and avoidance to meet their needs. When dealing with total emotional development protocols, the experimenters attempted to identify profiles that were thought to indicate severe emotional difficulties (intense anxiety, fear, lack of self-esteem, and depression, in addition to disorientation or schizophrenic response). The evaluators did not know who took the test or which school the child attended. Of the seven such abnormal profiles identified, six were from the control school.

At Lower Greasewood, the children were not particularly interested in each other's performance on the physical tests. The children of the model dormitory, in contrast, would gather around and cheer the child taking the tests. They showed great interest in having each other do well. On physical tests in which endurance and motivation seem to have the most effect—push-ups and sit-ups—the model-dormitory children, did very well. Differences in social interaction that attended the physical testing suggest greater group identification and peer encouragement at the model dormitory.

In January, 1971, a period of systematic observation for more than 700 hours provided some of the most convincing evidence of the model dormitory's effectiveness. The 14 observers received three days' training before their site visits in the process of naturalistic observation of child-adult interaction. Particular care was taken to teach these observers the distinction between observation and inference and the need for concrete behavioral description of events. The observation forms were broken down into chronological categories: getting up in the morning, going to school, afterschool period, evening activities, and going to bed. Another category, "critical incidents," assessed unusual aide-aide, aide-child, and child-child interactions. From the massive amount of data accumulated, we can draw three basic conclusions about the model dormitory:

1. More instructional aides in boarding-school dormitories can manage the children more effectively. This is clearly visible in the smooth, relaxed operation of the model dormitory and the warm, human atmosphere that prevailed. Having more aides does not mean that the dormitory will be more attractive, but it does mean that more adults are available to act as parent surrogates for the children.

2. Instructional aides respond to training as professional houseparents and take seriously their responsibility as parent surrogates to the children. Initial resistance to the model-dormitory concept came from those who held that more instructional aides would do less work and contribute little to the children's welfare. It is now clear that more instructional aides will do not only more work but a qualitatively better job of caring for the children.

3. More and better-trained instructional aides can provide the conditions for deveolpment of happier, more secure children. The most important effect of the model dormitory is on the children. The individual attention they receive, the sense of living and learning that is stimulated, and the sheer amount of positive interaction between children and aides provide a social network that supports and reassures the children at a critical period in their lives.

We must still consider the difficulty of obtaining reliable data from children at these ages, and the problem of testing children from different cultural contexts. But we do feel that the model dormitory not only had a significant effect as measured by objective test results, but may have prevented serious emotional problems from developing in some children and may have offered others a chance to develop their capacities to an unusual extent.

FOOTNOTES

[1] Hearings, Special Subcommittee on Indian Education, United States Senate. Washington: U.S. Government Printing Office, 1969.

[2] Meriam, L. *Problems of Indian Administration*. Institute for Government Research. Baltimore: John Hopkins University Press, 1928.

[3] Erikson, E. *Childhood and Society*. New York: W. W. Norton.

[4] Krush, T., and Bjork, J. Mental health factors in an Indian boarding school. *Ment. Hygiene 49* (1963), 94–103.

[5] Saslow, H., and Harrover, M. Research on psychosocial adjustment of Indian youth. *Amer. J. Psychiatry 125:2* (August, 1968), 224–231.

[6] Bryde, J. F. *Indian Students and Guidance*. Boston: Houghton Mifflin, 1971.

[7] Hammerschlag, C. A. Pride, powerlessness and rebellion: The red and the black. *Journal of Human Relations 18* (1970). 656–699.

U.S. FOREIGN POLICY

Mr. KENNEDY. Mr. President, in a recent article, Robert Pastor has pinpointed several instances of conflict over the direction of U.S. foreign policy between the legislative and executive branches.

He notes accurately that the assumption in the Department of State all too frequently is that there is no legitimate independent decisionmaking role for the Congress. In its view, there is only one role for the Congress and that is to rubberstamp the executive policy—whether it be shipping arms to Chile, siding with a repressive Greek junta, extending the war in Vietnam, or conducting covert operations in Angola.

Although written prior to the recent events in Angola, the article's analysis is directly relevant to the course of executive action and congressional reaction affecting Angola.

Beyond the analysis, Pastor urges that there be a mutual retreat from the brink of foreign policymaking confrontation, but advises that means a change in the way the Department of State and the executive branch view the role of Congress. His suggestions merit consideration as they offer a possible mechanism for avoiding confrontation between the two branches on specific foreign policies.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Coping With Congress' Foreign Policy

(By Robert A. Pastor)

The Angel's Game, by William B. Macomber—"The Constitution . . . is for the executive and legislative branches of this American government 'an invitation to struggle for the privilege of directing American foreign policy'."

The most serious foreign policy crisis facing Secretary Kissinger and the State Department is not in the Middle East; nor is it in Korea. It is in Washington with the Congress.

Both President Ford and Secretary Kissinger have acknowledged the gravity of the crisis and have proffered solutions. In his foreign policy message to the Congress on April 10th, the President urged the Congress to "help to keep America's word good throughout the world. We are one nation, one government, and we must have one foreign policy." Secretary Kissinger in Los Angeles on January 24th had made the same point, calling on the Congress to embark on "a new national partnership."

Neither policy nor organizational reform has followed from these speeches, however, and Senator Mansfield, for one, remains skeptical: "We have heard such language for twenty or more years. Invariably, what is proposed is a one-way street. In practice, it is Congress that is expected to 'see the light' and accept the Executive position."

Entangled in the crisis of the relationship are problems of prerogative and procedure, but as Senator Mansfield implied, the struggle over prerogative, more often than not, masks a more fundamental difference over policy or priorities. The Executive sought continued support for a "Vietnamization" program, which the Congress considered bankrupt and, by prolonging the agony, inhuman. The Executive prefers not to press Turkey on the Cyprus issue for fear that it will jeopardize our broader security interests in the eastern Mediterranean, while the Congress feels that some pressure on Turkey after its seizure of 40 percent of Cyprus is necesary, justifiable, and unlikely to jeopardize our interests. Congress would prefer that the State Department devote less attention to arms sales (except to Israel) and more attention to human rights issues.

These are legitimate differences. The Founding Fathers had hoped that the interaction between the two branches would produce a creative tension. Since the mid-1960s, however, the tension has been anything but creative, and often the resulting foreign policy is judged a failure by even the most minimal criteria: rather than moving the nation closer to agreed objectives, the policy moves us further away. A few recent instances:

The provision of the Trade Act, 1974 which excludes all OPEC members from the generalized system of tariff preferences (GSP) provoked a rare, unanimous condemnation from the Latin American and Caribbean governments, a cancellation of the American Foreign Ministers Conference, and a premature muting, if not silencing, of the "new dialogue." The provision, of course, had no impact whatsoever on the price of oil.

The Eagleton amendment repeats and demands adherence to the 1961 Foreign Assistance Act, which bars military aid to a country—in this case, Turkey—which uses it for offensive purposes. Though intended to coax Turkey to the bargaining table, the amendment was viewed as provocative by the Turks, whose position hardened as they moved away from the table and threatened to close U.S. bases.

The Jackson-Vanik amendment chilled détente and led to a decrease rather than an increase of emigrants leaving the U.S.S.R.

Thirty-seven Senators, enough to block ratification of a Treaty, and 246 Congressmen have gone on record in opposition to a proposed Treaty on the Panama Canal Zone. According to Ambassador Ellsworth Bunker, the Chief Negotiator for the Treaty, failure to ratify it might mean the closing of the Canal and the involvement of the United States in another costly and unwinnable guerrilla war.

To Secretary Kissinger and generations of Americans nursed on the belief in the Executive's foreign policy prerogative, these examples illustrate why the Congress cannot and should not make foreign policy. A closer examination of these cases and others, however, will show that the blame should go to State as well as to Congress. Both have failed to adapt to a relationship changed fundamentally by a new reality in American foreign policy-making: a Congress intent on not only influencing foreign policy, but on making it.

In the course of trying to adjust to its newly assertive role, Congress has made some serious mistakes and has yet to adopt a perspective or a sense of responsibility commensurate with its new powers. It is the State Department as the senior foreign policy institution, however, which is in a sense the more culpable, for not only has it failed to ease Congress into a more responsible role, but it has failed to devise any positive means of coping with this new reality. In deeds, if not in words, State doesn't even appear to be willing to accept the new reality.

Instead of fashioning new modes for a new relationship, the State Department laments its lost consensus and holds its breath, hoping that the Congress will just go away. But even if by some miraculous wave of Kissinger's wand the decade of distrust between the two branches should end, Congress's interest and involvement in foreign policy will not diminish for the following reasons:

With the increasing importance of economic issues in international relations, the line separating foreign from domestic policy fades, and the Congress will inevitably find itself involved in important areas of foreign policy—from trade to investment to commodities—even as it handles domestic policy. Furthermore, these are issues in which the Congress has comparatively more power than the Executive Branch.

In the absence of a compelling security threat like the Cold War, the need for unanimity between Branches has diminished, and legislators are less likely to refrain from articulating their differences with the Executive.

The success of the Jewish and Greek lobbies is likely to have a "demonstration effect" and lead to the proliferation of ethnic foreign policy lobbies whose constituent bases and special interests will lead them around the impenetrable State Department and to the Congress.

With improved communications and especially the power of television to project foreign events into the living room, an elitist foreign policy constituency will be giving way to a broader constituency which will make its influence felt through the Congress. The decline in the belief in Executive infallibility caused by Vietnam, Watergate, and other disasters has contributed and will no doubt continue to contribute to this trend.

An increasing number of legislators are taking an active, ongoing, and independent interest in foreign policy, and many are recruiting full-time foreign policy staffers—a good number of whom are disillusioned refugees from the Foreign Service.

The emergence of Congress as a significant force in foreign policy therefore will not be a temporary phenomenon. The Report of the Murphy Commission on Foreign Policy Organization addressed the question of how to improve the relationship between the branches by focusing almost exclusively on the reorganization of Congress. For that reason and because State needs a *new* role to parallel Congress's, this article will concentrate on State. First, one must begin with an analysis of what is wrong with the present relationship.

DELETE OR DILUTE

The principal vehicle for Congressional foreign policy is the Foreign Aid Bill. While the executive views it as "a Christmas tree of restrictions," it represents the nearest thing Congress has to a "State of the World Message."

The process begins when a legislator introduces a resolution which seeks to alter or replace a particular Executive foreign policy. Typically, the State Department will react by first ignoring the amendment, then complaining that it will tie the Executive's hands, then trying to defeat it, and failing that, to dilute it by making it a non-binding "sense of the Congress resolution."

An example of this amendment-making-and-breaking-process is the amendment introduced in 1973 by Senator Kennedy to cut foreign assistance to Chile unless the government demonstrated some concern for human rights. State failed to delete the amendment but succeeded in diluting it. The next year, however, instead of demonstrating its concern to Congress on this issue, the State Department doubled its request for military aid to Chile. The Congress responded in the 1974 Foreign Assistance Act (FAA '74) by making the Kennedy amendment binding. The same pattern held for the Eagleton amendment: (1) a sense of the Congress resolution attached to a continuing funding resolution for the Export-Import Bank; (2) a failure to respond by State; (3) a tightening of the resolution in the FAA '74. One Senate Staffer said: "Several of the Senators voted for the amendment just because they were angry with the State Department."

It is true that Congress sometimes "ties the Executive's hands" but generally this occurs when the latter has failed to demonstrate sufficient concern to be trusted with discretion. In the debate on legislation authorizing the use of troops to ensure a safe evacuation of Americans from Indochina, Representative Donald Fraser summarized the dilemma:

"The distrust of the executive branch runs so deep in this chamber that members are afraid that any discretion, any grant of authority, to the executive branch will open the door to allow the executive branch to again try to make one more effort to do what ten years failed to do."

Were the United States a Moslem country, the Congress would not tie the Executive's hands, but cut them off.

Mandatory amendments do deprive the Executive of necessary negotiating flexibility and often serve the opposite of their intended purposes; but the amendments are directed as much to the State Department as to the host government, and their message is simple: "We've got you by your purse-strings so you had better take us seriously."

It is incorrect to say that State is totally unresponsive to Congressional concerns, although in a few cases of extreme policy differences, this is no doubt true. In the majority of cases, the problem is that State is *always slow* to respond, and in those cases when State does transmit pressure from Congress to foreign governments, State often fails to communicate this back to Congress. Former State Department spokesman Robert McCloskey admitted that State sometimes finds legislators' demands easier done than said:

"There can always be legitimate criticism that we didn't say enough publicly about what we were doing privately, but that's a choice we make in the belief that it was not necessary for the United States to be making public pronouncements if it was doing what it felt was right privately" (Washington Post, August 15, 1974, p. A22). McCloskey may be right in refraining from "public pronouncements," but US foreign policy is hurt by the failure to devise trustworthy consultation mechanisms with the Congress, since Congressional frustration is reinforced and compounded by State's *apparent* unconcern.

The first step the State Department could take to demonstrate its acceptance of the Congress as a full and equal participant in the foreign policy process would be to establish a "Resolution-Responsive Procedure." Instead of a reflex negative, the introduction of a foreign policy resolution by a legislator would activate a series of intensive discussions and consultations between the legislator and officials in State. A follow-up Report which responds directly and candidly to the thrust of the Resolution should be prepared and sent to the legislator within one month after the introduction of the resolution. The Report should detail what the Department has done, intends to do, or feels it cannot do as the case may be. This procedural suggestion is not a panacea, but at least by making the legislator aware of diplomatic constraints and by political realities, it will help to narrow the gulf separating State and Congress.

Department attitudes also need changing. A widely and tightly-held belief in the Department is that State ought to have the exclusive responsibility to formulate and execute foreign policy because it is the only institution with the requisite information, experience, and expertise. Few in the Department ever articulate this "exclusive" right; indeed the rhetoric runs in the opposite direction. But the belief underlies and occasionally creeps into conversations with outsiders. For example, in answer to a suggestion that Carl Marcy, former Chief of Staff of the Senate Foreign Relations Committee and a member of the Staff for nearly twenty years, would be a good appointment as an Ambassador, one State Department official insisted: "But he doesn't have the experience." The condescension towards Congressional expertise in foreign policy is slowly beginning to erode, but the feeling still persists that unless one has spent time in the Department poring over cables, one has somehow not been involved in foreign policy-making.

The professionalism of the Foreign Service officer reinforces the aloofness and insularity of the Department. It is a firm rule that discussions and debates can be as wide-ranging and heated as possible, but they stop at the Department's edge. The publication of articles by FSOs is discouraged even on the most general subjects of foreign policy. With the exception of testimony at Hearings, the expertise of the Department is not harnessed to respond to inaccuracies in the press or on the Hill or to contribute in anything but a cursory of haphazard way to linking the Department to Congressional or public debate.

This "lone ranger" attitude is equally true of State's relationship with other domestic agencies and equally counter-productive. In late 1974 and early 1975, while developing a policy on commodities, State deliberately tried to exclude any input from the Treasury Department, just as State avoids contact with the Agriculture Department as the former negotiates a new International Wheat Agreement. Such tactics may guarantee an Executive policy more attuned to United States foreign policy interests as interpreted by State, but given the superior contacts of the domestic agencies to legislators and Congressional Committees, such tactics are unlikely to produce the results at home which are promised abroad.

These attitudes and assumptions, which were well-suited to an era when State's foreign policy prerogative was unquestioned, today only irritate the Congress and undermine the credibility of U.S. foreign policy. The most important example of how the State Department's failure to cope with a new Congress can lead to an ineffective foreign policy is the case of the domestic and international negotiations for a new Treaty on the Panama Canal Zone.

When the 94th Congress convened in January, 1975, it was expected that Senators Strom Thurmond and John McClellan would re-introduce a resolution calling for the "retention of undiluted U.S. sovereignty over the Canal Zone." This resolution had been first introduced with 35 sponsors in March 1974; its intention was to repudiate the Statement of (eight) Principles towards a new Canal Treaty, which was signed by Kissinger and Panamanian Foreign Minister Juan Tack one month before.

With a new and more liberal Senate, Thurmond feared attrition, but nonetheless began circulating a "Dear Colleagues" letter on February 14, 1975. Several pro-Treaty Senators felt that if the State Department would initiate a series of high-level briefings with their colleagues on the general importance of a new Treaty, the number of cosponsors might be kept down to about twenty, well below the 34 which could block ratification of the Treaty. Though a "Congressional Strategy" was drawn up by the Congressional Relations Office in State, it was never implemented, and on March 4, 1975, S. Res. 97—the Thurmond anti-Canal Treaty resolution—was introduced with 37 Senate signatures.

Why didn't the State Department do anything? One explanation might be that disunity in the Administration prohibited the State Department from taking its case to the Congress. In early February, however, the Executive position was more unified than in late June when the State Department finally began to brief Senators. A second explanation, and one which Ambassador Bunker himself volunteered, follows from the traditional diplomatic rule that State does not go to Capitol Hill until it has a Treaty in hand; otherwise, by "stirring up debate," one's options in negotiations with the Panamanians would be narrowed. Bunker and others in the Department also insisted that there was really nothing to discuss until they had completed a Treaty.

This has been the traditional process by which treaties have been drafted, initialed, and ratified, but it is clearly inadequate today. Certainly, a briefing which stressed the need for a Treaty and included explanations for each of the Kissinger-Tack principles would have permitted a wide-ranging general discussion without ever jeopardizing any specific points in the negotiations. Furthermore, private consultations with Senators are distinguishable from "stirring up a debate." But regardless, Thurmond had initiated a debate and by refusing to join it in any way, State had seen its options narrowed in and of itself. Bunker failed to see, as the Department fails to see, that the time has long passed when the domestic and international negotiating tracks can be pursued separately, the first after the second. The two tracks are inextricably intertwined and concentrating on one to the exclusion of the other will doom the entire effort.

Two days after Thurmond introduced his anti-Treaty resolution, Ambassador Bunker returned to Panama to continue the negotiations. One Senate aide who had been trying unsuccessfully to get Bunker to the Hill fumed in frustration: "How can he return to Panama? Doesn't he know that the Treaty is lost?"

The Treaty is not irrevocably lost, but the State Department decision not to consult with the Senators in early January or February was a critical one. Although some of the Senators who cosponsored the Resolution might be persuaded to sign the Treaty, it would be very difficult for them to renounce the resolution in the same year that they signed it. 1976 as an election year is out, and the question for 1977 is whether the Panamanians will wait that long. Furthermore, the initiative was clearly lost to the anti-Treaty groups, and that, plus the fall of Vietnam, stiffened the back of the Defense Department and transformed the initial reluctance toward a Treaty into recalcitrance. President Ford also took his cue from the Thurmond Resolution and, for obvious political reasons, is hesitant about alienating the conservative wing of his party by making a strong case for a Treaty.

On June 26th, while State Department officials were just beginning to talk to some Senators, the House, which shares jurisdiction with the Senate on the disposition of US property abroad (and thus would vote on implementing legislation), voted 246–164 to cut funds for Panama Canal negotiations. This finally galvanized the Department to fight the amendment in the Senate. Unfortunately, though rather predictably, the case they brought to the Senate was not on behalf of a Canal Treaty but on behalf of the Executive's (and the Senate's) foreign policy prerogative. According to State Department officials, the Snyder amendment which passed in the House (and was introduced in the Senate by Senator Harry Byrd) was unconstitutional, since the power to negotiate treaties is the Executive's and the power to ratify them is the Senate's. This argument may win the short-term alliance of anti-Treaty conservatives like Hruska and McClellan, but it may also lose the long-term support of potential pro-Treaty liberals, who believe that the questions of negotiations is one which the Congress has a legitimate right to ask.

The battle over funds may be won, but the war over the Treaty will be a long one. A little preparation and work in February might have saved a good deal of Secretary Kissinger's time for the next couple of years. The Canal case thus shows how State's obsolete attitudes and institutional lethargy have contributed to what may become one of the most significant foreign policy failures of the decade.

State's insularity fosters another attitude which leads to inter-branch friction and suboptimal foreign policies. In the course of a series of interviews with State Department officials on foreign economic policy, I asked them how they would like to see the existing laws—the Trade Act, the Export-Import Bank Act, the Export Administration Act, etc.—improved. The answers echoed the candid remark of one official: "We never think about how to improve the laws, only how to implement them or get around them."

On the Eagleton Amendment, the Department devoted virtually its entire effort to fighting or trying to circumvent it, rather than approaching the problem directly and legally by trying to amend the original statute which mandated the cut-off of military sales. Also, when first approached by a group of Legislative aides on developing a comprehensive billion US-Latin American relations (introduced as S. Con. Res. 41 on May 15, 1975 by Senators Chiles, Bentsen, and Inouye and Rep. Fascell), State Department officials instinctively tried to discourage the idea, fearing the bill would get out of control and grow into a "Christmas tree." No one in the Department saw the bill as a potential vehicle either for educating the Congress or getting both branches to address the issues directly and in a comprehensive manner.

State's reluctance to approach Congress with ideas also serves to limit the range of foreign policy options—particularly on economic issues—considered by the Department. The counter-argument that "Congress won't buy it" usually sounds the death knell for the option since it is assumed that no one will sell it.

Members of the Department seldom take an issue or a problem directly to their Congressional counterparts without going through the Secretary, and since the Secretary can't be bothered with anything but the most serious business, the necessary give-and-take between branches at the staff level is never given or taken. It is Kissinger who has suffered from his own failure to institutionalize a policy, mechanism, or procedure which will keep routine nuisances from becoming routine crises, for he is forced to expend an inordinate amount of time and credibility in defense of causes which are nearly lost—like the Jackson-Vanik amendment, arms sales to Turkey, and soon, the Canal Treaty. Taking his foreign policy message directly to the people, while commendable on its own merits, is in fact a sign that he has failed to cope with Congress.

To resurrect the words of V. I. Ulyanov: "What is to be done?" At its most elementary level, the Department is faced with a choice between two strategies. It can choose to remain as it is: Casting a shell around internal debates, State can remain *impervious and passive*—with the exception of Henry Kissinger, who will be available to exercise his persuasive powers when problems become crises. It is true that the Secretary has allocated a fair share of his time to the Congress, but it is equally true that much of this time is spent inefficiently, resolving crises which needn't have been.

Some in the Department are inclined towards a second, *open-and-active* strategy, not only because it is more compatible with the principles of a democracy but because it is the only way to ensure any policy consistency and to avoid fitful swings between policy statements and legislative outcomes. This strategy means, for example, that instead of ignoring the Congress while developing a commodity policy or negotiating a Canal Treaty, State would enlist the participation and support of key legislators at the very beginning. The final policy is likely to differ from one which is developed by State acting alone, but it is one which stands a greater chance of success. It is success, one must remember, which enhances the Department's and the country's credibility abroad, not undeliverable promises nor complaints that "Congress is to blame."

An open-and-active strategy would require the full involvement of the Department in a multi-channeled, multi-leveled communication with the Congress and outside groups. Seminars and regular briefings between those people on the Hill and those in State involved in the same issues would be useful follow-up step as would be the establishment of a "Resolution-Responsive Procedure."

Organizational reforms should follow to provide the institutional resources necessary for the reorientation of attitudes. The Congressional Relations Office (called "H") should be expanded and dispersed to the line bureaus with a core group remaining on the Seventh Floor to coordinate a Congressional strategy. It is partly because H is unbelievably understaffed and partly because State relied on the Liaison Office of the Special Trade Representative that the OPEC amendment to the Trade Act first emerged from the Senate Finance Committee without so much as a murmur from the Administration.

Whereas the rest of the Department would be improved by bringing in more outsiders, "H," traditionally manned by ex-Congressional Staff, is in need of some "insiders," i.e. Foreign Service officers, in order to "root" the Office and indirectly the Congress into the "State Department mentality." Liaison Officers would function as catalysts and conduits keeping the flow of people, information, and policy moving between State and Congress. The Department is beginning to move in this direction, and such movement should be encouraged and accelerated.

Until now, the State Department has ignored or assaulted Congressional foreign policy initiatives, and the result has been a widening gap between the Secretary's statements abroad and what he can deliver at home. Blaming Congress or wishing that the new Congressional watchdog were the old Congressional lapdog will make things worse not better. While the gladiators joust, the real casualties are the American people and American foreign policy.

Secretary Kissinger has said: "The Administration stands ready to join with the Congress in devising procedures appropriate to the need for a truly national and long-range foreign policy." The time has come to stop standing and start moving, to stop pointing fingers at Congress and start reorganizing and reorienting the State Department.

CONGRESSMAN ULLMAN HITS ADMINISTRATION ON AGRICULTURE AND ECONOMIC POLICIES

Mr. HUMPHREY. Mr. President, 2 hours before President Ford addressed the American Farm Bureau Federation convention in St. Louis, Mo., on January 5, 1976, the distinguished chairman of the House Ways and Means Committee, Mr. ULLMAN, addressed the convention. Unlike President Ford's speech to this group of farm producers, Representative ULLMAN addressed the real issues underlining today's uncertain, confusing and chaotic farm and economic policies of this administration. Unfortunately, neither the New York nor the Washington press gave much attention or coverage to the Congressman's remarks.

Therefore Mr. President, I ask unanimous consent that Representative ULLMAN's address to the American Farm Bureau Federation be printed in at this point in the RECORD. I urge the Members of Congress and others interested in food and agricultural policy to read this excellent and timely address by the distinguished chairman of the House Ways and Means Committee.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ULLMAN HITS ADMINISTRATION ON AGRICULTURE POLICY AND ECONOMY

The farmer and every other working American has a right to be angry at the political skirmishing going on in Washington. Everyone seems to be running for President—Democrats and Republicans. Everyone seems to be outbidding someone else as the most conservative or the most liberal or the best political hardball player. Instead of direction the country gets confusion. Instead of leadership the country gets uncertainty. And confusion and uncertainty (along with bad weather) are the worst enemies a farmer can have.

After risking your capital against the weather, the futures market and the price of feed or fertilizer—you have to second guess Washington. Once you could listen to the county agent for policy. Now you have to listen to what Henry Kissinger is saying to the Egyptians—or what the President is saying to the longshoremen—or what William Simon is saying to the New York bankers—or what Earl Butz is saying to the Russians. And then you have to translate their personal politics into decisions that will make or break your business.

The farmer in America is confused and frustrated. He listens to the President hail a free market for farm goods. And before he can turn around, the President is throwing an embargo on grain or soybeans. We haven't really had farm policy over the last seven years. Some farmers profited, some went broke.

First we had four years of strict wage and price controls. We had set asides and subsidies. Then suddenly the lid was ripped off our grain reserves. Farm programs were suspended. We went from food surpluses to food shortages. Commercial exports boomed—and soon export restraints replaced export subsidy programs. Food prices rose along with farm prices and land prices and machinery prices and fertilizer prices. Net farm income increased for large, cash grain farms. But other farmers had to pay tough prices for feed—and some of them didn't make it through. It's boom to bust and back again. That's not a food policy that helps the farmer and the consumer—that's food policy that helps a few.

In the last few years weather and market conditions have given farm production a new tempo. The call now is full production. "Full production" is a slogan which symbolizes the American spirit. It means more food and better trade balances. But full production also means higher risk. Farming is the most capital intensive big industry in America. More and more of your investment capital comes from commercial lenders who continue to keep interest rates a step or two ahead of inflation. Their bite and your risk are getting bigger every year.

And that risk is beginning to show. Last spring Secretary Butz traveled the country calling for an all-out grain production and promising hands-off access to the world market. Then the Ford administration slapped down a three-month embargo.

Today corn and wheat are selling for 25 to 30 percent below their late summer levels. A farmer with heavy debts on equipment, seed, fertilizer and land is forced to bid down his harvest just to get a buyer. Full production—without clear farm policy—can end in a full fall.

For an Administration that sings the song of "government hands off—not government of handouts," the American farmer has been pretty roughly handled. If ever government has failed to practice what it preached, it's over the promise of free markets for farmers. Sure, you have a free market—that is, until the President, or Secretary of State or the longshoremen decide otherwise.

Three times over the last three years this Administration has restricted farm exports. Three times your free market became a controlled market—in 1973 with soybeans, in 1974 with feed grains and in 1975 with all grains.

The embargo is over and the controls are off—but the impact continues today. Prices are lower. Confidence in government is badly shaken. And the reliability of the United States to supply food to the world market is still in question.

We didn't learn anything from the oil embargo. And it seems we didn't learn from the first Russian grain deal.

The latest deal with the Russians assures sales between six and eight million bushels. But it hardly assures you a firm, fair price for your crops. There's nothing to prevent the Russians from dumping their own excess on the world market when they have a good year—or buying in quantity from other grain producers in a bad year. In short, the agreement does nothing to stabilize prices.

The latest deal doesn't signal the end of government intervention in the export market. It merely raises the question of whether the Soviet agreement will set a pattern for more regulation of exports to other countries.

Livestock farmers and ranchers have also been hit hard by government ineptitude. We had the fiascos of 1972 and 1973. Some feeders went through three cycles of getting less per pound on the way out of the feed lot than they paid going in. The Aministration kept the freeze on beef prices long after they were taken off other farm goods. And then when the price lid was lifted, so much stored up beef rushed onto the market that the price went through the floor. The Administration looked good because beef prices were low to the consumer. But the rancher and the feeder nearly got wiped out by the politics of food.

This Administration preaches a free market—and farmers ought to have a free market. But instead of a truly free market, this Administration has given the farmer uncertainty and lower prices.

This Administration's erratic policies have wrongly set the consumer against the farmer. The average consumer doesn't give much thought to the bad years farmers have suffered. They don't give much thought to the fact that American agriculture is the most productive and efficient in the world. Consumers would be surprised to know that the percentage of their income spent on food is less today than it was in 1960—and it's still the lowest in the world. And few realize that the farmer is even harder hit by high fuel prices and inflation.

But you've also got to understand their side. The consumer's food bill over the last three years has jumped $57 billion. Even though still low, the percentage of his income spent on food is rising. And the dramatic shift of income over to the food industry has contributed to a cutback in industrial employment and production.

A good government can bring harmony between the farmer and the consumer. Each has separate problems. You can ignore them—or you can deal with them. I think Congress has a pretty good record of dealing with farm problems.

The Ways and Means Committee has just completed a major tax reform bill that corrects some the of the injustices and imbalances in your business.

One of the most important reform provisions prevents outsiders from using farm operations as a means of sheltering their non-farm income. Until now, the real farmer suffered when the doctor or lawyer or big city executive overexpanded investments in farm ventures. The real farmer makes his investments based on prospective economic return—not tax benefit. But he is stopped short of that return by the outsiders who have increased the yield of a particular product without any relationship to economic reality. What you counted on as a good market was turned into a glut by tax-motivated investors who could not care less about farming.

We also recognized that many farmers also have non-farm income. The rule we developed doesn't apply unless the farmer has more than $20,000 in outside income. Between $20,000 and $40,000 in outside income a partial limitation on the use of farming deductions against that outside income will take effect. Non-farm income above $40,000 will be subject to the full shelter limitation.

This tax shelter rule doesn't apply in the case of livestock, and annual grain and food crops. In these cases a farmer can deduct the entire amount of the investment he has risked.

In the coming months the Committee will begin a broad examination of the gift and estate tax. The tax hasn't been revised in depth since 1942—and obviously needs an overhauling.

I am well aware of the problem of valuing farm properties as possible subdivisions or shopping centers even though the heirs intend to continue using the property for farming. There is an injustice in any tax which makes farming impossible because of heavy debts created by an outdated federal estate tax.

We are now studying several possible solutions to the problem, and I am not yet in a position to give you any clear answer. But I can assure you that the average farm family will get relief from the revisions that we will write. It's one of the highest tax priorities before the committee and I know that I can count on your participation when our hearings begin.

After all, "participation" is what good government is all about. Agriculture has always been a part of government. And government has always been a part of agriculture. That's why we have county agents and land grant colleges and rural electrification and land reclamation projects and the best research and development programs in the world. Don't let anyone promise to take government out of your lives. That's a political tune that's been whistled a thousand times—and not just by Republicans.

Democrats are also quick with easy answers. In the past we have raised the New Deal slogans of the 1930's for lack of real solutions for the 1970's. Too often we promise to solve problems with more spending. But the country won't stand for more spending without visible results. The days are over when the federal government can spend billions of dollars over the country hoping that some of it will land on a problem—and cure it. And I hope Democrats will prove that they can handle the hard answers.

The easiest answer being peddled today is "let's take big government out of your pockets." It gives voters an enemy—but not an answer. Government is only as good as its leader—any President knows that. If the nation is suffering the disruption of unemployment and inflation—don't blame the government sprawl, but rather the men who command it.

Don't let the men fighting for the presidency create a bogey man out of government. Instead make them explain exactly how they plan to change the course of government. Make them explain how government is going to do less while the economy is going to magically heal. And be very wary of the easy answers—the kind we have gotten for years—beginning with Phase I.

We only have to remember that the recession bottomed out eight months ago to realize that the economy is not bouncing back—it's dragging back. Unemployment is still over eight percent.

Inflation is still running at an annual rate of more than eight percent. Manufacturing has leveled off.

And to make matters worse, the leading indicators have turned down in the last two months. It was hardly a time for the President to be playing brinkmanship with the tax extension.

If most indications are correct, 1976—at least the first three quarters—will show some improvement. The momentum of the tax cuts for business and individuals will keep the economy going—if not going strong.

But the nation still has no economic plan. We're not keeping pace with events. The Administration wants to keep on tinkering with formulas that worked once. That's no longer enough.

For seven years we watched the investment and capital markets go through periods of boom and bust. Unstable energy supply and erratic environmental standards have stunted expansion. The day-to-day decisions of interest rates and money supply—together with prolonged recessions—have virtually paralyzed some industries, like construction. Combine the capital crisis with rising demands from a worried labor force and bounding costs of unemployment and we come out facing a grim economic future.

Unless we make some major economic changes, 1977 will be a year of low growth, high unemployment and double-digit inflation. Unless we plot a definite economic course, the mood of uncertainty will restrain business and consumer spending.

The farmer is tied to the general economy as much as anyone in this country. You gain when the economy gains. And you lose when the economy loses. In fact, you stand to lose more in economic chaos than just about anyone else. Farming demands enormous investment up front—and enormous risk. Interest rates can cripple a farmer. And you all know that interest rates hop two steps ahead of inflation. Unless we can control inflation—the farmer is in real trouble. He simply is not going to have access to the capital he demands. And that spells disaster.

What is the answer from the White House? A lot of white smoke over a spending ceiling which produced applause from a frustrated public—but doubt from those who recognized the plan as a political gimmick.

The President either doesn't understand the congressional budget process—or was counting on you not to understand. There is nothing exciting about the phrase "congresssional budget process." But the fact is that the budget process will mean more to you and the economy than any other action that Congress takes this year.

For the first time in more than a century we have a budget control in Congress that will bring spending and revenues into better balance. No longer will each congressional committee carry its own checkbook to fill out at will. Now we have a way to look at the total and relate it to the parts. Now we can see just how much we can afford to spend. It's a new process—but it's working.

Don't be taken in by candidates who paint Congress as a spendthrift. Most of us want to cut federal spending just as much as you do. But until now, we had no device to restrict spending as a whole. We know the effect of large spending on inflation. And we know its effect on unemployment.

But where do we cut? Do we cut unemployment compensation to workers? Do we cut Social Security? Do we cut defense spending?

Each area has its own impact on the economy—on jobs and production and income.

And then, how much do we cut? A lot depends on the pace of recovery. We've got to find the right amount of spending that will produce the right amount of growth that will produce the right amount of employment and restrict inflation. The wrong measure of federal spending could stop recovery cold.

I hope that the President's $395 billion ceiling is right on target. But we're going to have to wait two more weeks to see how he cuts the pie. Then we've got to weigh those effects on essential government programs—and the economy.

We have a long way to go before we recover from the recession. This Administration wants to convince you that big federal government is to blame for the country's stagnation—that by cutting back federal programs inflation will somehow disappear—that by lifting regulations and giving tax breaks, big business will be able to pull the nation out of the mud. These are the easy answers—the deceptive answers. But they don't answer the hard question of finding that delicate balance between the twin enemies of inflation and unemployment.

We need some new direction—some clear national policy that is shaped by the people it will affect. We can't afford an Administration that listens to only one voice—and represents only one political clientele. Government must serve the farmer as well as the consumer—it must serve labor as well as management. Good government doesn't play one side against another for political gain.

We need positive government that can bring some order to the economic confusion. We are tired of negativism and simplistic solutions to problems that will take years and a massive turn about of public confidence to solve.

The American farmer has a tough, risky job. Yet you have given the country an abundance of food—at a price that allowed us huge buying power in other areas. You have grown food that has saved lives around the world. Your technology and your production weigh heavy on the scales of diplomacy.

But your future—and the future of U.S. food production—rests on the shape of the entire economy. You have one of the biggest stakes in seeing that government faces up to the hard answers. Your voice in the future of this country is as vital as it was 200 years ago. Use it wisely—and for the common good.

SENATOR MANSFIELD ON THE NEED FOR INTELLIGENCE OVERSIGHT AND ACCOUNTABILITY

Mr. MANSFIELD. Mr. President, it was my privilege to testify this morning before the Committee on Government Operations concerning the matter of establishing oversight and accountability with respect to the Intelligence Community.

My views on this issue are rather well known. As they are contained in my remarks before the committee today, I would similarly like to go on record before this body. I, therefore, ask unanimous consent that my statement before the Government Operations Committee be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Remarks of Senator Mike Mansfield Before the Senate Committee on Government Operations, January 21, 1976

Mr. Chairman, members of the Committee: These hearings coincide with the concluding days of the Select Committee's investigation into illegal, improper or unethical activities conducted by the Nation's intelligence community.

As we learn about and begin to understand these revelations it becomes apparent that what the American people knew before were but dim shadows of our intelligence establishment—shadows which were cast only from time to time. For most of us the community itself remains as it had before—cloaked in mystery. Heretofore, that was so because Congress largely chose to ignore it. It will continue a mystery, however, unless and until Congress chooses to change its policy and to exert some degree of scrutiny and vigilance, to perform some measure of oversight, to extract a commitment of ongoing accountability. The excesses of our intelligence community now so familiar to us all are a direct result of Congressional neglect and inattention.

What is to be remembered in the context of these hearings and any forthcoming recommendations is the essential necessity for a strong, vital and highly competent intelligence gathering facility within the Nation. What is not to be forgotten for a moment is the outstanding work to date performed by the CIA, the NSA, the FBI and all of the rest. That is not to say that there is no compelling need for vigilance and accountability. Supervision and responsiveness are the only ways we might avoid as much as possible the recurrence of past strains against our constitutional system.

The initial question then is whether there is to be any oversight facility concerning the intelligence community within the Senate. That question for me personally does not need extensive comment. Even without recent investigations it was clear that Congressional awareness of intelligence activities had been inadequate. Either unable, unwilling, ill-equipped or otherwise, the Senate certainly has not performed this essential function. It could be said that we as elected representatives under this form of government simply have not performed as we should have performed. We have been inexcusably lax. Now is not the time, nor is this the place to assess blame, to cite responsibility or to lay bare these deficiencies of the past. Nor indeed was it the Senate alone that failed. But the failure is there nonetheless, cumulatively but unmistakedly. It is there in terms of the abuse, in terms of the waste and inefficiency, in terms of outright assaults against freedom and individual liberty.

Intelligence is necessary. It is necessary, essential, right and appropriate. But neither is *that* an issue before this Committee. In the past in America the intelligence function has been a cornerstone to national survival, manned, in my judgment, by the most competent, effective and dedicated individuals ever assembled. In the context of the world as it is and as it will no doubt continue, intelligence gathering will remain a vital support to the Nation. No one seriously questions that proposition. What you are here considering, Mr. Chairman and members of this Committee, is oversight, or awareness, or watchfulness, all reflecting the appropriate role of the legislative body within the framework of American democracy. To be sure, there will be cries of meddling, of wrongful intrusion, of so-called "politics." Already they are heard—in the corridors outside and even in the press. But be steadfast, I suggest, Mr. Chairman and members of this Committee. Be steadfast in your efforts to recommend to the Senate a facility that will provide regular, comprehensive and systematic oversight regarding the Nation's intelligence function. Those cries were heard before and they prevailed. They served to obstruct the role of this institution only to misdirect it or mislead it at times in pursuit of ill-advised and misguided policies both at home and abroad.

As you know, my own efforts to create a more consistent and comprehensive approach to intelligence oversight by the Senate goes back more than a decade. The reasons for my past concern, may I say, have been amply justified recently in terms of the task undertaken this past year by the Church-Tower Committee. Those reasons are diverse—as diverse as intelligence operations themselves; operations which are scattered among and between a dozen or more agencies, bureaus and departments. CIA, as this Committee knows, undertakes only a fragment of the total intelligence activities of the United States Government. There is NSA, DIA, the Bureau of Intelligence within the State Department, Treasury's Office of National Security, ERDA, the Air Force intelligence unit, G–2 in the Army, the Marine Corps, Naval intelligence and then the dozen or so agencies that cover domestic intelligence including FBI, DEA, IRS and so forth. Within this intelligence thicket have arisen unneeded overlaps and duplication of effort, goals and achievements. To reshuffle and restructure them will take more than the immediate task this Committee assumes. They do explain a small aspect of the problem, however. The history of effective coordination is as uneven as the history of the growth of the intelligence community itself and the changing cast of officials within the differing lines of authority charged with administering it.

Then too, there is the question of federal agencies directing actions against individual U.S. citizens in clear violation of the spirit if not the letter of the Constitution. This is only another aspect of the problem. But it should also be open to some form of Senate scrutiny.

And in connection with overlap and duplication, what about the effective use of intelligence reports? Within the various components of the intelligence community there often have existed differing conclusions about a given set of facts or events. In helping to formulate national policy should we in the Senate not have the benefit of the various reactions within the intelligence community to a problem facing the Nation? Admittedly, global conflict at times seems to pounce on us as a Nation but the lesson of Vietnam stands also as a reminder of an information and assessment hiatus that in my judgment assisted the misdirection, misapplication and imprudent commitment of U.S. resources and manpower. By the same token, let us remember that Angola stands immediately before us with the Middle East as always on the horizon.

Delicate indeed does this become when we speak of covert actions employed to influence events. It is not that they should be abandoned. It is rather that their purposes be measured with more care than previously demanded against the vital interests of the United States. It means too that effective awareness of them be extended to this institution.

Beyond these issues there is the question of fitting together the Nation's intelligence components from the standpoint of external threats vis-a-vis actions occurring within our national boundaries which tend to serve them or to aid or assist them. Such an oversight mandate must, therefore, include the capacity to accommodate an integrated perception of national intelligence—not foreign intelligence, not domestic intelligence—but national intelligence.

Certainly, there are additional issues that would justify an intelligence oversight function or mandate by the Senate. But, as I perceive the task of your Committee, Mr. Chairman, with the rationale already there, the endeavor now is to design a Senate facility capable of doing the job while at the same time safeguarding the most vital secrets of the Nation—and by that I mean matters the exposure of which would threaten our very survival.

How do I see such a facility? Its shape? Its function? Its form? In part I have explained it already, but I would like to make some further comments.

First of all, should it be a Senate facility? Yes. I have indicated that. It was first proposed twenty-one years ago, I believe. What the House does is up to the House. It has undertaken its own special intelligence investigation this past year and may arrive at differing conclusions on where to go from here in the context of its own constitutional responsibility. But, in my mind, it is clear from the Constitution, from the laws and the history of this Nation that the Senate is assigned a unique and special role in foreign affairs. To more effectively perform that role in behalf of the American people the Senate must create every agency and facility needed to do the job. Intelligence oversight is needed. To do that job, a facility must be created.

As a body the full Senate cannot do it and to date no existing committees have done it. As a result, in my own experience over the years, I along with the Senate have suffered a significant deficiency both as to the awareness of the intelligence apparatus and operation and the information gathered and assessed therein.

What about the charter? I think it should be sufficiently broad to encompass all major intelligence organizations. Directly under it, therefore, should at least come the activities of CIA, NSA, DSA, certain endeavors of DOD and the counterintelligence undertakings of the FBI. While it thus should be broad enough to invite the most generous scrutiny of the intelligence community in the Senate's behalf, it need not limit or preclude the normal delegated jurisdictional bases of other standing committees. In some cases, in fact, there is a great deal to be said for a little competition. But no committee, no agency of the Senate has exercised complete vigilance over such obvious questions, for example, as intelligence coordination. No committee heretofore has analyzed on a continuing basis the ongoing activities of each of the intelligence components, related their activities to each other or fitted them together into an integrated whole. Overlap, duplication, swollen and inefficient budgets and so forth may or may not be in the interests of this Nation. Only by vigilance and understanding, however, can such judgments be made.

And what about the issue of unconstitutional operations against citizens of the United States by an intelligence apparatus. For these, there have existed few, if any remedies in the past. What remedies there have been were inadequate at best. Oversight coupled with a mechanism that assures accountability would go far in my judgment to preserve notions of individual liberty that we cherish so deeply.

Of particular sensitivity is the question of budget analysis with respect to intelligence operations. But oversight per se would seem to dictate that such a function be included within any mandate established. In the past we have been put off in this area with urgings that there have been no hearings, no investigations and so forth. The investigations have occurred, hearings have been held and it is time I think that we carve out a rational way to perform a simple authorizing function on an annual basis. Such a function is essential to the question of accountability. Perhaps a line-item approach would not be in order granting the nature of many of the activities involved but aggregate sums certainly reveal little, if any, of our intelligence story that is not already known to the world. As I recall, atomic and nuclear expenditures are handled in similar fashion.

Beyond an annual authorization, however, such a committee must be kept informed on a continuing basis of *all* major activities and plans. Overall, it must be equipped with appropriate tools to assure such responsiveness. But while subpoenas, compliance and contempt procedures and the like should be made available—the emphasis in this area must be on cooperation with the Executive and that too should be spelled out in any charter along with appropriate measures to require that cooperation be a two-way street.

It seems to me that a primary concern here is to assure the national policy formulated largely by and within the legislative branch is not to be overturned, undercut or frustrated in its execution and implementation. The initial burden of coming forward by necessity would fall on the agency or agencies involved and in turn it would be the responsibility of the Committee as the Senate's agent to keep the Senate advised in an appropriate manner keeping in mind the relative importance and sensitivity of whatever issue happens to be at stake. Standards and safeguards regarding disclosure may be in order but it has always been my conviction that Senators are equal, that there are no super Senators, that no member elected to serve in this institution exceeds any other in terms of patriotism, of loyalty or of dedication to the letter and spirit of the Constitution and the laws of the United States. It is, in fact, for this reason that I believe that the membership on the Intelligence Committee should be rotated. A limitation of six or eight years of consecutive service on the Committee would guarantee the vigilant inquiry that a fresh mind brings to any problem. It would avoid the possible danger of establishing the client relationship that could otherwise and has so easily occurred. Also, it would provide in time a significant foundation upon which the Senate as a whole might confidently adjudge the recommendations of its agent—the Committee.

Otherwise, I would apply the same standards as are imposed upon the other standing committees in terms of composition, selection, membership, staffing, the election of Chairman, and whatnot save only that the sensitive nature of its tasks requires that additional precautions be taken just as they are by the Joint Committee on Atomic Energy and just as they have been this past year by the Select Intelligence Committee.

One final comment, Mr. Chairman and members of the Committee. While these views reflect and expand upon my public critique of the work and recommendations of the Commission on the Organization of the Government—the so-called Murphy Commission—with respect to the establishment of an intelligence committee, I would caution you and this Committee concerning an aspect of this issue insofar as the involvement of Congress and the Senate is concerned. I served on that Commission and my views on its performance are rather well known. What I wish to say is that there is some risk in creating any committee in this area. What I would not want to see happen; indeed, what would be counterproductive would be a committee cloaked only with apparent importance, manned by some elite few who gained admission outside the normal selection process, centralized and aloof, and in the end so impotent that it would itself become a creature if not an active conspirator within the community over which it must exert scrutiny. Make it independent. Give it the tools and power to protect that independence. And above all, make certain that it responds to the Senate and to the Senate alone.

Thank you, Mr. Chairman and members of the Committee.

CLAYTON LECTURES AT TUFTS UNIVERSITY

Mr. KENNEDY. Mr. President, a short time ago, Dr. Gumersindo Rodriguez, Venezuela's Minister of State for Planning and Coordination, delivered the Clayton Lectures at the Fletcher School of Law and Diplomacy at Tufts University.

Dr. Gumersindo Rodriguez is the first Latin American to present the prestigious lectures which were established to honor former Secretary of the Treasury and Undersecretary of State William L. Clayton.

Past Clayton Lecturers include Harold Wilson, William D. Fulbright, Lester Pearson, Eugene Black, and Paul Henri Spaak.

The Fletcher School has a long and distinguished history of developing and training our most accomplished foreign affairs specialists.

Dr. Gumersindo Rodriguez is not only a distinguished leader of the present Government of Venezuela, but also is serving as the President of the Assembly of the World Bank.

His selection also strengthens the tie between the Fletcher School and Latin America. The Fletcher School is the site of the Latin American Teaching Fellowships—LATF—program. The LATF program presently has 155 young professors teaching throughout Latin America, including 18 in Venezuela.

I am pleased to see the continued close relationship between the Fletcher School, Latin America, and Venezuela particularly. Not only have our past relations been significant but it is evident when one examines the current economic situation that our future contacts and ties will be even more interdependent.

Mr. President, I ask unanimous consent that an article on the Clayton Lectures in the Daily Journal of Caracas be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Cordiplan Head in Boston To Give Clayton Lectures

Boston.—Dr. Gumersindo Rodriguez, the Venezuelan Minister of State for Planning and Coordination, is expected to arrive here tomorrow as the honored guest of the city to deliver the Clayton Lectures, considered one of the outstanding academic events of the year in this cultural capital.

The Venezuelan official, who recently presided over the World Assembly of the World Bank, will give the three lectures of the series on October 30 and 31.

He also will be featured at a graduate seminar on international developmental economics which will be attended by doctoral candidates from various universities of the area such as Tufts, Harvard, MIT, Brandeis, and Boston University.

On his arrival here tomorrow, the Latin American economist will be received by the Governor of the state, Michael Dukakis, at this historic state capital and then, following the audience with the governor, will appear at a press interview.

Great interest has been aroused by the visit of the Venezuelan here due to the growing importance of this country in world financial affairs. Venezuela is also a traditional supplier of fuel oil to the New England states, of which Boston is the principal metropolis.

The William L. Clayton Lectures were established at the Fletcher School of Law and Diplomacy in 1960 in honor of the U.S. statesman who, as Secretary of the Treasury and Under Secretary of State worked closely with Presidents Franklin G. Roosevelt and Harry Truman, and with Secretary of State Cordell Hull, to establish a new era of international trade and to stabilize international finance in the meetings culminating with the Bretton Woods conference.

Before entering government, Clayton had been a leading exporter of cotton and a leader of the Texas business community.

The Clayton Lectures are delivered at the Fletcher School, located on the campus of Tufts University, in Medford, Massachusetts, before audiences consisting of leading financiers, businessmen, industrialists government officials, and students.

They rank among the most prestigious of the endowed lectures in U.S. academic circles, and are usually published afterward in book form.

Candidates for the lectures are chosen on the basis of their contributions to international relations, with particular emphasis on original thought. They are normally delivered every 2–3 years.

Past Clayton Lectures include: Harold Wilson, William D. Fulbright, Lester Pearson, Walter Haelstein, Eugene Black, and Paul Henri Spaak.

Dr. Gumersindo Rodriguez is the first candidate to be invited from Latin America.

The Fletcher School is the oldest graduate faculty in the field of International Relations in the U.S.A. It is administered as a graduate faculty of Tufts University, with the cooperation of Harvard University.

Its student body is limited to 250, and consists of graduates of leading U.S. and foreign universities, most of whom wish to prepare for careers in diplomacy and international trade.

OLYMPIC FACILITIES FOR THE HANDICAPPED DENIED

Mr. HUMPHREY. Mr. President, recently, several constituents of mine, including Mr. Lyle Hoeben of courage center, a facility of the Minnesota Society for Crippled Children and Adults, wrote to Mr. C. Robert Paul, Communications Director of the U.S. Olympic Committee, about the lack of seating arrangements for the physically disabled at the XXI Olympiad Games to be held in Montreal this summer.

Mr. Hoeben's letter encouraged the U.S. Olympic Committee to provide leadership in making the games available to all persons. He pointed out that much has been done both in Minnesota and nationally to improve the accessibility of buildings, sports arenas, and other facilities for persons with disabilities.

I was most distressed to learn that Mr. Paul's response to Mr. Hoeben's courteous and reasonable request showed not only a callous disregard for his concerns but also for legislation endorsed by the U.S. Senate. The peremptory tone of Mr. Paul's reply can only be regarded as offensive, not only to Mr. Hoeben and others who are also concerned about the rights of the physically disabled, but also to this distinguished body.

The insinuations that a new Federal law—or public fiat, as Mr. Paul put it—was necessary to assure the handicapped of seating during the 1980 Winter Olympic Games to be held in Lake Placid suggests that the Olympic Committee is unaware of legislation dating as far back as 1968 which is designed to develop national priorities recognizing the rights and needs of handicapped persons.

The U.S. Senate recently endorsed the mobilization of private and public resources to remove architectural barriers from the manmade environment in order to recognize the right of all citizens to the full development of their economic, social, and personal potential regardless of their physical disabilities. And Congress is continuing its efforts to reinforce existing laws to insure that construction, renovation, and modernization projects comply with provisions of the Architectural Barriers Act of 1968.

Mr. President, I feel that this incident only serves to substantiate the feelings of some that the U.S. Olympic Committee has shown a decided lack of interest in the problems of the handicapped. It also suggests that the committee finds its influence, capabilities, and responsibilities are extremely limited when it comes to the needs and rights of the handicapped. I ask unanimous consent that Mr. Hoeben's letter to the Olympic Committee, Mr. Paul's response to that letter, and my subsequent letter to Mr. Paul be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COURAGE CENTER,
Golden Valley, Minn., October 30, 1975.

Re Olympic seating accommodations.

C. ROBERT PAUL,
Director of Communications,
U.S. Olympic Committee,
New York City, N.Y.

DEAR MR. PAUL: Recently I read your response to an inquiry about special seating arrangements for the physically disabled in the PVA NEWS BULLETIN. Rather than stating that the size of the games is a reason for elimination of these members of our country, I believe this would be sufficient cause to include their participation by making special seating areas available. It is difficult for me to believe that the Olympic Committee could solicit contributions and then be so callous as to specifically eliminate a portion of those contributors.

It is not too late to correct this situation, nor is it unrealistic. In our Minneapolis/St. Paul area, we have three fine examples of accessible sports entertainment complexes in Metropolitan Stadium, Metropolitan Sports Center, and the Civic Center seating over 50,000, 15,000 and 17,000 spectators respectively. In each of these facilities, persons with disabilities can enjoy baseball, football, basketball, hockey, tennis, and other sports with the same comfort and convenience as the nondisabled person sitting next to them. Recently, Orchestra Hall in Minneapolis, Nationally recognized for its fine acoustics, has agreed to improve its accessibility for persons with disabilities. No hazard to safety or obstruction to viewing pleasure is caused by these accommodations.

These are some local examples of what is being done nationally to meet the rights of this portion of our country's population. Their interest in seeing their community's sports teams succeed is as high as everyone's. For the United States to succeed in the Olympics likewise has as much importance to them.

Finally, many individuals have incurred their permanent disabilities while participating in athletic events and continue to participate now. Some of these will represent our country in the 1976 Para-Olympics in Toronto. Their dedication to succeed and pride in achievement is no less than any of our country's Olympic representatives. If persons without disabilities choose to be spectators in Toronto, I am sure every effort will be made to accommodate them.

I urge you to reconsider your stand and encourage the U.S. Olympic Committee to provide leadership for other nations in making the Olympic Games available for *ALL* persons. Please, while limiting contestants to those with perfect physiques, do not also limit spectators in this manner.

Sincerely,

LYLE HOEBEN, M.A.

U.S. OLYMPIC COMMITTEE,
New York, N.Y., November 11, 1975.

MR. LYLE HOEBEN, M.A.,
Courage Center,
Golden Valley, Minn.

DEAR MR. HOEBEN: Yours is the fourth letter that we have received from Minnesota about the special seating required for the physically disabled at the Games of the XXI Olympiad in Montreal. Senator Hubert Humphrey has been personally inquiring about this situation, and he too deplores the fact that special seating arrangements have not been considered by the Montreal Organizing Committee in planning for the 1976 Games.

I recognize that your group is extremely well organized, and I also recognize that you have a sincere friend in Senator Humphrey who has questioned the Olympic Committee on its stand.

May I point out, Sir, that the United States Olympic Committee has absolutely nothing to do with the planning of the physical arrangements for the seating of guests of the XXI Olympiad. I know that you and at least three others deplored the apparent lack of interest of the U.S. Olympic Committee in pointing out the Games may have been too large to consider the needs of disabled persons.

I feel that it is both too late and unrealistic to correct the situation which you have brought to our attention and which Senator Humphrey will probably set up an international investigation on before the Games are held.

May I point out, Sir, that to all intents and purposes the Games are a sellout. How at this late date, can they draw back tickets to plan for the handling of physically disabled persons who may wish to purchase for the Olympic Games? I agree that you have a wonderful organization and I am delighted that in the Minneapolis-St. Paul area provisions have been made for handling disabled persons.

I do feel that Senator Humphrey should be urged to introduced into Congress making it Federal law that when the United States hosts the Olympic Games a percentage of the seating arrangements must be adaptable to the physically disabled. Since the 1980 Winter Olympic Games will be held in Lake Placid, New York. I feel that you could go to the Senator and he will arrange to introduce this bill so that when tickets are being sold to these Games in Lake Placid your group will have full knowledge that they are protected by Public Fiat that a certain percentage of the tickets must be made available to disabled persons.

I am sending a copy of this letter to Senator Humphrey and I know that he will be in touch with you.

May I certainly wish all of our disabled athletes best wishes for success in the 1976 Para-Olympics in Toronto. We recognize their dedication to succeed and pride in achievement may even be greater than those who represent our nation in the World Olympic Games.

I hope that you can understand why the United States Olympic Committee is powerless to tell another nation how to run their business. It will be up to your group to meet with Senator Humphrey to show him the importance of the law which I have suggested in the above paragraphs.

Cordially,

C. ROBERT PAUL, JR.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., December 30, 1975.

Mr. C. ROBERT PAUL,
Communications Director, U.S. Olympic Committee, New York, N.Y.

DEAR MR. PAUL: I have received a copy of your letter to Mr. Lyle Hoeben concerning the lack of seating arrangements for the physically disabled at the 1976 Olympic Games in Montreal

Although I fully understand the complexity of this program, I must say that your response shows a callous disregard for his concerns. He had made a reasonable and courteous request, and the peremptory tone of your reply can only be regarded as offensive. To state that it is "too late and unrealistic to correct the situation"; to state that the U.S. Olympic Committee "has absolutely nothing to do with the planning of the physical arrangements for the seating of guests"; and to suggest that tickets already sold to others be pulled back so that physically disabled persons may be accommodated only serves to substantiate the feelings of some that the U.S. Olympic Committee has shown a decided lack of interest in the problems of the handicapped. It also suggests that the U.S. Olympic Committee finds its influence, capabilities and responsibilities to be extremely limited—even with respect to its relationships with the host nation for the 1976 Olympics, which happens to be a friendly neighbor of the United States.

Your assumption that I may set up an international investigation on this matter before the Games are held is unwarranted. I might remind you, however, that the Senate recently endorsed the mobilization of private and public resources to remove architectural barriers from the man-made environment in order to recognize the right of all citizens to the full development of their economic, social and personal potential regardless of their physical disabilities. In addition, Congress continues its efforts to reinforce existing laws on architectural barriers to insure that construction, renovation, and modernization projects comply with provisions of the Architectural Barriers Act of 1968.

I find it strange that the U.S. Olympic Committee should be unaware of this legislative history in the development of national policies that recognize the rights and needs of handicapped persons. The Committee should be well advised to give close attention to these provisions in statutory law in planning seating arrangements for the 1980 Winter Olympic Games. Contrary to your advice, there certainly should be no need to introduce further legislation in Congress, in light of existing national policies. Moreover, I find it particularly regrettable that the U.S. Olympic Committee at this time has no intention of taking the initiative in this important matter as recognition of its responsibility in the public interest.

I note that Mr. Hoeben encouraged you and the U.S. Olympic Committee to provide leadership for other nations in making the Olympic Games available for all persons. Surely this is not too much to ask.

Sincerely,

HUBERT H. HUMPHREY.

CRISIS ON CYPRUS: 1976

Mr. KENNEDY. Mr. President, the human and political tragedy of Cyprus has been crowded off the pages of our newspapers by newer problems in other parts of the world. But we must not forget that the tragedy of the Cypriot people continues.

Politically the island remains divided, its northern areas still occupied by Turkish troops. Economically, the island's once flourishing economy remains shattered—although, thanks to the leadership and ingenuity of the Cyprus Government, some slight recovery is noted in Government controlled areas. In human terms, the plight of the more than 180,000 Cypriot-Greek refugees remains unresolved, and the condition of Cypriot-Greeks still living in the occupied areas continues to deteriorate.

In short, Mr. President, the shambles created by the Turkish invasion of Cyprus remains for all to see, and so does the urgent need for new initiatives to bring about real progress toward an honorable and just resolution of the human and political tragedy of Cyprus.

As chairman of the Subcommittee on Refugees, I released this week a special staff report on the continuing crisis on Cyprus—to make the case again that normalizing the lives of the Cypriot people, and restoring the territorial integrity and full independence of Cyprus, must remain a matter of vital concern to the American people and their Government.

Mr. President, 1976 must finally bring a new priority to the Cyprus problem in American diplomacy, and a new determination by our national leadership to facilitate real progress on Cyprus. Since the lifting of the Turkish arms embargo last year, no progress has been made on Cyprus. The credibility of the administration is still at stake, and the prestige of our country is still on the line.

The routine promises of progress in the past have brought little comfort to the refugees and others in need on Cyprus. Their plight continues unchanged.

Mr. President, whether our diplomats like it or not, real progress toward an honorable and just resolution of the Cyprus problem is also crucial in repairing our traditionally good relations with the people and governments of both Greece and Turkey, and in stabilizing our security interests in the Eastern Mediterranean. It is illusory to assume that these relations can be fully repaired and our interests fully stabilized without real progress on Cyprus.

I believe the imperative for American diplomacy has rarely been more clear, and, if we fail to act, so, too, are the dangers of new conflict on Cyprus and the threat of further erosions in our relations and interests in the Eastern Mediterranean.

Mr. President, I would like to share with my colleagues the recommendations I have offered regarding Cyprus, as well as the summary of findings of the subcommittee staff report, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CRISIS ON CYPRUS—1976: CRUCIAL YEAR FOR PEACE

(A staff report prepared for the use of the Subcommittee to Investigate Problems Connected with Refugees and Escapees of the Committee on the Judiciary, U.S. Senate, 94th Congress, 2d Session, January 19, 1976)

RECOMMENDATIONS

The Cyprus problem, and American policy toward this troubling issue, has reached a crucial phase. And for the purposes of this report, the Subcommittee Chairman makes the following recommendations relating to the human and political tragedy of Cyprus.

1. The Cyprus priority in repairing U.S. relations with Greece and Turkey

Whether American diplomats like it or not, real progress toward an honorable and just resolution of the Cyprus problem is crucial in repairing our traditionally good relations with the people and governments of both Greece and Turkey, and in stabilizing our security interests in the Eastern Mediterranean. It is illusory to assume that these relations can be fully repaired and our interests fully stabilized without real progress on Cyprus.

Moreover, the routine promises of progress in the past have brought little comfort to the refugees and distressed people on Cyprus. Their plight remains unchanged.

1976 must finally bring a new priority to the Cyprus problem in American diplomacy and a new determination by our Government to facilitate real progress in normalizing the lives of the Cypriot people. As the President reported to Congress on December 8, 1974: any further delay "in resuming the intercommunal talks will harden attitudes and make future progress more difficult."

The imperative for American diplomacy has rarely been more clear, and, if we fail to act, so too are the dangers of new conflict on Cyprus and the threat of further erosions in our relations and interests in the Eastern Mediterranean.

2. Restoration of the full independence, sovereignty and territorial integrity of Cyprus

Despite the stubborn occupation of Northern Cyprus by Turkish forces, the *de facto* partition of the island, and the pronounced drift toward the creation of a quasi-state in the occupied areas, the restoration of the full independence, sovereignty, and territorial integrity of Cyprus must be a fundamental objective of American policy and diplomacy.

No other goal better satisfies justice or the bringing of peace and relief to the unhappy peoples of Cyprus—both Cypriot-Greeks and Cypriot-Turks.

As noted in this report, there have been recent reaffirmations of this cardinal point by President Ford and Secretary of State Kissinger. This is an encouraging development, and fully reflects numerous United Nations resolutions since 1974, including the General Assembly resolution of November 20, 1975.

3. Opposition to a unilateral declaration of independence by the Cypriot-Turkish administration

The Cypriot-Turkish leadership threatens to declare the Turkish-occupied area of Cyprus as an independent, sovereign state.

Given its record of fulfilling other threats over the past eighteen months—including the creation of the *Turkish Federated State of Cyprus* in February 1975—the reckless threat of a Unilateral Declaration of Independence must be taken with some degree of seriousness.

A Unilateral Declaration of Independence would clearly violate the publicly stated policy of Ankara and would not be in the best interests of the Cypriot people. It would also threaten needless violence and conflict, and would enormously complicate any subsequent efforts to reunify the island.

The United States should make clear, now, that it will not recognize a Unilateral Declaration of Independence by the Cypriot-Turkish leadership, and will actively oppose its recognition by other nations. Diplomatic efforts must be made to dissuade the Cypriot-Turkish leadership from pursuing such a policy and Ankara from encouraging or condoning it.

4. Support for implementing inter-communal agreements and the resumption of inter-communal talks.

The United States, in concert with others, must use its influence and good offices with Turkey to persuade Ankara to give its full and active support to the implementing of intercommunal agreements and the resumption of inter-communal talks under U.N. auspices.

In good faith the Cypriot-Greek leadership, the Government of Cyprus, has negotiated with the Cypriot-Turkish leadership over the resolution of inter-communal problems and the future of Cyprus, and the Government of Cyprus is prepared for an early resumption of these negotiations under U.N. asupices.

The same cannot be said, however, for the Cypriot-Turkish leadership and the Government in Ankara. For one thing, the Cypriot-Turkish leadership has flagrantly violated last August's inter-communal agreement on the treatment, protection, movement and normalizing of life among both Cypriot-Greeks and Cypriot-Turks.

The agreement, concluded in Vienna under U.N. auspices, in part provided for the free movement to the occupied areas of Cypriot-Turks residing in Government controlled areas, and for the protecting and normalizing of life among Cypriot-Greeks remaining in the occupied areas.

The Government of Cyprus scrupulously carried out its part of the agreement, and today all but a handful of Cypriot-Turks live in the occupied areas. But the condition of Cypriot-Greeks remaining in the occupied areas has steadily deteriorated, and the Cypriot-Turkish leadership has declared the agreement null and void.

The situation not only calls into question the good faith of the Cypriot-Turkish leadership in negotiating the agreement, but also raises troubling questions over Ankara's intent on Cyprus.

The obstructionist attitudes and actions displayed by the Cypriot-Turkish leadership toward the implementation of some past agreements and understandings with the Cyprus Government—and toward the early resumption of intercommunal talks—must not be permitted to prolong the Cyprus problem and further aggravate America's and other nations' interests and relations in the Eastern Mediterranean.

Turkey, as the occupying power in northern Cyprus, clearly has some influence over the attitudes and actions of the Cypriot-Turkish leadership. Ankara should move firmly and expeditiously to promote the Cypriot-Turkish leadership's implementation of solemn agreements with the Government of Cyprus concerning Cypriot-Greeks in the occupied areas, and to promote as well the very early resumption of inter-communal talks under U.N. auspices and meaningful progress toward a just and honorable resolution of the Cyprus problem.

The United States Government will hopefully give some better evidence that it is seriously working to accomplish these ends.

5. Immediate withdrawal of Turkish forces

The heavy presence of Turkish forces on Cyprus, and other factors associated with Turkey's consolidation of its position in the occupied areas of the island, is impeding meaningful inter-communal negotiations and a resolution of the Cyprus problem.

In the spirit of the Geneva Declaration of July 30, 1974—agreed to by Greece and Turkey—and the numerous United Nations resolutions on Cyprus, Turkey should immediately begin the withdrawal of substantial numbers of its occupation forces on the island.

No viable solution to the Cyprus problem or lasting peace is possible without the timely and phased withdrawal of Turkish occupation forces and armaments. Especially now, at this crucial juncture of the Cyprus problem, Ankara should begin this withdrawal process—as a *gesture of goodwill* to the people of Cyprus and as a *sign of good faith* in meaningful progress at a new round of inter-communal talks under U.N. auspices.

6. A basic principle: The return of refugees to their homes

The plight and fate of the Cypriot-Greek refugees—who were driven from their homes and deprived of their livelihoods during the Turkish invasion of 1974—remains central to the resolution of the Cyprus issue. A viable and just solution to the Cyprus problem will not be found unless and until the basic principle of the right of refugees to return to their lands and homes, or to be fully compensated for their losses, is recognized by all parties concerned.

During the past year and a half, the issue of Cypriot-Greek refugees returning to their homes has been increasingly complicated by events on the island, such as the mass movement of virtually all Cypriot-Turks, who resided in Government-controlled territory, to the occupied areas in the northern part of the island. Most of these Cypriot-Turks have moved into houses belonging to Cypriot-Greek families who are now refugees in the south.

The return of refugees to their homes is further complicated by the "colonization" of the occupied areas by mainland Turks, transported from Turkey, or by third country nationals, such as Pakistani laborers. This continuing population movement from mainland Turkey threatens to alter dramatically the demographic patterns of Cyprus. Regrettably, the United States and others have been remiss in failing to speak out strongly against this apparent "colonization" policy of the Turkish Government in Ankara.

However, despite such developments, the principle of the right of the return of Cypriot-Greek refugees to their homes must be reaffirmed, as well as the corollary principle of full and generous compensation for those who do not return home. These principles are central to any meaningful negotiations of the Cyprus question, and the United States must give them full support.

7. Relief, rehabilitation and recovery assistance to Cyprus

The United States must generously support international efforts to help meet relief, rehabilitation, and recovery needs on Cyprus.

Over the past 18 months, the United States has responded commendably to international humanitarian appeals from the International Committee of the Red Cross and the United Nations High Commissioner for Refugees. And the recently enacted International Development and Food Assistance Act of 1975 includes an amendment, offered by the Chairman of the Refugee Subcommittee, authorizing an additional $30,000,000 for humanitarian purposes on Cyprus.

With the passage of time, requests for humanitarian assistance by Cypriot authorities have increasingly shifted from the general relief to the rehabilitation and recovery areas. Special emphasis is being put on measures and proposals to assist displaced and needy persons in regaining a degree of economic self-sufficiency. The shattering effect the Turkish invasion and occupation have had on the economy of Cyprus is well documented, and so too are the rehabilitation and recovery needs of the people and Government of Cyprus.

U.S. funds allocated to Cyprus should be on a grant basis, preferably through international channels, and their use should be flexible and reflect the changing patterns of need on the island.

The Ford Administration's new policy of linking the allocation of foreign assistance funds to national actions and voting patterns at the U.N., is a disturbing policy, and should in no way affect the allocation of needed humanitarian assistance to the people and Government of Cyprus.

SUMMARY OF FINDINGS

It is axiomatic in human crises such as Cyprus, that the longer the time involved in resolving it, the greater the suffering of the people. It is the tragedy of the people of Cyprus that time has not been on their side.

As noted in previous Subcommittee reports, the fate of Cyprus has rested less upon solutions to be found among the Cypriots themselves—both Greek and Turkish—than it has upon a resolution of outside forces and factors. Over a year and a half has passed since the Turkish invasion of the island in July 1974, yet little has changed.

I. New Phase

1. Although the basic contours of the Cyprus issue remain the same, time and a confluence of events have brought the issue—and its central problem of refugees—into a new and delicate phase, which holds both seeds of hope and the potential for further disaster.

2. On the diplomatic front, some observers see a new phase in the partial lifting of the American arms embargo on Turkey. However, the new phase is more apparent in attitudes and developments on the island, than in diplomatic achievements outside.

3. The emergency created by the Turkish invasion has now passed for the Cyprus government, and it has survived the trauma and desperate feelings of 1974. Refugees have come to grips with their plight, and the badly fractured Cypriot economy has shown some remarkable signs of recovery.

4. There is also an emerging feeling of "Cypriotness" among both communities—as the Cypriot-Turks begin to feel the frustrations and limitations of living under mainland Turkish occupation, and as the Cypriot-Greeks grope to find ways to deal with the tragic consequences of 1974. However, the unifying sense of "Cypriotness" cannot grow, and peace will not come to Cyprus, as long as external factors divide the island—principally the Turkish army.

5. The test for international diplomacy, and for resolving the Cyprus crisis in 1976, will rest in the success of efforts to remove these external obstacles, and in promoting the ability of the Cypriot people to sort out their own problems in peace.

6. Unless progress is made in the coming year in defusing the Cyprus problem, the danger of renewed violence and even greater human suffering will grow.

II. Humanitarian problems

7. The massive humanitarian emergency produced by the Turkish invasion in 1974 has passed, but a crisis of people remains. The major problem relates to the more than 180,000 Cypriot-Greek refugees who remain cut-off from their lands and homes. Most of these refugees are still dependent upon the Cyprus Government for some form of relief assistance. This winter, some 25,000 still face the cold living in tents and shacks.

8. Relief efforts of the Government of Cyprus have necessarily focused on the problems of providing food, housing, clothing, medical care, and education. Total cost of the government's program for refugee relief and rehabilitation in 1975–76 will be approximately $77.5 million. Longer term rehabilitation programs have now been launched—mostly employment generating projects and efforts to reactivate the economy of the island.

9. Housing has been a critical problem for the Cyprus government, with the vast majority of Cypriot-Greek refugees living in crowded conditions, refugee camps, tents and shacks, or with relatives and friends. To respond to this problem, the Special Service for refugee relief has undertaken a $16 million program to build concrete-block housing. Because of unexpected delays, temporary, prefabricated shelters have been constructed, to up-grade current refugee housing conditions.

10. Despite continuing relief needs, the Government of Cyprus has made remarkable progress in reactivating a shattered economy and restoring a sense of normalcy to the island. However, the government faces a number of dilemmas in dealing with the refugee problem—whether to take steps which will make the refugee problem disappear in a year or more, (thus undermining their political and diplomatic claim that the refugees must return home), or to take actions that will open them to the charge of creating a permanent refugee problem. To the credit of the government it has rejected the politically tempting option, and has made clear its intention to provide better and more normal housing for all refugees.

11. The problem of missing persons remains a serious humanitarian issue on Cyprus. Despite the effective work of the International Red Cross' Tracing Agency, little has been achieved in securing information on persons missing subsequent to the Turkish invasion. Some 2,700 Cypriot-Greeks are still missing, and the Cypriot-Turkish administration has refused to respond to various inquiries, indicating only that they hold no prisoners.

12. The plight of enclaved Cypriot-Greeks in the occupied areas remains acute, despite the Vienna agreement for normalizing their lives. The total disregard of Turkish authorities to the provisions of the Vienna agreement have raised serious questions as to the worth of Mr. Denktash's signature on any future agreement.

13. Humanitarian problems in the occupied areas relate to the continued disarray of the economy in the north. Despite the fact that the Cypriot-Turks inherited some 70% of the economic potential of Cyprus, official reports indicate the economic picture is bleak. As Cypriot-Turks have moved north, they have faced housing problems caused by the looting and destruction of Cypriot-Greek homes they are to occupy, and food shortages due to the lack of agricultural labor.

III. Humanitarian assistance

14. The response of the international community to the refugee crisis on Cyprus has been generous. Some $60 million was contributed to the U.N. High Commissioner for Refugees (UNHCR) during the first year, $25 million coming from the United States. A second appeal has been made by UNHCR, and the U.S. proposes to contribute up to $30 million in fiscal year 1976.

15. UNHCR was appointed Coordinator of United Nations Humanitarian Assistance to Cyprus. However, UNHCR faces a number of dilemmas as the refugee problem drags on. One is the character of the projects for refugees, which have changed from emergency relief to longer term rehabilitation and eco-

nomic programs. A second is the growing dependence on the U.S. for UNHCR funds, creating the impression that UNHCR may simply be a "front" for American aid. Finally, there are growing difficulties in operating a program in both areas of Cyprus.

16. Although the UNHCR remains an essential channel for humanitarian assistance to Cyprus, alternative arrangements must be pursued in the coming year.

IV. Notes on U.S. policy and diplomacy

17. Cyprus in 1974 represented a failure of American diplomacy. U.S. policy was one of hasty improvisation, coldly calculated to minimize disturbances within NATO. It not only promoted the opposite, it also failed the defenseless people of Cyprus.

18. The early months of 1975 saw false hopes raised over progress on the Cyprus problem as a Congressional cut-off of further military aid to Turkey loomed. When no progress was achieved, the issue of Cyprus was lost in the Administration's new preoccupation over U.S. bases and military aid to Turkey.

19. Late 1975 saw the lifting of the arms embargo and the promise of new initiatives. For the first time both President Ford and Secretary of State Kissinger made strong, clear-cut statements on Cyprus, focusing on the central question of the refugees. From the tone and content of the Administration's statements, it was clearly a departure from earlier statements. One can only wonder as to what the course of events would have been had they made similar statements in 1974 instead of late 1975.

20. The effect of the President's statement on the lifting of the Turkish arms embargo was to commit the prestige of the United States to early progress on Cyprus. Given these new developments, 1976 will be a crucial year for American diplomacy and for peace on Cyprus, although it begins with little optimism—with the inter-communal negotiations at an impasse, the Cypriot-Turkish leadership flagrantly ignoring early agreements, and new ultimatums and threats.

21. Until progress is made on the Cyprus problem, future U.S.-Turkish relations will be threatened. This fact has been recognized by Administration officials, and Secretary Kissinger has acknowledged that Cyprus, if not resolved, will go to the heart of American relations with Turkey. The test for American diplomacy is clear, even as the results, to date, have been sadly disappointing.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business, S. 961, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, yesterday the Senator from Washington and I engaged in a colloquy dealing with the fish on this chart which he classified as being overfished.

I wonder whether the Senator from Washington will agree with me that in terms of trying to define the issue, the way we have it before us and what this bill is trying to do—a conservation bill—the fish represented in this area as being overfished is really the heart of the matter that faces us in this issue—that is, these are the fish that are overfished and, as a result, we have to institute some conservation practices.

That is the reason that, under his leadership, the Committee on Commerce has come forward with this legislation, to initiate the taking of 200 miles, in order to bring about the conservation of these stocks. Is that the issue as he understands it, and is that a correct description of the issue that we face, the problems we face with respect to fishing as a nation today?

Mr. MAGNUSON. All I know, I say to the Senator from Alaska, is that these are the best figures we have received from people involved in fisheries management. We are concerned about all fishery resources.

As I said yesterday, we are trying to conserve the fish within 200 miles of our shores. It does not depend on who fishes, or when they fish. We are concerned with all our fish stocks. That is the answer to the problem—all fish are to be managed. There are some we know that are overfished. At least according to the experts who gave us these figures. When the Senator asked for these figures yesterday, I said we had them and that we happened to have them on a chart. There they are. But we are also talking about potential overfishing, regardless of whether the American fishermen fish those stocks or vice versa.

I never intended to imply yesterday to exclude all foreigners—there are some stocks that we would allow other nations to fish under an agreement. But I want to be sure that there are enough for the Americans, who should do more fishing—this is my point—and encourage more U.S. fishing. If there is an abundance, we ought to go out and harvest it.

The whole purpose of this bill is to regulate foreign fishing and prevent overfishing—that is all it amounts to—and to allow the possibility of reaching conservation agreements, which can—I hope—apply within the 200-mile limit. This is going on all over the world.

These stocks, even if they are fully utilized, may be overfished in the future. Maybe, in some cases, we will have to say to American fishermen, "You are fishing a little too much, you know, to keep the stock alive."

That is our only suggestion here. As the Senator from Alaska and I know, we have to rely upon the so-called fisheries scientists and the so-called fisheries experts to give us their opinion. That is all we can do.

Mr. GRAVEL. I have no quarrel with the opinion of experts, because we are essentially using the same experts, the Department of Commerce and other marine services. But I should like to clarify for the benefit of the Senate and the Nation where the problem is. I believe my colleague meant those types——

Mr. MAGNUSON. If the Senator will yield for just a moment, the list, so the record will be clear, was prepared by the National Marine Fisheries Services in conjunction with its draft national fisheries plan, in 1975. It should be noted at the outset that not all of the species in the overfished list have been overfished by foreign fishermen.

The California sardine, apparently, in all fairness, was depleted by our own fishermen. There are others. That is the conclusion our experts come to. This is the reason we thought the management and conservation provisions of S. 961 should apply to both foreign and domestic fishing.

Mr. GRAVEL. I think that is probably a very important consideration, to find out whether or not these fish which are being overfished are in that category because of the actions of our fishermen or the actions of foreign fishermen. I am glad the Senator has come forward with that information.

Mr. MAGNUSON. May I say as a footnote here, in one case on the Atlantic coast, menhaden just suddenly disappeared, for some reason. I do not know whether that was due to our fishing or foreign fishing or a combination, but they disappeared. Perhaps they disappeared because of a change in currents or weather conditions or the law of nature of the seas, but they disappeared. We just do not have any more in some areas, as far as I know.

Mr. GRAVEL. The information that I get from the Department of Commerce is that menhaden was primarily fished within the 12 miles and menhaden had not been fished by foreign fisheries. The Senator is accurate.

Mr. MAGNUSON. I think that is correct. But they did disappear in that situation, for some reason.

Mr. GRAVEL. Correct. So if we were to tick off these fish and say, if we are trying to fix the cause of the problem, I think we probably would agree, the Senator from Washington and I, that with menhaden, if there is a problem, it would be caused by U.S. fishing.

The California sardine, the Senator from Washington stated just a moment ago, was also placed on this overfished list as a result of U.S. fishing. That would give us 2 of the list here of 14 that have been caused to be in the overfished by the actions of U.S. fishermen.

I wonder if the Senator might be aware

of any of the other fish on this list, whether or not they are overfished because of U.S. or foreign effort? Maybe he could give me some additional information in that regard.

Yellowtail flounder, for instance. What is the cause of that?

Mr. MAGNUSON. I will say to the Senator from Alaska that this information is the best information we can get.

Mr. GRAVEL. But the chart does not say who caused the fish to be placed in that overfished area. That is what I am trying to find out for the edification of the body.

Mr. MAGNUSON. If the Senator will read it, we have the committee record replete with the reports from the fisheries experts and such people as to why. I suspect that whatever foreign fishing is going on is not going to help the problem.

Mr. GRAVEL. Certainly, the Senator knows that I agree with him in that respect. But I think it would be enlightening to try to fix where the problem is, and what has caused the problem. So we have 14 fish that the Senator has on that list that have been overfished and, so far, he has identified two of that 14 that are overfished because of U.S. fishing efforts. Obviously, the 200-mile bill is an effort to take a ribbon of sea around our country in order, under this legislation, to bring about some conservation. But if, in this particular case, we have two of the 14 that we have identified that are being overfished by American fishermen, we obviously can pass laws to correct that situation without disrupting the entire international community or risking the success of the Law of the Sea Conference.

Mr. MAGNUSON. The purpose of the management part of the bill, title II, is to correct the situation, either with American overfishing or foreign overfishing, so that the stocks will be taken care of and conserved. I cannot argue with the Senator from Alaska. According to the best information that we have the overfished stock are as follows: Yellowfin sole they say is overfished due to foreign fishing; Alaska pollock is foreign; Pacific Ocean perch—foreign fishing—I know that personally. As to Atlantic halibut, everybody knows about that.

Mr. GRAVEL. That has been overfished by whom?

Mr. MAGNUSON. By the foreign fishermen. And the Pacific halibut has been overfished by the United States.

Mr. GRAVEL. The Pacific halibut is foreign? I have it in reverse.

The Pacific halibut has been overfished by the United States and the Atlantic halibut has been overfished by foreign.

Mr. MAGNUSON. That is right.

The Bering Sea herring have been overfished by foreigners, and the Bering Sea shrimp has been overfished by foreigners. The haddock have been overfished by foreign fishermen.

Mr. GRAVEL. Is there no U.S. fishing of haddock? Have they contributed also to the overfishing?

Mr. MAGNUSON. No, not at all. That is not the information we get. They fish the stock, but did not contribute to overfishing.

Decline of the yellowtail flounder is due both to U.S. and foreign fishing, which ought to be corrected by the management processes.

Mr. GRAVEL. Very good.

Mr. MAGNUSON. The California sardine is particularly a U.S. problem, as is Pacific mackerel.

Mr. GRAVEL. I did not hear the Senator. Was the Pacific mackerel caused by U.S. overfishing or foreign?

Mr. MAGNUSON. That is a U.S. problem.

The Atlantic sea scallop was a Canadian problem and the Atlantic bluefin tuna is United States.

I do not quite agree with that. I think that is a combination of everybody.

Mr. GRAVEL. I would be willing to agree with that.

Mr. MAGNUSON. This is the best information we get. The Senator from Washington is not a scientific expert on this matter.

Mr. GRAVEL. Nor is the Senator from Alaska.

Mr. MAGNUSON. But by creating management rules, we hope to preserve our stocks no matter who is fishing them. But much of it, the substantial part of it, is foreign.

Now, to fully utilize the resources we should not stop the foreign people from coming in. I suppose utilize means—I have seen ships, and the Senator from Alaska has seen the ships—I wish we had room in this Chamber, as I said yesterday, to show them. Some of them look like ocean liners out there taking on the Russian ships and Japanese ships.

But what we are trying to do is to conserve all stocks. We will have rules and regulations on U.S. fishing just the same as we have on foreign fishing.

Mr. GRAVEL. Well, I think there are two facets, as the Senator stated——

Mr. MAGNUSON. Anyway, I hope the Senator's inquiry of yesterday is cleared up. I hope this clears it up. This is the best information we have. I challenge the last on the bluefin tuna. I am not sure it is correct, but that is only part of it. Much commercial tuna is overfished in the Atlantic. There is very little.

Mr. GRAVEL. Let me just state that I agree with the Senator from Washington—it probably is the best information he has. It is the best that I have. We both have the same sources. We may just have some errors in typing or interpolation. But I would add two more to this list. The information I have—menhaden is not on this list. That is up on the fully utilized. I do not know, the information that I get is that menhaden should be in the overfished category, and I think the Senator from Washington agrees with me, so that would make it 15 stocks overfished.

I would add another, barracuda. There is a moratorium on fishing barracuda. They are almost extinct, so I would say we have 16 fish being overfished.

Let me add I also agree with the Senator from Washington with respect to the management section that something should be done. There is no question something should be done about it, and I would support the management section, with the caveat that my amendment, which is at the desk and will be taken up in due course is adopted.

I hope, however, we can agree between us, the proponents and opponents of this legislation, that the heart of the matter is the stocks being overfished, and that the blame for the problem—and this is a little interesting, I have done a little arithmetic, and—I wonder if I could have the attention of the Senator from Washington, because if he disagrees with my conclusions it would be important to note this. In adding up the various stocks, and I have added on two more, barracuda and menhaden, as being overfished, making 16—when you add up those as being overfished, you see that 6 of these stocks are overfished because of foreign fishing efforts; 6 of these stocks are overfished because of U.S. fishing efforts; and 4 of these stocks are overfished because of U.S. and foreign fishing efforts. That totals 16 stocks, and I would fix the blame for the problem in this way.

Would there be any dispute by either the senior Senator from Washington or the senior Senator from Alaska as to the interpretation of the way I have outlined it?

(At this point Mr. CULVER assumed the Chair.)

Mr. STEVENS. We might differ, Mr. President, with my colleague from Alaska on some minor details. I do not think we have any major argument. We relied on the people who appeared before our committee, and the research that was done by the National Marine Fisheries Service, to give us this partial list. I would emphasize that this is a partial list of species of economic importance to the United States.

I ask unanimous consent, Mr. President, that the table be printed in the RECORD so that we will know what we are talking about.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

A PARTIAL LIST OF SPECIES OF ECONOMIC IMPORTANCE TO U.S. FISHERIES SHOWING THEIR PRESENT STATUS

POTENTIAL FOR INCREASED CATCH

Pacific rock sole.
Alaska herring.
Northeast Pacific shrimp.
Sea trouts.
King mackerel.
Mullets.
California anchovy.
Blue crab.
Rock crab.
Jonah crab.
Surf clam.
Ocean quahog.
Gulf of Mexico clupeid.
Oysters.
Hard clam.
Calico scallop.
Pacific salmon.
Skipjack.

FULLY UTILIZED

Atlantic mackerel.
Red hake.
Silver hake.
Atlantic herring.
Atlantic squid.
Bering Sea cod.
King crab.
Tanner crab.

Pacific hake.
Atlantic cod.
Atlantic ocean perch.
Bluefish.
Menhadens.
American lobster.
Gulf shrimp.
Eastern Tropical Pacific Yellowfin tuna.

OVERFISHED

Yellowfin sole.
Alaska pollock.
Pacific ocean perch.
Pacific halibut.
Atlantic halibut.
Bering Sea herring.
Bering Sea shrimp.
Haddock.
Yellowtail flounder.
California sardine.
Pacific mackerel.
Atlantic sea scallop.
Northwest Atlantic shrimp.
Atlantic bluefin tuna.
Total number of species: 48.
Species with potential for increase: 18.
Fully utilized species: 16.
Overfished species: 14.
Percentage of total number of species fully utilized or overfished: 62 percent.

Mr. STEVENS. We do not try to draw a distinction between United States and foreign efforts in regard to the conservation goals. We seek a conservation goal which includes within the protection of this bill not only those species which are shown on this partial list, but all of the different species of the living resources of the sea which we consider to be of primary interest to the United States. As the chairman pointed out, the line is arbitrary.

We could have gone further or we could have made it a narrower zone but, as a matter of fact, we chose 200 miles because there is a consensus in the Law of the Sea Conference for an economic zone of 200 miles. We sought a vehicle to put into effect, on an interim basis, some mechanism for the protection of the living resources of the seas for future generations. That mechanism is the regional council management mechanism that is in this bill.

The Senator might argue as to whether menhaden is overfished or fully utilized or whether or not there is any potential for increased catch. The opinion of the experts may vary with regard to a particular species. We know, for the fisheries where we already have good interstate cooperation, such as halibut, or where we have good State programs such as in our own king crab fishery in Alaska, that there have been studies made, and that those studies show the present level of utilization. There have been plans made for conservation practices to be followed. The difficulty is that there has now arisen a serious question as to who has the right to enforce conservation principles beyond the 3-mile limit or to set up a mechanism so that they will be self-enforcing, which is really our goal if you examine this bill carefully.

In addition, there is no mechanism at all for enforcing conservation goals upon foreign fishermen who have practiced the so-called pulse fishing off our shores for so many years.

Pulse fishing occurs when a fishing fleet fishes so hard on a particular species that it continues to fish until there is no return, and then moves on to another species.

We think we have the capability to increase the U.S. effort in the bottom fish area. We think we have the capability for increasing the catch of those species listed in the first category of that partial list. The difficulty, as explained to us in the hearings we held throughout the country—and I call the Senator's particular attention to the hearings I held in Alaska—is that every time the domestic fishermen try to enter an area that has in fact been occupied by foreign fishing fleets they have gotten chased out.

We have for example the incident in which the prize of the Alaska fleet, the *Viking King* and the *Viking Queen* went out to those fishing grounds for the first time. A foreign trawler grabbed their gear and stripped out their winches. They literally had to return to the dry dock for repairs.

Under those circumstances we have no alternative but to set up a constitutionally sound mechanism to manage the living resources of the sea off our coasts. I think it would be futile for my colleague and me to argue whether Atlantic squid is or is not overfished. We are not capable of making that determination. At least I am not capable of making that decision. I want to set up a mechanism by which the people of the region affected can select those whom they think are capable of managing their fisheries. Those managers will comprise the regional council which will hire the experts, utilize the resources of the Federal Government and the affected State governments, and determine what the optimum yield of a particular species should be.

I want to emphasize, as far as I am concerned we are not talking about an economic matter. We are talking about a limit on the taking of those species when it is necessary from a biological point of view for their protection. We are talking only about conservation and the protection of the species involved.

So to a great extent I am afraid my colleague's queries and the individual species approach misses our point.

We are not talking about any particular species. We are talking about conservation concepts and goals that we think are necessary in order to prevent further species from being placed on that overfished list and, to enable the overfished species to recover and become fully utilizable from a commercial point of view. That is from the point of view of utilizing these resources for our own food supply and that of the world.

But if we do not do that, if we do not act soon, I am willing to predict that 2 years from now those fully utilized categories will be down in the overfished area and the potential for increased catch will be practically obliterated.

Mr. GRAVEL. Will the Senator yield on that point?

Mr. STEVENS. We are dealing with a matter of great urgency.

Mr. GRAVEL. Will the Senator yield on that point?

Mr. STEVENS. Yes.

Mr. GRAVEL. Why would that happen if in many of these areas we have existing treaty agreements?

Mr. STEVENS. Well, I am sorry——

Mr. GRAVEL. An agreement to fish at a certain level, if it is recognized at that level, why would that start to deteriorate unless there is an error in judgment as to what the maximum sustainable yield is?

Mr. STEVENS. My colleague heard my statement, I hope, about the mackerel situation, which is the most current problem we have. On the east coast, we had a mackeral quota with the Russians. It was, as I understand 100,000 tons. Our observers told us they thought the Soviets had exceeded their quotas, by an estimated 10 percent. We took that information to the international meeting. The Russians themselves admitted they had overfished by 100 percent.

How do we know what overfishing has occurred unless we have a mechanism for control based upon a quota system where we have an accurate accounting, as we do have, incidentally, in our own fisheries where it is voluntarily imposed upon the fishermen by their own desire.

We also have the halibut situation on the Pacific coast where there is a good working agreement with one exception. We do not have any control over the foreign fishing fleets. We know now they are taking baby halibut as they come over the lip of the Outer Continental Shelf, but we have no enforcement mechanism to stop them.

It is like playing football when the guys on the other side are running around the track. If they are not on the same field we are on, we have no system for control.

Mr. GRAVEL. I hope we will be fair and not just say they do not cooperate. Obviously, by the Senator's own statement, the Russians made this statement.

I happen to know, and I think my colleague knows, this last November we arrived at an agreement with Japan where we would put aboard their vessels some new prototype gear that would permit them to stop taking halibut as an incidental catch.

Mr. STEVENS. Oh, no.

Mr. GRAVEL. That is pretty cooperative of a foreign government that says, "Fine, there is a problem. We recognize it, too. We may not have the technology, so let us go ahead and try to put on something new and solve problems."

That is the way we solve problems—not arbitrarily saying to get off of the seas.

So, we have the agreement made last November, and they are putting that gear on board their vessels and that is to try to avoid taking of incidental halibut.

Mr. STEVENS. I understand we have——

Mr. GRAVEL. It is good will; is it not?

Mr. STEVENS. I understand we have an experiment to see if the incidental catch can be limited. But let me say in regard to incidental catch that incidental it is measured against the species being caught, which in this instance is pollock.

Last year they took 1.3 million metric

tons of pollock. The incidental catch was on the order of 500,000 tons but it is not incidental to the halibut because our fishing fleet caught less halibut intentionally under their own quotas than the foreign fishing fleets caught incidentally to their fisheries for pollock.

Mr. GRAVEL. That is obviously why they then agreed to try to correct the situation.

Mr. STEVENS. The margin of error still exceeds what we are allowing our people to catch.

Mr. GRAVEL. That is obviously why they agreed to solve the problem.

I do not think anything is gained by beating the problem to death.

We are taking about solutions. If we continue to say, "Here is the problem" and then repeat this, as if we are all idiots—I admit the problem is there. Let us do something about it.

Mr. STEVENS. All right.

Mr. GRAVEL. What I am saying is that they recognized the problem last November without the 200-mile bill, without the Law of the Sea Conference. The Japanese agreed to take some new equipment on and try to solve the problem with technology.

Now maybe the Senator has some magic wand we can wave, but I think this is a good faith effort.

Mr. STEVENS. I would do to them the same thing we do to our fishermen. We do not allow them to fish in that area when the fish are coming over the lip of the Shelf.

Mr. GRAVEL. They can do that.

Mr. STEVENS. Just a minute please, let me answer.

They have agreed to some kind of gear limitation, but not abstention which we have imposed upon our people. We prohibit our people from going out with gear which could be used for bottom trolling.

Mr. GRAVEL. Can we not do that?

Mr. STEVENS. If they come into our zone they are not subject to our management control and know that they are not going to be arrested if they use bottom gear. They are going to come in, all year long and fish for juvenile halibut as they swim over the lip of the Continental Shelf. The great problem in management is enforcement and mutual cooperation. Our fishermen have quotas set when they go out. They come back with a quota. It is an economic thing.

We do not set quotas on our people. Our people set quotas on themselves to protect the stocks.

I think we have led the world in this concept. The difficulty is that we do not have any policemen in that 200-mile zone. There are none.

The American concepts of the 3-mile territorial sea is to exclude anyone from intruding on that zone.

We are trying to remedy a difficulty in the American system in this bill, by setting up the framework for management of the living resources of the seas, primarily by the people involved in that area. They will set goals which will let the economics of the fishing industry be determined in the normal supply and demand.

Mr. GRAVEL. I have already stated I agree that we have got to do something from a management point of view. But I think it should be understood, as the Senator agreed with me except for probably a minor technicality. I repeat his arithmetic again. Of the stocks overfished, six are overfished because of American effort, six because of foreign effort, and four because of United States and foreign effort.

So I think it is a little difficult for us to justify holding them out.

I think we have got a problem the foreigners have helped create and we have helped create. That is why—and the committee has done it properly—that is why the committee saw fit to do something in the management area.

I am with the Senator on that. I have a slight amendment that I will offer with respect to protecting Alaska's primary interest. But I am with the Senator. I agree that something must be done from a management point of view. I just want to focus the parameters of this discussion, to indicate what the heart of the matter is. The heart of the matter is these 16 overfished stocks.

I hope the Senator is not trying to tell the Senate that the potential to be fully utilized is unprotected in those categories as they stand. My colleague knows we have multi- and bi-lateral treaties which protect those species.

Mr. STEVENS. I disagree 100 percent with my colleague. We know the Chinese are building the biggest fishing fleet the world has ever seen. What bilateral agreement do we have with China on salmon? What bilateral agreement do we have with Poland on menhadden? We have bilateral agreements with other nations and all they do is guarantee the foreigners a quota before the U.S. fishermen get there.

Mr. GRAVEL. My colleague is speaking too fast. He knows we have a bilateral agreement with Korea and China.

Mr. STEVENS. Poland is not a party; Red China is not a party.

Mr. GRAVEL. Korea is a party to the same abstention agreement; 1972 is when it was passed and signed. So Korea is covered.

I will agree China is not covered. I will agree. Anybody can come in right now into the North Pacific fishery and fish our salmon. That is the reason why it is so important to get the law of the sea. That is obviously the reason why.

Mr. STEVENS. Let me remind the Senator why Korea is not east of the abstention line. The day that the first Korean fleet came across the abstention line to fish for our salmon—and the Senator joined me in this effort—we put an amendment on the foreign aid bill and cut off their foreign aid until they left. They left the next day and have not come back yet because they are still getting foreign aid. I do not know how long that will last.

Mr. GRAVEL. They signed an agreement.

Mr. STEVENS. They have not signed a treaty on the abstention line.

Mr. GRAVEL. They signed it in October of 1972. The Koreans have signed the agreement, taking the same abstention line as the Japanese have taken.

Mr. STEVENS. I do not recall an amendment to the North Pacific fisheries treaty being submitted to the Congress. There may be an executive agreement but that is not the same under international law as far as this is concerned.

Mr. GRAVEL. It is not an executive agreement. We will get a copy of it for the record, so that the record will be clear.

Back to the other point: There is no question that fish can be threatened if everything goes to hell in a handbasket, which, of course, might well happen under this legislation. If we go ahead and take 200 miles unilaterally, it will create anarchy on the seas. It will be "Katy, bar the door. Everybody grab what you can and do what you want." We do not have enough destroyers, we do not have a defense budget big enough to put a destroyer beside every fishing vessel in the Pacific or Atlantic to protect the interest that the Senator is trying to define.

Let me repeat the statement I made yesterday. All this legislation then becomes is a cosmetic political effort, a political act to pacify the fishing interests of the State when in fact they get nothing.

I would hope we could continue the dialog I want to pursue here, which I think is very important. If we agree that the reason for the legislation that the committee and the managers of this bill have come forward with, which they say we have to act on now and not wait until March 15 when the Law of the Sea Conference will convene again—if the reason for the panic is because of these 14—and I have added 2 more, barracuda and menhaden—16 species of fish that are overfished—if that is the case the Senator is making, I agree with him that we have to do something about that.

Does the Senator agree with me?

Mr. STEVENS. Is my colleague asking me a question? Do I agree with him?

Mr. GRAVEL. Does the Senator agree with me that the problem or the reason why the committee has come forward to act in panic on this issue is because of these stocks of fish being overfished? The shrill statements are made, "Our fish are being raped. We have to do something now." What I am trying to do is get an agreement with the Senator that these are the rapees? Are these the rapees?

Mr. STEVENS. When I first started practicing law I heard a story with regard to that. That is the reason I am smiling. I do not care who is the rapee or the rapor.

Mr. GRAVEL. I care who is the raper. I just made the case that the raper is both the United States and the foreign fishermen, not just the foreigners. We know who the rapor is. Are these the rapees?

Mr. STEVENS. I do not think we are in a rape case. I think we are dealing with a concept of conservation, which has been endorsed by the National Fisheries Institute, which is the effective spokesman for the American fishing industry. In the past they have opposed this bill, but they now say, "Give us the mechanism for setting up a control over the fisheries off our coast."

The spokesmen for the American fishing industry say they are willing to submit to some kind of a management scheme, provided we use a regional concept taking into account local differences. In order to establish that, to make it workable, it must apply to the foreigners, as well. I am not coming before the Senate and saying we are here solely because of the rape of our commercial fisheries, which I incidentally, happen to believe. I think the foreign fleets are vacuum cleaning the bottom of the sea off our shores and we are asleep. I asked someone at one hearing what would happen if those Russian vessels were drilling for the oil off Alaska? Just how fast would this Congress have acted to protect that oil?

But they can come and take the fish and they can overfish, as they have, year after year after year, and only when we have gotten to the point where we have some statistics about overfishing do we apparently get some attention.

What we are trying to do is to prevent the growth of overfishing.

The Senator can add three more to that. Someone told me there should be several more Alaskan species that should be on there. That is not the point. The point is that the list will grow no matter how large it is now unless there is a management scheme. The domestic fishermen want that scheme. They do not want us setting economic goals for them or allocating boats for them, but they want us to give them a lawful, constitutional mechanism for limiting the catch of commercial species off our shores and they want that mechanism to apply to foreign fishermen equally as it does to domestic fishermen.

Mr. GRAVEL. If that is all they want, and I want to understand it very clearly because it is very important in this regard, if all we want is to protect the overfishing, the rape of these species——

Mr. STEVENS. No, that is not all we want. Maybe I am not very articulate. I do not care how many species are on the list that is overfished. They want a mechanism for conservation of all the species.

Mr. GRAVEL. Let us say that. What the fishing community wants is to be able to guarantee that they can conserve the stocks that are off our shores. Is that what they are after? It is a conservation method the Senator wants which will give this protection. Is that what the Senator wants?

Mr. STEVENS. Again, what we seek, in this bill, is a conservation goal, not an economic goal.

Mr. GRAVEL. If I were to just presto give the Senator a conservation method of doing this, would the Senator then still want the 200 miles?

Mr. STEVENS. My colleague will not mind if I just smile a little bit and say I would like to see it first. If he has it, bring it up. We do not say we have invented the wheel with this bill, but we do say that we have a bill now that has the support of the sports fishermen, the commercial fishermen, the conservation organizations, and anyone who has been involved in this thing other than those negotiating for the State Department. The list does include, however, some of those who used to negotiate for the State Department and who now support the concept that is in this bill, knowing that interim legislation is needed to protect our stocks until there is an international accord setting up a conservation mechanism for the protection of fisheries stocks that is acceptable throughout the world. We are saying it is time for us to stand up and protect our resources so they will not be further depleted. If that is what the Senator is asking, I say yes.

Mr. GRAVEL. First off, nobody questions that we all want to protect our resources. Nobody questions there are a lot of people for the 200-mile bill. Nobody questions that the only thing a lot of people understand about the 200-mile bill is just the words "200 miles." They do not know what the impact will be. But how about when we develop for people the fact that if we move unilaterally this will cause other nations to move unilaterally and that we will have American fishermen who will be harmed?

I see the Senator from Florida in the Chamber. He represents a State which has been sorely hurt as a result of this because of what we did to the Maine lobster on a unilateral basis, and what the Bahamian Government has now done to the lobster fishermen from the State of Florida.

So it does not make much sense. You can tell me some are for it; but I am not for a proposal that robs from one part of the country to try to give to the other part of the country.

I see also in the Chamber the Senator from California (Mr. Tunney), who has economic interests in his State which will be harmed by this 200-mile taking. Many of those fishermen who leave his shores in California and go to other States or nations to fish off their shores will be hurt by this legislation.

I am sure we can find support on various facets of this. But we want to keep in mind one thing; what is the national good in this regard?

The national good is that we want to get a law of the sea agreement, because in that agreement we will have that 200-mile limit. But unless we get it through that international sovereign fashion, what we are going to get is sand sifting through our hands, and that I do not think we can tolerate.

Mr. TUNNEY. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to yield to my colleague from California.

Mr. TUNNEY. Mr. President, I would like to take this opportunity to reaffirm my strong opposition to the Fisheries Management and Conservation Act (S. 961). I understand the purpose of S. 961 to be:

> . . . to protect and conserve valuable and necessary fishery resources, . . . which contribute to the Nation's food supply, economic strength, health, and recreation . . .

The sponsors of this legislation are concerned because they believe that the Nation's fisheries are "depressed industries—due to the absence of adequate fishing management and conservation practices and controls."

While this may be an accurate description of our Nation's coastal fishing industry, it totally misrepresents the situation of our largest and most efficient fishing industry—the U.S. tuna industry. During the previous year, the tuna industry accounted for the following: 68 percent of the total U.S. production of canned fish and shellfish; 73 percent of the total value of U.S. canned fish and shellfish production; 21.3 percent of the volume of domestic landings of all edible commercial fish and shellfish—industry fish excluded; 18.4 percent of the value of domestic landings of all edible commercial fish and shellfish; and 32.6 percent of all domestic landings of edible fin fish—shellfish excluded.

S. 961 embodies a grave threat to the continued economic viability of commercial tuna fishing by U.S. fishermen. The negative impact on the tuna industry offsets whatever benefits that S. 961 contains for coastal fisheries. I cannot support legislation that "robs Peter to pay Paul."

Mr. President, during Monday's debate Senator Magnuson referred to the abundance of misinformation which has pervaded our consideration of S. 961. I cannot agree with him more in regard to the way in which this bill would effect the tuna industry. Consider the following excerpts from the Record:

First, on December 19, 1975, it was stated that "this bill has nothing to do with tuna." Mr. President, this is not the case. Perhaps I should paraphrase the invitation which was recently extended by Senator Muskie to Senator Gravel: "If the proponents of S. 961 would come to California and persuade my tuna fishermen that that is not the case, then it would be much easier for me to join with them in their position."

Second, it was also stated on December 19, 1975 that "we do not fish off the shores of another country." This statement is also in error. In the Eastern Pacific, the U.S. tuna fleet fishes off the coast of 12 countries. In the Central Pacific, the U.S. tuna fleet has fished off the coasts of Australia, New Zealand, the Trust Territories, and many islands owned by France and the United Kingdom. In the Western Pacific, the U.S.-flag tuna vessels have fished off Indonesia, the Philippines, New Guinea, and islands of the Trust Territory.

In the Caribbean and the Atlantic, the U.S. tuna fleet fishes off the coasts and islands of over 20 countries.

Based upon statistics compiled by the international commission having the duty to make conservation recommendations for tuna caught in the Eastern Pacific, a 200-mile limit applied by 13 countries would eliminate 2,113,831 square miles from the regulatory area. This new zone of national control would be equal to an area the land size of the United States.

Third, I would like to correct another statement that appeared in the Record on December 19, 1975, which reads: "There is not a bit of tuna left in the Atlantic commercially, because we did not have conservation." In reality, approximately 300,000 tons of tuna was caught commercially in the Atlantic Ocean in 1975.

Mr. President, misinformation and erroneous conclusions are also rampant in the Commerce Committee report on S. 961. For example, the report states that:

> Title I explicitly provides that highly migratory species of fish (e.g. tuna) are not within the exclusive management authority of the United States. Such species shall be managed solely pursuant to international fishery agreements established for such purpose.

The separation of highly migratory species is unsound in theory and unrealistic in practice. The net effect of the S. 961 approach to providing new safeguards for coastal fisheries would be a de facto removal of protection for our distant water fishing industry. The bill purports to provide protection to the entire U.S. fishing industry. In fact, the bill divides U.S. fisheries into two groups. S. 961 sacrifices the U.S. citizens engaged in high seas fisheries in favor of purportedly protecting the U.S. citizens engaged in coastal fisheries.

My final and most important objection to S. 961 is the fundamental approach which it takes in addressing international fishery management and conservation problems. Mr. President, the ultimate solution lies in international accord; not in unilateral action by the United States. If S. 961 is enacted, what leverage will the Secretary of State have to negotiate access for U.S. fishermen into the waters off foreign coasts?

I ask my colleagues to consider a much broader question: Once the United States sanctifies unilateral action by the passage of S. 961, we may very well have set the foundation for future unilateral claims for zones of sovereignty, for zones of pollution, for zones of scientific research, for zones prohibiting military vessels or nuclear-powered vessels, or for claims of zones that justify any current political or economic whim of a government.

I implore my fellow Senators to reject S. 961 and instead instruct the President to push for prompt and appropriate action by the participants in the Third International Law of the Sea Conference. At a time when the worldwide allocation of scarce resources and materials is of increasing global concern, unilateral action is a bankrupt foreign policy.

Our very distinguished chairman knows that I have long opposed this legislation. I can understand why he feels that it is important. There are fishery resources off his coast which he feels are important to protect by taking this kind of unilateral action.

I, however, feel that it would not be in the best interests of either my State or the country to have this legislation passed. I am deeply concerned not only about my tuna industry, which I think would be adversely affected, but I am also concerned about the precedential impact of the United States, the greatest power in the world, unilaterally extending its boundaries into the sea.

I am particularly concerned about what is going to happen in the future, as the nations of the world begin to lay claim to the seabeds beyond which we now have treaties covering those natural resources that may be found in the oceans.

I just do not think that it is wise for the United States to take this action at this time. I also am concerned about the different implications of coastal States claiming territorial jurisdiction out into the sea in a way which might prevent the American Navy, American warships, from sailing freely in the oceans of the world. Inasmuch as we are a very strong naval power, inasmuch as we have great international commerce and shipping by water, I just cannot, in my own mind, justify the action being taken.

However, as I say, I have great respect for my distinguished chairman. I understand his reasoning on this matter, but on this one I have to disagree with him.

Mr. MAGNUSON. Mr. President, will the Senator yield for one question?

Mr. TUNNEY. I yield.

Mr. MAGNUSON. I have explained this over and over, as has the Senator from Alaska. This legislation has absolutely nothing to do with navigation. I went through this 18 years ago in Geneva, when they wanted to extend the limit to 12 miles. This bill has absolutely nothing to do with navigation. Saying that is like seeing a Halloween goblin. Do you think anyone will stop navigation going through the Straits of Gibraltar because we want to protect our fishery resources.

Mexico now is claiming a 200-mile limit, and it seems to me that to negotiate with Mexico, which would involve a lot of my friends and yours in the tuna industry, we have to deal from the same deck. We cannot go into this game with us not having anything and them having the 200-mile limit.

I know that a lot of tuna fishermen in San Pedro are worried, and they are very vocal; but I know of a few thousand up in northern California and southern Oregon where the ocean perch, which they live on, are gone, absolutely gone.

As to the tuna thing, we catch tuna within the coastal zones of nations which already have 200 mile zones. There is a tuna agreement. So I hope that between now and tomorrow the Senator will change his mind on this issue, because I do not see any valid argument from the tuna people at all. May I have the attention of the Senator from California?

I think the argument that somebody is going to retaliate on navigation or air space because we protect our own fisheries is ridiculous. They would have not standing any place to do that. That would be like saying the Sultan of Morocco and the King of Spain are going to say nobody can go through the Straits of Gibraltar because the Americans want to fish their own fish off their own shores. How ridiculous can you get?

The military worries about this all the time. They opposed the 12-mile limit. As a matter of fact, at one time I thought at Geneva they were going to oppose the 3-mile limit. There is no indication whatsoever that there would be retaliation in that way. Navigation is going to be taken up by the Law of the Sea Conference, navigation and an economic resource zone. Someone said to the Senator from Alaska, why should we not do this for minerals? But the minerals are going to be there; the oil is going to be there; but the fish—look at that chart—are going down and down and down. Imports of fish are going up and up and up, and the foreign catch is going up.

I do not know what those who oppose this bill suggest we do. What does the Senator suggest we do?

Mr. TUNNEY. I would like very much——

Mr. MAGNUSON. Just sit here and let it happen?

Mr. TUNNEY. No, I——

Mr. MAGNUSON. Sit year after year after year, and wait for something? The Law of the Sea Conference is almost like Alice in Wonderland.

The Senator will remember that in our committee, I was the one who suggested, "Let us hold this up." We passed this bill already once in the Senate; but I suggested we hold it up and give them a chance in Caracas. Remember?

Mr. TUNNEY. Right.

Mr. MAGNUSON. We gave them a chance in Caracas, and all they did in Caracas was pass resolution to meet in Geneva; and then in Geneva they passed a resolution, after months, to meet in New York. The next thing they are talking about is going to Vienna. That is a great seaport, you know.

Mr. TUNNEY. I share my chairman's frustration.

Mr. MAGNUSON. I just do not understand. If anyone had a better suggestion as to what we should do, other than sit here and watch our fish stocks go down and down and down—I would like to know. Imports of foreign fish have gone up and up and up. Our balance of payments has been adverse for several years, and we are the world's largest consumer of fish products.

I want to build up these stocks, and to encourage our people to fish, California people and others. I just do not know what other answer there is. Is the answer to sit here and wait for the State Department to make an agreement?

This has gone on for seven conferences that I know of. I do not know where they picked these people to go up there and head our delegation. I know little about the new man who is going up there now, except that he has a very successful business background. We are dealing with people, in this Law of the Sea Conference, with cabinet ministers who can make a decision right at the table, for all these fishery matters.

We have this fellow, I do not know what his background is, he is probably one of the nicest fellows in the world, but his only experience with fish, I think, has been eating some pickled herring in the board room of IBM. And we have been frustrated all these years.

Mr. GRAVEL. Mr. President, if the Senator will permit me to make one correction, he did win the Bermuda race.

Mr. MAGNUSON. What?

But he will say "We can wait, sure, we can wait." The administration says, "We are for the Law of the Sea Conference."

The President of the United States in questions asked him in Seattle, up in Maine, in New York, said: "Yes, we are all for the 200-mile limit, but wait."

Fish do not wait. The stocks are dying out.

That is the argument of the Senator

from Alaska. He wishes us to wait, wait, wait.

Mr. GRAVEL. The Senator from Alaska does not wish the United States to wait.

Mr. MAGNUSON. I do not know how long we can wait. This is our problem. I wish to know if anyone has a better suggestion.

Wait is all the argument of the Senator from Alaska is; is it not?

Mr. GRAVEL. No.

Mr. MAGNUSON. What is the argument? Is it that we should not have a 200-mile limit?

Mr. STEVENS. Mr. President, will the Senator from Alaska yield a moment?

Mr. MAGNUSON. I had the floor. Who has the floor now?

Mr. STEVENS. Will the Senator yield to me a moment while the Senator from California is here? I wish to do this. I was waiting for him to be here.

Mr. MAGNUSON. I yield to the Senator from California.

Mr. STEVENS. Will the Senator yield to me?

Mr. MAGNUSON. We have talked about this many times. I have not been able to be convinced enough, but I am getting close.

I yield to the Senator from Alaska.

Mr. STEVENS. I understand the Senator from West Virginia wishes the floor for a moment.

Mr. MAGNUSON. Excuse me.

The PRESIDING OFFICER. The Senator from West Virginia.

REHABILITATION ACT AMENDMENTS OF 1975

Mr. RANDOLPH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11045.

The PRESIDING OFFICER (Mr. Goldwater) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 11045) to amend the Rehabilitation Act of 1973 to extend the authorizations of appropriations contained in such act, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. RANDOLPH. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Senators Randolph, Cranston, Williams, Pell, Kennedy, Mondale, Durkin, Stafford, Taft, Schweiker, Beall, and Javits conferees on the part of the Senate.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. STEVENS. Mr. President, will the Senator yield to me?

Mr. GRAVEL. I am happy to yield but I wish to correct one statement.

Mr. Learson, the new Ambassador heading up our efforts in the Law of the Sea Conference, has a slight bit more experience than just eating pickled herring. He has not only been the chief executive officer of IBM, which of course has acquainted him with the international area, but also he has had an avocation which was almost to the point of a profession.

Certainly a person does not rise to these heights without treating it as a profession. Mr. Learson has, I believe, once, if not twice—and I know once, possibly twice—won the very famous Bermuda yacht races.

First, it takes a person with some knowledge of the sea to be able to captain a vessel to do that to the great honor of this country with respect to Great Britain—in competition with Great Britain.

Second, he comes from a very long line of mariners in his family from the Eastern part of the United States.

So I think that it serves no purpose here to belittle the background of the person who will represent us in the United Nations.

Mr. MAGNUSON. Mr. President, if the Senator will yield, I did not belittle his background. I said he is a fine man, but I do not think he knows a great deal about the fisheries problem. I do not know. Maybe he does. I doubt it.

We have scores of experts around the United States who should be heading that delegation.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. GRAVEL. I am happy to yield. In fact I shall yield the floor. I do not wish to monopolize it.

Mr. STEVENS. I wish to have printed in the Record at this point a letter I received from the Sport Fishing Association of California.

I mentioned it to the Senator from California because I wished to make certain he understood that his constituents corresponded with me in this regard.

It points out the fear of the Sports Fishing Association of California that the fleets that are in Mexican waters now have nowhere to go but to come north into the areas off our shores unless we, too, have a 200-mile zone.

Mr. President, I ask unanimous consent that this letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Sportfishing Association of California,
Long Beach, Calif., December 16, 1975.
Senator Ted Stevens,
U.S. Senate, Washington, D.C.

Dear Senator Stevens: In our letter to you dated October 29, 1975, our Association entreated you most sincerely to vote in favor of S–961 (extended jurisdiction of 200 miles) which is in committee and will be heard in the Senate imminently.

You will recall that the letter states the Sportfishing Association of California (SAC) represents the 400 commercial passenger fishing boats in California. Mention was made of intimidation by Russia trawlers and the depletion and near-collapse of most of our fisheries.

Since October 29 you are doubtless aware that the Mexican Congress has adopted the 200-mile extended jurisdiction.

The Mexican port of Ensenada, just 70 miles below the border, is a beehive of activity now with 3 reduction plants capable of reducing 3,000 tons of anchovies daily and a new fleet of 70 purse-seiners capable of supplying much more than that.

The anchovy family is common to Southern California down to below Ensenada and flows back and forth between the areas with the heaviest stable concentration off Santa Monica, Long Beach and Los Angeles.

It's then quite obvious that without the protection of the 200-mile limit the Mexican fleet will be up here catching our anchovies to be reduced by them to poultry and cattle food.

Our letter of October 29 also brought many Senatorial replies as it did ask for your position on extended jurisdiction.

Most of the replies were positive and enthusiastic in their support of S–961.

There were some, however, that were negative and indicated that the law of the Sea Conventions would hopefully settle the maritime nations' conflicts of which fishing is only one.

SAC believes this philosophy is just not realistic.

What is for certain is that the Law of the Sea Conventions are sponsored by the United Nations, a body which our country subsidizes.

However, it's also obvious that the U.N. does not listen to the U.S.A. but does listen to Russia and her satellites on these important issues.

Russia and her fishing satellites are the leading predators in their greed to clean out the resources using any method and schedules convenient to them and to hell with the U.S.A. and the small coastal countries.

It is high time the Congress took action to protect the rights of the U.S., its citizens and resources as well as those of the helpless nations against the predator nations.

We urge the Senate to take that first giant step forward and upward by voting in favor of S–961.

Again, SAC asks that if you have not responded to our request of October 29 stating your position on S–961 that you do so now.

The 900,000 passengers who fish on our fleet annually also urge your positive vote on S–961.

Sincerely,

W. A. Nott,
President.

Mr. GRAVEL. Mr. President, what type of fleet is that which is having to come north? Are those American fleets or foreign fleets?

Mr. STEVENS. Foreign fleets.

Mr. GRAVEL. Foreign fleets and American fleets, is that right?

Mr. STEVENS. This letter says:

> The Mexican port of Ensenada, just 70 miles below the border, is a beehive of activity now with 3 reduction plants capable of reducing 3,000 tons of anchovies daily and a new fleet of 70 purse-seiners capable of supplying much more than that.
>
> The anchovy family is common to Southern California down to below Ensenada and flows back and forth between the areas with the heaviest stable concentration off Santa Monica, Long Beach and Los Angeles.
>
> It's then quite obvious that without the protection of the 200-mile limit the Mexican fleet, will be up here catching our anchovies to be reduced by them to poultry and cattle food.

I think this is true.

Mr. President, if I have the floor, and then I shall be happy to yield, I asked the Senator from Ohio to be here so that we could call up my substitute for the amendment that is the committee amendment on page 71 regarding title IV, the effective date.

Yesterday I secured a unanimous——

Mr. GRAVEL. Mr. President, if the Senator will yield before doing that, I have the information that we disagreed on, and that is the only item I have to introduce.

The PRESIDING OFFICER. The Chair reminds the Senator that it takes unanimous consent to set aside the first committee amendment which is now prevailing.

Mr. STEVENS. Mr. President, with the concurrence of the floor manager of the bill, I move adoption of the first committee amendment.

The PRESIDING OFFICER. Is there objection?

Mr. GRAVEL. Mr. President, reserving the right to object, will the Senator refresh my memory as to what that amendment was so that we will know what is being agreed to?

Mr. STEVENS. It is the amendment which states that the negotiation of any treaties that would have to be modified as a result of this bill would commence not later than January 1, 1977.

Mr. GRAVEL. Yes. I believe that was part of the cleanup minor amendments that we had agreed to that would be treated as original text.

So that there is no misunderstanding, I shall just add to my unanimous-consent request that the passage of this amendment be treated as original text.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. Stevens) proposes an amendment:

On page 44, line 16, strike September 30, 1976, and insert January 1, 1977.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GRAVEL. Mr. President, before the Senator from Alaska takes up the other matter, I wonder if he will indulge me for one brief minute to ask unanimous consent to have material printed in the Record.

Mr. STEVENS. I am happy to do that.

Mr. GRAVEL. Mr. President, I ask unanimous consent to print in the Record a sheet, which I now send to the desk. It is a sheet taken from a book entitled "Alaska and the Law of the Sea," subtitle, "International Fisheries Regime of the North Pacific," by Walter P. Parker. The page I am sending to the desk deals with an agreement—and I shall read it briefly for the edification of my colleague—that we signed.

In November of 1972, the United States and the Korean Government finally reached accord concerning the fisheries of the northeastern Pacific Ocean and the Bering Sea; they signed a 5-year agreement including the following conditions:

I have the conditions here, which shall be printed in the Record.

That is merely to correct a misunderstanding that we had earlier as to whether or not we had agreement with the Koreans. We do have one, and this is the reference in that case.

I wish to further correct the Record so that it will show that we have an agreement that was negotiated and agreed to on December 6, 1975, that denied the Polish the right to fish halibut and salmon in our waters.

So I send this paper to the desk and ask unanimous consent that it be printed in the Record.

There being no objection, the papers were ordered to be printed in the Record, as follows:

U.S.-Republic of Korea Fishing Agreements

When the Republic of Korea began exploratory fishing in the North Pacific and Bering Sea in 1966, it was expected that the nation would develop a groundfish trawl fishery and a high sea salmon fishery. While Alaskans could accept the former, they were certainly not prepared to accept the latter.

The Alaskan congressional delegation actively pushed for an agreement which would prohibit Korean high seas salmon fishing efforts. In November of 1972, the United States and the Korean government finally reached accord concerning the fisheries of the Northeastern Pacific Ocean and the Bering Sea; they signed a five-year agreement including the following conditions:

"The United States agreed to provide technical advice on shellfish sanitation and salmon propagation to Korea. Three loading areas were established within the U.S. contiguous zone in the Bering Sea for Korean fishing boats to transfer their cargoes.

"Both nations agreed to exchange scientific and statistical data and to assist in development of joint participation ventures in commercial fisheries.

"Korea agreed to refrain from fishing for salmon and halibut in the Northeastern Pacific Ocean and Bering Sea east of 175° west longitude. (See Figure 16.)

"The two nations agreed to consult on and limit gear conflicts and to refrain from practices which would result in pollution of the seas."[53]

In the first salmon fishing season following the signing of the above agreement, Korean vessels were accused of high seas fishing for salmon as far east as 160° west longitude. However, the U.S. Coast Guard was unable to catch the vessels in a chase; no firm evidence of such fishing was established.

Thus far, only a small part of the Korean fishing effort has been conducted in the North Pacific. In 1971, seventeen of the 351 boats in the fleet fished off Alaska. They were groundfish trawlers whose catch was estimated at 7,000 metric tons.[54]

The bulk of the fleet will continue to concentrate on tuna, aiming most of its increasing efforts at the skipjack tuna populations of the midwestern Pacific. A survey of trawling and gill netting potential in the southwest Atlantic or the North Pacific is planned in 1974, according to the Korean government's five-year fishery survey program.[55]

Mr. STEVENS. Mr. President, I am pleased to have my colleague's comments.

He said we have a bilateral treaty. We have no treaty with Korea, Poland, or China. We have agreements that have been negotiated. They may be terminated, as I understand it, on notice. They do not have the standing of treaties, and we do not have the protection for salmon that we have with Russia and Japan.

In any event, I understand there are agreements, but there are no treaties.

Mr. GRAVEL. The agreement with Poland is not a treaty. Is that what my colleague is saying? It is an agreement; it is not a treaty?

Mr. STEVENS. It is an agreement with Poland and with Korea. Neither of them are treaties. Neither were submitted to this body for ratification. The Inter-Pacific Fisheries Treaty was ratified. They are not parties to that agreement.

Mr. GRAVEL. Right. We have an agreement with them that they will not fish. I want that clearly understood.

Mr. STEVENS. We have agreements with the Japanese and with the Russians that they will not fish, but every year we are arresting more and more of their boats within our 12-mile zone. I do not know what argument that is. The problem is that there is no effective fisheries conservation regime in the whole area off our shores.

Mr. President, I wish to call up the amendment I have at the desk, now that the Senator from Ohio is in the Chamber. I ask that the amendment, upon which there was a unanimous-consent agreement yesterday for it to be a substitute for lines 3 and 4 on page 71, No. 1187, be called up at this time.

The PRESIDING OFFICER. First, the clerk will state the second committee amendment.

The legislative clerk read as follows:

On page 71, beginning with line 3, insert:

TITLE IV—EFFECTIVE DATE

Sec. 401. This Act shall take effect on January 1, 1977.

The PRESIDING OFFICER. The clerk will now state the amendment proposed as a substitute.

The legislative clerk read as follows:

On page 71, strike lines 3 and 4.

On page 70, between lines 3 and 4, insert the following:

(d) Effective Date.—Except as provided in subparagraph (e) of this subsection, the effective date of this Act shall be the date of enactment.

(e) Enforcement Date.—The provisions of this Act with respect to fishing within the fishery conservation zone and for anadromous species shall not be enforced until January 1, 1977.

Mr. STEVENS. Mr. President, to explain this amendment, we understand the goal to be to allow the Law of the Sea Conference to have this full year to complete its negotiations before we would impose a 200-mile zone, with the hope, still, that they will be able to achieve an agreement through the Law of the Sea Conference.

The Senator from Ohio, according to my information, is responsible for the committee amendment that is the basic pending amendment. It appears on page 71 and says that this act shall take effect on January 1, 1977. I have discussed this matter with him informally, and it is my hope that he will see fit to accept our philosophy in this matter. I tried to explain it yesterday, and I will try to explain it briefly again.

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[53] U.S. Department of State, *Agreement Between the Government of the United States and the Government of the Republic of Korea Concerning Cooperation in Fisheries*, Washington, D.C., 24 November 1972.

[54] Dr. Harry L. Rietz, Alaska Region Director, National Marine Fisheries. 18 March 1974: personal communication.

[55] *Ibid.*, p. 5.

The bill has two basic goals. One is to establish the zone; the other is to establish the management mechanisms within the zone.

The regional fisheries council would take time, necessarily, to be organized and to follow sound constitutional principles of due process before there would be any enforceable fishing conservation regimes that could be followed in these regions. My amendment supports the position of the Senator from Ohio that the 200-mile zone would not be enforced against anybody until January 1, 1977; but, in the meantime, the Governors of the respective coastal States will identify the people they wish to serve on the councils, and they can submit the names to the President. According to the amendment we already have adopted, they must do that within 45 days. The President would then select those he wants to nominate within the next 45 days and submits the names to this body. I asume it will take us at least that amount of time to confirm the nominations of this number of people. A substantial number of people will be involved.

After that, they have to organize themselves within 60 days after the confirmation of their nominations. They have to hire a staff, they have to find quarters, they have to agree to their own internal procedures, and then they have to start to comply with procedural due process requirements in the promulgation of regulations. Once they do that, they will have to provide notice of hearings and promulgate their regulations, and then must submit them to the Secretary of Commerce.

The Secretary of Commerce then must give notice of the promulgation of regulations by the Federal Government, and eventually he will promulgate the final regulations. It is our feeling that it would take 9 months, probably more, before we would have enforceable domestic law—not only enforceable against foreign fishing fleets but also enforceable in the constitutional domestic sense.

What we seek is the same goal that the Senator from Ohio seeks, but I would like to put the management council mechanism in motion with the enactment of this measure, with the hope that the Law of the Sea Conference will reach an agreement and that the management councils will in fact be our domestic fisheries management entities with regard to living resources within the 200-mile zone.

That is the purpose of my amendment, and I will be happy to answer any questions. We think the Senator from Ohio has a very good position. It is consistent with all our goals—that is, the final attainment of an international agreement establishing the Law of the Sea on a new basic that recognizes the new concepts of conservation and environmental protection. We think—unfortunately, we have one disagreement—that it will take longer than many other people think it will take.

In any event, for myself—and I believe I speak for the Senator from Washington, also——

Mr. MAGNUSON. Yes. I cosponsored it.

Mr. STEVENS. We would like to have that agreement, so that we could start the management mechanisms in motion, and we will accept the Senator from Ohio's concept of the January 1 date.

Mr. TAFT. I thank the Senator.

Mr. President, will the Senator yield?

Mr. STEVENS. I yield the floor.

Mr. TAFT. Mr. President, when this matter came up before the Committee on Armed Services, on which I serve, there were arguments both as to what the effect might be of passing the bill with the immediate effective date and as to the probable results on the Law of the Sea Conference.

It was said, on the one hand, that it might speed up the Law of the Sea Conference in taking up the entire question. On the other hand, it was said that it might so discourage other nations at the Law of the Sea Conference that it would harm and deter successful results in fishing areas and other areas in the Law of the Sea Conference in March and at subsequent times in the coming years.

To avoid that question and to give a period of time in which the Law of the Sea Conference would have an opportunity to act, if it wished to do so, I decided—and I offered an amendment—to make the effective date January 1, 1977. That amendment was agreed to by all the members of the committee who were present at the time, and I believe it was agreed to by all members, and the amendment was adopted.

The proposal made by the Senator from Alaska and the Senator from Washington is entirely appropriate. I think there are a couple of questions as to the language that should be cleared up, by way of legislative history. The first of these is that there is no intent, I take it, in the language that is proposed in the amendment, No. 1187, to make it retroactive in any way as to violations before January 1, 1977. The language just says that it shall not be enforced before January 1, 1977. The language, just saying that it shall not be enforced until that time, conceivably might be ambiguous in that respect. I would like to clear that up at this time.

Mr. STEVENS. We would be happy to change that to read that it would not be enforceable before January 1, 1977. That is the intent—that there be no enforcement against any person before January 1, 1977, of the concepts that come out of this bill. On the other hand, it is our intent that all the authority of the councils to commence the promulgation of regulations would be in effect at that date.

Mr. TAFT. I had a little question as to whether the same language as to the enforcement date might go somewhat further as to some of those activities. I wonder whether language such as the following might clear up the problem. Rather than saying "enforced until January 1, 1977," perhaps the amendment can say "shall not be effective for enforcement as to violations before January 1, 1977."

Mr. STEVENS. That is entirely agreeable.

Mr. MAGNUSON. I think this will make the legislative history.

Mr. STEVENS. If the Senator has that written down, we will be glad to modify the amendment.

Mr. TAFT. I have it written.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. STEVENS. Mr. President, I send to the desk the modification suggested by the Senator from Ohio and ask that my amendment be so modified.

The PRESIDING OFFICER. The amendment is so modified.

The modified amendment is as follows:

On page 71, strike lines 3 and 4.

On page 70, between lines 3 and 4, insert the following:

(d) EFFECTIVE DATE.—Except as provided in subparagraph (e) of this subsection, the effective date of this Act shall be the date of enactment, but the provisions of this Act with respect to fishing within the fishery conservation zone and for anadromous species shall not be effective for enforcement as to violations before January 1, 1977.

Mr. TAFT. Mr. President, I think that the amendment, as modified, is wholly satisfactory.

I just want to say a few more words covering a subject which I brought up in the supplemental views that I filed in the Committee on Armed Services report, on page 9, which really motivated, in part, my taking a look at the effective date question.

In certain conferences with public officials and other prominent citizens of other nations, but on an informal basis, in discussing the entire matter, I found that there was a very common lack of understanding of the purpose of this bill. I found that the general understanding internationally was that the bill would apply to all types of control of undersea resources, of shipping, of everything else. I felt that that was something that should have been cleared up, and should have been cleared up long since, by the American delegation and by the State Department.

I feel now that one reason for delaying the effective date and to delay it until after the law of the Sea Conference has a chance to act is to make that clear to the international community. There should be a very clear understanding on the part of the international community that this bill applies only to the question of reasonable regulation of fishing and absolutely nothing else. I believe it is incumbent upon our State Department to make that known throughout the world, if this bill is passed, and I fully expect that it will be passed. To do otherwise, it seems to me, would be to work against our own interests with respect to having a positive result of the Law of the Sea Conference.

If, indeed, the purpose were to go beyond a mere fishing area, I am sure that many Senators, including myself, would have serious doubts about the legislation.

But with the limitations involved here, I believe we can get a common understanding that there are not going to be any of the reactions and repercussions that so many fear. As has been pointed out by the distinguished Senator from Alaska, it is in the interest of all the fishing nations to agree to a regulation of this kind. I want to make that clear at this point. It is related, of course, to the subject of the amendment which I propose.

Mr. STEVENS. I thank the Senator.

Mr. TAFT. I yield the floor.

Mr. GRAVEL. Mr. President, I ask unanimous consent to have printed in the RECORD two fact sheets dealing with international law and the effect of this legislation on our treaties.

There being no objection, the fact sheets were ordered to be printed in the RECORD, as follows:

S. 961 VIOLATES INTERNATIONAL LAW

CLAIM

S. 961 is consistent with international law.

FACT

S. 961 makes exclusive, unilateral claims to ocean space. International law, however, forbids the unilateral or exclusive claim to ocean space beyond a 12 mile contiguous zone. Louis Sohn, Professor of International Law at Harvard University and a leading authority on ocean fisheries matters, states: "The practice of states since 1960 shows there is general agreement that a state can extend its fishing limits to 12 miles . . . On the other hand, there is no basis in customary international law for an extension of a fishing zone to 200 miles."

CLAIM

The "Truman Proclamation" on fisheries conservation is a precedent for unilateral action recognized in international law.

FACT

President Truman proclaimed a fisheries conservation right on the "high seas contiguous to" the coast of the United States, at a time when international law was neither codified nor generally agreed to on this matter. Furthermore, this action was not taken in the midst of U.N. negotiations on the matter. In any case, the claim contained limitations of critical importance. It was limited to areas in which only U.S. nationals fished and it applied only to U.S. nationals. Any conservation regulations for foreign fishing had to be undertaken by negotiations.

CLAIM

S. 961 is consistent with a developing trend in international practice to more extensive claims to fisheries jurisdiction on the basis of "preferential rights" of coastal states.

FACT

In the recent Icelandic Fisheries Case, involving a unilateral claim to a 50-mile fisheries zone, the International Court of Justice noted that existing international law did not grant to coastal states the right to extend their jurisdictions unilaterally or on an exclusive basis. Far from declaring such practice a growing trend, the Court stated: "The concept of preferential rights is not compatible with the exclusion of fishing activities of other states. . . . A coastal state is not free, unilaterally and according to its own uncontrolled discretion to determine the extent of those rights. The characterization of a coastal state's rights as preferential places a certain priority but cannot imply the extinction of the concurrent rights of other states."

CLAIM

S. 961 will help further negotiations at the Law of the Sea by bringing pressure to reach an early agreement.

FACT

U.S. unilateral action, as contemplated in S. 961, will bring unilateral retaliatory action by other nations. It is naive to assume that a unilateral and illegal assertion over ocean space will be met with a hastened willingness to cooperate at the U.N. negotiations.

Moreover, the Law of the Sea Conference is attempting to define not just the rights, but also the duties of a coastal state. If the U.S. leads the parade of nations claiming rights like the 200 mile zone without equally claiming defined responsibilities, it stands to reason that other nations will follow, giving even less heed to responsibilities under the unilateral claim.

Commercial navigation, military transit, pollution control, fisheries conservation, full utilization and recognition of historical fishing rights, and deep sea mining all are serious issues that must be resolved. S. 961 will destroy these efforts, which are already well under way at the Law of the Sea Conference. In addition, our action will spur other nations to act in a like manner, each claiming a different right, over wider ocean areas, clearly antagonistic to each other. The clear consensus reached at the last Law of the Sea meeting in Geneva on fisheries, scientific research, pollution and ocean navigation would surely be shattered into a host of conflicting and incompatible national claims and assertions.

CLAIM

A unilateral 200-mile extension of our fisheries zone is consistent with U.S. action in 1966 which extended our fisheries jurisdiction to 12 miles.

FACT

The 200-mile extension cannot be justified on the basis of the 12-mile extension since the latter was in accord with international law. The 1958 and 1960 Geneva Conventions, while not universally adopted, did become generally accepted international law. Louis Sohn of Harvard Law School has said recently: "The 1960 Law of the Sea Conference showed there was a strong majority for a 12 mile fisheries zone extension, the disagreement being limited to the narrow issue of the manner of maintaining historical rights" and the abstention of new entrants to coastal fishing. "The practice of states since 1960 also shows that there is general agreement that a state can extend its fishing limits to 12 miles." The International Court of Justice in the Icelandic Fisheries Cases expressly stated that the concept that had "crystallized as customary law . . . arising out of the general consensus revealed at the Conference," is that coastal states may claim fisheries jurisdiction "up to 12 miles"—an extension that "appears now to be generally accepted."

Louis Henkin, Professor of International Law at Columbia University and an expert on Law of the Sea matters put it this way: "the principles of the Geneva Conservation Convention were generally acquiesced in when the treaty was made and have not been seriously challenged today."

As the President of the American Society of International Law, R. R. Baxter, has written: "There is ample basis for concluding that the extension of our exclusive fisheries zone to twelve miles in 1966 was in accordance with international law and the practice of states."

"Although many nations, like our own, have indicated that they would like to see a 200-mile economic zone become accepted by treaty as the international law of the future, this does not mean that they have accepted it as existing international law without any treaty. I believe that a considerable majority of the Foreign Offices of the world, and of international law scholars and commentators, would agree that unilateral assertion of a 200-mile fisheries zone would violate international law today. And in the event that the question should come before the International Court of Justice, I think that Court would be likely to rule that the proposed unilateral fisheries zone violates the international law of 1975."—William Bishop, Professor of International Law, Michigan University.

It is of course true that at the United Nations Law of the Sea Conference, "there has been much support for agreement on a 200 mile economic zone, but it is generally recognized that this is a proposal for new law which can be valid only on the basis of general agreement through treaty."—Philip Jessup, Former Justice, International Court of Justice.

"In my view, H.R. 200, if enacted, would not be consistent with the obligations of the United States under existing international law. It is established, and the International Court of Justice has recently reiterated (*in the Icelandic Fisheries Case*) that a coastal state cannot extend its exclusive fishing jurisdiction into the high seas at will, against all. In the *Icelandic* case the Court held that Iceland could not unilaterally assert even a 50 mile exclusive zone against the United Kingdom."—Louis Henkin, Columbia University, Professor of International Law.

"There is no question, in my mind, that such an extention would be invalid under international law and would violate the rights of other states. It would be in particular inconsistent with our various agreements on fisheries, especially the Northwest Atlantic Fisheries Convention. Such countries as the Soviet Union in the Atlantic and Japan in the Pacific could validly argue that their rights have been grossly violated by such action of the United States. Such legislation would also constitute a violation of the United States obligations under the Convention on Fishing and Conservation of the Living Resources of the High Seas, concluded in Geneva in 1958. This treaty provides various methods for safeguarding of a coastal nation's interests. The proposed legislation does not follow the detailed provisions of the Convention for dealing with the problem.

"In addition, the proposed legislation disregards the basic rule of international law, embodied in Article 2 of the Convention on the High Seas of 1958, which provides that in exercising its rights on the high seas each state must pay reasonable regard to the interests of other states in their exercise of the freedoms of the high seas, which includes the freedom of fishing. This was clearly stated by the International Court of Justice in the Fisheries Jurisdiction Case between the United Kingdom and Iceland. As the Court noted, any legislation on the subject must be reasonable and equitable and should take into account the traditional fishing rights of other states. The proposed legislation does not fulfill these conditions."—Louis Sohn, Harvard University, Professor of International Law.

"Very few states have extended their exclusive fisheries zones to 200 miles. What these few states have done does not reflect "international custom, as evidence of a general practice accepted as law," within the meaning of Article 39 of the Statute of the International Court of Justice, dealing with the sources of international law. The great majority of states have been much more restrained in their claims.—R. R. Baxter, Professor of Law, President of the American Society of International Law, Harvard University.

EFFECT OF S. 961 ON U.S. FISHERIES TREATIES

Section 103(b) of S. 961 calls upon the Secretary of State to initiate negotiations to amend or terminate . . . agreements inconsistent with "the purposes, policy, and provisions of this Act." As a practical matter, this means that all our significant international treaties designed to protect our fisheries will have to be terminated. In short, S. 961 asks us to trade functional multilateral agreements for questionable unilateral claims that would be almost impossible to enforce.

S. 961 would undermine the freedoms of the high seas—navigation, overflight, fishing, and the laying of cables and pipelines—granted by the 1958 Geneva Convention on the High Seas, which we signed along with 43 other nations. Louis Sohn of Harvard Law School has said of S. 961: "The proposed legislation disregards the basic rule of international law, embodied in Article 2 of the Convention on the High Seas of 1958, which provides that in exercising its rights on the high seas each state must pay reasonable regard to the interests of other states in their exercise of the freedoms of the high seas, which include the freedom of fishing. This was clearly stated by the International Court of Justice in the Fisheries Jurisdiction Case between the United Kingdom and Iceland." Any interference with the ocean transport of energy or military navigation would have serious effects on the U.S. economy and national security.

Professor Sohn also notes that the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas would be affected by S. 961. The legislation would violate our obligations under this Convention to follow its detailed provisions in dealing with fisheries conservation matters.

Below are quotes from respected authorities which show how our major fisheries treaties are inconsistent with S. 961, and therefore would have to be terminated if other signatories were not willing to amend them in accord with our unilateral actions.

1952 SALMON TREATY

"Certain provisions of S. 961, if implemented, make it impossible to comply with the Convention . . . would run counter to the letter or spirit of the Convention. For example, implementation of Section 101(b) of S. 961, calling for the exercise of exclusive fishery management, authority over anadromous fish spawned in the United States, would appear to be inconsistent with what is implicit in Article V, paragraph 2, and the Annex of the Convention—that Japan is permitted to salmon, even of American origin, if they are west of the line of meridian 175° West Longitude. Also the exclusivity of the fishery conservation zone to be established would not be consistent with the participation of Canada in the framing of the "necessary conservation measures" contemplated by the Convention."—R. R. Baxter, Professor of Law, President of the American Society of International Law, Harvest University.

BRAZIL—U.S. SHRIMP TREATY

"I can think of no logical basis upon which we could return to the bargaining table with the Brazilians. You will have removed from the hands of the American shrimp industry the only real level we have. We will, in effect, be going to the table to talk to the Brazilians not as negotiators but as purchasers. They will be saying to us 'We own the shrimp.' With S. 961 as law, how could the U.S. claim otherwise?"—Bill Utz, Executive Director, National Shrimp Congress.

U.S. TUNA TREATIES

"In our opinion [S. 961], will destroy the IATTC (Inter-American Tropical Tuna Commission) and ICCAT (International Commission for the Conservation of Atlantic Tuna) and will make the creation of new international fisheries organizations an impossible dream. This opinion is supported by factual information developed during the 25 year history of the IATTC.—August Felando, American Tunaboat Association.

ICNAF

"The proposed legislation would, in particular, violate the International Convention for the High Seas Fisheries in the North Atlantic, as the restrictions on foreign fishing and the unilateral conservation procedures provided for in the legislation do not conform to the provisions of the Convention."—Louis Sohn, Professor of International Law, Harvard University.

UNITED STATES FISHERIES TREATIES

Multilateral

International Convention for the Northwest Atlantic Fisheries, February 8, 1949.

International Convention for the Conservation of Atlantic Tunas, May 14, 1966.

Convention for the Establishment of an Inter-American Tropical Tuna Commission with Exchange of Notes, March 3, 1950, May 31, 1949.

International Convention for the High Seas Fisheries of the North Pacific Ocean, with Annex and Protocol, May 9, 1952.

Law of the Sea

Convention on the Territorial Sea and the Contiguous Zone, April 29, 1958.

Convention on the High Seas, April 29, 1958.

Convention on Fishing and Conservation of the Living Resources of the High Seas, April 29, 1958.

Convention on the Continental Shelf, April 29, 1958.

Bilateral

Brazil

Agreement Concerning Shrimp, with Annexes, Agreed Minute and Exchanges of Notes, May 9, 1972.

Canada

Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, March 2, 1953.

Agreement on Reciprocal Fishing Privileges in Certain Areas Off the Coasts of the United States and Canada, June 15, 1973.

Agreement with Canada Concerning Reciprocal Fisheries Privileges, April 24, 1970.

Convention with Canada for the Preservation of the Halibut Fishery of the North Pacific Ocean and the Bering Sea, October 28, 1953.

Cuba

Convention for the Conservation of Shrimp, August 15, 1958.

Denmark

Agreement Relating to Conservation of Atlantic Salmon, July 6, 1972.

Japan

Agreement Concerning Certain Fisheries Off the Coast of the United States, December 24, 1974.

Agreement Concerning Salmon Fishing, December 24, 1974.

Agreement Concerning the King and Tanner Crab Fisheries in the Eastern Bering Sea, December 24, 1974.

Agreement with Japan on the King and Tanner Fisheries of the Eastern Bering Sea, November 25, 1964.

Agreement With Japan on the Contiguous Fishery Zone, May 9, 1967.

Romania

Agreement Regarding Fisheries in the Western Region of the Middle Atlantic Ocean with Related Letter, December 4, 1973.

Agreement with Romania on Fisheries in the Western Region of the Middle Atlantic Ocean, December 4, 1973.

Korea

Agreement Concerning the Improvement and Standardization of Shellfish Sanitation Practices and Exchanges of Information on Sanitary Controls Applied to the Production and Handling of Fresh or Frozen Oysters, Clams and Mussels, with Related Notes, November 24, 1972.

Poland

Agreement Regarding Fisheries in the Western Region of the Middle Atlantic Ocean with Annexes and Agreed Minutes, June 2, 1973.

Agreement with Poland Regarding Fisheries in the Western Region of the Middle Atlantic Ocean, June 12, 1969.

USSR

Convention Regarding Navigation, Fishing and Trading on the Pacific Ocean and Along the Northwest Coast of America, April 17, 1824.

Agreement on Certain Fisheries Problems in the Northeastern Part of the Pacific Ocean Off the Coast of the United States, February 21, 1973.

Agreement Relating to Fishing for King and Tanner Crab with Appendix, February 21, 1973.

Agreement Relating to the Consideration of Claims Resulting From Damage to Fishing Vessels or Gear and Measures to Prevent Fishing Conflicts, with Annex and Protocol, February 21, 1973.

Agreement with the U.S.S.R. on the Middle Atlantic Fishery, March 21, 1969.

Agreement with U.S.S.R. on Fisheries Operations in the Northeastern Pacific (Gear Conflict), December 14, 1964.

Agreement with the U.S.S.R. on the King and Tanner Crab Fisheries of the Eastern Bering Sea, February 5, 1965.

Agreement with U.S.S.R. on the Contiguous Fishery Zone, February 13, 1967.

Agreement with U.S.S.R. Concerning Claims Resulting from Damage to Fishing Vessels or Gear and Measures to Prevent Fishing Conflicts, February 21, 1973.

South Korea

Agreement with South Korea Concerning Cooperation in Fisheries, December 12, 1972.

Mr. STEVENS. Mr. President, I see my colleague wants the floor, to inquire whether this amendment may become a part of the original text. If he wishes to have that understanding, I would move the adoption of my substitute for the committee amendment.

The **PRESIDING OFFICER.** Is there objection to the adoption?

Mr. GRAVEL. Reserving the right to object, if I may make that a unanimous-consent request, I ask unanimous consent that this amendment be treated as original text.

Mr. STEVENS. That is understood.

The **PRESIDING OFFICER.** Without objection, the amendment is agreed to and it will be considered as original text.

Mr. STEVENS. Mr. President, I move to reconsider that vote.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Senator GRAVEL addressed the Chair.

The **PRESIDING OFFICER.** Does the senior Senator relinquish the floor?

Mr. STEVENS. I yield.

Mr. MAGNUSON. Mr. President, may I inquire what is pending now, after the adoption of this amendment?

The **PRESIDING OFFICER.** The Commerce Committee amendments in the nature of a substitute for the entire bill, as amended.

Mr. MAGNUSON. I thank the Chair.

Mr. GRAVEL. Mr. President, may I be recognized?

The **PRESIDING OFFICER.** The Senator from Alaska.

Mr. GRAVEL. I wish to engage in colloquy the Senator from Ohio. This is the first time I have had the opportunity to hear publicly the reasoning behind his amendment which, of course, has now been adopted.

I wish to address myself to that reasoning, because I find myself at slight variance with some of his views and I find myself in agreement with other of his views. I think it would be helpful to clarify both the agreements and the disagreements.

One, I did not detect a misunderstanding in the international community, and I devoted some amount of time to going to New York and to Geneva.

Mr. TAFT. If the Senator will yield, I shall be a little more specific about that. In December, I was in Paris at a meeting of the Trilateral Commission. That is an informal commission. It is not a public group. If the Senator will check, I think he will find that it has many very prominent citizens, even public citizens, of the various nations of NATO and of Japan and the United States involved in it. I am a delegate to that commission. We have a number of study papers.

One of the study papers that was presented at that meeting was a paper on the future of the oceans. One of the general subjects that was discussed in this whole question of the Law of the Sea Conference was the necessity of making progress in this field. So I was dealing with members of the Trilateral Commission and scholars with regard to it who are familiar with this entire area, or thought they were familiar with it. In mentioning the legislation, it became very apparent that there was not anybody in the room, with the possible exception of one staff person and myself, who realized that the pending legislation in the Congress of the United States related only to fishing and did not relate to a wide-open extension of the limit to the 200-mile limit in every direction. It was to the specific contact that I made reference.

Mr. GRAVEL. I certainly do not dispute that at all. That is information and experience that my colleague picked up. If I could reposture what the status of this issue is in the international community, if my colleague will bear with me, I think he might find it interesting.

Once, again, let me state that there may have been some misunderstanding within this community that the Senator ran into. But with respect to the foreign interests who have come together at the Law of the Sea, there obviously is no misunderstanding, because that is their job. A person who represents France knows what is going on at the Law of the Sea Conference and he reports to his government. It is certainly not unusual to have other parts of the government that may not know exactly what is going on; that happens in our Government. But certainly, France knows very well through their experts in this field what this legislation means, and so it is with other nations. I have never picked up anywhere that anyone who could properly read the English language did not know that all this talks of is conservation and fisheries.

Other departments of other governments may have misunderstood, and that is undoubtedly what my colleague ran into.

Mr. TAFT. If the Senator will yield, I would say it was a little more broad than that. We were dealing with scholars, who had spent some months preparing, from the various powers represented at the commission. These were scholars who were present. They were dealing with what was happening at the Law of the Sea Conference. They were not dealing with what is happening in the Congress of the United States; they did not have any idea, frankly, what is happening. Yet these men were holding themselves out as scholars and had read the paper, with the representation of all the various nations who are members of the conference.

Mr. GRAVEL. Certainly, my colleague will agree with me that if these are the scholars he thinks they are, and I am sure they are, they can read the English language, and there is nothing in English, that I know of, that appeared in the Congress of the United States with respect to this legislation that did not deal with fisheries and conservation. They may have some other views as to what is involved in navigation, and I shall go into that. That is, of course, the heart of the point of the Senator from Ohio. He is trying to clarify something.

I must confess that it has not been clarified, because the misunderstanding in the international community is not on what we are doing. What we are doing is very well understood. All one has to do is be able to read English. They can read this bill. Every embassy in Washington has copies of this bill and they can read it if they want to, so there is no misunderstanding, and really never has been, among government and scholars, because the bill was never represented as anything but a fisheries bill.

What my colleague is referring to is really what will take place with the passage of this legislation. That is, very simply, that we can choose to act unilaterally for 200 miles involving fishing. But what is to stop another nation from saying, "Well, the United States of America can go ahead and grab 200 miles for the purpose of taking possession of these fisheries and the economic benefits that could potentially accrue to its citizens." If the United States can do that, then what about Malaysia and Indonesia, which do not have a similar fish and economic interest, but have another economic interest; that is, the passage of tankers through the Straits of Molucca that borders their coastline? If a supertanker going through the Straits of Molucca were to sink, it would destroy the beaches of those countries. So, obviously, if the United States of America can grab 200 miles for a fishing industry, why cannot Indonesia and Malaysia grab the Straits of Molucca and say, "We are now going to handle the traffic that goes through these straits to protect our interest."

In terms of the legal ramifications, their invasion upon international law or the breaking of international law is no different from what we would be doing unilaterally in breaking international law. That is, of course, why most of the scholars on international law in this country have stated that our actions will break the law, and will place in motion events in the rest of the world.

That is the reason that the Committee on Armed Services, on which my colleague serves, was so distraught over this legislation, why the Joint Chiefs of Staff have testified that if this passes, it is not that it is written in this bill, but what we do unilaterally will now permit other nations to do unilateral things as they perceive them.

Mr. TAFT. If the Senator will yield, let me say that the Committee on Armed Services was not so distraught in numbers that we did not, by a majority, pass the bill out favorably. There may have been some members of the committee, but I have to correct the gentleman as to what the conclusion of the Committee on Armed Services was.

Mr. GRAVEL. I did not say what the conclusion of the committee was. I merely stated its concern.

Mr. TAFT. Let me point out the language of the committee report, the Committee on Armed Services, on page 6, which states as follows:

> There has never been, however, a clearly defined international rule limiting the jurisdiction of coastal states over fishery resources. Freedom of fishing, particularly in recent years, has not been an unqualified right. Indeed, the Geneva Conventions recognized the special right of a coastal nation to unilaterally adopt conservation measures off its shores, even in areas of the high seas. Certain limitations on fishing activity are generally accepted. As the International Court of Justice stated in Fisheries Jurisdiction Case (1974) ICJ 26:
>
> "State practice on the subject of fisheries reveals an increasing and widespread acceptance of the concept of preferential rights for coastal States, particularly in favour of countries or territories in a situation of special dependence on coastal fisheries."
>
> The Court went on to emphasize that:
>
> "The preferential rights of the coastal State come into play only at the moment when an intensification in the exploitation of fishery resources makes it imperative to introduce some system of catch-limitation and sharing of those resources, to preserve the fish stocks in the interests of their rational and economic exploitation." *Ibid.* 27.

That is good international law. I would say to the Senator I do not think it follows that that reaction to our, I think, perfectly legitimate action would be justified in the other areas he is talking about which do not relate to these areas of international law at all.

Here we are trying to protect the interests of all who are concerned with conserving fish resources. The entire world basically is interested in this. I do not think the analogy or the reaction is one that is sound for the purposes of this argument.

Mr. GRAVEL. Let me just state that the international experts who have come forward on this issue are at variance with my colleague. They do feel that these acts in question would violate international law, and I can cite the names of Jessup, and others, and I will find them, they are right before me, the quotes in question that just following—Let me first make inquiry of my colleague. Would he accept William W. Bishop, professor of international law, Michigan University; Philip Jessup, former justice, International Court of Justice; Louis Henkin, Columbia University, professor of international law; Louis

Sohn, Harvard University, professor of international law; and R. R. Baxter, president of the American Society of International Law, Harvard University. Will my colleague accept these gentlemen as having some knowledge and some views that would be worthy to adhere to if they unanimously agreed that the passage of this legislation would be in violation of international law?

Mr. TAFT. Those are very eminent gentlemen. I do not want to get into an argument about international law. As the Senator knows, the whole area of international law is not anything of statute but of opinion, and one expert's opinion may be as good as another. But it does seem to me if they feel contrary to the ruling of the International Court of Justice they are going certainly against an esoteric body in international law. The opinion I quoted was right from the International Court of Justice.

Mr. GRAVEL. Which opinion is that?

Mr. TAFT. I just gave the Senator the citation. The name of the case, the citation, is Fisheries Jurisdiction Case, 1974, International Court of Justice No. 26.

Mr. GRAVEL. Well, let me disagree with my colleague and just quote from that same opinion he is reading from. That opinion cannot be represented as being in agreement with this legislation. In fact, it is just the opposite.

> The concept of preferential rights is not compatible with the exclusion of all fishing activities of other States. A coastal State entitled to preferential rights is not free, unilaterally and according to its own uncontrolled discretion, to determine the extent of those rights. . . .
>
> The characterization of the coastal State's rights as preferential implies a certain priority but cannot imply the extinction of the concurrent rights of other States and, particularly, of the State which has for many years been engaged in fishing in the waters in question, such fishing activity being important to the economy of the country concerned.
>
> The coastal State has to take into account and pay regard to the position of such other States, particularly when they have established an economic dependence on such fishing ground.

Of course, this is the Icelandic case, and Iceland lost the case with respect to 50 miles. They declare for 200 miles, but they lost this case.

How can my colleague come forward and say this is the reason this is legal? It states it here in the English language that obviously it is not.

Mr. TAFT. Of course, the key word in the statement made by the Senator was "preferential." I do not think the right we are attempting to assert in regard to this particular legislation is preferential at all. I do not think we are dealing with the same case.

There is further language from the Icelandic fishing jurisdiction case which is quoted in the report or the memorandum of the Senate Foreign Relations Committee on this subject on pages 12 and 13 in a memorandum dated November 21, 1975, which reads as follows:

> There are no well-founded arguments in . . . binding character of the 12-mile rule; those built upon *ad hoc* interpretations of articles in the 1958 conventions do not convince. The 1958 Conference failed in its attempt to fix a limit to fisheries jurisdiction. How can one deduce from the conventions what the parties to the Conference refused to say.
>
> In our view, to reach the conclusion that there is at present a general rule of customary law establishing for coastal states an obligatory maximum fishing limit of 12 miles would not have been well founded. There is not today an international usage to that effect sufficiently widespread and uniform as to constitute, within the meaning of Article 38, paragraph 1(b), of the Court's Statute, evidence of a general practice accepted as law.
>
> * * * It could therefore be concluded that there is at present a situation of uncertainty as to the existence of a customary rule prescribing a maximum limit of a state's fisheries jurisdiction. No firm rule could be deduced from state practice as being sufficiently general and uniform to be accepted as a rule of customary law fixing the maximum extent of the coastal states jurisdiction with regard to fisheries.

What they are talking about there and what the Senator has just pointed out are preferential fishing rights. That is not what we are attempting to do, and I submit the language I read at an earlier time from the Armed Services report does show clearly there is some international law backing, strong international law backing, for the position that in the regulation, proper regulation, of fishing, as we attempt to do in the legislation, there is no violation of international law involved.

Mr. GRAVEL. Let me just read the findings of that court decision that the Senator is resting his opinion on. The court decision was 10 to 4, and there are two findings:

> (1) finds that the Regulations concerning the Fishery Limits off Iceland (Reglugero um fiskveioilandhelgi Islands) promulgated by the Government of Iceland on 14 July 1972 and constituting a unilateral extension of the exclusive fishing rights of Iceland to 50 nautical miles from the baselines specified therein are not opposable to the Government of the United Kingdom.
>
> (2) finds that, in consequence, the Government of Iceland is not entitled unilaterally to exclude United Kingdom fishing vessels from areas between the fishery limits agreed to in the Exchange of Notes of 11 March 1961 and the limits specified in the Icelandic Regulations of 14 July 1972, or unilaterally to impose restrictions on the activities of those vessels in such areas.

Now, my colleagues will permit me to say that is exactly what this legislation will be doing. It will set up a conservation practice to the exclusion of foreign fisheries. So if the court found Iceland's action with respect to 50 miles to be illegal, then obviously the court would similarly find it illegal with respect to the United States of America for claiming 200 miles.

I do not know. We can read the various memoranda we want from any individual who is prepared to write a memorandum. But I just read the language of the findings of the International Court. Would my colleague disagree with the interpretation I placed on finding number (2). I will read it again. Finding No. (2):

> Finds that, in consequence, the Government of Iceland is not entitled unilaterally to exclude United Kingdom fishing vessels from areas between the fisheries limits agreed to * * *.

And so forth.

Mr. TAFT. I believe I made the point very clearly a few minutes ago. The Senator is talking about Iceland's setting up a preferential decision which is not pertinent to this legislation.

Mr. GRAVEL. I must confess I do not understand my colleague in the statement he just made. I could not hear him clearly.

Mr. TAFT. The situation, as I made clear earlier, is that in that case Iceland is attempting to establish a preferential position within the area involved. That is not what is involved in this legislation, and I think it completely distinguishes the holding in that case. I think the rationale of the case which I read is pertinent to show there is ample authority for us to say that we are not violating international law by the passage of this legislation.

Mr. GRAVEL. My colleague, unfortunately, was not here for the colloquy yesterday with the Senator from Alaska and the Senator from Washington, and obviously he has not been apprised of what this legislation will do.

They have admitted on the floor that this legislation is being put forward so that we can exclude foreign fishermen.

We are not talking about preference. We are going to be excluding. My colleague from Ohio can dismiss this out of hand, but at least if one is supporting the legislation for a reason, understand the reason and understand that this legislation that is going to be passed here is going to give us total, unequivocal authority over all fishing activity within 200 miles.

We are not talking about just taking preference. We are taking the whole show. That is what the international court of justice ruled that Iceland could not do.

Mr. TAFT. Of course, in that case, it should be said the Court of Justice ruling on the Pacific Treaty between Great Britain and Iceland, which we do not have involved in this situation at all.

Mr. GRAVEL. Well, we had several treaties, over 30 treaties.

Mr. TAFT. The gentleman is still not getting the main point, which is that we are not setting up a preferential position for the United States in this situation, which is what the situation was in Iceland.

Mr. GRAVEL. I must disagree with my colleague on what is his obvious interpretation.

Is he saying, if we are trying to set up a preferential right for somebody, then we would be doing something illegal; is that what he is saying?

Mr. TAFT. It would certainly be a very different question of international law involved.

I believe there would be much more serious question of international law than merely attempting to regulate the area as to fishing activities of all nations, including ourselves.

Mr. GRAVEL. But we are not attempting to just regulate the area. We heard it stated on the floor yesterday, and I will quote from the Record if the Senator wants, that we want to exclude foreign fishermen.

Mr. TAFT. And our own.

Mr. GRAVEL. It is not a question of just regulating.

Mr. STEVENS. Will the Senator yield there?

We did not say we are going to. We said we would like to. This bill does not go that far.

Mr. GRAVEL. Obviously, if we are going to acquire this kind of power—and the Senator stated publicly for the RECORD—which is the backup of the law and if there is ever a judicial contest in this regard, they will obviously come back to find out what we meant. The Senator stated very clearly what we meant, to take over the whole show.

Fine. Maybe one does not care if the rest of the world eats. We are the wealthiest nation in the world. Maybe one can jam it down everybody's throat. We can put destroyers beside every fishing vessel we have here, but I do not think it will work or stay.

But I would not like to get tied down to this facet of the colloquy with my colleague from Ohio, because the difference of opinion is even more fundamental than that.

We can disagree, we can split hairs over what the legal case would be, but understand this—and this is the point I made before—the Senator is putting forth his amendment that postpones this until next January, and he is going to vote for this bill with the thought this will give the Law of the Sea time to act.

We are not the only party in the Law of the Sea with sovereign interests at stake. I think we are probably the most sophisticated and probably, certainly, one of the wisest.

So we could pass the bill here that says when they pass the Law of the Sea, this part of the bill will self-destruct. That is fine. But what we do here in the bill does not make any difference. This could just be a blank piece of paper that says we take 200 miles. That is what will cause the impact.

With Mexico, 6 days after the House passed it, they moved on the 200 miles. They did not care what the details of our bill were. They moved on a unilateral course of action in their economic interests, as they saw those economic interests.

So what it will cause in the passage of this legislation is not the niceties that we have written down in the language. What we are going to do is signal to the world that, "Nations of the world, the United States of America was in the forefront of leadership in trying to arrive at an international Law of the Sea agreement. But now, the Congress of that great Nation does not believe that an agreement will take place and so we are frustrated and disgusted and giving up the ship. We are going to move now unilaterally."

So it tells Mexico, it tells Canada, it tells France, it tells Great Britain, it says, "Hey, everybody, go out and get what you can right now; forget it, don't worry about that conference; that is just for political dilettantes and diplomats. For you to protect your interests you have to do it unilaterally."

That is what this legislation will do. It will trigger the opening of the floodgates of the world and will create anarchy on the seas. When it does that, it will doom the Conference. Therefore, we will have no Law of the Sea, we will have no constituted 200 miles, we will have no system of navigation that will be worth a darn.

That is the reason why the Armed Services is concerned, not because this is a fisheries deal. Senator MAGNUSON has stated often, and I agree with him, this bill does nothing with respect to transportation, it does nothing with respect to the Armed Services, it does nothing with respect to the foreign policy.

But then why go to those committees? For the simple reason that it is not the bill and the language that does it. It is the impact of the passage of this bill that does the harm.

So we should differentiate between what the bill says inside and what the bill does as a result of passing it. But when we differentiate, we could change this effective date to 10 years down the road, and it will not make any difference, because the minute we pass this bill Iceland will be at our doors asking the Armed Services Committee to send American destroyers to Iceland so that we can protect them.

Mr. STEVENS. Will the Senator yield?

Mr. GRAVEL. This may not be necessary if between the British and the Icelandic people they are effective. But if they fail, what we will have is that conflict exacerbating itself and people trying to play off the big powers. That is the danger.

What is to stop Spain and Morocco from saying that the Straits of Gibraltar border their territory, and, therefore, whatever goes through them threatens their coastline? There is no reason.

If a supertanker goes through the Straits of Gibraltar and hits a rock, whose coastline will it harm?

It will not harm the New England coastline and jeopardize their fisheries, not the Alaska coastline and jeopardize their fisheries. It will harm the coastline of Morocco and Spain and ruin their fisheries.

So if we say that we are entitled to grab 200 miles, why can they not grab control of Gibraltar and make a determination as to what passes through Gibraltar?

Why would it not be legitimate for them to say that our atomic submarines, which are in the Mediterranean to protect interests as we see them, should have to check in with the Government of Spain and Morocco? Why would it not be legitimate to have the submarines check in because if one of those went through the Straits of Gibraltar and hit a rock and caused a nuclear explosion, who do we think would be contaminated? It would be the peoples of Spain, the peoples of Morocco.

So if we have a legitimate interest to protect the economic well-being of our citizens—and I feel we do have an interest—then why does not Spain, Morocco, Malaysia, Indonesia, Iceland, anybody who perceives an interest, why can they not do just as we do and just pass a law in their government and go take it? Why can they not do this?

If we can do it, why can they not do it? That is the question I pose to my colleague. The passage of this will open up the floodgates. We think we are doing something that is right.

I believe we have to be correct and say that if the Mexicans want to do something they think is correct and right, why not? If the Brazilians want to do it and they think it is right, why not? If the Malaysians, Indonesians, Moroccans, and Spanish want to do it and they think it is right, why not? We have done it. I would like the proponents of this legislation, and my colleague from Ohio, to answer that simple question: If the United States of America does it, why cannot another country do it also as they perceive right?

Mr. STEVENS. Mr. President, I believe the Senator from Ohio has raised a very interesting point. Our negotiators have been spewing forth this red herring rhetoric so long against the 200-mile bill as it has been before the Congress that when they get to these international conferences they lead the foreign nations to believe that we are doing what they fear the foreign nations might do, which they ought to know we are not.

As a practical matter, I am alarmed to hear my colleague talk about anarchy on the seas as a result of unilateral action. Harry Truman took unilateral action in 1945 and declared the Continental Shelf doctrine which led to the protection of the Alaskan king crab. There was no anarchy on the seas. The other nations of the world did not claim national jurisdiction out to the edge of the Continental Shelf. As a matter of fact, some nations followed us in terms of giving protection to the creatures of the shelf. It eventually led to an international convention on that subject.

(Mr. PERCY assumed the Chair at this point.)

Mr. STEVENS. So there now is fairly stable international law in that area.

Then we come down to the 3-mile limit. Our two predecessors from Alaska, with the great help of our distinguished neighbor from Washington (Mr. MAGNUSON), proposed that the United States extend its jurisdiction for a contiguous zone of 9 miles in order to protect fisheries.

At that time, the Defense Department, the Joint Chiefs of Staff, the State Department and everybody who were involved in negotiations internationally, screamed this would bring about anarchy because if we extended our jurisdiction out to 9 miles, all the nations of the world would follow suit, all the straits would be closed and there would be all of these horrendous problems. What happened? The other nations of the world calmly followed our suit and did in fact establish a 9-mile contiguous zone.

The interesting thing is when they went to the international conference and tried to work out an international accord on what they had already done, they could not agree that what they had done was right, so negotiations were terminated. We never actually had a treaty on the seaward jurisdiction from the shores of a nation. They did meet twice, but I am informed they did not come to a conclusion. They finally gave up and went home.

Now the Senator says to look at Iceland, the problem about Iceland, Great Britain, and the international court. In the first place, the Iceland case involved the intentional abrogation of a treaty by Iceland. We are not abrogating treaties. We have specific directions to our State Department to negotiate the changes that are necessary to comply with our existing treaties and we specifically state we are not abrogating any treaties.

Mr. GRAVEL. Will my colleague yield on that point?

Mr. STEVENS. Let me finish this first. Second, when we come to the Iceland case, Iceland in fact extended its jurisdiction beyond its original claim even after the international court handed down their decision. It is my understanding that there has recently been a settlement—at least this is what the radio says though I have not seen it in documented form—based upon the fact that the British have pulled out of Iceland's claimed fisheries zone.

Iceland did not create, as does S. 961, a conservation zone. They did not attempt to set up a situation whereby the people of Iceland could harvest to the extent of their capability and that the foreign nations could take the difference between what Iceland takes through its own fleet and a sustained yield capacity of the fishery involved.

S. 961 provides for the creation of a fisheries conservation zone. We have said we will set up a system. We will find out what our fishing capability is and who wants to fish. We will set up their own management system and will allow foreign fishing to the extent that we have no ability and no desire to fish for these species.

Foreign nations will be able to fish "to the extent they comply with good conservation practices and curtail their catches to sustained yield limits." That is entirely different from the Iceland case.

Third, we get down to the point of negotiations. One of the interesting things about the North Pacific Fisheries Treaty is that following the congressional action on the 12-mile zone, the North Pacific Fisheries Treaty was not renegotiated. So the line still comes through the State of Alaska out on the Aleutian chain, and beyond that line going west they fish up to the 3-mile limit. East of the line they fish up to the 12-mile limit. It is an interesting thing.

The State Department ignored the act of Congress before. This time we have directed them to renegotiate that treaty. We are not abrogating the treaty, but we are directing them to renegotiate it. There is a means to get out of that treaty in the normal sense of international law if they fail to come around to our point of view.

They do not have to come around to our point of view in the negotiations, that is true. But if they do not, and if they do not come back with a treaty and let the Senate take a look at it and see what they have done, then we will, in fact, abrogate the treaty eventually. I would be the first to lead that battle if they do not come around to good conservation practices.

Lastly, let me tell my colleague that the great problem that we have in terms of communication is that I fear a great many things my colleague is saying here in the Chamber are going to be read by the international community. They are going to read that a Senator of the United States has stated if we extend our zone on a conservation basis, which is quite similar to what Canada did with its pollution zone, that other nations would be free to extend their jurisdiction over any ocean activity. I am sure the Senator is familiar with it. Canada did it on a unilateral basis and they have notified us they will enforce it. We are doing it to conserve fish. What the Senator is saying is that if those people who have the power to do so were to close the Straits of Gibraltar, they would be justified if we do this.

I hope the Senator does not mean that. In international law there is a great deal of difference between extending national jurisdiction and interfering with freedom of the high seas and setting up conservation methods for protecting the living resources beneath the seas. That is all we are dealing with in S. 961, living resources. Internationally we have led the world in trying to establish conservation methods for the protection of living resources. I would name the whales, the ocean mammals, and the whole concept of our trying to follow good conservation practices in terms of our own fishermen imposing limitations upon themselves.

There are some king crab fishermen here today. They voluntarily asked for permission to establish quotas. The halibut people came in and said, "Give us a mechanism for establishing quotas. We want to protect our future."

The whole concept of dealing with American fisheries has been toward the goals of sound conservation practices.

On the contrary, we are dealing with nations who abhor conservation practices and set economic quotas for goals for production. That is the great fear I have, that people will read what my colleague has said and say to their parliamentarians, "Look, here is a U.S. Senator who has said if they do this, if they establish a conservation zone, we would be perfectly justified in closing the Straits of Malacca or closing the Straits of Gibraltar."

I am sure my colleague does not mean that they would be justified. The question would be whether it was sound international law. There is no decision with which I am familiar which says that a nation cannot establish conservation principles off its shores and enforce those equally against its own citizens and citizens of other nations. I think the Canadian pollution example is a significant example of that. We did accept their decision to close the Northwest Passage because of that unilateral assertion of pollution jurisdiction.

We are doing the same thing here. But we are not claiming national jurisdiction. This is what the Senator from Ohio was saying when we go to these international bodies and these people say, "We understand from your negotiators that you are about ready to extend your national jurisdiction."

That happened to us when we were in Caracas. I could not understand it, because I do not know of a bill before the U.S. Senate that would extend national boundaries in that sense. They ought to know and understand such distinctions at a conference on the Law of the Sea.

But our people have become so emotional in their opposition to what we are doing that I think they are misleading negotiators from other countries. As I told one of them the other day, if we pass this law they are going to have to go back to those nations and explain what we have done, and they will find themselves strangers to their own words which they have uttered in the past with respect to what the situation is.

I, for one, support the concept of a Law of the Sea Treaty to form the basis of a framework of international law. I believe many of the present laws are antiquated and need to be changed. We have identified 115 issues for the Law of the Sea Conference. Almost 150 nations are involved. There has not been one vote on any one issue in the Law of the Sea Conference to this date.

I would ask the Senator, if we had 100 brand new Senators representing 50 States, how soon does he think we would get around to voting on 115 issues—mind you, each one subject to an amendment being offered by any one of the nations involved? How long does the Senator think it would take us, in this Senate, to reach a conclusion on 115 issues in an area so complex?

The people who come here as Senators theoretically have been educated in the legislative process, or at least involved in public life, and understand how these things run. The thing that interested me at Caracas was the number of people who had never participated in a democratic process before. They are learning what is involved in an international legislative process on the law of the sea. Even our State Department people apparently think they are negotiating something like a bilateral treaty. But they are legislating, creating new international law; and the more I see of them, the more I hope they do take their time, because the State of Alaska, with almost 70 percent of the Continental Shelf area of the United States, has as much at stake as anyone in its future with regard to the seabed and the right to the use of the seabed as in other issues. The predominant issue is our fisheries issue, because after the minerals are gone, after the oil and gas are gone, the thing that will sustain people in our area of the United States will be renewable resources. That is why we are so confident that it is in our best interest to move and not wait.

I say that what the Senator from Ohio has brought up is a good point, and it would be highly important for all of us to keep in mind that other nations of the world do read this RECORD and analyze it. I would hate to see the time come when someone could justify the claim of expansion of jurisdiction over a strait on the basis of a statement of my colleague that if we do what I think we are going to do, then they would be justified in what they contemplate doing.

Mr. GRAVEL. Mr. President, I will admit right now that I am no genius. In fact, I am not even an attorney. But if we can do something unilaterally, why cannot other countries do something unilaterally?

In fact, the Senator gave me the best argument. He said Canada's moving unilaterally in the Northwest Passage was OK. But look what Canada did in the Northwest Passage. An American vessel cannot sail from New York to Alaska through the Northwest Passage without permission of the Canadian Government. If the Canadian Government does not like the cargo, it is not going to go through those waters, even though those waters may be beyond the territorial seas limit of 3 or 10 miles.

So that is not the question. If the Canadians can take the Northwest Passage and stop transportation because of environmental reasons, then why cannot Spain and Morocco regulate transportation through the Straits of Gibraltar on the basis of environmental reasons?

The Senator says we are special in the United States, because this 200 miles deals with living resources. What does the Senator think will happen to the living resources off the coast of Spain or Indonesia if there is a major tanker spill? What does he think will happen to the living resources in the Mediterranean if a nuclear submarine explosion pollutes the area?

Obviously, if we have the right to unilaterally step forward and say, in violation of international law, "You cannot come within 200 miles of this coast and fish unless we tell you you can," if we can do that unilaterally, why cannot the Spanish Government say to the United States, "You cannot have one of your tankers come through the Straits of Gibraltar without checking with us, because that tanker may ruin all of the living resources on our coastline"?

If we can do it, why cannot the Spanish do it? I think it is the height of arrogance for us to sit here as Americans and say the world is our oyster. It is not our oyster. The world belongs to all mankind, and we all have responsibilities in that world.

When the Senator makes the argument that, "Well, there are 115 issues at the Law of the Sea Conference, and it will take time immemorial and 115 votes," I remind him that there are 200 issues involved in this matter. The Senator has said there are some 200 odd stocks. We could have a vote on every single stock in this body. Why are we not doing so? Obviously, there is consensus. It is very rare that we have 100 votes on any measure. Yet we get some very complex measures. Why do we not have a hundred votes? Because on the issues in question we have consensus.

That is essentially what they have at the Law of the Sea Conference. I doubt that we will see 25 votes of substance at the Law of the Sea Conference. We may see a number of votes on procedural questions, such as we see here in the Senate, where a full third of our votes are not on the substance, but on the procedures, on the mechanics involved.

So when my colleague says we are not going to get to the Law of the Sea very quickly because there are all these questions to be voted on, that is a scare tactic that does not wash with the legislative experience we ourselves have.

Authority after authority has come forward and stated that the Law of the Sea Convention is close to arriving at a solution—so close that in the resolution just passed in the month of December, appropriating the money within the United Nations for the conference, they spoke of the appropriation they would have to take up to send all the delegates to Caracas to sign a final document.

If the Law of the Sea is so far away, why is it that those who are so busy with the housekeeping duties at these international conferences are already worried about the housekeeping duty of taking delegates down to a place to sign the final agreement? Obviously, only because they are convinced that we are close to resolution.

I would pose a question in the form of a challenge to my colleague. Cite me the points at issue in this conference on which there is not consensus. We have consensus on research, we have consensus on fishing; the only area on which we do not have consensus at this point in time is the area of deep sea mining. If we had an agreement tomorrow on that issue, we would have a law of the sea, for all intents and purposes.

So if we are truly that close, why do we want to jeopardize it with this legislation?

We can find other ways to protect these fish. We can find other means to protect the American fishermen, our Alaskan fishermen. If you want a management proposal, why not go for a management proposal with changes to accommodate our interests?

But to make the argument that the world would be irresponsible if they acted as we act and presuppose they will not do that, then I submit that is a kind of jingoistic, chauvinistic arrogance that is difficult to understand.

We certainly are the most powerful nation on Earth, but in international law and in the conduct of human affairs around this globe they certainly are our equals, if they choose to do something emulating our conduct and if we choose by law and our sovereign power to stretch our boundaries out 200 miles, regardless of what reason we give for that boundary. For us it may be fisheries, for another nation it may be the territorial sea, for another nation it may be the patrimonial sea, and for another nation it may be just conservation. But when we act as we view our interests, then we should expect every other nation to have that same right. If we do not, then there is something wrong in our perception of other human beings.

So, if they truly do have that right, exercise it, and as they exercise that right they destroy the Law of the Sea Conference, then what have we gained for our fishing community?

I stated earlier and I shall state it again, this legislation, from the point of view of taking 200 miles to protect our fishermen and to protect our fish, is a political palliative. It is no more than that. When we take this sovereign power, we have to be prepared to back it up with police power. The Committee on Commerce, in their deliberations, knows that there is no authorization for the money to go police what they have done. So all they will have done is make an empty declaration that cannot be enforced, and we will have pandemonium. If anything, the nations will disregard the treaties they presently have and will fish to the ultimate for fear that we will turn around and get the police power to drive them out. Therefore, what will happen is we will have 5 to 10 years of anarchy on our seas.

Who will be be hurt? It will not be me. It will not be the senior Senator from Alaska. It will not be the Senator from Washington. It will not be any Member of this body because our paychecks go on. But next year, if there is no salmon in Alaska for Alaskans to fish because foreign interests have accelerated their fishing activity, who is going to provide for the fishermen? If there are no fish on the east coast of the United States for the east coast fishermen to fish because foreigners have accelerated their fishing activity in violation of bilateral agreements, who is going to provide for them? Those bilateral agreements will not be worth anything any more after this passes. Then who is going to pay? Who is going to give them the money to feed their families next winter at this time after they have had a bad year and after they may have had their vessel damaged in conflict when there is no backup of our military forces?

Let me state again that this legislation is a palliative. If it truly is a conservation measure—and we got into a colloquy earlier and stated this—and they want to protect those overfished stocks, if that is all they want to do, then let us do just that. Let us not try to set in motion actions around the world that will ruin all fisheries and will ruin all relationships between nations. If they only wish to protect those stocks, if they only wish to have the conservation of stocks, then let us do it with those overfished stocks. I shall add two more stocks to it: If they want a solution then let us concentrate on solving the problem of conservation in these 16 stocks. To do that we do not have to disrupt the International Law of the Sea Conference. We do not have to disrupt the world in the process. We can do it a little more moderately than has been suggested by the committee.

I think that rebuts the statements made by my colleague.

Mr. President, I shall ask unanimous consent to print in the RECORD two papers I have that I think state it very clearly, and I do underscore the fact that I have been using authorities in international law. My colleagues who are for this bill have not come forward with any authority in the area stating that their bill is legal. They give their opinions, and their opinions are valid. Many of them are fine attorneys. I shall not cast any aspersions about their knowledge of international law, but I shall merely say that the people whose quotes I shall have printed in the RECORD at this time have spent their entire lives in this area of jurisprudence. To a man they think that the passage of this legislation would break international law, and to a man they think that the legislation as it existed prior to the passage of this last amendment would break our treaties.

We have done an interesting thing here, and I think my colleague from Alaska did make the admission that when we passed the 12-mile limit the Japanese continued west of the abstention line to fish within the 12-mile Alaska territorial waters for salmon. We did not say anything.

But under this proposal I think it is understood—and if it is not understood I would like the senior Senator from Alaska to correct the RECORD—that if we pass the 200 miles we will not permit the fishing of salmon within 200 miles, because we have represented to the people who fished salmon that this is going to protect the salmon stocks of this Nation.

Therefore, the question I pose is, if it really is going to happen that they are not going to let the Japanese fish within 200 miles, then they do break the abstention treaty and then the Japanese can come in and fish within the Gulf of Alaska east of the abstention line for as much salmon as they can take.

The tragedy here, of course, is that one representation is being made to the fishing community and another thing in fact will take place.

Yet I am not sure what in fact will take place because when the chairman of the Committee on Commerce (Mr. MAGNUSON) makes the statement that he does not want to see any foreign fishing at all, then I think that a lot of fishermen can take that and say, "Well, that is what we are going to get." That may be what they will get; that may not be what they will get. That remains to be seen. But I think a lot of the support of the fishing community is based on the hope that they are going to get that. But I think in point of fact we all know that is not what they are going to get—which gives substance to the point I made that this is palliative.

Mr. President, it would be a very serious mistake for this Senate to move on this legislation. I think we could pass a conservation measure within which one could address oneself to this problem. We have a number of multilateral agreements and we have negotiations in process which can even improve upon those agreements that we now have to safeguard our fishery stocks. So, if we can find a way to safeguard our fishery stocks, then there is no reason for us as a nation to act unilaterally. We have every reason in the world to wait with patience until we can secure agreement of the Law of the Sea Conference which is very imminent.

Mr. President, I shall only add that the good faith of those who are negotiating—and we have heard them ridiculed on this floor and we have heard them reviled—the good faith of our negotiators and the good faith of the foreign negotiators is demonstrated by the fact that in December when the United Nations agree on the dates from March 15 to May 7 at which time to have the fourth Law of the Sea Conference, the President of the Law of the Sea Conference, H. Shirley Amerasinghe, rose and delivered a speech, and it was included in the text of the resolution, that money would be set aside for another conference to take place in the summer of next year in the event that the spring conference did not complete its work.

So the international community thinks that the Law of the Sea is so imminent that this year, rather than have one meeting, they are prepared to have two meetings to see the issues resolved in 1976.

We are talking about a time less than 2 months away. We just adopted an amendment that would make this legislation effective now but enforceable next year. It means—to use the argument of my colleague—that we will have this legislation so that we can begin to work to set up the infrastructural bureaucratic systems; but, in point of fact, the legislation will not be enforced until next year.

If that is the case, why do we not take out from this measure the part that declares the 200 miles and wait until next year and pass the part that deals with the management section? So, in point of fact, we could accomplish what the committee wants to do, and that is to have that section, so that they can get to work; but as to the section that comes into being next year, with respect to enforcement, we can pass that next fall, and that would give us the Law of the Sea Conference in March and would give us the Law of the Sea Conference in July, to see if they could work their will and accomplish what needs to be accomplished.

I think it is foolhardy. If you were to canvass the leadership of the delegation at the Law of the Sea Conference, you would see that they live in trepidation that the most powerful Nation on Earth will set in motion a chain reaction that could destroy the Law of the Sea. Why should we take that risk, if this bill is not going to go into effect, is not going to be implemented? That facet of the bill is not going to be implemented until next year. Why take that risk? What is to be gained, I ask the proponents of this legislation? What is to be gained by endangering the Law of the Sea Conference that is going to take place on March 15 and another one in July, if they do not finish their work? Why do we have to pass this facet of the bill, when the committee could hang on to this and put it on the calendar in September and pass it in September if the Law of the Sea Conferences are not successful, or if progress is not shown?

Why jeopardize the Conference? I do not know why.

In fact, they have set up a self-fulfilling prophecy. They have said that this will not jeopardize the Conference if we pass it. And if we pass it, at the same time they say the Conference is not going to do anything worthwhile for 5, 8, or 10 years. If this bill is passed and the Conference fails, whose fault is it? Obviously, it is not the fault of this bill, because the Conference was not going to do anything, anyway. So if you structure the situation as a self-fulfilling prophecy, you cannot lose.

I ask, why take the gamble? Take the part of this bill that deals with setting up these regions—corrected, I hope, with some proper amendments—take out of this bill the items that deal with declaring a 200-mile area, and hold that until we see what happens at these two imminent conferences. It will not make any difference in the law. It will not make any difference to the fishermen of the United States or of my State, because they are not going to get any benefit from this. The bill is not going to go into effect until next January.

Whom are we kidding? Are we going to run home and tell the fishermen of the United States, "We have really done it for you; we have a 200-mile bill"? It does not affect them until next year. Why do we not wait until September? The stakes for the fishermen of my State and of this Nation are great in the International agreement. Rather than costing hundreds of millions of dollars to police our fisheries under the 200-mile bill, we will be able to police our fisheries for almost nothing under the international agreement. Rather than having to fight and negotiate over the next 10 years about every detail of every fish stock, we will have it made under the international agreement. There will be general consensus. We will have a world of law, so that if fishermen do not like the way things are being done, they can take the issue to the international court. They do not have to go to the State Department. They can go to the international court to get their interests protected. That is what is at stake.

How tragic it would be to the fishing interests of our State, of our Nation, and of the human race to risk all this. I do not know what the motivation is. Perhaps before this debate is over, the proponents of this bill will come forward and will tell us why we have to have the 200-mile zone now and have it enforced a year from now, and why we cannot wait and let the International Conference work its will. I would like to know why it has to be done now. Why jeopardize this Conference and everything else that is involved, everything that would be of benefit to this Nation and to the fisheries community?

Mr. President, I ask unanimous consent to have printed in the RECORD a fact sheet that deals in greater detail with the impact on negotiations at the Law of the Sea Conference that will take place as a result of the passage of S. 961.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

EFFECT OF S. 961 ON THE NEGOTIATIONS

Unilateral action on the part of the United States in proclaiming an exclusive and expansive fisheries zone will destroy the Law of the Sea Conference.

(1) We will legitimize past actions of other countries which have made extravagant claims to ocean space. By doing so, we sanc-

tion their claims to exclusive fisheries ownership, thus depriving our own tuna and shrimp industry of traditional fishing areas.

(2) We will unilaterally abrogate and terminate the treaties to which we are party and which are the law of the land. This will include existing bilateral and multilateral agreements, as well as the four Geneva Conventions of 1958 and 1960.

(3) We will fly in the face of the practice of 92 other coastal nations which claim 12 or less miles of fisheries zones. We will be sanctioning the claims of only 11 states—states which traditionally have neither obeyed nor accepted basic international legal principles.

(4) If the United States decides unilaterally what type of fisheries jurisdiction it wants, every other nation in the world will do the same. In fact, members of the Law of the Sea Conference—especially the poor, landlocked nations—may retaliate and jeopardize many critical U.S. security and economic interests. If the U.S. is not bound by its treaty commitments, why should other nations feel bound by law or treaty?

(5) S. 961 calls on other nations to provide traditional access to U.S. distant water fishermen. But how can we, in the U.S. Congress legislate unilaterally the possible future actions of other nations? We are providing an open invitation for all other nations to act in any manner they deem necessary to protect their fisheries or other ocean interests. How can we require them to act reasonably or adhere to good conservation practices and reasonable access? Forty percent of the entire ocean, almost half of the entire globe, will be subject to conflicting and antagonistic claims to ocean space. How can anyone assert that such claims will not torpedo the Law of the Sea Conference?

(6) A prime example of the disastrous results of unilateral action in disregard of treaty agreements is the 1973 unilateral declaration by the United States that the northern lobster was a "creature of the continental shelf" under the terms of the 1958 Convention, which had specifically decided to the contrary. That unilateral act by the United States was the justification recently given by the Bahamian Government when it declared the spiney lobster to be a creature of the shelf, thus depriving Florida of a $6 million lobster industry, reducing by 10% the total Florida fish industry, and causing the loss of jobs for 5,000 Floridians.

(7) If the United States, by legislative fiat, can declare the lobster a creater of the Continental Shelf, and declare a 200 mile fisheries zone (both contrary to international law and relevant conventions), why cannot other nations declare shrimp, for example, a creature of the shelf and thus cripple our $240 million shrimp industry, which fishes within 200 miles of their coasts? One cannot have unilateral cake and eat multilateral cake at the same time. We either honor agreements or we don't. We cannot pick and choose which segments of a multilateral agreement we will honor.

(8) Unilateral action by the United States will constitute a direct challenge to the U.N. and the recent resolution adopted in 1969 urging nations not to proclaim unilateral jurisdiction over ocean space. The United States will bear the brunt of accusations that we destroyed the conference and with it one of the most promising developments in the history of humankind. As a result, the emerging consensus toward a global regime to protect and wisely use the resources of the oceans will be shattered into a myriad of conflicting and antagonistic claims.

The above points are well summed up by Professor R. R. Baxter of Harvard University Law School, the current President of the American Society of International Law:

"If the United States were to move unilaterally, many other countries would feel free—indeed obliged to carve out their own maritime claims so that they would not be left behind. The flood gates would be open to every sort of unilateral claim that the U.S. has been resisting over the last decade—to 200 miles territorial seas, to control and restriction of traffic through straits, to deep-ocean resources, to uneconomic and politically motivated controls over shipping. . . . Unilateral action by the U.S. will be taken as a signal that the U.S. is not really interested in a general multilateral agreement, because the very idea of that sort of agreement is inconsistent with the assertion of unilateral claims by coastal nations. Other nations will rightly conclude that we say one thing and do another. Our actions will speak louder than our words. The frustration and anger of our friends and the joy of those who have been making extravagant unilateral claims all along will be enhanced by the thought that the United States which has been preaching multilateralism under a treaty for the past decade, has gone unilateral. Such action would be the destruction of the Law of the Sea Conference."

"If one nation goes unilateral and then every other nation starts going unilateral, then if these unilateral actions don't mesh and if some nations don't recognize it and abrogate their existing agreements, then we are likely to have chaos and then we are likely to be hurt worse than we are now."

HENRY KISSINGER.

"We have contested the right of other states unilaterally to claim 200-mile zones for whatever purpose. If we take such unilateral action, we will be discredited and our word will be questioned on other matters as well. Anyone who objects to unilateral price controls of oil by OPEC should object to unilateral control of fisheries on the high seas which for centuries have been considered the common property of all nations. Unilateral action by the United States of this kind would stimulate and justify like action by other states to the injury, not only of the international processes, but also to our own economic interests which insist on freedom of the seas."

PHILIP JESSUP,
Former Judge, International Court of Justice.

"I do not believe anyone would seriously suggest that unilateral action by a significant number of influential nations will help establish an atmosphere favorable to agreement. To the contrary, it is much more likely that the willingness of these nations to seek their own interests through unilateral action will discourage and dampen the positive attitudes that are part of a favorable negotiating climate. More concretely, these actions may harden previously flexible positions and cast doubt upon the inclination, and even the capacity, of some states to reach necessary compromises."

WILLIAM T. BURKE,
Professor of Law, University of Washington.

"Furthermore, the United States, subsequent to passage of this legislation, would be highly vulnerable to counter-attack by those states who wish to act unilaterally on law of the sea matters in general and abandon the UN negotiations. No one that I know who is concerned with and has participated in international negotiations, believes that the status quo is changed during the course of negotiations. Unilateral action in anticipation of a negotiated agreement would subject the UN Conference to interminable delay and stalling tactics by nations unwilling to come to an effective and equitable agreement. It would be the height of folly for the United States to take action inconsistent with basic principles of international law and the international negotiating process."

COVEY OLIVER,
Professor of International Law,
University of Pennsylvania.

"I believe that unilateral extension of jurisdiction by the United States at this time could jeopardize international negotiations because of the complex nature of the negotiations and of the various issues at stake. It will be much more difficult to conduct research, and that research will become significantly more expensive. Yet the results of marine scientific research are increasingly necessary both for managing the harvest of living resources and for protecting the marine environment. Unilateral action by the United States is likely to lead to a universal regime of unilaterally extended zones of differing character, making it even more difficult than now to negotiate a uniform regime in which the international community retains a number of rights, including that of carrying out marine scientific research."

WARREN WOOSTER,
Dean, School of Marine and Atmospheric Science, University of Miami.

"One possible approach would have been to allow the development of international law for the oceans, including the law relating to navigation, resource development, fisheries, protection of the marine environment, and scientific research, to proceed through the practice of states, growing into international customary law. A new pattern of order might have emerged late in this century or early in the next through the establishment of an equilibrium between these demands and the resistance of the international community or individual states. But the period of readjustment would have been one characterized by chaos and conflict as states asserted their interests and resisted the claims of others. Open violence could have been expected on numerous occasions, any one of which might turn out to be the spark igniting a global conflict. The other possible strategy—the course adopted by the United States—was to seek the timely establishment of a pattern of order, fairness, and stability in the oceans in the form of a widely accepted treaty arrangement governing the major uses of the oceans. The election of that course reflected a conviction that the United States has in the long run more to gain through the creation of stability and order than through a process of confrontation. H.R. 200 is thus not simply a case of doing now what will ultimately be done anyway under the terms of the treaty. In the words of the popular song of years ago "It's not what you do but the way that you do it." There is a world of difference between a generally agreed 200-mile economic zone, with jurisdiction over the coastal species, under the terms of a general international agreement, and a unilateral grab of a 200-mile fisheries zone, which would be the signal for other states to lay even more sweeping claims over the 200-mile zone, up to and including a 200-mile territorial sea claim. An impatient claim to 200 miles by the United States would thus, under the most optimistic prediction, gain us protection of certain fisheries one year or so earlier than might otherwise be the case. At the worst, it could be the downfall of the Law of the Sea Conference and the destruction of any immediate prospect of a treaty. The price would be the exclusion of our merchant vessels and Navy from large areas of the ocean and the end of certain of our distant-water fisheries—all for having one or two years earlier what we are going to get anyway. That, in my submission, would be the height of folly. [It] 961 is fundamentally incompatible with the realization of a sound, workable, and lasting legal regime for the oceans."

R. R. Baxter,
President of American Society of International Law.

"As the world's leading maritime power, the United States has a very great interest both in establishing an agreed international order for the oceans, and in retaining, as far as possible, freedom of action of all nations throughout the ocean realm. On the other hand, it would be much against our interest for different coastal states each to declare its own version of sovereignty, or jurisdiction short of sovereignty, over an area which might extend several hundred miles off its coast."

Richard Rovere,
Director, Center for Population Studies, Harvard.

"I believe that enactment of such legislation at the present time would seriously jeopardize the chances of our coming out of the current Third United Nations Law of the Sea Conference with the type of treaty which we want and need. Having in mind the difficulties of reaching world-wide consensus on the many important law-of-the-sea issues involved in the current efforts to reach international agreement and frame a "constitution" for the oceans, I believe that the proposed unilateral action by the United States would make it very much more difficult, if not impossible, for the Conference to produce such a treaty which meets our needs."

William Bishop,
Professor of International Law, Michigan University.

"At the close of the Geneva session of the Law of the Sea Conference last spring, Ambassador Amerasinghe, President of refrain from taking unilateral action in the wake of the Geneva meeting. It would be ironical if the United States, which for so long has supported the principles of international cooperation, should be among the first countries to respond to Conference President's plea by adopting a contrary course of action."

Lewis Alexander,
Director, Law of the Sea Institute, University of Rhode Island.

The **PRESIDING OFFICER.** The question is on agreeing to the committee amendment.

Mr. **MANSFIELD.** Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **GRAVEL.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **GRAVEL.** Mr. President, I wish to make another point that comes to mind, and I do not think I made it clear when I spoke earlier. This is in connection with a point made by Senator Stevens as to what we are setting in motion here by this delay of enforcement. Many of our fisheries treaties contain a paragraph that says that if you want to change the treaty or if you want to end the treaty, you give a year's notice; and at the end of that year, the treaty ends.

So, for all intents and purposes, if that goes into the final law, technically, this law will not break the treaties but will say that our State Department is to go out and negotiate treaties and adhere to our law, and the State Department is locked in as to what that will be. So if they do not negotiate that, those treaties are broken.

In point of fact, we lay down the parameters, and if the foreigners do not agree to this law which we pass here, the treaty ends, which means that we break the treaties or we dissolve the treaties.

So, after a year, when this law comes into force, in January, all the fishery treaties we have that are at variance with what this legislation does will be terminated, and that will be the end of it.

As I stated before, it is "Katy, bar the door." We will have anarchy of the seas with respect to fisheries.

Mr. President, I yield the floor so that the Senator from Indiana may be recognized.

RAILROAD REVITALIZATION AND REGULATORY REFORM

Mr. **HARTKE.** Mr. President, I ask the Chair to lay before the Senate a message from the House on House Concurrent Resolution 527.

The **PRESIDING OFFICER** (Mr. Percy) laid before the Senate House Concurrent Resolution 527, vacating certain actions of the Senate and the House of Representatives with respect to the bill S. 2718, relating to railroad revitalization and regulatory reform, and for other purposes.

Mr. **HARTKE.** Mr. President, this concurrent resolution would have the effect of returning S. 2718, the Railroad Revitalization and Regulatory Reform Act of 1976, to conference. Since the conferees approved this legislation last December, representatives of the House and Senate Commerce Committees have held several meetings with the administration to see whether the objections that the administration had to the legislation as approved by the conference could be removed in order to avoid a veto of this legislation, in view of the fact that the administration was now able to realistically negotiate on this bill, and in view of the fact that both the Congress and the administration realize that a veto of this legislation would have disasterous consequences for the Nation's economy because of the inevitable delay that a veto would entail. At a minimum, it could cost around $300 million just in additional operating losses for the essential operations of the bankrupt carriers and additional rehabilitation needs for the new railroad that is to take over operations as soon as we enact this legislation and allow the transfer process to move forward. It could have been more disasterous effects, such as a complete collapse and ultimate nationalization of the rail system in the Northeast and Midwest.

In view of the great desirability of having this legislation enacted as soon as possible, I have agreed with the ranking minority member of the subcommittee, and the ranking minority member of the full committee, to reconvene the conference. This is predicated on a conversation that I had yesterday with the President in which he indicated that if changes were made in certain areas, the administration would have no objection to signing the bill. Based on this conversation, it is my intention to return to conference and iron out the differences so that a piece of legislation can be enacted with the minimum possible delay.

Mr. President, in view of the urgency of this matter, I urge my colleagues to vote for this concurrent resolution, which will have only the effect of returning the bill to conference.

The concurrent resolution (H. Con. Res. 527) was agreed to.

Mr. **HARTKE.** Mr. President, I ask unanimous consent to have Senator Buckley appointed as a conferee and thereby replace on the conference Senator Baker, which is a request of the minority.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **WEICKER.** Just by way of comment, Mr. President, I concur with the action taken as announced by the Senator from Indiana. I think that earlier on, at the end of last year, when this bill was before the Senate, I indicated then that I thought that the road of compromise and consultation was far better than that of conflict and confrontation, which is the way we were running at that time, with the threatened Presidential veto.

I commend the Senator from Indiana and the members of the staff, both majority and minority, for having worked long and hard during the recess period to try to arrive at a general ground where we can go over the details and, hopefully, arrive at a bill to be signed. This is of enormous importance, not only to the rail systems of this country, but to the economy of the United States. It is my hope and, I believe, that also of the Senator from Indiana, that the conference will prove to be productive and that within a very, very short space of time, we will have a final work product.

I yield the floor.

ERADICATION OF PLANT PESTS

Mr. **ALLEN.** Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1617.

The **PRESIDING OFFICER** (Mr. Percy) laid before the Senate the amendment of the House of Representatives to the bill (S. 1617) to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests.

(The amendment of the House is printed in the Record of November 4, 1975, beginning at page 34919.)

Mr. **ALLEN.** Mr. President, I move that the Senate disagree to the amendment of the House and request a conference with the House on the disagreeing vote of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer appointed Mr. Talmadge, Mr. Allen, Mr. Clark, Mr. McGovern, Mr. Stone, Mr. Dole, Mr. Young, and Mr. Bellmon conferees on the part of the Senate.

Mr. **ALLEN.** Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. STEVENS. Mr. President, I have an unprinted amendment at the desk dealing with page 29, the findings that are the declaration of policy for this bill.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 29, after line 18, insert the following new subsection:

(8) A national program for the development of a United States fishery for bottomfish off Alaska and our other States is necessary to assure that our citizens benefit from the employment, food supply, and revenue which could be generated thereby.

Mr. STEVENS. Mr. President, in the findings section of this bill, which is the preamble to the action that we propose to take in declaring a 200-mile limit and establishing a regional fisheries council, there is no direct mention of the lack of a bottom fishery in many areas of the country, particularly off Alaska, where we have half the coastline of the United States and, as I said, almost 70 percent of the Continental Shelf.

It is the desire of our fishermen to see to it that in our declaration of policy the Congress takes notice of the lack of this U.S. bottom fishery and makes a finding that the development of such a bottom fishery would be of benefit to our Nation.

I have discussed this with the chairman of our committee, my good friend from Washington, and I believe it would be acceptable to him to add this as one of the basic findings of the Congress as we pass this legislation.

If there is no comment concerning it, I would move adoption of this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. GRAVEL addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. GRAVEL. Mr. President, I ask unanimous consent prior to passage of this amendment that it be treated as original text.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment was agreed to.

Mr. STEVENS. Mr. President, I have a second amendment that deals with the policy provisions of the purposes provision of this bill on page 30.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 30, line 9, delete the period and insert the following: "and to encourage the development of a domestic capability to harvest and process fishery resources which are currently underutilized or unutilized by U.S. fishermen, particularly the bottom fishery of the North Pacific and Bering Sea and other bottom fishery potential off our coasts.".

Mr. STEVENS. Mr. President, this also is a clarification to assure that one of the purposes of the Congress in passing this act is to carry out the action that would be necessary to assure that this finding we have just made and inserted in the bill is one of the objectives of the regional councils and our National Government as we try to rebuild these stocks and assure the full potential of our Nation's fishery resources.

We ought to make certain that one of the goals is to establish the capability to harvest these fish that comprise such an enormous potential for us in terms of food value and employment and income and reduce our current deficit and balance of payments in the fisheries area.

This is another addition that has been urged by the fishermen of Alaska, and I think it is a good addition to the bill. I am hopeful that the Senator from Washington will agree.

Mr. MAGNUSON. Yes, Mr. President. I move the adoption of this amendment.

Mr. GRAVEL addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. GRAVEL. Mr. President, I make the same unanimous-consent request, that it be treated as original text.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. I move the adoption of the amendment with the provision.

The PRESIDING OFFICER. It is considered as original text.

Mr. MAGNUSON. Yes.

We move the adoption of the amendment on that basis.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STEVENS. Mr. President, I state that we are waiting for a clarification of a substitute that we have prepared to the amendment offered by the Senators from Texas. If my colleague from Alaska has any amendments, we would announce that that is the last amendment I know of.

Does the Senator from Washington have any others?

Mr. MAGNUSON. No.

Mr. STEVENS. Mr. President, we have one amendment that the committee has notice of. We have notice of no other amendments that are involved and unless my colleague has some to offer, we are prepared to seek a time limit on further consideration of this bill and we will be prepared to seek a time limit on the Bentsen amendment, whatever is in order at this time, as far as my colleague from Alaska is concerned.

Mr. GRAVEL. I have no trouble with respect to this. As my colleague knows, I have an amendment, No. 1327, which I introduced yesterday, now printed, that deals with the interests of Alaska. I believe he and his staff were perusing that amendment to make a decision on whether or not they wanted to join me as a result of the colloquy we had yesterday or the day before yesterday with respect to jurisdiction from shoreline to the 200-mile area, and whether or not the State of Alaska could be given primary responsibility for developing the plan.

I think the management section of this bill is a good section of the bill and I support it. I applaud the committee. I think setting up the regions is very fine.

The only problem I have is that we in Alaska have been operating as a region. We have done a good job as a region, as one area. Under State management we did not have to have people from other areas tell us how to do it. We did a better job than the Federal Government.

I do not understand why we cannot secure this kind of amendment that would just continue the status quo for Alaska.

Mr. STEVENS. I might say that we discussed that.

I, too, have an amendment, No. 1302, on the same subject. The Senator from Washington has a substitute for my amendment, and we have the other Senator from Alaska's amendment.

It has been suggested that we could consider my amendment, No. 1302, adopt it for the purpose of original text, have the Senator from Washington's amendment then come up, and the Senator's amendment be an amendment to his amendment, cover all three, and have a vote on the Senator's amendment.

I know of no other way to get to it directly.

Mr. GRAVEL. I have no pride of authorship. I would cosponsor the Senator from Alaska's amendment if I thought we could win the issue.

I have no pride of authorship. This does not have to be the Gravel amendment that passes. It can be the Stevens amendment that becomes the one to give the State the primary authority.

Mr. STEVENS. I am prepared to agree to the modification of the Senator from Washington to my amendment.

Mr. GRAVEL. If I could see the modification, I probably would cosponsor it if it does exactly what we are trying to do. I would be happy to.

I have no problem on the time element on this. I am trying to get this solution effected and if it can be done under the auspices of the Senator, or the Senator from Washington, I applaud that.

Maybe the Senator from Washington could make me privy to his amendment and I could see if it does what I hope my amendment does. If not, I will support the amendment of the Senator from Alaska and try to get it past this body, if they do not think my amendment will sell.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

Mr. GRAVEL. I would like some indication from the managers of this bill, both the senior Senator from Alaska and the Senator from Washington. If they want to fight me on this amendment or if they have a better one, fine. All I want to do is effect this principle. I do not ask for a rollcall vote or a time element. I will go with whatever the Senators want to do. My question is: Is this concept close to being acceptable by the managers of the bill or is it something that will be opposed? If so, we can put in some time element.

Mr. STEVENS. I might say the Senator from Washington has taken the position that he will not agree to that amendment. He does have a substitute for the amendment which I think will go just as far.

Mr. President, may I suggest the absence of a quorum?

Mr. MAGNUSON. Just a moment. I was about ready to tell the junior Senator from Alaska that I am opposed to his amendment. I said so yesterday and I say so again. I have a substitute, which can be acceptable, as the senior Senator from Alaska suggested, but which does not do what the Senator's amendment does. It is quite different. This may be something that in Alaska they might take a look at, but no other State in the Union wants this. We cannot pass this bill just for Alaska. No other State wants this. I have never heard of any State in the Union——

Mr. GRAVEL. Do they not want it for themselves or not want it for us in Alaska?

Mr. MAGNUSON. I do not think we can pass a bill that has something different from other States. Anyway, I oppose the amendment and I shall give the reasons why.

Mr. GRAVEL. I will be prepared to enter into a time agreement on my amendment and vote on it at a time certain. We can have ample time to discuss it. I see nothing wrong with it. I do not believe it hurts the fisheries of the west coast or the gulf coast. It says we have done a good job and says we should have the primary responsibility for continuing to do a good job.

Let me ask the Senator from Washington, does he oppose the amendment of the senior Senator from Alaska?

Mr. MAGNUSON. I oppose his amendment, and I have a substitute which I shall introduce at the proper time.

Mr. GRAVEL. Let me say I will reserve any time element until I can see the way this thing will work itself out. I will not lock myself into a time agreement if we are going to play our cards that close to the vest. I am trying to be very helpful.

Mr. MAGNUSON. If the Senator has an amendment, let him discuss it and I will oppose it.

Mr. GRAVEL. It is right here. We will discuss it and vote on it.

Mr. MAGNUSON. I hope we will not have too much discussion, because we have gone in and out of this matter now for 3 days.

Mr. GRAVEL. Am I imposing upon the good will of my good friend from the State of Washington in asking him if he could make me privy to his substitute amendment to the Stevens amendment so I might enjoy that wisdom and maybe find it in my heart to support him or oppose him vehemently?

Mr. MAGNUSON. I would hope that would be true, that the Senator would join with me in the substitute. I will be glad to show it to the Senator. It is being typed up right now. As a matter of fact, if we go on much longer today, I will lay it on the desk and have it printed so that tomorrow, when I hope we will have some votes on the two or three things we have left, the Senator could take a look at it.

Mr. GRAVEL. I thank my colleague for his courtesy.

Mr. MAGNUSON. I might say it merely rejects the idea of any State having jurisdiction beyond their State limits and out to 200 miles.

Mr. GRAVEL. We are not seeking jurisdiction. I think my colleague has misread my amendment.

Mr. MAGNUSON. Not so.

Mr. GRAVEL. All we are saying is we can manage it for the Federal Government. We can save them a lot of effort.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER** (Mr. STEVENS). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. HELMS). Without objection, it is so ordered.

REPORT ON EAST ASIA

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the report which I now hand the clerk of my findings on a recent trip to Asia be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT BY MR. JOHNSTON ON EAST ASIA

As a member of the Committee on Appropriations, I have just returned from a two-week fact-finding trip to the Mariana Islands and to several countries in East and Southeast Asia. It was an intensely interesting and instructive journey to two regions which are, I believe, of vital strategic importance to this country but which, since the failure of our policy in Indochina, have begun to recede from the national consciousness and informed public discussion.

I went to Saipan to confer with the District Legislature and other officials there on prospects for Senate passage of the House-approved compact giving Commonwealth status to the Northern Mariana Islands. The United States has administered the vast archipelago of Micronesia since 1947 under a United Nations Trust, a trust which mandated that we eventually move that area toward some form of self-government.

As Chairman of the Senate Subcommittee on Territorial and Insular Affairs, I have worked closely with Ambassador Haydn Williams, the President's special negotiator, in his effort to come up with a mutually satisfactory convenant with Marianas officials. I believe the proposed commonwealth compact is the proper step toward Marianas self-rule. And I believe, moreover, that failure to approve it would fly against both our moral commitment to the people of the Marianas and our long-term strategic interests in the Pacific Basin.

I went to Saipan not so much to plot strategy as to gently alert our friends there to the possibility that the compact may indeed fall short of Senate approval. When I told them some of the arguments already advanced by Senate opponents at both ends of the political spectrum, they were, to say the least, perplexed.

To arguments raising the spectre of "neo-colonialism," they respond correctly that the commonwealth course is their own choice, nearly 80 per cent of the islanders having so expressed in last year's plebiscite. To the suggestion that we are wrong to try to isolate out one small parcel of Micronesia for such status, they reply that thousands of ocean miles and totally different languages and cultural heritages separate them from other islands in the Micronesian chain.

I would add to that a couple of points of my own. Those who talk darkly about Pentagon planners eyeing Saipan and Tinian for major military reservations ignore, on the one hand, the undeniable fact that the covenant contains only provisions for long-term lease of some land by the Department of Defense. The Department has stated repeatedly that such a buildup is not even being contemplated.

But on the other hand, the Marianas could indeed eventually be needed as a rim of U.S. defense posture in the Pacific. To look at a map of the Pacific Basin is to see the folly of losing a logical fallback position if events in Asia were to force an eastward retrenchment of our present defense perimeter in the Pacific.

Finally, we have heard and read the argument that the United States can ill-afford at this juncture to take on the concomitant burdens of granting citizenship and commonwealth status to a few thousand people who live halfway around the world. First of all, every aspect of that burden—moral, financial, military—already exists. And the people of the Marianas, dependent as they are on the American presence, are not willing wards of the state; they are a fine, proud, industrious people who want to take their rightful place as independent people, preferably as American citizens. In any event, they are firmly set on a course of self-determination, and no one among the opponents of the present course has brought forth anything close to an alternative to the compact.

I do not intend to dwell at length today on this subject. The compact has been approved by the Interior Committee and Foreign Relations Committee and is scheduled for markup within the next few days by the Committee on Armed Services. If the legislation reaches the floor, as I hope it will, then my colleagues will hear a great deal more from me about it.

I was anxious to go to Asia to examine firsthand the political currents that have shifted so dramatically since the dawn of Sino-American rapprochement and, more immediately, since the collapse last spring of Indochina.

Time has eased the convulsive jitters that enveloped non-Communist Asian countries upon U.S. withdrawal from Indochina. Then, such traditional allies as the Philippines and Thailand, perceiving themselves abandoned and isolated, reacted to that withdrawal with a spate of strident anti-American rhetoric and some dizzying diplomatic footwork.

But that has subsided. Those countries now have some reason to believe they can co-exist, even amicably, with nominally hostile governments. They have been reassured that America's new Asian policy, however, inchoate, will call for a continued U.S. presence in that area. They have been given reason to believe, moreover, that such a presence may be just as much to China's liking as it is to ours and theirs.

Plenty of questions and uncertainties remain. Just as the American involvement in Indochina is over, so is the network of regional alliances and mutual security treaties that inspired that involvement. Asian nations which once stood under the American anti-communist umbrella are now opening and expanding bilateral ties with Communist

China. And perhaps most significantly, they are forging strong efforts at regional cooperation through such vehicles as the Association of Southeast Asian Nations (ASEAN).

Among these hopeful signs that have appeared since last spring one cannot ignore another, far less encouraging development: the alarming growth of government by repression in the Philippines and South Korea. Their fear of dissent exacerbated by events in Indochina, leaders in both countries are ruling largely by decree, repressive ones at that.

I do not think the United States government should presume to tell any other country how to conduct its affairs; I certainly did not do so. But at the same time we should not fail to register our disapproval of antidemocratic policies, policies which in these cases may or may not threaten their long-term internal stability but which most certainly carry the risk of eroding support for our presence there.

THE PHILIPPINES

Nowhere in Asia do so many of these factors converge as in Manila, where the government of President Marcos is trying to fashion some modus vivendi for a secure Philippines, with one eye cocked toward Washington, the other toward Peking. Marcos gained celebration as an underground hero against the Japanese occupation in World War II, and many believe the depth of his traditional warmness toward the United States traces to our parallel role in that struggle. He runs a nation of 40 million people who also remember that common experience, as well as the fact that we granted them their independence without struggle at the end of that war. Marcos rules from a capital city where the signs of Americanization are deep and ubiquitous, the gestures of friendship readily forthcoming.

Against this backdrop, it is easy enough to understand the American surprise and dismay last year when Marcos, as soon as the American flag was hauled down in Saigon, warned loudly that American military installations at Clark Air Force Base and Subic Bay were in jeopardy, then quickly shuttled north to Peking.

I know I was concerned at the time, thus I was greatly pleased to see that this threat no longer obtains.

Perhaps that bellicose language was a genuine overreaction to our pullback, a ploy designed to play both ends against the middle. Perhaps it was a grandstand effort to turn to his own benefit an American withdrawal which he already viewed as a fait accompli. Perhaps—many observers I talked to have no doubt about it—he was encouraged by his hosts in Peking to leave the American bases be, rather than open a flank in the northeast corner of the Indian Ocean to the Soviet fleet.

Whatever the reasons, it was reassuring to learn that U.S. forces in the Philippines are under no threat of explusion, but rather are stable and secure for the foreseeable future. This was made clear to me by senior American diplomatic and military officials, as well as by President Marcos in a one-hour talk I had with him in Manila on New Year's Day.

But we ought to move ahead quickly on efforts to rewrite the Status of Forces Agreement that governs those bases, removing some rather anachronistic, colonialist language and allowing for more explicit Filipino sovereignty over their operations. This would not alter the substance of that arrangement but would eliminate a needless irritant to Filipino nationalism.

In a general sense, we ought to be sufficiently flexible in our bilateral relations to accommodate that nationalism and Marco's efforts aimed at regional cooperation. Surely a nation firmly set on its own course of "normalization" of relations with the People's Republic of China ought to be supportive of an old ally's attempt to follow suit. And as Marcos expands his leadership role in ASEAN and other steps toward regional unity, he ought to do so with the strong blessing of the United States. The bonds between our two nations not only are elastic enough to handle such moves but could indeed be strengthened as a result.

Whether President Marcos loosens or persists in his autocratic rule is his business and that of the Filipino people. As a foreigner, I can only deplore it and couple that with the hope that neither he nor American officials underestimate the toll it could take on support for our commitment there. I concur in the majority opinion that its imposition was amply justified as a crucial step to clamp down on disorder then threatening the country. But those conditions have abated, and I believe Marcos should move, at least by degrees, to relax that rule.

THAILAND

If it is fair to characterize the Philippines as nervous about its future, then "apoplectic" is the only way to describe Thailand, three air hours north on the Asian mainland. The home of SEATO and longtime haven for American B–52's which struck enemy targets in Indochina, Thailand now sits virtually isolated. Hostile governments in North and South Vietnam are separated from Thailand only by the slightly less hostile governments of Cambodia and Laos.

As if its external problems were not grave enough, Thailand has become a veritable laboratory of domestic strife. Communist guerrillas range over the northeast, Muslim guerrillas in the southern peninsula. Corruption reigns in the military, one of the weakest in Asia anyway. Opium continues to flow south from the famous "Golden Triangle," despite well-intentioned Thai efforts to interdict that flow.

Leftist students in 1973 brought down a military government and have staged violent anti-American demonstrations. Those acts in turn have spawned an ugly backlash among rightist students. Labor strikes and work stoppages are a dime a dozen. Drunken policemen last summer totally sacked the prime minister's home.

The capital of Bangkok continues to suck up far more than its share of national resources and thumb its nose at the hinterland. Meanwhile, the rice farmers, newly awakended to the fact that prices have been kept low to accommodate Bangkokians, demand and get increased price supports.

This, then, is Thailand, the only democracy between Japan and Israel. There are those who would be tempted to turn the old line around and say, "It's all we got, but it ain't much." But my stay convinced me that Thailand may in fact be a lot more than the sum of its problems, that it may in fact possess the spirit and the leadership to remain the free nation it has been for all its existence.

Thailand is grappling with its staggering problems through a freely elected government that came into power early last year. From a boisterous press to a cacophony of opposition political voices, it was a source of absolute fascination to me.

The government is in the hands, however tenuously, of Kukrit Pramoj, who, if he were a Westerner, would be more widely acknowledged as the Rennaisance man that he is. He is, among things, a novelist, a dancer, a playwright, a newspaper editor, a television commentator. And no thumbnail Kukrit profile is complete without mention that as an actor in the 1963 American movie, "The Ugly American," he played opposite Marlon Brando as the leader of an Asian country.

His preoccupation with a government crisis—he has since dissolved the national Assembly—made it impossible for me to meet and talk with Kukrit. But I gained the strong impression anyway that no one could be more adept than he at steering Thailand through its domestic strife and external pressures.

In addition to his foreign policy innovations, he is moving to right some domestic ills through such steps as land-reform, better prices and credit for farmers and a major program of revenue sharing, "tambon development," which funnels money directly to local governments for their own development programs.

I did have two lengthy and excellent meetings with Foreign Minister Chatichai, one of his home and a second, very informal meeting over dinner in a Bangkok restaurant. Chatichai told me more than once, "We do not intend to become members of the domino club."

Only time will tell, but the Thais are unquestionably adjusting their policies to the new political reality in Southeast Asia. I was told by several Americans that they have a reputation as great accommodators, and their post-Vietnam conduct has done nothing to tarnish that reputation.

They have ordered American forces out—while strongly emphasizing that they want continued active relations with us. They have severed their old diplomatic ties with Taiwan and recognized the Peking government. They moved quickly and assiduously to develop relations with North Vietnam and the new Communist governments of Indochina and have in fact received delegations from all four countries. But they have, at the same time, held to a position of strength and determination not to negotiate solely on the terms of its neighbors.

Thailand is not afraid of Cambodia and Laos per se. But they are mortally afraid of North Vietnam. And they reserve most of their fears for the day when North Vietnam, should it move and succeed to consolidate its power in those two countries, would then use one of them as a base from which to subvert or to openly attack Thailand. To complement their own overtures to the North Vietnamese, the Thais see Chinese influence—already strong in Cambodia and showing signs of increasing in Laos—as a hedge against that day.

A great reservoir of good will exists among the Thai people for Americans, thanks in no small part to years of fine work by such units as the Peace Corps and a remarkable Binational Center in Bangkok. I believe that our relations are largely back on an even keel.

Two things should be kept in mind, however. Only some very adroit and properly pliant diplomacy by our Embassy in Bangkok saved the day last May, when the American government, in its zeal to rescue the Mayaguez, dispatched planes from Thai soil without the consent or even knowledge of the Thai government. Although most of us applauded the President's decisive steps to retrieve the Mayaguez and its crew, the fact remains that our mission did impinge on Thai sovereignty. I personally believe that our relations, strong though they are, could not weather another such act.

Another point is one that Foreign Minister Chatichai made to me during our first meeting. Like so many other countries of Southeast Asia, Thailand was the recipient of a massive spurt of American aid during the last decade. "We are not looking for an express train," he told me. "We are just looking for regular service." They are looking, in other words, for the small but marginally important flow of American aid to continue without interruption or uncertainty.

As the Thais are accommodating, so we must be. Continued economic and military aid is one small way to demonstrate it. Thailand is not asking for large sums of aid, but they should get what they are seeking.

HONG KONG

I flew from Bangkok to Hong Kong for a day of discussions with the State Department's chief China analysts, men and women who will tell you themselves that often their craft—as Uncle Earl Long said of psychiatry—"is just so much guesswork." Actually, it is a great deal more than that, but at this moment particularly, with the demise of Chou En-lai, certainly more questions than answers emerge.

Teng Hsiao-ping is now in command, having asserted mastery over the party, political and military apparatuses. But which course will he take? Will he continue toward normalizing relations with the United States? Will he instead turn toward mending the deep rift with Russia? Does he have a firm grip on power, and what will happen soon when Mao dies?

What did the Chinese leadership mean to convey to the Soviet two weeks ago when they surprisingly returned three Russian helicopter pilots they had held since 1973? More important, what if anything did they mean to tell the United States? If Teng is making overtures to the Soviets, then why, on the other hand, did they move the site of the Spay engine assembly plant more deeply inland away from the Soviet border?

Questions, almost all of which invite widely divergent answers.

TAIWAN

From Hong Kong I went to Taiwan, where there are almost as many questions, most of which simply defy answers. And most unsettling, to my mind, I came away wondering whether American officials have devoted enough time and thought during the last few years to finding those answers.

After Chaing Kai-shek and the remnants of his Kuomintang government fled the Mainland to Taiwan, we recognized it as the legitimate government of China and entered into a Mutual Security Treaty in 1954. That relationship continues today and did so without great worry on the part of Taiwan until President Nixon visited the Mainland in 1972.

Nothing has been quite the same since the President and Chinese officials, at the end of that visit, signed the famous Shanghai Communique, a document which, despite some artful semantics, put the American government squarely on record that Taiwan's days as the recognized government of China were numbered.

That communique sent shock waves throughout the island, as did the expulsion from the United Nations and derecognition by Japan. But the Chinese on Taiwan know that all of those will pale in comparison to the formal act of derecognition by the United States. And they are desperately trying to prepare for that eventuality.

Whether all of us in the Congress or the American people understand fully its ramifications, this country certainly is moving toward the act of recognizing Peking and thereby derecognizing Taipei. With it will come automatic abrogation of the mutual defense treaty which compels us to come to Taiwan's defense if she is attacked.

During my visit to Taipei, I held lengthy discussions with Premier Chiang Ching-kuo, President Yen Chia-kan and Foreign Minister Shen Chang-huan. All of them either asked directly or hinted at their basic question of Americans: "Why?"

What benefits does recognition of the Peking hold for the United States? Why abandon a valuable trading partner and proven ally?

I personally believe that formal diplomatic relations with Mainland China, if entered into carefully, are in the best interest of the United States. But I will say at the same time that my visit to Taiwan rekindled an earlier, gnawing concern over the future of that country; a concern that we will move toward normalizing relations with the Mainland without taking due heed of the 16 million people of Taiwan.

Taiwan's image has never been an exemplary one among large numbers of influential Americans. And since the euphoria and curiosity that followed the 1972 Nixon visit, it has not been a favored destination for American leaders and opinion makers. And we all are influenced by the myths and misperceptions that grow up around any country.

So I was quite unprepared for what I saw in Taiwan. It is truly a remarkable country. More than 20 years ago, it implemented probably the most successful land reform program in history. With less than one-quarter of its land arable, it is and has been a net exporter of rice. A finely tuned economy has produced the second highest per capita income in Asia after Japan. Incredible industrial production has made it a powerhouse among trading nations. Meeting its own target date, it "graduated" from the U.S. aid program in 1966 and now operates a major aid program of its own in more than 20 countries all over the world.

The heavy thumb that marked the early years of the Nationalist government has eased. The barriers to native Taiwanese participation in the government has likewise fallen. If its political institutions and press are not totally free—and they are not—they certainly are much more so than those of the Mainland, or, indeed, of most non-Western countries.

As I said at the outset, discussions about Taiwan raise many questions that do not admit of easy answers. To recognize Peking is to derecognize Taiwan, which is to abrogate the Mutual Security Treaty of 1954. Are the American people and their leaders fully cognizant of the meaning of those steps? Are we really prepared to let Taiwan be considered the internal problem of the Mainland government?

The Shanghai Communique cites our interest in a "peaceful settlement of the Taiwan question by the Chinese themselves." That would be fine. But does it not rest largely on an element of faith and faith alone?

What if Peking tried to reclaim Taiwan by force? What if Peking laid down a trade embargo against Taiwan, a nation almost totally dependent on trade? Or what if Peking were to ring that small island with a total blockade?

I am raising questions for which I am certainly unprepared to provide answers. But I do say they are valid questions. And I believe it is time we stopped for a moment to remind ourselves again that Taiwan does indeed exist and that the great majority of the American people favor its continued existence and security.

I do not for a moment want to see a national debate on the order of the 1950's hysteria over China policy. I do want to see, hear and engage in some rational discussions of one of the prickliest problems in American foreign policy. A recent article in The New Republic by the respected Sinologist, Ross Terrill, was encouraging not only because of its content but additionally because it recognized what many have not—that this difficult problem will not be solved unless we stop ignoring it and search for answers.

I have said that I welcome steps to normalize relations with the People's Republic of China. But I must qualify that with the caveat that such normalization must carry ironclad assurances for the continued security of Taiwan.

To effect those assurances within the context of the Shanghai Communique will call for some diplomatic skill—perhaps the introduction of some new diplomatic norms. But I for one would oppose a policy which failed to preserve for Taiwan its right of self-determination, its continued security and economic viability.

SOUTH KOREA

My visit to South Korea left few questions in my mind, only a better grasp of some hard and unpleasant realities. It cost thousands of American lives and a major national effort to spare South Korea from communism a quarter-century ago, but today, long after the fighting has died, that rugged country remains under threat of aggression more direct than that facing any country in Asia.

No one familiar with Korea—not the critics of the U.S. troop presence, not the critics of internal South Korean policies—doubts that North Korea is awaiting the right moment to attack the South. Kim Il-Sung, North Korea's irrational leader, has devoted a huge portion of his national treasury and resources toward developing a military machine capable of delivering to him that portion of the Korean peninsula denied him by U.N. forces 23 years ago.

Kim sits in Pyongyang surrounded by a personality cult without parallel in world politics today, and he has now expanded that idolatry to include his son Kim Chong Il whose projected succession of his father will mark the beginning of the history's first Communist dynasty, if you will. Even though he has managed to wear thin his welcome in Moscow and Peking and register a dismal credit rating in the process, the fact remains that he has built a war machine that is, by all accounts, superior to that of the South.

To be sure, South Korea has not been sitting still. Emerging from a war that devastated its capitol and numbered some 10 percent of its population as casualties, this tough, disciplined people have built a prosperous economy that is, with Taiwan's, a marvel among developing nations. Indeed, some observers told me that a few more peacetime years will propel it to a level just short of Japan. And they have done it all under the everpresent danger that a short, violent war could destroy it all. The United States has helped substantially, but the real credit lies with the 35 million people of South Korea.

Expert planning and some very hard toil and sacrifice have brought South Korea to a remarkable economic pass. With a trade volume that is almost in balance, it has become one of this country's major trading partners. In 1975, with most of the world economy careening through depression, South Korea's GNP growth in real terms rose more than seven percent. It's per capita income is the third highest in Asia and growing. Unusual for a country whose capital city holds more than 20 percent of its people—and unique among developing nations—South Korea has brought rural income almost to parity with that of city wage earners.

The issue, obviously, is not whether South Korea can prosper. The fundamental and consuming question is whether it will survive. My talks in Seoul with American and South Korean officials convinced me that it will—if the basic defense posture remains constant, if modernization of the armed forces continues, if more democratic practices are allowed to replace the repressive government-by-decree that today grips South Korea.

All those conditions involve South Korea's chief ally, the United States, and as such they are closely intertwined. Essential to the survival of South Korea is its Mutual Security Treaty with this country and the presence of 41,000 American troops on Korean soil. Those troops serve not only as the major deterrent to a mindless, precipitate attack by the North; in their absence, an attack likely would have come long ago.

But the American commitment also acts as an incentive to China and Russia, who are Kim's major sources of military and economic aid, respectively, to cool his ardor for battle. Indeed, Kim hurriedly went shopping for help after the fall of Indochina, and analysts believe that only the cool responses he got from Moscow and Peking prevented an all-out offensive.

Unfortunately, the strength of the South Korean forces is not among the discouragements to Kim's designs. It is certainly true that the armed forces of the South outnumber those of the north by roughly 625,000 to 470,000. And it is true, as well, that they are among the toughest soldiers on the face of the globe. The senior American military official, General Richard Stilwel, told me he believes they are in every respect equal to or better than their American counterparts.

But after my trip to the DMZ north of Seoul, it was hard for me to take too much comfort from that. For that journey graphically drives home the central fact and vulnerability in the South Korean defense: the heart of the country, Seoul, lies less than 25 miles from North Korea. Across that border are 10 divisions and a deployment of missiles aimed squarely at the heart of the city and its seven million inhabitants. Military officials estimate they would have no more than 24–48 hours' alert of an impending attack.

Kim Il-Sung may have depleted his coffers, but he has surpassed in a large way the air and naval power of South Korea. Just as those are valuable offensive elements, so are they vital components of a defense structure. Acknowledging this gap, South Korea has for some time been embarked upon a major effort to modernize its armed forces. They will need our continuing help and they should get it. If the day ever comes when American troops can safely exist that peninsula, it will come only after that modernization has been completed.

My talks and observations in South Korea only deepened my fear that its internal policies could so weaken American public support for our commitment as to terminate it. South Korea is indeed living under a very authoritarian regime, and some of its more egregious case histories have become well known to many Americans.

Though it is hardly to my liking, I do not for a moment presume to pass judgment on that system by which President Park Chung-hee operates. A country constantly under threat may have to limit individual voices of opposition and dissent. It could be that free criticism, however constructive, could be misconstrued by North Korea as a weakening of the South Korean will. Moreover, as one American Embassy official recalled to me the words of a politician who is in fact a Park opponent, "You Americans expect too much of us. We're young and our institutions are fragile. Don't interfere with us. Just stand by us."

But what concerns me is just how long the American people will be willing to "stand by" a government which keeps order and its own power by totalitarian tactics alien to us. The American people have developed a heightened concern over civil liberties because of our own internal traumas of recent years—a fact which could only sharpen their skepticism about a commitment to South Korea. Moreover, we have just emerged from one costly Asian alliance and I am afraid it would not take much for the American people to agitate for our exit from another.

I spent nearly an hour with President Park in Seoul. While affirming my belief in the correctness of our commitment to his defense, I warned him explicitly at the same time that his steps to stifle dissent at home could in turn do irreversible damage to his support across the Pacific. I hardly told him how to run his business, but I did suggest that many of South Korea's friends in the Congress would welcome the evidence of significant steps to restore basic freedoms and resurrect some democratic institutions in that country. It is his easy option to ignore such suggestions. But if he continues to place a premium on American support, I honestly believe he would do well to heed them.

SUMMARY

These are but a few impressions of short but informative stays in some of the Asian nations in which this country has a vital interest. It was, I believe, a remarkably appropriate time to go—watching most of these nations piece together a policy for the future.

It strikes me as very much the same process in which our own country is involved with respect to the Pacific. There are bits and pieces of national interest which we continue to stand by, but all of that adds up to something far less than a policy.

Perhaps it is just as well that we do not rush headlong into the confection of such a policy in this volatile election season which comes so quickly after the collapse of our policy in Indochina. In addition, it may be too early, given the emergency and consolidation of new governments and the rapid realignment among both our friends and foes in that region.

Our biggest problem in Asia at the moment is not the risk of a new Vietnam; everyone has learned that lesson well. It is rather, to find ways to honor and cooperate with the new spirits of nationalism and regionalism that are taking hold, while at the same time guarding our own national interests.

Those interests would be ill-served by a pullback across what one of my colleagues has called the "Pacific moat." Because we do have an enormous stake and many friends in that area of Asia. As our perceptions of the new Asia ripen into policy, we cannot forget that.

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

AMENDMENT NO. 900

Mr. STEVENS. Mr. President, the Senator from Texas (Mr. BENTSEN) had an amendment that was referred to the committee, amendment No. 900. Is it in order for me to call up that amendment at this time?

The PRESIDING OFFICER. It is in order.

Mr. STEVENS. I ask that the amendment be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), in behalf of the Senator from Texas (Mr. Bentsen), proposes an amendment numbered 900.

Mr. BENTSEN'S amendment (No. 900) is as follows:

At the end of the bill, add the following new section:

NEGOTIATIONS TO PRESERVE CERTAIN UNITED STATES FOREIGN FISHING RIGHTS

SEC. —. (a) COMMENCEMENT OF NEGOTIATIONS.—Within ninety days after the date of enactment of this Act, the Secretary of State shall commence negotiations with each foreign nation, off whose coast United States vessels are engaged in fishing for specific stocks of fish, for the purpose of entering into an international fishery agreement under which such foreign nation will grant to United States vessels adequate and equitable access, consistent with reasonable management and conservation practices, to such fish stocks within two hundred nautical miles off the coast of such nation.

(b) ACTION OF FOREIGN NATION REFUSES TO NEGOTIATE OR VIOLATES TREATY.—(1) If the Secretary of State determines that—

(A) any foreign nation refuses to commence negotiations, or fails to negotiate in good faith, with the United States in order to achieve the purpose of subsection (a); or

(B) although an international fishery agreement which achieves the purpose of subsection (a) is in force and effect, the foreign nation is not complying with its obligations under the agreement,

he shall certify that determination to the Secretary of the Treasury. Upon receipt of any such certification, the Secretary of the Treasury shall immediately take such action as may be necessary and appropriate to prohibit the importation into the customs territory of the United States of any seafood and seafood products of that foreign nation.

(2) For purposes of this subsection, any seizure of a United States vessel which is reimbursable under section 3 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1972) that is made by any foreign nation off whose coast United States vessels are engaged in fishing for specific stocks of fish shall—

(A) if no international fisheries agreement achieving the purpose of subsection (a) is in force and effect, be deemed to be a refusal by that nation to commence negotiations, or failure by that nation to negotiate in good faith, within the meaning of paragraph (1)(A) of this subsection, or

(B) if such an agreement is in force and effect, be deemed to be noncompliance by that nation with its obligations under that agreement within the meaning of paragraph (1)(B) of this subsection,

and the Secretary of State shall immediately make the appropriate certification to the Secretary of the Treasury required by paragraph (1) of this subsection.

(c) DURATION OF IMPORT PROHIBITION.—Any import prohibition which is imposed pursuant to subsection (b) shall remain in effect—

(1) if the prohibition was imposed by reason of subsection (b)(1), until such time as the Secretary of State certifies to the Secretary of the Treasury that an international fisheries agreement which achieves the purposes of subsection (a) has entered into force and effect between the United States and that foreign nation; or

(2) if the prohibition was imposed by reason of subsection (b)(2), until such time as the Secretary of State certifies to the Secretary of the Treasury that the foreign nation is complying with its obligations under the international fishery agreement.

(d) DEFINITION.—For purposes of this section, the term "seafood product" means any fish which is the product of a foreign nation, and any article which is the product of such nation and which is composed in whole or part of any fish which is the product of such nation; but excludes during the period of any import prohibition imposed pursuant to subsection (b) any such fish or article if the fish or fish constituting the article are harvested by United States vessels, irrespective of point of harvesting or offloading.

AMENDMENT NO. 1329

Mr. STEVENS. Mr. President, I send to the desk a substitute for that amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

In lieu of the language proposed to be inserted by the Senator from Texas (Mr. BENTSEN) insert the following:

Page 45, between lines 10 and 11, insert the following new subsection:

"(e) IMPORT PROHIBITION.—(1) If after a reasonable period of time the Secretary of State is unable to achieve an agreement affording vessels of the United States an appropriate portion of fish stocks found in areas subject to the fishery management jurisdiction of any foreign nation, in accordance with traditional fishing practices of such vessels and under conditions equal to those established under section 102 of this Act, and determines that such nation—

(A) has refused to commence negotiations;

(B) has failed to negotiate in good faith; or

(C) is not complying with its obligations under any existing agreement concerning fishing by United States vessels for fish stocks subject to such nation's fishery management jursidiction,

he shall certify such determination to the Secretary of the Treasury.

(2) If any United States vessel, while fishing in waters beyond 12 nautical miles from the baseline from which a foreign nation's territorial sea is measured, is seized by such nation—

(A) as a consequence of a claim of jurisdiction which is not recognized by the United States; or

(B) such seizure is in violation of an existing international agreement or is not permitted by an agreement between the United States and such nation, the Secretary of State shall certify such action to the Secretary of the Treasury.

(3) Upon receipt of any such certification from the Secretary of State under paragraphs (1) or (2) of this subsection, the Secretary of the Treasury shall immediately take such action as may be necessary and appropriate to prohibit the importation into the customs territory of the United States of any fish products from the fishery involved.

(4) Any import prohibition imposed under this subsection shall remain in effect (A) until an agreement is achieved, (B) until such nation complies with its obligations under such existing agreement, or (C) until the seized vessel and its catch are released, as appropriate.

(5) For the purposes of this section, the term "fish" or "fish products" means any fish, or any article which is the product of or which is composed in whole or part of such fish, caught by vessels other than vessels of the United States.

Mr. STEVENS. Mr. President, the Senator from Texas will be here to address his basic amendment.

Let me comment on the substitute. The substitute tries to work out, for the two basic long-distance fisheries that the United States has, a concept of equity with regard to those nations that have gone further than we go in this bill. Many such nations have claimed territorial seas and have established a principle of discrimination against U.S. fishermen abroad.

We have tried to assure these U.S. long-distance fishing fleets for some time that we recognize their problem and we believe in equity between the treatment that we are proposing for foreign fishing fleets off our shores and the treatment that our people should get off of foreign shores.

This substitute is an attempt to devise a scheme to meet that problem by requiring the same type of treatment in regard to foreign actions that concern our fishing fleets. We cannot dominate those nations. We are requiring in a sense, that the bill provides a mechanism for enforcement in that, if a foreign nation is found to in fact discriminate against our fishing fleets in comparison to the policies that are expressed in this legislation, the imports from the fishery involved would be embargoed. So, it is a mechanism to protect our distant-water fishing fleets and to assure them equal treatment.

It is equal to the type of treatment that we have stated in this bill we are willing to give to foreign fishing fleets. As such it represents, I think, a good policy position of the United States.

It does involve the problem of findings relating to the treatment of our foreign fishing fleets. I might say that it does, in fact, represent a recognition of the problem of distant-water fishing fleets that the law of the Sea Conference has not addressed; therefore, I really think that it provides the kind of framework for international action that would be worthwhile.

It is to me, although others might express it a different way, a principle of reciprocity but not reciprocity of one nation to the other—reciprocity in the sense that the foreign nations involved here will not have this embargo placed against their fisheries if they accord our fishing vessels the same type of treatment that we are prepared to accord the fishing vessels of other nations. But we must keep in mind that the South American fleets do not fish off our shores and we do not fish off the shores of Russia. We do, however, fish off the shores of some South American nations. It is not really reciprocity on a bilateral or multilateral basis. It is reciprocity in a statement of principle rather than anything else.

I think the substitute is a fair one, and I am hopeful that the Senator from Texas will state his feelings.

Mr. MAGNUSON. It follows the concept of the Fisherman Protective Act which is on the books.

Mr. STEVENS. Yes, and in a much better way, I might say, than the House bill because the House bill takes foreign fishing fines and puts them into the Fisherman Protection Act. This provides a mechanism for enforcement in terms of an embargo that would be much more effective in terms of protecting the fishery resources.

Mr. GRAVEL. Mr. President, speaking to his amendment, I know the purpose of the intent of what the Senator from Texas tried to accomplish, but I think he has been placed into a position as a result of this legislation of doing just this: What this is is the first shot in an international trade war.

The senior Senator from Alaska is quite correct. The fishermen of Brazil do not come to the United States and fish. This is primarily to safeguard the Texas shrimp fleets that go off the coast of Brazil. Now Brazil is not very enthusiastic for the law of the sea. Brazil is one of the nations that unilaterally has claimed 200 miles and, along with Ecuador, it is one that has harassed our distant-water fisheries.

So what this amendment is is to try to find a way to punish Brazil, if they want to send shrimp to this State. In other words, the language here is that the United States will prohibit the importation of any fish or fish products. That is not going to be much punishment for Ecuador, it is not going to be much punishment for Peru, and it is not going to be much punishment for Brazil. So again, we have a situation where we are starting a trade war. We are going to punish them, and they are really going to be doing exactly what we are doing.

The Senator from Washington stated yesterday that he does not want any foreign fishing people within the 200-mile limit and, of course, that is the view of the American fishing industry. They do not want any foreign fishing within 200 miles. So, these nations are going to do exactly what we are doing.

We say, "Well, we are going to try and work out some reciprocity." Our problem is with the Soviet Union and with Japan with whom we are negotiating. This is with South America and they are obviously going to do exactly what our fishermen will do and they probably will not be as responsible or sophisticated as us. They will do it crudely. They will tell these Texas shrimpers that they cannot fish. So that is great.

What we are going to do is we are going to tell the Secretary to punish these countries, and we cannot reach them because they can sell their shrimp in Europe. They do not have to sell to us. They can move to those markets.

So what have we done? Technically, we have tried to punish. But who really were punished? The people who were punished were the shrimpers of Texas. That is who were punished.

So this is not an answer to the problem, and it is going to be a very, very mild palliative to protect those interests of the fishermen of Texas.

I think they will see that, and there is only one way to solve this problem, and that is not to let the 200-mile bill pass and not to try and tack this on to begin a trade war.

We have more difficulties than we can handle in a trade area. We should not now open this up. This is a prediction I made: That we may talk about this bill as only a fisheries bill, but this is a trade matter. When we are talking about laying down a prohibition of importation because of other acts, we are in a trade war, an unadulterated trade war, and that is what will be the result of this legislation. This legislation has not even passed, and we now have to treat an amendment that will set the war in motion. That is only part of the policy that will be visited upon us if we let this legislation pass.

Let me state again, because we have an additional Member of this body whose views I respect in the Chamber now, my position so he will understand it very clearly. I am for the section of the bill that deals with management. I wish a small correction. I may not be able to secure it. But I am for that section of the bill. The only part of the bill I wish to see corrected is to remove from the bill a unilateral declaration that we take 200 miles. I am prepared to submit something in the legislation that will protect our fish stocks but I will not be prepared to vote as one Member of this body for legislation that will unilaterally take 200 miles and place in motion a trade war.

That is what this amendment will do, well-intentioned though it may be. It is the first shot in the international trade war and will regress back from the high threshold we have now attained with the trade bill we passed 2 years ago to try and lower barriers.

This Senate went on record to try and lower trade barriers, and that was merely an emulation of an initiative that was taken in the early sixties which they called the Kennedy round of trade negotiations, which is the touchstone of a great maturity that has come over the world in trade matters to try and lower the barriers. Now we are setting in motion the vehicle to raise barriers.

This amendment to this bill is a first shot in raising these barriers. I think that is a great tragedy. I hope the Members will sleep on this amendment and that if we vote on it tomorrow, they will recognize how serious this is and why it is motivated.

I insist on a rollcall vote on this amendment. I have not talked to Senator BENTSEN about this amendment. I would not ask for the yeas and nays, as a courtesy accommodation to the Senator from Texas. I do not want to make that request until he arrives.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. GRAVEL. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—I understand that this would be agreeable with the distinguished Senator from Texas (Mr. BENTSEN)—that the vote on the Bentsen amendment occur tomorrow, immediately after the Senate returns to legislative session, following the vote on the treaties.

The PRESIDING OFFICER. The Stevens amendment is a substitute for the Bentsen amendment.

Mr. ROBERT C. BYRD. I was not aware of that. I withdraw my request, Mr. President.

THE PRESIDENT'S HEALTH CARE PROPOSALS

Mr. KENNEDY. Mr. President, on Tuesday, President Ford presented his state of the Union message. Today, he has released his fiscal year 1977 budget, that budget raises extremely serious questions that call into question the administration's good faith and commonsense on the entire range of health care issues.

In brief, the President's medicare proposals are a fraud on the elderly. His medicaid proposals will cripple health care for the poor. And his other health programs are a string of broken promises for every citizen.

The President offers a new program of catastrophic insurance for the elderly under medicare, but the proposal defies logic. What it really does is to charge the elderly $2 billion more than they are paying now for their overall health care under medicare—and then provide a paltry $500 million rebate in the form of catastrophic coverage. The net result is a shameful budget saving of $1.5 billion, achieved at the expense of the elderly who are sick.

If all of the President's proposals are rejected, including the catastrophic insurance, the elderly would be far better off. They would actually pay $1.5 billion less for their health care in fiscal year 1977 than the President proposes. For the President to misrepresent this devious catastrophic program as a net benefit to the elderly can only be called a fraud, and it deserves to be rejected out of hand by Congress.

I ask the President to withdraw this proposal. If this is the best the administration and HEW can do on health care for the elderly, I say to them, leave medicare alone. It is working better now than it will work if the President has his way.

The details of the medicare proposal reveal the shocking aspects of the plan. The new protection against catastrophic costs would actually help fewer than 1 percent of medicare beneficiaries as the program operates today. And the $1.5 billion in new expenses would be achieved by instituting a 10-percent coinsurance charge for both medical and hospital care. Over half of the 24 million elderly Americans covered by the medicare program would pay more for health care under this proposal.

In fact, for those now on medicare, the catastrophic costs they are most likely to face are the catastrophic costs imposed by the President's new coinsurance proposal.

In effect, the primary purpose of the President's catastrophic insurance plan is to protect the elderly from the new catastrophic costs the President is imposing. If he were not making the elderly pay much more for their health care, the vast majority of those on medicare would not need his catastrophic insurance.

The proper analogy is to the person who takes from the church collection plate, then asks for praise, because he put 25 percent of the money back.

I support steps to provide more comprehensive health care for the elderly and to close the remaining loopholes in medicare. I believe Congress can do the job honestly and forthrightly and at much less cost to the elderly than the President is proposing. Congress should act in this session to achieve this goal.

Another damaging aspect of the medicare proposals is the President's plan to limit increases in fees to physicians and charges by hospitals under medicare. It is clear that inflation in health care costs has been excessive. But to place limits only on costs paid by medicare would have two profound effects:

First, it would reduce the availability of health services to the elderly. Doctors and hospitals, given a choice between higher payments from nonmedicare patients, or lower payments from medicare, would have a clear financial incentive to discriminate against America's elderly.

Second, many physicians would simply bill their medicare patients additional sums on an out-of-pocket basis. To this extent, the proposal would fail to halt the rising costs of health care. It would simply shift the burden from the Federal Government to America's elderly.

To the extent that physicians actually avoid treating medicare beneficiaries because of lower fees, the plan will produce a double standard in our health care system, involving second class health care for the elderly.

If it makes sense to put direct controls on hospital and doctor costs under medicare, it makes sense to impose controls across the board for hospital and doctor costs for other patients. What makes no sense is to impose a program of controls that discriminates against the elderly and undermines the single class health care system that has served them well for the past 10 years.

The administration's medicaid proposals are equally objectionable. The President was applauded for his promise not to dump welfare on the States and turn his back and walk away. But he does exactly this with health care for the poor.

First, there is a billion-dollar-cutback in the Federal share. The President proposes to give the States $10 billion in block grants to provide medicaid and other health care, even though the Federal Government would pay $11 billion for the same care under existing programs.

Even worse, the President would allow the States to drop completely the $8 billion in matching funds which they would pay if medicaid is continued in its present form.

What is happening is that the President is opening the door to a crippling $8 billion additional cut in health services to the poor—he is dumping too few Federal dollars and all the responsibility on the States, then turning his back and walking away. If the President refuses to take this cruel step on welfare for the poor, how can he rationally do it in the equally important area of health care for the poor.

The plan would provide increased funds for some States, and less funds for others. New York State would be the hardest hit. Other States, such as California and Illinois, would also lose substantial funds. My own State of Massachusetts would lose more than $30 million.

Further, the program requires no maintenance of effort on the part of the States for any program. Some could be eliminated entirely. Others could be drastically cut back. None would be safe from the budget knife, regardless of the severe dislocations caused to beneficiaries relying in good faith on these programs.

The proposed fiscal year 1977 budget level for the health services development programs is $4.9 billion. This represents a cutback of $500 million from the $5.4 billion actually provided for these programs in fiscal year 1975. A 15 percent increase in the cost of living over this 2-year period brings the de facto reduction to almost 25 percent.

The programs affected are important ones. The President would cut more than 30 percent from the commitment to reducing the maternal and infant death rate, at a time when the United States lags far behind other developed nations in infant mortality—ranking 19th in the world in the recent U.N. study.

The budget would decrease by 40 percent our national effort to improve emergency medical services. It would cut in half the drive against the epidemic of venereal disease now raging in our cities. It would bring the crusade against cancer to a virtual standstill. It would starve all of the National Institutes of Health of necessary supplies and equipment, stymying the research effort against disease.

By cutting the health manpower program in half, the budget would virtually eliminate the Federal effort to train more family physicians and increase the number of doctors in rural and inner-city areas.

Altogether, in program after program, the President's budget represents broken Federal promises for all Americans.

Finally, after promising a national health insurance proposal for this year during his 1975 state of the Union address, the President now declares we cannot afford national health insurance after all. Yet, more than 20 million Americans have no health insurance; another 30 million have inadequate insurance.

Obviously, national health insurance legislation could not become effective for several years, even if the pending bill I favor is enacted now.

Yet, the President says we cannot even afford to start toward national health insurance now—another broken promise for the American people, a promise we heard and believed a year ago.

What is operating in all those areas of the budget plan is a series of callous decisions to balance the Federal budget on the backs of the Nation's elderly, sick, and poor. The substance and logic are bad enough—but the misrepresentations are even worse. Congress must write its own health care budget, and I urge the administration to cooperate in the effort we shall make.

Mr. President, to elaborate for a brief moment on the medicare proposals. All of us heard the President speak on that particular measure. Surely any senior citizen who listened to that message would assume that the catastrophic health insurance program would help to eliminate the fear of any kind of serious financial disaster to the elderly people of this country. Many of them must have said "well, we are going to get a limitation, on our health bills. They will now only go to $500 in terms of hospitalization or $250 in terms of doctors' services."

Just a few moments before he reached that line, the President had talked about a very modest increase in medicare payments by elderly people. The millions of Americans who listened to the President of the United States clearly must have then asked themselves in a quiet voice: "Must we pay more?" But then, when they received the assurance by the President that he was going to resolve the problems of the costs of catastrophic illness, I am sure that most of them felt that whatever concerns they had were going to be eased.

The President was talking about Thomas Paine and about "Common Sense" and the importance of that great document for Americans 200 years ago. The commonsense implication of the President's medicare program, is that every senior citizen now knows that, under the copayment program suggested by the administration, they are going to have to pay 10 percent. The average hospital day costs $110. So they will pay the 10 percent. They now pay the first day, approximately $110. Under the President's proposal they will pay an additional 10 percent every day. So, after 40 days, they will be to the $500. If they had been under the previous program, they would only have paid for the first day then nothing more for up to 60 days. Now they are going to find out that just when they think their problems are being resolved by the President's catastrophic program, that the President is really proposing a program so that every sick American elderly citizen who goes into a hospital will have to pay 10 percent of that hospital bill—not just the first day, but day after day—until he or she spends $500. That, is the great majority of the elderly Americans. The great majority of elderly Americans who use the hospitals in this country will pay more. Only the one out of a thousand who stays more than 75 days will be helped by the President's program.

Why did the President of the United States not say, I am only talking to that one out of the thousand Americans who are under medicare that will benefit under the proposal? Why did he not level with the senior citizens of this country and spell that out to them?

Why did he hide the fact that every senior citizen who goes to the hospital now is going to pay more than he or she ever paid before? That is not one out of a thousand. Those are the millions and millions of senior citizens who are sick and infirm. They had better understand what the President's program really provides for them.

It is no financial relief to the elderly people; it is a cruel hoax that is going to save the elderly people $500 million and charge them $2 billion more. To do what? To lower this President's budget. That is why they are going to pay more.

What the President has said to the elderly is, we are going to squeeze a 10-percent copayment out of the elderly people of this country every time you are sick. Every time you are sick—and collect $2 billion. Then, after we collect it, we are going to use that to reduce the Federal budget, to put that in better balance over this next year.

Why did the President not explain this to the elderly people as it really is?

These figures that I give come not from my own calculations. They come from figures that have been developed by DHEW.

So, Mr. President, I am hopeful that we will have a national discussion about these various health programs. And I hope that those who are going to propose this are going to be honest with the elderly people who are going to be paying the dollars—tens of dollars, hundreds of dollars, thousands of dollars, billions of dollars—for health care benefits that they never would have paid if we did not listen to the President of the United States or consider his proposals on medicare.

Why is it always the sick, why is it always the infirm, why is it always the elderly who bear the burden for the financial management of the greatest economy of any country in the world?

That is the message of the President's proposal. That is why I, as one Member of the U.S. Senate, as these matters are considered in the committees, in the markup sessions, and on the floor of the Senate, am going to do everything that I possibly can to see that we are not going to disrupt the medicare program; that we are not going to make a sham of programs that are reaching out to the needy people of this country; and that we are going to try to provide at least some semblance of priority to the people in 1976 in this country.

We hear a lot about the words and about the meaning of the words in the Declaration of Independence. The meaning of those words should include the right to decent health care. Those should be the meanings, I believe, as we come into the 1976 period.

These will be matters, I am sure, that will be debated and discussed, and I look forward to the further opportunity to express my views on these issues.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

TIME LIMITATION AGREEMENT

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent that, immediately following the return to legislative session on tomorrow, after the vote on the treaties, the Senate resume consideration of the unfinished business; that there be a time limitation of 30 minutes on the Stevens amendment to the Bentsen amendment; and that the time be equally divided between Mr. BENTSEN and Mr. GRAVEL.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **ROBERT C. BYRD.** I ask unanimous consent that the vote then occur upon the expiration of that time.

Mr. **MAGNUSON.** Mr. President, reserving the right to object, the Senator from Alaska has an amendment which I am immediately going to present a substitute for. Would that be included?

Mr. **STEVENS.** I might say, if the Senator will yield to me, that I am prepared to lay down my amendment 1302. I understand that the Senator has a substitute to that. I will be agreeable to having the same kind of agreement. But I hope we will allow the assistant majority leader to get this unanimous consent on the Bentsen amendment. It is our substitute to the Bentsen amendment.

Mr. MAGNUSON. Oh, yes.

The PRESIDING OFFICER. Is there objection?

Mr. MAGNUSON. So that it is understood, I think the Senator from Alaska is soon going to present his amendment 1302 and lay it down tonight. I have a substitute for that amendment which I shall lay down. The two are to be considered together. The junior Senator from Alaska may have a substitute for both, I do not know. I hope the time agreement will specify both.

Mr. STEVENS. Is there an objection to this now?

The PRESIDING OFFICER. The Chair will observe that the substitute amendment to the Bentsen amendment is now the pending business. Is that correct?

Mr. STEVENS. Right.

Mr. GRAVEL. Reserving the right to object.

The PRESIDING OFFICER. As long as that is pending——

Mr. GRAVEL. Reserving the right to object, the confusion is that the Bentsen amendment deals with shrimp. The Stevens amendment, as I understand it, unless he has an amendment to the Bentsen amendment dealing with shrimp——

Mr. STEVENS. Yes.

Mr. GRAVEL. It deals with shrimp?

Mr. STEVENS. Yes. It is my substitute to the Bentsen amendment that we are seeking the time agreement on now, and the Senator from Texas will have the time, he will have the opposition, as I understand it.

Mr. GRAVEL. That is right.

Mr. STEVENS. That is the request of the leader.

Mr. GRAVEL. It has nothing to do with the amendment of the Senator from Washington, which is a substitute to the amendment of the Senator from Alaska dealing with the Alaska matter.

Mr. STEVENS. That is right. If we get this agreement, I will call up the other amendment.

Mr. MAGNUSON. Let us get a time limitation on that first.

Mr. STEVENS. I have to call it up.

Mr. ROBERT C. BYRD. Let us see if we understand one another here. The agreement here is that the one-half hour of debate will ensue following the return to legislative session after the vote on the treaty tomorrow, and the one-half hour of debate is on the amendment by Mr. STEVENS to the amendment by Mr. BENTSEN, and that time will be divided equally between Mr. BENTSEN and Mr. GRAVEL.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. And the vote on the Stevens amendment will occur at the conclusion of the 30 minutes or at such time as the time is yielded back.

The PRESIDING OFFICER. That is understood as part of the agreement.

Mr. GRIFFIN. It is understood following the vote on the Stevens amendment to the Bentsen amendment that there would immediately follow a vote on the Bentsen amendment as amended or not amended.

Mr. ROBERT C. BYRD. That has not been agreed to.

Mr. GRIFFIN. I see.

Mr. ROBERT C. BYRD. I assume if the Stevens amendment is adopted there would be no objection to having a vote on the Bentsen amendment as amended by the Stevens amendment. But if the Stevens amendment is not agreed to, I do not know what the Senators would wish under those circumstances.

Mr. GRAVEL. The problem is that I do not know what the Stevens amendment to the Bentsen amendment is.

Mr. STEVENS. I explained it previously. It is with respect to barring our vessels and the distant water fishing fleets. It is my substitute for the Bentsen amendment No. 900, which is printed in the RECORD and, if it is not, I hope it will be printed.

Now, Mr. President, if we have got an agreement on that—do we have an agreement on that?

The PRESIDING OFFICER. Yes, we do.

AMENDMENT NO. 1302

Mr. STEVENS. I ask unanimous consent that it be in order that we set that aside then until the time comes for the debate as specified by the majority whip's request and that I now be permitted to call up my amendment No. 1302.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes amendment 1302:

On page 54, line 4, add:

(3) Those fisheries capable of being managed as a unit, which reside principally within the waters of a single State or the fisheries conservation zone seaward of the single State, shall be managed by that State, providing the management is consistent with the national standards. Appeals for relief from State fish management decisions shall be made directly to the Fisheries Management Review Board, created by this Act.

Mr. MAGNUSON. Mr. President, I send to the desk a substitute for amendment 1302.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. MAGNUSON) proposes a substitute for amendment 1302:

In lieu of the language proposed to be inserted the following:

"(3) To the extent practicable and consistent with the national standards, the Council shall incorporate, in its management plans and recommended regulations, the relevant fishery management measures of the coastal State or States nearest the fishery involved.

"(4) To the extent practicable fishery management regulations shall be put into effect in an manner which does not disrupt the regular fishing season for any fishery."

Mr. STEVENS. Mr. President, I might state I am prepared to accept the substitute of the Senator from Washington for my amendment and, as such, it may well be that my colleague might want the oposition, but if there is to be a vote I would like to have the vote occur following the vote on the Bentsen amendment tomorrow.

Mr. GRAVEL. If this amendment were treated as original text, since the Senator chooses not to oppose it, if it were treated as original text, then I later on could still come at it, and we could pass it right now.

Mr. MAGNUSON. All right, let us pass it right now. I ask unanimous consent that my substitute be treated as original text.

The PRESIDING OFFICER (Mr. GLENN). Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President——

Mr. STEVENS. Let us adopt the amendment.

Mr. MAGNUSON. Mr. President, I move the adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska, as amended.

Mr. ROBERT C. BYRD. I do not believe the Senate is ready to vote on that amendment. Is the Senator ready to vote on that amendment?

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. I had understood the Senator to say he would like to have that come after the vote on the Bentsen amendment.

Mr. STEVENS. No; if it was opposed.

Mr. GRAVEL. As I understand—I have a parliamentary inquiry so that I may understand it correctly—what we have just done here is we have passed this amendment but because it is original text I can come in at a later time and offer an amendment and work my will or the body will work its will.

Mr. STEVENS. Yes.

The PRESIDING OFFICER. The Senator is correct.

Mr. MAGNUSON. No one wants to shut the Senator off.

Mr. GRAVEL. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as amended.

The amendment, as amended, was agreed to.

Mr. GRAVEL. In the voice vote I want the RECORD to show that I am recorded as voting "no."

The PRESIDING OFFICER. The RECORD will so show.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, may I inquire if it would be in order at this time to set some time limit for the introduction of amendments to this bill so that we might have them printed and to enquire if there are to be any other amendments.

The PRESIDING OFFICER. It would take unanimous consent.

Mr. STEVENS. I understand that. I want to know if it would be objected to. I would like to set a time frame of no later than the close of business tomorrow to have amendments to this bill on the desk.

Mr. GRAVEL. I am in the process of preparing an amendment. It is a very complicated amendment, and I can assure the Senator if I were able to have it right here now for introduction and discussion, I would have it here right now for introduction, but I think the Senator can understand the difficulties in research I am having, and I hope to have it in hand tomorrow and I will then turn it in and we would work from that amendment. I think it might be an amendment that the proponents of the bill might find interesting and, possibly, within their hearts to support. It could be the compromise for the whole issue is what I am trying to say.

Mr. STEVENS. I will renew the request tomorrow if it is in order.

Mr. GRAVEL. I do not object. He is withdrawing his request.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, the passage of S. 961 is vital in order to insure the prompt and effective restoration of the many seriously depleted stocks of fish off our shores.

As one of the first and most earnest advocates of a Law of the Sea Conference, I have long supported a multilateral approach to expanding coastal state jurisdiction over fisheries and have argued that the United States should not take unilateral action except as a last resort. My advocacy of S. 961 is in no way incompatible with this position.

Having been an adviser at all of the sessions of the Law of the Sea Conference, it has become clear to me that lengthy negotiations will necessarily be required if a sound treaty dealing with all of the issues related to the oceans, of which fisheries is only one, is to emerge from the Conference.

Remarkable progress has been made at the Conference so far, and I am particularly gratified that a substantial consensus has been achieved for the establishment of a 200-mile economic zone providing, among other things, for coastal state jurisdiction over fishing. Serious disagreements exist, however, over other issues, notably over deep sea mining. In addition, the Conference has been suffused with divisive Third World rhetoric concerning the so-called "new economic order." These developments make it highly unlikely that a comprehensive treaty can be negotiated at an early date. There is little hope, therefore, that the present consensus in favor of a 200-mile economic zone can be translated into early action to save our fish.

In light of this situation, it would be folly for the United States to ignore its vital interests by permitting the further depletion of its coastal fishery resources. In New England, which as a Senator from Rhode Island, is the area of principal concern to me, the problem is particularly acute. Since the early 1960's foreign fishing has shrunk the overall fish biomass in the Northwest Atlantic by 50 percent. According to the National Marine Fisheries Service, Atlantic haddock, herring, menhaden, yellowtail flounder, and halibut have been severely depleted, some to the point where they may never recover.

Despite these developments, opponents of S. 961 have often commented on the "favorable" situation which allegedly prevails in the fisheries off the coast of New England. They assert that a "breakthrough" occurred in September 1975 when the total allowable catch for 1976 under the International Convention for the North Atlantic Fisheries—ICNAF—in the areas corresponding to a 200-mile fishing zone off the New England coast was reduced while the quota for the United States under the reduced total was increased.

That was a significant development, but the opponents of S. 961 overlook the fact that the reduction of the overall quota was substantially less than the one advocated by the United States. Furthermore, the many serious violations of the ICNAF agreement call into question the value of the quotas established. Let me cite some examples of recent violations based on information developed by the National Marine Fisheries Service:

In 1974 U.S. agents boarded 11 of 14 West German trawlers in one ICNAF area and discovered that the German herring quota for that area had been exceeded by 40 percent.

In 1974 U.S. agents boarded six of eight United Kingdom trawlers on Georges Bank and discovered that the vessels had been fishing for haddock in spite of the fact that ICNAF granted no haddock quotas for 1974 other than for allowable incidental catch. Nets with undersize mesh were also being used by the vessels.

In 1974, the United States accused Spain of exceeding its cod quota on Georges Bank and for taking haddock contrary to ICNAF regulations.

From January to April of 1975, boardings and aerial surveillance of Soviet mackerel trawlers off southern New England indicated that the U.S.S.R. was exceeding its 1975 mackerel quota by an estimated 70 percent.

It has also been asserted by opponents of S. 961 that the Law of the Sea Conference would be jeopardized if the United States unilaterally extended its jurisdiction over fisheries. As I stated earlier, there is already substantial agreement at the conference for the kind of national jurisdiction embodied in S. 961. Unilateral action by the United States to advance the application of that consensus is unlikely, therefore, to result in serious opposition, much less active challenges, to this legislation. Moreover, I believe that the likelihood of unilateral action by the United States has already been anticipated by other nations and that those nations have already adjusted their policies to the new situation. Other participants in the Law of the Sea Conference should also be encouraged by the fact that S. 961 is interim legislation which will be superseded by the fisheries provisions eventually included in a Law of the Sea treaty.

Finally, in view of the fact that S. 961 does not extend the territorial sea of the United States, and is, therefore, consonant with the separation of the fisheries and territorial sea issues at the Law of the Sea Conference, I see no reason to believe that enactment of S. 961 would encourage other nations to make more far-reaching claims. If they do, it can only be because they were planning such action anyway and have not been negotiating honestly at the Conference.

In view of these considerations, Mr. President, I strongly urge the Senate to enact S. 961.

Mr. METCALF. Mr. President, the January 9, 1976, issue of the authoritative Ocean Science News, published in Washington, D.C., includes some information on the United Nations Law of the Sea Treaty which should be brought to my colleagues' attention as we continue this discussion of S. 961. I ask unanimous consent that this article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

United Nations Law of the Sea Treaty

Talk that a Law of the Sea Treaty may come in three years—if there's none this year—was heavily discounted by a U.S. State Dept. spokesman, "speaking personally,"—not for the department, he emphasized—earlier this week (7 Jan.) in St. Augustine, FL., at a meeting of State's Ocean Affairs Advisory Committee. He offered this prediction of things to come at the U.N. Law of the Sea Conference: If there is no LOS treaty in 1976, allowing for a short session early in 1977 to wrap it up, then LOSC will either (a) "go away" or (b) "drag on."

What won't happen, said Bernard Oxman, assistant legal advisor for ocean affairs, is an agreement, say, in a relatively short span of three years, a prediction that has been advanced by various observers claiming to be close to what's going on in the LOSC negotiations. Oxman's point: With no treaty upcoming from the renewed efforts in New York City in March, the "intensity" of negotiations will "wind down" and the LOSC will either simply end without any result, or continue in such a desultory fashion as to produce nothing for seven or eight years. The key to LOSC progress, Oxman suggested, is a change in the attitude of the developing countries, and the divisive issue remains deepsea mining.

On that subject Oxman also offered some insights: The split in the U.N. over deep ocean mining is not a dichotomy but a three-way split among (a) the consumers of metals who want increased supplies at the lowest possible prices; (b) the land-based producers who fear new competition from ocean mining and want it restricted; and (c) the ideologists, a "large body" of developing countries, who really believe in the "common heritage" principle as a new experience, "radically different from the past."

The chances of producing a law of the sea treaty, believes Oxman, remain in the hands of those developing countries which are prepared to concede some measure of protection to the countries willing and able to make an investment in ocean mining—i.e., the U.S., Japan, Germany, and France. At the moment, says Oxman, the ideologists have "co-opted" the Group of 77 (the main body of developing nations in the U.N.), so the course of the LOSC in the future is to be determined by whether or not the ideologists split from their present allegiances and go over to either the metals consumers or the land-based producers.

State's Ocean Affairs Advisory Committee met this week, noted Rozanne Ridgway, deputy assistant secretary of State for oceans and fisheries affairs, at a "point of pause" following the promulgation of President Ford's so-called "new initiatives" in fisheries negotiations, but before the U.N. LOSC reconvenes. The State Department, she said, was willing to hear industry's point of view and take it seriously. What she heard, not to her surprise, were the suspicions of industry representatives on the advisory committee that in negotiations at the U.N. the U.S. would at some point "trade away" something (tuna, transit through straits, scientific research or whatever) for an LOS treaty—any treaty. Members of the negotiating team present in St. Augustine denied that the industry contention has any basis in reality.

The crunch point for the U.S. negotiating team this spring may come on the seabed issue in Committee One of LOSC over the question of a moratorium on deep ocean mining, indicated Oxman. That is, if a treaty were possible only if the U.S. would agree to a moratorium, would the U.S. in the end go along with the developing countries? Or, if a treaty were possible only if the developing nations would allow the U.S. mining consortia to begin their work immediately, would the ideologists at the last moment shift their position away from the "common heritage" principle? In St. Augustine, no one was willing to predict a change of mind on the part of either side.

There was one U.S. official (not from the State Department) willing, however, to advance this thought: "Under certain circumstances" maybe no treaty is really to the advantage of the U.S.

ORDER FOR ADJOURNMENT UNTIL 11:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JAVITS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. BARTLETT has been recognized under the order previously entered on tomorrow, the distinguished senior Senator from New York (Mr. JAVITS) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, the order was previously entered, I believe, that after the special orders on tomorrow there would be a period for the transaction of routine morning business, not to extend beyond the hour of 12:30 p.m., with statements limited therein to 5 minutes each; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the distinguished Presiding Officer.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at the hour of 11:45 a.m.

After the two leaders or their designees have been recognized under the standing order, Mr. BARTLETT will be recognized for not to exceed 15 minutes; after which Mr. JAVITS will be recognized for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 12:30 p.m., with statements limited therein to 5 minutes each.

At the hour of 12:30 p.m., 1 hour of debate will ensue on the question of overriding the President's veto of the bill S. 2350, the time to be equally divided between Mr. THURMOND and Mr. STENNIS.

At the conclusion of that 1 hour, to wit, at 1:30 p.m., the Senate will proceed by rollcall to vote on the President's veto of S. 2350.

Immediately upon the disposition of that vote, the Senate will go into executive session and, without intervening motion or debate, the Senate will proceed then to vote with one rollcall on the adoption of the following treaties: Calendar orders numbered 16, 17, 1, 2, and 3. That one rollcall vote will count for five, so that Senators are getting votes at bargain basement prices on tomorrow.

Immediately upon the disposition of that one rollcall vote, the Senate will go back into legislative session and the Senate will then resume consideration of the unfinished business, S. 961. The pending question at that time will be on the adoption of the amendment by Mr. STEVENS to the amendment by Mr. BENTSEN. There will be a half-hour of debate on the Stevens amendment, the debate to be divided between Mr. GRAVEL and Mr. BENTSEN and upon the expiration of that time, the Senate will proceed to vote on the amendment by Mr. STEVENS.

So there are at least three rollcall votes that we know about. A vote on the Stevens amendment will be a rollcall vote, as I understand it, Mr. GRAVEL having indicated he will ask for a rollcall vote on that amendment. So there are at least three rollcall votes and, hopefully, there will be additional progress on the fisheries bill tomorrow.

So Senators are alerted to the fact that there will be a number of rollcall votes tomorrow.

ADJOURNMENT TO 11:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 11:45 a.m. tomorrow.

The motion was agreed to; and at 5:15 p.m. the Senate adjourned until tomorrow, Thursday, January 22, 1976, at 11:45 a.m.

NOMINATIONS

Executive nominations received by the Senate January 21, 1976:

IN THE FOREIGN SERVICE

The following-named Foreign Service Officers for promotion in the Foreign Service to the classes indicated:

Foreign Service officers of class 1

Morton I. Abramowitz, of Massachusetts
Leona M. Anderson, of Iowa
Thomas J. Barnes, of Florida
S. Morey Bell, of Virginia
John T. Bennett, of California
Paul M. Bergman, of New Jersey
Calvin C. Berlin, of Ohio
Robert A. Bishton, of New Jersey
Paul H. Boeker, of Ohio
Lewis W. Bowden, of Maryland
Charles W. Bray III, of Texas
Marshall Brement, of California
John A. Brogan III, of New Jersey
John A. Bushnell, of Connecticut
Maxwell Chaplin, of California
Irving G. Cheslaw, of California
Carleton S. Coon, Jr., of the District of Columbia
Thomas J. Corcoran, of New York
Walter L. Cutler, of Maine
Michael E. Ely, of the District of Columbia
Thomas W. Fina, of Florida
Albert A. Francis, of the District of Columbia
Robert E. Fritts, of Maryland
Mark J. Garrison, of Indiana
Robert S. Gershenson, of Pennsylvania
Maynard W. Glitman, of Illinois
James C. Haahr, of Minnesota
Holsey G. Handyside, of Ohio
Brewster R. Hemenway, of New York
Hume A. Horan, of New Jersey
Richard G. Johnson, of New Jersey
Robert V. Keeley, of Florida
Milton Kovner, of Maryland
John Krizay, of Pennsylvania
Elmer G. Kryza, of Michigan
Peter W. Lande, of New Jersey
Hobart N. Luppi, of Connecticut
H. Freeman Matthews, Jr., of Maryland
Noble M. Melencamp, of Kansas
John E. Mellor, of Connecticut
Sanford Menter, of Texas
Dudley W. Miller, of Colorado
James W. Missilbeck of New York
Leo J. Moser, of California
Donald R. Norland, of Iowa
Robert B. Oakley, of Louisiana
Jack R. Perry, of Georgia
Richard B. Peters, of Oklahoma
Richard W. Petree, of Virginia
Richard St. F. Post, of Connecticut
Ernest H. Preeg, of New York
Nancy V. Rawls, of Georgia
George B. Roberts, Jr., of Maryland

James R. Ruchti, of Wisconsin
Roger A. Sorenson, of Virginia
William R. Smyser, of Pennsylvania
Moncrieff J. Spear, of the District of Columbia
Andrew L. Steigman, of Maryland
Harry E. T. Thayer, of the District of Columbia
William D. Toomey, of North Dakota
Robert H. Wenzel, of the District of Columbia

Foreign Service officers of class 2

Henry Bardach, of Texas
Robert L. Barry, of New Hampshire
Richard Elliot Benedick, of California
Gordon R. Beyer, of Florida
James K. Bishop, Jr., of New York
Robert R. Blackburn, Jr., of California
Stephen W. Bosworth, of Virginia
Thomas D. Boyatt, of Ohio
Everett E. Briggs, of Maine
James E. Briggs, of Maryland
William A. Brown, of New Hampshire
William J. Cunningham, of Maryland
Allen C. Davis, of Tennessee
John W. DeWitt, of Florida
A. Hugh Douglas, Jr., of Rhode Island
Robert W. Duemling, of California
John Eaves, Jr., of New York
John A. Ferch, of Ohio
Shirley M. Fine, of Florida
Charles C. Flowerree, of Virginia
Robert H. Frowick, of Indiana
Robert K. German, of Texas
Clifford H. Gross, of Minnesota
Charles W. Grover, of Maryland
Samuel F. Hart, of Rhode Island
Kenneth Allen Hartung, of New York
Gerald B. Helman, of Michigan
Robert W. Kent, Jr., of California
Edward L. Killham, of Illinois
Denis Lamb, of Ohio
Robert E. Lamb, of Georgia
Gerald Lamberty, of Wisconsin
George B. Lambrakis, of New York
Stephen J. Ledogar, of Connecticut
Nelson C. Ledsky, of Ohio
Herbert S. Malin, of Maryland
Charles E. Marthinsen, of Pennsylvania
Frank A. Mau, of Wyoming
Ruth A. McLendon, of Texas
Jay P. Moffat, of New Hampshire
Richard B. Moon, of Connecticut
Ernest A. Nagy, of California
James C. Nelson, of Illinois
Chester E. Norris, Jr., of Maine
Gerald R. Olsen, of Michigan
Robert P. Paganelli, of New York
Samuel M. Pinckney, Jr., of Connecticut
James A. Placke, of Nebraska
Georgiana M. Prince, of Illinois
Virgil P. Randolph III, of Virginia
John D. Rendahl, of Minnesota
Rozanne L. Ridgway, of Minnesota
Richard T. Salazar, of the District of Columbia
Howard B. Schaffer, of New York
Thomas J. Scotes, of Maryland
Jack M. Smith, Jr., of Virginia
Michael B. Smith, of Massachusetts
Richard J. Smith, of Connecticut
Herbert Spielman, of the District of Columbia
Peter Tarnoff, of New York
Clinton Thaxton, of Kentucky
Thomas M. Tracy, of Connecticut
Joseph W. Twinam, of Tennessee
John T. Wheelock, of Illinois
James W. White, of Florida
Frontis B. Wiggins, Jr., of Virginia

Foreign Service officers of class 2 and Consular officers of the United States of America

Philip R. Cook, Jr., of Virginia
W. Kennedy Cromwell 3d, of Maryland
George R. Kenney, of Illinois
Charles A. Kiselyak, of Washington

Foreign Service officers of class 3

John A. Andrews, of Virginia
Andrew Andranovich, of Connecticut
Richard C. Andre, of Ohio
Joseph Basile, of New Jersey
Adrian Anthony Basora, of Puerto Rico
Carl A. Bastiani, of Pennsylvania
Irene Mary Bauer, of Kansas
William F. Beachner, of Washington
Roger N. Benson, of Pennsylvania
Richard W. Bogosian, of Massachusetts
Parker W. Borg, of Minnesota
Donald J. Bouchard, of Maine
Norman M. Bouton, of Indiana
H. Eugene Bovis, of Florida
John A. Boyle, of New York
L. Paul Bremer III, of Connecticut
John S. Brims, of the District of Columbia
John Allen Buche, of Florida
James A. Budeit, of Nebraska
Walter Leon Carter, of the District of Columbia
David P. N. Christensen, of Nevada
Harry E. Christie, of California
Wat T. Cluverius IV, of Illinois
Michael V. Connors, of Washington
Margaret M. Cooney, of Rhode Island
James Ford Cooper, of California
John P. Crawford, of Virginia
Hilary J. Cunningham, of Michigan
Anthony S. Dalsimer, of Florida
Douglas K. Davidson, of Maine
Edmund T. DeJarnette, of Virginia
David J. Dunford, of Connecticut
Clarke N. Ellis, of California
David Meredith Evans, of Pennsylvania
John Charles Garon, of Maryland
Arthur M. Giese, of Mississippi
James J. Girman, of Washington
Philip J. Griffin, of Maryland
Howard R. Gross, of Texas
Thomas Gustafson, of Oklahoma
Walter V. Hall, of Virginia
Richard R. Hart, of Indiana
M. Charles Hill, of New Jersey
Richard Hines, of New York
M. Bruce Hirshorn, of Pennsylvania
Francis S. M. Hodsoll, of New York
Karen D. Jenkins, of Virginia
Don C. Jensen, of California
Philip K. Johnson, Jr., of Ohio
Ellis O. Jones III, of Connecticut
John P. Jurecky, of Arizona
Jay K. Katzen, of New York
Samuel C. Keiter, of New York
Frederick T. Kelley, of Massachusetts
Patricia P. Kemper, of Florida
Richard N. Kilpatrick, of South Carolina
Harry Kopp, of Virginia
Edward Kreuser, of Pennsylvania
Roland Karl Kuchel, of the District of Columbia
Thor H. Kuniholm, of the District of Columbia
Robert B. Lane, of California
C. Rita Lema, of Louisiana
Velma H. Lewis, of New Hampshire
Mark C. Lissfelt, of Pennslyvania
Joseph P. Lorenz, of the District of Columbia
Matthew T. Lorimer, of New Hampshire
Walter H. Lubkeman, of New York
David S. Lusby, of Arizona
David A. Macuk, of Maryland
W. Wyatt Martin, of Tennessee
Gary L. Matthews, of Maryland
John T. McCarthy, of Pennsylvania
Richard H. Melton, of Maryland
Jack W. Mendelsohn, of Illinois
Michael J. Mercurio, of Ohio
Harry M. Montgomery, Jr., of New Jersey
Ralph R. Moore, of Massachusetts
Gerald C. Mull, of Michigan
John J. Mullin, of California
Albert W. Noonan, Jr., of Illinois
Patrick T. O'Connor, of New York
Thomas J. O'Donnell, of Michigan
Walter John O'Grady, of New York
Joseph E. Olenik, of Pennsylvania
Oscar J. Olson, Jr., of Texas
Marie F. O'Shea, of New York
Robie M. H. Palmer, of Vermont
Edmund M. Parsons, of Texas
Miles S. Pendleton, Jr., of Washington
Edward Joseph Perkins, of California
Emily Perreault, of Illinois
Anne Pinkney, of California
Robert L. Pugh, of Washington
Edward J. Rankin, of New Jersey
Randolph Reed, of California
William Frederick Rope, of New York
Richard Rueda, Jr., of California
Valentine E. Scalise, of New York
Ruth M. Schimel, of New York
Frank M. Schroeder, of Virginia
Linwood R. Starbird, of Maine
Ralph W. Stephan, Jr., of the District of Columbia
Byron R. Stephenson, of Kansas
Paul Daniel Taylor, of New York
Andrew G. Thoms, Jr., of Maryland
La Rue H. Velott, of California
William Graham Walker, of California
Donald B. Wallace, Jr., of Michigan
Walter Frederick Weiss, of California
Walter G. West, of Colorado
Milton J. Wilkinson, of California
Richard H. Williams, of Utah
Thomas Edward Williams, of Virginia
Robert T. Willner, of Maryland
Joseph A. B. Winder, of Maryland
Herbert Gilman Wing, of Pennsylvania
Roderick M. Wright, of California
Michael van Breda Yohn, of Connecticut
John J. Youle, of Virginia
Toby T. Zettler, of Ohio

Foreign Service officers of class 3 and a Consular officer of the United States of America

Frank E. Schmelzer, Jr., of Massachusetts

Foreign Service officers of class 4

Charles S. Ahlgren, of Wisconsin
L. Stuart Allan, of Mississippi
Jack Aubert, of New Jersey
John A. Bastek, of Connecticut
Charles R. Baquet III, of Louisiana
Janice Friesen Bay, of California
Leroy Ethridge Beal, of Missouri
David Russell Beall, of Michigan
Robert W. Becker, of Maryland
Wendell L. Belew, of California
Paul H. Blakeburn, of New Hampshire
John S. Blodgett, of Virginia
Michele M. Bova, of Maryland
Mary Rose Brandt, of Oregon
Ralph Edwin Bresler, of Ohio
Thomas J. Burke, of California
Ellen J. Casey, of New Jersey
Emil Castro, of New York
Peter R. Chaveas, of New Jersey
John Eignus Clark, of Maryland
John Dodson Coffman, of Pennsylvania
Lewis I. Cohen, of New York
Larry Colbert, of Ohio
Jacques Cook, of the District of Columbia
John B. Craig, of Pennsylvania
Richard Francis Crehan, of Rhode Island
Roger J. Daley, of New York
William H. Dameron III, of Maryland
Guy J. Davis, of Texas
Martha Ann DeWitt, of Colorado
V. Raymond Dickey, of South Dakota
Diane Dillard, of Texas
James F. Dobbins, Jr. of Pennsylvania
M. June Dohse, of Ohio
Stephen M. Ecton, of Connecticut
Jon G. Edensword, of Washington
Albert E. Fairchild, of North Carolina
William Robert Falkner, of New York
Vincent J. Farley, of New York
Harrell Kennan Fuller, of New Mexico
Brian R. Furness, of Connecticut
Robert P. Gallagher, of Rhode Island
Keith Patrick Garland, of Connecticut

Robert S. Gelbard, of New York
April Glaspie, of the District of Columbia
Jon D. Glassman, of California
Edward W. Gnehm, Jr., of Georgia
Victor S. Gray, Jr., of the District of Columbia
Theodore S. Green, of Pennsylvania
Michael L. Hancock, of Georgia
Terry D. Hansen, of Utah
Genta A. Hawkins, of California
Richard E. Hecklinger, of New York
Edward F. Height, of California
Daniel T. Hickey, of Pennsylvania
William Hoffman, of Florida
James H. Holmes, of New York
Jerry C. Hunsaker, of Washington
Lars H. Hydle, of California
Henry H. Janin, of California
Guy C. Johnson, of California
Ralph R. Johnson, of Washington
Harry E. Jones, of Pennsylvania
Karl K. Jonietz, of Massachusetts
Richard Dale Kauzlarich, of Illinois
Frank P. Kelly, of New Jersey
Donald B. Kursch, of New York
Howard H. Lange, of Washington
Richard R. La Roche, of Rhode Island
James H. Lassiter, of California
E. Mark Linton, of California
Warren E. Littrel, Jr., of Illinois
D. Thomas Longo, Jr., of Virginia
Robert A. MacCallum, of Oregon
Bruce Malkin, of Pennsylvania
John R. Malott, of Illinois
Jim D. Mark, of Georgia
Roy Raymond Matson, of Virginia
Ruth S. Matthews, of Florida
James N. May, of Tennessee
Carl W. McCollum, of Illinois
Janet C. McCrory, of Missouri
David C. McGaffey, of New Jersey
Kevin J. McGuire, of Virginia
Brunson McKinley, of Pennsylvania
James Hamilton McNaughton, of New York
John D. Moller, of Florida
Carlos F. J. Moore, of Louisiana
Emile F. Morin, of the District of Columbia
Day Olin Mount, of Massachusetts
James F. Myrick, of the District of Columbia
Ralph L. Nider, of Pennsylvania
Warren P. Nixon, of Iowa
Mary Dell F. Palazzolo, of Georgia
Thomas Parker, Jr., of South Carolina
Richard R. Peterson, of Illinois
Kenneth M. Quinn, of Iowa
Grace A. Rafaj, of California
William Christie Ramsay, of Michigan
David Phillip Rehfuss, of Oregon
John P. Riley, of New Jersey
Rudolph Lawrence Rivera, of California
George F. Rodman, of North Carolina
Mary A. Ryan, of Texas
Eleanor Wallace Savage, of California
John R. Savage, of California
Lange Schermerhorn, or New Jersey
Erma Schumacher, of California
Elaine Barbara Schunter, of Michigan
Jack M. Seymour, Jr., of Pennsylvania
Katherine H. Shirley, of Illinois
L. Gordon Shouse, of Florida
Thomas H. Shugart, Jr., of the District of Columbia
Ints M. Silins, of the District of Columbia
John F. Simmons, Jr., of the District of Columbia
Daniel H. Simpson, of Ohio
Norman A. Singer, of Illinois
William G. Smallwood, of Washington
James Alexander Smith, of New York
Samuel D. Starrett, of Indiana
Harry L. Stein, of New Jersey
Carol K. Stocker, of Illinois
Edward Richard Stumpf, of New York
Randolph A. Swart, of Maryland
J. Clagett Taylor, of Florida
Lawrence Palmer Taylor, of Ohio
James E. Thyden, of California
Edward A. Torre, of New York
John Kendall Ward, of Florida
Mary M. Welch, of Kentucky
Daniel R. Welter, of Illinois
Thomas Gary Weston, of Michigan
Jane Whitney, of Washington
Edward H. Wilkinson, of Indiana
Leo R. Wollemborg, of New York
Doris E. Wood, of New Mexico
Kenneth Yalowitz, of Virginia
Roy O. Young, of California

Foreign Service officers of class 5

Marshall P. Adair, of California
Michael J. Adams, of Pennsylvania
Michael R. Arietti, of Connecticut
Robert D. Arthur, of California
JoAnne Arzt, of New York
Jane Ellen Becker, of Wisconsin
Peggy Blackford, of New Jersey
Eric J. Boswell, of California
George T. Boutin, of California
Edwin L. Brawn, of Maine
Landon C. Carter, of Virginia
Patricia R. Clark, of California
Donald R. Cleveland, of Oregon
Ryan Clark Crocker, of Washington
Kathleen J. Croom, of Missouri
Jeffrey R. Cunningham, of Idaho
J. Michael Davis, of Florida
Gary Lee Everett, of Texas
W. Douglas Frank, of Indiana
Joan E. Garner, of Virginia
Jack L. Gosnell, Jr., of South Carolina
Dennis M. Grimmer, of Wisconsin
George F. Haas, of New York
James Henry Hall, of Virginia
Thomas R. Hanson, of Virginia
Rex L. Himes, of Washington
John F. Hoog, of Missouri
J. Aubrey Hooks, of Virginia
James R. Hooper, of Michigan
John E. Hope, of California
Dennis Coleman Jett, of New Mexico
Douglas Hugh Jones, of California
Theodore H. Kattouf, of Florida
Herbert Klee, Jr., of Illinois.
Therese Ann Kleinkauf, of New York
Harvey Lampert, of California
Richard K. Landers, of California
Gary Larsen, of California
James V. Ledesma, of California
Anthony Leggio, of New York
Michael S. Lucy, of Massachusetts
Walter H. Manger, of Pennsylvania
James O. Mazingo, of Rhode Island
Gerald McCulloch, of Michigan
Douglas L. McElhaney, of Michigan
Bruce McKenzie, of California
Charles Lynwood McKinnon, of the District of Columbia
Michael John McLaughlin, Jr., of New York
Joseph G. McLean, of Montana
Donald James McNally, of New Jersey
William C. Mims, of Georgia
George H. Mitchell, Jr., of Virginia
Richard A. Morford, of Indiana
Peter B. Morrissey, of Hawaii
Ronald J. Neitzke, of Minnesota
Peter D. Orr, of Washington
Robert D. Persiko, of New Jersey
Jerrilynn Pudschun, of California
Priscilla K. Richtmyer, of New York
Joseph A. Saloom III, of Virginia
Kenneth M. Scott, Jr., of Pennsylvania
Dale L. Shaffer, Jr., of Nebraska
James R. Smith, of West Virginia
Richard A. Smith, Jr., of Connecticut
Richard J. Stemple, of Illinois
Joseph O. Streicher, of Illinois
Theodore Eugene Strickler, of Texas
Melvin Masaru Tano, of Hawaii
Robert Taylor, of Texas
John F. Tefft, of Wisconsin
Gerald R. Toney, of Texas
Domonic Vallese, of Pennsylvania
William C. Veale, of Virginia
Theodore J. Villinski, of Iowa
Rhoda Weinstein, of New York
Gerald J. Whitman, of California

Foreign Service officers of class 6

David Michael Adamson, of Massachusetts
Marsha E. Barnes, of Kentucky
John Thomas Basek, of New York
Clifford George Bond, of New Jersey
Linda Louise Broderick, of Pennsylvania
Frank Dietrich Buchholz, of New York
Jeffrey J. Buczacki, of Connecticut
Donald Camp, of Maryland
Edwina S. Campbell, of Massachusetts
Peter P. Carrico, of Washington
Mary Ann Casey, of Colorado
Michael A. Ceurvorst, of Iowa
Gary Couey, of California
Francis Xavier Cunningham, of Delaware
Patrick DelVecchio, of Virginia
James Michael Derham, of the District of Columbia
George Anthony Dies III, of New York
Michael Thomas Dixon, of New Jersey
Reed J. Fendrick, of New York
Ernest J. Fischer II, of Indiana
Michael Daniel Foley, of California
Bonnie Ann Frank, of Oklahoma
Robert C. Frasure, of West Virginia
Mary Lee K. Garrison, of New Jersey
Wayne G. Griffith, of New Jersey
Joseph E. Hayes, of California
Ruth Miles Henderson, of California
Janet L. M. Henneke, of Texas
Kang Shih Huang, of the District of Columbia
Donald Carter Hunter, of New Jersey
Kenneth H. Kolb, of Maryland
Christopher J. LaFleur, of New York
Alfred M. Lehn, of Virginia
Gerald Richard Lueders, of Nebraska
George Innes Middleton, of California
Nancy E. Morgan, of New Jersey
William Dale Montgomery, of Virginia
Patrick J. Nichols, of Virginia
Phyllis Elliott Oakley, of Louisiana
Bronson E. Percival, of the District of Columbia
Ronald MacDonnell Roberts, of California
Timothy E. Roddy, of Michigan
Carol Lynn Rose, of Tennessee
Gregg A. Rubinstein, of Illinois
H. Richard Sindelar III, of Texas
Alice Kathleen Straub, of New Jersey
Herbert S. Thomas III, of Georgia
Hendrik F. van den Berg, of New York
Annette L. Veler, of Wisconsin
Michael R. Vick, of Virginia
Steven Wagenseil, of Rhode Island
Kent M. Wiedemann, of California
B. Sue Wood, of Mississippi
Anne Brevard Woods, of Arkansas
John Joseph Ziolkowski, of the District of Columbia

Foreign Service officers of class 7

Thomas Hubbard Caswell III, of Virginia
Joni L. Davidson, of California
Jay L. Dehmlow, of Florida
John R. Dinger, of Iowa
Thomas E. Dowling, of New York
Timothy John Dunn, of Illinois
Stephen C. Engelken, of Ohio
Jeffrey Gallup, of California
George Ernest Hamilton, of Texas
James D. Hansen, of New Mexico
Kevin E. Honan, of New Jersey
Nancy Hudson, of Texas
Virginia A. Lancina, of Florida
James B. Lane, Jr., of Ohio
William F. Loskot, of Washington
James Michael Lynch, of Ohio
Dianne E. Markowitz, of Pennsylvania
Leigh A. Morse, of Minnesota
Frederick Polasky, of Maryland
Denise A. Silber, of New York
James E. Tobin, of Iowa
John W. Vessey III, of Virginia
Carman C. Williams, of California

CONFIRMATION

Executive nomination confirmed by the Senate January 21, 1976:

FEDERAL MARITIME COMMISSION

Bob Casey, of Texas, to be a Federal Maritime Commissioner for the remainder of the term expiring June 30, 1978.

HOUSE OF REPRESENTATIVES—*Wednesday, January 21, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be still and know that I am God.—Psalms 46: 10.

O God, most merciful and gracious, lift us into Thy presence where we may be still and know that Thou art God and from Thee receive mercy and find strength to help in time of need. Draw us to Thyself that we may not wander from Thy ways nor lose heart in our honest endeavors, but in Thee find comfort in our sorrow, healing for our hurts, strength amid our struggles for moral ideals, and peace at eventide when day is done.

We pray that justice, freedom, and good will may be firmly established in our land and that Thou wilt lead us and our people in fulfilling Thy good purposes for our Nation and for all mankind.

In Thy holy name we pray. Amen.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. O'NEILL) laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 21, 1976.

I hereby designate the Honorable THOMAS P. O'NEILL, JR., to act as Speaker pro tempore today.

CARL ALBERT,
Speaker of the House of Representatives.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Geisler, one of his secretaries.

CHAIRMAN JAMES A. BURKE, DEMOCRAT OF MASSACHUSETTS, SUBCOMMITTEE ON SOCIAL SECURITY, COMMITTEE ON WAYS AND MEANS, ANNOUNCES PUBLIC HEARINGS ON THE PRESIDENT'S SOCIAL SECURITY PROPOSALS

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to take this time to announce that the Subcommittee on Social Security of the Committee on Ways and Means, today announced that in the first week in February, beginning on Monday, February 2, the subcommittee will begin holding general public hearings on President Ford's proposal for revisions of the old-age, survivors, and disability insurance program with particular emphasis on strengthening the financing of the program. The administration will be called to testify on February 2 and 3 on its proposal to strengthen the short-term and long-term financing of the system, as well as the President's other proposals outlined in the budget on earnings limitation—retirement test—the phasing out of benefits for dependent children age 18 through 22 who are in school, eliminating the retroactive lump-sum payment for beneficiaries electing a reduced benefit before age 65, and calling for increased allocation of funds to the disability insurance program because of adverse experience.

The first week of these hearings will be conducted in the committee's main hearing room, Longworth House Office Building, beginning at 10 a.m. each scheduled day. An announcement will later be issued as to the room where the balance of the hearings, on February 9 and 10, will be held.

Following the administration testimony, interested individuals and organizations from the general public will be afforded an opportunity to testify during the remainder of the week of February 2 and on Monday and Tuesday, February 9 and 10.

Because of the urgency of the situation, public witnesses are urged to expedite their requests to testify and time limits on witnesses will be rigidly enforced.

DETAILS FOR SUBMISSION OF REQUESTS TO BE HEARD

Cutoff date for requests to be heard, et cetera.—Requests to be heard, specifying the specific area of the President's social security proposals on which the witness wishes to testify, must be received by the committee no later than the close of business, Wednesday, January 28, 1976.

Due to the shortness in time, it is suggested that those who wish to present oral testimony notify this office by telephone—202-225-3625—following up the call by a confirming letter. The request should be addressed to John M. Martin, Jr., chief counsel, Committee on Ways and Means, U.S. House of Representatives, room 1102, Longworth House Office Building, Washington, D.C. 20515. The telephone number is: 202-225-3625. Notification as to the witness' scheduled date of appearance will be made as promptly as possible, by telephone, after the cutoff date. Once a witness has been advised of his date of appearance, it is not possible for this date to be changed. If a witness finds he cannot appear on that day, he may wish to either substitute another spokesman in his place or file a written statement for the record of the hearing instead of appearing in person.

Due to the limited time available for this hearing, it will be necessary to allocate the amount of time available to each witness for the presentation of his direct oral testimony. It will be mandatory on all witnesses not to exceed the time allocated for this purpose. If the witness wishes to submit a more detailed statement, it will be included in the record of the hearing.

REQUESTS TO BE HEARD MUST CONTAIN THE FOLLOWING INFORMATION

First. The name, full address, and capacity in which the witness will appear.

Second. The list of organizations and/or persons the witness represents, and in the case of associations and organizations, their address or addresses, their total membership, and, where possible, a membership list.

Third. If a witness wishes to make a statement on his own behalf, he must still nevertheless indicate whether he has any specific clients who have an interest in the subject, or in the alternative, he must indicate that he does not represent any clients having an interest in the subject he will be discussing.

Fourth. Whether in support or opposition to the proposal or proposals being discussed.

Fifth. A topical outline or summary of the comments and recommendations which the witness proposes to make.

It is requested that persons scheduled to appear before the committee submit 75 copies of their prepared statements to the committee office—Room 1102, Longworth House Office Building—no later than 24 hours prior to their scheduled appearance. An additional 75 copies may be furnished for distribution to the press and the interested public on the date of appearance.

Any interested person or organization may, instead of a personal appearance, file a written statement for inclusion in the printed record of the hearing. For this purpose, statements should be submitted in triplicate by the close of business, Tuesday, February 10. Additional copies may be furnished for distribution to the members of the committee, the staff, press, and interested public if submitted to the committee during the course of the public hearing.

CALL OF THE HOUSE

Mr. HAGEDORN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 8]

Allen
Andrews, N.C.
Armstrong
Barrett
Biaggi
Boggs
Brown, Calif.
Chisholm
Conyers
Coughlin
Crane
Dickinson
Diggs
Drinan
Esch
Foley
Fraser
Fuqua
Gibbons
Goldwater
Hébert
Heinz
Hinshaw
Lehman
Lujan
McDonald
McKay
Matsunaga
Metcalfe
Mills
Moss
Patman, Tex.
Pepper
Pettis
Preyer
Railsback
Rees
St Germain
Scheuer
Stanton, James V.
Teague
Udall
Ullman
Vander Jagt
Whalen

The SPEAKER pro tempore. On this rollcall 388 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING FUNDS FOR CONTINUING ACTIVITIES OF STANDING AND SELECT COMMITTEES

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I call up privileged House Resolution 906 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 906

Resolved, That (a) there shall be paid out of the contingent fund of the House of Representatives for the period beginning January 3, 1976, and ending at the close of March 31, 1976, such sums as may be necessary for the continuance of the same projects, activities, operations, and services, by contract or otherwise (including payment of staff salaries for services performed), and for the accomplishment of the same purposes, undertaken by each standing or select committee, or subcommittee force or system of the House in the calendar year 1975 on the same basis and at not to exceed the same rates utilized in 1975.

(b) Payments of salary for services performed in the period beginning January 3, 1976, and ending at the close of March 31, 1976, shall be made to each person—

(1) who, on January 2, 1976, was employed by a standing or select committee in the Ninety-fourth Congress and whose salary was paid under authority of a House resolution adopted in such Congress; or

(2) who was appointed after January 2, 1976, to fill a vacancy, existing on or occurring after such date, in a position created under authority of such House resolution, if any such person employed as described in paragraph (1) or appointed as described in paragraph (2) is certified by the chairman of the committee involved as performing such services for such committee during such period.

(c) Salaries authorized to be paid under subsection (b) shall be paid to persons certified under subsection (b)—

(1) at a rate not to exceed the rate any such person was receiving on January 2, 1976; or

(2) in the case of a person appointed after January 2, 1976, to fill a vacancy described in subsection (b) (2), at a rate not to exceed the rate applicable on January 2, 1976, to the vacant position.

SEC. 2. Regulations established by the Committee on House Administration under section 4 shall take into account any change in the jurisdiction or status of any standing committee of the House which was in existence as a standing committee during the Ninety-fourth Congress, or of any select committee of the House which was in existence as a select committee during the Ninety-fourth Congress.

SEC. 3. There shall be paid out of the contingent fund of the House of Representatives for the period beginning January 3, 1976, and ending at the close of March 31, 1976, such sums as may be necessary for the operation during such period of any select committee which was not in existence as a select committee on the first day of the second session of the Ninety-fourth Congress.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with law.

Mr. HAYS of Ohio (during the readin). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, this resolution to my certain knowledge was brought up during the closing days of December but somehow it did not get into the RECORD. All it does is provide money for the continuation of committee operations, to pay their staff for the period January 3 to March 31. They cannot accelerate and they cannot go above what they had for the last year. It is to give the committees a chance to prepare and set their budgets for the coming year.

It is a normal procedure. It has been done for years. That is what it amounts to.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the resolution.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE BUDGET OF THE U.S. GOVERNMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-343)

The SPEAKER pro tempore. The Clerk will read the message from the President of the United States.

The following message from the President of the United States was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed with illustrations:

To the Congress of the United States:

The Budget of the United States is a good roadmap of where we have been, where we are now, and where we should be going as a people. The budget reflects the President's sense of priorities. It reflects his best judgment of how we must choose among competing interests. And it reveals his philosophy of how the public and private spheres should be related.

Accordingly, I have devoted a major portion of my own time over the last several months to shaping the budget for fiscal year 1977 and laying the groundwork for the years that follow.

As I see it, the budget has three important dimensions. One is the budget as an element of our economic policy. The total size of the budget and the deficit or surplus that results can substantially affect the general health of our economy—in a good way or in a bad way. If we try to stimulate the economy beyond its capacity to respond, it will lead only to a future whirlwind of inflation and unemployment.

The budget I am proposing for fiscal year 1977 and the direction I seek for the future meet the test of responsible fiscal policy. The combination of tax and spending changes I propose will set us on a course that not only leads to a balanced budget within three years, but also improves the prospects for the economy to stay on a growth path *that we can sustain*. This is not a policy of the quick fix; it does not hold out the hollow promise that we can wipe out inflation and unemployment overnight. Instead, it is an honest, realistic policy—a policy that says we can steadily reduce inflation and unemployment if we maintain a prudent, balanced approach. This policy has begun to prove itself in recent months as we have made substantial headway in pulling out of the recession and reducing the rate of inflation; it will prove itself decisively if we stick to it.

A second important dimension of the budget is that it helps to define the boundaries between responsibilities that we assign to governments and those that remain in the hands of private institutions and individual citizens.

Over the years, the growth of government has been gradual and uneven, but the trend is unmistakable. Although the predominant growth has been at the State and local level, the Federal Government has contributed to the trend too. We must not continue drifting in the direction of bigger and bigger government. The driving force of our 200-year history has been our private sector. If we rely on it and nurture it, the economy will continue to grow, providing new and better choices for our people and the resources necessary to meet our shared needs. If, instead, we continue to increase government's share of our economy, we will have no choice but to raise taxes and will, in the process, dampen further the forces of competition, risk, and reward that have served us so well. With stagnation of these forces, the issues of the future would surely be focused on who gets what from an economy of little or no growth rather than, as it should be, on the use to be made of expanding incomes and resources.

As an important step toward reversing the long-term trend, my budget for 1977 proposes to cut the rate of Federal spending growth, year to year, to 5.5 percent—less than half the average growth rate we have experienced in the last 10 years. At the same time, I am proposing further, permanent income tax reductions so that individuals and businesses can spend and invest these dollars instead of having the Federal Government collect and spend them.

A third important dimension of the budget is the way it sorts out priorities. In formulating this budget, I have tried to achieve fairness and balance:

—between the taxpayer and those who will benefit by Federal spending;

—between national security and other pressing needs;

—between our own generation and the world we want to leave to our children;

—between those in some need and those most in need;

—between the programs we already

have and those we would like to have;

—between aid to individuals and aid to State and local governments;

—between immediate implementation of a good idea and the need to allow time for transition;

—between the desire to solve our problems quickly and the realization that for some problems, good solutions will take more time; and

—between Federal control and direction to assure achievement of common goals and the recognition that State and local governments and individuals may do as well or better without restraints.

Clearly, one of the highest priorities for our Government is always to secure the defense of our country. There is no alternative. If we in the Federal Government fail in this responsibility, our other objectives are meaningless.

Accordingly, I am recommending a significant increase in defense spending for 1977. If in good conscience I could propose less, I would. Great good could be accomplished with other uses of these dollars. My request is based on a careful assessment of the international situation and the contingencies we must be prepared to meet. The amounts I seek will provide the national defense it now appears we need. We dare not do less. And if our efforts to secure international arms limitations falter, we will need to do more.

Assuring our Nation's needs for energy must also be among our highest priorities. My budget gives that priority.

While providing fully for our defense and energy needs, I have imposed upon these budgets the same discipline that I have applied in reviewing other programs. Savings have been achieved in a number of areas. We cannot tolerate waste in any program.

In our domestic programs, my objective has been to achieve a balance between all the things we would like to do and those things we can realistically afford to do. The hundreds of pages that spell out the details of my program proposals tell the story, but some examples illustrate the point.

I am proposing that we take steps to address the haunting fear of our elderly that a prolonged serious illness could cost them and their children everything they have. My medicare reform proposal would provide protection against such catastrophic health costs. No elderly person would have to pay over $500 per year for covered hospital or nursing home care, and no more than $250 per year for covered physician services. To offset the costs of this additional protection and to slow down the runaway increases in federally funded medical expenses, I am recommending adjustments to the medicare program so that within the new maximums beneficiaries contribute more to the costs of their care than they do now.

My budget provides a full cost-of-living increase for those receiving social security or other Federal retirement benefits. We must recognize, however, that the social security trust fund is becoming depleted. To restore its integrity, I am asking the Congress to raise social security taxes effective January 1, 1977, and to adopt certain other reforms of the system. Higher social security taxes and the other reforms I am proposing may be controversial, but they are the right thing to do. The American people understand that we must pay for the things we want. I know that those who are working now want to be sure that the money will be there to pay their benefits when their working days are over.

My budget also proposes that we replace 59 grant programs with broad block grants in four important areas:

—A health block grant that will consolidate medicaid and 15 other health programs. States will be able to make their own priority choices for use of these Federal funds to help low-income people with their health needs.

—An education block grant that will consolidate 27 grant programs for education into a single flexible Federal grant to States, primarily for use in helping disadvantaged and handicapped children.

—A block grant for feeding needy children that will consolidate 15 complex and overlapping programs. Under existing programs, 700,000 needy children receive no benefits. Under my program, all needy children can be fed, but subsidies for the nonpoor will be eliminated.

—A block grant that will support a community's social service programs for the needy. This would be accomplished by removing current requirements unnecessarily restricting the flexibility of States in providing such services.

These initiatives will result in more equitable distribution of Federal dollars, and provide greater State discretion and responsibility. All requirements that States match Federal funds will be eliminated. Such reforms are urgently needed, but my proposals recognize that they will, in some cases, require a period of transition.

These are only examples. My budget sets forth many other recommendations. Some involve new initiatives. Others seek restraint. The American people know that promises that the Federal Government will do more for them every year have not been kept. I make no such promises. I offer no such illusion. This budget does not shrink from hard choices where necessary. Notwithstanding those hard choices, I believe this budget reflects a forward-looking spirit that is in keeping with our heritage as we begin our Nation's third century.

GERALD R. FORD.

JANUARY 21, 1976.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore (Mr. O'NEILL). Under a previous order, a special order of 30 minutes has been granted to the gentleman from Texas (Mr. MAHON).

At this time the Chair recognizes the chairman of the Committee on Appropriations, the gentleman from Texas (Mr. MAHON).

THE PRESIDENT'S PROPOSED BUDGET

(Mr. MAHON asked and was given permission to revise and extend his remarks and to place in the RECORD tables and extraneous material.)

Mr. MAHON. Mr. Speaker, we have just heard the President's message on the 1977 budget. As Members of the House know, it is traditional that the chairman of the Appropriations Committee comment on the budget on the day it is submitted.

Last year when addressing the House on the fiscal 1976 budget, I expressed my concern about a budget which called for shocking deficits and increases in the debt. I was concerned that the people were tending to lose confidence in their Government, in their country, and in themselves. I called for the Congress to set a course that would encourage the people to regain their lost confidence.

Today I am pleased to say that we appear to be beginning to regain our confidence. There seems to be a renaissance of faith and spirit—an awareness of the great strengths of this Nation and its people.

In many ways this budget is similar to budgets of the past few years. It contains high deficits and sharp increases in the national debt. It proposes decreases and consolidations in social programs that Congress may very probably fail to adopt and it proposes increases in defense in which Congress is unlikely to concur fully. Overall, it can be characterized as a hold the line budget, an attempt to slow the general trend of rapid Federal growth. Indeed, it proposes to hold Federal spending overall to a 5.5 percent increase about half the normal growth rate of recent years.

The levels of its proposed deficit, $43 billion, and its increase in the public debt, $67.3 billion, are shockingly high, again conforming with the pattern of recent years. And these levels, as high as they are, are in my judgment likely to be somewhat higher when Congress completes its action on the budget.

It can be argued that many Government officials and perhaps a large segment of the population have become numb to such deficits. I hope that this is not the case.

Year after year we have experienced high deficits. In fact in the 10 years that will end with fiscal 1977, the debt will have increased $359.7 billion—a sum in excess of what had been accumulated in the entire first 190 years of our existence as a nation.

Can such a situation be good for this Nation? Can anyone suggest that such deficits have not contributed to the inflation and economic instability which we have experienced?

I do not intent however to be a prophet of gloom. There is a basis of hope for this Nation. The budget comes at a time of improving economic strength. It appears that the Nation is emerging from the recession. GNP is growing; inflation is subsiding; but while unemployment is beginning to decline, it still remains high.

This Nation is at peace; and while generally the world is at peace, there are some places over the globe now experiencing violence and hostilities. It is also a time of some questioning as to what this Nation's foreign policy should be.

Mr. Speaker, the President has transmitted his budget. It is now up to the Congress to examine it carefully. We of course will rearrange many of the budget's priorities. We will question many of its proposals. We will add to it and take from it.

Many will suggest that much more needs to be done to reduce unemployment than what the President proposes. Others will state that the best way to reduce unemployment is to create economic conditions in which the private sector can stimulate itself. I personally support the latter approach.

Mr. Speaker, the budget comprises, including the appendix, 1,600 pages. Of course it is not possible for Members to quickly analyze this large package of material. There are actually four volumes relating to the budget being presented today by the President through the Office of Management and Budget. With heavy input from the able professional staff of the Committee on Appropriations we have quickly prepared an analysis of the budget, with the hope of being of assistance to our colleagues in trying as rapidly as possible to become aware of the various considerations that are involved in the budget.

Mr. Speaker, I wish to analyze in broad overview the 1977 Budget presented by the President. For the purposes of this analysis I do not intend to either endorse or reject the budget—to suggest that it be increased or decreased.

What I hope to do is to point out some of the important features of the budget that we have received and raise questions which we in Congress must confront as we consider a course of action I would like to add that philosophically I do not personally intend to abandon the principles which I have so frequently enunciated in the past—that except in times of war or deep depression, we should not initiate new programs or expand old ones unless we are willing and able to provide the funds to pay for them. But in this analysis, I do not intend to be philosophical.

BUDGET TOTALS

The budget calls for spending in fiscal year 1977 of $394.2 billion and new budget authority of $433.4 billion; for fiscal year 1976 spending is projected at $373.5 billion and new budget authority at $408.4 billion. This is an increase in spending of $48.9 billion from 1975 to 1976 and $20.7 billion from 1976 to 1977. Although the unified budget deficits will be $76 billion in 1976 and $43 billion in 1977, the total additional increase in debt is estimated to be $90 billion in 1976 and $67.3 billion in 1977.

In total, the national debt will increase some $176 billion over the 27-month period that encompasses the 2 fiscal years—1976 and 1977—and the unique 3-month transition period that is caused by the change in the fiscal year. This accumulation of debt—$176 billion in 27 months—will match what occurred during World War II, a time in which the Nation greatly added to its productive capacity.

INCREASE IN THE NATIONAL DEBT

The deficits in the budget, as high as they are, do not show the total amount of money that the Federal Government will spend that it does not have. To determine this we must look at the amount by which the national debt will increase.

The budget projects that the national debt will zoom to $710.4 billion, by increases of $90 billion in fiscal 1976, $18.9 billion during the 3-month transition period, and $67.3 billion in 1977.

This is brought about by the following factors which must be added to the budget deficits.

TRUST FUND BORROWING

To the deficits in the unified budget, we must add borrowing from the trust funds in the amounts of $2.5 billion in 1976 and $12.5 billion in 1977. These are borrowings from such accounts as social security, highways, Federal retirement, and unemployment trust funds for the temporary financing of the general purposes of Government. These borrowings add to the national debt and must eventually be repaid along with interest charges. In effect the Government borrows from itself in order to finance other activities of the budget. I underline this sentence: By the end of fiscal 1977, we will owe these trust funds $161 billion.

DEBT OF "OFF-BUDGET AGENCIES"

Additionally, a large increase in borrowing to finance the activities of the so-called off-budget agencies in the amounts of $8.8 billion in 1976 and $11.1 billion in 1977 must be added to the deficit totals. An off-budget agency is simply what the name implies—an agency of the Federal Government that is not included in the totals of the budget. The proliferation of off-budget agencies is only a recent phenomena. In 1971 the Export-Import Bank was the first program to be excluded from the budget. Since then the Postal Service Fund, the Rural Telephone Bank, rural electrification, the Federal Financing Bank, the U.S. Railway Association, and the Pension Benefit Guaranty Corporation are excluded from the budget totals.

Recent legislation now requires that the Export-Import Bank once again be included in the budget. I hope that this activity—the first to leave the budget—will be only the first to return. I would like to take encouragement from the statement on page 12 of the budget with which I heartily concur: "In many cases there is little or no justification for off-budget treatment." However, my hopes are dampened because on the preceding page a major initiative is identified as off-budget. The energy independence authority legislation submitted by the President last fall—a $100 billion program—is proposed to be excluded from the budget.

In my opinion, the practice of placing a Federal program outside the budget is not good, and I am hopeful that action can be taken at the appropriate time to return these activities to the budget.

Other financing in the amounts of $2.6 billion in 1976 and $700 million in 1977 must also be included to arrive at the increase in the debt.

So, Mr. Speaker, instead of a deficit of $76 billion for 1976 and $43 billion for 1977, we are really looking at debt increases of $90 and $67.3 billion.

This will increase the national debt to a total of $624.2 billion by the end of fiscal year 1976 and $710.4 billion by the end of fiscal year 1977.

The following chart shows the reasons for the difference between the deficit and the increase in the national debt which I have been discussing.

[In billions]

	Fiscal year 1976	*Fiscal year 1977*
Unified deficit	$76.0	$43.0
Borrowings from trust funds	+2.5	+12.5
Off-budget agencies deficit	+8.8	+11.1
Other financing	+2.6	+.7
Total increase in public debt	90.0	67.3

GUARANTEED LOAN LIABILITIES OF THE GOVERNMENT

But even the approaching huge national debt of $710.4 billion does not completely reflect the total liabilities of the Federal Government. The full faith and credit of the Government is pledged to the repayment of loans guaranteed or insured in the amount of $174.6 billion. These are programs such as education loans, veterans housing loans, Small Business Administration loans, and numerous others.

There is a growing tendency on the parts of both the administration and the Congress to use the device of guaranteed loan programs. This enables expensive new programs to be started with little actual spending in the beginning. However, the potential fiscal drain that this type of program represents is enormous. In my opinion the Congress should take steps to close this dangerous backdoor to the Treasury.

ECONOMIC ASSUMPTIONS

For 1976, the budget projects that unemployment will fall from 8.5 percent to 7.7 percent; that inflation will fall from over 9 percent in 1975 to 6.3 percent; that GNP will increase by 12.4 percent. Real GNP growth, after inflation is factored out, is projected to be 6.2 percent. During calendar 1977, when most of the activities and spending outlined in this budget will take place, the forecasts are 6.9 percent for unemployment, 6 percent for inflation, and 5.7 percent for growth in real GNP.

For the past few years, our economy has been struggling against two burdens—rising unemployment and historically high rates of inflation. There have been two consecutive years of decline in the Nation's production of goods and services; unemployment rose from below 5 percent to about 9 percent last year, and double-digit inflation has ravaged the economy—placing great hardships and uncertainties on consumers and producers alike.

Now there are certain signs of economic recovery. The rate of inflation has declined markedly, retail sales are showing confidence, auto and steel production are picking up, and industrial production in general is increasing. Our trade balances in international markets are showing historically high surpluses. These are clear signals that unemployment, while still unacceptably high, could continue to moderate and decline. There seems good evidence that we are moving in the right direction. We have reason to be confident that the Nation is finally emerging from the doldrums of the recession.

BUDGET CONTINGENCIES

Mr. Speaker, I have made reference to the general parameters of the budget which the President has just submitted. This budget, like all budgets in recent years, contains significant contingencies which we must keep in perspective as we begin the arduous task of examining the President's spending and tax proposals and making independent legislative decisions that will heavily influence the course of the nation in the months and years ahead. The final outcome of what I have identified as "budget contingencies" could sizably affect the overall totals of the budget.

TAX PROPOSALS

The President is proposing an additional $10 billion tax cut over the $18 billion that was agreed to in December. He conditions this tax cut on keeping within the $394 billion spending level in his budget for fiscal year 1977.

Because of the numerous budget contingencies which I will discuss shortly, it is unlikely that the Congress will adhere to the President's spending ceilings, and thus the additional $10 billion tax cut would not be enacted. If the tax cut is not enacted, the deficit would be $10 billion less.

Even if spending were held to the President's level, however, I would question the wisdom of such a tax reduction. As the economy continues to improve, it would seem desirable to me to reduce the level of the Federal deficit rather than reducing taxes. Economically, this seems to make sense, as less government stimulation will be required in a stronger economy.

SOCIAL SECURITY AND UNEMPLOYMENT INSURANCE TAX INCREASES

The President also proposes to raise the social security tax from 11.7 to 12.3 percent which would generate $3 billion in additional receipts. Unquestionably the social security trust fund must be strengthened. As repugnant as tax increases of any kind are, I recognize that this is one of the few ways by which to secure the foundations of this important program.

Additionally, the President has recommended a change in the tax rate for unemployment insurance from 0.5 to 0.65 percent and a change in the wage base from $4,200 to $6,000.

THE CHANGING PATTERN OF THE FEDERAL BUDGET

The Congress, in recent years, has very properly played an increasingly significant part in the process of setting national priorities. Perhaps the most striking result of legislative actions over the last 15 years has been the steady growth in the share of the total budget devoted to domestic social programs and the commensurate steady decline in the share of the total budget devoted to national defense.

In 1960 the domestic assistance programs comprised 29 percent of the budget outlays while national defense accounted for 49 percent. The budget submitted today continues a clear and unmistakable trend reflecting the product of hundreds of legislative decisions in prior years. The net result is that domestic assistance programs have grown to 55 percent of the budget while national defense has shrunk to some 25 percent of the budget.

Over the years, congressional spending actions through legislative bills and appropriations bills have been relatively close to the totals proposed by Presidents. The impetus given to the growth of domestic programs has to some extent been achieved through cuts in the defense budget. This has become the traditional tradeoff.

THE DEFENSE BUDGET

Mr. Speaker, last year the Congress cut the 1976 defense budget more than $7 billion in new spending authority. The year before it was cut about $5 billion. By making prudent reductions in the defense area, Congress has been able to at least in part offset increases in social programs. As inflation eats away at the defense dollar, appropriation increases for defense are inevitable if we are to maintain an adequate defense establishment. At first glance, it does not appear that it will be possible to reduce the fiscal year 1977 defense budget by as large an amount as last year.

The defense budget for fiscal year 1977 proposes budget authority of $113.8 billion, an increase of $13.1 billion more than the amount for fiscal year 1976, including the pay raise supplemental which has not yet been enacted. We are told that almost one-half of the proposed increase is to offset inflation and the other half represents real program growth. This is much the same kind of increase, both in total amount and in ration between growth and inflation, as was proposed in the fiscal year 1976 Budget.

The largest area of increase is in defense procurement. Total obligational authority of $29.3 billion is requested as compared with $21.4 billion in fiscal year 1976 and $17.4 billion in 1975.

While much of the procurement budget continue the production of many items which have been procured in previous years, the procurement budget also includes a number of major programs entering production this year. Most notable is a request of $1 billion for the production of three B–1 bombers. It was agreed that the $87 million in B–1 advance procurement funding for the 15-month period ending September 30, 1976, was provided with the clear understanding that those funds did not constitute a commitment to B–1 production. Congress must face this issue during the forthcoming months.

We are confronted with a critical problem in the Navy shipbuilding program. The problem has been festering for some time. I speak of cost overruns. The budget submitted today includes $1.6 billion for shipbuilding cost overruns. There is no serious question that we need new ships but we must be able to better manage ship acquisition.

Of the increase in the defense budget, $1.6 billion is for retired military pay. This is a matter of arithmetic and not subject to reduction under existing law.

The budget indicates that about $2.8 billion additional over and above the President's defense budget will be needed if Congress does not enact certain legislation or accept certain controversial proposals assumed in the budget. The proposals include a 5-percent pay raise limit, the sale of items from the Strategic and critical materials stockpile, cutbacks of 40,000 personnel in Naval Reserve strenths, and reductions in commissary subsidies.

The Congress has grappled with many of these in past years. It is doubtful that major reversals of previous actions will be made. This will cause increases in the defense budget.

The budget proposes increases of $2.1 billion in strategic forces, of $7 billion in general purpose forces, of almost $2 billion in research and development and of $1 billion in intelligence and communications. We will review these increases not only to see if they are justified in total but also to determine if they are distributed in the most advantageous way.

Our intelligence estimates tell of Soviet military increases in almost all areas. They are increasing their strategic forces and their already huge general purpose forces. Soviet efforts in Angola remind us again of the world-wide influence of Soviet arms. While we must carefully examine the defense budget for areas in which reductions can safely be made, we must not forget that our major opponent is on the move. We must not forget that national security is the basis for national survival in a hostile world. To provide too little for defense in these troubled times would be a grave error.

Obviously some reductions are likely to be made in the defense area, but after a quick analysis of the budget, it appears unlikely that these reductions will be as large as in recent past years.

FOREIGN ASSISTANCE

Historically Congress has also made significant cuts in the foreign aid programs below amounts requested by Presidents.

However, the complexion of the foreign aid budget is somewhat different than in former years.

The foreign aid budget for fiscal 1977 is some $70C million below the level requested by the President for fiscal year 1976. The Appropriations Committee has not yet taken action on the fiscal 1976 foreign aid bill because of the lack of authorization for a large share of the request. The fiscal 1975 bill enacted early last year was cut some $1.3 billion in budget authority. The fiscal 1974 budget was cut by over $1 billion; the fiscal 1973 by $1.5 billion.

In view of the President's request which is $700 million below the 1976 request and in view of the fact that a large portion of the 1977 request—some $2.3 billion—is associated with peace in the Mid-East, it may not be accurate to assume that cuts can be made in the foreign assistance budget of the size made in recent years. But certainly the Congress will examine the President's foreign aid proposals critically and skeptically.

THE HEALTH, EDUCATION, AND WELFARE BUDGET

Using recent experience as a yardstick, it is safe to predict that Congress will undertake to provide sharp increases in spending in the fields of health and education over the levels proposed in the President's budget.

For programs under the Department of Health, Education, and Welfare, the budget proposes $145 billion in budget authority, an increase of about $20 billion or 16 percent over fiscal 1976. Spending from trust funds—such as social security—spending which is virtually uncontrollable under existing law—comprises the bulk of the increase. The entire Federal funds increase of $3.8 billion is for mandatory, uncontrollable programs such as public assistance, medicaid, and supplemental security income. There is little or no net increase in the so-called controllable programs.

The monumental catch is in the fiscal 1976 levels which the budget assumes. The 1976 figures reflect the assumption that the Congress will approve $1.3 billion of rescissions of appropriations contained in the 1976 supplemental appropriations bill signed December 18, 1975, and in the Education Appropriations Act which was vetoed by the President and overridden by the Congress by a significant margin. These rescissions have been considered in committee and it is likely that not a single one will be finally approved by the House.

The 1976 figures also assume that the Labor-HEW Appropriations Act which passed the House by a vote of 368 to 39 and which exceeds the President's fiscal 1976 budget by $916 million will not be enacted. The President vetoed this bill and the House will vote on the veto override next Tuesday.

As I indicated, Mr. Speaker, there is virtually no provision in the budget for health and education increases in controllable programs. To the extent that the budget does not take into account the thrust of actions taken by this Congress on the 1976 bills during the last session, the budget is not realistic in this area.

It is safe to predict that Congress will undertake to provide increases in education for such spending programs as elementary and secondary education, bilingual education, educational broadcasting, libraries, impacted area aid, education for the handicapped, vocational education, Followthrough, student loans, and others.

As the Congress contemplates the prospect of making such increases, it must keep firmly in mind that to a considerable extent the nature of the defense budget this year will not yield room for the traditional defense tradeoff, at least to the same extent as the past 2 years. The potential for significantly increasing the deficit and debt is great.

The President's budget also contains legislative proposals to consolidate various specific health, education, and social services programs into programs of block grants to States. The budget assumes a savings of about $650 million from the consolidation of certain health programs.

Some consolidations have been proposed in former years and not adopted. Other block grant programs in other areas involving manpower and community development have been adopted. While these block grant legislative proposals may or may not have a great deal of merit from the standpoint of administration and delivery and some political appeal, it is not reasonable to believe they could be considered, debated, and enacted in time to be put into effect in the 1977 appropriation bills within the time constraints and the framework of the new budget control legislation.

LABOR DEPARTMENT PROGRAMS

Outlays for programs under the Department of Labor are estimated to decrease by a little over $4 billion in 1977. The basic assumption is that unemployment will decreaes from the current rate of 8.5 percent to 7.7 percent in calendar 1976 and 6.9 percent in 1977. Hence outlays from the unemployment trust funds are projected to decline by some $2.3 billion. The strength of the Nation's economic recovery will determine whether or not these are reasonable projections.

For public service jobs the budget shows a decrease of $3.3 billion in appropriations compared with fiscal 1976 in accordance with the projected improvement in the unemployment. However, the budget does transmit a supplemental request for fiscal 1976 in the amount of $1.7 billion for public service jobs which would provide the current level of about 310,000 jobs until about a year from now after which the program is proposed to be phased down. There is considerable support in and out of Congress for a program of public service jobs which would be well in excess of the levels proposed in the President's budget.

Mr. Speaker, in the Labor and Health, Education, and Welfare field, there are other budget contingencies, in addition to the tax proposals I mentioned earlier which would provide $3.3 billion additional in receipts by raising the social security rate and provide $2.1 billion additional in receipts by raising the rate and the base in unemployment taxes. Members should take special note of other proposals which will sizeably contribute to the final totals of the budget if they are not approved by the Congress.

I refer to the proposed modification in public assistance which reflects a $256 million savings; modifications in the work incentives program, a projected savings of $55 million; changes in the old age survivor's insurance program, a savings of $790 million; changes in the disability program, a savings of $36 million; and changes in the medicare program which are projected to produce savings in excess of $2 billion. If these proposals are not adopted then the budget deficit will be increased accordingly.

NUTRITION AND AGRICULTURE PROGRAMS

Mr. Speaker, the proposals of the President under the Department of Agriculture also demand close attention. Some will say that based on current levels the budget might be understated by as much as something approaching $2 billion.

There is legislation proposed to consolidate 15 child feeding programs into a block grant program at a projected savings of some $740 million.

The budget for food stamps appears to be about $600 million under the current rate. It would appear the budget contemplates savings from reforms in the program. Certainly the program is out of hand and hopefully significant savings can be achieved. As yet, the savings have not been realized.

In the agriculture functions, the budget proposes the termination of an array of programs which have a long history of support in Congress and in the agribusiness industry. Included in the programs proposed for termination is the agriculture conservation program, the water bank program, forestry incentives, rural water and waste disposal grants, rural development grants, housing for domestic farm labor, mutual and self-help housing, and rural community fire protection. If these programs are terminated, reductions of some $670 million below the 1976 appropriation would be made.

If the President's proposals are not adopted in this area, then additional cost will be added to the budget and the deficit will be increased.

VETERANS

While the budget shows a decrease of some $2.1 billion for programs of the Veterans' Administration, when the books are closed after fiscal year 1977 the decrease could be more in the range of $600 to $700 million.

The budget assumes enactment of legislation associated with veterans burial benefits, medicare payment to VA beneficiaries, and the extension of eligibility for GI educational benefits. A reduction of over $900 million is associated with this legislation. Similar legislation was proposed last year and not adopted. Most of this package, about $700 million, pertains to veterans educational benefits.

The budget for veterans compensation and pensions projects a caseload decline of 67,000. However, caseload has increased about 20,000 in the last 18 months and if the projected decline does not materialize the budget will be short perhaps $100 million in this account.

Also the budget makes no provision for the extension of the 8 percent veteran pension increase which just became effective on January 1. Something in the range of $400 million could be required to continue a pension increase in some form.

TRANSPORTATION

There are several items in the transportation area of the budget which raise questions and which will require further attention. The appropriation for grants to Amtrak are probably $50 to $100 million less than what would be required to continue the existing level of services. Is it reasonable to expect that Congress will choose to discontinue passenger rail service to communities in an election year?

The budget also includes a provision which would reduce the amount of urban mass transportation grants that may be used for operating subsidies. In view of the fact that most of these funds go for subsidies and not operating equipment, will the Congress agree to this provision? If Congress does not agree, outlay for mass transportation will be understated in the budget by some $200 million.

With respect to rail operations in the Northeast, the budget includes no funds to continue commuter services which were previously provided by the Penn Central. Legislation which has cleared conference would authorize subsidies for these programs which could cost in the range of $50 million in fiscal 1977.

The budget also has a user charge proposal for waterway facilities—an old chestnut. If the Congress again does not adopt legislation in this area some $80 million in receipts will not materialize.

OUTER CONTINENTAL SHELF OIL AND GAS RECEIPTS

The budget estimates that $6 billion will be received in fiscal year 1977 from OCS leasing. The budget also revises its estimates for 1976 to $3 billion, down from the original estimate of $8 billion. Last year in my statement on the budget I pointed out that the $8 billion estimate was greatly exaggerated.

The effect of overstating OCS receipts is to understate the real size of the budget deficit. In recent years the budget has tended to take the most optimistic estimate possible and then revise it downward.

This year's estimate of $6 billion does appear more reasonable than in past years. However, delays in the actual leasing of the land caused by environmental questions could result in a decrease in receipts. It is also unclear at this time as to what effect the new energy legislation will have on the willingness of oil companies to bid on such leases.

OTHER CONTINGENCIES

Mr. Speaker, there are other contingencies in the budget worthy of brief notation.

Although the budget request for energy programs for 1977 shows a sizable increase over the 1976 appropriations, there is virtually no increase over the amounts authorized for 1976. In view of the critical problems facing the Nation on energy, it may be necessary for the Congress to authorize and appropriate significantly larger amounts than those proposed by the President.

In the field of public works, while a very limited number of new studies are proposed, there are no new construction starts. When did Congress last pass a public works appropriation that had no new construction starts? Further, the funding for many on-going contruction projects has been stretched out in the budget submitted by the President. In an election year, when unemployment is a continuing problem, especially in the construction industry, there will be heavy pressure to begin new projects and fund on-going projects at full engineering capacity.

I would also note that the budget for the Department of Commerce does not include funds for the job opportunities program for which $375 million was provided in 1976. In addition, the request for the regular economic development assistance programs of EDA and the Regional commissions is about $160 million below the 1976 appropriation level. In view of the high level of unemployment, some pressure can be expected here.

Under the Department of Justice, we should keep in mind that the budget for the Law Enforcement Administration is about $100 million under the 1976 level.

The Postal Service is incurring an annual deficit of about $2 billion. The deficit can either be covered by appropriations from the Congress or by postal rate increases. In observing that the outlook for improvement in the financing of the Postal Service appears bleak, I would note that the President's budget is about $300 million less than what the Postal Service believes will be required under existing legislation.

All of these contingencies are likely to add to the overall costs of the 1977 budget if they are not adopted as the President proposes.

THE NEW BUDGET CONTROL PROCESS

Mr. Speaker, this year we will operate under the new budget control act which will be fully implemented for the first time.

Whether there is going to be budget control or not remains to be seen. If we were to adopt everything we want, add it up, and make that our budget target, that is one thing but it is not budget control. I personally think the Congress and the country are in a mood to undertake to make reductions and apply constraints wherever they can reasonably be made or applied.

I want to assure the Committee on the Budget, as one of the members of the Committee on Appropriations and as one interested in this general field, that we propose to cooperate as fully as we can in making the new budget system a success. It certainly is important, as I say, to the country and to the effectiveness of Congress that we do make a success out of the budget process which we are undertaking to put into full operation this year.

The new process presents a great challenge. There is some reason to be encouraged by what seems to have happened thus far. It appears that more Members are becoming increasingly interested in the budget process and are gaining greater knowledge and understanding about the fiscal machinery of government. I hope one of the products will be a greater appreciation of the need for fiscal stability.

Members of the Appropriations Committee and the staff have spent significant amounts of time in pursuit of the objective of making the new process work insofar as the responsibilities of the Appropriations Committee are concerned. I am also encouraged by the high level of cooperation which is being developed in the House among the legislative committees, the Budget Committee, and the Appropriations Committee. This atmosphere is essential if we are to meet the schedule set forth in the new budget control legislation.

At this time, Mr. Speaker, I ask unanimous consent to insert in the RECORD a schedule showing the timetable for the congressional budget process as set forth in section 300 of Public Law 94–344, the Congressional Budget Control Act:

On or before:	Action to be completed:
November 10	President submits current services budget.
15th day after Congress meets	President submits his budget.
March 15	Committees and joint committees submit reports to Budget Committees.
April 1	Congressional Budget Office submits report to Budget Committees.
April 15	Budget Committees report first concurrent resolution on the budget to their Houses.
May 15	Committees report bills and resolutions authorizing new budget authority.
May 15	Congress completes action on first concurrent resolution on the budget.
7th day after Labor Day	Congress completes action on bills and resolutions providing new budget authority and new spending authority.
September 15	Congress completes action on second required concurrent resolution on the budget.
September 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution.
October 1	Fiscal year begins.

THE APPROPRIATIONS SCHEDULE

Mr. Speaker, while there are no specific requirements in the law for reporting and passing the appropriations bills in the House, the whole system is hinged on timely action by the Appropriations Committee. After careful consideration and extended wrestling with the calendar, I have come to the conclusion that the following schedule seems to be required:

First. All appropriation hearings must be completed by Friday, April 9, prior to the Easter recess from April 14 to April 26, so that;

Second. All subcommittees markup between Monday, April 26, and Friday, May 7, so that;

Third. The full committee considers all bills between Monday, May 24 and Friday, June 4, so that;

Fourth. All bills will be on the floor between Tuesday, June 15, and Friday, July 2.

This schedule significantly shortens the period that the Committee on Appropriations has normally had to deal with the appropriations bills.

The greatest difficulty in meeting this schedule is that authorizations from the various legislative committees must be enacted or at least visible in the House in a timely fashion. If the authorizing committees fail to meet the May 15 deadline for reporting authorizing legislation, then it will be very difficult, if not impossible, for the Committee on Appropriations to meet its schedule and allow the House to consider the appropriations business of the session in the manner contemplated in the new budget legislation.

CONGRESSIONAL ACTION ON FISCAL YEAR 1976 SPENDING

Mr. Speaker, as we proceed under the new budget control process, Members must keep in mind that the problem of congressional control of the budget has not been in dealing with the appropriation bills handled by the Committee on Appropriations. In every single year since 1943, the Congress has made net reductions in the appropriations requests of the President. Every single year. The problem has been elsewhere.

I wish to point to our most recent experience. Overall action on appropriation bills for fiscal year 1976 is some $3.4 billion below the President's requests for new budget authority and some $1.6 billion below in actual spending. This includes all appropriation bills except for foreign aid and District of Columbia which have yet to be reported.

However, when all spending actions of the Congress are considered, the picture changes considerably, particularly when the spending actions and inactions of the legislative committees are considered. The cumulative action and inaction of the legislative committees on spending matters results in $6.9 billion over the President's request for new budget authority and $10.3 billion over in actual spending outlays.

Some of the major legislative increases include the following as set forth in a recent publication from the new Congressional Budget Office:

[In thousands]

	New Budget Authority	*Outlays*
Failure to suspend increased cost of food stamps	+650,000	+650,000
School lunch and child nutrition	+756,000	+741,000
Unemployment benefits extension	---------	+572,000
Veterans disability benefits increase	+449,400	+437,000
Inaction on limiting cost of living increases in social security	−91,000	+2,043,000
Inaction on grants to states for public assistance reform	+1,587,000	+1,587,000
Inaction on Medicare — modify cost sharing structure	−20,000	+1,379,000
Inaction on veterans programs	+722,000	+722,000
Inaction on limiting cost of living increases for food stamps and other programs	+327,408	+990,280

When all spending actions of the Congress are considered together, the result so far shows a net increase in new budget authority above the President's request of some $3.6 billion and an increase in actual spending of $8.7 billion.

I would also note, Mr. Speaker, that a comparison of the appropriations bills to the second concurrent resolution shows that final action on appropriation bills is likely to be slightly below the ceilings of the second concurrent budget resolution.

CONCLUSION

Mr. Speaker, the President has now submitted his budget for the new fiscal year which begins next October 1. It is a fiscal plan which is based on the premise that the Nation's inflation and unemployment problems cannot be wiped out overnight. It is proclaimed as a policy of a prudent and balanced approach to the objective of steadily reducing inflation and unemployment. That is the theme of the 4-page budget message of the President. Certainly, the Congress to some extent will disagree with many of the proposals included in the budget and will take exception to what the budget does not include.

The budget itself is an enormously complex and comprehensive document. A great deal of effort and dedication has gone into its preparation.

I have attempted, in the short time available, to lay out in an objective manner some of the issues that will confront the Congress in the weeks and months ahead. That is my only purpose in making this statement. I hope that my remarks have been of some value to my colleagues and others in putting the budget proposals in perspective from the legislative viewpoint.

The Congress must now exercise its collective wisdom in determining what finally will be done. We will be operating within the framework of the new Congressional Budget Act which has been widely heralded as a landmark budget reform measure.

We have the mechanism to assist us in setting goals and maintaining perspective as we consider the details of the individual proposals which comprise the budget. I hope the Congress will demonstrate the will to realize the potential inherent in the new process. And I trust, Mr. Speaker, that the net product of our collective decisions will contribute to the continuation of a national rejuvenation of confidence and a strengthening of our economy.

Mr. Speaker, I would say this in closing, that any administration or any Congress which claims there is an easy or magic answer to our inflation, unemployment, and fiscal problems will lose credibility with the American people. We cannot gloss over the fact that we are confronted with serious fiscal problems and legislative problems, and there are no easy answers.

What we have to do as Congress progresses, through our appropriations committees and through our legislative committees and through our budget committees, is to undertake to cope successfully with these problems.

This is an election year, and the American people will be watching our every action. We hope we are going to perform successfuly, and I have the confidence to believe that the Committee on Appropriations, in handling appropriation bills, will do a reasonably good job. The committee which I have the honor to chair will be working with Members of the House in a determined effort to bring about a successful session of the 94th Congress.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I am pleased to yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I rise to compliment the eminent chairman for his excellent remarks on this most difficult subject matter.

This morning's Washington Post carried a column by the syndicated writer and friend of this institution, David Broder, in which he mentioned the tremendous importance of our Committee on the Budget and of your Committee on Appropriations, and our need for the restraint that you, sir, mention with respect to our role this year.

Mr. Speaker, I commend Chairman MAHON for his diligence and for bringing these important matters to our attention.

Mr. CEDERBERG. Mr. Speaker, last year I stood in the well of this House, and stated that we faced a national and international economic crisis of extraordinary proportions. At that time, food and energy shortages, high unemployment and inflation constituted a situation without parallel in our national experience.

This year there is some basic improvement in the economy, but the passage of time has moderated our sense of crisis over the serious problems we faced a year ago. In view of the crisis situation of a year ago, we should consider and act on budget proposals and congressional initiatives in order to assure a healthier and more stable economic situation, both in the short and long run. This budget for fiscal year 1977 is intended to continue improving the condition of the economy.

The budget submitted to Congress today is designed to balance stimulation of our economy with responsibility and restraint. It is a budget which sets forth a combination of tax and spending changes, which proposes to lead to a balanced budget in 3 years, and stay on an economic course we can sustain. Major proposals include reductions in Federal spending growth to 5.5 percent a year, and income tax reductions of about $28 billion. In addition, four broad block grants in areas of health, education, child nutrition, and social services will replace 59 grant programs. With these block grants, the budget proposes to provide more equitable distribution of Federal moneys, and to assure greater flexibility and responsibility to the States in direction of these programs.

A budget is, however, nothing more or less than a set of estimates, guidelines and proposals based on existing or proposed laws. Congress has the exclusive congressional prerogative for the enactment and amendment of these laws. The success or failure of the budget proposals and total fiscal program in fiscal year 1977 will result directly from the legislative actions that we take, or do not take.

Mr. Speaker, I would not presume at present to evaluate in depth the program proposed in the President's budget. I would hope that Congress would give the proposals, individually and as a whole, adequate, responsible and prompt attention.

I would like to make some observations on certain aspects of the budget which are of concern to all of my colleagues in the House.

BUDGET TOTALS FOR FISCAL YEAR 1977

Budget authority for fiscal 1977 is requested and estimated at $433.4 billion, compared to $408.4 billion in fiscal 1976. Of this $25 billion increase, in budget authority, major increases are in areas of national defense and income security, offset partially by decreases in natural resources and education functions.

Nondefense outlay estimates account for $293.1 billion, an increase of $12.3 billion over 1976, or 4.3 percent. By comparison, defense outlays represent $101.1 billion, an increase of $8.3 billion, or 8.9 percent over 1976.

Receipts are estimated at $351.3 billion, up $53.8 billion, or 18 percent over fiscal 1976.

Deficit is estimated at $43.0 billion in fiscal year 1977, or $33 billion less than the present deficit estimate for fiscal year 1976.

Gross national product, in current dollars, is estimated to increase by $206 billion, or 12.2 percent, during fiscal year 1977. However, in constant 1972 dollars, real growth in gross national product is $72 billion, or 5.7 percent during fiscal year 1977.

I include the following:

UNIFIED BUDGET TOTALS BY FUND GROUP

[In billions of dollars]

					Change, 1975–76		Change, 1976–77	
	1975	1976	TQ	1977	Dollars	Percent	Dollars	Percent
Federal funds:								
Budget authority	315.2	309.3	62.9	311.9	−5.9	−1.9	2.6	0.1
Obligations	261.0	325.1	73.2	321.8	64.1	24.5	−3.3	−1.0
Outlays	238.5	276.9	69.8	286.2	38.4	16.1	9.3	3.3
Receipts	187.5	198.4	54.8	230.8	10.9	5.8	32.4	16.3
Surplus or deficit (−)	−51.0	−78.5	−15.0	−55.5	27.5	53.9	23.0	29.2
Trust funds:								
Budget authority	122.0	134.6	31.8	158.7	12.6	10.3	24.1	17.9
Obligations	119.4	138.5	35.9	148.8	19.1	16.0	10.3	7.4
Outlays	111.2	132.2	34.9	145.2	21.0	18.9	13.0	9.8
Receipts	118.6	134.8	33.8	157.7	16.2	13.6	22.9	17.0
Surplus or deficit (−)	7.4	2.5	−1.1	12.5	4.9	66.2	10.0	400.0
Interfund transactions:								
Deduct to reach totals	−25.1	−35.6	−6.6	−37.2	−10.5	41.8	−1.6	4.5
Total unified budget								
Budget authority	412.1	408.4	88.1	433.4	−3.7	−.9	25.0	6.1
Obligations	355.3	428.0	102.5	433.4	72.7	20.5	5.4	1.3
Outlays	324.6	373.5	98.0	394.2	48.9	15.1	20.7	5.5
Receipts	281.0	297.5	81.9	351.3	16.5	5.9	53.8	18.0
Surplus or deficit (−)	−43.6	−76.0	−16.1	−43.0	32.4	74.3	33.0	43.4

SPENDING PRIORITIES FOR FISCAL YEAR 1977

Mr. Speaker, I would like to make some general observations on the fiscal year 1977 budget which I hope will be useful in consideration of individual budget items in the near future.

In the fiscal year 1977 budget, outlays for nondefense programs are estimated to increase 4.3 percent over fiscal year 1976. This represents a significant restraint in the growth of outlays in nondefense program areas. In 1975 and 1976 fiscal years, nondefense outlays increased around 21 percent each year. In the fiscal years 1970–74, nondefense outlays grew at a rate of about 12 percent a year.

The share of the budget dollar which goes to nondefense programs has risen every year from 1970 to 1976. However, this budget proposes to hold nondefense spending at approximately 74 percent of total outlays, as in fiscal year 1976.

In the past, payments to individuals have increasingly dominated nondefense spending. From 1960 to 1977, payments to individuals have grown from 29 percent of the total outlays to 55 percent, or $217 billion. Under present budget proposals these payments would remain a relatively constant proportion of outlays through 1981.

Historically, the recent sizable increases in payments for individuals has been offset by real reductions in direct Federal operations, for example national defense. In areas like health and income security where the outlay increase for 1968–77 is on the order of 250 percent and 300 percent, respectively, and represents 44 percent of total outlays in fiscal year 1977, there could be great long range budgetary problems if we allow these domestic assistance programs to grow as they have in the past.

Stated another way, payments for individuals rose on the average 9.5 percent over the past 20 years, or a total of about 500 percent when adjusted for inflation. During the same period, defense spending real growth declined a total of 10 percent after adjustment for inflation.

The national defense outlay increase over fiscal year 1976 is $8.3 billion, or 8.9 percent. National defense represents 25.4 percent of the total fiscal year 1977 budget and 5.4 percent of the gross national product. Real growth in constant 1977 dollars would be $1.9 billion in outlays. In current dollars, which do not indicate inflation, defense spending was practically level from fiscal years 1968 to 1974. Only in the last three budgets has defense spending shown any increase in terms of current dollars. In constant 1977 dollars, 1977 shows a slight increase in outlays for the first time since 1967:

UNIFIED BUDGET TOTALS, DEFENSE AND NONDEFENSE

[In billions of dollars]

					Change, 1975–76		Change, 1976–77	
	1975	1976	TQ	1977	Dollars	Percent	Dollars	Percent
Defense:								
Budget authority	91.9	102.3	23.4	114.9	10.4	11.3	12.6	12.3
Outlays	86.6	92.8	25.0	101.1	6.2	7.1	8.3	8.9
Nondefense:								
Budget authority	320.2	306.1	64.7	318.5	−14.1	−4.4	12.4	4.1
Outlays	238.0	280.8	72.9	293.1	42.8	17.9	12.3	4.3
Total:								
Budget authority	412.1	408.4	88.1	433.4	−3.7	−0.8	25.0	6.1
Obligations	355.3	428.0	102.5	433.4	72.7	20.4	5.4	1.2
Outlays	324.6	373.5	98.0	394.2	48.9	15.0	20.7	5.5

REVENUE ESTIMATES FOR FISCAL YEAR 1977

Mr. Speaker, the estimates for receipts are the most equivocal component of any Federal budget. Receipt estimates are dependent on variations in the level or composition of commercial and financial activity, and on congressional action or inaction which results in tax or tariff rates different than those upon which the budget estimates are based.

Accordingly, it is customary to distinguish between receipt estimates based on expansion of the tax base under existing law, and receipt estimates dependent on congressional action or inaction. In fiscal year 1977, it is estimated that receipts under existing law would total $374.1 billion. The President proposed tax reductions of $22.8 billion. If Congress enacts these reductions, and if the economy acts as predicted, receipts in fiscal year 1977 will total $351.3 billion, an increase of $53.7 billion, or 18 percent, over the current estimate for fiscal year 1976.

Of course, these tax reductions are proposed by the President contingent upon dollar for dollar spending reductions, through administrative and legislative action.

Include the following:

UNIFIED BUDGET RECEIPTS

[In billions of dollars]

	1975	1976	TQ	1977	Change, 1975–76		Change, 1976–77	
					Dollars	Percent	Dollars	Percent
Receipts:								
Individual income taxes	122.4	130.8	40.0	153.6	8.4	6.9	22.8	17.4
Corporation income taxes	40.6	40.1	8.4	49.5	−0.5	−1.2	9.4	23.4
Social insurance taxes and contributions	86.4	92.6	25.2	113.1	6.2	7.2	20.5	22.1
Excise taxes	16.6	16.9	4.4	17.8	0.3	1.8	0.9	5.3
Estate and gift taxes, customs duties and miscellenaous receipts	15.0	17.2	3.9	17.3	2.2	14.7	.1	.6
Total receipts	281.0	297.5	81.9	351.3	16.5	5.9	53.8	18.0

CHANGES IN BUDGET RECEIPTS

[In billions of dollars]

	1975 estimate	1976 estimate	TQ estimate	1977 estimate
Receipts under tax rates and structure in effect Jan. 1, 1974	290.8	310.2	87.2	371.3
Increase in import fee on petroleum products by administrative action	+0.4	+1.7		
Enacted legislative changes:				
Social security taxable earnings base increases:				
$13,200 to $3,100 effective Jan. 1, 1975	+.1	+1.6	+.4	+2.1
$14,100 to $15,300 effective Jan. 1, 1976		+.2	+.6	+2.4
$15,300 to $16,500 effective Jan. 1, 1977 [1]				+0.8
Tax Reduction Act of 1975	−10.2	−9.8	−.2	+.4
Revenue Adjustment Act of 1975		−6.0	−.5	−1.9
Liberalized deduction for individual contributions to pension plans	−.2	−0.3	−.1	−.5
Reduction in telephone excise tax	−.1	−.4	−.1	−.9
Increase in SMI (medicare) premium	+.1	−.1	+.1	+.3
Total, receipts under existing legislation	281.0	297.3	87.4	374.1
Changes due to tax proposals:				
Individual and corporation income tax reductions effective July 1, 1976			−5.4	−27.5
Financial Institutions Act				−0.3
Stock ownership incentives				−.3
Accelerated depreciation on investment in high unemployment areas		—*	—*	−.3
Social security tax rate increase from 11.7 percent to 12.3 percent effective Jan. 1, 1977 [1]				+3.3
Unemployment tax rate and base increase Jan. 1, 1977				+2.1
Other		+0.2	—*	+.1
Total, receipts under existing and proposed legislation	281.0	297.5	81.9	351.3

* Less than $50,000,000.

[1] The effect of the taxable earnings base increase is calculated using a tax rate of 11.7 percent. The effect of the tax rate increase is calculated using a taxable earnings base of $16,500.

THE LONG-TERM DEFICIT PROBLEM

Mr. Speaker, our Nation has passed through a difficult period, marked successively by inflation which eroded the purchasing power of people's incomes and reduced their ability to buy; then by a cutback in production, and finally by greater unemployment which followed the production downturn.

Despite the hard times through which we have passed, we are nevertheless fortunate to be on the road to economic recovery. Revised figures just released by the U.S. Department of Commerce show that we have just finished two quarters of economic recovery—a stronger recovery than was predicted. Real output, gross national product adjusted for price changes, rose about 12 percent in the third quarter and about 5.4 percent, according to preliminary figures, in the fourth quarter, to reach a $1,573 billion seasonally adjusted annual rate.

Meanwhile the rate of inflation has moved lower while the employment situation has shown moderate improvement. In short, we have made useful progress despite our difficulties.

But we still face unfinished national problems which cannot long continue and must be resolved. Among these problems are the growth of our Federal deficit and the consequent enlargement of the Federal share of our national economy. This necessarily means a growth in the Federal role and influence over the economic activities of our people—a trend which almost everyone desires to reverse.

Since the Great Depression of the 1930's, the conventional wisdom in fiscal policy, as I understand it, calls for running a deficit to stimulate the economy in times of rising unemployment and little or no real gross national product growth. On the other hand, in times of significant real economic growth with relatively lower unemployment the Federal budget should either balance or, at a level defined as "full employment," should show a "full employment surplus." In brief, the budget should balance over the business cycle.

This viewpoint has seemed plausible enough, but actual events have not followed the script. I have waited in vain for budget balance, for a reduced Federal share of national output, and a reduction in debt during economic prosperity. It has not happened. For colleagues who share my concern over this one-sided turn of events, I would like to offer some observations as to why it has not happened.

First, clearly we have not followed the policy prescription of deficits in bad times and balanced budgets or surpluses in good times. During the fiscal years 1966 through 1976, we balanced the budget once although 6 years showed significant economic growth. In fiscal year 1976 ending this coming June, we expect to show the largest peacetime deficit in our history. In fiscal year 1977 our proposed deficit should be significantly smaller. Nevertheless, the 12-year period will show 11 deficit years and 1 balanced budget.

Second, it has seemed easy to incur a deficit to stimulate the economy but a very different and more difficult matter to return to balance after a deficit.

Our balance mechanism does not work nearly as well as the deficit mechanism. Our last surplus year, 1969 has been followed by 6 actual and 2 estimated deficit years going through fiscal year 1977. We shifted from a $2.8 billion deficit in fiscal year 1970 to a $23 billion deficit in fiscal year 1971 but it took 3 years—fiscal years 1972 to 1974 to get back down to a $3.4 billion deficit. Then we shifted to a $43.6 billion deficit in fiscal year 1975, an estimated $76 billion deficit in fiscal year 1976 and finally downward to a projected $42.975 billion—almost a $43 billion deficit—in fiscal year 1977.

At the best, receipts may just keep up with expanding outlays. Recently, as the above figures show, the record is worse.

Moreover the unified budget deficit, whether of fiscal year 1976 or 1977, does not include the full impact on the economy. It does not show Government-guaranteed borrowing, activities of privately owned but Government-sponsored enterprises, or off-budget agencies. If these were included the net impact of Government borrowing and Government assisted borrowing would approximate an estimated $28.4 billion.

Moreover, the budget deficit, as calculated on outlays, which are checks issued by the Treasury, still does not show the economic impact of obligations, mainly orders for goods and services, which do have a real economic impact but do not show up in the unified budget deficits.

A look at the fiscal year 1976 deficit estimates adds another dimension to the problem. The deficit for the current fiscal year is presently estimated at $76 billion, or $24 billion more than originally anticipated. Many factors account for the inaccuracy of the original estimate including adoption of new legislative programs, disapproval of budget proposals, changes in economic condition.

The original 1976 deficit estimate was $51.9 billion or $8.9 billion above the 1977 deficit estimate. While the fiscal year 1977 deficit looks fairly good in comparison with 1976 revised estimates of the deficit, it would be alarming to see a 1977 reestimate reach the magnitude of the 1976 revised estimate. It is eminently important for Congress to monitor closely its congressional action which affects the budget outlays, receipts, and deficit. Only then do we have a chance to responsibly take part in determination of fiscal policy and control of increasing deficit spending.

I include the following:

THE FISCAL OUTLOOK, 1975-81

[In billions of dollars]

	1975	1976	TQ	1977	1978	1979	1980	1981
Outlays under current programs	324.6	373.7	98.2	391.9	420.4	441.8	465.0	489.2
Outlays under proposed programs		-.2	-.2	2.3	9.1	13.9	17.5	20.7
Total projected outlays	324.6	373.5	98.0	394.2	429.5	455.7	482.5	509.9
Receipts under current law	281.0	297.3	87.3	374.1	430.1	491.7	555.1	623.9
Effects of proposed tax changes		.2	-5.5	-22.8	-23.4	-26.4	-32.0	-38.4
Total projected receipts	281.0	297.5	81.9	351.3	406.7	465.3	523.1	585.4
Budget margin or deficit (-)	-43.6	-76.0	-16.1	-43.0	-22.8	9.6	40.6	75.5

CONGRESSIONAL ACTION ON THE PRESIDENT'S PROPOSALS

It is of course questionable whether or not this Congress can show the restraint necessary to hold outlays to a level approximating the President's proposal. The record for fiscal year 1976 is not encouraging. Congressional actions and inactions have caused current outlays estimates to exceed the President's proposals by $8.7 billion. This consists of a cut of $1.6 billion in appropriation bills, and an increase of $10.3 billion in actions and inactions on legislative bills. The reduction in appropriation bills is made possible only by a reduction of $2.9 billion in defense outlays. Other appropriation bills exceed the President's estimates for outlays by $4.5 billion.

I include for the RECORD a table based on Staff Working Paper No. 4 from the Congressional Budget Office:

Effect of Congressional Actions and Inactions on Fiscal 1976 Outlays

[In billions of dollars]

+8.7 total effect of congressional actions and inactions, consisting of:

- -1.6 appropriation bills, consisting of:
  - -2.9 defense appropriations bill
  - +4.5 other appropriation bills
- +10.3 actions and inactions on legislative bills

Mr. Speaker, I also include a historical table, for the fiscal years 1954 through 1974, showing congressional action on Department of Defense and foreign aid appropriations, compared with congressional action on appropriations for other agencies. I think the Members will find the record, particularly interesting.

The table follows:

INCREASE (+) OR DECREASE (-), APPROPRIATIONS COMPARED WITH ESTIMATES, FISCAL YEAR TOTALS

Fiscal years	Department of Defense (military)	Foreign assistance	Department of Defense (military) and foreign assistance total	Other agencies	Fiscal year budget total
1954	-6,807,614,000	-593,005,132	-7,400,619,132	-3,172,320,318	-10,572,939,450
1955	-1,369,926,514	-665,049,989	-2,034,976,503	-685,999,927	-2,720,976,430
1956	-631,212,074	-563,300,000	-1,194,512,074	-850,748,890	-2,045,260,964
1957	+951,877,000	-1,093,405,000	-141,528,000	-220,544,772	-362,072,772
1958	-2,620,691,430	-618,100,000	-3,238,791,430	-1,725,341,349	-4,964,132,779
1959	+403,189,885	-727,000,000	-323,810,115	-557,499,642	-881,309,757
1960	-238,199,800	-1,204,182,000	-1,442,381,800	-186,778,993	-1,629,160,793
1961	+425,963,000	-493,650,000	-67,687,000	-3,638,924,072	-3,706,611,072
1962	+168,133,750	-860,900,000	-692,766,250	-962,823,614	-1,655,589,864
1963	-791,785,500	-1,032,400,000	-1,824,185,500	-2,627,182,502	-4,451,368,002
1964	-2,448,878,000	-1,525,325,000	-3,974,203,000	-3,022,017,157	-6,996,220,157
1965	-1,279,780,000	-226,700,000	-1,506,481,000	-1,947,274,975	-3,453,755,975
1966	-465,166,000	-241,470,000	-706,636,000	-1,894,487,805	-2,601,123,805
1967	+145,092,000	-449,471,500	-304,379,500	-512,534,140	-816,913,640
1968	-2,902,937,000	-954,885,000	-3,857,882,600	-2,406,874,277	-6,264,696,277
1969	-5,919,534,225	-1,324,400,000	-7,243,934,225	-6,563,179,778	-13,807,114,003
1970	-6,085,297,000	-1,447,640,000	-7,532,937,000	+4,499,323,007	-3,033,613,993
1971	-2,500,082,750	-365,315,000	-2,865,397,750	+11,102,733,641	+8,237,335,891
1972	-3,427,851,000	-1,284,505,000	-4,712,356,000	+1,012,782,908	-3,699,573,092
1973	-5,728,479,000	-1,537,366,000	-7,265,845,000	+1,220,812,431	-6,045,032,569
1974	-3,756,332,000	-1,207,632,000	-4,963,964,000	+1,902,947,774	-3,061,016,226
Total	-44,879,511,658	-18,415,701,621	-63,295,213,279	-11,235,932,450	+74,531,145,729

Note: Regular Annual and Supplemental Appropriations Acts only.

Mr. Speaker, I hope I have highlighted some of the important concerns and issues in this budget, and of the responsibility of Congress to give the President's programs prompt attention and active consideration.

I include the following:

The $423 billion estimate: Reconciliation of current 1977 outlay estimates with estimates of October 6, 1975

[In billions]

October 6, 1975 estimates of 1977 outlays	$423.1
Changes due to Congressional action, later information, or changes in economic assumptions:	
Changes in entitlement or open-ended programs:	
Medicare and medicaid (later information and changed economic assumptions)	+2.0
Earned income credit (added by Revenue Adjustment Act of 1975)	+0.6
Farm price supports (later information)	-0.4
Social security and railroad retirement (later information and changed economic assumptions)	-0.5
Food stamp program (later information and changed economic assumptions)	-1.0
Interest (later information and changed economic assumptions):	
Interest on the debt	-1.5
Other interest—largely offsetting interest receipts from off-budget enterprises	-1.6
Other entitlement or open-ended programs (Congressional action, later information and	

changed economic assumptions)	−0.4
Total, changes in entitlement or open-ended programs	−2.7
Changes in other programs (due to congressional action or later information):	
Offshore oil land receipts (an offset to outlays)—decrease from $8 billion to $6 billion	+2.0
Health program—Increase implicit in vetoed 1976 Labor-HEW appropriation bill	[1]+1.2
EPA construction grants (later information)	−0.4
Community development grants (later information)	−0.5
Defense and military assistance (Congressional and later information)	−0.9
Farmers Home Administration—largely loan programs (later information)	−1.0
Contingencies (from $3.5 to $1.5 billion)	−2.0
All other, net (Congressional and later information)	−0.5
Total, changes in other programs	−2.1
Other reductions that can be separately identified, including those resulting from proposed program reforms, and others intended to moderate budget growth:[2]	
National defense:	
Defense—military:	
Budgeted changes in Federal pay increases:	
Pay Panel's recommended administrative changes including incorporation of new data in comparability survey and weighting of survey data; also possible limit on pay increases to 5% with 3% minimum	−2.5
Other reductions—those that do not contribute directly to combat effectiveness, including commissary subsidies (−$110 million); Reserve Forces pay, training and manpower (−$144 million); travel (−$208 million); petroleum consumption (−$200 million); military construction and family housing (−$127 million); slower research and development (−$366 million); civilian personnel (−$100 million); elimination of 1% "kicker" for cost-of-living increases for retired pay (−$112 million); and all other (−$107 million)	−1.5
Total, Defense—military	−4.0
Disposal of surplus stockpile—(An offset to outlays) Legislation to permit sale of surplus no longer needed	−0.7
Civilian agencies — Budgeted changes in Federal pay increases—same kinds as under Defense—military above	−1.1
Medicare reform—Represents net effect of proposal to provide protection against catastrophic medical costs (+$538 million) and of other reforms. The latter includes a limit on increases in payment rates (7% per day for hospitals and 4% for physician's services) (−$909 million) and more cost sharing to provide against overutilization (by requiring, after the first day, payment of 10% of hospital charges and an annual deductible, both only up to the maximum) (−$1,860 million)	−2.2
Health programs (those in HEW, other than Medicare)—Under the 1976 Labor-HEW appropriation bill, a major step-up in narrow, categorical programs was contemplated. This was one of the major reasons the bill was vetoed. The 1977 budget proposes a level below that implicit in that 1976 appropriation bill but still significantly above (about 13%) the Administration's proposed 1976 outlay level	−1.4
(A new Financial Assistance Health Care Act would consolidate 16 health programs so as to assure a more equitable distribution of Federal health services funds, with a focus on care for the needy. No matching would be required and no State would receive less than under the President's 1976 recommendations.	
Education programs—Legislation is again proposed to limit Federal impact aid to those school districts involving students whose parents both live and work on Federal property (−$285 million) (See Seventy Issues, p. 110); outlays for other elementary and secondary programs are below the level implicit in Congressional action on 1976 appropriations but still higher than the Administration's estimates for 1976.	
Higher education programs are planned to be concentrated on assistance directly to students rather than educational institutions. See Seventy Issues, p. 98. No further contribution will be made for direct loans as greater reliance is placed on student grants and guaranteed loans saving over $300 million. For these and other education programs the reductions total	−1.3
Food stamp program—Reflects proposed reforms to simplify and improve program administration and assure that benefits go only to needy	−1.2
Temporary employment assistance—A temporary public services jobs program was authorized in 1974. With the expected improvement in the economy, the Administration plans a gradual phase-down in the program from January 1, 1977 through September 30, 1977	−1.2
Federal Housing insurance program—By the use of "section 8" lower-income housing assistance, defaults on FHA-insured mortgages are expected to be lowered significantly. Under this plan, such housing subsidies will be provided to federally insured low-and-moderate-income rental projects as well as to properties already acquired. No added 1977 outlays for the subsidies are expected. Savings by avoidance of default totals	−1.1
Veterans programs—Under the GI bill, savings of over $800 million are planned. Legislation will be proposed to limit program to an 8-year eligibility period (rather than current 10-year) (−$624 million); to terminate program for future members of the peacetime All-Volunteer Force (−$54 million) and to eliminate flight and correspondence school benefits (−$35 million). Collection of overpayments will also be accelerated ($100 million).	
Other proposed savings include legislation requiring that health insurers reimburse the VA medical system for covered care (−$130 million); and elimination of burial benefits that duplicate benefits of other Federal programs (−$85 million)	−1.0
Social security and disability insurance—Legislation will be proposed to (1) eliminate the provision of law that allows some new retirees to receive an initial lump-sum payment in exchange for permanently reduced future monthly benefits; (2) convert the retirement test to an annual rather than monthly test; and (3) phase-out student benefits over a four-year period. See Seventy Issues, p. 183. Also support of vocational rehabilitation paid from social security trust funds is held to the 1976 level while awaiting development of needed reporting systems to insure proper use	−0.9
Child nutrition program reform—The reform proposals would aim to (1) enable States to feed 700,000 poor children who do not now participate while eliminating subsidies to the non-poor; (2) end excessive and unproductive administrative complexities including fragmentation and overlapping; and (3) give States greater flexibility to tailor feeding programs to local needs and preferences. See Seventy Issues, p. 143	−0.9
Special unemployment assistance and Federal supplemental benefits—With the improvement in the economy, the Administration proposes that these temporary programs expire March 31, 1977 as scheduled	−0.8
Public assistance—Legislation has been proposed to simplify the formula for aid to families with dependent children and to revise and simplify the program to focus on the most needy	−0.3
Urban mass transit—Legislation will be proposed to limit to 50% the portion of formula grants that may be used for transit system operating subsidies in 1977 and future years. See Seventy Issues, p. 85	−0.2
Highway program—Non-interstate categorical assistance will be reduced and folded into three broad programs to provide more State and local flexibility. In the interstate program, emphasis will be given to routes necessary to complete the Federal system. See Seventy Issues, p. 84	−0.2
Space programs—Procurement of	

third shuttle orbiter will be deferred for a year. Certain other shuttle-related payload and support activities, as well as some space science activities, are also being reduced or delayed. (See Seventy Issues, p. 31)	−0.1
Federal employee retirement payments—Legislation will be proposed to eliminate the 1% "kicker" each time retirees receive a cost-of-living increase (see also "Defense" above)	−0.1
State Employment Security Agency administrative expenses—The added staffing provided in the vetoed 1976 Labor-HEW appropriation bill is not needed because evidence shows that increasing the staff does not insure the number of jobs found for the unemployed and that there is considerable opportunity to increase efficiency	−0.1
Other actions to accomplish savings, increase productivity, and reduce or delete less desirable programs	−1.3
Total, other reductions	−20.1
Congressional increases threatened and included in October 6 estimate; comparable amount still threatened	−4.0
January 1976 outlay estimate	394.2

[1] Congressional initiatives threatened as covered below in this paper include only new programs, not Congressional add-ons in the appropriation process. Accordingly, the Congressional add-on of $1.2 billion to this bill for health programs is displayed here. The President's veto of this bill is a restraint. Therefore, an approximately equal offsetting amount is reflected in the Health programs item of $—1.4 billion displayed under "2" below.

[2] It is virtually impossible to distinguish with great precision the difference between changes due to later information or economic assumptions and other reductions. While the distinction is clear for such specific actions as proposed legislation or rescission actions, it is more difficult to determine the distinction on such matters as assumed productivity increases and changes from agency estimates made during the budget process.

Mr. EDWARDS of Alabama. Mr. Speaker, I would like to commend the very distinguished chairman of the full Committee on Appropriations, the gentleman from Texas, and the ranking minority member, the gentleman from Michigan, for their remarks here today. Each year they come to the floor on the day the budget is presented to give the Members of the House a timely and informative briefing on the contents of the new budget. I would like to speak for a moment on the proposed Department of Defense budget.

Mr. Speaker, the Department of Defense budget request for fiscal year 1977 totals $112.7 billion. If approved in full by the Congress, and if forthcoming fiscal year 1976 and 1977 supplementals are included, the new request would exceed last year's appropriation by $14.4 billion. Of the requested increase it is estimated that $7.4 billion reflects real program growth, with the remainder—about $7 billion—to be absorbed by inflation. The projected increases would be offset at least in part by a plan to reduce petroleum consumption, elimination of nearly 26,000 civilian positions, holding construction work to current levels, by phasing out subsidies for commissaries, and by reducing training costs for selected National Guard and Reserve positions. Strategic and tactical force levels will be maintained at current levels.

The vast bulk of the $14.4 billion increase proposed in the new budget would be concentrated in three accounts as follows:

First, $7.9 billion in procurement; second, $3.5 billion in operation and maintenance; and, third, $1.5 billion in research and development. The surge in funding for procurement can best be explained by the fact that a number of costly systems are moving out of the full-scale development phase into production. These include such items as the B–1 bomber, Trident I missile, and F–16 fighter. Such factors as the programing of 16 new ships, the requirement for $1.6 billion to cover increased costs for ships approved in fiscal year 1975 and prior years, as well as the cost of maintaining relatively high levels of production in the field of tactical aircraft, tanks, and antitank systems are also controlling the size of the procurement budget. With respect to operation and maintenance, proposed increases are associated with a plan to step up the number of ship overhauls as well as continued emphasis on the repair of tanks, aircraft, and other equipment. Major systems accounting for the increase in research and development are the F–18 fighter, Navy and Air Force cruise missiles, advanced attack helicopter, SAM–D missile, XM–1 tank, and strike cruiser, to name a few.

The Subcommittee on Department of Defense Appropriations will be reviewing the largest portion of the proposed Defense budget—the $106.4 billion that will be requested in the Defense appropriations bill plus a supplemental request totaling about $1.4 billion to cover civilian and military pay raises. It is not possible at this time to determine precisely what level of funding is needed to support our foreign and defense policies, but as our review progresses, and we have had an opportunity to take the budget apart to see what makes it tick, we should begin to uncover the problem areas and should then be in a position to know what, if any, cuts can be made.

I am a firm believer in maintaining a strong Defense Establishment. We must not adversely affect our defense posture. Yet there will be continuing pressure to cut military expenditures. To this end we must find ways to curtail activities throughout the Department that are not directly related to military requirements, concentrating our scarce defense resources in areas that will enhance the fighting strength of the Armed Forces. While military manpower costs have now stabilized at about 52 percent of the overall budget, I think we can still do better than that. We should look closely at the military personnel account.

Second, I think we need to scrutinize the mission requirements for proposed weapons systems. For example, if the Air Force and Navy would cooperate to a greater extent in carrying out the ocean surveillance and sealane control mission, it might be possible to achieve a more cost-effective mix of E–3A and E–2C aircraft than is currently planned.

Last, in the short time I have been on the Defense Subcommittee, I have seen how competition can have a beneficial effect on the weapons procurement process. Excellent examples of this are the F–16 fighter and XM–1 tank programs. However, the presence of competition seems to be the exception rather than the rule, so I think we have to take steps wherever possible to foster competition as the best means for keeping the lid on the cost of advanced weapons.

As we undertake our annual review of the Defense budget, I think we need to keep two principal objectives in mind: First, we must insist that the Department keep existing weapons and equipment in good condition and crews adequately trained to insure readiness today; and, second, we must be sure that sufficient numbers of advanced weapons are developed and procured so that our military force will remain strong in the future. Programs only remotely related to these objectives should be given the closest scrutiny.

Mr. ADAMS. Mr. Speaker, the House Budget Committee will hold 2 weeks of hearings on the Federal budget and the economy, beginning on Monday, January 26. These hearings initiate the process by which the committee will consider the first budget resolution for fiscal year 1977. The resolution will contain priority targets for the various functional categories of Government spending, such as defense, agriculture, and health, in compliance with full implementation of the Congressional Budget and Impoundment Control Act.

The committee will hear testimony from economists, experts on tax and finance, State Governors, other public officials, and Members of Congress. Interested organizations, individuals, and Members of Congress who wish to testify before the committee may request to do so by contacting Linda Kamm, General Counsel, House Budget Committee, by close of business on January 26, 1976.

Requests from interested organizations and individuals must specify the precise subject on which the witness wishes to testify, the name, address, and capacity in which the witness will appear, the organization which the witness represents, and must contain an outline or summary of the subject matter to be discussed. Witnesses who request time will be informed of the date and time of their testimony.

The committee hearing schedule is as follows:

HOUSE BUDGET COMMITTEE HEARING SCHEDULE FOR 1ST BUDGET RESOLUTION FOR FISCAL YEAR 1977

Date and time	Room	Witnesses
Jan. 26, 1976 (Monday):		
10 a.m.	210 CHOB	Chairman, Joint Economic Committee, Senator Hubert H. Humphrey.
11:30 a.m.		Director, CBO, Alice Rivlin.
Jan. 27, 1976 (Tuesday): 9:30 a.m.	210 CHOB	Economic Outlook: Dr. Paul McCracken, University of Michigan; Dr. Arthur Okun, Brookings; Dr. David Grove, IBM Corp.
Jan. 28, 1976 (Wednesday): 9:30 a.m.	210 CHOB	Financial Outlook: Dr. Leonard Santow, Schroder Capital Corp.; Dr. Francis Schott, Equitable Life; Dr. Tilford Gaines, Manufacturers Hanover.
Jan. 29, 1976 (Thursday): 9:30 a.m.	210 CHOB	Tax Policy: Dr. Henry Aaron, Brookings; Dr. Robert Eisner, Northwestern University; Dr. Harvey Brazer, University of Michigan.
Jan. 30, 1976 (Friday)	210 CHOB	Members of Congress and public witnesses
Feb. 2, 1976 (Monday)	210 CHOB	Public witnesses.
Feb. 3, 1976 (Tuesday): 10 a.m.	210 CHOB	William E. Simon, Secretary of the Treasury, and Alan Greenspan, Chairman, Council of Economic Advisers.
Feb. 4, 1976 (Wednesday): 10 a.m.	210 CHOB	James T. Lynn, Director of OMB.
Feb. 5, 1976 (Thursday): 10 a.m.	210 CHOB	Gov. Michael Dukakis, Massachusetts (other Governors to be announced).
Feb. 6, 1976 (Friday): 10 a.m.	210 CHOB	Gov. Henry C. Wallich, Federal Reserve Board.

FEDERAL COAL LEASING AMENDMENTS ACT OF 1975

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 965 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 965

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6721) to amend the Mineral Leasing Act of 1920, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 6721 the Committee on Interior and Insular Affairs shall be discharged from the further consideration of the bill S. 391, and it shall then be in order in the House to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H.R. 6721 as passed by the House.

The SPEAKER pro tempore. The gentleman from Georgia (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 965 provides for an open rule with 1 hour of general debate. The resolution makes it in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs as an original bill for the purpose of amendment under the 5-minute rule. House Resolution 965 also provides that after the passage of H.R. 6721, the Committee on Interior and Insular Affairs shall be discharged from the further consideration of the bill S. 391, and it shall then be in order in the House to move to strike out all after the enacting clause of S. 391 and insert in lieu thereof the provisions contained in H.R. 6721 as passed by the House.

This bill is designed to encourage coal production on Federal lands. It provides for land use and reclamation planning on those lands where coal will be mined. Hopefully it will end the speculative holding of leases by requiring that coal is actually produced where leases have been obtained. In the past, coal operators—including some of the giant mining and oil companies—have gotten leases on these Federal lands and held them without actually mining the coal, just waiting for coal prices to rise to a level where huge profits would be assured. In effect, these companies have sat on large supplies of coal in a period when the consuming public is told that we have an energy shortage.

Mr. Speaker, I urge the adoption of House Resolution 965 in order that we may discuss, debate, and pass H.R. 6721.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from Georgia (Mr. YOUNG) has explained the provisions of the resolution. After the resolution is adopted, if it is adopted, then it makes in order consideration of the coal leasing bill.

Mr. Speaker, I would like to point out to the Members of this body that I think bringing this measure up so early in the session is an end run to accept in conference the Senate provisions of the vetoed H.R. 25. The other body has adopted the strip mining bill in their new coal leasing bill. But it applies it only to public lands. It is a maneuver to broaden that Senate measure to include all of H.R. 25 covering private lands as well as public lands in a coal leasing bill.

Yesterday before the Committee on Rules it was admitted that every effort would be made in this session, and early in this session, to bring the strip mining bill on private and public lands before this body.

Mr. Speaker, I think it is time that we look at the forest instead of the trees and realize the true intent of this measure so early in this session.

Mr. Speaker, the rule for H.R. 6721 provides for 1 hour of debate, and permits any germane amendments to be offered to the bill. The purpose of H.R. 6721, the Federal Coal Leasing Amendments Act, is to provide for a more orderly procedure for the leasing and development of coal in the lands owned by the U.S. Government, to assure its rapid development, and to guarantee an increase in national coal production.

But I would like to point out that I am fully committed to a national energy policy whose goal is self-sufficiency. As Members of Congress, we have a responsibility to the American people to devise an energy policy which will substantially reduce our dangerous dependence on foreign supplies, and which will stimulate and encourage domestic energy production.

America's greatest energy source is coal. At the current rate of production, the United States has sufficient coal reserves for the next several centuries. The Federal Government owns half of the coal reserves in the United States. In the States of the Far West this figure approaches 60 percent, and because of ownership patterns, Federal coal leasing policy can affect over 80 percent of all known reserves.

We need to dramatically increase coal production and to increase its use as a source of energy. This is especially necessary in electric powerplants. Certainly, it is wasteful and costly to be using other sources of energy for the generation of electric power when coal can be used as a less expensive alternative.

A national policy which will stimulate and encourage the production of our vast coal reserves will result in a reduction in the price of coal and a lowering of electric power bills for the American people. This is what needs to be done, and we must resist any efforts to add to the costs of coal production, as has previously been attempted with the strip mining bill that was successfully vetoed by the President last year.

There are a number of controversial provisions of this bill, however, which have caused considerable concern to many Members. As I mentioned earlier, genuine and valid fears have also been raised by Members on both sides of the aisle that H.R. 6721 might be utilized as a vehicle for resurrecting once again another strip mining bill, either during debate in this Chamber or in conference with the other body.

I fully support a national energy program which will result in an increase in coal production, and insofar as H.R. 6721 will move America in this direction, it will have my support. But I do have serious reservations about some of the provisions of this bill which I fear may represent steps backward and away from the direction of national self-sufficiency in energy—the direction in which we must and should be moving.

In assessing the impact of H.R. 6721 on our national coal leasing policy, I am especially concerned about the 12½-percent minimum royalty to be charged to the Federal coal lessees. I question the wisdom of setting royalties by this legislation which are at or near the the historic high of 12½ percent.

I think there is real danger that this provision could stifle or even prevent production from vast areas of the Federal coal lands. I am also opposed to providing lower royalties for underground mining because this might shift efforts toward this mining even though it produces less coal and increases safety hazards.

Another section of the bill could require at least four separate public hearings during the leasing process. While I agree that it is necessary that adequate opportunity for public participation in the coal leasing program be provided, H.R. 6721 mandates an "overkill." Four public hearings on one coal lease is excessive and will undoubtedly result in unnecessary delays and protracted and dilatory litigation.

Another objection to H.R. 6721, which I share, is the arbitrary designation of a logical mining unit of 25,000 acres, rather than by the natural configuration of the lease's coal deposit. This will increase the cost of coal production in some instances, and lead to an actual loss of coal production in others.

These three provisions of the bill are all objectionable because they would mean higher costs and a loss of some coal production, which is precisely what we cannot tolerate in our national coal leasing policy.

Mr. Speaker, this bill contains serious flaws and needs more consideration and work in committee. I propose that we defer action today so that this may be done. Let us improve the bill in committee toward increasing the production of inexpensive coal so that the American people can see a reduction in their electric power bills. I urge a vote against the rule.

Mr. Speaker, I again say to the Members of this body that I should like to see this measure held up for consideration later on, because I sincerely believe that it is an end run to bring the strip mining bill, H.R. 25—which has been defeated twice in this body—to the floor of this House, both on public lands and private lands. I think that we should face the issue squarely, eyeball-to-eyeball, consider the coal mine leasing bill on its own, and then later, if the committee reports the strip mining bill, defeat it again.

Mr. YOUNG of Georgia. Mr. Speaker, I have no further requests for time.

I should like to say to the gentleman from Tennessee, however, that in the event that this does prove to be an end run, any provisions added to this bill in conference or any place else would have to come back to the Committee on Rules, and the gentleman is the leader of a fearless foursome of a defensive line, and I am sure he is capable of stopping any end runs, if he has to stop them, at the proper time.

I would just hope that we might adopt this rule, discuss this rule in the 1 hour of general debate, and pass it so that we can get on with the process of adequately supervising the leasing of Federal lands.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 386, nays 12, answered "present" 2, not voting 33, as follows:

[Roll No. 9]

YEAS—386

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Bauman
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Devine
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Milford
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—12

Carter
Clawson, Del
Collins, Tex.
Conlan
Derwinski
Hammerschmidt
Hansen
Quillen
Steiger, Ariz.
Symms
Teague
Young, Alaska

ANSWERED "PRESENT"—2

Bafalis
Nichols

NOT VOTING—33

Andrews, N.C.
Barrett
Beard, Tenn.
Biaggi
Brown, Calif.
Crane
Dickinson
Diggs
Fraser
Fuqua
Goldwater
Hagedorn
Hébert
Heinz
Hinshaw
Hyde
Krueger
Lehman
Lloyd, Calif.
Lujan
McDonald
McKinney
Madigan
Metcalfe
Michel
Miller, Calif.
Pepper
Pettis
Rees
Skubitz
Stanton, James V.
Vander Jagt
Whalen

The Clerk announced the following pairs:

Mr. Hébert with Mr. Beard of Tennessee.
Mr. Biaggi with Mr. Hagedorn.
Mr. Barrett with Mr. Heinz.
Mr. James V. Stanton with Mr. Michel.
Mr. Fuqua with Mr. Skubitz.
Mr. Diggs with Mr. Vander Jagt.
Mr. Lehman with Mr. Dickinson.
Mr. Lloyd of California with Mr. Crane.
Mr. Pepper with Mr. Goldwater.
Mr. Metcalfe with Mr. Brown of California.
Mr. Rees with Mr. Hyde.
Mr. Miller of California with Mr. Lujan.
Mr. Fraser with Mr. McKinney.
Mr. McDonald of Georgia with Mr. Whalen.
Mr. Andrews of North Carolina with Mr. Madigan.
Mr. Krueger with Mrs. Pettis.

Mr. FISHER changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mrs. MINK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6721) to amend the Mineral Leasing Act of 1920, and for other purposes.

The SPEAKER pro tempore (Mr. McFall). The question is on the motion offered by the gentlewoman from Hawaii (Mrs. Mink).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6721, with Mr. Charles H. Wilson of California in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentlewoman from Hawaii (Mrs. Mink) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. Ruppe) will be recognized for 30 minutes.

The Chair recognizes the gentlewoman from Hawaii (Mrs. Mink).

Mrs. MINK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, ever since the oil embargo imposed by the Organization of Petroleum Exporting Countries in October of 1973 attention has been focused on our Nation's enormous reserves of coal which comprise approximately 73 percent of our domestic fossil fuel reserves.

Full-page newspaper ads have proclaimed, "We have more coal than the Arabs do oil—let's dig it!" A prominent lobbying association announces in bold black and white lettering, "Coal is the Answer. Now!" Members of the executive branch from the President on down, have repeatedly called for an accelerated Federal coal leasing program to meet our growing energy demands and move us down the road to energy independence. Amidst all the clamor, few have stopped to analyze the administration of existing Federal coal leases or the viability of a Federal leasing program whose legislative mandate dates back to 1920.

Leasing of Federal coal lands is currently governed by the Mineral Leasing Act of 1920. There are today 533 Federal coal leases in existence covering about 778,000 acres of public land and an estimated 16 billion tons of coal. In addition, prospecting permittees have submitted applications for tracts encompassing 478,000 acres of land containing an estimated 12 billion tons of coal on which they are entitled by law to a preference right lease. Annual coal production for the entire United States in 1975 was only 638 million tons. Using simple arithmetic, it can be readily calculated that there is presently enough Federal coal committed to leasing under existing leases or preference right applications to satisfy current U.S. production demand for roughly 45 years.

Mr. HALEY. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. Yes; I am very happy to yield to the gentleman from Florida.

Mr. HALEY. Mr. Chairman, I rise in strong support of this bill.

The gentlewoman from Hawaii (Mrs. Mink) has done an excellent job. Of course, we know of the need for the development of the energy that we have in the coal resources of this Nation. Therefore, I hope that we have very little trouble with this bill.

Mr. Chairman, I think, generally speaking, that Members on the other side of the aisle really do not have many objections. I regret that the administration waited until such a late date to send up a few of what I think are minor objections to this bill.

Mr. Chairman, I hope that we have strong support for this bill, and I want to commend the gentlewoman from Hawaii (Mrs. Mink) for the excellent job she has done in a rather difficult situation.

Mrs. MINK. I thank the chairman of the full committee, the gentleman from Florida (Mr. Haley), for his kind remarks, and, certainly, for his strong support of this legislation and for enabling us to bring this before the House in such a timely fashion.

Mr. Chairman, even assuming a doubling of U.S. production and allowing that some existing leases may be uneconomical to mine at this time, enough Federal coal is already committed to leasing to satisfy total U.S. demands for 20 years. In addition, enormous amounts of State, Indian, and private coal lands are under lease or development. In 1974, only 20.6 million tons, or one eight-hundredth of the coal reserves under active Federal lease, were produced from Federal leases.

These statistics would appear to cast considerable doubt on claims by the administration that there exists an urgent need to lease more Federal coal lands for development. However, it is not our desire—certainly not mine—to engage in any political debate over estimated future needs, nor do we wish to trigger constitutional questions involving the taking of legislatively conferred rights by trying to make retroactive the application of any tough provisions of this current legislation. Therefore, Mr. Chairman, we have carefully avoided these difficulties. Rather, Mr. Chairman, it is the purpose of the legislation before us today to insure that any future leasing and lease administration is carried out under congressionally mandated guidelines that will require a fair return to the public and diligent, efficient, and orderly development and production of the coal resourcing in the leasing tracts, and adequate environmental, social, and land-use planning.

Mr. Chairman, one of the real weaknesses of the current law is that it allows a lease to continue in existence almost indefinitely.

This is witnessed by the fact that 50 percent of the active leases are over 10 years old and 20 percent have been in existence for more than 20 years. Some of the leaseholds have been held for 40 years without producing one single ton of coal.

The holding of leases without the production of coal is possible because the cost of the lease has historically been limited to a low annual rental fee of between 25 cents and $1 an acre, and also because although all of the leases are supposed to be conducted upon a diligent development and continuous operation basis, the Secretary of the Interior has never enforced these provisions nor canceled a single lease for failure to comply with these requirements. Thus, existing law has enabled lessees of coal to acquire large reserves at relatively low prices and hold them for a nominal sum until rising coal prices produce spectacular inventory profits, at which time the coal is released.

Mr. Chairman, H.R. 6721, the bill before us today, is drafted to specifically eliminate the speculative holding of leases and to insure that these will be developed on a timely basis and in a manner which is of benefit to the public because, after all, the public owns these lands.

Allow me to elaborate briefly on the specific provisions of H.R. 6721 and to describe how they affect the three crucial stages of the Federal leasing process: First, the preleasing considerations; second, the sale itself; and third, the development and operation of the leasehold.

First as to preleasing: Whereas every Federal coal lease issued to date has been in reaction to industries' nomination of handpicked tracts, thus minimizing the chance of true competitive interests and bidding, new procedures which are included in this bill provide more Federal and public input into the tract selection and the leasing process. Prior to the leasing of any tract, the land in question would have to be included in a comprehensive land use plan prepared by the Secretary and the leasing would have to be compatible with this plan. The land use plan preparation would require consultation with State and local governments, and a public hearing would be required if there is an adverse party interest in such a hearing.

To increase the likelihood that the tracts selected for leasing will be of the highest caliber and promote the maximum economic recovery, the bill directs a comprehensive exploratory program to obtain data which will enable the Secretary to approach leasing armed with the best possible criteria and with knowledge as to the value and location of the coal deposits.

In the selection process, the Secretary will be limited to forming tracts of such a size and nature as would maximize the recovery of coal. He is also directed through these studies to determine whether surface mining or underground mining would be the most effective method.

It seems to me that the cumulative effect of these pre-leasing reforms will result in the offering of leases which will minimize environmental and social disruption and at the same time make it competitive and allow the Treasury to recovery the true value of the coal deposits.

As for the sale itself, as indicated previously, it has been relatively easy for industry to acquire these leases, many of them having been issued with only one bidder, and, of course, the Members know that there is no limit as to the length the lease will run. We are hoping to provide in this bill, if enacted, very strict requirements requiring competitive bidding. We will allow the Secretary the information to know exactly what the fair market value is and we will enable the Secretary through the exploratory programs to obtain the information which is so essential. We have required that at least 50 percent of the tracts leased would be secured on the basis of a deferred bonus. This will enable small companies to participate in the bidding process. Heretofore only very large companies have been able to come in with the front end financing required under the bonus bidding process.

So through these requirements, together with the limitation that no company may have in one State over 46,080 acres and nationwide over 100,000 acres, I believe we have opened up considerably the opportunities for smaller companies, smaller joint ventures to participate in the acquisition of this very valuable asset.

In the development and operation of the leasehold, there was considerable weakness. We discovered this at hearings with the Department, that although they did understand the requirements of continued operation and diligent development, there were no regulations that specifically defined it, nor was there any evidence that any single lease had ever been terminated based upon a finding that there was not diligent development or continuous operations.

So we have again reiterated this requirement in the bill and, furthermore, we have required that if there is not this kind of diligent effort to actually produce coal on commercial levels within 15 years, the Secretary shall terminate the lease. We feel that that is a very equitable provisions and certainly consonant with the requirements in this country for adequate coal supply.

All in all, I believe that the bill which we have reported takes into consideration all of the various facets of the problems of Federal coal leasing which we have discovered in the process of our markup and our deliberations.

The committee has been considering this bill since 1974 in the 93d Congress. We have had numerous markup sessions. Anyone who suggests that the committee did not approach the contents of this bill with due deliberation simply is not aware of the transcripts of the hearings which contain hundreds and hundreds of pages and volumes of material indicating that this bill was very thoroughly worked over during the full committee process.

Mr. MELCHER. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I will be glad to yield to my colleague, the gentleman from Montana.

Mr. MELCHER. I thank the gentlewoman, the chairman of the Subcommittee on Mines and Mining, for yielding to me.

I want to compliment the gentlewoman on her accurate and concise description of the improvements in Federal coal leases that are proposed in the bills.

Those of us from the West, where most of the Federal coal will be strip mined, realize a profound need for passing a national strip mine reclamation bill. Our efforts in the previous Congress and in this Congress have been thwarted by the veto of President Ford which we have not been able to overcome.

However, because it is so vital to us that we establish these standards and that we pass into law other features that are carried in the national strip mine reclamation bill, we, of course, must pursue those efforts again in the House Interior Committee and ask the House to again approve such a bill after we report it out of committee.

I hasten to make these remarks at this time because we feel in the West that unless we have that type of legislation, most of the advantage that is contained in this bill for modernizing and improving Federal coal leases to make them more consonant with the public good and public interest—unless we have a strip mine bill passed—this bill really will not be of as much value as we want it to be. We find that Western coal development does involve Federal coal, and not to have a complete hold on the reclamation standards, the protection of water, the protection of the surface owner's rights by a Federal bill, leaves some blank spots in States such as Montana, Wyoming, and North Dakota.

We will do our best in the Interior Committee to promptly move the national strip mine reclamation bill again so that with the passage of it, and with the passage of this bill, we can thereby develop a sound national coal policy.

I thank the gentlewoman for yielding.

Mrs. MINK. I thank the gentleman for his comments. Certainly he is to be commended for his steadfast insistence that the surface mining reclamation bill be reconsidered by this House, and he accurately reports that this effort is ongoing in the Committee on the Interior, and the House should expect to have this bill shortly.

Mr. SEIBERLING. Mr. Chairman, I will have some additional remarks to make later in the debate, but at this point I would like to express my own personal commendation for the outstanding job the gentlewoman from Hawaii has done on this bill.

As chairman of the Subcommittee on Mines and Mining, the gentlewoman has always shown herself to be the complete master of every subject for which she takes responsibility. The gentlewoman has adopted a very moderate, very enlightened and a very competent approach to this piece of legislation, as with any other piece of legislation the gentlewoman deals with. We are all greatly indebted to the gentlewoman from Hawaii for the outstanding job she has done on this piece of legislation.

Mrs. MINK. Mr. Chairman, I thank the gentleman from Ohio for those generous remarks.

Mr. Chairman, I simply conclude by saying that I believe the committee has produced a bill that the House can be proud of and all the Members can readily support. Certainly it is in keeping with the policies of this Congress to enable the energy needs of this country to be more adequately met with ample considerations and safeguards to the environment and to our country as a whole.

Mr. Chairman, ever since the oil embargo imposed by the Organization of Petroleum Exporting Countries in October 1973, attention has focused on our Nation's enormous reserves of coal, which comprise approximately 73 percent of domestic fossil fuel reserves. Full page newspaper advertisements have proclaimed "We have more coal than the Arabs do oil—let's dig it!" A prominent lobbying association announces in bold black and white lettering, "Coal is the answer. Now!" Members of the executive branch, from the President on down, have repeatedly called for an accelerated Federal coal leasing program to meet our growing energy demands and move us down the road to energy independence. Amidst all the clamor, few have stopped to analyze the administration of existing Federal coal leases or the viability of a Federal leasing program whose legislative mandate dates back to 1920.

Leasing of Federal coal lands is currently governed by the Mineral Leasing Act of 1920. There are today 533 Federal coal leases in existence covering about 778,000 acres of public land and an estimated 16 billion tons of coal. In addition, prospecting permittees have submitted applications for tracts encompassing 478,000 acres of land containing an estimated 12 billion tons of coal on which they are entitled by law to a preference right lease. Annual coal production for the entire United States in 1975 was only 638 million tons. Using simple arithmetic, it can be readily calculated that there is presently enough Federal coal committed to leasing under existing leases or preference right applications to satisfy current U.S. production demands for roughly 45 years. Even assuming a doubling of U.S. production and allowing that some existing leases may be uneconomical to mine at this time, enough Federal coal is already committed to leasing to satisfy total U.S. demands for 20 years. In addition, enormous amounts of State, Indian, and private coal are under lease or development. In 1974, only 20.6 million tons, or one eight-hundredth of the coal reserves under active Federal lease, were produced from Federal leases.

These statistics would appear to cast considerable doubt on claims by the administration that there exists an urgent need to lease more Federal coal lands for development. However, it is not our desire to engage in political debate over estimated future needs. Nor do we wish to trigger sticky constitutional questions involving the taking of legislatively conferred rights by reacting to the deficiencies of current leasing law with the retroactive application of tough new lease standards and terms to lessees who legally gained their rights relying on the provisions of current law. Rather, Mr. Chairman, it is the purpose of the legislation before us today to insure that any future leasing and lease administration is carried out under congressionally mandated guidelines that will require a fair return to the public, diligent, efficient, and orderly development and production of the coal resources in a leasing tract, and adequate environmental and social planning.

One of the real weaknesses of current law is that it allows a lease to continue in existence almost indefinitely. This is witnessed by the fact that 50 percent of active leases are over 10 years old, and 20 percent have been held for more than 20 years. Indeed, some leases have been held for more than 40 years without a single ton of production. The holding of leases without production is possible because the cost of holding has historically been limited to an extremely low annual rental fee of between 25 cents and $1 per acre, and because, although leases are supposed to be conditioned upon diligent development and continued operation of the coal resources, the Secretary of Interior has never enforced these provisions nor canceled a lease for failure to comply with them. Thus, existing law has enabled lessees of Federal coal to acquire large reserves at relatively low prices and hold them for a nominal sum until rising coal prices produce spectacular inventory profits—profits from public lands which accrue to private individuals and corporations rather than the Federal Treasury.

H.R. 6721, the bill before us today, is drafted to specifically eliminate the speculative holding of leases and insure that they will be developed on a timely basis in the manner most beneficial to the public.

Allow me to elaborate briefly on the specific provisions of H.R. 6721, and describe how they affect the three crucial stages of the Federal leasing process: First, preleasing considerations; Second, the lease sale; and third, development and operation of the leasehold.

Preleasing: Whereas every Federal coal lease issued to date has been in reaction to industry's nomination of handpicked tracts, thus minimizing the chance of true competitive interest and bidding, new procedures mandated by H.R. 6721 would provide more Federal and public input into the tract selection and leasing process. Prior to the leasing of any tract, the land in question would have to be included in a comprehensive land use plan prepared by the Secretary, and leasing for coal development would have to be found to be compatible with the plan. Land use plan preparation would require consultation with State and local governments, and a public hearing on the proposed land use plan, if requested by an adverse party.

To increase the likelihood that the tracts selected for leasing will be of the highest caliber and promote the maximum economic recovery of public coal resources, H.R. 6721 directs a comprehensive Federal exploratory program to obtain data which will enable the Secretary to approach leasing armed with the best possible criteria on which to base tract selection and approve lease development plans.

In the tract selection process, the Secretary would be limited to forming tracts of such a size and nature as he finds would permit the maximum recovery of economically extractable coal. In addition, the Secretary would be directed to carefully consider the effects mining of a proposed tract might have on the environment, local economic activities, public services and the like. The final stage prior to the proposed lease sale would require public hearings, distinct and separate from the land use plan hearing, to be held in the lease impacted area. The committee deemed these additional hearings essential to give local residents a chance to adequately air their views and express their concerns regarding the proposed lease.

We believe that the cumulative effect of these preleasing reforms will result in the offering for lease of tracts which have been carefully selected to minimize environmental and social disruption, but which are at the same time commercially attractive so as to enhance vigorous competitive bidding.

The lease sale: As I have previously indicated, Mr. Chairman, heretofore, it has been relatively easy for industry to acquire Federal coal leases with a minimum of competition in bidding. This resulted from provisions in existing law which: First, entitle prospecting permit holders to a preference right lease on up to 5,120 acres of land if they show the land contains coal in commercial quantities; and second, allow the Secretary to lease tracts in response to industry nominations by using such bidding methods as he sees fit. H.R. 6721 would end both these practices.

First, the preference right lease for holders if prospecting permits would be abolished. Henceforth, holders of prospecting permits would be required to compete in bidding with all other interested parties, their sole advantage being that any data they obtained via exploration would be held confidential by the Secretary until after the lease sale.

Second, the Secretary would be allowed to offer tracts for lease by competitive bidding only. No bid could be accepted that was less than fair market value as determined by the Secretary. To facilitate competitive bidding by smaller corporations or individuals, 50 percent of all tracts leased would be under a system of deferred bonus payment—a system which minimizes the initial capital outlay. Similarly, a provision increasing production royalties should reduce the front end capital outlay. Tighter definitions of a corporate entity, a 46,080 acre per State, and 100,000 acre national limit on lease holdings of Federal lands per corporation, and a provision requiring consultation with the Attorney General on possible antitrust violations prior to leasing of a tract, should help assure that large corporations or holding companies do not monopolize the most desirable Federal leases to the detriment of smaller business entities and increased competition in the coal industry.

Finally, to prevent concentration of Federal leases in the private sector and assist public power generation, the Secretary would be required to offer a reasonable number of reserved leasing tracts in a preferential basis to Federal agencies, rural electric cooperatives or nonprofit corporations which produce energy.

Development and operation of the leasehold: Perhaps the greatest weakness of current law is that leases are allowed to continue in existence almost indefinitely without development or production of the coal resource. This deprives the public of a fair return on its resources and allows the private sector to reap speculative profits. It is here that the provisions of H.R. 6721 hit hardest. Speculative holding of leases issued after enactment of H.R. 6721 would be rendered impossible by virtue of provisions requiring diligent development and continued operation of mines on a lease. Specifically, diligent development of a lease would mean that production in commercial quantities would have to be achieved within 15 years of lease issuance, or the lease would terminate. After diligently developing a lease, an operator would be required to keep his mines in continued operation. In certain cases, the condition of continued operation could be suspended in favor of an advance royalty payment. In such a case, the advance royalty would be required to be no less than the 12.5 percent production royalty that would have been due under a fixed reserve to production ratio.

Timely development of a lease would further be ensured by requiring the lessee to submit an operation and reclamation plan within 3 years of lease issuance. For the purpose of promoting efficient operation and maximum resource recovery, the Secretary would be authorized to permit or request the consolidation of Federal leases, including leases existing on the date of enactment of this bill, with other Federal leases, with State leases or with private holdings to form a "logical mining unit." The reserves of the entire logical mining unit would have to be mined within a 40-year period. It is hoped that this logical mining unit concept will alleviate problems associated with coal deposits where the surface ownership or leasing pattern is too complex to permit economical extraction of the coal resource, and thereby stimulate production from some active Federal leases now allegedly uneconomic to mine absent a strong consolidation authority.

To insure a fair return to the public on Federal coal lease development and production, the production royalty for coal mined would be changed from the present flat fee minimum of 5 cents per ton plus a small rental fee, to a minimum percentage rate of 12.5 percent of the value of the coal produced. The minimum percentage rate will enable royalties to keep pace with the rising price of coal. The Secretary would be permitted to fix a lesser royalty rate for underground mining operations. Readjustment of lease terms would occur every 10 years. This changes the present 20-year readjustment period, to allow the Secretary more flexibility in adjusting the lease to reflect changing market conditions. To prevent waste of public resources, no operation and reclamation plan submitted by a lessee could be approved unless it provided for the maximum economic recovery of the coal within the tract.

Mr. Chairman, the authors of this bill were well aware of the impact mining operations can have on local communities. For this reason, it was decided to increase the share of revenues from Federal mineral leasing which are returned to the States. Under present law mineral leasing revenues are distributed under section 35 of the Mineral Lands Leasing Act, with 37½ percent going to the States, 52½ percent to the reclamation fund, and 10 percent to the General Treasury. H.R. 6721 would amend section 35 to increase the State's share from 37½ percent of revenues to 50 percent. The share going to the reclamation fund would correspondingly be decreased from 52½ to 40 percent. Revenues from geothermal leasing, presently treated as if received from the sale of public lands, with about 5 percent going to the States, would be added to the amended distribution scheme of section 35 of the Mineral Lands Leasing Act. Under current law, the 37½ percent State share is earmarked specifically for school and road construction. This would remain unchanged in the bill as certain States depend heavily on these moneys to finance schools and roads.

Therefore, our additional assistance to impacted communities would be limited to the 12½ percent increase in the State share. This is no small sum, however. Based on fiscal year 1975 mineral and geothermal receipts, the 12½ percent increase would return an additional $40 million to the States. The increased bidding competition and minimum royalties from already discussed provisions of H.R. 6721 should increase this figure substantially in the years ahead.

In summary, Mr. Chairman, let me emphasize that the provisions of H.R. 6721 are intended to correct the inadequacies of present law which permit the speculative holding of leases and provide a poor return to the public. The 533 existing Federal leases would be unaffected by the bill except to the extent its provisions are made applicable upon the periodic ten year readjustment of lease terms, or upon the inclusion of an existing lease in a logical mining unit. The only other sanction imposed on existing leases would be a prohibition on leasing any additional Federal tracts to an entity which holds a nonproductive lease 15 years after the date of enactment of this bill. Existing leaseholders would therefore have at least until 1991 before this sanction would apply.

In short, H.R. 6721 looks to correct the inadequacies of existing coal leasing law, and its administration, which have not in the past assured the best planning, development and monetary return to the public in exchange for its granting valuable rights in Federal coal lands. Indeed, the administration of existing law was so poor that it prompted the Department of Interior to impose on itself the current moratorium on Federal coal leasing, while it evaluates the program, and formulates new leasing policy. However, I believe it would constitute a shocking neglect of Congress role as trustee of the public coal lands, to allow the Secretary of Interior sole discretion in deciding how the Federal leasing program should be improved—especially in view of the Department's poor administration record to date. Rather, Congress must provide a forceful revision of current law to insure that any actions taken by the Secretary of Interior are within the framework of a carefully drafted and considered legislative program of reforms. After all, it is Congress that is the ultimate steward of the Federal lands, and it is the Congress, therefore, that should create new guidelines for Federal coal leasing. We have those guidelines before us today in the form of H.R. 6721, and I urge their enactment into law forthwith.

Mr. RUPPE. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Chairman, here we are again, beginning a new year, a new legislative session. We begin with a major piece of legislation—H.R. 6721—a bill to amend the Mineral Leasing Act of 1920.

The Mineral Leasing Act of 1920 is now over a half-century old and does not take into consideration current economic and environmental issues that are before us today.

H.R. 6721 addresses itself to the deficiencies in the Mineral Leasing Act. It deals exclusively with coal.

The subcommittee and committee worked hard on this bill—and several important amendments were adopted in markup.

However, the committee was distracted throughout its work by the threat that an effort would be made to combine the surface mining bill with the coal leasing amendments.

The committee rejected this marriage with H.R. 6721 in the final hour.

In my opinion the presence of this overriding issue prevented the proper perfecting of the coal leasing amendments.

My colleague, the ranking minority member of the Subcommittee on Mines and Mining (Mr. RUPPE) will be offering amendments later this afternoon which, if accepted, will meet many of the administration's objections.

He will be joined by my colleague, the gentleman from Arizona (Mr. STEIGER). I, too, will be joining in the debate regarding certain amendments which I feel are fundamental and should be adopted by this body, not only to meet the objections of the administration, but because they are amendments which anyone connected with the coal industry realizes are sound amendments.

Certainly, Mr. Chairman, make no mistake about it, the lyrics of this bill are not to accompany the song "Hearts and Flowers."

The administration has voiced its strong objection—I read from a letter dated January 19 from the Administrator:

> Without these amendments, however, the administration opposes the enactment of this bill.

Very briefly, Mr. Chairman, the amendments which the administration proposes cover 13 different areas. Frankly, I feel only about seven of these are fundamental and should not be glossed over lightly.

The first deals with the additional payment of 12½ percent of the revenue to the States by the Federal Government.

Today the States receive 37½ percent of the 18-percent pay of the 8-percent royalties paid the United States for its coal.

Under this bill this would be increased by 33⅓ percent.

In fiscal year 1976 it would amount to between $126 million and $168 million.

The second amendment the administration feels crucial deals with a proviso relating to the Federal exploratory program.

Today the coal companies do the exploratory work.

This bill requires the Federal Government to do the exploratory work to determine: First, the location; second, the extent of the deposit; and, third, the potential for development of the recoverable coal.

The third area deals with public hearings at which any interested party can request to be heard.

Under this bill four separate hearings are possible: First, one on land use; second, another before the lease is issued; third, a hearing to determine what constitutes a logical mining unit; and, fourth, a hearing to determine the fair market return.

Boy, will the environmentalists and Friends of the Earth have a field day at each step of the proceedings.

Fourth, the antitrust provision:

Under this bill, in each stage of the leasing process, the Secretary must consult with the Attorney General.

There are three stages in which the Secretary must consult: First, the issuance of the lease; second, at lease renewal; and, third, in case of readjustment of the lease.

It appears to me that this provision should sharply reduce unemployment within the ranks of young lawyers.

Fifth is a proviso relating to acreage limitations:

This bill seeks to establish that a logical mining unit shall not exceed 25,000 acres.

Today I understand that by public law, there is a restriction of 46,000 acres which can be mined in any one State.

This proviso would reduce the logical mining unit from 46,000 to 25,000 acres—thus forcing the creation of a second unit—which might or might not be logical.

Sixth, a 12½-percent royalty provision:

Today the average lease pays an 8-percent royalty.

This bill would establish a royalty floor of 12½ percent.

The administration urges a 5-percent floor which would give the Government a degree of flexibility.

A 12½-percent royalty floor could stop action in many instances.

Certainly, by establishing a floor of 12½ percent, only the cream of the coal deposits will be developed first.

And, a lease which could possibly be developed will be brushed aside.

Now, how will this body respond? Will we again this new year demand the Moon, sending bills to the White House only to meet a veto? Last session we seemed like men in motion with no productive results. Here we have a chance, in this new beginning, to show that we can compromise as we expect the President to compromise. I encourage my colleagues on the other side of the aisle, whose numbers are strong, to give a little. No one gains politically when all are deadlocked, refusing to budge.

The amendments to be offered by this side of the aisle are reasonable and logical. The fact that we have supported the rule, and will support the rule if our amendments pass, is a major concession. There is strong feeling in the coal industry, and some feeling in the Department, that a bill is not even necessary.

The subcommittee chairman from Hawaii offers us this revision in the coal leasing program. But we will not take it all. A compromise must be reached.

Mr. Chairman, this is not a high school debate on the question: "Resolved that those who are developing the coal industries are untrustworthy, and must be treated as unreliable."

This is not a Democrat or Republican issue. Today this Nation faces a severe energy problem, and the key to it rests in the development of the coal industry. Our job is to see to it that we encourage coal production and not hamper it. That the Government receives a fair return on the resources it controls. That we do nothing to cause industry to simply take the cream of the resources and leave the skim milk, so to speak, for future generations to develop.

And, that is exactly what we are going to do, unless some of these amendments are adopted.

Mrs. MINK. Mr. Chairman, I yield 5 minutes to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Chairman, I would like to pay tribute to my eminent subcommittee chairperson, the gentlewoman from Hawaii (Mrs. MINK), and I also want to compliment the gentleman from Michigan (Mr. RUPPE), the minority leader of the subcommittee, for the many hours that he has put in. The joy of working with fellow lawmakers is something that I enjoy, and the Interior jurisdiction I feel very strongly about. I want to compliment the gentleman from Kansas (Mr. SKUBITZ). He has served well as minority leader of the wonderful committee on which I am privileged to serve.

Mr. Chairman, I would like to first respond to the remarks in this debate that were raised a moment ago by my good friend, the gentleman from Kansas (Mr. SKUBITZ), by observing that over the holiday I managed to do some reading. One of the books I read was written by Mr. Rappaport, and he said that one of the rules of the House that ought to be changed is the policy of giving so much time to debate and so little time to discussion during the time amendments are offered and acted on. While the gentleman from Kansas (Mr. SKUBITZ) was in the well so capably arguing his viewpoints I noticed that the employees of the House, the chairmen of the committees, and the Committee of the Whole were the only people around here. We have been through this time and time again. I beg your pardon. I see two other Members present. Let the RECORD show that at least four Members raised their hands. But this, I submit to the chairmen, to the employees, to the Parliamentarian, is the basis for again suggesting a change in the rules. I am happy to note that the eminent caucus leader of the majority is also in the Chamber, sitting with his back to me. I appreciate the fact that he is here. But there are many who will recognize the need to change the rules in the Chamber to provide for less time on debate and more time on amendments. Why should we have 15 Members standing to be recognized and perhaps allow them 45 seconds or a minute or a minute and a half apiece on a vital amendment on this bill? When we sit here devoting 2 or 3 hours to debate, we are not using our time wisely.

I submit fiscal restraint will not be adversely affected regarding distribution of these funds. So the President's message, his appeal for conservatism and fiscal restraint, which we all adhere to here, has no bearing to the amendment raising from 37½ percent to 50 percent the moneys received from the Federal royalties to be returned to the States. For the several Members who have asked me, the formula now says 10 percent remains in the Federal Treasury, 37½ percent is returned to the State earmarked for roads and for schools and the remaining 52½ percent is now paid into the reclamation fund.

My remarks will contain tabulations, with records from 1903 to date, on States payments to and receipts from reclamation funds.

The material follows:

THE RECLAMATION FUND: ITS HISTORY AND STATUS AS OF JUNE 30, 1974

SUMMARY

The Reclamation Act of June 17, 1902 (32 Stat. 388), which established reclamation of the arid and semiarid lands of the West as a Federal activity, included the provision that financing of the Federal undertaking should be accomplished through the Reclamation Fund, a special fund to be established within the Treasury of the United States. The Fund was duly established and supported in the beginning by proceeds from sales of public lands of the United States. It was later augmented by a percentage of the royalties from oil and mineral leases on lands of the United States and collections from the projects.

Table 1 is a source and disposition statement showing the status of the Fund. Deposits to date resulting from Reclamation project revenues amount to 58 percent of the total deposits of $3,910,565,875 in the Fund. Royalties, public land sale revenue and miscellaneous collections account for the remaining 42 percent of the deposits in the Fund.

At its start in 1902 the Reclamation Fund had $7,730,342 available. By 1910 the Reclamation Service (changed to Bureau of Reclamation by Secretary's Order signed June 20, 1923), had authorized 24 projects scattered over the Western States. In June of 1910 the total amount deposited in the Reclamation Fund had reached $68,777,000, most of which had been allotted for construction of projects. Estimates of the anticipated income and repayments for the next few years showed they would not be adequate to carry on the authorized construction program. It became necessary to limit the authorization of additional new work and to borrow funds from the General Fund of the Treasury to augment the Reclamation Fund. Congress, by Act of June 25, 1910 (36 Stat. 835), authorized an advance of $20,000,000 to the Reclamation Fund, since repaid. Because of the reduced status of the Fund, only six new authorizations were approved between 1910 and 1930, compared with the 24 authorized in the first eight years. Congress, by the Act of March 3, 1931 (46 Stat. 1507), authorized a further advance of $5,000,000 from the Treasury to avoid overdrawing the Fund. This amount has also been repaid.

The Reclamation Fund, even with the additional advances, while sufficient for normal operations of the Bureau of Reclamation, was still not adequate to finance a major construction project such as a large dam. Thus, in 1928, when Boulder Canyon Project Act (45 Stat. 1057), was approved as a Reclamation project, this Act provided that the construction of the Hoover Dam and powerplant should be financed from the General Fund of the Treasury rather than by the Reclamation Fund. The Act also provides that revenues received from the project in excess of amount required for construction, operation and maintenance are to be returned to the General Fund of the Treasury instead of to the Reclamation Fund.

The large multiple-purpose projects started during the depression years of the 1930's were also initiated with General Fund money made available to the Bureau from appropriations for public works and for emergency relief. By the end of the 1930 decade most major projects of the Bureau of Reclamation were under construction with monies advanced in one form or another from the General Fund of the Treasury.

To enlarge the Reclamation Fund, Congress passed what is known as the Hayden-O'Mahoney amendment to Reclamation Law, approved on May 9, 1938 (52 Stat. 322). This amendment provided that all revenues from irrigation projects, constructed by the Bureau of Reclamation, including the incidental power features thereof, should be deposited in the Reclamation Fund. The primary purpose of the amendment was to secure for the Fund the power revenues anticipated to accrue from powerplants such as those at Coulee Dam, Shasta Dam, and Parker Dam, then under construction. (The Boulder Canyon Project revenues were specifically exempted from this Act).

The fund is still not adequate to cover all reimbursable functions of the Reclamation program. Each year it is necessary for the Congress to supplement Reclamation Fund monies with appropriations from the General Fund to cover all of the proposed programs.

In addition, Congress has established General Fund financing on certain specific Reclamation programs. For instance, loans by the Bureau of Reclamation to irrigation districts and other public agencies for construction of irrigation distribution systems and to local organizations for development of small reclamation projects are being financed from the General Fund of the Treasury. These were authorized by the Acts of July 4, 1955 (69 Stat. 244), and August 6, 1956 (70 Stat. 1044), respectively, as amended. By the Act of April 11, 1956 (70 Stat. 105), Congress authorized construction of the Colorado River Storage Project to be financed in like manner, by appropriations from the General Fund, and the Act of September 30, 1968, authorized construction of the Colorado River Basin Project by appropriations from the General Fund.

DIRECT COLLECTIONS TO THE FUND

Reclamation Fund direct collections through June 30, 1974 total $2,271,889,772.

Revenue from hydroelectric power operations is now the single largest source of deposits in the Reclamation Fund reflecting the results of the 1938 Hayden-O'Mahoney amendment. The major portion originates from the power systems of the Columbia River, Central Valley, Parker-Davis and Pick-Sloan Missouri Basin Program. In FY 1974, power revenues totaled $89,493,769 or 70 percent of all deposits in that fiscal year. The total power revenues to June 30, 1974, is $1,585,802,367. All power revenues received from operations are deposited in the Reclamation Fund except those at the Boulder Canyon, Colorado River Storage, Falcon, Fort Peck, and part of Pick-Sloan Missouri Basin Program and those anticipated with Colorado River Basin Project and the Amistad project of the International Water and Boundary Commission. Revenues collected by those latter projects are deposited in the General Fund of the Treasury or special funds under terms of the specific acts relating to each project.

The construction repayments accrued rather uniformly from the beginning of 1908, when the first units of the completed projects were placed in operation, until 1931, the beginning of the depression and the first blanket moratorium on construction repayments authorized by the Congress. Construction repayments resumed on a partial basis in 1936 and were again normal by 1943. Construction repayments totaled $283,883,594 through June 30, 1974, and $16,077,646 in FY 1974.

Water sales constitute the third largest source of direct collections. These originate principally on the Central Valley project and total $231,445,455 through June 30, 1974 and $18,858,750 in FY 1974.

Operation and maintenance repayments (operation and maintenance during the development period prior to turnover of facility operations to the Districts) have remained uniform over the years, with some decrease during the depression years, representing deferring of maintenance to curtail costs. The total to June 30, 1974, is $84,745,597 and the FY 1974 deposit was $541,940. Miscellaneous revenue from Reclamation operations totaled $86,012,759 through June 30, 1974.

ACCRETIONS TO THE FUND

Accretions to the Reclamation Fund come from the sale of public lands and timber, royalties from lands leased for oil, royalties and rentals of land with potassium deposits, and water power licenses issued by the Federal Power Commission. Through June 30, 1974, the total is $1,527,707,856. The deposit in FY 1974 from these sources was $79,345,546.

The accretions shown in Table I do not represent complete income to the Government from these sources but only the percentage of the revenues from each authorized by law to be deposited in the Reclamation Fund. These percentages are: sale of public lands and timber—96 percent; oil leasing—52½ percent; potassium royalties—52½ percent; and Federal Power Commission water power licenses—50 percent.

Income from the leasing of public lands for oil began in 1921, and has been a prime source of revenue to the Reclamation Fund ever since. The total income to June 30, 1974 from this source is $1,213,504,041. Until 1910 the sale of public lands was the principal support of the Reclamation Fund. Some $65,000,000 of revenue from this source was received in the 10-year period from 1901–1910, inclusive. Potassium royalties were small until the impact of World War II was felt, when the revenues increased. These total $56,663,648 through June 30, 1974. Revenues received from the Federal Power Commission for the issuance of water power licenses total $3,249,183 over the 53-year period. Miscellaneous accretions totaled $64,785 through June 30, 1974.

In the early years of the Reclamation program, consideration was given to a policy that the Reclamation Fund should be expended with some relation to the origin of the accretions from the States. An effort was made to allocate Reclamation funds to provide some work in all States, but continuation of this policy proved impracticable. Table 2 shows the accretions to the Reclamation Fund by States. Wyoming leads all the States. New Mexico is second, California third, Colorado fourth, Utah fifth, Montana sixth, and Oregon seventh.

The significant public land sale States are California, Montana and Oregon, each contributing 10 percent or more of the income from the sale of public lands and timber. The larger oil revenue States are Wyoming, which alone contributed about 41 percent of the oil revenues, New Mexico, which has contributed 21 percent, and California and Colorado, 11 percent and 10 percent, respectively.

APPROPRIATIONS FROM THE RECLAMATION FUND

Expenditures from the Reclamation Fund may be made only on the authority of appropriations by the Congress. Congress appropriates annually, except for minor permanent authorizations.

It is the present practice of the Congress to appropriate from the Reclamation Fund each year sufficient funds to meet the costs of the approved reimbursable programs for Operation and Maintenance, General Administrative Expenses and the Emergency Fund. After providing for these appropriations, the approximate balance in the Fund on June 30, prior to the fiscal year appropriation, is applied to the reimbursable activities in the Construction and Rehabilitation appropriation. In late years, the difference has not been sufficient to cover all of the reimbursable activities and it has been necessary to supplement the balance with appropriations from the General Fund.

Table 3 shows the derivation of Reclamation's 1974 appropriation as set forth in the Public Works Appropriation Act, Public Law 93–97, approved August 16, 1973 and the Second Supplemental Appropriations Act, Public Law 93–305, approved June 8, 1974.

TABLE 1.—UNITED STATES DEPARTMENT OF THE INTERIOR, SOURCE AND DISPOSITION OF THE RECLAMATION FUND, JUNE 30, 1974

	Amount	Percent
Source:		
Direct collections:		
Construction repayments	$283, 883, 594	7. 26
Operation and maintenance repayments	84, 745, 597	2. 18
Power revenues	1, 585, 802, 367	40. 55
Water sales	231, 445, 455	5. 92
Miscellaneous revenues	86, 012, 759	2. 18
Total direct collections	2, 271, 889, 772	58. 09
Accretions:		
Royalties from oil leases	1, 213, 504, 041	31. 03
Sale of public lands and timber	224, 447, 899	5. 74
Transfer of proceeds from Naval oil reserve	29, 778, 300	. 76
Royalties and rentals from potassium leases	56, 663, 648	1. 45
Federal water power licenses	3, 249, 183	. 09
Miscellaneous	64, 785	
Total accretions	1, 527, 707, 856	39. 07
Reimbursements:		
Intrabureau financing	33, 047, 615	. 85
Office of Indian Affairs	2, 997, 829	. 08
Colorado River front work and levee system	829, 976	. 02
Loans to fund	25, 000, 000	. 64
Lapsed and expired appropriations returned to fund 1951 to date	49, 092, 827	1. 25
Total	3, 910, 565, 875	100. 00
Disposition:		
Gross annual appropriations:		
Construction	2, 285, 284, 150	61. 53
Rehabilitation	75, 666, 244	2. 04
Operation and maintenance	844, 836, 653	22. 75
General investigations	199, 726, 894	5. 38
General administrative expenses	248, 207, 592	6. 68
Emergency fund	8, 500, 000	. 23
Advance planning and secondary	19, 114, 373	. 51
Total annual appropriations	3, 681, 335, 906	99. 12

TABLE 1.—UNITED STATES DEPARTMENT OF THE INTERIOR, SOURCE AND DISPOSITION OF THE RECLAMATION FUND, JUNE 30, 1974—Continued

	Amount	Percent
Permanent authorizations:		
Payments to farmers irrigation district	185, 814	.01
Payments to local units, Klamath Recreation Area	1, 089, 868	.03
Refunds and returns	3, 837, 619	
Less: Refunds to date applied to collections	3, 787, 543	

	Amount	Percent
Subtotal	50, 076	
Payment of claims	6, 405, 855	.17
Repayment of loans	25, 000, 000	.67
Total	3, 714, 067, 519	100.00
Reclamation fund balance unappropriated	196, 498, 356	

TABLE 2.—U.S. DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION ACCRETIONS TO THE RECLAMATION FUND, BY STATES, TO JUNE 30, 1974

State	Sale of public lands and timber	Proceeds from Mineral Leasing Act	Subtotal	Water power licenses	Proceeds, potassium royalties and rentals	Receipts from naval petroleum reserves 1920–38	Proceeds from rights-of-way over withdrawn lands	Miscellaneous mineral leasing permits and other items	Tota
Reclamation States:									
Arizona	$8, 340, 876	$4, 334, 025	$12, 674, 901	$17, 102	$31, 696	$25, 496, 564	$228	[1]$6	$38, 220, 497
California	34, 530, 523	132, 571, 253	167, 101, 776	837, 925	12, 314, 525		6, 464		180, 260, 690
Colorado	15, 080, 679	119, 418, 190	134, 498, 869	16, 568	37, 888			40	134, 553, 365
Idaho	15, 491, 841	6, 451, 365	21, 943, 206	226, 065			182		22, 159, 453
Kansas	1, 047, 925	3, 841, 116	4, 889, 041						4, 889, 041
Montana	20, 246, 744	65, 961, 280	86, 208, 024	278, 021	875		582	87	86, 487, 589
Nebraska	2, 246, 426	173, 141	2, 419, 567						2, 419, 567
Nevada	12, 125, 308	10, 808, 940	22, 934, 248	22, 996	53, 246		8, 912		23, 019, 302
New Mexico	12, 171, 435	256, 854, 165	269, 025, 600	149	42, 863, 373		9, 612	2, 800	311, 901, 534
North Dakota	12, 315, 632	5, 318, 249	17, 633, 881					312	17, 634, 193
Oklahoma	6, 458, 524	3, 148, 010	9, 606, 534		516				9, 607, 050
Oregon	47, 385, 919	784, 014	48, 169, 933	203, 006			781		48, 373, 720
South Dakota	8, 027, 551	3, 211, 004	11, 238, 555				111		11, 238, 666
Texas				21			254		275
Utah	6, 101, 650	94, 465, 236	100, 566, 886	32, 351	624, 250				101, 223, 487
Washington	11, 005, 496	149, 682	11, 155, 178	163, 031			20		11, 318, 229
Wyoming	11, 871, 370	498, 090, 087	509, 961, 457	2, 985	1, 007	1, 578, 278	22, 741		511, 566, 468
Alaska				55, 597					55, 597
Hawaii									
Subtotal	224, 447, 899	1, 205, 579, 757	1, 430, 027, 656	1, 855, 717	55, 927, 376	27, 074, 842	49, 887	3, 245	1, 514, 938, 723
Adjacent States:									
Arkansas		870, 998	870, 998	201					871, 199
Iowa									
Louisiana		6, 168, 090	6, 168, 090						6, 168, 090
Minnesota				314					314
Missouri				5					5
Subtotal		7, 039, 088	7, 039, 088	520					7, 039, 608
Other States and Puerto Rico		885, 196	885, 196	63, 704					948, 900
Undesignated				1, 329, 242	736, 272	2, 703, 458	11, 653		4, 780, 625
Total	224, 447, 899	1, 213, 504, 041	1, 437, 951, 940	3, 249, 183	56, 663, 648	29, 778, 300	61, 540	3, 245	1, 527, 707, 856

[1] Miscellaneous items other than mineral leasing permits.

TABLE 3.—UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION—SOURCE OF FUNDS APPROPRIATED, FISCAL YEAR 1974

	Reclamation fund	Colorado River Dam fund	General fund	Total
General investigations			$16, 850, 000	$16, 850, 000
Construction and rehabilitation	$115, 000, 000		79, 275, 000	194, 275, 000
Operation and maintenance	73, 565, 000	$3, 142, 000	12, 293, 000	89, 000, 000
General administrative expenses	18, 320, 000			18, 320, 000
Loan program			18, 422, 000	18, 422, 000
Colorado River Basin project			66, 000, 000	66, 000, 000
Upper Colorado River Storage Project			24, 426, 000	24, 426, 00
Emergency fund	600, 000			600, 000
Construction of recreational and fish and wildlife facilities (Upper Colorado River Storage Project)			600, 000	600, 000
Total	207, 485, 000	3, 142, 000	217, 866, 000	428, 493, 000

Mr. Chairman, Wyoming has paid $511.5 million into the reclamation fund under the old formula. Now we are suffering harsh impact; now we have tremendous damage to the human element in our State, and that results in the highest divorce rate in the Union, the highest rate of venereal disease per capita in the Union, and similar factors. Child abuse is up 64 percent in the last 2 years, an increase higher than any other State in the Union; crime rates are up 600 percent in Wyoming; the tragedy of alcoholism, which always was pretty high in my State, is now frightful, and the figures on drugs show 1,000 to 2,000 heroin users in my State, a State which contains fewer than 340,000 souls.

These are the reasons we come here now and say, "Look, since 1903 we have given you $511 million in royalties to help everybody else. Won't you please send back a little to us now to help us with our human problems?"

If we say, "No" to Wyoming, to Utah, to Montana, and to the Dakotas, we are still in effect sending the same money to the reclamation fund anyway. Our action today has nothing whatever to do with appropriation, and it has no adverse affect on fiscal restraint. It merely alters a distribution formula already in effect.

I believe there are several amendments, to which my good friend, the gentleman from Kansas (Mr. SKUBITZ) alluded and to which my other friends on the minority side have alluded, that we can accept, and I hope our eminent subcommittee chief will accept one or two of the amendments because they will make this better legislation.

Mr. RUPPE. Mr. Chairman, I yield 5 minutes to my distinguished colleague, the gentleman from Arizona (Mr. STEIGER).

Mr. STEIGER of Arizona. Mr. Chairman, the Members will be delighted to know that I will not require 5 minutes to respond to the sparkling wit of the gentleman from Wyoming (Mr. RONCALIO).

I will tell my friend, the gentleman from Wyoming, that the gentleman from Kansas (Mr. SKUBITZ) very clearly outlined a number of deficiencies in this bill. I also point out that the gentleman from Kansas (Mr. SKUBITZ) has a weakness, and that is courtesy. He is far too courteous, to be specific.

The problem with this bill is simply that people who knew nothing about what they were doing tried to do too much. I will stipulate that the gentlewoman from Hawaii (Mrs. MINK), the chairman of the subcommittee, spent hours on this monster. "Hours" is right. Actually it was weeks. We have labored mightily, and we have produced a monster.

In only one section of this bill, the one which is known as the exploration section, have we struck out broadly in a new direction. We are telling the Department of the Interior to go in and explore, locate, and identify coal on Federal lands. It is breathtaking and daring in its concept. It is also going to cost $1.2 billion and it will be impossible to get compliance with that section.

In addition, it guarantees employment to nonlawyerlike bureaucrats ad infinitum. If this is not remedied by amendments offered by my good friend, the gentleman from Michigan (Mr. RUPPE) of the gentleman from Kansas (Mr. SKUBITZ), I would suggest it would be sufficient cause to veto the bill or certainly to defeat the bill on the floor, because I am sure that once our colleagues understand what is in the bill, they will refuse to go along with this budget-busting aspect of this particular document.

Then my good friend, the gentleman from Ohio, has guaranteed the consumer that he will be protected from antitrust activities of these "monster" producers of coal, and he has done so by building in a mechanism that I think is awesome in its structure and awesome in its potential for the employment of legal minds whose notary work is falling off and who wish to join the Federal staff.

Mr. Chairman, I will tell my friends that I am as willing as anybody to see the underprivileged taken care of. Indeed, I will fight for the underprivileged. The down-and-out lawyer indeed needs to be pitied, but he should not be placed on the backs of the consumers of America in the fashion of this antitrust burden that this bill would place on the back of the Justice Department.

I just want to read one word, and I am going to violate all principle here on the floor of the House and actually tell the Members what is in this bill. I realize that will shock many Members, but I will try not to overdo it.

However, on page 39 of this official document, line 13, there is this language:

> No coal lease may be issued, renewed, or readjusted under this act . . .

Then we go into this long mechanism where it has to be reviewed by the Justice Department.

My friends and colleagues, we have a new word of art here, "readjusted."

The readjustment of a lease might be the dusting off of a lease. It might be the placing of it from file A to file B. It might be even so substantive a change as changing a comma or other punctuation in a sentence.

In that event, the Justice Department is entitled to ask that the mechanism be called into play. A review will take place. A delay will take place. An expense will take place, and the people who are in violation of the antitrust laws will continue to violate the antitrust laws, and nothing will happen except the delay and the enrichment of the bureaucracy.

Mr. Chairman and Members, we have built structures within structures in this bill. I know that now I have convinced the Members of the House, probably the gentlewoman from Hawaii (Mrs. MINK) will ask that the bill be withdrawn from the calendar. I urge that she not do that. I urge that she allow the bill to go down mercifully to defeat. If that be the case, I would only point out that I would wish her well in her new venture, whatever that may be.

Mrs. MINK. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I am delighted to follow the distinguished gentleman from Arizona (Mr. STEIGER), who speaks, as usual, in his lucid and entertaining manner. However, I think that his fears, like his rhetoric, are somewhat exaggerated.

First of all, Mr. Chairman, let me talk about the antitrust provisions of this bill. It is, in substance, identical to the provision which the House of Representatives approved in the Elk Hills bill which passed overwhelmingly in the last session. We had good reason for putting such language in the Elk Hills bill, and we have good reason for putting it in this bill.

Among other industrial giants, the big oil companies have been moving into coal in a very heavy way. As a matter of fact, over 30 percent of all the coal reserves in this country today are controlled by the oil companies. Incidentally, they already control over 60 percent of the Nation's uranium reserves. Many other huge conglomerate corporations have moved into coal, and they hold a great many of the leases that have already been let on Federal coal.

As a matter of fact, if the Members will look at the table on page 16 of the committee report, they will see that 5 of the 15 largest lessees of Federal coal are oil companies, and some of the others are huge corporations such as Kennecott Copper, which also owns Peabody Coal, the biggest coal producer in the United States.

It would be intolerable if the Federal Government, on the one hand, by enforcing the antitrust laws, tries to see that there is not too much concentration and too many anticompetitive situations in the energy industries, and on the other hand, through leasing of Federal coal, turns around and creates the very sort of concentration and the anticompetitive situations which the Attorney General is charged with preventing.

Therefore, Mr. Chairman, we not only have the problem that many of these huge companies have gotten leases and then sat on the coal waiting for the price to rise, I suppose; but we have the problem of preventing monopolistic control of the Nation's coal reserves.

All that this bill does, Mr. Chairman, is to say that before taking any step which would result in a commitment of Federal coal or a change in any commitment, the Secretary of the Interior shall simply advise the Attorney General, who then has 30 days in which to decide whether he wants to recommend some other course of action to the Secretary.

He does not have to recommend anything. He does not even have to look at it as far as the law is concerned but at least he has that opportunity. If the Attorney General objects within that 30-day period to a particular lease or other step, the then Secretary of the Interior can still go ahead but he first has to hold hearings and make a finding that the public interest necessitates going ahead.

I submit that there is nothing earthshaking about that. If it requires the full-time services of one single lawyer in the Department of Justice, I would be very surprised. I am sure it is not going to be any great burden on the Attorney General because, after all, that is his job. He hands out antitrust opinions every day to private industry on whether particular courses of action would violate the antitrust laws, so why should he not do it in the matter of leasing a public asset, the coal owned by the people of the United States?

I will just touch on one other feature that the gentleman from Arizona mentioned. There is another provision, the result of an amendment that I offered in committee, which says that the Secretary shall conduct an exploration program to find out what is there before he starts to lease the coal. Well, that makes sense. Why should the Secretary, potential bidders, and the public not know what coal and other values are in the land before he puts it out for bids, rather than allowing those companies that make their own private explorations to know more than the Secretary does about the commodity on which they are bidding? That is just good business. It will pay back to the taxpayers in higher bid prices far more than it costs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RUPPE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to congratulate all of the members of the Committee on the Interior, particularly the chairman, the gentlewoman from Hawaii (Mrs. MINK) who has worked so hard and long on the Subcommittee on Mines and Mining in order to bring this legislation to the floor today.

I believe there are many positive aspects of the bill, although again I agree with my colleagues that there are a number of provisions in the basic legislation which should be changed. However, I think we should, first of all, acknowledge that there are many positive aspects to the bill before us. It provides for the definition and development of the logical mining unit. It does limit the number of acres that any one company can have under lease in a single State to 46,080 acres. It does provide for the first time for minimum percentage royalties. And it does have, although too specific a plan, in my opinion, it does have some very specific public hearing provisions for hearings on the land use plan and hearings at other times during the process. Also it abolishes preference leasing which I believe is a very desirable change in the basic legislation of 1920.

So I believe on the whole there are many positive aspects to the legislation. I believe that if we are able to make some changes through having some amendments supported on the floor here that it is a piece of legislation which, overall, should demand a positive vote on the floor and hopefully will at some point be signed by the President of the United States.

I would also like, as my predecessors from our side of the aisle have done, to indicate a few places where the legislation should be changed.

For example, in the legislation we have a situation where there could be up to four separate public hearings and comment periods: one on the land use plan, one on the lease sale itself, one on the formation of a logical mining unit and possibly public comment prior to determining the fair market value of the coal. I do believe we should have a hearing on the land use plan and I think we should have a hearing on the lease itself with possibly, at the same time, comments on the market value of the coal, but I do not see a four-prong public hearings or comments program as being desirable in the legislation. I believe we can streamline the actual comment process so that it will only come in two places, and not on all four that are required under the legislation.

Also there is the limitation in this legislation as to the size of the logical mining unit.

Let me say, first of all, that we do have an overall limitation of 46,080 acres. This is a limitation on the number of acres that anyone in a mining company can control in a given State. Given that limitation of 46,080 acres, which I support, and this defining of the amount of acreage a company can lease in any one State, I do not believe that we are well advised to limit the amount of acres in any one mining unit to 25,000 acres. I say that because we did have a statement by the Geological Survey at a point in the committee process when the Geological Survey was testifying on other legislation. We did have a comment at that time concerning a logical mining unit, a mining unit made up of several leases, that totaled well over the 25,000-acre limitation we have in this bill.

As I recall, that logical mining unit was some 40,000 to 60,000 acres. It was very clearly stated by the individuals at the Geological Survey that if a logical mining unit were restricted in size, we would certainly lose some of the coal, because the amount of the coal on the periphery or the amount of the marginal coal would not be removed. If the logical mining unit were limited, we would lose some of the economies of scale of production, and we would certainly lose some of the coal. Some of that coal would definitely not be mined.

Actually, instead of having a more efficient operation, we would have a far less efficient removal of the coal resource.

Also, a minimum royalty has been set at 12½ percent of the value of the coal. In the past there has been no minimum percentage royalty, but as a matter of practice and as a matter of rule, the Secretary has set the minimum royalty at 5 percent. I believe that setting it now at a minimum of 12½ percent is substantially higher than necessary. I believe that this is a provision that should be stricken from the bill.

My colleague, the gentleman from Arizona, has covered in full detail the concern that we have on this side of the aisle, and I might express again the deep concern that the administration has over the comprehensive Federal coal exploration program.

As the gentleman from Arizona has indicated, it would be an extensive and expensive program for the Federal Government to get into, and it is not one that we can see has any particular desirability.

Also I have a great deal of individual concern, a concern again that has been expressed by the administration, in that we have changed the percentage of Federal revenue dollars from coal leasing to go to the States. Heretofore the States have had 37½ percent of all of the moneys coming in under royalty or bonus payments. The legislation before us increases that amount of the revenue to the States from 37½ to 50 percent. It seems to me that at a time when the price of coal has almost tripled, at a time when we are expanding coal production in the West, the States that are so affected are going to get significantly more revenue than they have in the past. It does not seem advisable to me that having gotten more money under the present percentage formula, that that formula has to be increased by another one-third to 50 percent.

With due regard for my very distinguished colleague, the gentleman from Wyoming, and I appreciate his problem, I do believe that under the present legislation we would increase revenues to the State of Wyoming—a State he has fought for so vigilantly—by a substantial margin without increasing the percentage of royalty that would be removed from the Federal Government and returned to the States.

Mr. Chairman, I should like to conclude my remarks by saying that the members of the subcommittee and the full committee have worked very hard and very carefully on this legislation. I hope that we can pass amendments here today so that the legislation will be accepted by all of us on our side of the aisle and also accepted by the administration, because there are many, many desirable features in this legislation. I fervently hope that ultimately with the passage of amendments, it will come out of the House and Senate conference, and it will be signed into law by the President.

Mr. RUPPE. Mr. Chairman, I yield to my colleague, the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, I notice in the report on page 25, under section 11, it states:

> Section 11 amends Section 27(a)(1) of the Mineral Lands Leasing Act (30 U.S.C. 184(a)(1)) to provide that no corporation, person, or association may control more than 100,000 acres of Federal coal lands in the United States at any one time. The 100,000 national acreage limitation is added to any existing limit of 46,080 acres per State.

Would the gentleman care to explain that?

Mr. RUPPE. Mr. Chairman, my understanding of the legislation is that no company can have over 100,000 acres of Federal coal in the United States. There is an individual State limitation as well. The State limitation, I believe, is the 46,080 figure that my colleague has identified and then there is an overall national limitation on the amount of acreage that an individual company can control of Federal lands.

Mrs. MINK. Mr. Chairman, if my colleague will yield further, the 46,080 acres is the existing law; no single company, association or corporation, can have a Federal lease in one State in excess of that figure. The bill before us adds the 100,000 national limitation. Of the 15 corporations that now own the largest acreages of Federal coal leases, none of them exceeds the 100,000-acre limitation at the moment.

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentlewoman.

Mr. RUPPE. Mr. Chairman, I have no further requests for time.

Mrs. MINK. Mr. Chairman, I yield 4 minutes to the gentleman from Utah (Mr. HOWE).

Mr. HOWE. Mr. Chairman, I would like to start by expressing my appreciation to the distinguished gentlewoman from Hawaii (Mrs. MINK), who is the chairman of the Subcommittee on Mines and Mining. I have had the pleasure of serving on that subcommittee since I came to the Congress.

I would also like to commend the gentleman from Michigan (Mr. RUPPE) the ranking minority Member of that subcommittee. I think we have accomplished a great deal in this bill. I think it is significant that we are looking at some of the problems that have arisen in the Leasing Act over the years. The fact that these provisions on coal leasing, part of the Mineral Leasing Act of 1920, have been on the statute books for so many years, I think, in and of itself, gives reason for some review by the committee having jurisdiction. That, I think, has been accomplished in a very fine way by the committee. Many hours, as we have heard from other speakers, have been put into looking into all the provisions of the bill and particularly some of the areas that are problem areas.

It is significant, I think, to review that 533 active Federal coal leases are in existence at the present time, covering 783,000 acres overlying 16 billion tons of coal. All but 19 of these leases are more than 5 years old; but coal production in 1974 totaled 20.6 million tons, about 3 percent of the national total. Another 12 billion tons of coal underlying 478,000 acres, are tied up in preference-right lease applications.

Mr. Chairman, I would like to address most of my remarks first to the provision for increasing the royalties. Later, I will discuss other features. It seems to me logical that royalties should be increased with the idea of trying to route to these producing States the additional 12½ percent, from 37½ to 50 percent of that royalty. My own State of Utah is in a very difficult position at the present time to try to provide adequate facilities in the areas that are burdened by the problems for community facilities where we have new people moving in, new coal production underway, and they are unable to build new housing to serve these people and accommodate them, because we cannot get new water and sewer facilities. We lack the community tax base to be able to provide these things at the present time.

This additional 12.5 percent of the royalties could be directed by the State legislature to address those problems, as the bill directs. Particularly, they would go to the energy impacted areas and the State legislature could make that decision.

We need these additional royalties very badly in these areas that are hard pressed to serve the new people coming in and to shoulder the burden of helping this country find its way out of the energy crisis. The new coal production is a very important part of that effort to try to work our way out of these production problems, and yet we cannot do it without some additional revenue going for facility development.

That, of course, is, I think, the major reason for it. As the gentleman from Michigan has said, producing States will receive some additional funds just by reason of the additional production, but that would not be sufficient, in my opinion, to be able to meet these needs. It seems to me that there are adequate reasons to support that philosophy.

We talk a lot about revenue sharing. We talk about trying to create a new federalism where the States participate. It seems to me that this is an effort in this bill, where we can lead out in attempting to share before those burdens become totally backbreaking for the States. We can send it back to the States where they can meet that problem. Now, let me discuss some further matters.

Mr. Chairman, it has been my pleasure, as a member of the House Interior Committee and as a cosponsor of H.R. 6721, to work for the enactment of legislation badly needed to aid the development of our Nation's vast coal resources and reduce our dependence upon unreliable foreign energy sources. As we all know, recognition of our Nation's energy needs has revived interest in the potential of our vast coal resources. We live in a country that has more than double the equivalent energy supply in our recoverable coal resources than all the oil reserves in the Middle East. It is up to us, therefore, to insure that Government coal development policies reflect the concern in America for energy independence and economic viability.

H.R. 6721 is a significant step in that direction. The bill would step up coal development by expanding Federal leasing, strengthening competitive procedures, and generally insuring the economical and efficient development of our coal resources. Under the bill, all leases would be awarded by competitive bidding and 50 percent of all acreage leased in any 1 year would have to be on a system of bonus deferred payment.

Deferred bonus bidding enables smaller companies to participate in the leasing program by alleviating the necessity for large amounts of "front end" money. In addition, the Secretary of the Interior would be required to lease a reasonable number of tracts to public bodies, including rural electric cooperatives, and thereby improve the competitive position of these important end-users.

The bill includes a provision that treats the serious problem of the underproduction of coal on Federal leases. As we know, the failure of the leasing program to achieve the level of output needed to meet our increased demand for coal prompted the Department of the Interior to halt all coal leasing activities in 1971. During Interior Committee consideration of H.R. 6721, we noted that only 59 of 533 Federal coal leases are currently producing. This amounts to a total production level of slightly more than 3 percent.

With the moratorium on leases still in effect, we felt the urgency of providing incentives that would insure that leases are diligently developed. Accordingly, the bill includes a provision that would terminate any lease not producing commercial amounts after 15 years. This requirement addresses the problem in present coal leasing policy that allows lease speculation by large holding companies and excessive nondevelopment.

Other provisions of the bill that encourage conscientious development of Federal coal leases include antitrust review, consolidation into logical mining units, limitation on acreage to any one individual or firm, and requirements that: First, direct the Secretary to form leasing tracts that permit the mining of all coal which can be economically extracted; and Second, prohibit the Secretary from approving any mining plan which would not achieve the maximum economic recovery of coal within the tract.

Under this bill coal development on Federal lands would not proceed in an arbitrary and negilgent manner. The Secretary would be required, previous to the issuance of any coal lease, to consider the lease against a comprehensive land use plan for Federal lands prepared by the Secretary in consultation with State and local governments and open to public hearing. In addition, the Secretary would have to assess the amount of coal recoverable by both surface and deep mining methods and consider the environmental and economic impacts. All leases would have to be in conformance with the Federal Water Pollution Control Act, and the Clean Air Act. In my opinion, this bill clearly requires the Secretary of the Interior to consider fully the environmental issues involved and follow existing law that provides environmental safeguards.

Finally, H.R. 6721 provides important changes in the treatment of leasing royalties, both in the minimum royalty payable by the lessee and in the State's use of its share.

The minimum royalty for use of Federal lands, now administratively set at 5 percent would be raised by the bill to 12.5 percent. This increase would result in a helpful increase to the Federal Government while making additional funds available for distribution to the States under the royalty disbursement formula. A 12.5-percent minimum royalty is, in my opinion, a reasonable and equitable fee for use of Federal lands and development of our valuable coal resources.

Of vital importance is the provision in the bill that increases the States' share of mineral leasing royalties. Under the existing distribution formula, 37.5 percent of the funds collected from leases is directed to the States for use in the construction of schools and roads, while 52.5 percent is placed in the Bureau of Reclamation fund for reclamation purposes, and 10 percent is given to the U.S. Treasury for general purposes. This means that no money is available to assist energy-impacted communities in meeting the tremendous needs that result from rapid energy development. As we know, energy-impacted communities are extremely hard pressed financially to plan and provide basic community services, such as water and sewer systems, police and fire protection, and medical facilities. Under the change provided in this bill, the States' share of mineral leasing royalties would increase to 50 percent with the new money available for priority application to energy-impacted areas. In my opinion we cannot afford to ignore the needs and problems of communities which suffer the growing pains that enable others to receive the end use benefits of coal production. The social and economic costs of planning, constructing, and generally absorbing the impact of rapid energy development are enormous and cannot be set aside in our consideration of Federal leasing policies. Under the increased States' share, the Bureau of Reclamation has projected that Utah would receive an additional $18 million over the next 5 years, an amount that would be a significant step in helping our State and local governments absorb these costs, and an amount that is reasonable in view of the $95 million that has been realized from mineral leasing royalties in Utah since 1902.

In conclusion, I strongly urge my colleagues to act favorably on this legislation and thereby indicate our intent, in this Congress, to insure that our Nation's vast coal resources are developed and available for a growing America.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in support of H.R. 6721, the Federal Coal Leasing Amendments Act. This legislation amends the Mineral Leasing Act of 1920 to provide a more orderly procedure for the leasing of coal-bearing Federal lands and encourages coal production, as well as providing environmental safeguards.

In my view, this legislation is urgently needed. Oil and natural gas production is declining, and there have been no significant additions to reserves as a result of increased exploration activity. Fortunately, we have enough coal reserves in the United States to last for hundreds of years, with current rates of consumption. But Federal leasing policies are doing very little to encourage the development of these coal reserves.

The Federal Government owns 50 percent of the total coal reserves of this Nation—and in the Western States that Federal percentage is close to 60 percent. Also, ownership patterns and Federal leasing policies affect even more reserves, so the actual total affected by the Government comes close to 80 percent of all known reserves.

However, a sizable portion of these reserves have been leased to private concerns for "development." However, the record clearly shows a history of "nondevelopment." Of the 533 active Federal coal leases—which involve over 16 billion tons of coal—only 59 are producing coal. In 1974, these active leases produced only slightly more than 3 percent of the national total. Producers cannot contend that they had inadequate time to develop these reserves—since all but 19 of these leases are more than 5 years old. In fact, some of these leases are more than 20 years old, and some were leased as much as 40 years ago.

The Ford energy policy project released a report which found that—

> The coal leasing program presents a clear picture of private speculation at the public expense. In the past decades, but particularly in the 1960's, vast amounts of Federal coal passed freely to private ownership under situations of little or no competition and extremely low payments.

A report issued by the Bureau of Land Management in November of 1970 showed that 91.5 percent of all active leases in existence at the time of the study were not producing coal. One result of this study was an order issued by the Secretary of the Interior suspending further issuance of coal prospecting permits and halting all Federal coal leasing, except under short-term relief criteria. This moratorium commenced February 1973, and is still in effect.

Of course, this moratorium is not doing much for coal production, but we are seeing a lot of paperwork generated by the Department of the Interior, including proposed regulations that define such things as "the logical mining unit" and "diligent development" and "continuous operation." The Mineral Leasing Act of 1920 authorizes the issuance of coal leases for an indeterminate period upon condition of "diligent development" and "continued operation" of the mine. I have my doubts about the efficiency of the Department of the Interior when it takes them 55 years to come up with an adequate definition of those terms.

Mr. Chairman, I would like to raise another point which deserves the consideration of my colleagues: The acquisition of coal reserves and production capacity by the U.S. oil industry—acquisitions which have increased since the early 1960's.

The first major acquisition occurred in 1963, when Gulf Oil absorbed the Pittsburgh & Midway Coal Co. Then, in 1966, the Justice Department concluded that Continnental Oil's purchase of the Consolidation Coal Co. warranted no antitrust action—even though this acquisition accounted for 11 percent of the Nation's coal production.

Of course, this action by the Justice Department encouraged similar acquisition activity by other oil companies. The result is that today 2 of the 3 largest coal producers, 5 of the largest 10, and 7 of the largest 15 are oil companies. Of the top 15 coal producers, only 3 are independent companies. By 1971, oil companies were controlling 20 percent of the Nation's coal output.

Coal production capacity in the hands of the oil industry is an important issue. However, equally important is the extent of coal reserves in the hands of the oil industry.

Seven oil companies own 26 billion tons of the Nation's estimated coal reserves. At the conclusion of my remarks, I will include a chart outlining estimated reserves and production of coal by company in 1971.

The extent of coal reserve ownership by oil companies raises serious questions in my mind.

Is it not possible that these companies could be in a position to limit interfuel competition by withholding coal supplies by nondevelopment of reserves?

Is it not possible that these same companies are waiting for the price of coal to increase before they initiate production activity?

And, if this is the case, to what extent have the leasing policies of the Department of the Interior contributed to this oil company strategy?

And, most importantly, whose interest has been served by the leasing policies of the Department of the Interior? From my vantage point, I can clearly see that the public interest has been sacrificed to the financial ambitions of the major oil corporations.

Mr. Chairman, the legislation before us today attacks the concentration of holdings problem in a forthright manner. It tightens up the definition of corporate entities and sets up a new national limit of 100,000 acres. The bill also reduces the bidding advantage of major corporate entities by requiring that 50 percent of all acreage leased in any 1 year be on a system of deferred bonus bidding. This reduces front end capital outlay, and encourages the participation of smaller corporations in the bidding and production process. Additionally, the bill requires that a "reasonable number" of leasing tracts be reserved and offered for lease to public entities which produce energy.

Mr. Chairman, this legislation also contains provisions that will require the Secretary of the Interior to insure that the public is getting a fair return for the development of public coal resources, and that these resources are developed at a maximum rate of recovery. These provisions, along with much-needed environmental safeguards and information-gathering mechanisms, deserve the full support of the House.

Mr. Chairman, I commend my colleagues on the House Committee on the Interior and Insular Affairs for their efforts in developing this legislation, and I urge my colleagues to join with me in voting for the adoption of this vital legislation.

Mr. Chairman, I include at this point in my remarks two charts showing the extent of oil company ownership of both coal reserves and coal production capacity:

TABLE 7.—EXTENT OF OIL INDUSTRY CONTROL OF COAL PRODUCTION, 1971

Acquiring firm—Acquired firm	Acquired firm percent of market	Date of acquisition
Gulf Oil—Pittsburgh & Midway Coal	1.3	1963
Continental Oil—Consolidation Coal	9.9	1966
Occidental Petroleum—Island Creek Coal	4.1	1968
Standard Oil (Ohio)—Old Ben Coal	1.9	1968
Ashland Oil[1] —Arch Mineral [1]	[1] 1.1	1968
Eastern Gas & Fuel—Eastern Associated Coal	2.1	1969-70
Total	20.4	

TABLE 8.—ESTIMATED RESERVES AND PRODUCTION OF COAL, BY COMPANY, 1971

Company	Estimated reserves		Production 1971 (million tons)
	Total (million tons)	Low sulfur (percent)	
Burlington Northern	11.0	100	None
Union Pacific	10.0	+50	None
Kennecott Copper (Peabody Coal)	8.7	27	54.8
Continental Coal (Consolidation Coal)	8.1	35	54.8
Exxon (Monetery Coal)	7.0	NA	1.2
American Metal Climax (Amax Coal)	4.0	50	12.5
Occidental Petroleum (Island Creek Coal)	3.3	28	22.8
United States Steel	3.0	NA	16.6
Gulf Oil (Pitts. & Midway Coal)	2.6	8	7.0
North Americal Coal	2.5	80	8.8
Reynolds Metal	2.1	95	None
Bethlehem Steel	1.8	NA	12.0
Pacific Power & Light	1.6	100	1.7
American Electric Power	1.5	(1)	5.5
Eastern Gas & Fuel Assoc. (Eastern Assoc. Coal)	1.5	33	11.7
Kerr-McGee	1.5	60	(1)
Norfolk & Western RR	1.4	99	None
Utah International	1.3	94	6.8
Westmoreland Coal	1.2	88	8.4
Pittston Co	+1	100	20.1
Montana Power (Western Energy)	1	100	5.1
Standard Oil (Ohio) (Old Ben Coal)	.8	(1)	10.5
Ziegler Coal	.8	0	4.0
General Dynamics (Freeman/United Elec.)	.6	0	11.5
Rochester & Pitts. Coal	.3	0	4.3
Carbon Fuel	.1	97	2.6
American Smelting & Refining (Midland Coal)	.1	0	4.0

[1] Minimal.

Source: Forbes, Nov. 15, 1972.

Mr. DON H. CLAUSEN. Mr. Chairman, I appreciate the efforts of my colleagues on the House Interior and Insular Affairs Committee who have been working to advance this legislation. I am particularly thankful for the support I have received for my proposal to increase the percentage of royalty revenues from geothermal leases distributed to the States.

This provision has the potential of broadening the Federal revenue input and tax base of those areas where geothermal resources exist. This effort is a part of our continuing efforts to bring about a more equitable formula for sharing royalty revenues on public land resource leases and the ultimate adoption of the payment in lieu of taxes principle. Acceptance of this provision in the bill represents a major move toward the acceptance of the payments in lieu of taxes concept.

At the present time, geothermal receipts are treated as if received from the sale of public lands and only 5 percent of the money is returned to the States. In addition, no specific allocation commitment is given to the areas affected by the development of the resource.

My proposal provides that 50 percent of the royalty revenues will be allocated to the States. Thirty-seven and a half percent will be earmarked for construction and maintenance of public roads and for the support of public schools. The remaining 12½ percent does not carry this restriction. It may be used by State and local government as the State legislature directs with priority going to the impacted areas for construction and maintenance of public facilities and provision of public services.

The old practice of directing all funds to schools and roads overlooks the broader impact the development of these resources has on the surrounding areas. New job opportunities attract significant numbers of families to the area. These spurts in population demand a variety of new public services and facilities.

My proposal provides that geothermal leases will be treated similar to mineral leases. This idea is a logical extension of the existing authority. I feel that energy producing leases issued by the Federal Government should be treated alike.

Again, let me say that this is only the first step in our efforts to establish a payments in lieu of taxes program to insure the equitable allocation of revenues to our States and communities where the existence of public lands has undermined the tax base. I shall continue to press for adoption of this principle.

Mr. DRINAN. Mr. Chairman, I rise in strong support of the Federal Coal Leasing Amendments Act, H.R. 6721, as the first solution to rectifying a scandalous national energy problem. At a time when America's energy needs are critical, Congress finds that the Department of Interior has been doing an entirely inadequate job in reaping the rich deposits of coal which are available on Federal lands. This legislation should help to correct the problem, but it cannot cover up the huge failings of this administration to take advantage of the country's vast coal resources.

Coal is by far the most abundant domestic energy source, comprising approximately 88 percent of the total fossil fuel reserves. By contrast, oil and natural gas only total about 6 percent each. At current rates of production, it is estimated that the United States would have coal reserves sufficient to last 725 years.

Mr. Chairman, in investigating the coal supplies in the United States, we find that the Federal Government owns 50 percent of the total reserves. In our Western States, this astounding figure is even higher, with approximately 60 percent of the coal in Government hands. In addition, Federal leasing policy may affect over 80 percent of all known reserves in the West.

I believe that most citizens would feel that it is a "plus" that the majority of coal holdings are in the hands of the Federal Government. In this case, an aggressive coal mining program could be established to mine these known reserves without having to deal with the proprietary interests of huge oil companies and energy conglomerates. The energy supplies are there—we only have to mine them.

Despite the promise of rich fossil fuel returns, further investigation into the coal situation demonstrates how the Federal Government has let the public down. We find that while 535 leases have been executed by the Department of the Interior, only 59 are currently producing coal. In 1974, these active Federal coal leases produced a mere 20.6 million tons of coal, slightly more than 3 percent of the national total.

Mr. Chairman, the scandalous inactivity of the Government in this area is highlighted by the fact that while only 20.6 million tons of coal were produced in 1 year, 16 billion tons of reserves have been available for development since 1970. It goes without saying that rational Federal coal policies should contribute far more than 3 percent of the total. It is obvious that the leaseholders of Federal lands are not developing this country's valuable energy resources at the most effective and efficient rate.

The inadequacies of the present coal program are doubly distressing in view of the fact that this situation has been known for at last 5 years. In 1970, the Bureau of Land Management released a study which showed that 91.5 percent of all leases on Federal lands were not producing coal, even though the amount of land leased had been increased sharply. The General Accounting Office filed a similar report in 1972, the GAO finding that "relatively little mining of Federal coal deposits had taken place and that most lease holders had no immediate plans" to begin developing their leases. It might have been thought that these reports would spur the Department of the Interior into action, but a followup GAO report released in April 1975, stated that Interior still does not require coal production "within a specific time," further exacerbating the problem of leasing inactivity.

In view of these early 1970's findings, it is appalling to see the Bureau of Land Management's response. No leases were issued during the period from May 1971, to February 1973. Then in February of 1973, the Secretary of the Interior declared a moratorium on the further issuance of coal prospecting permits and halted all Federal coal leasing pending an examination of the situation. Although the energy crisis occurred shortly thereafter, this dramatic effect was not enough to stir the Department into action.

Mr. Chairman, in addition to the lack of leasing, I find the concentration of holdings of existing leasing to be highly questionable. Approximately 66 percent of the Federal and Indian acreage under lease is held by 15 *leaseholders*. This statistic reflects the trend of dominance in the energy field by a handful of major corporations, most prevalently, huge oil companies. Among the top 15 leaseholders, I note the dominating presence of Continental Oil Co., Shell Oil Co., Gulf Oil Corp., Sun Oil Co., and Atlantic Richfield Co.

The existence of such concentration is not accidental, Mr. Chairman. This dominance is due to the cash bonus bidding system which is used by the Bureau of Land Management. This system requires large amounts of capital which can normally be raised only by the giants in the energy industries. A second factor involved here is the unfortunate revision of the Mineral Leasing Act in 1964 which increased the total acreage which can be controlled by any one entity in a State. Consequently, the number of large companies were able to further expand their concentration of leaseholds.

Against this ignominious backdrop, Mr. Chairman, the House Interior Committee has brought to the floor the Federal Coal Leasing Amendments Act. This bill will amend the coal provisions in the 1920 Mineral Leasing Act and should finally compel the Federal Government to develop its fossil fuel resources. H.R. 6712 would require a termination of any coal lease which is not producing in commercial quantities at the end of 15 years.

Leases already in existence would be exempt from this provision, but the lessees could not acquire any new leases while they continue to hold nonproducing tracts.

The bill would require leases to be awarded only by competitive bidding, and 50 percent of all acreage leased in any 1 year would have to be on the system of deferred bonus bidding. This provision will insure that smaller energy companies become involved in mining Federal lands by not requiring large front-end capital. The act would also require that a bid would not be accepted unless it is at least as high as the fair market value of the leasehold. This would correct the commonly prevailing situation of insufficient compensation being received by the Federal Government for leases that are made.

Other sections in the Coal Leasing Act establish requirements for the comprehensive land use and reclamation planning to protect the environment. The State share of funds returned from the sale of Federal leases would also be increased from 37.5 to 50 percent, helping the States to provide for planning, public facilities, and services which must be provided where communities are impacted by the mineral development.

Mr. Chairman, I do feel that the Department of the Interior's record in the coal leasing area is scandalous. Over the past year, President Ford has told the Congress again and again that America's energy resources could only be developed through a substantial increase in fuel prices. It has been his contention that without such price increases, the United States was doomed to energy insufficiency. I believe that the coal situation is an excellent example of how the President has attempted to mislead the American public. In case after case we find that price has little to do with the amount of energy that is developed. Instead, it is often due to governmental inaction, lack of forceful planning and commitment on the part of the public and private sector, and corporate greed by many of America's energy conglomerates.

I realize that solutions to our energy difficulties are not often easy to achieve. However, in the case of the Department of the Interior's coal leasing activities, there can be no question that the administration must carry a heavy burden for not adequately developing Federal coal holdings. If President Ford genuinely wants to contribute to U.S. energy independence, he can start at home by insuring that the Bureau of Land Management aggressively leases the coal reserves which are prevalent on so many of our Federal lands. Under the terms of this bill, this development can take place in a rapid and environmentally safe manner.

Mr. BAUCUS. Mr. Chairman, few believe that the Mineral Lands Leasing Act of 1920 as it now stands is adequate to the task of developing America's coal. The Interior Committee has reported both the failings of the act and the omissions of the Department of Interior with respect to leasing Federal coal. The situation, notwithstanding the current leasing moratorium, is clearly intolerable. The Department of Interior has leased publicly owned coal in excess of demand to the extent that 28 billion tons of Federal coal is in the hands of private concerns. Yet, in 1974, only 20.6 million tons of coal was produced from these holdings—about 3 percent of the total national production. Even more dramatic is the realization that the American public owns half the coal in the country under the name of the Government of the United States. Something—somewhere—is wrong, especially in light of the committee's revelation that 66 percent of the leased lands is held by 15 major corporations. This is due to a system of bidding that demands payment of healthy cash bonuses which in turn excludes smaller firms from competition.

Failings in the present system abound. H.R. 6721 strives admirably to correct those failings and, in my estimation, succeeds. The bill insures a fair royalty return on federally owned coal. It establishes a genuine system of competitive bidding on a deferred bonus basis, requires an assessment of the environmental and economic effects of mining Federal coal, and increases by 12.5 percent the States' share of Federal leasing revenues. The bill would promote maximum economic recovery of federally owned coal by prohibiting the Secretary of Interior from approving mining plans that accomplish anything less than maximum economic recovery. Further, any new leases not producing coal at the end of 15 years would be terminated.

Mr. Chairman, H.R. 6721 is a good bill. I hope we pass it and that the President signs it into law. We must not, however, consider our mission complete with respect to strip mining. We still have no surface mining control bill. Distressing questions remain over whether the Department of Interior possesses either the capacity or the will to safeguard the people and the land against the adverse effects of strip mining. We in the coal-rich West fear the possibility of being denied our basic right to clean air, clean water, and livable land in the name of a national energy policy.

The problem with the present national energy policy is that it emphasizes surface coal mining and therefore places an inordinate burden on the citizens of Western coal States. Montana, for example, has 107.7 billion tons of coal, 41 percent of it federally owned. Montana's 17 Federal coal leases encompass 36,232 acres of our land and represent approximately 1.2 billion tons of coal.

The Department of Interior admits to seeing its mission in terms of a national policy which is not necessarily mindful of regional or State interest. This, I believe, was the thrust of the Department's arguments before the Supreme Court over Wyoming's Eastern Powder River Basin controversy and the need for a regional impact statement on coal development. On January 12, 1976, the Court agreed to review a U.S. court of appeals decision that would have required a coal mining impact statement covering approximately 90,000 square miles in Montana, the Dakotas, and Wyoming before mining permits could be issued.

The Department of Interior charged that the appeals court had ignored the possibility that the Federal coal leasing program is national rather than regional, and that its national impact statement on Federal coal leasing was sufficient to justify issuance of mining permits.

Mr. Chairman, we in the House are very familiar with that argument. We spent days and weeks in debate and analysis of that argument during our consideration of a surface mining bill. In the absence of a surface mining law, I suspect that the courts will continue to determine whether mining permits will be issued where controversies occur.

I am grateful that H.R. 6721 contains provisions for environmental and economic impact statements, and that the bill requires adherence to the Federal Water Pollution Control Act and the Clean Air Act. I am equally grateful that it requires the Secretary of Interior to formulate a comprehensive land use plan prior to leasing lands containing coal deposits. These provisions, however, are no substitute for a surface mining control and reclamation bill. Montanans know that well.

On June 11, 1975, in the wake of Congress inability to override the President's veto of surface mining legislation, I introduced H.R. 7780, a bill to prohibit coal leasing until enactment of a Federal statute regulating surface mining in all lands in the United States. I was not alone in this effort. Other Members did the same. I hope that the discussion of H.R. 6721 will again focus attention on the end result of Federal coal leasing—strip mining. We can reform our leasing laws and procedures, guarantee the public a fair royalty, eliminate abusive speculation and concentration of holdings—all admirable causes. These, once achieved, do not erase the need for solid surface mining regulations and provisions for reclamation.

I strongly support H.R. 6721, knowing that the Department of Interior may have effected the bill's provisions prior to passage of my bill or a strip mining bill. This knowledge compels me to vote for Mr. PAUL SIMON's amendment which would allow a State Governor to delay Federal coal leasing within his State for up to 1 year. Such an ability would enable the States to generate greater recognition by both the Department of Interior and the lessees of the individual States' interests with respect to the effects of strip mining. Such delays could be avoided only through conformance to State leasing, mining, and reclamation requirements.

Montana has good mining and leasing laws. We Montanans have recognized our interests and we can protect them. This amendment would enable us to make that experience count, regardless of whether the Department of Interior is following a national or regional coal leasing policy. I urge my colleagues to support this amendment.

Mrs. MINK. Mr. Chairman, I have just today received a letter from Mr. Arnold Miller, President of the United Mine Workers of America. Mr. Miller states that H.R. 6721 has "the complete support" of his union, which of course includes many people who are intimately familiar with the importance of federally owned coal in our national energy picture. Mr. Miller, in his letter, alludes to the problems in the existing system for leasing of these coal resources, problems which, as he points out, have led to the imposition of a moratorium on further leasing. Mr. Miller states that the United Mine Workers are endorsing H.R. 6721 because, as he puts it, the bill "addresses these specific problems and also serves to modernize and rationalize the program."

Mr. Chairman, I am delighted to acknowledge the welcome support of the United Mine Workers for this legislation, and I request that Mr. Miller's letter be inserted in the RECORD at this point:

UNITED MINE WORKERS OF AMERICA,
Washington, D.C., January 19, 1976.

Hon. PATSY MINK,
The U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN: A large proportion of our domestic energy supply consists of federally owned coal. At the present time the further exploitation of these coal reserves is hindered by the moratorium on the leasing of federal coal. The moratorium was instituted because of the many problems which plagued the leasing program. These problems included concern over the non-production of existing leases, the lack of a comprehensive land use policy for the affected lands, the failure of the program to generate reasonable revenues for the federal and state governments and the general uncontrolled and irrational nature of the program. H.R. 6721 addresses these specific problems and also serves to modernize and rationalize the program.

H.R. 6721 has the complete support of the UMWA. It is the result of many long hours of hard work by the House Subcommitee on Mines and Mining and the full Committee on Interior and Insular Affairs. H.R. 6721 alleviates the problems which led to the moratorium on coal leasing and does so in an equitable and workable fashion. It should receive the support of all Members of Congress who are rightfully concerned about our nation's energy predicament.

The UMWA endorses this bill for its strong solutions to some very complex problems. It provides for competitive bidding for leases and installment payment of the bid. This helps smaller companies compete with larger companies. The bill contains a termination clause for nonproductive leases which will end speculation and stimulate production; it increases the minimum royalty rate to insure a reasonable rate of return on the resources; and it alters the royalty revenue distribution formula so that areas adversely impacted by the mining of federal coal will receive a fair share of the revenue. It allows for the consolidation of adjacent leases into logical mining units; provides for land use policy formulation; and mandates a comprehensive inventory of the nation's coal reserves. The bill is a prime example of excellent legislative work.

The UMWA urges your support of the bill and your opposition to weakening and crippling amendments. Specifically, we oppose amendments that will strike the anti-trust language in the bill, delete the comprehensive exploratory program, eliminate various stages of public hearings or remove the acreage limitation on the logical mining unit. The UMWA also opposes amendments which will reduce the minimum royalty or which will revert back to the original royalty revenue distribution formula. Finally, the UMWA opposes any attempts to strike the provision which presently prevents railroads from mining coal. If this amendment passes, the western railroads will have a tremendous advantage over other competitors in the leasing of federal coal.

The bill, in its present form, provides much needed reform in all areas of the coal leasing program. All its provisions are concerned with the public interest. H.R. 6721 deserves your support and the UMWA hopes that the bill will receive it, not only during final passage, but also during the process of amending the legislation.

Sincerely yours,

ARNOLD MILLER.

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read the substitute committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Federal Coal Leasing Amendments Act of 1975".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision of the Mineral Lands Leasing Act, the reference shall be considered to be made to a section or other provision of the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain" (41 Stat. 437).

Sec. 2. The first sentence of section 2(a) of the Mineral Lands Leasing Act (30 U.S.C. 201(a)) is amended to read as follows:

"(1) The Secretary of the Interior is authorized to divide any lands subject to this Act which have been classified for coal leasing into leasing tracts of such size as he finds appropriate and in the public interest and which will permit the mining of all coal which can be economically extracted in such tract and thereafter he shall, in his discretion, upon the request of any qualified applicant or on his own motion, from time to time, offer such lands for leasing and shall award leases thereon by competitive bidding. No less than 50 per centum of the total acreage offered for lease by the Secretary in any one year shall be leased under a system of deferred bonus payment. Upon default or cancellation of any coal lease for which bonus payments are due, any unpaid remainder of the bid shall be immediately payable to the United States. A reasonable number of leasing tracts shall be reserved and offered for lease in accordance with this section to public bodies, including Federal agencies, rural electric cooperatives, or nonprofit corporations controlled by any of such entities: *Provided,* That the coal so offered for lease shall be for use by such entity or entities in implementing a definite plan to produce energy for their own use or for sale to their members or customers (except for short-term sales to others). No bid shall be accepted which is less than the fair market value, as determined by the Secretary, of the coal subject to the lease. Prior to his determination of the fair market value of the coal subject to the lease, the Secretary shall give opportunity for and consideration to public comments on the fair market value. Nothing in this section shall be construed to require the Secretary to make public his judgment as to the fair market value of the coal to be leased, or the comments he receives thereon prior to the issuance of the lease.".

Sec. 3. The last sentence of section 2(a) of the Mineral Lands Leasing Act (30 U.S.C. 201(a)) is amended to read as follows:

"(2) The Secretary shall not issue a lease or leases under the terms of this Act to any person, association, corporation, or any subsidiary, affiliate, or persons controlled by or under common control with such person, association, or corporation, where any such entity holds a lease or leases issued by the United States to coal deposits and has held such lease or leases for a period of fifteen years when such entity is not, except as provided for in section 7(b) of this Act, producing coal from the lease deposits in commercial quantities. In computing the fifteen-year period referred to in the preceding sentence, periods of time prior to the date of enactment of the Federal Coal Leasing Amendments Act of 1975 shall not be counted.

"(3)(A)(i) No lease sale shall be held unless the lands containing the coal deposits have been included in a comprehensive land-use plan and such sale is compatible with such plan. The Secretary of the Interior shall prepare such land-use plans on lands under his responsibility where such plans have not been previously prepared. The Secretary of the Interior shall inform the Secretary of Agriculture of substantial development interest in coal leasing on lands within the National Forest System. Upon receipt of such notification from the Secretary of the Interior, the Secretary of Agriculture shall prepare a comprehensive land-use plan for such areas where such plans have not been previously prepared. The plan of the Secretary of Agriculture shall take into consideration the proposed coal development in these lands: *Provided,* That where the Secretary of the Interior finds that because of non-Federal interest in the surface or because the coal resources are insufficient to justify the preparation cost of a Federal comprehensive land-use plan, the lease sale can be held if the lands containing the coal deposits have been included in either a comprehensive land-use plan prepared by the State within which the lands are located or a land use analysis prepared by the Secretary of the Interior.

"(ii) In preparing such land-use plans, the Secretary of the Interior or, in the case of lands within the National Forest System, the Secretary of Agriculture, or in the case of a finding by the Secretary of the Interior that because of non-Federal interests in the surface or insufficient Federal coal, no Federal comprehensive land-use plans can be appropriately prepared, the responsible State entity shall consult with appropriate State agencies and local governments and the general public and shall provide an opportunity for public hearing on proposed plans prior to their adoption, if requested by any person having an interest which is, or may be, adversely affected by the adoption of such plans.

"(iii) Leases covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon consent of the other Federal agency and upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

"(B) Each land-use plan prepared by the Secretary (or in the case of lands within the National Forest System, the Secretary of Agriculture pursuant to subparagraph (A)(i)) shall include an assessment of the amount of coal deposits in such land, identifying the amount of such coal which is recoverable by deep mining operations and the amount of such coal which is recoverable by surface mining operations.

"(C) Prior to issuance of any coal lease, the Secretary shall consider effects which mining of the proposed lease might have on an impacted community or area, including, but not limited to, impacts on the environment, on agricultural and other economic activities, and on public services. Prior to issuance of a lease, the Secretary shall evaluate and compare the effects of recovering coal by deep mining, by surface mining, and by any other method to determine which method or methods or sequence of methods achieves the maximum economic recovery of the coal within the proposed leasing tract. This evaluation and comparison by the Secretary shall be in writing but shall not prohibit the issuance of a lease; however, no mining operating plan shall be approved which is not found to achieve the maximum economic recovery of the coal within the tract. Adequate public hearings in the area shall be held by the Secretary prior to approval of the lease.

"(D) No competitive lease of coal shall be approved or issued until after the notice of the proposed offering for lease has been given once a week for three consecutive weeks in a newspaper of general circulation in the county in which the lands are situated in accordance with regulations prescribed by the Secretary.

"(E) Each coal lease shall contain provisions requiring compliance with the Federal Water Pollution Control Act (33 U.S.C. 1151–1175) and the Clean Air Act (42 U.S.C. 1857 and following).".

Sec. 4. Subject to valid existing rights, section 2(b) of the Mineral Lands Leasing Act (30 U.S.C. 201(b)) is amended to read as follows:

"(b)(1) The Secretary may, under such regulations as he may prescribe, issue to any person an exploration license. No person may conduct coal exploration for commercial purposes for any coal on lands subject to this Act without such an exploration license. Each exploration license shall be for a term of not more than two years and shall be subject to a reasonable fee. An exploration license shall confer no right to a lease under this Act. The issuance of exploration licenses shall not preclude the Secretary from issuing coal leases at such times and locations and to such persons as he deems appropriate. No exploration license will be issued for any land on which a coal lease has been issued. A separate exploration license will be required for exploration in each State. An application for an exploration license shall identify general areas and probable methods of exploration. Each exploration license shall contain such reasonable conditions as the Secretary may require, including conditions to insure the protection of the environment, and shall be subject to all applicable Federal, State, and local laws and regulations. Upon violation of any such conditions or laws the Secretary may revoke the exploration license.

"(2) A licensee may not cause substantial disturbance to the natural land surface. He may not remove any coal for sale but may remove a reasonable amount of coal from the lands subject to this Act included under his license for analysis and study. A licensee must comply with all applicable rules and regulations of the Federal agency having jurisdiction over the surface of the lands subject to this Act. Exploration licenses covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

"(3) The licensee shall furnish to the Secretary copies of all data (including, but not limited to, geological, geophysical, and core drilling analyses) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased or until such time as he determines that making the data available to the public would not damage the competitive position of the licensee, whichever comes first.

"(4) Any person who willfully conducts coal exploration for commercial purposes on lands subject to this Act without an exploration license issued hereunder shall be subject to a fine of not more than $1,000 for each day of violation. All data collected by said person on any Federal lands as a result of such violation shall be made immediately available to the Secretary, who shall make the data available to the public as soon as it is practicable. No penalty under this subsection shall be assessed unless such person is given notice and opportunity for a hearing with respect to such violation.".

Sec. 5. (a) Subject to valid existing rights, subsections 2(c) and 2(d) of the Act of August 31, 1964 (78 Stat. 710; 30 U.S.C. 201–1) are hereby repealed.

(b) Section 2 of the Mineral Lands Leasing Act is amended by the addition of the following new subsection at the end thereof:

"(d) (1) The Secretary, upon determining that maximum economic recovery of the coal deposit or deposits is served thereby, may approve the consolidation of coal leases into a logical mining unit. Such consolidation may only take place after a public hearing, if requested by any person whose interest is or may be adversely affected. A logical mining unit is an area of land in which the coal resources can be developed in an efficient, economical, and orderly manner as a unit with due regard to conservation of coal reserves and other resources. A logical mining unit may consist of one or more Federal leaseholds, and may include intervening or adjacent lands in which the United States does not own the coal resources, but all the lands in a logical mining unit must be under the effective control of a single operator, be able to be developed and operated as a single operation and be contiguous.

"(2) After the Secretary has approved the establishment of a logical mining unit, any mining plan approved for that unit must require such diligent development, operation, and production that the reserves of the entire unit will be mined within a period established by the Secretary which shall not be more than forty years.

"(3) In approving a logical mining unit, the Secretary may provide, among other things, that (i) diligent development, continuous operation, and production on any Federal lease or non-Federal land in the logical mining unit shall be construed as occurring on all Federal leases in that logical mining unit, and (ii) the rentals and royalties for all Federal leases in a logical mining unit may be combined, and advanced royalties paid for any lease within a logical mining unit may be credited against such combined royalties.

"(4) The Secretary may amend the provisions of any lease included in a logical mining unit so that mining under that lease will be consistent with the requirements imposed on that logical mining unit.

"(5) Leases issued before the date of enactment of this Act may be included with the consent of all leases in such logical mining unit, and, if so included, shall be subject to the provisions of this section.

"(6) By regulation the Secretary may require a lessee under this Act to form a logical mining unit, and may provide for determination of participating acreage within a unit.

"(7) No logical mining unit shall be approved by the Secretary if the total acreage (both Federal and non-Federal) of the unit would exceed twenty-five thousand acres.

"(8) Nothing in this section shall be construed to waive the acreage limitations for coal leases contained in section 27(a) of the Mineral Lands Leasing Act (30 U.S.C. 184 (a)).".

Sec. 6. Section 7 of the Mineral Lands Leasing Act (30 U.S.C. 207) is amended to read as follows:

"Sec. 7. (a) A coal lease shall be for a term of twenty years and for so long thereafter as coal is produced annually in commercial quantities from that lease. Any lease which is not producing in commerical quantities at the end of fifteen years shall be terminated. The Secretary shall by regulation prescribe annual rentals on leases. A lease shall require payment of a royalty in such amount as the Secretary shall determine of not less than 12½ per centum of the value of coal as defined by regulation, except the Secretary may determine a lesser amount in the case of coal recovered by underground mining operations. The lease shall include such other terms and conditions as the Secretary shall determine. Such rentals and royalties and other terms and conditions of the lease will be subject to readjustment at the end of its primary term of twenty years and at the end of each ten-year period thereafter if the lease is extended.

"(b) Each lease shall be subject to the conditions of diligent development and continued operation of the mine or mines, except where operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee. The Secretary of the Interior, upon determining that the public interest will be served thereby, may suspend the condition of continued operation upon the payment of advance royalties. Such advance royalties shall be no less than the production royalty which would otherwise be paid and shall be computed on a fixed reserve to production ratio (determined by the Secretary). The aggregate number of years during the period of any lease for which advance royalties may be accepted in lieu of the condition of continued operation shall not exceed fifteen. The amount of any production royalty paid for any year shall be reduced (but not below 0) by the amount of any advance royalties paid under such lease to the extent that such advance royalties have not been used to reduce production royalties for a prior year. No advance royalty paid during the initial twenty-year term of a lease shall be used to reduce a production royalty after the twentieth year of a lease. The Secretary may, upon six months' notification to the lessee cease to accept advance royalties in lieu of the requirement of continued operation. Nothing in this subsection shall be construed to affect the requirement contained in the second sentence of subsection (a) relating to commencement of production at the end of fifteen years.

"(c) Prior to taking any action on a leasehold which might cause a significant disturbance of the environment, and not later than three years after a lease is issued, the lessee shall submit for the Secretary's approval an operation and reclamation plan. The Secretary shall approve or disapprove the plan or require that it be modified. Where the land involved is under the surface jurisdiction of another Federal agency, that other agency must consent to the terms of such approval.".

Sec. 7. The Mineral Lands Leasing Act is amended by inserting after section 8 the following new section 8A:

"Sec. 8A. (a) The Secretary is authorized and directed to conduct a comprehensive exploratory program designed to obtain sufficient data and information to evaluate the extent, location, and potential for developing the known recoverable coal resources within the coal lands subject to this Act. This program shall be designed to obtain the resource information necessary for determining whether commercial quantities of coal are present and the geographical extent of the coal fields and for estimating the amount of such coal which is recoverable by deep mining operations and the amount of such coal which is recoverable by surface mining operations in order to provide a basis for—

"(1) developing a comprehensive land use plan pursuant to section 2;

"(2) improving the information regarding the value of public resources and revenues which should be expected from leasing;

"(3) increasing competition among producers of coal, or products derived from the conversion of coal, by providing data and information to all potential bidders equally and equitably;

"(4) providing the public with information on the nature of the coal deposits and the associated stratum and the value of the public resources being offered for sale; and

"(5) providing the basis for the assessment of the amount of coal deposits in those lands subject to this Act under subparagraph (B) of section 2(a) (3).

"(b) The Secretary, through the United States Geological Survey, is authorized to conduct seismic, geophysical, geochemical, or stratigraphic drilling, or to contract for or purchase the results of such exploratory activities from commercial or other sources which may be needed to implement the provisions of this section.

"(c) Nothing in this section shall limit any person from conducting exploratory geophysical surveys including seismic, geophysical, chemical surveys to the extent permitted by section 2(b). The information obtained from the exploratory drilling carried out by a person not under contract with the United States Government for such drilling prior to award of a lease shall be provided the confidentiality pursuant to subsection (d).

"(d) The Secretary shall make available to the public by appropriate means all data, information, maps, interpretations, and surveys which are obtained directly by the Department of the Interior or under a service contract pursuant to subsection (b). The Secretary shall maintain a confidentiality of all proprietary data or information purchased from commercial sources while not under contract with the United States Government until after the areas involved have been leased.

"(e) All Federal departments or agencies are authorized and directed to provide the Secretary with any information or data that may be deemed necessary to assist the Secretary in implementing the exploratory program pursuant to this section. Proprietary information or data provided to the Secretary under the provisions of this subsection shall remain confidential for such period of time as agreed to by the head of the department or agency from whom the information is requested. In addition, the Secretary is authorized and directed to utilize the existing capabilities and resources of other Federal departments and agencies by appropriate agreement.

"(f) The Secretary is directed to prepare, publish, and keep current a series of detailed geological, and geophysical maps of, and reports concerning, all coal lands to be offered for leasing under this Act, based on data and information compiled pursuant to this section. Such maps and reports shall be prepared and revised at reasonable intervals beginning eighteen months after the date of enactment of this Act. Such maps and reports shall be made available on a continuing basis to any person on request.

"(g) Within six months after the date of enactment of this Act, the Secretary shall develop and transmit to Congress an implementation plan for the coal lands exploration program authorized by this section, including procedures for making the data and information available to the public pursuant to subsection (d), and maps and reports pursuant to subsection (f). The implementation plan shall include a projected schedule of exploratory activities and identification of the regions and areas which will be explored under the coal lands exploration program during the first five years following the enactment of this section. In addition, the implementation plan shall include estimates of the appropriations and staffing required to implement the coal lands exploration program.

"(h) The stratigraphic drilling authorized in subsection (b) shall be carried out in such a manner as to obtain information pertaining to all recoverable reserves. For the purpose of complying with subsection (a), the Secretary shall require all those authorized to conduct stratigraphic drilling pursuant to subsection (b) to supply a statement of the results of test boring of core sampling including logs of the drill holes; the thickness of the coal seams found; an analysis of the chemical properties of such coal; and an analysis of the strata layers lying above all the seams of coal. All drilling activities shall be conducted using the best current technology and practices.".

Sec. 8. The Mineral Lands Leasing Act is further amended by adding after section 8A the following new section 8B:

"Sec. 8B. Within six months after the end of each fiscal year, the Secretary shall submit to the Congress a report on the leasing and production of coal lands subject to this Act during such fiscal year; a summary of management, supervision, and enforcement activities; and recommendations to the Congress for improvements in management, environmental safeguards, and amount of production in leasing and mining operations on coal lands subject to this Act. Each submission shall also contain a report by the Attorney General of the United States on competition in the coal and energy industries, including an analysis of whether the antitrust provisions of this Act and the antitrust laws are effective in preserving or promoting competition in the coal or energy industry.".

Sec. 9. (a) Section 35 of the Mineral Lands Leasing Act, as amended (30 U.S.C. 191) is further amended by deleting "52½ per centum thereof shall be paid into, reserved" and inserting in lieu thereof: "40 per centum thereof shall be paid into, reserved", and is further amended by striking the period at the end of the proviso and inserting in lieu thereof the following language: ": *Provided further*, That an additional 12½ per centum of all moneys received from sales, bonuses, royalties, and rentals of public lands under the provisions of this Act and the Geothermal Steam Act of 1970 shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 12½ per centum of all moneys paid to any State on or after January 1, 1976, shall be used by such State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provisions of public services.".

(b) In the first sentence of section 35 of the Mineral Lands Leasing Act, before the words "shall be paid into the Treasury of the United States" insert "and the Geothermal Steam Act of 1970, notwithstanding the provisions of section 20 thereof,"; before the words "from lands within the naval petroleum reserves" insert "and the Geothermal Steam Act of 1970"; and, in the second sentence, before the words "not otherwise disposed of" insert "and the Geothermal Steam Act of 1970".

Sec. 10. The Director of the Office of Technology Assessment is authorized and directed to conduct a complete study of coal leases entered into by the United States under section 2 of the Act of February 25, 1920 (commonly known as the Mineral Lands Leasing Act). Such study shall include an analysis of all mining activities, present and potential value of said coal leases, receipts of the Federal Government from said leases, and recommendations as to the feasibility of the use of deep mining technology in said leased area. The Director shall submit the results of his study to the Congress within one year after the date of enactment of this Act.

Sec. 11. (a) Section 27(a)(1) of the Mineral Lands Leasing Act (30 U.S.C. 184(a)(1)), is amended to read as follows:

"(1) No person, association, or corporation, or any subsidiary, affiliate, or persons controlled by or under common control with such person, association, or corporation shall take, hold, own or control at one time, whether acquired directly from the Secretary under this Act or otherwise, coal leases or permits on an aggregate of more than forty-six thousand and eighty acres in any one State and in no case greater than an aggregate of one hundred thousand acres in the United States: *Provided*, That any person, association, or corporation currently holding, owning, or controlling more than an aggregate of one hundred thousand acres in the United States on the date of enactment of this section shall not be required on account of this section to relinquish said leases or permits: *Provided, further*, That in no case shall such person, association, or corporation be permitted to take, hold, own, or control any further Federal coal leases or permits until such time as their holdings, ownership, or control of Federal leases or permits has been reduced below an aggregate of one hundred thousand acres within the United States.".

(b) Subject to valid existing rights, section 27(a)(2) of the Mineral Lands Leasing Act (30 U.S.C. 184(a)(2)) is hereby repealed.

Sec. 12. (a) Section 3 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352) is amended by striking out "(b) set apart for military or naval purposes, or (c)" and insert in lieu thereof "or (b)".

(b) Such section 3 is further amended by inserting the following after the first sentence thereof: "Coal or lignite under acquired lands set apart for military or naval purposes may be leased by the Secretary, with the concurrence of the Secretary of Defense, to a governmental entity (including any corporation primarily acting as an agency or instrumentality of a State) which produces electrical energy for sale to the public if such governmental entity is located in the State in which such lands are located.".

Sec. 13. (a) Subject to valid existing rights, section 4 of the Mineral Lands Leasing Act (30 U.S.C. 204) is hereby repealed.

(b) Subject to valid existing rights, section 3 of the Mineral Lands Leasing Act (30 U.S.C. 203) is amended to read as follows:

"Sec. 3. Any person, association, or corporation holding a lease of coal lands or coal deposits under the provisions of this Act may with the approval of the Secretary of the Interior, upon a finding by him that it would be in the interest of the United States, secure modifications of the original coal lease by including additional coal lands or coal deposits contiguous to those embraced in such lease; but in no event shall the total area added by such modifications to an existing coal lease exceed one hundred sixty acres, or add acreage larger than that in the original lease. The Secretary shall prescribe terms and conditions which shall be consistent with this Act and applicable to all of the acreage in such modified lease.".

Sec. 14. Section 39 of the Mining Lands Leasing Act (30 U.S.C. 209) is amended by adding the following sentence at the end thereof: "Nothing in this section shall be construed as granting to the Secretary the authority to waive, suspend, or reduce advance royalties.".

Sec. 15. Section 27 of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 184) is amended by adding at the end thereof the following new subsection:

"(l)(1) At each stage in the formulation and promulgation of rules and regulations concerning coal leasing pursuant to this Act, and at each stage in the issuance, renewal, and readjustment of coal leases under this Act, the Secretary of the Interior shall consult with and give due consideration to the views and advice of the Attorney General of the United States.

"(2) No coal lease may be issued, renewed, or readjusted under this Act until at least thirty days after the Secretary of the Interior notifies the Attorney General of the proposed issuance, renewal, or readjustment. Such notification shall contain such information as the Attorney General may require in order to advise the Secretary of the Interior as to whether such lease would create or maintain a situation inconsistent with the antitrust laws. If the Attorney General advises the Secretary of the Interior that a lease would create or maintain such a situation, the Secretary of the Interior may not issue such lease, nor may he renew or readjust such lease for a period not to exceed one year, as the case may be, unless he thereafter conducts a public hearing on the record in accordance with the Administrative Procedures Act and finds therein that such issuance, renewal, or readjustment is necessary to effectuate the purposes of this Act, that it is consistent with the public interest, and that there are no reasonable alternatives consistent with this Act, the antitrust laws, and the public interest.

"(3) Nothing in this Act shall be deemed to convey to any person, association, corporation, or other business organization immunity from civil or criminal liability, or to create defenses to actions, under any antitrust law.

"(4) As used in this subsection, the term 'antitrust law' means—

"(A) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

"(B) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

"(C) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

"(D) sections 73 and 74 of the Act entitled 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes', approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; or

"(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).".

Mrs. **MINK** (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD and open to amendment at any point.

The **CHAIRMAN**. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

AMENDMENT OFFERED BY MRS. MINK

Mrs. **MINK**. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mrs. MINK: On page 23, delete lines 8 through 11, and insert in lieu thereof the following: "coal within the tract. Public hearings in the area shall be held by the Secretary prior to the lease sale.

"(D). No lease sale shall be held until after the notice of the proposed offering for".

Mrs. **MINK**. Mr. Chairman, this is a simple technical amendment deleting words that would require some interpretation and evaluation, and change of the term "approval of a lease" to "lease sale" since that has a technical definition. I believe there is no objection from the other side.

The **CHAIRMAN**. The question is on the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JOHNSON OF COLORADO

Mr. **JOHNSON** of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Colorado: Page 35, line 18, of H.R. 6721, report No. 94–681, November 21, 1975: Strike the period, insert a comma and add: "*Provided further*, That such funds now held or to be received, by the States of Colorado and Utah separately from the Department of the Interior oil shale test leases known as 'C–A'; 'C–B'; 'U–A' and 'U–B' shall be used by such States and subdivisions as the legislature of each State may direct giving priority to those subdivisions socially or economically impacted by the development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services."

Mr. **JOHNSON** of Colorado. Mr. Chairman, this amendment is offered because of the unique problems that the States of Colorado and Utah have encountered with respect to the oil shale lease programs that are in existence. Tracts CA and CB are in Colorado. Tracts UA and UB are in Utah. Development of the lease tracts will cause heavy impact on the communities near them. This amendment will allow the State's portion of the lease moneys to be spent at the discretion of the legislatures for planning, construction, and maintenance of public facilities, and provision of public services on these impacted communities.

Mrs. **MINK**. Mr. Chairman, will the gentleman yield?

Mr. **JOHNSON** of Colorado. I yield to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. **MINK**. I thank the gentleman for yielding.

Mr. Chairman, I have had an opportunity to study this. This is a matter that the gentleman has discussed with the committee and the staff over many, many months, and I would be happy to accept the amendment on this side.

Mr. **JOHNSON** of Colorado. I thank the gentlewoman for her comments, and I want to publicly acknowledge the gratitude of the State of Colorado for her cooperation in this regard.

Mr. **RONCALIO**. Mr. Chairman, will the gentleman yield?

Mr. **JOHNSON** of Colorado. I yield to the gentleman from Wyoming (Mr. RONCALIO).

Mr. **RONCALIO**. I appreciate the gentleman's yielding. If I were to ask why the two prototype leases in Wyoming are not included in the gentleman's amendment, and if I were to respond, the reason they are not included is that nobody bid on them; is that correct?

Mr. **JOHNSON** of Colorado. Yes.

Mr. **HECHLER** of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. **JOHNSON** of Colorado. Yes, I yield to the gentleman from West Virginia (Mr. HECHLER).

Mr. **HECHLER** of West Virginia. I thank the gentleman for yielding. Mr. Chairman, I commend the gentleman from Colorado for offering this amendment. Having visited his congressional district and having seen the need for broadening the use of these funds for the purposes set forth in this amendment, I think it is an extremely worthwhile amendment.

Mr. Chairman, I urge the adoption of the amendment.

Mr. **HOWE**. Mr. Chairman, will the gentleman yield?

Mr. **JOHNSON** of Colorado. I yield to the gentleman from Utah (Mr. HOWE).

Mr. **HOWE**. I thank the gentleman for yielding. Mr. Chairman, I congratulate the gentleman for this amendment. I strongly support it, and I believe it will be very helpful in both of our States.

Mr. **JOHNSON** of Colorado. I thank the gentleman for his comments and for his support, and I acknowledge here and now that he did have a vital hand, along with the gentleman from Utah (Mr. MCKAY), in developing this amendment.

Mr. **RUPPE**. Mr. Chairman, will the gentleman yield?

Mr. **JOHNSON** of Colorado. I yield to the gentleman from Michigan (Mr. RUPPE).

Mr. **RUPPE**. I thank the gentleman for yielding. Mr. Chairman, I would like to say that I support the gentleman's amendment and I agree that it should be adopted.

Mr. **JOHNSON** of Colorado. I thank the gentleman.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Colorado (Mr. JOHNSON).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. **HECHLER** of West Virginia. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. HECHLER of West Virginia: 1. On page 20, lines 14 and 17, page 28, line 10, and on page 29, lines 11 and 23, strike the word "fifteen" and insert therein "ten".

The **CHAIRMAN**. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. **HECHLER** of West Virginia. Mr. Chairman, I commend the committee for setting a 15-year limit to reduce the amount of long-range speculation in the granting of leases on public lands. However, I note that in the bill, on page 3, in the material stricken out, the original limitation voted by the subcommittee was for 10 years. It is my understanding also that in the bill passed by the other body the limitation was set at 7 years. I think that 10 years is certainly a long enough period to allow these leases to be held without development.

I would further call attention to page 15 of the committee report, which quite properly points out the large number of lease brokers rather than producers that are involved in this business of speculation. I quote from page 15 of the report:

> Of the top 20 coal permit holders, on an acreage basis, only four are actively engaged in production of coal. . . . Suffice it to say that brokers—not coal producers or users—are the predominant holders of Federal coal prospecting permits.

It is for this reason that I think it would make a good deal more sense to set this limit at a compromise figure of 10 years, which certainly should be sufficient time for the development of these leases.

Mr. **RUPPE**. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I do appreciate the reasons why this amendment was offered by my colleague, the gentleman from West Virginia (Mr. HECHLER), and I certainly would acknowledge immediately the fact that he is knowledgeable on this subject and that he does have in mind the very best interests of improving the legislation by offering the amendment.

However, we did give a lot of time in consideration in the committee to the question of the time of development of any coal lease; whether we should require development within 10 years or 15 years or whatever the period of time might best be. I do believe, however, that the bill that now provides for a 15-year time limit for the development of any coal reserves on Federal land is the wise way to go and that the amendment should be defeated.

We must remember that after a coal lease is granted on Federal property, there still are a number of problems to be resolved. The deposit itself has to be defined, for example. The company has to file a mining and reclamation plan. The company has to order equipment to actually undertake the mining process itself.

I think anyone today who understands mining equipment would know that it would take 2 or 3 years or even 4 or 5 years to actually get the draglines and all the other types of mining equipment necessary to do the job.

Then there is the question of financing. The individual who gets the mining property and secures the lease has to find a market. In the case of a plant engaged in gasification or liquefaction the time that is necessarily required to secure a market could go on for years. There is some question whether even in 15 years all of the necessary work that would enable it to get into the gasification or liquefaction of coal could be concluded.

Even in the case of a coal deposit on Federal property, after the plans are put together and the property is leased to supply a traditional electric plant or a traditional fossil fuel plant, I think all of us in this room would recognize there are financing delays and environmental delays resulting in lawsuits. There are any number of things that could cause a delay in the development of a traditional fossil fuel or electric plant or utility plant.

In that case the limiting to 10 years of the time during which a lease in the West has to be mined would cause undue hardship, and in my opinion it would be a very strong impediment to the leasing of land in the West.

Let me say one more thing, Mr. Chairman. At the present time there is actually no specific time limit during which or at the end of which a lease has to be underway or has to be mined. So it seems to me we are going a long way from taking a situation where today there is no time limit required whatsoever in developing a lease to legislation that we have before us that would require this development in 15 years.

There is also a standby or backup provision. The old legislation which we hope to amend today does require diligent development of a coal lease. I might say that diligent development, while it is in the legislation today, has never been used or has never been required by the Department of the Interior. But even today, with the clause requiring diligent development, the Interior Department could get after those companies who have leases but who simply have ignored the legislation or have delayed the mining of coal over a period of years.

So let me say that there is diligent development required today. There would be diligent development required in the legislation that we pass here, even under the 15-year overall limitation.

We do in this legislation require a lease to be mined within 15 years, but there is also a provision in the legislation requiring prompt development or diligent development, so anyone who has a lease secured on Federal property still has to meet the terms of the present legislation calling for diligent development, and that alone, in combination with the overall 15-year limitation, in my opinion offers necessary but proper safeguards.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman from Michigan yield?

Mr. RUPPE. I yield to my colleague, the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I appreciate the gentleman's yielding.

I wonder if the gentleman could submit any instance in which the present law or the present regulations covering diligent development have actually prevented speculation in areas where so many of these lease brokers have come in specifically to hold these leases in question?

Mr. RUPPE. Mr. Chairman, I agree with the gentleman that that has happened. I would say that all administrations in the past—and we can name them—have been at fault in this regard.

We have had clauses or provisions in prior legislation requiring diligent development. They have not been enforced by this administration, and they have not been enforced by prior administrations, Republican and Democratic alike.

I am merely saying that I agree with an overall limitation, although I believe that the gentleman from West Virginia (Mr. HECHLER) and I are in disagreement as to whether it should be 10 or 15 years. However, I would also like to say, in any event, the Department in the past and certainly in the future can do a better job in enforcing the due-diligence requirements that are in prior bills and would be in this one, no matter how it turns out.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. RUPPE) has expired.

(On request of Mr. SKUBITZ and by unanimous consent, Mr. RUPPE was allowed to proceed for 1 additional minute.)

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Is it not true that initially we had 10 years in the bill, but the administration requested that we allow 20 years; and after due consideration, we did compromise on 15 years?

Mr. RUPPE. That is correct. I believe that there is a compromise in the legislation.

I can only take a specific case in my own particular district dealing with an iron ore mining company.

For that company to operate its mine in the future, it is developing, with a private utility, a steam-generating plant. It has taken almost 3 years for that company to get a permit to develop the coal unloading dock at Lake Superior. For that company to develop the iron ore deposits, they have to have the electricity. They have to be able to unload the coal and to actually have transport to the utility that is going to provide electricity to run the mine at this end of the production process.

It has taken almost 3 years to get a permit in the State of Michigan to unload coal from Lake Superior right onto the utility dock or deck, so the idea of limiting to 10 years the time during which the mining company has to get into operation is, I think, far too short a period of time.

Mrs. MINK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendments.

Mr. Chairman, the subcommittee, in considering the inefficiencies of past administrations with regard to implementation of the old law with regard to diligent development and continuous operation, made as one of its first objectives the necessity of finding some way or some reason for terminating these leases if the lessees failed to produce any coal.

We have contended that the law should be as liberal, as reasonable, and as rational as possible, so as to allow the companies as much time as possible in which to develop their resources.

It was the considered opinion of the subcommittee and of the people who worked on the initial stages of the legislation that 10 years was more than adequate. It is true that when the matter went to the full committee, as a result of a compromise agreement, the 15-year provision was inserted in 3 instances. The administration at that point had a position that 20 years would be more reasonable, but I would like to call the attention of this committee now to the fact that the proposed Department of Interior regulations, promulgated December 31, 1975, after committee action was already concluded and the bill reported to the House, recommended in one of their proposals a 10-year limitation.

Under the definition of "diligent development" it says:

> Diligent Development of a Federal lease means the timely preparation for the initiation of production of coal from the LMU of which the lease is a part so that one-fortieth of the LMU reserves associated with that lease are extracted within a period of ten years from (the date of this regulation) or from the date of the lease, whichever occurs later.

It seems to me, Mr. Chairman, whatever might have been the case during the full committee deliberations, that this is clear evidence that now the Department of the Interior agrees with the subcommittee draft that 10 years is adequate time during which a company can produce commercial quantities of coal. However, it seems to me that the amendment offered by the gentleman from West Virginia (Mr. HECHLER) is reasonable. It goes back to the position of the subcommittee, and I urge this committee to agree with it.

Mr. RUPPE. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. Yes, I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, in following the statement of the gentlewoman from Hawaii (Mrs. MINK), did she indicate that after 10 years the Department of Interior regulations would suggest that one-fortieth of the coal be mined as a minimum?

Mrs. MINK. The language is so that one-fortieth of the reserves in that lease are extracted within a period of 10 years.

Mr. RUPPE. If the gentlewoman will yield further, in my opinion, that certainly is not much more than token compliance. If we are talking about 2½ percent of the coal being mined after 10 years and 97½ percent, the amount left, being mined later, it would seem to me that even under the Department of the Interior's new promulgation of regulations, in effect, very little, if anything, could be done in 10 years.

And that, it seems to me, makes a very good argument that we should not establish, as we have done in this legislation, a 15 year period if all we can get in 10 years is 2½ percent. That does not seem like very much production. It seems to be little more than scratching the surface.

Mrs. MINK. That only goes to the definition of what constitutes diligent development to bring the coal reserves under the leases to a point at which they can begin to produce in commercial quantities. The definitions or regulations stipulate that the company shall have 10 years in which to bring that development to production in commercial quantities.

Our legislation simply goes along with that provision and says that a company shall have—and we said 10 years in our subcommittee, in which to produce in commercial quantities, and that we would be fully consistent with the department on the proposed rules if we accept the amendment offered by the gentleman from West Virginia (Mr. HECHLER) and change it to "10" in every place where it appears as "15". And that goes to the requirement of diligent development.

Mr. RUPPE. Is there not in his regulation some kind of delay or bail out provision to give the Secretary the option, if he chooses to exercise it, of delaying this development period of time to beyond that period of time?

Mrs. MINK. Yes, that is correct and we make the same provision in our bill at the bottom of page 28 where we state that if the operations are interrupted by strikes, the elements, or casualties not attributable to the lessee.

So I believe that the same criteria is established in our legislation, perhaps a little more stricter than that contained in the regulations. But the point at issue here is the 10 years and not the balance of the regulations.

The CHAIRMAN. The time of the gentlewoman has expired.

The question is on the amendments offered by the gentleman from West Virginia (Mr. HECHLER).

The question was taken; and the Chairman announced that the ayes appear to have it.

Mr. RUPPE. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendments were agreed to.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. HECHLER of West Virginia. Mr. Chairman, I offer my amendment No. 2.

The Clerk read as follows:

Amendment offered by Mr. HECHLER of West Virginia: On page 25, line 9, strike "The" and insert therein the words: "Subject to the provisions of section 8A(d) of this Act, the"; and on page 32, strike the sentence beginning on line 5 through the period on line 9 and insert in lieu thereof the following:

"All information acquired by the Secretary pursuant to this Act shall be available to the public, subject to the provisions of section 552 of title 5, United States Code, and section 1905 of title 18, United States Code, and to other Government agencies in a manner that will facilitate its dissemination: *Provided*, That upon a showing satisfactory to the Secretary by any person that any information, or portion thereof, obtained under this Act by the Secretary directly or indirectly from such person, would, if made public, divulge proprietary information of such person, the Secretary shall not disclose such information, except as provided in section 2(b)(3) of this Act or, in the case of information purchased from commercial sources while not under contract with the United States Government, until after the areas involved have been leased, and disclosure thereof shall be punishable under section 1905 of title 18, United States Code: *Provided further*, That the Secretary shall, upon request, provide such information to (a) any delegate of the Secretary for the purpose of carrying out this Act, and (b) the Attorney General, the Secretary of Agriculture, the Federal Trade Commission, the General Accounting Office, and other Federal agencies, when necessary to carry out their duties and responsibilities under this and other statutes, but such agencies and agency heads shall not release such information to the public. This section is not authority to withhold any information from Congress, or from any committee of Congress upon request of the chairman."

Mr. HECHLER of West Virginia (during the reading). Mr. Chairman, I ask unanimous consent that, inasmuch as copies of this amendment are available on both sides of the aisle, further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER of West Virginia. Mr. Chairman, this is an amendment that is identical with that amendment which was worked out with the gentleman from California (Mr. GOLDWATER) and myself in the Energy Research and Development Administration Authorization Act for fiscal year 1976. After several weeks of negotiations we arrived at language that was mutually acceptable. The text of this amendment was also cleared with my colleague, the gentleman from California (Mr. MOSS) the father of the Freedom of Information Act.

The central purpose of this amendment is aimed at making all of the information obtained by the Department of the Interior for the coal leasing program public, under the Freedom of Information Act but, at the same time, providing a procedure for protection of certain proprietary information. Section 4 of the bill provides that data furnished to the Department of the Interior by licensees under an exploratory license must be kept confidential for a limited period of time. Section 7 requires that certain proprietary data and other information purchased by the Department of the Interior shall be kept confidential. As to all of the other data, the bill is silent.

Both of these sections appear to give by statute blanket confidentiality to such data and information and appear to go beyond the requirements of the Freedom of Information Act which exempts from public disclosure "trade secrets and commercial or financial information obtained from a person that are privileged or confidential" only. If my amendment is by chance not adopted, I hope that in conference this matter will be clarified in order not to weaken the Freedom of Information Act.

I call this the Goldwater-Hechler amendment inasmuch as it was worked out with my colleague, the gentleman from California. What this amendment does is to protect the data by establishing a very clear procedure for determining what information is proprietary and, thus, should be kept confidential, and also by making it a crime to disclose these data, with a fine up to $1,000 and imprisonment up to 1 year, or both. At the same time this amendment permits disclosure to other Federal agencies, where necessary to carry out their duties, and the Congress.

The procedure requires the person claiming confidentiality to show that it meets the statutory test, that is, proprietary data. The Secretary must by regulation, establish this procedure and decide. The Secretary's decision is, of course, subject to judicial review in a de novo proceeding, like cases arising under the Freedom of Information Act. A similar procedure is set forth in the Federal Water Pollution Control Act, the Clean Air Act, and the Energy Supply and Coordination Act. I believe such a procedure is essential to avoid unnecessary litigation and make the program work.

Mr. Chairman, I urge adoption of the amendment.

Mr. RUPPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am very much concerned that individuals or companies who submit documentation or information, and geological data, to the Secretary of the Interior could have that information released to the public, unless they can make their case to the contrary. I am very much concerned that an individual or, again, a company that discloses that information now as required by the bill—and the Lord only knows that the bill is replete with mandatory disclosure—would find all of that proprietary information available to his competitors and available to the general public. I do not see why he would have to make a case, or have a double burden of proof that, indeed, that information should not be disclosed to the public, as would be the case under this amendment.

I am not particularly impressed by the fact that if anyone discloses information illegally, he is subject—because it would become a crime—to a fine or imprisonment. We certainly see every day information stolen from one branch or one department of government. We are replete with instances where it has been done, and I have never heard where anyone has been punished or has gone to jail yet. So the idea that information would be protected because anyone stealing it or illegally disclosing it would be subject to criminal penalty is absurd. We do not see any criminal penalties enforced today. I do not believe under this new piece of legislation criminal penalties will again be enforced.

So it seems to me we are making it more and more difficult for companies to secure a coal lease; we are making it more and more difficult by requiring that confidential information be made available to the public. Instead of expediting the development of coal, we are simply throwing an additional roadblock up to the development of these resources.

Mr. Chairman, I oppose the amendment.

Mrs. MINK. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, one of the very important provisions in the bill relates to requiring the Secretary to attempt to do his own departmental explorations for coal reserves and resources, so that it might be able to gather for the Department and for the Congress accurate knowledge as to the location of the resources and the extent of the deposits.

We have also required that the Secretary must have comprehensive land use planning. We have also required that he must develop a fair market value by a particular sale. The Secretary must also determine whether the mining should be by surface or by underground mining. All of these requirements which we have imposed upon the Secretary require extensive knowledge about the tracts of land that are going to be leased.

If we put any sort of inhibitions against the private sector of our country on going out and actually doing explorations on their own because we require the information which they obtain to be made public unless they can prove that it must be held confidential, then I think we severely jeopardize the purposes of the bill to provide the Secretary with the maximum knowledge that is required in order to safeguard and protect the public interest.

I think that is what everybody is interested in. I have no more desire to have secret files which hold information which belongs to the public in a confidential manner. I think the public is entitled to have it, except where is prejudices the public interest and, to me, the overriding public interest here is protecting the ability of the Secretary to know exactly what deposits are being put up for sale and all the data that is required. In order to accomplish this, the Secretary must consider the private sector has a part in it in determining this information.

I do not believe a corporation or a company will come in for a permit to do exploration if the data they obtain as a result of this search is going to be forced to be made public or it will have to contest some public entity or private individual that will make some claim; so while I believe his amendment is well-intended and does conform with most of the provisions I have made against secrecy in Government, in this instance I must oppose it because it will vitiate some of the provisions that I consider imperative in this bill.

Mr. Chairman, I ask that the Committee vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. HECHLER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. RUPPE

Mr. RUPPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RUPPE: Delete the sentences which begin and end on: Page 21, line 19 to page 22, line 5; page 23, line 8 through line 9; page 26, line 9 through 11; and, page 19, line 23 to page 20, line 4.

Add the following new section 8 and renumber subsequent sections accordingly:

"SEC. 8. (a) In preparing land-use plans, the Secretary of the Interior or, in the case of lands within the National Forest System, the Secretary of Agriculture shall consult with appropriate State and local officials, and shall provide an opportunity for public hearing on proposed land-use plans prior to their adoption, if requested by any person having an interest which is, or may be, adversely affected by the adoption of such plans.

"(b) Prior to a lease sale, the Secretary of the Interior shall consult with appropriate State and local officials, and shall provide an opportunity for public hearing on the proposed sale, if requested by any person having an interest which is, or may be, adversely affected by such sale. Such a hearing may consider; among other things:

"(1) the environmental and social impacts of mining in the area;

"(2) the maximum economic recovery of the coal;

"(3) the effects of different recovery methods on the area;

"(4) the effects of consolidation of leases to form logical mining units;

"(5) the fair market value of the coal to be leased."

POINT OF ORDER

Mrs. MINK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentlewoman will state it.

Mrs. MINK. Mr. Chairman, I rise on a point of order on the amendment which refers to page 23, line 8 through line 9 as a provision in the bill that has already been amended by prior action of this Committee.

Mr. RUPPE. Mr. Chairman, I would ask the gentlewoman what amendment does the gentlewoman refer to as having already changed that provision?

Mrs. MINK. The first committee amendment that I offered, the first amendment that was agreed to by the Committee this afternoon.

Mr. RUPPE. Mr. Chairman, I ask unanimous consent that I may withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan to withdraw the amendment?

There was no objection.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HECHLER of West Virginia: On page 39, after "SEC. 15." insert "(a)", and on page 41, after line 6, insert the following new subsection:

"(b) The provisions of this Act shall not be effective for the leasing of tracts for coal by surface mining until such time as such mining is specifically authorized by Act of Congress enacted hereafter."

Mr. HECHLER of West Virginia. Mr. Chairman, this amendment is very direct and is self-explanatory in its very text. First, let me describe what this amendment does not do.

This amendment does not in any way change present law or practice. It simply provides that there shall be precluded under new leases for coal on Federal lands any strip mining until the Congress passes strip mine legislation. It has nothing to do with deep mining on public lands. The amendment has no effect on the bill otherwise. It merely preserves the status quo on Federal lands and makes the current provisions of the legislation we are now considering, in so far as strip mining is concerned on Federal lands, applicable only when the new Federal law is passed.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Kansas.

Mr. SKUBITZ. What the gentleman is actually suggesting is that, if this bill is passed, it will not become effective until we pass a surface mining bill.

Mr. HECHLER of West Virginia. That is not correct, I say to the gentleman from Kansas.

Mr. SKUBITZ. Then what is the gentleman trying to say?

Mr. HECHLER of West Virginia. I have just completed explaining the amendment, and I will repeat it for the gentleman from Kansas.

Under my amendment, we will simply preserve the status quo, so far as strip mining on Federal lands is concerned. The provisions of the pending bill that apply to deep mining will take effect. It is only that portion of this bill which pertains to surface mining of coal that would be affected. My amendment would continue the present moratorium until such time as some statutory authorization of surface mining is passed. At that time, it would trigger the applicability of those provisions of this legislation which refer to surface mining of coal on Federal lands.

Mr. SKUBITZ. I would suggest that if this amendment is adopted, the chairman request that this bill be withdrawn, returned to the committee, and wait for action on the surface mining bill.

Mr. HECHLER of West Virginia. Well, of course that is a matter of internal committee jursidiction in which I do not want to interfere.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Michigan.

Mr. RUPPE. Would I be correct in stating that this legislation would not go into effect until there was a strip mining bill passed, and that in the meantime the Secretary could lift the moratorium and go ahead with leasing of Federal surface lands in the West?

Mr. HECHLER of West Virginia. Well, the provisions of the act so far as surface mining on Federal lands cannot be carried into effect until such time as a new Federal surface mining bill passes. That is all it says.

Mr. RUPPE. If the gentleman will yield further, at the present time the Secretary has a moratorium on developing or making further leases in the West. However, it is my understanding that he could lift that moratorium.

Mr. HECHLER of West Virginia. Certainly the Secretary of the Interior has authority under the law to proceed in any direction, absent this legislation or absent any general Federal surface mining bill. The gentleman from Michigan is aware of that, I am sure.

Mr. Chairman, I urge the adoption of this amendment.

Mrs. MINK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I read this amendment that has just been proposed, the effective date of this bill would be postponed indefinitely. It is not contingent upon the passage of the Surface Mining Reclamation Act. It says until such time as strip mining of a tract is specifically authorized.

I would assume that all of the Federal tracts of land that could be let out for leasing would have to be one by one authorized by Congress and then the provisions of this act would apply.

Earlier I had assumed the gentleman from West Virginia would offer an amendment that would make it contingent upon the passage of the strip mining regulatory bill.

The way this is worded I do not think makes any sense. I do not think it conforms to what the gentleman intended, and what it really does is to kill the bill without any purpose.

Mr. Chairman, I urge the Committee to vote down the amendment.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words, and I rise reluctantly in opposition to the amendment.

Mr. Chairman, as the gentleman from West Virginia knows, I share his very strong views about the necessity of ending the scourge of strip mining which is tearing up every month 4,500 acres of our land, destroying its productivity and demeaning the lives of the people who live in the mining areas. Frankly, I would like to see nothing done to expedite the development of strip mining until the Congress has made a decision as to the policies that the law is going to impose on that development and make sure that the land is properly reclaimed and that the people who have to live in the mining areas are not made miserable by living in the midst of desolation and polluted streams and air.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. I thank the gentleman for yielding. Mr. Chairman, I am not so sure the gentleman means that he actually agrees with the position of the gentleman from West Virginia regarding strip mining, because only a few minutes ago the gentleman from West Virginia introduced an amendment indicating he wanted strip mining operations to go on diligently for 10 years, otherwise take away the leases. And I am sure that is not my colleague's position.

Mr. SEIBERLING. The gentleman is making a rhetorical point which I do not think has any bearing on this particular amendment.

Let me just continue. To answer the gentleman's question, I happen to think that we ought to expedite the mining of coal in this country, 90 percent of which can only be reached by underground mining. But I also think we need to make sure that mining does not destroy other important assets of this country. That is my basic position. If the gentleman from West Virginia had offered an amendment to extend the moratorium until we had a strip mining bill in effect, then I might be more enthusiastic about the amendment. But I do not think that amendment would have a chance of passing this House.

Mr. Chairman, what are we faced with here? There are actually three major coal mining bills that are working their way through the Congress at various stages. One is this bill. And this bill will give a firm basis for the Secretary to end the moratorium on the mining of coal on Federal land that he has imposed.

Mr. Chairman, there is also a strip mining bill, the same one we voted on twice the last session—three times, actually, if we count the veto override vote—and each time there was a large majority in favor of the bill. That bill is again on the agenda of the Committee on Interior and Insular Affairs. There is another bill pending in the committee and that is to authorize coal slurry pipelines for movement of coal mined in the west and other coal mining regions.

I do not feel we should stop working on the bill before us until we have completely worked through the other coal legislation. But I will say this: When this bill gets through conference and before we vote on the conference report, if we have not yet gotten a strip mining bill enacted, or assurances that it will be accepted by the executive branch, then we had better take another look at it and the House leadership had better decide whether to hold off on final passage of the conference report until we get the strip mining bill enacted.

But that should not hold up our work on this bill, because it is an important bill which should ultimately become law.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman from Ohio yield?

Mr. SEIBERLING. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, at the risk of losing some support for my amendment, but for the purpose of clarifying my position for the gentleman from Kansas (Mr. SKUBITZ) and for some other Members, I would just like to reiterate that my position on the surface mining of coal is that I would like to see the abolition of all strip mining of coal. I want to make that crystal clear.

Mr. SEIBERLING. Mr. Chairman, I share the gentleman's feelings, but I have wrestled with this problem long enough to realize that the chances of getting abolition within our lifetimes, let alone within our service in Congress, are not very good. That is the reason, therefore, that I am opting for reasonable regulation.

Mr. RUPPE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am concerned about this particular amendment because it would appear to me that if the amendment were to carry and if there were no strip mining bill, the Secretary of the Interior under his existing authority, could simply go ahead and develop leases and make leases with coal companies operating on Federal properties in the West. If we do not have passage of the strip mining bill, we in effect will not have any implementation of this legislation as regards the leasing of Federal coal in the West and we would be right back where we are today.

I do believe there are some very valuable features in the legislation we have before us on the floor today. If there were not, we have no business bringing this bill before the committee here this afternoon.

As a result, while I support strip mining legislation and tough strip mining legislation, I certainly do not want to say that strip mining alone should have priority over this particular bill. This bill has value, and it should be passed on its own merits. But the amendment would provide that until there is a strip mining bill passed by this Congress and signed by the President, the Secretary could go ahead on his own authority and develop coal leases on Federal property in the West in any way, shape or fashion he likes.

Just a few moments ago we had a lengthy discussion as to whether coal leases should be developed in 15 years or

10 years. I lost on that point, and the gentleman made his point that they should be developed in 10 years. Now we are going back and saying that is not important at all unless we get a strip mining bill before this Congress and get it passed and signed, and that this type of legislation has no place by itself in western coal leasing. It seems to me the legislation we have before us today has a place, and it should be passed on its own merits apart from strip mining legislation.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Chairman, I am delighted to say that I agree with the gentleman from Michigan (Mr. RUPPE) on this important amendment.

Mr. RUPPE. Mr. Chairman, I thank my very distinguished friend, the gentleman from Wyoming. This may go down as a day we will both mark in our books.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. HECHLER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. RUPPE

Mr. RUPPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RUPPE: Delete the sentences which begin and end on: Page 21, line 19 to Page 22, line 5; page 23, line 8 through line 9; page 26, line 9 through 11; and page 19, line 23 to page 20, line 4.

Adding the following new section 8 and renumber subsequent sections accordingly:

"SEC. 8(a). In preparing land-use plans, the Secretary of the Interior or, in the case of lands within the National Forest System, the Secretary of Agriculture shall consult with appropriate State and local officials, and shall provide an opportunity for public hearing on proposed land-use plans prior to their adoption, if requested by any person having an interest which is, or may be, adversely affected by the adoption of such plans.

(b) Prior to a lease sale, the Secretary of the Interior shall consult with appropriate State and local officials, and shall provide an opportunity for public hearing on the proposed sale, if requested by any person having an interest which is, or may be, adversely affected by such sale. Such a hearing may consider, among other things:

"(1) the environmental and social impacts of mining in the area;

"(2) the maximum economic recovery of the coal;

"(3) the effects of different recovery methods on the area;

"(4) the effects of consolidation of leases to form logical mining units;

"(5) the fair market value of the coal to be leased."

Mr. RUPPE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

POINT OF ORDER

Mrs. MINK. Mr. Chairman, I make the same point of order on this amendment that I made before, since it includes page 23, line 8 through line 9, which has already been amended by the committee.

The CHAIRMAN. Does the gentleman from Michigan (Mr. RUPPE) desire to be heard on the point of order?

Mr. RUPPE. I do, Mr. Chairman.

Mr. Chairman, the amendment that I am offering is much broader, I believe, than simply the language that was offered initially by the gentlewoman from Hawaii (Mrs. MINK) in her amendment, because my amendment would strike out all of the named sections. It, therefore, constitutes a substantial change, one far beyond that of the perfecting amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

I would refer to Deschler's Procedure, page 350, item 27.12, and I will read as follows:

> While it is not in order to amend an amendment already agreed to, the adoption of a perfecting amendment to a section does not preclude the offering of further perfecting amendments to other portions of the section or amendments broader in scope encompassing other portions of the section as well as the perfected portion.

The CHAIRMAN (CHARLES H. WILSON of California). The Chair is prepared to rule.

In addition to Deschler's Procedure, Cannon's Precedents (volume 8, section 2855) provides that while an amendment which has been agreed may not be modified, a motion to strike it from the bill with other language in the original section is in order.

The Chair therefore overrules the point of order. The amendment is in order.

Mr. RUPPE. Mr. Chairman, I thank the Chair.

I would have to note that my attorneys seem to be doing better for me than I am doing on my own amendments offered here this afternoon.

In any event, Mr. Chairman, and in a more serious vein, if anyone would note, in the bill as a whole there are four areas dealing with public hearings. The public hearings involve a public hearing on the land-use plan, on the lease sale, on the logical mining unit if and when it is developed, and on the fair market value of the coal.

Mr. Chairman, the Department of the Interior very strongly agrees with this amendment and has very vociferously opposed or stated its opposition to the language of the legislation as we have it before us.

It seems to me that there are methods we can utilize to make the hearing procedure more simple and less cumbersome for those companies or organizations that would like to mine the coal resources in the West.

The amendment that I have offered would provide for a hearing on the land-use plan, a first hearing. It would also provide for a second hearing on the lease itself, and at the time of the public hearing on the lease if there are any comments concerning the market value of the coal, they could be made at any time.

In any event, I would reduce the number of public hearings or periods for public comment from a total of possibly four down to two. I believe that if we have a hearing on the land-use plan and a hearing on the lease itself, at which time comments can be made concerning the market value of the coal, we have done the job as far as public hearings are concerned.

We would not in any way, in my opinion, weaken the bill. I believe, however, that we would simplify the procedure elements and the procedures undertaken by any company in developing a coal lease.

I think that this is not a major amendment, but one which will make it easy for many companies to comply with the regulations associated with securing the coal lease.

Mrs. MINK. Mr. Chairman, I rise in opposition to the amendment.

I think one of the very important provisions in the bill is an opportunity for the public to participate in the vital areas where decisions will be made affecting either the issuance of the lease or the basis for the issuance of the lease or in the consolidation of existing leases into a larger tract, or what we call logical mining unit.

It seems to me that the provisions of the bill, as we now have it, calling for public hearings in those three instances, are very reasonable and that they should be supported by this committee.

In the preparation of the land-use plans, it seems to me wholly consistent that we involve the States and the public at large or local officials and people who will be adversely affected as well. Our bill makes these provisions.

I believe also, at the moment when a lease is to be actually sold, the Secretary should also be required to call a pubic hearing.

It seems to me with respect to the logical mining units, where we are providing an enormous exemption to the requirements of due diligence and continuous operation by permitting these old leases to be consolidated and treated as one, that certainly the public ought to be heard; they ought to be apprised of exactly which leases are being consolidated and thereby being given this extraordinary exemption.

Mr. SKUBITZ. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Frankly, I can see no earthly reason for holding a hearing to determine what constitutes a logical mining unit. As I understand it what we are proposing is by law determining what constitutes a logical unit when in fact this is an economic problem.

Mrs. MINK. That consolidation may not exceed 25,000 acres.

Mr. SKUBITZ. It may not exceed it, but it comes down to that.

Mrs. MINK. No, if the gentleman from Kansas will permit me to answer at that point, the bill here relates to a consolidation of existing coal leases and requires that the Secretary may so consolidate because if we do not give the Secretary of the Interior the authority to consolidate these old leases then every one would have to comply with the requirements of due diligence in development which might not be feasible. So we have agreed to permit this limited use of the LMU device in order to provide for an exemption.

Mr. SKUBITZ. But that makes it all the more unpalatable because then a lessor would be subjected to hearings on a lease-to-lease basis.

Mrs. MINK. We have no consideration of existing leases, the consolidation of these leases must take place in a public hearing. We have made no acreage limitation with respect to those leases. We have spoken at the very beginning of the bill on this, at the very first page when we say:

> The Secretary of the Interior is authorized to divide any lands subject to this Act which have been classified for coal leasing into leasing tracts of such size as he finds appropriate and in the public interests and which will permit the mining of all coal which can be economically extracted in such tract.

So, we do not set a limitation, they make the unit, they decide to lease to the unit and it must be a unit that they have determined is an economic unit that should be developed.

But in this section we are dealing with the consolidation of existing leases for the purpose of providing an exemption and therefore the public interest is of paramount importance and before such consolidations are permitted the bill provides that it may take place only after a public hearing, as provided in line 10 on page 26.

I think that is a reasonable requirement.

Mr. SKUBITZ. Cut it any way you like it, the only purpose of a consolidation of leases is to create an economic unit to cut down the costs. All we are doing here is adding another series of hearings and this will not only raise the price of the coal to the consumers but also create delay.

Mrs. MINK. I believe that this is necessary since they do exist and we are saying they must come under the law and be subject to due diligence for development. I am sure the gentleman from Kansas would be the first to agree that we do not want the leases to be held in such a manner that we cannot produce coal. We want coal to be produced. If we do want coal to be produced then we ought to be very cautious in providing an exemption and concerning how and where the leases should be combined in order to assure that there will be a following of the requirements of due diligence and continuous operation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Ruppe).

The question was taken, and the chairman announced that the ayes appear to have it.

Mrs. MINK. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

Mrs. MINK. Mr. Chairman, on that I demand a division.

PARLIAMENTARY INQUIRY

Mr. RUPPE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. RUPPE. Mr. Chairman, my parliamentary inquiry is this, did not the Chairman announce that he thought there was an insufficient number of Members who had risen for a recorded vote, and that, therefore, the amendment had been agreed to?

The CHAIRMAN. The Chair will state that in the meantime, before the Chair had announced the vote, a division was demanded and the Chair has instructed those Members in favor of the amendment to stand and remain standing until counted.

Those Members against the amendment will stand and remain standing until counted.

On this vote by division the ayes are 14 and the noes are 17.

Mr. SKUBITZ. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. A recorded vote has been refused.

PARLIAMENTARY INQUIRY

Mr. RUPPE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RUPPE. Is it not possible to call for a recorded vote inasmuch as we did call for one previous to that and an insufficient number of Members stood? In his decision, the Chair stated it was agreed to, and then changed it. Would we not have a change as well as far as having the opportunity to have a recorded vote?

The CHAIRMAN. A recorded vote had already been refused, and it is not possible on the same amendment to have a second request for a recorded vote.

The amendment is, therefore, rejected.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Hechler of West Virginia: On page 41, after line 6, insert the following new sections:
>
> "Sec. 16. Nothing in this Act, or the Mineral Lands Leasing Act and the Mineral Leasing Act for Acquired Lands which are amended by this Act, shall be construed as authorizing coal mining on any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, the National System of Trails, and the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act."

Mr. HECHLER of West Virginia. Mr. Chairman, my amendment is intended to protect our great national park, wildlife refuge, wilderness, scenic rivers, and national trails systems from coal mining. The pending bill amends the Mineral Land Leasing Act of 1920 and also the Mineral Leasing Act for Acquired Lands which was passed in 1947. Section 1 of the 1920 act, which is not changed by this bill, now precludes leasing of coal in national parks and monuments, but not in other areas of the National Park System, such as the national recreation areas or the national historic sites.

I do not believe that this Congress really wants to authorize coal mining in these areas of natural beauty like the Ravalli National Wildlife Refuge in Montana, the Benton Lake Refuge in Montana, the National Elk Refuge next to the Grand Teton National Park, and the Charles M. Russell National Wildlife Refuge in Montana if coal is discovered there. It is for this reason that I believe it would be necessary to add this particular provision.

I am aware, Mr. Chairman, of the fact that the committee believes that the Department of the Interior is not going to lease these areas, but I am not entirely convinced that this would not occur because pressures could build up in the future for the leasing for coal mining of these areas that the Congress by its national legislation hopes to protect.

I recall only a few months ago that a recently resigned Assistant Secretary of the Interior, Jack Carlson, made an address urging that these lands be opened up for mining. It is for this reason that I urge the adoption of my amendment.

The documentation of my reference to Assistant Secretary Carlson is contained in the following article from the Washington Star-News, dated October 4, 1975:

[From the Washington Star-News, Oct. 4, 1975]

U.S. LANDS MINING IS PUSHED

(By Thomas Love)

An assistant secretary of interior has assailed government policies which restrict mining on public lands and called for opening more federal property for mineral exploration and removal.

Jack W. Carlson, assistant secretary for energy and minerals, specifically criticized the prohibition of mining on land reserved for such purposes as wilderness areas, scenic rivers, forests, wildlife refuges, primitive areas and national parks as well as others.

In a speech to an American Mining Congress convention in San Francisco Monday, Carlson called for a reversal of national policy. "Not only must we stop withdrawal (of lands) from mineral access, we must reverse the process and restore some of the land to multiple use," he said.

"Here we have another point that zealots tends to overlook. The whole intent of the Congress (has been to) encourage multiple use of public lands—not single purpose or even limited purpose—but multiple use," he continued.

Carlson made his remarks as both houses of Congress are considering legislation to prohibit mining within national parks and monuments.

The bills were introduced after it became known that an Interior Department solicitor had reversed a Park Service decision and ruled the department had no authority to prohibit strip mining at the most popular tourist spot in Death Valley National Monument in California.

There are also proposals to allow mining and oil drilling near Glacier National Park, Mont., which the park superintendent and others say would destroy the park's wildlife and scenic beauty.

Carlson told the gathering "many of the lands that have been administratively and legislatively withdrawn (from mining) need to be reconsidered, and access provided."

Insisting that his position was not anti-environment or pro-pollution, he said "when the use creates a scar, or pollution, we would require reclamation and pollution abatement. Because, once the reserve is extracted, we have the means to convert that land to other long-term uses.

He told the convention "the search for environmental quality was never intended by most adversaries to be a means of locking out our mineral resources."

In his speech, Carlson predicted that "what happened with oil could happen with other minerals" unless there is more domestic mining to reduce the nation's dependence on foreign sources. Otherwise mineral prices could jump by 50 percent he said.

"The alternate to a reversal of the withdrawal policy is staggering," he said. "I am far from a prophet of doom, but unless we change our attitude and our ways, we will wind up exporting mining jobs to foreign countries."

Mr. RONCALIO. Mr. Chairman, would the gentleman yield?

Mr. HECHLER of West Virginia. I yield to my good friend and colleague, the gentleman from Wyoming, whose State I have visited many times.

Mr. RONCALIO. I am grateful to the gentleman for yielding.

Mr. Chairman, I ask these questions to clarify the legislative record and history of this legislation. Is it so that the gentleman's amendment specifically excludes the National Forest Systems, and that the absence of the word "systems" in fact, therefore, would have no legal effect whatsoever regarding strip mining on the national grasslands? Is that a fact?

Mr. HECHLER of West Virginia. I heard the question. I would advise my good friend from Wyoming, and I would certainly say, that the way the amendment is drafted, the word "systems" probably would not include grasslands.

Mr. RONCALIO. Mr. Chairman, will the gentleman repeat that?

Mr. HECHLER of West Virginia. I am advised by the very able chairman of the Subcommittee on Mines and Mining that it does not include grasslands.

Mr. RONCALIO. Is it the gentleman's intention as the author of the amendment that it does not exclude the national grasslands from permit areas for surface mining.

Mr. HECHLER of West Virginia. Yes; that is absolutely correct, I would advise my friend.

Mr. RONCALIO. Mr. Chairman, I thank the gentleman.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, I rise in support of this amendment and indicate that it was my understanding that the other subcommittee of the House Committee on the Interior was to report a bill that would be much broader which would include all mining and not just coal mining. I deferred to the chairman of the Subcommittee on National Parks on this matter, because hearings were being conducted and the matter was being fully considered. It was not my desire to preempt the activities of that subcommittee, so I did not myself introduce this amendment in the committee; but now that the matter is pending before this body I can hardly oppose it, because I am totally in accord with it.

I would hope that this amendment would be included and I believe that it does not in any way detract from the work of the Subcommittee on National Parks, which I am told will be reporting in a few weeks a bill which will be much more comprehensive than this.

Mr. RUPPE. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I would agree with my colleague, the gentlewoman from Hawaii, this is likely not the place for the insertion of this legislation; however, I certainly do support the thrust and the direction of the amendment of my colleague, the gentleman from West Virginia.

I would comment that I have not heard Mr. Carlson or any other member of the administration come out in support of strip mining in any national park. There might be some minor incident where there might be some misuse where there was some part of the national park involved being so used; but I have heard no policy of the administration or any statement in any way in support of strip mining in national parks. I think we should clear the record on that point.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to ask the gentleman from West Virginia, did the gentleman say wild and scenic rivers that are under study?

Mr. HECHLER of West Virginia. Mr. Chairman, if the gentleman will yield, this is correct. That is the designation that Congress uses when it passes legislation so far as the studying of the status for wild and scenic rivers. That must be done by an act of Congress. As I understand the technological phraseology in the act, it indicates that these rivers are for study under the Wild and Scenic Rivers Act.

Mr. SYMMS. I would like to ask if the gentleman from Michigan will yield further?

Mr. RUPPE. I yeld to the gentleman from Idaho.

Mr. SYMMS. We have some wild and scenic rivers in my State where we have railroads and everything else under study to see how they are classified. They do not have coal in the area, but I wonder if there are other areas in the country that we might be getting into conflict on these areas designated for study.

I also see information where two-thirds, or 68 percent, of the Nation's public lands are already excluded from mineral extraction of any type, which is approximately that of the land mass east of the Mississippi River.

Mr. RUPPE. Mr. Chairman, I would think the gentleman's rather logical discussion would be better placed in committee discussion of the overall subject. I am not so certain today that we have time to consider all the ramifications.

Mr. SKUBITZ. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I want to advise my colleague, the gentleman from West Virginia, that I think he is in the right church, but the wrong pew at this particular time.

I am not opposed to the objective that the gentleman is trying to accomplish. In fact, I introduced a bill to stop strip mining in the national parks and recreational areas. We are holding hearings on this particular bill in the National Parks Subcommittee. I question that this body should adopt this sort of amendment when the parks subcommittee is holding hearings.

I want to advise my colleagues that there are more problems than meet the eye in this particular instance. I call the attention of the members of the Mines and Mining Subcommittee who are also members of the Subcommittee on Parks that in testimony given before us we had the problem come up in Death Valley, where 85 percent of the mineral used in Fiberglas comes from the Death Valley area. So, we have a problem here, and it is not so simple as one might think.

I would suggest that the gentleman from West Virginia at this time withdraw his amendment and let the Subcommittee on Parks get into this area. As I say, I am not opposed to the objective. I am one of the members who sponsored the legislation.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Ohio.

Mr. SEIBERLING. The gentleman said 85 percent of the mineral used in the production of fiberglas comes from the Death Valley area. He did not mean to say that it comes from Death Valley National Monument, did he?

Mr. SKUBITZ. Some of it.

Mr. SEIBERLING. Some of it, but a small percentage of it.

Mr. SKUBITZ. No, a large part of it comes from that area.

Mr. SEIBERLING. Also there are huge deposits of it in many other parts of the country, so I just want the record to be clear.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. Mr. Chairman, I yield to the ranking minority member of the Subcommittee on National Parks.

Mr. SEBELIUS. Mr. Chairman, I thank the gentleman for yielding to me. The gentleman from Ohio, who just spoke, has been closely involved in the hearings. I would hope that we defeat the amendment because we are going in depth and trying to get some real good guidelines and restrictions.

Therefore, I would oppose the amendment in this form because it is on our schedule and is being actively pursued within the committee at this time.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield further?

Mr. SKUBITZ. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I

would simply like to say that there are only six national parks where mining is authorized now, and I do not know that there is any coal in any of them. As far as scenic rivers are concerned, we are only talking about an extremely narrow strip, only 160 acres on each side of the river every alternate mile, so we are not talking about any great territory there.

I think the gentleman's amendment is quite in order, and I support it.

Mr. SKUBITZ. Mr. Chairman, I am not questioning the fact that it may be in order, but I think that it ill behooves this body to take this position when the Subcommittee on National Parks is handling this legislation.

Mr. RONCALIO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take the floor in hopes of not using more than a minute or two. This is a different role for me. I normally would be strongly in favor of limitations on strip mining and any other surface disruption to national parks, recreational areas, scenic and wild rivers, NRA's, and all the proper lands which should be preserved, but I am not sure I am going to support this amendment because I think there is an element of mischief here.

Three times in the last 4 years we labored long and hard to vote out a strip mine bill which we thought was adequate. I have asked myself on sleepless nights a dozen times since then, why did President Ford veto that bill? Not once, but twice. Had we not asked for quite so much, would he have signed it? If we had put in a little less, would he have signed it? If we had left a few things out, would he have signed it? Would we have gained two or three more votes by which margin we failed to override?

When I find language like this coming from my good friend from West Virginia, for whom I have the utmost respect and admiration, but who nevertheless voted against overriding the veto, and who voted against final passage of the strip mine bill, I do not like this amendment. I think I am going to go with the gentleman from Kansas (Mr. Skubitz).

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. Hechler).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HECHLER of West Virginia. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from West Virginia (Mr. Hechler).

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 370, noes 32, answered "present" 2, not voting 29, as follows:

[Roll No. 10]

AYES—370

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Bauman
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickel
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—32

Abdnor
Burleson, Tex.
Butler
Cederberg
Clawson, Del
Collins, Tex.
Downing, Va.
Eshleman
Flynt
Haley
Hansen
Ketchum
McCollister
McKay
Mills
Passman
Poage
Quillen
Rhodes
Roncalio
Ruppe
Sebelius
Shuster
Skubitz
Smith, Nebr.
Steed
Steiger, Ariz.
Stuckey
Symms
Waggonner
Wampler
Young, Alaska

ANSWERED "PRESENT"—2

Bafalis
Gonzalez

NOT VOTING—29

Allen
Barrett
Beard, Tenn.
Biaggi
Brown, Calif.
Clancy
Crane
Diggs
Fraser
Hébert
Heinz
Hinshaw
Kelly
Lehman
Lujan
McDonald
Metcalfe
Michel
Moorhead, Pa.
Pepper
Pettis
Riegle
Runnels
Satterfield
Stanton, James V.
Ullman
Vander Jagt
Whalen
Wiggins

Mr. GOODLING changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. RUPPE

Mr. RUPPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ruppe: Page 27, lines 23-25; delete subsection (d)(7) in its entirety, and renumber the subsequent subsection accordingly.

Mr. RUPPE. Mr. Chairman, the amendment that I have offered would strike the provision in the legislation requiring that a logical mining unit be limited to 25,000 acres. For those Members who are not familiar with mining legislation, a logical mining unit is a consolidation of leases where at least one of the leases involved is a Federal lease. It has to have one Federal lease. A logical mining unit can be a consolidation of leases, however, both public and private in combination, as long as one of them is a Federal lease.

Right now, in legislation we passed many years ago in the original amendments of 1920, no company can have a lease of more than 46,080 Federal acres in any one State.

In the legislation that we are now discussing and in a provision which I support, we also have a limitation that no company can have more than 100,000 acres under Federal lease at any one time throughout the country. So we do have a national limitation. One hundred thousand acres is all anybody can have of federally leased land. We also have a second limitation, that in any one State no company can have more than 46,080 Federal acres under lease.

So I think it is very inadvisable that we have a third limitation limiting the size of any logical mining unit to 25,000 acres. We already have a limitation saying that no company can have in a single State more than 46,080 acres of federally leased land.

A very strong indication of how detrimental to mining in the West this particular provision would be is that we had before us one of the members of the Geological Survey who indicated several problems with mining in the West, and he gave us a demonstration mine to go by, and that was a mine that was put together by the development of a logical mining unit that contained some 60,000 acres of both Federal and State land. I asked him specifically what would have happened if we had limited the size of the logical mining unit and set the limitation at 25,000 acres. He said, "You would limit the efficiency of the mine and you would leave behind much of the coal that would otherwise be mined."

If we put a limitation of 25,000 acres on the size of a logical mining unit what is going to happen is that the coal company involved will take the heart, the center of the coal to be mined, and leave all of the peripheral, all of the coal on the sides, because it could not be included in the 25,000-acre limitation.

If we permit a logical mining unit of larger than that size, we then permit the company to not only go in and take the core, take the center portion, the best of the coal deposit, but we also give them the incentive and the inducement to take all of the lesser quality coal, the lower quality peripheral coal in that deposit.

Let me say that we already have in legislation today a limitation of 100,000 as to the amount of acreage that any company can have of federally owned acres in the United States. We also have today in the legislation, which I support, a State limitation of 46,000 acres that any company can have. Again that is the limit on the number of acres any company can have in the State as far as federally owned land is concerned.

Mr. Chairman, I think a further restriction on the amount of acres in a logical mining unit would be most unwise, and that it would not only impede the utilization of coal in the West but it would make the utilization of each deposit so restrictive in the acreage limitation that it would be very inefficient in the mining. It would result in the waste of a certain amount of coal in a tract and perhaps of a large percentage of the coal in the particular deposit.

Mrs. MINK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think what the committee must be made aware of is the fact that there are in existence today 533 Federal coal leases covering about 278,000 acres of public land containing an estimated 16 billion tons of coal. That is what is at issue in this provision. Of these 53 Federal coal leases only 59 are actively producing coal.

Our annual consumption in 1975 was 638 million tons, only 20.6 million of which were produced as a result of Federal leases.

This is the question. How are we in the Government going to insist that the existing leases which are now in the hands of private companies be utilized for the benefit of the American people and produce the energy that is required?

One of the mechanisms that we found necessary in order to make sure that these leases are not held dormant is to permit the Secretary of the Interior to consolidate these existing leases. The purpose of consolidation is to exempt the individual leases from the diligent development requirement and the continuous operation requirement by consolidating them.

The Secretary is permitted under this bill to treat the consolidated unit as though it were one lease, so that if any one part of it was producing, then it would meet the requirements of the law with regard to continuous operation and diligent development.

So it is in this effort to try to get these leases into production that we wrote a consolidation section that permitted the use of the logical mining unit concept to permit the exemption from a very laudable part of the law. In order to make this functional, in order not to create giant holdings in one State, we felt it reasonable to require the 25,000-acre limitation.

Mr. Chairman, let me remind the Members of this House that 25,000 acres equals 39 square miles. That is a lot of land. Let us just take some exemplary holdings in the western part of the United States. Let us take for example Campbell County, Wyo. If we took 25,000 acres in that area, it would produce 3 billion tons of coal, 6 times what the country now produces, just in the one logical mining unit.

Just in that one logical mining unit in Johnson County, Wyo., 25,000 acres will produce 6 billion tons; Sheridan County, 750 million; Sweetwater County, Wyo., 450 million; Jackson County, Colo., 800 million; and Montrose County, Colo., 250 million.

Therefore, Mr. Chairman, it is unreasonable not to have a limitation as to the authority of the Secretary in going ahead and consolidating these leases. It seems to me that the 25,000-acre limitation that we have provided is a very reasonable one, particularly when one takes into consideration the kinds of lands and the kinds of mineral resources we are leading with out in the West.

Mr. Chairman, I would hope, therefore, that this amendment would be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. RUPPE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. RUPPE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 97, noes 301, answered "present" 1, not voting 34, as follows:

[Roll No. 11]

AYES—97

Abdnor
Archer
AuCoin
Bauman
Beard, Tenn.
Bell
Boggs
Breaux
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burleson, Tex.
Butler
Carter
Cederberg
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conlan
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
Downing, Va.
Edwards, Ala.
English
Erlenborn
Fish
Flynt
Goldwater
Goodling
Grassley
Hagedorn
Hammerschmidt
Hansen
Holt
Hubbard
Hutchinson
Jarman
Johnson, Pa.
Jones, Okla.
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Lott
McClory
McCloskey
McCollister
McEwen
McKinney
Martin
Michel
Milford
Miller, Ohio
Moore
Moorhead, Calif.
Mosher
O'Brien
Passman
Poage
Pritchard
Quie
Quillen
Railsback
Rhodes
Risenhoover
Robinson
Rousselot
Ruppe
Satterfield
Schneebeli
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Stanton, J. William
Steed
Steiger, Ariz.
Symms
Taylor, Mo.
Treen
Waggonner
Wampler
Whitehurst
Wiggins
Winn
Young, Alaska

NOES—301

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Casey
Chappell
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frey
Fuqua
Gaydos
Gibbons

Gilman
Ginn
Gonzalez
Gradison
Green
Gude
Guyer
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Koch
Krebs
Landrum
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McCormack
McDade
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Randall
Rangel
Rees
Regula
Reuss
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Spence
Staggers
Stark
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
White
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—34

Allen
Ashbrook
Barrett
Biaggi
Brown, Calif.
Clancy
Crane
de la Garza
Diggs
Esch
Flood
Forsythe
Fraser
Giaimo
Hébert
Heinz
Hinshaw
Keys
Lehman
Lujan
McDonald
Madigan
Metcalfe
Mitchell, N.Y.
Pepper
Pettis
Richmond
Riegle
Runnels
Stanton, James V.
Udall
Vander Jagt
Weaver
Whalen

Messrs. HORTON, ADDABBO, and CONYERS changed their votes from "aye" to "no."

Messrs. FLYNT, DOWNING of Virginia, DAN DANIEL, RISENHOOVER, ENGLISH, JONES of Oklahoma, and JOHNSON of Pennsylvania changed their votes from "no" to "aye."

So the amendment was rejected.

AMENDMENT OFFERED BY MR. RUPPE

Mr. RUPPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ruppe: Page 28, line 14, strike the words "12½ per centum" and substitute in lieu thereof the words "5 per centum".

Mr. **RUPPE.** Mr. Chairman, the amendment I have offered would strike the 12.5 percent minimum royalty and set the minimum royalty at a 5-percent figure. I think we have to understand that at the present time there is no legislative minimum as far as the percentage royalty that can be set by the Federal Government on the mining of western coal. However, in practice the Federal Government has called for a minimum 5-percent royalty on all the coal taken from Federal property. This legislation would hike that minimum percentage to 12.5 percent, or whatever higher figure would be suggested by the Secretary of the Interior.

What, in effect, is now going to happen, unless we knock out this provision in this legislation and support the amendment I have offered, is that it will jack the minimum royalty paid by the utility, paid by the American consumer, from 5 percent of the value of the coal removed from Federal property to 12.5 percent of the value of that same coal removed from Federal property. Most of this coal in the West is going to go to utilities or the private consumer, directly or indirectly.

Without this amendment, utility customers and the American consumer are simply going to pay a higher cost for energy, a higher cost for the coal than they would pay without the amendment. So, I urge the adoption of the amendment as an amendment that would reduce utility costs, reduce consumer costs in terms of the cost of coal mined in the West.

Mr. **RONCALIO.** Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, to assure a fair return to the public from the leasing of valuable coal resources, H.R. 6721 places a 12.5 percent minimum royalty on coal extracted from Federal lands.

It is alleged that this minimum royalty is so high that it will have the effect of making large acreages of Federal coal lands uneconomical to mine. This is untrue. Geothermal lands minimum royalties are set by law at 10 percent and leasing has not been deterred. The State of Montana has recently enacted a minimum coal royalty of 10 percent. Outer Continental Shelf oil and gas royalties must be at least 12½ percent by law and Department of Interior regulations set them at 16⅔ percent, with no evidence to indicate that this rate discourages Outer Continental Shelf leasing and production. Given this 16⅔ percent royalty and the fact that nationwide, oil is over 50 percent more expensive for utilities on a Btu basis than coal, it is difficult to imagine how it can cogently be argued that a 12.5 percent minimum royalty for coal would render it uneconomical to mine. Further, given the large acreage of economically attractive coal deposits on Federal lands, a supply which greatly exceeds demand, I submit that tracts which are economically so marginal as to be rendered unprofitable by the 12.5 percent royalty should not be selected for leasing in the first place. It should also be noted that section 39 of the Mineral Lands Leasing Act, as amended, would still allow the Secretary to reduce the minimum royalty below 12.5 percent on a tract "for the purpose of encouraging the greatest ultimate recovery of coal—and in the interest of conservation of natural resources. This means that a mine operator could pay a lesser royalty on that portion of a coal deposit or seam which might normally be uneconomical to mine given a 12.5 percent royalty, but which he is required by H.R. 6721 to mine so as to achieve the maximum economic recovery of the coal resource.

An additional consideration favoring enactment of a 12.5-percent minimum royalty is that it should reduce the initial capital outlay necessary for a successful bid on a leasing tract. This should enable smaller corporations to bid competitively on leasing tracts by deferring the bulk of operating expenses until production actually occurs. Conversely, should the 12.5-percent minimum royalty be reduced, the initial capital outlay could be expected to rise to the detriment of smaller corporations and increased competition in the coal industry.

Finally, Mr. Chairman, it has been suggested that a 12.5-percent minimum royalty will drive up the price utilities pay for coal, and that this increase will be passed on to consumers.

There is an element of truth to this. The Department of Interior projects that by 1985 coal will fuel 42 percent of U.S. electric power generation facilities, with 21 percent of the coal coming from Federal lands. This means that only about 10 percent of the total fuels used in electric power generation will come from Federal coal lands. Combining this with statistics supplied by the Federal Power Commission, the conclusion can be reached that lowering the minimum royalty from 12.5 percent to 5 percent, as it is in the Senate bill, will reduce the average residential consumer's electrical bill in 1985 by less than 5 cents per month. This insignificant amount hardly justifies denying the public the benefits of increased revenues and bidding competition which a 12.5-percent minimum royalty will provide.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Kansas (Mr. Skubitz).

Mr. SKUBITZ. I thank the gentleman for yielding. I would like to ask the gentleman a question. Under existing law, the royalty is 5 percent; is that correct?

Mr. RONCALIO. Largely. But under existing law it can be other things too.

Mr. SKUBITZ. If the gentleman will yield further, what this becomes is a floor. What we are actually doing is to raise the floor to 12½ percent; is that not correct?

Mr. RONCALIO. Generally, yes, but let me further explain.

Mr. SKUBITZ. If the gentleman will yield further, may I finish with a few questions to the gentleman? What I am trying to say is that it seems to me that by placing a floor of 12½ percent, what we are doing is to make it impossible, in some areas where the coal is not of a sufficient quality and quantity, to mine the coal.

Would it not be far better, since the average today is not 5 percent but actually 8 percent, to place a floor of 8 percent, which would permit the Government to go beyond that if it so decided?

Mr. RONCALIO. The answer is that if there are areas of Federal coal that cannot be mined profitably now with the 12½ royalty to the Government, then that ought not be disturbed, or in marginal thin-seam areas, exceptions may be taken by Congress in later years.

We have mines—as the gentleman knows because he has seen them—in Wyoming with 80- and 90-foot seams containing hundreds of millions of tons, where the royalty figure is not a hardship—is in fact a drop in the bucket—the drop appears big, but so are the buckets.

Mr. SKUBITZ. If the gentleman will yield further, Wyoming is not the only State in the Union.

Mr. RONCALIO. Of course not, but it is one of the few States that will be affected by this legislation.

Mr. SKUBITZ. But at the same time, in trying to take care of the gentleman's State, we are working a hardship on the other States that are not so fortunate to have the kind and quality of coal as is found in the State of Wyoming.

Mr. RONCALIO. I appreciate that. I am looking out, first, for the Treasury of the United States and the well-being of the people of Wyoming. I think the amendment would give away public resources. If there are hardships, adjustments can be made, and I think we should be in a position to do that. But I think we have to accept the 12½ percent as a basic matter of equity now.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentlewoman from Hawaii (Mrs. Mink).

Mrs. MINK. I thank the gentleman for yielding. Mr. Chairman, I would like to concur in the gentleman's statement that this is a reasonable statement to include in the bill. If we only check and pay attention to what the Western States are already doing with respect to royalty minimums that have been established, I think we will readily concur that the 12½ percent we are providing for is reasonable. We have a 10-percent royalty minimum for geothermal resources and we have a 12½-percent minimum for the oil on the Outer Continental Shelf.

Mr. RONCALIO. I thank the gentlewoman.

Mr. Chairman, I urge rejection of the amendment.

AMENDMENT OFFERED BY MR. SKUBITZ AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. RUPPE

Mr. SKUBITZ. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Skubitz as a substitute for the amendment offered by Mr. Ruppe: Page 28, line 14, strike the words "12½ per centum" and substitute in lieu thereof the words "8 per centum".

Mr. SKUBITZ. Mr. Chairman, I will not use the full 5 minutes allotted to me because I have already expressed my feelings on this matter.

What we are doing here is placing an 8-percent minimum on Federal coal royalties. This does not hinder the Government from going to 9, 10, or 12½ percent or however high it might want to go. This figure would be determined by the quality or quantity of the coal in the lease area. If we establish a 12½-percent floor on royalties we are making it impossible in some areas to mine a narrow vein of coal.

I think there ought to be some flexibility here. Today the minimum royalty is, I believe, about 5 percent, but the average royalty is about 8 percent.

Mr. Chairman, that is why I have offered this amendment. It simply changes it from 12½ to 8 percent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. Skubitz) as a substitute for the amendment offered by the gentleman from Michigan (Mr. Ruppe).

The substitute amendment for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Ruppe).

The amendment was rejected.

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Simon: Page 20, line 8, after "(2)" insert "(A)".

Page 20, after line 20, insert:

"(B) Any lease which permits surface coal mining within the boundaries of a National Forest which the Secretary proposes to issue under this Act shall be submitted to the Governor of each State within which the coal deposits subject to such lease are located. No such lease may be issued under this Act before the expiration of the 60-day period beginning on the date of such submission. If any Governor to whom a proposed lease was submited under this subparagraph objects to the issuance of such lease, such lease shall not be issued before the expiration of the six-month period beginning on the date the Secretary is notified by the Governor of such objection. During such six-month period, the Governor may submit to the Secretary a statement of reasons why such lease should not be issued and the Secretary shall, on the basis of such statement, reconsider the issuance of such lease."

Mr. SIMON. Mr. Chairman, what this amendment does is simply this: it provides that in national forest lands such as the Shawnee National Forest in my district where there are coal deposits, we do not want to wake up some morning and find that some Secretary of the Interior 10 years from now who may never have seen the Shawnee National Forest has suddenly signed a lease and we are going to have strip mining in this national forest.

My amendment does not apply to shaft mining. It simply says that in the case of strip mining the Governor of a State in which a national forest is located shall be notified, and if he wishes, there can be a 6-month delay, during which time he has the right to indicate his objections, and during that period the Secretary must reconsider. It does not give him veto power, but it provides areas like ours a little protection.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I cannot follow the gentleman's reasoning on national forests which come under Federal jurisdiction. This is a Federal coal leasing bill. What business is it of the State?

We have oversights now in the Congress, and the Department of the Interior has the responsibility. If anything like that should happen or if there is any objection to a particular lease, we always have the oversight here.

Now, why should we want to fracture a law or promulgate a law that will fracture jurisdiction in a situation like this?

Mr. SIMON. In response to the gentleman, there are other examples where we have given Governors—and I do not see the majority leader on the floor right now—but I remember that shortly before the Christmas recess there was a matter in connection with the State of Massachusetts where, in fact, we gave the Governor of Massachusetts a veto power over something.

I am not suggesting a veto power. What I am suggesting is that there ought to be a safeguard so that all of a sudden we do not end up with strip mining devastating this national forest in our area.

Mr. KAZEN. The only thing, I would tell the gentleman, that I worry about is that if we put this type of provision in there, we are going to wind up with no coal mining, because every Governor of every State in the same situation is going to stop this mining under this provision. The danger is there. I am not saying that they will, but the danger is there because of the provisions of the gentleman's amendment.

Mr. SIMON. In response to the gentleman, I would simply say that at the very worst it would delay any coal mining 6 months; that is all, at the very worst. In fact, I think it is a very simple, substantial protection for the people.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, as I understand the gentleman's amendment, it refers to a proposed lease. In order to clarify that point, I would suggest that in the first line of the gentleman's amendment, it should read "any lease proposal which permits surface coal mining within the boundaries of a national forest."

Mr. Chairman, I raise this point because I do not believe it was the intent of the gentleman in the well to postpone the effective date of a lease which has been sold for 6 months. I believe the intent of the gentleman is to simply give the Governors assurance that they would have 6 months' time in which to notify the Secretary of their objections to a proposed surface-mining operation in a national forest system.

If that is the intent, I see no objection; but I would raise an objection if the actual issuance of the documents, after a sale has been concluded or an auction has been held, would be postponed for 6 months, because I would think that would be an unreasonable interference with the Secretary's authority.

I wonder whether I might have a comment from the gentleman.

Mr. SIMON. Yes; I concur completely. I think the gentlewoman from Hawaii's suggested inclusion of the word "proposal" after the word "lease." I am pleased to accept the gentlewoman's suggestion.

Mrs. MINK. If the gentleman will yield further, it is my belief that the provisions in the bill already would require at least 6 months from the time that the decision is made to actually offer a lease for public sale until operations could begin, because of the necessity for land-use planning, the necessity for all of the public notices, and the public hearing. Surely, 6 months will elapse. Therefore, the period provided for in the gentleman's amendment will run concurrently with the time already provided in the legislation.

The CHAIRMAN. Does the gentleman from Illinois (Mr. SIMON) request unanimous consent to modify his amendment as suggested by the gentlewoman from Hawaii (Mrs. MINK)?

Mr. SIMON. I do so request, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The amendment is modified as suggested.

The time of the gentleman from Illinois (Mr. SIMON) has expired.

(On request of Mr. OTTINGER and by unanimous consent, Mr. SIMON was allowed to proceed for 3 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to support the amendment of the gentleman from Illinois (Mr. SIMON). I think it is a constructive and reasonable compromise.

With respect to the arrangements which are being worked out now with regard to the leasing of land on the continental shelf, I think it will give some protection against what could be done in the strip mining operations and with respect to what might be done by the States.

Mr. Chairman, I hope that the amendment will be accepted.

Mr. SIMON. Mr. Chairman, I appreciate the comment of the gentleman from New York.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from New York.

Mr. FISH. I wonder whether I could ask the gentleman from Illinois (Mr. SIMON) again what the change is that the gentleman asked us to accept by unanimous consent.

Mr. SIMON. Yes; the gentlewoman from Hawaii (Mrs. MINK) said that in paragraph (B) that where the words "Any lease which permits" appear, in the original language, that actually what I mean is "Any lease proposal which permits," and I have accepted that language and it has been accepted by the House.

Mr. FISH. If the gentleman will yield further, I would like to comment that the Select Committee on the Outer Continental Shelf has not started markup. Therefore, it is not accurate for the gentleman from New York (Mr. OTTINGER), the prior speaker, to draw a parallel between the language of the gentleman's amendment and anything that the select committee might do.

I would venture to say, being the ranking member on that committee that we will not have any period of 6 months for Governors to object to possibly what is going to be a far more serious adverse environmental situation to certain coastal areas than I think would occur here.

Could the gentleman from Illinois tell us, aside from the visual aspects of strip mining, that the gentleman and I find equally onerous, what would be the actual impact on the state in Federal lands because of the mining operations?

Mr. SIMON. There are practical adverse impacts in addition to the visual impact. Strip mining presents some problems in relation to water in a given area, runoffs and there are some very substantial public health problems that I think the State may want to consider and have a legitimate right to consider.

Mr. FISH. I thank the gentleman from Illinois.

Mr. MYERS of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if I may have the attention of the chairman, the gentlewoman from Hawaii (Mrs. MINK) for a moment, I have a couple of questions with respect to leases on Federal lands.

Are these leases in any way subjected to the State strip mining laws?

Mrs. MINK. Mr. Chairman, if the gentleman will yield, I believe that the States would have authority only with regard to their lands. The Federal Government would have authority to regulate the Federal lands under regulations which have been promulgated pending the action of this Congress to enact surface mining legislation.

Mr. MYERS of Pennsylvania. The gentlewoman is saying then that the leasing of Federal lands are in no way subjected to the State regulations?

Mrs. MINK. If the gentleman will yield further, no, I said the Federal lands are subject to the Federal regulations.

Mr. MYERS of Pennsylvania. Are the leases for mining operations on Federal lands subject to control by the States if the water coming out of those mines affects a stream outside of the Federal land?

Mrs. MINK. Whether the damage is due to a source on Federal lands, or outside of Federal lands, if the damage were the result of activities on Federal lands, the activities would be governed by Federal regulations, because it is on Federal lands.

Counsel advises that the Secretary has stated that where the State laws are more stringent than the Federal regulations that the Department has promulgated, that the Department intends to abide by the State regulations.

Mr. MYERS of Pennsylvania. So that in the absence of Federal strip mining laws, the leases will, by direction of the Secretary, be subjected to the State strip mining laws?

Mrs. MINK. Yes, that is what the Secretary has so advised us. But it is not by law, it is purely a statement made by the Secretary and part of the Department's policy. That is why we are already insisting that an adequate strip mining law be enacted by the Congress so that all of these matters can be dealt with through comprehensive laws that will affect all States, as far as coal mining is concerned, surface coal mining.

Mr. MYERS of Pennsylvania. Will old leases on Federal lands be subjected to new State strip mining laws when no Federal strip mining laws exist?

Mrs. MINK. Yes; that is the statement of the Secretary.

Mr. MYERS of Pennsylvania. Since I have the attention of the chairman at this point I would ask the gentlewoman another question and this is directed to another part of the bill which concerns centralization of control. I do not know what section it is in at the moment, but I would ask, does this also apply to the possibility where an organization would purchase a lease and sell the rights to mine on that lease to a corporation that would already be over its 100,000 acre limit? How would that be handled?

Mrs. MINK. I would assume that if the parent corporation has a subsidiary, and this subsidiary is bidding for a lease, and the combination would exceed the 100,000-acre limit, that the lease would not be issued.

Mr. MYERS of Pennsylvania. This is to establish some legislative history. I am not talking about a subsidiary but a separate corporation or a separate entity altogether that purchases a lease, does not itself mine or control the sale of the coal from that lease, but allows a major corporation who has other leases to actually control the outflow of coal from that lease. Does that count in the 100,000-acre limit of the bill?

Mrs. MINK. The gentleman means after the coal is mined?

Mr. MYERS of Pennsylvania. Yes.

Mrs. MINK. No; we are only dealing with the actual holder of the lease who controls the mining operation, as I understand the bill.

Mr. MYERS of Pennsylvania. If a corporation has a lease and does not intend to itself mine the coal, but turns it over to another corporation which is in the business of mining coal, the second corporation would determine at what rate to extract the coal, who the customers would be, what the prices would be, et cetera. Is that particular case included in that second corporation's limit of 100,000 acres?

Mrs. MINK. Yes; a transfer to that corporation would be covered under that limitation.

Mr. MYERS of Pennsylvania. I have another question. As corporation works out and gives up leases that they no longer want to work, or they are finished with, does that subtract it from the 100,000-acre limit, and is that 100,000 applied to just a point of time where there would be no more than 100,000 acres?

Mrs. MINK. If one actually surrenders the lease to the Federal Government, then it no longer would be calculated against his 100,000 limitation.

Mr. MYERS of Pennsylavnia. Regardless of whether he has extracted the coal or not?

Mrs. MINK. Yes; as far as I know, there have not been any voluntary relinquishments, but that is the purpose of the legislation.

Mr. MEYERS of Pennsylvania. I thank the gentlewoman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SISK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do this to inquire of the distinguished gentlewoman from Hawaii with reference to comments made in this recent colloquy. As I understand, the gentleman from Illinois' amendment is very carefully worded. At least I appreciate his answer, if I state it correctly, to in nowise give a governor a veto or control over any kind of a national forest, but merely to indicate a concern in which he could delay such a proposal for a maximum of 6 months. Is that in essence what the gentleman seeks to do?

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

That is absolutely correct. I am not suggesting any veto power.

Mr. SISK. I thank the gentleman very much.

If I could now inquire of the gentlewoman from Hawaii, in answer to a question a moment ago in colloquy, it sounded to me as though there might be a possibility that we here are yielding some kind of authority to a State or to a Governor over national forests. I think this would represent a very dangerous precedent. I do not understand—and I happen to have national forests in my own district—but as far as I am concerned, I do not want my own Governor to have any kind of a veto power or control over Federal lands, either BLM lands, national forests, or otherwise. I would like an explanation of that, because I do not understand that we have ever heretofore taken an action that permitted any kind of State interference in our jurisdiction over Federal lands and the things that went on on those lands.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentlewoman from Hawaii.

Mrs. MINK. I thank the gentleman for yielding.

I understand the gentleman's concern, because I certainly feel that it would also be improper for the Congress to yield Federal power and authority over its lands to a Governor. However, I feel that the amendment which has been offered by the gentleman from Illinois does not do that but simply guarantees the Governor, where he has concerns over the surface mining of a national forest, a 6-month period in which to file a protest.

Mr. SISK. I agree, because I think the gentleman again on the question clarified it—and I think I realize what he is doing—but I understood the gentlewoman to say in answer to a question a moment ago by the gentleman on the other side of the aisle that State laws would prevail in the absence of Federal laws in connection, for example, with mining in national forests. I would like an explanation of that. Or maybe I misunderstood the gentlewoman.

Mrs. MINK. No; the Department of the Interior has promulgated rules and regulations for the strip mining of its Federal lands. The Secretary has indicated that where such mining does occur and the State laws are more stringent that it would be his policy to abide by the State laws in the jurisdiction where the Federal lands might be located.

Mr. SISK. That would be a decision within the Department of the Interior at the Federal level as to whether, in fact, he wished to go along or not go along with that.

Mrs. MINK. That is correct.

Mr. SISK. But leaving it at all times in the complete jurisdiction of the Federal agency.

Mrs. MINK. That is right. It is a Federal decision and a discretion retained by the Secretary. It is no part of this bill.

Mr. SISK. I thank the gentlewoman for this clarification, because this is certainly important. I do not want State interference or Governor interference of any Federal lands in the State of California.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Chairman, does this mean that if a State has a strip mining law requiring 10 cents a ton for reclamation of old sites in the State, they can attach that tax to coal coming out of Federal leases?

Mr. SISK. Mr. Chairman, I would hope it does not. I would say, and there again, we are getting into very dangerous territory, I yield to the gentlewoman from Hawaii on that.

Mrs. MINK. Mr. Chairman, I really cannot make an authoritative answer on that question. I believe there are companies that are paying taxes in the order the gentleman describes, on the theory that once the coal is dug out it becomes in the nature of personal property and, therefore, subject to State taxes. I understand that this is the situation in Montana, for example.

This matter, I believe, will be litigated, but it is certainly not intended to be covered by this legislation.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Illinois (Mr. SIMON).

The question was taken; and on a division (demanded by Mr. SIMON) there were—ayes 39, noes 25.

So the amendment, as modified, was agreed to.

AMENDMENT OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HUGHES: On page 20, line 8, insert "(A)" immediately after "(2)", and after line 20, insert the following new subparagraph:
>
> "(B) The Secretary shall not issue a lease or leases under the terms of this Act to any person, association, corporation, or any subsidiary, affiliate, or persons controlled by or under common control with such person, association, or corporation, if such entity is engaged in the production of crude oil or natural gas.

Mr. HUGHES. Mr. Chairman, over the past decade there has been a growing concentration of ownership in the energy industry. This trend is particularly evident in the coal industry where large conglomerates now own and operate 15 of the top 20 coal producers in the United States. Most disturbing is that increasingly the purchasers of coal producing concerns have been major oil interests. Today, the No. 2 coal producer, Consolidation Coal, is a wholly owned subsidary of Continental Oil. The No. 3 producer, Island Creek Coal, is owned by Occidental Petroleum.

Now, just this past month, the fourth largest coal producer, AMAX Coal Co., has been acquired by Standard Oil of California, the fourth largest oil producer in the country.

Prior to this acquisition, the companies were potential competitors in oil, coal, and gas. Now, they are one more energy conglomerate.

The American people are well aware of the threat this Nation faces with the Arab oil-producing cartel, but here at home we face another threat from the industry sheiks, the huge energy conglomerates that have gained a stranglehold on all potentially competing energy sources. It is of little avail for this Congress or the administration to debate energy policy while major oil companies gobble up all competing energy sources.

I debated long and hard whether to offer this particular amendment because the subcommittee on which I serve, the Subcommittee on Monopoly and Commercial Law of the Committee on the Judiciary, hopefully will be addressing the energy structure as we see it today; but unfortunately I do not think divestiture and restructuring of the industry after the fact is the answer. We should be looking at it in terms of what we can do of a preventative nature to prevent the increasing concentration of oil, natural gas, coal, and uranium in giant conglomerates.

It seems to me that we ought to be taking those steps in our leasing policies that would increase competition and not lessen competition. My amendment would, for the present time, say that the energy industry produce oil and produce natural gas, but that they cannot bid on our Federal coal leases.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentlewoman from Hawaii.

Mrs. MINK. I certainly concur with the general position which the gentleman from New Jersey states. One of the great problems the Congress must face is the heavy concentration of investment in the energy field by our major oil companies. The Congress has a responsibility to legislate in this area.

It would be my hope that the Judiciary Committee would take on this responsibility. My committee has not gone into this subject area, and it is not part of this legislation. For that reason, I must regretfully oppose the amendment because we cannot work out the details of limitations, and so forth, to make this amendment acceptable.

I concur in its general spirit, and I hope that the Judiciary Committee, of which the gentleman is a member, will take this under consideration.

Mr. HUGHES. I thank the gentlewoman.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I share the feelings of the gentlewoman from Hawaii, and as the gentleman knows, I am the author of a bill now pending before the House Judiciary Committee Subcommittee on Monopoly and Commercial Law which, among other things, would prohibit oil companies from owning coal reserves. Whether that bill should be made law I do not know, but we are in the course of an investigation which I hope will answer that question. It is a subject which I think should concern us very deeply.

Whether we should let the companies that control the oil resources of the country move in to control one of the competing energy resources, namely coal, when they also control most of the uranium, which is another energy resource, is a question for the most serious consideration. But, for the reasons the gentlewoman from Hawaii has indicated, it seems to me that we have some distance to go before we can really answer the question of just what should be done about this serious problem. But, I think the gentleman should be commended for bringing it up, because it certainly has a bearing on this bill.

One of the most important provisions of this bill is the antitrust provision, which will give the Attorney General the right to review proposed leasing of Federal coal land to determine whether it is compatible with the antitrust laws. And until we get some better basis for legislative action, it seems to me that is about the best we can do at the present time.

Mr. HUGHES. I want to thank my colleague from Ohio, who serves with me on the subcommittee on monopolies and commercial law, and for his comment on the antitrust provisions of this legislation. I commend my colleague for his efforts, but it seems to me that we have had a great deal of rhetoric and now is the time for us to signify to the energy industry that we are concerned over the diminished competition in the area of competing energy sources and that as a matter of public policy, we intend to do something about that trend. We can do that by adopting this amendment.

Mr. RUPPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I certainly would agree with the author of the amendment that we should not have any undue concentration of Federal leases held by any one company or any one consortium of companies in the United States and particularly those that already have such a high stake in the energy business, the oil companies in particular. But we do also have at the present time some very strong restrictions as to the amount of Federal acres that any one company can lease. We have a 100,000-acre limitation nationally, a 46,080-acre limitation in any one State. If a company wants to develop a logical mining unit with a combination of Federal and other leases, they are held in any one unit or a point of geography to 25,000 acres. So I think there are some very strong limitations in the bill already.

I would also point out that by virtue of this amendment we would not only be denying the Standard Oils, if you will, access to Federal lands, but we would also be denying the very small oil and gas companies from in any way diversifying or getting into the Federal leasing business on Federal property.

I might say, in conclusion, that I am very intrigued about the concern we have for the large companies and the tender concern we have for the small companies getting a bigger part of the action. I read the other day that in the last few years something like 55 percent of the growth of our GNP has been taken by the Federal Government in taxes in recent years. We are really kind of kidding ourselves. We are taxing more and more. The interest rates for small businesses is either nonexistent or at rates that almost prevent them from securing capital.

I think rather than talk about how sensitive we are to small companies, we should realize the Government has made capital nonexistent for most small companies or has made that capital available at rates that are exorbitant. It is not really the Standard Oils, in my opinion, that are squeezing the small companies out of business. The Government has made it almost impossible for them to secure capital.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would just like to ask the genteman from Michigan if he is not concerned about the fact that the oil companies own 30 percent of one of the major competing energy sources, namely, coal?

Mr. RUPPE. If the gentleman will yield, I certainly do. And I would certainly not want that concentration increased.

But let me make the point. There is a limitation of 100,000 acres of Federal land that any company can own in the Nation. There is a 46,080-acre limitation in any one State. I do support the 46,080-acre limitation and the 100,000-acre limitation. I am saying that every oil and gas producer, no matter how small, is restricted from going into the mining of coal on Federal property. It is an outrageous limitation on the small company.

I would also say that very often we talk about small business. I have been in small business, and business today cannot get the capital, and they cannot get capital, if it is available, at such high interest rates.

So much of our discussion concerns the tender regard we have for small industry, but it is Government policy, to a large degree, that has made it impossible for small business to get the capital to go into that area, or for even many medium- and good-sized businesses to get the capital to diversify in areas such as coal production.

Mr. SEIBERLING. I share the gentleman's view about the problems of getting capital for both large and small businesses. I think it is a problem we have to come to grips with. But I am also concerned that we conserve competitiveness in our free enterprise system.

Mr. YATES. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I am chairman of the Appropriations Subcommittee of the Department of the Interior. Our subcommittee reviews Federal coal leases and Federal oil leases and conditions of the oil and coal fields, as we review the requests for appropriations. As chairman, I wrote the Secretary of the Interior for information with respect to the control by oil and gas companies of coal companies and coal production.

I received a letter on November 26, 1975, which said this:

> Analysis of leased acreage held by the top 20 Federal coal lessees points out some interesting facts concerning oil company involvement in coal leases. For example, 8 of the top 20 lessees by acreage are oil companies or companies wholly or partially owned oil companies. These 8 lessees account for over 183,000 acres or 23.4 percent of all Federal coal lease acreage. And of the top 20 coal lessees by in-place reserves 11 are oil companies or firms with partial or controlling interests held by an oil company. These 11 of the top 20 account for nearly 9.4 billion tons of in-place reserves or 34.6 percent of the total in-place reserves under lease.

The letter continues—

> Thus, a significant involvement by oil or oil-related firms is apparent in the holding of Federal coal lease reserves and acreage.

These are significant statistics, Mr. Chairman. This is a time of an energy shortage. The trend of the last few years is toward monopoly control which should be checked. This amendment seeks that end.

How is the public going to be protected in the prices it has to pay if all sources of energy are controlled by the same companies? There must be competition between the providers of energy if our people are to be protected. If the oil companies own the coal companies, we will not have a fair arms-length competition between the sources of coal and the sources of oil. There will be no free market in this free enterprise economy.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I think the things the gentleman from Illinois has brought to our attention are impressive, but I would like to correct one thing which came out of a question or statement made in a previous colloquy, and that was that this amendment only applied to the five or six major oil companies.

I have asked the sponsor of the amendment if this is true—and if I am incorrect, I hope he will correct me—and the answer given to me by the gentleman from New Jersey (Mr. Hughes) was: No, his amendment applies to all producers of oil and all producers of gas.

While I have a basic sympathy with his approach, I agree with the gentleman from Michigan (Mr. Ruppe) that to bar anyone who produces oil or anyone who produces gas from any additional leases on Federal lands under this law is not, I do not think, the appropriate approach. If the amendment did limit it to the major oil companies, I think I could support it, but under the circumstances I cannot. If I am incorrect in quoting the gentleman from New Jersey (Mr. Hughes), I hope he will correct me.

Mr. YATES. Mr. Chairman, I will yield to the gentleman from New Jersey (Mr. Hughes) to explain his amendment, but first I would like to point out to my friend, the gentleman from Colorado (Mr. Evans), that even the smallest oil company may stifle competition if it also controls coal. There is no free market. Such ownership will stifle competition.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, my colleague, the gentleman from Colorado (Mr. Evans), is correct. The thrust of my amendment would bar all oil and gas producers from bidding on any Federal leases dealing with coal. The reason for that is that it is very difficult to separate oil and gas producers in terms of market structure and import—particularly over the span of years which must concern us.

I think as a matter of public policy that we have a right to determine, at this juncture, that if one is going to be in the oil business, he should be in the oil business; and if one wants to be in the coal business, he should be in the coal business; but we want to allow competition to exist between our alternative forms of energy—a feature which is rapidly disappearing from the American scene.

The frightening thing about what is happening is that the energy conglomerates are now trying to raise the Btu equivalents of all their energy sources to the price of oil—a cartel-set price. Therein I think lies a great threat to our economy and to any energy policy in the years ahead.

Mr. YATES. Mr. Chairman, I agree with the gentleman, and I support his amendment.

Mr. MYERS of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to say to the framer of the amendment that I think we are perhaps on the verge of committing somewhat of an error if we adopt this amendment.

It seems to me we must look at the energy situation with some eyes that see beyond the next 10 or 15 years. When we look beyond 10 or 15 years, we realize that even the Government's own studies indicate that we have rapidly depleting supplies of oil and natural gas, which would mean that perhaps in 30 years the major source of commodities for our oil and gas industries will no longer exist in any abundance so that they can continue to be strong and viable corporations producing jobs and producing energy for us here in the United States.

I think that if anyone wants to look at energy with some vision, we ought to be able to look into the year 2000, when we will see, perhaps, that we will not have oil companies, and we will not have natural gas companies. We may, in fact, have producers of nuclear energy, solar energy, and coal energy.

Mr. Chairman, I think it is a mistake to just arbitrarily subject the oil industry and the gas industry to a dying situation, because somewhere down the line they are going to quit investing in the development of energy. If they cannot find oil and natural gas, what logical argument is there to say that they should not be able to produce some other source of energy?

Certainly it would be to our advantage for the oil industry to go out and help in the development of solar energy in time. I think it would be a tremendous mistake to say that they cannot compete in other forms of energy.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Pennsylvania. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I would like to point out a couple of figures which I think support the argument of the gentleman from Pennsylvania (Mr. Myers).

First of all, we had discussion here today about 780,000 acres of Federal land leased for the production of coal.

Let me say that the Senate report accompanying this same legislation identifies 84 million acres of Federal land in the West, 84 million acres of lands available for coal development; and we have leased less than 1 percent. We have leased 780,000 acres.

We are talking essentially about what we are going to do with the other 99 percent of the acreage of that 84 million which is going to be leased in the future. I think we have enough restrictions in the bill at this time, the 100,000 limitation nationwide and the 46,000-acre limitation in any one State, to protect against any conglomerate in or out of the oil business which might make the major effort in coal development in the future.

The reason they have such a substantial portion today is that we only have 780,000 acres under lease, and we have stopped the leasing of coal lands in the West of Federal acreages for the last 5 years.

Mr. MYERS of Pennsylvania. Mr. Chairman, if I may comment further, I think we are actually ignoring what the objectives of this bill are. It is to control the concentration. If we are doing that effectively with the legislation, we do not have to arbitrarily say to one particular industry, "You are good in your industry, but we cannot use your expertise here."

The oil and gas industry may lose the whole line of its operation. In the field of mobile fuel, scientists are talking about liquefied hydrogen. Are we going to say that they cannot participate in the liquefaction of hydrogen? That delays the development of those fuels?

Mr. Chairman, I think we are being very narrowminded in this in saying that just because a company is successful in the oil and gas industry, it cannot participate in another industry.

There is some legitimate concern as to concentration, but is there not some advantage to having strong, viable corporations leading the way in the new fields of energy, whether it is coal gasification or coal liquefaction?

It just seems senseless to me for this Congress to just arbitrarily say that we will not allow them to participate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. Hughes).

The question was taken; and on a division (demanded by Mr. Hughes), there were—ayes 26, noes 51.

Mr. HUGHES. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. RUPPE

Mr. RUPPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ruppe: Page 34, line 22 through page 35, line 18, delete subsection 9(a) in its entirety and substitute the following subsection:

"Sec. 9. (a) Section 35 of the Mineral Lands Leasing Act, as amended (30 U.S.C. 191) is further amended by striking the words "for the construction and maintenance of public roads or for the support of public schools or other public educational institutions,"."

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentlewoman from Hawaii.

Mrs. MINK. Mr. Chairman, I would

just like to notify the Members in the House chamber that there are three amendments that I am aware of at the desk and I am sure that with the indulgence and cooperation of all of the Members we should be able to finish in a half hour or 40 minutes and take a final vote on this bill.

Mr. RUPPE. Mr. Chairman, my amendment has basically two thrusts to it. First of all, my amendment would provide for a decrease in the percentage of Federal leasing revenues going to the States from 50 percent to 37½ percent. For the past few years 37½ percent of all Federal leasing revenues have gone to the States. This bill increases that percentage to 50 percent. I believe that figure is too high and it should be restored to 37½ percent.

The other part of my amendment would provide that the leasing revenues going to the States, 37½ percent, if my amendment carries, would not only be used in the future for roads and schools as they have been in the past, but they could be used for any purpose whatsoever that the State would decide. So that the States could spend the revenue money for schools or roads, and, in addition, for whatever purpose they believe is proper for their respective States.

It has been said on numerous occasions that because of additional costs that the States are incurring these days that it is very important that we increase our revenues to the States and we ought to have in the bill the provision that exists now increasing this percentage of Federal leasing revenues going to the States from 37½ percent to 50 percent.

Let me point out that even under the old formula and the present formula that I wish to state that the States have been doing a great deal better job today than they have in the past. First of all, the coal prices are up about three times over what they were so that they are getting two times as much money today, and as the price of coal rises, as it did just a few years ago, it will continue to increase.

Second, under our legislation here today the coal royalties will be increased from 5 percent to 12½ percent.

So, again, the States will get from the bill, under this provision, 2½ times the money that they received in the past.

So if we say that the price of coal is up some three times and if we say that the coal royalties under this bill will be increased by 2½ times, we are already suggesting that the revenues going to the States will be increased eight times—eight times, even without any change in the percentage of royalties.

So my amendment would cut back the 50 percent going to the States under the bill to 37½ percent, which is the percentage that the States have been enjoying over the years. This is not a cutback in the revenues to the States—it is a maintenance of the percentage, but it is also going to provide that the State revenues under the coal leases on Federal lands will be increased in future years by some eightfold over what they are today. I do not think they need the additional percentage on leasing revenues, they do not need the 50 percent. With the deficit in this country today of something between $50 and $70 billion it seems to me that the Federal Government needs the revenue. We do not need additional revenue sharing. We ought to retain for the Federal Government the basic major portion of the revenues from the sale of coal on Federal lands and I believe that retaining for the States 37½ percent of the leasing revenues is sufficient for those States to maintain services in their various communities.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I thank the gentleman for yielding.

Mr. Chairman, I have an announcement to make that if this amendment passes and we give the States an additional 12½ percent, we can just add onto the Federal deficit for fiscal year 1976 an additional $126 million to $168 million. This word has just come through by this letter from the Department of the Interior in its objection to this bill.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Wyoming.

Mr. RONCALIO. I thank the gentleman for yielding.

Mr. Chairman, that is not so. That is in error. That is not the truth. The truth is that the amount of money which my good friend, the gentleman from Kansas, just stated would go into the reclamation fund and be distributed according to the existing formula.

Mr. RUPPE. If we retain the old percentage of 37½ percent, cut the 50 percent altogether, but retain the 37½ percent, the States are still going to grow in revenue. The price of coal is up; revenue is up; and the revenue going to the States will be increased by eight times.

Mr. RONCALIO. I agree somewhat with the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Skubitz, and by unanimous consent, Mr. Ruppe was allowed to proceed for 1 additional minute.)

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I thank the gentleman for yielding.

I will read from the letter sent by the Department of the Interior dated January 19, 1976:

> This change represents a 33⅓ percent increase in payment to the States. In fiscal year 1976 this will amount to an increase from $126 million to $168 million.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Wyoming.

Mr. RONCALIO. I thank the gentleman for yielding.

That amount will be taken from the reclamation fund and go in to the States. This bill does not increase by a penny, our national deficit.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. MINK. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for one-half minute each.

(By unanimous consent, Mrs. Mink, and Messrs. Evans of Colorado, Howe, and Melcher yielded their time to Mr. Roncalio.)

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming (Mr. Roncalio).

Mr. RONCALIO. Mr. Chairman, this is the climax of the debate on this fascinating difficult legislation. Wyoming—and I think I speak somewhat for Montana, North Dakota, South Dakota, Idaho, and Utah—asks for some equity from the Members. There has been imposed upon our States an unprecedented burden of growth, human difficulties, crime, and health problems. I have seen sick people in an emergency ward in a hospital, with doctors in shortage night after night, because of the impact in that area. This impact has given us, as I said before, the highest problems of impact strain—our schools, roads, hospitals, jails, are strained.

We need your help. Wyoming has given to its fellow States $511 million since 1907 and gotten back less than $100 million from appropriations for our reclamation projects. Is it not just fair—just plain fairness—that the rest of the States share some of the costs with those of us who have taken on this burden?

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. I thank the gentleman for yielding.

I concur with his remarks. If this part of the Nation is going to be asked to produce all of this energy for the Nation as a whole, I think it is proper that the States that have the burden share a little bit more the income to take care of the problems the gentleman from Wyoming discussed.

Mr. RONCALIO. I thank the gentleman.

The other body has made this 60 percent instead of 50 percent, so they are 10 percent higher than our 12½ percent figure. I urge defeat of my friend's amendment.

Mr. Chairman, I rise in strong support of H.R. 6721, legislation designed to eliminate the deficiencies of present Federal coal leasing practices and to codify tough new leasing requirements. I regret, as many of my colleagues have done, that we do not have a Federal strip mine bill to accompany this legislation. I mourn for H.R. 25. However, this legislation is much needed in and of itself.

The Western States, heavily underlain with Federal coal, are entering into a phase of development never before experienced in their history. My State of Wyoming has some 20 energy companies right now moving to enlarge plans for the surface mining of coal. By company estimates Wyoming alone can be producing, by strip mining, almost 150 million tons of coal per year by 1980, and 225 million tons per year by 1985. During that time the State will face intense strip mining, coal-fired powerplants, coal gasification plants, slurry pipelines, new rail lines and increased rail traffic, new dams, canals, power transmission lines, and all the accompanying construction and technology needed to support these developments.

Most important, though, there will be a massive influx of people; people that will need homes and schools and health care and roads, fire and police protection, people that will strain the abilities of communities to provide even basic services to their citizens. We are already starting to see some of these strains. Crime rates are climbing in Wyoming, up 600 percent in some areas of the State. The Division of Health and Social Services just last month reported a 44-percent increase in child abuse and linked it directly to industrial impact. Divorce rates are climbing. Venereal disease is on the increase as is per capita consumption of alcohol which has doubled in some areas in recent years.

Mr. Chairman, these are the problems which Wyoming and other Western States will continue to face in the future. That is why this legislation which provides additional money to the States from funds received as mineral royalties, is perhaps the most singularly important bill for Wyoming that has come before this body in recent years. We understand in Wyoming that these resources are indeed Federal resources, and that the revenues which they may generate are Federal revenues. But the problems that are associated with this development are problems of the State. The increase in the minimum royalty payment brings coal into line with other minerals, such as oil and gas. The increase in the return to the States is much needed to deal with the impact. And the bill in general is vitally necessary to plug the weaknesses that have permitted various energy developers to acquire Federal lands for near nothing, without any consideration for the impact such an action could have on local community development, the local environment, or local land use planning.

I beseech you, my colleagues, to consider these problems. To realize that they are an extremely important part of our overall energy problem, and I would strongly urge you to defeat any amendments which would weaken this legislation and to strongly support its final passage.

I include the following material:

IMPACT RELATED PROBLEMS IN WYOMING ASSOCIATED WITH THE DEVELOPMENT OF ENERGY RESOURCES

[Increase in employment]

	1975	1985	Percent increase
Coal (actual mine workers only)	1,579	4,250	169
Uranium (actual mine workers only)	1,350	2,853	111
Basic public utility	198	2,051	936
Total State population	369,000	452,000	[1] 22.5

[1] Over 10-year period.

NOTE: This is only an increase in the basic employees in each group. This does not include all of the others that will come as construction workers and workers in areas that naturally follow a boom situation.

Source: DEPAD study.

THE HUMAN COSTS

Child Abuse: Up 44% in 1975 over 1974 (recent state investigation links directly to impact).

Venereal Disease: Up 32% during first 11 mos. of 1975 over 1974.,

Crime Rates: Up 600% in some of the impacted areas (1974 over 1973).

Alcohol: Per capita consumption has more than doubled 1974 over 1973.

Drugs: Recent study shows 1,000–2,000 heroin users in State (Does not give percent increase, however, over previous years).

Source: State Division of Health and Social Services.

CHEYENNE, WYO.,
January 20, 1976.

HON. TENO RONCALIO,
1134 House Office Building,
Washington, D.C.

I reaffirm the support of the State of Wyoming for H.R. 6721. The increase in the mineral royalty return to States is vital if we are to manage the growth caused by energy development. Your continued action is appreciated.

ED HERSCHLER,
Governor of Wyoming.

Accretions to the reclamation fund 1903–June 30, 1974

Arizona	$38,220,497
California	180,260,690
Colorado	134,553,365
Idaho	22,169,453
Kansas	4,889,041
Montana	86,487,589
Nebraska	2,419,567
Nevada	23,019,302
New Mexico	311,901,534
North Dakota	17,634,193
Oklahoma	9,607,050
Oregon	48,373,720
South Dakota	11,238,666
Utah	101,223,487
Washington	11,318,229
Wyoming	511,566,468

Source: Bureau of Reclamation (Study).

Total reclamation funding by State 1903–1972 (includes all reclamation funding not only that from the reclamation fund itself)

[In millions]

Colorado	$541
Arizona	201
Utah	240
Montana	287
New Mexico	121
Wyoming	225

Source: Western Governors' Regional Energy Policy Office.

Accrual to the fund by State 1970–75

Arizona	1.2
California	22.5
Colorado	68.7
Idaho	2.8
Kansas	1.3
Montana	21.8
Nevada	2.5
New Mexico	98.5
North Dakota	2.2
Oklahoma	1.8
Oregon	.3
South Dakota	1.1
Utah	28.7
Washington	.1
Wyoming	158.1

Source: Bureau of Reclamation (Testimony).

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. MYERS).

Mr. MYERS of Pennsylvania. Mr. Chairman, I would like to point out the fact that in the East we have coal coming out of leases that have been sold from private lands and it is going into the energy system of the United States. These States are not receiving royalties on this coal, but must adjust for the same social costs as the Western States. Although coal is mined on Federal land leases, the States still can inflict whatever taxes they want on the corporation for the coal that comes out of the Federal lands. There are going to be billions of tons over a period of years that will be mined which can produce hundreds of millions of dollars for States. I do not see the logic in providing windfall revenues to those States with large Federal holdings by sharing directly half of the royalties. Federal revenues should be shared by all the States. Certainly when it comes to maintaining Federal lands all States share the costs.

(By unanimous consent, Mr. BROWN of Michigan yielded his time to Mr. RUPPE.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Chairman, it has been suggested that we might just as well give the money to the States, rather than see the money go into the Federal Reclamation Fund. I can only point out that if we increase the percentage of royalty or the percentage of the take going to the States, we are going to have to go back and finance the reclamation fund ourselves. So to say, "Let us grab the money from the reclamation fund and give it to the States," is not going to cost the Federal Treasury anything, is just kidding ourselves. If the Federal Reclamation Fund does not get this money, the taxpayers will cough up the difference.

It has been said that the Senate has provided for 60 percent to go to the States. That is true, but their minimum royalty is 5 percent, not 12½ percent; so they are talking about a much smaller dollar amount going to the States and not to the Treasury.

The CHAIRMAN. The Chair recognizes the gentleman from Utah (Mr. Howe).

Mr. HOWE. Mr. Chairman, I think we have to look at this matter as a matter of equity. The States that are increasing their coal production at the present time, the Western States, are in serious need of some additional funds to provide for community facilities in lieu of a tax base which is not available at the present time to provide adequate facilities for the support of this expedited production.

As I said earlier today, I think it is an analogous thing to revenue sharing. I think it is a matter of using some of these funds to get back into the hands of the States to provide these facilities.

The CHAIRMAN. The time of the gentleman from Utah (Mr. Howe) has expired. All time has expired.

The question is on the amendment offered by the gentleman from Michigan (Mr. Ruppe).

The question was taken; and on a division (demanded by Mr. Ruppe), there were—ayes 18, noes 45.

So the amendment was rejected.

AMENDMENT OFFERED BY RUPPE

Mr. RUPPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Ruppe: Page 39, line 3 through page 41, line 6, delete section 15 in its entirety.

Mr. RUPPE. Mr. Chairman, we have heard a good deal of discussion about how we should get the major oil companies out of the coal leasing business, get them off Federal land and let the mining of coal on Federal lands go back to the little man.

Mr. Chairman, how is the little man going to get a major share of coal leasing on Federal lands if every time there is an issuance of a lease or the renewal of a lease, every time there is an adjustment of a lease, the whole thing has to go back to the Attorney General for his consideration?

I cannot believe that the small operator is going to have the technical skill or the legal skill to come back and make his case time and time again before the Attorney General of the United States. The only person who is going to be able to go through the motions, if you will, go through the procedure of making his case before the Antitrust Division at the time of the issuance, at the time of the adjustment, is going to be the big operator.

Can the Members imagine the little guy trying to change his lease, any part of his lease, when that lease has to go back to the Attorney General for his opinion?

This is the provision, and while it is aimed at protecting against monopolies, oligarchies from going on Federal coal leasing properties, the fact of the matter is that in the long run it is simply going to squeeze out the small operator who is not going to have the finesse, the expertise, to make his case before the Justice Department. In addition, we all tend to think at times that the Justice Department is going to be knowledgeable, going to be understanding, going to be able to make a responsible decision within 30 days of any lease, or change thereto, being placed in the hands of the Attorney General.

Let me remind the Members of one thing: We had a representative from the Justice Department testify before our committee on the so-called 2(c) provisions, provisions which now prohibit railroads from leasing any Federal coal. We had the Antitrust Division testify before our subcommittee. The gentleman had not the slightest idea of coal leasing, mining procedures; he had not the slightest idea of the Mineral Leasing Act of 1920. These are the types of individuals who are going to have to pass on every contract, every change, every comment that is made as far as the lease is concerned. They do not have the expertise. Most likely, they are going to say, "We do not know, let us hold it in abeyance."

The end result is going to be that the little guy, the little operator who does not have the clout in Washington, who does not have the lawyer on the spot in Washington, is not going to get a piece of the action. This part of the bill originally was designed to make it tough on Standard Oil and big companies to get a lease on Federal property. It is simply going to make it more and more difficult, burdensome and expensive for the small operator to get any piece of the action when it comes to leasing Federal coal lands in the West.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to commend the gentleman for his statement, and support his position.

Mrs. MINK. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Chairman, the gentleman from Michigan himself a few minutes ago indicated his concern about the fact that 30 percent of the country's coal reserves are controlled by oil companies, a competing form of energy, and the necessity of preserving competitive conditions in our energy industry.

Now, in the case of Federal coal, we have a similar situation. Five of the 15 top owners of Federal coal leases are oil companies, and some of them are other huge conglomerates. As a matter of fact, it is even worse than that. There are 144 leaseholders of public and Indian coal lands, but 70 percent of these leased lands are held by only 15 leaseholders. Five of the top 15 have yet to operate a single mine on their lands. In other words, they have been holding back production. Five of the top 15 are leading oil companies such as Shell, Gulf, Arco, and Sunoco.

Faced with this situation, the subcommittee and the committee came to the conclusion that we needed an antitrust provision similar to the one that was put by this House in the Elk Hills oil bill, which was passed overwhelmingly by the House. So, we put in the identical provision.

It does not say that little oil companies or anybody else, small bidders, have to go to the Attorney General and get approval. It says that the Secretary of the Interior, before he leases some coal lands, must submit his proposal to the Attorney General, and the Attorney General has 30 days in which to comment or criticize. He can simply do nothing, or he can say, "I think you had better take another look at this because I think it will create an anticompetitive situation in the coal industry." At that point, the bill simply requires the Secretary to have a hearing and make a decision as to whether, in his opinion, it is still essential to go ahead with this particular plan.

That is all there is to it. I submit that it does not put any great burden on anyone.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mrs. Mink yielded her time to Mr. Seiberling.)

PARLIAMENTARY INQUIRY

Mr. RUPPE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RUPPE. Mr. Chairman, how much time do we have on this side?

The CHAIRMAN. The Chair will state that the time limit was set at 5 minutes, and only two Members stood up.

Mr. RUPPE. Mr. Chairman, I was standing at the time.

The CHAIRMAN. No. The Chair looked around and noted the small number of Members standing. Only two Members were standing.

Mr. SEIBERLING. Mr. Chairman, I will yield to the gentleman if he wishes to make a comment.

Mr. RUPPE. I thank the gentleman for yielding.

Mr. Chairman, I think we are dealing with not the coal leasing that occurred in the past, but the coal leasing in the future. And it seems to me that we are talking about 99 percent of land that is not yet leased. I think we should set up ground rules for that property. I will support any type of legislation aimed at any monopoly or would-be monopoly in this country. But I think this is a new piece of legislation with an antitrust provision which makes it difficult for the small independent operator to lease on Federal land.

Mr. SEIBERLING. If I might respond to that point, the very type of operator that the Attorney General is going to want to lease this land is the small independent operator. There is not going to be any antitrust problem there. The antitrust problem will arise when Shell or Gulf, or some of these other huge companies which already have tremendous amounts of acres under Federal lease, are going to come in and want more. Those are the only people who might have a problem.

Mr. RUPPE. If the gentleman will yield further, it seems to me that if we are concerned about major companies—and I am sure we all are—getting into the field, we ought to attack the problem head on. I think we are doing it in a very ancillary or difficult way in this bill. I think if we are concerned, whatever committee has the basic jurisdiction ought to tackle the overall problem. I think we do an injustice to both the oil companies and others if we do it this way.

Mr. SEIBERLING. The Judiciary Committee is moving on this. But it is interesting to note that the oil companies and their supporters take the same position there that the gentleman takes on this provision, that is, they say, "No legislation is needed. Just let the Attorney General enforce the antitrust laws." All this provision does is to give him an adequate opportunity to do just that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. RUPPE).

The amendment was rejected.

AMENDMENT OFFERED BY MR. RUPPE

Mr. RUPPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RUPPE: Page 30, line 7 through page 34, line 5, delete section 7 in its entirety, and renumber subsequent sections accordingly.

Mr. RUPPE. Mr. Chairman, this amendment that I have offered would delete the section of the bill that provides for a comprehensive Federal coal exploration program.

Mr. Chairman, we have checked with the Budget Office. It is my understanding that for the Federal Government to get into and develop an overall exploration program would cost $1.2 billion. It just does not seem to be worth that dollar amount when much of the information that would be garnered and gathered is otherwise now going to be made available by the companies themselves. And all of the data for that work must be turned over to the Department of the Interior.

So the Interior Department at the time of setting the minimum royalty does have all of the necessary information, as would any other company which would also like to get a nonexclusive exploratory license.

Therefore, it just seems to me that almost all of the information that is necessary for the Interior Department to establish an overall royalty and all of the information that would otherwise be available to other companies so they can bid on the Federal coal lands in general is available, and this simply is duplicative language. It would cost the Federal taxpayers about $1.2 billion to carry through and accomplish.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, what the gentleman is saying—and I am referring now to the Senate report—is that today the States with major federally owned coal reserves total 84,600,000 acres of coal?

Mr. RUPPE. The gentleman is correct.

Mr. SKUBITZ. And according to the report, on page 6, it points out that today outstanding leases cover only 780,000 acres of land, and what this bill does as it is written is to require that the Federal Government go in then and explore the other 83,820,000 acres of land; is that correct?

Mr. RUPPE. I would assume that is correct, and I believe that is the reason for the suggested cost at this time of over $1 billion to achieve that purpose.

Mr. SKUBITZ. Mr. Chairman, the bill says that the Secretary is authorized and directed to carry this out.

Mr. RUPPE. The gentleman is correct.

Mr. SKUBITZ. And this is going to cost the Government $1,268,000,000. Today the coal companies are already doing that exploratory work. According to this report, the 780,000 acres which they now have leases on have in the neighborhood of 27 billion tons in known coal reserves on them.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I wonder if the gentleman from Michigan will tell me who pays for the exploratory work at the present time. Is that an expense item? Do the taxpayers not end up paying for it anyway?

Mr. RUPPE. Well, it is an expense item, and I assume if the company is making a profit, as one would expect, I think it is paid for by the Federal Government at about 48 percent.

Mr. HUGHES. So it is not necessarily a "free lunch" as it is?

Mr. RUPPE. That is correct.

Mr. HUGHES. Mr. Chairman, I thank the gentleman very much.

Mrs. MINK. Mr. Chairman, I ask unanimous consent that all debate on this amendment conclude in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Hawaii (Mrs. MINK)?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous consent request was agreed to will each be recognized for approximately 1⅔ minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, this bill requires that the land be developed in such a way as to make the maximum recovery of the coal resources, so that when the Secretary leases a tract of land, he knows that all of that coal is going to be recovered, at least all that is economically recoverable, so that the taxpayers will get the maximum return and the country make the best use of its coal resources.

If the Secretary does not know what is in that tract of land, how on Earth is he going to meet that requirement?

The Secretary, himself, has laid down various conditions which are necessary for the proper exploration of these leased lands. One is the identification of areas of particular interest for coal leasing; another is the preparation of surveys and mineral ownership maps; and a third is the completion of final coal program environmental impact statements. He cannot do this unless he makes an adequate exploration.

The estimate of $1,200,000,000 as the cost of such exploration is obviously grossly exaggerated. But even if it were not, the only way we are going to get the maximum amount of revenue out of this coal is if the Secretary himself knows exactly what the values are before he puts it out for bid. If he does, he will recover the exploration cost many times over.

So, Mr. Chairman, this is a very necessary and important part of this bill. Without such a program of exploration, the Secretary cannot do an adequate job of protecting the public's interest.

The Chair recognizes the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. Mr. Chairman, I, too, rise in opposition to the amendment.

One of the key provisions of this bill which seeks to protect the public interests in the coal deposits is the section on the exploratory program.

If the Secretary is not given the tools with which to learn precisely the nature of the deposits and the value of the deposits, the public purse is certainly not going to be protected. The royalties and all of that will be based upon the value. Therefore, Mr. Chairman, the exploratory program is exceedingly urgent.

I urge, Mr. Chairman, that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. RUPPE).

The amendment was rejected.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. O'NEILL) having assumed the chair, Mr. CHARLES H. WILSON of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6721) to amend the Mineral Leasing Act of 1920, and for other purposes, pursuant to House Resolution 965, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous questions is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. RUPPE

Mr. RUPPE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. RUPPE. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RUPPE moves to recommit the bill (H.R. 6721) to the Committee on Interior and Insular Affairs.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RUPPE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 80, nays 319, answered "present" 1, not voting 33, as follows:

[Roll No. 12]

YEAS—80

Abdnor
Annunzio
Archer
AuCoin
Bauman
Beard, Tenn.
Bell
Breaux
Brown, Mich.
Brown, Ohio
Burgener
Burleson, Tex.
Butler
Casey
Cederberg
Clawson, Del
Collins, Tex.
Conable
Conlan
Daniel, Dan
Daniel, R. W.
Derwinski
Downing, Va.
Edwards, Ala.
Forsythe
Goldwater
Goodling
Hammerschmidt
Hansen
Hillis
Holt
Hutchinson
Jarman
Johnson, Pa.
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
McCollister
McEwen
Michel
Milford
Miller, Ohio
Mills
Moore
Moorhead, Calif.
Myers, Pa.
Poage
Quillen
Randall
Rhodes
Risenhoover
Roberts
Robinson
Rousselot
Ruppe
Satterfield
Schneebeli
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Stanton, J. William
Steed
Steiger, Ariz.
Stuckey
Symms
Taylor, Mo.
Treen
Wampler
Whitehurst
Wiggins
Winn
Wydler
Young, Alaska
Young, Tex.

NAYS—319

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Armstrong
Ashley
Aspin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Corman
Cornell
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—33

Ashbrook
Barrett
Biaggi
Brown, Calif.
Clancy
Conyers
Cotter
Crane
de la Garza
Derrick
Diggs
Edgar
Flood
Fraser
Hébert
Heinz
Hinshaw
Lehman
Lujan
McDonald
Metcalfe
Mezvinsky
Mosher
O'Brien
Patman, Tex.
Pepper
Pettis
Riegle
Runnels
Spence
Stanton, James V.
Vander Jagt
Young, Fla.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Ashbrook.
Mr. Pepper with Mr. Derrick.
Mr. Biaggi with Mr. Heinz.
Mr. Diggs with Mr. Brown of California.
Mr. Lehman with Mr. Edgar.
Mr. Barrett with Mr. Mosher.
Mr. Metcalfe with Mr. Lujan.
Mr. James V. Stanton with Mr. Clancy.
Mr. Patman with Mr. McDonald of Georgia.
Mr. Flood with Mr. Mezvinsky.
Mr. Conyers with Mr. O'Brien.
Mr. Cotter with Mr. Crane.
Mr. de la Garza with Mrs. Pettis.
Mr. Fraser with Mr. Young of Florida.
Mr. Runnels with Mr. Vander Jagt.
Mr. Riegle with Mr. Spence.

Messrs. YATES, STEPHENS, and JOHN L. BURTON changed their vote from "yea" to "nay."

Messrs. DERWINSKI, ROBERTS, and YOUNG of Texas changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. BELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 344, nays 51, answered "present" 1, not voting 37, as follows:

[Roll No. 13]

YEAS—344

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Armstrong
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Coughlin
D'Amours
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derwinski
Devine
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn

Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Keys
Kindness
Koch
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Rinaldo
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Staggers
Stanton, J.William
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NAYS—51

Annunzio
Archer
Bauman
Beard, Tenn.
Breaux
Brown, Mich.
Brown, Ohio
Burleson, Tex.
Casey
Clawson, Del
Collins, Tex.
Conlan
Daniel, Dan
Dickinson
Forsythe
Hammerschmidt
Hansen
Jarman
Kelly
Kemp
Ketchum
Landrum
McCollister
McEwen
Michel
Milford
Miller, Ohio
Mills
Moore
Poage
Quillen
Randall
Rhodes
Risenhoover
Roberts
Rousselot
Ruppe
Satterfield
Schneebeli
Shuster
Skubitz
Snyder
Steiger, Ariz.
Stuckey
Symms
Taylor, Mo.
Treen
Waggonner
Wydler
Young, Alaska
Young, Tex.

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—37

Ashbrook
Barrett
Biaggi
Bonker
Brown, Calif.
Clancy
Cotter
Crane
de la Garza
Derrick
Diggs
Edgar
Flood
Fraser
Hébert
Heinz
Hinshaw
Hungate
Krebs
Lehman
Lujan
McDonald
Metcalfe
Mezvinsky
Mosher
O'Brien
Patman, Tex.
Pepper
Pettis
Riegle
Runnels
Sisk
Spence
Stanton, James V.
Vander Jagt
Wiggins
Young, Fla.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Riegle.
Mr. Pepper with Mr. McDonald of Georgia.
Mr. Biaggi with Mr. Brown of California.
Mr. Diggs with Mr. Ashbrook.
Mr. Lehman with Mr. Derrick.
Mr. Barrett with Mr. Edgar.
Mr. Metcalfe with Mr. Heinz.
Mr. James V. Stanton with Mr. Mezvinsky.
Mr. Krebs with Mr. Clancy.
Mr. Hungate with Mr. Lujan.
Mr. Patman with Mr. Mosher.
Mr. Bonker with Mr. Crane.
Mr. Cotter with Mr. Young of Florida.
Mr. de la Garza with Mr. Vander Jagt.
Mr. Flood with Mr. Wiggins.
Mr. Fraser with Mr. Spence.
Mr. Sisk with Mrs. Pettis.
Mr. Runnels with Mr. O'Brien.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 965, the Committee on Interior and Insular Affairs is discharged from further consideration of the Senate bill (S. 391) to amend the Mineral Leasing Act of 1920, and for other purposes.

MOTION OFFERED BY MRS. MINK

Mrs. MINK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. MINK moves to strike out all after the enacting clause of the Senate bill (S. 391) and to insert in lieu thereof the provisions of H.R. 6721, as passed, as follows:

That (a) this Act may be cited as the "Federal Coal Leasing Amendments Act of 1975".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision of the Mineral Lands Leasing Act, the reference shall be considered to be made to a section or other provision of the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain" (41 Stat. 437).

SEC. 2. The first sentence of section 2(a) of the Mineral Lands Leasing Act (30 U.S.C. 201(a)) is amended to read as follows:

"(1) The Secretary of the Interior is authorized to divide any lands subject to this Act which have been classified for coal leasing into leasing tracts of such size as he finds appropriate and in the public interest and which will permit the mining of all coal which can be economically extracted in such tract and thereafter he shall, in his discretion, upon the request of any qualified applicant or on his own motion, from time to time, offer such lands for leasing and shall award leases thereon by competitive bidding. No less than 50 per centum of the total acreage offered for lease by the Secretary in any one year shall be leased under a system of deferred bonus payment. Upon default or cancellation of any coal lease for which bonus payments are due, any unpaid remainder of the bid shall be immediately payable to the United States. A reasonable number of leasing tracts shall be reserved and offered for lease in accordance with this section to public bodies, including Federal agencies, rural electric cooperatives or nonprofit corporations controlled by any of such entities: *Provided*, That the coal so offered for lease shall be for use by such entity or entities in implementing a definite plan to produce energy for their own use or for sale to their members or customers (except for short-term sales to others). No bid shall be accepted which is less than the fair market value, as determined by the Secretary, of the coal subject to the lease. Prior to his determination of the fair market value of the coal subject to the lease, the Secretary shall give opportunity for and consideration to public comments on the fair market value. Nothing in this section shall be construed to require the Secretary to make public his judgment as to the fair market value of the coal to be leased, or the comments he receives thereon prior to the issuance of the lease.".

SEC. 3. The last sentence of section 2(a) of the Mineral Lands Leasing Act (30 U.S.C. 201(a)) is amended to read as follows:

"(2) (A) The Secretary shall not issue a lease or leases under the terms of this Act to any person, association, corporation, or any subsidiary, affiliate, or persons controlled by or under common ocntrol with such person, association, or corporation, where any such entity holds a lease or leases issued by the United States to coal deposits and has held such lease or leases for a period of ten years when such entity is not, except as provided for in section 7(b) of this Act, producing coal from the lease deposits in commercial quantities. In computing the ten-year period referred to in the preceding sentence, periods of time prior to the date of enactment of the Federal Coal Leasing Amendments Act of 1975 shall not be counted.

"(B) Any lease proposal which permits surface coal mining within the boundaries of a national forest which the Secretary proposes to issue under this Act shall be submitted to the Governor of each State within which the coal deposits subject to such lease are located. No such lease may be issued under this Act before the expiration of the sixty-day period beginning on the date of such submission. If any Governor to whom a proposed lease was submitted under this subparagraph objects to the issuance of such lease, such lease shall not be issued before the expiration of the six-month period beginning on the date the Secretary is notified by the Governor of such objection. During such six-month period, the Governor may submit to the Secretary a statement of reasons why such lease should not be issued and the Secretary shall, on the basis of such statement, reconsider the issuance of such lease.

"(3) (A) (i) No lease sale shall be held unless the lands containing the coal deposits have been included in a comprehensive land-use plan and such sale is compatible with such plan. The Secretary of the Interior shall prepare such land-use plans on lands under his responsibility where such plans have not been previously prepared. The Secretary of the Interior shall inform the Secretary of Agriculture of substantial development interest in coal leasing on lands within the national forest system. Upon receipt of such notification from the Secretary of the Interior, the Secretary of Agriculture shall prepare a comprehensive land-use plan for such areas where such plans have not been previously prepared. The plan of the Secretary of Agriculture shall take into consideration the proposed coal development in these lands: *Provided*, That where the Secretary of the Interior finds that because of non-Federal interest in the surface or because the coal resources are insufficient to justify the preparation cost of a Federal comprehensive land-use plan, the lease sale can be held if the lands containing the coal deposits have been included in either a comprehensive land-use plan prepared by the State within which the lands are located or a land-use analysis prepared by the Secretary of the Interior.

"(ii) In preparing such land-use plans, the Secretary of the Interior or, in the case of lands within the national forest system, the Secretary of Agriculture, or in the case of a finding by the Secretary of the Interior that because of non-Federal interests in the surface or insufficient Federal coal, no Federal comprehensive land-use plans can be appropriately prepared, the responsible State entity shall consult with appropriate State agencies and local governments and the general public and shall provide an opportunity for public hearing on proposed plans prior to their adoption, if requested by any person having an interest which is, or may be, adversely affected by the adoption of such plans.

"(iii) Leases covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon consent of the other Federal agency and upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

"(B) Each land-use plan prepared by the Secretary (or in the case of lands within the National Forest System, the Secretary of Agriculture pursuant to subparagraph (A)(i)) shall include an assessment of the amount of coal deposits in such land, identifying the amount of such coal which is recoverable by deep mining operations and the amount of such coal which is recoverable by surface mining operations.

"(C) Prior to issuance of any coal lease, the Ssecretary shall consider effects which mining of the proposed lease might have on an impacted community or area, including, but not limited to, impacts on the environment, on agricultural and other economic activities, and on public services. Prior to issuance of a lease, the Secretary shall evaluate and compare the effects of recovering coal by deep mining, by surface mining, and by any other method to determine which method or methods or sequence of methods achieves the maximum economic recovery of the coal within the proposed leasing tract. This evaluation and comparison by the Secretary shall be in writing but shall not prohibit the issuance of a lease; however, no mining operating plan shall be approved which is not found to achieve the maximum economic recovery of the coal within the tract. Public hearings in the area shall be held by the Secretary prior to the lease sale.

"(D) No lease sale shall be held until after the notice of the proposed offering for lease has been given once a week for three consecutive weeks in a newspaper of general circulation in the county in which the lands are situated in accordance with regulations prescribed by the Secretary.

"(E) Each coal lease shall contain provisions requiring compliance with the Federal Water Pollution Control Act (33 U.S.C. 1151–1175) and the Clean Air Act (42 U.S.C. 1857 and following)."

SEC. 4. Subject to valid existing rights, section 2(b) of the Mineral Lands Leasing Act (30 U.S.C. 201(b)) is amended to read as follows:

"(b)(1) The Secretary may, under such regulations as he may prescribe, issue to any person an exploration license. No person may conduct coal exploration for commercial purposes for any coal on lands subject to this Act without such an exploration license. Each exploration license shall be for a term of not more than two years and shall be subject to a reasonable fee. An exploration license shall confer no right to a lease under this Act. The issuance of exploration licenses shall not preclude the Secretary from issuing coal leases at such times and locations and to such persons as he deems appropriate. No exploration license will be issued for any land on which a coal lease has been issued. A separate exploration license will be required for exploration in each State. An application for an exploration license shall identify general areas and probable methods of exploration. Each exploration license shall contain such reasonable conditions as the Secretary may require, including conditions to insure the protection of the environment, and shall be subject to all applicable Federal, State, and local laws and regulations. Upon violation of any such conditions or laws the Secretary may revoke the exploration license.

"(2) A licensee may not cause substantial disturbance to the natural land surface. He may not remove any coal for sale but may remove a reasonable amount of coal from the lands subject to this Act included under his license for analysis and study. A licensee must comply with all applicable rules and regulations of the Federal agency having jurisdiction over the surface of the lands subject to this Act. Exploration licenses covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

"(3) The licensee shall furnish to the Secretary copies of all data (including, but not limited to, geological, geophysical, and core drilling analyses) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased or until such time as he determines that making the data available to the public would not damage the competitive position of the licensee, whichever comes first.

"(4) Any person who willfully conducts coal exploration for commercial purposes on lands subject to this Act without an exploration license issued hereunder shall be subject to a fine of not more than $1,000 for each day of violation. All data collected by said person on any Federal lands as a result of such violation shall be made immediately available to the Secretary, who shall make the data available to the public as soon is it is practicable. No penalty under this subsection shall be assessed unless such person is given notice and opportunity for a hearing with respect to such violation.".

SEC. 5. (a) Subject to valid existing rights, subsections 2(c) and 2(d) of the Act of August 31, 1964 (78 Stat. 710; 30 U.S.C. 201–1) are hereby repealed.

(b) Section 2 of the Mineral Lands Leasing Act is amended by the addition of the following new subsection at the end thereof:

"(d)(1) The Secretary, upon determining that maximum economic recovery of the coal deposit or deposits is served thereby, may approve the consolidation of coal leases into a logical mining unit. Such consolidation may only take place after a public hearing, if requested by any person whose interest is or may be adversely affected. A logical mining unit is an area of land in which the coal resources can be developed in an efficient, economical, and orderly manner as a unit with due regard to conservation of coal reserves and other resources. A logical mining unit may consist of one or more Federal leaseholds, and may include intervening or adjacent lands in which the United States does not own the coal resources, but all the lands in a logical mining unit must be under the effective control of a single operator, be able to be developed and operated as a single operation and be contiguous.

"(2) After the Secretary has approved the establishment of a logical mining unit, any mining plan approved for that unit must require such diligent development, operation, and production that the reserves of the entire unit will be mined within a period established by the Secretary which shall not be more than forty years.

"(3) In approving a logical mining unit, the Secretary may provide, among other things, that (i) diligent development, continuous operation, and production on any Federal lease or non-Federal land in the logical mining unit shall be construed as occurring on all Federal leases in that logical mining unit, and (ii) the rentals and royalties for all Federal leases in a logical mining unit may be combined, and advanced royalties paid for any lease within a logical mining unit may be credited against such combined royalties.

"(4) The Secretary may amend the provisions of any lease included in a logical mining unit so that mining under that lease will be consistent with the requirements imposed on that logical mining unit.

"(5) Leases issued before the date of enactment of this Act may be included with the consent of all lessees in such logical mining unit, and, if so included, shall be subject to the provisions of this section.

"(6) By regulation the Secretary may require a lessee under this Act to form a logical mining unit, and may provide for determination of participating acreage within a unit.

"(7) No logical mining unit shall be approved by the Secretary if the total acreage (both Federal and non-Federal) of the unit would exceed twenty-five thousand acres.

"(8) Nothing in this section shall be construed to waive the acreage limitations for coal leases contained in section 27(a) of the Mineral Lands Leasing Act (30 U.S.C. 184(a)).".

SEC. 6. Section 7 of the Mineral Lands Leasing Act (30 U.S.C. 207) is amended to read as follows:

"SEC. 7. (a) A coal lease shall be for a term of twenty years and for so long thereafter as coal is produced annually in commercial quantities from that lease. Any lease which is nt producing in commecial quantities at the end of ten years shall be terminated. The Secretary shall by regulation prescribe annual rentals on leases. A lease shall require payment of a royalty in such amount as the Secretary shall determine of not less than 12½ per centum of the value of coal as defined by regulation, except the Secretary may determine a lesser amount in the case of coal recovered by underground mining operations. The lease shall include such other terms and conditions as the Secretary shall determine. Such rentals and royalties and other terms and conditions of the lease will be subject to readjustment at the end of its primary term of twenty years and at the end of each ten-year period thereafter if the lease is extended.

"(b) Each lease shall be subject to the conditions of diligent development and continued operation of the mine or mines, except where operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee. The Secretary of the Interior, upon determining that the public interest will be served thereby, may suspend the condition of continued operation upon the payment of advance royalties. Such advance royalties shall be no less than the production royalty which would otherwise be paid and shall be computed on a fixed reserve to production ratio (determined by the Secretary). The aggregate number of years during the period of any lease for which advance royalties may be accepted in lieu of the condition of continued operation shall not exceed ten. The amount of any production royalty paid for any year shall be reduced (but not below 0) by the amount of any advance royalties paid under such lease to the extent that such advance royalties have not been used to reduce production royalties for a prior year. No advance royalty paid during the initial twenty-year term of a lease shall be used to reduce a production royalty after the twentieth year of a lease. The Secretary may, upon six months' notification to the lessee cease to accept advance royalties in lieu of the requirement of continued operation. Nothing in this subsection shall be construed to affect the requirement contained in the second sentence of subsection (a) relating to commencement of production at the end of ten years.

"(c) Prior to taking any action on a leasehold which might cause a significant disturbance of the environment, and not later than three years after a lease is issued, the lessee shall submit for the Secretary's approval an operation and reclamation plan. The Secretary shall approve or disapprove the plan or require that it be modified. Where the land involved is under the surface jurisdiction of another Federal agency, that other agency must consent to the terms of such approval.".

Sec. 7. The Mineral Lands Leasing Act is amended by inserting after section 8 the following new section 8A:

"Sec. 8A. (a) The Secretary is authorized and directed to conduct a comprehensive exploratory program designed to obtain sufficient data and information to evaluate the extent, location, and potential for developing the known recoverable coal resources within the coal lands subject to this Act. This program shall be designed to obtain the resource information necessary for determining whether commercial quantities of coal are present and the geographical extent of the coal fields and for estimating the amount of such coal which is recoverable by deep mining operations and the amount of such coal which is recoverable by surface mining operations in order to provide a basis for—

"(1) developing a comprehensive land use plan pursuant to section 2;

"(2) improving the information regarding the value of public resources and revenues which should be expected from leasing;

"(3) increasing competition among producers of coal, or products derived from the conversion of coal, by providing data and information to all potential bidders equally and equitably;

"(4) providing the public with information on the nature of the coal deposits and the associated stratum and the value of the public resources being offered for sale; and

"(5) providing the basis for the assessment of the amount of coal deposits in those lands subject to this Act under subparagraph (B) of section 2(a)(3).

"(b) The Secretary, through the United States Geological Survey, is authorized to conduct seismic, geophysical, geochemical, or stratigraphic drilling, or to contract for or purchase the results of such exploratory activities from commercial or other sources which may be needed to implement the provisions of this section.

"(c) Nothing in this section shall limit any person from conducting exploratory geophysical surveys including seismic, geophysical, chemical surveys to the extent permitted by section 2(b). The information obtained from the exploratory drilling carried out by a person not under contract with the United States Government for such drilling prior to award of a lease shall be provided the confidentiality pursuant to subsection (d).

"(d) The Secretary shall make available to the public by appropriate means all data, information, maps, interpretations, and surveys which are obtained directly by the Department of the Interior or under a service contract pursuant to subsection (b). The Sectary shall maintain a confidentiality of all proprietary data or information purchased from commercial sources while not under contract with the United States Government until after the areas involved have been leased.

"(e) All Federal departments or agencies are authorized and directed to provide the Secretary with any information or data that may be deemed necessary to assist the Secretary in implementing the exploratory program pursuant to this section. Proprietary information or data provided to the Secretary under the provisions of this subsection shall remain confidential for such period of time as agreed to by the head of the department or agency from whom the information is requested. In addition, the Secretary is authorized and directed to utilize the existing capabilities and resources of other Federal departments and agencies by appropriate agreement.

"(f) The Secretary is directed to prepare, publish, and keep current a series of detailed geological, and geophysical maps of, and reports concerning, all coal lands to be offered for leasing under this Act, based on data and information compiled pursuant to this section. Such maps and reports shall be prepared and revised at reasonable intervals beginning eighteen months after the date of enactment of this Act. Such maps and reports shall be made available on a continuing basis to any person on request.

"(g) Within six months after the date of enactment of this Act, the Secretary shall develop and transmit to Congress an implementation plan for the coal lands exploration program authorized by this section, including procedures for making the data and information available to the public pursuant to subsection (d), and maps and reports pursuant to subsection (f). The implementation plan shall include a projected schedule of exploratory activities and identification of the regions and areas which will be explored under the coal lands exploration program during the first five years following the enactment of this section. In addition, the implementation plan shall include estimates of the appropriations and staffing required to implement the coal lands exploration program.

"(h) The stratigraphic drilling authorized in subsection (b) shall be carried out in such a manner as to obtain information pertaining to all recoverable reserves. For the purpose of complying with subsection (a), the Secretary shall require all those authorized to conduct stratigraphic drilling pursuant to subsection (b) to supply a statement of the results of test boring of core sampling including logs of the drill holes; the thickness of the coal seams found; an analysis of the chemical properties of such coal; and an analysis of the strata layers lying above all the seams of coal. All drilling activities shall be conducted using the best current technology and practices.".

Sec. 8. The Mineral Lands Leasing Act is further amended by adding after section 8A the following new section 8B:

"Sec. 8B. Within six months after the end of each fiscal year, the Secretary shall submit to the Congress a report on the leasing and production of coal lands subject to this Act during such fiscal year; a summary of management, supervision, and enforcement activities; and recommendations to the Congress for improvements in management, environmental safeguards, and amount of production in leasing and mining operations on coal lands subject to this Act. Each submission shall also contain a report by the Attorney General of the United States on competition in the coal and energy industries, including an analysis of whether the antitrust provisions of this Act and the antitrust laws are effective in preserving or promoting competition in the coal or energy industry.".

Sec. 9. (a) Section 35 of the Mineral Lands Leasing Act, as amended (30 U.S.C. 191) is further amended by deleting "52½ per centum thereof shall be paid into, reserved" and inserting in lieu thereof: "40 per centum thereof shall be paid into, reserved", and is further amended by striking the period at the end of the proviso and inserting in lieu thereof the following language: ": *Provided further,* That an additional 12½ per centum of all moneys received from sales, bonuses, royalties, and rentals of public lands under the provisions of this Act and the Geothermal Steam Act of 1970 shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 12½ per centum of all moneys paid to any State on or after January 1, 1976, shall be used by such State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services: *Provided further,* That such funds now held or to be received, by the States of Colorado and Utah separately from the Department of the Interior oil shale test leases known as 'C-A'; 'C-B'; 'U-A' and 'U-B' shall be used by such States and subdivisions as the legislature of each State may direct giving priority to those subdivisions socially or economically impacted by the development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services.".

(b) In the first sentence of section 35 of the Mineral Lands Leasing Act, before the words "shall be paid into the Treasury of the United States" insert "and the Geothermal Steam Act of 1970, notwithstanding the provisions of section 20 thereof,"; before the words "from lands within the naval petroleum reserves" insert "and the Geothermal Steam Act of 1970"; and, in the second sentence, before the words "not otherwise disposed of" insert "and the Geothermal Steam Act of 1970".

Sec. 10. The Director of the Office of Technology Assessment is authorized and directed to conduct a complete study of coal leases entered into by the United States under section 2 of the Act of February 25, 1920 (commonly known as the Mineral Lands Leasing Act). Such study shall include an analysis of all mining activities, present and potential value of said coal leases, receipts of the Federal Government from said leases, and recommendations as to the feasibility of the use of deep mining technology in said leased area. The Director shall submit the results of his study to the Congress within one year after the date of enactment of this Act.

Sec. 11. (a) Section 27(a)(1) of the Mineral Lands Leasing Act (30 U.S.C. 184(a)(1)), is amended to read as follows:

"(1) No person, association, or corporation, or any subsidiary, affiliate, or persons controlled by or under common control with such person, association, or corporation shall take, hold, own or control at one time, whether acquired directly from the Secretary under this Act or otherwise, coal leases or permits on an aggregate of more than forty-six thousand and eighty acres in any one State and in no case greater than an aggregate of one hundred thousand acres in the

United States: *Provided*, That any person, association, or corporation currently holding, owning, or controlling more than an aggregate of one hundred thousand acres in the United States on the date of enactment of this section shall not be required on account of this section to relinquish said leases or permits: *Provided, further*, That in no case shall such person, association, or corporation be permitted to take, hold, own, or control any further Federal coal leases or permits until such time as their holdings, ownership, or control of Federal leases or permits has been reduced below an aggregate of one hundred thousand acres within the United States.".

(b) Subject to valid existing rights, section 27(a)(2) of the Mineral Lands Leasing Act (30 U.S.C. 184(a)(2)) is hereby repealed.

Sec. 12. (a) Section 3 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352) is amended by striking out "(b) set apart for military or naval purposes, or (c)" and insert in lieu thereof "or (b)".

(b) Such section 3 is further amended by inserting the following after the first sentence thereof: "Coal or lignite under acquired lands set apart for military or naval purposes may be leased by the Secretary, with the concurrence of the Secretary of Defense, to a governmental entity (including any corporation primarily acting as an agency or instrumentality of a State) which produces electrical energy for sale to the public if such governmental entity is located in the State in which such lands are located.".

Sec. 13. (a) Subject to valid existing rights, section 4 of the Mineral Lands Leasing Act (30 U.S.C. 204) is hereby repealed.

(b) Subject to valid existing rights, section 3 of the Mineral Lands Leasing Act (30 U.S.C. 203) is amended to read as follows:

"Sec. 3. Any person, association, or corporation holding a lease of coal lands or coal deposits under the provisions of this Act may with the approval of the Secretary of the Interior, upon a finding by him that it would be in the interest of the United States, secure modifications of the original coal lease by including additional coal lands or coal deposits contiguous to those embraced in such lease, but in no event shall the total area added by such modifications to an existing coal lease exceed one hundred sixty acres, or add acreage larger than that in the original lease. The Secretary shall prescribe terms and conditions which shall be consistent with this Act and applicable to all of the acreage in such modified lease.".

Sec. 14. Section 39 of the Mineral Lands Leasing Act (30 U.S.C. 209) is amended by adding the following sentence at the end thereof: "Nothing in this section shall be construed as granting to the Secretary the authority to waive, suspend, or reduce advance royalties.".

Sec. 15. Section 27 of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 184) is amended by adding at the end thereof the following new subsection:

"(l)(1) At each stage in the formulation and promulgation of rules and regulations concerning coal leasing pursuant to this Act, and at each stage in the issuance, renewal, and readjustment of coal leases under this Act, the Secretary of the Interior shall consult with and give due consideration to the views and advice of the Attorney General of the United States.

"(2) No coal lease may be issued, renewed, or readjusted under this Act until at least thirty days after the Secretary of the Interior notifies the Attorney General of the proposed issuance, renewal, or readjustment. Such notification shall contain such information as the Attorney General may require in order to advise the Secretary of the Interior as to whether such lease would create or maintain a situation inconsistent with the antitrust laws. If the Attorney General advises the Secretary of the Interior that a lease would create or maintain such a situation, the Secretary of the Interior may not issue such lease, nor may he renew or readjust such lease for a period not to exceed one year, as the case may be, unless he thereafter conducts a public hearing on the record in accordance with the Administrative Procedures Act and finds therein that such issuance, renewal, or readjustment is necessary to effectuate the purposes of this Act, that it is consistent with the public interest, and that there are no reasonable alternatives consistent with this Act, the antitrust laws, and the public interest.

"(3) Nothing in this Act shall be deemed to convey to any person, association, corporation, or other business organization immunity from civil or criminal liability, or to create defenses to actions, under any antitrust law.

"(4) As used in this subsection, the term 'antitrust law' means—

"(A) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

"(B) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

"(C) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

"(D) sections 73 and 74 of the Act entitled 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes', approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; or

"(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).".

Sec. 16. Nothing in this Act, or the Mineral Lands Leasing Act and the Mineral Leasing Act for Acquired Lands which are amended by this Act, shall be construed as authorizing coal mining on any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, the National System of Trails, and the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 6721) was laid on the table.

GENERAL LEAVE

Mrs. MINK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 527. Concurrent resolution vacating certain actions of the Senate and the House of Representatives with respect to the bill S. 2718, relating to railroad revitalization and regulatory reform, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1617) entitled "An act to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. ALLEN, Mr. CLARK, Mr. MCGOVERN, Mr. STONE, Mr. DOLE, Mr. YOUNG, and Mr. BELLMON, to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11045) entitled "An act to amend the Rehabilitation Act of 1973 to extend the authorizations of appropriations contained in such act," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RANDOLPH, Mr. CRANSTON, Mr. WILLIAMS, Mr. PELL, Mr. KENNEDY, Mr. MONDALE, Mr. DURKIN, Mr. STAFFORD, Mr. TAFT, Mr. SCHWEIKER, Mr. BEALL, and Mr. JAVITS to be the conferees on the part of the Senate.

The message also announced that the Senate vacates its adoption of the conference report on S. 2718 and recommits the same to the committee of conference, pursuant to the provisions of House Concurrent Resolution 527.

The message also announced that Mr. BUCKLEY be a conferee, on the part of the Senate, on the bill (S. 2718) entitled "An act to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes," in vice of Mr. BAKER, excused.

APPOINTMENT AS MEMBER OF THE COMMITTEE OF CONFERENCE ON S. 2718

The SPEAKER pro tempore. The Chair announces, without objection, the appointment of the gentleman from North Carolina (Mr. BROYHILL) as a conferee on the Senate bill (S. 2718) to fill the existing vacancy on the committee of conference on that bill.

There was no objection.

CARNAGE IN LEBANON

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, today's Washington Post carries a report which should horrify every Member of this House. It states:

> Palestinian and Moslem Lebanese troops captured the Christian city of Damour today and began massacring its inhabitants, according to a European eyewitness.

The report goes on—

> In the fighting in Damour, the eyewitness said, the conquering troops methodically cleared the inhabitants from house after house, firing rocket-propelled grenades and machineguns into the homes. Screams and crying were heard as people were shot inside their homes, the eyewitness said, adding that he saw the bodies of one family who were killed in this fashion.

The report quotes Interior Minister Camille Chamoun as saying:

> I do not know if such a disgraceful act (referring to the Palestinians) will serve their cause at the United Nations, which will have to decide whether a people committing such crimes are entitled to ask for a homeland or claim the right to self-determination.

He estimated that 6,000 Christians had taken refuge in his mansion's grounds and "are threatened with death from indiscriminate shelling or massacre." Mr. Chamoun called for international intervention, inside or outside a U.N. framework, to save the Christians in Saddiyat.

Mr. Speaker, there is no question that there is now in Lebanon a full-scale war, with an estimated 10,000 Lebanese—Moslems and Christians—having died since its eruption last spring. If that were projected proportionately for the United States and its population, the figure for the United States would be about 750,000 dead.

The Washington Post's editorial of today states:

> The Christian minority evidently feels it is fighting not only for its privileges but for its very survival. The role of the Palestine Liberation Organization deserves a special note. The PLO's men earlier had stayed on the fringes of the Lebanese Moslem left's battles. PLO leader Yasser Arafat had even tried, with some success, to quiet things down. Mr. Arafat, however, has lost control of his own forces. He admitted so the other day and declared that he "would not be responsible" for his own men's actions. This is intolerable. As the ostensible leader of the principal outside force participating in the Lebanese carnage, Mr. Arafat has a heavy responsibility. Already PLO participation in the Lebanese war has made a mockery of the idea of the "secular democratic state" his organization says it wishes to proclaim in Palestine. He cannot be allowed to turn his back on the fire in Lebanon while his own soldiers help fan it out of control.

Mr. Speaker, what is outrageous is that no nation has raised its voice in the United Nations to denounce what may be the beginning of the genocide of the Christian community in Lebanon. If that community is destroyed, as it well may be, as the result of a religious war undertaken by Moslem Arab forces, regular or irregular, then the nations of the world may, in the not too distant future, mourn again because they stood aside as they did during the Nazi holocaust, wringing their collective hands, contemplating their navels, and allowing the savagery to take place. It is particularly reprehensible that nothing is said or done in the United Nations since at this very moment PLO representatives are sitting in the Security Council and participating in the debate on the Middle East. Indeed, they are being given aid and comfort by members of the Security Council in their efforts to destroy the State of Israel.

I would hope, at the very least, that the United States will raise the issue of the carnage in Lebanon in today's meeting of the Security Council.

SOME NEED VERSUS MOST NEED

(Mr. QUIE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. QUIE. Mr. Speaker, the President has presented us with a budget which achieves a remarkable balance between helping those with some need and those most in need according to their need. I commend this balance to our study—and, I hope, approval.

In many fields in which the Federal Government has traditionally provided assistance, Federal assistance will be continued and expanded. One million dollars basic opportunity grants for higher education are projected for 1977. After March USOE will have even better information. Our elderly will receive full increases in social security payments to match the rising cost of living. Health care for the aged under medicare will be revised to limit the amounts the elderly would have to pay each year in cases of prolonged or serious illness.

Yet the President has focused other programs more closely on those most deserving of help. Reform of the food stamp program will provide more assistance to those below the poverty line and reduce assistance to those relatively better off. Child nutrition programs will be simplified and provide, through the States, increased assistance for those who genuinely need Federal aid to buy school lunches. The work incentive program will be refocused to help those on welfare who are able to work productively find jobs more quickly.

Overall, the President is asking for legislative authority to modify national income assistance programs. This proposal would leave the total income assistance resources undiminished but would give the President limited authority, subject to congressional disapproval, to change many features of these programs when necessary to provide equity, foster work, simplify administration, or focus benefits on those in need.

We should give our support to these proposals of the President. They represent the best balance between what we can do for all in need and we must do for those in the most need.

MORTGAGE RELIEF: A PHANTOM LAW?

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON of California. Mr. Speaker, last year, at a time when the economy of the country appeared to be out of control, Congress passed the Emergency Housing Act of 1975 to provide help for those citizens who, through no fault of their own—due to unemployment—face the loss of their homes through foreclosure. Congress provided $35 million to pay for the program. The Department of Housing and Urban Development published the rules to implement the law. However, Secretary Hills has refused to spend 1 cent of this money. She has stated in congressional hearings that she would not implement the provisions of the law unless the national rate of home mortgage foreclosures reached 1.2 percent. The rate is presently reported to be 1.1 percent.

Therefore, it appears that we have passed a law, and provided funds, which may never be used.

Does this mean that there is no need for this program? Should we forget about the heartbreak and financial difficulties which occur to "only" 1.1 percent of mortgagees?

Surely, when we passed this law, we intended to help the unemployed. We wanted to help people keep their homes. Yet the administration has refused to provide the help that was promised when the law was passed. President Ford signed this law. Does he not intend to carry it out?

It is our responsibility to see that our promises are kept.

PUBLIC ATTITUDES TOWARD CONCESSION FACILITIES IN NATIONAL PARKS

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, during my seven terms in this House I have been a member of the Interior Committee, and I have spent considerable time on the problems of the National Park System. Over the years I have watched a growing national debate. It is rising like hot lava in the plumbing of a volcano. It is the debate between conservationists—who would limit and restrict the use of national parks—and those, like myself, who believe parks are for people, that their use and enjoyment by the public should be encouraged in a manner that will leave the resource unimpaired for future generations.

The core of the debate lies in how one views public use, which is compatible with preserving the natural scenic beauty and the historical values of our parks.

One extreme will only be happy when all manmade structures are completely eliminated from national parks, right down to the roads and overlooks which nearly everyone uses to view the scenery. Such a pristine objective, if accomplished, would of course eliminate all visitation except for a few young, healthy backpackers. I reject this extreme approach to our national parks, as I do the opposite extreme—those who would erect honky-tonk tourist trap towns at every bend in the park roads.

Where is the middle ground? What is too much, or too little development? We are now struggling with this evaluation.

Many planners in the Park Service have concluded that much of the cabins and lodging facilities, in many parks, must go. It is argued that "the people" believe these concession facilities spoil the parks.

In an effort to find out what the people who visit and use our national parks really want, the Conference of National Park Concessioners commissioned the Stanford Research Institute to poll park visitors, for their direct comments on concession facilities in the national parks. I have received a copy of the full 86-page report of the Stanford Research Institute, as well as a summary of the results.

Of those surveyed, 87 percent were opposed to removal of all campgrounds from the parks, and 75.8 percent opposed removing all hotels and lodging. A significant majority were opposed to removing some campgrounds or lodges.

There should be a lesson here. Perhaps the Park Service planners should concentrate their surveys of public comment near the parks among people who use and see the parks, and spend less time collecting views in big cities among people who have not learned firsthand about the parks.

Of the Stanford survey participants, all had visited one or more national parks; 19.7 percent had stayed in a lodge or hotel in the park; 34.8 percent had stayed in a campground; 14.6 percent had stayed overnight near the entrance to a park; and, 30.9 percent had not spent a night in the park area.

Immediately following these remarks—I include the full summary of the Stanford Research Institute report. I believe my colleagues will find these statistics interesting—and helpful in evaluating public attitudes toward concession facilities in our national parks.

The summary follows:

Executive Summary: The Concession System in United States National Parks: Background, Services Performed, Public Attitude Toward, and Future Considerations

(By Terrence Cullinan and Barbara Mathews)

(Prepared for: Conference of National Park Concessioners, Washington, D.C., SRI Project ECC-4268.)

INTRODUCTION

The need to provide visitor facilities in U.S. national parks was recognized with the establishment of the national parks. Stephen Mather, the first Director of the National Park Service, offered the following explanation for his support of concession operations:

"Scenery is a hollow enjoyment to a tourist who sets out in the morning after an indigestible breakfast and a fitful sleep in an impossible bed."

Since before 1900, private citizens have provided visitor facilities in U.S. national parks. The concession system has been extensively reviewed and examined for more than 50 years. During these years, congressional hearings, Department of the Interior analyses, and National Park Service reports have consistently concluded that:

Public lodging and other service facilities are needed in most U.S. national parks.

The private sector, rather than the federal government, should provide visitor facilities in the national parks.

Under controlled conditions—expressed by contract between private companies or individuals and the National Park Service—facilities should be provided to ensure that all people could enjoy the national parks without violating the parks' great natural beauties.

A new series of reviews was initiated in 1975. As part of this review process, Stanford Research Institute (SRI) was asked by the Conference of National Park Concessioners to undertake a study incorporating the following objectives:

Provide a basic review of the background to the current concessioner concept and the degree of service now being performed by the concession system.

Provide a survey of general public attitudes toward concession facilities.

Examine impacts of potential alternatives to the present concession system.

The findings of an 86-page report on the SRI study, submitted in early 1976, are highlighted in this executive summary.

BACKGROUND OF CURRENT CONCESSIONER SYSTEM

Commencing about the time of the first Organizing Act for Yellowstone National Park and the early setting aside for public use of the Yosemite area, service facilities for visitors to U.S. national park areas have been provided almost entirely through private investments. This has become known as the concession system and has been frequently reviewed. (A bibliography of major reviews is provided in the full report.)

Prior to the creation of the National Park Service in 1916, visitor facilities were provided on a competitive basis. This proved unsatisfactory both in terms of public service standards and in requiring the assignment of too much prime park land. To avoid this, Stephen Mather adopted the "principal concessioner" concept, whereby one concessioner is selected to provide a wide range of services under Park Service regulation and control. In succeeding years, alternatives to the present system have been reviewed but discarded, as Congress refused to appropriate funds for visitor facilities. Major reviews took place in 1947–48, 1961–62, and in the early 1970s; the results generally confirmed that the present system was preferable to the alternatives. New reviews implemented in 1975 are still ongonig.

A major cause of the continuing review process is the dichotomy of purpose expressed in the 1916 Organic Act establishing the National Park Service. The Organic Act states that:

"The Service . . . shall promote and regulate the use of . . . national parks . . . by such means and measures as conform to the fundamental purpose of the said parks . . . which purpose is to *conserve the scenery and the natural and historical objects and the wild life* therein and to *provide for the enjoyment of the same* in such manner and by such means as will leave them unimpaired for the enjoyment of future generations." (39 Stat. 535; August 25, 1916; emphasis added.)

The interpretation as to where this line between conservation and use is drawn is a subject of controversy. There seem to be two basic conflicting viewpoints:

Those in support of the historic concessioner concept feel that visitor facilities must be provided in the parks to effectively serve the needs of all park visitors and not just the backpacker or camper.

Those opposed to the historic concessioner concept feel that some, or perhaps all, visitor facilities should be relocated outside park boundaries.

Most public hearings and Master Plan hearings have centered on these issues in the 1970s. The positions of these special interest groups—concessioners, conservation groups, and the like—are well known and tend to dominate the hearings. The general public, although invited to appear, generally does not respond. During 1975, in an attempt to combat the lack of public participation, the Conference of National Park Concessioners asked SRI to conduct visitor use surveys at four national parks.

SURVEY OF NATIONAL PARK VISITOR ATTITUDES

Two surveys were undertaken by SRI. The first was a scientifically controlled exit interview at each of four national parks—Yellowstone, Yosemite, Glacier, and Grand Canyon. The second was restricted to hotel and lodge guests at a number of cooperating concessions in the park system. Standard survey design, pretest, and administration techniques were used; results achieved indicated a statistical error of less than ±3.1% at the 95% confidence level for yes-no type responses.

In addition to gathering basic demographic data, the exit interview survey was designed to determine visitor attitudes, and those of visitor sub-groups, to the desirability of maintaining overnight and service concession facilities in the parks. The surveys indicated that the general public visiting the parks wants no significant change in the present availability of a broad spectrum of concession facilities. This attitude prevailed for campgrounds, hotels, lodges, and other types of overnight accommodations. Analyses of the results indicated that these attitudes were held by all categories of respondents: younger and older respondents, males and females, campers and lodge overnighters, and overnighters and day-use visitors. Of those surveyed, 19.7% of respondents stayed at lodges or hotels in the park; 34.8% stayed in campgrounds; 14.6% stayed overnight in areas near the park; and 30.9% did not stay overnight in the park area.

ATTITUDES TOWARD REMOVAL OF CAMPGROUNDS AND/OR HOTEL-TYPE FACILITIES

The central questions posed to those leaving the park involved the need for and desirability of providing facilities in the parks to serve visitors. A very substantial majority, 87%, of all park visitors were opposed to the removal of *all* campgrounds from National Parks, with only 7.1% favoring such removal. When it was proposed that only *some** campgrounds be removed, negative response remained high, 75.8%, with support for this idea less than 15%.

A significant majority of Park visitors interviewed also indicated opposition to having all or some hotel and lodge-type facilities removed from the parks surveyed. A total of 75.3% opposed removal of all such facilities, with 15.1% in favor; 62.7% opposed removal of even some hotel/lodge facilities, with 23.4% in favor. Of persons who had actually stayed in the hotels and lodges, 90% opposed removal of all, and 81% opposed removal of some, hotels. Cross tabulations of these responses into age of respondent, number of previous visits to the park, individual parks surveyed, and related responses varied to some degree; generally, however, there was clear sentiment in favor of retaining facilities, including food and other services. (Cross tabulations and responses are detailed in the full report.) Table ES–1 provides an overall response to the SRI survey's central questions.

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* Quantitative measurement of "some" campgrounds was required; during pretest it was determined that impact on availability was the easiest means of relating partial removal to respondees. The precise wording used in defining "some" was so that "one out of two occasions campers could not get a place to stay in the park, compared to the present situation."

IMPACTS OF ALTERNATIVES

Various alternatives to the present concession system were examined and included in the SRI study. Problems of funding of any major alternatives were explored. Congress has been unwilling to appropriate the funds necessary to accomplish a major system change for visitor facilities. Construction funds for park purposes have been reduced in recent years. Park Service manpower is below authorized strength, and the present park development backlog, not including land acquisition, approximates $3 billion, an amount that would take 45 years to absorb at 1976 requested planning/construction/reconstruction fund levels of $65.9 million. A 1973 Park Service evaluation of moving of what were termed "non-essential" facilities out of Yosemite was projected at a cost of between $110 and $113 million in 1973 dollars—close to twice the $65.9 million in 1976 planning/construction/reconstruction dollars requested for the entire System.

Assuming concession elimination, an examination of operational logistics reveals other problems to be overcome. At Yellowstone, for example, a visitor must travel a 140-mile loop to view the park's principal natural features. Without overnight facilities inside the park, each visitor would have to complete the loop between sunup and sundown, substantially diminishing the park experience and congesting the park entrances at sunup and sundown hours.

The report concludes by noting that it appears that Congress has repeatedly and thoroughly examined the alternatives to the basic present concessioner system and has chosen consistently to remain with the existing system. Without the ability to generate large-scale funding for change, major changes do not appear fiscally feasible. The report does not foreclose other solutions; it does suggest, however, that any proposed major change should be based on (a) the weight of new objective evidence and (b) concrete indication of substantially changed attitudes among the general public.

TABLE ES-1—PUBLIC EXIT INTERVIEW SURVEY RESULTS

	Percent	Number of respondents
II.[1] Now we would like to ask you some questions about the facilities in the park that serve the visitors. There has been concern in recent years about possible negative impacts of visitor facilities on the natural environment of the park. At the same time there has been concern that the removal of facilities from the park would deprive some people of the experience of overnighting in the park, and that time spent getting into and out of the park from facilities located outside the park boundaries could make the park experience less enjoyable. We have some questions related to possible removal of campgrounds and/or hotel-lodge type facilities from the park:		
II.[1] 5.[1] Do you favor or oppose removal of all established campgrounds from national parks (major established campgrounds, not the isolated informal high- or back-country campsites that may exist)?		
II.[1] 5.[1] 5a. Favor	7.1	68
5b. Oppose	87.0	839
5c. Don't know, no opinion, not sure	5.9	57
Total	100.0	964
6. Suppose only some campgrounds remained inside the park—say enough so that 1 out of 2 occasions campers could not get a place to stay in the park, compared to the present situation. Would you favor removing some of the campgrounds for some inconvenience of this level?		
6a. Yes, would favor removal of some campgrounds	14.6	138
6b. No, would not favor removal of some campgrounds	75.8	714
6c. Don't know, no opinion, not sure	9.6	90
Total	100.0	942
7. How do you think your vacation plans would be affected if you could not get campground space inside the park?		
7a. Plans wouldn't be affected—don't use campgrounds	35.7	343
7b. Absence of campgrounds might be inconvenient but still would come and stay outside the park	43.4	417
7c. Would make other vacation plans	20.9	200
Total	100.0	960
8. Do you favor or oppose removal of all overnight hotel/lodge type facilities from inside the National Park?		
8a. Favor removal of all facilities	15.1	145
8b. Oppose removal of all facilities	75.3	722
8c. Don't know, no opinion, not sure	9.6	92
Total	100.0	959
9. Suppose only some of the hotels, lodge type and other non-camping sleeping places were removed from inside the park—say enough that 1 out of 2 occasions you could not get a place of this nature to stay in the park, compared to the present situation. Would you favor removing some of the hotel/lodge type facilities for some inconvenience of this level?		
9a. Favor removal of some facilities	23.4	217
9b. Oppose removal of some of the facilities	62.7	580
9c. Don't know, no opinion, not sure	13.9	128
Total	100.0	925

[1] 4 general questions preceded these in sec. I of the full survey from which this segment is excerpted.

SURVEY OF HOTEL AND LODGE GUESTS IN 22 NATIONAL PARK SERVICE ADMINISTERED AREAS

SRI also measured attitudes toward facilities in U.S. national parks and National Park Service administered areas among persons who stayed overnight in hotels or lodges within the areas themselves. Here, a mail questionnaire was sent to a random sample of guests who had stayed in lodges or hotels in 22 National Park Service administered areas.

Included in the survey were the following areas: Bryce Canyon, Canyon De Chelly, Glacier Bay, Glacier National Park, Glen Canyon (Bullfrog Marina, Canyon Tours, Hite Marina), Grand Canyon North Rim, Grand Canyon South Rim, Grand Teton (Triangle X Lodge and Grand Teton Lodge Company), Hawaii National Park, Lake Mead, Mesa Verde, Oregon Caves, Shenandoah, Virgin Islands, Yellowstone, Yosemite, and Zion. Some 16 usable responses were received, for a statistical error factor of less than ±4.3% at the 95% confidence level for yes-no type response results.

As might be anticipated from a survey among those using facilities in the areas, support for retention of those facilities was even stronger than among the general public covered in the exit interview survey. Results included:

Do you favor or oppose removal of *all* overnight hotel and lodge-type facilities from inside the National Park?

Oppose	92.2
Favor	5.6
No opinion	2.1

Do you favor or oppose removal of *some*[*] of the hotels, lodge-type, and other non-camping sleeping places from inside the park?

Oppose	74.7
Favor	20.6
No opinion	4.7

Do you favor or oppose removal of all established campgrounds?

Oppose	83.5
Favor	7.0
No opinion	9.5

Do you favor or oppose removal of some established campgrounds?

Oppose	61.8
Favor	26.1
No opinion	12.1

About one-third of the respondents indicated that if all hotels and lodges were removed from an area, they would not come to the area.

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[*] Four general questions preceded these in Section I of the full survey from which this segment is excerpted.

LEGISLATION TO PERMIT EARLY NATURALIZATION OF IMMIGRANTS DURING BICENTENNIAL YEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BOB WILSON) is recognized for 5 minutes.

Mr. BOB WILSON. Mr. Speaker, it has been my experience that naturalized citizens are among the most dedicated and patriotic Americans. Fleeing oppression, persecution, and poverty, immigrants have flocked to these shores since the earliest days of the Republic in search of a better life for themselves and their children.

Those of us born here sometimes forget just how lucky we are. Many naturalized citizens have not known the blessings of freedom as a birthright, and we can all take a lesson from their enthusiastic Americanism.

I recently heard from a lady in my district whom I had helped a few years ago with an immigration problem. She will be eligible for naturalization in 1977, but would very much like to get her citizenship and vote during the Bicentennial year. The more I thought about her request, the more I liked the idea.

What would be a more fitting tribute to our Nation's heritage than to permit those nearly eligible to become citizens during 1976 and participate in the election process upon which our way of life is founded?

I am, therefore, today introducing a bill to permit any person otherwise eligible to become a naturalized citizen during calendar year 1977 to obtain their citizenship during 1976. Senator DOLE has introduced a similar bill in the Senate. I urge my colleagues' favorable consideration of this legislation.

LEE ENGSTRAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN of Tennessee. Mr. Speaker, I would like to take this opportunity to recognize before my colleagues a fine young man—Lee Engstrand—captain of the University of Tennessee swim team.

This Saturday Lee will be honored in a special ceremony immediately before a swim meet between the University of Tennessee and the University of California at Los Angeles—UCLA. I think it is fitting that the accomplishments of this young man also be recognized by the U.S. Congress.

Lee Engstrand has been a college all-American for 3 years and has been voted the best all-round swimmer in the history of the University of Tennessee. Lee comes from Bartlesville, Okla., where he was named a high school all-American. In addition, he has been named the most outstanding swimmer to come out of Oklahoma.

Lee holds the 200-yard individual medley American record and is both a National AAU champion and an NCAA champion. During his junior year he was voted the Junior Athlete of the Year in the Southeastern Conference.

Lee's coach, Ray Bussard, says:

> He's the type of young man you like to have on a team. His concern for his teammates led him to be chosen captain.

While not swimming, Lee is a senior majoring in business administration.

DÉTENTE AND ANGOLA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, just before the House adjourned for the Christmas recess the Senate precipitously voted to ban U.S. provision of military equipment to black liberation groups in Angola who struggled for self-determination in earlier years and who are now resisting the aggressive intervention of thousands of heavily Russian armed Cuban troops placed in Angola by the Soviet Union to spearhead Soviet expansion into what the Russians see as a strategic area.

President Ford and Secretary Kissinger have called the Senate vote a deep tragedy. From the standpoint of Secretary Kissinger's policy of détente, it may well be a deep tragedy. Whether the demise of this policy of détente is in itself a deep tragedy depends on perspective—on whether one prefers a more straightforward policy of accommodation or a more straightforward policy of resistance. Soviet expansion is a reality. The question is our response.

THE STRATEGY OF DÉTENTE

The policy of détente that has been worked out by Dr. Kissinger through two administrations seeks a mutual accommodation and is not in principle a policy of appeasement. Dr. Kissinger's strategy differs from the kind of détente advocated by some who believe that Soviet thrusts should always be accommodated, if not in fact met with outright concessions. It is Secretary Kissinger's policy that has been sold to the Congress and the American public.

Secretary Kissinger's détente is a double-track policy of conciliation or toughness as the situation demands. On the one track, we are to accommodate to steady growth of Soviet power while, on the other track, trying to resist unacceptable exercises of that mounting power.

We are to resist when the Soviet Union steps across the line of what is acceptable in its use of power in various parts of the world, all the while attempting to entice Soviet leaders away from adventurous uses of power by involving them in agreements and trade relations of great benefit to the Soviet Union.

The Kissinger strategy in other words is a carrot and stick type of approach. Through the carrot part the policy attempts to involve the Russians in relationships which provide more benefits from being good world citizens than they can hope to gain from expansionist power politics. In principle the Soviets are not supposed to be able to exploit the carrot part by the use of threats in order to be bought off with wheat, computers, truck factories, modern chemical and fertilizer plants, credit, and so forth.

Secretary Kissinger favors making the benefits of our modern economy available to the Russians, because he believes that fostering economic interdependence helps establish a network of relations in which the Russians will see enough benefits to themselves to behave in accordance with agreed rules of international conduct.

However, the policy is not supposed to let the Russians hold the carrot with one hand and grab something else with the other. Any grabbing or expansion over the line and they are supposed to be rapped on the knuckles, so to speak, with the stick. The policy is not supposed to mean that we acquiesce in Soviet expansion.

Kissinger's policy is ambitious in seeking a mutual accommodation, because the Russians have never willingly allowed a mutually accommodating relationship to develop even with other Communist parties and other Communist States.

Obviously then, for détente to succeed in moderating the Soviet Union, the Soviet Union must not perceive the stick as mere bluff.

RUSSIA HAS THE INITIATIVE

In seeking mutual accommodation, the United States is placed in the role of reacting to expansionist initiatives of the Soviet Union, whose power and influence are on the rise. Since Soviet leaders are fully aware of how Kissinger hopes, through the double-track policy of détente, to get them to accommodate to, rather than seek hegemony over, the rest of the world, and since they have the expansionist initiative, and since they have watched Soviet power and influence grow as a consequence of our seeking mutual accommodation, it is only natural that they will attempt to exploit the hopes placed on détente as well as the complexities of the policy. The Russians will attempt to define the line over which they are not supposed to step entirely in terms of their expansionary interests, and they will pry and probe to find the points at which the United States uses the stick, to find to what extent the stick is bluff, and so forth. It is only natural that they will endeavor to hook us into a policy of accommodation that is unilateral rather than reciprocal.

AMERICA'S HYPER-SELFCRITICAL CHARACTER

In its effort to define détente in terms of American accommodation to Soviet interests, the Soviet Union can count on a certain amount of help from many Americans themselves as a result of the marked American characteristic of self-criticism. Many commentators have pointed out that Americans are the most self-critical people in the world. We are always unmasking our institutions, our motives, and finding all the problems of the world to be the consequences of what the United States did or did not do. Some of our revisionist historians maintain that no country in recent times ever did anything except in response to wrong or mistaken acts on our part. In a less self-critical society, Ambassador Moynihan would not have been propelled into the spotlight for taking the position in the U.N. that the problems and conflicts between other nations are not the fault of the United States.

It is only natural to find the American trait of self-criticism in the universities, in the Congress, in the news media, and in business and Government circles. Since we employ so much of our skepticism in questioning the actions, values, and institutions of our own country, it is only to be expected that many writers, commentators, professors, and business and Government decisionmakers independently come up with interpretations of American foreign policy that are sometimes even more one-sided than the Soviet line. The newspaper columnist Crosby Noyes finds American self-criticism so heavy that he thinks the question "Whose side are you on?" should "be addressed to the liberal majority of the Congress and a large segment of the press."

Everyone would agree, of course, that self-criticism can have pathological as well as healthy effects, but I do not want to get involved in determining the point at which pathology results from too much of a good thing. I only want to point out how the Russians can take advantage of our self-critical trait in their effort to turn the Kissinger strategy, which seeks a mutual accommodation, into a unilateral accommodation to Soviet expansion.

HOW DÉTENTE CAN BECOME APPEASEMENT

Suppose the Soviet Union crosses the line of what we can accommodate without encouraging its expansionist tendency and undermining our own position. This would call for some response with the stick. But not only would the Russians denounce our tough response as a threat to détente, the same denunciation would immediately arise in the news media, in the universities, and in the Congress. Those "certain Government officials" are always there to "privately concede" to the press the danger and folly of a tough line in foreign policy. Resistance itself is widely held to be a throwback to the "cold war" or out of touch with the "new world order."

A debate will spring up over whether the area into which the Russians are expanding is relevant to our interests, and internal pressure will build against taking a tough line. Kissinger's double-track policy means that the tough line is not a general policy, and the stick only comes into play on an issue-by-issue basis. What this means is that the stick may not come into play very often. The critics of confronting the Soviet Union, whether overtly or covertly, can always say that whereas we must stay strong and watch out for the Russians, the particular case at issue does not affect our national interest enough to risk confronting the Russians over the matter. They will say that if we get involved, we may have to back down or go to war, or that if the Soviet Union is forced to back down, they will lose face, thus strengthening the position of Soviet hawks and harming our détente relations. In this way the line over which the Soviet Union can step with our acquiescence can gradually move closer and closer to vital strategic interests of America.

The hypercritical attitudes of many Americans toward America will in some cases lead further and provide justifications for Soviet adventures. The Soviet behavior can always be said to have been provoked by our own. Listen, for example, to the New York Times, page 1, December 19, 1975:

> A number of Government officials and lawmakers contended that it was impossible without more information to determine whether the subsequent Soviet build-up had been purely aggressive and expansionist, as Secretary of State Henry A. Kissinger and others have contended, or whether it might have been in part a Soviet response to the action by the United States.

Thus, any effort to put into operation the stick part of détente will be caught between the rock of external Soviet pressure and the hard place of internal U.S. opposition. The officials managing our détente policy will find that the conciliatory track of détente is the track of least opposition. Whatever the courage, ability, and integrity of a Government official, the path of the most resistance is always the most wearing. The conciliatory track of détente delays having to face the pressure of standing up to Soviet pressure and meets with domestic opposition only from foreign policy conservatives, who do not have as much support in the national news media and the universities, and who tend to be portrayed as not sufficiently skeptical of things American, as "unthinking." Their patriotism is often portrayed as jingoism and is said to evoke undertones of the cold war and nuclear holocaust.

I am not remarking on these well-known attitudes in order to complain of them or to provoke a controversy over them. I am pointing out that these attitudes add to the burden of the Government officials who manage our détente policy and increase the risk that the policy will degenerate into covert appeasement.

The Kissinger strategy, then, however clever it may be in theory, is very risky in practice.

SENATE'S VOTE TAKES STICK OUT OF DÉTENTE

My purpose in this speech is neither to criticize nor necessarily to support Dr. Kissinger's policy of détente, but to point out that the Senate's vote on Angola is inconsistent with the principle of double-track détente policy. If the House supports the Senate position, our foreign policy may be significantly altered. Détente may be shunted onto the single-track of accommodation to the Soviet Union's use of power, and further Soviet adventures will be encouraged.

Covert appeasement, although deadly in the long-run, is unfortunately the easiest, and least costly politically in the short-run. Politicians can claim that each accommodation to the Soviet Union's use of power is evidence of how détente avoids conflict, such that over time the Soviets could establish a global hegemony that would be seen as almost a desirable and natural relationship.

INCREDULOUS CLAIMS

I will end this speech with remarks on some of the more incredulous claims, which have appeared in the press and on the floor of the Senate, about the Angolan situation.

It has been said, to quote a Senator, that—

> In Angola any Soviet "victory" will be short-lived. The most powerful force in the nonalined world is nationalism—an ideology that rejects external control regardless of whether the ideology comes from the East or West. One has only to recall recent Soviet failures in Egypt and Mozambique to realize this fundamental fact characterizing the world today. Tragically, the United States is forfeiting opportunities for long-term benefits in Africa and elsewhere by overreacting to the short-term Soviet initiative in Angola.

NATIONALISM NO DEFENSE AGAINST SOVIET TAKEOVER

The idea that nationalism is a protection against Soviet takeover is apparently widespread, both in the Senate and the press. Many have also drawn an analogy between the Soviets in Egypt and the Soviets in Angola, with it being said that just as military aid to Egypt did not give the Soviets lasting influence, neither will Soviet military aid to Angola guarantee them lasting influence. I believe that it is important that such spurious arguments be put to rest.

Nationalism does not have a good record of preventing Soviet takeovers. Numerous nationality groups that had been forcibly incorporated into the Russian empire used the occasion of the dissolution of the Czarist government to declare their independence. But they were soon all forcibly incorporated into the Soviet Union, with additions. Nationalism did not protect the Baltic States or the fiercely nationalistic nations of Eastern Europe. John Barron's book, "KGB," tells in detail the story of the Soviet takeover of Castro's Cuba in spite of everything Castro could do, and in spite of the fact that Cuba is even further from Soviet borders than Angola. It is to advance Soviet, not Cuban, interests that thousands of Cuban troops are fighting in Angola.

I do not know in what sense rival tribes, inhabiting areas whose boundaries were decided by Europeans, have nationalistic feelings. My understanding is that the experts on Africa are generally agreed that one of the greatest problems faced by African States is that the masses of the people have tribal, and not nationalist, loyalties. I do not know in what sense anyone is an "Angolan." Perhaps the only people who had an Angolan consciousness were the Portugese settlers who had been there for generations.

ANALOGY BETWEEN EGYPT AND ANGOLA INVALID

To whatever extent an Angolan nationalism might exist, the heavily armed Cuban troops there are a potent military force, and their numbers can be increased as the Russians see fit. And here is another of the many points where the analogy between Egypt and Angola that is being bandied about breaks down. In Egypt military aid did not carry with it Soviet control of military force. Another difference is that in the case of Egypt, the Russians were aiding one established non-Communist state against another established non-Communist state, whereas in Angola there is no established state, and the Russians will have at least a hand in and a finger on what is established.

SADAT SAVED BY CIA

If the Soviets had had an army in Egypt as strong relative to the Egyptian army as its Cuban one is to the remaining forces of the MPLA, it is not certain Sadat could have ordered the Russians out. And this brings us to the question why Sadat threw out the Russians. It was not the result of any failure of military aid. He threw them out because he got wind of a KGB directed coup against him in time to act first.

Egyptian nationalism did not prevent some high Egyptian Government officials from committing treason against the Egyptian state. John Barron reports that among the Soviet agents Sadat arrested were Egyptian Vice President Ali Sabry, Interior Minister Sharawi Gomaa, War Minister Mohammed Fawzi, and Sami Sharaf, the chief of Egyptian intelligence. Mr. Barron reports that "through Sharaf, the KGB controlled the intelligence that the Egyptian President relied on most to form his judgments and national policy."

The Soviet debacle resulted more from CIA success than from Soviet failure. A Soviet official in Egypt, who Mr. Barron calls Sakharov, was a CIA agent. Apparently, his knowledge that Sharaf was a KGB agent was instrumental in alerting Sadat.

LIMITED SOVIET GAINS ARE CAUSE FOR CONCERN

The fact that there is no analogy between Egypt and Angola does not mean that there is necessarily an analogy between Angola and Eastern Europe. The Soviet gains in Angola may be limited to a naval and air base, in which case the analogy is that of the limited Soviet gains in Guinea and Somalia. Nevertheless, even in the case of limited gains there are at least two reasons for concern.

One reason is that Soviet military bases in Africa are a violation not only of the spirit of détente but also of the ground rules of détente, under which the superpowers are supposed to confine themselves to areas of legitimate national security interests. It is a far-fetched idea that a Soviet military base in Angola relates to the national security of the Soviet Union. Yet that same hyper-selfcritical attitude, which considers an American base in an independent country like Iceland to be an offense against the Soviet Union and world peace, sees the expansion of Soviet military bases into Africa as "short lived" or "limited" gains. The double-track policy of détente is confronted with the argument: "don't worry, although the Russians have stepped across the line it will be short lived," or "don't worry, it is only a limited step across the line."

A second reason for concern is that the strategic implication of even a limited Soviet gain in Angola is as large as that of the Soviet gain in Guinea and Somalia. Some Senators think that because a Soviet gain is limited, we should not worry about it. But limited gains can alter the strategic balance as much as takeovers can alter the strategic balance. In Angola the Soviet Union stands to gain a naval base in the West African South Atlantic, an area over which no superpower presently exercises strategic control.

Although it is tempting, as some Senators have done, to place Soviet expansion into Angola in the pattern of past Soviet setbacks, we must also consider that it may be a Soviet move of a new type—a move to project more power around the world in order to prevent precisely the kind of setbacks they experienced in the past.

DAMAGING OVERTONES IN ABANDONING ANGOLA

More has been said about the limited South African involvement in Angola than about the heavy Soviet and Cuban involvement, in spite of the fact that South Africa has a natural interest in what is happening near its borders, whereas Russia and Cuba lie thousands of miles away. South African involvement is said to rule out our own because we cannot afford to be associated with "South African racists."

However racist South Africa may be, the numerous ethnic groups that have been forcibly incorporated into the Soviet Union would not admit there are any people more racist than Russians. But what concerns me is the undesirable overtones of conveying the impression of a lack of American interest in the people in Angola who are being brought under Soviet hegemony. In 1964, the late Senator Wayne Morse stated in a Senate speech that—

> All South Vietnam is not worth the life of a single American boy.

A present Senator, by reintroducing Morse's speech in the December 19, 1975, CONGRESSIONAL RECORD in support of his own position against aid to Angola, has given the unfortunate impression that he thinks all the blacks in Angola are not worth $50 million in American military equipment. It is damaging to our relations with black Africa that the Senate's vote against aid to Angola was buttressed in this way.

PERVERSE SELF-CRITICISM INCREASES THE RISK INHERENT IN KISSINGER'S STRATEGY

Détente is a risky policy even in the best of conditions, because the unilateral concessions that we make to the Russians in order to encourage interdependency and increase their stake in the existing world order also increase their power, while projecting an image of the United States as weak willed. The latter two results of the concessions encourage the expansionist Soviet power politics that Kissinger hopes interdependency will restrain. For Kissinger's policy to succeed, the Russians must believe that they can gain more from a genuine mutual accommodation than they can gain through power politics.

It is not certain that the Russians believe this. They have seen that the main effect of détente on the West has been to downgrade the Soviet threat and restrain Western defense budgets, thereby tipping the power balance in their favor. The Russians may instead believe that they can exploit the situation to demoralize the West and achieve victory by default.

Moreover, Secretary Kissinger does not have the best of conditions for his policy. His strategy of détente does not take into account the perverse nature of the American trait of self-criticism. As long as this trait is so characteristic, the national news media will have two sets of eyes—a very exacting set through which to look at America and our allies, and a very idealistic set through which to look at our enemies. Consequently, détente will not easily escape becoming an euphemism for covert appeasement.

Listen to Mr. Anthony Lewis in the New York Times of December 22, 1975:

> Talk of helping countries to "decide their own fate" has rather a mocking sound these days. Does Mr. Ford think people have forgotten the massive and conspiratorial United States efforts to upset the democratic process in Chile? Can he use the word "free," without gagging, for such objects of United States support as the Governments of Brazil, South Korea, Indonesia, the Philippines?

As long as our press sees our allies as not good enough to aid and our enemies as not bad enough to oppose, there is little wonder that Secretary Kissinger prefers a more secretive foreign policy. I have heard a lot of people say that you cannot look at the Soviet Union in black or white terms, but that is just the way those same people want to look at the United States. It may be that Kissinger's preference for covert action and a secretive foreign policy reflects his realization of this tremendous handicap to his success and that of our foreign policy.

It is tempting to say that Angola is a long way away and does not affect us, but the Congress must not decide our involvement there in such terms. The Congress must face up to how hard it is going to be to keep détente from turning into appeasement, and decide Angola in these terms. We must not just consider the costs and risks of being involved in Angola. We must also consider the costs and risks of not being involved.

The time that has passed between the Senate's vote and the House reconvening may have been enough for the Soviet-backed forces to establish control in Angola. If so, I hope that the "negotiated settlement" that the Russians will offer is seen truthfully. I hope the Congress will not proclaim a legitimatizing of Soviet expansion into Angola as another victory for détente. It is my view that the American people are becoming aware of the facts of Soviet intentions and realities and do not really believe in more concessions.

VIRGINIA UNION BICENTENNIAL CELEBRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, in this year of historic commemorations, it is indeed my pleasure to bring to the attention of my colleagues a bicentennial celebration of Virginia Union University in Richmond, Va.

Virginia Union University is an accredited liberal arts college and graduate school of religion, which, through its 111-year history, has brought forth a distinguished array of alumni and which has made a unique contribution to the academic growth of America during the past century.

This year's celebration, the first annual observance of Virginia Union University's Awareness Day, holds the theme: "A past to remember, a future to mold." In keeping with this theme, tributes are being given to the 17 alumni of VUU who are now or have been presidents of colleges or universities, as well as to D.C. Delegate Walter Fauntroy and Dr. Wendell P. Russell, educator and president of Federal City College and D.C. Teachers College.

In carrying out the official Bicentennial theme, the grand bicentennial celebration of VUU will begin with a cocktail hour viewing of "A Presidential Gallery" highlighting the careers of the honorees, followed by dinner, the presentation of awards, and a black tie Presidential Ball, all on January 31.

"A Future To Mold" is one of the D.C. chapter's reasons for being, says the general alumni chairperson. In explaining further that the various donations received incidentally and the contributions of $25 or more by each of the assembled guests will initiate a revolving scholarship fund to aid worthy students with established need, she also explained that the chapter would thus be enabled to perpetuate its annual VUU Awareness Day activities.

Virginia Union University was founded in 1865 by the American Baptist Home Mission Society under the names of Richmond Theological Institute for Freedmen and Wayland Seminary. These schools united in 1899. In 1932 Hartshorn Memorial College was made a part of the university and in 1964 Storer College of Harpers Ferry, W.Va., was added to the educational complex.

The university is a member of the Southern Association of Colleges and Secondary Schools, the University Center in Virginia, an associated member of the American Association of Theological Schools, and a member of the Association of American Colleges, the American Council on Education, and the United Negro College Fund.

The focus of the university is on the development of strong religious convictions and commitments but insists on rigorous intellectual discipline. The basic rule of the university is that students must deport themselves at all times as ladies or gentleman and Christian citizens.

As a liberal arts college the university emphasizes well-rounded intellectual development but, in facing the economic realities of its typical student, attempts to insure that each graduate is prepared to enter the professional job market with the necessary skills. Because the university is zealous of maintaining a high standing in the educational world, it seeks to enroll and to send out only those who give promise of intellectual and spiritual leadership. Its program assumes that its graduates will pursue higher academic and professional degrees, and it takes pride in the high proportion of its alumni who hold earned doctorates.

The historical significance of Virginia Union University, as well as the other fine black colleges throughout this country, cannot be truly measured. Through its graduates, its inspiration and its dedication to principles of knowledge, VUU has given many generations the impetus to survive and to grow.

It is my hope that Virginia Union University will continue to mold the future through its facilities for at least another century.

HEARINGS ON AGENCY REPORTS ON COMPETITION IN THE FOOD INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, I wish to announce that the Subcommittee on Monopolies and Commercial Law will hold 2 days of public hearings on Wednesday and Thursday, February 4 and 5, 1976, to consider H.R. 9182 and similar bills. The hearings will be held in room 2141, Rayburn House Office Building on February 4 and room 2226, Rayburn House Office Building on February 5, commencing at 9:30 a.m.

The Food Industry Antitrust Reports Act of 1975 provides both for a comprehensive updating of the Reports of the National Commission on Food Marketing, as well as annual reports by the Federal Trade Commission, the Department of Justice, and the Department of Agriculture on their antitrust enforcement efforts in the food industry, and the state of competition in that industry.

Witnesses will include various agency representatives, as well as consumers, farm and industry spokespersons.

TOM SWIFT'S ELECTRIC RIFLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Wolff) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, a new breed of weapons has recently been introduced to the American public. The most publicized of these new weapons is known as the Taser, a term derived from "Tom Swift's Electric Rifle." A part of yesterday's fiction, it is today's reality. The Taser, innocently packaged as a flashlight, is designed to fire twin darts attached to thin wires which conduct an electric charge from the "gun" to the darts. A transformer converts the power contained in tiny batteries to 50,000 volts. This level of voltage makes it unnecessary for the darts to strike the skin of the victim in order to impart a severe and incapacitating electric shock; the current can jump through 1½ inches of clothing to reach its victim. The shock from a Taser renders muscular control impossible within 3 seconds. A 10-second burst of its power will render a person unconscious. The victim will remain immobilized as long as the attacker continues the flow of electric current.

While the Taser is described by its manufacturer as nonlethal, this classification is open to serious doubt. Indeed, the Canadian Government, after running its own tests, has banned the Taser concluding that its capacity to kill could not be ruled out. Persons with pacemakers, heart conditions, or nervous disorders could be subjected to serious injury or death as a result of a 50,000-volt shock. Additionally, although the manufacturer has run its own series of tests on humans, there are indications that these are incomplete. The New York Times quotes a prominent cardiologist as stating,

> If a person is active, angry, if he's in flight, there are cardiac changes; we call them ionflux changes. They alter heart action. . . . A charge such as that from the Taser could cause a stoppage. I would say it's very hazardous. The heart action of a person under stress differs greatly from that of a person at rest or at leisure. A robbery, a mugging are stress times . . . I would not want to think of the consequences of a charge such as that.

Similarly, although the Taser is billed by its manufacturer as a defensive weapon, its conversion into an instrument of crime has already been amply demonstrated. It has been used in robberies in California, Florida, and Pennsylvania. In New York it has been used at least twice: once to rob a diamond district merchant of over $100,000 in jewels and once to rob a woman in a shopping center parking lot of a $6,000 diamond ring.

Ironic as it may be, the Treasury's Bureau of Alcohol, Tobacco, and Firearms has declared that the Taser is not subject to control under either the criminal provisions of title 18, the taxing provisions of title 26, or the Omnibus Crime Control and Safe Street Act of 1968. Even the manufacturer's advertising brochure declares that the Taser "must be treated as a dangerous weapon." I fully agree and for these reasons I am today introducing legislation which would amend these laws to cover the new breed of electric weapons represented by the Taser. I will be reintroducing this legislation with cosponsors shortly, and a "Dear Colleague" explaining this legislation will be circulated shortly. If you would like to cosponsor this legislation, or have any questions, please call Rick Carro of my staff at x55956.

At this point I would like to insert a copy of this legislation into the Record:

H.R. —

A bill to amend titles 18 and 26 of the United States Code and the Omnibus Crime Control and Safe Streets *Act* of 1968 for the purpose of regulating the sale and taxation of certain electric weapons

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 921(a) of title 18, United States Code, is amended—

(1) By redesignating clause (D) of paragraph (3), and all references thereto, as clause (E) and by striking out "silencer; or" in clause (C) and inserting in lieu thereof the following: "silencer; (D) any weapon which will or is designed to or may readily be converted to expel a projectile of any form which, after being expelled, remains connected to the weapon in any manner and which enables an electric charge to be transmitted from the weapon to the projectile; or".

(2) By striking out the period in paragraph (17) thereof and inserting in lieu thereof the following: ", and includes any cartridge or device, any part of which is capable of being used as a projectile in any weapon defined in paragraph (3)(D) of this subsection.".

Sec. 2. Section 1202(c)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 (18 App. U.S.C. 1202(c)(3)) is amended by striking out "silencer; or" and inserting in lieu thereof "silencer; any weapon which will or is designed to or may readily be converted to expel a projectile of any form which, after being expelled, remains connected to the weapon in any manner and which enables an electric charge to be transmitted from the weapon to the projectile; or".

Sec. 3. Section 5845 of the National Firearms Act (26 U.S.C. 5845) is amended by striking out paragraph (e) thereof and inserting in lieu thereof the following new paragraph:

"(e) Any Other Weapon.—The term "any other weapon" means—

"(1) any weapon or device capable of being concealed on the person from which a shot can be discharged through the energy of an explosive, a pistol or revolver having a barrel with a smooth bore designed or redesigned to fire a fixed shotgun shell, weapons with combination shotgun and rifle barrels 12 inches or more, less than 18 inches in length, from which only a single discharge can be made from either barrel without manual reloading, and shall include any such weapon which may be readily restored to fire; and

"(2) any weapon which will or is designed to or may readily be converted to expel a projectile of any for which, after being expelled, remains connected to the weapon in any manner and which enables an electric charge to be transmitted from the weapon to the projectile.

"Such term shall not include a pistol or a revolver having a rifled bore, or rifled bores, or weapons designed, made, or intended to be fired from the shoulder and not capable of firing fixed ammunition."

SEC. 4. The amendments made by the provisions of this Act shall become effective 90 days after their enactment.

HOUSE SHOULD INVESTIGATE QUOTA HIRING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, as the United States heads into its Bicentennial Year this should be a time of rededication to the principles that made this country the greatest Nation in the world.

Perhaps foremost of those principles has been hard work. But unfortunately, there are some who believe that this concept is outmoded. They believe that the way to achieve something is not through hard work and self improvement, but through a new phenomenon which has no place in the American way of life.

I am referring to the so-called quota hiring systems which require that jobs be apportioned to the percentage of minority groups in our population, regardless of the qualifications of the applicants. This means that a more qualified applicant for a particular job may not be hired because a less qualified applicant belongs to a certain minority group whose population proportion is not represented in that particular job field.

In recent days the city of Chicago has been virtually blackmailed into adopting a quota hiring system for its police force. Federal Judge Prentice Marshall has ruled that unless the city of Chicago hires policemen in accordance with quotas he has established, $76 million in Federal revenue sharing funds that were withheld during 1975 will not be released to the city.

ONLY COURT CAN END QUOTAS

Judge Marshall has ruled that the city must hire the new policemen at the ratio of 42 percent black and Latino, 16 percent female, and 42 percent other males. This hiring quota must be met until further ordered by the court.

Not only are such quota mandates unrealistic, unfair, and possibly illegal, they are being invoked against a city that has an outstanding record of minority hiring when compared to other major cities in the United States. For instance, Chicago Mayor Richard Daley points out that the ratio of black policemen to black residents in the city of Chicago is one black policeman to every 518 black residents. Compare this figure with other U.S. cities and you find, for example, that in Atlanta the ratio is 1 to 752; Baltimore 1 to 917; Cincinnati 1 to 1,653; Kansas City 1 to 1,087; San Francisco 1 to 1,114; and St. Louis 1 to 706. If Judge Marshall's decision is allowed to stand it will certainly mean that the cities with higher ratios of black policemen to black residents will face similar quota requirements.

Mr. Speaker, I take a back seat to no one in believing in civil rights. As director of labor for the State of Illinois in 1946, I sponsored the first nondiscrimination directive for hiring practices in Illinois. I have always fought for causes related to civil rights and will continue that battle for human dignity. But quota systems are not the answer.

Just as I have fought for civil rights, I will fight against quota systems in all aspects of life. As an example, when I discovered that the Small Business Administration established quota systems for each of its loan officers and required these quotas to be met with a minimum number of loans per month regardless of the soundness of the loan, I reacted with outrage. I was equally alarmed when I learned that the Internal Revenue Service had established quotas for auditing tax returns. And when the Democratic Party fought to establish quotas for delegate selection to its 1972 convention, I fought against it too.

JUDICIAL BLACKMAIL IN CHICAGO

Just recently a Chicago newspaper sent a questionnaire to every member of the Illinois congressional delegation seeking information about the ethnic makeup of the member's staff. I did not complete the questionnaire because it was my feeling that by identifying staff aides by ethnic or minority background would in some way trigger a request for quota hiring. The only quota system that is used in my office is one of hiring as many qualified, hard working persons as are available regardless of their race, religion, sex, or minority affiliation. This is the same philosophy being used by the Chicago police force. Such a philosophy is not good enough for Judge Marshall, who not only ruled that quotas must be adopted, but engaged in judicial blackmail by withholding revenue sharing funds which were scheduled to be used for health services, senior citizen benefits, sanitation, the building department, and the Department of Human Resources.

I agree wholeheartedly with Mayor Daley who commented:

> The 1976 Federal money is earmarked to help the poor, the handicapped, the senior citizen, and to provide needed health, housing, and sanitation services throughout the City. Any judge who seeks to interfere with these services that Chicagoans have paid for with Federal taxes is unfair and unjust.

It is interesting to note that none of the money is allocated for the Chicago Police Department. Since Judge Marshall could not withhold police funds, he chose instead to hold the people of the city of Chicago hostage in order to make certain that his decision was carried out.

Although the initial damage has been done by the Marshall decision, there could be even more damage to the very groups which the judge sought to help.

CITY WILL APPEAL DECISION

Mayor Daley has indicated that the city will appeal the judge's ruling "all the way to the Supreme Court if necessary." Based on other court findings, there is a strong possibility that an appeals court will overrule Judge Marshall's decision. The U.S. Court of Appeals for the Second Circuit recently overturned a similar lower court ruling which sought to impose racial quotas in the hiring of State corrections officers in New York. In reaching this decision the court of appeals said:

> Race could not be utilized as a criteria for employment unless it was intended to counter long-standing and egregious discrimination.

Since Chicago has a better minority hiring record than many cities which have not been the subject of suits, there is no doubt that Chicago has not engaged in longstanding discrimination.

What will happen to those policemen the court orders to be hired under Judge Marshall's ruling? In the event Judge Marshall's ruling is reversed, it is conceivable that those policemen will lose their jobs since a successful appeal would mean that they were illegally hired. Is Judge Marshall willing to play a game of checkers with the livelihood of these people in which he appears to be winning at the beginning, but loses in the end?

At virtually the same time Judge Marshall was making this ruling, L. Sheldon Brown of the circuit court ruled that the Chicago Board of Education may waive minimum hiring requirements for contractors in the interest of saving possible tax money provided the contractor had an affirmative action plan for hiring minorities.

What will happen to the citizens of Chicago? How will they be affected by Judge Marshall's order? Can they expect a quality police force which in part is composed of officers who were not hired because of their ability but because of their race, sex, or ethnic background? Can the people of Chicago have faith and respect in a police force of this type?

BLACK OFFICERS OUTRAGED

What will happen to the minority members of the police force who already serve the city of Chicago and have done a commendable job? The use of quotas implies that minorities such as blacks cannot "cut it" in the traditional system. Many black officers of the Chicago Police Force have been outraged by the implication of the judge's order. Earlier this year one black police officer called Chicago Tribune reporter Bob Weidrich to complain about the judge's proposed plan. He said the proposal was—

> A slap in the face, a declaration that we cannot make it on our own, that we are dummies. A quota would be unjust to Black and White police officers. I don't want to get involved in such circumstances. No matter how well I do my job, it would have a dirty taste about it. I would not feel I made it on my own.

Mr. Speaker, earlier I pointed out that there is a strong legal challenge to the correctness of Judge Marshall's decision. There is also a strong legislative challenge to the correctness of the decision. The question of quotas was brought up several times during the debate of the 1964 Civil Rights Act. At the time it was discussed, it was pointed out that legislation did not require quotas. For instance, former House Judiciary Chairman Emmanuel Celler, in answering questions about the Civil Rights Act on January 31, 1964, was asked whether a quota system would be important to bring about compliance of the Civil Rights Act. In part, Chairman Celler responded:

> It is . . . not true that the Equal Employment Opportunity Commission would have power to rectify existing "racial or religious imbalance" in employment by requiring the hiring of certain people with regard to the qualifications simply because they are of a given race or religion . . . *Even then the court could not order that any preference be given to any particular race, religion or other group but would be limited to ordering an end to discrimination . . .*" (emphasis supplied)

On the Senate side the legislative record against quotas is equally strong. Senator Clark of Pennsylvania, one of the principal sponsors of the Civil Rights Act, expressly rejected quotas.

Since Congress has made it clear and many courts have reaffirmed the position that quotas are not a legal means of enforcing antidiscriimnation laws, it is curious that a Federal judge would defy both precedent and legislative history in establishing such quotas.

Because of Judge Marshall's action, I am today calling upon my distinguished colleague, the chairman of the House Judiciary Committee, the Honorable PETER RODINO, to hold hearings on the overall subject of quotas. Since at least one judge apparently feels that there is authorization for the quotas, it is time that Congress make its position clear on this point. If quotas are to be used then Congress should authorize them. We cannot have a valid system of government when a judge is able to write law in the face of direct legislative contradiction.

If quotas are the answer to the civil rights enforcement, then let the issue be decided in the House and Senate. I for one feel that the issue has already been decided but since there are some who do not read legislation in the same light I do, we should clarify the issue once and for all.

Since many of the cities that I mentioned above have a minority hiring ratio not as valid as Chicago's, the quota issue may spread to other cities. Therefore, we should resolve this question as quickly as possible.

I sincerely hope that the Judiciary Committee will give my request for oversight hearings its most expeditious handling. It matters not whether we as legislators agree with quotas, the question is whether legislation adopted by Congress will be carried out by the courts.

When Lyndon Johnson was President of the United States, the Congress was successful in writing legislation to eliminate quotas which until that time has restricted immigration from various countries. I recall how vigorously many Members of this body spoke out against quotas. Speaker after speaker condemned the quotas as being un-American. I strongly agree. The immigration quotas were un-American and for that reason I supported their removal. If quotas were un-American in dealing with immigrants wishing to come to America, how can we justify the use of quotas as a tool for hiring?

SOCIAL SECURITY: MAJOR OVERHAUL MUST COME, NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 10 minutes.

Mr. LEVITAS. Mr. Speaker, the present social security program is dying on its feet, and threatens to expire if prompt and drastic remedies are not sought and found. There are too many Americans—the elderly, the disabled, the widowed and orphaned—who are dependent on this system to let this happen. Those who need these benefits are receiving a paltry pittance and are insecure. To them we owe more. We owe security and dignity. But to date the only response of the Congress and the administration has been half measures designed to prop-up the present system, letting it limp along without ever dealing with the root causes of its distress.

If nothing is done about social security, it will be bankrupt within a decade. The needy will suffer, and this breach of faith by Government, in abandoning this promise, will be the worst in our lives. Yet this is what will happen because the trust funds are gradually being depleted to the point of exhaustion. Yet, the only solution to this problem which has been offered to us so far is more and more taxes on more and more money.

In addition, many people are realizing that they will never get their money back from social security and that the benefits which are promised are abysmally inadequate.

President Ford's state of the Union proposal calling for yet another increase in social security taxes, this one of 0.3 percent for both employees and employers, is simply more of the same old, costly but worthless medicine; it is mistakenly aimed at making what has proven to be an unviable system viable; it will not work; the approach has not worked and if it continues the system will surely fail from bankruptcy or a taxpayers' revolt.

Consider that in June of 1974, the 1974 Trustees Report predicted that the retirement and disability funds would continue to increase to the year 1980, with no need for a payroll tax increase for 5 to 10 years to come. Not a year later this forecast had to be drastically revised to project an immediate decrease in the funds leading to their exhaustion by the end of 1980.

The problem is twofold: greatly increasing operating costs and the approach toward zero population growth. Put most simply it means increasing bills and fewer and fewer workers to pay them. Aggravating this is the troubled state of the economy. Unemployment erodes payroll-tax revenues and speeds the drain on the funds as more workers seek retirement or disability payments. At the same time, inflation increases social security outlays. Because benefits are tied to living costs, they rise with inflation. Today, 10 people have to pay into the system in order to support every three recipients, and it is estimated that if the present trend continues, by the year 2030 it will require two people working to support each beneficiary. It does not take a mathematician to recognize that we are rapidly heading toward a system that will require one worker for every recipient.

The overall problem is the long recognized one that what was essentially a minimum insurance program, actuarially sound, which provide a minimum subsistence for a mandatory premium, has become in the minds of many a comprehensive retirement program. It can not carry that burden, and it should not.

People under 40 are complaining about being forced to pay the most regressive tax in America to contribute to an actuarially unsound system from which they never expect to receive full benefit. Those receiving the benefits are rightly concerned about the administration of the program and the benefits paid. For example, the only way a 25-year-old man paying into the system can get his money back if he is healthy is to live to be 125 years old. There is another way for one to recover his payment into the system. If he marries at 30, has three children and dies at 35.

Faced with these problems, there has been a complete lack of imaginative leadership in this vital area from either the Congress or the President. What we hear are prescriptions for more of the same, such as President Ford's payroll tax increase proposal on a widening of the tax base. Both are merely attempts to prop up the system on crutches which have already proved too weak to support it. Mr. Ford said the cost will be $52 or more a person. But, that also means that for an employer with 100 workers it will be over $5,000 a year which will be passed onto us consumers as additional costs. Propping up the program so that it may limp along from year to year, at the expense of the workers and retirees alike, is dishonest and foolish. Eventually the program will die on its feet, and we will be in the position of supporting a corpse so as not to pull millions of social security recipients down with it, while we scramble madly for some sort of system as an emergency interim measure. Or worse, there will be a taxpayers uprising that will undermine the whole system. The solution to such a complex and important problem will not be found in the heat of crisis.

But a real solution can and should be found now, while there is still some time. It is for this reason that, last March, I introduced legislation to establish a National Commission on Social Security to examine thoroughly our present social security program in all aspects, to assess its implications and impact, and to consider other alternatives.

My legislation would abolish the present useless, administration-controlled Advisory Council on Social Security and create a meaningful and working nine-member panel of experts and average citizens, as well, to make a careful and exhaustive study over 4 years. After extensive travel to all parts of grassroots America and interviews with businessmen, workers and the system recipients, research, and study, the Commission will issue a series of annual reports with recommendations and a final comprehensive report, to present findings and recommendations in the following areas:

First. The adequacy of the fiscal condition of the present social security program.

Second. Any inequities in these programs based upon marital status, sex, or similar classifications or categories.

Third. Possible alternatives to the current programs, including general revenue funding and private sector insurance opportunities.

The solutions will not be easily or quickly found, but there is also no question that they can and must be found. Only if such an approach is taken, will there be any semblance of hope for assuring, beyond any doubt or fear, continued benefits to the elderly, disabled and widowed, and at the same time, a new approach for the future that is feasible and workable and within our means.

It is for this reason that President Ford's call for increased social security taxes must be—I repeat, must be—coupled with a commitment to and a specific program for a total appraisal and overhaul of the present system of survivors, retirement, and disability benefits and taxes. Only then could an increase in the taxes for the short-term transition conceivably be justified; not under the guise of an answer to the problem but under the recognition that it may be a necessary interim step designed solely to maintain the present programs while long-term solutions are being sought.

To do less would be to repudiate our national commitment to retirement, disability, and survivor benefit programs, something the public would not tolerate for a minute were we foolish or callous enough to try it.

Indeed, if there is anything good in the President's proposal for a tax increase, it is that it will focus public attention and, yes, anger, and produce enough heat and light to enable this Congress to assume the leadership in this area that it has too long neglected and take the necessary measures to redeem, and continue and improve our national commitment.

I urge each one of my colleagues to give long and hard consideration to opposing an increase in this inequitable tax unless and until it is determined that this is necessary to maintain the present system while coupled with and actively moving to a reappraisal and overhaul of a vital program that has proven to be in terminal condition.

THE NEED TO PROVIDE PENALTIES FOR TAX FRAUD

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. **VANIK**. Mr. Speaker, on November 12, 1975, a jury convicted Ralph G. Newman of tax fraud involving some $400,000 in deductions for the "gift" by former President Nixon of his papers to the National Archives.

On January 6, a Federal district judge fined Newman $10,000 for this crime. According to news reports, the judge stated at the sentencing:

> This was a sickening betrayal of public trust. Mr. Newman abetted this fraud and was a figure in an incredibly unique crime that issued from action of a President. But the crime is no less reprehensible because of that. I have received numerous letters from prominent people speaking of Mr. Newman as a fine person. In mitigation, he eventually did tell the true story of his role in this scheme. In light of that, I see no need for supervision or probation but there should be some penalties.

Newman is said to be a Lincoln expert and would probably recognize the similarity between the judge's reasoning and a story that Lincoln used to tell:

> He reminds me of the man who murdered both his parents, and then, when sentence was about to be pronounced, pleaded for mercy on the grounds that he was an orphan.

Tax fraud, particularly a very complex fraud such as the Nixon papers deduction, is one of the most calculated and cold-blooded crimes in our society. It requires a good deal of planning and thought and is usually committed by professional people who know what they are doing.

Tax fraud is an assault on the very fabric of our society. It is performed by those privileged individuals who have derived the greatest monetary benefit from our society. As Oliver Wendell Holmes said, "Taxes are what we pay for civilized society." Newman's action was an assault on our effort to be a civilized society and his actions threaten our society just as much as a non-white-collar street crime.

Yet the judge imposed not a single day's jail sentence, not even probation, on Newman.

IRS Commissioner Donald Alexander pointed out before the House Appropriations Committee in the spring of 1975:

> As indicated in the statistics below, there has not only been a recent decline in jail sentences, but there continues to be considerable disparity between the circuits on prison terms meted out to convicted tax offenders. Lenient and inconsistent sentencing continues to be a problem to the IRS and greatly detracts from our prosecutive goal of deterrence.
>
> The national average of jail sentencing in tax cases was 42 percent in fiscal year 1974, down from 44.8 percent in fiscal year 1973. The upward trend of recent years may be beginning to reverse itself. The national rate was 35.2 percent in fiscal year 1971 and 38.6 percent in fiscal year 1972, reaching a peak of 44.8 percent in fiscal year 1973.
>
> The percent of defendants receiving prison sentences varies generally by judicial circuits. The figures available for fiscal year 1974 show that in two circuits 27 percent and 31 percent of the defendants were sentenced to prison, while the percentage ranged from 35 to 52 in the other eight circuits. However, there are rather wide inconsistencies in sentencing practices by judicial districts within the various circuits. This is highlighted by the fact that during fiscal year 1974, prison sentences were imposed 100 percent of the time in six judicial districts and none of the time in 17 districts.

RESULTS OF TAX FRAUD INVESTIGATIONS

Cases	Fiscal year— 1972	1973	1974
Investigations	8,962	8,601	7,215
Recommended prosecution	1,795	2,555	2,454
Convictions	846	1,104	1,253
Acquittals and dismissals	191	167	212
Sentences,[1] total	842	985	1,135
Prison	313	441	472
Prison only	(115)	(150)	(143)
Prison and fines	(100)	(98)	(79)
Prison and probation	(98)	(193)	(250)
Average term (months)	(11)	(18)	(16)
Probation	448	454	580
Probation only	(153)	(151)	(178)
Probation and fines	(295)	(303)	(402)
Fined only	81	90	83
Fines[2]	$2,801	$3,195	$3,733
Additional tax and penalties (thousands):			
Recommended	193,000	252,000	241,000
Imposed	78,000	126,000	213,000

[1] A small number of those sentenced in 1 yr were convicted in the prior year. Conversely, a small number of those convicted in 1 yr are not sentenced until the subsequent year.

[2] Applies to those imprisoned and put on probation as well as to those fined only.

When I served as a judge on the Cleveland municipal court, I made it a practice to sentence every convicted drunk driving case, regardless of income or background, to several days in jail. Jail has a deterrent effect that no fine or scolding from the bench can ever match.

I believe that we should require some minimum jail sentence for tax fraud cases. The Congress legislated that tax fraud was to be a felony; the Nation's judges are turning it into a misdemeanor. To a significant extent, tax fraud is committed by the "white collar" levels of our society, many of whom have no trouble paying a fine. A jail sentence—even for a single day—would bring home to these people that they are not just playing with money but that they are committing a criminal act against our society.

Currently bills are pending before the House and Senate Judiciary Committees dealing with the revision of the entire Federal Criminal Code and the sentencing for crimes. These revisions do not provide for any significant improvements in the quality or uniformity of sentencing of tax frauds.

As chairman of the Oversight Subcommittee of Ways and Means, I will request my subcommittee to consider hearings on the problem of tax fraud deterrence and the adequacy of the penalties being proposed in the Judiciary bills on tax fraud matters.

AGAINST INTERFERENCE IN ANGOLA CONFLICT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. SYMINGTON) is recognized for 5 minutes.

Mr. **SYMINGTON**. Mr. Speaker, today I join many of my colleagues in cosponsoring a resolution condemning all foreign military interference in the Angola conflict. Fifteen years ago—1961—I served President Kennedy in the White House Office of Food for Peace. He asked all of us in May of that year for suggestions to take with him for his discussions in Vienna with Khrushchev. I submitted a memorandum recommending a joint economic development venture with Russia in Indochina as an alternative to selecting client factions and waging war. The suggestion must have been considered naive, and the hard-nosed practical approach only cost $230 billion, 50,000 American lives, countless suffering in a ruined land, and deep social divisions and economic disruption here at home. Such was the price paid and the burden borne in order to convince communism of our strength and the world of our virtue. Today the governments of the affected areas seek new and peaceful relationships with us, as I think would have been the case had we abstained from the conflict.

But if we misperceived the problems in Indochina, it is nothing to the mistakes we are capable of making in a continent as vast and mysterious as Africa, the dark continent. Africans have seen a good deal of modern technology that kills. In Angola the Russians and Cubans seem to think she wants and needs to see more. Indeed, captured Cubans have told of the need to shoot their Angolan allies in order to get them to fight—in other words to destroy them in order to save them, a concept that dies hard. What should America do? Take a page out of the Vietnam book, dust it off, and try it again? Should we identify and make some transient group the ward of American anti-Soviet policy? Or shall we try something else? Do we not now have an opportunity to show Angola and all of Africa what Lincoln described as "the better angels of our nature?" Could we not offer to work through the U.N., the OAU, or other consortium of African countries to bring the healing power of America to bear on the suffering, and the agripower of America to bear on the hungry and homeless? Let others make wounds, let us heal them. Let any fleet we send be a fleet of hope and promise, with doctors, nurses, and food. Let Africa know that we Americans, including so many descendants of her own timeless traditions and culture, extend our hands, not our fists, to help build, not conquer; save lives, not subjugate lands. Africa has seen enough of what has occurred in the Middle East and Indochina not to wish to provide the field for the war game of the superpowers. And she has the political antibodies to reject this infection if we do not make it worse. So let us not make it worse.

THE 1977 DEFENSE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 10 minutes.

Mr. ASPIN. Mr. Speaker, the President has proposed a Department of Defense budget of $111.6 billion for fiscal year 1977.

After excluding the impact of inflation, this budget contains substantial real growth in several key areas—the procurement of new strategic weapons such as the B-1 and the Trident, increased costs in our general purpose forces, and a continued rise in the cost of retired military pay.

After Congress approves the conference report, the defense budget for fiscal year 1976 will be $100.9 billion in 1977 dollars, assuming there are no last minute changes. Compared to $100.9 billion last year, the President's proposed budget of $111.6 billion for fiscal year 1977 contains a 10.5 percent or $10.6 billion growth in real dollar terms.

Most of the increase is in procurement. Procurement spending grows in real terms by $6.7 billion or 27.9 percent between fiscal years 1976 and 1977. Much of it is related to higher spending for new strategic weapons like the Trident submarine—up $1 billion from last year—and the B-1 bomber—up $900 million from last year.

General purpose forces—Army divisions, Navy ships, and tactical air forces—increase $4.5 billion in real terms. This substantial growth reflects the costs of outfitting three new Army divisions with all new equipment, the increased price tag of 16 new Navy ships, and continued development and procurement of a variety of new tactical aircraft, tanks, and missiles. This year 35.7 percent of our defense budget will be used for general purpose forces compared to 33.9 percent in fiscal year 1976.

There are two more major items of increase. First, the cost of retired pay for military personnel is rising in real terms by $1.1 billion or 15.1 percent. Second, there is a real growth of 6.9 percent in R.D.T. & E.

When the President submitted this fiscal year 1977 budget, he also asked the Congress for approximately $2.4 billion in supplemental funds for fiscal year 1976 to cover the costs of increased military and civilian pay and a cost-of-living increase for military retirees. If Congress approves this $2.4 billion supplemental, there will be two consequences.

First, real growth from fiscal year 1976 to fiscal year 1977 will decrease from $10.6 billion to $7.9 billion.

Second, real growth from fiscal year 1975 to 1976 will increase from approximately $300 million contained in the budget awaiting final conference action to $2.7 billion if the supplemental is passed.

It is impossible to predict how Congress will dispose of this request although, based on past performance, it appears likely that a substantial portion of the proposed supplemental will ultimately be approved. It is expected that in April all pay increase for all Federal agencies will be considered as a supplemental appropriation. In the past, the Defense Department has been appropriated less than the full amount and required to absorb the cost by cuts in other programs or improved efficiency. Again this year, the Pentagon may be required to absorb a portion of the pay increase.

I include the following:

DEPARTMENT OF DEFENSE

[Billions of constant fiscal year 1977 dollars]

Account	Fiscal year 1976 (without supplemental)	Fiscal year 1977	Difference	Percent change
Military personnel	26.4	26.5	0.1	0.4
Retired pay	7.5	8.4	.9	12.0
O. & M	30.2	32.4	2.2	7.3
Procurement	22.6	29.3	6.7	29.6
R.D.T. & E	10.1	11.0	.9	8.9
Military construction	2.6	2.3	.3	11.5
Family housing	10.1	1.2	.2	14.3
Civil defense	2.6	0.1		
Revolving/management funds	0.1	.4	.3	300.0
Total	100.9	111.6	10.6	10.5

DEPARTMENT OF DEFENSE

[Billions of constant 1977 dollars]

Account	Fiscal year 1976 (with supplemental)	Fiscal year 1977	Difference	Percent change
Military personnel	27.3	26.5	−0.87	−2.9
Retired pay	8.0	8.4	+.4	+5.0
O. & M	31.1	32.4	+1.3	+4.2
Procurement	22.9	29.3	+6.4	+27.9
R.D.T. & E	10.2	11.0	.8	+7.8
Military construction	2.6	2.3	−.3	−11.5
Family housing	1.4	1.2	−.2	−14.3
Civil defense	0.1	0.1		
Revolving/management funds	.1	.4	.3	300.0
Total	103.7	111.6	7.9	7.6

STATE OF THE UNION ADDRESS IS THE WRONG MESSAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 5 minutes.

Ms. ABZUG. Mr. Speaker, it was ludicrous and totally out of character for President Ford to invoke the words of Tom Paine in his state of the Union address. If pamphleteer Tom Paine were around today, he would be hounded and spied on by the CIA, FBI, and other Government snoopers, just as are millions of Americans who dare to disagree with wrong White House policies.

Tom Paine knew how to speak to the American revolutionists' needs and dreams for a better life, but Mr. Ford was not speaking to the needs of the American people. He was speaking to the narrow constituency of Ronald Reagan and to the remnants of the Nixon supporters. Instead of Tom Paine's Common Sense, he gave us a patriotic pep talk and reactionary programs. If this is a sample of Bicentennial rhetoric that is in store for us, maybe we should cancel the whole year.

Unfortunately, Mr. Ford had nothing too specific to offer the 8 million Americans who are out of work. He showed no concern for the desperate fiscal plight of our big urban centers. His whole orientation, like that of the man who appointed him, Richard Nixon, is to give the breaks to business, and the left-over crumbs to middle-income people, working people, and the poor.

The issue is not just big spending, but spending for what. The President insists on an increase in our already bloated military budget, but vetoes jobs programs. The fact is that a real Federal investment in creating jobs would restore the economy and greatly reduce the budget deficit. It has been estimated that for every 1-percent increase in employment, the Treasury would gain $16 billion from increased tax revenues and reduced spending on unemployment insurance, welfare, food stamps, and other social welfare costs.

Mr. Ford's call for an increase in social security taxes, higher medicare payments, a $10 billion ceiling in Federal funds for medicaid, and other health programs—which incidentally would mean a loss of from $300 million to $500 million for my State, New York, his rejection of national health insurance, his espousal of environmentally damaging and hazardous forms of energy, including nuclear energy, and his insistence on a free hand for the President in the conduct of foreign policy, higher military spending, and an unhampered CIA all add up to a policy that ignores the needs of a majority of Americans.

We need a Federal commitment to programs that will guarantee a job to every American able to work; we need welfare reform, and in the interim we need approval of a uniform 75 percent Federal reimbursement rate to all States for medicaid and aid to families with dependent children, as is proposed in my bill, H.R. 9652; we need approval by the President of the measure providing for a $4.8-billion public works countercyclical economic development program, now nearing final approval by Congress. These are some of the priorities to which the President should be addressing himself.

The American people deserve better than what they got in the state of the Union message, and I think our nonelected President will find that he will never get elected to the White House with policies that offer voters so little hope or progress.

ANGOLA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, about a year ago our Government began secretly sending money and military equipment to the newly independent former Portuguese colony of Angola. When Congress and the public discovered our role in what rapidly became a full scale civil war, there began another of what is now a whole series of crises in the conduct of our foreign policy.

Last month the Washington Post carried an editorial with as lucid and balanced an assessment of this crisis as I have seen, and I will include it at the conclusion of my remarks. It avoids many of the snap judgments which are being made by many on the rights and wrongs of our Angolan adventure. To be sure, the Post supported the Senate decision to adopt the Tunney amendment and end any further covert military assistance to the so-called pro-Western factions in that African nation, as I believe the House of Representatives should and will do. Why should the United States have a secret, creeping involvement in a faraway tribal power struggle with only the vaguest idea of the risks and benefits involved?

Clearly, the administration saw our involvement almost entirely, in the Post's words, as "an unavoidable episode of great power confrontation." Ignoring local realities and dealing only in terms of symbols was precisely the approach that dragged us into Vietnam. Surely two of the lessons of that experience must be the necessity of understanding a foreign society and the importance of rooting our national security policy in a firm national consensus. To the extent there is a national consensus today on the subject of Angola, clearly it is on the side of immediate termination of our secret military involvement in Angola.

But beneath that general consensus, there are nagging questions. How many more times will the Congress have to abruptly alter the course of our foreign policy before the administration will begin the full and timely congressional consultation which can avoid these damaging interruptions?

The Congress derives no satisfaction from frustrating the President's foreign policy initiatives in such a way as to create an erratic and unreliable impression of U.S. foreign policy abroad.

And what about the question of Soviet and Cuban involvement in Angola and the very meaning of détente? Were they countering our support for two of the Angolan factions or were we reacting to a Soviet escalation of support for the MPLA? In concluding that the United States should not have become a part of this civil war in the first place, the Post also points out that the "massive Soviet intervention in Angola is hurting détente, which presumes great-power restraint in Third World trouble spots." Is it possible that there was tragic miscalculation on the question of "who started it?" by both sides.

What do other nations, particularly those in black Africa, expect of the United States at this juncture? Do many of them, as the State Department insists, rely on the United States to counter major involvement by the Soviet Union in Africa or do they want our military support to the FNLA and UNITA stopped?

Is it possible to help bring about the withdrawal of South African troops from Angola whose presence has so poisoned the atmosphere of Organization of African Unity negotiations?

Full public discussion of these questions is badly needed, for the answers can have an impact far beyond Africa. Rather than publicly and unjustifiably proclaiming U.S. weakness because the Congress refuses to secretly finance one side in a foreign civil war, President Ford should accept the end of this phase of our Angolan involvement. Both House and Senate Committees have already approved legislation which keeps open the possibility of further direct assistance to any or all of the factions fighting in Angola, but requires that the President make his case for such assistance before the Congress in full public view. As our distinguished colleague from Connecticut (Mr. GIAIMO) has said:

> A foreign policy initiative of this magnitude should not be made without the consent of the American people and their representatives in Congress.

Such a public debate could be just the catharsis this country needs.

The Post editorial follows:

[From the Washington Post, Dec. 23, 1975]

ANGOLA

The Senate, by voting to prevent the administration from continuing CIA intervention in Angola, has done a good deal more than win a political and policy battle of substantial dimension—a victory which remains to be confirmed by the House. As a bitter and overwrought President Ford was quick to point out, the Senate has assumed a large measure of responsibility for what now happens in Angola. It has, moreover, interrupted United States policy in a way which neither the Congress nor any President should wish to see established as a precedent. We believe this particular interruption was justified because the CIA was being poorly used. But it should be beyond debate that a great power cannot conduct a foreign policy based on covert operations which are subject to being "blown" by leaks or cut off by legislators in mid-stream. The Congress has its own obligations to the public interest here but the prime responsibility falls on the President.

It begs the question for the Ford administration to contend that by forswearing direct combat participation in Angola and the dispatch of military advisers, it was foreclosing "another Vietnam" and therefore deserved congressional tolerance. For "Vietnam" means more than the commitment of a half-million fighting men to a costly and divisive war which, despite and because of their participation, the United States could not win. "Vietnam" means the onset of a creeping involvement in a local power struggle seen by policymakers as an unavoidable episode of great-power confrontation—a policy begun, furthermore, by private executive decision taken without adequate congressional or public support. By that standard, Angola already is another Vietnam: both motive and method derive from the Cold War. It is not a carbon of the original and it is nowhere near as serious. But it is flawed on its own terms and the United States should not have become part of it.

It is no less misguided for the administration to contend that the uproar in Congress might harm Soviet-American detente—by forcing the end of CIA involvement and thereby demonstrating American, or at least presidential, weakness. In fact, it is the massive Soviet intervention in Angola that is hurting detente, which presumes great-power restraint in Third World trouble spots. If the Ford-Kissinger policy is faulty, as we feel it is, then it turns self-interest upside down to claim that the fault cannot be remedied because Washington would look weak. The United States looks weak when its leadership embarks on an arbitrary and secret policy which it lacks the political support to sustain once the secrecy, as inevitably happens, wears through. It looks even weaker when a chief executive rashly over-commits his prestige to a questionable cause and then, as Mr. Ford did over the weekend, reacts to political rebuff by even more rashly committing even more of his prestige, rather than discreetly trimming his rhetoric, his political exposure and his policy. The United States looks strong, on the other hand, when the leadership embarks on a well considered policy rooted in a firm national consensus. This is a prime Vietnam lesson the administration seems not to have sufficiently learned.

To imagine that a selective post-decision briefing of a few legislators is a substitute for a full and timely congressional consultation, moreover, is self-deception. We find it hard to believe that when the administration went quietly to Congress in past months, it said that it contemplated the expenditure of tens of millions of dollars to support the side that will probably lose in a tribal power struggle; that many CIA officials, Pentagon strategists and State Department diplomats, and American corporations in Angola, felt they could live with the Soviet-backed "Marxists" on the other side; and that a CIA role would not only cost Washington the moral high ground in its protestations against Soviet and Cuban intervention but would put Washington on the moral low ground in most of black Africa's eyes for its seeming partnership with South Africa. No, the administration surely said that it contemplated a limited, low-risk, short-term and effective operation to face Moscow down. Seeking not real congressional support but a formal congressional license, it got it. But in post-Vietnam, post-Watergate, post-Allende Washington, that kind of license is not good enough.

President Ford, in his press conference last Saturday, denounced the Senate action as a "deep tragedy for all nations whose security depends on the United States." In fact, it is not the Senate action but his own failure to consult Congress properly that accounts for this "tragedy." In any event, the action should not disturb any ally whose support in the United States is truly popular, not merely presidential. Such countries, far from having new "misgivings," as Mr. Ford suggested, can take some comfort seeing that the Congress does not wish to dissipate American strength and prestige on arbitrarily chosen clients. Mr. Ford should have known, too, from the nation's experience in Vietnam, how difficult it is for the United States using "limited" means to produce a military stalemate and a negotiated political solution in a third country when the Soviet Union—in this case, with its Cuban mercenaries—is under no similar inhibitions in supporting the other side. The President accuses the Senate of denying Angolans the opportunity to have "a free and independent government." But this goal is remote from the anti-Soviet realpolitik of his own policy, a goal he never previously asked Congress or the people to embrace. He is advertising his own embarrassment and reinforcing an impression of American impotence that he has himself created.

Those few legislators who received the earlier Angola briefings and let the administration proceed have their own accounts to settle. It should be obvious to all by now that this restricted kind of congressional oversight of covert operations is inadequate. As to just what new oversight procedures would be appropriate, it would seem sensible to wait for the recommendations of the Senate and House intelligence committees, which have been studying a range of postwar CIA activities in their various ways and which are due to make their reports early in 1976. Brief and zealous pursuit of CIA involvement in Angola alone simply may not provide a broad enough foundation for the necessary, and necessarily comprehensive, reforms.

WILL THE PRESIDENT VETO JOBS?

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the conference report of the Public Works Employment Act, H.R. 5247, will soon be considered by the House. With the latest national unemployment figure still at an unconsciously high 8.3 percent, I take no comfort in the Presidential veto expected for a bill that could produce some 800,000 jobs. The Public Works Employment Act would authorize grants to State and local governments to expedite construction of approved public facilities, resulting in the creation of some 600,000 jobs in construction and related industries. Antirecession grants to State and local governments could avert layoffs, preserving 100,000 jobs in essential public services. Water pollution abatement funds could produce another 100,000 jobs in the work-starved construction industry, whose national unemployment figures are at 16.2 percent for December.

Let me be very specific about the expected impact of this legislation for my colleagues in the New York State delegation who have not yet made up their minds. In title II alone, countercyclical emergency assistance could provide almost $63 million to the State of New York and almost $138 million for the city of New York to continue essential governmental services. In voting on this legislation the continuing high unemployment figures of 10.2 and 11.5 percent, for the State and city of New York, respectively, must surely be persuasive.

This is a nonpartisan issue, requiring the support of every Member of Congress.

NEW METRO BOARD CHAIRMAN

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, on Friday, January 16, Mr. Sterling Tucker, the present chairman of the City Council of the District of Columbia, took upon himself another duty—that of chairman of the Board of Directors of the Washington Metropolitan Area Transit Authority. Mr. Tucker has worked diligently in his capacity in the city government and will, I am certain, be working with equal energy in his new capacity.

Mr. Tucker has taken on the chairmanship of WMATA at a most difficult time—a time when Metro faces serious financial problems and a time when Metro's general manager has decided to retire. The challenge facing Mr. Tucker is an enormous one. He must oversee the hiring of a new general manager. He must oversee the development of a financial plan which will allow for the much-needed and long-awaited completion of the transit system. And he must face these problems along with the day-to-day problems of overseeing the management of the region's bus system and the construction which is already underway on the region's rail transit system.

Indeed, the challenge is large, but it was made clear in his first statement as board chairman that Mr. Tucker intends to meet the challenge head on by providing sound and dedicated leadership. I would, at this point in the Record, like to include Mr. Tucker's remarks for the benefit of all who have an interest in the future of this Washington metropolitan area. My congratulations and best wishes to Mr. Tucker in his new undertaking.

The remarks follow:

STATEMENT BY STERLING TUCKER

Ladies and gentleman, fellow Board Members. I am today assuming the responsibility of Chairman of the Metro Board—at a time of unprecedented soul searching and uncertainty in some quarters about the future of the Metro system, the operation of the Metrobus, and the nature of their management. I welcome this opportunity to share some very carefully considered thoughts about these matters and about the type of cooperation we need.

As we all recognize, this will be a year of change. First, a number of new faces are on this Board, and in some of our respective local governing bodies. And the retirement of Jack Graham as General Manager will mean some changes in staff operations. We shall miss the experience and insight of our previous Board members and, of course, the General's leaving will mean that we will be faced with a new challenge.

On March 27th, the first four and one-half miles of our regional subway system will, at long last, become operational. I would, therefore, like to begin by stressing that in my view, completion of the entire 98-mile system is a point not to be argued. Part of the challenge, yes. But not the debate, I am unalterably opposed to the suggestion made from time to time that the solution to the "Metro problem" lies in curtailment of the original Metro system to fit currently identifiable resources. Such a proposal—it seems to me—is illogical, counterproductive and inequitable from every point of view. It would emasculate the area's long-range transportation system, devised in response to goals set over the years by Congress, three presidents, and the regional jurisdictions. The proposed curtailment of the system would require, as a substitute to meet transportation needs, 300 lane miles of highway which would be virtually impossible to construct. It would leave the region with a truncated rail system, much of which would go nowhere and serve few practical purposes. It would leave major suburban population areas, which have contributed significantly to Metro construction, without access to the rail system. It would result in the waste of millions of dollars already spent for unusable portions of the system and for completed design projects never to be built. In short, any significant curtailment must be evaluated in light of the alternative costs: the costs of alternate transportation systems; the effects on clean air and energy conservation; the resulting urban decay and exodus of businesses from the city; the effects of accelerated suburban isolation; and the adverse impact on specific neighborhoods and federal installations excluded from rail service. These costs, while not presently reduceable to dollars and cents, would clearly exceed even the most pessimistic estimates of the ultimate Metro price tag.

While I stand opposed to a shortening of the system, I am equally convinced that the issue of the "price tag" must be confronted now, honestly and realistically. The hand-to-mouth financing which has sustained Metro in the last several months must be replaced by a long term fiscal plan, devised jointly by federal and regional governments, to pay the costs of construction, retire the bonds, and provide for operating deficits. There is no question that such a plan will inevitably require substantial new federal money as well as a regional source of funding (such as a special regional tax) earmarked specifically for Metro financing. In this context, I respectfully remind you of the District of Columbia's unilateral release of $285 million in interstate highway entitlements. I will continue to argue in the strongest terms for similar commitments from Maryland and Virginia.

The concept of a regional tax, levied directly by Metro as a source of predictable regional funding, is one of particular interest and potential. To date, at least eight states have enacted enabling legislation authorizing regional transit authorities to levy such taxes. The Chicago Transit Authority, for example, has been granted specific authority by the state legislature to levy, without referendum, a special parking tax and a 5% sales tax on gasoline to raise necessary revenues. In addition, the Chicago Transit Authority, like the Atlanta Transit Authority, is the recipient of a stipulated percentage of regional sales taxes collected by local jurisdictions. Certainly, the feasibility of such a tax to defray the regional share of Metro construction, debt service and operating deficits should receive immediate attention.

There is, of course, more to the challenge we face, particularly in terms of our ability to work together effectively as a region. I do not pretend to have the answers to all of the administrative, technical, and financial problems that we face. But just as previous Chairmen have taken the initiative in addressing certain issues, I will continue to present ideas that I think we need to explore together. Among the most important things I think we need to do during this period, is to deal with other bodies in an honest and candid manner. Although, I believe our efforts during the past years have been carefully considered and sincere, at times the Authority has tended to hold things a little too close to its chest, and has therefore unnecessarily stirred feelings of suspicion and resentment.

I believe that we must deal openly and directly with our respective constituent governments at every level and the community at-large—because ultimately we must depend upon the full range of these resources to support our Metrorail and Metrobus programs.

We must also extend and improve our relationships with the States of Virginia and Maryland and with the Federal Government, because we need their help to attain our goals. We must have increased financial support from these other levels of government, particularly the legislative branches, and with that increased support we must expect their increased interest and involvement in what we are proposing to do.

First, the Metro Board simply must increase its capacity to make decisions based on the broadest possible range of resources. In order to do that, it seems to me, the Board must develop a better mechanism for receiving more—and better—data to help us in our deliberations. Too often in the past, insufficient information has been rushed to us, forcing us to hurry our decisions. Considering the fact that we are deciding the fate of a mass transit system that is costing the taxpayers of our region billions of dollars, such a policy can no longer be tolerated.

We must develop better channels of communications between the Board, the Transit Authority, local and state governments, federal agencies, and the community, if we are to transform the "Metro problem" into the "Metro promise."

In addition, these new channels of communications must work both ways. We must, for instance, go beyond the public hearing as a means of getting our message to the people and their message to us.

Second, I believe we should consider some type of federal representation, perhaps in the form of non-voting membership on the Metro Board. While the concept raises some delicate political considerations, vis-a-vis the role of the states, it also makes a great deal of sense, in my view. Unquestionably, better communication links are needed between the Metro Board and the federal government. Additionally, I see distinct advantages in providing federal representatives with an opportunity to gain an ongoing perspective of local financial and political factors which impact on Metro policy. Conversely, a federal presence on the Board might give local representatives a better perception of federal bureaucratic considerations which give rise to frustration and misunderstanding. It must be recognized that the federal government has a legitimate stake in the management of a regional transportation system that strongly impacts on its installations. Accordingly, I would recommend exploration of alternative ways to provide for federal participation in the Metro Board.

We must also recognize the need to grapple with hard issues, one of which is minority participation in Metro contracts and top management. It should surprise no one that I intend to continue to address this matter.

In spite of progress in the minority share of contract dollars committed since enactment of the "10/20% Resolution," total minority participation in construction dollars obligated to date continues to hover at 2.5%—a figure I consider unsatisfactory. Similarly, progress in the employment of women and minorities in Metro management has produced no minority representation among Metro's top officers. As Chairman of Metro, I will be a very tough advocate for a change in this policy.

Another tough issue I will ask this Metro Board to face is whether the Transit Authority should move to some form of separate management of Metrorail and Metrobus.

It is certainly no secret that this possibility is being seriously considered in some quarters. We cannot and should not ignore it, and go blindly on, doing business as usual, if there is a better way to do business. And so I propose to examine this matter carefully.

I have given the idea some thought and while I presently lean towards some form of separation of the two systems, I am far from a position on how to do it, and when to do it.

Permit me to conclude these remarks with some words of caution.

As Chairman of the Metro Board, I urge us to be sensitive to the financial and political constraints of our State and Federal Governments, as well as those of our own jurisdictions, to be receptive to new ideas and not overly defensive about our old ones. At the same time, let us encourage every level of government to be sensitive to our problems at the local level. Let us make sure that the new ideas of planners and professors are tested against existing plans that have been hammered out, to carefully balance a variety of interests and objectives, in order that the full costs of delay and change may be identified and weighed against any potential benefit. And, let us take care to avoid being led towards what appear to be short-term or cheaper solutions for immediate problems that may jeopardize the long-term benefits or viability of the system we are seeking to create.

As elected members of the local governments of this region, we all are keenly aware of the growing disparity between increasing costs and limited revenues. And we all recognize that Metrorail and Metrobus constitute a significant portion of those increasing costs. But, we must remember that while they may be a part of our local financial problem, they also represent a major part of the solution—if we can succeed in placing in operation an efficiently designed and managed bus/rail system to serve the entire region.

This Metro Board must never forget that it represents more than the interests of our respective individual governments, and even more than the present voter population which elected us. We are responsible for developing the best possible transportation system for the Nation's Capital—for the use and benefit of the region for generations to come. Therefore, in facing the difficult issues that confront us this year, we must avoid devisiveness. In a true spirit or regionalism, let us strive to find those courses of action that will bind us together and strengthen our region.

With your help, I am ready to get on with this job. •

KEEPING OUT CONCORDE

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the January 17 issue of the New Republic magazine contains a very well-done editorial which concludes that the United States need not do itself the disservice of permitting the British-French Concorde to operate here. On the theory that if we permit the plane to land the French and British interests will have been well-served, but there must be a quid pro quo for our own citizens who will be disturbed by its operations, the editorial suggests that—

> If it is really important to let the Concorde in, then its owners should be required to make some recompense to any citizen whose life has been made more miserable by it.

With an amusing twist, the editorial concludes that such recompense "might be a free, one-way trip, via Concorde, to any place in the world he would rather be."

As I stated in my January 5 testimony at Secretary Coleman's hearing:

> Our great friends, the British and French, must come to understand that any choice we make *not* to permit operation of the Concorde will be out of a concern for our citizens' health, safety and tranquility, and not out of some selfish economic motive.

I would like to commend the attention of my colleagues to the excellent editorial, "Keeping Concorde Out":

KEEPING OUT CONCORDE

British and French aviation officials came to Washington last week to defend their graceful albatross, the Concorde supersonic jet, to an audience of skeptical Americans. The occasion for the visit was a special day-long hearing called by the US Secretary of Transportation, William Coleman, Jr. He asked all concerned to come before him and present arguments for and against the Concorde, after which, he said, he would deliberate for a month and then decide whether or not to let the plane land at US airports. His decision, due on February 4, could make or break the Anglo-French venture.

Though Coleman himself was congenial, not many others in the hearing room had much kind to say about the jet. Even the politicians who usually vote for extravagant military aircraft were unenthusiastic. True, Barry Goldwater, a senator who loves airplanes for their own sake, appeared and gave the Concorde his blessing. But his colleague the conservative senator from New York, James Buckley, whose constituents would have to endure Concorde's comings and goings at Kennedy airport, spoke against it. Another New Yorker, Republican Rep. Norman Lent, gave an evangelist's warning against the foreign demon: "We must erect a permanent legislative barrier against these monstrous aircraft," Lent said. There was of course another side; the members of the Anglo-French team tried to whip up an equally impassioned case. They chided the US for turning its back on the technological future. They said Americans were ignoring the fundamental rule of modern air commerce—that all countries must accommodate their friends' aircraft, however bizarre they may seem. They even hinted that economic reprisals might be taken against American companies. But for all their bravado, the foreigners were clearly outgunned, and they felt it.

The trouble with the Concorde is that in almost every category it does the opposite of what a modern airplane ought to do. It uses more fuel than conventional jets and carries fewer passengers. It makes more noise. It pollutes more. It costs more to run and to ride on. Its only good quality is that it can travel from New York to London faster than the ordinary jet—in about three and a half hours instead of seven. But is this speed worth all the other costs? When congress discussed the question several years ago, it decided the answer was no, and refused to join the British-French fad for building supersonic passenger jets. It seemed a bad idea then, and even worse now. Far from being the plane of the future as its builders claim, the Concorde is a thing resurrected from the past.

The makers of Concorde obviously cannot accept the thought that they are peddling an anachronism. They put three billion dollars into the project, and the best chance for recovering some of this investment is to deploy the planes on the most profitable trans-Atlantic routes. It is critically important to the investors that they be allowed to tap the rich American market of tourists, diplomats and corporate envoys. Therefore they hope to persuade the Americans that it's not just civility but international honor that requires them to let Concordes land on US soil. How else will America's old allies make back their bad investment?

The Anglo-French promoters of Concorde, speaking at the public hearing last week, suggested that the cost in terms of increased annoyance and pollution would be negligible. The kindest thing that can be said about this is that they selected their facts carefully. The United States' own Environmental Protection Agency—which recommended that Concorde *not* be allowed to land—gave a more objective report. It was almost too objective. Roger Strelow, speaking for the EPA, pointed out the the Concorde violates both noise and air pollution standards for jets now flying in the US, that its introduction here would run counter to America's energy and environmental policies and that it would be very hard to limit flights entering the US once the first one is let in.

The most intriguing part of Strelow's testimony was his description of the Concorde's unique low frequency roar. This passage is exquisite in its restraint and bureaucratic caution and must be read closely to be appreciated. "The low frequency character of Concorde noise," Strelow said, ". . . enables the noise to penetrate dwelling units more effectively than the noise from other jet aircraft. The intensified amount of annoyance generally experienced by people when indoors rather than outdoors, presumably due to the fact that the various human activities that are particularly noise-sensitive and may be easily disrupted, *e.g.*, speech communication, mental concentration, relaxation, are more demanding and important to people indoors." And again: "House rattle, which is expected to be apparent to some extent around Kennedy and Dulles airports when the Concorde is taking off, is, in fact, one of the most annoying and undesirable features of aircraft noise. The high degree of annoyance due to house rattle may be attributed to both psychological fear of a possible aircraft crash, and concern of possible damage to fragile personal possessions." House rattle? Damage to personal possessions? Strelow continued in this vein, pausing briefly to make a tenative political observation: "Because of likely Concorde noise-induced house rattling, fear may be associated with the noise. Because those persons who are exposed daily to Concorde noise will [not] directly receive any benefits from supersonic transport, residents may question the importance or necessity of the additional noise source. Finally, because people will tend to feel that the noise is preventable, some persons may feel intuitively that those responsible for the noise are not concerned about the well-being of those affected by the noise." Indeed they may.

Although it hasn't been presented as such, what the makers of the Concorde really ask is that their plane be given a long-term exemption from the noise and air pollution laws that apply to other airplanes. In 1973 the EPA promulgated standards for jet exhaust for all planes in the US, and since then it has been trying to have dirty engines "retrofitted"—at considerable expense to the owners—to comply with these standards. If the Concorde is allowed to operate in this country, it will not only make the EPA look foolish, but it ought to provoke a hornets' nest of lawsuits. Indeed why should the owners of slow but clean American planes be forced to overhaul their engines if the Concorde, which is far dirtier than anything now in the air, is invited to enter the market? The same applies to noise pollution.

Finally we should consider what might be fair compensation for the people who live near Kennedy and Dulles airports and who may have to listen to the Concorde's roar. If Secretary Coleman decides to relieve them of some of the sanity and clean air they now enjoy, what will he give them in return? Surely there will have to be a *quid pro quo*, for no one will voluntarily endure house rattle. The easy way out would be to ban the machine, but Coleman is said to be leaning in the other direction. So if it is really important to let the Concorde in, then its owners should be required to make some recompense to any citizen whose life has been made more miserable by it. An appropriate gift might be a free, one-way trip, via Concorde, to any place in the world he would rather be.

ISRAEL DESERVES U.S. ASSISTANCE

(Mr. RIEGLE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RIEGLE. Mr. Speaker, since this entire body shall soon have the opportunity to consider the foreign aid reports for fiscal year 1976, which includes, for the first time relatively large amounts of military aid for Israel, I wish to call attention to a letter recently published in the New York Times written by my distinguished colleague from California, BOB LEGGETT. In his letter, December 25, the Congressman objects to the sale of the F–15 Eagle fighter to Israel, contending that there is "no military reason to sell F–15's to Israel at this time."

Congressman LEGGETT contends that the F–15 would give Israel only a marginal advantage over the F–4 Phantom in dogfights with Soviet-built Arab Mig-23's. My distinguished colleague further states that—

> It is true that the MIG–23 is a better dogfighter than the F–4 in that it has somewhat better maneuverability and acceleration, but this advantage does not begin to offset the enormously superior pilot skill of the Israelis over the Syrians.

In my view, there are good and sufficient miiltary reasons why Israel should be allowed to purchase the F–15. Indeed, acquisition of the F–15 will be essential for the maintenance of the credibility of Israel's air defense for the rest of the decade.

Air superiority over a battlefield is more important than ever before, but advances in technology and tactics have made it increasingly difficult to hold control of the skies. A lethal, moving umbrella of interceptors, surface-to-air missiles and radar-guided antiaircraft cannon will protect any future Arab attack against Israel. It was precisely this Soviet-designed tactic which was responsible for the initial Arab successes during the 1973 Yom Kippur war. Israel paid a high price in pilots and planes so that its fighter-bombers could function as flying artillery against the attackers.

In the last 2½ years, there have been advances in weaponry on the Arab side which will make Israeli achievement of air superiority even more difficult in any future war. It is not just Syria which possesses the Mig–23, but Egypt, Libya, and Iraq as well. The December 12 Christian Science Monitor estimated that already there are up to 126 of these deadly fighters in those four Arab countries. One need only consider the contributions made by the Libyan and Iraqi forces during the 1973 war to realize that nearly all the Mig–23's in the Arab world would be used in any future attack upon Israel.

More important, the Arab States have been acquiring hundreds of other new, sophisticated aircraft—many of them from the U.S.S.R. and France which would directly challenge Israeli efforts to beat back an Arab attack. Today Israel's Arab adversaries have more SA–6, SA–7, and Rapier mobile antiaircraft missile systems and ZSU–23–4 radar-guided antiaircraft cannons than they had in 1973. Kuwait and Jordan will soon have American Hawk missiles. Israel faces a wave of sheer numbers which threatens her security. Already, Israel is outnumbered 3 to 1 in aircraft and 12 to 1 in SAM missiles. Clearly, in this situation, Israel requires new weapons designed for air superiority. The minimum necessary is the 25 F–15's Israel is planning on buying here.

It should be remembered that the F–4 is not primarily a fighter, but a fighter-bomber, designed for ground attack and not dogfights. At this time Israel has only the aging Mirage IIIC and Israeli-manufactured Kfir to fill the primary role of air combat. None of these planes can match the Mig–23 in terms of modern design. They are approximately equal to the Arab Mig–21's and French Mir-ages—IIIE's and F-1's—in air-to-air armaments. Against the quantities of quality aircraft the Arab States are now amassing, Israel requires a modern aircraft designed for air superiority. The only plane which fills this requirement is the F-15.

There should be no doubt that the F-15 is much superior to F-4, which Congressman Leggett believes would be sufficient for Israel's needs. The January 12, 1976, Aerospace Daily reported that in air combat tests:

> The F-15 was flown against seven U.S. fighter and attack aircraft modified to improve their dogfight capability and thus simulate possible threats. The Eagle won 176 out of 178 of these engagements. This gave the F-15 a win-loss ratio of 88-1." In nine detection tests, said the same article, "the Eagle successfully detected and defeated F-111 and F-4 attackers, flying individually and in groups at high and low altitudes and shielded by adverse weather conditions.

The March 1975, Armed Forces Journal test-flew the F-15. It noted:

> F-15 performance margins over the F-4 that will give Soviet air defense planners heartburn. Compared to the F-4, the Eagle shows a:
>
> "Sea level rate of climb 100% quicker.
>
> "Sustained load factor 70% higher.
>
> "Acceleration time 105% quicker.
>
> "Takeoff distance 28% shorter . . .
>
> "46% fewer maintenance manhours per flight hour;
>
> "45% fewer avionics maintenance manhours per flight hour;
>
> "81% less turnaround time . . ."

The expert pilots of Armed Forces Journal found the F-15 to be a simpler, better designed, vastly more maneuverable and more deadly aircraft than the F-4:

> The F-15 is flying the bejesus out of its predecessor, the F-4.

It should be apparent that Israel, which places an emphasis on full utilization and top-quality servicing of its aircraft will be able to make the most out of the F-15. The 25 planes requested would be relatively small in number, but would be used to maximum efficiency to protect Israel's skies against heavy odds.

Finally, I cannot accept Congressman Leggett's argument that "enormously superior pilot skill" is all that is needed to guarantee an Israeli "10:1 kill ratio" against Syria. The clearest lesson of the Yom Kippur war was that the Arab armies are quickly mastering complex weapons systems, and that the Arab soldier or pilot, aided by the most advanced Soviet and French equipment in the world, can extract bloody losses from the Israel defense forces. With this lesson in mind, I do not see how we can ask the Israeli people—who have already borne so much hardship against overwhelming odds—to gamble their air security on the hope that their pilots are superior. There is a limit to human heroism in the face of overwhelming technology and sheer numbers.

I believe that the sale of the 25 F-15's to Israel is justified and wise, particularly from the point of view of protecting America's prime national interest in the area—progress toward a real and lasting peace. It is clear that the Arab states will never negotiate seriously with Israel if they believe they can conquer her militarily. America's assistance in helping Israel to maintain her own defense is one of the best investments in peace that our country can make.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Goodling) and to revise and extend their remarks and include extraneous matter.

Mr. Miller of Ohio, for 15 minutes, today.

Mr. Bob Wilson, for 5 minutes, today.

Mr. Duncan of Tennessee, for 5 minutes, today.

Mr. Kemp, for 15 minutes, today.

Mr. McClory, for 60 minutes, on Monday, January 26.

(The following Members (at the request of Mr. Wirth), to revise and extend their remarks, and to include extraneous matter:)

Mr. Diggs, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Rodino, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Levitas, for 10 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Symington, for 5 minutes, today.

Mr. Aspin, for 10 minutes, today.

Ms. Abzug, for 5 minutes, today.

Mr. Bingham, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the Record, or to revise and extend remarks was granted to:

Messrs. Adams and Edwards of Alabama, to follow the remarks of Mr. Mahon on the budget message today.

Mr. Roncalio, and to include extraneous matter in his remarks made in the Committee of the Whole today.

Mr. Hechler of West Virginia, and to include extraneous matter with his remarks in the Committee of the Whole today.

(The following Members (at the request of Mr. Goodling) and to include extraneous matter:)

Mr. Bell.

Mr. Collins of Texas in three instances.

Mr. Walsh.

Mr. Crane.

Mr. Sarasin in three instances.

Mr. Findley.

Mr. Rousselot.

Mr. Michel in two instances.

Mr. Conable.

Mr. Rhodes.

Mr. Grassley.

Mr. Whitehurst in two instances.

Mr. Martin in two instances.

(The following Members (at the request of Mr. Wirth) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. de la Garza in 10 instances.

Mr. Mann in five instances.

Mr. Vanik in 10 instances.

Mr. Corman in five instances.

Mr. Miller of California.

Mr. Blanchard.

Mr. Young of Georgia in two instances.

Mr. Richmond.

Mr. Mollohan in three instances.

Mr. Rangel in two instances.

Mr. Dominick V. Daniels in two instances.

Mr. Addabbo.

Mr. Danielson in five instances.

Mr. Nix.

Mr. Sisk.

Mr. Hungate.

Mr. Brooks.

Mr. Baucus.

Mr. Russo in three instances.

Mr. Neal.

Mrs. Boggs.

Mr. Badillo.

Mr. Eilberg in 10 instances.

Mr. Early.

Mr. Maguire.

Mr. Rodino.

Mr. Milford.

Ms. Abzug in two instances.

Mr. Wirth.

Mr. Zablocki in two instances.

ADJOURNMENT

Mr. WIRTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 48 minutes p.m.), the House adjourned until tomorrow, Thursday, January 22, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2352. A letter from the Assistant Secretary of the Treasury (Administration), transmitting notice of a proposed new records system for the Customs Service entitled Step 6 Automated Merchandise Processing System," pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2353. A letter from the Assistant Secretary of the Treasury (Administration), transmitting notice of a proposed new records system for the Internal Revenue Service entitled Individual Retirement Account File, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2354. A letter from the Administrator of General Services, withdrawing the proposed regulations implementing title I of the Presidential Recordings and Materials Preservation Act (Public Law 93-526), previously transmitted pursuant to section 104(a) of the act; to the Committee on House Administration.

2355. A letter from the Acting Director of Territorial Affairs, Department of the Interior, transmitting a report on cleanup and rehabilitation measures undertaken at Enewetak Atoll, and the desire of its former residents to return to their home; to the Committee on Interior and Insular Affairs.

2356. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a general policy statement concerning protection of dignitaries by the State Department's Office of Security, pursuant to 89 Stat. 770 [22 U.S.C. 2666]; to the Committee on International Relations.

2357. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of

State, transmitting the international disaster assistance program report for the quarter ended December 31, 1975, pursuant to 492 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

2358. A letter from the Administrator of General Services, transmitting a prospectus proposing a 5-year succeeding lease for space currently occupied at 8060 13th Street, Silver Spring, Md., pursuant to section 210(h)(1) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Public Works and Transportation.

Received From the Comptroller General

2359. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during December 1975, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

2360. A letter from the Comptroller General of the United States, transmitting a report on the experimental integrated grant administration program; to the Committee on Government Operations.

2361. A letter from the Comptroller General of the United States, transmitting a report on improvements needed in the financial disclosure system for employees of the Food and Drug Administration; jointly, to the Committees on Government Operations, the Judiciary, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary. H.R. 2771. A bill to waive the visa requirements for aliens visiting Guam for not more than 15 days; with amendment (Rept. No. 94–776). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DENT:

H.R. 11415. A bill to amend the Tariff Schedule of the United States; to the Committee on Ways and Means.

H.R. 11416. A bill to amend the Tariff Schedule of the United States; to the Committee on Ways and Means.

By Mr. BRADEMAS:

H.R. 11417. A bill to establish a series of six regional Presidential primaries at which the public may express its preference for the nomination of an individual for election to the Office of President of the United States; to the Committee on House Administration.

By Mr. COTTER:

H.R. 11418. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 11419. A bill to amend section 154 of title 23, United States Code, to increase the national maximum speed limit to 60 miles per hour; to the Committee on Public Works and Transportation.

By Mr. GREEN:

H.R. 11420. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. GUDE (for himself, Mr. Kasten, Mr. Drinan, and Mr. Bonker):

H.R. 11421. A bill to require the payment of interest by Federal agencies on overdue contract payments, to amend the Office of Federal Procurement Policy Act, and for other purposes; to the Committee on Government Operations.

By Mr. GUYER:

H.R. 11422. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. HELSTOSKI (for himself and Mr. Roe):

H.R. 11423. A bill to amend the Tariff Schedules of the United States; to the Committee on Ways and Means.

By Mr. LITTON (for himself, Mr. Eilberg, Mr. Roybal, Mr. Harris, Mr. Pritchard, Mr. Harrington, Mr. Edgar, Mr. Downey of New York, Mr. English, Ms. Holtzman, Mr. Winn, Mr. Carr, Mr. Pattison of New York, Ms. Spellman, Mr. LaFalce, Mr. Ottinger, Mr. Mottl, Mr. Weaver, Mr. Thone, Mr. Russo, Mr. Riegle, Ms. Chisholm, Mr. Baucus, Mr. Bedell, and Mr. Gude):

H.R. 11424. A bill to establish a Department of Education; to the Committee on Government Operations.

By Mr. LONG of Maryland (for himself, Mr. Waxman, Mr. Litton, and Mr. Maguire):

H.R. 11425. A bill to amend the Internal Revenue Code of 1954 to provide for the payment of interest at a rate of 5 percent on excess amounts withheld from individuals' wages; to the Committee on Ways and Means.

By Mr. RISENHOOVER:

H.R. 11426. A bill to amend the Tariff Schedules of the United States; to the Committee on Ways and Means.

H.R. 11427. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. STEIGER of Arizona:

H.R. 11428. A bill to amend the Education Amendments of 1972 to provide that Boys State, Boys Nation, Girls State, and Girls Nation conferences conducted by the American Legion shall not be subject to title IX of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. UDALL:

H.R. 11429. A bill to modify the boundaries of the Coronado National Forest in Arizona; to the Committee on Interior and Insular Affairs.

By Mr. BOB WILSON:

H.R. 11430. A bill to permit any person otherwise eligible to become a naturalized citizen during calendar year 1977 to become a naturalized citizen during calendar year 1976; to the Committe on the Judiciary.

By Mr. BADILLO (for himself and Ms. Holtzman):

H.R. 11431. A bill to provide for the establishment in selected cities and localities of pilot homestead programs under which publicly owned structures will be made available to tenant cooperatives for use in providing low- and moderate-income housing; to the Committee on Banking, Currency and Housing.

By Mr. BEDELL:

H.R. 11432. A bill to amend title II of the Social Security Act, and the Internal Revenue Code of 1954, to increase to $28,500 over a 3-year period (subject to further increases based on rises in reported wage levels) the ceiling on the amount of earnings which may be counted for social security benefit and tax purposes; to the Committee on Ways and Means.

By Mr. BURLESON of Texas:

H.R. 11433. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income for the interest on certain governmental obligations the proceeds of which are used to provide hospital facilities; to the Committee on Ways and Means.

By Mr. FORSYTHE:

H.R. 11434. A bill to amend the Immigration and Nationality Act to exclude from admission into and to deport from the United States all aliens who persecuted others on the basis of religion, race, or national origin under the direction of the Nazi Government of Germany; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.R. 11435. A bill to authorize adjustment in the annuities payable under subchapter I of chapter 73 of title 10, United States Code, whenever retired or retainer pay is increased under section 1401a of that title; to the Committee on Armed Services.

By Mr. MIKVA:

H.R. 11436. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of amounts paid from an estate as an allowance or award for the support of the decedent's surviving spouse or children; to the Committee on Ways and Means.

By Mr. NEAL:

H.R. 11437. A bill to amend title 39, United States Code, to permit the provision of photocopying equipment for public use in postal facilities; to the Committee on Post Office and Civil Service.

By Mr. WHITE (for himself, Mr. Henderson, Mr. Dominick V. Daniels, Mr. Harris, Mrs. Spellman, Mr. Mineta, Mr. Jenrette, Mr. Udall, Mr. Taylor of Missouri, and Mr. Fisher):

H.R. 11438. A bill to amend title 5, United States Code, to grant court leave to Federal employees when called as witnesses in certain judicial proceedings, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHITE (for himself, Mr. Steed, Mr. Miller of Ohio, Mr. Dominick V. Daniels, Mr. Harris, Mrs. Spellman, Mr. Mineta, Mr. Jenrette, Mr. Udall, Mr. Moakley, Mr. Taylor of Missouri, and Mr. Beard of Tennessee):

H.R. 11439. A bill to amend title 5, United States Code, to restore eligibility for health benefits coverage to certain individuals whose survivor annuities are restored; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST:

H.R. 11440. A bill to require the Secretary of the Interior to make a comprehensive study of the grizzly bear for the purpose of developing adequate conservation measures; to the Committee on Merchant Marine and Fisheries.

By Mr. WOLFF:

H.R. 11441. A bill to amend titles 18 and 28 of the United States Code and the Omnibus Crime Control and Safe Streets Act of 1968 for the purpose of regulating the sale and taxation of certain electric weapons; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. BEVILL:

H.R. 11442. A bill to amend the Tariff Schedules of the United States; to the Committee on Ways and Means.

By Mr. EILBERG:

H.R. 11443. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. KEMP (for himself, Mr. Mann, Mr. Martin, Mr. Conte, Mr. Sarasin, and Mr. Jones of Oklahoma):

H.R. 11444. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

By Mr. KEMP (for himself and Mr. Conte):

H.R. 11445. A bill to incorporate the National Ski Patrol System, Incorporated; to the Committee on the Judiciary.

By Mr. STAGGERS (for himself and Mr. Dingell):

H.R. 11446. A bill to amend the Energy Policy and Conservation Act to provide Federal financial assistance for the purpose of expanding or reopening certain existing underground coal mines; to the Committee on Interstate and Foreign Commerce.

By Mr. DENT:

H.J. Res. 771. Joint resolution to confer U.S. citizenship upon Thaddeus Kosciusko; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.J. Res. 772. Joint resolution to designate February 20 to 22, 1976, as Texas Industrial Nurse Days; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Pennsylvania:

H.J. Res. 773. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right of unborn individuals; to the Committee on the Judiciary.

By Mr. ROUSH:

H.J. Res. 774. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. DENT:

H. Res. 968. Resolution to provide for an investigation by the Committee on Education and Labor relative to the impact of garment and textile imports on employment in the garment industry in the United States; to the Committee on Rules.

By Mr. HANNAFORD:

H. Res. 969. Resolution to protect the ability of the United States to trade abroad; to the Committee on Ways and Means.

By Mr. ULLMAN (for himself and Mr. Schneebeli):

H. Res. 970. Resolution providing funds for the expenses of the Committee on Ways and Means; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

281. The SPEAKER presented a memorial of the Legislature of the State of Arkansas, relative to termination of the moratorium on the exportation of rice; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 11447. A bill for the relief of Bernada G. Hermosura; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 11448. A bill for the relief of Daniel Cota-Lopez; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

374. The SPEAKER presented a petition of Holden Roberto, President, *Front National de Liberation de l'Angola*, San Salvador, Angola, relative to peace for Angola, which was referred to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 9464

By Mr. BRODHEAD:

(Amendment to Mr. Krueger's amendment published in the Congressional Record of December 8, 1975 on pages 39152–39156.)

In section 104 of the Krueger amendment, delete the period at the end of the section and add the following two provided further clauses: "; *Provided further*, That it shall be a violation of the Natural Gas Act (as amended) for any natural gas distributing company to charge residential users and small users (as defined by the Commission) rates which reflect any costs incurred by an interstate transporter as a result of purchases of natural gas made pursuant to an exemption granted under this section; *and provided further*, That no first sale of natural gas after enactment and prior to expiration of the Natural Gas Emergency Standby Act of 1975 shall be made at a price which exceeds the highest wellhead price (as determined by the Commission) at which natural gas was sold during the period of June 1, 1975 through August 1, 1975 in the state in which such first sale is made.".

EXTENSIONS OF REMARKS

LOWER COLORADO RIVER AUTHORITY HONORS MR. SAM K.

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. PICKLE. Mr. Speaker, as we move through life, each of us are occasionally blessed by knowing the rare individual who stands out for his love, energies, and intelligence.

Even more wonderful is the fact that often times such an individual resides in a smaller community and not one of our teeming cities. This is fortunate because the person actually overwhelms the community with good and helps the town develop and grow spiritually.

Sam K. Seymour, Jr. is such an individual.

I cannot put the love this man has in his heart in the biggest space that could be found. It has no confinement. He works for his Baptist Church but other denominations in the Columbus, Tex., area have benefited from Sam K.'s generosity.

He works for the people, also. As the president of the Colorado County Federal Savings and Loan Association he has lent the helping hand when many a colder heart shut the door.

But the thing we remember about Mr. Sam K. as much as his loving heart is his energy. For 80 years, Sam K. Seymour, Jr. has been a human dynamo. The man's energy is boundless and I have seen him outlast many a stronger, younger person. Just walking into his office puts one into a whirlwind of activity. A non-stop idea man, Mr. Sam K. does not stop until a plan of action is developed, a program to accomplish the goal is implemented, and the goal accomplished. When Mr. Sam K.'s group comes to Washington he asks not only the Congressmen, but every staff member—all of them. And they all come.

Standing with Mr. Sam K. is a partner that is his equal, and who is dearly loved. The former Marion Hopkins, known as "Muddie" by all, is just as much a rare gem as her husband.

I take the floor to say these nice things because recently, the central Texas newspapers carried a tribute to Sam K. The tribute came as the Lower Colorado River Authority honored Sam K. on the completion of his 30 years as a member of the authority's board of directors.

Five different Texas Governors have appointed Sam K. to this board. These names span the breadth of postwar Texas history—Governors Coke Stevenson, Allan Shivers, Price Daniel, John Connally, and Dolph Briscoe. Mr. Sam K. has walked straight with the greats in his career—including President Lyndon B. Johnson. My congressional office has always benefited by Mr. Seymour's sound advice and help.

Mr. Speaker, I insert in the Record at this point an article from the Colorado County Citizen of Columbus, Tex., honoring Columbus' famous favorite son, Mr. Sam K. Seymour:

For Sam K. Another Honor

Two standing ovations by employees of the Lower Colorado River Authority (LCRA) greeted Christmas season honors for their veteran director, Sam K. Seymour Jr. of Columbus.

"Mr. Sam," now beginning his 31st year as a member of the LCRA board of directors, was honored for his service to the river authority at the LCRA's Austin office Christmas party Dec. 12.

Seymour, who has held the director's post longer than any other in the authority's history, was cited in a special engraved plaque prepared by the employees of the LCRA.

Presented by LCRA General Manager Charles Herring, the plaque was inscribed to Seymour, "In appreciation—for his unparalleled dedication to the Authority; for his invaluable guidance and counsel, for his unwavering loyalty and friendship."

Seymour's service includes 3 terms as chairman of the LCRA board. In his 30 years tenure, he has been appointed and reappointed to the director's job by 5 different Texas governors.

He was first appointed to the board of directors in 1945 by Gov. Coke Stevenson; was reappointed in 1950 and again in 1956 by Gov. Allan Shivers; was reappointed to the board by Gov. Price Daniel in 1962, and by Gov. John Connally in 1968.

His latest appointment was by Gov. Dolph Briscoe, and that 6-year term continues until 1980.

Owner of Sam K. Seymour Lumber and Hardware and president of Colorado County Federal Savings and Loan Association, Seymour, a native of Columbus, is a graduate of Texas A. & M. University.

At age 80, he is a man of strong traditions. Each year, he sponsors a special Christmas party for LCRA employees that features tables laden with food and gifts.

Besides the river authority, he has strong ties with his alma mater—since 1915 he has not missed seeing a single University of Texas-Texas A&M football game.

His civic and social activities are numerous He has been a Blue Lodge Mason; commander of the American Legion's local post; director of the A&M Ex-Students Association; president of the Columbus Chamber of Commerce and the Rotary Club, and has held offices in various trade associations including the Lumbermen's Association.

A member of the Baptist Church, Seymour is married to the former Marion Hopkins of Waelder, and has one son, Sam K. Seymour III.

ADRIANO SEABRA DA VEIGA, M.D., OF WATERBURY, CONN., HONORED BY HIS HOLINESS POPE PAUL IV

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. SARASIN. Mr. Speaker, during times of strife, catastrophe, social, or economic hardship, it is all too frequent that individuals and societies close their doors to their neighbors and to the rest of the world. Fortunately, there are many who break through the shrouds of personal concern and strive to ease the sorrow and suffering of others, to make life better for all mankind.

One such individual, who I am proud to say is both a constituent and a friend, is Dr. Adriano Seabra de Veiga of Waterbury, Conn. Dr. Veiga has received many well-deserved plaudits, most recently from his Holiness Pope Paul VI who conferred upon Dr. Veiga the Order of St. Gregory, the Magnum. When I learned of this honor, I did not wonder why it had been bestowed. I, instead, wondered which of the many possible good deeds had precipitated this distinction.

At home, Dr. Veiga, the Portuguese consul for the State of Connecticut, is well known for his activities in community affairs, his expertise as a surgeon in Waterbury, and his kindness and compassion to others. He has been extremely active in the Catholic Church, and has been credited with having established three such churches in Connecticut. In addition, he is presently working to develop a fourth in Danbury, Conn.

Dr. Veiga's contributions to society do not stop here. He is a man whose singularity of purpose and devotion to eradicating the hardships which recently befell so many in Portugal during the military upheaval is well known throughout the State of Connecticut, America, and indeed many parts of the world. The preservation of the Portuguese culture and the rights of all men are the currents which carry Dr. Veiga in all his activities, whether working to preserve the ancestral spirit for Americans of Portuguese descent or striving to insure the freedoms of his beleaguered countrymen.

His tireless dedication to liberty for all is an ever present theme, and in working to assist Portugal, a traditional bastion of the free world, Dr. Veiga has not only earned the honor bestowed upon him by the Pope and for which his fellow citizens in Waterbury will honor him at a dinner on January 25. He has also provided us with a lesson and an example well worth emulating. Freedom must be guarded tenaciously, and we must never waver in our vigilance, those who seek waiver in our vigilance, those who seek to deprive others of this most precious of gifts will also seek to deprive us. Boundaries, oceans, and miles must not deter us from our purpose because the only hope for continued freedom for any of us in the world lies in the universality of our effort and our concern.

I consider it to be a privilege to join those who honor Dr. Adriano Seabra da Veiga.

LOPSIDED TAXES

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Ms. ABZUG. Mr. Speaker, during the 1st session of the 94th Congress, I was proud to cosponsor the Tax Reform Act, which represents a meaningful effort to modify the current tax laws in a manner which would restore equity to the system.

The United Automobile, Aerospace, and Agricultural Implement Workers of America, UAW, in its "Washington Report" of January 12, clearly articulated this need for such reform in the article titled "Lopsided Taxes." I feel that it would be helpful to my colleagues to have this article for their review. The article follows:

LOPSIDED TAXES

Our tax structure has become a far cry from what it should be—a simple, straightforward system primarily used to raise revenues, and to raise them fairly.

Instead, it is a jungle of high taxes for low- and middle-income groups plus myriads of tax credits, tax subsidies, and tax deductions designed to benefit privileged interests or to influence business and personal decisions.

If the federal government wishes to encourage a particular activity, it should do so by subsidizing it directly instead of hiding the subsidy away in a tax break.

Subsidies that are out in the open in the form of direct grants can be openly evaluated and reevaluated as to their aims and their effectiveness.

As it is, subsidies are hidden away in the dark corners of the tax system. Usually they last long after their original purpose has been accomplished or abandoned.

Rarely are they examined on a year-to-year and case-by-case basis as to their effectiveness. They just go on costing hundreds of millions of dollars which must be made up by the rest of the tax-paying public.

A Department of the Treasury study shows that in 1974 these tax benefits going to individuals totaled $58 billion. Of this, about $7.3 billion went to the 160,000 richest taxpayers in this country (an average of over $45,000 each).

That is substantially higher than the $6 billion current cost of the food stamp program, which benefits 18.8 million people and is one of the prime targets of the Ford Administration's budget-cutting.

Some tax breaks have been designed to fulfill legitimate goals but there is little convincing evidence that any of them do more than add to the coffers of wealthy individuals and corporations.

Congress has passed legislation providing a 5-percent tax credit to individuals supposedly designed to spark housing construction, but 85 percent of Americans can't afford to buy a home of their own. Congress provides tax incentives to business, supposedly to encourage it to create jobs, but unemployment is at unprecedented high rates. The oil industry has escaped millions of dollars a year in taxes, but these subsidies have not decreased our dependence on foreign oil.

The special tax treatment whereby capital gains are only partially taxed (while earned income is taxed in full) costs almost $7 billion a year and is supposed to benefit all Americans. But this tax preference says, in effect, that the more wealth and income you have, the more opportunities you should have to avoid taxes.

Since capital gains come through buying stock, real estate, or other assets cheap and selling them dear, it is a game open only to the wealthy. Indeed, taxpayers earning from $7,000 to $10,000 save only an average of $13 a year through this tax loophole, while those with incomes over $100,000 gain $19,431 per year, almost 1,500 times as much.

BIRTHDAY OF GEN. "STONEWALL" JACKSON

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. MOLLOHAN. Mr. Speaker, throughout history, the world has recognized the achievements, courage, and genius of great military commanders by chronicling their lives in history books and by preserving their famous battle plans in military strategy manuals. These individuals have left an indelible legacy to our world which has transcended their scintillating military accomplishments and has left us also with an amazing testament to the resiliency and unique adaptability of the human spirit to shape events and history.

One such individual was Gen. Thomas Jonathan "Stonewall" Jackson, the great Civil War commander, who was born at Clarksburg, W. Va., 152 years ago today. This great West Virginia native son rose from a life of deprivation to become one of the finest military officers in the history of mankind.

His unrelenting resolve and resourcefulness as commander earned him the sobriquet by which all of us today know him so well: "Stonewall." He was, the historians tell us, a simple but grave man in public; in private, a kind and affectionate man who embodied all of the ingredients that make a mortal individual a great and immortal human being. Returning from battle, he was ironically and tragically fired upon and severely wounded by his own troops and died May 10, 1863.

Virtually all historians and students of military tactics include Thomas J. "Stonewall" Jackson on their lists of the world's greatest military leaders, and on this, the 152d anniversary of his birth, I take this opportunity to pay tribute to this great American who reminds us that people and events of the past played an indispensable role in shaping the fortunes and fabric of the great Nation America has become today.

NATIONAL HEALTH INSURANCE: PRESCRIPTION FOR CHAOS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. CRANE. Mr. Speaker, as more and more Americans begin to carefully consider what a program of national health insurance would mean for our country—both in terms of cost and of the quality of medical care provided—their enthusiasm for such a program has lessened.

In recent days we have observed the chaos which socialized medicine has brought to England. The New York Times, a supporter of increased governmental intervention in the medical field, has been forced to admit the failure of the British system. In an editorial in its issue of October 28, 1975, the Times declared that—

> After resisting the idea for many months, Prime Minister Wilson has finally set up a royal commission to investigate the National Health Service. His decision is an explicit admission that the British system of socialized medicine is now in deep trouble . . . the N.H.S. has been deteriorating in the quantity and quality of the care it provides . . . For the ordinary patient the consequences of the N.H.S.'s financial difficulties range from the nearly complete unavailibility of some of the latest and most expensive methods of diagnosis and therapy to the long waits—often a year or more—inflicted upon many who need surgery that is not immediately urgent.

Why there are so many in the Congress who have not yet understood the real nature of the socialized medical systems which some would like to inflict upon the United States is almost impossible to understand.

In a recent study done for the U.S. Industrial Council, H. C. Gordon points out that—

> The reason why national health care schemes invariably backfire is not difficult to understand. Once the politicians have sold the voters on the idea of "free" medical care the rest is simply a matter of human nature. Having been informed that they have a "right" to treatment, people rush to exercise that "right" for even the most minor ailments. As the demand for medical services increases, prices go up and quality goes down . . ."

Mr. Gordon has provided an analysis which should be carefully considered by all who wish to alter our current system.

I wish to share with my colleagues the study entitled "Prescription For Chaos: National Health Insurance," by H. C. Gordon, published by the U.S. Industrial Council, and insert it into the Record at this time.

Rx for Chaos: National Health Insurance

(By H. C. Gordon)

There is a wry joke among doctors concerning the operation that was successful in every detail except one: the patient died. Advocates of a national health insurance system for this country, should they ever succeed in getting it, may well find that they have accomplished a similar result: a system of socialized medicine that is an ideological triumph—but a clinical disaster.

Certainly, the experience of other nations that have gone the national health care route suggests that such would be the likely outcome. Take Britain, for example. In 1948, the British government established a National Health Service very similar to the Health Security Program currently proposed by Sen. Edward Kennedy. The result was an epidemic of soaring costs, bureaucratic mismanagement, and a sharp decline in the overall quality of medical services.

Latest reports indicate that the collapse of the NHS may be imminent. With the system on the verge of bankruptcy, with British doctors emigrating in record numbers, with antiquated facilities proving increasingly inadequate, there has been no letup in the demand for medical care. More than 700,000 Britons are now on waiting lists for hospital treatment, and delays of up to six months are common—some patients have actually been waiting as long as four years.

A survey of the health care services of the Scandinavian countries reveals similar problems. Waiting lists and "assembly line" treatment are the rule there, as in Britain, along with the staggering costs involved. In Sweden alone, medical costs have increased by 900% since the government replaced voluntary health insurance with a state program in 1960, and a crushing tax burden has been imposed to foot the bill.

The reason why national health care schemes invariably backfire is not difficult to understand. Once the politicians have sold the voters on the idea of "free" medical care (which, of course, is not "free" at all, but paid for through higher taxes) the rest is simply a matter of human nature. Having been informed that they have a "right" to treatment, people rush to exercise that "right" for even the most minor ailments.

As the demand for medical services increases, prices go up and quality goes down as doctors and health facilities must be shared by more and more patients. Inevitably, government steps in to insure that services are being provided on an "equitable" basis, which not only means the rationing of health care in general, but usually leads to official guidelines on the treatment of specific illnesses as well. In the end, the doctor is reduced from a healer to a government pill pusher.

Nevertheless, proponents of national health insurance in this country remain undeterred by both argument and experience. They insist that such a program is essential to meet the health care "crisis" in this country, though what they mean by that is less than clear. By any standard, health care in the United States is steadily improving. Statistics reveal not only less disease, less infant mortality, and greater longevity, but greater availability of treatment as well.

A Presidential commission of several years ago reported that 98% of all Americans live within 15 or 20 miles of a major health center. Furthermore, statistics also reveal that, as of 1970, 164 million Americans under 65—89% of the total population—are already protected by some form of medical coverage. Those over 65 are covered by Medicare.

Given the facts, it is difficult to see why we should create still another expensive, bureaucrat-ridden federal program. By way of opposition, at least one doctor has taken to polling his patients to see if they are satisfied with their present treament, and sending the results to his elected representatives in Washington. If his colleagues nationwide were to follow suit, we would stand a much better chance of defeating the national health insurance proposal, and laying to rest, once and for all, the myth that there is a health care crisis in this country.

DRIFTING TOWARD SOCIALISM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. MICHEL. Mr. Speaker, writing in the December 15 issue of Industry Week magazine, editor Stanley J. Modic put his finger on a serious national problem, the decline of the once-renowned American competitive spirit. He says:

> Our society is growing lazy. Too much of it has lost its ingenuity, its initiative. Problems come up and we look to the Government to solve them.

As various proposals before this Congress will attest, we are but a step away from the nationalization of several industries, having bled them dry through the process of Government regulations.

It is not a very pleasant prospect, but if we want to do anything about it, we must understand it directly.

The article follows:

Bah! Humbug!

(By Stanley J. Modic)

'Tis the season to be jolly. We're trying. But we're having as much luck as a 2 by 4 Santa descending a 1 by 2 chimney.

Maintaining a sense of perspective becomes particularly difficult when we keep hearing that Britain's continued movement through Socialism and nationalization of its industry has all but destroyed that one-time giant of industrialized nations (see story on Page 31) and that the United States is drifting in the same direction.

Here's what Norman Macrae, deputy editor of Britain's *The Economist*, wrote following a tour of America:

"The entrepreneurial fervour of the industrial age seems to be dying . . . In America, the whole concept of thrustful business is in danger of becoming unloved . . . That is exactly how it was when Britain's post-1876 decline began. It is strange that people do not see that not learning from history is bunk . . ."

Our society is growing lazy. Too much of it has lost its ingenuity, its initiative. Problems come up and we look to the government to solve them.

For instance, the energy shortage became most visible with waiting lines at gasoline stations—a problem the industry has been warning us about for years—and the cry went up to have the federal government take over the petroleum industry.

The inflation-recession syndrome hit. Too much government is the prime irritant. Yet one proposed solution that comes out of Washington is that we need a national economic plan.

Ridiculous. It's estimated that in the first eight months of this year, 86 committees and subcommittees of Congress compiled 732 hours of testimony that took more than 10,000 hours of meetings, briefings, and drafts to prepare. Since then there have been thousands of more manhours invested toward developing a federal energy policy.

The result to date? Zero—a bill that deals with only part of the problem, on a temporary basis, and that will probably do more harm than good if it's approved.

With that record, how can any thinking person expect that inviting more government interference and nationalization of anything will solve the problem?

If we are in fact following Britain down the primrose path—and we fear that is the case—it may rather be the season to just say, "Bah, Humbug!"

A TRIBUTE TO JOHN PHILIP SOUSA

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. BLANCHARD. Mr. Speaker, the upcoming Bicentennial Year brings to mind one of the foremost contributors to the spirit of American life, John Philip Sousa. He will not only be remembered for his musical accomplishments but also for the patriotic spirit that he exemplified in the way he lived his life.

That spirit lives on in his many great marches, which remain as popular today as they were when the Sousa band was playing them to audiences around the world at the turn of the century. As Paul Bierley states in his biography of Sousa—

> If ever there were an American Institution it was the fabulous Sousa Band. Few musical works were ever conceived with nobler emotions than John Philip Sousa's marches, which were some of the most distinctive patriotic inspirations of the time.

Sousa was born in Washington, D.C., on November 6, 1854, not very far from the Capitol in a section known as the Navy Yard. It is interesting that many of his works reflect the combination of his natural talent and the stimulating environment of the Nation's capital where he was raised.

Among his numerous accomplishments in the area of music is the standardization of the march form as we know it today. The resourcefulness and inventive ideas that characterized his works brought both him and his imaginatively titled marches worldwide acclaim, and led eventually to his well-recognized designation as the "March King."

I feel it is most appropriate in our Bicentennial Year, when Americans are pausing to reflect on both the accomplishments of our past, as well as our aspirations for the future, that we formally honor this great American patriot by instituting perhaps his greatest march, "Stars and Stripes Forever" as the national march. This march not only exemplifies Sousa's passionate devotion to his native country, but also serves as one of the most popular hallmarks of American patriotism.

I have therefore introduced a bill, House Joint Resolution 715, which calls for the composition known as "The Stars and Stripes Forever" to be designated as the National March of the United States. Making "Stars and Stripes Forever" the national march would be a timely and well-deserved testimony to both John Philip Sousa and the spirit of our Bicentennial anniversary.

PROBLEMS CONFRONTING THE MIDDLE EAST

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. WOLFF. Mr. Speaker, the United Nations Security Council is presently debating the situation in the Middle East and the problems confronting the region once again are discussed on the pages of our newspapers and on the airwaves. I recently read a column written by Gus Tyler which poignantly expresses the experience of Israel and her people. At this time, I insert into the RECORD a copy of this column that appeared in the Long Island Press. I commend it to my colleagues:

[From the Long Island Press, Dec. 27, 1975]

FOR HIS VOICE WAS MUTED BY TEARS

(By Gus Tyler)

A child was born unto the House of David. And his name was Israel.

His mother became heavy with child in a time of travail. The Tyrant had given orders to rid the land of those who read The Book and prayed before the God who was the Father of all men. The Book was to be burned and its people buried.

The children of David were torn from their homes and tossed into pits filled with fumes and fire. They were emptied of their teeth for bits of precious metal.

They were stripped of their skin to make lamps for ladies. They were shorn of their flesh to make soap to cleanse the hands of their oppressors.

Out of the depths rose the voice of the Mother of Israel: "O Lord, why hast Thou forsaken us?"

And the Lord replied: "You are my Chosen. As the fat of your flesh cleanses the filth of their hands so shall the blood of your veins cleanse the sins of their souls."

The Mother of Israel wept: "Not again, Oh Lord, not again."

The Lord replied: "Yet again, for Man forgetteth too soon. But fear not my child, for you and yours shall be saved in the Promised Land."

So it came to pass that the Mother of Israel began her long exodus. Heavy with child, she crossed moat and mountain, sea and season, following a cloud by day and a pillar of fire by night, till she came to the Promised Land. And there, on barren sands, a child was born. And they named him Israel.

His countenance was good to behold and shone upon the earth like a bright star in the Eastern skies. The Wise Men of the world gathered around his cradle to bless him. In solemn chant they made formal prayer: "Long may you live. The Lord hath returned you to your ancestral home. Praised be the Almighty. Amen."

And Israel worked wonders. With the moisture of his fingers, he touched the barren sands and brought forth flowers and food. From his loins sprang children who walked tall as the Macabees. From their lips poured the words of an ancient tongue, now reborn in the image of the House of David itself.

Israel opened his heart and his portals to his brethren in distant lands. They came from the frozen tundra of Siberia and the deserts of Araby, wearing many skins and babbling many tongues. They came in poverty to make the land prosper.

But there were neighbors who cast an envious and evil eye. "They are few and we are many," they muttered, "yet they are honored and we are forgotten."

So it came to pass that Israel's enemies made war on him and his family. But with the help of the Lord, Israel smote his foes in six short days.

The enemy withdrew to gather its many tribes and to await the moment to war once more. They chose a Holy Day, when Israel was in the Lord's house, to attack on many fronts. They seized Israel and drove spikes through one limb after another to nail him into his living tomb.

Without a tear, Israel lifted his voice to the Lord to ask why. And the Lord replied: "You are my chosen. In your blood they shall wash away their sins."

And Israel shouted: "Yet, again?"

But the Lord did not reply for His voice was muted by tears.

FINANCIAL ASSISTANCE FOR HEALTH CARE PROPOSAL IN THE FISCAL YEAR 1977 BUDGET

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. MARTIN. Mr. Speaker, I endorse the President's proposal for the financial assistance for Health Care Act. This consolidation of medicaid and 15 other narrow categorical health programs into a $10 billion block grant to the States is long overdue.

I support the President's proposal to reform these programs, because I believe that States and localities should be cut free from the existing thick tangle of redtape. Because the present statutes are so complicated, most of the Federal regulations issued for these programs cannot be wisely written—or even effectively enforced. The way Federal funds are now spent is very unfair to our citizens and the poorest States. It is time we had a rational, compassionate, and fair Federal health policy.

The President's proposal will eliminate State matching requirements and allow States and localities the flexibility they need to get on with the job of improving health care for the disadvantaged. I happen to believe the States can be relied upon to see that their citizens' health needs are met within the Federal funding levels and their own resources. I also believe that remote control of the daily lives of our citizens from Washington is neither desirable nor effective.

In my view, we in Congress must respond positively to this admirable attempt by the President to begin to restore balance to the Federal system, and to move authority and responsibility back to the State and local level—closer to where the people are.

SOVIET JEWS

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. ADDABBO. Mr. Speaker, I want to bring to the attention of my colleagues a resolution adopted by the general assembly of the Council of Jewish Federations and Welfare Funds, Inc. This resolution on Soviet Jews expresses the position of more than 2,500 foremost community leaders from all parts of the country.

It clearly states the critical plight of Jews in the Soviet Union and their harassment by that government. Soviet Jewish emigration has been cut back to its lowest point in 4 years. It is estimated that the present backlog of pending applications is over 160,000.

The resolution follows:

SOVIET JEWS

We are profoundly concerned over the critical plight of Jews in the Soviet Union. The USSR's harassment of its Jewish citizens has escalated. Soviet Jewish emigration has been cut back to its lowest point in four years. The backlog of applications awaiting processing is estimated at over 160,000.

The USSR has summoned scores of Soviet Jewish activists to KGB offices and has threatened them with trial on charges ranging from "hooliganism" to "treason" unless they ceased their "Jewish activities". Virtually all communication between Soviet Jews and the West is systematically blocked. Anti-Semitism in the Soviet media has increased in volume and blatancy. The Soviet government has announced the prospective imposition of taxes of 65% on gifts from abroad to Soviet citizens to penalize Soviet Jews who have been discharged from employment because they wanted to leave for Israel.

The Soviet government has consistently refused to honor its commitments to the U.S. Government regarding the rights of Soviet Jews, and has intensified its drive to crush Soviet Jewry's efforts to achieve free emigration, with the most cruel acts since the Leningrad Trials in 1970. More than half of the almost 70 Soviet Jews sentenced as "Prisoners of Conscience" since 1970 remain in prison camps.

Despite thes severe repressions, Soviet Jews continue to apply to emigrate and press for their rights to live as Jews.

In contrast, there appears to have been a decrease during the past year in the representations by the United States to the USSR on behalf of Soviet Jewry. The U.S. Representatives to the United Nations Human Rights Commission have, for the first time in several years, failed to mention the issue. No publicized protests have come from the U.S. against interception of mail or interdiction of telephone conversations.

The 1974 Trade Act, including the Jackson-Vanik Amendment, is now U.S. law. It requires that most favored nation treatment on important tariffs and other trade advantages may not be extended to nations that deny the right to emigrate, as the Soviet Union does to its citizens.

Our United States delegates call upon the President of the United States to intensify this country's efforts to gain for the Jews of the Soviet Union their constitutional right to live in that country as Jews, and to emigrate to Israel and other lands. Our Canadian delegates look to the Canadian government to do everything within its power for the cause of free emigration and full rights of Soviet Jews.

We call upon our Jewish communities to mobilize every possible resource to demonstrate our continued solidarity with Soviet Jews. We look to the Conference in Brussels in February, 1976, to mobilize the utmost international actions for these purposes.

TRACK RECORD OF THE 94TH, 1ST

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. BELL. Mr. Speaker, I call to the attention of my colleagues in the Congress the following editorial from the San Francisco Examiner written by William Randolph Hearst, Jr., editor in chief of the Hearst newspapers.

Mr. Hearst's editorial provides what I think is a very perceptive and interesting analysis of the accomplishments of the first session of the 94th Congress.

The text of the editorial follows:

CONGRESS' NEW SESSION

(By William Randolph Hearst, Jr.)

SAN SIMEON.—Many of us, including yours truly, have expressed the feeling that the 94th Congress, which is due to reconvene on Jan. 19 after its "Christmas" holiday, has dawdled through most of the session, stalling instead of coming to grips with some of the tougher issues facing the republic. The facts show quite the opposite. The first session of this Congress turned out to be one of the most active since World War I, believe it or not.

On the record, some 160 bills were enacted this past year. There were, for instance, the tax reduction bill, the extension of voting rights, the Emergency Compensation and Special Employment Extension Act, the Emergency Homeowners' Relief Act and the Older Americans Act.

The Democratic study group, whose assignment is to analyze how this Democratic-controlled congress performed, also maintains that the House took more record votes in 1975 than any session of the Congress in the nation's history.

How, then, does the 94th Congress have such a bad reputation for procrastination? My own feeling is that while Congress has acted decisively on social issues, it has not coped with the more pressing economic issues and it is the economic problems that are crying for solution.

Chief among those problems, as it has been for two years, is Energy.

Congress did pass an energy bill and President Ford signed it. But it is manifestly a political expedient, especially tailored for fast reading voter appeal in an election year. It fails completely to deal with the nation's headlong rush into a ruinous energy crisis.

There are other economic problems Congress has failed to assess or consider, among them the continuing inflation, the need to reach a budget compromise with the White House, and the obvious need for some standby wage and price controls in the event they are needed later in the year as employes of key industries go into contract negotiations. But the greatest and most pressing economic need is for a comprehensible energy policy.

By failing to face the facts about our impending energy disaster our elected representatives have acted unwisely. It serves to illustrate why this Congress has earned a bad reputation despite a record of hard work. The "young Turks" who made such a splash when they entered the congressional arena a year ago have been unable or unwilling to push the ponderous political machinery into action on the more important matters that beg for attention.

Even normally staunch Democratic supporters admit that the energy bill that was finally pasted together in the final days of the session was one of the worst pieces of legislation ever drafted. It is confusing and misleading, and calculated to make a show of holding down gasoline prices until after the fall elections, when they will be allowed to rise slowly and piecemeal. The measure was dragged to the White House where it was signed reluctantly by a President who also has his eye on the elections.

It was simply a piece of consumer-pitched legislation, intended to make drivers happy by extending tight controls over the oil companies for the next few years or more.

In no way will this help solve the cause of the energy crisis. Indeed, it will intensify the crisis.

This ill-conceived law not only continues tight price controls over domestic oil, but rolls back the price from about $8.75 a barrel to $7.66 (compared to nearly $12 for imported oil).

Nothing could be more detrimental to the incentive to explore and drill new domestic wells. Oil companies say they make insufficient profit on domestic oil now; they will make less as the law takes effect.

This increases our reliance on imported oil. More than 40 per cent of our oil now comes from foreign countries, all of them members of the cartel formed by the Organization of Petroleum Exporting Countries (OPEC) that is dominated by the Arab exporters. As a result of this legislation, and as a consequence of Congress' failure to develop other energy sources, we will be obliged to import increasing quantities of foreign oil in the years ahead.

At any time in the future, then, another oil boycott could bring this nation to its knees.

Another of our great sources of energy, natural gas, remains in short supply because Congress has insisted on tight price controls for any shipped interstate. The controls make it unprofitable for companies to explore and drill for new sources. Only a mild winter has thus far prevented the closing of gas-fired industrial operations in the East and Midwest.

Coal, our greatest source of energy, of which we have the world's largest known supply, occupies a low priority because this nation and its lawmakers have failed to find agreement on how to extract it and burn it without damage to the environment. It is not an insurmountable problem. The lack of action is solely political.

It is the common belief in Washington that the voters distrust big business and believe that it is too profitable. This is thought to be particularly true of the petroleum companies. That is why congressmen do not hesitate to impose crippling price controls on oil and gas companies.

Our lawmakers would better serve the nation and their constituents if they told the truth.

Oil companies do NOT have a monopoly and they do NOT make more profits than companies in other industries. In fact, they need all the tax incentives and encouragement they can get to enable them to use their income to explore and develop new sources of oil if they are to play their full role in solving our energy problems.

Here are the facts:

In petroleum production there are about 10,000 companies and individual entrepreneurs active in the U.S. The four largest firms account for 27 per cent of petroleum liquids and 28 per cent of natural gas production. In refining there are 130 companies operating 261 refineries in the U.S. The top four account for 30 per cent of refining capacity. The largest share of the gasoline market held by a single company is only eight per cent.

How does the percentage of business controlled by the largest oil companies compare with the largest companies in other industries? The top four firms in all categories of U.S. manufacturing account, on average, for 34 per cent of sales. By comparison, the four largest integrated oil companies accounted for about 30 per cent of sales, in either oil or gas.

As for those "obscene profits" the oil companies are supposed to earn, the truth is that over the years, year in and year out, the average rate of return on investment for both the petroleum industry and all U.S. manufacturing is just about the same—approximately 13 per cent of sales. The net profit after taxes comes out to something between 4 and 5 percent for all U.S. industries.

The question facing Congress is this: Is it not wiser, even for their own careers, for congressmen to tell the voters the truth rather than beguile them with phony price controls?

There is real danger that one of these days our nation, dependent on foreign oil for its very existence, could find its economy and foreign policy mightily influenced by our foreign oil supplies. And I think if you pause for a moment you can figure out for yourself what that will mean.

THE LATE SPEAKER HON. SAM RAYBURN

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. BROOKS. Mr. Speaker, January 6 of this year would have marked the 94th anniversary of the birth of a great public servant and personal friend, the late Speaker of the House, Sam Rayburn.

As most of us in this body know, his tenure in Congress lasted for 48 years during which he served as Speaker for 17 years. His devotion to the Congress, to the citizens of Texas, and the rest of the Nation remains a legacy that we can all be proud to follow.

I have many fond memories of Speaker Rayburn and most of all I cherish his compassion and understanding of his fellow man. He always took the time from his busy schedule to listen to the problems of others and I am sure that all of us who knew Sam Rayburn continue to miss him.

It was a great privilege and a pleasure to serve in the House of Representatives with Sam Rayburn and it is an honor to remember him at this time.

MIDDLE AMERICA DECEIVED

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. CLAY. Mr. Speaker, much cited but little heeded is the notion that workable democracy depends upon an enlightened citizenry. But it's difficult to believe that the vast majority of middle-class Americans have any notion of our inequitable wealth that is distributed in our country.

Jake McCarthy in a recent column for the St. Louis Post Dispatch writes of such disparities and describes how the poor are unfairly blamed in America for social ills wrought by the rich.

Mr. Speaker, I commend Mr. McCarthy's column to my colleagues' attention and insert it now in the RECORD:

MIDDLE AMERICA DECEIVED

(By Jake McCarthy)

The baddest people in the whole wide world, it now appears, are the poor people who buy food stamps to help nourish their families.

The bestest people seem to be the rich people who know how to use tax shelters and other dodges through laws passed for their benefit.

Somewhere in between are the middle income people who get mad at the poor people instead of the rich people, usually because they blame the poor instead of the rich for their mounting tax problems.

So when President Ford a few weeks ago proposed a major reduction in the federal food stamp program, he figured he could count on "Middle America's" approval, especially when he said that lopping off 3,400,000 people from the program would save taxpayers 1.2 billion dollars. That's popular rhetoric.

In addition to proposing that the income eligibility level be reduced to an annual net of $5050 for a family of four—that's the official poverty level—he wanted to impose a 90-day waiting period, even for Middle Americans who get laid off from their jobs, as has been happening lately.

For on the same day that President Ford was making his political appeal to the so-called Silent Majority, a much less prominent story said that the House Ways and Means committee was rejecting proposed legislation that would wipe out real estate tax shelters that have made the rich and the super-rich so gleeful—people like Henry Ford and others who anticipated that projects like Mansion House would be so profitable to them.

The people whose money has made them powerful thus seem intent to go on fooling the rest of us—blaming our woes on the 18,800,000 Americans whose earning power is so low that they need some help to feed their kids. Representative Barry M. Goldwater Jr. of California carried on the campaign in Jefferson City the other day by warning that one out of every five Americans might someday be eligible for food stamps. It's more of a commentary on maldistribution of wealth than on the laziness and rapacity of America's low-scale wage earners, it seems to me.

So while the "conservatives" among us are paying so much attention to the 56,000 Missourians who could be affected by the President's proposal, not too many Middle Americans have gotten interested in a recent report that St. Louis will lose up to $141,000,000 in taxes under its urban redevelopment policies. While visions are invoked of food-stamp grubbers lined up at welfare offices, hardly anybody in the "taxpayer" group seems worried that the owners of the new Mercantile Bank complex or the new Sheraton Hotel near the Convention Center or the new Boatmen's Bank building will not have to pay any taxes on the new construction involved for 10 years.

It's fine, of course, to have sparkling new buildings downtown, where the expense account crowd—also tax-free—can throw their money around, so long as we don't wind up with a lot of little kids pressing their noses to restaurant windows eyeing the leftovers. Something called the quality of human life seems missing in all this lopsided worry over "the cost to taxpayers."

It's easy to play fear-and-hate games with figures like "1.2 billion in taxes." But while President Ford was blaming food stamp recipients for some of our ills, and that House committee was preserving those real estate tax shelters, the now-deposed Secretary of Defense, again on the same day, was protesting a proposed $7.6-billion-dollar slash in defense spending—the defense budget is already $90.2 billion dollars—for guns and bombs and aircraft, an outlay that makes the military-industrial so happy on the way to the bank.

As long as Middle America allows itself to be so deceived, they will go on thinking of the poor as their enemies and the rich as their allies, instead of forging some kind of voting alliance that would force a realignment in the distribution of the national wealth.

A TRIBUTE TO PHYLIPP DILLOWAY

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. SARASIN. Mr. Speaker, fortunately for our Nation, capability and a dedication to one's community are nonpartisan. The Hon. Phylipp Dilloway, former first selectman of the town of Wilton, Conn., epitomizes this truism.

Mr. Dilloway's activities to Wilton are impressive. During his term as first selectman, he approached his office with determination and competence, demonstrating an insatiable desire to find ways to help his fellow citizens. Few developments and programs at the local, State, or Federal level escaped his attention. I was sorry, indeed, that Mr. Dilloway did not seek reelection, as he did an excellent job and his decision not to run meant a great loss for those he served so ably.

Mr. Dilloway's decision to return to private life was undoubtedly difficult, but given his interest in education, it was understandable. Phylipp, now an independent consultant, is an associate professor of industrial engineering at the

University of Bridgeport, a position he held part-time while first selectman, and is presently studying for his doctorate in high education management at Columbia University.

Despite his hectic schedule, Mr. Dilloway's interest in the community has prompted him to serve as justice of the peace, a position he has held for 4 terms, and a member of the labor and arbitration panels of the American Arbitration Association. He is also a former Democratic town committee chairman and served on the Wilton Personnel, Policies and Practicies Commission and the Council of Ethics.

A testimonial sponsored by Wilton residents Saturday, January 24th, is a fitting honor for a man who has worked so dilligently for his fellow citizens. I am pleased to be able to participate in this tribute to Phylipp Dilloway.

HOLD YOUR BREATH

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. MAGUIRE. Mr. Speaker, Congress will shortly consider H.R. 10498, the Clean Air Act Amendments of 1976. One of the most important of these amendments would estabish a clear policy to prevent the significant deterioration of air quality in areas of the country currently enjoying clean air. The issue is whether Congress is willing to adopt this sensible approach which balances the needs of the economy with those of the environment. The New York Times considered this matter in an editorial on January 16, 1976. I ask unanimous consent that this editorial be printed in the RECORD.

HOLD YOUR BREATH

Among the major measures to be considered when Congress reconvenes are proposed amendments to the Clean Air Act—including one that will determine whether Americans will continue to draw a clean breath in their national parks and wilderness areas.

The provision in question has to do with preventing "significant deterioration" of air quality where it is now good. Five years ago the courts ruled that the Clean Air Act required steps to prevent such deterioration, whereupon the Environmental Protection Agency drew up a classification system. No significant change for the worse was to be allowed in pristine Class I areas. Moderate increments of pollution were to be allowed in Class II, and increased pollution up to certain limits for Class III.

The hitch in these rules was that each state could do its own classifying, and that is how matters stand today. Utah, for example, is now free to accommodate its power industries by designating as Class III as much of the state as it chooses. This would allow the proposed Kaiparowits power project to pour its particulates and dark plumes for miles into some of the most magnificent canyon scenery in America.

The proposed amendment is absolutely necessary to eliminate a state's option to impair these national treasures. Under the amendment, Class I designation would be mandatory for national parks and wilderness areas, meaning that offending plants would have to be sited far enough away to avoid all danger of contaminating them with the ash, sulfur oxides and other waste products of burning coal.

In view of the reasonableness of this proposal, one would anticipate little opposition: But the prospect is for a hard fight and, unless the public is heard from, no assurance at all that the verdict will go to those who expect pure air and blue skies over a Western canyon.

STATEMENT BY MAX BAUCUS ON PENDING GUN CONTROL LEGISLATION

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. BAUCUS. Mr. Speaker, I rise to express my concern about the subject of gun control legislation. In my 1 year in office, I have received exactly 3,747 letters on the subject of gun control. Of those letters, exactly one expressed support for strengthening controls. The rest were adamantly opposed to more controls.

I, too, am vigorously opposed to all legislative proposals to register and ban guns. Such proposals, in my judgment, have three characteristics in common—any one of which suggests that further controls are bad policy. They are expensive, unenforceable and potentially violative of basic constitutional rights. Moreover, there is no proof that such controls would be effective either in curbing crime or reducing assaults. Indeed, in urban areas, where violent crime statistics now stand at an all-time high, we find the most stringent controls.

Legislative efforts to strengthen gun control are being exerted primarily by urban and suburban representatives. It may be no major revelation to observe that the balance of power in Congress is shifting inexorably from rural areas to urbanized areas. Nor is it necessarily revealing to observe that most domestic legislation passed this past session, with the possible execption of a few agriculture bills, was weighted heavily toward constituents in urban and suburban areas. What is revealing to me about the shift in the balance of power is that solutions legislated for urban and suburban problems are increasingly given nationwide applicability. I do not propose a secession by rural areas. I ask only that policies be tailored more carefully to fit identified problems.

If such tailoring cannot be achieved at a national level, then solutions to these problems should be left to the States.

If tightened gun control laws are wanted by urban and suburban residents but not by rural residents, let us not foist these controls on the latter group. Not only do they not want these controls, but as I will point out below, it is not the least bit clear that they need such controls.

Proponents of gun control argue that more restrictions are needed to curb crime. Assuming, for the sake of argument, that more controls would actually reduce crime—an assumption incidentally that I believe is without foundation—let us look to see whether such a policy is warranted for my State. While it may be true that homicide in the United States rose 4.3 percent in 1973–74, Montana's rate fell 30 percent during that same period. Significantly, Montana's overall violent crime rate also fell. Thus, even if gun controls could be shown to be needed to curb rising crime, that solution is not warranted for my State. Indeed, at the risk of belaboring my point, I think it is significant to note that the number of violent crimes committed per capita was lower in Montana for 1974 than all but three States in the Union.

There are other reasons for my opposition to additional controls.

If recent national polls tell us anything, it is that the people are disappointed with Government. Our growing bureaucracies are thought to be ineffective, expensive, and wasteful. More gun control laws would only exacerbate that problem. For example, if Congress decides to require gun registration by the Federal Government, the national cost has been estimated by the National Rifle Association to be at least $4 billion.

A national registration system would operate effectively only if accompanied by the enthusiastic cooperation of present gun owners. Such cooperation is an unlikely prospect. In a recent poll, conducted for the Senate Judiciary Committee, less than half of the respondents said they would comply with gun registration laws.

Currently, there are more than 100 gun bills pending in Congress. Many seek to stiffen penalties for commiting violent crimes with the use of guns. These bills require mandatory sentences and/or prohibit suspended sentences and paroles. I support these measures.

To solve the problem of rising crime, one must remove criminals from circulation, not remove guns from private possession. The problem must be attacked at its roots. Stiffer penalties for violent crimes committed with guns will help keep criminals off the streets.

FEDERAL SPENDING

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. CONABLE. Mr. Speaker, the President's budget slows the growth of Federal spending from an average of about 15 percent per year from 1973 to 1976, to an annual rate of less than 6 percent between 1976 and 1977.

The growth in Federal spending allows the Government to meet fully the exclusively Federal responsibilities for national security, care of the elderly, and energy development, as well as to increase the Federal contribution, to other important programs. The President's proposed restraint in spending growth would allow income tax cuts, effective July 1, 1976, of $10 billion a year more than the temporary cuts that expire on June 30, 1976, which is $28 billion below the rates in effect in 1974. About three quarters of the $28 billion in tax cuts will be for individuals, with the other one quarter for businesses.

If we in the Congress can preserve this balance we will both increase the purchasing power of the American people and reduce the degree to which spending decisions will continue to be made by the Federal Government in Washington.

HUMAN LIFE AND ABORTION

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. ZABLOCKI. Mr. Speaker, tomorrow thousands of concerned Americans will be gathered at the steps of the Capitol to petition the Congress to reassert the right to life and to memorialize January 22, 1973, the date the Supreme Court handed down the infamous abortion decision. The purpose of this rally is to ask Congress to renew our Founding Father's commitment to a just society in which human dignity at all levels, including that of the unborn, is respected, protected, and enhanced.

As we all reflect on this central theme of human dignity that gave birth to our Nation nearly 200 years ago and that has held it together, it is most important for all of us to recall that above all else, the abortion issue involves the life of a fellow human being and his-her right to survive.

Accordingly, Mr. Speaker, I would like to call attention to an article by a young surgeon, Dr. Richard Selzer, entitled "What I Saw at the Abortion," which appeared in the January issue of Esquire magazine.

In a gripping and personal experience so heart rending as to change his attitude on abortion, Dr. Selzer underscores the unquestionable and basic human aspect of an abortion.

I urge my colleagues to read Dr. Selzer's article which vividly and dramatically relates what he saw in the process of aborting an unborn human being.

The article, "What I Saw at the Abortion," by Dr. Selzer follows:

WHAT I SAW AT THE ABORTION

(By Richard Selzer)

I am a surgeon. Particularities of sick flesh is everyday news. Escaping blood, all the outpourings of disease—phlegm, pus, vomitus, even those occult meaty tumors that terrify—I see as blood, disease, phlegm, and so on. I touch them to destroy them. But I do not make symbols of them.

What I am saying is that I have seen and I am used to seeing. We are talking about a man who has a trade, who has practiced it long enough to see no news in any of it. Picture this man, then. A professional. In his forties. Three children. Lives in a university town—so, necessarily, well—enlightened? Enough, anyhow. Successful in his work, yes. No overriding religous posture. Nothing special, then, your routine fellow, trying to do his work and doing it well enough. Picture him, this professional, a sort of scientist, if you please, in possession of the standard admirable opinions, positions, convictions, and so on—on this and that matter—on *abortion,* for example.

All right.

Now listen.

It is the western wing of the fourth floor of a great university hospital. I am present because I asked to be present. I wanted to see what I had never seen. An abortion.

The patient is Jamaican. She lies on the table in that state of notable submissiveness I have always seen in patients. Now and then she smiles at one of the nurses as though acknowledging a secret.

A nurse draws down the sheet, lays bare the abdomen. The belly mounds gently in the twenty-fourth week of pregnancy. The chief surgeon paints it with a sponge soaked in red antiseptic. He does this three times, each time a fresh sponge. He covers the area with a sterile sheet, an aperture in its center. He is a kindly man who teaches as he works, who pauses to reassure the woman.

He begins.

A little pinprick, he says to the woman.

He inserts the point of a tiny needle at the midline of the lower portion of her abdomen, on the downslope. He infiltrates local anesthetic into the skin, where it forms a small white bubble.

That is all you will feel, the doctor says. Except for a little pressure. But no more pain.

She smiles again. She seems to relax. She settles comfortably on the table. The worst is over.

The doctor selects a three-and-one-half-inch needle bearing a central stylet. He places the point at the site of the previous injection. He aims it straight up and down, perpendicular. Next he takes hold of her abdomen with his left hand, palming the womb, steadying it. He thrusts with his right hand. The needle sinks into the abdominal wall.

Oh, says the woman quietly.

But I guess it is not pain that she feels. It is more a recognition that the deed is being done.

Another thrust and he has speared the uterus.

We are in, he says.

He has left the muscular wall of the organ gripping the shaft of his needle. A further slight pressure on the needle advances it a bit more. He takes his left hand from the woman's abdomen. He retracts the filament of the stylet from the barrel of the needle. A small geyser of pale yellow fluid erupts.

We are in the right place, says the doctor. Are you feeling any pain? he says.

She smiles, shakes her head. She gazes at the ceiling.

In the room we are six; two physicians, two nurses, the patient, and me.

The participants are busy, very attentive. I am not at all busy—but I am no less attentive. I want to see.

I SEE SOMETHING

It is unexpected, utterly unexpected, like a disturbance in the earth, a tumultuous jarring. I see something other than what I expected here. I see a movement—a small one. But I have seen it.

And then I see it again. And now I see that it is the hub of the needle in the woman's belly that has jerked. First to one side. Then to the other side. Once more it wobbles, is *tugged,* like a fishing line nibbled by a sunfish.

Again! And I *know*!

It is the *fetus* that worries thus. It is the fetus struggling against the needle. Struggling? How can that be? I think: *that cannot be.* I think: the fetus feels no pain, cannot feel fear, has no *motivation.* It is merely reflex.

I point to the needle.

It is a reflex, says the doctor.

By the end of the fifth month, the fetus weighs about one pound, is about twelve inches long. Hair is on the head. There are eyebrows, eyelashes. Pale pink nipples show on the chest. Nails are present, at the fingertips, at the toes.

At the beginning of the *sixth month,* the fetus can cry, can suck, can make a fist. He kicks, he punches. The mother can feel this, can *see* this. His eyelids, until now closed, can open. He may look up, down, sideways. His grip is very strong. He could support his weight by holding with one hand.

A reflex, the doctor says.

I hear him. But I saw something. I saw *something* in that mass of cells *understand* that it must bob and butt. And I see it again! I have an impulse to shove to the table—it is just a step—seize that needle, pull it out.

We are not six, I think. I think we are *seven.*

Something strangles *there.* An effort, its effort, binds me to it.

I do not shove to the table. I take no little step. It would be . . . well, madness. Everyone here wants the needle where it is. Six do. No, *five* do.

I close my eyes. I see the inside of the uterus. It is bathed in ruby gloom. I see the creature curled upon itself. Its knees are flexed. Its head is bent upon its chest. It is influid and gently rocks to the rhythm of the distant heartbeat.

It resembles . . . a sleeping infant.

Its place is entered by something. It is sudden. A point coming. A needle!

A spike of *daylight* pierces the chamber. Now the light is extinguished. The needle comes closer in the pool. The point grazes the thigh, and I stir. Perhaps I wake from dozing. The light is there again. I twist and straighten. My arms and legs *push.* My hand finds the shaft—grabs! I *grab.* I bend the needle this way and that. The point probes, touches on my belly. My mouth opens. Could I cry out? All is commotion and a churning. There is a presence in the pool. An activity! The pool colors, reddens, darkens.

I open my eyes to see the doctor feeding a small plastic tube through the barrel of the needle into the uterus. Drops of pink fluid overrun the rim and spill onto the sheet. He withdraws the needle from around the plastic tubing. Now only the little tube protrudes from the woman's body. A nurse hands the physician a syringe loaded with a colorless liquid. He attaches it to the end of the tubing and injects it.

Prostaglandin, he says.

Ah, well, prostaglandin—a substance found normally in the body. When given in concentrated dosage, it throws the uterus into vigorous contraction. In eight to twelve hours, the woman will expel the fetus.

The doctor detaches the syringe but does not remove the tubing.

In case we must do it over, he says.

He takes away the sheet. He places gauze pads over the tubing. Over all this he applies adhesive tape.

I know. We cannot feed the great numbers. There is no more room, I know, I know. It is woman's right to refuse the risk, to decline the pain of childbirth. And an unwanted child is a very great burden. An unwanted child is a burden to himself. I know.

And yet . . . there is the flick of that needle. I *saw* it. I saw . . . I *felt*—in that room, a pace away, life prodded, life fending off. I saw life avulsed—swept by flood, blackening—then *out.*

There, says the doctor. It's all over. It wasn't too bad, was it? he says to the woman.

She smiles. It is all over. Oh, yes.

And who would care to imagine that from a moist and dark commencement six months before there would ripen the cluster and globule, the sprout and pouch of man?

And who would care to imagine that trapped within the laked pearl and a dowry of yolk would lie the earliest stuff of dream and memory?

It is a persona carried here as well as person, I think. I think it is a signed piece, engraved with a hieroglyph of human genes.

I did not think this until I saw. The flick. The fending off.

We leave the room, the three of us, the doctors.

"Routine procedure," the chief surgeon says.

"All right," I say.

"Scrub nurse says first time you've seen one, Dick. First look at a purge," the surgeon says.

"That's right," I say. "First look."

"Oh, well," he says, "I guess you've seen everything else."

"Pretty much," I say.

"I'm not prying, Doctor," he says, "but was there something on your mind? I'd be delighted to field any questions. . . ."

"No," I say. "No, thanks. Just simple curiosity."

"Okay," he says, and we all shake hands, scrub, change, and go to our calls.

I know, I know. The thing is normally done at sixteen weeks. Well, I've since seen it performed at that stage, too. And seen . . . the flick. But also I know that in the sovereign state of my residence it is hospital policy to warrant the procedure at twenty-four weeks. And that in the great state that is adjacent, policy is enlarged to twenty-eight weeks.

Does this sound like argument? I hope not. I am not trying to argue. I am only saying I've *seen*. The flick. Whatever else may be said in abortion's defense, the vision of that other defense will not vanish from my eyes.

What I saw I saw as that: a *defense*, a motion *from*, an effort *away*. And it has happened that you cannot reason with me now. For what can language do against the truth of what I saw?

DR. MARTIN LUTHER KING'S 47TH BIRTHDAY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1976

Mr. MAZZOLI. Mr. Speaker, to mark the late Dr. Martin Luther King's 47th birthday, I cosponsored a resolution to commission a likeness of Dr. King to be placed in the U.S. Capitol.

Representations of men and women from every State in the Union are displayed in the Capitol to demonstrate the importance of their achievements in life and the respect in which they are held by their fellow citizens in death.

Dr. Martin Luther King was not a perfect man. Like all of us he had his imperfections. But, he worked tirelessly for his people. Their opportunities in America in 1976—our Nation's Bicentennial—are infinitely better because of his labors.

I am proud to have joined with my other colleagues in the Congress in this tribute to Dr. Martin Luther King.

I am equally proud that the House of Representatives saw fit, yesterday, to adopt this resolution. Hopefully, Dr. King's representation will soon be on display in our Nation's Capitol—the first black person to be so recognized.

ADMINISTRATION'S COUNCIL ON WAGE PRICE STABILITY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. CRANE. Mr. Speaker, a recent statement from the administration's Council on Wage and Price Stability expresses endorsement of the concept of private competition in the carriage of first-class mail. While the statement stops short of open recommendations of private carriage, it certainly expresses enthusiastic support for the proposal. The Council's formal statement opens with the comment:

> Our opinion, briefly stated, is that permitting competition to the Postal Service's first-class service probably would result in significant benefits to the economy and to the mail user.

The statement continues:

> Thus, competition could lead to greater economic efficiency, and provide better signals to guide the flow of resources into each kind of service provided. Moreover, competition might well lead to greater postal efficiency, including less rapidly rising postal labor costs reflecting higher productivity. Such competition could also induce innovation and technological change in the provision of postal services, resulting in better services and lower costs.

We need only look at the recent announcement by the Postal Service that a significant portion of its budget will be devoted to researching and developing technological changes in the delivery of mail to see the effect of competition. This announcement came in reaction to the substantial loss in business suffered by the Postal Service as a result of the electronic transfer of funds process recently introduced by a number of banks as a service to Federal entitlement program recipients.

The Wall Street Journal of January 20, 1976, presented a clear analysis of the Council on Wage and Price Stability's statement. I would like to share this analysis with my colleagues. In addition, I would like to take this opportunity to congratulate the Council on Wage and Price Stability for concluding that a repeal of the Postal Service's monopoly on the carriage of first-class mail is damaging the economy of our Nation.

> DROPPING OF POSTAL SERVICE'S MONOPOLY ON LETTERS IS URGED BY WAGE-PRICE PANEL
>
> WASHINGTON.—The Ford administration's chief inflation-fighting agency declared that "significant benefits to the economy" could be gained by ending the Postal Service's monopoly on the handling of letters.
>
> The Council on Wage and Price Stability, in a formal analysis presented to the Postal Rate Commission, asserted that competition in delivering letters "could lead to greater economic efficiency" and "might well lead to greater postal efficiency, including less rapidly rising postal labor costs." What's more, it said "such competition could also induce innovation and technological change in the provision of postal services, resulting in better services and lower costs."
>
> Though the council didn't formally recommend that Congress repeal the private express statutes, which grant the government the sole right to deliver first-class mail, it urged the rate commission to consider making such a recommendation itself. It suggested an expert symposium could be convened on the issue, and it offered its own economic analysis of the postal monopoly.
>
> The council's was the third government voice backing postal competition in recent months. Both Treasury Secretary William Simon and Federal Reserve Chairman Arthur Burns have expressed similar sentiments. But a proposal to end the monopoly drew a scant 68 votes in the House last fall.
>
> The council's analysis was submitted for an inquiry by the rate commission into whether it has jurisdiction over the regulations the Postal Service issues to protect its monopoly power. The regulations include those that define letter mail and specify what private mail carriers can and cannot do.
>
> The rate commission, established in 1970 to review postal rate changes, couldn't end the postal monopoly even if it asserted jurisdiction over the regulations. Nor is the inquiry considering the correctness of the present monopoly itself.
>
> But the price council clearly hopes its submission will encourage the rate commission to decide whether the monopoly is justifiable.
>
> The council's analysis contends that private competition might help induce the service to give discount rates to urban, bulk, first-class mailers, and to improve management efficiency. In addition, it said, the pressure of competition might force the postal unions and postal management to cooperate in raising productivity.
>
> Postmaster General Benjamin Bailar has warned in the past that private concerns would only "skim the cream" off a few lucrative, urban markets and leave the burdensome, money-losing deliveries to the service, which is required to make them. The price council acknowledged that taxpayers might have to subsidize rural mail, and that the service's costs would rise if competition were allowed.
>
> "However," it added, "the overall average level of letter-mail rates—postal service and others combined—could be lower, since the 'cream skimmers' would be providing services to certain segments of postal consumers at rates lower than those that the Postal Service was willing to match."

INDIAN HILLS, COLO., HISTORY REPORT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. WIRTH. Mr. Speaker, the citizens of Indian Hills, Colo., have joined with professional planners to evaluate the history of their town, recent changes, and possibilities for future development. They have compiled this information in a report entitled, "Indian Hills Environmental Resource Inventory, a Citizens Tool for Planning."

The study includes a survey of human resources: Economic, social and political characteristics; natural resources: Watershed and drainage basins, geology, soils, vegetation, climate and wildlife; and aesthetic resources: Scenic and recreational areas.

The report concludes with a discussion of alternatives available to the people of Indian Hills in planning the future of their town. I hope the report will be an inspiration and guide for Indian Hills and others interested in preserving the character of small towns as growth occurs.

I have sent a copy of the report to the Library of Congress for inclusion in its permanent collection and recommend it to all my colleagues.

JOHN LOUIS ROTONDO RETIRES AS DIRECTOR OF MARIPOSA COUNTY PARKS AND RECREATION DEPARTMENT

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. SISK. Mr. Speaker, I do not often use the Congressional Record to bring to the attention of my colleagues in the House of Representatives the achievements of constituents in my district. However, I wish to divert from that policy today to pay respect to a man who has done much for his community, and who in a large way is typical of the American spirit.

I pay tribute to a man whose contributions to the youth of Mariposa County, Calif., have been invaluable—John Louis Rotondo—who is retiring as director of the Mariposa County Parks and Recreation Department. Fortunately my constituent, who has been wearing two hats, will not be lost to the Federal Manpower Program in which he will continue as project administrator for Mariposa County. Mr. Rotondo, whom I am proud to count among my very good friends, has had a long and distinguished career in public service. In the U.S. Navy from 1942 to 1945, he won the American Theater Victory Medal, the Asiatic-Pacific Medal with three battle stars, and the Bronze Star Medal. In 1972 he was chosen Mariposa County Public Employee of the Year. Previously, in 1968, he was chosen to the advisory committee on recreation for the County Supervisors Association of California, and from 1969–71 he served as vice president of the California Parks and Recreation Society, district V. In 1975 he was president of the Mariposa County Chamber of Commerce.

Throughout last year honors fell upon him, too numerous to list here. Among them, however, were his selection for the Honorary Service Award and lifetime membership by the California Park and Recreation Society, district 5, the Outstanding Service Award of the Mariposa Parent-Teacher Association, and membership on the California State Ad Hoc Manpower Committee.

These things, however, do not nearly reflect the man himself—his warmth, his readiness to go beyond the call of duty in serving his community, his understanding and sympathy for the thousands of young people who have brought their problems to him with the assurance of all the help he could give. John Rotondo is a man who has given generously of himself, and he has well and truly earned the expressions of love and respect which Mariposa County has heaped upon him at this, the time of his retirement from his position as director of parks and recreation. We know he has worked hard and has a right to take it a little easier, yet we anticipate a great void in his leaving. We are indeed fortunate, however, that the Federal manpower project will continue to have the benefit of his leadership in Mariposa County. I know the House joins with me in wishing John the very best in his retirement.

BRITISH DEPARTMENT OF ENVIRONMENT

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. HUNGATE. Mr. Speaker, the British Department of Environment is seeking to dispose of some of its old air raid shelters and they may be giving us a clue as to how we could recoup Government funds and meet our deficit, perhaps by disposing of our atom bomb shelters and nuclear bomb shelters that went through a period of popularity not too long ago.

The article follows:

[From PUNCH, Dec. 10, 1975]

The Department of the Environment is Attempting to Dispose of Eight Deep Air-Raid Shelters in London

Hurry! Hurry! Hurry! Great National Bankruptcy Sale! All Defence Installations Must Go!

The Department of Environment is authorised to invite tenders for a limited number of Superior Holes in the Ground, all located under the capital city of London and maintained at taxpayers' expense regardless of cost.

In line with the Government's policy of slashing defences and hoping for the best, these former shelters are offered for conversion as:

Catacombs for Christians!
Mushroom farms!
Glow-worm caverns!
Rollerball alleys!
Transit camps for battered wives!
Brass band practice areas!
VAT interrogation centres!
Etc. Etc.

Each prestige hole comes complete with a Certificate of Approval by Sir John Betjeman, a selection of posters reading "Dig for Victory" and "Be Like Dad—Keep Mum", unexpurgated wall drawings of the Bunker Age and Air Unbreathed For Thirty Years.

Also a Free Hand Torch with two refills on completion of contract.

Several desirable holes have already been snapped up and the purchasers have expressed complete satisfaction.

We have already filled a half-mile tunnel with saucy pictures from Soho. Please let me have another—and one or two disused Underground stations, if you have any.—Sir Robert Mark, Metropolitan Police Commissioner.

Nos. 3 and 4 Holes will serve very well as internment camps for those who, by refusing to join TUC-affiliated unions, will shortly find themselves ineligible to draw the dole.—Michael Foot, Commissar for Employment.

We are very happy down here. People think that because we are out of sight we are out of business, but they have a few shocks coming.—Chairman Metrication Board.

Until we took over No. 1 Hole (the "Erebus Deep") we had experienced great difficulty in finding space in which to delay London's second-class mail and were forced to circulate the stuff all over the country, pending a decision to deliver. Now we simply store it here while we get on with our work, as we call it.—Sir William Ryland, the Post Office.

YOUR QUESTIONS ANSWERED

If I buy one of your holes, will I have to abandon it to make room for VIPs in the event of a war?—Let us not talk ourselves into a war mentality. Do you want a hole or don't you?

Are any of the holes covered by Preservation Orders? What happens if I fill mine in?—We fill you in.

I am anxious to bring out an underground newspaper. Have you a small hole roughly 18 feet by 12?—Next question.

I don't much like the idea of living underneath millions of Londoners, bearing in mind their nasty habits. Have you any other holes anywhere?—If you know of a better hole, go to it.

PUBLIC BROADCAST OPPOSES EQUAL OPPORTUNITIES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. CLAY. Mr. Speaker, one is hard put to find any legitimate reason for the resistance of the Corporation for Public Broadcasting to coverage under the anti-discrimination provisions of the 1964 Civil Rights Act. Simeon Booker, in a recent incisive editorial, focused this issue and concludes regrettably that on the issue of minority involvement public broadcasting has badly missed the mark.

Mr. Speaker, I commend Mr. Booker's column to my colleagues' attention and now insert it in the Record:

Public Broadcast Opposes Equal Opportunities

Congress has poured millions of dollars into public broadcasting to finance what many Americans were led to believe would become a useful tool in all of our communities. Somewhere along the line, political elements got into the act. Public broadcasting's equal opportunity contributions now would hardly rival those of the commercial networks.

Congress is considering a $634 million dollar appropriation bill to finance public radio and television for the next five years. The House has passed the legislation, but with an amendment to ensure that the Corporation for Public Broadcasting is covered under the anti-discrimination provisions of the 1964 civil rights act. Cleveland Congressman Louis Stokes introduced the amendment after corporation officials argued that the agency is not covered under the law because it is a private corporation. Public broadcasters now have launched a campaign to defeat the amendment in the Senate. It would seem that public broadcasters, using such a large amount of the taxpayers' monies, would strive to hire qualified women and members of minorities. For them to oppose equal opportunity regulations attached to all government funding should make Americans wonder whether the enterprise actually is designed for the public welfare. This is Simeon Booker in Washington.

ILLEGAL NARCOTICS TRAFFIC INCREASING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. RANGEL. Mr. Speaker, the New York Times article of December 8, 1975 which discusses the New York City narcotic trafficking problem appeared in the RECORD on the previous day. For the benefit of my colleagues I would like the concluding portion of the discussion, which appeared in the Times on December 9, placed in the RECORD at this point:

TOP DRUG DEALERS NAMED BY POLICE

(By Selwyn Raab)

Thirteen drug traffickers—four whites, five blacks and four Hispanic persons—are now believed by narcotics investigators to be the dominant figures in the city's heroin and cocaine underworlds.

The 13 have been identified by knowledgeable law-enforcement officials as being either principal dealers or the financiers behind many narcotics deals. All 13, including one woman, have become prime targets of city and Federal investigators.

Law-enforcement officials say that while they have been able to identify many of the major narcotics dealers, bringing charges against them that will stand up in court has been far more difficult. Among the major problems, the police say, is that such operators have dealings about criminal matters only with their most trusted underworld associates, and have become increasingly wary of making incriminating remarks during telephone conversations.

The four white narcotics operators, Joseph and Charles DiPalermo, who are brothers, Virgil Alessi and Ralph Tutino, reportedly have long associations with the Mafia. They allegedly are concerned primarily with heroin distribution.

Officials identified the five black leaders as Leroy Barnes, James Lofton, Frank Lucas, Steven Monsanto and Robert Stepeney. They reportedly have come to power in the last two years as blacks have gradually gained a larger share of the narcotics business here from Mafia-controlled rings.

The four Hispanic dealers, Ramon Matos, Gustavo Restrepo, Hugo Curbello and Lilia Parada, are reputed to be among the largest cocaine dealers in the city. It is unclear if they are involved in heroin trafficking.

All 13 have been included in a list of 100 major narcotics violators compiled by the intelligence section of the Police Department's organized crime control bureau. The list is based on the activities of major and medium-level drug dealers who have been detected through undercover surveillance or informers.

Most of the 13 reputed top dealers have never been convicted of a major narcotics accusation.

Because of arrests, deaths and the emergence of new dealers, the list called the "Yellow Book," is frequently revised.

Officials emphasized that no single group controlled New York's billion-dollar narcotics industry.

The police have maintained a list of 100 leading dealers since 1971 as a means of establishing priorities in narcotics investigations. The list is a top police secret, available only to the highest narcotics and intelligence division officers. However, through interviews with narcotics detectives and city and Federal intelligence officials the following profiles of the 13 alleged top dealers have been compiled:

JOSEPH DI PALERMO

At the age of 68, Mr. DiPalermo is still described by narcotics investigators as "one of the top dealers" in New York.

In his younger days, before getting involved in drugs, he was an "enforcer" for Lucky Luciano and Vito Genovese, two major Mafia bosses. Mr. DiPalermo's only prison sentence for drugs came in 1959 when he, his brother Charles and the late Mr. Genovese were convicted on Federal narcotics charges.

During his sentence at the Atlanta Penitentiary, another convict, Joseph Valachi, believed that Mr. DiPalermo had been ordered to kill him. In May 1962, Mr. Valachi mistakenly killed a prisoner who resembled Mr. DiPalermo. It was that murder that prompted Mr. Valachi to make extensive disclosures about the Cosa Nostra, or Mafia.

Mr. DiPalermo, who has an apartment on Elizabeth Street, conducts his operations from Little Italy and restaurants along lower First and Second Avenues. His last arrest was in 1958.

CHARLES DI PALERMO

Law enforcement officials consider 53-year-old Charles DiPalermo a ranking narcotics figure, although he is known to be a junior partner in his brother's business. The younger Mr. DiPalermo has a home in the Rockland County community of Greenwood Lake, but he is frequently seen with his brother in Little Italy. Because of his brother's advancing years, Charles is believed to have taken a larger part in both heroin and cocaine trafficking.

Both brothers are thought to be members of the Carmine Tramunti "family." Charles DiPalermo was last arrested last July in Point Lookout, L.I., by Federal agents on narcotics charges. The agents said they had found 10 kilos of heroin and $166,000 in three automobiles parked nearby.

VIRGIL ALESSI

Much of the heroin now available in the metropolitan area is believed to be distributed through an organization run by Mr. Alessi, who also is known as Vinnie Vergalisse. The 43-year-old Mr. Alessi assertedly took control of areas in Queens and elsewhere when Vincent Papa was sentenced to a Federal prison two years ago.

Mr. Alessi, who had been one of Mr. Papa's chief aides, is believed to have knowledge of the $70 million theft of "The French Connection" heroin from the Police Department's Property Clerk's office at Police Headquarters. He has been arrested at least twice on drug charges, but has never been convicted.

Last September Mr. Alessi was indicted on a Federal drug conspiracy charge. He was also indicted earlier in a state court for perjury in "The French Connection" case.

RALPH TUTINO

Mr. Tutino, 47 years old, lives in the Bronx, but his headquarters is still in the old Italian section of East Harlem.

He reputedly was a large-scale dealer of heroin in the Harlem area when Turkish supplies were plentiful in the early 1970's.

When Turkey prohibited the planting of opium poppies in 1973, Mr. Tutino, unlike other Mafia figures apparently was able to establish new connections either with Asian or Mexican heroin exporters. Although no longer a major supplier for Harlem, Mr. Tutino reportedly is supplying heroin dealers in other parts of the city.

He is now on trial in Federal Court in Manhattan on a drug conspiracy accusation.

LEROY BARNES

According to police intelligence reports, Mr. Barnes is not only one of the biggest black heroin dealers in the city, but he also is involved on the national level.

In the last two years he has set up an organization that handles all aspects of the heroin business from the time the drug is smuggled into the country until it is sold on the streets.

The 43-year-old Mr. Barnes, a flashy dresser who sometimes wears gold-colored suits, lives in a $700-a-month apartment at 3333 Henry Hudson Parkway in the Riverdale section of the Bronx.

Mr. Barnes has been arrested several times, but has never been convicted of a major crime. He is scheduled to go on trial next January for murder in the Bronx, charged with having been involved in the fatal knifing of a drug dealer in March, 1974.

Last April, he was acquitted of charges in the Bronx that he offered a bribe of $131,000 to two police officers who stopped his Mercedes-Benz sedan and found a gun in it.

JAMES LOFTON

The 29-year-old Mr. Lofton lives in New Rochelle, but the police describe him as a "major supplier of heroin" in the Bronx and Harlem. He, too, has an organization that imports packages and distributes heroin, according to police intelligence files.

Mr. Lofton has described himself as being in the real-estate business. Police records indicate that he is the owner of a dry cleaning store on Manhattan Avenue. Police records show that he has been arrested at least three times and he has served a prison sentence of less than a year. He has never been arrested on a narcotics trafficking charge.

One of Mr. Lofton's hobbies is sailing. He has a 42-foot boat moored at the New Rochelle Yacht Club.

FRANK LUCAS

Mr. Lucas, 42, is on trial in Manhattan Federal Court on the rarely brought charge of supervising "a criminal enterprise." He had previously been arrested six times, but was never convicted of a major narcotics charge.

Mr. Lucas, who grew up in North Carolina heads a ring known as "The Country Boys," supposedly because most of them come from the South. His activities are confined mainly to Harlem, the police said.

The Police suspect that Mr. Lucas has been one of the most successful black entrepreneurs in establishing direct connections with Asian heroin exporters.

Police officials discussing Mr. Lucas's affluence said that when his home at 933 Sheffield Road, Teaneck, was raided in 1972 by Federal agents, his wife tossed a suitcase from a bedroom window to the ground. The suitcase contained $584,000—mostly in small bills.

STEVEN MONSANTO

Mr. Monsanto, 23, is one of the youngest dealers in the heroin hierarchy, according to investigators.

Intelligence files show that he worked for Mr. Barnes before organizing his own operation. Mr. Monsanto has an apartment on West 129th Street and his dealings are exclusively in Harlem.

Although arrested at least four times on narcotics charges, he has never been convicted of a felony.

In August 1974, Mr. Monsanto was kidnapped. He was released the next day after his relatives raised a ransom. According to police, the price for his freedom was $130,000.

ROBERT STEPENEY

Mr. Stepeney, reputedly is one of the city's major distributors of heroin and cocaine, and a powerful figure in black organized crime.

In addition to being an importer, narcotics intelligence reports assert that the 50-year-old Mr. Stepeney has been the "money man," or financier, for smaller dealers bringing drugs into New York.

Mr. Stepeney, who grew up in the Bronx, lives at 75 Chadwick Place in Teaneck. He has never been convicted of a drug felony, but has served a Federal prison term relating to a tax charge.

GUSTAVO RESTREPO

Police intelligence sources describe Mr. Restrepo along with Mr. Matos as the two biggest Hispanic cocaine dealers in the city.

Mr. Restrepo, a Colombian, allegedly has strong ties there with major cocaine smuggling figures. His organization is a principal supplier for cocaine in the Washington Heights section of Manhattan and in Jackson Heights and Astoria, Queens.

Mr. Restrepo has been arrested once on a narcotics charge, but he was not convicted.

RAMON MATOS

Mr. Matos is characterized as a "multi-kilo operator" in cocaine, with direct links to smugglers in Colombia. The 32-year-old Mr. Matos was born in the Dominican Republic.

According to police dossiers, he is not involved in the "cutting or packaging" of cocaine once it reaches New York. Instead, Mr. Mato allegedly is a high-level importer who sells to medium-level dealers, mainly on the West Side and in Harlem.

Arrested three times on drug violation charges, Mr. Matos has never been convicted.

LILIA PARADA

The only woman in the list of major drug dealers is 30-year-old Miss Parada. Her birthplace is uncertain, but she is believed to have lived in Cuba before coming to the United States.

Intelligence officers said she used two apartments on the West Side, on 107th Street and 109th Street.

Miss Parada is involved only in cocaine and is described as a "major importer and supplier." She has never been convicted of a narcotics felony.

HUGO CURBELLO

Little is known about Mr. Curbello's background except that he was born in Cuba.

Police records characterize him as a chief supplier of cocaine in many Hispanic neighborhoods. He is believed to have begun large-scale operations in this area about two years ago, but his history before that is vague.

The latest intelligence reports said that Mr. Curbello maintained two apartments, on West 173d Street in Washington Heights and on Seward Avenue in the Unionport section of the Bronx.

The police also were uncertain of whether Mr. Curbello had an arrest record in this area.

Although Federal and city law enforcement officials have identified many of the major violators, they are still far from crippling their operations, infiltration of the top levels of narcotics organizations always has been difficult and time-consuming.

"We are trying to emphasize conspiracy cases to get more mileage out of each investigation," the commander of the police narcotics division, Deputy Chief Joseph A. Preiss, said. "What we are hoping for is a small buy leading to someone bigger and eventually to the top of the ladder. But those cases are hard to make."

A JOINT POLICE EFFORT

Conspiracy investigations often are undertaken here in conjunction with the New York Drug Enforcement Task Force, a joint Federal, state and city group. Arrests by this federally supervised task force are prosecuted in Federal court where, because of evidentiary rules, it is considered earlier to obtain convictions on narcotics conspiracy charges than in state criminal courts.

Although there has been a recent increase in narcotics trafficking in New York police officials acknowledged that undercover operations aimed at high-middle and small-level violaters have decreased because of cuts in the Police Department brought on by the city's fiscal crisis.

Many police officials believe New York is in the midst of its severest drug trafficking problems in five years. Heroin and cocaine supplies, according to top law-enforcement officers, are plentiful once more. Heroin sales are being conducted openly on streets. And overdose deaths because of narcotics abuse are increasing.

The decline in police surveillance apparently has been noticed by drug dealers. In Harlem, Gregory Hutchins, administrator of CARVE, a drug-free narcotics rehabilitation program, said heroin sales along Eighth and Lenox Avenues had become "particularly heavy."

Mr. Hutchins said that four or five years ago most street "pushers" were addicts trying to support their habits. Today, he continued, the sellers were often nonaddict teenagers, some as young as 15.

"Business is so good that you can make $1,000 a day," he explained. "Many of these kids think that selling drugs is the only way or getting a passport out of the ghetto."

Middle-level narcotics dealers also may be using teen-agers for street sales as a way of avoiding the possible consequences of the so-called Rockefeller Law.

LAW'S IMPACT UNCERTAIN

Since September 1973, drug convictions in state courts can result in a life sentence or mandatory parole supervision for life. Anyone under the age of 16, who is arrested on a narcotics charge, however, will have the accusations heard in Family Court. The harshest sentence that can be imposed by that court is three years confinement in a juvenile institution.

Many law-enforcement officials are still uncertain about the deterrent effects of the two-year-old narcotics law.

Sterling Johnson, the city's special narcotics prosecutor, said the law had mainly discouraged "the amateurs, the student or businessman who was looking to pick up some fast money."

Mr. Johnson also believes that the harsh penalties of the Rockefeller Law has influenced some indicted dealers to cooperate with his office in building cases against larger traffickers. In exchange for their cooperation, these dealers could get lower sentences.

But, Chief Preiss of the police narcotics division said that long delays between arrest and trial had reduced the "deterrent impact" of the law.

"Guys are arrested and then stay out on the streets six to nine months," he noted. "Everybody sees them selling and it makes it seem like the law hasn't really worked."

Partly because of a $1.4 million budget slash this year and the loss of 50 staff members, Mr. Johnson said his office had a trial backlog of 1,500 cases.

"I know the pushers are right back out there after they're arrested," Mr. Johnson said. "I have no one to try them and we are in danger of losing cases."

Mr. Johnson attributes the worsening narcotics problems in the city primarily to decreasing support from the Federal Government and City Hall.

"We are worse off now than we were in the early 1970's because then they were at least providing the money for police and prosecutors," he asserted. "Now, they're taking the manpower and the money away.

His voice rising angrily, Mr. Johnson added: "When the Democratic National Convention comes here next summer, I'd advise them to hold it in Harlem to see what's going on, or have the addicts and pushers bused downtown so that the delegates can see the action.

"Nobody cares now because they think narcotics is once more a ghetto problem. But believe me it's also in the suburbs, it's just not as visible."

MAJOR EFFORT UNDERWAY TO REFORM AND RESTRUCTURE NATIONAL FINANCIAL AND ECONOMIC COMMUNITY

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mrs. BOGGS. Mr. Speaker, many of my colleagues are cognizant of a major effort underway in the House and the Senate to reform and restructure the Nation's financial and economic community.

The Senate swiftly passed its version in the form of the Financial Institutions Act of 1975. In the House, however, the Subcommittee on Financial Institutions Supervision, Regulation and Insurance, of the Committee on Banking, Currency and Housing, on both of which I serve, is yet in the process of thorough review and discussion of proposals and their potential impact—impact not only upon the conventional financial institutions, but also upon other segments of our society and in particular, housing.

Recently, my colleague from Rhode Island and very able chairman of that subcommittee, Mr. ST GERMAIN, addressed the 32d annual convention of the National Association of Home Builders in Dallas. I was especially impressed by the event and my chairman's remarks, because I represent an area in which the Louisiana Association of Home Builders has dedicatedly tried to infuse new life in a seriously plagued housing industry, and because I am confident that the work of our subcommittee is directed toward legislation that will efficiently and effectively meet the needs of a Nation and not a single sector. I insert the body of Mr. ST GERMAIN's address in the RECORD:

FINANCIAL REFORM—WHY, WHAT, AND FOR WHOM?

It is indeed an honor to be asked to share with my good friend, Senator Bill Brock, the kickoff responsibilities for this, the 32nd Annual Convention of the National Association of Home Builders. I must comment, however, on the fact that both Bill and I may be somewhat upstaged in this kickoff by the kickoff in Miami. We both have had tough competition before but, speaking for myself, never this tough. I take comfort, however, in the fact that the outcome in Miami will be decided today. The issues that Bill and I will be discussing with you will not be so quickly decided—unfortunately, they will be with us for many years to come.

Each of you have been furnished with a brief description of this panel and its theme "Housing Finance—Its Future" prepared by NAHB staff. On November the 20th, NAHB leaders met with President Ford and his advisors in the White House. The caption under the picture appearing on page three of the December 8th issue of NAHB Journal-Scope stated: "President Ford and his advisors are attentive as NAHB leaders outline proposals to boost housing production."

Ladies and Gentlemen, the time has come for the plainest possible talk, certainly by me, as I return to Washington tomorrow to continue chairing the final two weeks of the

FINE Study "Discussion Principles" hearings, also encompassing FIA '75 (S. 1267) passed by the Senate in December.

On December 31st—New Years Eve—President Ford signed into law S. 1281, containing an extension of Regulation Q until March 1, 1977, which for the first time established a minimum statutory differential of ¼ of 1 percent. The thrift industry and, consequently, your industry have survived in recent years due in large part to Regulation Q interest rate ceilings and the differential. I am proud to stand before you as the sponsor and House Floor Manager of this legislation. One advantage of signing legislation on New Years Eve, I suppose, is that few read or were even aware of the accompanying statement by the President. Let me read slowly and carefully excerpts from the last paragraph of that statement with special emphasis on the last sentence:

"Rather than support capital allocation, my Administration is committed to improve and strengthen the free market mechanisms used for raising and investing capital—particularly for housing. To this end I have urged Congress to enact the Administration's Financial Institution Act of 1975 (S. 1267), a bill which will permit banks and other thrift organizations to offer competitive yields on savings deposits and a wider range of services to customers and homebuyers.

This legislation will offer new incentive to all mortgage lenders and should help alleviate shortages of mortgage money in every housing market of our Nation."

Ladies and Gentlemen, the title of my address is—"Financial Reform—Why, What and For Whom?" After three weeks of day long hearings, let me assure you that FIA '75 (S. 1267), based upon the evidence presented thus far, as the balance of my remarks will make clear, simply provides no guarantee or even a possibility that its passage will in the words of the President ". . . help alleviate shortages of mortgage money in every housing market of our Nation." To the contrary, there is growing evidence that it could worsen the present situation, subject to the final form of so-called tax incentives. Apparently, the advisors sent by the President to testify before our Committee were a different set of advisors than those that met with your leaders on November 20th and assisted in the preparation of President Ford's statement of December 31.

Let us not, therefore, perpetuate this sham and delusion that FIA '75 will in fact help alleviate mortgage finance shortages or that it in fact represents major financial reform. You may wish to question President Ford's Housing Advisors on his statement and my statement in direct opposition as they appear before this Convention in the days ahead.

You have asked us to "discuss the prospects for adequate mortgage and other financial resources for housing during the second half of the 70's", which I think is almost impossible to do unless one considers the first half of the 70's. To be able to understand the next five years, I think we most assuredly must attempt to understand the last five years, which for the homebuilding industry has been both the best of times and the worst of times. In the early 70's we saw new housing starts reach an unprecedented high in excess of 2.2 million units per year. And in the latter half of the first five years, we have seen new starts fall to an all-time low of 1.3 million units per year, impacting most heavily on multi-family housing causing enormous upheavals in the construction industry itself and throughout your supportive and supplier industries. Hence, I share your anxieties. Unless we do provide ways and means to bring the housing industry out of its present doldrums, the inevitable prospect is that fewer and fewer Americans in the days ahead can look forward to "A decent home and a suitable living environment for every American family."

The beginning of the 70's, with housing starts at an all-time high, with the appointment by the President of the Hunt Commission, also marks the beginninig of a decade of financial reform. The Commission began its deliberations with the broadest possible mandate, as follows:

"Review and study the structure, operation, and regulations of the private financial institutions in the United States, for the purpose of formulating recommendations that would improve the functioning of the private financial system."

As the Administration viewed it, the *why* of financial reform was to "improve the functioning of the private financial system"—and *not* to insure that this nation's housing needs should continue to receive priority attention as a matter of national policy. As a matter of fact, the Commission stated most candidly, in my judgment, the following:

". . . institutions that choose to specialize in the climates of greater operational freedom must recognize that, after a limited transitional period, the protective regulations accompanying the enforced specialization of the past will cease to exist."

Make no mistake about it—what we are really talking about is Reg Q and the differential. The Commission went on further to state that, "Financing through control of the portfolio of the financial institutions is a costly and inefficient means of allocating resources" and, as a consequence reached the following conclusion: "The Commission favors the use of direct subsidies or tax credits because they are less inflationary, do not warp financial institutions and bring market forces into play pursuant to the nation's goals."

And so, as FIA '73, superseded by FIA '75, emerged from the Hunt Commission recommendations, it is not surprising to see the effort by the Administration, through three separate studies, to create an impression that the passage of FIA would not harm housing, but would, in the long run, be expected to have a favorable impact on housing. The three studies I refer to are the Fair-Jaffee Study, the Bosworth-Dusenberry Study, and the most recent Hendershott Study.

I can now say after three weeks of extensive hearings on the FINE Study that not one single witness—which included distinguished representatives of the academic community, the Administration, the regulatory agencies and each of the trade associations—was able to state categorically that the adoption of FIA would not harm housing or would, in fact, be helpful to housing.

In support of this assertion, selected quotes from our recent FINE Study hearings are most revealing: Dr. Swan, University of Minnesota—

". . . I would conclude that the simulations do not offer convincing evidence of a benign impact and that one should instead conclude that the impact of financial reorganization on the housing stock and on mortgage rates is still unknown.

"With regard to housing cycles, neither of the two simulations I reviewed looks at the question of cycles in home-building and what impact financial reorganization would have on them."

Mr. Donald Kaplan, Chief Economist, Federal Home Loan Bank Board—

"Mr. Chairman, as you know, there have been a number of simulation studies that were done, focusing primarily on the Financial Institutions Act. Frankly, sir, I cannot defend those efforts. The state of the art in that kind of analysis is just not far enough along for us to draw strong conclusions. We are trying to look forward into areas where our technical analyses cannot be definitive."

Their testimony can basically be boiled down to a simple statement and that is, that we simply do not know.

The FINE Study really had its origin back in 1969–70 when a number of us, concerned that the Hunt Commission would be unduly limited in terms of participation and involvement by the public in its deliberations, introduced legislation providing for a Congressional Commission to insure the type participation that we believed the subject merited. We were unsuccessful in those efforts at that time and certainly our fears proved to be well-founded, as the Hunt Commission early, in my judgment, suffered by the lack of substantial participation by consumer and citizen groups, as well as from the Congress. Consequently, Chairman Reuss and I, in our announcement of the FINE Study on April 24, 1975, endeavored, by the use of the Discussion Principles to maximize participation by all interested parties. Also by this process we hoped to more clearly define what financial reform really meant, for whose benefit it was proposed, and just how our housing needs would be met.

The three weeks of hearings in December, with both morning and afternoon sessions, have certainly received widespread comment and criticism from a variety of sources, including your association, and the process has begun to focus on inadequacies of FIA, insofar as the impact on mortgage finance is concerned. Hearings will resume this coming Tuesday, continuing through January 29.

Both Chairman Reuss and I remain determined that public policy considerations must receive paramount attention in our financial institution reform legislation deliberations. The narrowly drawn legislation (FIA) emanating from the Hunt Commission clearly must be broadened to insure that the public benefits to be realized clearly justify the risks involved, particularly where mortgage credit availability is concerned. By continuing to ask ourselves—reform for whom?—we must be in a position to articulate those public benefits that justify, seemingly to many, an apparent downgrading of our national housing goals.

Let us now examine the central issue involved in all financial institution reform deliberations to date—the future of Regulation Q. Our Subcommittee, during hearings on variable rate mortgages, on H.R. 8024, and throughout the FINE Study hearings has probed deeply into Regulation Q and examined carefully the assertion made by the proponents of FIA that the elimination of regulation will at long last insure that the small passbook saver will receive a fairer return on his investment by the payment of higher interest rates.

Thoughout the course of our hearings, I have endeavored to find out when the consumer could reasonably expect to, in fact, receive higher interest rates on his passbook accounts, assuming the elimination of Regulation Q as currently proposed. The responses were disappointing to say the least. During my interrogation of Chairman Wille of the FDIC, I posed the following question after a brief discussion of the method employed today by the Coordinating Committee in setting Regulation Q rates: "Where does the consumer-saver fare the best—by the rate being set, as it is now under the auspices of the Coordinating Committee, removed from the industry, or by the rate being set within the industry itself?" Chairman Wille's response is particularly revealing and casts serious doubts on the assertion frequently made that the broadened investment authority and lending powers provided by FIA will benefit the consumer-saver in the form of higher deposit interest rates.

Virtually all other witnesses furnished estimates ranging from 7 to 10 years after enactment of FIA—depending upon economic conditions in existence at the time—before the consumer-saver could reasonably anticipate an increase in his present passbook savings account rate. Thus, it is important to understand clearly what FIA does not guarantee.

Due to the nature of our dual banking system, it is clear, however, that all institutions must indeed be given the authority to offer a wide range of services to consumers. The reason that action must be taken at the Federal level is that an increasing number of states are granting to state-chartered institutions broadened lending powers and investment authority which will place federally chartered institutions in a competitively disadvantageous position, forcing such institutions to shift from federal charters to state chartered, ultimately destroying the dual banking system which has served the nation well to date.

Throughout the course of all hearings in the 94th Congress to date, relating to financial reform and, most assuredly during the FINE Study hearings, I have tried to require definitive evidence of so-called consumer benefits provided by financial reform proposals. To do any less than this would be to practice a form of legislative dishonesty which simply cannot be tolerated. Therefore, when I view the action taken by the Senate, of approving a repeal of Regulation Q at the end of a five-year plus a six-month study period, it appears to me, based upon the testimony presented to our committee, that the prospects for the ultimate repeal of Regulation Q are, in fact, doubtful as they perhaps should be, and it is for this basic reason that we were successful in maintaining the House position on a further extension of Regulation Q for a 14-month period plus the existing statutory differential of ¼ of 1 percent during the extension period.

Our national system of residential mortgage oriented thrift institutions has existed in virtually its present form for nearly a half century. These thrift institutions have served as the backbone of one of the world's greatest housing production systems ever known and, to a large degree, has been responsible for the immense prosperity and living standard enjoyed by millions of Americans. Certainly, in my nearly 16 years in Congress, it has been my privilege as a member of the Housing Subcommittee to support every major housing program to come before the Committee during that period. They have played a part in maintaining our nation's position of preeminence. Most recently, as Chairman of the Subcommittee on Financial Institutions in the 93d Congress, by our adoption of the Consumer Mortgage Assistance Act, I endeavored to bring together housing programs and mortgage finance delivery systems into one vehicle, thus restating the commitment to housing by the thrift institutions.

I, therefore, make no apology for my preoccupation with housing. As to Regulation Q, I will continue to question those who seek its abolishment, requiring the clearest evidence that the public will indeed benefit in the form of higher rates and that the effect of broadened lending and investment powers for our thrifts will not—and let me emphasize, will not act unfavorably on the supply of mortgage finance credit. At the conclusion of three weeks of hearings on the FINE Study, in all candor, I remain convinced that regardless of a number of tinker-toy embellishments that this nation must continue to look to our thrift industry to serve as the principal supplier of this nation's home mortgage needs.

It remains my goal as we conclude the FINE Study hearing phase and proceed to drafting stage, to continue to examine carefully the original reason for the existence of our thrift industry. If the umbilical cord between the thrift industry and your industry for otherwise valid public policy objectives is to be weakened, then responsible alternative means of insuring an ample supply of mortgage credit for the average working American must be adopted. Reliance upon rhetoric or wishful thinking simply will not justify the risks involved.

Together our search for legislative solutions will continue and I still believe that essential structural reform measures for our thrift industry can be achieved in a manner that will benefit your industry as well. I am proud of the fact that this nation is the best housed nation in the world, and I salute you for the major part your industry has performed in making this a fact. We can—and must—do better. The homebuilding industry must not only survive, it must expand, it must grow for the benefit of all of our citizens and for the continued growth of our nation.

INSIGHT INTO THE GOVERNMENT DEFICIT

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. WHITEHURST. Mr. Speaker, for several years, WTAR radio news in Norfolk, Va., has been running a daily 2-minute news analysis called "Insight." These pieces are written and presented on the air by Mr. Richard J. McCoy of the WTAR news staff.

I have had the pleasure of knowing Dick for a number of years, since the time when we were colleagues at WTAR; I was doing a news analysis program on their television station on a part-time basis. I can honestly say that I have never encountered anyone with a greater understanding of matters affecting the people of Tidewater, or a keener mind. Dick has done an outstanding job of presenting the issues and at this point in the RECORD, I would like to share one of his reports with my colleagues; I think it is particularly relevant at this time, since it deals with government spending. It deserves a careful reading:

INSIGHT

(By Dick McCoy)

Sometimes discussions of public issues get on the wrong track because the words we use to describe ideas are more similar than the ideas themselves.

A case in point would seem to be this matter of government spending. Most of the proposed solutions deal with reducing government expenditures. What's really needed is a reduction in government costs.

Unfortunately, those two ideas sound more alike than they really are. To reduce expenditures you simply spend less . . . to reduce costs, you must get more for your money. The difference is nothing less than the difference between quantity and quality.

A purely quantitative approach to budgetary problems is foredoomed to failure because the amount of a budget is the least significant thing about it.

I just spent a thousand dollars on clothes. Is that too much? As stated, that question is unanswerable. No expenditure can be evaluated solely on the basis of its size. To decide if a thousand dollars is too much or too little to spend on clothes, it is necessary to know what that thousand dollars bought.

If it provided a complete wardrobe for a family of ten, it was money remarkably well-spent. If it provided but a single Paris original, that would be something else again.

Just what else would depend on the buyer's personal situation. Certainly, no one who spends a thousand dollars for a single garment can be said to be getting the most for their money . . . but it might be they are getting what they want for their money.

The problem with current levels of government expenditures is not that they are too high. How high is high enough? The problem is that the people who pay the bills are not getting the most for their money . . . nor are they getting what they want in terms of vital services which government exists to provide.

The government deficit lies not in the balance between income and expenditure. The true deficit lies in the gap between services needed and service provided. And the problem is not how much we spend, but how little we get.

TEMPE, ARIZ., WINS NATIONAL RECOGNITION

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. RHODES. Mr. Speaker, the city of Tempe, in the First Congressional District of Arizona, has received national honors for the excellence of its recreational program. Among cities with populations from 50,000 to 100,000 Tempe won the National Gold Medal award in a competition sponsored by the Sports Foundation. This is fitting recognition of the community's outstanding record in providing a variety of recreational facilities aimed at reaching many age levels. The development of parks, bike trails, and special facilities for the handicapped has been a full community effort.

My congratulations to Mayor Bill LoPiano, the Tempe City Council, and to the Tempe Director Ronald E. Pies on this justly-deserved award. The following story from the Newsletter for Arizona Cities and Towns recognizes the achievement of winning a gold medal in this nationwide competition. Text of the article is as follows:

TEMPE WINS NATIONAL GOLD MEDAL AWARD

The Tempe Parks and Recreation Department was named one of five national Grand Awards Winners in the annual Gold Medal Awards program held recently in Dallas, Texas.

The program, which is sponsored by The Sports Foundation, Inc., and sanctioned by the National Recreation and Park Association, recognizes excellence in the field of park and recreation management.

The Grand Award Winner plaque was presented to Ronald E. Pies, Tempe Parks and Recreation Director, during the 1975 Congress for Recreation and Parks at the Dallas Convention Center. Tempe also received a Gold Medal Awards flag and a gift of $1,000 for the implementation of a worthy department project.

Among the outstanding features of Tempe's program cited by the judging panel is repeated passage of bond issues, indicating strong public support of the department's excellent year-round programming. Also noted is the development of Kiwanis Regional Park which serves as multi-purpose recreation site as well as providing a buffer between a residential and commercial area. Judges also cited the Tempe Department for its extensive Bikeway plan, its emphasis on neighborhood-oriented recreation activities and its excellent program for the mentally and physically handicapped.

Tempe was judged in Class III among other U.S. cities with a population of 50,000 to 100,000. Finalists in Class III are Arlington Heights, Illinois and Kettering, Ohio.

The criteria used for selecting the Grand Award Winner in each class include creative leadership, diversified programming, sound financing, farsighted land acquisition, cooperation with Federal, state and local agencies, and overall responsiveness to the community's recreational needs and desires.

Members of the Judging panel for the 1975 Gold Medal Awards program are nationally-recognized authorities in the fields of park and recreation planning, programming and management.

The Sports Foundation, Inc., is a nonprofit membership organization founded to stimulate interest and participation in sports and sports-related activities. The foundation established the Gold Medal Awards for park and recreation management in 1966. The awards focus national attention on communities which meet local recreational needs with highly successful park and recreation programs and sports activities.

CRITIQUE OF THE FISCAL YEAR 1977 BUDGET

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. VANIK. Mr. Speaker, the Budget of the U.S. Government for fiscal year 1977 has just been made public. This 950 page document, which sets a level of expenditures of $394.2 billion and a level of receipts of $351.3 billion, will shape much of Congress work and debate in the months ahead.

As chairman of the Ways and Means Oversight Subcommittee, I am particularly concerned about the appropriations requests for certain agencies which involve our committee. I have studied the budget for the Department of the Treasury and for those positions of HEW—Social Security and the Social and Rehabilitation Service—whose programs will involve the Ways and Means Committee in the months ahead.

In studying these agencies, I find that this budget:

Fails to meet the law enforcement concerns expressed in the President's Monday state of the Union address;

Fails to provide adequate funds for the IRS to administer the new Pension Reform Act—a failure which will continue to result in chaos in the Nation's private pension plans;

Fails to make adequate allowances for hundreds of millions of dollars owed the States by Social Security due to errors in the federally administered supplemental security income program;

Makes unrealistic assumptions about the ability of Social Security to make savings in the supplemental security income program;

Continues to claim savings of hundreds of millions in HEW's program to reduce welfare errors, when GAO has clearly proven that there may be no savings at all and that HEW's program is probably illegal.

In studying just the SSI and the AFDC programs—about $12.1 billion in Federal expenditures out of a total budget outlay of $394.2 billion—I believe that the administration is underestimating expenses—or overestimating savings—by at least $550 million. These are not additional expenses that the Congress will impose, but which the courts and U.S. auditors will impose, and which, because of mismanagement and misplanning, HEW will automatically incur.

If there is as much as 4.5 percent error in the budget estimates and assumptions for these $12.1 billion worth of programs, I wonder what the rest of the budget is like. If these types of erroneous assumptions occur throughout the budget, the budget could be understated by $17 billion.

Why have these erroneous assumptions been made? Because this budget is not a budget on which to run a government; it is a political document which seeks to make the President look like he is holding back on expenditures. When the projected savings, court decisions, and assumptions prove false, Congress will have to provide the extra billions—and the Congress will be made to look like "big spenders." In this way the President seeks the best of both worlds; he wants the credit for presenting a tight budget and wants to blame the Congress for supporting a higher budget. In reality, he should get the credit for presenting a phony budget.

I believe that the following specific citations and references will support my charges. I might add that these points have been developed after only a few hours of study; the weeks and months ahead will undoubtedly reveal other failings in this fiscal year 1977 budget.

THE PRESIDENT'S MESSAGE ON LAW ENFORCEMENT VERSUS THE REALITY OF THE BUDGET

Just 2 days ago, in his state of the Union message, the President devoted considerable time describing what the administration is doing to stop the unacceptable level of crime. He talked about more U.S. attorneys and U.S. marshals and said that—

> My budget recommends 500 additional Federal agents in the 11 largest metropolitan high crime areas to help local authorities stop criminals from selling and using handguns.

This recommendation is reflected on page 609 of the Budget Appendix through a $16.5 million increase in the budget of the Bureau of Alcohol, Tobacco, and Firearms. This is to be commended, since in the past, our Nation's gun laws have gone almost totally unenforced. But an examination of other portions of the Treasury budget dealing with law enforcement shows that the President's budget merely shuffles personnel from one unit to another.

There is also still a complete failure to enforce the Nation's gambling laws directed at the $67 billion in annual illegal gambling which constitute the lifeblood of organized crime. The selected workload data on page 610 shows that under wagering regulation, there were no compliance inspections in fiscal 1976 and none are planned for fiscal 1977. The level of wagering enforcement arrests is minuscule in view of the enormity of illegal gambling in this Nation. Indeed, the budget request for total alcohol, tobacco, and wagering regulation and enforcement declines by $1,286,000 between fiscal 1976 and 1977—even though in last year's appropriations hearings, the administration admitted that they had no appropriations set aside for wagering enforcement. The administration apparently intends to continue to leave the laws against organized crime gambling unenforced.

The most successful force in the Government's drive against organized crime has been the Intelligence Division of the Internal Revenue Service. This is a highly trained group of accountants and investigators who deal with tax fraud and those seeking to hide illegal income. Yet, while the President is increasing Treasury firearms regulation personnel by 500, he is cutting the IRS Intelligence Division personnel by 373, hardly an action which justifies the long rhetoric on law enforcement.

I am advised that the IRS proposed an Intelligence Division force of 4,212, or an increase of 164 over the number budgeted for fiscal year 1976. But I am told also the Office of Management and Budget cut this force to 3,655, and that the budget submitted today calls for only 20 more than that, or 3,675. These 20, I understand, will be taken out of the audit division.

This means that if the President's budget for IRS' 3,675 Intelligence Division personnel is adopted, there will be 373 fewer people to track down tax evaders, whether of the organized crime or white collar crime variety. That is a force decrease of 9.2 percent.

If the President had proposed a 9.2-percent overall cut in Federal personnel, that would be one thing. But it is clear from the information I have the cutback for the Intelligence Division is far out of line with the cutback he has proposed elsewhere.

For the entire IRS compliance office—of which the Intelligence Division is a part—the fiscal 1976 budget figure for personnel was 39,170. The figure contemplated for fiscal 1977 in the President's budget is 38,409.

This is a cutback of 821 jobs, or an overall compliance force reduction rate of little more than 2 percent, compared with a 9.2-percent cutback for Intelligence alone. Put another way, it means that out of the 821 people the President proposes to eliminate throughout the compliance office, 373—or almost half—would come from the Intelligence Division.

Mr. Speaker, everybody knows that this Government needs money and needs it badly to meet rising deficits and help stop inflation. If the President believes that 500 more Federal agents are needed to halt the street traffic in handguns—and I believe we do—then surely he can afford last year's level of Federal agents to track down the people who refuse to pay their fair share of taxes and to collect the money from them, particularly since since every dollar spent on Intelligence Division personnel returns an extra $8 in added taxes.

OTHER IRS ISSUES

Other IRS divisions are inadequately funded by the new budget. The funds for taxpayer services declines by nearly $1 million. Given the growing public reliance on IRS taxpayer assistance and the need to improve the accuracy of IRS services, the Congress must give immediate attention to tax simplification, the possibility of staggered tax filing dates, and other ways to stretch the budget of the taxpayer services office.

The budget request for interest on certain collections which must be refunded is scheduled to increase from $334 million to $396 million. Since these are refunds which usually result from the decision of a corporate taxpayer to file an amended return or to settle a dispute with the IRS, I believe the Congress should consider whether a 7-percent rate of refund interest is necessary. Millions could be saved by tightening up the laws in this area.

In September 1974, the Congress passed the Employee Retirement Income Security Act—the Pension Reform Act. In 1976, the various provisions of that law will generally come into full effect. Yet the President's budget fails to provide the IRS with the money to administer this program. For example, the fiscal 1976 budget provides $27.7 million for the IRS to process 162,000 pension plan amendments. This is $14 million less than the amount IRS requested from the Office of Management and Budget. In fiscal 1977, the pension office's workload will increase 25 percent, but the budget request is only $30.5 million. It has been calculated that during calendar 1976, IRS employees will be able to spend about 9 minutes per pension plan application and amendment. There will be almost no audits; there will be no investigations of questionable transactions. The promise of the Pension Reform Act will go unfulfilled.

SUPPLEMENTAL SECURITY INCOME

Yesterday, Social Security Commissioner Cardwell reported to the Ways and Means Committee that the level of errors by social security in the SSI program has not declined between January 1974, and June 1975, that the error rate for federally-processed claims was over 24 percent and that these errors have resulted in overpayments of $547 million in the 2 years of the SSI program. The Oversight Subcommittee has been investigating the SSI program for the past 5 months, and I see nothing to indicate that these errors will be quickly or easily eliminated. Indeed, from testimony before the subcommittee, it appears that as the overpayment errors are reduced, errors in underpayment and improper denials will also be reduced—as they should be. Once those being underpaid are paid the correct amount, the actual cost of the program may actually increase. In addition, I must point out that in many States, the Social Security Administration administers a State supplement or additional payment to beneficiaries. Because of the level of Federal errors, the States are refusing to reimburse the Federal Government for some $200 million in past payments. There is every indication that the level of State withholding will increase. Needless to say, this is a very complex accounting issue and one which the States are taking to the courts.

Given this background, what does the budget say about SSI? First, it is not clear how many SSI recipients the budget expects to serve. On page 367 of the appendix, it states that there will be 4.64 million aged, blind, and disabled on SSI by the end of fiscal 1977. On page 369, the estimate is 5.12 million. I might say that this type of confusion over the number of potential SSI beneficiaries has marred the SSI program from the very start. Even after 2 years, social security is serving only two-thirds of the people it estimated would enroll in SSI. Page 367 states that the budget provides for $57 million—

> To pay States for Federal fiscal liability (FFL) settlements which result from erroneous payments of federally administered State supplementation.

A briefing paper presented to congressional staff yesterday, however, says that $177 million is set aside for these claims. I believe that the bill will be closer to $200 million—and even that is probably a conservative figure.

The briefing paper also stated that the budget figures presume a reduction in error rates from 25 percent in 1975 to 15 percent by the end of fiscal 1977. Yesterday's letter from Commissioner Cardwell shows that there has been no error reduction in the first 18 months. I really do not know why they realistically anticipate a 10-percent reduction over the next 18 months. The budget paper also projects savings of $345 million "due to redeterminations of eligibility and payment accuracy." As I said, earlier, there are three kinds of errors—overpayments, ineligible claims, and underpayments. Overpayments and underpayments corrections cancel each other out. In short, I believe that these claims for savings are at least $200 million out of line.

In addition to all of this, last summer there was a court decision—which the Government is appealing—which would impose an extra $300 million per year on social security in SSI administrative and program costs and require 4,190 staff-years to implement. From studying the budget requests for the administration of SSI, I do not believe that the implications of this decision have been considered. If the Government loses, a major new supplemental will be required.

AID TO FAMILIES WITH DEPENDENT CHILDREN

In describing the $6.215 billion aid to families with dependent children program, the budget states—

> Efforts to improve the administration of the AFDC program are continuing. Error rates in the caseload have been reduced and additional improvements are anticipated. All states have underway corrective action plans designed to reduce the ineligibility and payment error rates. The 1977 estimate includes a reduction for disallowance of Federal financial participation for both payments to ineligibles and payment errors in excess of the established tolerance levels. . . .

According to the briefing paper for staff released yesterday, HEW is estimating savings of $240 milliion from this error reduction program.

Obviously, everyone is in favor of reducing welfare errors. Three months ago, the Oversight Subcommittee held hearings on the effectiveness of HEW's program to reduce errors. Among many witnesses who questioned the value of the program, the GAO testified that—

> While error rates have, to some extent, declined since the adoption of the program, the corrective action efforts have been only marginally effective in reducing error rates to HEW's tolerances.

In addition, the GAO reported that HEW's claims for $133 million in savings in 1974 were inflated by at least 100 percent and that, in reality, there may have been no program savings whatsoever. The GAO has also provided the subcommittee with an opinion that seriously questions HEW's legal authority to withhold funds from the States. The States are suing the Department on this issue and their case has great merit. In short, I believe that the entire claim for $240 million in savings is so doubtful that it cannot be included in the Congress consideration of the budget.

In a subsequent statement, I expect to discuss further issues developed in the President's budget proposal.

IOWAN INDIAN TRIBE ARE MESQUAKIE

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. GRASSLEY. Mr. Speaker, on December 16 of 1975, I had the honor of representing before Congress the case of an Indian tribe in Iowa which sought a more judicial distribution of an Indian Claims Commission award. During my presentation of the tribe's case, those with whom I debated, and I repeatedly referred to them as the Sac and Fox in Iowa. This name has been attributed to the tribe by the Federal Government but, in fact, is applicable only to those Indians from Oklahoma who are to receive a portion of the same award. The Iowans are, in fact, Mesquakie or "Red Earth—Clay—People." The permanent RECORD should note this correction.

In addition, during the debate of December 16, it came out that Chief Black Hawk was affiliated with the tribe back in the mid 1800's, and that the Mesquakie took part in the Black Hawk war of that period. Neither of these statements is correct.

To clear up the record on this matter further, I insert the following material taken from a fine book by Wendell H. Oswald entitled "This Land Was Theirs, a Study of the North American Indian." The work was published originally by John Wiley and Sons, Inc., New York, in 1966. Mr. Oswald has apparently made an error in referring to the Mesquakie as "the Fox." But this is minor when compared to the historical truths presented in his writing:

THIS LAND WAS THEIRS, A STUDY OF THE NORTH AMERICAN INDIAN

With the influx of settlers into the Northwest Territory there was increasing pressure on all Indian groups of the Midwest to sign treaties with the American government and to move westward. In the year 1804 a small party of Fox and Sauk went to St. Louis, and here they became intoxicated and signed a treaty with the United States for the release of their lands along the Mississippi River. Some $2000 worth of goods were distributed to the Indians plus an annuity of $1000 with $600 assigned to the Sauk and $400 to the Fox. The treaty authorized further settlement of Illinois lands by settlers from the United States. Not only were the Indians at St. Louis unauthorized to contract the treaty, but the tribes as a whole did not know of it until after the chiefs had arrived back from St. Louis. The Treaty of 1804 always was to be a great cause for Fox anger against the Americans. They felt that the Americans had deceived them and that these lands had been taken from them illegally. This treaty was to be the one document to which the Americans referred constantly in asserting their claims to Fox and Sauk lands. The treaty was made, the damage was done, but the bitterness was to linger always in the minds of the Indians involved. The area ceded to the United States included western Illinois, north and west of the Illinois River, a small section of southern Wisconsin, and another small section of eastern Missouri. One provision of the treaty stipulated that the Indians could continue to occupy the land so "long as the lands which are now ceded to the United States remain their property."[1]

Soon after the Fox removal to Kansas, Poweshiek died under mysterious circumstances. After his death many Fox became discontented, and during the winter of 1851–1852 nearly a hundred, most of them Mesquakie, returned to Iowa. The Indians purchased eighty acres of land in Tama County and settled again in Iowa. Legal recognition of the Fox in Iowa was given by the state government in 1856, and the land was held in trust by the governor of the state. Then in 1858 other Fox from Kansas defied the Federal Government and moved to Iowa. By doing so, they forfeited their annuity payments until the U.S. Congress granted them once again in 1867. Amazing as it may seem, the Indians were welcomed by the white settlers. Altruism was not their motive, but the ease with which the Indians could be separated from their annuity payments was what brought the friendly reception by the whites. In 1862 an additional group of Fox moved back to Iowa after there was a disagreement about annuity payments on the Kansas reservation. Finally, when the Fox and the Sauk were forced to give up their Kansas reservation and move to Oklahoma in 1869, still more Fox returned to Iowa. By about 1870 there were some three hundred Fox Indians in Iowa, and they began to settle down to a new way of life in an old environment.[2]

In 1804 they unknowingly ceded their lands in Illinois and a small sector of Missouri and Wisconsin to the United States. Then they were given lands in Iowa. In 1832 they ceded their lands along the Mississippi River, and then in 1837 another small parcel of Iowa land was taken away from them. Finally, in 1842, they were obliged to give up their remaining Iowa lands and move to a reservation in eastern Kansas. Except for those who moved to land they purchased in Iowa, they remained on the reservation in eastern Kansas until they were resettled on another reservation in northern Oklahoma. The reservation in Oklahoma was procured for the Indians in 1867, and they moved there in 1869. In Oklahoma the Fox and the Sauk have retained their identity as an integrated group; however, they always remained aware of their separateness. When the move to Kansas was made in 1842, many of the Fox were unwilling to remain in Kansas and returned to Iowa. At the time of the move from Kansas to Oklahoma, additional Fox returned to Iowa; thus the Iowa segment of the combined tribes has retained its separate identity much more clearly than those who remained in Oklahoma.[3]

JUDGE GEORGE R. OWEN, THE INDEFATIGABLE CITIZEN

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. SARASIN. Mr. Speaker, just reading his list of accomplishments tends to take one's breath away, and it is no wonder that Judge George R. Owen's friends and neighbors have chosen to honor him with a testimonial dinner sponsored by the Republican Town Committee on Sunday, January 25.

Judge Owen, who will be 90 years old on September 16, 1976, is one of Seymour's most familiar and well-respected citizens, molding his reputation on his firm belief that individuals must keep active as long as possible. He has certainly practiced what he has preached.

Equally well-known as gentleman George, Judge Owen has served as judge of the town court, former assistant prosecuting attorney, grand juror, and justice of the peace. Furthering his service to the community, he served as Americanization Officer in Seymour for more than 40 years, conducting weekly classes at the town hall. In addition to this, the judge held the post of school enumerator in all three districts until his retirement in 1968; he served as head usher at the Seymour High School graduation for 60 years; he is a 62-year member of the Morning Star Lodge Number 47, A.F. and A.M., and served as chaplain and marshal in the Masons.

Judge Owen's interests most certainly do not end here. He was one of the organizers of the St. David Welsh Choral Singing Society, a member of the Seymour Congregational Church where he was a trustee and has held the office of senior usher for many years. Too, he is still active in the Boy Scouts of America as a counselor, recently counseling two young men who are working toward their eagle badge.

Politics has been of prime interest to Judge Owen, and he has been a member of the Republican Party for the past 69 years. He is well known as the party's most active worker, particularly when it comes time to complete the list of absentee electors.

The effort Judge Owen has exerted on behalf of his fellow citizens has earned him many plaudits, including the Seymour Citizenship Award presented to him by the Seymour Board of Education in 1969, the Award of Merit from the Daughters of the American Revolution in 1956, the Sound Citizen Award from radio station WADS, and the Outstanding Citizen of the Year Award at the 41st annual banquet of the Chamber of Commerce in 1971.

It would be easy to say that the testimonial dinner in Judge Owen's honor is a fitting tribute at the culmination of public service that spans over a half-century, but given the judge's stamina and dedication to his community, all of us who know him are well aware of the fact that his list of achievements will continue to grow.

EPA BEVERAGE CONTAINER GUIDELINES REPUDIATED

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. MOLLOHAN. Mr. Speaker, on November 13, 1975, the Environmental Protection Agency published proposed guidelines that would regulate the sale of beverages in all Federal facilities and installations.

The effect of these proposed guidelines, if published in final form as they are now written, would be to ban the sale in Federal facilities of soft drinks and beer packaged in nonrefillable containers.

EPA is citing as its authority to issue these guidelines sections 209 and 211 of the Resources Recovery Act of 1970.

These guidelines, upon publication, are mandatory upon all Federal agencies—they must comply with them or show cause why they cannot or will not conform.

This effort by EPA represents the first step in an obvious attempt to develop a nationwide ban on the sale of beverages in nonrefillable containers, a development that would have tremendous adverse economic impact.

Practically every Member of the House has steel plants, glass companies, canning operations, beverage bottling firms and Government installations—that is, military posts, naval stations, et cetera—in his district that would be affected by these proposed guidelines.

For that reason, I would like to share with my colleagues the contents of a very detailed statement I have filed with EPA in strenuous opposition to these guidelines:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 9, 1976.

DEPUTY ASSISTANT ADMINISTRATOR FOR SOLID WASTE MANAGEMENT PROGRAMS,
U.S. Environmental Protection Agency, Washington, D.C.

DEAR SIR: I am writing to inform you of my strongest possible displeasure with 40 CFR, Part 244, published in the Federal Register of November 13, 1975, pursuant to Sections 209 and 211 of the Resources Recovery Act of 1970 (Pub. L. 91–512).

It is apparent upon reading these proposed guidelines, the implementation of which is mandatory upon every Federal agency and installation, that they were drawn up with total disregard for their immediate and long-range detrimental impact upon our National economy and upon the economies of many local communities.

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[1] Page 192.

[2] Page 202.

[3] Pages 202 to 203.

Section 209(a) of Pub. L. 91–512 directs the Administrator of the Environmental Protection Agency ". . . to recommend for appropriate agencies and publish in the Federal Register guidelines for solid waste recovery, collection, separation and disposal systems. . . ." Nowhere in this Section or in any other section of the Act is there legislative language that says this Law can or should be used to shut down a segment of American industry. Yet, that is the impact the November 13 guidelines would have if they are implemented by Federal agencies, as directed, and adopted by other public and private concerns, as recommended.

Furthermore, Sections 209 and 211 of the Act specify that EPA has jurisdiction over "solid waste recovery, collection, separation and disposal systems." By such specific enumeration of jurisdictional areas, other areas are, by legal tenet, excluded from EPA jurisdiction under these paragraphs. EPA has not, in these sections, been given jurisdiction over generation of waste, marketing procedures or containerization. These regulations, as proposed, restrict sales and marketing procedures; therefore, they exceed the authority granted to EPA by the specified provisions of the Law and, thus, are not in accordance with the intent of the Congress nor the letter of the Law.

These guidelines represent a grave and genuine threat to the future economic viability of thousands of American workers and hundreds of American business concerns who are involved in the production and processing of non-refillable beverage containers.

What I find completely ironic is the contradictory language of the guidelines, as explained in the introduction on Page 52968 of the November 13, 1975, issue of the Federal Register. Under the heading "Rationale for a five cent minimum deposit," is the following language: "A minimum of five cents has been chosen for two reasons. First, five cents is deemed a large enough incentive to induce the return of most containers for reuse or recycling."

Yet, immediately preceding, under the heading "Discussion of refillable vs. nonrefillable containers," is this language:

"Both refillable and nonrefillable containers may be returnable. However, it is recommended that Federal facilities comply with the guidelines by utilizing refillable containers, because a system for their return is presently in operation and because such a system is the most satisfactory means of achieving the objectives of the guidelines."

I am appalled at this lack of consistency and wanton disregard for the American workers whose jobs depend upon the production of non-refillable containers. Adoption of this philosophy as a part of the guidelines is like saying: "We have a problem with automobiles. The best present method for controlling this problem is to discontinue the production of automobiles. Therefore, while it is possible to install state-of-the-art pollution control devices on automobiles, it is nevertheless recommended that Federal agencies do not purchase automobiles and that their use be banned by all Federal employees engaged in official business."

The recycling of important materials, such as tin, aluminum and glass, is acknowledged as being an important tool to assure wise use of vital raw materials and as a means of effecting better solid waste disposal collection systems. Yet, nowhere in these guidelines is it recommended that recycling of non-refillable glass, aluminum and tin containers be adopted as a means to demonstrate the effectiveness of recycling in meeting the objectives of Pub. L. 91–512. Rather, the effect of the guidelines is to ban the use of non-refillable containers in Federal facilities.

This is intolerable; and, at the very minimum, this matter must be carefully re-evaluated prior to any formulation and publication of final guidelines.

It does not require any great intellect to deduce that the implementation of these guidelines, as they now stand, is the first step toward development of a nationwide ban on non-refillable tin, glass and aluminum beverage containers. And this step is being taken with apparent disregard for the catastrophic impact such ultimate action would have on our economic system.

According to an analysis prepared by EPA and quoted in an April, 1974, study by the Library of Congress, the total potential savings in litter control of an effective nationwide ban on non-refillable containers would be $35 million. The savings in solid waste management would be approximately $15 million, while the energy savings on the production side would be about $20 million. Thus, according to your own Agency's figures, we could save perhaps $70 million per year by banning the sale of non-refillable beverage containers.

And what would we sacrifice to save $70 million?

According to a 1971 study prepared by the Midwest Research Institute (MRI 3482–D), a nationwide ban on non-refillable containers would result in a national economic loss of $10.2 billion, $6.6 billion in the metal can industry alone. And keep in mind that these are 1969 dollar figures. So, if you add 40 percent for inflation and remember that, because of consumer demand, there has been an ever-growing shift to the production of non-refillable containers, the total dollar loss that we might expect from a ban on non-refillable containers could exceed $14 billion. Furthermore, this translates into a job loss of 164,000, according to the MRI study.

The effect of a Nationwide ban on non-refillable containers in my Congressional District alone would be catastrophic. One of the major employers in the First Congressional District of West Virginia is the Weirton Steel Division of National Steel Corporation. It employs 12,000 persons, a majority of whom live in Hancock and Brooke counties, West Virginia.

Latest figures show that Weirton Steel's annual tonnage is 2,356,000, 50.8 per cent of which is tinplate. Company officials inform me that Weirton's tinplate production goes exclusively into metal consumer product containers, a large portion of that amount, of course, going into tin beverage containers. In fact, one astounding statistic reveals that one out of every five tin consumer containers marketed in this country comes from tinplate produce at the Weirton Steel Division, which has the largest single tinplate production unit in the United States. Of the company's 12,000 workers, 6,500 are directly employed in the production of tinplate.

Obviously, a Nationwide ban on the sale of non-refillable containers would be catastrophic to the Weirton Steel Division, its thousands of employees, and the economy of the Steubenville, Ohio/Weirton, West Virginia Standard Metropolitan Statistical Area (SMSA). The amount of money to be saved by such a ban wouldn't begin to equal the commitment the Nation would have to make to Weirton to help it overcome such a calamity.

But the Weirton Steel Division is not the only major producer of non-refillable container products in the First Congressional District of West Virginia. Fairmont, West Virginia, is the location of an Owens-Illinois Glass Container Division Plant that employs 1,300 persons. More than 90 per cent of this plant's annual production is non-refillable glass beverage containers. In fact, last year's production figures reveal that more than 200,000 tons of non-refillable containers were manufactured at this plant.

An argument made by "ban-the-can" and "ban-the-bottle" proponents is that plants producing non-refillable glass containers can easily switch to production of returnable bottles. Plant officials in Fairmont inform me that a total loss of non-refillable container business will ultimately result in the demise of this facility.

I am confident most Americans agree that we must make wise use *of our resources*, but that in so doing, we must make every effort to ensure that we do not wreck the economy of our Nation and individual communities in the process.

The guidelines as published on November 13 are totally unacceptable and cannot be permitted to be published in final form without extensive alteration. Any new proposal must take a more equitable and reasonable approach to the sale of beverages in non-refillable containers in Federal facilities.

Therefore, I make the following suggestions:

(1) EPA should re-evaluate the formulation of these guidelines and come forth with a recommendation that would permit the sale of non-returnable containers in Federal facilities in conjunction with demonstration recycling or other innovative recovery proposals.

(2) As a means of arriving at such a recommendation, EPA should convene at the earliest possible date a seminar in Washington, D.C. or other convenient location. Participants in this seminar should include representatives of the steel, aluminum and glass industries, along with officials from glass and can container companies, bottlers, canners and appropriate unions. The purpose of this seminar would be for the EPA to seek and receive recommendations from such groups and organizations as to how the guidelines might be improved to make the program envisioned by EPA a model for demonstrating how non-refillable containers can be utilized to distribute beverages while meeting the objectives of assuring a cleaner environment and developing better methods of solid waste management.

The regulations as they presently stand take a negative "ban-the-bottle" and "ban-the-can" approach that will not work. EPA should be accenting the positive, not the negative, in the formulation of policies that have such a major impact on the general public and on the Nation's economy.

A firm and positive step would be for EPA to convene the seminar I have recommended so that those individuals and organizations that have vast experience and expertise in the container industry will have an opportunity to suggest to the Agency experimentally and commercially feasible ways and means of recycling and resource recovery.

Sincerely,

ROBERT H. MOLLOHAN,
Member of Congress.

1975 WOMEN OF ACHIEVEMENT

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. WALSH. Mr. Speaker, in this Bicentennial Year, America pauses to salute some of the people who have sacrificed and worked to make this a better country in which to live. The Syracuse, N.Y. Post-Standard has among its list of annual Women of Achievement, announced New Year's Day, some examples of good Americans who have put themselves to the task of giving, teaching, and putting forth a concerted effort toward the advancement of education, communications, friendship, medicine, religion, community services, and the arts.

I am pleased to read of the outstanding contributions of the 12 1975 Women of Achievement. Knowing there are countless other women across the country striving daily to achieve goals in America's interest is a fact of which we can be proud.

The Post-Standard has named two all-time Women of Achievement, Mrs. Margot Northrup and Mrs. Marion Brenneman, and 10 annual Women of Achievement.

Mrs. Margot Northrup has been active in Syracuse public health services for many years. The former president of the Crouse-Irving Memorial Hospital board, she has worked exhaustively for the success of the hospital merger which she deeply felt was vital for the community's well-being.

Not only is she a dedicated participant in hospital programs, but Mrs. Northrup also chairs the Special Commission on Mental Health and serves on the Council of the Upstate Medical Center and Hospital Executives Association.

Mrs. Marion Brenneman has devoted a tremendous part of her life to the education of young people, especially girls, through community organizations like the Girls' Club and Girl Scouts. No job is too big or too small in her eyes when it comes to helping out neighborhood girls with their problems and giving the opportunities to learn and have fun at the same time.

Mrs. Brenneman was the first woman to receive the Syracuse University Alumni award. She has been president of the local Girls' Club, regional chairman and member of the national board and now serves on the Girls' Club Advocates.

The community is grateful for her interest and time towards its quality of education and youth organizations.

Serving in the health area is Dr. Margaret Williams, professor of pediatrics at State University of New York, Upstate Medical Center. She is the woman honored for outstanding contributions in the field of medicine.

Taking care of America's future leaders is Dr. William's special love and she is especially interested in the care of infants. She played an important role in the securing of a $2.2 million grant which will double perinatal facilities at Crouse-Irving Memorial Hospital.

Syracuse is proud to have her so active in such vital services for citizens of the future.

Mrs. Winifred (Win) Isaac, Woman of Achievement in Music, has made a recent contribution which will be of importance to the musical world's future. She has organized a program at Onondaga Community College for a major in organ and has made church instruments available to local students.

Mrs. Isaac is the only woman in the Syracuse chapter of the American Guild of Organists to hold the academic rank of associate. She is a member of the board of directors of the Syracuse Symphony, chairman of the Youth Orchestra committee, and cofounder of the Syracuse Suzuki School, where she teaches.

Active in the community's religious area is Mrs. Ann Sargent, Woman of Achievement in religion. For more than 30 years she has lived and practiced Bible teachings in the interpretations of Christian Science, founded by Mary Baker Eddy.

Mrs. Sargent understands religion to be expressed through deeds of service, and her accomplishments reflect her devotion to her beliefs. She has taught Sunday school, served on the local board of trustees and was an assistant on publications for 15 years. She has worked toward better understanding between races as a member of the YWCA and the Interview Group of Church Women United, is representative of the Christian Science Church on the Metropolitan Church Board and is on the University Hill Corp.

Community services have been a major part of the time spent by Mrs. Marion Dowley, who has been honored for her role in that area. A mother of four, she has taught her family that helping is a tradition, not something to do once during the holidays.

Mrs. Dowley is a volunteer for the American Cancer Society in the mastectomy rehabilitation program and is vice president of the Junior League. She is active on the board of Elmcrest Children's Center and the women's auxiliary of Elmcrest.

Mrs. Ann C. Michel's on-the-job duties are to maximize State and Federal aid for the city of Syracuse. It is a challenging and difficult job, but she has risen to the task as shown by her honor of being Women of Achievement in career.

As director of the Office of Federal and State Aid Coordination, Mrs. Michel is running an organization she helped set up to channel and obtain aid from the Federal Government. Her staff is knowledgeable and organized, a reflection on the outstanding woman in charge.

Mrs. Michel lectures at Syracuse University's Maxwell School of Citizenship and Public Affairs, is on the board of directors of Peace, Inc., and is a member of the Criminal Justice Coordinating Council.

Achieving highly in communications is Miss Eleanor Rosebrugh, who has overcome a health problem which could have handicapped her severely were it not for her determination to succeed.

She has been a social worker associated with many agencies and is the recipient of several awards from local civic groups and community organizations which have been aided by her services.

Miss Rosebrugh is the Post-Standard's reporter on social service and has contributed outstanding articles to the newspaper's pages. She has worked with the Children's Bureau, the Onondaga Health Association, the Hearing and Speech Center at Syracuse University, the American Red Cross and the Indiana State Department of Public Welfare.

Recipient of the Woman of Achievement honor in education is Mrs. Doris E. R. Gilbert, secondary supervisor for English and reading in the Syracuse school district. Her innovative ideas on making education more exciting for students in English has brought about major curriculum changes.

A former English teacher at Central City Business Institute, Madison and Grant Junior High Schools, Mrs. Gilbert kept up her career even though she took off 11½ years to raise her three daughters. She has been the mastermind behind reading centers and instruction in Syracuse junior and senior high schools.

Bicentennial Woman of Achievement is Mrs. Carolyn B. Wright, who has organized and developed the reference library of the Onondaga Historical Association. Her tireless work documenting difficult material has added to the ease in which researchers can do their work, and her hours of work for 24 years have been all voluntary.

Mrs. Wright graduated from Vassar College magna cum laude and took post-graduate studies in landscape architecture at Ohio State University. Her efforts are invaluable as we trace our history for a better understanding of our country and its people during 1976.

Mrs. Virginia Torelli has been honored as Post-Standard Woman of Achievement in international friendship for her contributions to helping foreign students adjust to life in America.

Mrs. Torelli is a foreign student advisor at Syracuse University and is available around the clock to solve any problem which arises for a student who finds himself with problems in a strange country.

Mrs. Torelli is a member of the board of directors of the National Association for Foreign Students Affairs and, as a representative of our Nation to foreign youth, she has added greatly to our prestige and reputation as a friendly America.

Mrs. Bertha Miller is an outstanding American citizen, and her award as Woman of the Year in citizenship is justly deserved. She will celebrate 50 years as a member of the Onondaga County Bar Association in 1976 and is honored for her perseverence and integrity as a lawyer.

Mrs. Miller was the first attorney admitted to Zonta Club of Syracuse, started a day camp for children to give them camping opportunities and started the first Brownie troop at Edward Smith School.

She specializes in family court cases, which she feels are most important since they deal with down-to-earth and real-life problems. Her memberships on the Family Law Committee and the Lawyer's Reference Committee of the Onondaga County Bar have been sources of immense contribution to the community.

These women surely deserve congratulations and gratitude for their fine contributions to the community and the Nation. I also applaud the Syracuse Post-Standard for giving them the attention they deserve. It is a real pleasure to be able to read such good news during our Nation's 200th anniversary. Their examples are an inspiration to all.

AMNESTY IS THE ANSWER FOR ATTICA CASES

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. BADILLO. Mr. Speaker, 4 years ago there was an uprising at Attica prison. It will always remain one of the darkest times in New York's history. In those 4 years, there have been indictments, there has been emotion—but there has been no justice.

On December 29, 1975, the results of a study requested by Gov. Hugh Carey of the events surrounding the uprising was issued to the public. That study, headed by Bernard Meyer, a former justice of the New York State Supreme Court, brought to light much information that those of us who were present at Attica knew to be true. It was reassuring to have before us objective proof that evidence and the gathering of that evidence had been distorted, that the preponderance of indictments against prisoners rather than law enforcement officers was the result of deliberate skewing on the part of law enforcement agencies, and that NELSON ROCKEFELLER, then the Governor, had himself been a party to prejudicing the fair resolution of the case.

But Mr. Meyer concludes his report with the suggestion that a special prosecutor be appointed to reexamine the evidence and decide whether new indictments should be brought. But we learn from Mr. Meyer's own words that the possibility of any fair reappraisal of the evidence has been damaged beyond repair:

> Rockefeller's remarks immediately after the re-taking in praise of State Police . . . were inappropriate in view of the possibility that the degree of force used by enforcement personnel may have been excessive. . .
>
> The decision to conduct the investigation sequentially or chronologically was a serious error of judgment. Investigation in depth of the later occurring events was thus deferred, which skewed the investigation's inadequate manpower away from . . . prosecution of crimes by law enforcement personnel.
>
> The one-sideness (in indictments) was partly the result of the decision to investigate chronologically . . . thereby saturating the jury with evidence of inmates' guilt before any law enforcement case was presented, partly the result of partiality and emotion of the part of the jurors in considering charges against law enforcement personnel who were their friends or neighbors, partly the result of the fact that indictments for "technical offenses were asked for against inmates but not against law enforcement personnel; and partly the result of errors . . . that may have created tension between the prosecution and the grand jury."
>
> Investigation of crimes of brutality against inmates . . . was neglected.

How does Governor Carey, at this late date, think that it will be possible to interview people, to reexamine evidence, to begin new investigations in a way that will bring positive results? Yet the Governor has appointed a new special prosecutor. He has a frustrating and useless task ahead of him—a task that will result in a waste of critically needed State funds that could be much more wisely spent. People have forgotten information by now, witnesses who have been prejudiced by time and emotion against knowing any longer the reality of the events of those days. And more than that, the basis for investigation—the documents of the law enforcement agencies charged with the original investigation—is now in doubt.

It has been, over the past years, an exhausting struggle to find justice for the many who have been victimized by these events. I wrote a book, Tom Wicker wrote a book, periodically the New York Times will devote an editorial to the case, or Mr. Wicker a column. Citizens groups have been formed to protest Attica, and until now, it has all been to no avail. But within the last 3 weeks, we have been give the Meyer Report and a recommendation by Dean Robert McKay, who headed the original commission that reported the inequities of Attica 3 years ago, that all indictments surrounding the case be dropped. It is clear that the time for action is now.

On Decmber 30, I wrote a letter to Governor Carey outlining the facts and requesting amnesty for all cases surrounding Attica—for those who have been sentenced, and for those who await indictment. I have not yet received an answer. The scars of Attica will always remain, but it is time to close the open wounds that remain. It is time to resolve the tragedy of those dark days and amnesty is the only way that will serve.

THE ENDANGERED GRIZZLY BEAR

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. WHITEHURST. Mr. Speaker, I am introducing legislation today which would help to provide protection for the grizzly bear, an animal which deserves to be placed on the endangered species list. I am taking this means of sharing with my colleagues an article which appeared in the mid-September 1975, issue of Not Man Apart, entitled "Grizzly Habitat Still Shrinking; Action Needed," which was written by Ed Dobson, and which I believe makes some cogent points. I am also including a copy of a memorandum from Marty Stouffer, president of Stouffer Production, Ltd., and a brief news item which he enclosed.

I hope that a full, impartial, and definitive study will be made without delay, and I urge my colleagues to join me in this effort.

The articles follows:

GRIZZLY HABITAT STILL SHRINKING: ACTION NEEDED

(By Ed Dobson)

Tom Garrett's article in the April, 1975 NMA created more concern at just the right moment for one of America's most magnificent mammals, the grizzly bear. For two months it has been rumored that the great bear was about to be designated a threatened species, thereby coming under the protection of the Endangered Species Act. But as the days roll by with no designation, conservationists are becoming concerned that a purposeful stall is afoot. Strong pressures are working against protection of the grizzly—pressure that can only assure its progressive demise.

Habitat disruption is certainly one of the most serious threats to the great bear. Trophy hunting is a problem, but the bears' survival probably hangs on our approaches to habitat and public education. Although Mr. Garrett criticizes the Montana Fish and Game Department (MF&G) for doing little to help the grizzly, the agency did close the season in the Yellowstone Ecosystem and severely restricted it in the Bob Marshall. (The grizzly is probably extinct in the Selway-Bitterroot) MF&G has an admitted paucity of sound biological information to manage the grizzly but is currently involved in two extensive studies, one in northwest Montana and the other in and around Yellowstone Park in an attempt to gather necessary data.

It has not been demonstrated that public lands—even national parks and wilderness areas—are "safe" from development that may wipe out the grizzly. Even such seemingly minimal development as road-building can drive away the bears.

DISAPPEARING HABITATS

There are many other developments that threaten the grizzly. Some of the big ones are cited below, although many small single-use projects promoted by special interests are, on a cumulative basis, rapidly whittling away remaining grizzly habitat.

1. In northwest Montana's Flathead National Forest, Texas-Pacific Oil Company, owned by whiskey magnate Joseph Seagrams, plans to develop oil and gas reserves in 236,000 acres of prime grizzly country, including part of the Bob Marshall Wilderness. The Forest Service doesn't have the public support to say "no." A letter to Ed Corpe, Supervisor, Flathead National Forest, Kalispell, Montana 59901, would help.

2. Just west of Yellowstone Park, a Pennsylvania-based corporation, Ski Yellowstone, Inc., wants to build a massive second-home subdivision and ski resort. Virtually every grizzly authority has said that this type of development will hurt the grizzly. Still, the Forest Service is seriously considering giving the private developer special permission to place ski runs, 13 chair lifts, roads, a gondola, and a mountain-top restaurant on nearly 7,000 acres of the Gallatin National Forest. Montana Governor Tom Judge thinks Ski Yellowstone is more important than a few grizzly bears, so he has criticized MF&G for opposing the development. In fact, MF&G has been silenced for trying to prevent grizzly habitat destruction. Write to John McGuire, Chief of the Forest Service, Washington, D.C. 20250; Lewis E. Hawkes, Supervisor of the Gallatin National Forest, Federal Building, Bozeman, Montana 59715; Governor Tom Judge, State Capitol, Helena, Montana 59601. Urge them to reconsider their positions. Drop a copy to the Pennsylvania law firm behind Ski Yellowstone: Smith & McCleary, 124 East Market Street, York, Pennsylvania 17401.

Contact the Montana Wilderness Association for more details on Ski Yellowstone, c/o Rick Applegate, Box 931, Bozeman, Montana 59715.

3. The Montana Power Company hopes to route a high-voltage transmission line through a pristine grizzly area and on to the Big Sky development just north of Yellowstone Park. Again, write to the Forest Service and Governor Judge.

4. Special interests want a new road through the same corridor Montana Power picked for the power line. Both the road and the line would affect the grizzly directly by destroying habitat, but they would also have a serious indirect impact. By providing easy access and extra electricity to the semi-primitive area, the two projects would encourage more recreational subdivision and commercial development, much to the detriment of the grizzly. Both the line and the road require the approval of the Forest Service.

5. Despite strong objections by almost everyone who knows something about grizzlies, the Forest Service and the Bureau of Land Management still allow sheep grazing on public lands supporting grizzly bears. Bear experts, including those at the National Academy of Sciences, have recommended against grazing, but it continues nonetheless.

6. The Forest Service continues to log in grizzly habitat, but the logging may represent only a temporary disruption of habitat. In fact, some grizzly authorities such as Dr. John Craighead and Dr. Charles Jonkel say opening the forest canopy might even help the bear by encouraging the growth of berry bushes and other plants useful to the grizzly. The bad part of logging is the accompanying road building. When the Forest Service does not destroy the roads, dirt bikes and four-wheelers still use them, so we must insist the Forest Service completely close all roads to the public during and after logging.

7. Montana's dedicated Senator, Lee Metcalf, is making a sincere effort to preserve the grizzly by introducing two bills we should support. First, S. 392 will place the region between Glacier Park and the Bob Marshall Wilderness in the National Wilderness Preservation System as the Great Bear Wilderness. Second, the Montana Wilderness Study Bill, S. 393, would give wilderness study status to nine pristine areas for a few years while their wilderness potential is analyzed. Timber interests have mounted a scare campaign against both bills, especially S. 393. Support them in any way you can.

Considering all this destruction of habitat (and there is much more) we cannot concentrate on putting an end to hunting to save the bears. The MF&G has taken strong stands against some developments, but that is not enough. The grizzly should be on the threatened list, not so much to stop hunting as to save habitat. We can now use that status and section seven of the Endangered Species Act to stop some of the disasters about to befall the grizzly.

EDUCATION PLUS TOLERANCE EQUALS SURVIVAL

One obvious way we can help the grizzly is to accept the bear. For example, if some wildlife managers suggested transplanting grizzlies into the Selway-Bitterroot Wilderness to re-establish the historical populations, there would be an uproar. Local ranchers and some recreationists simply don't want the grizzly where they live or play. A few years ago Idaho Fish and Game Department officials proposed transplanting grizzlies into the northern part of the state. When the plan became known, the public almost threw the concerned biologists out of the state.

We desperately need educational programs to inform the public of the grizzly's worth.

The grizzly is a dangerous animal, to be sure, but it is not a vicious killer, as it has been described throughout history or whenever a human is injured by a bear. Bad regulatory policies in the national parks caused two deaths in 1967 and another in 1972, but these were caused by garbage-foraging bears. New policies have apparently eliminated the dangerous garbage situation.

While we watch grizzly habitat disappear, we cannot condemn sportsmen for not helping the bear. Won't we tolerate the grizzly in any other places except where it now exists? There are millions of acres of wild land that could support grizzlies.

What You Can Do: A lot of letter-writing! To help the grizzly:

1. Urge the Forest Service and other federal agencies to take every possible action to protect all remaining grizzly habitat;

2. Support Senator Metcalf's two bills, S. 392 and S. 393;

3. Write to the addresses given earlier and send copies of your letters to others who might influence the outcome of these developments or other projects threatening the bear and its habitat;

4. Allow wildlife professionals to investigate the possibility of transplanting grizzlies into viable historical ranges.

We should remain concerned about grizzly hunting, but not to the extent that we are blinded to more serious problems. Idaho banned grizzly hunting in 1947. Did it bring the grizzly back? Hardly. The Idaho grizzly population is, at best, at an all-time low, and, at worst, extinct except in a small section near Yellowstone Park and in the distant northwest corner of the state where there are a few stragglers. Montana's grizzlies must never reach that status.

OVERKILLING OF GRIZZLY BEARS CHARGED

Grizzly bears, declared a threatened species earlier this year, are still being killed in excessive numbers in the area around Yellowstone National Park, according to a researcher. John Craighead of the University of Montana blamed the Montana Fish and Game Department and the U.S. Park Service for allowing too many of the bears to be hunted, then falsifying records on the number of bear kills. The two departments denied the charges, saying there are between 250 and 300 grizzlies still living in the park. Craighead claimed the figure is closer to 130 and called for an outside investigation of wildlife management in the park.

STOUFFER PRODUCTIONS LTD.,
January 1, 1976.

To Whom it May Concern:

The status of the Grizzly Bear in America has reached a very critical stage. This species is no longer being handled in a competent manner by researchers and biologists of the Montana, Wyoming, and Idaho Game Departments. The situation in Yellowstone National Park has progressed from embarassing to unbelievable.

Recent reports and articles in publications such as "Montana Outdoors" have taken such a closed-minded view of the situation as to have reached the point of ignoring scientific procedures and common logic.

The reports that do purport to be scientific evaluations of the situation (such as "Of Bears and People" by Dr. Charles Jonkel) are such pro-Game Department policy propaganda as to discredit any finding that might result from such current efforts as the Border Grizzly Technical Committee Study.

We feel that the following moves should be made Immediately:

1. Declare a moratorium on all Grizzly Bear hunting by sportsmen and disposal by Park Service personnel in the few areas of continental America where they still survive.

2. Begin research on this species which is not conducted by the Wyoming or Montana Game Departments. This research MUST be done by an independent, objective researcher. The Game Departments now involved have proven themselves to be self-serving and untrustworthy in their findings.

3. Depending on the preliminary independent study findings, consider placing this species on the "Endangered" Species listing, rather than leaving it on the current, less critical "Threatened" listing.

Dr. John Craighead, the authority on this species, has used computer-assisted technology to predict that the Grizzly Bear will be Extinct Within Yellowstone National Park before the Year 2000. Unless these immediate actions are taken, the Grizzly Bear will surely be extinct in America before the year 2000. Please express your support of the above proposals by contacting Mr. Thomas Kleppe, Secretary of the Interior, Interior Building, Washington, D.C. 20240.

Sincerely,

MARTY STOUFFER,
President.

MEDICAL CONTROVERSY: NITRATES AND NITRITES

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. FINDLEY. Mr. Speaker, it is within the interest of the consumer and the pork producer that the appropriate Government agencies continue to research the issue of nitrates and nitrites in the use of cured meat products. Equally important, however, the Government and industry should be looking for viable alternatives to the use of nitrates and nitrites in cured meat. The cured meat industry is vital to the American public. It is important to the well-being of a sound and balanced agricultural economy and to the consumer who enjoys and prefers the taste of such products.

The attached article from the New York Times places the medical controversy into proper perspective. The author is to be commended for her objectivity in presenting the medical side of an issue that is too often handled in an emotional manner instead of a rational one.

The text of her article is as follows:

MEDICAL CONTROVERSY: NITRATES AND NITRITES

(By Mim Sheraton)

Among the many suspected cancer-causing agents in our food, few have achieved the notoriety of sodium nitrate and sodium nitrite, chemicals used in the preservation of smoked fish, and in most cured meats, such as frankfurters, bacon, ham, bologna and salami, corned beef and pastrami.

Although these chemicals do inhibit the development of the deadly botulism bacteria, scientists, the Food and Drug Administration and even meat packers concede that function is now relatively minor, due to improved refrigeration and processing techniques. It is still valuable in that regard in the processing of canned ham, however; that meat poses a special problem because of its thickness and air-tight packaging, conditions that combine to enhance the growth of that particular bacteria.

The main purpose of these chemicals as they are currently being used is cosmetic, to retain the bright red color in the meats during processing and cooking, rendering them more appetizing to the eye than they would be if they turned the normal brown color of cooked meat.

Neither nitrate nor nitrite are cancer hazards as such. But when combined with amines (substances found in proteins, cigarette smoke, beer, wine, many patent medicines, prescription drugs, and even within the body itself), they form nitrosamines that have induced cancer in numerous laboratory animals.

At present, the permissible level for these chemicals as set by the F.D.A. for meat curing, are 500 parts per million for nitrates, and 200 parts per million for nitrite. As a result of growing public controversy, the United States Department of Agriculture has filed a petition with the F.D.A. to reduce the levels to a maximum of 156 parts per million of nitrite, and to ban nitrate entirely, since it has other proven adverse side effects having nothing to do with cancer. In addition the Department of Agriculture has asked that both substances be banned from all infant and junior foods.

Permissible levels on bacon would be even lower than on sausages, with a proposed 125 parts per million. Bacon is more likely to pose a hazard because the high heat in which it is cooked increases the development of nitrosamines and because of the higher concentration resulting in the cooked down finished product.

In addition, the Department of Agriculture has just begun a one-year study of bacon in relation to the dangers of nitrites.

Much to the consternation of the layman looking for guidance, there is a dizzying array of reputable scientists on both sides of the nitrate-nitrite issue.

As a result of 15 years of research on nitrosamines, during which time he found them capable of inducing tumors in every organ of various laboratory animals, Dr. William Lijinsky, a biochemist with the Oak Ridge National Laboratory in Tennessee, considers nitrites our worst cancer problem.

"I don't touch any of that stuff when I know nitrite has been added," he said. "But since there is some esthetic benefit from the pleasant color it imparts, we could permit a very small amount to be used, say between 10 and 20 parts per million."

"My friend Willy Lijinsky is a good scientist but he's a little emotional," countered Dr. John H. Weisburger, a biochemist with the American Health Foundation, an organization in Valhalla, N.Y., that gets most of its funds from government contracts and some from gifts from pharmaceutical houses.

Dr. Weisburger explained that refrigeration has helped alleviate the dangers of these chemicals somewhat. By making smaller amounts necessary for preservation, and by slowing the conversion rate of nitrates to nitrites, he said that the low levels of these chemicals found in meats by the time they are eaten did not constitute a hazard.

"I'm far more concerned with the dangers of fat in our diet than with these chemicals," Dr. Weisburger said. "Even if we were to banish all additives, I don't believe we would see any difference in the incidence of cancer."

This view was seconded by Dr. E. Cuyler Hammond, director of the department of epidemiology of the American Cancer Society.

"In my opinion there is very little support for either the positive or negative views concerning these chemicals as cancer hazards," he said.

"Dr. Lijinsky has done a lot of work in this field and he has good reason for his opinions," commented Dr. Irving Selikoff, director of Mount Sinani Hospital's division of environmental medicine. "Everything being said about the hazards of these chemicals as extrapolated from good theory although we still do not know whether or not substances causing cancer in animals will do the same in humans.

"At the moment, I eat regular bacon and I have for 60 years, but I cannot fault those who are pointing with alarm," he said, "I do fault those who say everything is fine. Everything is not fine. Too many people get cancer. Hot dogs and bacon are commonly-eaten foods and involve large numbers of people, so it's worth raising the question. Meanwhile, it's a difficult problem. What do you do until the data comes?"

There is perhaps some guidance in the view of Dr. Franz Ingelfinger, editor of the prestigious New England Journal of Medicine.

"I'm all in favor of nitrate-nitrite free meats even though my guess is that nobody really knows whether the resulting nitrosamines cause cancer in the human animal," he said, "I eat meat with that stuff in it and so do my grandchildren. But if there were bacon that tasted like the normal product and had the same nutritional values, and which did not have these chemicals, why not choose the least risky material available?"

PHILADELPHIA CITY COUNCIL DENOUNCES U.N. RESOLUTION ON ZIONISM

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. NIX. Mr. Speaker, the city council of Philadelphia has sent me a copy of a resolution they have adopted denouncing the United Nations General Assembly resolution which classifies Zionism as a form of racism. The council accurately states that the action of the General Assembly distorts history, encourages anti-Semitism, and violates fundamental principles of the U.N. Charter. I commend the council for its forthright stand on this matter.

Since the General Assembly's rash actions in last year's session, we have seen new developments that undermine both the United Nations and the chances of peace in the Middle East. This time the forum is the Security Council.

In the current Middle East debate in the Security Council, the Palestine Liberation Organization has joined the deliberations as an invited and honored guest. The PLO, which is not a state, participates in that capacity, although its sworn goal is the destruction of a member state of the United Nations.

Undoubtedly many people hoped that if the PLO was given respectability and a free voice in Middle East deliberations, that it would "moderate" its stance and seek genuine negotiations with Israel. The representatives of the PLO in the Security Council went out of their way to disabuse us of that notion. They have stated plainly that their object remains the elimination of the State of Israel, that they reject all earlier Security Council resolutions that include recognition of the national independence of Israel, and that they will continue to promote terrorism on a worldwide scale.

Mr. Speaker, the plain fact of the matter is that the PLO, despite its new diplomatic trappings, remains an organization of terrorist bands. The only negotiations they contemplate holding with Israel concern the terms of Israel's national suicide. The nations of the world that are genuinely interested in permanent peace in the Middle East must understand that the PLO is an enemy of peace as well as an enemy of Israel.

I offer for the RECORD the resolution of the Philadelphia City Council:

COUNCIL OF THE CITY OF PHILADELPHIA

RESOLUTION

Condemning the United Nations General Assembly for its distortion of history and ill-considered attempt to equate Zionism with racism.

Whereas, The United Nations General Assembly on November 10, 1975, adopted a resolution which describes Zionism as a form of racism thereby identifying it as a target of the Decade for Action to Combat Racism and Discrimination; and

Whereas, The General Assembly of the United Nations decided to launch on December 10, 1973, a Decade of Action to Combat Racism and Racial Discrimination and a program of action which the United States supported and in which it desires to participate; and

Whereas, The extension of the program of the Decade to include a campaign against Zionism brings the United States to a point of encouraging anti-Semitism, one of the oldest and most virulent forms of racism known to human history; and

Whereas, In article I of the Charter of the United Nations the stated purpose of the United Nations include "To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and promoting and encouraging respect for human rights and for fundamental freedoms of all without distinction as to race, sex, language or religion;" and

Whereas, The State of Israel has provided a homeland for thousands and thousands of people fleeing racism and genocide, and has provided millions of dollars of assistance to African, Asia and Latin American countries in the form of agricultural, technical and medical aid; therefore

Resolved by the Council of the City of Philadelphia, That we hereby condemn the resolution adopted by the General Assembly of the United Nations on November 10, 1975, which wrongly associates and equates Zionism with racism and racial discrimination, thereby contradicting a fundamental purpose of the United Nations Charter.

Further Resolved, That we hereby call for an energetic effort by all those concerned to obtain reconsideration of the resolution adopted by the General Assembly of the United Nations which wrongly equates Zionism with racism.

Resolved, That certified copies of this resolution be forwarded to the Secretary General of the United Nations, the United States Ambassador to the United Nations, and the Congressional Delegation and the Senators from the Commonwealth of Pennsylvania as evidence of the sincere sentiments of this legislative body.

EVELYN C. WHITE—A PIONEER WOMAN IN CALIFORNIA HISTORY

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. DANIELSON. Mr. Speaker, on January 26, 1976, the East Los Angeles and Montebello Business and Professional Women's Club is honoring Evelyn C. White as a Pioneer Woman in History. I would like to join in honoring this lifelong resident of my district.

Born on January 31, 1890 in Pico—now Pico Rivera—just 3 miles east of what is now Montebello, Evelyn White has devoted her time and energies to making her community a better place to live.

This incredible woman, for whom the beautiful California poppies have become a trademark, is acclaimed as a local pioneer, a civic leader, a newspaperwoman, an art patron and as curator of the historic Taylor Ranch House.

Long before the day of Women's Liberation, Evelyn White was riding her bicycle around the ranches getting people to subscribe to the local paper and gathering news for publication. This was just the beginning of Evelyn's journalistic career.

In the early 1920's circumstances and hard work opened the door for Evelyn to become manager of a newspaper chain. In recognition of her success as a businesswoman, she was given the option to buy one of the newspapers. Evelyn now owned her own paper, the East Los Angeles Guardian, hired a woman editor and published her own column entitled, "Poppy Trails," in honor of her childhood day memories of the fields of poppies down Whittier Trail. Under Evelyn's direction, the newspaper played a crucial part in the development of East Los Angeles, and flourished until the days of the Great Depression.

With her newspaper gone, Evelyn turned to a new way to serve the East Los Angeles community. She opened a cultural center where people could come to enjoy good paintings and music, and named it Poppy Trails.

It was at Poppy Trails that Evelyn helped to organize the East Los Angeles Business and Professional Women's Club. As a charter member Evelyn continued to serve her community.

In looking for a new location to establish Poppy Trails, Evelyn became the curator for the Taylor Ranch. In 1950, after converting the ranch house at the Taylor Ranch into a new home for the preservation of culture and heritage of the area, she was given custody of the ranch in gratitude for her community work.

Evelyn is also founder, charter member, and past president of the Poppy Trail Parlor of the Native Daughters of the Golden West. The Native Daughters organization placed a plaque on the barn of the Taylor Ranch designating it "House of Hospitality," and a historical landmark.

In 1956, Evelyn received the "All Service Club Award" for her outstanding work in the community. She is a member of the Montebello Women's Club, East Los Angeles-Montebello Breakfast Club, East Los Angeles-Montebello Business and Professional Women's Club, Montebello Historical Society, Friends of the Library, Sister City, Ashiya, Sister City Iguala, Southland Art Association, honorary member of Montebello Eaglets 4-H Club, honorary member of Montebello Lions Club, honorary member of the Optimist Club, charter president of Women's Associates, Religious Conference of East Los Angeles College, member of American Pen Women, only woman to receive a lifetime membership in the Native Daughters of the Golden West, Poppy Trail Parlor No. 266, and a charter member of the Soroptimist International of Montebello. In 1974, the Soroptimists presented the first annual Evelyn Art Award in her honor.

It is with great pride that I share with my colleagues the accomplishments of such a fine citizen as Evelyn White. Her lifetime record of achievement provides us and future generations with a standard which all should seek to attain.

REMEMBER THE 10TH AMENDMENT?

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. MILFORD. Mr. Speaker, if I may, I would like to direct the reading attention of my colleagues to an article prepared and published in the office of the Governor of Texas.

Cindy Sesler, editor of "Washington Report," has singled out "Federal intervention in State and local public employment," as a confusion—at best—and abandonment—at worse—of the division of State and local powers. This issue directs those of us who set the laws of the Nation to remember the 10th amendment to the U.S. Constitution which reserves to the States all powers not explicitly delegated to the Federal Government.

Concluding arguments in this document point out that—

> The stakes on the table are high for State and local governments in terms of money amounts and process. The diversion of State resources to meet the costs of programs favored by Congress has significant consequences for State fiscal policy. The planning of State budgets requires accurate estimates of anticipated revenues and expenditures; the process becomes confused when Congress can impose costs to be met out of State revenues.

The article winds up with a reminder of Supreme Court Justice William O. Douglas who warned that—

> Exercise of the commerce power might destroy State sovereignty, and concluded that if the principle of constitutional federalism raises no limits to the Commerce Clause, Congress could virtually draft State budgets to avoid disruptive effects on interstate commerce.

The article follows:

FEDERAL INTERVENTION IN STATE AND LOCAL PUBLIC EMPLOYMENT

A recent trend in national legislation indicates a shift toward federal intervention in state and local public employment, an area of traditional state autonomy. The purpose of this report is to discuss the implications of this trend in terms of the balance of power between the federal government and the states, and to illustrate its potential impact on future state fiscal policy.

The legitimacy of federal intervention in this area will be determined on the constitutional issue of whether state and local public employment is a sovereign function of the state, or is subject to federal regulation under the Commerce Clause. The sharing of powers between the states and the federal government is protected by the Tenth Amendment to the U.S. Constitution which reserves to the states all powers not explicitly delegated to the federal government. The partnership is dynamic and the balance has changed many times during the last two hundred years over a wide array of issues. The Constitution's Commerce Clause grants Congress the authority to regulate commerce among the states. If the sovereignty argument is disregarded, there are several reasons why the commerce power would be enforceable. For example, state and local governments use goods and materials produced for or moved in interstate commerce, and these governments compete for the location of industry by offering lower taxes, subsidies and other incentives. State and local public agencies such as gas and electric authorities also compete with the private sector in the provision of certain goods and services, and a public agency with substandard wages has an unfair competitive advantage.

Because of the magnitude and diversity of state and local public employment, federally determined minimum wages, benefits and working conditions for public employees will require substantial expenditures of state and local revenues. When the federal government causes the cost of a state-funded activity to increase, the state is compelled to honor the financial obligations incurred on its behalf. These commitments of state resources occur without respect to the state's established budget priorities, timing of the budget cycle, or availability of funds. In short, the state must often either raise taxes or reduce the level of state-provided services to meet the budgets of those activities favored by Congress.

Currently unresolved issues relating to state and local public employees illustrate the potential financial impact of federal regulation of state-funded activities. Texas has joined in a court challenge to a 1974 law setting federal standards for minimum wage, overtime and other conditions of employment for state and local government employees. If the state loses the court challenge, considerable state resources will be diverted to meet the retroactive, present and future requirements of the law. Legislation now before Congress proposes to extend federal and local public employees, again greatly increasing the states' contributions to the programs. Public sector pension reform is a fourth area gaining support for congressional action. If the federal government successfully acquires jurisdiction in these areas of traditional state responsibility, the next step would seem to be public employee collectively bargaining.

FAIR LABOR STANDARDS ACT AMENDMENTS

The 1974 Amendments to the Fair Labor Standards Act extend federal regulation over minimum wage, overtime, and other conditions of employment to all non-supervisory state and local government employees.

Court challenge.—The National League of Cities, the National Governors' Conference, and nineteen individual states (including Texas) have joined in a suit challenging the amendments as a violation of constitutional federalism.

The basic question is whether the Tenth Amendment preempts the Commerce Clause in the area of public employment. For years certain activities of state and local governments have been regulated under the Commerce Clause; the logic of coverage is not difficult to follow considering the size and scope of these governments and the interdependence of today's society. The states are arguing that the concept of federalism established by the Tenth Amendment limits the commerce power where it threatens to interfere with a state's performance of sovereign functions. In other words, the states are challenging the relevance of the Commerce Clause argument and are contending, as did Supreme Court Justice Frankfurter in an earlier opinion, that there is a "constitutional line between the State as government and the State as trader".

Prospects.—Odds are that the states will lose the Fair Labor Standards Act case. A 1966 challenge to Fair Labor Standards Act coverage of state and local employees working for transit companies, schools and hospitals was decided 6–2 in favor of the federal government; many of the same issues are now being argued. The 1974 Amendments case is pending before the Supreme Court and may be heard before the court adjourns in June.

Implications.—Federal regulation of terms and conditions of public employment has tremendous implications for state and local budgets in light of the fact that the majority of state and local government expenditures are personnel-related. If the challengers lose this suit, states will be retroactively liable for overtime and minimum wages since the law was enacted. Not only will the fiscal policies of states be disrupted for years to come, but more importantly, the Tenth Amendment will no longer serve as a constitutional impediment to federal intrusion in state and local public employment.

Related Legislation.—Two bills now before Congress will be directly affected by the decision on the 1974 FLSA Amendments. Hearings are currently being held in the House Education and Labor Subcommittee on Labor Standards on a bill which would raise the minimum wage to $3/hour and overtime to two and one-half times the regular pay. The bill stands a fair chance of passage this spring. Another bill has recently been introduced which would stop payment of federal revenue sharing funds to any state or local government which fails to adopt the minimum wage and overtime provisions of the 1974 FLSA Amendments. Passage of this bill, however, is unlikely in the 94th Congress.

UNEMPLOYMENT COMPENSATION

With the exception of certain categories of workers, state laws govern unemployment compensation benefits for state and local public employees. Federal regulation is presently limited to public school, university and state hospital employees, and federal matching funds are provided for 50 per cent of the benefit payments to these workers for the 27th through the 39th week of unemployment. Since the federal match does not begin until the 27th week, the state is liable for 100 per cent of unemployment compensation costs for the first 26 weeks. The federal government has recently expanded coverage to 65 weeks for these categories of workers, but has also assumed full financial responsibility for weeks 40 through 65.

Pending legislation.—On December 11, the House Ways and Means Committee voted out a bill which radically alters unemployment compensation coverage for state and local employees. The legislation mandates 39 weeks of unemployment compensation coverage for state and local public employees, and makes the state responsible for 100 per cent of the benefits during those weeks. The double thrust of the legislation is that it authorizes federal regulation of a greatly expanded unemployment compensation program for state and local public employees and at the same time eliminates federal responsibility for any portion of the program costs.

Prospects.—This bill will probably receive congressional approval in the near future. The Ways and Means Committee is seeking speedy House passage through a parliamentary device that would prohibit amendments during floor consideration. Such action would preclude the possibility that a federal minimum benefit standard could be added to the measure; however, House proponents are hoping that Senate legislation will include a benefit standard and that it will prevail in conference committee. The standard most often discussed is a weekly benefit amount equal to at least 50 per cent of each claimant's former weekly wage up to a maximum of two-thirds of a state's average weekly wage for covered workers.

Impact on Texas.—In addition to unemployment compensation coverage for public school, university and state hospital employees, Texas law provides coverage for state employees for the first 26 weeks. Local employees are not presently covered by state law. The Texas Employment Commission estimates that inclusion of local employees, elimination of the federal match, and expansion of all coverage to 39 weeks *will cost the state more than $25 million a year.*

WORKERS' COMPENSATION

A presidentially-appointed National Advisory Commission on State Workmen's Compensation Laws was established in 1970 by the Occupational Safety and Health Act. The Commission studied the content and administration of state workers' compensation laws and presented 84 recommendations to the President in 1972. Although no congressional remedy was sought at that time, the Commission suggested that a federal law should be considered if states had not complied with 19 "essential recommendations" by 1975.

Pending legislation.—Bills have been introduced in both the House and the Senate to incorporate the 19 "essential recommendations" in all existing state workers' compensation laws. The legislation provides compensation and other benefits to state and local employees who suffer work-related injuries or illnesses and substantially increases medical payments and death benefits to survivors. The recommendations also establish a minimum federal benefit standard. Once again, the states are to bear the financial burden of the program, and Texas will be among the states faced with the largest cost increases. Prospects are favorable for passage sometime this spring.

PUBLIC PENSION PLANS

Another important issue in the jurisdictional dispute between state and federal government is public employee pension and retirement plans. Indications are that congressional support is gathering for federal regulation of state and local government pension programs.

Pending legislation.—A bill has been introduced to reform state and local public service employee retirement plans by prescribing uniform federal standards for benefits and procedures. Sponsored by House Labor Standards Subcommittee Chairman John Dent (D-Pa.), the bill parallels provisions in legislation currently in effect for private sector employees. Although Dent has publicly stated that the measure is only a vehicle to call attention to existing problems, the framework is being established for federal intervention in the not-too-distant future. Legislation of this type has significant fiscal implications for the states.

PUBLIC EMPLOYEE COLLECTIVE BARGAINING

Federal intervention in public employee collective bargaining is one of the most volatile issues facing state and local governments. The dramatic growth of public employment has created increasing pressure on Congress for federal recognition and protection of public sector collective bargaining rights. One out of six workers in the country is now a public employee, and public employment has experienced an increase from 4.2 to 13.5 million workers in the last 30 years; 10.8 million of those workers are employed by state and local governments. Membership in public sector unions has risen a phenomenal 60 per cent since 1968 and includes 3.9 million state and local employees.

Pending legislation.—As in the two previous Congresses, numerous pieces of legislation have been introduced which would establish collective bargaining rights for state and local public employees. One example of this type of legislation extends the National Labor Relations Act to public employees, authorizing collective bargaining and the right to strike. Other legislation grants recognition to public employee unions and establishes a special commission to protect the bargaining rights of public employees.

Implications.—The right to strike by employees engaged in what are considered "essential services" is one of the most controversial issues associated with public sector collective bargaining. Proponents of federally mandated collective bargaining contend that federal legislation is necessary to provide the states with mechanisms for solving labor disputes without crippling strikes. Other proponents argue that strikes are not an essential component of collective bargaining and that alternatives can be provided through some form of binding arbitration by a neutral third party. Opponents point out, however, that there are compelling reasons why state and local governments should be free to decide their own labor practices. Because of the complex fiscal arrangements and budgetary practices at state and local levels, charter limits on taxes, and statutes regulating the type and method of services to be provided, federal intervention could standardize state and local government structures and procedures in areas other than labor relations. Not only are the fiscal implications massive, but more importantly, state and local governments will never again be able to deal with their own employees on a simple, discrete basis.

At present, collective bargaining for police and firefighters in Texas is permissible if authorized by community referendum; collective bargaining for other public employees is specifically prohibited by statute.

Prospects.—Public sector collective bargaining does not stand a strong chance of passage in this Congress. However, the forces supporting these measures are becoming increasingly powerful and passage might occur in the 95th Congress.

CONCLUSION

While the issues of state sovereignty are as old as the federal union, federal intervention into state and local employee relations comes at a particularly delicate time in terms of dwindling revenues, increased federal regulations in other areas, increased demands for services, and increased organization of state and local employees.

The tension between the goals of national standards for state and local employees and their benefits versus the need to provide local elected officials the resources and flexibility to meet the complex problems of providing services may continue for the next several years through numerous court tests.

The stakes on the table are high for state and local governments in terms of money amounts and process. The diversion of state resources to meet the costs of programs favored by Congress has significant consequences for state fiscal policy. The planning of state budgets requires accurate estimates of anticipated revenues and expenditures;

the process becomes confused when Congress can impose costs to be met out of state revenues. In his 1966 dissenting opinion to the FLSA Amendments, Supreme Court Justice William O. Douglas warned that exercise of the commerce power might destroy state sovereignty, and concluded that if the principle of constitutional federalism raises no limits to the Commerce Clause, Congress could virtually draft state budgets to avoid disruptive effects on interstate commerce.

TRIBUTE TO WALTER MORAN

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. RUSSO. Mr. Speaker, there are days here for all of us I am sure when we wonder where we are going to get the energy to keep going. But if we want to put to rest once and for all the alibis we may make to ourselves to rationalize "slowing down", including our age, we need only look at the lives of some of our active and involved senior citizens.

Today I want to pay a special tribute to such a person. He is a fine gentleman from Calumet City, Ill., who celebrated his 90th birthday on January 5. Despite the special occasion, I am sure that Mr. Walter Moran still found time for his daily jump-rope session and his walk.

Now granted, a man who twice wrestled for the lightweight championship of the world and was just elected to the Roseland-Pullman Area Sports Hall of Fame may have a step up on some of us in the area of keeping fit, but there is no greater testament to a man's inner discipline and zest for life than his willingness to pursue in later years, and with the same enthusiasm, those activities at which he excelled during youth and at the peak of physical health.

Walter Joseph Moran was born in 1886 in North Pullman, Ill., the third of five children. He first worked in the Pullman Car Shops and then was employed by the Metropolitan Sanitary District for some 31 years.

Mr. Moran's exceptional athletic talent surfaced early. He first became interested in sports at age 9, in 1895. By the age of 20 he had won three 200-yard races and two 100-yard contests at the park championships at Ogden Park. At age 28 he twice wrestled Johnny Billeter for the professional lightweight championship and during the second meet with Billeter the match ended after 45 minutes in a draw.

He served as athletic director at West Pullman Park in 1919 and 1920 as well as athletic director of the Pullman Athletic Club, training and managing local boxing greats. For a decade, 1928–38, he coached the Holy Rosary—Irish—parish teams and during those years amassed an enviable record: 9 championships in track and field, 10 in junior basketball, 5 crowns for the volleyball team, and 10 singles championships for the tennis team.

Through the years Mr. Moran coached an impressively wide range of sports: Track, basketball, tennis, volleyball, baseball, ice skating, golf, table tennis, swimming, boxing, wrestling, and ju jitsu. But as any of us who have been privileged to enjoy the tutelage of a gifted coach know, it is not physical skills alone that are imparted. Mr. Moran's dedication to the wholesome life and his concern for the physical well-being of youth made him a respected and significant person to many young people. They look back on their time with him, and for some that was quite a few years ago, and recall easily and with fondness their mentor—Walter Moran.

I want to wish a belated happy birthday to Mr. Moran and commend him for his numerous contributions to his community. He is a special person to many people and I hope this Bicentennial Year is a happy and prosperous one for him.

A CASE OF DECEASE OR DESIST: PAYING THE ULTIMATE PRICE IS A GAS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. RICHMOND. Mr. Speaker, as my colleagues consider legislation involving the control of toxic substances, I would like to draw their attention to a recent commentary in the Washington Post by Nicholas von Hoffman. Mr. von Hoffman describes the tragedies in Denver City, Tex.—nine hydrogen sulfide deaths from a nearby Atlantic Richfield Oil Co. oil well—commenting that these "ecotechnological deaths" are caused by introduction of dangerous chemicals into the environment without proper testing. These tragedies, like the recent insecticide poisonings in Hopewell, Va., are becoming more and more familiar and real to the American public everyday.

Thousands of chemicals are introduced into the market each year without being fully analyzed for potentially harmful effects on human health and the environment. In order to avoid tragic consequences, toxicological testing must be performed before introduction of these chemical substances. Current toxic substances legislation, in recognizing the great dangers of untested materials, calls for testing and necessary use restrictions on certain chemical substances.

In considering the need for such legislation, I urge my colleagues to consider the health and welfare of their families and constituencies, as well as the health of future generations and the delicate nature of our ecological system. The passage of this legislation cannot be too immediate. I urge my colleagues to read the following article with the utmost consideration:

A CASE OF DECEASE OR DESIST: PAYING THE ULTIMATE PRICE IS A GAS

(By Nicholas von Hoffman)

The description of the scene is like a Charles Manson murder. Two bodies were in a pickup truck outside the house. There was another body on the ground beside it. Across the road yet another body, and in a car by the house five more of the dead. Some were dressed and some were in their night clothes, as though the victims were fleeing a homicidal attacker who caught up with them. One of them had time to call the police and cry, "It's killing us! Why don't you send help," but death came before the help did.

There will be no sensational trial this time, however, no weird revelations, no coast to coast frisson of fear, no flash of publicity except perhaps for the article, not in The National Inquirer, but the Wall Street Journal.

The nine people found dead in the strewn postures of failed escape around the Denver City, Tex. home of J. C. Patton weren't murdered by a motorcycle gang last Feb. 2. They were killed by hydrogen sulfide gas from a nearby Atlantic Richfield Co. oil well. For this the Federal Occupational Safety and Health Administration has fined Atlantic Richfield the grandiloquent sum of $1,100. If that doesn't put big industry on warning to police up its safety practices, it's hard to think of what will. As for the relatives of the deceased, whatever consolation they may get will have to come from the suits they've filed, provided they win them.

The hydrogen sulfide gas, which in minute amounts causes death by paralytic asphyxiation, was being used to force residual oil up and out of the ground from a tired and mostly depleted well. Extraction of such a marginal deposit is in accordance with the government's program of increasing energy production, so you might say that these nine were the first heroic Americans to give their lives for Operation Independence. They should be entitled to burial at Arlington National Cemetery.

There have been many hydrogen sulfide gas deaths—The Wall Street Journal cites 20 and says there are an unknown number more, but ecotechnological death is usually less overtly violent. At Denver City, everything died, "sheep, dogs, cats, birds, rats and a donkey," according to the Journal. The ordinary way we Americans are bumped off is bit by bit in the liver from some on-the-job chemical or by the preservatives in the beer or by the gradual sickening that comes of going shopping in the downtown poison gas attack.

The reactionary professors of the Pat Moynihan stripe, although perhaps not our Ambassadorial stentor himself, hold that worry over death by commercial poisoning is the preciously effeminate concern of the parlor left, but a survey recently commissioned by the Federal Energy Administration suggests that's not so. The FEA has chosen not to publicize its results, and nothing is more unreliable than a poll, but this one does have figures indicating that almost half the population is amenable to paying $250 more per car if it will result in cleaning up the air even 10 per cent. A sizable number of other respondents are recorded as favoring curtailing death-emitting industrial developments. Maybe the reason why is that not less than 11 per cent said that at least one member of their families had in the last year suffered from an illness blamed on air pollution.

The engrossed doctrinaires like the FEA's Frank Zarb and America's Jerry Ford react to the panic that we are literally dying from the production of our wealth by insisting that it's not economically feasible to stop killing ourselves. We need our jobs more than we need our lives, but such is the reasoning of political fanaticism. Apparently, American capitalism is literally in its death throes; we can't afford to keep on living.

This intellectual pollution is being offered as sound, free market economics. Even monopoly capitalism isn't that debased. Health, clean air, pure food are just as much values as an automatic transmission or a tape deck with the car radio. Selling those optional extras didn't put anybody out of work, no more than selling clear, pink lungs will . . . if you want to call them extras.

But how do we convince Jerry Ford virtually everyone of us is willing to spend more to stay alive?

Maybe a protest is in order. One like Vietnam vets staged at the Capitol when they marched past and threw their military medals at the place. We might march by the White House and throw the diseased organs of our dead friends and relatives. Black lungs, cancerous livers and clotted hearts.

INTERNATIONAL NARCOTICS CONTROL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. RODINO. Mr. Speaker, the cooperation of foreign governments is essential if we are to combat the drug problem and I am gratified to learn that President Ford has personally discussed this problem with the Presidents of Mexico and Colombia and the Prime Minister of Turkey.

I am hopeful that a continuing dialog will be established with these countries as well as with other drug-producing countries in an effort to curb the alarming increase in heroin and hard drugs currently entering the United States.

At the same time, new initiatives must be taken and strong diplomatic pressures must be applied in order to convince all countries that international narcotics control is a priority goal of our Government.

Congress has already demonstrated the importance it attaches to this objective by enacting the International Narcotics Control program as an important part of the Foreign Assistance Act and it is imperative that our State Department intensify its efforts to achieve closer international cooperation in this area.

I wish to insert at this point in the RECORD an article by Marquis Childs which appeared in the January 13 Washington Post which presents an ominous account of the drug problem in this country and describes the complex narcotics situation in Mexico:

THE THREAT OF MEXICAN DRUG TRAFFIC

(By Marquis Childs)

MEXICO CITY.—The ever-increasing drug traffic between Mexico and the United States is like a cancer threatening to undermine the ties of friendship between the two neighbors. How many hundreds of millions, perhaps billions, of dollars flow through the channels of this highly organized criminal trade, how far-reaching the web of corruption, are unknowns to be measured against the fearful toll taken by the brown poison of heroin in the bloodstream of so many Americans?

With a pause in the export of the raw stuff from Turkey and a definite break in the French connection, the chief source of the hard stuff has become Mexico. I have talked with high sources in the Mexican government who see the situation in the following stark terms.

The market is the United States and a very large market indeed it is. Production is in Mexico and, more recently as a kind of offshoot, Colombia.

If the market could be greatly curtailed or even closed down altogether, the production center would shut up shop. Short of that, innumerable ways will be found to circumvent whatever barriers are put in the way of development and transport of what is, in effect, brown gold. This gives a grim look to the efforts of both governments, the U.S. providing help to Mexico with as much as $40 million, to stop the traffic.

It began, this is the Mexican account, with the education of illiterate peasants in the high Sierras in the cultivation of the opium poppy. They had been scratching a bare living out of growing corn. Here came some foreigners telling them that if they would plant this other stuff, showing them how to harvest the poppy pods, they would be well off. They might even one day be able to buy a watch.

This sounds like the beginning of a spy thriller, but Mexican authorities say this is just how it all started. The educators were Mafia agents and the Mafia today has added the Mexican-Colombian drug trade to other highly profitable and illegal operations. In both countries, education in processing from raw opium to heroin followed.

Once, organized transportation across the border was no problem. Plenty of pilots were willing to chance landing on secret air strips on the U.S. side, there to be met by agents ready to take the cargo and pay off the pilot. Other agents using a variety of means of concealment tried to outwit U.S. customs agents in principal airports.

When the Colombia operation was organized it was soon realized that shipment directly to the United States was difficult and was likely to be detected because of the limited number of flights out of Colombian ports. Therefore, transshipment through Mexico City began. Here was a whole new source of reward and risk. An agent with, say, a dozen kilos of heroin concealed in the false bottom of a trunk or a suitcase flying out of Bogota tries to elude detection in Mexico City.

If he is not caught he trans-ships to Los Angeles or New York, or he may even go by way of Europe, Amsterdam or Paris, to throw off any scent of the Colombia-Mexican connection.

Successful in laying down his cargo in the retail market of one of the big cities in the United States, he has made a small fortune, since the value of the heroin has been enhanced at least a thousand per cent. According to Mexican sources, a man can retire for life after 10 successful trips.

But the risks are great, and there is another source of friction between Mexico and the United States. About 600 U.S. citizens are in Mexican jails on drug charges and the jails are hardly Ritz Carltons. Many are simply young hippies who happened to possess marijuana and they are being treated with rank injustice. This has become a reason for bitter protest in the United States.

Not at all say the sources here with whom I have talked. They were all, or virtually all, involved in the traffic in hard drugs, and we intend to keep them in jail.

The cooperation between Mexican and U.S. authorities in trying to put a stop to the drug traffic is close. One of the chief aids provided by Washington has been helicopters. The latest proposal is to spray the poppy fields.

But as in Turkey, where poppies were a traditional quick-cash crop, the political implications can hardly be ignored. To wipe them out with low-flying helicopters is bound to mean political reprisals for they signify prosperity for a peasant who hitherto has known little more than hunger.

And while the number of poppy cultivators is comparatively small, the charge that the gringo is moving in on a means of decent livelihood could bring more than a localized protest.

Mexican sources claim that drug abuse in this country is minimal. They put the percentage of drug users between the ages of 15 and 25 at 2 per cent and this would include the use of marijuana. American officials are skeptical of this figure.

Poverty may be a deterrent. The market to the north offers the *gleaming prize.* How much of this wealth remains in Mexican hands and how much goes to the Mafia managers are two of the unknowns. When the traffic can be stopped, when it can even be slowed, are the greatest unknowns.

JEROME W. COX: FIGHTING FOR THE RIGHT TO LIFE

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. EARLY. Mr. Speaker, Jerome W. Cox, chairman of the Northboro-Westboro Chapter of Massachusetts Citizens for Life, is a leader in the effort to overturn the Supreme Court decision on abortion. On several occasions in the past, and most recently during the Christmas recess, I have had the honor and privilege of discussing with Mr. Cox the tremendous moral and ethical implications of our country's existing abortion statute.

As we begin this new year, I am proud to share with my colleagues a most thought-provoking and deeply felt article written by Mr. Cox, "The Case Against Abortion in America."

The article follows:

THE CASE AGAINST ABORTION IN AMERICA

(By Jerome W. Cox)

Gen. Douglas MacArthur's farewell "Duty Honor, Country" speech to the West Point cadets, delivered on May 12, 1962, and reprinted in the Worcester Telegram of July 4, 1975, contans an enduring message—not only for the military and dedicated, courageous, and proud Americans—but for all Americans.

MacArthur let us know that "duty, honor, country," while symbolizing the great moral code of the military, also represented what we Americans—individually and as a nation—want to be, can be and will be.

MacArthur recognized that the phrase "duty, honor, country" summarized the spirit of the American military man truly dedicated to the stars and stripes. Yet, he could not tell the full meaning of those words.

THREE RIGHTS

On July 4, 1975, I could not tell the full meaning of America. But this is not unusual, for our nation is too grand and glorious for any man to know its full meaning. However, I do know that part of the meaning of the land of the free is temporarily lost. I also know that no phrase better suits that glorious country—defended with the spirit of "duty, honor, country" for 200 years by a proud and strong military—than the phrase "life, liberty and the pursuit of happiness." These three inalienable rights are the basis of the civilization established for us by our founding fathers. These rights enunciate the spirit, fundamental rights, and keen decency of free men by which true liberty can be provided for all in the society.

Today, more Americans are dying at the hands of other Americans than we ever lost fighting men in all the wars in the history of this country from the Revolutionary War down to and including the Vietnam War.

Many of these deaths occur in military "hospitals."

Why doesn't our military exert some "duty, honor, country" to save these Americans?

Why is the military contributing by their silence and condonation to this war on unborn generations of Americans?

Why does the military let the violence of abortion by any method be exerted on defenseless, unborn Americans who cannot speak or act for themselves?

BROADER OBLIGATION

America! Americans! "Duty, honor, country" are not just for our military. We cannot continue our otherwise great society until we also exercise "duty, honor, country" to our fellow unborn Americans. We cannot restore the full meaning of our country until we restore "life, liberty and the pursuit of happiness" to everyone.

Justice must be equal for all—including our unborn.

Every American owes an obligation to every unborn American child. Regardless of where in America or around the world that child is, every American owes that child as much "duty, honor, country" as any soldier in any foxhole, any sailor on a ship, or any air corpsman in a plane ever owed to any other American.

Inasmuch as life starts at conception, the duty we, as Americans, owe to each other does not differ on whether the American to whom we owe the duty is born.

ANNUAL TOLL

The fact that Americans did not expect nor have any experience similar to this massive war on the unborn—taking an annual toll of one and a half million children per year—has contributed to the fatalities. However, Americans—as a whole nation—are learning the biological fact that life begins at conception and that abortion necessarily involves the taking of a human life. Moreover, Americans are learning that the war for the unborn is being fought and is being won in town and city halls, state legislatures, and the Congress. Americans, knowing this, are being activated on behalf of the Human Life Amendment that will protect all Americans from conception to natural death.

These citizens for life, right to life, or pro-life Americans, dedicate themselves, therefore, in the same spirit of "duty, honor, country" to stopping the abortion carnage. They spread the truth that every abortion necessarily involves the taking of a human life. They point out that the "convenience" or "expedience" reasons advanced by the abortionists for an abortion can never "justify" an abortion. They inform that in its "abortion decision," the error of our current Supreme Court in denying the personhood of a child is greater than that same error of an earlier court in denying the personhood of a slave in the Dred Scott Decision. In the January, 1973 Roe v. Wade decision, the Supreme Court's denial of the unborn child's personhood permits the legalization of death by abortion. The denial of the personhood of a slave, though it deprived him of liberty and the pursuit of happiness, did not deprive Dred Scott of his life.

The American people will correct this mistake of our Supreme Court which apparently has been too proud to admit and correct its own mistake. Americans will not tolerate forever the needless killing of its unborn children. The pro-abortionists are on the defensive throughout our great land.

Unborn children will not for much longer be the grist of abortion mills.

INCREASING AWARENESS

Americans are more aware that each unborn baby's right to life is derived from its individual dignity and integrity as a child of God but also that every child is needed for our economy, Social Security system, and national defense. The practical implications of the morality of protecting rather than destroying unborn children is being learned by more Americans each day.

The question is "How long will it take for the Human Life Amendment to protect all unborn Americans?" "How many unborn children will die before then?" "What is the human cost of delay?"

The question is "How long will it take for enough Americans to say: 'In the war against the unborn, I will do my duty with honor for my country.' "

Americans are bending to the task to rid this country of the abortion practice and mentality which would have you think that a nation can remain strong by killing its young—the seeds of its future. The present and future injury inflicted on America through the war on the unborn is greater than the human and material injuries our nation sustained in all its previous wars.

TO WIN THE WAR

America will win the battles and the war for its unborn children as soon as every American, in the spirit of "duty, honor, country," is willing to raise the issue or at least not remain silent and inform any relative, friend, neighbor, or associate that "duty, honor, country" require all parents to protect their unborn babies instead of doing violence upon them by abortion.

Through "duty, honor, country," Americans will retore the inalienable right of "life, liberty and the pursuit of happiness" and America to its full meaning. The only question is how quickly this will be done.

Your individual responsibility as a citizen beckons you to action in the same spirit and as certainly as "duty, honor, country" beckons the fighting man. Your obligation is to save absolutely as many American babies as you can from violent death by abortion. America will be better when you have discharged that obligation. For then, each member of our unborn generations—who has as much a right to life as you and I—will then be able to live that life in liberty and the pursuit of hapiness.

God bless you for your "duty, honor, country."

BROTHER RICE HIGH SCHOOL FOOTBALL CHAMPIONS OF CITY OF CHICAGO

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. RUSSO. Mr. Speaker, today I want to take the opportunity to commend a dedicated group of young men from the Third Congressional District of Illinois.

On November 29, 1975, Brother Rice High School became the city of Chicago football champions by defeating Chicago Vocational School 26 to 0. After a victory 2 weeks earlier over Mount Carmel High School to win the Catholic League Championship, the Brother Rice Crusaders were determined to bring the school its first city football title in its 20-year history.

Credit for this accomplishment goes to the entire squad, who truly provided a team effort in the win. For this they deserve to be congratulated, but even more important than the accomplishment is the fact that their successful season was the result of a joint effort by the team members and their coaches, parents and fans.

Too often in today's society we hear only of the young people who make bad news. It is refreshing to learn of the commendable dedication and teamwork put forth by the young men of Brother Rice High School. I would like to extend to them my personal congratulations and best wishes for continued success.

POWER VERSUS PEOPLE

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. NEAL. Mr. Speaker, the American Electric Power Co., Inc., recently placed two-page ads in the New York Times, the Wall Street Journal, and this week, the Washington Post in support of its proposal to dam the New River. The advertisement contained much biased information. In order that my colleagues may have a more balanced view of the New River struggle, I wish to insert in the RECORD the following article written by Austin Scott and published in the Washington Post:

POWER STRUGGLE ON AN ANCIENT RIVER

(By Austin Scott)

MOUTH OF WILSON, VA.—On the surface it seems to be just one more admittedly bitter but not all that uncommon dispute between a big company that wants to expand and rural landowners who don't want their lives and their land disrupted.

But here on the Virginia-North Carolina border, in rolling Appalachian hills that ripple along a bedrock shelf 3,000 feet above sea level, there is quite a bit more to it than that.

The nation's largest public utility holding company, American Electric Power, has been frustrated for 10 years in its attempt to dam an unusual river in order to build what would be the country's largest twin-dam, pumped storage electric generating system.

AEP, which serves the central Northeast from Illinois to Virginia as far south as Tennessee and is second in size only to the government-owned Tennessee Valley Authority in terms of generating capacity, has been struggling with some serious financial problems during the past few years.

Chairman Donald C. Cook said in June that his company, once one of the industry's healthiest, was forced to slash its proposed $1 billion 1975 construction budget in half and eliminate or postpone three large generating plants because "for the first time we clearly overestimated the demand of the economy in our area."

Nevertheless, Cook wants to build the Blue Ridge twin-dam project on the New River here. Although AEP now has such a surplus of generating capacity that it can sell up to 1.6 million kilowatt-hours daily to other utilities, Cook says he is convinced that electricity is going to be in such short supply in the years ahead that major industrial shutdowns will begin in 1978 and will be widespread by 1980.

The project has stirred substantial opposition, in part because of the beauty of the New River and its largely unexplored but promising archeological sites, in part because AEP does not serve North Carolina where substantial portions of two counties would be flooded by the dams, and in part because the project would not contribute to the company's total sustained generating capacity.

A pumped storage project acts a bit like an enormous storage battery, helping to meet sharp fluctuations in demand, storing up energy pumped into it during the low-demand hours at night and on weekends for release during late afternoon peak load hours.

The company's biggest roadblock may prove to be the state of North Carolina, which has asked Interior Secretary Thomas S. Kleppe to declare 26.5 miles of the New River and its south fork part of the protected National Wild and Scenic Rivers System.

If Kleppe says yes, AEP could not build the project as now conceived.

Contrary to its name, the New River, estimated to be 100 million years old, may be the oldest river in North America, and perhaps one of the two oldest in the world, according to geological studies.

It is a perverse river, not just in its name, but also in the way it behaves. Unlike nearly every other northeastern river it flows from south to north. Unlike every other Appalachian river, it crosses the mountains from east to west.

And unlike almost every other river in the country, it does not flow along the mountain ridges, but across them, leading geologists to theorize that it must have been there before the mountains, so it had time to keep cutting its own channel as the mountains rose slowly around it.

The dams AEP wants to build would create two lakes totaling 44 miles in length, displacing up to 3,000 people and flooding some of the richest food-producing bottomlands in the Blue Ridge Mountains.

Many of the people who would have to leave say they do not merely own their land. They say they are a part of it, and it is a part of them, in a way that is true in few sections of the country.

In the three affected counties—Grayson in Virginia, Ashe and Alleghany in North Carolina—some people trace their families living on the same land back nearly 100 years before the Civil War, and sometimes back to land grants obtained from King George III of England.

There is Gerald Crouse, who farms the land where four previous generations of his family were born and raised and now lie buried His property would be partially flooded by the dams.

There is Elizabeth Jordan Cox, sharp and spry at 87, who lives alone in a home built by her husband's grandfather's father-in-law. The home contains so many family heirlooms that she often points to pieces of furniture and says:

"Oh, that's not old, it's only 75 years old . . . Now that's very old, that's over 100 years old." Among the relics on her 400 acres that would be flooded are the family blacksmith shop, with its bellows and equipment, and the old mill that was used to grind flour by families throughout the area from the late 1800s until the 1960s.

There is G. Cam Fields, 79, whose family owns the woolen mill, the private power company and the Ford auto agency that are the business community of tiny Mouth of Wilson (population: 500)—so named because it grew up from the crossroads at the mouth of Wilson Creek.

Fields says the dams would put the Mouth of Wilson post office under 160 feet of water.

"It's home," he said. "I don't know if you know what I mean by that . . . Always spend your old days where you spent your young days. If you've sunk down roots that's the way you feel."

While some 40,000 acres would be flooded, those opposed to the project estimate 60,000 acres would be affected because of the nature of farming in this area.

"You've got to grow feed for wintertime for cattle, and you try to grow it on level bottomland where it won't wash," said one farmer. "Then in the summertime you graze the cattle on these hills. If all you have left is the hills, because the bottomland is flooded, then you can't do anything."

Lorne Campbell, an attorney in nearby Independence, Va., is second vice president of the "Committee for the New River," an organization formed a year ago to fight the power company.

Now 67, Campbell claims to have fished every inch of the river in his younger days, and a drive with him along the dirt roads that twist and turn through forests near the riverbanks is an oral history lesson in local folklore.

He is deep into a story about two local brothers who had a falling out in their teens, and refused to speak to each other for the rest of their lives, but continued to cooperate, and would send their wives over to say, "John wants to know if you can help him plow today." But he interrupts the story to point to the walls of an ancient brick house.

"That old house was built about 1796, it belonged to old Black John Parsons," Campbell says. "He had 30-some children by two women, and the families associated with each other."

The Interior Department's draft environmental impact statement on North Carolina's request to have its part of the New declared a scenic river says projectile points dating back "several thousand years" have been recovered in the New River valley, indicating that it "was a major migration route and represents successive levels of Indian development from Paleo-Indian times to the arrival of the white man in the 15th and 16th centuries."

Dr. C. G. Holland of the Smithsonian Institution, who conducted two of four preliminary archeological surveys, says he thinks the New River valley may be one of the most important archeological sites in the eastern United States.

Dr. William Gardner, chairman of Catholic University's anthropology department, says, "At a minimum, the valley has been occupied since 8000 B.C., according to artifacts there."

North Carolina, its legislature, congressional delegation and governor are unanimously opposed to the Blue Ridge Project. The state lists 16 rare and endangered species of wildlife in the river area.

North Carolina has filed suit in U.S. District Court charging that the Federal Power Commission acted improperly when it granted AEP a 50-year license to build the project in June, 1974.

Among the state's arguments are insufficient consideration of the archeological and environmental impact and insufficient recognition of the state's desire to make the New River a federally protected scenic river.

AEP counters that the FPC acted unanimously after nine years of consideration, 40,000 hours of work, and 7,500 pages of sworn testimony at public hearings.

"The project was designed, revised and modified to assure a minimum of adverse impact and a maximum of benefit to the air, the water, and the people," the company said in a two-page New York Times advertisement Jan. 9.

AEP's ad called the North Carolinians who oppose the project "an affluent few." It added that "the influential elitists" are using "a tricky scheme" to try to "euchre" the people of North Carolina out of ". . . our gift of 3,900 acres . . . for a lake-front state park."

Opponents, the company said, never consider the energy-saving potential of a hydroelectric plant, the flood control benefits of the dams, or the need for an emergency power reserve.

AEP concedes that its Blue Ridge Project, estimated in 1973 to cost $430 million, is the cheapest way for it to get the kind of electrical buffer it needs for its expanding power network.

The FPC found during its investigation that the next best alternative would be another large coal-fired power plant. But Joe Dowd, general counsel for AEP, admits that the two are not, directly comparable.

A new coal-fired plant would be what is called a baseline plant, adding another million kilowatt hours of permanent, 24-hour-a-day generating capacity into AEP's power network.

The Blue Ridge Project would not do that. While it would be able to supply extra electrical energy to AEP for weeks if necessary, it would be a net consumer of electricity in the long run.

At night and on weekends, when electrical demands are normally low, AEP plans to feed power from its huge nuclear and coal-fired plants in Illinois and Ohio and Virginia to giant pumps that would lift water from the lake formed by the lower Blue Ridge dam into the lake formed by the upper one.

For AEP, that would have the added benefit of letting its biggest generators run 24 hours a day at their most efficient power output, which is close to maximum.

During the day, or in case of an emergency, water would be released from the upper dam to turn big hydroelectric generators for extra daytime power.

Used in that way, however, the Blue Ridge Project would consume overall four units of electricity for every three it produced, AEP said. And its capacity to generate would be only the length of time it took the water in the upper dam to drop too low to be useful.

Also, AEP counsel Dowd admits the shoreline of both lakes would fluctuate daily as AEP pumped water back and forth.

Opponents of the dam raise the spectre of vacationers arriving to be greeted by huge expanses of mud flats created by the fluctuating water level.

Although AEP estimates it has spent $17 million on the Blue Ridge Project over 10 years, including the purchase of substantial quantities of land that critics charged disrupted the local economy as it came out of production, the company has not started to build.

Its license was temporarily stayed while the North Carolina suit is considered. A ruling on the case is expected soon.

If the three-judge panel in Washington sends the matter back to the FPC for more study, that would delay the project several years but would not necessarily kill it.

The man with the power to kill it is Kleppe, who is expected to make his decision shortly after Feb. 21, when a 90-day comment period on North Carolina's scenic river proposal runs out.

AEP charges that the North Carolina proposal was "designed and tailored just to block the Blue Ridge project," a point some proposal supporters do not deny. They argue, however, that regardless of its timing, the proposal has more than enough merit to warrant approval by Kleppe.

AEP claims Congress considered a similar proposal in 1974 and turned it down. Actually, the 1974 bill died when House Rules Committee Chairman Ray Madden (D-Ind.) held it hostage, refusing to schedule a vote on it because his committee would not approve a bill expanding the Indiana Dunes National Lakeshore.

The bill was then brought up on the House floor where it won a majority vote, 196 to 181, but not the two-thirds vote needed to pass a bill killed by the Rules Committee.

AEP has also argued that a number of bridges and roads, two small eight-foot dams built years ago for local milling and power operations, and two small industries not on the parts of the river that might be declared scenic, all make the river ineligible for such a designation.

The Interior Department has decided otherwise, ruling the river eligible. Interior has also decided the FPC did not make a sufficiently comprehensive environmental impact study.

"Our conclusion was that the FPC really hadn't given consideration to the no-build alternative," said a spokesman adding he cannot predict what Kleppe will decide.

BIG GOVERNMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. HAMILTON. Mr. Speaker, I include my Washington Report entitled, "Big Government":

BIG GOVERNMENT

One feature of our 200th birthday celebration is that Americans are not happy with their government. In a few words, many Americans view their government as inefficient, intrusive and just too big and expensive. How to transform the mood of doubt and disillusionment with government which now exists in this country and restore an affirmative attitude toward government will be an important issue in the 1976 elections.

The complaints about government are familiar: the proliferating, but seemingly ineffective programs to deal with real social problems, the long arm of government regulation which stifles competition and increases prices to the consumer, and the tentacles of red tape and paperwork which threaten to strangle us. These complaints, supported by the sheer size of government (14.6 million people in federal, state and local work forces) and cost ($523 billion on all levels), are the bases for government's low public esteem.

It is really not difficult to see how government got so big. For a good many years we have followed a fairly systematic approach to solving our social problems. Once a problem was perceived we established a program and an agency to solve it. If the problem proved intractable, we threw more federal dollars at it and expanded the size of the agency. Government did not grow big by accident. It was nurtured and inflated by real problems, ever increasing demands from interested people, and the visions of elected leaders. Whatever the successes or failures of this approach, many students of government are now saying we must try new approaches.

This anti-government mood can be easily overstated, however. No one really wants the government dismantled and everyone acknowledges that government has a positive role to play in defense, in restraining the excesses of the economy, and in providing a floor of economic security. A politician learns that not everyone who decries big government, really means it. Some people want better, not smaller government. Many may be against big government in general, but they howl and protest when a government service that benefits them is reduced or abolished. Many who denounce excessive government regulation are the first to appear in Washington to urge the Congress to reject proposals to deregulate their industry.

So, as we enter our third century as an independent nation, it is apparent that we are still debating the basic question of the government's role in the life of the nation. This debate has gone on for 200 years and it is likely to continue.

Just what we should do is by no means clear. There is agreement on one point: it will not be easy to find the solutions to the problems of big government. We have reached the point where we must redefine what we want government to do and what we want to pay to get it done.

To accommodate this mood of Americans toward government, it seems to me that certain adjustments are essential. There is no reason to alter the goals we have sought of national and economic security and of a just economic and social order. But our approach to these goals does need to adjust. Our new agenda should concentrate on making government work better, including a ruthless examination of the effectiveness of all federal programs and regular checks on how each department is operating, how effective its job is being done, and what improvements can be made. Government reorganization should be given far greater emphasis to bring better management to the whole governmental process. Major programs, now under government direction and control, could be transferred to autonomous agencies run like private business. An example is COMSAT, which has successfully operated the international communications system beamed through space satellites. Expiration dates of programs and performance standards should be written into legislation.

Major attention should be given in the Congress to strengthening its oversight of government programs, with particular emphasis on performance review and evaluation. Emphasis should be placed on increased productivity and efficiency among government workers. The entire regulatory structure of government should be overhauled to eliminate duplicate expenses and services. A large number of the 1250 federal advisory boards and commissions should be eliminated. Federal categorical grant programs should be consolidated, and block grants and revenue sharing programs used. Moves should be made, where possible, to return authority to state and local governments. Every effort should be made to encourage private decisions before resorting to government action. And whenever government acts, it should try to use the private sector as much as possible without depending upon bureaucrats.

Much else could be said, but the key directions are indicated by the words deregulation, competition, consolidation, decentralization and efficiency.

Basically, what is needed is a lowering of everyone's expectation of what government can do, a more modest approach, and a knowledge that the ability of government to satisfy demands is limited and that those limits are in view. This is not a call for no government at all, but a call for a better appreciation that government should do what it can do well and not do what it does poorly. It means that at a time when we recognize the limitations on government's ability to solve problems, we must make choices about the tasks government should tackle.

VETERANS' ADMINISTRATION

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. RUSSO. Mr. Speaker, the Veterans' Administration today is a huge bureaucracy with an annual budget of $16 billion. Yet, over and over we hear of instances where the veteran is apparently abused or overlooked by the very agency and system set up to serve his needs.

Exactly what kind of job is the VA doing? Five Chicago Tribune reporters tackled this question. Pamela Zekman, William Gaines, Jay Branegan, William Crawford, and James Coates interviewed hundreds of veterans and VA officials and employees and examined scores of documents and records for a serialized report in the Tribune.

I want to share this informative series with my colleagues and am today inserting the first article, "Vets the Victims of Clumsy VA Giant," as well as one veteran's personal story of frustration with the VA:

VETS THE VICTIMS OF CLUMSY VA GIANT

The Veterans Administration promised Tom Gillam something. It promised to pay him to go to school, to help him build a future for his wife and children as his right under the GI Bill.

Tom Gillam took that promise, along with the artificial leg he'd traded for most of his real one in 1968 after a night ambush in Viet Nam, and quit his full-time job to take classes for a high school equivalency certificate.

That was two years ago. "Since then, all I've had is grief," Gillam, 28, said. "The checks kept getting fouled up. I had to drop out repeatedly; my telephone was disconnected; my electricity turned off; and I had to move out of my last place owing three months rent.

"It would seem like every time I'd go down to the VA somebody would tell me something that'd conflict with what I'd been told before," he said. "Then the VA told me they overpaid me."

To many who have never had to deal with it, the Veterans Administration is an anonymous agency that operates hospitals for wounded ex-soldiers and somehow provides "GI benefits" for veterans' educations.

What most people don't know is that the case of Tom Gilliam, college benefits, and the local VA hospital are only a small part of the gigantic social welfare agency known as the Veterans Administration.

Consolidated from a few small agencies by Congress in 1930 to dole out compensation and pensions and to run the hospitals and some old soldiers' homes, the VA has grown to become government's biggest independent agency.

Although it is not a cabinet-level department, its 214,000 employes number second only to the Pentagon, and its $16 billion budget is third behind the departments of Defense and Health, Education, and Welfare.

Its $2.4-billion, 171-hospital medical care system is one of the largest in the world; its life insurance operation has more policy holders than nearly any private U.S. insurance company; and it disburses 75 per cent of all federal aid to students.

Last year about 13.9 million veterans, their survivors, and their dependents relied on the

VA for home, business, and farm loans; disability compensation; pensions; counseling; drug treatment; job placement; rehabilitation; hospitalization; and burial plots.

But while Congress and the White House have seen fit over the last 30 years since World War II to put layer upon layer of responsibility on the VA, an increasing number of critics say the agency has grown far beyond the limits of its capability. This spiraling growth has come at the expense of efficiency, creating increasingly poor service to veterans and a gigantic waste of tax dollars.

"The VA is a political animal that does not exercise the same restraints as other agencies," complains Sen. William Proxmire [D., Wis.], a member of the Senate Appropriations Committee who keeps a close eye on the VA and its operations.

While Proxmire and other critics are calling on the VA to parcel out some of its functions and programs to streamline the agency's operations, the strongest supporters of the present system are adamant that the VA will stay as it is.

"The VA is one agency. We want to keep it that way," said Oliver Meadows, the powerful chief of staff for the House Veterans Affairs Committee. "It is one agency and we'll die right out there on the steps of the Capitol to keep it that way."

But it's not as if the only problem created by the VA's mountain of administration is an occasional slip-up in the case of a disgruntled "little guy," like Tom Gillam—who finally did get his education in spite of the difficulties. As the mountain of bureaucracy grows, so grow the files filled with problem cases. And often, the bureaucracy is its own worst problem. For example:

The VA buys and installs expensive, sophisticated medical equipment with no eye toward whether the equipment is needed or whether nearby hospitals already have it. At the Bronx VA hospital, it installed a $300,000 cancer treatment unit even though two other VA hospitals within 15 miles had similar facilities. The Bronx unit stands idle most of the time, according to a General Accounting Office report.

Most federal agencies have detailed building plans in hand before they approach Congress for money. Not the VA. On a hospital project in Loma Linda, Cal., the agency asked for money knowing only how many beds it wanted, and little else. Before it was over, 36,000 square feet of space had to be added to the hospital, helping boost the tab to taxpayers by $18 million.

The agency handles its cases with an antiquated manual file folder system that results in lost and misplaced records, often causing months of delay for veterans counting on VA checks to feed their families. So routine are the mixups that the Chicago VA office employs 10 full-time "searchers" just to roam the six floors of its building at 2030 W. Taylor St. looking for missing records among the 600,000 folders filed there.

In fiscal year 1975 VA hospital administrators asked for 15,000 more doctors, nurses, technicians, and other personnel. Washington planners gave them 1,360. But the same year, Washington spent $25 million to hire 1,300 campus counselors to provide veterans attending college with help and advice, even though another federal program already was doing that job.

The VA's little-known system of 18 old soldiers' homes scattered around the country have become, its own reports say, "substandard and dehumanizing" and threaten to mark the agency "as the slum landlord of the health-care industry." At the same time, the VA assumed control of a cemetery system the Army was trying to phase out. The VA embarked on a vigorous, $331.6-million expansion program for the national cemeteries, though it admits that fewer than 1 eligible veteran in 10 chooses burial there.

Ironically, VA officials need look no farther than their own file cabinets to find reports and studies by VA personnel, as well as outsiders, that document waste, inefficiency, and poor performance.

The Tribune found that such studies are consistently ignored or challenged by entrenched bureaucrats while the problems are allowed to continue.

In 1974, for instance, a prestigious VA study group headed by Dr. John Chase, chief of all VA medical services, concluded that the rules governing admissions to VA hospitals and use of outpatient services are "confusing and uninterpretable by the veteran and in many instances, VA employes."

One rule permits the use of outpatient service by veterans only "where such services are reasonably necessary in preparation for, or to obviate the need of, hospital admission." In other words, according to the report's translation, the VA physician faces the "illogical task" of certifying that a veteran needs inpatient care before he can administer the needed outpatient care.

This and the rest of the mish-mash of rules that the VA and Congress have imposed piecemeal over the years often result in "unnecessary suffering for the veteran concerned," the report said.

Today, 15 months after the study was concluded, Chase says the agency is still trying to figure out what to do about the problem.

How did such waste, mismanagement, and insensitivity arise in an agency that has a mandate to act as a link between a grateful nation and its returning warriors?

The answers are many and complex, but they appear to be rooted in the agency's willingness to play the political game and its eagerness to please and appease the powerful, old-line veterans organizations whose policies and personnel dominate the agency.

"Practically all our top people have close ties with the veterans groups," admitted VA Administrator Richard Roudebush, himself a former national commander of the Veterans of Foreign Wars who is carrying on the tradition that a major veterans organization officer head the agency.

Congress is also to blame for the situation. Heavily lobbied by veterans organizations and awed by the specter of 29 million voting veterans—who with their dependents and veterans' survivors comprise nearly half the U.S. population—legislators have broadened VA programs to include more and more veterans and their families every year.

As the bureaucracy grows, however, it only builds a more impenetrable wall between the VA and the veteran who depends upon the agency for his well-being shortchanging those who most need help.

The strong influence of the veterans organizations also has led to a system of "crisis management" that ignores long-range solutions to problems in favor of inefficient, short-term measures to placate VA beneficiaries and their powerful lobbying groups.

Roudebush, a former Republican representative from Indiana, appointed to the VA by President Ford in August, 1974, acknowledges that the agency has had its problems. But he told The Tribune that he has replaced the three highest deputy administrators, brought in experts from private industry, and today "I've got some of the highest skilled people in the world working for the administration." The VA is on the rebound, he said.

Sen. Proxmire is not so sure. "The appointment of Roudebush was a political appointment," he said. "The VA's problems are far from solved."

Those problems are seen clearly in this set of decisions made by Congress and the VA in the early 1970s to answer a crisis, decisions that prompted new problems, requiring only more decisions in a never-ending circle of bureaucracy:

As the crush of Viet Nam-era veterans clogged the VA's educational assistance programs, the VA and Congress were faced with a rising chorus of complaints from ex-GIs about late education checks.

To quiet the din from angry constituents, Congress late in the election year of 1972 made two hasty changes in the program, which now sends monthly checks for $270 to $321 and more to about 1.4 million veterans attending college.

The changes set up two new systems. Under the first, called "prepayment," the VA sent out the checks at the beginning, rather than the end, of each month of classes. By moving up the payment date 30 days, Congress reasoned, there would be a buffer in the event of delay.

The second system, named "advance pay," called for the veteran to get his first two monthly checks on the first day of classes. This, too, seemed to make sense because students need extra money at the beginning of school for books, fees, room deposits, and other expenses.

The effects of the new law were felt immediately—overpayments to veterans tripled from $20 million to $60 million by July, 1973. A year later, after the VA got its first chance to give out advance pay, the balance of overpayments outstanding had doubled again, to $123.7 million, and today stands at $255 million—a 10-fold increase overall.

For all this, did the veterans at least get their checks on time? "They were always at least one month late," said one official of the Illinois Veterans Commission. "That program has not worked like it was supposed to."

Ron Owens, a veteran counselor employed by the University of Illinois Chicago Circle Campus, told The Tribune, "About 1,400 requests went in from this school for advance pay checks for the beginning of classes last year, but only 300 came by the first day of school. All the rest were messed up."

VA officials agreed the system has had its problems.

The program that sounded so good in principle had one major flaw—the VA writes its checks to veterans before it finds out whether the veteran is attending classes or has dropped out or quit school. And even after classes have begun, the VA has difficulty verifying that a veteran is earning his education money. Thus for months it keeps sending money to veterans who often are not eligible.

The VA says it can't cope with the situation that Congress handed it. "The only sure cure for the burgeoning overpayment problem would be to change the law back to the old system," a spokesman said.

But VA officials say they favor keeping the payment systems because they do more good than harm. So last January, the VA spent $120,000 to set up a special computer operation at its center in St. Paul, Minn., to get back the overpayments it expected to dole out in the following months, as well as the millions it already had overpaid.

The special computer bills veterans with threatening letters for overpayments they got from the main computer at Hines, near Chicago.

Simultaneously, however, the special computer bills other veterans with threatening letters for overpayments they never got, or paid back long ago.

"I never got any checks for three years, and when I start school again, this computer in St. Paul says I owe $5,000," said Stanley K., a 29-year-old Navy veteran, one of several vets contacted by The Tribune whom the VA admits were incorrectly billed.

The VA has still another "solution" to the overpayment problem. Having erred by not keeping close tabs on its student veterans in the first place, the agency has now issued tough new guidelines to have the colleges monitor veterans' eligibility.

State agencies charged with carrying out the VA's wishes complain that the guidelines are too vague. In many instances, the states have interpreted the VA to mean that colleges must keep daily attendance records. The schools say they don't have the time or the money to keep such records.

Even Eugene Duff, director of the state approving agency of the Illinois Veterans Commission, who is charged with formulating and enforcing the VA regulations here, throws up his hands at this latest VA safeguard scheme. "Wait until these schools and colleges get a letter from me saying that Gene Duff, who they don't know or care about, wants them to call roll. They never call roll."

Sums up the University of Minnesota official: "It's a clear-cut case of bureaucratic overkill."

Survivor of Battles With VA Aids Others

(By Pamela Zekman)

Robin Donka came back from Viet Nam without a leg, with the lower half of his face rebuilt, and with bullets and shrapnel still lodged in his body. He'd been shot 26 times.

"The guy at the Veterans Administration office said I wasn't eligible for any benefits," Donka recalls.

That was on his first visit to VA regional headquarters here more than six years ago. Since then Donka has devoted much of his time to getting his own problems with the VA straightened out and helping other vets with theirs.

"The VA has so much money, but no one is watching it. It is an entity unto itself," Donka, 28, said in an interview in the veterans office of the College of Du Page, Glen Ellyn, where he is in work-study as a veterans counselor.

"You've got to keep on them and threaten them and do whatever you can think of to make them do what they are supposed to do."

Donka speaks from experience at struggling to sort out his own problems with the agency, problems that continue despite repeated high-level intervention in the case.

Donka suffered his wounds during a fierce, six-hour battle in the Iron Triangle of Viet Nam, where he and 15 others were trying to hold a position. He still carries so many of the bullets that ripped into his flesh, and so much shrapnel and nails from home-made Viet Cong hand grenades, that he cannot get through airport metal detectors.

After being put back together at the military hospital in Valley Forge, Pa., Donka was released in late 1968 with medical papers—not regular discharge papers—which apparently baffled local VA officials.

"I need a new leg and this guy says I wasn't eligible. He said there were some papers missing or something. He said there was nothing he could do for me."

The clerk's supervisor confirmed the opinion. Donka called his congresswoman, whom he met in his hero's welcome home from the war, from the lobby of the VA building at 2030 W. Taylor St. Twenty minutes later he found himself in the regional administrator's office.

"He told me everything would be all right and that there had been a little mix-up," Donka said with a wry smile.

His disability was rated as total and he was given an extra monthly award for the loss of his leg. The artificial limb has to be replaced every year, he said, because of wear and changes in his weight.

Once, Donka recalled, "They told me they couldn't find the file. I said, 'Does that mean I won't get a new leg?' I threatened to call Washington." He got the new leg that time.

After some readjustment problems, Donka settled down and began school last January at the College of Du Page.

His educational assistance payments did not come for four months. It was money he needed to support his wife and two children.

The VA lost the file again. A representative from the Disabled American Veterans tried in vain to help him. The VA refused to issue him hardship payment to tide him over until the education payments arrived. Finally, another veterans counselor called the office of VA administrator Richard Roudebush.

Some money came through.

Donka, a quiet and soft-spoken man, has been left embittered and angry by his treatment from the VA. He expected better.

"I came home a hero," he said. "I was made the vice-chairman of the American Legion post in my home town [Aurora]. People I never knew came up to me and congratulated me and wanted me to have a drink with them. The girls all thought 'wow'. I even had people ask me what it's like to kill."

But, like so many other vets returning from Viet Nam, "I found I couldn't live up to that kind of life. I rebelled a little and got into trouble. The war became unpopular. Today a lot of us wonder what really happened. Why did we go? What would have happened if we never went? We'll never know."

He's still having problems getting his work-study program as a veteran counselor approved by the VA, but the cases of the veterans who come to him for help are also on his mind.

"The VA can write up reports and statistics and turn them in to Congress but they don't do a damn thing about people that need help," he said.

"It is not uncommon for a veteran to go down there and wait from 8 a.m. to 2 p.m. before he sees someone. It's not uncommon not to get through the switchboard for two or three hours.

"A lot of time you go down there and you're a veteran and you think you have something coming to you and they treat you like you're asking for a handout. And so the veterans give up.

They figure to hell with it."

SOCIAL SECURITY SEEN AS JOKE ON US ALL

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. ROUSSELOT. Mr. Speaker, "The Social Scurity Trust Fund is headed for trouble." This is the observation President Ford made in his state of the Union address, Monday night, while calling for a three-tenths of 1 percent increase in employee and employer social security taxes to be paid into the trust fund. The President did this in order to insure the credibility of the trust fund in the coming years and to make sure that the fund "takes in as much as it pays out" and guarantees "security for our old and young." While we must respect the President's reasoning and desire to maintain the integrity of the trust fund, we must also recognize that sooner or later the Congress must approach the problem of caring for our elderly and needy in a fundamentally different way.

A recent editorial by William Rusher which appeared on December 23 in the San Gabriel Valley Tribune identifies many of the problems that currently beset the social security system in our country. Among many things, he points out, first, that at the present rate of depletion, social security "benefits" will be exhausted by the year 1980; second, that the unfunded deficit—obligations that will fall due in coming years—of the social security system now runs at about 2½ trillion dollars; third, and that practically speaking, there is no way in the world that such an enormous deficit and obligation will ever be paid by future withholdings or through general tax revenues.

Mr. Rusher goes on to suggest that the answer to these ominous warnings is to provide the workers in the Nation's labor force the option of investing their social security withholding payments, together with their employers matching payments, in a private sector insurance program which would offer both higher interest and greater freedom regarding the use of the payments.

Mr. Speaker, it is my feeling that it is time that we reconsidered our present system of providing for the elderly in our country and carefully weigh the value of continuing to erode the credibility of the social security system by burying it in an astronomical debt which will never be repayed. It is time we turned to the private sector for the answers to these problems, where real "social security" can be found.

The article follows:

Social Security Seen as Joke on Us All

(By William Rusher)

In the two and a half years I have been writing these columns, the piece that drew by far the largest response from readers was one suggesting that our present Social Security system is basically a clever ruse whereby a savagely regressive payroll tax has been disguised as a sort of cosmic "benefit," and that American workers would be substantially better off today if the sums they and their employers have paid into it over the years had been invested instead in actuarially sound annuities available through the private sector.

It would have been safer to attack Motherhood. Clearly, the minds of millions of Americans are forever closed on the subject. Half of the furious letter-writers insisted that FDR had saved America from revolution by such measures as Social Security—totally overlooking the fact that I had raised no objection whatever to the concept of old-age insurance, but had merely challenged this particular method of funding it (or rather not funding it). The other half seemed to understand this, but insisted that governmental compulsion had been essential, since a substantial number of our less responsible citizens would never invest the requisite money in ordinary private insurance—overlooking, equally totally, the fact that government compulsion is just as available to finance a private insurance policy as a public one (and often does so—e.g., by requiring auto insurance).

So it is with a certain gloomy resignation that I now step forward to advise you (1) that at the present rate of depletion such portions of the money as your government has set aside for future Social Security "benefits" will be gone by 1980; (2) that the unfunded deficit of the Social Security system (i.e., obligations already incurred and falling due in future years, for payment of which there is presently no provision) is estimated by the system's own Trustees at 2½ trillion, or if you prefer 2½ thousand billion dollars; (3) that, realistically speaking, there is no chance whatever that this enormous deficit will, or safely could, be made up out of either future withholdings or general tax revenues; (4) that accordingly the government will simply print enough extra money (with correspondingly low purchasing power) to "meet" this staggering obligation and its other expenses as they arise; and (5) that midnight travelers in the mid-Hudson valley have lately reported hearing a noise strangely like a horselaugh emanating from a certain well-known Rose Garden near Hyde Park.

Go ahead—be angry with me, if it makes you feel any better. Gloat a little over the fact that Rusher, too, has had his paychecks docked for 35 years, allegedly to provide for his old age, and will wind up in 13 more with nothing but a fistful of scrip for his pains. (Thank the Lord I didn't count on Uncle Sam exclusively!) But stop fighting the arithmetic. If you thought New York City's bankruptcy was exciting, wait til the show in the main tent gets under way.

For connoisseurs of catastrophe there are further angles. We must increase the number of jobs available. Right? And new jobs (in the private sector anyway) are created only by means of fresh capital—an average of $40,000 of fresh capital for each job. Yet Harvard economist Martin Feldstein estimates that the American people's reliance on Social Security, rather than on a sound system of invested personal savings, compulsory or otherwise, for income in old age has reduced total private savings (one of the chief sources of fresh capital) by 38 per cent. This meant, in 1972 alone, a gross national product of $127 billion lower than we would otherwise have had. That could have produced a lot of jobs.

Can anything be done? In theory, yes. There is no theoretical reason why new workers coming into the labor force—or for that matter current workers—couldn't be given the option of investing their future Social Security withholding payments (and their employers' matching payments) in a sound private-sector plan offering both higher payments and greater freedom in regard to them. But if Congress ever tried to do this, do you think for a moment that it would succeed? Most Americans, apparently, are prepared to defend with their dying breath this swindle that is stealing them blind.

DEREGULATION COSTS STUDIED

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. MAGUIRE. Mr. Speaker, President Ford wants to deregulate the price of natural gas, a move many of us in Congress have long suspected will have catastrophic effects on the economy while providing very little additional natural gas. Recently, I asked the Congressional Research Service to analyze the effects of deregulation. Their study, which I released just before the Christmas recess, indicates deregulation will cost consumers between $20.2 and $22.3 billion a year in increased costs for heating, cooking, and for using products manufactured by processes using natural gas. That is $400 a year in additional costs to each American family. Clearly, the President's plan is economically intolerable.

Here is what CRS said about deregulation:

Economic Impact of S. 2310's Pricing Provisions

This paper represents an analysis of S. 2310, also known as the Pearson-Bentsen-Krueger* bill as it has been proposed for amendment/substitute to H.R. 9464, the House Emergency natural gas bill reported by the Commerce Committee on December 2. Several long term provisions are contained in Title 2. They provide for the phase out of natural gas price controls on "new" gas by January 1, 1981. New gas is defined here as (a) gas entering interstate commerce for the first time (after January 1, 1975) and (b) produced from new fields discovered after 1/1/75.

OCS (Outer Continental Shelf) gas remains under price controls until 1/1/81 under this proposal. However, the Federal Power Commission (FPC) is directed to authorize a new rate for new OCS gas. In the interim, this gas is permitted to sell for the Btu equivalent of OCS crude oil, an estimated $1.60/Mcf.

At the outset, it should be noted that the average price paid by FPC jurisdictional pipelines for natural gas is currently 35.5¢/Mcf. This is based on the average of a hierarchy of rates paid for gas of a variety of vintages, one of which is the current "new" gas national rate of 52¢/Mcf, which in practice averages 55¢/Mcf due to various adjustments. Intrastate gas sells for an *estimated* average price of $1.25—although no one really knows for sure.

Below we have computed out the various provisions of S. 2310 on a cost element by cost element basis. Section 1 develops an estimate of the market clearing price for gas, as it converges on Btu equivalency with OPEC oil based fuels. The remaining sections address cost elements seen stemming from this bill, as they are effected by interaction with our marked clearing price estimates.

1.0 THE MARKET CLEARING PRICE FOR UNREGULATED GAS

A key variable in the computation of S. 2310's cost is the market-clearing price level estimate for an unconstrained environment. Let us lay out the scenario in which prices are determined here. Industrial and large commercial users are curtailed. Not only are they able to buy less gas than they have during the past several years, but any growth in their business must be fueled by substitutes. Large, unsatisfied potential demand exists, both on the part of curtailed users and users who cannot get as much gas as they want. At the margin, many of these firms must burn propane or #2 fuel (home heating oil) because these are the closest substitutes for natural gas. Curtailed pipeline companies pay up to $5.00/Mcf for substitutes and synthetics. They will be willing to pay the same price for real gas as they would for substitutes, on a Btu equivalent basis, or they would not use the substitutes. Few undersupplied users, if any, would be unwilling to pay the price of substitutes for the gas itself. If gas was priced lower than alternative fuels, all industrial/commercial fuel users (who could—and a substantial number can) would run out and buy gas. Since gas suppliers are very limited even under the most optimistic assumptions, these hard-pressed users would quickly escalate gas prices up to or beyond levels of light oil or propane fuels which are the closest substitutes to gas. Because a large volume of users want gas, and because not all can/will be able to get it, they must compete with one another for limited gas supplies until the price has risen to alternative fuel levels or higher. The computations of "equivalent" Btu cost are based on current oil prices, and could be altered up or down in future years, depending on whether oil prices rise or fall.

What are these alternative levels? Propane currently sells for almost 23¢ per gallon according to *Platt's Oilgram*. On the Cotton Exchange, propane futures for delivery in January 1976 trade near this 23c level as well. These translate into an average of about $2.50 per million Btu's or Mcf equivalent. Current #2 fuel oil prices of $15.50/bbl translate into about the same amount—$2.50/Mcf equivalent. Further price increases in these fuels due to extra demand caused by curtailments could raise this figure in the near term, and this is particularly true of propane. Moreover, there are reasons to believe that pipelines may be willing to pay even higher prices. One is the fact that even if pipelines pay very high prices for initial amounts of new supply, they will be able to mix this with large amounts of older gas obtained under low FPC prices which now average 35.5c/Mcf. Substantial new supplies could be added theoretically at extremely high prices and then averaged with the large amounts of old cheap gas for a low, blended, delivered price during initial years. On a delivered basis, averaging can still provide gas a large cost advantage over other fuels even if pipelines pay extremely high prices (like $5.00 or $10.00 per Mcf). And this would still be true if all the expensive gas is allocated to industrial users, since industrial and large commercial customers use 50 percent of our gas, even today, and average blended prices would still be under incremental new supply price.

Other factors are at work here which argue for curtailed gas users being willing to pay even higher than oil equivalent prices for incremental gas. One is the clean burning, easily controllable, physical properties of gas which make it a more desirable fuel than oil products. Another is the cost saving realized by not having to convert to oil fuels.

Additional factual evidence is added to this Btu equivalency theory by recent 60-day emergency sales permitted by the FPC have ranged from $1.70 to $3.00 per Mcf, averaging $2.62. Interestingly, this closely approximates to the $2.50 estimates of Btu equivalency. It reinforces the theory of gas/oil fuel Btu parity with actual, recent experience.

2.0 INTRASTATE GAS

Allowing interstate pipelines to buy gas at unregulated prices, which S. 2310 would do as of April 5, 1976, is a step which permits uncontrolled gas to transcend State lines. Under the present regulatory format, individual intrastate markets are balkanized by State lines. What is commonly called the intrastate market is indeed several unconnected submarkets. Within the geographic boundaries of each, short term, temporary conditions of oversupply exist, wherein there is more potential gas production than can be consumed within those boundaries. Traditionally, much of this production is "exported" to other (consuming) States.

By 1968, intrastate prices had begun to exceed those fixed by the FPC, but never reached full Btu parity with crude oil based fuels. Indeed they have yet to do so on an all-inclusive basis, although an increasing number of transactions are being reported at the market clearing oil parity price.

But deregulation would change this, and accelerate convergence on Btu parity for intrastate gas. The mechanism at work here is based on this logic: intrastate, balkanized submarkets have temporary oversupply situations, *relative to local* (within state lines) *demand*. With intrastate prices averaging a crudely estimated $1.25, this means a substantial price rise is in order for that intrastate gas which is free to converge on the $2.50 oil parity price. And intrastate sales are made for a straightforward reason: to avoid FPC rates, obtain the highest initial price and to facilitate future price increases as supply/demand situations in submarkets firm up. As a result, most intrastate sales are made under conditions which permit frequent escalation.

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*H.R. 10480, as introduced by Congressman Krueger, contains a slightly different definition of "new" gas. It is believed that these definitional differences, as a practical matter, do not measurably affect the cost calculations contained herein.

2.1 THE AMOUNT OF GAS SUBJECT TO ESCALATION

In 1974, total marketed natural gas production amounted to 21.6 Tcf (trillion cubic feet). Of this, 12.9 Tcf was either purchased by FPC jurisdictional pipelines or produced by them. This gas sells for a Commission mandated 35.5¢ per Mcf current average price. The remaining 8.7 Tcf is sold within the state of its production, directly by producers or by largely unregulated intrastate pipelines. Let us assume these 1974 *status quo* conditions apply to 1976 as well.

Some of the 8.7 Tcf is sold under price limiting contracts. Specifically, almost 2.0 Tcf is used by electric utilities with contracts assumed to be very inflexible toward sudden price escalation. Let us assume further that another 1.7 Tcf is frozen under various other contracts' rigid pricing clauses. This leaves an even 5.0 Tcf free to escalate. By the end of the first year after S. 2310's passage, this will escalate to full Btu parity. Costs from this element to gas users will be: 5 billion Mcf x ($2.50—$1.25) =$6.3 billion at a yearly rate.

2.2 OTHER INTRASTATE GAS SALES

During 1974, pipelines otherwise jurisdictional to the FPC, sold 1.2 Tcf to ultimate consumers within the State where that gas was produced. These sales, which are assumed to average 1.0 Tcf during 1976 are not FPC price controlled. They are made at rates competitive with alternative fuels and other local (intrastate) natural gas sales. When other intrastate prices rise, these will too, costing another $1.3 billion (1.0 billion Mcf x $1.25).

3.0 INTERSTATE GAS

The bill distinguishes between onshore gas and OCS gas. Further, escalation is afforded "old" gas released from long term contracts. These distinctions frame up the interstate cost structure associated with S. 2310. Costs are computed here relative to the FPC's new gas national rate, which is now being recomputed. We assume here that the FPC will settle on a rate along the lines recommended recently by its Office of Economics, and that will in practice average 60¢/Mcf in 1976.

3.1 OCS GAS

Table 1 below shows the levels of offshore reserves during the past 10 years:

TABLE 1.—*Comparison of Non-Producing and Total Dedicated Gas Reserves in Offshore Gulf of Mexico—1964 through 1974*

(All volumes in MMcf @14.73 Psia and 60°F)

	Nonproducing	*Total Offshore*
1964	7, 626, 515	19, 245, 080
1965	7, 561, 439	22, 184, 289
1966	9, 364, 551	24, 871, 199
1967	9, 364, 070	27, 234, 977
1968	9, 857, 167	29, 254, 458
1969	10, 389, 937	33, 062, 086
1970	8, 269, 031	34, 009, 872
1971	7, 247, 039	32, 380, 630
1972	9, 008, 658	32, 461, 534
1973	7, 914, 728	30, 461, 836
1974	[1] 8, 526, 533	[1] 27, 428, 681

[1] Preliminary Data. The non-producing reserves for 1974 were determined by staff from company Form 15 reports but have not been verified by staff in the pipeline company offices nor have the total remaining recoverable reserves been checked for compliance with Form 15 reporting procedures.

Source: FPC Form 15. From prepared testimony of John N. Nessikas before House Oversight and Investigations Subcommittee, July 14, 1975.

The current aggregate is 27.4 Tcf, with 8.5 Tcf not in production, leaving net producible reserves at 18.9 Tcf. Assuming no further decline in these reserves between 1974 and 1976, and a 10 to 1 reserve to production ratio, we compute 1976 OCS production at 1.9 Tcf. We believe that most of this gas is under contract of relatively recent vintage wherein some form of deregulation is anticipated. This belief implies there will be no contractual impediment for this gas to increase to whatever new rate the FPC sets under the guidelines laid out in S. 2310. Let us make the assumption that the FPC will ratify the Btu equivalency plan specified as the initial interim rate, and set a $1.60/Mcf rate. This will cost gas users the difference between $1.60 and the assumed 60¢ for each Mcf, for a total of 1.9 bil. Mcf x ($1.60—.60) = $1.9 billion per year during 1976. (NB. 1 Tcf = 1 billion Mcf). As more OSC gas comes on line, this figure will increase.

3.2.0 INTERSTATE ONSHORE GAS

The question of how much new onshore gas will be produced by deregulation is hard to answer, especially in light of the fact that current revenue figures are not object of widespread agreement and there have been serious allegations of reserve withholding. In 1974, a total of about 10 Tcf of gross new reserves were discovered, excluding net downward revisions of 1.3 Tcf. Let us assume this will be the case in 1975 also. On this basis, and using the 10:1 reserve/production ratio, about 1 Tcf of new gas will be available in 1976 at $2.50/Mcf. Let us also assume that 70 percent (the remainder being an OCS cost element computed above) of these new additions are onshore, and compare this to the alternative of interstate dedications under the 60¢ national rate. This means costs, stemming from production of new reserves at unregulated prices, will be .76 bil. Mcf x ($2.50 - $.60) or $1.4 Billion at an annual rate for 1976 alone.

3.2.1 ADDITIONAL ONSHORE RESERVES IN THE LOWER 48

More reserves may be discovered under deregulation in 1976 and thereafter, however. Let us make a most optimistic assumption here: Reserve additions average 25 Tcf for the next several years in lower 48 states and OSC areas. This is the highest level of reserve additions ever achieved in any one year (1956) in the U.S., and never again equaled. If this is achieved for 3 years consistently, production may be able to increase just over 3 Tcf per year—from a current level of 21.6 Tcf to 25 Tcf. These reserve additions are assumed to be such that production will be 3 Tcf higher in 1976 than it would have been with regulation—an extremely optimistic assumption. This is the maximum benefit which can be expected from deregulation, entailing sustained discoveries, year in and year out of as much as has ever heretofore been discovered in any one year. This extra (3 Tcf) will cost users $7.5 billion yearly at the $2.50 per Mcf market clearing price.

3.2.2 OLD INTERSTATE GAS

Most gas sold by interstate pipelines is under long term contract to them from independent producers. These contracts were signed in the 1950's and early 1960's, typically for periods of 10 to 20 years. We estimate that 85 percent of an estimated 12.9 Tcf in annual production is sold this way. But these contracts are old, and on average, fairly far along toward termination. We estimate that 1 Tcf will expire each year. Under S. 2310, the FPC would set a new rate for this gas. A $1.60/Mcf figure is assumed, in line with the Btu equivalent pricing described above. Now, we must question whether or not a producer would recommit gas to interstate markets at this price or sell it to the intrastate market for $2.50. It is hard to believe that a producer would recommit gas to interstate markets at this price rather than sell it to intrastate markets for $2.50. We could envision, however, this formerly interstate gas entering intrastate markets and being replaced with "new" (that is chronologically "old" gas defined as "new" under S. 2310, having not been in interstate commerce) intrastate gas at $2.50/Mcf. If this were to happen, costs would be 1 billion Mcf × ($2.50—$.60) =$1.9 billion at an annual rate for 1976. Moreover, 1 Tcf of gas would probably behave in this manner each year, the expiration/redefinition process would become cumulative. This means 1977 cost would average an annualized $3.8 billion for this cost element, growing to $7.6 billion annually by the end of 1980.

Because little is known about the time phasing of gas contracts or their real terms and conditions, it has been necessary to make some rather open-ended assumptions about their behavior. The FPC could resolve this "guessing" game by tallying these contracts so that a quantitatively based estimate of deregulation cost can be made.

3.2.3 CONTRACT LEAKAGE

There have been numerous accusations that producers have withheld gas from interstate contracts. Whether or not this is the case, anticipation of deregulation provides strong incentive to do so. Moreover, the FPC has never monitored contracts to ensure that committed gas is actually delivered. With no ongoing program of contract enforcement, we can only conclude that a good deal of gas will probably be withheld. Let us assume that this leakage from non-delivery of contracted gas amounts to 1 Tcf per year, and this gas increases in price from 36¢ to $2.50. Costs here will be 1 billion Mcf x ($2.50—$.36) or $2.1 billion annually in 1976. This will be cumulative, costing $8.4 billion at an annual rate by 1980. Leakage could be precluded by strict FPC enforcement of contract deliverability, something that the Commission has never done. And significantly, there is no enforcement staff to address this problem, and indeed the FPC may not envision leakages' dangerous consequences.

This leakage implies that currently interstate gas will be cycled into intrastate markets. It will be replaced by "new" gas from intrastate markets, cycled into interstate commerce at unregulated rates to replace "leakage" gas withheld from contracts.

In consolidating the cost element, leakage is considered as a variable for total cost computation, since it is an avoidable cost element.

4.0 CONSOLIDATION AND SUMMARY

In summary, we have estimated that these cost elements will come into play and impact users across the nation. Aggregate additional costs, effective the end of 1976, are estimated to be:

[In billions]

Cost Element:	*1976 Increases*
2.1 Intrastate Gas	$6. 3
2.2 Nonjurisdictional Interstate Pipeline Sales	1. 3
3.1 OCS Gas	1. 9
3.2.0 Onshore Gas	1. 4
3.2.1 Additional Reserves	7. 5
3.2.2 Old Interstate Gas	1. 9
Total	20. 3
3.2.3 Contract Leakage, if applicable	2. 1
Total	22. 4

Assuming that future oil prices remain high and that demand for natural gas does not decline in the years, ahead, these figures and to a range of $20.3 billion to $22.4 billion for year end 1976, depending on whether or not the FPC enforces contract deliverability. Included here is the incremental cost of additional production. This is to say that for a total cost of $20.3—$22.4 billion, an extra 3 Tcf of supply is available. The incremental cost of this extra 3 Tcf will be about $6.75—$7.45 per Mcf, obtained by dividing $20.3—$22.4 billion by 3 Tcf.

If the 3 Tcf supply increment were not available for several years, gas users would pay total extra bills of $12.8 billion—$14.9 billion at the end of 1976 for no extra supply at all, and they would pay these costs (which increase year by year) each year in the future regardless of whether more gas is discovered. Without rigid contract enforcement the $14.9 billion figure in this 12.8—14.9 billion range will escalate $2.1 billion each year. And expiring contracts will add an additional $1.9 billion, cumulatively applicable to the upper and lower ends of the 1976 range. By year end 1980 or 1981, when most of what is now interstate gas will be free of regulation, gas consumers will pay between $20.4 billion to $30.9 billion extra in that year even if no extra supply is elicited. If the maximum supply increment of 3 Tcf/year is forthcoming by 1980–1981, costs will be $27.9–$38.4 billion relative to benefits of an extra 3 Tcf in gas supply in those years.

Near-term economic impact may be phrased in terms of 1976 price increases of $12.8–$14.9 billion in a $1.6 trillion economy. This implies that an additional 8/10ths to 9/10ths of a percentage point will be added to the inflation rate, creating some form of energy shock. Ripple effects could enlarge this by at least 50 percent, causing the 1976 inflationary impact to be 1.2 to 1.4 percentage points. Employment could be several hundred thousand jobs lower than it would have been without this economic shock.

CONGRESSIONAL BLACK CAUCUS CALLS FOR HALT TO U.S. INTERVENTION IN ANGOLA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. RANGEL. Mr. Speaker, the Congressional Black Caucus has taken a strong stand in favor of cutting off military-related assistance to the factions involved in the civil strife in Angola. We are particularly concerned about the unfortunate implications of our alinement with South Africa in Angola. For the benefit of our colleagues, I am inserting into the RECORD the press release issued by the caucus at a press conference on December 17, 1975 and a factsheet on Angola issued at the same time:

CONGRESSIONAL BLACK CAUCUS DEMANDS END TO U.S. ANGOLA INTERVENTION

The Congressional Black Caucus, concerned with the serious threat to international peace posed by the escalating civil war in Angola, deplores the intervention of non-Angolan powers in that conflict. The United States involvement is particularly disturbing. For, not only is it a covert operation, but it is contrary to the position of the Organization of African Unity (OAU) opposing all foreign intervention. It aligns the U.S. on the same side with the White minority regime of South Africa, and in so doing, compounds the harm to U.S. relations with independent, majority-ruled Africa, created by U.S. refusal to support majority-rule in South Africa. Moreover, it is based on the false "domino theory" assumption that the U.S. must intervene to counter a so-called Soviet challenge.

Most recently, there have been repeated reports from unimpeachable sources that the U.S. has secretly sent millions of dollars worth of military equipment and supplies for use in Angola, and that American personnel are serving as advisors to the National Union for the Total Independence of Angola (UNITA)—National Front for the Liberation of Angola (FNLA) coalition. So far, funds for these covert activities have come from special contingency accounts which are expected to be depleted in less than two months. The Congressional Black Caucus, concerned that the U.S. move expeditiously to end its intervention, serves notice that it will strongly oppose any request for additional financing of this operation.

Once again, we are faced with an example of executive distortions and secrecy. The Executive has attempted to keep the facts of U.S. involvement in Angola from the American public and, indeed, from the majority of Members of Congress. Secretary of State Kissinger spoke of a policy of non-intervention at a time when the U.S. had already instituted its covert support of FNLA/UNITA.

The United States should have learned important lessons from Viet Nam. A nationalist movement that has fought for independence for years and that has been aided in that struggle by the Soviet Union, rarely accepts Soviet domination when victory is achieved. Therefore, it is specious to argue that the U.S. intervened in Angola to meet a "Soviet challenge".

The domino theory does not apply to Africa. While the Soviet Union, in contrast to the U.S., has traditionally supported liberation movements in Algeria, Southern Africa, and Guinea-Bissau, as well as certain independent African states, there is no Soviet satellite on the African continent.

U.S. intervention may in fact create the situation the Administration hopes to prevent. American involvement risks raising the cost of winning and increasing MPLA's (Popular Movement for the Liberation of Angola) reliance upon the Kremlin, thereby reducing MPLA's flexibility to pursue an independent policy after the war. In any event, protracted struggle hardens positions on both sides and makes a government of national unity more difficult to achieve.

The Congressional Black Caucus also condemns any efforts to recruit Americans to serve as "mercenaries" in Angola. U.S. law provides that any American citizen enlisting in the armed forces of another country runs the risk of losing his U.S. citizenship, and of being liable to criminal prosecution.

The Congressional Black Caucus is particularly alarmed by the special implications of South Africa's intervention in Angola. The incursions of this White minority, racist regime in an independent African country profoundly heightens the gravity of the situation and sets a serious precedent which could endanger the territorial integrity of other African states.

Most importantly, the U.S. alignment on the same side as South Africa in what the U.S. Ambassador to the United Nations, Patrick Moynihan, terms a "convergence in policy may, over the long run, have serious adverse consequences for U.S. political and economic relations with independent, majority-ruled Africa.

Since the independence of Angola, on November 11, seventy-three percent of all direct American investment in Africa south of the Sahara, and three-fourths of its trade is with the independent, majority-ruled states.

South Africa's invasion of Angola, under the pretext of protecting its holdings the Ruacana hydroelectric project in southern Angola, has had two major purposes: (1) to aid anti-MPLA forces with supplies and with troops and/or mercenaries who have penetrated hundreds of miles into Angola, thereby preventing what it surely perceives as a "hostile" force from gaining power; and (2) to capture SWAPO (the liberation movement in neighboring Namibia, illegally occupied by South Africa) guerrillas, thus attempting to eliminate much of the opposition forces in that territory. Such activities clearly illustrate the serious threat to international peace which South Africa poses in its last-ditch efforts to maintain its own survival.

Equally worrisome are reports of South Africa's secret project to complete, by early 1976, an army/air force base at Grootfontein in Namibia, not far from the Angolan border. Such a base would clearly be invaluable in South Africa's attempts to insulate itself from "hostile" forces in Namibia and Angola.

In view of these developments, the Congressional Black Caucus calls on the U.S. Government to take the following actions:

(1) cease immediately all military-related assistance, direct or indirect, to any parties fighting in Angola, and withdraw its request for financing of additional military and related assistance;

(2) urge a ceasefire among all parties concerned;

(3) use its good offices to reach an agreement among all non-Angolan powers involved directly or indirectly, that they will end their intervention;

(4) urge the Angolan factions to find an immediate, political solution;

(5) urge all countries to await the results of the forthcoming meetings of the OAU for further guidelines with respect to Angola;

(6) commit the U.S. to substantial economic and rehabilitation assistance to whatever Angolan government is recognized by the OAU;

(7) make it clear to the South African Government, as we have to the Soviet Union that its intervention is a threat to international peace;

(8) emphasize to the Soviet Union that American public reaction to its intervention in Angola is bound to affect support for its future economic relations with the U.S.; and

(9) report to the Congress on the implementation of these recommendations and keep all interested Members of Congress fully advised with respect to U.S. policy and involvement in Angola.

ANGOLA FACTSHEET

Angola, a country twice the size of Texas, possesses oil, iron, diamond and agricultural wealth on a scale that makes it potentially one of the richest nations in Africa.

The people of Angola began fighting for their independence in 1961. For 15 years, Angolan nationalists sustained an insurgency against Portuguese colonialism. During these years, the nationalists clustered around three principal movements which had strongholds in three different Angolan ethno-linguistic regions.

The Popular Movement for the Liberation of Angola (MPLA), led by Dr. Augustino Neto, widely supported by the 1.3 million Mubundu and mesticos n Luanda and ts hinterland, was based in Congo-Brazzaville.

The National Front for the Liberation of Angola (FNLA), led by Holden Roberto, and supported by the 600,000-700,000 Bakoongo in the north, operated out of Kinshasa in Zaire.

The National Union for the Total Independence for Angola (UNITA), led by Jonas Savimbi, has the support of the 2 million Ovinbundu and smaller ethnic groups in South and Central Angola and has been based in Eastern Angola, and never in exile like MPLA and FNLA.

When Salazar's successor, Marcello Caetano fell from power in Portugal following a coup d'etat by the Armed Forces Movement (AFM) in 1974, not one Angolan group had attained the preeminence that was achieved by FRELIMO insurgents in Mozambique or PAIGC liberation forces in Guinea-Bissau.

Despite widely held notions of clear-cut ideological splits among these three groups, there is reason to believe that these differences are not profound. Roberto's FNLA is considered pro-western, and in the past did receive some assistance from the People's Republic of China. It has been revealed that since 1961, the United States has been giving Roberto a $10,000-a-year retainer. Beginning in August 1975, the U.S. escalated this covert support to include arms and military equipment. To date, the Administration has sent approximately $28 million to support FNLA/UNITA forces and another $5 million is in the pipeline.

Such assistance to FNLA/UNITA forces by the U.S., along with the financial and military backing given by the Soviet Union to the MPLA, served ultimately to totally undermine the Angolan Independence Agreement reached in Alvor, Portugal during January 1975. The Alvor Agreement initially spelled out the decolonization process for Angola which was to include an interim provisional government bringing together all three movements in a ruling coalition which in turn would have administered national elections for a post-independence regime in the capital, Luanda.

However, in the developing Luanda power struggle between the movements which initially pitted MPLA against FNLA (with UNITA attempting to maintain neutrality) the most important aspect of the Alvor Agreement became the provisions for the formation of a unified military command and armed forces. As all three movements resisted implementing this part of the Agreement, an escalating arms race led to increasing clashes in Luanda between MPLA and FNLA forces. By June, as MPLA began gaining the upper hand in Luanda, UNITA also came under its attack and was ultimately drawn into the power struggle on the side of FNLA. It is this situation that has been exacerbated by outside intervention, and which led upon independence on November 11, to the establishment of two rival regimes: "The People's Republic of Angola" (MPLA) and the "Popular Democratic Republic of Angola" (FNLA/UNITA).

By the time of independence on November 11, the MPLA already had the backing of the Soviet Union and Cuba as well as the support of the other newly independent Portuguese-speaking states: Mozambique, Guinea-Bissau, and Sao Tome and Principe, in addition to Congo-Brazzaville, Guinea (Conakry), and Algeria. All of these states and more recognized the MPLA's "People's Republic" upon independence. The FNLA/UNITA "Popular Democratic Republic" has yet to receive any formal diplomatic recognition, although its supporters reportedly include Zaire, Zambia, Gabon, Uganda, Senegal, Ivory Coast (all who call for a government of national unity), and white supremacist South Africa among other states in Africa, as well as such "extra-continental powers" as the United States.

The People's Republic of China began rapidly disengaging from its support to FNLA as independence approached, and as the involvement of South Africa became more and more visible. On the other hand, Brazil promptly recognized the MPLA (most likely because it desired to cultivate closer ties to Portuguese-speaking Africa in light of its own Portuguese-speaking background and cultural tradition). Furthermore, on the diplomatic front, Nigeria's recognition of the MPLA government and recent granting of $20 million in aid seriously challenges the notion that an MPLA-dominated regime in Angola would be a Soviet satellite. Nigeria is the number one supplier of oil to the U.S., and the Nigerian government in Lagos, and the MPLA have already begun collaborating with each other on oil.

Resentment in Africa is growing over the alignment of Washington on the same side with South Africa, and only reinforces suspicions that the U.S. still intends to bolster a white-dominated regional economic and political status-quo based in Pretoria (South Africa) despite the decolonization of formerly white-ruled Mozambique and Angola.

BAN ON EXPORT OF NUCLEAR EQUIPMENT

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. DOMINICK V. DANIELS. Mr. Speaker, yesterday the New York Times contained an article by David Burnham citing the recommendation of former AEC Commissioner David E. Lilienthal that—

> . . . The United States immediately and unilaterally end the shipment of nuclear equipment to all foreign countries . . .

The Senate Government Operations Committee has been conducting hearings on the exportation policies of the United States with regard to nuclear materials and equipment, and Dr. Lilienthal was joined in his recommendation by two outstanding former proponents of nuclear power as an energy source, Dr. Hans A. Bethe and Dr. Herbert F. York. Dr. Bethe is a Nobel Prize winner and was director of theoretical physics for the Manhattan project during World War II. Dr. York was the Director of the Lawrence Radiation Laboratory during the development of the H–bomb, and is currently a professor of physics at the University of California at San Diego.

Within 4 years, it is expected that 28 countries will be operating nuclear power reactors, and developing a familiarity with nuclear technology within their own borders. The explosion of a nuclear device by India points to the danger of nuclear weapon proliferation posed by the indiscriminate exportation of advanced nuclear technology. The power we are exporting when we ship components of nuclear reactors abroad is not only electrical—it is also a potential threat to world peace. We are literally exporting the capability to produce nuclear weapons. All of our solemn commitments to strategic arms limitation comes to naught if we fail to perceive how we are increasing the momentum of the arms race through the exportation of nuclear technology.

Mr. Speaker, how can our Government logically explain the disparity that exists in our international nuclear policies—condemning the proliferation of nuclear arms on one hand, and providing foreign countries with the means to produce such arms with the other?

This situation simply does not make sense, and I recommend that my colleagues take the time to review this article by Mr. Burnham.

We clearly must take steps to adopt an immediate embargo on exports of nuclear technology until adequate international safeguards are worked out to prevent the manufacture of nuclear weapons from radioactive materials generated by nuclear powerplants.

What we are doing now, in our zeal to promote the "peaceful" use of the atom is to forge a nuclear sword of Damocles that will later be hung over our heads. Prudence demands that we call a halt to our nuclear sales until such time as we are assured that we are not handing some future adversary the tools for our own destruction.

Mr. Speaker, the article by Mr. Burnham is included at this point in my remarks. I hope all of my colleagues will seriously consider the merit of a nuclear sales moratorium in their ongoing review of this serious situation:

U.S. EXPORT BAN ON NUCLEAR EQUIPMENT URGED BY FORMER ATOMIC ENERGY CHIEF

(By David Burnham)

WASHINGTON, January 19.—The first chairman of the Atomic Energy Commission said today that the "impending disaster" of the rapid international spread of nuclear bombs required that the United States immediately and unilaterally end the shipment of nuclear equipment to all foreign countries.

The call was made at a Senate hearing by David E. Lillienthal, chairman of the commission from 1947 to 1950.

Two fellow panelists at the hearing, Dr. Hans A. Bethe and Dr. Herbert F. York, said they would support a temporary embargo of nuclear shipments, now estimated to earn the United States more than $1 billion a year, if it was the first step in a major diplomatic effort to develop an effective international system to control the spread of nuclear weapons.

ADVOCATE OF NUCLEAR POWER

Dr. Bethe, a Nobel Prize winner, director of theoretical physics for the Manhattan Project in World War II and professor of physics at Cornell University, has been an outspoken advocate of nuclear power as a source of energy. Dr. York, director of the Lawrence Radiation Laboratory at Livermore, Calif., during the development of the H-bomb, is a professor of physics at the University of California, San Diego.

"If a great number of countries come to have an arsenal of nuclear weapons, then I'm glad I'm not a young man and I'm sorry for my grandchildren," Mr. Lilienthal, now the head of an international consulting firm, said at the Senate Government Operations Committee hearing.

Six countries are known to have developed atomic weapons—the United States, the Soviet Union, Britain, France, China and India. But within four years, 28 countries are expected to be operating nuclear power reactors and developing within their borders a growing familiarity with nuclear technology.

"The tragic fact is that the atomic arms race is today proceeding at a more furious and more insane pace than ever," Mr. Lilienthal said. "Proliferation of capabilities to produce nuclear weapons of mass destruction is reaching terrifying proportions."

"We have to decide now what we can do, now, within our own capabilities, to prevent a very bad situation from becoming a disastrous and inevitable one," he said.

COMPLETE EMBARGO PROPOSED

"I therefore propose as a private citizen that this committee, with its great prestige, call upon the Congress and the President to order a complete embargo to the export of all nuclear devices and all nuclear material, that it be done now, and done unilaterally," Mr. Lilienthal continued.

"Further, unilaterally, the United States should without delay proceed by lawful means to evoke existing American licenses and put an end to the future or pending licensing to foreign firms and governments of American know-how and facilities paid for and created by American taxpayers' funds and American brains."

Asked about the proposed embargo, Dr. Bethe said: "When I first heard about it and read it, I didn't like it. But I now like it when Mr. Lilienthal said the embargo was temporary until we worked out real controls. But we have to make clear that the embargo is temporary until a treaty can be concluded between nuclear countries that really assures control over poliferation."

Dr. York, in response to the same question, said, "my views are similar to Dr. Bethe's. As the first part of a major initiative to try to do something, it seems valid."

Mr. Lilienthal said that if the United States, the world's major nuclear supplier, unilaterially embargoed the expert of nuclear equipment to less developed nations such as Brazil would also cease their exports.

The two other panelists also offered suggestions about the steps the United States should take to curtail the spread of weapons. Dr. York recommended that it cut off all nuclear shipments to the scores of nations such as France and Japan that have not ratified the 1968 treaty on the nonproliferation of nuclear weapons.

Dr. Bethe recommended that Congress immediately pass a law forbidding the export of the so-called "breeder reactor." This reactor, now under development by the United States, is designed to create more plutonium than it burns. In addition to serving as reactor fuel, plutonium can be fashioned into atomic bombs.

Senator Abraham A. Ribicoff, the Connecticut Democrat who heads the committee, called for a detailed study of the present adequate—and there are several experts who insist it is—then we must acknowledge these inadequacies and organize our Government to deal with them effectively and fast. Otherwise our nation and the world are in peril.

SOVIET COMPLIANCE WITH SALT I: THE VIEWS OF GERARD C. SMITH

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. ZABLOCKI. Mr. Speaker, a wide-ranging and sometimes misdirected debate has been waged recently regarding alleged Soviet violations of SALT I. Given the important national security implications of the question it is entirely proper that this issue be thoroughly and objectively reviewed, particularly because of its potentially serious overlapping effect on the ongoing SALT II negotiations.

It was therefore especially gratifying to read the significant and enlightening contribution to this debate represented in Gerard C. Smith's article in the New York Times of January 16, 1976. As you know, Ambassador Smith is the former head of the Arms Control and Disarmament Agency and chief U.S. negotiator of the 1972 agreement. Consequently, his firsthand recollections and expect background knowledge of pertinent issues imminently qualify him as an able witness in this complex area.

I am therefore pleased and honored to place Ambassador Smith's article in the Record at this point and recommend it to the full and careful reading of my colleagues:

Wrestling With the Plowshare Problem

(By Gerard C. Smith)

Washington.—Recent criticism of United States negotiating in the strategic arms limitations talks and of Soviet actions under the 1972 agreements raises important issues for this country's national security and for its conduct of foreign policy. Such criticism, in an election year, may have effects that the United States will have to live with for some time.

The issues posed by these criticisms are fair and important subjects for debate, but full and fair discussion must rest upon substantial understanding of complex matters that may be shrouded in a somewhat limited historical record or by the tricks that memory plays on us all. In order to contribute to the debate on troublesome issues of Soviet compliance and intentions in the arms talks, I offer the following observations culled from my memory and reaffirmed by recent research.

A principal assertion (involving a subject on which I have some firsthand knowledge) advanced by critics is that the Soviet Union has violated either the letter or the spirit of the interim freeze agreement of 1972 by deploying land-based intercontinental ballistic missiles of a volume larger than permitted or contemplated by the agreement, which expires next year.

This interim agreement did not purport to limit or freeze missiles. Each side is free to build as many and as large missiles as it chooses. The constraint is on launchers for missiles (concrete silos or submarine tubes in which missiles are deployed).

The agreement, foreshadowed by an accord between President Nixon and Prime Minister Aleksei N. Kosygin in May 1971, was to be a quantitative freeze on numbers of missile launchers. No limits were to be placed on possible modernization or replacement of offensive strategic weapons.

Since the United States in 1972 had no launcher construction programs under way, the agreement as negotiated in 1972 does not affect its programs to modernize its present strategic missile launchers, which are proceeding on or ahead of their original schedules. It does not cover another form of launcher, heavy bombers, in which the United States has a large advantage.

In addition to quantitative controls on numbers of launchers, the United States later tried to negotiate constraints on the number of Soviet land-based launchers for heavy missiles. We wanted to stop the Soviet Union from putting significantly heavier missiles in approximately 1,000 silo launchers for the so-called SS–11 missiles, which we called light and which constituted the largest part of the Soviet Union's ICBM force. In effect, we were trying to get an arrangement that would limit Soviet modernization programs but not our own.

The Soviet Union proposed a provision that launchers for light missiles not be converted into launchers for heavy missiles, and it agreed that the dimensions of silo launchers would not be increased by more than 15 percent. I have not heard any claims that they have been so increased. This silo dimension limitation was designed to assure that the heavier SS–9 missiles not be deployed in SS–11 silo launchers.

Naturally, the United States wanted to get an agreed definition of the term "heavy." We pressed for a number of definitions over a period of many months without success. The Soviet Union said that the earlier Nixon-Kosygin accord, in May 1971, anticipated a freeze only on numbers of launchers and that the United States was trying to add qualitative constraints affecting the volume of missiles.

Our over-all bargaining power in the arms talks was great because of our lead in antiballistic missile technology, in bombers and in warhead numbers, but on this specific point it was not great since we were trying to fix constraints on Soviet programs that would not affect American programs.

As the May 1972 Moscow summit meeting approached, we studied the question of what to do if the Soviet Union remained adamant. No one in the delegation or Washington proposed that the negotiations be broken off if a definition of a "heavy" missile was not agreed on. Language for a possible unilateral statement of the United States understanding of the term "heavy" was considered by the delegation and in Washington.

At the Moscow summit meeting, President Nixon made another effort to reach agreement on a definition, without success. So, as part of its final instructions from the White House, the delegation was directed to put into the record the following statement:

"The U.S. delegation regrets that the Soviet delegation has not been willing to agree on a common definition of a heavy missile. Under these circumstances the U.S. delegation believes it necessary to state the following. The U.S. would consider any ICBM having a volume significantly greater than that of the largest light ICBM now operational on either side to be a heavy ICBM. The U.S. proceeds on the premise that the Soviet side will give due account to this consideration."

The head of the Soviet delegation replied that no understanding on this score had been reached.

I do not think that anybody on the United States delegation believed such a unilaterally embargoed the export of nuclear it might have some slight deterrent effect.

Article IV of the interim agreement reads: "Subject to the provisions of this interim agreement, modernization and replacement of strategic offensive ballistic missiles and launchers covered by this interim agreement may be undertaken."

At Helsinki we had been informally advised that while the Soviet Union would be deploying missiles of large volume in SS–11 silos, they would not approach the halfway mark between an SS–11 and the admittedly heavy missile, the SS–9. I have seen no claims that the new Soviet missiles in question are greater in volume than this halfway mark. Although their volume is significantly upset the strategic balance.

After signing the agreements, the START—Soviet party chairman Leonid Brezhnev advised President Nixon that the Soviet Union would proceed with its missile modernization programs as permitted by the agreement.

To call this a violation of the letter or the spirit of the agreement seems to me incorrect, Incidentally, it has always been my belief that the United States should not enter into arms-control agreements with the Soviet Union that depend on spirit for their fulfillment.

The United States has proceeded with its missile modernization programs. The Minuteman III multiple independently targetable re-entry vehicle (MIRV) program involves an increase in missile volume, though nothing as large as the Soviet missiles in question. Under the agreement the United States is free to increase its missile throwweight by approximately three times, It has not chossen to do so. The Department of Defense has not requested such a program.

The real issue is not naiveté or poor drafting or violation of the letter or spirit of the agreement. The real issue is, should the strategic arms limitations talks have been broken off over the failure to get a definition of the term "heavy?" I think not. We had a number of arms-talks aims other than holding down the size of Soviet missiles during the five-year freeze.

Some offensive-launcher limitation had consistently been a condition of our agreement to the antiballistic missile treaty. Would it have been wise because of failure to reach an agreed definition of a heavy missile to scuttle the ABM treaty, which at that point was fully agreed? Keeping Soviet ABM's to the minimal Moscow deployment has substantially advanced United States security.

That President Nixon made the right decision seems confirmed by the fact that no critic of the arms negotiations that I have heard proposes that the United States exercise its right to terminate the interim agreement. It has worked in important respects.

The seemingly endless Soviet program to increase the number of ICBM silo launchers has stopped. This stoppage has resulted in a ceiling on admitted heavy missiles of the SS-9 and a later class. I understand that the Soviet Union is engaged in the ICBM reduction program called for by the agreements as a condition of its continuing to build strategic submarines. This involves decommissioning a substantial number of older ICBM launchers for very large throw-weight missiles deployed on soft launchers.

Even Senator Henry M. Jackson, a major critic of the agreement, is in favor of continuing the negotiation process and gives good advice about how to negotiate the next agreement. As this next agreement presumably will have some constraining effect on the United States as well as on Soviet programs—as did the ABM treaty—it is natural to expect that more precise arrangements will be negotiated.

Strategic forces second to none are essential to our national security. But strategic-arms control also is a very important part of that security. Its prospects and its products should be carefully scrutinized and debated. It is to be hoped, however, that this process will be conducted as objectively as possible. Election year oversimplifications such as the missile gap charges of 1960 should be shunned, lest the case for sensible arms control be set back indefinitely.

RULES FOR ONE SIDE ONLY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 21, 1976

Mr. MICHEL. Mr. Speaker, Mr. C. L. Dancey, the editor of the Peoria Journal-Star has written a cogent analysis of our problems in Angola and elsewhere, pointing out that we are being handcuffed in our conduct of the worldwide battle for freedom. Worse yet, he observes, we are doing the handcuffing ourselves.

Dancey compares our situation to that which would ensue if one football team announced that in the game upcoming they would throw no forward passes whatsoever.

I think the comparison is apt. A team so foolish would deserve to lose, and so, sadly will we if we persist in being likewise foolish.

And to those who suggest that one cannot really compare football games to foreign policy I concede the point. Football after all is not for real; it's just a game. And that only makes our self-locked handcuffs all the more absurd, and tragic.

Article follows:

RULES FOR ONE SIDE ONLY

The death of Richard Welch by assassination in Greece tells us in unmistakably real and physical terms of family tragedy that it is brutally immoral to make public the names of people associated with the CIA.

It also tells us that this is doubly true since the Church committee has used its investigations for propaganda purposes of a nature which may be good politics in the U.S.A. but is deadly dirty pool to loyal American representatives and to national policy throughout the rest of the world.

The apparent fall of a democratic Italian government, at least in part because the Communists have exploited the Church technique about CIA operations to accuse the government of "getting CIA money" tells of another weapon Church and company have put in the hands of the totalitarians.

Once again, the twisted technique of the revelations makes it possible for politicians in Italy to make and use such charges in a climate where they will be believed by many. The victims, most vulnerable to such charges, of course, are inevitably those very people in any foreign land who believe in democracy and have some regard for America.

That is enough, thanks to the committee, to injure thousands of people who love liberty in many places on this earth who never saw a dime of assistance, CIA or other, but who are thus made subject to calculated charges of "being CIA financed" and can be crippled by such charges.

This would not be the case if the actual CIA financing revealed by the committee had been done in realistic terms instead of blown up as much as possible to look like vast spending all over the world.

They made peanuts into mountain ranges, and we are paying a price.

But none of this irresponsible blindness to the human conflict for freedom that goes on in this world amazes me quite so much as the U.S. Senate action on Angola.

It not only handcuffs the U.S. Government arbitrarily but proclaims the specific nature of those handcuffs to the world—at the very time when we were trying to make a deal with Russia to "get us both out" of Angola.

The Senate simply cannot operate this way without ruining us worldwide. Right or wrong, in any given instance, we cannot operate this government under a public "manual" of rules and special restrictions produced by the Senate—and handed over to the other contestants to study.

It is like sitting down to play chess with Soviet Russia and having a rule say, "You, U.S.A., cannot move your Bishops diagonally, nor your Queen in all directions. Your Knights cannot jump. You must only move one space and straight ahead with all pieces."

That would be bad enough, but the Senate goes further and says this to the Russian opponent so that he knows we can't make the full range of possible moves whereas he can!

It would be the same thing if Dallas' owner ordered the team to confront Pittsburgh in the Super Bowl relying solely on the running game. "You cannot throw a pass beyond the line of scrimmage."

And then announcing to the Steelers in advance that the Cowboys would never throw a pass over the line of scrimmage, so they could make their "game plan" accordingly!

What chance would they have?

That's the same chance freedom will have in this world if the Senate gets in the habit of loudly imposing specific restrictions on the State department, the CIA and the the armed forces of the United States and turns the President into a eunuch.

The method serves to blueprint the way to beat us to the opposition.

Of all the mistakes we made in Vietnam, that some public proclamation of our own private "game rules" and "restrictions" was the worst. It gave Hanoi their blueprint for eventual victory.

We simply cannot afford to make that "technique" universal and announce it to the world.

HOUSE OF REPRESENTATIVES—*Thursday, January 22, 1976*

The House met at 12 o'clock noon.

DESIGNATION OF SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore (Mr. O'NEILL) laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 22, 1976.

I hereby designate the Honorable THOMAS P. O'NEILL, JR., to act as Speaker pro tempore today.

CARL ALBERT,
Speaker of the House of Representatives.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

God is love and he who abides in love abides in God and God abides in him.—I John 4: 16.

Our Father God, grant that during the days of this year we may be filled with Thy love, the love that never lets us go and never lets us down, but always seeks to keep us on Thy way, doing Thy will, and obeying Thy word.

We confess to Thee the sins we have committed, the mistakes we have made, and the faults we have developed. We are not too proud of the record of our lives, nor the way we have handled ourselves in times of trouble, nor our response to the needs of our people. Forgive us, O God, for our blindness of heart and our stubbornness of spirit.

Humbly now we open our lives to receive the miracle of Thy forgiveness and Thy love. Send us out into this new day restored to Thee, redeemed by Thy grace and renewed by Thy spirit, ready for the work that needs to be done.

In the spirit of the Master, we pray. Amen.

THE JOURNAL

The **SPEAKER** pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

A NATIONAL DAY OF PRAYER FOR THE MISSING IN SOUTHEAST ASIA

(Mr. MONTGOMERY asked and was given permission to address the House) for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I would like to call to my colleagues' attention a proclamation issued by President Ford yesterday which calls for a national day of prayer this coming Sunday, January 25, for the American military and civilian personnel still unaccounted for in Southeast Asia. I commend the President for this action and for calling attention to the unknown fate of our MIA's.

As chairman of the House Select Committee on Missing Persons in Southeast Asia, I am very much aware of the enormous task we have ahead of us in achieving a full accounting and securing the return of remains of known dead. However, we feel that our meetings in Paris, Hanoi, and Vientiane have been fruitful and have set us on the right course to gain the information we desire. We shall continue to press ahead in the months to come.

I urge my colleagues to join in the national day of prayer for our MIA's this Sunday and to continue their individual efforts on behalf of the missing.

INTRODUCTION OF THE FOREIGN PARAMILITARY INTERVENTION ACT

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, on December 12, 1975, CIA Director William Colby, in testimony before the House Intelligence Committee, acknowledged the paramilitary nature of his Agency's activities in Angola. Subsequently, press reports have indicated that our involvement is in the nature of civilian air spotters and ground advisers. Yet, had these CIA personnel been members of the U.S. military, rather than civilians, the President, under section 4(a)(1) of the war powers resolution, would have been obligated to report that fact to the Congress, and if the Congress failed to authorize those activities within 90 days, those military advisers would have had to have been withdrawn.

Many in Congress will no doubt feel that a modest paramilitary operation is justified * * * that the risks are not as great as they might appear at first blush * * * that the deepwater ports of Angola and the protection of shipping lanes from the Persian Gulf are important enough to warrant greater involvement by the United States. Others will differ.

Whether or not one favors or opposes involvement in Angola, what is important is that Congress exercise its constitutional mandate on matters involving war and peace. It is important that Congress, after carefully considering the risks, either authorize or stop our involvement in Angola and in future paramilitary activities.

Therefore, I am today introducing the Foreign Paramilitary Intervention Act which will amend the war powers resolution by making it applicable in cases where agents or employees of the United States are engaged in hostilities in a foreign country or are advising foreign military forces engaged in hostilities.

NEW YEAR'S EVE SPEECH BY DR. BILLY GRAHAM

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, millions of Americans listened to the famed and beloved evangelist, Dr. Billy Graham, on nationwide television this past New Year's Eve. Several of the Members of Congress have referred to this excellent and timely religious message subsequent to our return to Washington.

In order that each Member of Congress and others might have the chance to read this message from Dr. Billy Graham, I am sharing this in the CONGRESSIONAL RECORD and it will appear in full in the Extensions of Remarks today.

His message was entitled "Our Bicentennial."

PRIVILEGES OF THE HOUSE—SUBPENA IN CASE OF BOSTON PNEUMATICS, INC. AGAINST INGERSOLL-RAND CO.

Mr. McDADE. Mr. Speaker, I rise to a question of the privileges of the House.

The SPEAKER pro tempore (Mr. O'NEILL). The gentleman will state it.

Mr. McDADE. Mr. Speaker, I have been subpenaed by the U.S. District Court for the District of Columbia to appear at the office of Stassen, Kostos & Mason, 450 Federal Bar Building West, Washington, D.C., on January 26, 1976, at 10 a.m., to testify on behalf of Boston Pneumatics, Inc., at the taking of a deposition in the case of Boston Pneumatics, Inc. against Ingersoll-Rand Co., civil action No. 72-1729, now pending in the U.S. District Court for the Eastern District of Pennsylvania.

Under the precedents of the House, I am unable to comply with this subpena without the consent of the House, the privileges of the House being involved. I, therefore, submit the matter for the consideration of this body.

Mr. Speaker, I send the subpena to the desk.

The SPEAKER pro tempore. The Clerk will read the subpena.

The Clerk read as follows:

[In the U.S. District Court for the District of Columbia, Civil Action File, U.S.D.C. Eastern District of Pennsylvania, 72-1729; FS. 76-0013.]

Boston Pneumatics, Inc. *vs.* Ingersoll-Rand Company.

To Joseph M. McDade, United States House of Representatives, 2202 Rayburn House Building, Washington, D.C.

You are commanded to appear at the office of Stassen Kostos and Mason, 450 Federal Bar Building West in the city of Washington on the 26th day January, 1976, at 10:00 o'clock A.M. to testify on behalf of Plaintiff, Boston Pneumatics, Inc. at the taking of a deposition in the above entitled action pending in the United States District Court for the Eastern District of Pennsylvania and bring with you any written correspondence between your office and the Ingersoll-Rand Company and between your office and the General Services Administration, regarding allegations of violations of the Buy-American Act by Boston Pneumatics during the period around July 1969 to July 1970.

Dated January 16, 1976.

JAMES F. DAVEY,
Clerk.
By MARY B. DEAVERS,
Deputy Clerk.

Any subpoenaed organization not a party to this suit is hereby admonished pursuant to Rule 30(b)(6), Federal Rules of Civil Procedure, to file a designation with the court specifying one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and shall set forth, for each person designated, the matters on which he will testify or produce documents or things. The persons so designated shall testify as to matters known or reasonably available to the organization.

Mr. McFALL. Mr. Speaker, I offer a privileged resolution (H. Res. 971) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 971

Whereas Representative Joseph M. McDade, a Member of this House, has been served with a subpena issued by the United States District Court for the District of Columbia to appear at the office of Stassen, Kostos and Mason, 450 Federal Bar Building West, Washington, D.C., on the 26th of January, 1976, at 10:00 A.M. to testify on behalf of Boston Pneumatics, Inc., at the taking of a deposition in the case of Boston Pneumatics, Inc. against Ingersoll-Rand Company, civil action number 72-1729, now pending in the United States District Court for the Eastern District of Pennsylvania; and

Whereas by the privileges of the House no Member is authorized to appear and testify but by the order of the House: Therefore, be it

Resolved, That Representative Joseph M. McDade is authorized to appear in response to the subpena of the United States District Court for the District of Columbia to testify at the taking of deposition in the case of Boston Pneumatics, Inc. against Ingersoll-Rand Company at such time as when the House is not sitting in session; and be it further

Resolved, That as a respectful answer to the subpena a copy of this resolution be submitted to the said court.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL MIDNIGHT TOMORROW, JANUARY 23, 1976, TO FILE CONFERENCE REPORT ON S. 2718

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tomorrow, January 23, 1976, to file a conference report on the Senate bill S. 2718.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

MOTOR VEHICLE INFORMATION AND COST SAVINGS ACT AMENDMENTS OF 1975

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 967 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 967

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10807) to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to provide authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 10807, the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill S. 1518, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 10807 as passed by the House.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 967 makes in order consideration of H.R. 10807, a bill to amend the Motor Vehicle Information and Cost Savings Act.

This is an open rule providing for 1 hour of general debate.

I would like to commend our distinguished colleague from California (Mr. VAN DEERLIN), chairman of the Subcommittee on Consumer Protection and Finance, for the outstanding work he and his colleagues have done in bringing this legislation before us.

H.R. 10807 will strengthen existing law prohibiting odometer tampering. Many States—including Massachusetts—have enacted very tough laws in this area. But Federal action is essential because so large a segment of the used car market involves interstate commerce. Once a car crosses State lines in the wholesale market, the State laws collapse. Even if the buyer and seller both live in States with strict laws, Federal action is necessary to protect buyers in interstate sales.

This legislation will also be of invaluable aid to consumers in making informed decisions in car buying by requiring that information be available on the comparative crashworthiness of automobiles.

House Resolution 967 will discharge the Committee on Interstate and Foriegn Commerce from further consideration of S. 1518 and provides that it shall be in order to move to strike all after the enacting clause of S. 1518 and insert in lieu thereof the provisions of H.R. 10807 as passed by the House.

Mr. Speaker, I urge adoption of the rule so that the House may proceed to consider this legislation.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as previously explained, this rule provides for 1 hour of general debate on H.R. 10807, the Motor Vehicle Information and Cost Savings Act Amendments of 1975, and that the bill shall be open to all germane amendments.

The purpose of this bill is to authorize funds to carry out the Motor Vehicle Information and Cost Savings Act for fiscal years 1976 and 1977, and to amend the act to provide authority for enforcing prohibitions against motor vehicle odometer tampering.

The estimated cost of this bill is $2,825,000 for fiscal year 1976, $775,000 for the transition period from July to September 1976, and $7,550,000 for fiscal year 1977.

The administration has no objection to enactment of this bill but recommends that its authorization levels be lowered to those recommended in H.R. 8091.

Mr. Speaker, I urge the adoption of this rule.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 386, nays 0, not voting 47, as follows:

[Roll No. 14]

YEAS—386

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Coughlin
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—47

Ashbrook
Biaggi
Broomfield
Casey
Chisholm
Clancy
Cotter
Crane
D'Amours
de la Garza
Diggs
Downing, Va.
du Pont
Esch
Eshleman
Findley
Ford, Mich.
Fountain
Harrington
Hébert
Heinz
Hinshaw
Kelly
Lagomarsino
Litton
Lujan
McCollister
McDonald
Metcalfe
Morgan
Mottl
O'Hara
Passman
Patman, Tex.
Pepper
Pettis
Risenhoover
Runnels
Scheuer
Smith, Iowa
Stephens
Teague
Vander Jagt
Vigorito
Wilson, Tex.
Winn
Young, Fla.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Ashbrook.
Mr. Biaggi with Mr. Fountain.
Mr. Pepper with Mr. Harrington.
Mr. Patman with Mr. Broomfield.
Mr. Teague with Mr. Casey.
Mr. Passman with Mr. Heinz.
Mr. Cotter with Mr. McDonald of Georgia.
Mrs. Chisholm with Mr. Young of Florida.
Mr. Diggs with Mr. Clancy.
Mr. Morgan with Mr. Kelly.
Mr. Mottl with Mr. Lujan.
Mr. O'Hara with Mr. Crane.
Mr. Ford of Michigan with Mr. Downing of Virginia.
Mr. de la Garza with Mr. du Pont.
Mr. D'Amours with Mr. Winn.
Mr. Stephens with Mr. Esch.
Mr. Smith of Iowa with Mr. Vander Jagt.
Mr. Risenhoover with Mrs. Pettis.
Mr. Runnels with Mr. Eshleman.
Mr. Scheuer with Mr. Findley.
Mr. Vigorito with Mr. Lagomarsino.
Mr. Charles Wilson of Texas with Mr. Litton.
Mr. Metcalfe with Mr. McCollister.

Messrs. BROWN of California and LLOYD of California changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. VAN DEERLIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10807) to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to provide authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. Van Deerlin).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10807, with Mr. Long of Louisiana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from California (Mr. Van Deerlin) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. Rinaldo) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. Van Deerlin).

Mr. VAN DEERLIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, with a modicum of order we could be finished with this bill in very short order.

Mr. Chairman, H.R. 10807, the Motor Vehicle Information and Cost Savings Act Amendments of 1975, has two main purposes.

First, the bill authorizes appropriations totaling $2.825 million for fiscal year 1976; $775,000 for the transition period; and $7.55 million for fiscal year 1977. These amounts will enable the Department of Transportation, which administers the act, to carry out the provisions of titles I–IV of the act, as amended. The amounts are substantially lower than the funding levels authorized by the original act in 1972, reflecting the administration's efforts to reduce regulatory spending.

The following is a summary of the provisions of the 1972 act setting out the programs which are being continued.

Title I of the original act directed the Secretary of Transportation to set bumper standards for passenger motor vehicles in order to reduce the economic loss resulting from accident damage.

Title II directed the Secretary of Transportation to study certain passenger motor vehicle characteristics: Damage susceptibility, degree of crashworthiness, and ease of diagnosis and repair. The Secretary must also provide the public with information on these characteristics and on vehicle operating costs—including insurance costs—in order to benefit consumers in deciding what car or accessories they wish to buy.

Title III directed the Secretary to establish motor vehicle diagnostic inspection demonstration projects under State direction. Five projects are currently in operation in the District of Columbia, Alabama, Arizona, Tennesseee, and Puerto Rico. Criteria for safety and emission inspections have been estalished. The purpose of the technical diagnosis made at the project site is to facilitate correction followed by reinspection.

In the 93d Congress title III was amended by Public Law 93–492, which directed the Secretary to establish a special motor vehicle project to assist in the rapid development of advanced inspection analysis and diagnostic equipment suitable for use by States in high-volume inspection facilities. The project must also evaluate which repair characteristics and facilitate such evaluation by small automotive repair garages.

Title IV of the act prohibited tampering with motor vehicle odometers, which register the actual total mileage driven. Upon sale of an automobile, the seller must give the buyer a written disclosure of the actual mileage driven, or a statement that the actual mileage is unknown. Federal injunctive relief in the U.S. district courts is provided. State laws are preempted only to the extent they are inconsistent.

This bill leaves intact these provisions of title IV, but strengthens Federal enforcement, because the Department of Transportation has evidence that odometer tampering violations connected with the sale of used cars is widespread. First, civil and criminal penalties are imposed for violations of the act. The Secretary is given authority to hold hearings, take written and oral testimony—by subpena if necessary—and issue general or special orders. Automobile dealers and distributors are required to maintain such records as reasonably required by the Secretary in order to determine compliance. However, no regular periodic reporting is required.

H.R. 10807 contains necessary improvements to the 1972 act. Mr. Chairman, I urge the passage of this bill as reported by the Committee on Interstate and Foreign Commerce.

Mr. Chairman, I yield such time as he may consume to the chairman of the full committee, the gentleman from West Virginia (Mr. Staggers).

Mr. STAGGERS. Mr. Chairman, I am pleased to appear in support of the bill, H.R. 10807, the Motor Vehicle Information and Cost Savings Improvement Act.

This bill is based on legislative proposals submitted by the administration. The authorization of appropriations is continued at modest levels through fiscal year 1977 to enable the Department of Transportation to carry out the purposes of the act. DOT is given additional enforcement authority to prevent the fraud of odometer tampering connected with the resale of automobiles.

The bill was ordered reported unanimously by both the subcommittee and full committee.

I think everybody in the House ought to be for the bill. I urge its final passage.

Mr. RINALDO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 10807 amends the Motor Vehicle Information and Cost Savings Act. The purpose of the act is to promote competition, both in design and production, among manufacturers of automobiles while protecting passenger safety to the maximum extent. The Motor Vehicle Information and Cost Savings Act has several goals—specifically to encourage ease of repair in automobile design while still providing the passenger protection from personal injury in a crash situation. The act is also designed to protect consumers from those unscrupulous salesmen who, with the intent to defraud, tamper with the odometer of an automobile.

Section 2 of H.R. 10807 would authorize additional funds to implement title I of the act. Title I directs the Secretary of Transportation to promulgate bumper standards for automobiles in order to decrease economic loss flowing from accidents.

The bill also provides authorizations to further implement title II of the act. Title II directs the Secretary of Transportation to compile and make public information on such motor vehicle characteristics as damage susceptibility, degrees of crash worthiness, and ease of diagnosis and repair. We believed that such information would aid consumers in making buying decisions. In compiling the required information, the Department of Transportation has been examining data found in insurance claim files. During hearings on this legislation, witnesses from the insurance industry indicated that such information was unreliable and generally not suited for the purposes stated in the act. Witnesses from the Department of Transportation indicated that while they may ultimately share this conclusion, it is too soon to determine whether the program should be discarded and consequently urged that it be carried forward for another year. Although the legislation does authorize funds for the next 2 fiscal years, I would hope that we could reexamine the need for this program in the coming year.

The legislation also provides authorization for the continuation for the five existing motor diagnostic inspection demonstration projects now underway. Included in this authorization are funds for a special demonstration project to assist in the designing of low cost auto inspection equipment suitable for use in small garages and repair shops.

Finally, the legislation puts some teeth in the antiodometer tampering provisions now found in the Motor Vehicle and Cost Savings Act. Not only does the bill provide both civil and criminal penalties for knowing violations of the act, it also requires automobile dealers and distributors to maintain such records as the Secretary of Transportation may reasonably require to determine compliance with the act.

Mr. Chairman, as I indicated at the beginning of my remarks, the goals of the Motor Vehicle Information and Cost Savings Act are laudable. This legislation further carries forward those goals. Consequently, I urge that it be enacted.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, I want to congratulate the leadership of the subcommittee, the Chairman, the gentleman from California (Mr. Van Deerlin), and the gentleman in the well, the gentleman from New Jersey (Mr. Rinaldo), on the fine job that they have done with this legislation and in rewriting the authorizations that were in the original act.

When the act was originally written, I served on the subcommittee. At the time, I pointed out that I thought that the authorizations were excessive, that the Congress would never appropriate anywhere near those amounts of money, and my predictions have proven true. I think that the authorizations provided for in this legislation are far more realistic and would be ample to run this program to give the consumer the information he needs in order to make wise purchases of these consumer products.

It also is my opinion—and I know the gentleman in the well agrees with me that this program will foster competition. Anytime we give the consumers meaningful information which they can use in making a choice of consumer products, that fosters competition and that, it would seem to me, is in the public interest.

Mr. RINALDO. I thank the gentleman for his supportive comments.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, I would commend the subcommittee for the purpose and intent of this bill. Over the past several years, I have received a number of complaints from consumers who the gentleman is trying to protect, of increased costs mandated by, I suspect, this particular piece of legislation.

Does the gentleman have any estimate as to the increased costs to the consumer because of industry's attempts at meeting the standards set by the Secretary?

Mr. RINALDO. I do not believe any costs would accrue to the consumer.

Mr. GOLDWATER. If the gentleman will yield further, is that not a concern of the subcommittee or, leastwise, the Congress?

Mr. RINALDO. I do not see how there could be additional costs involved to the consumer. I personally have not heard from any consumer spokesperson in regard to any increased cost. And the fact of the matter is that I would hope that the industry, as well as the consumers, would support this legislation because it is not only in the best interest of the consumer but also in the best interest of the industry and the automobile dealers.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield to me on that point so that I can respond to the gentleman from California (Mr. Goldwater)?

Mr. RINALDO. I yield to the gentleman from North Carolina (Mr. Broyhill).

Mr. BROYHILL. I thank the gentleman for yielding. Mr. Chairman, the original act does not require any standards other than a bumper standard. The primary thrust of the total act is really consumer information. So to this extent, it would not add any cost to the automobile. There may be some minimal additional cost in the production of the bumpers that go on the car; but at the same time, it has been estimated that because of the bumper standard and the fact that the automobile is able now to withstand a moderate impact, this has saved the consumers millions of dollars. I do not have the figures before me, but I know that we could show an actual saving to the consumer as a result of this moderate bumper standard which has been required by the basic act, not by this bill. All this bill does, really, is to authorize appropriations to continue carrying out the cost information section of the act and to monitor the bumper standard section for the next 2 fiscal years.

In fact, under title I, which contains the bumper standards, there is only $130,000 in here to carry out some monitoring of the bumper standard itself for fiscal year 1977.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield further?

Mr. RINALDO. I yield to the gentleman from California (Mr. Goldwater).

Mr. GOLDWATER. I thank the gentleman for yielding. Is it the gentleman's understanding that this bill would not call for additional safety standards promulgated by the Secretary other than for bumpers?

Mr. RINALDO. That is my understanding; it will not call for any additional safety standards.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield further to clarify that point?

Mr. RINALDO. I yield to the gentleman from North Carolina (Mr. Broyhill).

Mr. BROYHILL. Mr. Chairman, there would be no further additional bumper standards as a result of this bill today. The basic law requiring the bumper standard was passed in a previous Congress.

Mr. GOLDWATER. If the gentleman will yield further, why are we authorizing money?

Mr. BROYHILL. We are only authorizing money under title I to monitor the results of the implementing of that bumper standard.

Title II, of course, is really the heart of this bill, providing further moneys to come up with cost information for consumers.

Mr. RINALDO. Mr. Chairman, to explain that further, title I authorizes the funds and directs the Secretary of Transportation to promulgate bumper standards for automobiles which, in the long run, should result in a cost savings to the consumer, since there will be less of an economic loss resulting from accidents.

Mr. GOLDWATER. If the gentleman will yield further, so this is basically an information supplying bill?

Mr. RINALDO. The gentleman is correct.

Mr. GOLDWATER. Let me ask one further question. Are there any moneys in the form of grants to motor vehicle companies, subsidies, to carry out any of these requirements?

Mr. RINALDO. No, sir; there are no grants to automobile companies. There are no subsidies whatsoever of that nature in this legislation.

Mr. GOLDWATER. Mr. Chairman, I thank the gentleman, and I again commend the committee for bringing this before us.

Mr. RINALDO. I thank the gentleman for his comments.

Mr. VAN DEERLIN. Mr. Chairman, I have no further requests for time.

Mr. RINALDO. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. Shuster).

Mr. SHUSTER. Mr. Chairman, I thank the gentleman from New Jersey for yielding this time to me.

Mr. Chairman, I also want to compliment the committee here today for its efforts in encouraging the giving of additional information to the consumer, because clearly when the consumer gets additional information, he is able to make a better choice and in the long run competition is enhanced.

I have some concerns, however, not only with this legislation today but also with the agency downtown which has the responsibility for administering it, and I refer to the National Highway Traffic Safety Administration.

First, I would like to direct some questions to the distinguished chairman of the subcommittee. As I read the report from the committee, I find it does point out that title I of the original act did in fact direct the Secretary of Transportation to promulgate bumper standards applicable to passenger motor vehicles. Now, I have paid close attention to the colloquy thus far here today on the floor, but it seems to me, since this act was passed in 1972, we should have some results that we could evaluate at this point.

What has it cost the consumer to get these bumpers which supposedly are safer? What is the cost increase? I have heard figures of anywhere from $100 to $300 representing the increased cost of an automobile for this item. That is the first question, and the companion question I wish to ask along with it is this:

Once we know what that cost is, what is the benefit? It seems to me we should have some answers from the insurance companies at this point in time. What are the savings to the consumer?

Mr. VAN DEERLIN. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from California.

Mr. VAN DEERLIN. Mr. Chairman, the best estimate we have on the cost is about $110, on the average, per car. The benefits, of course, would accrue in the elimination of repair bills running as high as $200, $300, or $400 in damages which previously occurred at a very low collision rate.

Mr. SHUSTER. But we must have some statistical evidence to work with. There are perhaps 110 or 113 million cars out there, and I suppose 10 or 20 percent of those cars now have these more costly bumpers. Perhaps the figure is higher than that.

There just has to be a very broad base of statistical evidence to tell us what the savings are.

Mr. VAN DEERLIN. Mr. Chairman, the gentleman from Pennsylvania raises a valid point, and I think it would be worth looking into when we hold the hearings on extended authorization of the Highway Traffic Safety Administration, in about 2 months.

Mr. SHUSTER. I would certainly hope so. It would seem to me that when we come to the floor with this kind of legislation, one of the gut issues would be this: Should we bless that particular legislation which mandated these bumpers, bumpers which cost the consumer more money, or should we repeal it?

We really cannot answer that question if we do not know what the savings are to the consumers.

Beyond that, Mr. Chairman, I will ask the distinguished gentleman from California if this agency downtown that is responsible for this—and I refer to the National Highway Traffic Safety Administration—is the same agency the American people can thank for the notorious buzzer interlock system.

Mr. VAN DEERLIN. Yes. And happily, the same American people can thank the last Congress for reversing the agency on that regulation.

Mr. SHUSTER. Mr. Chairman, it has always puzzled me why this agency did not rescind that regulation, in light of the tremendous hue and cry across this country, and that indeed it did take an act of Congress to rescind it. I wonder if the gentleman would care to comment on that.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield on that point?

Mr. SHUSTER. I would be happy to yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, having served, as I pointed out previously, on the subcommittee at that time, I think I can say that here was good legal reason to show that the agency was responding to what it genuinely felt was the intent of the law that was passed by the Congress, and that they felt as a result, not only through interpretation of the law but court suits, that they were mandated to promulgate and enforce this strict seatbelt provision. Therefore, it did take an amendment to the law to reverse them.

Mr. SHUSTER. That is right; it did take an amendment to the law.

Mr. BROYHILL. That is right. I agree with the gentleman.

Mr. SHUSTER. The agency obstinately refused to withdraw its regulation, and nowhere in the law do I read any language which required that agency or directed any agency of the Government to impose upon the American people a mandatory buzzer interlock system.

Mr. BROYHILL. As I say, not having served on the subcommittee, in this Congress, I do not have the record and the law before me; but my recollection is that there was ample reason to believe, legal reason to believe, that the intent of Congress was being followed by the agency. It did take some modification in the law to reverse them, which I am glad that we did.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. SHUSTER) has expired.

Mr. VAN DEERLIN. Mr. Chairman, I yield the gentleman from Pennsylvania (Mr. SHUSTER) 5 additional minutes.

Mr. SHUSTER. Mr. Chairman, I thank the distinguished chairman for this additional time.

I have a continuing concern, as the ranking minority member of the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation, over the performance of the National Highway Safety Administration.

Mr. VAN DEERLIN. If the gentleman will yield, it was the matter of an apparently faulty truck braking system which the gentleman from Pennsylvania, more strongly than anyone else, brought to our attention.

Mr. SHUSTER. It seems to me that when an agency which has the responsibility for safety promulgates inept regulations, this does great harm to the cause of safety. The braking standard which the gentleman mentions is Brake Standard 121, which was promulgated by this agency, indeed with what many of us believed to be inadequate tests, and finally resulted in some lawsuits. Just last Friday the U.S. district court in California overturned the rule on the matter of safe maintenance. That was an example of an inept regulation which was promulgated, in my opinion.

Mr. Chairman, I would ask the gentleman from California (Mr. VAN DEERLIN) if he shares my concern or if he disagrees with me. I would welcome his candid response.

Mr. VAN DEERLIN. With respect to the matter of the braking system, the action I took when it was brought to my attention demonstrates that I share the gentleman's concern.

Mr. SHUSTER. Is the gentleman satisfied with the performance of this agency?

Mr. VAN DEERLIN. We have to have an agency. I do not make the appointments to this agency. Those are made by the White House. Congress does have a distinct oversight responsibility here—one that I think it lived up to promptly in the matter of seatbelts.

The gentleman's objection, I am sure, was to the buzzer, rather than to the seatbelts themselves, which demonstrably save lives.

Mr. SHUSTER. Absolutely. It would be my judgment that anybody who does not wear a seatbelt is foolish, but as free people, I think we have a right to do foolish things.

Mr. RINALDO. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from New Jersey.

Mr. RINALDO. Mr. Chairman, I just want to say to the gentleman from Pennsylvania (Mr. SHUSTER) that I am extremely familiar with standard 121 for airbrakes. I completely agree with the gentleman that it is a bad standard. It was promulgated in an inept fashion.

The standard, which is actually a design standard does not work properly and certainly should be discarded as quickly as possible. Furthermore, the standard does not promote safety, but, on the other hand, puts the driver of the vehicle itself in extreme danger in the event of any possible jacknife. However, I also think that the gentleman realizes and recognizes that this dangerous standard is completely unrelated to this legislation and is a regulation promulgated under the Motor Vehicle Safety Act of 1966. At the appropriate time we must amend that act in order to do away with this unworkable and poorly conceived regulation.

Mr. SHUSTER. Yes. It is the same agency.

My concern here—and indeed, I am delighted to share this concern on the part of both the distinguished gentleman from California (Mr. VAN DEERLIN) and the distinguished gentleman from New Jersey (Mr. RINALDO)—about that matter.

I hope that the agency will read carefully these comments when they appear tomorrow in the RECORD and will take heed realizing that all of us want to see safety on America's highways, and therefore, we want no more inept regulations, but rather, good, solid safety regulations so that America's highways will be safer for all Americans.

Mr. VAN DEERLIN. If the gentleman will yield further, I will invite the gentleman from Pennsylvania (Mr. Shuster) to sit in when we question the agency on this subject.

Mr. SHUSTER. Mr. Chairman, I thank the gentleman from California.

Mr. VAN DEERLIN. Mr. Chairman, I have no further requests for time.

Mr. RINALDO. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read:

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Motor Vehicle Information and Cost Savings Act Amendments of 1975".

Sec. 2. (a) Section 111 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1921) is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"Sec. 111. There are authorized to be appropriated to carry out this title $125,000 for the fiscal year ending June 30, 1976; $75,000 for the period beginning June 30, 1976, and ending September 30, 1976; and $130,000 for the fiscal year ending September 30, 1977."

Sec. 3. Section 112 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1922) is amended by striking out "March 31" and inserting in lieu thereof "July 1".

Sec. 4. Section 201(d) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941(d)) is amended by inserting at the end thereof the following: "The Secretary may by rule require automobile dealers to distribute to prospective purchasers any information compiled pursuant to this subsection."

Sec. 5. Section 209 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1949) is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"Sec. 209. There are authorized to be appropriated to carry out this title $1,875,000 for the fiscal year ending June 30, 1976; $500,000 for the period beginning June 30, 1976, and ending September 30, 1976; and $3,385,000 for the fiscal year ending September 30, 1977."

Sec. 6. Section 321 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1964) is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"Sec. 321. There are authorized to be appropriated to carry out this title $375,000 for the fiscal year ending June 30, 1976; $100,000 for the period beginning June 30, 1976, and ending September 30, 1976; and $3,385,000 for the fiscal year ending September 30, 1977."

Sec. 7. Section 402 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1982) is amended by—

(1) redesignating paragraphs (1), (2), and (3) as paragraphs (3), (4), and (5), respectively; and

(2) inserting before paragraph (3), as redesignated, the following new paragraphs:

"(1) The term 'dealer' means any person who has sold 5 or more motor vehicles in the past 12 months to purchasers who in good faith purchase such vehicles for purposes other than resale.

"(2) The term 'distributor' means any person who has sold 5 or more vehicles in the past 12 months for resale."

Sec. 8. The first sentence of section 403 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1983) is amended to read as follows: "No person shall advertise for sale, sell, use, or install or cause to be installed, any device which causes an odometer to register any mileage other than the true mileage driven."

Sec. 9. Section 404 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1984) is amended to read as follows:

"UNLAWFUL CHANGE OF MILEAGE

"Sec. 404. No person shall disconnect, reset, or alter or cause to be disconnected, reset, or altered, the odometer of any motor vehicle with intent to change the number of miles indicated thereon."

Sec. 10. Section 405 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1985) is amended to read as follows:

"OPERATION WITH INTENT TO DEFRAUD

"Sec. 405. No person shall with intent to defraud operate a motor vehicle on any street or highway knowing that the odometer of such vehicle is disconnected or nonfunctional."

Sec. 11. Section 407 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1987) is amended by (1) inserting "(a)" immediately after "Sec. 407."; (2) striking out the last sentence thereof; and (3) adding at the end thereof the following new subsection:

"(b)(1) No person shall fail to adjust an odometer or affix a notice regarding such adjustment as required pursuant to subsection (a) of this section.

"(2) No person shall, with intent to defraud, remove or alter any notice affixed to a motor vehicle pursuant to subsection (a) of this section."

Sec. 12. Subsection (b) of section 408 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1988) is amended to read as follows:

"(b) No transferor shall violate any rule prescribed under this section or give a false statement to a transferee in making any disclosure required by such rule."

Sec. 13. Section 410 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1990) is amended to read as follows:

"INJUNCTIVE ENFORCEMENT

"Sec. 410. (a) The United States district courts shall have jurisdiction, for cause shown and subject to the provisions of rule 65 (a) and (b) of the Federal Rules of Civil Procedure, to restrain violations of this title, or rules, regulations, or orders issued thereunder. Such actions may be brought by the Attorney General in any United States district court for a district wherein any act, omission, or transaction constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action brought under this section, process may be served on a defendant in any other district in which the defendant resides or may be found.

"(b) In any action brought under this title, subpenas for witnesses who are required to attend a United States district court may run into any other district."

Sec. 14. Title IV of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1981 et seq.) is amended by—

(1) redesignating sections 411, 412, and 413 as sections 417, 418, and 419, respectively; and

(2) inserting immediately after section 410 the following new sections:

"CIVIL PENALTY

"Sec. 411. (a) Any person who knowingly violates any provision of this title shall be subject to a civil penalty not to exceed $1,000 for each such violation. A violation of any such provision shall, for purposes of this section, constitute a separate violation with respect to each motor vehicle or device involved, except that the maximum civil penalty shall not exceed $100,000 for any related series of violations.

"(b) Any civil penalty under this section is to be recovered in a suit or suits brought by the Attorney General on behalf of the United States. Before referral of civil penalty claims to the Attorney General, civil penalties may be compromised by the Secretary after affording the person charged with a violation of any section of this title an opportunity to present views, and evidence in support thereof, to establish that the alleged violation did not occur. In determining the amount of such penalty, the Secretary shall consider the gravity of the violation and, where appropriate, the size of the business of the person charged.

"CRIMINAL PENALTIES

"Sec. 412. (a) Any person who knowingly and willfully violates any section of this title shall be fined not more than $50,000 or imprisoned not more than one year, or both.

"(b) Any individual director, officer, or agent of a corporation who knowingly and willfully authorizes, orders, or performs any of the acts or practices constituting in whole or in part a violation of any section of this title shall be subject to penalties under this section without regard to any penalties to which that corporation may be subject under subsection (a).

"INSPECTIONS AND INVESTIGATIONS

"Sec. 413. (a)(1) The Secretary is authorized to conduct any inspection or investigation necessary to enforce this title or any rules, regulations, or orders issued thereunder. Information obtained indicating noncompliance with this title or any rules, regulations, or orders issued thereunder, may be referred to the Attorney General for investigative consideration. In making investigations under this paragraph, the Secretary shall cooperate with appropriate State and local officials to the greatest extent possible consistent with the purposes of this subsection.

"(2) For purposes of carrying out paragraph (1) of this subsection, officers or employees duly designated by the Secretary, upon stating their purpose and presenting appropriate credentials and written notice (which notice may consist of an administrative inspection warrant) to the owner, operator, or agent in charge, are authorized at reasonable times and in a reasonable manner—

"(A) to enter (i) any factory, warehouse, establishment, or other commercial premises in or on which motor vehicles or items of motor vehicle equipment are manufactured, held for shipment or sale, maintained, or repaired, or (ii) any noncommercial premises in or on which the Secretary reasonably believes that there is a motor vehicle or item of motor vehicle equipment that has been the object of a violation of this title;

"(B) to impound, for a period not to exceed 72 hours, for purposes of inspection, any motor vehicle or item of motor vehicle equipment that the Secretary reasonably believes to have been the object of a violation of this title; and

"(C) to inspect any factory, warehouse, establishment, premises, vehicle, or equipment referred to in subparagraph (A) or (B) of this paragraph.

Each inspection or impoundment under this paragraph shall be commenced and completed with reasonable promptness.

"(3) Whenever, under the authority of paragraph (2)(B) of this subsection, the Secretary impounds for the purpose of inspection any motor vehicle (other than a vehicle subject to part II of the Interstate Commerce Act) or an item of motor vehicle equipment, he shall pay reasonable compensation to the owner of such vehicle or equipment to the extent that such inspection or impounding results in the denial of the use of the vehicle or equipment to its owner or in the reduction in value of the vehicle or equipment.

"(b) For the purpose of enabling the Secretary to determine whether any dealer or distributor has acted or is acting in compliance with this title or any rules, regulations, or orders issued thereunder, each dealer and distributor shall—

"(1) maintain such records as the Secretary may reasonably require to make such determination;

"(2) permit an officer or employee duly designated by the Secretary, upon request of such officer or employee, to inspect appropriate books, papers, records, and documents relevant to making such determination; and

"(3) provide such officer or employee information from records required to be maintained under this subsection as the Secretary finds necessary for such determination if the Secretary (A) provides the reason or purpose for requiring such information and (B) identifies to the fullest extent practicable such information.

Nothing in this subsection authorizes the Secretary to require a dealer or distributor to provide information on a regular periodic basis.

"(c)(1) For the purpose of carrying out the provisions of this title, the Secretary or, on the authorization of the Secretary, any officer or employee of the Department of Transportation may hold such hearings, take such testimony, sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, papers, correspondence, memorandums, contracts, agreements, or other records as the Secretary, or such officer or employee, deems advisable.

"(2) In order to carry out the provisions of this title, the Secretary or his duly authorized agent shall at all reasonable times have access to, and for the purposes of examination the right to copy, any documentary evidence of any person having materials or information relevant to any function of the Secretary under this title.

"(3) Except to the extent inconsistent with subsection (b) of this section, the Secretary is authorized to require, by general or special orders, any person to file, in such form as the Secretary may prescribe, reports or answers in writing to specific questions relating to any function of the Secretary under this title. Such reports and answers shall be under oath or otherwise, and shall be filed with the Secretary within such reasonable period as the Secretary may prescribe.

"(4) Any of the district courts of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpena or order of the Secretary or such officer or employee issued under paragraph (1) or (3) of this subsection, issue an order requiring compliance therewith; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(5) Witnesses summoned pursuant to this subsection shall be paid the same fees and mileage which are paid witnesses in the courts of the United States.

"ADMINISTRATIVE WARRANTS

"Sec. 414. (a) A warrant under this section shall be required for any entry or administrative inspection (including impoundment of motor vehicles or motor vehicle equipment) authorized by section 413 of this Act, except if such entry or inspection is—

"(1) with the consent of the owner, operator, or agent in charge of the factory, warehouse, establishment, or premises;

"(2) in situations involving inspection of motor vehicles where there is reasonable cause to believe that the mobility of the motor vehicle makes it impracticable to obtain a warrant;

"(3) in any other exceptional or emergency circumstance where time or opportunity to apply for a warrant is lacking;

"(4) for access to and examination of books, records, and any other documentary evidence pursuant to section 413(c)(2); or

"(5) in any other situations where a warrant is not constitutionally required.

"(b) Issuance and execution of administrative inspection warrants shall be as follows:

"(1) Any judge of the United States or of a State court of record, or any United States magistrate, may, within his territorial jurisdiction, and upon proper oath or affirmation showing probable cause, issue warrants for the purpose of conducting administrative inspections authorized by section 413 and of impoundment of motor vehicles or motor vehicle equipment appropriate to such inspections. For the purposes of this section, the term 'probable cause' means a valid public interest in the effective enforcement of this title or regulations issued thereunder sufficient to justify administrative inspections of the area, factory, warehouse, establishment, premises, or motor vehicle, or contents thereof, in the circumstances specified in the application for the warrant.

"(2) A warrant shall be issued only upon an affidavit of an officer or employee having knowledge of the facts alleged, sworn to before the judge or magistrate and establishing the grounds for issuing the warrant. If the judge or magistrate is satisfied that grounds for the application exist or that there is a reasonable basis for believing they exist, he shall issue a warrant identifying the area, factory, warehouse, establishment, premises, or motor vehicle to be inspected, the purpose of such inspection, and, where appropriate, the type of property to be inspected, if any. The warrant shall—

"(A) identify the items or type of property to be impounded, if any;

"(B) be directed to a person authorized under section 413 to execute it;

"(C) state the grounds for its issuance and the name of the person or persons whose affidavit has been taken in support thereof;

"(D) command the person to whom it is directed to inspect the area, factory, warehouse, establishment, premises, or motor vehicle identified for the purpose specified, and, where appropriate, shall direct the impoundment of the property specified;

"(E) direct that it be served during the hours specified in it; and

"(F) designate the judge or magistrate to whom it shall be returned.

"(3) A warrant issued pursuant to this section must be executed and returned within 10 days of its date unless, upon a showing by the Secretary of a need therefor, the judge or magistrate allows additional time in the warrant. If property is impounded pursuant to a warrant, the person executing the warrant shall give the person from whom or from whose premises the property was taken a copy of the warrant and a receipt for the property taken or shall leave the copy and receipt at the place from which the property was taken. The return of the warrant shall be made promptly and shall be accompanied by a written inventory of any property taken. The inventory shall be made in the presence of the person executing the warrant and of the person from whose possession or premises the property was taken, if they are present, or in the presence of at least one credible person other than the person making such inventory, and shall be verified by the person executing the warrant. The judge or magistrate, upon request, shall deliver a copy of the inventory to the person from whom or from whose premises the property was taken and to the applicant for the warrant.

"(4) The judge or magistrate who has issued a warrant under this section shall attach to the warrant a copy of the return and all papers filed in connection therewith and shall file them with the clerk of the district court of the United States for the judicial district in which the inspection was made.

"PROHIBITED ACTS

"Sec. 415. No person shall fail to comply with the requirements of section 413 to maintain records, make reports, provide information, permit access to or copying of records, permit entry or inspection, or permit impounding.

"APPROPRIATIONS AUTHORIZED

"Sec. 416. There are authorized to be appropriated to carry out this title $450,000 for the fiscal year beginning June 30, 1976; $100,000 for the period beginning June 30, 1976, and ending September 30, 1976; and $650,000 for the fiscal year ending September 30, 1977."

Mr. VAN DEERLIN (during the reading). Mr. Chairman, I ask unanimous consent that the bill may be considered as read, printed in the Record, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENTS OFFERED BY MR. BRODHEAD

Mr. BRODHEAD. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. Brodhead: Page 6, strike out lines 13 and 14 and insert in lieu thereof the following:

"Sec. 411. (a) Any person who commits any act or causes to be done any act that violates any provision of this title or omits to do any act or causes to be omitted any act that is required by any such provision shall be subject to a civil penalty".

Page 7, strike out lines 8 and 9 and insert in lieu thereof the following:

"Sec. 412. (a) Any person who knowingly and willfully commits any act or causes to be done any act that violates any provision of this title or knowingly and willfully omits to do any act or causes to be omitted any act that is required by any such provision shall be fined not more".

Mr. BRODHEAD. Mr. Chairman, I ask unanimous consent that these two amendments may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BRODHEAD. Mr. Chairman, basically these amendments are technical in nature. They are to bring this act into conformity with other similar acts which provide for civil and criminal penalties.

It is my understanding that these amendments have been shown to and cleared with the chairman of the committee and with the minority and that there is no objection to them on either side.

There are two minor problems that they correct. The first would remove the word "knowingly" from section 411(a). The effect of the existing provisions would be to require a greater burden of proof for civil penalties than for criminal penalties and thus to encourage the Secretary to use a criminal penalty rather than a civil penalty, which is quite the reverse of what ought to be and what the committee intended.

The second amendment deals with the criminal penalty section and merely makes it clear that not only are we talking about positive acts, but we are talking about acts of omission or also acts causing another to violate the statute. This I think is understood within the parameters of this legislation and my amendment merely spells it out and makes it quite clear.

Mr. VAN DEERLIN. Mr. Chairman, will the gentleman yeild?

Mr. BRODHEAD. I will be happy to yield to the gentleman from California.

Mr. VAN DEERLIN. Mr. Chairman, I would ask the gentleman from Michigan if this amendment is offered at the request of the Justice Department?

Mr. BRODHEAD. It is my understanding that that is the case.

Mr. VAN DEERLIN. I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Michigan (Mr. Brodhead).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. TSONGAS

Mr. TSONGAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Tsongas: Page 3, strike out lines 1 through 9 and insert in lieu thereof the following:

"Sec. 6. (a) Subsection (b) of section 303 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1963(b)) is amended by striking out 'June 30, 1976' and inserting in lieu thereof 'September 30, 1977'."

(b) Section 311 of such Act is amended to read as follows:

"FUEL EFFICIENCY

"Sec. 311. The Secretary shall establish a special motor vehicle diagnostic inspection demonstration project to assist in the research, rapid development, and evaluation of advanced inspection, analysis, and diagnostic equipment suitable for use by any State in any high volume inspection facility designed to assess the safety, noise, emissions, and fuel efficiency of motor vehicles. Inspections shall be performed under such project to—

"(1) assist motor vehicle owners in achieving optimum fuel and maintenance economy for their vehicles.

"(2) evaluate the conditions of motor vehicle parts, components, and repairs required to comply with State and Federal safety, noise, and emissions standards, and

"(3) facilitate evaluation of repair characteristics by small automotive repair garages."

(c) Section 321 of such Act (15 U.S.C. 1964) is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"Sec. 321. There is authorized to be appropriated to carry out this title $1,500,000 for the fiscal year ending June 30, 1976; $1,500,000 for the period beginning June 30, 1976, and ending September 30, 1976; and $3,385,000 for the fiscal year ending September 30, 1977. Sums appropriated under this section shall remain available until expended."

Mr. TSONGAS. Mr. Chairman, we in the Congress have taken great pains through the recently enacted Energy Policy and Conservation Act to assure that automobiles manufactured in this country meet certain minimal standards of gas mileage. Further we have mandated a series of demonstration programs, through the Motor Vehicle Information and Cost Savings Act, to design efficient, low-cost, accessible diagnostic centers to assist motorists in meeting Federal exhaust emission standards and to provide them with reasonable assurance that their vehicles have no major safety defects.

The amendment which I am now offering to H.R. 10807 bridges the gap between these programs. The standards of gas mileage which the Congress mandates are useless if there is no way to assure that those standards are met throughout the operational life of the automobile. By calling for the design of a test facility which will determine and measure those engine characteristics which enhance gasoline efficiency, the program will give the consumer the opportunity to find out what steps he must take to optimize his gasoline consumption.

The importance of such a facility cannot be overestimated. If we save just one gallon of gasoline per automobile now on the road, we will have saved some 3,200,000 barrels of oil. Obviously, potential savings are much greater. This amendment will reinforce and complement the intent of Congress in previously passed legislation. It will also give the American consumer an opportunity to make a substantial contribution to our national goal of energy conservation.

I hope that this amendment will be approved by the committee.

Mr. VAN DEERLIN. Mr. Chairman, will the gentleman yield?

Mr. TSONGAS. I yield to the gentleman from California, the chairman of the subcommittee.

Mr. VAN DEERLIN. I thank the gentleman for yielding.

As I understand the gentleman's amendment, it has two main purposes. The first would extend by 1 year the life of the diagnostic centers which have already been authorized, this to take care of the year's lag that was suffered in their original completion. The second would add a total of about $2 million to the cost of the legislation for the purpose of a single center to try to get at the most effective fuel-saving capacity that could be added to present auto bodies. Is that correct?

Mr. TSONGAS. Yes.

Mr. VAN DEERLIN. I must say that I think its purposes are laudatory, and I have no objection to the amendment.

Mr. RINALDO. Mr. Chairman, will the gentleman yield?

Mr. TSONGAS. I yield to the gentleman from New Jersey.

Mr. RINALDO. I thank the gentleman for yielding.

I have no qualms about the substance of the amendment, but I note in the appropriations section of the amendment, if my copy is correct, that the gentleman has an appropriation of $1,500,000 for the period beginning June 30, 1976, and ending September 30, 1976. For this 3-month period that seems like—when we consider the amendment—an unduly high amount of money. I would ask the gentleman whether he would be willing to accept a lower figure of $500,000 which, in my opinion, would be a sufficient amount for that period to carry out the purposes of his amendment.

Mr. TSONGAS. I would accept that. These figures were the recommended figures by DOT. If the gentleman wishes, I would agree to them.

Mr. RINALDO. I thank the gentleman. I thought perhaps there was a mistake when I saw the size of the appropriation for a 3-month period.

Mr. TSONGAS. Mr. Chairman, I ask unanimous consent to modify my amendment from $1,500,000 to $500,000.

The CHAIRMAN. That is for the transition period only?

Mr. TSONGAS. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Clerk will report the modification to the amendment.

The Clerk read as follows:

In the last paragraph of the amendment, in lieu of "$1,500,000" insert "$500,000".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Tsongas) as modified.

The amendment, as modified, was agreed to.

The CHAIRMAN. Are there further amendments? If not, under the rule, the committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. O'Neill) having assumed the chair, Mr. Long of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 10807) to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to provide authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes, pursuant to House Resolution 967, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RINALDO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 369, nays 18, answered "present" 1, not voting 45, as follows:

[Roll No. 15]

YEAS—369

Abdnor
Abzug
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio

Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio

Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky

Michel
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman

Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott

Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst

Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—18

Bauman
Brown, Mich.
Burleson, Tex.
Collins, Tex.
Evans, Ind.
Hammerschmidt

Hansen
Holt
Hutchinson
Ichord
Ketchum
McEwen
Mann

Miller, Ohio
Shuster
Stuckey
Symms
Waggonner

ANSWERED "PRESENT"—1

Taylor, Mo.

NOT VOTING—45

Adams
Anderson, Ill.
Ashbrook
Biaggi
Bonker
Breaux
Casey
Chappell
Clancy
Cotter
Crane
de la Garza
Diggs
Downing, Va.
Esch

Eshleman
Ford, Mich.
Harrington
Hébert
Heinz
Hinshaw
Holland
Kelly
Kindness
Leggett
Litton
Lujan
McCollister
McDonald
McKay

Metcalfe
Moffett
Mottl
O'Hara
Passman
Pepper
Pettis
Runnels
Teague
Udall
Vander Jagt
Vigorito
Whitten
Wilson, Tex.
Young, Fla.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Moffett.
Mr. Biaggi with Mr. Whitten.
Mr. Teague with Mr. Heinz.
Mr. Pepper with Mr. McDonald of Georgia.
Mr. Passman with Mr. Anderson of Illinois.
Mr. Mottl with Mr. Bonker.
Mr. Leggett with Mr. Casey.
Mr. Cotter with Mr. Downing of Virginia.
Mr. Diggs with Mr. McKay.
Mr. de la Garza with Mr. Esch.
Mr. Breaux with Mr. Young of Florida.
Mr. Ford of Michigan with Mr. Ashbrook.
Mr. Litton with Mr. Holland.
Mr. Udall with Mr. Kelly.
Mr. Runnels with Mr. Clancy.
Mr. O'Hara with Mr. Eshleman.
Mr. Metcalfe with Mr. Lujan.
Mr. Adams with Mr. Crane.
Mr. Chappell with Mr. McCollister.
Mr. Harrington with Mr. Kindness.
Mr. Charles Wilson of Texas with Mrs. Pettis.
Mr. Vigorito with Mr. Vander Jagt.

Messrs. **SPENCE** and **JONES** of Alabama changed their votes from "nay" to "yea."

Messrs. **KETCHUM**, **HUTCHINSON**, and **SHUSTER** changed their votes from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The **SPEAKER** pro tempore. Pursuant to the provisions of House Resolution 967, the Committee on Interstate and Foreign Commerce is discharged from the further consideration of the Senate bill (S. 1518) to amend the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) to authorize additional appropriations to establish fuel efficiency demonstration projects, to provide additional enforcement authority for the odometer antitampering provisions, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. VAN DEERLIN

Mr. **VAN DEERLIN**. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. VAN DEERLIN moves to strike out all after the enacting clause of the Senate bill (S. 1518) and to insert in lieu thereof the provisions of H.R. 10807, as passed, as follows:

That this Act may be cited as the "Motor Vehicle Information and Cost Savings Act Amendments of 1975".

SEC. 2. (a) Section 111 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1921) is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 111. There are authorized to be appropriated to carry out this title $125,000 for the fiscal year ending June 30, 1976; $75,000 for the period beginning June 30, 1976, and ending September 30, 1976; and $130,000 for the fiscal year ending September 30, 1977."

SEC. 3. Section 112 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1922) is amended by striking out "March 31" and inserting in lieu thereof "July 1".

SEC. 4. Section 201(d) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941(d)) is amended by inserting at the end thereof the following: "The Secretary may by rule require automobile dealers to distribute to prospective purchasers any information compiled pursuant to this subsection."

SEC. 5. Section 209 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1949) is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 209. There are authorized to be appropriated to carry out this title $1,875,000 for the fiscal year ending June 30, 1976; $500,000 for the period beginning June 30, 1976, and ending September 30, 1976; and $3,385,000 for the fiscal year ending September 30, 1977."

SEC. 6. (a) Subsection (b) of section 303 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1963(b)) is amended by striking out "June 30, 1976" and inserting in lieu thereof "September 30, 1977".

(b) Section 311 of such Act is amended to read as follows:

"FUEL EFFICIENCY

"SEC. 311. The Secretary shall establish a special motor vehicle diagnostic inspection demonstration project to assist in the research, rapid development, and evaluation of advanced inspection, analysis, and dianostic equipment suitable for use by any State in any high volume inspection facility designed to assess the safety, noise, emissions, and fuel efficiency of motor vehicles. Inspections shall be performed under such project to—

"(1) assist motor vehicle owners in achieving optimum fuel and maintenance economy for their vehicles.

"(2) evaluate the condition of motor vehicle parts, components, and repairs required to comply with State and Federal safety, noise, and emissions standards, and

"(3) facilitate evaluation of repair characteristics by small automotive repair garages."

(c) Section 321 of such Act (15 U.S.C. 1964) is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 321. There is authorized to be appropriated to carry out this title $1,500,000 for the fiscal year ending June 30, 1976;

$500,000 for the period beginning June 30, 1976, and ending September 30, 1976; and $3,385,000 for the fiscal year ending September 30, 1977. Sums appropriated under this section shall remain available until expended."

Sec. 7. Section 402 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1982) is amended by—

(1) redesignating paragraphs (1), (2), and (3) as paragraphs (3), (4), and (5), respectively; and

(2) inserting before paragraph (3), as redesignated, the following new paragraphs:

"(1) The term 'dealer' means any person who has sold 5 or more motor vehicles in the past 12 months to purchasers who in good faith purchase such vehicles for purposes other than resale.

"(2) The term 'distributor' means any person who has sold 5 or more vehicles in the past 12 months for resale."

Sec. 8. The first sentence of section 403 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1983) is amended to read as follows: "No person shall advertise for sale, sell, use, or install or cause to be installed, any device which causes an odometer to register any mileage other than the true mileage driven."

Sec. 9. Section 404 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1984) is amended to read as follows:

"UNLAWFUL CHANGE OF MILEAGE

"Sec. 404. No person shall disconnect, reset, or alter or cause to be disconnected, reset, or altered, the odometer of any motor vehicle with intent to change the number of miles indicated thereon."

Sec. 10. Section 405 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1985) is amended to read as follows:

"OPERATION WITH INTENT TO DEFRAUD

"Sec. 405. No person shall with intent to defraud operate a motor vehicle on any street or highway knowing that the odometer of such vehicle is disconnected or nonfunctional."

Sec. 11. Section 407 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1987) is amended by (1) inserting "(a)" immediately after "Sec. 407."; (2) striking out the last sentence thereof; and (3) adding at the end thereof the following new subsection:

"(b) (1) No person shall fail to adjust an odometer or affix a notice regarding such adjustment as required pursuant to subsection (a) of this section.

"(2) No person shall, with intent to defraud, remove or alter any notice affixed to a motor vehicle pursuant to subsection (a) of this section."

Sec. 12. Subsection (2) of section 408 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1988) is amended to read as follows:

"(b) No transferor shall violate any rule prescribed under this section or give a false statement to a transferee in making any disclosure required by such rule."

Sec. 13. Section 410 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1990) is amended to read as follows:

"INJUNCTIVE ENFORCEMENT

"Sec. 410. (a) The United States district courts shall have jurisdiction, for cause shown and subject to the provisions of rule 65 (a) and (b) of the Federal Rules of Civil Procedure, to restrain violations of this title, or rules, regulations, or orders issued thereunder. Such actions may be brought by the Attorney General in any United States district court for a district wherein any act, omission, or transaction constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action brought under this section, process may be served on a defendant in any other district in which the defendant resides or may be found.

"(b) In any action brought under this title, subpenas for witnesses who are required to attend a United States district court may run into any other district."

Sec. 14. Title IV of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1981 et seq.) is amended by—

(1) redesignating sections 411, 412, and 413 as sections 417, 418, and 419, respectively; and

(2) inserting immediately after section 410 the following new section:

"CIVIL PENALTY

"Sec. 411. (a) Any person who commits any act or causes to be done any act that violates any provision of this title or omits to do any act or causes to be omitted any act that is required by any such provision shall be subject to a civil penalty not to exceed $1,000 for each such violation. A violation of any such provision shall, for purposes of this section, constitute a separate violation with respect to each motor vehicle or device involved, except that the maximum civil penalty shall not exceed $100,000 for any related series of violations.

"(b) Any civil penalty under this section is to be recovered in a suit or suits brought by the Attorney General on behalf of the United States. Before referral of civil penalty claims to the Attorney General, civil penalties may be compromised by the Secretary after affording the person charged with a violation of any section of this title an opportunity to present views, and evidence in support thereof, to establish that the alleged violation did not occur. In determining the amount of such penalty, the Secretary shall consider the gravity of the violation and, where appropriate the size of the business of the person charged.

"CRIMINAL PENALTIES

"Sec. 412. (a) Any person who knowingly and willfully commits any act or causes to be done any act that violates any provision of this title or knowingly and willfully omits to do any act or causes to be omitted any act that is required by any such provision shall be fined not more than $50,000 or imprisoned not more than one year, or both.

"(b) Any individual director, officer, or agent of a corporation who knowingly and willfully authorizes, orders, or performs any of the acts or practices constituting in whole or in part a violation of any section of this title shall be subject to penalties under this section without regard to any penalties to which that corporation may be subject under subsection (a).

"INSPECTIONS AND INVESTIGATIONS

"Sec. 413.(a) (1) The Secretary is authorized to conduct any inspection or investigation necessary to enforce this title or any rules, regulations, or orders issued thereunder. Information obtained indicating noncompliance with this title or any rules, regulations, or orders issued thereunder, may be referred to the Attorney General for investigative consideration. In making investigations under this paragraph, the Secretary shall cooperate with appropriate State and local officials to the greatest extent possible consistent with the purposes of this subseciton.

"(2) For purposes of carrying out paragraph (1) of this subsection, officers or employees duly designated by the Secretary, upon stating their purpose and presenting appropriate credentials and written notice (which notice may consist of an administrative inspection warrant) to the owner, operator, or agent in charge, are authorized at reasonable times and in a reasonable manmanner—

"(A) to enter (i) any factory, warehouse, establishment, or other commercial premises in or on which motor vehicles or items of motor vehicle equipment are manufactured, held for shipment or sale, maintained, or repaired, or (ii) any noncommercial premises in or on which the Secretary reasonably believes that there is a motor vehicle or item of motor vehicle equipment that has been the object of a violation of this title;

"(B) to impound, for a period not to exceed 72 hours, for purposes of inspection, any motor vehicle or item of motor vehicle equipment that the Secretary reasonably believes to have been the object of a violation of this title; and

"(C) to inspect any factory, warehouse, establishment, premises, vehicle, or equipment referred to in subparagraph (A) or (B) of this paragraph.

Each inspection or impoundment under this paragraph shall be commenced and completed with reasonable promptness.

"(3) Whenever, under the authority of paragraph (2) (B) of this subsection, the Secretary impounds for the purpose of inspection any motor vehicle (other than a vehicle subject to part II of the Interstate Commerce Act) or an item of motor vehicle equipment, he shall pay reasonable compensations to the owner of such vehicle or equipment to the extent that such inspection or impounding results in the denial of the use of the vehicle or equipment to its owner or in the reduction in value of the vehicle or equipment.

"(b) For the purpose of enabling the Secretary to determine whether any dealer or distributor has acted or is acting in compliance with this title or any rules, regulations, or orders issued thereunder, each dealer and distributor shall—

"(1) maintain such records as the Secretary may reasonably require to make such determination;

"(2) permit an officer or employee duly designated by the Secretary, upon request of such officer or employee, to inspect appropriate books, papers, records, and documents relevant to making such determination; and

"(3) provide such officer or employee information from records required to be maintained under this subsection as the Secretary finds necessary for such determination if the Secretary (A) provides the reason or purpose for requiring such information and (B) identifies to the fullest extent practicable such information.

Nothing in this subsection authorizes the Secretary to require a dealer or distributor to provide information on a regular periodic basis.

"(c) (1) For the purpose of carrying out the provisions of this title, the Secretary or, on the authorization of the Secretary, any officer or employee of the Department of Transportation may hold such hearings, take such testimony, sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, papers, correspondence, memorandums, contracts, agreements, or other records as the Secretary, or such officer or employee, deems advisable.

"(2) In order to carryout the provisions of this title, the Secretary or his duly authorized agent shall at all reasonable times have access to, and for the purposes of examination the right to copy, any documentary evidence of any person having materials or information relevant to any function of the Secretary under this title.

"(3) Except to the extent inconsistent with subsection (b) of this section, the Secretary is authorized to require, by general or special orders, any person to file, in such form as the Secretary may prescribe, reports or answers in writing to specific questions relating to any function of the Secretary under this title. Such reports and answers shall be under oath or otherwise, and shall be filed with the

Secretary within such reasonable period as the Secretary may prescribe.

"(4) Any of the district courts of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpena or order of the Secretary or such officer or employee issued under paragraph (1) or (3) of this subsection, issue an order requiring compliance therewith; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(5) Witnesses summoned pursuant to this subsection shall be paid the same fees and mileage which are paid witnesses in the courts of the United States.

"ADMINISTRATIVE WARRANTS

"SEC. 414. (a) A warrant under this section shall be required for any entry or administrative inspection (including impoundment of motor vehicles or motor vehicle equipment) authorized by section 413 of this Act, except if such entry or inspection is—

"(1) with the consent of the owner, operator, or agent in charge of the factory, warehouse, establishment, or premises;

"(2) in situations involving inspection of motor vehicles where there is reasonable cause to believe that the mobility of the motor vehicle makes it impracticable to obtain a warrant;

"(3) in any other exceptional or emergency circumstance where time or opportunity to apply for a warrant is lacking;

"(4) for access to and examination of books, records, and any other documentary evidence pursuant to section 413(c)(2); or

"(5) in any other situations where a warrant is not constitutionally required.

"(b) Issuance and execution of administrative inspection warrants shall be as follows:

"(1) Any judge of the United States or of a State court of record, or any United States magistrate, may, within his territorial jurisdiction, and upon proper oath or affirmation showing probable cause, issue warrants for the purpose of conducting administrative inspections authorized by section 413 and of impoundment of motor vehicles or motor vehicle equipment appropriate to such inspections. For the purposes of this section, the term 'probable cause' means a valid public interest in the effective enforcement of this title or regulations issued thereunder sufficient to justify administrative inspections of the area, factory, warehouse, establishment, premises, or motor vehicle, or contents thereof, in the circumstances specified in the application for the warrant.

"(2) A warrant shall be issued only upon an affidavit of an officer or employee having knowledge of the facts alleged, sworn to before the judge or magistrate and establishing the grounds for issuing the warrant. If the judge or magistrate is satisfied that grounds for the application exist or that there is a reasonable basis for believing they exist, he shall issue a warrant identifying the area, factory warehouse, establishment, premises, or motor vehicle to be inspected, the purpose of such inspection, and, where appropriate, the type of property to be inspected, if any. The warrant shall—

"(A) identify the items or type of property to be impounded if any;

"(B) be directed to a person authorized under section 413 to execute it;

"(C) state the grounds for its issuance and the name of the person or persons whose affidavit has been taken in support thereof;

"(D) command the person to whom it is directed to inspect the area, factory, warehouse, establishment, premises, or motor vehicle identified for the purpose specified, and, where appropriate, shall direct the impoundment of the property specified;

"(E) direct that it be served during the hours specified in it; and

"(F) designate the judge or magistrate to whom it shall be returned.

"(3) A warrant issued pursuant to this section must be executed and returned within 10 days of its date unless, upon a showing by the Secretary of a need therefor, the judge or magistrate allows additional time in the warrant. If property is impounded pursuant to a warrant, the person executing the warrant shall give the person from whom or from whose premises the property was taken a copy of the warrant and a receipt for the property taken or shall leave the copy and receipt at the place from which the property was taken. The return of the warrant shall be made promptly and shall be accompanied by a written inventory of any property taken. The inventory shall be made in the presence of the person executing the warrant and of the person from whose possession or premises the property was taken, if they are present, or in the presence of at least one credible person other than the person making such inventory, and shall be verified by the person executing the warrant. The judge or magistrate, upon request, shall deliver a copy of the inventory to the person from whom or from whose premises the property was taken and to the applicant for the warrant.

"(4) The judge or magistrate, who has issued a warrant under this section shall attach to the warrant a copy of the return and all papers filed in connection therewith and shall file them with the clerk of the district court of the United States for the judicial district in which the inspection was made.

"PROHIBITED ACTS

"SEC. 415. No person shall fail to comply with the requirements of section 413 to maintain records, make reports, provide information, permit access to or copying of records, permit entry or inspection, or permit impounding.

"APPROPRIATIONS AUTHORIZED

"SEC. 416. There are authorized to be appropriated to carry out this title $450,000 for the fiscal year beginning June 30, 1976; $100,000 for the period beginning June 30, 1976, and ending September 30, 1976; and $650,000 for the fiscal year ending September 30, 1977."

Amend the title so as to read: "An Act to amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to provide authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes."

The motion was agreed to

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To amend the Motor Vehicle Information and Cost Savings Act to authorize appropriations, to provide authority for enforcing prohibitions against motor vehicle odometer tampering, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 10807) was laid on the table.

GENERAL LEAVE

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time in order to inquire of the distinguished acting majority leader as to the program for the balance of this week and for next week

Mr. McFALL. If the gentleman will yield, I will be happy to respond to his inquiry.

Mr. RHODES. I yield to the gentleman from California.

Mr. McFALL. There will be no further legislative business for today, and following the announcement of the program for next week, I will ask unanimous consent that we go over until next Monday.

The program for the House of Representatives for next week is as follows:

Monday is District day. There are no bills scheduled. There will be no legislative business on Monday.

On Tuesday we will consider H.R. 8069, Labor-HEW appropriations, fiscal year 1976, which will be a vote on the veto to override.

Then we will consider H.R. 9861, Defense appropriations, fiscal year 1976, conference report and will also consider the Angola issue.

On Wednesday we will have a joint meeting for Israeli Prime Minister Yitzhak Rabin.

Following that, we will consider S. 2718, railroad revitalization and regulatory reform conference report, and H.R. 10680, Renegotiations Act amendments, under an open rule, with 2 hours of debate.

On Thursday we will consider H.R. 5247, the local public works conference report, subject to a rule being granted.

We should be able to finish the schedule on Thursday, and there will be nothing scheduled for Friday.

ADJOURNMENT TO MONDAY, JANUARY 26, 1976

Mr. McFALL. Mr. Speaker, I ask unanimous consent when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS, NOTWITHSTANDING ADJOURNMENT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Monday, the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. HYDE. Mr. Speaker, on yesterday, January 21, 1976, I was recorded as not voting on rollcall No. 9, the vote on the rule to consider the Coal Leasing Act. I was here and I did vote in the affirmative, and I would like the Record to indicate that I voted in the affirmative.

"IS AMERICA GOING MAD?"

(Mr. TAYLOR of North Carolina asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. TAYLOR of North Carolina. Mr. Speaker, I would like to call my colleagues' attention to the editorial appearing in the U.S. News & World Report of January 26, 1976, titled "Is America Going Mad?" In line with the editorial, are not segments of the press, television commentators, and many spokesmen of the Congress going too far in emphasizing the negative and ignoring the positive—in dwelling on the mistakes of the past rather than the problems of the present and the hopes of the future. Are they not going too far in destroying the confidence of the American people and of people abroad in our American institutions—the FBI, the CIA, the Defense Department, the Congress—and in destroying confidence in public officials both those serving today and many whose honorable service has ended with death—J. Edgar Hoover, John F. Kennedy, Franklin Roosevelt.

Are they not tearing our Nation to pieces in the eyes of the world and weakening fundamental institutions whose effective services are needed today and will be needed tomorrow. Why dwell so long on the negative and lose sight of the positive accomplishments, thereby giving people a defeatist attitude and placing doubt and mistrust between the people and their government.

This is serious because without public confidence our Democracy cannot operate and it cannot win and maintain respect abroad. I, too, want to know the truth and help right the wrongs established, but once the truth has been revealed I am content to let the facts take their place in history and agree with the editorial that no useful purpose is served by constantly repeating the mistakes of the past.

The future belongs to the people, communities, and nations who have faith in themselves and in what they stand for and in what they are doing. My choice of a motto for the Bicentennial Year is "Take Pride in America's Past and Take Part in Its Future."

The editorial follows:

"Is America Going Mad?"

(By Howard Flieger)

The *Daily Telegraph* of London used the above-question as the heading over its main editorial on January 3.

The editorial began:

"It is time America's friends spoke out with some nasty questions to the so-called 'liberal' east-coast establishment. By that we mean sections of the press, sections of Congress, television commentators and comedians, university pundits and a lot of other people who may think there is a dollar to be made out of denigrating their country's institutions and leaders."

From that takeoff point, the newspaper's comment went on:

"The United States should know that her European cousins and allies are appalled and disgusted by the present open disarray of her public life. The self-criticism and self-destructive tendencies are running mad, with no countervailing force in sight. . . .

"Please, America, for God's sake pull yourself together."

It is instructive, though painful, to see ourselves through the eyes of others.

Of course, this country is not going mad. But we should not ignore the anxiety about our reliability that is being caused abroad by the present frenzy of faultfinding.

Perhaps one way to soften the impression reflected by the *Daily Telegraph* editorial would be for Congress to start dismantling its investigative hit parade.

Committees have been probing into everything under the sun—producing shock headlines by their reports or because of "leaks" of unauthorized and often unsubstantiated bits of information, much of it trivia.

Undoubtedly, the current enthusiasm for investigations springs from Watergate. And there is much to be said for what was accomplished on Capitol Hill in those days.

In spite of what anybody claims, it was Congress and the courts—not the media—that really developed the record of secret and sordid goings-on which culminated in the resignation of Richard M. Nixon. It was the diligence and thoroughness of congressional committees and their staffs during weeks of painstaking work that built the case for impeachment.

Certainly, Congress ought to maintain a watchful oversight on the activities and performance of all the departments and agencies of the Government. The public service must be held accountable to the public it serves, and Congress is the proper place to see to it.

But both the quantity and quality of investigations are beginning to raise doubts in the minds of many, including some of the members of Congress.

For example, there have been half a dozen separate investigations of the Central Intelligence Agency—each often calling the same witnesses for the same testimony and going over the same material in hearing after hearing. One begins to wonder how many times a bit of evidence needs repeating.

Another point: In the clamor to investigate things it didn't know about, Congress is exposing its own negligence.

It has always had the power—in fact, the duty—to keep a close watch on the CIA. The fact that some things are being discovered for the first time means that special committees to maintain a continuing oversight on the CIA haven't been doing their job.

A fair question: Is it better to spend hours tilling the soil of earlier faults, or to concentrate on ways to help the Agency function in the future? Once bygone errors have been unearthed, it is hard to see what is gained by rehashing them endlessly.

There is a role—a very important one—for investigations by Congress. But if some on Capitol Hill would pay more attention to current operations of Government, they wouldn't have to concern themselves so much with the happenings of the past.

LEGISLATION INTRODUCED ON BUFFALO NATIONAL RIVER LAND ACQUISITION

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HAMMERSCHMIDT. Mr. Speaker, I have today introduced a bill which would increase the authorization from $16.1 million to $30 million for land acquisition for the Buffalo National River. This increase of $13.9 million is necessary so that all of the lands and land interest which comprise the Buffalo National River may be obtained by the National Park Service at a fair price to landowners based on current land values.

I was pleased to be the original sponsor in the House of Representatives of legislation to preserve the Buffalo National River for the enjoyment of future generations. I am glad that my proposal was enacted into law during the 92d Congress. I do not think that I need to belabor the fact that our natural resources are extremely limited. It is essential that we take whatever reasonable steps necessary to see that our environment is protected and maintained. For this reason and because of the unique beauty and benefit of the Buffalo National River this law was enacted. In 1972 it was anticipated by the National Park Service that $16.1 million would be sufficient to acquire the 95,730 acres comprising the river and river basin.

Since that time there has been a tremendous increase in the demand for land for vacation and local homesites in this area. This has resulted in a higher price for land. Inflation has also played a role in increasing land costs. The higher value of real estate in the Ozarks region today requires additional funds for property acquisition, if the National Park Service is to obtain the necessary lands at a price that would be equitable to what landowners could obtain for their property in the open market. Litigation on the Buffalo National River has delayed the entire process of orderly development. Because of an injunction, which the courts have recently dismissed, the Park Service was prohibited from acquiring lands except through negotiation.

This litigation which has impeded the sale of property, coupled with increased costs, has resulted in depleting the authorized funds for land acquisition. All but approximately $4 million has already been expended and this amount was included in the 1976 appropriations bill and will be all used this year. Yet there is still more than 33,000 acres to be acquired.

I will be urging the Interior Committee and hopefully later the entire House that this additional $13.9 million be authorized so that necessary lands for the Buffalo National River may be acquired. It is certainly essential that landowners be paid a fair price for their property and the additional authority would be a step toward insuring landowners of the Government's intention to pay them a reasonable price. This is a realistic increase in light of soaring land costs and several years' delay in pending legal action. The sooner we take positive action the less cost will accrue to the Federal Government. The beauty of the Buffalo National River is unsurpassed and it is fitting that this river should be preserved for the present and future generations to see and to enjoy.

The text of the bill follows:

H.R. 11460

A bill to amend the Buffalo National River, Arkansas Establishment Act of 1972 to increase the authorization for land acquisition

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That Section 7 of Buffalo National River, Arkansas Establishment Act of 1972 is amended by striking out "$116,115,000" and inserting in lieu thereof "$30,071,500."

ENERGY CONSERVATION AND OIL POLICY ACT

The SPEAKER pro tempore (Mr. SANTINI). Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 15 minutes.

Mr. McKINNEY. Mr. Speaker, when the conference report to the Energy Conservation and Oil Policy Act came before the House, I voted yea although with reluctance. From the debate preceding passage of S. 622, it is evident that many of my colleagues shared misgivings regarding the merits of this legislation—as did the President. If both Congress and the administration had doubts about the efficacy of this measure—doubts shared by the business community, sectors of the general public, as well as elements of the media which terms the bill "marred" and "flawed"—why then was the legislation enacted?

There is no easy or simple answer. Indeed, the decision of how to vote became a matter of balancing interests, of balancing the assets and debits of the bill to determine whether the good sufficiently outweighed the dubious.

On the plus side the conference report takes some first steps toward building the foundation of the energy conservation program our country so desperately needs, while preparing for future supply interruptions. For example, it grants the President standby rationing and energy conservation authority; establishes a 1 billion barrel national strategic oil reserve; mandates automobile fuel economy standards and energy-efficient targets for major home appliances. It also extends the Government's authority to require powerplants to convert to coal; authorizes assistance for new coal mines; requires Federal regulatory agencies to assess the energy impact of their major regulatory actions; and provides for GAO audits of oil company energy and financial data. Two provisions of particular importance to New England, the region I represent, provide for expanding the present grossly inadequate storage capacity for both crude and oil products in the Northeast, and prevents refiners from placing a disproportionate share of their increased costs on heating oil which heats 80 percent of the homes in New England.

Indeed, if the legislation were composed solely of these nonpricing elements, there would be little disagreement on the merits of its enactment. However, as we know only too well, the chief controversy centers on title IV of the bill, the oil pricing provisions.

As my constituents and colleagues know, I have opposed the high price concept as the means to energy independence for I believe it guarantees increasing levels of inflation and unemployment. Rather, I have supported stringent conservation methods, including gasoline rationing, as the more preferable approach for it would impose no undue financial burden on our middle- and low-income citizens nor further fuel our inflationary spiral. However, it soon became evident that not only would this Congress not legislate the stringent conservation methods required, but also it would not adopt the President's pricing proposals nor, it seemed, agree on a comprehensive, meaningful energy program of its own. Compromise—among the Members of Congress and between Congress and the administration—was crucial. At this point I opted for the compromise of gradual decontrol of oil prices over a 4–5 year period with a composite ceiling price around $9. From this stance I could accept the 40-month decontrol period included in S. 622 but held misgivings about the $7.66 composite price and the uncertainty surrounding future prices. I also believe the price roll-back, so blatantly political in this election year, sends a dangerously misleading signal to Americans that there is no shortage and hence no need to conserve.

I recognize that the conferees, and administration officials working with them, had a most difficult task: Striking a balance between the requirements for increased production and decreased consumption on the one hand and the requirements for economic recovery on the other. Agonizing trade-offs were inevitable. But it can be argued that the price compromise gave something important to each side: oil price decontrol at the end of 40 months in exchange for a period of stability for oil prices and hence a "breather" for the economy.

There were strong arguments against the bill's pricing provisions: that they could increase consumption, increase American dependence on imported oil, discourage investment, curb domestic oil production and development, and even create another energy shortage. These were serious objections that had to be studied and weighed, although counterarguments were equally persuasive. Unfortunately, we were legislating in the midst of contradictory and confusing data and in an emotionally charged atmosphere.

However, there was no denying the alternative to this legislation: total and immediate oil price decontrol. To allow controls to suddenly expire would certainly trigger a rapid resurgence of inflation; increase unemployment; and, by increasing business and consumer costs, jeopardize economic recovery. Estimates of the effect of sudden decontrol ranged as high as a cost of $20 billion, a 2-percent increase in the Consumer Price Index, and increased unemployment of 800,000.

Needless to say, total decontrol would have a devastating impact on the regional economy of New England where 85 percent of the energy consumed for heat and power is derived from oil.

Moreover, by completely removing price controls now, rather than the free and open market situation that opponents of price controls maintain would result, we would, in effect, be placing our economy at the mercy of the oil exporting countries. Given the immediate danger to the Nation's economy of sudden and total decontrol, I concluded Congress should pass S. 622. The country would pay a much more serious price were it not enacted and I believe this was the overriding consideration of the President in signing this legislation.

Furthermore, it is clear that the conference report represents a substantial improvement over the original House-passed bill. And it is clear that, after struggling to write an energy bill for 2 years, and after months of negotiation between Congress and the administration, this is the best bill we could get under current conditions. It was also absolutely essential to end the long period of indecision on energy policy that has caused confusion and uncertainty for both consumer and the oil industry. Granted the bill is not perfect, but it does lay the ground rules, providing an element of price stability and predictability needed by U.S. oil producers to plan their operations, while shielding U.S. consumers and businesses from the damaging economic repercussions that would inevitably accompany immediate decontrol.

I think all of us are in agreement that the Energy Conservation and Oil Policy Act does not establish the definitive, comprehensive national energy policy the Nation so desperately needs. It is a beginning, but we must do better.

Mr. Speaker, 1976 is not just another election year; it is the American Bicentennial. That Bicentennial affords us not the chance, not merely the opportunity, but in fact insists that we live up to our responsibilities as the elected representatives of the people and assure a new American independence—that of freedom from worry over availability of energy.

THE REGULATORY REFORM ACT OF 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 15 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, today the gentlewoman from Texas (Ms. JORDAN) and I are introducing the Regulatory Reform Act of 1976. This bill is identical to S. 2812 as introduced in the other body by Senator PERCY and Senator ROBERT C. BYRD on December 18, 1975.

The purpose of this legislation is to eliminate excessive, duplicative, inflationary, and anticompetitive regulation through the reorganization of the executive branch of the Federal Government. This would be accomplished under a 5-year timetable for regulatory reform covering one of the five following specific areas of the economy in each of the years 1977 through 1981: First, banking and finance, 1977; second, energy and environment, 1978; third, commerce, transportation, and communications, 1979; fourth, food, health and safety, and unfair or deceptive trade practices, 1980; and fifth, labor, housing, Government procurement, and small business, 1981.

Under the terms of this bill, the President would submit to Congress by March 30 a comprehensive regulatory reform plan for the area specified by the bill for that particular year. For each of the five areas listed above, the bill specifies which Federal agencies would be covered in the plan. Each plan submitted by the President would include recommendations for increasing competition, and for procedural, organizational and structural reforms, including the merger, modification, establishment or abolition of Federal regulations, functions, and agencies.

The plans would be jointly referred to the House and Senate committees having jurisdiction as well as the House and Senate Government Operations Committees. Under the bill's action-forcing mechanism, the committees to which a plan had been submitted would be required to report a comprehensive regulatory plan to their respective bodies in time for floor action by Septemper 15. In the event that a President does not submit his own plan, the committees would still be required by law to proceed with action on their own plans. If the Congress does not act on a plan before December 31, the President's original plan would become law unless either body adopts a resolution of disapproval. In the event such a resolution of disapproval is adopted, the Congress would still be obligated to act on its own plan by the following June 30. In the event Congress has not acted by that date, all benefits conferred by the affected agencies in the enumerated areas would automatically terminate and be of no further force or effect.

Mr. Speaker, while I have previously cosponsored legislation to establish a Commission on Regulatory Reforms to study this overall problem and report its findings and recommendations to the Congress, I think this alternative of establishing a rigid yet reasonable timetable for regulatory reform is perhaps the only realistic way of insuring timely and effective action by the President and the Congress. Just as I think most Members will agree that the congressional budget process timetables have been necessary to force us to exercise comprehensive control over our spending decisions, this regulatory reform timetable is necessary to force us to consider and act on changes in that area. It offers the type of systematic and rational approach which is too often lacking in setting our legislative agenda and priorities in the course of a single Congress, let alone over the span of several Congresses.

Mr. Speaker, I do not think there is much of a question left in many minds in this Congress that the Federal regulatory system is ripe for reform given the cumulative evidence which has been mounting about its inflationary and anticompetitive impact as well as the excessively burdensome yoke it has imposed on the regulated. Numerous constructive proposals have already been made for regulatory reform, including three transportation reform plans submitted by the President. Numerous committees in both the House and Senate have already begun hearings on various aspects of the regulatory reform issue. In my opinion, nothing in this bill would preclude the Congress from acting earlier than the years specified on particular components of regulatory reform. At the same time, though, I think it must be recognized that so long as we continue to approach this issue in such a haphazard and piecemeal fashion, we are not likely to accomplish anything approaching comprehensive reform in the next 5 years, or over the next decade, for that matter. The only way we can realistically hope to force the executive and legislative noses to the grindstone of comprehensive reform is through the type of self-imposed discipline required by this bill. It is one thing for the Congress to talk in terms of vaguely defined goals and what it hopes to achieve at some time in the future. It is quite another for us to spell out those goals in a detailed manner and set for ourselves a definite timetable for their implementation. The Regulatory Reform Act of 1976 takes the latter approach and I think its enactment would demonstrate to the American people that we are capable of more than just talking about a problem and railing against the bureaucracies.

Mr. Speaker, following the remarks of Ms. JORDAN, we include a brief summary of the Regulatory Reform Act of 1976. Tomorrow we will be circulating a "Dear Colleague" letter for cosponsors and we urge Members to join with us on this important bill.

Ms. JORDAN. Mr. Speaker, I have joined Congressman JOHN ANDERSON in introducing the Regulatory Reform Act of 1976 because I believe comprehensive reform of the Federal Government's regulatory agencies can result in lower prices for consumers. As a member of the House Judiciary Committee's Subcommittee on Monopolies and Commercial Law, I have become convinced that many of the practices and procedures mandated upon regulated individuals and businesses serve to keep prices at artificially high levels.

Since the early 1960's most economists have agreed that the regulatory agencies, if reformed, have the potential for saving consumers billions of dollars every year. Despite the widespread agreement nothing has happened. If anything, the regulatory agencies have further restrained competition rather than increased it. As a result, it may be more difficult to achieve meaningful reform of the regulatory agencies in 1976 than it would have been in 1960. The difficulty of the task should not deter us from the ultimate goal: lower prices.

The Regulatory Reform Act of 1976 provides a methodical procedure whereby the ultimate goal can be achieved. The bill imposes, as Congressman ANDERSON has outlined in his remarks, a series of dealines upon the President and upon the Congress. Failure to adhere to the deadlines would result in the powers of the affected agencies becoming null and void. Without these deadlines, I am not optimistic the job will ever be accomplished. With these deadlines the opponents and proponents of regulatory reform can work together to develop a mutually beneficial consensus.

BRIEF SUMMARY OF THE REGULATORY REFORM ACT OF 1976

TITLE

SECTION 1. The "Regulatory Reform Act of 1976."

FINDINGS AND PURPOSES

SEC. 2. (a) Congress finds that government economic regulation has too often become more of a burden than benefit to American businesses, consumers and the economy.

(b) It is the purpose of this Act to require Presidential submission of and Congressional action on regulatory reform plans over a period of five years to eliminate unnecessary or harmful regulation which has resulted in inflation, reduction in competition or disruption of a free enterprise system.

(c) Each plan shall establish more efficient organizational and administrative forms for the regulation of commerce, the encouragement, development and enunciation of broad policy guidelines, a lessening of repetitious, costly and inefficient case-by-case decision-making, and increased regulatory agency accountability and responsiveness to the public interest.

(d) Each plan shall include appropriate provisions to merge, modify, or abolish existing agencies and functions to eliminate overlapping jurisdictions, conflicting mandates and anticompetitive and duplicative regulations.

DEFINITIONS

SEC. 3. The words "agency" and "rule" are defined in accordance with 5 U.S.C. 552(e) and 551 respectively.

AGENCY REORGANIZATION PLANS

SEC. 4. Not later than March 31st of each of the years specified, the President shall submit to the Congress regulatory reform plans for the following areas:

(1) Banking and finance—1977;

(2) Energy and environment—1978;

(3) Commerce, transpotration and communications—1979;

(4) Food, health, safety and unfair or deceptive trade practices—1980;

(5) Labor, housing, government procurement and small business—1981.

(b) Each plan shall include provisions relating to such other agencies as the President may choose or the Speaker of the House or President pro tempore of the Senate may require.

(c) Each plan submitted by the President shall include recommendations for (1) the transfer, consolidation, modification, or elimination of functions; (2) for organizational, structural and procedural reforms; (3) the merger, modification, establishment or abolition of Federal regulations or agencies; (4) eliminating or phasing out outdated, overlapping or conflicting regulatory jurisdictions or requirements of general applicability; and (5) for increasing economic competition.

(d) If the President has not submitted an appropriate plan or has submitted an inadequate plan by the date specified in each of the years, the committees having appropriate jurisdiction along with the Committee on Government Operations shall prepare a plan which shall become the pending business in each body no later than September 15th.

CONGRESSIONAL REVIEW

SEC. 5. (a) The President shall submit the required plans to the Speaker of the House and President pro tempore of the Senate.

(b) Each plan shall be jointly referred to the committees having appropriate jurisdiction and the Committees on Government Operations of the House and Senate.

(c) The committees to which the plans have been referred shall review the plans and report a bill approving or disapproving each bill in whole or in part with such amendments as are deemed appropriate.

(d) If no comprehensive plan is enacted by December 31st of the year in which it is submitted, the President's plan as originally submitted shall become effective unless either House of Congress specifically disapproves the plan.

SUSPENSION AND TERMINATION

SEC. 6. (a) If no comprehensive plan is enacted, all rules of any agency described in each plan shall be of no force or effect after the last day of June in the calendar year following the year in which the plan has been submitted unless other appropriate provision is made by Congress

(b) Within nine months after the date of enactment of this Act the President shall transmit to the Congress a detailed listing of all agency rules of general and specific applicability which would be rendered of no further force or effect in the event that no comprehensive regulatory reform legislation is enacted with respect to a designated area.

MARINE FIRE PROTECTION PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. FORSYTHE) is recognized for 10 minutes.

Mr. FORSYTHE. Mr. Speaker, in the predawn hours of January 31, 1975, at Marcus Hook, Pa., on the Delaware River, a chemical ship, the *Edgar M. Queeny*, collided with the *Corinthos*, an oil tanker unloading 17 million gallons of crude oil. The subsequent explosion and fire took several lives and burned for days. The flames shot 400 feet into the air, smoke and noxious fumes covered the area, and thousands of gallons of burning oil spilled into the river. Glass in the windows of hundreds of homes and buildings was shattered by the blasts and about 350 families were evacuated to neighboring communities. Even more frightening than the immediate fire, however, was the very real possibility that the surrounding densely populated areas might have been blanketed with a huge cloud of extremely toxic gas if the cargo of the chemical ship had also burned. Fortunately, the quick response and cooperation of fire departments from the entire area, fireboats and personnel from the city of Philadelphia, and Coast Guard personnel eventually contained the blaze.

I have nothing but the greatest praise and admiration for these firefighters, many of them volunteers, who by their courage and dedication were able to avert a major disaster. But they were operating under major handicaps. The availability of equipment and supplies, lack of specialized training, the overall coordination of the firefighting effort, the distances involved—all these factors provided obstacles to be overcome in order to successfully battle the blaze.

The Marcus Hook fire is not unique. Almost every major port in the country can cite similar disasters. The 1973 collision and fire of the *Sea Witch* and the Esso *Brussels* in New York harbor caused heavy loss of life and at one point even threatened the Verrazano Bridge. New Orleans has had its Key Largo fire and Seattle its Cygnus in recent years. These fires have highlighted the growing need for carefully examining and strengthening our national preparedness to deal with such maritime disasters. The problem is becoming even more acute as many cities which traditionally have shouldered responsibility for port firefighting programs increasingly find themselves financially unable to continue funding such programs.

Any consideration of marine fire protection programs must give consideration to the nature of the industry and its relationship to a number of factors. The merchant marine, for instance, plays a major role in both the national and local economy. The commerce generated by the maritime community covers a broad spectrum ranging from the transportation of raw materials to the delivery of finished products. Over 10 billion tons of cargo were moved in 1974 through the Port of Seattle alone. Such movement generated thousands of jobs and many millions of dollars in business activity.

In addition to its role in commerce, the merchant marine plays an important part in the national defense, not only in the movement of troops and war materials—over 90 percent of which are transported by sea—but also in the import and export of strategic materials.

Additionally, the location of major ports in the heart of densely populated areas, physically impacts upon the lives of millions of U.S. citizens.

Ten or fifteen years ago the average construction cost of a vessel ranged from $10 to $15 million. Today, costs of $50 million are not unusual and may range in excess of $100 million per vessel.

In order to reduce overall operating costs, vessel owners are building much larger vessels. This fact is clearly demonstrated when one considers that eight of Sealands SL–7 container ships can haul as much cargo as 200 World War II transport vessels. Looking at this figure from the viewpoint of marine fire protection, the loss of one SL–7 is equivalent to the loss of 31.25 World War II era ships. The loss of the ship itself, however, is only the tip of the proverbial iceberg. The total potential loss caused by one marine fire involving an SL–7 in port could be over $90 million if the figure realistically includes the cost of the vessel, its containers and cargo, damage to terminal structures and container facilities, and the loss of jobs either directly or indirectly attributable to the fire.

Because of automation and other factors, these dramatically larger vessels are being operated by fewer and differently trained men. Today, seamen are technicians, required to be familiar with complex systems and procedures. Their background and experience are primarily designed to prepare them to operate sophisticated ships. Yet, because of present practice, they seldom stay with the same vessel very long. The time that a man is aboard must be spent in learning a bewildering array of systems—including fire protection systems—all of which have differences peculiar to a particular ship. His only training in firefighting? A brief introduction to the basics, and perfunctory drills at sea.

If the maritime industry presently plays an important role in our lives, it will be even more important in the years to come. Major new industries will develop to find and process raw materials from the sea. New types of vessels and techniques will be developed for ocean mining, oil exploration, as well as other industries. And this new technology will bring with it the need for fresh approaches to the problem of providing good marine fire protection.

Because of the relative infrequency of major ship fires, however, the majority of port city municipal fire departments cannot afford in the present financial climate to spend sufficient time or money in training or equipping their firefighting units to effectively combat marine fires.

The city of Philadelphia, for instance, has in the past provided fireboat assistance without charge anywhere in the Delaware River port area. The city cannot presently afford, however, the immense capital investment necessary to replace the city's three aging fireboats. The present fireboats are 25 years old and have a top speed of 8 knots, a rather limiting factor in a port with over 100 miles of waterfront. In the *Sea Witch* fire in New York Harbor cited earlier, two of the five New York City fireboats were removed from service when the fire occurred because of the high cost of their operation.

So we have a major industry, important to the commerce and defense of the United States, each year operating larger and more complex vessels with smaller crews, each year carrying millions of dollars of often dangerous cargo into densely populated urban areas, each year guarded by a system of marine fire protection which has failed to keep pace with the rest of the industry's development. If anything, marine fire protection has deteriorated in recent years due to the steadily mounting costs and the increasing financial constrictions of the major port cities.

There exists, however, potential for establishing a practical marine firefighting program on a national basis for a relatively modest cost in relation to the lives and money potentially involved. For the last 2 years, the Maritime Administration of the Department of Commerce, the State of Washington, and the Seattle Fire Department have been working jointly on a program to improve marine fire protection in the State of Washington. This program has focused on two areas: First, careful prefire analysis of the firefighting capability of individual vessels; and second, the training and equipping of a specialized, highly mobile firefighting strike force.

Accordingly, in conjunction with my esteemed colleague from Seattle, Congressman JOEL PRITCHARD, I am introducing today legislation to establish a national marine firefighting program. Based on the Seattle marine fire protection project sponsored by the Federal Maritime Administration, this legislation translates the concepts developed by that project to a national level and expands those concepts to provide specialized training in marine firefighting for merchant seamen as well as port firemen.

Briefly, this legislation is designed to establish a coordinated national program for marine firefighting by—

Developing training programs for local fire departments and merchant seamen;

Facilitating national exchange of supplies, crews, information, and training;

Establishing a prefire planning system for vessels; and

Establishing regional marine firefighting units to provide national on-the-scene emergency assistance for marine fires.

The entire program is designed to provide a broader base in preparing for and meeting a marine fire emergency, while not affecting State and local jurisdiction over local firefighting units—the provision of Federal support without Federal presumption of local responsibility.

In order to provide this broader base, the program authorizes the development of regional marine firefighting plans for the utilization and pooling of resources and manpower. The Federal Government is authorized, not required, to participate for the first time in the provision of equipment on either a grant or a shared-cost basis, if local marine firefighting capabilities need upgrading. The program also establishes specialized programs and possibly facilities to train both firemen and seamen in marine firefighting, and provides for a system of prefire planning and dissemination of information about the capabilities of individual ships. Finally, the program establishes marine firefighting regions and provides for the selection of qualified local fire departments to function as regional and satellite marine firefighting strike force units. In addition to their routine duties as members of the local fire department, these specially trained units will function in an emergency to provide marine firefighting expertise on a nationwide basis.

The overall program may be viewed generally, therefore, as having two major components: First, the prefire development of marine firefighting capability through regional planning, training and possibly equipping of personnel, and individual prefire planning of specific vessels; and second, the actual on-the-scene use of that capability by highly mobile, specially trained marine firefighting units in cooperation with local fire departments and shipboard personnel. While the cost of the first component will vary greatly depending upon the final scope desired, the entire program could be operational for between $5 and $10 million. This figure represents a relatively small investment when viewed against the potential cost of even a single major marine disaster.

Mr. Speaker, I urge my colleagues in the Congress to carefully examine the problems facing the present system of marine fire protection which I have briefly outlined. These present problems can only get progressively worse and the potential for disaster can only grow. I urge, therefore, that Congress give speedy consideration to the legislation which I am proposing today to establish a national marine firefighting program as a reasonable, effective solution to a pressing national problem.

THE 58TH ANNIVERSARY OF UKRAINE'S PROCLAMATION OF INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, I wish to bring the attention of the Members to the commemoration of the 58th anniversary of the proclamation of Ukrainian independence. On January 22, 1918, the Ukrainian nation asserted their rights for freedom and national independence by founding the Ukrainian National Republic. Unfortunately, this independence was crushed by the Soviet regime which incorporated the Ukraine into the Soviet Socialist Republic.

As we participate in observing this occasion, Secretary of State Kissinger is in Moscow attempting once again to accommodate the rulers of the Kremlin. At a time when the leaders of the free world are questioning the determination of the United States to effectively maintain leadership in the face of Communist pressure, I urge the Congress not to retreat under the cover of neoisolationism, but to recognize that we must work with freedom loving people throughout the world in a necessary effort to turn back the Communist menace, and support the aspirations of those captive nations of Eastern Europe in restoring their rights of self-determination.

The obvious characteristic of the U.S.S.R. is not socialistic but rather technocratic, totalitarian, and militaristic, with most of the Kremlin rulers being trained in the Stalin mold—armed to the teeth, intent on achieving military superiority, and ready to furnish arms to all the trouble spots of the world.

The Kissinger diplomacy of accommodating compromise, which always seems to result in the net advantage of the Red aggressor, is scarcely a guarantee of continued freedom from Communist domination. Although we long for an easing of global tensions, we must not be so dazzled by treaties, negotiations, cultural exchange, trade and other such activities that we forget the nations within the U.S.S.R. struggling to preserve their identity and regain independence.

The Ukraine is one of the greatest of the captive nations within the U.S.S.R. The Ukrainian territory, covering 232,046 square miles, is a land possessing tremendous agricultural and industrial resources and boasting a cultural background that is centuries old.

No fewer than 74 nations have become independent since the close of World War II, and 55 of them are smaller in size than the Ukraine with only five having more inhabitants than Ukraine's 48,100,000.

During the five decades since the time of the Russian Communist takeover, the Ukrainian people have not given up hope of once more regaining their freedom by their refusal to resign themselves to enslavement as they continue their struggle despite overwhelming odds.

Mr. Speaker, it is especially appropriate that as we start this Bicentennial year in the Congress, that we not forget that millions of people throughout the world and more than 100 million within the U.S.S.R. are deprived of the basic freedoms that we take for granted.

STATEMENT OF CONGRESSMAN FERNAND J. ST GERMAIN, DEMOCRAT OF RHODE ISLAND, ON THE FLOOR OF THE HOUSE OF REPRESENTATIVES UPON INTRODUCTION OF LEGISLATION TO PROHIBIT THE FEDERAL POWER COMMISSION FROM GRANTING RATE INCREASES FOR THE INTERSTATE SALE OF ELECTRICITY WITHOUT FIRST HOLDING PUBLIC HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, the legislation which I introduce today would prohibit the Federal Power Commission from granting rate increases for the interstate sale of electricity by generating companies without first holding public hearings.

The experiences of Rhode Island consumers in the past months have demonstrated the urgent need for this legislation. High unemployment statistics are a constant part of the Rhode Island economic way of life. More than 12 percent of the labor force in Rhode Island are without jobs, and with current economic conditions the prospect of increased employment is not encouraging.

Further, even the unemployed must pay some of the highest utility rates in the United States. The average utility bill in Rhode Island is 20 to 25 percent higher than the national average.

A number of the utilities companies which serve my constituency must purchase electricity from companies in nearby States. The rates for such interstate sales fall within the regulatory jurisdiction of the Federal Power Commission.

In October of 1975, the Federal Power Commission granted a request for a rate increase to a Massachusetts firm which serves Rhode Island. The rate increase became effective on May 19, 1975. Fifteen months after the initial request, and 8 months after the increase became effective, the public hearings seeking the justification for this increase have yet to be concluded.

A further request for increased revenue of more than $7 million was submitted to the Federal Power Commission by the same company in July 1975. Scheduled public hearings on this request have been delayed until April 6, 1976, in spite of the fact that the higher electricity prices to the consumer will become effective on February 1, 1976. Two additional rate increases sought by another company are pending, and the new rates, if granted, will no doubt be in effect long before Rhode Island's citizens can learn if the increase was justified.

The intent of this bill is to provide all electric utility consumers an opportunity to hear testimony of the industry seeking additional revenue, before the consumer is asked to pay higher rates. The legislation is long overdue, and I hope that this measure will earn the support of my colleagues.

UKRAINIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, January 22, 1976, marks the 58th anniversary of the declaration of Ukrainians who, through terrible years of oppression, have kept alive their belief in the dignity of man.

Chicagoans of Ukrainian descent will commemorate this important day with the annual Ukrainian Independence Day Banquet, Saturday, January 24, 1976, at the Sheraton-Chicago Hotel, 505 North Michigan Avenue, in Chicago, sponsored by the Ukrainian Congress Committee of America, Chicago Division, Entertainment will be provided by the St. Nicholas Cathedral ensemble "Verchovyna" and by the American Ukrainian Youth Association choir "Vatra."

The executive board of the Ukrainian Congress Committee of America, Chicago Division, includes: Julian E. Kulas, Esq.; Mychajlo Panasiuk, Paul Nadzikewycz, D.P.M.; Roman Bihun, and Myron B. Kuropas, Ph.D., vice presidents; Anton Kocepula, secretary; Wasyl Braznyk, treasurer; and the board members include: Myroslaw Charkewych, M.D.; Teodor Churma; Hryhorij Dron; Stepan Farbota; Olena Fedak; Stepan Golash; Wasyl Holod; Bohdan Kashuba; Paul Konoval; Myron Lushchak; Wolodymyr Nychaj; Aleksander Poshewanyk; Myroslaw Samchyshyn; Hryhorij Shcherbaniuk, M.D.; and Bohdan Staruch.

I mentioned above that Dr. Myron B. Kuropas is a vice president of the Chicago Division, and I am delighted to mention that Dr. Kuropas was recently appointed the first Special Assistant to the President for Ethnic Affairs. I brought the need for a White House ethnic affairs post to President Ford's attention in a letter early last year, and I am very pleased that the President has followed through on my suggestion and has created this essential post at the White House. I am sure that Dr. Kuropas will take the initiative in this newly created office to see that the needs, wants, and special problems of all ethnic Americans are not overlooked in the executive branch of our Government.

January 22 is a day of sadness, not only for the Ukrainians but also for freedom-loving peoples everywhere, for we know that despite their heroic efforts, the Ukrainians have been thwarted in their struggle to achieve a free nation. Ever since 1709, when Czar Peter the Great of Russia conquered the Ukraine and ruthlessly crushed the intelligensia, the history of the Ukraine has been a story of relentless struggle to throw off Russian domination.

Despite overwhelming odds, the Ukrainian people have never abandoned their hope for freedom or their longing for national independence. Taras Shevchenko, the poet laureate of the Ukraine, by our own noble American tradition, was inspired to fight against the imperialist and colonial occupation of his native land. And we in America have recognized Shevchenko's patriotism and dedication to liberty by erecting a statue of this great man in 1963 in our Nation's Capital at 23d and P Streets NW.

In 1776, Americans claimed for themselves the right to determine what their destiny would be, and consequently, we feel a deep and abiding kinship for the Ukrainians, and indeed, all peoples who seek to achieve the goals that we claimed as our right. Although the Ukrainians have not yet achieved their goals, nonetheless our expression of support for their just and rightful aims will help in some measure to make freedom an attainable and enduring reality for them.

On January 22, 1918, the fondest hopes of the Ukrainians were realized when the Parliament proclaimed the independent Ukrainian National Republic. The reality of freedom was shortlived, however, because by 1922 the Bolsheviks took over where they had left off and resumed persecutions, relocations of whole villages, exiles of significant personages, brutal starvations, and wholesale executions. Through it all, the Ukrainians remained steadfast in their resolve to regain their freedom and national sovereignty.

Today, although the Ukrainians are still under the yoke of foreign domination, I am still confident that one day their love of liberty will triumph, and the Ukraine will once again take her rightful place in the community of free nations.

It was for this reason that I introduced House Concurrent Resolution 4 in the current 94th Congress, which resolves:

> That it is the sense of Congress that the President, acting through the United States Ambassador to the United Nations Organization, take such steps as may be necessary to place the question of human rights violations in the Soviet-occupied Ukraine on the agenda of the United Nations Organization.

The Ukrainian Congress Committee's theme for America's Bicentennial Year is "Lasting Independence From Empire—LIFE," and I wish to reaffirm my personal commitment to the cause of Ukrainian self-determination and to join the Americans of Ukrainian descent in my own city of Chicago, in Illinois, and across our Nation in observing the 58th anniversary of Ukrainian independence and in applauding the efforts of the Ukrainian people to regain their freedom and independence.

BICENTENNIAL PRAYER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Barrett) is recognized for 10 minutes.

Mr. BARRETT. Mr. Speaker, one of Philadelphia's outstanding and talented citizens and one of America's internationally known poets and painters, Edward Anthony Casaceli, has recently written a special prayer which he has dedicated to the people of the United States on the occasion of our Nation's 200th anniversary.

Mr. Casaceli is a graduate of the Pennsylvania Academy of Art and student of the internationally famous Elena de Hellebranth. His works have been included in many publications and collections in the United States and abroad.

This beautiful prayer was read and dedicated at the sunrise service at the new location of the historic Liberty Bell in Philadelphia on January 1, 1976.

BICENTENNIAL PRAYER

It is not the spirit of man,
That makes our lives complete,
But, the Spirit of God within us.
Let us know,
That our lives are like empty cups,
Waiting to be filled,
Standing before the table of the Lord.
Let us drink,
Though we may not feel thirsty,
Let us pray,
Though our hearts become weary,
Let us be awake . . .
When all the world is sleeping.

MAYOR ARTHUR CLARK OF WALTHAM, MASS., ADDRESSES NEW ENGLAND CONGRESSIONAL DELEGATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'Neill) is recognized for 10 minutes.

Mr. O'NEILL. Mr. Speaker, this morning, the New England congressional delegation met with a group of mayors headed by the very able mayor of Waltham, Mass., Arthur Clark.

In his remarks, Mayor Clark made a compelling case for the extension of the general revenue sharing program. I think Members would benefit from Arthur Clark's specific observations about his experience with revenue sharing, and so I include a copy of his remarks:

Remarks of Mayor Arthur Clark

Mr. Chairman and members of the New England congressional delegation—I am Arthur J. Clark, mayor of the city of Waltham, Massachusetts, and coordinator of this morning's meeting.

With me this morning are Lt. Governors O'Neill and Byrns, mayors, managers, legislative committee members, municipal organization officers from all the New England states, and the counsel of the office of Federal relations of the National League of Cities.

I would suggest to members of this delegation that we are a task-force representing all of the communities of New England, communities which you, as members of the Congress, represent.

Today, elected officials of the cities and towns of New England, and all of America, are concerned. They are concerned about the greatness or the decline of their communities. They are concerned about re-enactment of general revenue sharing. They are concerned that failure by the Congress to re-enact general revenue sharing will mean increased real estate taxes—job lay-offs, cutbacks in capital improvements, and the inability to purchase necessary equipment to maintain high levels of productivity.

Revenue sharing must be considered in the context of the pressing fiscal conditions facing local governments.

With this in mind, I would like to point out to this delegation the importance of State and local governments to the Nation's economy. The very magnitude of State and local government makes it almost mandatory that the Federal Government develop a co-ordinated inter-governmental approach to solving our economic problems, for the total economic decline of this great country will come only if we allow a total economic decline of this country's cities and towns.

Cooperation, government to government, is essential to the health of our Federal system, and each of us—you as members of the New England congressional delegation—and we as elected representatives in your districts, have a responsibility to this end.

Cities should be the frontiers of new ideas, new concepts, new possibilities for better living, and yet—we have barely begun to think about the new possibilities for our cities. We know the great city that can be, if we are provided the resources. We also know the tragic city that will be, if we do not get the resources we need.

If the Federal Government is going to lead this country out of the deepest recession since the 1930's, and if the Federal Government is going to use its fiscal tools to provide the necessary economic stimulus to get this country back on the road towards prosperity, then it must realize that delay in renewing the revenue sharing program will be counter-productive to these goals.

I ask this delegation to look closely at the impact that a delay in re-enacting this fiscal sharing will have on municipalities, particularly those which budget on a July 1, fiscal year. And I remind you, once again, that the result of any delay will be an increase in local property taxes, the reduction in essential services, and the interruption and postponement of capital improvement projects, which will severely hamper the Nation's economic recovery efforts.

It is absolutely essential that early re-enactment take place. I cannot believe that the Congress, which in recent years has sincerely worked on reforming its own budgetary procedures, would, through legislative inaction, severely disrupt the budgetary and planning process of local governments.

It is my understanding that there are Members of Congress who would dilute the revenue sharing program. I beg this delegation not to let this happen. Those of you who are tuned in to the plight of the total community, I am sure, will not allow it to happen.

After all, there are agencies within the Federal structure that are responsible for the social needs of the people. It would seem that those agencies should be required to carry out their functions.

Are our elderly being properly cared for under the Older Americans Act?

Is the Department of Health, Education and Welfare, meeting its responsibilities?

Is the food stamp program working?

Is the Health Services Administration and the Social and Rehabilitation Service functioning properly?

Is the social security program adequate, and properly funded to meet its obligations?

General revenue sharing was enacted to provide assistance to state and local governments. It has been successful.

Let's take a look at what it has done for my community . . .

1. It has helped stabilize our tax rate.
2. It has enabled us to provide better public safety.
3. It has supported the cost of solid waste handling.
4. It has provided safer streets through adequate street-lighting.
5. It has provided psychiatric care for the children of my city.
6. It has provided funds for a well-baby clinic.
7. It has been used to fight contagious diseases.
8. It has provided general support for recreation at all ages (cradle to grave).
9. It has provided funds for conservation—for the Council on Aging, and other vital programs.
10. It has helped us combat inflation.
11. It has helped us to live with the assessments of the commonwealth against the city. As an example . . .

In 1969 when I first rar for the office of mayor, the county tax levied against my city was $639,231.00. In fiscal 1976, it was $1,325,865.00. In 1969, the parks assessment was $249,362.00. In fiscal 1976 it was $622,476.00.

In 1959 when I first ran for the office of city was $109,190.00. In fiscal 1976 it was $1,323.173.

This is a staggering jolt to the real estate tax. A tax devised for an eighteenth-century rural society. The real estate tax was never meant to absorb this kind of fiscal insanity.

I have heard it said—there is not enough citizen-involvement in the use of revenue sharing funds. I would like to point out that stabilizing the tax rate on the homes of 61,000 people, is citizen-involvement.

We desperately need the support of this delegation. You have always responded to our call for help. We need your leadership. Please help us now!

COMMEMORATING UKRAINIAN INDEPENDENCE DAY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 10 minutes.

Mr. **DODD**. Mr. Speaker, today is a day all Americans should commemorate in the spirit of the Declaration of Independence and the love of freedom throughout the world. Today is Ukrainian Independence Day.

January 22, 1976, marks the 58th anniversary of a free Ukraine, a country which took its place among the rightful nations of the world for 2 short years, 1918–20, before the cruel forces of Communist tyranny overtook this hardy country.

It also is appropriate to note in this our Bicentennial Year, that 100 years ago, Ukrainians first began to settle in America.

Since free Ukraine was oppressed by the Soviet Union, Ukrainians have been fighting courageously to retain their cultural identity and preserve their rich heritage against the forces of communism, which seeks to stamp out these valiant goals.

And since Ukrainians first came to this country, they have been hard-working Americans contributing greatly to the cultural richness, economic development, and inner strength of our own Nation.

But even the Ukrainians here have not forgotten those who are left behind in the U.S.S.R. Ukrainian-Americans have worked hard to help those in the U.S.S.R. to escape Communist oppression, through giving continued spiritual support and through forming dedicated groups which labor tirelessly to enlist support for Ukrainian cultural freedom and a Free Ukraine.

Mr. Speaker, I have had personal contact with many Ukrainian-Americans, and I value their friendship. They have been of great assistance to me as a member of the House Judiciary Subcommittee on Immigration, which has concerned itself with the plight of the dissidents and oppressed minorities of the Soviet Union.

With the assistance of Ukrainian-American groups, I and other members of the committee have been able to play a modest role in the worldwide effort recently to obtain the freedom of Ukrainian mathematician Leonid Plyushch, only recently allowed to emigrate from the U.S.S.R. with his family.

These groups deserve recognition for their untiring devotion to the cause of Ukrainian freedom, and I am happy to list among them the Ukrainian Congress Committee of America, its branches in my own State of Connecticut in Colchester, Hartford, and Bridgeport, and the Committee for the Defense of Valentyn Moroz.

The devotion of these groups to the cause of human rights and freedom of movement in the U.S.S.R. is inspiring, Mr. Speaker, and it should move all of us who cherish liberty to lend our help in a just cause.

After our subcommittee went to the U.S.S.R. and spoke with many members of oppressed minority groups, including Nobel Peace Prize winner Andrei Sakharov, I came away convinced that we must do all in our ability toward this end.

I came away believing that as many Americans as possible should write to the Soviet Union protesting the treatment of minorities there, and that Members of Congress should write to the leaders of the U.S.S.R. to protest such treatment and to urge that human rights and freedom of movement be granted all those in that Communist nation.

Now some might question whether such pressure really works, but recently, I think we have seen that it is an effective means to achieve some measure of human freedom for some of those in the U.S.S.R.

The case of Leonid Plyushch is an example of this, and after 2 years incarcerated in a psychiatric hospital, he is now free and recuperating in Paris with his family.

And for this we must thank the leaders of the U.S.S.R., for their willingness in this case, albeit very late, to begin living up to the promises they made at the Helsinki conference last year.

But while saying this, we must also not fail to remember that many others remain imprisoned for their cultural, religious, and political beliefs in the U.S.S.R., and that now we must begin working to help them. And we must promise to never let the leaders of the Soviet Union forget our determination to do this—to speak out for human rights in that country.

A noted Ukrainian historian, Valentyn Moroz, is among those imprisoned by the Soviets for his unwillingness to conform to their ways, and those of us who love liberty in this country must continue, and intensify, our efforts to speak out against his imprisonment and for his human liberties.

In the spirit of Ukrainian Independence Day, we cannot forget Valentyn Moroz, or any other members of oppressed minorities in the U.S.S.R.

As we approach our Bicentennial Independence Day, July 4, 1976, we must continue the fight on their behalf.

There is no better way to commemorate both Independence Days.

TENTH ANNIVERSARY OF THE SIGNING OF THE CUBAN EXILES' DECLARATION OF FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Fascell) is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, tomorrow, January 23, 1976, marks the 10th anniversary of the signing in Key West, Fla., of the Declaration of Freedom by the Cuban exiles in the United States.

As we enter the second decade following this statement of principles, it is well to reflect on the continued validity of the reasons why it was made. The declaration expresses the feelings of thousands of Cuban exiles in this country who fled a life of tyranny under Fidel Castro.

Ten years after the declaration, we see that instead of freedom and independence which once was enjoyed by the people in Cuba, there is continued deprivation of basic human rights. And instead of a respect for the integrity of other nations, we witness continued efforts by Castro to export his brand of dictatorship to the people of other lands.

The dispatch by Cuba of troops to Angola puts the lie to speculation in recent months that normal relations should be restored between the United States and Castro's Cuba. It is obvious that Castro still seeks to expand Communist rule, and that he is contemptuous of democratic government.

Castro is a cruel dictator and thousands have been killed at his direction and under his leadership. His policies have driven 10 percent of his country's population into exile. Thousands of poltical prisoners continue to rot in his jails—prisoners whose conditions are not subject to even cursory review by the Human Rights Commission of either the United Nations or the Organization of American States, or by any of the many respected private international groups.

It is this oppression which the Cubans, forced into exile, gathered in Key West to protest. And it is the freedom that they had known—the respect for human rights—which they dedicated themselves to restoring.

Mr. Speaker, I call to the attention of our colleagues the full text of the Declaration of Freedom:

Declaration of Freedom

In the City of Key West, Monroe County, State of Florida, United States of America, we the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the Martyr Island, do say:

That on January 1st, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the 19th century, was resumed.

That those responsible for this high treason to our Fatherland and to our People are just a score of traitors who, usurpating the Government of the Country have been acting as mercenary agents for the Sino-Soviet imperialism, and have surrendered to that imperialism our Freedom and our Dignity, also betraying the American Hemisphere.

That as a consequence of this high treason, those who are usurpating the Power in Cuba (as they were never elected by the People), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being or the most elementary human rights.

That in their hunger for Power, these traitors, following the pattern of totalitarian regimes, are trying, within Cuba, to separate the Family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hope of extending the length of time for this abominable system.

That the rule of the Law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their masters, the Sino-Soviet imperialists.

In view of the aforegoing, we declare.

First: That the actual Cuban regime is guilty of high treason to our Fatherland and to the ideals of the Freedom Revolution which was started on October 10th, 1868.

Second: That this score of traitors who have committed treason against our Fatherland, in case they survive the downfall of their regime, will have to respond, even with their lives before the Ordinary Courts of Justice of Cuba.

Third: That as the Noble Cuban People will not ever surrender, because that Nation was not born to be slave, we, the Cuban People, hereby make the present declaration of freedom.

We hereby swear before God Almighty to fight constantly, until death comes to us, to free Cuba from communism.

The fundamentals of this Revolution for Freedom are:

First: God Almighty, above all things, in Whom we believe as the essence of Life.

Second: The Fatherland, with all of its Laws, traditions, customs and history as a spiritual value, only surpassed by the concept of God.

Third: The Family, as the cornerstone of the Human Society.

Fourth: Human Rights, for each and every citizen, regardless of race or creed.

Fifth: The Law, as the foundation for the proper development of the Human Society.

Sixth: Democratic Government, with its three independent branches: Legislative, Executive and Judicial.

Seventh: Representative Democracy, through the exercise of Universal Suffrage, Periodically, Free and Secretive, as the expression of Popular Sovereignty.

Eighth: Freedom of Worship, Freedom of Teaching, Freedom of the Press and Free Enterprise.

Ninth: Private Property and Ownership, as the basic expression of Liberty.

Tenth: The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping in mind the legitimate interests of both Labor and Capital.

Eleventh: The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned, and specifically, the abolition of Communism and any other form of totalitarian manifestation.

Signed and sealed in Key West, Florida, on the 23rd day of January, 1966.

SOCIAL SECURITY TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Bedell) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, in all the commotion about President Ford's proposal to increase social security taxes, I fear that one highly significant aspect of his recommended social security revisions has gone largely unnoticed—namely, his proposal to tighten enforcement of the program's retirement test, otherwise known as the earnings limitation.

The earnings limitation is the most unjust provision of the social security program. I feel very strongly that this provision is already unrealistically restrictive. As a result, I introduced legislation in this Chamber last July which would make the retirement test more responsive to legitimate human needs. In my judgment, we should be working to liberalize this section of the social security statute, not further restrict it as the President would have us do. I hope that the Ways and Means Committee will reject the President's proposal, and recommend needed improvements in this part of the social security law.

ENDING ARAB BOYCOTT IN THE UNITED STATES AGAINST AMERICAN CITIZENS AND ISRAEL: THE FOREIGN BOYCOTT ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, today, with 35 cosponsors, I am introducing legislation which will be the House version of the Stevenson-Williams bill, S. 953, to bar as a matter of law the participation by any American firm in the Arab boycott which took the form of discriminating against American citizens who are Jewish and also against the State of Israel. Arab boycott pressure caused some American companies not to hire Jews, or to deal with other Arab boycotted U.S. firms, and to refuse commercial contacts with the State of Israel.

By way of background, one should know that Secretary of Commerce Rogers Morton had refused to provide to the Oversight and Investigations Subcommittee of the House Interstate and Foreign Commerce Committee the names of American companies which were engaged in these practices. The existing law simply provided that the practices had to be reported to the Secretary of Commerce but were not necessarily unlawful. As a result of actions taken by the House Committee involving the citing on November 11, 1975, of Secretary Morton for contempt—and it should be noted that our colleague James Scheuer was the prime initiator of this action—the list of names of the U.S. companies who had participated in the boycott were turned over to the committee but under a promise of confidentiality, unless the committee by a vote of its membership decided to make the names public. No names have been issued to date.

Subsequently, on November 17, 1975, along with 25 other Members of Congress, I instituted a lawsuit against Commerce Secretary Rogers Morton and Interior Secretary Thomas Kleppe—whose Geological Survey Bureau in Africa allegedly had bowed to Arab boycott pressures. Our lawsuit was not related to the specific issue before the Oversight and Investigation Subcommittee which was securing the list of names. Our complaint seeks an adjudication that the actions taken by the two Secretaries and their departments were illegal and unconstitutional and, secondly, that the said Secretaries cannot promote trade between American firms and boycott participants as they are doing. And most important, our pending lawsuit demands affirmative action by the U.S. Government to implement the U.S. national policy which opposes restrictive trade practices fostered or imposed by foreign countries against other countries friendly to the United States.

Since the filing of our lawsuit, President Ford, Commerce Secretary Morton, and Federal Reserve Chairman Arthur Burns have issued directives to end the administration's and various agencies' acquiescence to the boycott. I want to commend the administration for taking such long overdue actions. However, such orders can be rescinded, and indeed these particular ones do not go far enough. Therefore there is still need to legislate in this area to bar the discriminating practices which undoubtedly still continue, notwithstanding the administration's directives which are less than blanket in their coverage.

The key provisions of my legislation are that:

First. All domestic concerns must report any requests for their participation in any boycott not sanctioned by the U.S. Government. The firm must declare whether it intends to comply with the request. Most importantly, these reports will be available for public inspection.

Second. No U.S. firm may refuse to conduct business with another domestic firm or engage in a boycott against a country friendly to the United States due to any boycott request from a foreign company or country.

Third. No domestic firm may divulge information regarding the race, religion, sex, or national origin of any employee, shareholders, or director of that firm or another domestic firm to a foreign country or agent thereof where the information may be used to enforce or implement an illegal boycott.

Fourth. Any person who directly or indirectly owns 5 percent or more of any U.S. corporation must disclose his or her nationality and residence and source of funds used to purchase the stock.

Fifth. Penalties for violation of these sections are raised from $1,000 to $10,000.

It is also important to note that while the major thrust of the legislation is directed at the current Arab boycott against Jews and Israel, it also includes language which eliminates unlawful participation by any firm or agency of the United States in any future boycott based on race, religion, sex, or national origin.

The Stevenson-Williams bill was approved by the Senate Committee on Banking, Housing, and Urban Affairs on December 16 and awaits final floor action. I hope our side of the Congress moves as quickly.

The cosponors of the legislation are: Bella Abzug, Democrat of New York; Joseph Addabbo, Democrat of New York; Herman Badillo, Democrat of New York; James Blanchard, Democrat of Michigan; William Brodhead, Democrat of Michigan, Charles Carney, Democrat of Ohio; Shirley Chisholm, Democrat of New York; Tom Downey, Democrat of New York; Joshua Eilberg, Democrat of Pennsylvania; James Florio, Democrat of New Jersey; Donald Fraser, Democrat of Minnesota; Benjamin Gilman, Republican, of New York; Henry Gonzalez, Democrat of Texas; Michael Harrington, Democrat of Massachusett; Elizabeth Holtzman, Democrat of New York; William Lehman, Democrat of Florida; Elliot Levitas, Democrat of Georgia; Clarence Long, Democrat of Maryland; Matthew McHugh, Democrat of New York; Robert Nix, Democrat of Pennsylvania; James Oberstar, Democrat of Minnesota; Richard Ottinger, Democrat of New York; Edward Pattison, Democrat of New York; Claude Pepper, Democrat of Florida; Charles Rangel, Democrat of New York; Frederick Richmond, Democrat of New York; Donald Riegle, Democrat of Michigan; Benjamin Rosenthal, Democrat of New York; James Scheuer, Democrat of New York; Paul Simon, Democrat of Illinois; Stephen Solarz, Democrat of New York; Morris Udall, Democrat of Arizona; Henry Waxman, Democrat of California; Charles Wilson, Democrat of Texas; and Sidney Yates, Democrat of Illinois.

THANKS TO VETERANS' REFERRAL SWITCHBOARD

(Mr. CARR asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. CARR. Mr. Speaker, although it has been more than a year since the last American troop was withdrawn from Vietnam, American veterans still require assistance in adjusting to civilian life. In 1971 through 1975, the Veterans' Referral Switchboard represented a network of 21 cities across the United States and handled more than 120,000 inquiries from returning servicemen unable to find suitable answers to their problems or having trouble readjusting to civilian life. Since this program was primarily a volunteer effort, I want to express my appreciation on behalf of the Congress of the United States to the four individuals whose personal contributions made this valuable service possible: Richard Chaurch, Milwaukee and State of Wisconsin; Thomas Hughes, Detroit and State of Michigan; Jack Barnett, Louisville and State of Kentucky; James Tuman, founder and executive director.

To these men and the hundreds who manned the VRS phones, I extend a special note of thanks for providing a needed service in a time that was crucial for so many people.

ARGUMENT AGAINST MOTOR CARRIER REFORM ACT

(Mr. FLYNT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FLYNT. Mr. Speaker, in a recent statement, the Honorable Ellis Arnall, former Governor of Georgia, convincingly outlined his argument against the proposed Motor Carrier Reform Act. Governor Arnall's statement offers an incisive look at some of the dangers of the reform proposal, and I am pleased to make his remarks available to my colleagues:

Statement of Ellis Arnall, Former Governor of Georgia

From the 1860's to the 1940's, the South was enslaved by freight rate inequality and discrimination. Our region, then predominantly agricultural, was grossly discriminated against in the transportation of finished goods. The rates on manufactured products were drastically higher in traffic movements from the South to the North than in the opposite direction.

This callous inequality gave Northern industries a decided advantage. Our region for many years, in order to be competitive in manufacturing, was forced to pay lower wages to Southern workers. This imbalance in transportation rates shackled the South and prevented its industrial growth.

During my term as Governor of Georgia, the Southern Governors' Conference took the lead in a determined battle to win equal treatment for the South in transportation rates. I was privileged to play a major part in the successful battle which, at long last, gained complete victory for the South and enabled our region to become industrial.

Now the Ford administration, through a "Motor Carrier Reform Act", is trying to get Congress to hamstring the Interstate Commerce Commission and turn the clock back to the days when the South was a second-class citizen and an economic slave. By stripping the Interstate Commerce Commission of much of its authority over motor carriers, this legislation would make it possible for a few giant shippers, centered in the Northeast and Midwest, to command rock-bottom transportation rates from carriers and force the carriers to charge higher rates to their Southern customers.

The functions of the Interstate Commerce Commission should be maintained. Its basic authority, through rate regulation, to preserve a stable, uniform, reliable and nondiscriminatory transportation system must not be destroyed. The South has not readily forgotten its hard-won fight for equality of transportation rates. The results must not now be sacrificed.

NPS CEILINGS AND C. & O. CANAL

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, on December 4, 1975, I participated in a hearing conducted by the Conservation, Energy, and Natural Resources Subcommittee of the Government Operations Committee concerning personnel and funding ceilings in the National Park Service, especially as they will limit the protection of visitors and resources during the Bicentennial celebrations. Among the National Park Service officials testifying were the Director of the National Park Service, Gary Everhardt, the Director of the National Capital Parks office, Manus J. Fish, and the Superintendent of the Chesapeake and Ohio Canal National Historical Park, William R. Failor.

These witnesses, and others, continually repeated two main points: Personnel ceilings are being reduced annually and funding levels are inadequate to match inflation. This has been true in past years and is even more important as we enter the Bicentennial celebrations. All of the witnesses pointed out that visitor use of the national parks has been steadily increasing as leisure time increases. They all anticipate sharply increased visitor use of the facilities within the National Park System during 1976, but advise that they have not been given additional personnel ceilings and funding to accommodate this large increase. In addition to Bicentennial pressures, new parks have been created over the years to protect significant areas and to provide additional recreational areas.

National parks are not a luxury, although this appears to be the opinion of some in the executive branch, and 1976 will prove this point very emphatically as Americans seek to use their public resources to celebrate 200 years of democracy. Our National Park System is a necessity that must be protected by the provision of adequate resources. Inadequate resources mean that the visitor's experience is degraded, protection is minimized, and the natural features and historical structures of the parks deteriorate.

There are two unfortunate examples of the effects of this budgetary strangulation here in the Washington, D.C., area. The National Capital Parks office requested $26 million above the fiscal year 1975 level from the Office of Management and Budget for fiscal year 1976 operations, which include three new facilities and the Bicentennial visitor influx. The OMB gave this office an increase of $2.7 million over fiscal year 1975 levels, barely enough to cover inflation. This means that the new facilities, the Bicentennial Gardens, the Union Station National Visitors' Center, and the Clara Barton House, will have to be funded and staffed from existing resources. The Bicentennial visitor estimate is for approximately 25 percent more visitors to the Washington, D.C., area in 1976 than in 1975. This represents a total of some 20 million visitors this year as opposed to the 14 to 16 million visitors last year. This 25 percent increase in visitation is simply ignored. Personnel and funds are spread beyond the capability to provide reasonable comfort and safety to those who are planning to attend the Nation's birthday party.

The Chesapeake and Ohio Canal National Historical Park has already had to reduce its ranger patrols to less than half of what the superintendent considers to be a minimally acceptable level of coverage. As a result there is more opportunity for crime and vandalism to occur in the park, and for inadequate protection against hazardous situations at Great Falls, where several people lose their lives annually.

The C. & O. Canal Park is a historical park and one of the main emphases is the protection and stabilization of the historic structures within the park, such as the aqueducts, towpath, locks, lockhouses, and other facilities. The C. & O. Canal is the most complete and least altered example of the great canal building era of the early 19th century. It was put out of operation in 1924 by a major flood and adequate funding to protect the historic structures from damage by subsequent flooding and weather damage over the past 50 years has never been available.

Today many of the structures have collapsed, including 2 of the 11 aqueducts, and other facilities are near complete destruction due to neglect. Three years ago then-Secretary of the Interior Rogers C. B. Morton estimated that over $30 million would be required simply to restore the ravages of tropical storm Agnes. He, at the time, urged that these funds be provided and the damage repaired in time for the 1976 Bicentennial activities. These funds have not been forthcoming, even though Senators MATHIAS and BEALL and I have attempted to provide special funding to assist this restoration process.

High waters since 1972 have afflicted additional damage to the canal and supporting facilities. Most of this dammage could be alleviated by stabilization of the historic structures. Such stabilization would also eliminate or minimize the damage caused by floods. The towpath has been worn down 2 feet or more in places over the years, permitting lower water levels to top it and cause erosion in many areas in which it could otherwise have been prevented if the towpath were at the operating level. Repair of facilities to properly control and direct high waters would also prevent further damage.

The C. & O. Canal National Historic Park is a good example of the increase in visitor use over the years. An estimated 2 million visitors were observed in the park during calendar year 1973. The estimate for 1976 is 3,600,000. Similar increases in visitor use have been observed in nearly all parts of the National Park System. With increased visitor use and decreased personnel and funding to handle the visitors, increased crime and vandalism occurs. All of the superintendents testifying before the subcommittee expressed serious concerns about the safety of visitors during 1976 with their approved personnel ceilings. They also pointed out that visitor facilities are in need of serious repair, but that major repairs cannot be carried out under present funding levels.

The national parks are an essential part of our Nation's heritage and must be preserved and protected for future generations. Cutting back on personnel and funds will permit deterioration of our national parks at a time when they are being enjoyed by all Americans and they are becoming an increasingly valuable resource.

DISTRICT OF COLUMBIA'S RETIREMENT AND PENSION SYSTEM

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, in view of the financial crisis which New York City has experienced in the recent months there is much concern about the fiscal condition of the District of Columbia. Of major concern is the $1.1 billion in unfunded pension liabilities.

The three pension systems administered by the District of Columbia were established by acts of Congress. These systems cover police officers, firefighters, public school teachers, and judges, about 36 percent of the city's total work force. Funds have been established for the teachers and judges; however, the police and fire retirement system is completely on a pay-as-you-go basis.

The existence of unfunded pension liabilities in the District is not being revealed to the Congress for the first time. The District government has repeatedly warned us as far back as 1972 that the city's unfunded, congressionally imposed pension systems were fiscally unsound. The District initiated actuarial studies of the systems, addressed the problem in issue analysis reports, and presented estimates of the unfunded liability as well as funding alternatives. However, the warnings went unheeded until interest in Washington's financial health was triggered by the New York fiscal crisis.

We must acknowledge that Congress is responsible for some of the District's current fiscal woe. It is unfair to lay blame for the city's fiscal liabilities on the new city government. The financial problems were on the books before the new home rule government began operation.

The time has come for us to recognize that the District's unfunded pension liabilities contribute to a much larger fiscal problem. This situation requires immediate attention if a future fiscal emergency is to be averted.

The Congress must work with District government officials in a spirit of partnership and cooperation to create a financially sound District of Columbia retirement and pension system.

THE UNITED CHURCH OF CHRIST CONFRONTS THE WORLD FOOD CRISIS

Mr. YOUNG of Georgia. Mr. Speaker, the 10th General Synod of the United Church of Christ, holding its meeting in Minneapolis from June 22 through July 2, 1975, addressed itself to the world food crisis. I feel that the program of action resulting from this meeting sets certain priorities which all Americans should consider. As the church pointed out in its program of action:

> Never in recorded history has the religious imperative to feed the hungry encountered a greater challenge than today. Half a billion of the world's people, most of them in Asia and Africa, face the threat of malnutrition

or starvation. Most affected are the children who constitute more than half the population of most developing nations. Their lack of sufficient nutrition during early formative years may cause permanent stunting of the body, incurable blindness and irreversible brain damage. Survival for the world's hungry people depends in past on the response of the industrialized nations and the newly rich oil-producing countries—especially those of us who enjoy a high level of living and the advantages of sophisticated technology.

As the world's largest exporter of agricultural products it is inevitable that we as a nation will be called upon to play a leading role in supplying world food needs in the coming years. I therefore wish to call to the attention of my colleagues the following statement by the 10th Synod of the United Church of Christ:

The United Church of Christ Confronts the World Food Crisis

NEVER HAVE SO MANY HUNGERED

Never in recorded history has the religious imperative to feed the hungry encountered a greater challenge than today. Half a billion of the world's people, most of them in Asia and Africa, face the threat of malnutrition or starvation. Most affected are the children who constitute more than half the population of most developing nations. Their lack of sufficient nutrition during early formative years may cause permanent stunting of the body, incurable blindness and irreversible brain damage. Survival for the world's hungry people depends in part on the response of the industrialized nations and the newly rich oil-producing countries—especially those of us who enjoy a high level of living and the advantages of sophisticated technology.

The harsh facts about malnutrition among the poor in the U.S.A. and about actual starvation abroad have moved many Americans to re-evaluate our own life philosophy, the principles of our faith, the ways of our society and the programs of our government. To concerned Americans there has come a dawning awareness that humanity lives in a world of limited resources; that humankind has squandered God's gifts of earth, air, energy and water; that world population is outrunning its food supplies; that often the more fortunate owe much of their wealth to the weak and exploited; that while we may be well-fed, well-housed and well-clothed millions of our brothers and sisters—more than ever before—are hungry, exposed, sick and often abandoned.

The causes of mass hunger are complex and inter-related. Continued population growth, particularly in developing countries, is straining meager food resources and public services. Exploitation of land and forests over the years has caused soil erosion, floods and pollution. Concentrated land ownership and political domination by the few have resulted in the exploitation of the chronically poor, in the creation of huge landless class and in injustice to many a tiller of the soil. The existing patterns of international trade and foreign economic aid are tilted to the advantages of affluent people and developed countries. To these deep social ills have now been added the devastating drought in Africa with resulting encroachment of the desert on once habitable land, unpredictable droughts in India and floods in Bangladesh. When world-wide inflation, aggravated by the sudden quadrupling of world petroleum prices, dealt still another blow to people with no margin or reserve, many citizens of the poor nations have been pushed to the brink.

THE AMERICAN RESPONSE IS MIXED

In the midst of such great and deepening need, citizens of the United States—in spite of recession, unemployment and inflation—find ourselves enjoying one of the highest levels of living of any nation in history. The American per capita income of some $5,000 a year is 25 times greater than that upon which the less fortunate half of the world's people exist. The 1,850 pounds of grain consumed by the average American in the form of meat, dairy products, liquor, cereal and bread is nearly five times that consumed by the average Indian or Nigerian.

At the same time, we recognize that vast disparities of wealth and income exist in the United States. Because America's per capita income is inequitably distributed, millions of American citizens suffer hunger and malnutrition. Under these circumstances, we who would be conscientious Christians cannot turn our backs on our fellow human beings, either overseas or at home—especially those who are destined to suffer the effects of malnutrition if we and people like us do not act.

Fortunately, the United Church of Christ, like many other religious bodies, is no stronger to the problems of hunger at home or abroad. Impelled by the biblical mandate to feed the hungry and to exercise responsible dominion over God's creation, local churches, Conferences and national agencies of our denomination have a long historical involvement in programs designed to alleviate human need. These programs have included efforts to increase food production, to share our abundance with hungry people and to press for the repeal of economic practices which withhold food and other necessities from the needy. On the modest scale available to a denomination that historically has had relatively few tithers our mission funds today are supporting many programs at home and abroad to conquer hunger and strengthen development.

Because of the bounty of our agricultural production, our Nation in partnership with Canada, has become the major supplier of export grain during most of the years since World War II. We have exported one-third of our annual wheat production to fill the gap between the production and the food needs of developing countries. Using our agricultural production, we helped to rebuild Europe and Japan and then to feed the hungry in Asia, Africa and Latin America with critically needed commodities shipped by our government under Public Law 480 (Food for Peace).

From 1970 until the present day the value of food exports has continued to rise but the pattern of such exports has dramatically changed. While increasing grain shipments from $8 billion in 1972 to over $20 billion in 1974, our food aid to the neediest nations has been slashed by nearly two-thirds during this period. The bulk of our food exports now go in cash sales to Japan, the Soviet Union and Western Europe. We have cut food aid from an average of 9 million tons a year between 1968 to 1972 to 3.4 million tons in 1974—and more than half of this latter amount was used for political objectives in such countries as South Vietnam and Cambodia rather than in areas of more acute human need in Africa or the Indian subcontinent. This trend fits all too well into the larger picture of a declining percentage of our Gross National Product (GNP) designed for humanitarian economic assistance—2.79% in 1949 but only 0.21% in 1974.

The American response to the deepening need of other parts of the world simply cannot be the tightening fist and the turning aside which these U.S. Government figures for the past four years seem to indicate. In recent years church-channelled aid, as illustrated by the annual One Great Hour of Sharing Offering, has continued to grow. Now the time has come for a new and substantial increase in the denomination's response to world food and hunger problems. What the Church can do within its levels of resources is to raise a standard and point a direction. Putting its own private and voluntary resources on the line in behalf of its convictions, the Church dares to call also for public action by the nation of which it is a part on behalf of the hungry of the world.

PRONOUNCEMENT

Our Christian Faith Demands Compassion and Justice

Concern for others is a Biblical imperative. Jesus has taught us not to be anxious about our own lives, "what you shall eat or what you shall drink, nor what you shall put on." But He enjoins us rather pointedly to be anxious about others, as He tells us to love our neighbors as ourselves. He invests such concern with even deeper significance when, in His memorable portrait of the final judgment, He says of giving food to the hungry or drink to the thirsty or clothing to the naked, "As you did it to one of the least of these . . . you did it to Me."

Moreover, genuine Christian charity does not promote dependency on the part of the neighbor. Our commission is to "set at liberty those that are oppressed" (Luke 4). Our long-term response to hungry neighbors must be not to continue feeding them, but to help equip them to feed themselves.

To his children God grants freedom and responsibility. "Dominion" over the earth is an awesome responsibility. It is not license to abuse. Dominion is always disciplined by our recognition that "the earth is the Lord's and all that is in it" (Ps. 24). Our responsibility is to nurture and sustain the earth's productivity with deep sensitivity to ecological balance. This is the deepest meaning of stewardship.

In God's providence, the earth's resources are not intended for the benefit of a few but for all men and women. Wealth and prosperity—either in the hands of persons or nations—create no exemption from accountability to God. The Church can and must espouse the equitable, world-wide distribution of earthly resources.

As reflected in the story of the rich man and the poor beggar named Lazarus, the rich and overfed stand under judgment of God for the way they use their wealth in relation to the poor and underfed who live around them. Human institutions are under the same mandate to justice as are individuals. Institutions, whether secular or religious, which treat people with anything less than justice are in violation of the will of God.

Public Policy Imperatives

In view of the global dimensions and the deep human tragedy of world hunger, in consideration of the potential role of the United States as a major factor either for perpetuating or ameliorating the crisis, and in response to central teaching of our Christian faith, the Tenth General Synod of the United Church of Christ calls upon the Government and people of the United States of America to enact and implement the following policies and programs as our minimal contribution to the amelioration of the world food situation:

(1) Increased emergency food aid—The United States should reverse the recent trend to reduction in the annual volume of U.S. food aid to developing countries. We suggest that a reasonable goal for U.S. emergency food aid would be the nine-million-ton level which our country averaged from 1968 to 1972. In addition to its own increased commitment, our government should take the lead in pressing for an annual flow of food aid, jointly funded by all currently affluent nations, sufficient to insure that the emergency needs of hungry people around the world are met. The use of food as a selfish political weapon is unconscionable in a hungry world. Food aid should be allocated pro-

portionately to the incidence of hunger around the world without regard to political and ideological considerations.

(2) Increased aid for agricultural development—The U.S. should increase its response to the requests of developing countries for technical assistance appropriate to their agricultural development needs. Such aid should primarily benefit small farmers and increase domestic supplies. The U.S. should contribute proportionately to the new International Fund for Agricultural Development inaugurated by the 1974 World Food Conference in Rome.

(3) Establishment of an international system of food security reserves—Our country must become a major partner in a responsible international system of food security reserves. To this end the U.S. should cooperate fully with the world food reserve recommendations of the World Food Conference.

(4) Increased U.S. farm production—Recognizing that a major part of the solution to the world food crisis lies in increased production in the developing countries themselves, the U.S. should nevertheless take all appropriate steps to maximize its own food production within the limits of sound ecological principles. Such steps should include continuation of agricultural research; a domestic farm policy which provides reasonable price and income stability to American farmers at levels which constitute an incentive to full production; and a national land use planning program which will protect farm land from diversion to nonproductive uses.

(5) Elimination of domestic hunger in the U.S.—The urgent and legitimate appeals for food aid abroad should not obscure the responsibility of the U.S. to make possible an adequate diet for every resident of the U.S.A. In the short term this calls for expansion of the coverage, liberalization of the provisions and more adequate implementation of the Federal food stamp program and other Federal food aid programs. In the long term our goal should be to assure every American family an adequate level of living.

(6) Increased production and better distribution of fertilizer—Fertilizer, both chemical and organic, is a key element in increased food production. The United States should encourage increased fertilizer production at home and abroad. While additional fertilizer can be used even on our already well-fertilized fields, far greater yields may be obtained from the same amount of fertilizer applied to the under-fertilized land of developing countries. The U.S. should encourage a sharp increase in the export of fertilizer to these countries on terms they can afford. Research and development on fertilizer production both in the U.S. and abroad should be encouraged. U.S. technical assistance should be made available for development of fertilizer plants to utilize natural gas currently being flared and wasted from oil wells in the Middle East.

(7) Reduction of food waste—The U.S. should assist developing countries technologically and financially to develop storage and transportation systems for foodstuffs which will minimize spoilage and loss by insects, rodents and animals. In the U.S., the government should campaign against household, restaurant and institutional waste of food.

(8) Reduction of U.S. food consumption—Medical testimony indicates that many Americans over-eat and over-drink. Government agencies should mount educational campaigns to encourage more modest and healthful levels of diet and to discourage excessive use of grain-based alcoholic beverages and grain-fed meat.

(9) Justice for small farmers—In many developing countries, peasant farmers are victimized by time-encrusted systems of tenancy, credit and taxation which severely limit their incentive and productivity capacity. Reform of these oppressive systems is a key to increasing food production. Although such reforms are ultimately the responsibility of national governments, the United States can and should encourage in every legitimate way the revision of agrarian structures in the interest of justice for the small farmers and land laborers of the world.

Moreover, the United States Government should set an example in this matter by pursuing policies for the protection of the legitimate rights and interests of family farmers in our own country against the encroachment of corporate agricultural enterprises.

(10) Expansion of agricultural research—We are learning that much of the farm technology which has contributed to the high productivity of U.S. agriculture is not directly applicable to many other parts of the world. Scientific research and technology appropriate to conditions in the developing countries are essential to the expansion of their food production. The U.S. should continue and increase both financial resources and skilled personnel for the pursuit of research and technology oriented to the needs and conditions of developing countries.

(11) Family planning and population stabilization—Unless the world soon attains a greatly reduced rate of population growth, all efforts to feed the hungry may be doomed to frustration. The U.S. Government should continue to support and implement programs designed to achieve population stabilization in this country by the end of this century or earlier. It should also support the efforts of other nations and/or international agencies toward world population stabilization by early in the 21st century.

(12) Respect for The Environment—Humankind has the capacity and indeed a tendency to abuse, misuse and overuse the earth and its resources, to violate the fragile ecological fabric of the planet. The U.S. Government should increase research on the ecological problem and should support programs which keep food production practice in harmony with ecosystems.

(13) Liberalization of international trade—The United States Government should work internationally to establish trade policies that encourage agricultural production in the less developed countries by removing trade barriers and stabilizing world commodity prices. At the same time such domestic programs should be enacted as may be necessary to cushion adverse effects of international trade liberalization upon American farmers, workers and companies.

(14) Arms limitation and reduction of military spending—The enormous military establishment of the world which consumes more than $230 billion annually is a major competitor of agricultural production for world-scarce natural resources and money. The United States Government should press vigorously for international arms control, including the restriction of the sale of arms to all countries, thereby reducing the inhuman waste of war and releasing vast funds needed to eradicate hunger through basic economic development in every land.

(15) Economic and political change—To achieve a world free from hunger and poverty it may prove necessary for us to consider radical changes in all food production and delivery systems. We call upon government and people to join in examining our assumptions, attitudes and institutions to discover those deep-running and thoroughgoing political and economic changes that may be required to truly enable all the world's peoples to have enough to eat.

THE UNITED CHURCH OF CHRIST RESPONDS TO THE WORLD FOOD CRISIS: PROGRAM OF ACTION

INTRODUCTION

The action proposals which follow constitute a comprehensive action design for study, adaptation and implementation by all members and structures of the United Church of Christ—national agencies, Conferences, Associations, local congregations, and individual members and families. It is not intended to replace or discourage any forms of action response to the hunger crisis currently being pursued within the demonination. On the contrary, it is intended to encourage and to increase their scope and intensity, and to provide an over-all framework of stimulation and coordination within which they may become even more effective.

The action program begins with a definition of goals—six broad, comprehensive goals. It moves next to a series of concrete and immediate objectives related to each of the goals. Finally, it offers a set of strategies geared to each goal. Please note that the "strategies" are purely suggestive and illustrative. They were not adopted by General Synod as were the goals and objectives.

GOALS

1. Consciousness Raising—To help the members of the United Church of Christ become more fully aware of the world-wide hunger problem, its critical nature, and the responsibilities it lays upon all Christians; and to motivate them to individual and collective action.

II. Life Style Modification—To achieve among the members of the United Church of Christ voluntary and pertinent changes in personal and family ways of life including reduction in their use and waste of food and other resources, and the contribution of the resultant savings to help the hungry; and similarly to encourage local congregations, Conferences, national agencies and General Synod to undertake the modification of their institutional styles which will release resources for the meeting of human hunger.

III. Citizen Action—To involve the United Church of Christ, its national agencies, Conferences, Associations, congregations and members in ecumenical and denominational campaigns to secure and implement United States and inter-governmental policies that seek to resolve the world problem of domestic and international hunger within the broader context of development, international economic cooperation and social justice.

IV. Fund Raising—To increase substantially the giving of United Church of Christ members through the established benevolence channels of the denomination for programs of emergency feeding, agricultural development more equitable distribution of available food supplies between and within countries and for other food and hunger-related programs.

V. Resource allocation—To formulate and apply clear criteria for the allocation of United Church of Christ personnel and funds available for combatting world hunger, giving priority to programs attacking the root causes of hunger and malnutrition and promoting maximum food production and population stabilization in localities, regions and nations throughout the world.

VI. Theological and Ethical Studies—To contribute to a deeper understanding of the theological and ethical issues related to world hunger by initiating or collaborating in research, dialogue and publication.

COMMENTARY ON THE GOALS AS A PACKAGE

To define the contours of a comprehensive denominational program on world hunger, it seems necessary to isolate and identify certain specific goals as we have done on the preceding page. There is, however, a danger inherent in this exercise against which we would warn ourselves and all who may review these proposals. The danger lies in creating an impression that this is a list of separate goals from which denominational agencies may pick and choose to suit their fancy.

Such is not the case. The six goals should be seen as an integral package, closely interlocked and mutually interdependent. Let us illustrate this crucial point in several ways even at the risk of belaboring the obvious:

Goal I (Consciousness Raising) taken by itself is a relatively easy, cheap and nonthreatening goal. But it is also a meaningless and indeed an immoral exercise unless it leads, as its final phrase indicates, to action along lines of Goals II, III, and IV.

Goal II (Life Style Modification) is not going to occur unless Goal I has been pursued with some effectiveness. Even if it does occur it will turn out to be a totally ineffectual exercise in self-purging with no impact on the real world of hunger unless it is coupled with programs related to Goals III, IV, and V.

Citizen Action (Goal III) is going to have a hollow ring about it unless it is buttressed by substantial evidence of action by individuals, families and congregations along the lines of Goals II and IV.

Under Goal IV (Fund Raising) a minimal goal should be the diversion to hunger-combatting programs of the savings effected by the introduction of simplified life styles (Goal III). We would hope that the momentum established by such diversion would continue and expand the flow of funds to a point where the term "sacrificial giving" could be applied without mockery.

Goals IV and V (Fund Raising and Resource Allocation) are clearly interrelated. Unless responsible stewardship is exercised in the disbursement of funds the whole meaning of the program will be frustrated.

With regard to Goal VI (Theological and Ethical Studies), it is our conviction that such a program is described below under this goal can be of the greatest service as an undergirding and guiding component for all the other five goals.

In short, while we believe that each one of the six goals defines a relevant and supportable line of attack by the Church on the problem of world hunger, we would defend even more vigorously the principle that the package taken as a whole represents a minimal appropriate undertaking for a denomination possessed of the resources and, we believe, the commitment which characterizes the United Church of Christ.

PROGRAM COMPONENTS

Component I—Consciousness raising

Goal: To help the members of the United Church of Christ become more fully aware of the world-wide hunger problem, its critical nature, and the responsibilities it lays upon all Christians; and to motivate them to individual and collective action.

Objectives:

1. To create channels of access to the best available information on the world food situation, both short term hunger crises and long term trends in food production, distribution and consumption, and in population.

2. To make available discussion materials on the theological and ethical implications of the Christian faith and commitment for dealing with this problem. (See also Component VI)

3. To discover materials, printed and audio-visual, on the world hunger problem the form and content of which are suitable for U.C.C. and ecumenical use; and to produce such materials when necessary.

4. To promote throughout the U.C.C. the use of this denominational and other materials when necessary.

4. To promote throughout the U.C.C. the use of this denominational and other material through a variety of educational and motivational events at all levels within the U.C.C., especially among congregations, Associations and Conferences.

5. To report success stories as well as stories of continuing human need.

Suggested Strategies: (For illustrative purposes only; not adopted):

1. Data gathering—Designate a point for receiving, screening and classifying a wide range of information from a variety of sources, governmental and private, relating to food and population. U.C.C. mission personnel should be used as prime sources of data.

2. Production—Request appropriate agencies of the denomination to share the task of discovering and producing the variety of materials called for in Objective 3.

3. Dissemination—Utilize denominational channels in getting out information, educational materials and motivational appeals on world hunger to the constituency of U.C.C. (e.g., Office of Communication, UCBHM, UCBWM, Stewardship Council, OCLL, A.D. Magazine).

4. Utilization—Structure special occasions and events designed for consciousness raising. E.g. Exhibits at Conference sessions; special seminars—Association or Conference; interfaith community events. Provide for the formation of local study groups for receiving and disseminating information. Make maximum use of all available techniques for education and motivation including films, drama, game playing, photo journalism, case reports of effective techniques, etc. Use U.C.C. mission personnel, instrumentality staff and volunteers to report both achievements and areas of continuing need to local churches, Association and Conference meetings.

Component II—Life style modification

Goal: To achieve among the members of the United Church of Christ voluntary and pertinent changes in personal and family ways of life including reduction in their use and waste of food and other resources, and the contribution of resultant savings to help the hungry; and similarly to encourage local congregations, Conferences, national agencies and General Synod to undertake the modification of their institutional styles which will release resources for meeting of human hunger.

Objectives:

1. To confront every U.C.C. member with the implications of the fact that he/she lives in a country which contains 6% of the world's population but accounts for 33% of the world's annual energy consumption.

2. To lay upon the conscience of every U.C.C. member the responsibility of making conscious choices and decisions regarding life style and patterns of consumption.

3. To make available to every U.C.C. member a catalogue of specific ways in which he/she could reduce use and waste of natural resources and make the savings available to hunger-combatting programs. (E.g. modify personal and family diet in ways which will reduce excessive U.S. grain drain; reduce use of lawn fertilizer; plant a garden; walk or ride a bicycle; give time to hunger-relieving projects.)

4. To challenge every U.C.C. congregation, Conference and national agency and the General Synod to review its own style of operation, priority setting, budgeting and use of resources in search of simplifications and savings which could be allocated to combatting hunger at home and abroad.

Suggested Strategies: (For illustrative purposes only; not adopted):

1. Utilize the communication and motivational mechanism established under Component I.

2. Set up a "Fellowship of the Concerned for the Hungry" within the U.C.C. system which can establish its own goals, disciplines and communications with respect to life style modification, and through which persons desirous of making certain commitments can enter into a sustaining fellowship.

3. Build into the communication system related to this component clear and precise information as to how persons, families and congregations may channel the savings resulting from moving to simpler life styles into hunger-related programs and projects of the denomination. (See component IV and V.)

4. Recruit volunteers, particularly from among young people and retired persons, whose personal life style modification may take the form of a real time commitment to do educational work in behalf of world hunger among the churches and church agencies or, in terms of specific skills, to short or long term service assignments to countries and areas in need of technical assistance in food production and management.

Component III—Citizen action

Goal: To involve the United Church of Christ, its national agencies, Conferences, Associations, congregations and members in ecumenical and denominational campaigns to secure and implement United States and inter-governmental policies that seek to resolve the world problem of domestic and international hunger within the broader context of development, international economic cooperation and social justice.

Objectives:

1. To encourage Instrumentalities, Conferences, Associations and local churches to develop, within the general framework of the General Synod Pronouncement, their own positions on specific food and development issues in appropriate ways.

2. To involve in the development of positions mentioned in Objective 1 the widest possible range of relevant and responsible viewpoints and experiences and to relate to other denominational and ecumenical positions.

2. To support and when necessary establish networks of concerned people who will respond to timely alerts on food and hunger issues by communicating their views to appropriate policy makers in the legislative branches of government.

4. To work with action groups, both religious and secular, which are seeking to alleviate hunger at domestic and international levels.

5. To urge governmental leaders to support policies consonant with the national and international goals for short and long term alleviation of hunger as set forth in this document.

6. To establish communication with and, when appropriate, support the United Nations and other international agencies which carry responsibility for food-related and developmental concerns.

Suggested Strategies. (For illustrative purposes only; not adopted):

1. Provide resources for use by Instrumentalities, Conferences, Associations and local churches in developing their own policy positions.

2. Provide for continuing counsel from appropriate persons and groups, in and out of the United Church of Christ, in order to maintain up-to-date, relevant and flexible applications of the general policy.

3. Utilize appropriate communications systems for the widest possible dissemination of policy positions and for most effective use of the networks identified in Objective 3.

4. Present to the legislative and executive branches of the government and appropriate international agencies United Church of Christ positions on world food and development issues.

5. Arrange for presentation of the U.C.C. position on food and hunger, preferably in ecumenical cooperation, to the 1976 major political platform committees.

6. Utilize existing educational and human resources, both within the church and without, whenever possible.

Component IV—Fund raising

Goal: To increase substantially the giving of United Church of Christ members through the established benevolence channels of the denomination for programs of emergency feeding, agricultural development, more equitable distribution of available food supplies between and within countries and for other food and hunger-related programs.

Objectives:

1. To increase the number of U.C.C. congregations which give the equivalent of at least 25% of current local expenses to Basic Support of Our Christian World Mission, in order to strengthen the total ministry of the church to all disadvantaged peoples, particularly those ministries that will foster agricultural development and equity in the distribution of food from all sources.

2. To increase the income from the One Great Hour of Sharing offering by at least 25% and the Neighbors in Need and Family Thank Offering by at least 15% each year over the previous year, additional real income to be used to combat hunger abroad and at home.

3. To challenge U.C.C. members to evaluate and readjust life styles in such a way as to contribute to the solving of the world's food problem, and to channel the monies saved through the Conferences, designated for world hunger.

4. To encourage each U.C.C. Conference and local congregation to participate in hunger-related programs and projects within their own locality as these may be needed, while at the same time fulfilling Objectives 1 and 2 for the nationwide and worldwide war against hunger.

5. To instruct the Treasurer of the U.C.C. to establish a Hunger Fund Account, and to allocate to that Fund all monies coming to his office from the Conferences and from the churches which are designated for hunger but not earmarked for any specific instrumentality, region or project.

6. To authorize the Executive Council to approve a budget for the coordination and implementation of the Hunger Program approved by General Synod; to allocate funds to cover that budget as a first claim from monies which accumulate in the Hunger Fund; and to allocate such additional funds as may come in annually to appropriate hunger-related projects and programs.

Suggested Strategies: (For illustrative purposes only; not adopted):

1. Request the Stewardship Council, Instrumentalities, Conferences, and congregations, to promote the rate of increase proposed in Objective 1 for OCWM Basic Support and proposed in Objective 2 for the all-church offerings.

2. Request the Planning and Correlation Committee of the Executive Council to urge the appropriate instrumentalities to give high priority to hunger-related programs and projects when recommending their proposals for possible funding from Neighbors in Need and the Family Thank Offering, so that at least one such program or project will be included in each of these offerings each year.

3. In the Conferences and congregations assign responsibility to a new or existing group, committee or task force to discover areas of hunger within their own localities, identify the causes, and develop programs of action to relieve this hunger, as well as hunger in the nation and world at large.

Component V—Resource allocation

Goal: To formulate and apply clear criteria for the allocation of United Church of Christ personnel and funds available for combatting world hunger, giving priority to programs attacking root causes of hunger and malnutrition and promoting maximum food production and population stabilization in localities, regions and nations throughout the world.

Objectives:

1. To achieve allocation, in addition to present proportions of budgeted funds, of all additional income from the OGHS offering above the 1974 level to hunger-related programs and projects; and designation of at least one hunger-related program or project each year for support from Neighbors in Need and Family Thank Offering.

2. To establish the following criteria for serious consideration in the allocation of all U.C.C. resources committed to solving the problem of world hunger.

The program or project;

a. Increases total food production within areas where food is needed.

b. Preserves and enhances the future productivity of the land.

c. Contributes to the reduction of food waste and spoilage in the fields, in storage and in distribution.

d. Contributes to population stabilization.

e. Contributes to the institutional and social reforms which are essential to overcome inequities in access to food and in food distribution.

f. Is integral to the total process of promoting human development and social justice.

g. Contributes to self-determination on the part of recipient people.

h. Is responsive to the desires of the recipient people.

i. Is coordinated to the maximum feasible extent with ecumenical agencies, USAid, World Bank, United Nations agencies, and foundations.

Suggested Strategies: (For illustrative purposes only; not adopted):

1. Request the appropriate national agencies to make their budget allocations for 1976 and thereafter in conformity to the intent of Objective 1 above.

2. Request the Instrumentalities, Conferences and local congregations to give serious consideration to the adoption and application of the criteria set forth in Objective 2 in all 1976 and future budgetary allocations for hunger-combatting programs and projects.

3. Encourage the Instrumentalities and Conferences to continue and even to increase the practice of ecumenical sharing in both allocation decisions and the actual channelling of funds into hunger-related programs and projects.

4. Establish and observe the principle that whenever possible, emergency feeding should be linked with "food-for-work" programs, with the work preferably related to agricultural development projects.

Component VI—Theological and ethical studies

Goal: To contribute to a deeper understanding of the theological and ethical issues related to world hunger by initiating or collaborating in research, dialogue and publication.

Objectives:

1. To establish study teams of qualified persons on an interdisciplinary basis in cooperation with other interested religious bodies to deal with the practical realities and the theological/ethical dimensions of the world food situation.

2. To channel the insights of these team studies into the processes of other components of this action program.

3. To publish the reports of the several study teams, either as monographs or as a volume.

4. To contribute to the public debate, essential to the solving of the problems of world hunger.

Suggested Strategies: (For illustrative purposes only; not adopted):

1. The Inter-Agency Working Group (recommended below) should be responsible for recommending the U.C.C. concerns to be assigned to study teams. These recommendations would go through the UCBWM in consultation with the President of the United Church of Christ.

2. The UCBWM should give U.C.C. endorsement to the proposed study teams. UCBWM should arrange for U.C.C. staff services to each team, as advisable.

3. The teams should include the most qualified personnel available in such areas as: food production, processing and marketing; nutrition; agricultural and consumer economics; population problems; rural sociology; community organization; and theology/ethics (not confined to Christian).

4. The tetams should be geographically localized as much as possible to minimize expense.

5. Areas of concern for theological and ethical studies might include, for example:

a. Systematic changes essential to equitable food distribution.

b. Food for the hungry; justice for food producers.

c. Respect for the earth and stewardship of the soil, as discipline over technology.

d. The ethics of triage (deliberately allowing groups to starve).

e. Economic growth on a finite planet.

f. Population growth on a finite planet.

g. Use of food as a political weapon in international affairs.

h. Christian-Moslem dialogue on resource use and justice.

i. Developmental vs. military aid.

j. The impact of transnational corporations on world food problems.

k. Individual enmeshment in unjust social systems.

COORDINATION AND IMPLEMENTATION

The General Synod Requests:

1. The United Church Board for World Ministries to accept responsibility for the coordination of this Action Program on World Hunger. The UCBWM will render progress reports on the program to each meeting of the Executive Council and to the Eleventh General Synod. An evaluative report will be made by the Executive Council to the Twelfth General Synod together with its recomendations regarding the future of this program.

2. UCBWM convene an Inter-agency Staff Working Group which includes designated staff from the Board for Homeland Ministries, the Center for Social Action, the Commission for Racial Justice, the Office for Church Life and Leadership, the Stewardship Council, the Task Force on Women in Church and Society, the Office of Communications, and a representative of the Council of Conference Executives. This Working Group will be accountable to the UCBWM. It will have responsibility for carrying out the coordination of national agency programs and for providing encouragement, resource assistance and coordinative services to Conferences, Associations and local congregations along lines recommended in this action proposal. The Working Group will have as part of its task the preparation and maintenance of an accurate, ongoing inventory of involvement by the United Church of Christ on world food and hunger issues.

3. The UCBWM create, in consultation with the President of the Church, an Advisory Commission on World Hunger of a) persons with expert knowledge of the world food situation and b) persons well acquainted with United Church structures and systems. The functions of the Advisory Commission, which might meet once or twice a year with the Inter-agency Staff Working Group, will be to provide up-dated information on the world food situation; review progress of denominational action; recommend appropriate emphases, strategies and program directions; and submit evaluative reports and recommendation to the Board of Directors of UCBWM.

4. That special efforts be made to include farmers, youth, women, and ethnic and racial minorities in the coordination and implementation of this proposal.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Fountain (at the request of Mr. O'Neill), until 1:15 p.m. today, on account of official business with the President of the United States.

Mr. Lehman (at the request of Mr. O'Neill), for today, on account of illness in family.

Mr. Pepper, (at the request of Mr. O'Neill), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Goodling) and to revise and extend their remarks and include extraneous matter:)

Mr. McKinney, for 15 minutes, today.

Mr. Anderson of Illinois, for 15 minutes, today.

Mr. Forsythe, for 10 minutes, today.

Mr. Miller of Ohio, for 5 minutes, today.

Mr. Derwinski, for 5 minutes, today.

(The following Members (at the request of Mr. Carr), to revise and extend their remarks, and to include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. St Germain, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Barrett, for 10 minutes, today.

Mr. O'Neill, for 10 minutes, today.

Mr. Dodd, for 10 minutes, today.

Mr. Fascell, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Koch, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Moorhead of Pennsylvania and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and it is estimated by the Public Printer to cost $715.

Mr. Young of Georgia, to extend his remarks in the body of the Record, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,359.

(The following Members (at the request of Mr. Goodling) and to include extraneous matter:)

Mr. Sarasin in two instances.

Mr. Anderson of Illinois.

Mr. Bell.

Mr. Rousselot.

Mr. Sebelius.

Mr. Steiger of Wisconsin.

Mr. Gilman.

Mr. Coughlin.

Mr. Andrews of North Dakota.

Mr. Edwards of Alabama.

(The following Members (at the request of Mr. Carr) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Maguire.

Ms. Keys.

Mr. Ford of Tennessee.

Mr. St Germain in 10 instances.

Mr. Hubbard.

Mr. Brinkley in two instances.

Mr. Minish.

Mr. Gaydos in 10 instances.

Mr. Zablocki in three instances.

Mr. Bedell.

Mr. Neal.

Mr. Ashley.

Mr. Delaney.

Mr. Miller of California.

Mr. Florio.

ADJOURNMENT

Mr. CARR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 43 minutes p.m.), under its previous order, the House adjourned until Monday, January 26, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2362. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting a report on the design and construction supervision, inspection, and overhead fees charged by the construction agents for the military construction projects of the military departments and defense agencies during fiscal year 1975, pursuant to section 604 of Public Law 93–552; to the Committee on Armed Services.

2363. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

2364. A letter from the Chairman, Federal Power Commission, transmitting copies of publications entitled "The National Power Survey 'Power Generation: Conservation Health, and Fuel Supply,'" and "Federal Power Act, April 1, 1975"; to the Committee on Interstate and Foreign Commerce.

2365. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronuatics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

2366. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms for July–September 1975, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

2367. A letter from the Chairman, Federal Trade Commission, transmitting a staff report on the present status of agricultural cooperatives under the antitrust laws and Federal marketing order regulation of agricultural commodities; jointly, to the Committees on Agriculture, and the Judiciary.

2368. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on the progress in the world's bilateral environmental program; jointly, to the Committees on International Relations, Science and Technology, and Merchant Marine and Fisheries.

RECEIVED FROM THE COMPTROLLER GENERAL

2369. A letter from the Comptroller General of the United States, transmitting the annual report for calendar year 1975 on positions in the General Accounting Office in grades GS–16, 17, and 18, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

2370. A letter from the Comptroller General of the United States, transmitting a report on opportunities to reduce weapon systems support cost; jointly, to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary, H.R. 2278. A bill for the relief of Mrs. Mary Saxton (Mary Nuku) (Rept. No. 94–777). Referred to the Committee of the Whole House.

Mr. COHEN: Committee on the Judiciary. H.R. 5227. A bill for the relief of Frank M. Russell; (Rept. No. 94–778). Referred to the Committee of the Whole House.

Mr. DODD: Committee on the Judiciary. H.R. 6093. A bill for the relief of Maria D'Arpino; with amendment (Rept. No. 94–779). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 10076. A bill for the relief of Mrs. Kazuka Scillion; with amendment (Rept. No. 94–780). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN (for himself, Mr. Evins of Tennessee, Mr. Ford of Tennessee, Mr. Jones of Tennessee, and Mr. Reuss):

H.R. 11449. A bill to reform residential electric utility rates; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of Illinois (for himself and Ms. Jordan):

H.R. 11450. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, and anticompetitive regulations; jointly, to the Committees on Government Operations, and Rules.

By Mr. COUGHLIN:

H.R. 11451. A bill to amend title 18 of the United States Code and the Omnibus Crime Control and Safe Streets Act of 1968 for the purpose of designating certain electric weapons as destructive devices; to the Committee on the Judiciary.

H.R. 11452. A bill to amend title 26 of the United States Code for the purpose of designating certain electric weapons as destructive devices; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS (for himself and Mr. Perkins):

H.R. 11453. A bill to authorize appropriations for fiscal year 1976, for the period beginning July 1, 1976, and ending September 30, 1976, and for fiscal year 1977 for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and to amend title II and title VI of such act; to the Committee on Education and Labor.

By Mrs. FENWICK (for himself, Mr. McClory, Mr. Minish, Mr. Lehman, Mr. du Pont, and Mr. Brodhead):

H.R. 11454. A bill to establish a Commission on Security and Cooperation in Europe; to the Committee on International Relations.

By Mr. FITHIAN (for himself, Mr. Roush, Mr. Madden, Mr. Sharp, Mr. Hamilton, Mr. Hayes of Indiana, Mr. Jacobs, Mr. Evans of Indiana, Mr. Taylor of North Carolina, Mr. Sebelius, Mr. Seiberling, Mr. Meeds, Mr. Udall, Mr. Hillis, Mr. Kastenmeier, Mr. Steelman, Mr. Shipley, Mr. McClory, Ms. Spellman, Mr. Simon, Mr. Harris, Mr. Russo, Mr. Bergland, Mr. Young of Georgia, and Mr. Brademas):

H.R. 11455. A bill to amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FITHIAN (for himself, Mr. Bingham, Ms. Abzug, Mr. de Lugo, Mr. Murphy of Illinois, Mr. Don H. Clausen, Mr. Hechler of West Virginia, Mr. Stephens, Mr. Ottinger, Mr. Mikva, Mr. Yates, Ms. Chisholm, Mr. Johnson of California, Mr. Howe, Mr. Downey of New York, Mr. Findley, Mr. Hall, Mr. Conyers, Mr. Rostenkowski, Mr. Reuss, Mr. Bedell, Mr. Annunzio, Mr. Baucus, Mr. Koch, and Mr. Fary):

H.R. 11456. A bill to amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore, and for other purposes, to the Committee on Interior and Insular Affairs.

By Mr. FITHIAN (for himself, Mr. Traxler, Mr. Won Pat, Mr. O'Brien, Mr. O'Hara, Mr. Weaver, Mr. Brodhead, Mr. Nedzi, Mr. Diggs, Mr. Solarz, Mr. Carr, Mr. Ruppe, and Mr. Gude):

H.R. 11457. A bill to amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FLORIO (for himself, Mr. Dodd, Mr. Green, and Mr. Koch):

H.R. 11458. A bill to amend the Community Mental Health Centers Act to require States which receive assistance under that act to establish and maintain mental health advocacy services; to the Committee on Interstate and Foreign Commerce.

By Mr. FORSYTHE (for himself and Mr. Pritchard):

H.R. 11459. A bill to amend the Merchant Marine Act of 1936 in order to establish a national marine firefighting program; to the Committee on Merchant Marine and Fisheries.

By Mr. HAMMERSCHMIDT:

H.R. 11460. A bill to amend the Buffalo National River, Arkansas Establishment Act of 1972 to increase the authorization for land acquisition; to the Committee on Interior and Insular Affairs.

By Mr. HARRINGTON (for himself and Mr. Dodd):

H.R. 11461. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals with permanently handicapped children for amounts contributed to a trust fund which is to be used for the care and support of such child; to the Committee on Ways and Means.

By Mr. HENDERSON:

H.R. 11462. A bill to provide for the acquisition of career status by certain employees of the Federal Government serving under overseas limited appointments; to the Committee on Post Office and Civil Service.

By Mr. KOCH (for himself, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Blanchard, Mr. Brodhead, Mr. Carney, Mrs. Chisholm, Mr. Downey of New York, Mr. Eilberg, Mr. Florio, Mr. Fraser, Mr. Gilman, Mr. Gonzalez, Mr. Harrington, Ms. Holtzman, Mr. Lehman, Mr. Levitas, and Mr. Long of Maryland):

H.R. 11463. A bill to amend the Export Administration Act of 1969 to strengthen the antiboycott provisions of such act, to amend the Securities Exchange Act of 1934 to enhance investor disclosure provisions of that act, and for other purposes; jointly, to the Committees on International Relations, and Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. McHugh, Mr. Nix, Mr. Oberstar, Mr. Ottinger, Mr. Pattison of New York, Mr. Pepper, Mr. Rangel, Mr. Richmond, Mr. Riegle, Mr. Rosenthal, Mr. Scheuer, Mr. Simon, Mr. Solarz, Mr. Udall, Mr. Waxman, Mr. Charles Wilson of Texas, and Mr. Yates):

H.R. 11464. A bill to amend the Export Administration Act of 1969 to strengthen the antiboycott provisions of such act, to amend the Securities Exchange Act of 1934 to enhance investor disclosure provisions of that act, and for other purposes; jointly, to the Committees on International Relations, and Interstate and Foreign Commerce.

By Mr. LEHMAN (for himself, Mr. Simon, Mr. White, Mr. Dominick V. Daniels, Mr. Harris, Mrs. Spellman, Mr. Mineta, Mr. Jenrette, and Mr. Udall):

H.R. 11465. A bill to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LENT:

H.R. 11466. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Mr. MATHIS:

H.R. 11467. A bill to require annual appropriations for all obligations and expenditures of the Federal Government; to the Committee on Government Operations.

H.R. 11468. A bill to provide for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States; to the Committee on the Judiciary.

H.R. 11469. A bill to amend the Tariff Schedules of the United States; to the Committee on Ways and Means.

By Mr. MICHEL (for himself, Mr. Bafalis, Mr. Bauman, Mr. Beard of Tennessee, Mr. Biaggi, Mr. Broomfield, Mr. Buchanan, Mr. Burgener, Mr. Collins of Texas, Mr. Derwinski, Mr. Devine, Mr. Frey, Mr. Harsha, Mrs. Holt, Mr. Ketchum, Mr. Lent, Mr. Lott, Mr. Milford, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. J. William Stanton, Mr. Stuckey, Mr. Walsh, Mr. Whitehurst, and Mr. Young of Florida):

H.R. 11470. A bill to provide for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States; to the Committee on the Judiciary.

By Mr. PATTEN:

H.R. 11471. A bill to provide that meetings of Government agencies shall be open to the public, and for other purposes; to the Committee on Government Operations.

H.R. 11472. A bill to extend for 3 fiscal years the programs of assistance under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970; to the Committee on Interstate and Foreign Commerce.

By Mr. REGULA:

H.R. 11473. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975 to provide for the inclusion of refugees from Laos; to the Committee on the Judiciary.

By Mr. RISENHOOVER:

H.R. 11474. A bill to provide for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 11475. A bill to amend the Federal Power Act to provide that public hearings shall be held prior to the Federal Power Commission granting rate increases for the interstate sale of electricity; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHEUER:

H.R. 11476. A bill to amend the War Powers Resolution to make such resolution applicable in cases where agents or employees of the United States are engaged in hostilities in a foreign country or are advising foreign military forces engaged in hostilities; to the Committee on International Relations.

By Mr. SEBELIUS:

H.R. 11477. A bill to provide that the first sale of crude oil produced from stripper wells be exempt from price controls; to the Committee on Interstate and Foreign Commerce.

By Mr. STEED:

H.R. 11478. A bill to amend the Controlled Substances Act to provide penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from a retail pharmacy by force and violence, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 11479. A bill to revise retirement benefits for certain employees of the Bureau of Indian Affairs and the Indian Health Service not entitled to Indian preference, provide greater opportunity for advancement and employment of Indians, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STEELMAN (for himself, Mr. Fascell, Mr. Baucus Mr. Bauman, Mr. Bell, Mr. Butler, Mr. Edgar, Mr. Hannaford, Mr. Litton, Mrs. Mink, Mr. Neal, Mr. Ottinger, Mr. Riegle, Mr. Santini, and Mr. Symington):

H.R. 11480. A bill to provide that meetings of Government agencies shall be open to the public, and for other purposes; to the Committee on Government Operations.

By Mrs. SULLIVAN (for herself, Mr. Downing of Virginia, Mr. Ruppe, and Mr. McCloskey):

H.R. 11481. A bill to authorize appropriations for the fiscal year 1977 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. THOMPSON (for himself and Mr. McFall):

H.R. 11482. A bill to amend the National Labor Relations Act, as amended, to protect the integrity of labor organizations; to the Committee on Education and Labor.

By Mr. BEARD of Rhode Island:

H.J. Res. 775. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

By Mr. BRADEMAS:

H.J. Res. 776. Joint resolution to provide for the designation of the second full calendar week in March 1976 as National Employ the Older Worker Week; to the Committee on Post Office and Civil Service.

By Mr. ROBINSON (for himself, Mr. Butler, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. Downing of Virginia, Mr. Fisher, Mr. Harris, Mr. Satterfield, Mr. Wampler, and Mr. Whitehurst):

H.J. Res. 777. Joint resolution to designate April 13, 1976, as Thomas Jefferson Day; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.J. Res. 778. Joint resolution to provide for the designation of February 20 of each year as Postal Employees Day; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of Illinois:

H. Con. Res. 529. Concurrent resolution providing for the printing of the report of the Ninth Congressional Delegation to the People's Republic of China as a House document; to the Committee on House Administration.

By Mr. DENT:

H. Res. 972. Resolution relative to the impact of garment and textile imports upon employment in the garment industry of the United States; to the Committee on Education and Labor.

By Mr. EVINS of Tennessee:

H. Res. 973. Resolution to provide funds for the further expenses of the investigations and studies of the Committee on Small Business; to the Committee on House Administration.

By Mr. FOLEY (for himself and Mr. WAMPLER):

H. Res. 974. Resolution to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Agriculture; to the Committee on House Administration.

By Mr. PERKINS (for himself and Mr. QUIE):

H. Res. 975. Resolution to provide for the further expenses of the Committee on Education and Labor for the investigations and studies to be conducted pursuant to rule XI of the Rules of the House of Representatives; to the Committee on House Administration.

SENATE—*Thursday, January 22, 1976*

The Senate met at 11:45 a.m. and was called to order by Hon. JOHN C. CULVER, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Rev. Edward L. R. Elson, D.D., offered the following prayer:

The Lord is my light and my salvation; whom shall I fear? The Lord is the strength of my life; of whom shall I be afraid?—Psalms 27: 1.

Eternal God, amid all the distractions and divisions of the world about us, keep ever before us the vision of the unfinished American Revolution; a land where there is plenty for all, where there is equal justice under law, where slums have disappeared, where crime no longer festers, where service to others transcends desire for personal gain, and where the community of faith and hope and love abides.

Grant us here the wisdom and the courage to bring to completion the resplendent dream of our Founding Fathers, who before us lifted their prayers to Thee. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 22, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN C. CULVER, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CULVER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, January 21, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PEARSON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that following the recognition of the joint leaders under the standing order tomorrow, the distinguished Senator from Kansas (Mr. PEARSON) be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting minority leader seek recognition?

Mr. GRIFFIN. No, Mr. President.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized for not to exceed 15 minutes.

Mr. GRIFFIN. Mr. President, if I may ask unanimous consent, I seek recognition prior to the special order today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, pending the arrival of the Senator from Oklahoma who has a special order, I suggest the absence of a quorum on the time allotted to the minority leader.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and yield back any remaining time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Oklahoma is recognized for 15 minutes.

ANGOLA—WATERSHED OF AMERICAN FOREIGN POLICY

Mr. BARTLETT. Mr. President, when the Senate abruptly cut off aid to Angola, it once again gave irrefutable proof that a committee of one hundred is unsuitable for day-to-day foreign policy decisions. The Senate decision on an important foreign policy matter had all the earmarks of haste; a questionable factual basis; scant inquiry; poor analogies; undue emotional influence; little debate; and no real deliberation.

While I am critical of the decision, I am equally concerned with the decision process. Decisions made in the manner of the Angola one are seldom correct and then only by chance. Foreign policy should not be left to chance.

Certainly the question of aid to Angola is a proper prerogative, as well as a responsibility, of the Congress. However, the Congress should not make such important and far-reaching foreign policy decisions by legislating hastily. Formulation of the issue through a rider on an appropriation bill is only one indication of the careless approach which was followed. Our Founding Fathers never claimed speed was an important political quality. In fact, they built many brakes into our governmental structure. The Congress should pay heed to their counsel.

Nor should Congress intentionally undercut the ongoing administration program of military aid. Politics should stop at the water's edge—as it did for so many years.

Instead, the Congress should have continued the present aid for 3 months or so by passing the defense appropriation bill before the Christmas recess and then in late January approached the Angola question in the usual deliberate way, beginning with hearings and ending with thorough debate in both Houses.

In this way, if the ultimate decision would be to provide military aid to Angola, there would not have been a hiatus resulting in a Communist advantage or victory prior to the time such aid could have reached Angola. Nor would there have been embarrassment to the United States, or international shock waves of doubt about the policy and will of the United States to resist Communist advancement in areas of American interest.

Also, the full Senate would have had the opportunity to learn the facts of the situation, as well as the administration's position. But this was not the case prior to the recent Senate vote.

Finally, the rash Senate action precluded a nationwide debate prior to any legislative action—a debate greatly needed to establish a sensible foreign policy course and reduce floundering caused by a wind blowing one way from the executive branch and the other way from the legislative branch.

So, once again, nations around the world are saying that the United States does not speak with one voice, that there is no clearly defined foreign policy. They say they do not know where we stand—and they are right. They do not know because we do not know what our present policy is.

The traditional clash between the executive and legislative branches of our Government was not only foreseen, but was planned by the participants in our constitutional convention. An administration accustomed to running our foreign affairs and a Congress insisting on participating must learn the mechanics of coordinating a sound and easily understood foreign policy. Because it will obviously take quite some time to accomplish this, this effort should have top priority in each branch.

There is a clear implication that the Senate action may not be aimed merely at Angola, but at every nation finding itself in similar circumstances. As a result, speculation is rising that the United States, during its 200th anniversary of being the shining light of hope to those around the world fighting for freedom, is unceremoniously dimming the light. Such irony should not be the handiwork of the U.S. Senate.

After the blows to our credibility, resulting from our policies and actions in Southeast Asia, we can ill afford any nation claiming that we speak with a forked tongue. We should get about the business of a national debate of our policy toward Angola and other nations in a similar situation so that we may speak with one voice—loud, clear, and in plain, understandable English.

There are a proliferation of related questions, basic to our foreign policy, which must be included in the debate and should be answered as soon as possible. The starting point should be the matter of aid to Angola. A companion, yet broader question is: Should the U.S. foreign policy include selective military and economic aid to some nations which are resisting Communist aggression? And should such aid be offered only if the Communist aggression is abetted by the Soviet Union, or other Communist countries? Should congressional approval be required in each instance of aid and if so, how would this be done? Another related question is whether covert Soviet operations can be countered with overt American action. Entangled with these questions is the whole subject of the CIA structure and congressional oversights.

Congress must take action now to define clearly its function in the deliberation and formulation of foreign policy. Congress must draw the line somewhere, so that its role in foreign policy may be readily understood by the administration, by foreign powers—friend and foe alike—and by the American people. Certainly a joint executive-congressional foreign affairs task force should be helpful in solving the problem.

The remainder of my remarks will be directed primarily to American aid to Angola and future Angolas.

A letter dated December 16, 1975, to their colleagues signed by the Senator from California (Mr. TUNNEY) and five other Senators stated in part,

> The Congress, if it is to fulfill its responsibilities, must be informed about our foreign commitments and about the financing of covert operations. We would be remiss in our obligation if we failed to demand a close and precise accounting of our interest, objectives, and policies being pursued in Angola.

That is so much claptrap.

First, the administration was acting in good faith in providing military support to Angola by following the requirements of law passed by Congress.

Second, the laws permit covert action on the part of the United States and if such action is taken, require the President of the United States to report "in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress." Such reports in the case of Angola were properly made.

Finally, any member of the Senate may receive, if requested, "a clear and precise accounting of our interest, objectives, and policies being pursued in Angola." Thus, were the Senators questioning the degree of information and accounting, or were they simply disagreeing, albeit subtly, with the nature of our interest and objectives relating to Angola?

The same December 16th letter says,

> Clearly the Soviet Union and the United States are participants in the escalation of an African civil war.

The clear implication that the Soviet Union and the United States are equally guilty of misconduct is patently untrue. More fundamentally, the alternative of Soviet participation and an American default is not placed in focus. Opponents of aid to Angola seem at times to imply that if we do not participate the Soviets would not, or that somehow things will work out if we unilaterally withdraw. Recent events show how naive and incorrect such assumptions are.

Not only were the Soviets unilaterally interfering with Angola developing its own government, they were supporting the efforts to stamp out individual freedom and to replace it with communism. Without our countervailing aid, the job will be easy for the Communists.

Our aid in the defense of liberty is not something to be ashamed of. Rather it is in our interest to limit the expansion of Soviet military presence and communistic power. Senators apparently do not perceive a difference between defense of freedoms and Soviet Communist aggression.

The same letter refers to Vietnam by saying, "such a reaction could pave the way for another agonizing foreign involvement." Yes, "another Vietnam" is the effective, emotional battle cry of those who forced a hurried decision to cut off aid to Angola. This argument is effective because no single American wants another Vietnam, but it is equally insidious because it has no substance. To compare our role in Angola with Vietnam by use of the common term "involvement" is like comparing a recruiter to a player by use of the common term "football."

No responsible American wants to send troops to Angola, let alone civilians. Currently, our Government has no Americans in Angola nor do we have any such plan. In fact, those who opposed the cutoff of Angola aid supported a substitute which I believe would have passed overwhelmingly as an amendment, rather than as a substitute. Introduced by the assistant Republican minority leader, the Senator from Michigan (Mr. GRIFFIN), this substitute provided that none of the funds in the Defense Appropriation Act could be obligated or expended to finance the involvement of U.S. military or civilian forces in hostilities on or over of from off the shores of Angola unless specifically authorized by Congress. Such language as this enacted into law should put to rest the awesome specter of Vietnam so that our foreign policy may be decided solely on its merits, rather than specious emotion.

Another argument used against our aid is that Angola should be left alone to work out its own destiny. I agree, but the Tunney amendment does not accomplish that goal. Our unilateral cutoff of aid gives even a bigger advantage to the Soviets and Cubans to enable them to accomplish their mischief. Our reduction of aid to South Vietnam did not discourage the Soviets from increasing further their aid to North Vietnam. Cutting off aid to Angola now makes it virtually certain that the citizens of Angola will not be able to work out their own destiny. Rather their future will be sculptured Soviet style.

Still another anti-Angolan aid argument is that no longer is there any real ideological difference with communism. What evidence or logic supports this argument? This same theme was advanced near the end of the Vietnam war, but a week's personal visit to South Vietnam in February 1975 convinced me to the contrary. Definitely, the majority of the South Vietnamese fought such a long war against North Vietnam because they treasured their freedom and feared communism.

In the Angola situation, several other black nations have asked the United States to intercede because they also are fearful of Soviet communism, as well as Soviet and Cuban military power and presence.

The old liberal saw that Communist theory does not present "any real difference in ideology" is as incorrect as the claim that South Vietnam, Cambodia, Czechoslovakia, and Poland are examples of nations where freedom abounds.

The following Soviet position on the nature of Communist ideology, that appeared in Pravda in May 1973, is candidly sobering. It said:

> Only naive people can expect that recognition of the principles of coexistence by the capitalists can weaken the main contradiction of our times between capitalism and socialism, or that the ideological struggle will be weakened.

The senior Senator from Idaho (Mr. CHURCH) said:

> If we took a longer view of history, I think we would not become so frightened by intervention in Africa on the part of the Russians, we would adopt a policy that does not simply mimick the Russians.

First, however, history shows when we have successfully "mimicked" the Russians freedom has remained viable. Greece, Iran, France, Germany, and Portugal are examples. The use of the term "mimicked" is calculated to obscure the real issue, rather than to analyze it.

The underlying basis of the argument

to cut off the counter-aid offsetting Soviet aid in Angola and presumably other Angolas is that the threat from communism has disappeared. Détente is used to bolster the contention.

We should not be complacent about the expansion of Soviet military presence because of détente or for any other reason—not just in Africa, but in the Mediterranean, Mideast, and Indian Ocean. We only need to note what our eyes see.

The Soviets have a bluewater navy which has strengthened their military posture in the Indian Ocean, as well as the Mediterranean.

The **ACTING PRESIDENT** pro tempore. The Senator's 15 minutes have expired.

Mr. **JAVITS**. Mr. President, I yield 2 minutes to the Senator from Oklahoma.

The **ACTING PRESIDENT** pro tempore. The Senator from Oklahoma is recognized for 2 additional minutes.

Mr. **BARTLETT**. I thank the distinguished Senator from New York.

A quick look at Somalia shows a continuing buildup of military might right there in River City at First and Main Streets—perhaps the most strategic location in Africa and the Indian Ocean—the intersection of the Suez Canal traffic with that rounding at Cape Good Hope. The Soviets have port and repair facilities for their Indian Ocean fleet, an international radio facility, a missile handling facility, large storage buildings, and several large airports available to them. And they continue to build up their military muscle.

Additionally, it is unlikely that the political relationship between the Soviets and the Angolan Communists is merely platonic as some claim. Politically we know well that this has never been their nature. However, the Soviet Government newspaper, Izvestia, put to rest such wishful thinking of the proponents of the Tunney amendment.

It recently reported:

> The anticolonial revolution (in Angola) does not end with the achievement of independence. It is quite natural that assistance should be continued.

Izvestia further reports that the Soviet intervention in the Angola civil war is—

> An important principle of Soviet foreign policy and further that détente cannot mean the freezing of the social status quo around the world.

This clearly means that it is Soviet policy to use force to deny nations the right to determine their own destiny, and that they are going to continue to intervene in Angola until the Communist faction wins. To the Soviets, anticolonialism is the rationalization for expanding their satellites.

To repeat, Izvestia says that:

> Détente cannot mean the freezing of the social status quo around the world.

The Soviets want it both ways—détente with the United States, but intervention to support and expand Soviet Communist aggression and Soviet policy anywhere they choose around the world.

Perhaps the most preposterous demand of all, a frequent one that was used in opposition to the modest expansion of the U.S. naval base on Diego Garcia, is that we unilaterally stop what we are doing in order to negotiate—negotiate with the Soviets—as if that will lead to the millenium. This is akin to negotiating with a band of burglars while a raid of your home is in progress—likely to endear you temporarily, but not likely to save your goods.

We learned from all the negotiations with the Soviets, including the Cuban missile crisis, the Vietnam war, and SALT I and II, that we can negotiate successfully only from strength—that we capitulate from weakness.

If we decide, after cutting off our own assistance to Angola, to negotiate the withdrawal of Soviet aid to Angola, the Soviets will almost certainly have established their presence. The fight for freedom will have been lost before such negotiations get to first base. Because we would have nothing to negotiate, the Soviets would laugh in our face.

Our aid to Angola arrived after the Communist side had the advantage, yet this aid helped to bring quickly the civil war back into balance. With the recent Pravda claim of Communist victories in Angola, it appears that additional aid is most urgently needed and could result once again in then non-Communist forces regaining a balanced situation—one which could provide a real opportunity for a negotiated settlement.

Had Congress dealt with the issue of Angolan aid in an orderly and rational way, the outcome may or may not have been different. But the odds in favor of correct decisions are greatly reduced by the way we are making them, and the chances of the Senate making a real contribution to foreign policy or national enlightenment are severely lessened. Congress must understand its own strengths and its own weaknesses, or its mistakes will continue and compound. We can afford some mistakes, but we should have learned by now that another nation lost to communism is not a mistake which can easily be rectified.

The **ACTING PRESIDENT** pro tempore. The Senator's additional 2 minutes have expired.

The Senator from New York has 13 minutes remaining.

REPORT OF SENATOR JAVITS ON TRIP TO LATIN AMERICA

Mr. **JAVITS**. Mr. President, I report to the Senate today on my recent trip to Latin America.

Mr. President, these visits were of such critical importance to future U.S. policy in Latin America that I hope very much Members will acquaint themselves with the factual report in terms of the situation in each of the given countries.

During the Christmas and New Year's recess, I traveled to five countries in Latin America in my capacity as a member of the Senate Foreign Relations Committee. I was accompanied by my special assistant for economic affairs, Frank Ballance. I arrived in Rio de Janeiro, Brazil, on the morning of January 4, and also visited Sao Paulo and Brasilia. My visit included stops in Lima, Peru; Panama and the Canal Zone; Bogota, Columbia; and Caracas, Venezuela.

My last extentive trip to Latin America was in 1966, and extensive changes have occurred in Latin America since that time. The two most important trends have been the loss of democratic government in several Latin American countries and very substantial economic growth in a number of countries.

The purpose of my trip was to investigate the economic changes that have taken place in Latin America over the last decade, an especially important task in light of the new policy respecting economic development in developing countries announced by the United States at the Seventh Special Session of the United Nations General Assembly in September 1975. This session represented a major initiative in U.S. policy toward the developing countries, and the role of the congressional advisers to the U.S. delegation, of which I was privileged to be a member, was crucial in the development of the U.S. position.

A second important reason for my trip was to discuss major political issues of concern both to the United States and Latin America. These include such major concerns of American citizens as limitations on human rights and press censorship in certain countries of Latin America, notably Brazil and Chile; progress or lack of it toward more democratic government in such countries as Brazil and Peru; Latin American attitudes on such issues as the Middle East, the anti-Zionism vote in the United Nations, Angola; and issues of economic importance such as multinational corporations, nationalizations of properties of U.S. nationals, and the new generalized system of preferences—GSP—which the United States put into effect on January 1, 1976.

A third and perhaps most important aspect of my trip was to determine the status of the Panama Canal negotiations, an issue of overwhelming importance for Panama, but also of great concern to the other nations of Latin America.

Indeed, the Panama Canal issue is the single most important matter of mutual concern for the United States and Latin America. A successful negotiation between the United States and Panama, leading to the ratification of a new treaty, could mark the beginning of a new policy relationship with Latin America, which could provide major benefits for both the United States and Latin America in every other area of mutual interest.

A little more than 2 years ago, Secretary Kissinger announced a new dialog policy toward Latin America, but the enormous changes in the world economy which have taken place since then, including the emergence of OPEC monopoly power and the subsequent exclusion of Venezuela and Ecuador from the generalized system of preferences, have caused the new dialog to become outdated. Thus, the new dialog has joined previous programs toward Latin America, the Good Neighbor Policy, the Alliance for Progress, and the Good Partner Policy on the list as outdated. The United States has had, in effect recently, a nonpolicy toward Latin America. But U.S. disillusionment with the United Nations and the growing economic importance of Latin America demand a new, positive policy toward our neighbors of the hemisphere.

A new economic partnership is required between the United States and the countries of Latin America—a partnership that takes into account their increasing economic strength and their desire to assert their independence even as they recognize the necessity for interdependent policies with the United States. The United States ought to look on the Panama Canal negotiations as a major opportunity to demonstrate its good will and capacity to deal with sensitive issues affecting closely related developing countries; and a positive new policy toward Latin America will rest on a successful outcome to the Panama Canal negotiations.

I shall approach my report in the order of the countries I visited, and include a short description of my program, the people I met, and the issues discussed.

BRAZIL

I arrived in Rio on January 4, a Sunday, and began my program on January 5, with a meeting with the Secretary of Industry, Commerce and Tourism, Sr. Marcel Hasslocher. We had an interesting discussion on the unification of Rio de Janeiro and Guanabara States, which has enabled the Rio area to solve some financial problems of the type faced by New York because of outdated political boundaries. During the day I also met with distinguished groups of United States and Brazilian business leaders.

On the morning of January 6 I flew to São Paulo, where I appeared as the luncheon speaker before the U.S. Chamber of Commerce in São Paulo. During the day I met a number of Brazilian and American businessmen, journalists, and publishers, and the secretary of agriculture for São Paulo State, Sr. Pedro Tassinari Filho.

On January 7 I flew to Brasilia, where I met a number of ministers and Government officials. I began with a meeting with the Planning Minister, Sr. Reis Velloso, with whom I discussed my own efforts jointly with Senator HUMPHREY to initiate an indicative form of economic planning for the United States. Sr. Velloso provided some very interesting details about the Brazilian system, which fits well into a free market economy.

I paid a call on the President of the Senate, Senator Jose de Magalhaes Pinto, and a number of Senators and Deputies.

I next had a long discussion and lunch with the Minister of Foreign Affairs, Sr. Antonio Azeredo da Silveira. After lunch I had meetings with the president of the Bank of Brazil, Angelo Calmon de Sa; the Chief of the President's Civil Household, General Golbery de Couto e Silva; Minister of Mines and Energy, Sr. Shigeaki Ueki; and the president of the Central Bank of Brazil, Sr. Paulo Lira.

I held a press conference on the morning of January 8 before flying from Brasilia to Lima, Peru.

Brazil has been one of the great economic success stories of modern times. Brazil's growth rate has averaged 10 percent for the decade of the 1960's and early 1970's, but her growth rate has now been cut in half as a result of the world recession, high oil prices, and restrictive economic policies Brazil believed were needed to curb the growth of imports. Brazil's oil bill has jumped from $300 million in 1972 to $3 billion in 1975. Brazil will have a trade deficit of roughly $3.5 billion, or more for 1975, necessitating foreign borrowing and the drawdown of foreign exchange reserves.

Brazil regards the trade imbalance with the United States as particularly serious. The United States has a favorable balance of trade with Brazil of about $1.5 to $1.7 billion. Some means must be found to trim this deficit to a more reasonable level; this will mean U.S. outreach to encourage Brazilian exports as now permitted by the generalized system of preferences.

An additional irritating factor stated by the Brazilians is U.S. countervailing duties on shoes, castor oil, and now leather handbags. They feel deeply aggrieved by these duties, even though the total volume of trade in each category is quite small. In fact, Brazilian exports of these goods seem to be doing well in spite of the countervailing duties. The issue of countervailing duties is interesting for its psychological impact on Brazilian leaders, because it represents an ambivalence among Brazilians about whether Brazil is a developing country or is moving to developed status. While there is an argument on the merits, Brazil is rapidly moving away from a condition in which it can be construed even in the eyes of its main trading partners to be permissible for her to give subsidies to the export of any of its products and yet to expect these efforts to be ignored by developed nations like the United States. On the other hand, the keenness with which Brazilians feel aggrieved by United States countervailing duties is evidence of a desire still to be treated as a developing country by the United States. Both attitudes should be treated with an understanding spirit in the United States even if we cannot agree.

The new generalized system of preferences, which the United States put into effect on January 1, 1976, should be of major benefit to Brazil, and other countries in Latin America. The Brazilians had not yet fully grasped the importance of this new trade advantage, but the emphasis I gave to it should help them take advantage of the GSP to their benefit and ours. I told the Brazilians I met that I understood and sympathized with their trade problems with us, but that there must be reciprocity in our dealings, and that they should focus on the larger issues of trade. I pledged myself to assist in dealing with various trade problems on a bilateral basis.

Brazil is clearly emerging from developing country status, and I urged the Brazilians to join the ranks of the developed countries. There is quite a division of opinion on this subject in Brazil, with some leaders feeling that Brazil is still a member of the third world, and some Brazilian actions in the United Nations confirming this role—the most disturbing and difficult being Brazil's vote for the anti-Zionist resolution. Others feel that Brazil's rightful place, such actions as the nuclear technology deal with West Germany tend to push Brazil into the industrial camp. This is not an issue that will be solved immediately. Brazil is in fact at least two countries, a poor northeast and Amazon area with low per capita incomes, and a prosperous industrial region along the south Atlantic, with the greatest concentration of industrial output in São Paulo, which area has a per capita annual income of roughly $2,000.

Although the United States should welcome the addition of Brazil to the ranks of the developed countries, and I expect that this will occur within the next few years, I think it is fair to say that the industrial countries expect a certain level of political development to match Brazil's economic output. Brazil cannot continue indefinitely to grow economically outside a democratic framework and effective human rights safeguards.

Brazil is in its 11th year of military rule, and while there has been a degree of liberalization in recent months, as for example in the congressional elections in November 1974, which were won by the opposition MDB party, there have been distressing lapses. The most notable of these publicly was the admitted death of Vladimir Herzog, a leading journalist, in a São Paulo prison, although the Government claims he committed suicide. Also, there have been constant reports of a significant number of other cases of torture, disappearance into supposed imprisonment, and other violations of human rights in Brazil to cause grave international concern. It is said Brasília is against such inhumane practices yet that is where the central authority exists to stop them. A good sign is the announcement in yesterday's Washington Post that President Geisel has removed the Second Army Commander in São Paulo.

There is an excellent and diverse press in Brazil, but it is not yet free. Even while I was in Brazil, two elected deputies of the opposition MDB party lost their seats in the Chamber of Deputies through a process known as cassation and also lost their civil rights for 10 years; their eviction was on an order from President Geisel under a Brazilian law giving him that power. These are not events to give any friend of representative government and human rights other than deep concern.

My feelings about Brazil must be those of many who look closely at this enormous nation with its huge potential. On the one hand, one is greatly impressed by the vitality of the Brazilian people and the economic miracle they have produced. On the other, one must be very concerned about the slow progress in political development and the continuing bad reports on human rights. Brazil has been remarkably successful to date because of her rapid rate of economic growth, which has meant greater prosperity for many even at the lower end of the economic scale although with no improvement in the distribution of wealth, and has provided the more ambitious members of the poorer groups with an opportunity for upward mobility into the middle class. Slower growth for Brazil will slow the spread of these benefits, and the Government is clearly aware of the political upheavals that a really poor growth rate might engender.

The close linkage between growth and political stability leads into a consideration of the role of private investment in Brazil. Brazil regards the continuing inflow of foreign investment as extremely important in its development plans. There are a large number of American multinational corporations operating in Brazil, and their representatives in Brazil are enthusiastic about their operations in Brazil and the cooperation of the Brazilian Government. Brazil's success in attracting foreign investment is a matter of setting an attractive climate for multinational corporations, and is not the result of particular laws on foreign investment. The Government has reserved certain sectors for major government participation: petroleum, communications and utilities; but manufacturing is entirely open to foreign investment. Brazil operates a powerful set of incentives to encourage investment such as exemption from import duty for plant and equipment, special financing, and rebates of income tax, if investment is made in the more underdeveloped regions. The refusal of these incentives can act as a bar to investment if the competition in Brazil already has them. For example, Brazil has decided that it already has enough automobile manufacturing companies and does not want any more. Although other manufacturers would like to enter the market, Brazil will not grant them the incentives that would make them competitive with existing operations.

Brazil's investment strategy is particularly impressive because it opposes the trend widely followed in the developing countries of nationalizing industry and limiting foreign investment. Brazil's free market economy is testimony to the vitality of private enterprise, and can be expected to continue.

Yet, one must be realistic about the very close relationship that exists between business and the Government in Brazil. Many businessmen in Brazil view the Government very favorably because of the encouragement it offers business, its control over the organized labor movement which is relatively weak in Brazil, and the fact that any suppression of human rights does not impinge on the business community.

I would argue that multinational corporations are injured in the local public mind by their identification with the concept of authoritarian government and that enlightened business policy should make them sympathetic to democratic government institutions.

There is little doubt that democratic governments are pushed by their people toward more egalitarian policies that are less receptive to multinational corporations. The example of Venezuela, which I also visited, makes this clear. However, I regard it as dangerous for business to identify closely with authoritarian government, because political liberalization, which must inevitably come even to Brazil, will produce a climate of hostility toward multinational corporations. I would like to quote what I said on this subject before the Venezuelan-American Chamber of Commerce in Caracas at the end of my trip:

> It is argued in some circles that authoritarian governments create a friendly climate for private business. I regard this as a real delusion. The fact is that people seeking human rights should feel that enlightened business is their ally, and not against them. For a climate of denying human rights must inevitably become a climate of denying human rights to business and to the individuals who carry on business, too. The U.S. is full of friends of those who strive for human rights and democratic government in Latin America.

Brazil has great expertise to offer to the other nations of the third world in demonstrating how to pursue a dynamic path to development. I look forward to a continuing growth in understanding and commerce between the United States and Brazil, which will be greatly facilitated by democratic government and respect for human rights.

Mr. President, I shall ask unanimous consent that the speech I gave before the Brazil-United States Chamber of Commerce in São Paulo and other articles on Brazil be printed in the RECORD after my text.

PERU

I arrived in Lima, Peru at noon on January 8, and spent the afternoon and early part of the following morning in Lima. It was necessary to shorten my trip to Peru in order to be able to meet General Torrijos of Panama on Friday afternoon prior to his trip to Cuba Saturday morning. In the afternoon I met members of the American business community in Peru, visited the headquarters of ADELA, an investment company for Latin America which I "fathered" that combines profitability and development goals through private enterprise and met both the Minister of Finance, Dr. Luis Barua, and the Minister of Foreign Affairs, Gen. Miguel Angel de la Flor. I held a press conference that evening, and in the morning just prior to my departure I met with the President of Peru, Gen. Morales Bermudez.

Peru, which has been ruled by a military government since 1968, just experienced another change of government with the coming to power of Gen. Morales Bermudez at the end of August, 1975. Gen. Morales Bermudez is widely regarded as a pragmatic and stable leader, and it is hoped that he will be able to deal with some of the mounting economic problems that Peru faces.

Peru is attempting a most interesting experiment in development that places it somewhere between capitalism and socialism. It has embarked on the most ambitious land reform program in Latin America. In many ways Peru seems to wish to develop along the lines of Yugoslav worker participation and ownership, with the workers as a whole having an interest in the means of production, but without the individual ownership rights that would characterize a peoples' capitalism.

Relations between the United States and Peru have improved considerably as a result of the settlement of a series of investment disputes with the United States, and the progress toward the settlement of the claim in the case of the Marcona nationalization. Although Peru is active in Third World diplomacy, there seems to be a desire to improve relations with the United States.

The American business community in Peru expressed its concern over the pace of nationalization required by the policies adopted by the Andean Group, of which Peru is a member. For manufacturing and mining companies 45 percent of the shares must be transferred to Peru by 1981. The greatest worry is losing control over their companies management through this process. The law of labor stability prevents companies from dismissing workers. The real question for most businessmen is whether there will continue to be a private sector in Peru.

I had a long and interesting conversation with the Minister of Finance, Sr. Barua, the first civilian in the military government, about Peru's plans for its economy. Peru, he feels, recognizes economic pluralism, and has devised four different types of enterprise to fit various conditions. There is a government-owned public sector which includes basic industry and infrastructure, a social property sector, in which the society as a whole owns the enterprises such as cooperatives or farms—although this is heavily emphasized, it is recognized that this will take a long time to accomplish—a reformed private sector, in which a so-called industrial community receives the increased equity participation of the workers produced by the required divestiture of the present owners; and a small entrepreneurial sector, for which the law is now in preparation.

Multinational corporations do not yet have their own role determined under domestic legislation, although they will fit into the reformed private enterprise sector. The minister admitted the need for the establishment of norms under which multinationals would operate.

Peru represents a most interesting social experiment, but success will depend on economic growth and flexibility of government policy. I stressed the importance of giving business the ability to maintain the efficient operation of their entreprises as workers gain increasing ownership in them. Management must have enough elbow room to manage if it is to be successful. It is much better to encourage business to respond to incentives, such as in training workers, than to force them to hold on to employees that hinder their successful operation.

Peru is enthusiastic about the Andean Pact as a means to enlarge her markets and rationalize production among the smaller countries of Latin America. The United States should consider working with the Andean group toward the most constructive use of the economic rationalization and community it is seeking to achieve.

There is no doubt that Peru has a very difficult road ahead in the coming years. To the extent that pragmatism tempers her imaginative, but untried social ideas, Peru should have a chance of succeeding in her ambitious plans.

PANAMA

I arrived in Panama at noon on January 9 and met later that afternoon with Gen. Omar Torrijos, the Chief of Government, and afterward with the Minister of Planning and Economic Policy, Sr. Nicolas Barletta. On January 10, I had a working breakfast with Governor Parfitt of the Canal Zone and members of the Panama Canal Company and the Canal Zone Government staff. Afterward I was briefed by Lt. Gen. D. P. McAuliffe, the commander of the U.S. Southern Command. I met also with Sr. Juan Tack, the Minister Negotiator in charge of the Panama Canal negotiations for Panama; members of the business community; the regional director of the National Maritime Union, Mr. Rene Lioeanjie; and the Archbishop of Panama, Msgr. Marcose McGrath.

As I stressed in all my public statements in Latin America, the issue of the Panama Canal negotiations at this time is the single most important issue for the United States in Latin America. The Latin Americans regard the outcome of the Panama Canal negotiations as the litmus test of our intentions toward Latin America and as the possible foundation of a new policy relationship in Latin America.

I believe that a satisfactory settlement with Panama on the Tack-Kissinger principles for the Panama Canal is entirely in order.

I had a long and most useful discussion with General Torrijos just prior to his departure—with a large group of Panamanian leaders—for a week's visit to Cuba. I understood the reasons for his trip, which was arranged before the Cuban intervention in the Angolan civil war, but I felt U.S. public opinion would be watching his statements in Cuba very carefully.

I was very clear on the climate of opinion in the United States about the Panama Canal, and stressed that however much there might be a body of opinion in Panama regarding the Canal Zone as a "colonial" relic, it is not generally perceived that way in the United States. In the United States, relations with Panama were seen as mutual between two independent nations. I understood Panama's desire for rapid movement in the negotiations, but we had to be realistic about the length of time it would take to deal with the very complicated issues remaining. General Torrijos obviously is unable to commit Panama indefinitely in the negotiations, but I am very hopeful a new treaty may be agreed upon seasonably.

General Torrijos struck me as a dedicated nationalist desirous of obtaining the best possible result for Panama as he sees it. I believe it is possible to negotiate a new treaty that will be acceptable to the Panamanians and the United States on the basis of the eight Tack-Kissinger principles which are the foundation of the negotiations.

United States interest in the canal centers on four goals; the Canal must be open, safe, efficient, and neutral. I believe that the standard must be one of performance in keeping with these goals, and that Panamanians recognize that a substantial transition time will be necessary if a high level of performance is to be maintained.

The Panama Canal is very important in Panama's future development plans, and among the best elements of insurance for the continued satisfactory performance of canal operations is its central place in the economy of Panama. Panama's Minister of Planning, Sr. Barletta, has developed a diversified plan for Panama's economy, which hinges in large part on efficient canal operations. His projects include new transportation plans for container ports, a new airport with expanded cargo operations, and better rail connections parallel to the canal. Panama also hopes to expand materially its tourism, open a major copper mine, and develop further the already dynamic banking business and free port there. Panama has a free market economy, and has experienced growth rates near 8 percent until the recent worldwide recession.

COLOMBIA

I arrived in Bogota in the late evening on January 10 and met on January 11, with a number of leading Colombian and U.S. businessmen, and later with the Minister of Finance, Dr. Rodrigo Botero. On January 12, I met leading members of the press at a working breakfast. Afterward I met the Director of the Planning Board, Dr. Migues Urrutia, had lunch with the President of Colombia, Sr. Alfonso Lopez Michelsen, and the Foreign Minister, Sr. Indalecio Lievano Aguirre. After a press conference at the airport, I left for Caracas about 5:30 p.m.

This was my first visit to Colombia and I was impressed by the vitality of its democratic institutions and its determination to stand on its own. Colombia is the most industrially developed country in the Andean Group, and is also the most developed agriculturally. Colombia does not have the oil riches of neighboring Venezuela, although it has been self-sufficient in oil until very recently.

Colombia's main concern with the United States is in expanded trade, as a market for Colombia's increasing production of processed and manufactured products. U.S. tariff and nontariff provisions as to textile and leather imports are of great concern to Colombia, but Colombia can also benefit substantially from the generalized system of preferences.

Within the Andean Group, Colombia is striving for lower common external tariffs, the removal of governmental export and other business subsidies and rational market allocation of resources. Her position is opposed by Peru and Venezuela, both of which want more active government intervention in the location of industries and a much higher external tariff. I explored with officials in Colombia the possibility of greater U.S. cooperation with the Andean Group, either through a United States/Andean Economic Commission, or through regional tariff preferences for those items not granted preferential treatment under GSP. For Colombia in particular the United States might consider a bilateral agreement on textiles that would permit a quota limit per year adjusted to U.S. market shares.

Colombia is also proceeding with a gradual nationalization program of industry along the lines set down in the Andean Group. A number of businessmen thought that private enterprise in Colombia was not doing a satisfactory job in helping to narrow the gap between rich and poor, and should take a much more active role in spreading the benefits of ownership to workers. One imaginative scheme along these lines in Colombia involved some 30 years ago the acquisition of the Bavarian Breweries from foreign interests in World War II, and the subsequent sale of its shares to over 200,000 shareholders in Colombia.

The business community stressed the need for local decisionmaking powers for management of foreign-owned companies, and also felt that a longer term view of such interests was necessary. General economic conditions are good in Colombia, with a satisfactory growth in foreign exchange reserves, good prospects for the coffee crop, but a suspension of progress in negotiations with the other Andean Group countries on allocation of industries and strategy for further implementation of its general principles is a negative factor. Colombia, like Brazil, has a form of economic planning, but is focused primarily on the Federal and municipal governments, rather than setting targets for industry. Colombia has also tried the interesting experiment of taking the plan to the people for discussion, and found that it was extremely popular.

I discussed the Panama Canal situation with President Lopez, who has been a positive influence in the negotiations. The canal is quite important for Colombia as a good deal of her trade passes through the canal. We also discussed the need for U.S. assistance to Colombia to help her control the narcotics trade, and I will hope to seek further U.S. assistance following the lines of the President's state of the Union, 1976.

We mentioned the possibility for the development of a technology data bank, which has been proposed for the Americas. This could be a most helpful initiative to Colombia.

The ratification of the treaty on the Quinta Suena Islands by the Senate is held in high importance in Colombia, and the delay is not at all understood.

Finally, we discussed plans for the portion of the Pan American highway from Panama to Colombia through the Darien Gap, which awaits the completion of a zone free of hoof and mouth disease.

VENEZUELA

I arrived in Caracas in the late evening on January 12, and began my working day on January 13 with a breakfast meeting with the President of Venezuela, Sr. Carlos Andres Perez, and leading members of his cabinet. After a meeting with Deputy Oswaldo Alvarez Paz, Acting President of the National Congress, I spoke at a luncheon meeting of the Venezuelan-American Chamber of Commerce. In the afternoon I met the Minister of Finance, Dr. Hector Hurtado, and the Governor of the Federal District of Caracas, Dr. Diego Arria.

Venezuela is a country of enormous vitality in the midst of an oil boom. Caracas has expanded rapidly in the last few years. The details of Venezuela's economic and political policies and problems were exhaustively recorded in a recent article on Venezuela in "the Economist," which I shall insert in the

Record. Therefore, I shall limit my comments to my meetings with Venezuelan officials.

The single greatest source of irritation in Venezuelan-United States relations is the exclusion of Venezuela and Ecuador from the Generalized System of Preferences. This exclusion was added by the House of Representatives to the Trade Act of 1974 in irritation over OPEC policy, although Venezuela actually inincreased its oil shipments to the United States during the oil embargo. I explained to the Venezuelan officials that this exclusion perhaps would be dealt with constructively in the context of overall United States-Latin American relations, whereas it could not be dealt with satisfactorily in energy legislation.

Venezuela is greatly concerned over the possibility of severe inflation from the severance pay to be provided oil workers as part of the nationalization of oil company properties that occurred at the beginning of the year. Although half of the severance pay is to be deposited in banks payable on final severance, the other half paid in cash represents a great injection of spending power in the economy. There are also worries over worker access to the 50 percent of the fund deposited on final severance.

Venezuela has played a very active role in the Seventh Special Session of the United Nations and other fora in which international economic problems have been discussed. Venezuela has taken a leading role in providing assistance to her neighbors in Latin America, as the attached fact sheet shows. A number of my thoughts on Venezuela were included in the speech I gave to the Venezuelan-American Chamber of Commerce, which I shall ask to be printed in the Record.

Finally, Mr. President, my visit to Venezuela indicated a government which has very strong democratic foundations which is struggling with the problems of a large amount of money rather than inadequate money, and has not yet learned how to get the use and benefit of it down to the lower economic ends of the population, but it is really trying. Also, I found in Venezuela the greatest feeling of sensitivity, almost hostility, to the United States. Though by no means a pervasive feeling of a majority of the people, it is a warning sign that a nation which is coming along rapidly, economically, like Venezuela, begins to take a certain pride and dignity in its stand. I found the Venezuelans very irritated by the alleged discrimination in the Trade Act by eliminating them from the generalized system of preferences because they are members of OPEC—they and Ecuador. I think we will have to do something about mollifying that particular feeling of deeply injured national pride.

Second, the Venezuelans are watching with great interest what we do about the Panama Canal as a way of determining whether the policy of the United States toward Latin America will be truly one of mutual respect and interdependence, or whether we may lapse into old ways, which will be disagreeable and distasteful to them.

Altogether, Mr. President, I urge my colleagues to visit Latin America. It is a totally new continent now, with new strivings, new wealth, new productivity, a new self-reliance and a new sense of its own importance in the world. Just as Europeans have a profound special relationship with Africa, I urge my colleagues in Congress to recognize a comparable special relationship between the United States and the countries of all of Latin America, which will be fortified by our loyal and cooperative activities in association with them in the Organization of American States.

Mr. President, I ask unanimous consent that various exhibits and a good deal of supporting information in which my colleagues may be interested may be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Speeches by Senator Javits in Latin America

Senator Javits on New Brazil-United States Economic Policy

São Paulo.—In a speech delivered during a lunch given by the American Chamber of Commerce here (Jan. 6, 1976), U.S. Senator Jacob Javits (R-N.Y.), now visiting Brazil, said he was impressed by the growth of Brazilian exports. He said the new Generalized System of Preferences (GSP) that the U.S. instituted as of January 1st will certainly broaden trade between Brazil and the United States.

Javits answered some criticism against the United States Trade Act and emphasized the U.S. interest in promoting a free and non-discriminatory international trade. This is the guidance the U.S. delegation is observing during the Multilateral Trade Negotiations now in progress in Geneva.

Following are excerpts from the speech of Senator Javits at the American Chamber of Commerce:

It is a pleasure for me to be here with you today.

I believe that the people of the U.S. realize that the relations with the nations of Latin America since World War II, which have been variously characterized as the Good Neighbor, the Alliance for Progress and the Good Partner, are now out of date, so much so that a theory has arisen, perhaps due to our anxiety to keep out of political interference in Latin America, that the U.S. has veered toward a non-policy. Whatever may be the arguments pro and con on this issue, the time has come to express in a plan of action a new policy of economic interdependence among equals in this Hemisphere.

Economic interdependence with Western Europe and Japan in the decades following World War II was institutionalized by various means and resulted in an unprecedented expansion of the global economy. It produced economic growth, fostered industrialization and encouraged development in every quarter of the globe.

Recently this interdependence has been severely strained by the rapid five-fold increase in the price of oil commencing in 1973 which has dealt a critical blow to global stability and prosperity. Inflation, recession and payments balances significantly worsened in all the industrialized world and in those nations—like your own—that had realized substantial progress toward industrialization and development were crossing the development threshold.

Indeed, almost inadvertently, we have seemed not to notice that some Latin American nations are moving rapidly over the threshold and are, or are on the way to becoming, developed. Of these nations Brazil is a probable case in point.

The broad answer therefore seems to be—come and join the developed countries, Brazil. Thereby, you will recognize the new economic interdependence, the fact of your own development and the need of the developing countries to learn from you how to handle foreign investment, and that economic maturity brings with it duties as well as rights.

For my country I feel will welcome more than anything else a more broadly shared responsibility for the world's economy by nations with the good faith toward the individual and the means and will to help him to help himself.

In response to this broad challenge, the US has committed itself to a serious and wide-ranging program of cooperation between the developing and developed world. Much of that program, which was presented at the Seventh Special Session of the United Nations General Assembly in September, is aimed at those countries like Brazil that are well along the path of economic development. . . .

I recognize very well that the phenomenal economic development experienced by Brazil in recent years is due, in large part, to the rapid expansion and diversification of its exports. We, as your principal customer, are greatly impressed with the immense growth in our bilateral trade, a trade which benefits both of our countries. A quick review of the trade statistics makes the point abundantly clear: in the five year period 1969–1974, Brazilian exports to the US nearly tripled from a little over $600 million to $1.7 billion.

Such a substantial growth, even when discounted for inflation, is bound to create some frictions and, more seriously, may cause some dislocations in the importing country. Though trade increases the economic welfare of both the importing and exporting countries, rapid market-disruptive increases in imports can cause severe economic hardship on particular economic groups. This aspect of our trading relationship has given rise to some apprehensions in Brazil and elsewhere, but I believe it has been blown way out of proportion. . . .

Apart from the growth in trade, another feature which merits discussions is the composition of Brazil's exports to the U.S. The traditional view of Brazil as solely an exporter of coffee and other raw materials while importing finished manufactures is not an accurate reflection of reality . . .

Brazilian exports to the U.S. range from the traditional coffee to electrical machinery, from sugar to electronics, from iron ore to finished steel products. In 1973, the United States was the market for 35 percent of Brazil's exports of finished manufactures as compared to 13 percent purchased by the EC and 3 percent by Japan. This dynamic growth in exports of manufactured goods did not occur by chance. Farsighted planning and investment in industry by both the public and private sector have made this possible. The expansion of Brazil's productive capacity has enabled it to compete most effectively in the U.S. and other markets and thereby reap the rewards of an open and expanding international trading system. . . .

Despite the overall healthy growth and diversification of Brazilian exports to the United States, apprehensions continue to be expressed that the U.S. is experiencing a resurgence of protectionism. These apprehensions are clearly contradicted not only by the policy statements made by President Ford and other government officials, but also by an objective appraisal of trade actions taken by the U.S. government.

First, as to the policies, I want to make clear that Congress has the constitutional authority to set trade policy. This authority was exercised in 1974 when the Congress enacted the Trade Act. The Trade Act itself has a primary objective the further development of an open world trading system based on the principle of free and nondiscriminatory trade. Additionally, the Trade Act specifically recognized the trade of the developing countries and granted the Executive legal authorities with which to meet them. President Ford, Secretary Kissinger and other Executive Branch officials have reiterated these basic objectives of the Trade Act in various policy statements made since the passage of the Act. . . .

The Trade Act pays particular attention to the trading needs of our developing country trading partners. It provides authority for the President to implement a Generalized System of Preferences (GSP) which he did on January 1, 1976. Under GSP, the developing countries will be able to export to the U.S. market on a duty-free basis some 2,724 products that had been previously dutiable. Over 885 of these products currently have duties of ten percent or more when imported from developed countries.

The GSP will be of special benefit to Latin America. Of the total amount of trade coverage of $2.5 billion in 1974 trade values, imports from Latin America accounted for more than $1 billion. Brazil alone exported nearly $200 million of eligible trade. Over 500 products exported by Brazil in 1974 will be eligible for duty free treatment. This means that at least 53 percent of Brazil's exports to the U.S. would have entered duty free in 1974 if GSP had been in operation as contrasted with the 41 percent that actually did.

More important than the trade coverage figure, which is a static concept, is the broad U.S. market opened up on a preferential basis in imports in 1974 and was largely supplied by the developed countries. Brazil now has a tariff incentive which will permit it to compete more effectively for this market.

Similarly the dynamic element of our GSP, by opening up new preferential markets for Brazilian industries, will provide an incentive to expansion and diversification of exports in previously untapped product categories. Brazil, with its rapidly expanding and diversifying economy, should be a major beneficiary of this facet of GSP.

The implementation of GSP is a significant policy initiative by the U.S. and one which constitutes a departure from our traditional adherence to the Most-Favored-Nation principle. The U.S. took this action largely in response to the urgings of our Latin American neighbors for improved, preferential access to the U.S. market. . . .

Of greater significance than GSP for Brazil is the authority in the Trade Act which permits the United States to partake in the current round of Multilateral Trade Negotiations now underway in Geneva. Our trade negctiators have unprecedented authority to reduce and eliminate tariffs. Perhaps even more importantly, the United States is approaching these negotiations with a mandate to attack the problems of nontariff barriers to trade. The benefits of GSP, while significant, are temporary, non-binding, and voluntary. The tariff reductions to be made in the MTN, on the other hand, are binding, lasting and cannot be withdrawn without the provision of other concessions and compensation. The reductions in nontariff barriers which we hope to negotiate should likewise be of major benefit to Brazil. . . .

I would like to end by emphasizing that trade policy actions can only create opportunities for increased exports, not automatic export increases. The GSP is a good example. Now that the GSP product list has been published some people view the GSP issue as over and done with. Nothing could be further from the truth. The creation of new trade opportunities is finished, for the time being. But the process of turning these opportunities into net flows of trade has just begun. Each new trade liberalization creates new opportunities. Countries and industries within them that do not put forth their best competitive efforts will lag behind. I have every confidence that Brazil and the industrialists of São Paulo will find themselves among the leaders and not among the laggards, . . .

Remarks by Senator Jacob K. Javits Before the Venezuelan-American Chamber of Commerce, January 13, 1976

(Senator Jacob K. Javits (R–NY), winding up a twelve day tour through Latin America in which he visited Brazil, Peru, Panama, Colombia, and Venezuela and met the leaders in these countries in government and business, spoke today in Caracas before a special luncheon meeting of the Venezuelan-American Chamber of Commerce.)

We seek a New Economic Partnership among the nations of the Americas, as the proper relationship between the developed and the developing countries in the Americas.

The United States has now evaluated its role in dealing with the international problems of economic development and the proposals detailed by Secretary Kissinger at the Seventh Special Session of the United Nations General Assembly last September are the good faith evidence of that policy. I speak with some knowledge on this subject as I was a member of the Congressional Advisory Group which advised the United States delegation to the Seventh Special Session.

Venezuela's key position in the Seventh Special Session and subsequent major role as a leading spokesman for the developing nations has made her views particularly important.

Secretary Kissinger at the Seventh Special Session correctly stated that "the reality is that the world economy is a single global system of trade and monetary relations on which hinges the development of all our economies. . . . The United States firmly believes that the economic challenges of our time must unite us, and not divide us." Nowhere is this more true than in Latin America. The United States will grow increasingly interested in regional relationships in Latin America in a realistic reappraisal of its role in the world caused by the disillusionment of many in the U.S. with certain actions of the United Nations General Assembly. There exists an enormous fund of good will toward the United States in Latin America and toward Latin America in the United States in spite of various understandable irritants. The countries of Latin America have great vitality and resilience, and some have made already remarkable progress in their economic development. Although the world recession has temporarily diminished their rates of growth, the future offers great promise for many of their economies.

The two years that have elapsed since the enunciation of the "New Dialogue" policy for Latin America have seen vast changes occur in the world's economy, most notably the sharp increase in world oil prices and the world recession, from which we are only just beginning to recover. Latin America may not have been hit so hard as other parts of the developing world, but here the impact is also being felt in lower growth rates and severe balance of payments problems in a number of countries.

At the same time the developing countries have demonstrated a new unity and new power in international organizations in their attempt to redress the world's economic balance.

My visit to our five American neighbor countries has given me a most vital impression of the variety of means and philosophies that are being implemented to solve these problems. Each country is remarkably different, yet in each I found a profound sense of shared destiny with the other nations of the hemisphere and a great will to solve our problems in harmony.

But I must stress that the countries of Latin America are not interested in new slogans; they want serious action. If there is to be true equality among our nations, there will be give and take on both sides, replacing the old donor-recipient relationships of the past. I am sure the United States will be forthcoming and cooperative and do its full share and more in this new context. Indeed the efforts of Venezuela, Brazil, Colombia and others to aid their American neighbors in new and creative ways are, I believe, well appreciated in the United States.

Although there are a number of issues one could discuss in this context of US-Latin American relations, I want to single out three major ones for comment: the Panama Canal, human rights, and the role of private initiative in economic growth.

The desire for a new Treaty on the Panama Canal unites all Latin Americans, and is currently the single most important issue for the United States in this hemisphere. It is also a major opportunity for the United States to inaugurate a new policy relationship in Latin America. Interest in the Canal centers on four goals; the Canal must be open, safe, efficient and neutral.

I believe the standard must be one of performance and that the four goals can be accomplished in a new Treaty negotiated under the Kissinger-Tack principles, which principles I support.

Also, from my discussions in Panama, I am encouraged about the prospects for a new Treaty which the U.S. Senate will be able to ratify. This is an extremely important economic—as well as political—issue for Latin America as many of the Latin American countries send a greater percentage of their commerce through the Canal than does the United States.

The ability of Panama and the U.S. to agree on a new Treaty also will, I feel, set the tone for the future of U.S.-Latin American relations.

Respect for human rights varies substantially from country to country in Latin America, with the news stories out of Brazil and Chile being particularly serious from the point of view of U.S. public opinion. Concern for the rights of individuals has led the U.S. Congress to deal quite strongly with the human rights issue in the recently passed foreign economic assistance legislation, and even more strongly in the military assistance bill which is now being considered in the Senate. I do not feel that the hemisphere can tolerate any abuse of individual human rights on the theory that it is necessary to the promotion of social stability and therefore of economic growth. There is an absolutely clear connection between respect for human rights and democratic government, and this explains why people in the U.S. consider democratic governments in this or any other part of the world to be so vital.

I say this while being well aware that it is argued in some circles that authoritarian governments create a friendly climate for private business. I regard this as a real delusion. The fact is that people seeking human rights should feel that enlightened business is their ally, and not against them. For a climate of denying human rights must inevitably become a climate of denying human rights to business and to the individuals who carry on business, too. The U.S. is full of friends of those who strive for human rights and democratic government in Latin America.

Finally, I wish to speak of the role of private initiative and private investment in Latin America. There continues to be a substantial role for both domestic and foreign private investment here, although there are substantial differences over the amount of foreign private ownership that will be permitted. U.S. companies seem to me to be quite willing to be flexible on the question of ownership so long as they are not subject to discrimination and the rules of the game are spelled out clearly.

The multinational corporation remains one of the creative private instruments for the transfer of capital and technology of our time, and can continue to be such an instrument because it is capable of promoting economic growth more efficiently than virtually any other mechanism. However, some companies have hurt the whole concept by reprehensible abuses and unethical practices which must be stopped.

I foresee the development of a code of conduct for multinational corporations, under international auspices arising in part out of the work of the U.N. Group of Eminent Persons studying multinational corporations for the United Nations two years ago, of which I was a member, and other efforts. In our common interest to promote growth in the Americas we shall continue to need the services of private enterprise and investment, and by mutual agreement I believe we can deal effectively with eliminating the abuses by some which have arisen.

BRAZIL

JAVITS URGES ECONOMIC INTERDEPENDENCE

(By Louise Warner)

SAO PAULO.—Sen. Jacob Javits (R.-N.Y.) called for a new policy of "economic interdependence among equals" in a luncheon speech yesterday to members of the American Chamber of Commerce for Brazil—Sao Paulo, held at the Hilton Hotel. "Brazil is now crossing the threshold," he said, "from that of a developing nation to that of a developed nation, and we say to you, come and join us as a developed country, and accept the philosophy that you are now grown up, mature—declare yourself."

The audience listened with rapt attention as the 71-year-old Javits said that the U.S. would welcome a more broadly-shared responsibility for the world's economy, and emphasized that the U.S. will no longer "help those who don't help themselves." He gave the example of agricultural trade—now called "agribusiness"—and urged Brazil to become a "breadbasket nation." Stating that the U.S. can't be the "cornucopia" any more, he drew applause from his audience by declaring that "We are no longer in the business of philanthropy."

With emphasis on the trade situation between the two nations, Javits stressed the need for long-range thinking. "We cannot expect to balance it out (trade) day by day, piece by piece. . . . Developed nations must be able to look at it with the long-range view." When asked specifically about shoe exports, he noted that "neither side must be blind to the other's problems." In furthering Brazilian exports to make up the current imbalance of $1.5 billion, he urged American businessmen here to look into the possibilities of items and commodities for export. "The new duty-free list gives Brazil a potential of another $2.5 billion of exports if they take advantage of it," he noted.

Javits' mission to Brazil, as one of the senior members of the Senate Committee on Foreign Relations, is a move to sustain and develop trade between the two nations. He said that he looked toward a new policy of "regionalism," with more and more dependence upon regional organizations, and with emphasis on the aforementioned "economic interdependence among equals."

Javits went on to say that the "rapid, 5-fold increase in the price of oil over the last two years has resulted in so much transfer of purchasing power to countries with small populations that it has created a vacuum that could result in economic catastrophe, unless it is corrected." He noted that the International Monetary Fund is available to countries caught short by the oil crisis, and that "even Britain has taken to drawing from the IMF."

With regard to multinationals, Javits remarked that Brazil "seems to have handled the problem of the multinational and foreign investment better than most, and that we have much to learn from this." He said he believes that the case will be proven for the multinational, as an essential, productive source of jobs, and looks toward some form of international control of multinationals in the future.

When asked about the future of New York City, he stated that "New York City has now been given the means to breathe for the next three years, but the people will be required to exert discipline because of reduced services." Javits also expressed the hope that the business community of New York will give it the confidence it needs to get through this period. New York's problem has been compounded by a demographic population shift that brought it 3 million unskilled workers in ten years, and raised unemployment to 12 per cent. He stressed the fact that New York's political boundaries of 200 years ago now bear no relation to the economy, and that they must adopt techniques which are "supragovernmental," so that New York can be treated as a metropolitan area. "We have already begun to do this," Javits said.

ECONOMIC PERFORMANCE EVALUATED

SAO PAULO.—Not until the end of January will all interested parties be treated to a real statistical evaluation of 1975. But President Geisel in his year-end speech to the nation, summed it up well. The Brazilian economy turned in a less enthusiastic performance than had been hoped for at the beginning of the year. However, things could have been far worse.

Preliminary estimates, according to the President, put Brazil's economic growth well above the annual population increase—currently estimated to be 2.7 per cent. A growth rate of anywhere between 4 and 6 per cent (estimates provided by Finance Minister Simonsen) will have provided for a modest boost in per capita income, albeit far less significant than in previous years. President Geisel again pointed out that Brazil has maintained a very significant margin over growth rates registered in the U.S. and Europe (reeling from the effects of the recession throughout most of 1975). In fact, Brazil's relative performance in international terms has never been better. There are those who argue that Brazil can take no solace in the fact that things are better here than abroad due to the special problems involved in being a developing country. This is, in fact, quite true as Brazil can ill afford sluggish growth if its major social problems are to be brought under control. But this has always been true and really represents nothing new. A seven per cent spread over the average growth rates in the U.S., Europe, and Japan is as well as Brazil can ever expect to do given an increasing dependence on international markets.

The big question, which the President did not address in numerical terms, is whether Brazil will not finally have to pay a high price for the prosperity it enjoyed while the rest of the developed world was on its heels. President Geisel thinks not. Taking a real crack at the current harbingers of doom, the President argued pursuasively that there are no structural factors which dictate zero growth or a recession (strictly defined as three consecutive quarters of negative growth). He promised a strong performance on the part of his administration and solicited what he considered to be realistic business confidence. Import related areas will be hurt, he maintained, but other sectors of the economy (notably civil construction, agriculture, capital goods, and textiles) should enjoy respectable prosperity. Furthermore, perspectives for 1976 are further cheered by what appears to be a genuine recovery slowly taking hold in the international economy. In this long-range recovery lies the solution to Brazil's major impasse for 1976—the balance of payments. The President also promised that all of his administration's major social undertakings would continue to be prosecuted during the coming twelve months. His speech, however, was noticeably bereft of any references to Brazil's future path in terms of internal politics. Comments in this area had been widely expected.

Now that the initial horror of the new import restrictions has worn off somewhat, it apears that the majority of responsible opinion more or less reflects the President's views. There is less talk of zero growth, and businessmen appear to be gearing up for a difficult but viable year. The rules of the game have been pretty clearly established and the basic course that the economy will chart this year should unfold rather quickly.

RESERVES

During 1976, there are few figures in the economy that will be watched as closely as the position of Brazil's international reserves. Brazil's whole balance of payments policy will be built around the need to maintain international reserves at a level sufficiently high to meet all obligations and maintain international investor confidence.

On Friday, the Central Bank announced that as of September (or the end of the third quarter, 1975) Brazil's reserves rested at a still substantial $3.772 billion, or slightly above the lowest point of the year, which was registered in July. In that exports did not come up to snuff in the final quarter, December 1975 reserves will undoubtedly be somewhat lower. The Central Bank (both for technical and political reasons) usually maintains a reporting lag of roughly one full quarter, so the year-end figure will still be some time in the brewing.

Finance Minister Simonsen, based on preliminary data, has estimated that reserves probably dropped by $200 million during the final quarter and will finish up the year at just under $3.6 billion. This still leaves Brazil in a very respectable position, assuming the 1976 deficit in the trade account can be significantly cut. More complete information on the overall 1975 balance of payments performance should be forthcoming shortly.

PETROLEUM

In the closing days of the year, Petrobras treated the nation to what might be a significant Christmas present. Again, off the coast of the State of Rio de Janeiro, Petrobras has discovered oil in an area lovingly dubbed "Namorado." Mines and Energy Minister, Shegeki Ueki, stated that preliminary indications are that "Namorado," may be Brazil's most significant discovery to date. Tests run on the well that brought in the original oil suggest a future production capacity of 8,400 barrels per day. More significantly if the whole oil field behaves in a manner consistent with international experience (which is by no means certain) "Namorado" could eventually bring in as much as 54,000 barrels/day. This would be most welcome indeed. Ueki and Petrobras were very careful not to generate the kind of premature enthusiasm that accompanied the discoveries in Campos just over a year ago. As usual, there will be considerable delays before the full truth will be known. Two more drilling sites in "Namorado" have already been approved, and Brazilians can only wait and see if they pan out.

In related news, it appears that Petrobras is pushing ahead with the complicated procedures to make the risk contract mechanism fully operational. According to one reliable source, the company is currently drawing up what will serve as a model contract and deciding which points are negotiable and which are not (area to be explored, percentage of the take, method of payment, employment practices, standardized system of accounting to be used, etc.)

Current rumors have it that Petrobras hopes to have all of this out in the open by March of this year, at which times the negotiation process with foreign companies could begin in earnest. It does appear that there will be no undue delays, for this whole contract and procedures process is being directly overseen by President Geisel.

The first hard evidence on the overall performance of the Brazilian economy is in. While the State of São Paulo is by no means representative of the whole country, it still remains the major agricultural and industrial state of the nation and what happens in São Paulo is very significant for Brazil.

According to the state's finance ministry, São Paulo's overall economic performance improved by 4.96 per cent (in real terms) during 1975. Agriculture got absolutely clobbered, long anticipated as a result of the severe frosts and subsequent dry spell. Agricultural production actually fell off by 9.8 per cent. Industry and services, fortunately, fared considerably better, registering 7.12 and 7 per cent increases respectively. The report specifically notes that public sector spending was key in industry's overall success, as well as a significant resurgence in consumer demand during the latter half of the year. While coffee will still be off for the coming year, São Paulo's agricultural sector should get a significant lift from the performance of other crops, that is, weather permitting. Local authorities were not pleased with the state's overall performance but reflected the national feeling that it could have been worse given the stubbornness of the export markets—which are very significant in São Paulo's economy.

FOREIGN EXCHANGE

The foreign exchange market was quiet this week, offering very little cover yet weak demand—largely due to the year-end holidays.

Banks were buying spot at CR$9.055/9.060 for cable and at Cr$9.050/9.055 for airmail and selling cable at Cr$9.065/9.070 and airmail at Cr$9.060/9.065. Exporters were offering their forward cover at Cr$9.065/9.070, without advances and at Cr$9.020 with 90 days advances of 80 to 100 per cent of the cruzeiro equivalent less monthly interest of 0.8 to 1 per cent of the amount advanced. Import forwards with cruzeiro deposits were sold at Cr$9.020 with some banks paying bonuses of up to 1 to 1.2 per cent per month. Forwards with less than 100 per cent cruzeiro deposits were sold at Cr$9.070 plus a monthly premium of 1.3 to 1.6 per cent on the part of the contract not covered by a deposit. The interbank rate was Cr$9.055/9.057 for checks and Cr$9.058/9.060 for cable with brokerage fees for the account of the seller.

PRESIDENT ERNESTO GEISEL

RIO DE JANEIRO.—President Ernesto Geisel has removed one of Brazil's most outspoken and hardline generals from his Sao Paulo command following the death of a political prisoner in an army prison—the second such death in that city in four months.

The replacement of Gen. Ednardo d'Avila Melo as 2d Army commander in Sao Paulo was announced by presidential decree within minutes of an army announcement that a metal worker had been found dead in his cell over the weekend.

Observers here saw the removal as an attempt to impose a new code on the country's security forces, which have been accused by political prisoners and lawyers of torturing hundreds of prisoners.

After the death of journalist Vladimir Herzog in a Sao Paulo army prison cell in October, described by the army as suicide, Geisel was quoted by newspapers as saying he would not allow such an incident to happen again.

THE PRINCIPAL RESULTS OF THE ECONOMY IN 1975

(After trying to show company managers what directions business activity was taking throughout the year, Business Trends uses this issue to report its estimates of the numerical results of the Brazilian economy in 1975. Getting these figures in advance will provide executives with the necessary bases, at the opportune time, to formulate their plans for 1976).

The confidence of the authorities in the recovery of the international economy and in at least a reasonable balance-of-trade performance, was not borne out. And, internally, problems with floods, frost, money and delays in defining new priorities ended up containing Brazilian economic growth. To be sure, when compared with the results obtained by the developed countries, Brazil still has some grounds for being proud of itself. After all, its Gross Domestic Product (GDP) in 1975 expanded by 3.5 to 4%, whereas the combined index of the industralized nations reflected a 1.5% retraction. But one must also take into account that the demographic growth rates of those countries are far lower than Brazil's. Thus, in relation to the developed nations, Brazil's per-capita income did not grow as rapidly as it had been doing in previous years. (In 1974, compared to a zero growth rate among the developed countries, per-capita income in Brazil expanded 6.6%.)

By the end of the year, Brazil's GDP should amount to very close to US$93 billion, with a per-capita GDP of approximately US$860, in accordance with the reformations in the national accounts that were made by the Getúlio Vargas Foundation (FGV) in 1973.

After having maintained stunning growth rates in the opening years of this decade, the industrial sector registered a less-than-satisfactory advance for the first time in the seventies. As a result of the instability in the consumer goods sector and of the insufficient emphasis given to capital goods, Brazilian industry showed a growth rate of close to 4%. The agricultural sector again recorded a mediocre rate of expansion. While the official figures have not yet been released, BUSINESS TRENDS estimates indicate that agricultural growth in 1975 should not exceed 1%.

Services, including commerce, should ring up a growth rate of 5.5 to 6.0%, proving this area to have been the most active of the Brazilian economy.

BALANCE OF PAYMENTS: A DEFICIT OF US$ 1.5 BILLION

A good part of the difficulties faced by Brazil had their origin in the external accounts. At the start of the year, when exports were forging ahead, the government was reluctant to curtail imports. Although restrictive measures were adopted, any form of shock treatment was avoided. In fact, through June, exports had reached US$ 4.2 billion, versus US$ 6.0 billion in imports; in other words, respective increases of 35.5% and 7.1% were registered over the like period the year before. At this pace, it was hoped that by the end of the year exports would have reached US$ 10 billion without imports going beyond US$ 12 billion. A trade-balance deficit of US$ 2 billion seemed supportable. But things didn't work out that way. BUSINESS TRENDS estimates fix exports, by the end of December, at US$ 8.6 billion, and imports at US$ 12.3 billion, for a deficit of US$ 3.7 billion. Of course, some reduction in imports was obtained (2.4%), but the expansion of foreign sales was disappointing. With the deficit in the balance of trade, plus the services shortfall, the current account balance should add up to a negative US$ 6.3 billion, an amount that the net capital inflow will be unable to offset. Thus, direct investments of US$ *830 million*, added to net loans and financing of US$ 4.0 billion, will have to be complemented by US$ 1.5 billion out of the international reserves in order to close out the balance of payments. The consequences will be drastic: the reserves will shrink to US$ 3.7 billion, the gross external debt will jump to US$ 22.3 billion, the net external position to US$ 18.6 billion, and the net external debt/exports coefficient will advance to 2.16.

BRAZIL'S BALANCE OF PAYMENTS

[In U.S. dollars, millions]

	1973	1974	1975*
I—Balance of trade	7	−4,684	−3,700
Exports	6,199	7,951	8,600
Imports	−6,192	−12,635	−12,300
II—Services	−1,722	−2,463	−2,500
Income	944	1,558	
Expenditures	−2,666	4,021	
III—Transfers	27	1	−100
Inflow	128	138	
Outflow	−101	137	
Current account balance	−1,688	7,147	−6,800
V—Net capital movement	3,512	6,235	5,300
VI—Errors and omissions	355	−27	
VII—Balance of payments	+2,179	−938	−1,500

*Estimated figures.

Sources: Central Bank and Business Trends.

INFLATION: OVER 29 PERCENT

Measured in terms of the Wholesale Price Index covering goods and services for domestic use, inflation in 1975 should be over 29%, thereby frustrating the government objectives announced at the start of the year (20%) and in June (25%). In truth, however, had it not been for the climactic accidents that pushed the indices skyward in August and September, the rate may very well have been down around 26%. In any case, for the second consecutive year, the high inflationary rate must have blocked any relevant increase in the money supply which, kept under strict control by the monetary authorities, registered a nominal growth of 34.5% in 1974 (zero, in real terms), and 30% in 1975 (less than 1%, in real terms).

PERFORMANCE OF THE ECONOMY, SECTOR BY SECTOR, IN THE LAST 6 YEARS

[In percent]

			Services		
Ano	Agriculture	Industry	Commerce	Transportation and communications	Gross Domestic Product
1970	5.6	11.1	9.0	14.9	9.5
1971	11.4	11.2	12.8	8.4	11.3
1972	4.5	13.8	11.9	8.1	10.4
1973	3.5	15.0	12.5	16.2	11.4
1974	8.5	8.2	10.9	16.5	9.6
1975[1]	.8	3.7	4.0	6.5	4.0

[1] Business Trends estimates.

Sources: Fundacao Getulio Vargas, Central Bank and Business Trends.

PERU

[From the New York Times, Jan. 11, 1976]

THE FAILURES OF PERUVIAN REFORMS

(By H. J. Maidenberg)

LIMA, PERU.—After marching down a vaguely defined "path between capitalism and communism" for seven years, Peru's military rulers have been confronted suddenly with an economy gone sour.

Conditions have deteriorated to the point where the Treasury and central bank have quietly banned the issuance of statistics to all but a handful of high officials.

But the information that is available is enough to indicate that Peru's foreign exchange reserves have fallen to a critical level, that its trade deficit last year came to $1 billion (equivalent to fully two-thirds of what the nation earned from exports) and that overseas bankers are refusing to extend new credits.

Politically, the government faces mounting anger from all sides because of growing food shortages, hobbling inflation and recent disclosures about mismanagement and corruption in high places.

Aggravating the situation is the fact that the military forces that seized power here in 1968 have become captives of their own revolutionary rhetoric, which has raised the consciousness and the expectations—but not the living standards—of the wretchedly poor Indians who constitute two-thirds of Peru's 16 million people.

Upon taking power, the military made the most sweeping land reform measures witnessed in South America, nationalized a great part of the nation's economy and introduced a vague system known as the "Social Community," by which labor has been granted a voice in corporate affairs as well as a share of profits.

The military's economic and social programs met with initial success because they coincided with the employment of orthodox monetary management and increasing prices for Peru's chief exports—copper and baser metals, silver, sugar and fish products.

Last year, however, the economic downturn in North America, Europe and Japan, Peru's major customers, sharply slashed export earnings, while the cost of imported foodstuffs and industrial items soared. Peru's exports dropped by 20 percent as imports soared 50 percent.

The resultant economic crisis contributed greatly to the ouster of President Juan Velasco Alvarado by another General, Francisco Morales Bermudez, late last August, but resulted in no significant change in policy.

President Morales is widely acclaimed for his grasp of economic matters and was one of the leading intellectual authors of Peru's revolutionary reforms, but according to close associates, his options for righting the present situation are severely limited.

For one thing, the Treasury has only $200 million of uncommitted reserves, just a third as much as a year ago. To make matters worse, Peru's foreign debt is $3 billion, much of it short-term.

While foreign banks, international lending agencies and aid organizations can be expected to protect their existing investments here by rolling over their loans (at substantially higher interest rates) bankers say that they are reluctant to make new commitments, except for some specific mining and petroleum development projects.

The bankers assert that they were misled about the true condition of the economy by officials of the previous military regime. Above all, the creditors have been stunned by President Morales' public accusations of mismanagement of key sectors of the economy.

Agriculture is one case in point. In converting the large plantations and other profitable land holdings into cooperatives, the military thought it had solved one of its most vexing problems in dealing with the Indians.

This proved an illusion. Most of the Indians still exist on the highlands, working small communal plots and producing barely enough for their own needs. Further, the government agencies set up to help the cooperatives market produce quickly became depositories of inept and corrupt officials, many of whom are now under indictment.

Adding to the farm workers' disillusionment was the system of price controls aimed at keeping down the cost of living for urban consumers, a serious concern because of the continuing migration of rural people to towns and cities.

As production costs mounted, however, the price controls not only discouraged farm output, but also encouraged smuggling of foodstuffs to neighboring countries.

As a result, Peru has been forced to import record tonnages of foodstuffs, the cost of living soared by an estimated 40 percent—a record by Peruvian standards—in 1975, and the cooperatives have been hotbeds of frustration.

The industrial sector also presents a classic example of economic disarray caused by unrealistic government planners. Peru's industrial plant is small, dependent upon foreign components and protected against far more efficient overseas competitors by high tariffs.

As labor was insinuated into management and private company owners were forced to share profits, many industrialists took their money out and, in many cases, placed their decapitalized concerns into bankruptcy. To keep unemployment from soaring, the Government nationalized these uneconomic industries—largely Peruvian-owned—and maintained production

A number of old and uneconomic copper, iron ore and other foreign-owned mining operations were also taken over for the same reasons. State-owned copper mines now produce the metal at a cost of 75 cents a pound, compared with 55 cents at remaining foreign-owned mines. The world market price for copper today is about 55 cents a pound.

In copper, both the Government and foreign-owned companies were planning vast expansion programs even before the metal hit a record $1.50 a pound on world markets in early 1974. Production in the nation should double, to 440,000 tons by the end of this year, which augurs ill for a return to such high levels.

Moreover, the foreign companies, which do have the capacity to turn out finished copper items, would appear to have the marketing edge in that low raw-metal prices traditionally stimulate sales of finished products.

Another trouble spot is in petroleum. The Government has committed hundreds of millions of dollars to explore for it in the Amazonian region—including $600 million for an oil pipeline from the Amazon over the Andes to the Talara refinery complex on the Pacific coast.

But the much publicized new Amazonian fields have thus far been disappointing and several foreign oil companies have already left the area.

Then there is the state-controlled fishmeal industry. Foreign and local businessmen had made Peru the leading exporter of fishmeal, used as a protein supplement for livestock. Then a mysterious change in ocean currents and temperatures caused the anchovy, chief source of the meal, to all but vanish from the nation's coast in 1972.

In 1973, the government stepped in to save the industry. Today, the anchovy is again being fished, but the schools are much smaller and production last year was roughly 1 million tons, compared with the pre-1972 output of 2.3 million tons a year.

Cost to the government: $230 a ton to produce the meal. World market price: $200 a ton.

[From the New York Times, Sept. 28, 1975]

Peru's New President Faces Diverse Economic Pressures

(By Jonathan Kandell)

Lima, Peru, Sept. 27.—A month after taking power in a bloodless coup, Gen. Francisco Morales Bermudez, the new President of Peru, is facing economic pressures that have led both leftists and conservatives to believe that there will either be an increase in state control over the economy or an attempt to stimulate private enterprise and investment.

President Morales has vowed that he will "not budge a millimeter" from the left-wing nationalist program set by his predecessor, Gen. Juan Velasco Alvarado, who headed the revolution poclaimed by the armed forces in 1968 until his own overthrow.

But the military's revolution is being shaken by a worsening trade balance, sluggish industrial production, mounting labor strikes, and a rash of business bankruptcies. Leftists are urging more radical economic and political measures in the face of rising unemployment, while conservatives are arguing that new emphasis must be placed on the private sector of the economy.

The military Government is the only one in South America that has committed itself to radical structural reforms designed to close the social and economic chasm between an impoverished majority and a small elite.

On most of the continent there has been a rise of right-wing military and civilian governments that are convinced that economic growth spurred by strong private capital will eventually filter benefits down to the poorest sectors. The Peruvian armed forces, viewing this approach with profound skepticism, have tried to combine private capital with a stronger participation by the state and the working class.

HELPING THE INDIANS

Repeatedly the military has asserted that it hopes not only to carry out a more equitable distribution of wealth but also to bring the Indian majority into the social, political and economic mainstream. That majority has survived the four centuries since the Spanish conquest more as victim than as participant.

The Government has carried out one of the most extensive agrarian reforms in the history of Latin America. It has put into effect programs that will eventually give industrial workers at least a 50 per cent share in their companies' profits and a proportional voice in management. It has also greatly expanded the role of the state in industry and has gained control of large segments of the economy that were in the hands of foreign, chiefly United States, companies.

After seven years in power, however, the Government still appears to lack significant popular support—partly because the armed forces have distrusted virtually all civilian groups and have declined to delegate authority outside a growing military bureaucracy.

Moreover, the country is so fragmented by race, geography and income that only a small minority of the 15 million Peruvians have actually seen their living standards improved.

On the slopes of the Andes the stocky descendants of the Incas lead a hand-to-mouth existence as shepherds and marginal farmers. In the sparsely populated rain forests covering more than half the country the Amazon Indians are even more oblivious to the central Government.

Until now the armed forces have been able to control the pace of their revolution and have faced little organized opposition. Businessmen grudgingly accepted reforms because profits could still be made during a period of relatively high economic growth. Leftists welcomed the Government's measures as an opportunity to awaken the political consciousness of the traditionally passive urban and rural poor.

But economic growth is slowing now. Inflation hovers around 30 per cent—an unusually high annual rate for Peru—and is afflicting the urban poor especially.

The jobless and underemployed encompass as much as a third of the economically active population, and there has been mounting labor unrest in mines and factories as their ranks swell. Industrial output and mining production are declining. Consumer sales are just barely keeping up to last years levels.

More serious in the longer range are the doubts that have risen over financing. The Government has counted heavily on a billion-dollar effort to uncover enough petroleum in the Amazon Basin to convert the country into a major exporter, but there is growing pessimism that the venture—the most expensive undertaking in Peru's history—will yield enough oil to cover investment and loans.

A DIVERGENCE IN EXPECTATIONS

Businessmen feel that the Government, particularly because of President Morale's pragmatic reputation, will opt for stable growth rather than press ahead with change. Leftists, on the other hand, are convinced that the military will not accept the growing unemployment and will decide to convert faltering private concerns into enterprises, controlled by state and workers.

In recent months about 80 companies have declared bankruptcy, leaving more than 40,000 workers unemployed. In a memorandum passed on to President Morales this week, labor groups contended that the bankruptcies were fraudulent, aimed at circumventing new laws calling for gradual worker participation in profits and ownership.

Businessmen maintain that the bankruptcies are a result of falling sales, rising costs, tighter credit and "inflexible" labor statutes that prevent pay reductions or cutbacks in the work force.

In the last few weeks considerable controversy has surrounded the bankruptcy of the largest private shipbuilder, Fabrimet. Its factory and shipyards, in Callao, the port adjoining Lima, have been taken over by about half of the labor force of 450.

According to a labor leader, Luis Fernandez, the workers seized Fabrimet after it announced that it was liquidating its assets and auctioning its equipment to pay off creditors.

The employees are urging that the Government convert Fabrimet into a state-financed, worker-owned concern. This week the workers won a round when a labor judge ordered the owners to suspend the auction.

Management sources said that to remain solvent the company would have to lay off more than two-thirds of the work force but that the labor laws forbid such cutbacks.

Because of publicity the Fabrimet case is being viewed as a sign of the Government's willingness to lend financial and political support to growing worker demands for control.

Other notable test cases are arising, particularly in mining. Most of the small and medium-size private mines are in poor shape. Prices have fallen sharply the last 18 months while costs have soared and credit has tightened. Copper is selling at about 60 cents a pound on the world market. But it costs a Peruvian underground mine 64 cents to produce it.

An added burden has been antipollution laws for refineries in the United States, Europe and Japan. Since most copper and zinc concentrates from the smaller Peruvian mines have a high waste content, stocks have been piling up because they are not accepted abroad.

To meet the situation the Government is offering a $50-million line of credit to all small and medium mines, with the specification that a company must increase its workers' share of ownership in proportion to the loan. The Government can also decide that if owners are unable to repay the loan, the mine can be turned over to the workers.

"It is obvious that the measures do not lead to the strengthening of the small and medium mining companies, but rather they take resources and future opportunities away from them and put them on the road to extinction," said the Mining Association, which represents owners.

The owners suggested that they be allowed to discharge workers and that the Government buy stockpiles while world prices remained depressed.

BIGGEST MINE TAKEN OVER

The Government has rejected this alternative. Only last week, it took over the administration of El Condor, the fourth largest copper producer in the country because the company was unable to pay its 600 miners and meet its debts. The take-over occurred after the miners marched 200 miles to Lima.

Nationalization has not proved to be a panacea, in the short term at least, for either the Government or the workers. A case in point was the take-over of the mining complex owned by Cerro de Pasco, a United States concern, which reached a financial settlement with the Government in 1974.

The complex which was renamed Centromin and is in the Andean plateau about 150 miles east of Lima, employs more than 15,000 miners and is the largest enterprise in the country.

Earlier this year the government announced that Centromin's pre-tax profits were $80-million in 1974, an increase of 25 per cent over those recorded by North American management in 1973. While the increase was due to the excellent world prices in the first half of 1974, the Government was apparently eager to demonstrate that a state enterprise could outperform foreign private management.

The publicity backfired when mineral prices fell this year, cutting profits by more than two-thirds, according to the Government. Meanwhile, the miners' expectations had soared; the Government says that their demands for increased wages and other benefits are more than the profits of the last 24 years.

ALLEGATIONS BY THE MINERS

The miners have published open letters complaining the Centromin has hired an excessive number of high-salaried officials, has fallen behind on housing and recreation programs and has failed to involve miners in management and decision-making, as specified by law.

PANAMA

[From the Washington Post, Jan. 17, 1976]

CASTRO ADVICE ON CANAL AIDS PANAMA, FORD

(By Edward Schumacher)

PANAMA CITY, Jan. 16—Panamanian strongman Omar Torrijos returned from Cuba yesterday with a diplomatic triumph that has bought time for both him and President Ford in the Panama Canal negotiations.

Gen. Torrijos returned not only with the expected assortment of cultural and technical exchange agreements, but also with the outspoken support of Prime Minister Fidel Castro for the Panamanian policy of patience in the negotiations.

Coming from Latin America's leading leftist, that support has undermined the potentially violent fervor of leftist students here for speedier negotiations and the immediate takeover of the canal by Panama, according to American and Panamanian officials. Those students are the only serious opposition to the general's rule at the moment.

Torrijos thus has bought at least some of the negotiating time he has said is needed to wait out the U.S. presidential elections. The future of the 70-year-old canal is a volatile issue in the U.S. Congress. The Ford administration does not want to submit a new canal treaty in this election year, and Torrijos has indicated sympathy with this position.

Moreover, presidential challenger Ronald Reagan has turned the canal into a Republican presidential primary issue by charging that the negotiations are a sellout of American power and sovereignty rights in the canal.

News reports from Washington say the Ford administration is delaying the negotiations but American and Panamanian negotiators here insist they have not slowed. In contrast to their early optimism for a quick treaty when negotiations began in June 1974, they now say that the delicate negotiations and the actual drafting of the treaty language probably will carry beyond the November election anyway.

The three major issues remaining are: The amount of land, water and military bases to remain under U.S. jurisdiction; U.S. defense rights beyond the treaty's expected 25-to-30-year phaseout of the U.S. presence, and the rent the U.S. will pay.

Both sides agree that the 10-by-50-mile Canal Zone that cuts Panama in half is not sovereign U.S. territory—as has been argued for years by many in the United States.

Torrijos disclosed in Cuba that Castro has been advising him through emissaries in recent years to be patient in the negotiations and not resort to force.

Torrijos opened diplomatic relations with Cuba more than a year ago but had refused private invitations from Castro to visit Cuba out of fear of upsetting the canal negotiations, sources close to the general said. After bitter wrangling among his advisers, he accepted the current trip before the revelation that Cuban troops were fighting in Angola.

U.S. officials were pleased to note that the final communique between the two Caribbean leaders was a pro forma document that did not mention either Angola or Cuban demands for the independence of Puerto Rico.

Torrijos avoided both of these issues sensitive to the United States, to the point of holding a separate parting press conference and then leaving the country before Castro held his own. Castro then denounced the U.S. and affirmed Cuban intervention in Angola.

"The trip was a way of showing we are really committed to the policies of the Third World and to emphasize our foreign policy of pluralism," said Carlos A. Lopez Guevara, one of Panama's leading canal negotiators.

The Cuban embassy, with a staff of 30 to 50, is the next largest embassy here after the United States. Cuban cigars can be bought but trade between the two countries is still minor.

The extent of technical and economic cooperation in the agreements signed in Havana is unclear. But about four months ago Panama quietly instructed the Cubans here to cease their aggressive contacts in the ministries and among students.

Castro's support of eventual Panamanian control of the canal is added to that of nearly every Latin American country in an issue that has come to symbolize the Latin opposition to American dominance.

"Panama will have the last word," Torrijos said at the press conference. "We are—remember this—in a process of liberation and one of the means by which that can be reached is through negotiations."

THE DEPARTMENT OF STATE

CURRENT POLICY

Panama Canal Treaty negotiations

Immediately after its formation as a nation in 1903, Panama signed a treaty with the United States which granted the United

States—in perpetuity—the use of a 10-mile wide strip of Panamanian territory for the "construction, maintenance, operation, and protection" of an interoceanic canal as well as all the rights, power, and authority which the United States would possess "if it were the sovereign." The very favorable terms of treaty were a major factor in the decision by the United States to build the canal in Panama rather than in Nicaragua, which was widely favored at the time.

Despite some revisions in 1936 and 1955, the 1903 treaty has been and remains a source of friction and conflict between the United States and Panama. The seriousness of the situation led the United States and Panama in 1964 to agree to begin negotiations on a new treaty. In entering these negotiations, the United States acknowledged that a renewal of its relationship with Panama corresponded not only to the long-term U.S. national interests but to a changing international environment.

Economic and Military Value of the Canal

Since its opening in 1914 the canal has been of considerable value to the United States, to Panama, and to the rest of the world. Of the total tonnage transiting the canal each year, about 44 percent originates from, and 22 percent is destined for, U.S. ports. Approximately 16 percent of total U.S. exports and imports by tonnage, and 8 percent by value, pass through the Panama Canal.

Currently more than 30 percent of Panama's foreign exchange earnings and nearly 13 percent of its GNP are directly or indirectly attributed to the presence of the canal. The share of Panama's GNP directly or indirectly attributable to canal operations, however, has shrunk over the years as other sectors of the economy have expanded.

In fact, the importance of the canal to the economies of the United States and other nations as well as to that of Panama has decreased from earlier years as trading patterns have shifted and world commerce has become more sophisticated. Alternatives to the canal have begun to emerge, including the use of large vessels which are unable to use the canal. Moreover, the shifting of markets and supply sources has also affected the economic importance of the canal, as has the partial substitution of land and air transport for ocean transport. As canal users in search of lower transportation costs take increasing advantage of these alternatives, the canal's value to user nations undoubtedly will continue to decline.

Historically, the canal has made important military contribution to our country's security. It remains an important defense asset, the use of which enhances U.S. capability for timely reinforcement and resupply of U.S. forces. Its strategic military advantage lies in the economy and flexibility it provides to accelerate the shift of military forces and logistic support by sea between the Atlantic and Pacific Oceans to overseas areas.

U.S. Treaty Objectives

For the foreseeable future the canal will continue to have economic and military value for the United States; therefore, we believe it must continue to function efficiently. The principal objective of the United States in the current treaty negotiations is to assure that the Panama Canal is operational, secure, efficient, and open on a nondiscriminatory basis to world shipping.

In accord with this basic U.S. interest, the U.S. Government is seeking to establish a new and mutually acceptable treaty based on the concept of partnership. Under this new relationship, the United States would have the essential rights to operate and defend the canal for a reasonably extended period of time. In addition we are seeking a guarantee that the canal will remain neutral and open on a nondiscriminatory basis after termination of the treaty. In essence, a new treaty should reduce existing sources of friction and help foster the cooperative environment in Panama which is most conducive to protecting U.S. interests in the canal. Furthermore, this accord would signify a new era of cooperation between the United States and the rest of the hemisphere.

Panama's Treaty Concerns

Panama has been dissatisfied with the existing treaty since its inception in 1903. Panamanians have blamed what they consider to be its highly unfavorable terms on the unusual circumstances under which the treaty was negotiated and ratified. They say that Panama's dependence upon the United States to protect its new-found independence from Colombia seriously limited its bargaining strength in the negotiations. Adding to their complaints, they note that the Panamanian negotiator was a French stockholder in the bankrupt French canal company—a company which benefited considerably when the United States purchased its assets.

Through the years Panama also has been dissatisfied with the level of direct economic benefits it receives from the canal. It has charged that in relation to the valuable rights and privileges granted to the United States, its share of canal revenue is inadequate.

Panamanian discontent, however, is primarily political. It is focused on the treaty's terms which granted to the United States "in perpetuity" sweeping jurisdictional powers as "if it were the sovereign," over 550 square miles of Panamanian territory. The problem, Panama asserts, is that the United States operates a full-fleged foreign government on Panamanian territory. To back up its contention Panama states that the United States exercises almost total jurisdictional rights, maintaining a police force, courts, and jails to enforce U.S. laws which are applicable equally to Panamanian as well as U.S. citizens in the Canal Zone. The United States controls all legal activity from murder trials to marriage and divorce actions. In addition Panama charges that the U.S. Government operates virtually all commercial enterprises within the Canal Zone, thereby unfairly denying Panamanians the ability to compete for business opportunities. Moreover, they state that the United States controls all the deep-water port facilities which serve Panama and holds large land and water areas which could productively benefit Panama's economy. Panama also claims that the Canal Zone, which cuts across its heartland, has seriously curbed the growth of its urban areas. Finally, Panama notes that we pay but $2.3 million annually for these immensely valuable rights—rights which, under the existing treaty, the United States can continue to have forever.

Over the years the United States has attempted to respond to some of Panama's most pressing concerns. The 1903 treaty was revised in 1936 and again in 1955. As a result Panama now receives a greater share of the economic benefits related to the canal. Also, certain outdated powers have been eliminated, such as our right to interfere in Panama's internal affairs.

Despite these modifications, however, the most objectionable feature in the present treaty, from Panama's viewpoint—the U.S. exercise of rights over the Canal Zone as if it were sovereign forever—has remained unchanged.

In recent years the other Latin American nations have strongly supported Panama's quest for a more modern treaty. They have made the negotiation of a new treaty a major hemispheric issue as well as a general test of U.S. intentions regarding all of Latin America.

The Question of Sovereignty and Perpetuity

A major issue raised by many U.S. citizens who are opposed to the present negotiations with Panama concerns the question of U.S. sovereignty over the Canal Zone. It is necessary to distinguish between treaty rights, which allow the use and control by one nation over a piece of foreign territory, and actual sovereignty—supreme and independent power or authority—over that territory. From a legal standpoint the United States does not have sovereignty over the Canal Zone. Rather, by treaty right, we exercise virtually complete jurisdiction over that part of the Panamanian territory which comprises the Canal Zone.

Judging the need for a new treaty, however, depends less on the nature of our legal position in the Canal Zone than on considering the best way to assure the continued protection of our fundamental interest in the canal. More specifically, we must weigh the cost of perpetuating the exercise of total U.S. jurisdiction over the Canal Zone. Will this allow the United States to continue to provide the degree of protection for the canal which we seek?

We have to constantly keep in mind that our fundamental interest in the canal is to keep it open, safe, efficient, and neutral. How do we best do that? The exercise of general jurisdiction over the Canal Zone has not been an end in itself, but merely a tool to protect that fundamental interest. At the present, our ability to protect our interests through the exercise of this extensive grant of jurisdictional authority is in serious doubt. This is why we believe that a new treaty relationship—based on the concept of partnership and similar to other agreements with our allies throughout the world—offers a tool that will better protect our basic interests.

Today reliance on the exercise—in perpetuity—of sovereign-like rights has become a source of unnecessary tension. Clearly, no international relationship negotiated more than 70 years ago can be expected to last forever without substantial adjustment. To adhere to the concept of perpetuity in today's rapidly evolving world is not only unrealistic but dangerous. Indeed, a relationship which does not provide for the possibility of periodic mutual revision and adjustment is likely to spawn the kind of hostile environment which will jeopardize the very interest that perpetuity was designed to protect. In sum, a new treaty based on partnership would give the United States the rights we need, restore the crucial ingredient of Panamanian consent, and strengthen our mutual interest in a well-run and secure canal.

Chronology of Negotiations

Today the canal is the major political issue in Panama and in Panamanian-U.S. bilateral relations. The intensification of Panama's desire for more equitable treaty terms has produced severe stress in our relations; this was most notable in January 1964 when riots led to the deaths of 20 Panamanians and 4 Americans.

During 1964 the status of the canal was debated in the United Nations, the Organization of American States, and other international bodies. Later that year President Johnson, after consulting with Presidents Truman and Eisenhower, and with bipartisan support, made a public commitment to negotiate a wholly new, fixed-term canal treaty. President Nixon and President Ford have subsequently reaffirmed that commitment.

In 1967 three draft agreements were prepared but neither government moved to ratify them. Later the Government of Panama, under General Omar Torrijos, formally rejected these draft treaties. The United States and Panama renewed negotiations in 1971 but progress was limited.

In March 1973 the U.N. Security Council met in Panama City and debated a resolution which supported Panama's position on the canal issue. Although the U.S. Permanent Representative to the U.N. vetoed the particular terms of the resolution on the grounds that it recognized Panama's concerns but not those of the United States, he did reaffirm the U.S. commitment to peaceful adjustment of its differences with Panama. In September 1973 Ambassador at Large Ellsworth Bunker was charged with the task of resuming negotiations with Panama. During succeeding months, Ambassador Bunker met with Panamanian officials to work out a common approach to future treaty negotiations.

On February 7, 1974, Secretary of State Kissinger and Panamanian Foreign Minister Juan Antonio Tack met in Panama City and signed a Joint Statement of Principles (see page 4) which has served as the framework for the present negotiations.

The representatives of the two governments subsequently met several times in Panama and Washington to define the issues involved in the new treaty arrangement. In June 1974 Ambassador Bunker and Foreign Minister Tack began substantive talks aimed at resolving these issues.

ISSUES IN THE NEGOTIATIONS

The United States and Panama have agreed in principle that the treaty of 1903 should be replaced by a new, fixed-term treaty which will accommodate Panama's concerns about sovereignty and at the same time adequately protect the interests of the United States in a safe, efficient, and neutral canal open to the ships of all nations. In the context of the Joint Statement of Principles the two negotiating parties are working to resolve the following issues:

1. Duration. How long will the new treaty remain in force?

2. Operation and Defense. What rights and arrangements are necessary for the United States to continue to operate, maintain, and defend the canal effectively?

3. Lands and Waters. What geographic areas will the United States require to accomplish its purpose?

4. Jurisdiction. How soon and under what arrangements will U.S. jurisdiction terminate? What functions will continue to be performed by the United States after its jurisdiction has terminated?

5. Expansion of Capacity. How will the new treaty provide for possible enlargement of the canal?

6. Participation. How will Panama participate in the administration and defense of the canal?

7. Compensation. What will be the economic form and level of benefits to Panama under the new treaty?

CURRENT STATUS

Since June 1974 both governments have been proceeding deliberately toward resolution of the major issues. Tentative agreement in principle has been reached on the issues of Panamanian participation in the operation and defense of the canal; and in general terms, we agree on the rights the United States will need to operate and defend the canal. Nevertheless, the difficult issues of treaty duration, expansion rights, economic benefits to Panama, and definition of lands and waters required for canal operation and defense remain unresolved. For these reasons it is not possible to predict when a draft treaty will be completed.

The executive branch has been in continuous consultation with Congress regarding a new canal treaty. Any draft treaty agreed upon by the negotiators and approved by the executive branch will be submitted to the Senate for advice and consent as required by the Constitution and will be subject to full public debate. Panama, according to its constitution, must submit any new treaty to a plebiscite to insure that it is acceptable to the Panamanian people. Either party may initially undertake the ratification process.

In summary, the mutual goal of Panama and the United States is to negotiate a treaty which will satisfy the basic concerns of both nations, gain the appropriate constitutional acceptance in both nations, and evoke the full support of both the American and Panamanian people.

STATEMENT OF PRINCIPLES

Joint Statement by the Honorable Henry A. Kissinger, Secretary of State of the United States of America, and His Excellency Juan Antonio Tack, Minister of Foreign Affairs of the Republic of Panama, on February 7, 1974 at Panama.

The United States of America and the Republic of Panama have been engaged in negotiations to conclude an entirely new treaty respecting the Panama Canal, negotiations which were made possible by the Joint Declaration between the two countries of April 3, 1964, agreed to under the auspices of the Permanent Council of the Organization of American States acting provisionally as the Organ of Consultation. The new treaty would abrogate the treaty existing since 1903 and its subsequent amendments, establishing the necessary conditions for a modern relationship between the two countries based on the most profound mutual respect. Since the end of last November, the authorized representatives of the two governments have been holding important conversations which have permitted agreement to be reached on a set of fundamental principles which will serve to guide the negotiators in the effort to conclude a just and equitable treaty eliminating, once and for all, the causes of conflict between the two countries.

The principles to which we have agreed, on behalf of our respective governments, are as follows:

1. The treaty of 1903 and its amendments will be abrogated by the conclusion of an entirely new interoceanic canal treaty.

2. The concept of perpetuity will be eliminated. The new treaty concerning the lock canal shall have a fixed termination date.

3. Termination of United States jurisdiction over Panamanian territory shall take place promptly in accordance with terms specified in the treaty.

4. The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama. The Republic of Panama, in its capacity as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty and in accordance with what that treaty states, the right to use the lands, waters and airspace which may be necessary for the operation, maintenance, protection and defense of the canal and the transit of ships.

5. The Republic of Panama shall have a just and equitable share of the benefits derived from the operation of the canal in its territory. It is recognized that the geographic position of its territory constitutes the principal resource of the Republic of Panama.

6. The Republic of Panama shall participate in the administration of the canal, in accordance with a procedure to be agreed upon in the treaty. The treaty shall also provide that Panama will assume total responsibility for the operation of the canal upon the termination of the treaty. The Republic of Panama shall grant to the United States of America the rights necessary to regulate the transit of ships through the canal and operate, maintain, protect and defend the canal, and to undertake any other specific activity related to those ends, as may be agreed upon in the treaty.

7. The Republic of Panama shall participate with the United States of America in the protection and defense of the canal in accordance with what is agreed upon in the new treaty.

8. The United States of America and the Republic of Panama, recognizing the important services rendered by the interoceanic Panama Canal to international maritime traffic, and bearing in mind the possibility that the present canal could become inadequate for said traffic, shall agree bilaterally on provisions for new projects which will enlarge canal capacity. Such provisions will be incorporated in the new treaty in accord with the concepts established in principle 2.

Venezuela

Venezuela—Fact Sheet

1) Venezuelan/American Chamber of Commerce Members: Corporate, 356; individuals, 838.

2) Oil suplier to U.S. since W.W. II, currently No. 1 foreign source:

a) Supplier in:
W.W. II,
Korean War,
Suez Crisis,
Arab-Israeli Wars.

b) During Arab-embargo peak (4th quarter 1973), Venezuela increased shipments to U.S. by 25% (from 1.6 MB/D to 2.1 MB/D).

3) Almost all Venezuelan International Reserves in U.S. dollars:

a) Since 1969—66% in continental U.S. banks, remainder in Eurodollars.

4) Recycled oil dollars:

Venezuela pledged $2-billion to international lending programs—
$500-MM—World Bank.
$500-MM—Inter-American Development Bank.
$540-MM—International Monetary Fund.
$64-MM—Andean Development Bank.
$25-MM—Caribbean Development Bank.
$40-MM—Central American Economic Integration Bank.

Venezuelan Equity Share in IMF increased by $220-MM.

5) Government foreign Scholarship Program—5,000 students studying abroad, mostly in U.S.

6) Venezulean-U.S. Trade (1974):
Venezuelan Exports to U.S., $4.7-BB.
Imports from U.S., $1.8-BB.
First 9 months—1975:
Exports, $2.9-BB (down 15%).
Imports, $1.7-BB (up 38%).
Estimated Imports 1975, $2.2-BB.

[From the Economist Magazine, Dec. 27, 1975]

Oil, Democracy, Development

This year Venezuela celebrated the thirtieth anniversary of its first steps towards democracy. It will ring in the new year with the nationalisation of the oil industry. Oil and democracy do not usually mix. Venezuela is one member of the Organisation of Petroleum Exporting Countries (Opec) to have both. Democratic government is rare in underdeveloped countries—which, in spite of its wealth from oil, Venezuela still is. And Venezuela is the only country in South America of any real importance to have a robust democracy.

Oil, democracy, development. These are the reasons the eyes of the world are turning to this ignored country. It has been a backwater for most of its history. The Spaniards took little interest in Venezuela because it did not have gold or silver. Bottles of oil collected from surface seepages were sent to Spain as a cure for gout, but the dirty stuff was called "the devil's excrement" by the settlers and ignored it. It could neither be drunk nor ploughed back into the land.

Venezuela's main claim to historical fame is as the birthplace of the great Libertador, Simon Bolivar, the greatest of the revolutionary leaders against the Spanish in the 1820s. He is honoured up to today by having the currency named after him. The bolivar has done him the credit of being one of the strongest and most stable currencies in the world. Locally it is referred to as the "Bee".

Bees make honey. They can also sting. For much of its oil-fuelled development, usually dated from the monumental blowout, 53 years ago almost to the week, when the wildcat Barrosos-2 well spewed out a million barrels of oil in nine days, most Venezuelans have not benefited from the riches in their midst. From 1909 to 1935 the country was ruled by Juan Vicente Gómez, who looked and acted like the typical Latin American dictator. He treated the country as his own backyard, and exploited its wealth for the benefit of foreign oil companies and his own extended family.

His reign was disastrous in two ways. The first was that he believed an ignorant people would be more malleable than an educated one. So he neglected education. The second was that his well-publicised private life, his many mistresses and illegitimate children, glorified the ethic of *machismo*—the belief that a virile man should produce lots of children. He is believed to have had close on 100 illegitimate children. His example helped to create and sustain social attitudes which today give Venezuela a growth in population and an age structure that could be explosive.

Extrapolating current statistics, Venezuela's population is doubling every 20 years. In June, 1975, the population was estimated at 12.1m; next June, it will be 407,000 bigger. This is a growth rate of 3.4%. Who is going to guide these babies to become responsible and useful adults? Of the present population, 3.6m (30%) are children under nine years of age. Over half the population is under 20. There are only 364,000 men between the ages of 45 and 54, the years of middle-aged experience. *Machismo* in practice and Catholicism in theology—birth control programmes are recent innovations in Venezuela—have proved a highly natal and disturbing combination.

Venezuela would now be far better able to cope with its oil wealth had democracy been implanted more than 30 years ago. The country's history is a marvellous example of the ways that dictatorships can be so much more inefficient and corrupt than democracies.

Gómez was succeeded by two dictators who were rather more enlightened than he. To some extent they were obliged to be. They spent a great deal of the oil money in Caracas and in the other cities. As a result, the peasants flocked in from the impoverished countryside. But urban populations tend to be much more noisily demanding than rural ones, more conscious of the strength of mass meetings and less tied by old habits of obedience and even servitude. After Gómez died, a gigantic anti-Gómez rally was held, and his successors were unable to exercise the same despotic power that he had wielded. Opposition to the dictators grew and ultimately in 1945, a military-civilian coup replaced Isaías Medina—quite a decent dictator as dictators go—with President Rómulo Betancourt. Freedom of the press was established and an electoral law was passed that effectively enfranchised illiterates and women. In October, 1946, Venezuela's first free elections were held, and President Betancourt's party, Acción Democrática, swept to victory. President Betancourt immediately set about getting more cash out of the foreign oil companies and distributing it among the Venezuelan people—the population then being 4.4m, just over a third of today's figure.

Juan Pablo Pérez Alfonzo, a lawyer who had been a vocal critic of the accommodating attitude of the earlier regimes towards the oil companies, was put in charge of oil. He developed policies that have had a crucial influence upon the history of the oil industry in Venezuela—and upon Opec, the producers' organization he helped to create. The key elements of the oil policy of the Acción Democrática government in 1945–48 were:

To get as much from the oil companies as Venezuela's own competitive circumstances would allow, and at least half the profits from posted oil prices.

Not to grant any more concessions to foreign oil companies, and to set up a state oil company to produce and market oil.

The government to lay down extraction rates and methods.

To use oil revenues to develop the rest of the economy.

These sensible and reasonable ideas were then largely buried. In 1948 there was another army coup, and a new dictator emerged. Marcos Pérez Jiménez turned out to be greedy. The oil companies lined his pockets and he reduced their taxes. There was another go-slow in education, so for another 10 years the country did not produce the teachers, technicians and people with skills that constitute the basic infrastructure of an advancing economy.

Democracy was restored in 1959, and after a shaky start when President Betancourt had to ward off challenges from both left and right, democracy has been on a steady course ever since. President Betancourt was followed by another Acción Democrática man, Raúl Leoni, in 1964. And in 1969 Venezuela experienced its first peaceful change of government. Rafael Caldera of the Christian Democratic party, Copei, won the election. The second peaceful change of government occurred five years later, when Acción Democrática returned to power with Carlos Andrés Pérez.

The ill effects of the years of dictatorship are now, however, being felt, in a population which is growing too fast, which does not have enough competent and educated members, and which has lost precious years in trying to master the international oil business.

The folk memory of bad dictatorships has been most useful in getting both the population at large and the armed forces in particular to accept the inadequacies of democracy. But Venezuela's style of presidential democracy, and the populist traditions of the ruling Acción Democrática party, have encouraged the idea—not unknown in more mature democracies of the west—of government by promise and pronouncement. Recently, expectations of a better life have been even more ardently aroused by the quadrupling of oil prices. President Pérez, who became head of state while oil prices were soaring, passes hundreds of decrees a month—or so it seems, with the wags calling Venezuela a *decretocracia*. But the administration to carry them through barely exists. There is a huge gap between expectation and achievement; the demographics and dictatorships of the past have put a strain on the democracy of today.

POP GOES THE POPULATION

	Growth rate annual average 1960–70 (percent)	Total projected		
		1960 (m)	1980 (m)	2000 (m)
Argentina	1.5	20	27	34
Brazil	2.8	70	121	202
Chile	1.9	7	11	15
Mexico	3.4	35	68	129
Peru	2.9	10	17	26
Venezuela	3.4	7	14	25

Source: Inter-American Development Bank.

[From the Economist magazine, Dec. 27, 1975]

Presidential Action and Acción Democrãtica

(By David Gordon)

President Carlos Andrés Pérez is not going to have many excuses if he fails to deliver the goods. Politically he is in an extremely strong position from which to carry out the firm, purposeful, energetic and dynamic policies which he promised the electorate during his long and brilliant election campaign in 1973. There is no superior head of state who can thwart his plans from above, Australian-style. His party, Acción Democrática, has a majority in both houses of Congress. There are no presidential elections until 1978. In any case, he does not have to worry about them since he is barred from standing again until two further five-year presidential terms have elapsed. And he has the power to choose his cabinet ministers, advisers and heads of department from any source he likes.

Much of the president's strength derives from his sweeping election victory. In Venezuela all citizens apart from criminals are obliged to vote and he won a massive 49% of the votes—the same proportion that the father of modern Venezuela, Betancourt, won in the emotional campaign at the end of 1958 when democracy was restored.

Carlos Andrés Pérez was an excellent candidate, an adman's dream. In a country where—according to one of the campaign's backroom boys—people have a charging tendency to idleness, and know it, and wish they were more disciplined, he presented the image of the dynamism they wished to inject into their own lives. He was the new active ingredient. All you had to do was watch him, and hear him saying all the right things (more for the poor, more education, more jobs, better distribution of income, improved agriculture) and it was almost as if he had done them.

The campaign was in fact run by admen. The strategy (planned by Jacques Régis, the French manager of Venezuela's largest advertising agency, Corpa, who died during the campaign) was, first, to capitalise on Sr Pérez's undoubted charisma; second, to sell Acción Democrática as the natural party to bring needed authority into the government; and, third, to criticise the record of the Christian Democratic party, Copei, then in power (which, in fact, had been hampered by being outnumbered in both houses of Congress). The official manifesto of Acción Democrática was kept out of the limelight as it was deemed unsaleable. To business interests Sr Pérez was presented as a "commie-basher". In the difficult days when Betancourt was fighting to establish a democratic regime in the early 1960s, Ché Guevara was urging Venezuelans to "convert the Andes into a Sierra Maestra"—and Sr Pérez had a hand in crushing the incipient guerrilla movement into insignificance.

It is not at all odd in Venezuela, though many in Acción Democrática find it offensive, that Sr Pérez's campaign was greatly helped by big business. Corpa is owned by the multinational agency Ogilvy and Mather together with members of two of the leading business families, the Machados and Zuloagas. Sr Carmelo Lauria, president of Venezuela's largest private bank until he was recently made a minister without portfolio, helped to organise fund-raising for the campaign. This was an important job as the party in power is able to use the official machine to put over favourable propaganda and to solicit funds. Some estimates reckon that the highly sophisticated campaign cost the party $600,000.

Business helped Acción Democrática rather than what would seem to be its natural ally, the supposedly Christian Democratic Copei, because Copei's candidate was reckoned to be too weak to do anyone in Venezuela, in business or not, much good. Sr Pérez's campaign spread the idea that the sleepy-looking Copei candidate, Sr Lorenzo Fernandez, was el bobo, or the nitwit, which infuriated the poor man so much that he actually appeared on television and denied that he was one.

Perhaps Sr Pérez's greatest weakness as a president is what made him so strong as a candidate: he gives the impression of having instant solutions for all problems. When he took over power—which under the constitution was not until March, 1974, three months after the election—Congress gave him special powers to deal with most economic matters; he simply issued decrees from his economic cabinet. They came fast and furiously, and some who were closely associated with him during the campaign now wish he would slow down and concentrate his attention on a more limited range of problems.

There is an underlying tension between a president and his party on how to get things done. The tension should be about the means, not the ends. The president should be putting the brakes on the natural desire of elected politicians (who, unlike the president, can and want to be re-elected) to sprinkle cash like fertiliser on their grass roots. But he is in fact at one with the spenders, in line with the tradition in Venezuela that if the government spends a lot of money, some of it will do some good.

[From the Economist magazine, Dec. 27, 1975]

BIG BUSINESS VERSUS STATE BUSINESS

Members of Acción Democrática feel that the government should do the spending unaided by private enterprise. They feel this because: first, there will then be more jobs for the boys; second, as populist politicians they have an aversion, more instinctive than ideological, to the oligarchy—as it is rather grandly called—of the few dozen extremely wealthy families that run Venezuelan private business; and third, insofar as there is an ideology, it is one of state capitalism. Venezuela's democracy is a rare one in that the government has always obtained a minority of its revenue, now a mere 14%, from the taxpayer. The rest comes from oil. So the politicians of the ruling party, be it Acción Democrática or Copei, tend to take as proprietorial a view of the state's capital as private capitalists do of their own. They regard the money coming from oil as belonging to the state and they believe the state should handle it. They do not want the oligarchy to get their hands on it. They therefore look askance at some of the ministers that the president has appointed, and at the people on whose advice he seems to rely. As a man of action, Sr Pérez is very susceptible to the thoughts of others.

The issue of public versus private enterprise is now of greater significance than in the past because the state has suddenly got so much richer. In 1973, budget revenue was $3.7 billion. A year later it was $9.7 billion. Everyone in Venezuelan politics is at least aware that this poses the danger of waste, inefficiency and corruption. Private enterprise rightly or wrongly believes that it can get things done efficiently.

Sr Pedro Tinoco, a shrewd lawyer, once a politician of the extreme right who was minister of finance in the Copei government but who is now a close adviser to the president, has become a key figure behind the scenes. He has prepared a plan for the president under which all the multifarious state enterprises and corporations will be grouped together into a series of holding companies. These will be responsible to a super-holding company whose board will be composed of the president of the republic, the minister for industry, the chairmen of the subsidiary holding companies and five independent men experienced in business (not necessarily private sector businessmen, although that is how Sr Tinoco's critics in Acción Democrática chose to interpret the phrase). Only by segregating business from politics at the operating level, claims Sr Tinoco, can state capitalism be made to work.

The preliminary indications are that the move towards a greater say in the economic affairs of Venezuela by the private sector which the pragmatists want will actually come about. The appointment of Sr Carmelo Lauria as a minister to assist the president in the co-ordination of basic industries seems to be the initial step towards making him the minister for industry to look after the giant holding company proposed in the Tinoco plan. The big battle was really fought and won over the nationalisation of oil. The commission to prepare for nationalisation took a very nationalistic line in insisting that there should be no role for foreign companies. The government then put a clause in the legislation which allows the state oil company to have close relations with foreign companies. There was a bitter fight about this clause both within the ruling Acción Democrática party and with Copei, which has been moving towards the left since it lost the election. Private enterprise did lose a rather less important battle to gain control of the chemical industry. This has been under the control of a government institution—with disastrous results. So a group of businessmen, including Sr Tinoco, proposed a chemical syndicate controlled by private enterprise. This was squashed by the politicians, but private business has established the right to participate in the production of intermediate petrochemicals jointly with the state.

Ministers within the government are divided on the role of private business. Some express concern that the president is attracted too much by the apparent dynamism of private business and private businessmen. These criticisms have given rise to continual rumours of a cabinet reshuffle.

[From the Economist magazine, Dec. 27, 1975]

POLITICS WITHOUT IDEOLOGY

It would seem from the table below that the Venezuelan voter has suddenly decided on a two-party system. In the last election, only 14% of the votes were cast for the smaller parties. Clearly there was a vote for the centre. The ideological difference between Acción Democrática and Copei is small. Venezuelan political parties have grown up without concerning themselves too much with ideologies. Rather they grew up in opposition to the idea of dictatorship. They were understandably nationalistic about oil and iron. But oil and iron are now nationalised and there is little political mileage to be gained in the future in attacking the foreign multinationals. Moreover, the river of state revenues allows the political parties to flourish comparatively free of strong class loyalties. The process of industrialisation, however, now points to the possibility that the political parties will increasingly reflect the influence of ideological class concepts. The middle class is growing rapidly. And the more jobs that are created in industry, the greater the opportunity for the left-wing parties to attract union membership.

At present, Acción Democrática straddles the broad centre of Venezuelan politics. Its adherents stretch from members of the business oligarchy on the one wing to workers on the other. The spectrum of interests is indeed so wide that the party is open to attack from both these flanks. The logical path for Copei to take would be to champion the cause of private enterprise and enlightened capitalism and to attack the government for taking upon itself a dangerous amount of economic power. But oddly and probably suicidally, Copei appears to be heading towards the left, guided there by the grand old man of the party, Sr Rafael Caldera, a brilliant, vain and somewhat aloof politician.

2-PARTY FIGHT—LAST TIME

Party and candidate	Percent of presidential vote			
	1958	1963	1968	1973
Acción Democrática:				
Romúlo Betancourt	49			
Raúl Leoni		33		
Gonzalo Barrios			28	
Carlos Andrés Perez				49
Copei:				
Rafael Caldera	15			
Rafael Caldera		20		
Rafael Caldera			29	
Lorenzo Fernandez				37
Other presidential candidates	36	47	43	14
Total	100	100	100	100

There is a genuine party of the left, and it has many bright adherents. But Movimiento al Socialismo (Mas) has a chequered past. At one stage it espoused guerilla tactics, but it has now cut itself off from the extreme left, and is putting itself forward as a social democratic party. Its secretary-general, Sr Pompelo Márquez, has said that the party is non-marxist—but there are still some party members who would argue about that. In the recent elections for the leader of the iron and steel workers union, the Acción Democrática candidate won with 1,000 votes but Mas came second with 809 votes, and the Movimiento de Izquierda Revolutionaria (Mir), which is even farther to the left, came third with 808.

Even more indicative of how the wind is blowing were the elections among the white collar employees of the health ministry: Acción Democrática came top with about 10,000 but Mas took second place with 2,000 and Copei trailed a bad third with 700. A better indicator of the state of play after two years of President Pérez's rule will come in a few months' time when the first by-election in Venezuela's fledgling democratic history will take place. It is for one of the senate seats of the state of Anzoátegui. Last time the result was: Acción Democrática 100,000, Copei 40,000 and Mas 5,000. The question now is whether Mas will appeal to the masses.

[From the Economist magazine, Dec. 22, 1975]

HOW TO GROW

Before many years are past, there could be a classic confrontation in Venezuela—between those who say that growth cures all problems and those who believe in cutting up the cake in different proportions instead of baking an even bigger one.

So far, Venezuelan politicians have been able to avoid making such a hard choice because the balm of oil money has been applied to practically all the problems. You name it and that money has provided an answer of sorts. Traffic jams in Caracas because there are too many cars? Buy more buses and build a metro. Not enough trained people. Send 10,000 a year to universities abroad and import trained immigrants. Not enough technology? Buy it. Unemployment? Spend money to create jobs and force all companies to employ more people. Thanks to oil, the problems have been pushed into the background as everyone has grown richer.

The distribution of income, however, has remained virtually unchanged over the years. A family expenditure survey for the second half of 1974 shows that 60% of the families in Caracas shared 30% of the income, but that the top 10% of families got 30% of the income.

So far it has been possible in Venezuela to make the poor richer without making the rich poorer. The oil revenues have made that state of affairs possible. But if the oil revenues stop rising, or worse still fall, Venezuela will not be able to avoid the tensions that more mature democracies experience in sharing the national cake out. That is the time for which political parties should be preparing their ideologies and policies, for this is the time when inflation is shown to be a blunt instrument for sorting out the conflicting claims for more resources than a country possesses or can import.

The optimistic ministers of the bullish Pérez administration say they are prepared for some inflation. They are confident that under their guidance the economy will satisfy the demand for a better standard of living that oil and their own promises have created.

If the politicians fail to satisfy popular aspirations, there is a chance of a return to bad old dictatorship. That chance can be rated as remote but dictatorship is the predominant form of government in Latin

America. The Venezuelan armed forces have acquired technocratic modern skills and if hyperinflation were to occur and threatened to create havoc and disorder, the generals might take it into their heads to step in and to impose, in the name of that old cry of law and order, their own form of discipline and dictatorship.

Fortunately, there are five good reasons why this is unlikely:

For all its faults, the Pérez administration appears competent and responsible enough to be able to take action if things go wrong.

The army has been well indoctrinated with the view that its role is to protect democracy. It is well integrated into Venezuelan political society, and it has been given new arms to play with.

As the last army coup degenerated into a regime more corrupt, inefficient and unpopular than the faltering democracy it replaced, the army's historical view of itself as a saviour of society is tarnished.

In a society as politically aware as Venezuela's, there is unlikely to be much unanimity among the officer corps about whether the dictatorship should be of the left or of the right, but that corps would seem to prefer a limping democracy to courting the risks of turning Venezuela into another Portugal.

People have grown to appreciate their freedoms and are unlikely to give them up willingly. The press is free, neutral and pretty responsible. Political debate is open and noisy.

A thoughtful book[*] on Venezuela by an American political scientist, recently published, concludes:

"No one who knows Venezuela well would argue that democratic procedures have become firmly established in the political culture, or that they are safe from the country's rich authoritarian legacy. But democracy is unquestionably growing stronger there, in stark contrast to trends elsewhere in the hemisphere, and there can be little doubt that oil income has contributed to this process."

Oil, in fact, is the oil of Venezuela's democracy.

[From the Economist, Dec. 27, 1975]

Mistress of Her Oil

Next week, ownership of the oil companies in Venzuela will be transferred from Exxon, Shell, Gulf and the rest to the new nationalised oil company, Petróleos de Venezuela (Petróven). And what happens then?

It has taken as long as it has for Venezuela to take over the foreign oil companies because the politicians have been frightened of the consequences of such boldness. And the kid gloves with which the takeover has been handled can be explained in the same way. The Venezuelans have had to master their own inferiority complex to take the bold step of nationalisation. Part of that sense of inferiority is justified. The layers of skilled officials and technicians, the years of experience and the depth of management of the oil multinationals are awe-inspiring. But, in addition, developing countries, of which species Venezuela is one of the more developed varieties, have been brainwashed. They have been told that they are not really fit to run the show because, while they are nice guys, they are lazy, incompetent, ill-educated or whatever. While people in the rich countries have tended to regard the takeover by a foreign government of one of their own companies as almost an act of aggression, in the developing country such a takeover can and often does prompt vivid fears of failure. Maybe, the locals say, the gringos are right after all and we are not yet ready to take over from the foreign masters.

The only way to find out is to do it. The deep breath before the plunge and the nervousness perhaps explain why some nationalisations are so brusque and so childish in twisting the lion's tail. That is not how the Venezuelans are behaving. On the contrary, the matter is being settled in a most gentlemanly way, with many an expression of mutual goodwill and with many a nod toward interdependence. Nevertheless, the Venezuelans are still nervous about what they have set in train.

OPEC may propose the price but it is the oil companies that dispose of the oil. That central truth, which is still largely unrecognised by those who accuse OPEC of holding the world to ransom, has been grasped by the sophisticated Venezuelans. They have been following where the international oil companies have pointed. For years, Venezuela was the world's largest produced outside the United States. The Venezuelans saw that after Mexico nationalised its oil industry in 1938, Pemex failed to discover oil, failed to produce the oil it owned efficiently and that nationalisation did not reduce the country's dependence on the multinationals. They saw how Mossadeq nationalised Iran's oil, and how the oil companies let him stew in it.

Venezuela is the only OPEC country to export a high proportion of its oil as refined products. The oil does not have the same simple qualities as the Middle East products. Venezuela produces about 60 qualities of oil ranging from the heavy axle grease of the Orinoco oil belt (it is not called a tar belt any longer) to the light stuff from the Lake Maracaibo field. Running the industry is a relatively complicated matter of selecting the right crude oils, making the right decisions about the refinery runs and selling the right mix of products at the right prices.

It is not as difficult as all that, and probably not so difficult as the international oil companies have insidiously been warning the Venezuelans for years. But, whatever happens, Exxon is still going to be the nationalised industry's biggest customer for years to come, and so it is sound and sensible to maintain good commercial arrangements with it—and its ilk.

There are 19 companies operating in Venezuela, and even the Venezuelan ones have been nationalised. But three companies account for four-fifths of the oil produced: Creole, Exxon's subsidiary (which is to be renamed Lagoven), Shell (Maroven) and Mene Grande, controlled by Gulf but in which minority shares have been held by Exxon and Shell.

In the new year, ownership of all these companies will be transferred to Petróven. For the time being, nothing much else will happen. The transfer arrangements have been deliberately designed so that there will be a minimum of disruption. Apart from the changes of name, the operating companies will continue to operate as they have up to now. It has been made clear that their employees are not civil servants and so the industry can continue to pay high salaries and not worry about losing its staff. The generous perks and pensions given by the old companies will stay in force, much to the satisfaction of the well-treated Venezuelan employees of the multinationals. Foreigners will be offered contracts by the new companies, but some of the technical staff will be employed directly by the expatriate multinational company. Those companies such as Creole and Shell which have petrol stations will continue to operate them. At one stage the idea was put abroad that the national oil company, Corporación Venezolana del Petróleo (CVP), created in 1960, should have the monopoly of petrol retailing. But its performance has been so poor that the idea has been dropped. So various subsidiaries of Petróven will compete with each other—which is a refreshing way of running a nationalised company.

TOO MUCH AT STAKE

In 1974 oil exports accounted for 97% of all Venezuela's exports; taxes on oil made up 86% of the government's revenue; and the oil industry was responsible for about 50% of the gross domestic product. That is why the government cannot afford to take risks with this nationalisation; why it is determined that Petróven should not turn out to be a CVP or a Pemex; why it has gone out of its way to declare that Petróven will not become a political organisation; and why it is negotiating technical and marketing agreements with the foreign oil companies so as to retain for the Venezuelan employees all the backup services that the multinationals have been supplying.

The way the board of Petróven has been chosen is in a sense an ostentatious declaration of intent. The chairman is General Eleazar Alfonzo Ravard, a name to conjure with in Venezuela. His previous job was running the development corporation for the huge Guayana region.

No one is quite sure exactly how Petróven will function. The minister of mines is the chairman of the corporation's general assembly which will meet twice a year to lay down general guidelines. The ministry of mines will continue to be responsible for those oil matters for which it has long laid down policy: the rate of production, giving the go-ahead for new investments, conservation and, importantly, prices.

Petróven will co-ordinate the plans of its subsidiaries and vet them—in just the same way that the oil companies' head offices did for their own subsidiaries. Clearly, there will be some scope for rationalisation, as many functions are being unnecessarily duplicated in the existing companies. There will be co-ordinators for production, exploration, finance and marketing and they will liaise with the officers of the subsidiary companies. Petróven will probably employ a head office staff of 200. Were the boss anyone but General Ravard and the company any but Petróven, the popular assumption would be that the head office would rapidly fill up with the friends and relatives of Acción Democrática politicians. That, in fact, is unlikely to happen.

Petroven's funds will come from a levy of 10% on their subsidiaries' pre-tax profits from exporting oil. This will be worth some $600m a year, and will enable it to carry out its own extensive survey of the country's hydrocarbon resources, to conduct research and to develop less wasteful methods of extraction and to investigate the feasibility of refining more crude domestically. There will still be plenty left over for investment. For some years now, as they saw the writing on the wall, the oil companies have slowed down their investment. Over the next five years the industry will invest about $3½ billion. In the last five years the industry invested $1.3 billion.

[From the Economist, Dec. 27, 1975]

Exxon Is Still There

One of the most significant provisions of the nationalisation law is that the oil industry is encouraged to establish trading relationships directly with consumer governments and their own nationalised companies.

But not just yet. The ironic thing about nationalisation is that it puts Venezuela firmly into the hands of companies which no longer have any assets to protect. Politically and psychologically it might have been necessary for Venezuela to nationalise its oil industry. In economic and bargaining power terms it makes little sense.

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[*] "The Politics of Oil in Venezuela" by Franklin Tugwell, Stanford University Press.

First, there is the little matter of $1 billion to be paid over as compensation to the oil companies. Admittedly that is under 10% of a year's exports of oil, and it is a mere two years' worth of the oil companies' profits after tax, and it compares with a value of $5 billion that the companies put on their assets. Admittedly, too, the companies get under half of the $1 billion now and the rest in five-year 6% bonds—but $1 billion goes a long way in developing countries. It is, for example, exactly the same size as the fund to help poor developing countries that Opec has agreed to set up. So what does Venezuela get for its $1 billion? The concessions (and over these concessions the government had complete control as to price and quantity) were due in any case to run out in 10 years' time and most of the refineries and hardware would also have reverted with the concessions. The Venezuelans did not have to own this particular cow to milk it.

But the deed is done. The oil companies now have a significant addition to their cash balances so that they can finance their exploration outside Venezuela. They no longer have a vested interest in taking oil products away from Venezuela sometimes at break-even prices so as to keep the refineries busy and to generate a cash flow for the replacement of their assets in that country.

The oil industry has been well "venezuelanised" to judge by the people it employs. Of the 12,000 salaried employees in the industry only 5% are foreign (there are a further 10,000 wage-earners, Venezuelan to a man or woman). But the expatriates are at or near the top of the companies, and more often than not they have taken the decisions for others to execute. Many are technical and marketing men spending some years in the tropics in what will be a long career with a multinational company. Local employees of such a multinational have grown used to applying to service departments in New York or London to find out which company is making the best kind of valves for a certain pump, or where else steam is being injected into wells to flush out more oil, or how to cure a particular problem that has cropped up in a refinery.

Venezuela is now going to have to purchase this technical knowhow. Article 5 of the nationalisation law, allowing Petróven to enter into contracts with the private oil companies if it were to see fit, caused a huge row in Congress because some politicians saw the hegemony of the foreign companies being maintained in another, though less direct, form. They had a point. But in reality Petróven has no alternative. So technical services agreements are being drawn up. The foreign companies are agreeing to supply certain categories of skills, to be on tap for technical inquiries, to continue to train Venezuelans abroad and, broadly, to ensure that the wells continue pumping and the refineries continue to function. In return, the foreign companies are to be offered a fee which averages 20–22 cents for each barrel exported.

At a production rate of 2.2m barrels per day and exports of 2m, this contract would cost the nationalised industry about $160m a year on top of the other operating costs running at over $1 billion a year; and is equal to about a third of the net profit the foreign companies made on a higher offtake.

Tenfold Stamps

North America imports oil to the tune of 7m barrels per day. So Venezuela appears to be very well placed to sell however much of its capacity of 3.5m barrels per day that it chooses. So, why does it need marketing agreements with the major oil companies in addition to the more understandable technical services agreements?

It is not clear what the marketing agreements are supposed to do. Although described as four-year agreements to sell given quantities of crude oil and products—in the same proportions as the foreign companies have been taking up to now—these agreements are subject to the condition that the prices must be "reasonable".

The Venezuelan argument is that in Opec all prices are meant to be equal, and sales contracts such as these prevent the oil companies from suddenly deciding to take oil from one of Venezuela's competitors. These contracts also symbolise Venezuela's desire to be seen as a long-term and secure supplier.

But Opec sets prices only for crude oils, not for products. These constitute a third of Venezuela's exports. Theoretically, Venezuela should set the prices of products by adding to the Opec crude price the value added in the refinery. But in practice, Venezuela is able to fudge its export prices. After the last Opec price rise of 10%, its product prices went up by 5.2%. This is because they are sensitive to changes in market conditions. The price of fuel oil (for which Venezuelan crude is most suited) has been under pressure because there is a glut of it. The major oil companies will not agree to buy Venezuelan crude or its products at prices which do not give them an adequate profit margin. They are saying that the Venezuelans will have to be more commercial in their approach. After nationalisation, the Venezuelans no longer have the oil companies to kick around and the game of setting tax reference prices by the book and collecting the taxes based on them no matter what the actual realised prices were is ended.

But how can Petróven get the feel of the market if all it knows is what the major oil companies are prepared to tell it? Shell—Maroven to be—is the only company to have gone into third-party trading on its own account, and it now sells half its offtake of around 600,000 barrels a day directly. Shell began to "venezuelanise" earlier than most and is now headed by a Venezuelan—Sr Alberto Quirós. Local marketing executives are anxious to sell a growing proportion of Venezuela's oil through a Venezuelan marketing organisation. So the sales agreement with the major foreign oil companies is being drawn up in such a way as to allow this to happen. Of the budgeted production of 2.2m barrels a day for the next four years, 250,000 barrels will go to the domestic market (where it is wastefully sold at the pumps at 20 cents a gallon). Of the 1.95m barrels a day for export, Maroven will continue to sell directly some 300,000 barrels, leaving 1.65m for the majors to agree to take in 1976; but this will fall over the four years to about 1.3m barrels a day as the Venezuelan marketing organization, probably to be based on Maroven, flexes its selling muscles. The Venezuelan oil negotiators had to be persuaded quite hard before agreeing to hand a growing proportion of oil to the local marketing executives. The men at the ministry are running a little scared.

When Will the Oil Run Out?

In 1973, Venezuela's reserves were put at 13.8 billion barrels. A year later they had magically gone up to 18.6 billion barrels. Hardly any more new oil had been discovered, but the authorities decided that marginal fields were now in the category of being commercially recoverable. But this trick can only be played while oil prices are rising. Since 1917, 32 billion barrels have been extracted in Venezuela. Is there really only 20 years' worth left?

Optimists point out that new exploration has slowed down in the last decade because it was made clear to the companies that their concessions would not be renewed. Then, they add, there is that "belt", or perhaps a series of deposits 30–40 miles wide, stretching for 375 miles north of the Orinoco river. There is a vast amount of oil there. The most commonly used figure of 700 billion barrels derives from a 1967 study which took a not-too-thorough look at a third of the area. If, say, 10% of these reserves was recoverable, the Venezuela's reserves are trebled. The ministry of mines is engaged in a thorough survey which will take another three years to complete. It is hoped that the Orinoco heavy oil belt will yield far bigger reserves than has so far been estimated, but unless lighter crude oils are discovered, the size of the investment to get the grease to the surface, to remove the sulphur and metals from it and to transport it to the coast *would not be warranted* at current oil prices. But the heavy oil is at least free from many of the disadvantages that rule out the exploitation of the Athabasca tar-sands in Canada and shale oil in the United States at current prices and levels of technology.

There is a price for energy at which Orinoco heavy oil will become a commercial proposition. But in planning the country's energy exploitation policy, it would be wise not to count on that price being reached this century. Indeed, it is possible that such a price will not be reached until well after the existing commercial reserves of Venezuela and the reserves of other countries with cheap oil have been exhausted. But, looking towards the next century, it is comforting to have such a possible bonanza up one's sleeve.

Venezuela has already brought its production levels down dramatically. This year, the average will have been about 2.4m barrels per day; next year it is due to come down further to 2.2m barrels per day. In 1973 production was 3.4m barrels per day. Venezuelans believe that the price of oil will not come down and are therefore willing to let the economic needs of the country help to determine the rate at which the oil is converted into cash. Some of the more financially sophisticated among Venezuela's policy-makers reckon that in these inflationary times it is far better to keep the oil in the ground, to buy goods now because tomorrow they will be dearer and to borrow from abroad if that proves necessary.

Opec members that adopt such a fiscal attitude can put themselves into the possibly vulnerable position of being obliged to increase production to pay the bills. The Saudis determine whether Opec stands or falls, but Venezuela's ability to exert any influence in Opec—and as a founding father of Opec it carries a certain weight—would undoubtedly be weakened if it delivers itself too securely into the hands of the international bankers.

[From the Economist, Dec. 27, 1975]

Rich Little Poor Boy

Parts of Venezuela's economic picture are:

A gross national product that has jumped from $18 billion in 1973 to about $33 billion in 1975.

A run of balance of payments surpluses that, since 1973, reads as follows: $641m, $4.1 billion, $2.3 billion, and a forecast of $1.5 billion for next year.

Foreign exchange reserves equivalent to $830 for each man, woman and child in a population of 12m.

Other parts of the picture are:

According to a World Bank study, using 1974 statistics, 11% of the households in Caracas making up 8% of the total population were in the category of dire poverty, with family incomes of under $116 a month, and a further 19% of the city's families were just a little better off; these were "poor" people and had a family income of under $230 a month. Families in the top 10% of households earned an average of $1,500 a month.

The same study reckons that in addition to the fairly small number of workers who are officially unemployed—220,000 or 6% of the workforce of 3.6m—a further 500,000 are underemployed. These are people eking out a living like the newsboys who precariously dart between cars at traffic lights selling sweets and newspapers.

Poverty does exist in the midst of plenty in Venezuela. But one should beware of the obvious clichés. Yes, the super-rich do live in fantastic villas with servants, swimming pools and ranks of huge gas-guzzling cars parked in the ample driveways. Yes, the beautiful and expensive pieces of jewelry brought to Caracas by Bulgari, the New York jewelers of originality, taste and flawless salesmanship do sell like hot cakes. And yes, from the Caracas Hilton in which they were recently exhibited the *ranchos* can be clearly seen. These are the shanty towns which cling to the steep hills and in which the poor live. The contrast is shocking because it is so dramatically conspicuous.

There is a certain advantage in having the poor on the doorsteps of the rich and of the government; they cannot be ignored, as has happened in the United States. They are visible. They menace the property and the consciences of the wealthy minority of the population.

Much that is evil and offensive in the *ranchos* could be eradicated by improving services and amenities—by providing police to protect the inhabitants, drainage, roadways big enough for garbage trucks, special schools and so on. Electricity has already been installed. Many people who live in the *ranchos* actually do—to the distaste and horror of the architects and town planners whose ideals are expressed in the deadly towers of the Parque Centrale of Caracas—find them convenient place in which to live. There is room for some chickens; they are central; and home improvements are cheap. Many shacks have evolved into two- and three-storied brick houses.

The problem is not the *ranchos* themselves, but unemployment and poverty. What frustrates President Pérez is that he has all this money to spend and yet is powerless to convert it into jobs and sustainable incomes.

How can he? The job is an impossible one, argues Sr Juan Pablo Pérez Alfonzo, the man who designed the oil policies of Venezuela and laid the foundations of Opec. Sr Pérez Alfonzo in his sprightly old age has become a Cassandra, and a stimulating and persuasive one at that. He foresees that the huge tidal wave of wealth is going to swamp the country. He believes that the absorptive capacity of the economy is far lower than the rate at which the government is spending the oil revenues, and that it should therefore keep the money in the ground, extracting oil at a pace dictated by the ability of the social and educational development of the country to use it efficiently. He has always been a conservationist, and can see his precious oil being used to pay for conspicuous consumption in his own backyard. He lives in a pleasant house in Los Chorros which he bought many years ago for very little because it was so far from the city. It is now a fashionable suburb among the very rich and pressure on real estate prices has turned his modest acreage into a goldmine. Typically, he is turning some of his land into a public park.

Sr Pérez Alfonzo is much taken with the Chinese communist way of doing things: of developing human resources first, of living within communal means, of co-operating for a common end instead of pursuing the egotistical goal of more material possessions. He points to the stark contrasts of Venezuela's unequal distributions of wealth—to, for example, the malnutrition alongside the giant steaks served in the restaurants. The combination of state capitalism and private capitalism in Venezuela will, he believes, add to the inequalities instead of reducing them, simply because under capitalism the strong get stronger.

The only development, he argues, that matters is human development—and this cannot be rushed. The president believes he is powerful enough to spend his way to a faster rate of development. This, say Sr Pérez Alfonzo, is an illusion. The atmosphere of easy money corrupts the will; people want to spend money without working for it, so productivity declines, imports shoot up and services all get worse.

Sr Pérez Alfonzo is right: money corrupts, easy money corrupts absolutely. But he is right in the sense that prophets are right. And in a democracy, people can choose to ignore the prophet and to look for the profit. The reason that the poor flock to Caracas is that they want a better life. It is not always the case that they are starving in the country. But rather they want television because they enjoy the stuff that is shown on the Caracas screens. And they want to buy cars too, even though they can spend three hours sitting in Caracas traffic jams. People (not just Venezuelans) are stupid, selfish, greedy, materialistic. They always have been. The pursuit of material goals will probably not make them happy and they should all reform before it is too late, but in the meantime they want the good life that they see depicted in the television advertisements. And although Sr Pérez Alfonzo does not agree that it is so, the pursuit of riches is the most powerful means of reducing the rate of growth in Venezuela's population, about which he is so right to be concerned.

EL GRAN PLANIFICADOR

Simply to absorb the additional members of the labour force over the next few years, the economy will have to grow at 8% a year. Sr Gumersindo Rodríguez believes that the underlying growth rate of the country is potentially between 10% and 12%—and he has the job of planning the use of the economy's resources so that its proper potential is achieved. He is also charged with the task of making sure that the quality of the growth meets some of the views of growth-critics like Sr Pérez Alfonso.

Sr Rodríguez, head of the office of co-ordination and planning (Cordiplán) and a cabinet minister, is an odd fish. Disliked by Fedécameras, the employers' federation, he is also distrusted by Acción Democrática as being too close to the power brokers of the private sector of the economy. Although his rhetoric in public is of the third-world radical brand, he sees that there is an important role for private capitalism. He uses the jargon of economics, but quite what he means when he uses it is sometimes elusive. In spite of—perhaps because of—his years at the London School of Economics, he half-jokes that "knowing economics is a constraint on economic growth in Venezuela". He believes that "humans are being decapitalised" and that a growing proportion of the state's budget merely repairs the depredations of poverty. Thus, he says, the way to invest in capital—human capital, that is—is initially to spend more money directly on the poor so that they can eat better and live more healthy lives. The "capitalisation" of man—that is by giving more money to the poor and by spending more on the social services—will then encourage the production of essential goods, and thereby stimulate local industry.

This must be music to the ears of President Pérez. Here at last is the intellectual rationale for doing what populist governments love to be seen to be doing—dishing out the goodies. This reasoning underpins many of the president's measures. Employment was recently increased by two decrees. First, employees were given greater security of employment. If an employee leaves voluntarily he has to be given a month's salary for each year he has been working. And if he is sacked, the employee has to be given two months' salary for every year. The result has probably been a drop in the productivity of senior employees as they try and incite their bosses into sacking them.

The second measure was much more sensible. All enterprises employing more than 10 people had to increase their staff by 5%. Lifts had to be manned, and lavatories had to have attendants. While it may seem ludicrous to see fully automatic lifts being operated by bored young boys and girls, it is an efficient way of redistributing income. Companies in Venezuela take full advantage of fiscal loopholes and concessions and end up by paying very little corporation tax. The government knows this and the extra manpower it forces them to hire has roughly the same effect as a system of social security contributions plus unemployment benefits. The unemployed learn the discipline of a job and are kept off the streets. Of course it would be better to give them some proper training—but there is a shortage of older skilled people to teach the younger ones.

The Pérez administration has also raised the minimum wage, and put up the prices of agricultural products in the hope that more income would filter down to farmers and peasants and persuade them not to seek the bright lights of the cities. This is sensible.

The danger of Sr Rodríguez's philosophy of increasing current expenditure is that it is inflationary; an increase in the demand by the poor does not bring an increase in output. But he claims that in 1975, when gnp went up by 5%, agricultural production went up by 8%, domestic manufactures by 9% and the output of goods like textiles went up by 27% and of footwear by 20%. Once the expansion of the economy is under way in this fashion, he believes, industrialists will want to invest money to supply the goods which currently have to be imported. At the same time the state will be going ahead to invest the massive amounts needed for the basic industries—steel, aluminum, electricity, petrochemicals and the like. The private sector's role is, in his view, to develop the smaller and medium-sized firms. Sr Rodríguez sees the production of more capitalists as a way of augmenting the stock of human capital. But the economy needs more direction so as to make sure that domestic production is concentrated on import substitutes and that investment is of the right kind. Eclectic his ideas certainly are—but then he claims to be bringing together the best of socialism and the best of capitalism.

PLANS AND STRATEGEMS

The government's strategy is to diversify the economy. That, indeed, has been the policy ever since the phrase sembrar el petróleo—to sow the oil—was coined in 1936. The idea has always been to use the oil money to build up industries and agriculture so that when the oil runs out, there will still be a viable economy. So far that policy has been a failure. The country has remained immovably dependent on oil—and the irony of the recent price increases is that the country risks becoming even more dependent.

It was a matter of simple arithmetic that the percentage of exports and of government revenues accounted for by oil would rise to record levels as a result of the quadrupling of the oil price. But it was not inevitable that government current expenditures would also soar. In 1973 the government's current expenditure was $2.3 billion; in 1974 it was $3.6 billion; in 1975 it went up again, to $4.3 billion. And although the total budget for 1976 is down, current expenditure is due for a further rise, to $4.6 billion.

So in the space of three years, government expenditures will have doubled and the government has now got itself into the dangerous position where its current expenditures are rising and its oil revenues are falling. The government's take of the oil money in 1975 was $7.6m: over half of it went on current expenditure. Is this really the way to sow the oil?

LESS FONDO

But then, of course, there is that famous Fondo de Inversiones de Venezuela (Venezuelan investment fund) which collects—does it not?—half the income from oil exports and puts it in a kitty outside the country so that: the pressure on money supply is removed; spending power is taken out of the economy so that it can be reinjected later in a nice anti-cyclical way; and the nest egg can be set aside for specific projects whose non-recurrent nature matches that of windfall oil revenues. So whatever happens, the fund will insulate some money from the spending politicians. Well: A funny thing, however, has happened on the way to the Fondo. Although the allocations to it are presented as the mechanical result of the operation of a formula, in fact the finance ministry decides how much the Fondo is to get. Since politics seems to have entered the fund's front door, why not divide its functions among existing government bodies?

[In billions]

Government oil revenue:	
1974	8.6
1975	7.6
1976*	5.9
Put in the fund:	
1974	3.0
1975	1.9
1976	nil

*Forecast.

The fact that the fund employs the most beautiful bevy of secretaries ever seen in one office is, unfortunately, not sufficient raison d'être. The fund was meant to be a repository of caution and a means of ensuring that the oil bonanza money was not frittered away. The fund does have a team of people to vet the projects submitted by other government and private organisations, and, when Sr Quero Morales, who runs the fund, wants to, he can call on the World Bank for help. But since Sr Morales is a member of the cabinet, is he not subject sometimes to a conflict of loyalty—pressed to lend for political reasons even though his bankerly judgment may be against the project? His answer is:

"I have to act in the best interests of my institution. The cabinet is a team of men who represent distinct activities of the state. I give my views on how the state's money should be invested—in the light of the overall needs and priorities established in the cabinet and Cordiplán."

With the interest on money already invested the fund will total $7.7 billion by 1980 if it gets no more substantial additional funds. This is much less than the government is thinking of spending on major projects. So, where is the money to come from?

THE KITTY

Every Friday, a committee of Fondo and Venezuelan central bank members, presided over by the president, meets to decide what to do with nearly $9 billion. These are the country's reserves, and the Venezuelan investment fund's money.

There is little scope here for go-go management. The money has to be invested with complete security. About half of the money is on deposit with banks both in the United States and the Eurodollar market, and the other half is invested in short-term government securities, nearly all in the United States. Funds are kept in all major currencies; there is a "working balance" of sterling, but there is no present intention of increasing that holding. The bulk of the money is in dollars: the United States is Venezuela's biggest market, and has a money market large enough to absorb the size of investments made. The average-sized transaction is in the $25m–$50m range, and the smallest $10m. One of the fund managers has a hot line to the New York Federal Reserve Bank on his desk to tell him what is going on; Venezuela has the power to move the market, and on occasion the Fed carries out an operation for the central bank to minimise disruption.

Does the Venezuelan central bank consciously recycle the oil money? No, for that, it is recognized, is the job of the IMF and governments. The object is simply to get the highest yield for the lowest risk. Decisions are taken on purely financial criteria, without any reference to diplomatic or political objectives. Advice is taken from about 35 banks with whom close working relations have been built up; Schroders, the British merchant bank, and Kuhn Loeb, the American investment bank, helped the bank set up the fund management organisation and Schroeders continues to advise the bank. A sophisticated system to measure the performance of the fund is being started, but a rough comparison with five major banks shows the bank has performed quite well. It has not beaten inflation but that would be impossible without accepting greater risks.

DEPENDENCE

The time for borrowing is close. About $10 billion out of public sector investment plans totalling $26 billion over the next five years will have to be financed outside the budget; some $6 billion is due to come from the investment fund, $2.4 billion from domestic borrowing and $1 billion from foreign sources (and part of the fund's contribution may also be borrowed abroad).

Some bankers in Caracas have been encouraging the authorities to increase their overseas borrowings. Some of them go so far as to suggest that all the fund's investments should be kept in liquid form outside Venezuela with the major banks of the world, and that the country should then borrow a multiple of these cash deposits. In this way the fund's money would serve as a cash foundation to support a very much larger total of borrowings overseas.

This is a good banking idea and would doubtless work, but the idea should be resisted. Look at the example of Brazil, groaning under $22 billion of foreign debts borrowed to finance the rapid growth of an economy which it was hoped would be capable of producing the exports to pay off the debts. But about a third of Brazil's export earnings are now being used to just pay the interest on the debt.

Venezuela's desire to turn liquid capital into hardware is admirable. But it has not yet proved that it can handle very large investment projects without undue waste. And the kind of capital intensive projects being planned are very expensive ways of creating jobs. It would be wise to be a little more cautious in the spending of the oil money. There is nothing at all wrong, even in these days of financial sophistication, with having some cash in the bank.

There are two economies in Venezuela: oil, and the rest, and they are linked by the government. The oil sector makes a huge surplus, the government collects it, and then hands most of it to the people.

So what has happened to the oil money? The accompanying chart traces the flows in 1974. The key elements are, first, that the people paid their government $1.5 billion in taxes, but the government spent $5.2 billion on them. This means that the government is unhealthily dependent upon oil, and the people are unhealthily dependent upon the government. Second, the economy has a burning desire to import; $9.5 billion of oil money came into the country, but $5.7 billion went out on imports and private transfers of capital abroad. Even though domestic industry is protected by high tariffs (which push up the cost of living) the leakages abroad out of the economy are a worrying indication of dependence of a different kind.

Caracas looks like a boom town. Nearly all the handsome old buildings have been torn down to make way for ugly new ones. Motorways bisect the city. The pavements have been torn up to make way for ever more cars. In the first eight months of 1975, about 23% more care were sold in crowded Caracas than in the same period a year earlier. The pattern of expenditure is closely geared to private consumption—and the consumers are not the poor whose spending the government wants to encourage. The result of the oil boom has been a rate of inflation which is unusual for Venezuela. Inflation would have been even higher had not much of the excess demand been spent on sucking in those imports.

A reorientation of spending patterns is needed: less private consumption by the rich, more domestic saving and more investment paid for out of such savings rather than out of borrowings from abroad. A policy of this kind will need tax reforms to curb the expenditures of the relatively affluent. The finance minister intends to introduce a measure of income tax reform next year—but in a country where tax can easily be evaded or avoided, the best solution might be a sales tax with food and essentials excluded.

Whatever the form of the tax, the government will have to begin persuading itself, and then its voters, that the way to true independence is to consume less than is produced—in the non-oil sector as well as in the oil sector. To which Sr. Gumersindo Rodriguez would doubtless reply that it is always people from rich countries who suggest that the poor should suffer before they, too, can join the club.

CVG ON THE OTHER HAND

Rash though it is to rush headlong into a massive investment programme, Venezuela is planning virtually to double its investment rate. The table on the right shows the $30 billion of projects under discussion for the public sector, $26 billion of which is due to be completed during the next five years. Wastage, inefficiency and inflation are sure to accompany any fruitful results from this investment programme. The government's heart is in the right place, but it appears to be in the wrong body.

There is, however, one strong limb, the Corporación Venezolana de Guayana (CVG). This is one example of state capitalism which is working well. CVG is to get a big bite of the money to be spent (or more likely will not, possibly luckily, be spent) over the next five years.

CVG was set up in 1960 to develop the natural resources in an area comprising about a third of the country. In particular, it was expected: to increase the value derived from the 2.4 billion tons of high-grade iron ore reserves by building up a steel industry; to develop the hydro-electric resources of the Caroni river; to use the cheap electricity thus generated to develop an aluminium industry; and in creating these basic industries, to provide a new magnetic field of growth away from the northern and central parts of the country. It is on the way to meeting these objectives and in the process has fostered a corps of loyal, hard-working and efficient managers who have been able to keep politicians and bureaucrats at bay by producing the goods. CVG can now do no wrong, and by telescoping its 15-year plans it has provided a haven for the money burning a hole in the government's pocket. But can even CVG's management elite digest what it is intending to bite off?

IRON AND STEEL

Sidor, CVG's steel company, took 10 years to expand from an annual output of 340,000 tons to 1m tons. Orders have been placed for a further extension which will increase capacity to 5m tons. The logic is sound, for Venezuela's exports of about 25m tons of iron ore—the mining companies were nationalised at the beginning of 1975—do not earn enough to pay for its imports of under 1m tons of finished steel products. Cheap natural gas will be used to fuel the furnaces, but the efficiency of production will not be very great because the bulk of production is designed for the undeveloped home market which orders small quantities of a large variety of products. Stage one of the steel plans is designed to provide substitutes for these imports.

Stage two is to build another 5m ton plant in the state of Zulia, using the coal from that region. CVG, although strictly speaking out of its bounds, was asked by the national steel council to engage in a detailed study together with the British consultants, W. S. Atkins, on this project. Stage three, for which the proposed starting date of 1982 must be regarded as very tentative, is for a further 5m ton plant, possibly back in Guayana, and using coal brought from Zulia in the ships that would take the ore to it. The steel industry would then be competing in the international market with other Latin American countries—Brazil, Argentina and Mexico. And Japan and the United States.

Grand investment plans

[In billions of dollars]

Investment:	*1970–74 actual*	*1976–80 planned*
Public	6	26
Private	17	14
Total	23	40
Public projects under consideration:		
Steel, plan 4		3.5
Guri hydroelectric		1.5
Aluminum		1.0
Other Guayana projects		1.0
Total CVG		7.0
Steel, Zulia		2.8
Petrochemicals		2.8
Shipping, shipbuilding		1.0
Oil industry		3.5
Industry		17.1
Agriculture		4.4
Housing		2.8
Infrastructure		6.0
Total		30.3

HYDROELECTRIC POWER

The Caroni river is God's gift to dam builders. It carries little silt, has natural canyons and flows swiftly and strongly. At the dam at Guri, 10 turbines with a capacity of 2,080 megawatts are being installed. But it is planned to increase the height of the dam by another 150 ft. to some 400 ft. (which will increase the power of the existing turbines to 3,000 MW) and to widen the dam and to install another 10 turbines with 6,000 MW, making a total of 9,000 MW—or twice as much installed electricity generating capacity as the whole country now has. But whereas the first stage cost a modest $300m, the next two stages will cost about $2½ billion.

ALUMINUM

Guayana's hydro-electric power, which is the mean operating cost in making aluminum, is extremely cheap. CVG is expanding the smelting capacity of the company jointly owned with Reynolds, the American company, to 130,000 tons; and it is now building the world's largest aluminum smelter—with a capacity up to 320,000 tons—with a consortium of Japanese companies at a cost of $500m. The Japanese have contracted to take 140,000 tons a year at "international prices". To shift another 50,000 tons, CVG is embarking on a wire drawing venture with private entrepreneurs.

To produce 450,000 tons of aluminium requires about 1m tons of alumina. This is currently supplied by Reyonlds, but CVG has started work on a $540m plant to make 1m tons a year, so as to meet all its own needs. To make 1m tons of alumina, 2m tons of bauxite is needed. CVG reckons that ample bauxite deposits exist in Venezuela, but for the sake of good relations with neighbouring bauxite producers of Jamaica, Guyana and Surinam it is not looking too hard for new deposits. A long-term contract for the supply of 450,000 tons a year of bauxite has been signed with Jamaica—which, like all the other bauxite producers, wants to follow Venezuela farther down the production chain.

Sr Argenis Gamboa, promoted from Sidor to take over the whole of CVG when his predecessor, General Rafael Alfonzo Ravard, went to Petróven, takes a bullish view of the future. He regards industrial development as a chicken and egg problem. As he sees it, the country is inexperienced and so it should be on its guard about going ahead with major projects; but, then he argues, it cannot gain the experience unless it does go ahead with them. CVG's solution is "to buy the eggs abroad, and hatch them ourselves"—to pay for the expertise and knowhow, and, having learned to walk, to start running. This sort of dynamic approach helps the CVG mystique, and breeds a heart-warming confidence. If confidence were all, CVG would be well away.

Finally, however, it has to be noted that CVG's investment programme of some $7 billion over the next five years will produce an extra 35,000 jobs. Or about one-third of the jobs the country needs to provide every year for its growing population—and it would be as well if everyone in Venezuela took a look at the capital cost of each job.

ON THE LOOKOUT

Wealth has increased Venezuela's power in the world. Countries which have never paid the slightest attention to Venezuela before and even now are not quite sure where it is on the map and who no doubt assume that the place is a dictatorship like other Latin American countries are now hoping to encourage warm and friendly relations, especially trade relations, with this—as they are surprised to find out—democratic country in the tropics. The Danish prime minister, of all people, recently paid a state visit to Venezuela; and Mr. Harold Wilson is due to pay the first British state visit in the coming year.

Venezuela encourages these visits; it smarts from the abysmal ignorance the rest of the world exhibits about a country that really is different from others on the continent, and one for which respect is due. That ignorance can have costly ill-effects. During the Arab oil embargo, Venezuela increased its exports to the United States and other afflicted countries—and yet when an amendment to the United States Trade Act was tacked on to punish all Opec countries, Venezuela was not rewarded. This incident typified, in the minds of Venezuelans, the traditionally truculent attitude on the part of the United States to Latin America.

An important strand of Venezuela's foreign policy is, therefore, to foster not anti-Americanism but hemispheric unity, so as to create a power bloc that the United States could no longer push around so easily. It sees eye-to-eye with Mexico on this.

Hence Venezuela and Mexico tried last year to get the Organization of American States to remove the boycott on Cuba. It was an indication of the lack of experience of this fledgling power that it failed to prepare the ground adequately, and the abstentions of neutral countries plus the noes of countries in the camp favouring the United States defeated the Venezuelan resolution. The foreign minister was then sacked, and replaced by Sr Ramón Escovar Salon. The Pérez administration has restored diplomatic relations with Cuba—broken off in the early 1960s when Cuba hoped that Venezuela's then precarious democracy might be toppled from the left. It is a measure of the Venezuelan democracy's self-confidence that it no longer has any fears about Cuban influence.

Together with Mexico, Venezuela is fostering the Latin American Economic System, known by the initials of its Spanish name as Sela. The intentions of Sela are to provide a forum for all Latin American countries including Cuba; but it will exclude the United States. Argentina and Brazil are not too excited by the idea, but are still taking part. The formal objectives of Sela are to promote integration and industrial co-operation, and to foster Latin American multinational companies (presumably these will be "good" ones, unlike the convenient Aunt Sally multinational companies owned by the other Americans). But, informally, Sela's regular meetings of heads of state of member countries might gradually lead to the forming of a hemispheric consciousness, so long talked about and as yet so little apparent. The headquarters of Sela are to be in Caracas, as is fitting for the newest major power in Latin America. Venezuela now joins the big league of Brazil, Argentina (declining into the small league) and Mexico; and President Pérez is now even described by Time magazine (the largest-selling publication in Latin America) as "widely-respected."

PANAMA

To establish the new mood of Latin American solidarity, an issue is needed. Venezuela has been losing neither time nor energy in focusing attention on the Panama canal. This has the ingredient necessary to unite brothers; the presence of American troops on land that the *gringos* dare to call their own simply because they bought it. President Pérez told Time that "Panama could become a keg of dynamite." The Venezuelans want to see a treaty that gives the Panamanians sovereignty, even though they add that the canal's security "should continue to depend on the United States."

In all fairness, this is what President Ford's administration wants too. It is Congress that is behaving like imperial America. But reports reaching Venezuela that the number of American troops in Panama had been increased and that the troops were being rotated more regularly to minimise fraternisation with the locals aroused the ire of President Pérez. He has taken every opportunity to make assertive remarks about Panama to visiting American journalists. They then rush back and write it all up—and get the debate rolling within the United States, which is more likely to put pressure on Congress than the remarks themselves. But the president takes the issue very seriously. He does regard it as a test case of American behaviour towards Latin America.

Although Sr Escovar is foreign minister, the person who shapes the foreign strategy of Venezuela is Sr Manuel Pérez Guerrero, the minister for international economic relations. He is said to have turned down the job of being foreign minister on the grounds that he did not want to spend all his time at cocktail parties.

Venezuela is becoming a vital bridge between the developed and underdeveloped worlds. It behaved in that way at the United Nations special session, and it does very much see itself as such a bridge—and is so seen by the United States.

Among the poor, Venezuela is listened to because it upholds the objectives of the new economic order, the transfer of power from rich to poor, control of multinational companies and so on. Among Opec countries, it has the prestige of being the founder of the organisation, of having been closely linked with the oil industry over many years, of maintaining high oil production levels (even at the reduced level, Venezuela is in the top five), and of nationalising its oil resources in a sensible manner. Among the rich countries it is heard because it has held to its democratic principles and kept out of the way of the communist countries. In spite of the power of the state, it is a country that has joined the Pepsi generation. A Pepsi neon sign symbolically dominates the Caracas skyline at night. In popular consumption and culture, Venezuela has been won over to the American way of life.

REBEL WITH A CAUSE

Venezuela's government sector is already huge. It is still growing. Its administration is in urgent need of reform. There are competitive examinations for the civil service—in theory. In practice, a minister hires whomever he wants, with the result that when he goes, so do many officials. There is little or no continuity. Theoretically, ministers can only freely hire and fire "confidential" staff—but the definition of who is "confidential" sometimes extends to the liftmen. There has been no thorough reform of the civil service since 1940. Salaries in the civil service, moreover, are lower than in private industry. As there is a shortage of administrative skills throughout Venezuela, the civil service cannot retain its good staff.

There is one department whose integrity is unquestioned: the controller-general's office. But the controller has threatened to resign unless he can get the staff he feels is required to carry out the job. This is to vet all the contracts awarded by government to ensure both that there has been no hanky-panky and that the project is economically wise. In theory his department is meant to audit: 13 ministries, 20 states, 150 autonomous institutes (which in fact do not seem to be responsible to anyone or to produce proper accounts) and 7,000 municipalities. It is an impossible task.

The controller general, Sr José Muci Abraham, is nearly in despair. He has only 1,600 subordinates and he needs another 290 technicians to monitor the complicated contracts that are flowing in the wake of the state's spending plans. He is aware that the annual report which he sends to congress, to whom he is directly responsible, is read, that heads nod—and that then nothing happens. Some 500 cases of maladministration or corruption are being prepared by his department. Some have already gone to the attorney-general's office, but few will ever see the light of day in the courts because it is so hard to prove that bribery has occurred. You can only fight dishonesty with honesty. But there is no strong tradition of honest and efficient management in the civil service—or in the country at large.

"In many countries, being rich is a consequence of the efforts and work of the people. When you make something you can manage it. The creation of wealth and its management are part of a process. We have never had such a process. The wealth came out of the earth. We have a consequence without a cause."

That is how the controller voices his criticisms. It may not be much consolation, but it is at least impressive that Venezuela's civil service should have this one-man pressure group for change in its midst. But will the politicians listen?

NEW FRIENDS

Venezuela has largely avoided purchasing friends. Much of its fairly generous aid has been channelled through multilateral agencies. It was the first Opec country to lend to the World Bank, and this proved a breakthrough in negotiations with other Opec countries. It feels a special responsibility towards Latin America—as well it might, for the oil price increases have cost the continent an additional $3 billion a year. It is always a little hard to preach about the transfer of wealth from rich to poor when the most immediate sufferers are next door. The Venezuelans have set up a $500m trust fund at the Inter-American Development Bank (IADB)—a sort of World Bank just for Latin America. The mechanism of a trust fund has been used deliberately so as to insulate its money from the possibility of a veto by the Americans, and as a demonstration to them of how lending to Latin American countries should be carried out. The Americans have tended to exclude certain countries and certain types of loans where they felt private American business needed no help—such as in the development of natural resources and agro-industry. The IADB is also being used to carry out the selection of projects that qualify for another scheme the Venezuelans have set up for the countries of Central America. Oil will be sold to them and to Jamaica at $6 a barrel; the difference between $6 and the market rate is treated as a loan to be spent on projects vetted by the IADB. These loans will bear interest, and are meant to be good enough investments for the portfolio of the Venezuelan investment fund.

Venezuela was a late-comer to the Andean pact. Bolivia, Chile, Colombia, Ecuador and Peru signed the Cartagena agreement in 1969, but Venezuela did not join until February, 1973. The idea of sub-regional integration among countries with a joont population of 73m, which could then feel that they could provide a more effective counterbalance to Brazil, the giant of the continent, is appealing. And the way the secretariat has gone about the task of integration shows much intelligence and imagination. The Andean pact rules for the treatment of foreign-owned companies engaged in inter-regional trade lay down fairly clearly what the rights and obligations of host country and company are to be. The intention to reduce tariffs and to decide rationally which countries should concentrate on which industries so that they could get the economies of scale denied to each of them acting alone is admirable. The trouble is that geography interposes very strict barriers of its own, and it is these that have left the level of inter-regional trade at a very low level. And although Venezuela's membership of the pact strengthens the group because of its liquid wealth, this also unbalances it.

There is a fly in the ointment: a dispute between Venezuela and Colombia about the ownership of a stretch of coastal water, the Gulf of Venezuela, which lies seaward of the Maracaibo oil basin, and which might therefore have offshore oil. In a spirit of neighbourliness, Venezuela could simply give its neighbour the benefit of the doubt, or even agree to the idea of developing any offshore fields together. But sub-regional integration does not as yet go that far. The Venezuelans feel they have over the years given away too much of their border areas (still leaving them with one of the lowest population densities in the world), and the army, which does not have much to get excited over, is very sticky about this issue.

Another territorial dispute looks even more insane: it is the Venezuelan claim to a virtually uninhabited but vast portion of its neighbour to the east, Guyana, which makes up about half of that country's territory. A 10-year agreement to leave the matter open expires in 1982, and relations at the moment are friendly. They may not always remain so. Venezuela is making overtures to Brazil, with which there are few ties, in order to prevent it lining up with Guyana in the future.

Relations with most Caribbean countries have been sweet—which perhaps is why sourness has crept into those with Dr. Eric Williams, the prime minister of Trinidad and Tobago and a man hard to get along with. Venezuela rescued the small airline that hops between the Leeward Islands after Trinidad refused to help, and has put $35m into the Caribbean Development Corporation. But troubles may arise over aluminium. If demand for it grows strongly, then the smelters being built or planned in Mexico, Trinidad, Jamaica and Venezuela may all be profitable; if not, then there could be strife. Venezuela's negotiation of long-term bauxite contracts with Jamaica and Guyana have aroused the wrath of Dr. Williams and have led him to accuse Venezuela of the sin of sins—imperialism. Of which Venezuela has been surprisingly innocent, given how relatively rich it has suddenly become.

TROPICALLY TOPICAL

Venezuela is going in the right direction so fast that it may risk being derailed. The objectives of the Pérez administration are the right ones: promoting agriculture, diversifying the economy, reducing inequalities, increasing education, encouraging the growth of political independence among the other nations of Latin America and of economic independence among other poor countries. The weakness of the Pérez administration is administration, a result of the years of poor education under the dictators, combined with the huge (and still insufficiently recognised) pressure of a mushrooming population. By trying to spend his way into modern times, President Pérez risks having the delicate fabric of his democracy torn by people disillusioned by the inflationary gap between promises and action, or by an army anxious about the waste of money. These are distant risks, and as a democratically elected president, with the pressures of a populist party behind him, it is hard for him to promise less, and to attempt to slow down. But he must try and put the message across that independence comes from one's own efforts as well as from God's—or was it the devil's—gift of oil under the earth.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 12:30 p.m., with statements therein limited to 5 minutes.

Mr. JAVITS. Mr. President, if no Member seeks recognition, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Stafford). Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. Culver) laid before the Senate a message from the President of the United States submitting the nomination of Willie J. Usery, Jr., of Georgia, to be Secretary of Labor which was referred to the Committee on Labor and Public Welfare.

MESSAGE FROM THE HOUSE

At 11:47 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (S. 391) to amend the Mineral Leasing Act of 1920, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the Speaker has appointed Mr. Broyhill as a manager on the part of the House in the conference on the disagreeing votes of the two Houses to the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes, to fill the existing vacancy thereon.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Culver) laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation by the National Aeronautics and Space Administration

A letter from the Administrator of the National Aeronautics and Space Administration transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration (with accompanying papers); to the Committee on Aeronautical and Space Sciences.

Report of the Assistant Secretary of Defense

A letter from the Acting Assistant Secretary of Defense transmitting, pursuant to law, a report of Department of Defense procurement from small and other business firms for July–September 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Publication of the Federal Power Commission

A letter from the Chairman of the Federal Power Commission transmitting a publication entitled "The National Power Survey: Power Generation: Conservation, Health, and Fuel Supply" (with an accompanying publication); to the Committee on Commerce.

Determination by the Department of the Treasury

A letter from the Assistant Secretary of the Treasury transmitting, pursuant to law, a copy of a determination with respect to imports of canned hams and shoulders (with accompanying papers); to the Committee on Finance.

International Agreements Other Than Treaties

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into during the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

Reports of the Comptroller General

Two letters from the Comptroller General of the United States transmitting, pursuant to law, (1) a list of reports of the General Accounting Office for the month of December 1975; and (2) a report entitled "Financial Disclosure System for Employees of the Food and Drug Administration Needs Tightening" (with accompanying reports): to the Committee on Government Operations.

Report of the Department of the Treasury

A letter from the Assistant Secretary of the Treasury transmitting, pursuant to law, a report relating to a new IRS system of records (with an accompanying report); to the Committee on Government Operations.

Report of the Department of the Treasury

A letter from the Assistant Secretary of the Treasury transmitting, pursuant to law, a report relating to a new system of records for the Customs Service (with an accompanying report); to the Committee on Government Operations.

Proposed Contract of the Department of the Interior

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a proposed contract for a research project (with accompanying papers); to the Committee on Interior and Insular Affairs.

Rental Property of the General Services Administration

Two letters from the Acting Administrator of General Services transmitting, pursuant to law, a prospectus for alterations at the Chicago, Illinois, Federal Building, 536 S. Clark Street; and a prospectus for entering into a 5-year lease for space at the Crystal Plaza No. 5 building in Arlington, Virginia (with accompanying papers); to the Committee on Public Works.

Report of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report concerning positions in the United States General Accounting Office in grades 16, 17, and 18 (with an accompanying report); to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

S. Res. 349. An original resolution authorizing additional expenditures by the Committee on Finance.

NOMINATION OF JOAN D. AIKENS FOR REAPPOINTMENT TO THE FEDERAL ELECTION COMMISSION

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Republican leader and myself, in accordance with Public Law 93–443, section 310, I submit the recommendation of Joan D. Aikins for reappointment to the Federal Election Commission for the term expiring April 30, 1982.

THE PRESIDING OFFICER. Without objection, the nomination will be received and referred to the Committee on Rules and Administration.

ATTENDANCE OF SENATORS

Hon. EDWARD W. BROOKE, a Senator from the State of Massachusetts, and Hon. HOWARD W. CANNON, a Senator from the State of Nevada, attended the session of the Senate today.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 2862. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974. Referred to the Committee on Commerce.

By Mr. HUGH SCOTT:

S. 2863. A bill to designate the "Herman T. Schneebeli Federal Building". Referred to the Committee on Public Works.

By Mr. Moss (for himself and Mr. Goldwater) (by request):

S. 2864. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes. Referred to the Committee on Aeronautical and Space Sciences.

By Mr. BROCK:

S. 2865. A bill to establish a Standing Committee of the Senate on Intelligence Oversight, and for other purposes. Referred to the Committee on Rules and Administration.

By Mr. PERCY:

S. 2866. A bill to amend the Internal Revenue Code of 1954 to allow a deferment of income taxes to individuals for certain higher education expenses. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 2862. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and I ask unanimous consent that the letter of transmittal and statement of purpose and need be printed in the Record together with the text of the bill.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2862

Be it enacted by the Senate and House of Representatives of the United States of America in Congress asssembled, That the Federal Fire Prevention and Control Act of 1974 (Public Law 93–498; 88 Stat. 1535) is amended by redesignating section 17 as section 17(a) and adding a new subsection (b) to read as follows:

"(b) There are authorized to be appropriated to the Secretary of Commerce for the fiscal years ending September 30, 1977, and September 30, 1978, such sums as may be necessary to carry out the provisions of this Act, (except section 19 of this Act and payments to claimants under section 11), and to carry out the provisions of section 16 of the Act of March 3, 1901 (15 U.S.C. 278f) as added by section 18 of this Act."

The Secretary of Commerce,
Washington, D.C., November 26, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
U.S. Senate,
Washington, D.C.

Dear Mr. President: Enclosed are four copies of a draft bill "To authorize appropriations for the Federal Fire Prevention and Control Act of 1974," together with a statement of purpose and need in support thereof.

This proposed legislation has been reviewed by the Department in the light of Executive Order No. 11821 and has been determined not to be a major proposal requiring evaluation and certification as to its inflationary impact.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

ROGERS MORTON,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

The Federal Fire Prevention and Control Act of 1974 by creating the National Fire Prevention and Control Administration and the Fire Research Center within the Department of Commerce had as its objectives the reduction of the nation's losses caused by fire through better fire prevention and control; the supplementing of existing programs of research, training, and education; and the encouragement of new and improved fire prevention and control activities by state and local governments.

To accomplish these objectives, the Secretary of Commerce is authorized to undertake certain acts among which are the taking of all steps necessary to educate the public and overcome public indifference to fire and fire prevention; to establish at the earliest practicable date, a National Academy for Fire Prevention and Control in order to advance the professional development of fire service personnel and of other persons involved in fire prevention and control activities; to assist state and local fire service training programs through grants, contracts, or otherwise; to conduct a continuing program of development, testing and evaluation of equipment for use by the nation's fire, rescue, and civil defense services; to operate a comprehensive National Fire Data Center for the selection, analysis, publication, and dissemination of information pertaining to fires of all types; to encourage and assist states in the establishment of Master Plans for fire prevention and control; to review, evaluate and suggest improvements on public and private fire prevention and building codes and regulations; and to perform and support research on all aspects of fire with an aim to providing scientific and technical assistance applicable to the prevention and control of fires.

The Federal Fire Prevention and Control Act of 1974 authorized to be appropriated to carry out the programs of the National Fire Prevention and Control Administration, except section 11 of the Act, such sums as were necessary not to exceed $10,000,000 for the fiscal year ending June 30, 1975, and not to exceed $15,000,000 for the fiscal year ending June 30, 1976. Additionally, to carry out the research activities of the Fire Research Center, the Act authorized an amount not to exceed $3,500,000 for the fiscal year ending June 30, 1975, and not to exceed $4,000,000 for the fiscal year ending June 30, 1976.

The purpose of this bill is to authorize appropriations through the fiscal year ending September 30, 1978 as may be necessary for the continuation of the programs of the National Fire Prevention and Control Administration and the Fire Research Center and to consolidate into one account the appropriations authority for carrying out the programs of the National Fire Prevention and Control Administration and the Fire Research Center in order to promote efficiency and coordination by centralizing fiscal accountability.

Under current planning for administering the funds authorized to be appropriated, they would be utilized to carry out the programs of the National Fire Prevention and Control Administration, except for the claims program under section 11 of the Act, and for the support of the resarch activities of the Fire Research Center.

This proposal does not provide authorizations for section 19 of the Act relating to research on treatment for victims of fire which is administered by the Department of Health, Education, and Welfare.

By Mr. HUGH SCOTT:

S. 2863. A bill to designate the "Herman T. Schneebeli Federal Building". Referred to the Committee on Public Works.

Mr. HUGH SCOTT. Mr. President, Senator SCHWEIKER and I are pleased to introduce a bill to designate the proposed new Federal building at West Third Street, Williamsport, Pa., as the "Herman T. Schneebeli Federal Building."

HERMAN SCHNEEBELI, ranking Republican on the House Ways and Means Committee, will retire at the end of the 94th Congress after 16 years of service to his 17th Congressional District of Pennsylvania. Everyone who is familiar with HERM's modus operandi knows that his efforts on behalf of his community were not diminished by his larger services in Washington. Throughout his congressional career and despite his busy schedule, this dedicated, hardworking Congressman has maintained his close and helpful ties with local religious, civic, and welfare organizations.

As HERM returns to on-the-scene civic leadership, it is most appropriate that we recognize his longstanding efforts in his community by naming the proposed new Federal building in Williamsport in his honor. I urge my colleagues to join in this special tribute to our good friend and colleague, HERMAN T. SCHNEEBELI.

By Mr. BROCK:

S. 2865. A bill to establish a Standing Committee of the Senate on Intelligence Oversight, and for other purposes. Referred to the Committee on Rules and Administration.

CONGRESS AND INTELLIGENCE: THE OTHER SIDE—RESPONSIBILITY

Mr. BROCK. Mr. President, this week, the Government Operations Committee began hearings on the formation of a new, permanent Intelligence Oversight Committee that will continue to monitor the intelligence activities of the United States. Of course, the past year has seen an intensive investigation into one side of the intelligence coin: Past, present, and even future operations of the American intelligence community. That investigation was conducted by the Senate Select Committee To Study Governmental Operations With Respect to Intelligence Activities and by the House Select Committee on Intelligence.

It is now apparent that there is a general agreement that a new Oversight Committee should, and will, be formed. The intention is for Congress to regain its proper constitutional role in foreign affairs by keeping informed, to have the knowledge necessary to oversee the intelligence community. Congress certainly has the power to grant itself that ability.

However, it is necessary that I point out the other side of the coin of being kept informed—that is the responsibility of having information.

Mr. President, I am afraid that the events of the past few months have demonstrated that Congress may not be quite ready for that responsibility. Therefore, with the establishment of an Oversight Committee, it is my belief that there should also be established tight safeguards to help protect that information. It is the purpose of the bill which I am introducing today to create a Senate Committee on Intelligence Oversight.

There have already been several theories advanced regarding the structure of such a committee. In fact, the suggestion that no committee be formed in lieu of reforming the entire Senate committee system holds great promise. I certainly would favor such an idea. However, this measure which I am introducing proposes to deal with the other side of the coin, responsibility, which is essential to any committee which will oversee something as important as the intelligence gathering capabilities of our Nation.

Mr. President, this measure contains three sets of safeguards. Some of these are unprecedented, but this is an unprecedented situation. The three areas which this measure addresses are: Members of Congress, the release of information, and committee staff.

1. MEMBER SAFEGUARDS

This committee would be nonpartisan, composed of 10 members, 5 from each party.

If we in Congress are really serious about the problems of congressional oversight, we must insure that there is never the slightest touch of partisanship. I was slightly disturbed by a recent Evans-Novak column that the alleged Eisenhower link to covert actions was made by a relatively low-level staffer and that senior Eisenhower staffers were not consulted and disagreed. While the recent stories on the late President Kennedy's life might make for titillating newspaper copy, I agree with both the chairman and vice chairman of the Senate committee that they really add nothing to our understanding of intelligence.

Any future intelligence committee is going to, time and time again, run across interesting and titillating material of a partisan nature. So, the only practical way to safeguard such material is to make this nonpartisan.

Second, the 10 members shall be the majority and minority leaders, and the chairman and ranking members each of Armed Services, Appropriations, Foreign Relations, and Government Operations.

This mix solves the obvious problem of having to inform too many Members of Congress and indirectly, solves the problem of "scope" of the committee. There is criticism that having members of these important committees, especially chairmen and ranking minority members, that they would not have the time, or interest, to properly serve on such a committee. I simply reject this argument, knowing the character of the men involved.

Third, there shall be both a chairman and a vice chairman, with the chairman from the majority party and the vice-chairman from the minority party.

Fourth, there shall be no proxies allowed. The reason for this will become more apparent when I explain my next section on "Release of Information."

Finally, if any member violates his trust and leaks information without approval, he shall be automatically suspended when charges are brought by at least one-fifth of the members, with at least one from each party. There shall be automatic referral of the case to the Senate Committee on Standards and Conduct and it will have 60 days to make a report to the full committee. The member shall only be reinstated upon approval of, first, the full Senate, and then, the Intelligence Committee itself.

There are unprecedented procedures in some cases, but like any law or precedent, no reasonable man ever need fear them. As I stated earlier, these are also unprecedented times, and we simply must stop this making of foreign policy by leaks.

2. RELEASE OF INFORMATION

I am proposing three separate safeguards for the release of information.

Any report, press release, and so forth, revealed to the public must be approved by at least a 3-to-5 majority of the committee with at least two from each party.

For material released over the objection of the administration, a 4-to-5 vote will be required including at least three from each party. In addition, this material must be approved by the Senate.

For material received under "prior notification" procedures, a unanimous vote of the committee will be required plus a 3-to-5 vote of the Senate.

This is why it is important that proxies not be allowed.

3. STAFF SAFEGUARDS

Although I am afraid that all the Members are not entirely faultless, I think that many, if not all, of the sources of leaks come from staff members who forget that they are not the elected representatives of the people. Therefore, I am proposing some very stringent staff security measures.

First, none shall be hired without the approval of both the chairman and vice chairman. This will be in keeping with the nonpartisanship of the committee.

Second, all staffers must have a background investigation. I must emphasize all since some of the worst cases of espionage have been committed by the lowest level persons.

Third, clearances will only be granted with recommendation of the staff director and approval by both the chairman and vice chairman.

Fourth, all staffers shall sign a pledge never to divulge material.

Fifth, there shall be immediate dismissal for leaks or other indiscretions any time a charge is brought by one member or the staff director.

Sixth, violation of the pledge to reveal information or for leaking will be punishable by a sentence of up to 20 years and/or a $100,000 fine.

Mr. President, we simply must make this a very professional staff that serves the Senate and not themselves.

MISCELLANEOUS PROVISIONS

By concentrating on safeguards, I do not want to leave the impression that I am unconcerned about some of the more substantive measures. However, I think that some of these substantive measures have already been resolved by both the Rockefeller Commission and the Senate and House Intelligence Committees.

There are, however, two measures that I think should be looked into by any new committee. Thus, I am requesting that any new intelligence committee submit reports on the following:

First. The question of an overall "intelligence budget." My bill requires that the new committee report within 18 months the feasibility and advisability of such a budget.

Second. The question of a reorganization of the whole intelligence community. This simply must be looked into in depth. One question I have is the advisability of establishing a strictly "analytical department of intelligence" that operates out of the White House. My bill directs the committee to report within 24 months on this question of reorganization.

Finally, I have been increasingly distressed that there has not been some balance in intelligence reporting over the past year during this investigation. I am not defending any illegal action that has been conducted by the CIA or FBI. However, on balance, and when compared to Communist activities, I am sure they would be considered mild. We simply must bring some balance to this masochistic criticism of our own institutions.

Therefore, to try to bring some balance, my bill requires that once a year the Directors of the CIA, the FBI, and the Defense Intelligence Agency, shall issue a report on Communist activities in their respective areas.

Mr. President, my concern is our national security. There is no question in my mind of the importance of national security. As I stated previously, I do not condone some of the activities of some elements of our intelligence community, but I have no question about the need for intelligence. This measure deals with a serious problem. We must face it and find solutions. It is my hope that we will proceed in a direction which will make our nation stronger, not destroy it. We must stop the creation of our foreign policy by unneeded leaks of vital information which does nothing more than rip at the fabric which holds us together.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2865

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Committee on Intelligence Oversight Act of 1976".

SEC. 2. Sections 3 through 8 and sections 10 and 11 of this Act are enacted—

(1) as an exercise of the rulemaking power of the Senate, and as such they shall be considered as part of the rules of the Senate, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

SEC. 3. Rule XXIV of the Standing Rules of the Senate is amended by adding at the end thereof a new paragraph as follows:

"3. (a) The Committee on Intelligence Oversight shall be composed of the following members:

"(1) The majority leader of the Senate.

"(2) The minority leader of the Senate.

"(3) The chairman and the ranking member of the minority party of the Committee on Appropriations, the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Government Operations.

"(b) At the beginning of each Congress, the members of the Committee on Intelligence Oversight who are members of the majority party of the Senate shall select the chairman of such committee and the members of such committee who are members of the minority party of the Senate shall select the vice chairman of such committee."

SEC. 4. (a) Subparagraph (d) 1 of paragraph 1 of rule XXV of the Standing Rules of the Senate is amended by striking out the period at the end of such subparagraph and inserting in lieu thereof a comma and the following: "except matters described in subparagraph (s)."

(b) Subparagraph (i) 1 of paragraph 1 of rule XXV of the Standing Rules of the Senate is amended by striking out the period at the end of such paragraph and inserting in lieu thereof a comma and the following: "except matters described in subparagraph (s)."

(c) Subparagraph (l) 9 of paragraph 1 of rule XXV of the Standing Rules of the Senate is amended by striking out the comma after the word "espionage" and inserting in lieu thereof the following: "(except matters described in subparagraph (s))."

SEC. 5. (a) Paragraph 1 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(s) Committee on Intelligence Oversight, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following:

"(A) The Central Intelligence Agency.

"(B) The Defense Intelligence Agency.

"(C) The National Security Agency.

"(D) Intelligence activities of all other departments and agencies of the Government, including, but not limited to, the intelligence activities of the Army, Navy, and Air Force; the Department of Justice; the Department of State; and the Department of the Treasury.".

(b) Paragraph 3 of rule XXV of the Standing Rules of the Senate is amended by inserting

"Intelligence Oversight................ 10."

immediately below

"District of Columbia................ 7.".

(c) Paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(i) For the purposes of this paragraph, service of a Senator as a member of the Committee on Intelligence Oversight shall not be taken into account.".

SEC. 6. (a) (1) Subject to the provisions of paragraph (2), no document, record, paper, testimony, or other information in the possession of the Committee on Intelligence Oversight of the Senate shall be disclosed by any member of such committee or by any employee or agent of such committee to any person not authorized by such committee to receive such information unless six or more members of such committee (including at least two from the majority party and two from the minority party of the Senate) have voted to disclose such information to such person.

"(2) No document, record, paper, testimony, or other information in the possession of the Committee on Intelligence Oversight of the Senate shall be disclosed by any member of such committee or by any employee or agent of such committee, except to the extent authorized by such committee, if such information was made available to such committee by the Executive Branch in accordance with section 662 of the Foreign Assistance Act of 1961 unless eight or more members of such committee have voted to disclose such information and the Senate has agreed to a resolution expressing approval of the proposed disclosure of such information by such committee.

(3) For purposes of paragraphs (1) and (2) of this subsection, no vote of any member may be cast by proxy.

(b) Whenever any document, record, paper, testimony, or other information is submitted by the Executive Branch to the Committee on Intelligence Oversight of the Senate, including any information referred to in subsection (a), with instructions that, because of national security considerations, such information not be disclosed to any person not a member or employee of such committee, such committee shall not disclose such information to any person not a member or employee of such unless (1) the disclosure of such information has been approved by a unanimous vote of all members of such committee, (2) such committee has requested the approval of the Senate for the disclosure of such information, and (3) the Senate has approved the disclosure of such information by a vote of at least three-fifths of the Senators duly chosen and sworn.

SEC. 7. (a) A member of the Committee on Intelligence Oversight of the Senate shall be automatically suspended from membership on such committee in any case in which two or more members of such committee (including at least one from the majority party and one from the minority party of the Senate) have alleged in writing to the clerk of such committee that such member has violated section 6 of this Act regarding the unauthorized disclosure of information.

(b) The suspension of any member of the Senate from membership on the Committee on Intelligence Oversight shall be automatically referred to the Select Committee on Standards and Conduct of the Senate together with a copy of the allegations referred to in subsection (a). Such select committee shall conduct an investigation of such allegations and shall submit a report containing the results of such investigation, together with such recommendations as it deems appropriate, including, but not limited to, recommendations for expulsion from the Senate, within 60 days after the date on which a copy of such allegations have been submitted to such select committee.

(c) Any member of the Committee on Intelligence Oversight of the Senate who has been suspended from membership on such committee shall remain suspended until such time as the Senate directs that such member be reinstated as a member of such committee.

SEC. 8. (a) Every individual employed by the Committee on Intelligence Oversight of the Senate and every other individual (other than a member of Congress) given access to any document, record, paper, testimony, or other information in the possession of such committee which the committee has not ordered to be publicly disclosed shall be required to have a Background Investigation check. The chairman and vice chairman of such committee shall determine the type of clearance each such employee or other individual shall be required to have.

(b) All employees of the Committee on Intelligence Oversight of the Senate shall be employed subject to the approval of both the Chairman and vice chairman of such committee.

(c) No individual shall be employed by the Committee on Intelligence Oversight of the Senate unless he shall pledge in writing never to disclose the contents of any document, record, paper, testimony, or other information in the possession of such committee unless such committee has approved the disclosure of such information.

(d) Any employee of the Committee on Intelligence Oversight of the Senate who violates his pledge made under subsection (c), as determined by any member of such committee or the staff director thereof, shall be immediately dismissed from his employment. In any case in which an employee of the Committee on Intelligence Oversight has been dismissed from his service with such committee because of a violation of his pledge made under subsection (c), such committee shall refer the matter to the Attorney General of the United States for appropriate action if the committee determines criminal prosecution may be warranted.

SEC. 9. Any employee of the Committee on Intelligence Oversight of the Senate who is guilty of having violated his pledge made under section 8(c) shall be guilty of a felony and shall be subject to a fine of not to exceed $100,000 and imprisonment not to exceed 20 years, or both.

SEC. 10. (a) (1) The Committee on Intelligence Oversight of the Senate shall conduct a study and investigation to determine the feasibility and advisability of having a consolidated intelligence budget in which funds for all intelligence activities of the United States are contained.

(2) Such committee shall submit the results of such study and investigation to the Senate within eighteen months after the date of enactment of this Act together with such comments and recommendations as it deems appropriate.

(b) (1) The Committee on Intelligence Oversight shall also conduct a study and investigation to determine the feasibility and advisability of a general reorganization of the intelligence community of the United States with particular emphasis on the question of establishing a purely analytical office of intelligence in the executive office of the White House.

(2) Such committee shall submit the results of such study and investigation to the Senate within twenty-four months after the date of enactment of this Act together with such comments and recommendations as it deems appropriate.

SEC. 11. All documents, records, papers, and other information in possession of the Committee on Intelligence Oversight of the Senate shall be kept in the offices of such committee, or in such other places as such committee may direct, under such security safeguards as such committee shall determine in the interest of national security.

SEC. 12. The Director of the Central Intelligence Agency, the Director of the Defense Intelligence Agency, and the Director of the Federal Bureau of Investigation shall each submit a report annually to the Committee on Intelligence Oversight of the Senate. Such reports shall review the operations of the agency or bureau, as the case may be, during the past year, including, but not limited to a review of the Communist activities with which such agency or bureau was concerned during such year. Such records shall be unclassified and shall be made available to the public. Nothing herein shall be construed as requiring the disclosure in such reports of the names of individuals engaged in intelligence activities for the United States or the sources of information on which such reports are based.

By Mr. PERCY:

S. 2866. A bill to amend the Internal Revenue Code of 1954 to allow a deferment of income taxes to individuals for certain higher education expenses. Referred to the Committee on Finance.

HIGHER EDUCATION EXPENSES TAX DEFERMENT ACT

Mr. PERCY. Mr. President, today I am introducing legislation which would provide greatly needed financial relief to middle-income families. Now more than ever, this bill is needed to assist middle-income students to become educated to their full potential.

As we all know, the costs of postsecondary education have been rising steadily during the past several years. The price of a year on almost every campus has jumped by at least 60 percent over the last 10 years, passing the $5,000 per year mark at many private universities. To support one child through 4 years of undergraduate study can cost between $10,000 to $25,000, a prohibitive sum for many families. Current and projected college costs are growing faster than income. It is unquestionably true that the rapidly increasing cost of higher education is a fact that cannot be ignored.

When I initially introduced this bill 4 years ago, the increasing costs of tuition, room and board, and the related fees and charges of a college degree had forced many to take on second jobs or to place second mortgages on their homes. The hardship is particularly great for parents who have more than one college-age child eligible for higher education at one time.

Congress has acted to some degree to relieve the financial plight of parents contemplating a college education for their children. There are a number of student aid programs that provide relief in the form of scholarships, grants, loans, and work-study programs, to those most in need, as they should. These Federal student aid programs, however, have been woefully inadequate in light of the rising financial costs involved in sending a person to school. Educational institutions, also, because of the inadequacy of their funds, often exhaust all of their financial assistance by the time they reach applications of students from middle-income families.

This concentration on lower income groups has resulted in little or no financial assistance available for the student from a middle-income family whose needs are just as great. The distressing fact is that families in this group who are expected to meet a large portion of the burden from their own resources either have no savings plan for college or have plans that are dangerously inadequate.

The bill I am introducing today is not the final answer to the skyrocketing cost of higher education, but it will help middle-income families to meet college expenses as they come up. My bill would allow a taxpayer to defer a part or all of his taxes while he is paying the expenses of higher education for himself or his dependents.

Unlike tax credits, the deferred taxes, like loans, must be repaid at 7 percent interest. The amount that may be deferred will decrease as income tax liability rises above $1,500 and will be entirely phased out at $3,000 of tax liability. Repayments would be adjusted according to a taxpayers income level, and would amount to a 20 percent income tax surcharge. The loan could, of course, be repaid earlier with no penalty. A table based on 1974 tax rates outlining the available benefits to various income groups follow.

Mr. President, educating our young is an investment in the very growth and development of our country. For an investment in higher education is an investment in people, the very best investment we can make for the future of our country. We must make the availability of the best possible higher education for our young people a prime national goal.

I ask unanimous consent that the bill and a table showing the maximum tax deferments be printed in the Record.

There being no objection, the bill and table were ordered to be printed in the Record, as follows:

S. 2866

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Higher Education Expenses Tax Deferment Act".

Sec. 2. (a) Subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to determination of tax liability) is amended by adding at the end thereof the following part:

"Part VII—Deferment of Taxes in Connection With Higher Education Expenses

"Sec. 59. Deferment of Taxes.

"(a) General Rule.—There shall be allowed to a taxpayer who is an eligible individual a deferment of a portion of the tax imposed by this chapter for a taxable year which is not in excess of the amount of the net qualified higher education expenses paid by him during that year, subject to the limitations of subsection (b).

"(b) Limitations.—

"(1) Maximum amount.—The amount of the tax deferred under subsection (a) shall not exceed in any taxable year, the lower of—

"(A) 75 percent of the net qualified higher education expenses paid by the taxpayer during that taxable year;

"(B) $1,500 per academic year for an undergraduate student (not to exceed a total of $7,500 for any student or not to exceed, when added to any amount deferred on behalf of the same individual as an undergraduate or graduate student, $10,000); or

"(C) the amount of the tax imposed by this chapter for such taxable year, reduced by twice the amount that such amount exceeds the amount of tax deferrable, except for the provisions of this subparagraph, multiplied by the number of students for the payment of whose qualified education expenses a deferment is claimed.

"(2) Minimum amount.—The amount of the tax deferred for any taxable year under subsection (a) shall not be less than 2 percent of the taxpayer's gross income.

"(3) Number of claimants.—Only one taxpayer who is an eligible individual with respect to any student in a taxable year may claim a deferment under subsection (a) with respect to the net qualified higher education expenses of such student. If more than one eligible individual claims a deferment with respect to a particular student for any taxable year, the eligible individual who has the highest priority shall be permitted to claim the deferment. Eligible individuals have priority in the order in which they are listed in subsection (c)(1).

"(c) Definitions.—For purposes of this part—

"(1) Eligible individual.—The term 'eligible individual' means—

"(A) a taxpayer who is eligible to claim a personal exemption deduction for a student at an eligible institution;

"(B) a student at an eligible institution;

"(C) the spouse of such student;

"(D) the parent, stepparent, fosterparent, or guardian of such student;

"(E) the parent, stepparent, fosterparent, or guardian of the spouse of such student.

"(2) Eligible institution.—The term 'eligible institution' means—

"(A) an institution of higher education;

"(B) a vocational school; or

"(C) with respect to students who are nationals of the United States, an educational institution located outside of the United States which is comparable to an eligible institution under subparagraph (A) or (B) of this paragraph and which is approved for purposes of this part by the Secretary or his delegate.

"(3) Institution of higher education.—The term 'institution of higher education' means an institution of higher education as defined in section 1201(a) of the Higher Education Act of 1965.

"(4) Vocational school.—The term 'vocational school' means an area vocational education school as defined by section 108(2)(C) and (D) of the Vocational Education Act of 1963.

"(5) Qualified higher education expense.—The term 'qualified higher education expense'—

"(A) means an expense incurred by a student at an eligible institution during the taxable year payment of which is made during such year, including, but not limited to, tuition and fees required for the enrollment and attendance of such student at such institution, other fees attributable to educational activities at such institution, the cost of books, supplies, and living expenses, including room and board (except that living expenses shall not exceed $150 multiplied by the number of months during the taxable year such student was enrolled as a full-time student at such institution); but

"(B) does not include any such expense which, in the case of a student who is a candidate for a baccalaureate or higher degree, is not attributable to courses of instruction for which credit is allowed toward such degree, or, in the case of an individual who is not a candidate for such a degree, which is not attributable to courses of instruction necessary to fulfill requirements for the attainment of the educational, professional, or vocational objective for which he is enrolled in such institution.

"(6) Net qualified higher education expense.—The term 'net qualified higher education expense' means the amount of a student's qualified higher education expenses for a taxable year reduced by the total amount of student financial aid received by such student during that year, including, but not limited to, aid received under title IV or IX of the Higher Education Act of 1965 (including loans made or guaranteed under such title IV) or any other Act of Congress or of any State, benefits paid under chapter 31, 34, 35, or 36 of title 38, United States Code, scholarships, grants, and other stipends.

"(7) Full-time student.—The term 'full-time student' means an individual who is enrolled at and attending an eligible institution and who is carrying at least 75 percent of the normal full-time hours of instruction or other activity required by such institution.

"(8) State.—The term 'State' means each of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

"(d) Terms of Deferment; Repayment.—

"(1) Interest.—Amounts deferred under subsection (a) shall bear interest at the rate prescribed by section 427(b) of the Higher Education Act of 1965 beginning on the day after the last day of the taxable year in which the qualified higher education expenses on which such deferment is based were paid, but shall not be subject to any other interest or penalty until after the date on which payment is due under this subsection.

"(2) Payment schedule.—Amounts deferred under subsection (a) shall be paid, with interest as provided in paragraph (1), in each taxable year subsequent to the taxable year with respect to which any amount was deferred under subsection (a), except in those taxable years with respect to which an additional tax deferment is claimed under such subsection.

"(3) Amount of payment.—The amount of the payment due under this subsection for any taxable year prior to the last taxable year of a taxpayer is an amount equal to 20 percent of the amount of tax imposed by this chapter on such taxpayer for the taxable year until the amount so deferred has been paid, with interest. If the amount remaining unpaid, with interest, in any taxable year is less than such 20 percent, it shall be the amount due for that taxable year. The amount of the payment due under this subsection for the last taxable year of a taxpayer is the aggregate amount, with interest as provided in paragraph (1), of any amounts deferred under subsection (a) and not paid as of the first day of such last taxable year.

"(4) Prepayment.—A taxpayer may pay any amount due under this subsection before the date on which it is due and no additional interest or penalty shall be due on account of such prepayment.

"(5) Suspension of retirement income credit.—The credit provided by section 37 (relating to retirement income) shall not be allowed to any taxpayer who has deferred any amount under subsection (a) until such amount has been paid in full together with any interest due on such amount.

"(e) Regulations.—The Secretary or his delegate shall prescribe any regulations necessary to carry out the provisions of this part."

(b) The table of parts of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to part VI the following:

"Part VII. Deferment of taxes in connection with higher education expenses.".

Sec. (a) Subchapter B of chapter 65 of subtitle F of the Internal Revenue Code of 1954 (relating to rules of special application with respect to credits and refunds) is amended by adding at the end thereof the following new section:

"Sec. 6429. Deferment of Tax; Refund of Amounts Withheld.

"(a) General Rule.—In the case of a taxpayer who elects to defer a portion of the tax imposed by chapter 1 for any taxable year under the provisions of section 59(a) (relating to deferment of tax in connection with higher education expenses), the Secretary or his delegate is authorized to refund to such taxpayer an amount of such taxes paid or withheld for such taxable year equal to the amount of the deferment under section 59(a) for such year reduced by any amount of such taxes not paid by such taxpayer for such taxable year.

"(b) Regulations.—The Secretary or his delegate is authorized to prescribe regulations necessary to carry out the provisions of this section."

(b) The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"Sec. 6429. Deferment of tax; refund of amounts withheld.".

SEC. 4. The amendments made by this Act apply to taxable years beginning after December 31, 1975.

Tax liability and maximum tax deferment, for 1 year for family of four with one college student, based on 1974 tax provisions

Adjusted gross income:	*Tax liability* [1]	*Maximum deferment* [2]
$7,500	[3] $484	$448
9,000	744	744
10,000	905	905
11,000	1,067	1,067
12,000	1,228	1,228
13,000	1,391	1,391
13,582	1,500	1,500
14,000	1,578	1,422
15,000	1,765	1,235
16,000	1,952	1,048
17,000	2,139	861
18,000	2,335	665
19,000	2,548	452
20,000	2,760	240
21,000	2,973	27
21,129	3,000	0

[1] According to tax provisions of 1974 and assuming deductions equal to 15 percent of adjusted gross income.

[2] According to this formula: $T_d = T_1 - 2(T_1 - D)$, where T_d=maximum tax deferrable; T_1=Federal income tax liability; D=either $1,500 or T_1, whichever is less.

[3] Assuming minimum standard deduction of $1,300 rather than as above.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2426

At the request of Mr. DOLE, the Senator from Georgia (Mr. NUNN) and the Senator from New Hampshire (Mr. MCINTYRE) were added as cosponsors of S. 2426, a bill to establish a reduced rate of postage for letters sealed against inspection mailed by private citizens.

S. 2631

At the request of Mr. MCINTYRE, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 2631, a bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes.

S. 2742

At the request of Mr. EAGLETON, the Senator from Michigan (Mr. PHILIP A. HART) was added as a cosponsor of S. 2742, a bill to dedicate the Chesapeake and Ohio Canal National Historical Park to former Justice William O. Douglas.

S. 2832

At the request of Mr. MUSKIE, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 2832, a bill to amend the Internal Revenue Code of 1954 with respect to lobbying by certain types of exempt organizations.

S. 2845

At the request of Mr. MCINTYRE, the Senator from Utah (Mr. MOSS) and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of S. 2845, a bill to reorganize the activities of the Federal Government to provide small business concerns and individual inventors with increased opportunities to participate in the activities carried out by the Energy Research and Development Administration and for other purposes.

S. 2853

At the request of Mr. HELMS, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 2853, a bill to amend the Food Stamp Act.

S. 2854

At the request of Mr. PEARSON, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 2854, a bill to provide that crude oil production from stripper wells be exempt from price controls.

SENATE CONCURRENT RESOLUTION 86—SUBMISSION OF A CONCURRENT RESOLUTION OPPOSING INCREASES IN MEDICAL COSTS FOR THE ELDERLY

(Referred to the Committee on Finance.)

Mr. CHURCH (for himself, Mr. KENNEDY, Mr. HUMPHREY, Mr. CLARK, Mr. WILLIAMS, and Mr. RIBICOFF) submitted the following concurrent resolution:

S. CON. RES. 86

Whereas, per capita health care costs of persons aged 65 or older amounted to $1,218 in fiscal year 1974, almost seven times the level for individuals under 19 and nearly three times as great for Americans aged 19 to 64;

Whereas, out-of-pocket, per capita direct payments for medical treatment for persons aged 65 or older amounted to $237 in fiscal year 1966;

Whereas, such out-of-pocket payments for medical treatment increased to $415 by fiscal year 1974, nearly $178 more than for the fiscal year before medicare became effective;

Whereas, medicare covered only 38 percent of the health care expenditures for older Americans in fiscal year 1974;

Whereas, the President has proposed to increase the out-of-pocket payments for the aged and disabled by requiring medicare patients to pay a coinsurance charge equal to 10 percent of all hospital charges above the inpatient deductible payment of $104;

Whereas, the President has proposed to raise the part B supplementary medical insurance annual deductible amount from $60 to $77 for calendar year 1977, increasing thereafter in proportion to percentage increases in monthly social security cash benefits;

Whereas, the President has proposed to impose a new 10-percent coinsurance charge on hospital-based physician and home health services;

Whereas, the President has proposed to limit a patient's liability to $500 per benefit period for qualifying hospital services and to $250 per calendar year for part B covered services—both limitations to be increased thereafter in proportion to increases in social security cash benefits; and

Whereas, the President's proposed catastrophic health insurance protection for medicare beneficiaries would increase the out-of-pocket payments for the overwhelming proportion of aged and disabled persons qualifying for hospital and medical services under Medicare: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that proposals to increase out-of-pocket payments for Medicare beneficiaries should not be enacted.

Mr. CHURCH. Mr. President, on January 19 the President announced to the Nation in his state of the Union message that he would propose a catastrophic health insurance package for medicare beneficiaries.

But in reality, it is nothing more than a dusted off version of a discredited proposal advanced by the Nixon administration and again by the Ford administration last year.

In fact, it would add nearly $1.3 billion to the out-of-pocket payments of aged and disabled medicare beneficiaries.

Some of these charges, to be sure, would be reimbursed through private insurance. But a very substantial portion would not be.

Nearly 5.9 million medicare beneficiaries are projected to be hospitalized during fiscal 1977. And, 14.2 million are expected to receive reimbursable services under the part B supplementary medical insurance program.

The vast majority of these individuals would pay more under the Ford proposal, and in many cases substantially more.

As things now stand, a medicare beneficiary pays a $104 deductible when admitted to a hospital and then pays nothing else until the 61st day.

But the administration plan would change this arrangement substantially.

First, it would require medicare beneficiaries to pay a coinsurance charge equal to 10 percent of all hospital charges above the inpatient deductible payment of $104. The potentially disastrous impact of the administration's proposal for aged and disabled persons can perhaps be best illustrated in the case of an older American who is hospitalized at $125 a day over a 30-day period—for a total hospital bill of $3,750. Under the administration's proposal, this medicare beneficiary would pay $468.40, compared with $104 under present law.

Second, the administration would increase the part B supplementary medical insurance deductible from $60 to $77, effective in 1977. Thereafter, the patient's deductible would rise proportionately with social security increases. The effect of this measure would be to dilute future social security cost-of-living increases.

Third, the Ford catastrophic package would impose a new 10-percent coinsurance charge on hospital-based physician and home health services under part B of medicare.

The administration does have one beneficial proposal in its overall catastrophic health care package for medicare beneficiaries—a $500 ceiling per benefit period for qualifying hospital services and a $250 limitation per calendar year for covered medical services. But, these amounts would also rise proportionately with percentage increases in social security benefits.

Hearings conducted by the Senate Committee on Aging, on which I serve as chairman, have provided compelling reasons to reject the administration's proposals to increase out-of-pocket payments for aged and disabled Americans.

The resolution that I submit now—together with Senators Kennedy, Humphrey, Williams, Ribicoff, and Clark—expresses Senate opposition to administration recommendations to saddle medicare beneficiaries with new and potentially onerous health care costs.

Instead of proposing cutbacks in coverage, President Ford should attempt to strengthen medicare protection.

Valuable as it is, medicare still only covers about 38 percent of the elderly's health care costs. And that coverage is dwindling.

Major gaps in coverage exist, including out-of-hospital prescription drugs, eyeglasses, hearing aids, dentures, physical checkups, and others.

The Ford plan would only intensify the costs for the overwhelming proportion of medicare beneficiaries. In fact, only a tiny fraction of medicare patients with costly and catastrophic illnesses would benefit under the administration proposal, but at the expense of the vast majority of medicare beneficiaries.

The higher charges may also cause large numbers of aged persons to delay seeking necessary medical services—or perhaps wait until treatment is no longer effective.

It is time to put a lid on rising medical expenditures which hit those hardest who can least afford these costs.

Quite clearly, true security in retirement can never be a reality until our Nation overcomes the mounting health care costs which now pose a serious threat to the economic well-being of older Americans.

Mr. President, I urge the adoption of this resolution.

Mr. WILLIAMS. Mr. President, I wish to join my colleagues, Senators Church, Humphrey, Kennedy, Ribicoff, and Clark in opposing the President's proposed increases in medical costs for the elderly. In his state of the Union message, the President offered a program which would result in massive changes in medicare. These changes are a hoax on the elderly which would mean more help for a few but less help for the many. At a time when millions of older Americans are scraping by on limited, fixed incomes, the President is planning to make medicare charges even more expensive to a majority of elderly participants than they are now.

President Ford's program represents a distortion of national priorities—more money for military and foreign activities, but sharp cuts in the Federal Government's share of costs for medical services. Under this proposal, $1.9 billion would be added to the bills of the Nation's aged and disabled.

For older persons trying to live at today's prices, these increases in out-of-pocket medicare charges would result in a reluctance to seek proper medical care. Nearly 5.6 million aged and disabled medicare beneficiaries are expected to be hospitalized in 1976. If the President's program were adopted, I fear that a large number of aged persons will simply postpone or avoid seeking necessary hospitalization.

The Social Security Administration indicates that the average medicare patient stays in the hospital 11 days. Under present law, that patient pays the first $104 of his hospital bill. The President's recommendations would hike the cost for the medicare patient up to $250 for those same 11 days. In fact, this proposal would not offer a savings until after a patient had been hospitalized for 74 days.

Furthermore, under the cost-sharing proposal medicare patients would have to pay for the first time an additional 10 percent of the hospital cost above the in-patient deductible.

A third feature of the President's plan would call for an increase in the part B supplemental deductible from $60 to $77.

Mr. President, illness and medical expenses—facts of life and a heavy burden for the elderly to bear in any case—would be made unacceptably burdensome by the President's proposal. It would be unconscionable to saddle our elderly with such unnecessary increases. True security in retirement can never be a reality in America if these unreasonable health care costs are permitted to pose a serious threat to the well-being of our elderly citizens.

SENATE RESOLUTION 349—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

(Referred to the Committee on Rules and Administration.)

Mr. LONG, from the Committee on Finance, reported the following resolution:

S. Res. 349

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Finance, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, and (2) to employ personnel.

Sec. 2. The expenses of the committee under this resolution shall not exceed $430,000, of which amount not to exceed $15,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 350—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

(Referred to the Committee on Rules and Administration.)

Mr. MOSS (for himself and Mr. Goldwater) submitted the following resolution:

S. Res. 350

Resolved, That section 2 of Senate Resolution 37, 94th Congress, agreed to July 26 (legislative day, July 21), 1975, is amended by striking out "$1,000" and inserting in lieu thereof "$5,000".

NOTICE OF HEARINGS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from South Dakota (Mr. Abourezk), I wish to announce that the Senate Judiciary Committee will hold 2 days of hearings on S. 1147, the bill to liquidate the liability of the United States for the massacre of Sioux Indians at Wounded Knee on December 29, 1890.

The hearings begin on February 5 at 10 a.m. in room 2228 of the Dirksen Senate Office Building. The second day of hearings is on February 6 at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Any person wishing to appear and testify or submit a statement should contact Bill Wilka in room 1418, Dirksen Senate Office Building, telephone 224-4434 or Jim Gleich in room 1105, Dirksen Senate Office Building, telephone 224-1635.

NOTICE OF HEARINGS

Mr. WILLIAMS. Mr. President, the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs will hold two days of hearings on S. 2849, the Investment Advisers Act Amendments of 1976, which I introduced on January 20, 1976. The bill would authorize the Securities and Exchange Commission to prescribe standards of qualification and financial responsibility for investment advisers.

The hearings will be held on February 3 and 4, 1976, at 10 a.m. in room 5302, Dirksen Senate Office Building.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, January 29, 1976, at 9 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination: Peter B. Bensinger, of Illinois, to be Administrator of Drug Enforcement, vice John R. Bartels, Jr., resigned.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee will consist of the Senator from Arkansas (Mr. McCLELLAN); the Senator from Nebraska (Mr. HRUSKA) and myself as chairman.

NOTICE OF NOMINATION HEARINGS

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Public Welfare has scheduled a hearing on Wednesday, January 28, 1976, at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on the nomination of W. J. Usery, Jr., of Georgia, to be Secretary of Labor.

Persons interested in testifying or submitting statements for the record, please contact: Donald Elisburg, General Counsel, Committee on Labor and Public Welfare, room 4233, Dirksen Senate Office Building.

ANNOUNCEMENT OF HEARINGS ON THE REDUCTION, REORGANIZATION OR ABOLITION OF THE SELECTIVE SERVICE SYSTEM

Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Government Operations will hold hearings on President Ford's budget proposal to drastically cut back the Selective Service System.

These hearings will be a part of the committee's efforts to examine the process by which Congress evaluates the direction and value of existing Government agencies and programs.

President Ford's new budget released yesterday calls for a reduction in the appropriations for the Selective Service System from this year's level of $37.5 million to a proposed level of $6.8 million for the next fiscal year.

The President's proposal is clearly a step in the right direction. No one has been drafted for years. Since April 1, 1975, 18-year-olds do not even have to register.

Yet the 1975 fiscal year appropriations provide the Selective Service System with $37.5 million. It is projected that the Selective Service System will still have 1,413 employees at the end of this fiscal year.

The Selective Service System is a perfect example of a bureaucracy which continues to exist even though its mission has been accomplished.

Over 3 years ago Congress decided to create an All-Volunteer Army. Congress then enacted Public Law No. 92–129 which terminated the authority of the President to induct men into the Armed Forces. No one can be drafted without new legislation.

The Secretary of the Army and the Director of the Selective Service System have both stated that the All-Volunteer Army is a success. However, we continue to spend millions of dollars on a Selective Service System bureaucracy which has little or nothing useful left to do.

Existing law—Military Selective Service Act, section 10h—requires that an active standby Selective Service System be maintained even though we have an All-Volunteer Army. President Ford has proposed that the Selective Service System be retained but that it be put into "deepened standby status."

The Committee on Government Operations intends to examine the critical questions with regard to the Selective Service System raised by the President's proposal, and by proposals such as S. 2234 now before the committee which calls for the abolition of the Selective Service System.

Do we need active local and regional Selective Service officers? Do we need an active local board structure? Should we be classifying draft age men? Should there be a registration requirement for draft age men? If so, should we have a one day a year national registration or would a mail registration program be more efficient and less expensive? Should the necessary functions of the Selective Service System be transferred to other agencies?

It is essential that every Federal program and agency be carefully examined to determine if it is doing what it was intended to do and to determine if it is still needed at all.

Congress is not presently equipped or organized to effectively oversee a Federal Government with hundreds of agencies spending hundreds of billions of dollars.

The Committee on Government Operations will consider the abolition or restructuring of specific agencies like the Selective Service System as part of its efforts to eliminate waste and inefficiency in the Government. At the same time our examination of these agencies will point up the need for new congressional procedures to insure that bureaucracies that have outlived their usefulness are abolished.

Mr. PERCY. Mr. President, I am pleased to join this morning with Senator RIBICOFF, the distinguished chairman of the Senate Government Operations Committee, in announcing the committee's plans to initiate a review of the congressional oversight process and to hold hearings on particular bills which would abolish existing agencies and programs. I would like to take this opportunity to discuss some of the issues raised by this initiative, and particularly as they relate to what will be one of the first major focuses of that initiative, the Selective Service System.

For too long the most neglected of the various functions and responsibilities of Congress has been that of oversight, the management function of the Congress. Too often we perceive the role of Congress in the narrow sense of simply passing laws to create programs and agencies to carry out those programs. Yet surely the creating function is of little value when it is not coupled with a periodic review of what has in fact been created so as to make certain that agencies are carrying out congressional intent, and are doing so in an effective and efficient manner.

The price we have paid for this neglect of the oversight function has been major. We have not had sufficient oversight of the intelligence agencies of our Government and there have been abuses by them. We also see the regulatory agencies, most of them created and chartered decades ago, continuing to carry out programs only arguably related to the present needs of the people and the economy. We also see the occurrence of such anachronisms as the present standby Selective Service System, a bureaucratic organism which has clearly outlived its function.

The Government Operations Committee, like the Congress as a whole, is now involved in the process of making up for lost time. Initiatives to improve the oversight of the intelligence agencies and the regulatory agencies are now well underway in the committee.

But one-shot oversight, no matter how well performed, is not the answer. The structure of our Government is too large, too fluid, for an uncoordinated approach to keep up with. For this reason, I believe it is necessary to look at the oversight process itself, and how it can be reformed to create the same kind of coordination and professionalism as is evidenced in other aspects of the legislative process. The committee will therefore be looking at a number of proposals for the restructuring of the oversight process itself, with an aim toward preventing problems stemming from congressional neglect.

With regard to the study of specific agencies, it is fitting that this initiative of the Government Operations Committee will commence with an examination of the Selective Service System.

It has been over 3 years now since the Congress acted to put an end to the draft. As far back as June of 1973, as we were discussing the Selective Service appropriation for that year, I commented on the Senate floor that—

> This Nation is wasting its money by perpetuating a system which will, in all likelihood, never be used. Additionally, the draft is a dangerous insult to the personal liberties of equal protection and the right to choose one's own destiny—two principles guaranteed by our Constitution.

In the years since I made that statement, we have seen the Selective Service System, an organization whose chief and really only major function has been directly stripped away by law, continue to operate at a level totally disproportionate to its contribution to the national interest.

For the purpose of its "standby function," a function which essentially amounts to keeping a list of names of potential inductees pending the unlikely occurrence of further induction, the Selective Service System has maintained budgets of $54 million in fiscal year 1974, $45 million for fiscal year 1975, and $47 million for fiscal year 1976.

Mr. President, I submit that the expenditure of such sums of money and resources is totally out of proportion to the task of the "standby" selective service. If circumstances dictate that the draft needs to be reinstated, it can be done quickly. In September of 1940, when the Selective Training and Service Act for that year was passed, there was no "standby draft" in existence, rather merely a small interservice coordinating committee which worked in cooperation with some 100 military reservists, who kept potential induction plans up to date. In 1940, it took only a month for 16.5 million men to be registered, and but another month before actual inductions were taking place.

Yet today it is argued that, not only do we need to keep induction plans up to date, not only do we need to continue registration of young men for the purpose of having ready usable lists of potential inductees, but, we are told, it is, in addition, necessary to keep in position a standing bureaucratic organism for the actual reimplementation of the induction, "just in case."

What we are faced with is a striking example of the old axiom that a Federal program, once created, acquires a cloak of immortality. At one time, there was an agreed need for a selective service system. Now that need has vanished. Yet the bureaucracy we have set up remains. Why? Because nobody has yet bothered to eliminate it.

The Selective Service System represents a startling example of the weakness of the oversight function, both in the Congress and the Executive. The case for elimination or drastic cutback of the Selective Service System has been clear for a number of years. Yet it is only now that we are beginning to take affirmative steps toward that elimination. I am happy to join with Senator RIBICOFF in this present initiative, and trust that in this instance we will be able to report to the American people that the Congress has lived up to its responsibility as the people's watchdog over the workings of the Federal Government.

ADDITIONAL STATEMENTS

COURT SIDESTEPS FIRST AMENDMENT ISSUE IN FAIRNESS DOCTRINE CASE

Mr. PROXMIRE. Mr. President, a New York City broadcaster has won a court case involving the personal attack rule of the fairness doctrine. But the court was able to sidestep constitutional questions raised by the broadcaster and a friend of the court.

There was no surprise in that, because courts always dodge constitutional questions when other grounds can be found—a wise mode of operation under our system of separation of powers.

But in this case, the U.S. Court of Appeals for the District of Columbia in a 3 to 0 opinion written by Judge J. Skelly Wright notes that "important constitutional questions continue to haunt this area of the law."

The case involved Straus Communications, Inc., which operates WMCA in New York, and the Federal Communications Commission. On March 8, 1973, talk-show host Bob Grant called Representative BENJAMIN S. ROSENTHAL a "coward" because he would not appear on the program even though Grant and ROSENTHAL agreed on the subject to be discussed. The gratuitous remark by Grant was made in the course of a phone call from a listener speaking of another subject some 2 hours after the refusal of ROSENTHAL to speak on the air by phone. ROSENTHAL demanded a transcript. The station complied, but failed to offer the Congressman an opportunity to respond, as required by FCC rules.

The FCC fined the station $1,000, but rescinded the fine because the violation was not "flagrant."

Judge Wright wrote in the opinion released on January 16, 1976:

> We agree with the station that the Commission has improperly applied its own rule or, at best, has failed to indicate that it employed the proper standard for reviewing licensee actions. We therefore remand the case without reaching the constitutional issues tendered by the station or by *amicus*.

The constitutional issues, of course, were the freedoms of speech and of press guaranteed by the first amendment. The argument still continues in legal circles over whether these freedoms are absolute, whether the Congress can make any law in that area. But in almost every area save broadcasting, the courts have always sought to err on the side of freedom rather than for governmental controls.

In 1969 the Supreme Court upheld the constitutionality of the personal attack rule in the Red Lion Broadcasting case, saying, as the appeals court put it on January 16 in the Straus case—

> That the rule forms an acceptable means for promoting the public's "paramount" 1st amendment interest in receiving a multiplicity of ideas and viewpoints.

Then the Wright opinion goes on:

> Despite this holding (in Red Lion), important constitutional questions continue to haunt this area of the law. This (fairness) doctrine and the rule do, after all, involve the Government to a significant degree in policing the content of communication. The continuing questions have been canvassed elsewhere and need not be reviewed in detail here. The abiding First Amendment difficulties, however, along with an appreciation of Congress' intent in enacting the Communications Act, have engendered an important corollary: the licensee is to have the maximum editorial freedom consistent with its position as public trustee of a portion of the airwaves.

Mr. President, I submit that this soul searching by the appeals court on the first amendment freedoms when dealing with broadcasting is caused by the physics of the electromagnetic spectrum—the "airwaves."

Judge Wright speaks of "public trustee" and, earlier when saying that the judges need not reach the constitutional issues, of "the proper standard for reviewing licensee actions."

It is my understanding—and I believe that legal researchers will back this up—that the Supreme Court has never ruled directly on the assertion of public ownership of the spectrum. As I have noted many times in floor statements, FCC member Glen O. Robinson when a law professor wrote of the "fantasy" of anyone owning the spectrum.

The spectrum means nothing without a radio—and that includes television—station propagating a signal. There is, in a manner of speaking, a limit to the space on the spectrum. But the way it is divided is not immutable. Indeed, there are proposals now to "drop in" scores of new television channels.

Because of the economics of mass communications media there is no scarcity of radio and television stations. But there is a scarcity of capital-intensive daily newspapers.

How can the public's "paramount" first amendment interest in receiving a "multiplicity of ideas and viewpoints," as the court says, be served if the electronic press is governmentally controlled and the graphic press is not growing?

If the radio and television content is controlled, how can the public continue to receive multiple ideas and viewpoints? We need idea competition between the news media—all the media.

If the FCC can "employ the proper standard for reviewing licensee actions" then there is no freedom. There is no first amendment for broadcasters.

Yet, the appeals court in the very same paragraph, in consecutive sentences, speaks of "proper standard" and not "reaching the constitutional issues tendered by the station."

The whole idea of the first amendment guarantees of free speech and of free press is to stop the Government from controlling information about itself and thus the knowledge citizens have of the Government they suffer, that they consent to.

If a governmental agency, the FCC, can employ of "standard"—proper or improper—to the product of the press, there is by definition a constitutional issue.

The court seems to miss that connection. Is there a misconception about public ownership?

And even if the airwaves were publicly owned, does that logically change the nature of free speech and of press freedom?

In our pragmatic world is there no place for logic, the science that deals with reasoning?

Any hint of controlling ideas and viewpoints means loss of freedom. If there is control there is a controller or group of controllers. The next step is to control the controllers.

This bicentennial year brings almost daily mention of the name of Tom Paine, the radical whose "Common Sense" stirred our Revolution. How many broadcasters would welcome Tom Paine to their microphones today with the FCC available to second-guess the broadcaster?

What about Thomas Jefferson?

To secure life, liberty and the pursuit of happiness, "Governments are instituted among Men, deriving their just Powers from the Consent of the Governed, that whenever any Form of Government becomes destructive of these Ends, it is the Right of the People to alter or to abolish it, and to institute new Government."

A rough translation of that is "power to the people." And that slogan is not exactly hailed by today's patriots. But those words are from Jefferson's Declaration of Independence, the reason for the current Bicentennial hoopla.

It is about time—radio regulation being a half-century old—that the courts and the Congress begin a reexamination of the first amendment as it relates to broadcasting. Not for the sake of the broadcasters; but for the sake of the citizens of this country.

Nineteen hundred and seventy-six is

the year to do it. A reaffirmation of the first amendment through deeds would make a fitting complement to the stirring words we will hear this Bicentennial Year.

The Congress has the power to do it. In fact, the Congress probably is the only source of the reaffirmation of the first amendment as it applies to broadcasters. The courts, as in the Straus case, find it legally difficult to decide constitutional questions when they can judge the facts at hand when there are precedents for regulation.

Thus we can read into the opinion a plea to do something about the constitutional questions. Why else would the court mention them?

I have introduced S. 2, the First Amendment Clarification Act. It is the constitutional solution. It is not a compromise. It does not say, "The first amendment is great * * * until someone says something with which I disagree."

The bill does say—

> Citizens, don't be afraid to think for yourselves instead of letting the government think for you. You give power to the government; but you didn't give it power to govern what you see and hear.

If we in Congress do not act to reaffirm the first amendment, we may soon be debating the merits of a bill to establish the Federal Publications Commission.

That is the next step.

A BICENTENNIAL PRAYER

Mr. HUGH SCOTT. Mr. President, a constituent from Pennsylvania has sent to me a "Bicentennial prayer" expressing the hopes she and many of her friends in Philadelphia share for this most special year in our Nation's history.

I think this expression of faith in our system of government is most appropriate today, as we begin the second session of the 94th Congress. I ask unanimous consent that the prayer be printed in the RECORD.

There being no objection, the prayer was ordered to be printed in the RECORD, as follows:

> Dear Lord, for ourselves and for our country, we pray for recognition of our spiritual heritage; for the administration of that which is just and the public support of those efforts. May forebearance and compassion characterize or government. We pray that our President, our lawmakers and our elected representatives have Truth as their guide, wisdom as their channel and supportive love as their power. We dedicate ourselves to the support of such a world of nations, recognizing, that if we uphold Thy way, no power on earth can deter us from our path.

BALD EAGLE DAYS

Mr. NELSON. Mr. President, yesterday the Senate unanimously passed Senate Resolution 347, observing January 30–February 1, 1976, as Bald Eagle Days. By passage of this resolution the Senate has gone on record in support of efforts, on a national level to protect our national symbol, the bald eagle.

Since 1971 the Eagle Valley Environmentalists, Inc., of Platteville, Wis., have collected private donations from all over the Nation to purchase winter roosting areas for bald eagles. This takes on added importance now in this Bicentennial Year, because the bald eagle is our national symbol. The U.S. Fish and Wildlife Service estimates that there is a breeding population of approximately 2,500 bald eagles south of Canada, and is considering reclassifying the eagle as endangered or threatened species throughout the lower 48 States. The preservation of the bald eagle's roosting area is vital to the welfare of today's bald eagle population.

I am especially pleased to report that the Eagle Valley Environmentalists in Wisconsin have been in the forefront calling attention to the need for safeguarding the bald eagle. Through their fundraising efforts, the Eagle Valley Environmentalists have purchased two winter roosting valleys in Wisconsin—Eagle Valley and Ferry Bluff. Ferry Bluff was purchased in conjunction with the National Wildlife Federation and Nature Conservancy.

The designation of Bald Eagle Days is designed to focus national attention on the need to continue and expand these commendable conservation efforts.

IN HONOR OF MARY BORAH, WIDOW OF THE LATE SENATOR WILLIAM BORAH

Mr. McCLURE. Mr. President, Mary Borah, widow of the late Senator Borah and known as the "Little Borah" to Idahoans and Washingtonians alike, recently died at the age of 105. Not only is the longevity of her life remarkable but the spirit of service and vitality with which she filled it far exceed any age she may have reached. Mary Borah, like her husband, made politics her life and unselfishly and graciously carried out her duties to help her independent husband achieve national stature in the political world. Many Idahoans and other Americans who knew of the many accomplishments of the Borahs have joined in mourning her loss and in remembering the fine contributions of this gifted, kind woman who spent over 50 years in our Capital City.

Having grown up in Moscow, Idaho, as the daughter of a Governor and a U.S. Senator from Idaho, W. J. McConnell, Mary Borah was, in fact, born into politics and never moved away from it. She married William Borah while campaigning for her father. She was always a staunch supporter of her husband's often controversial views and thus acquired the name of "Little Borah." Senator Borah once chairman of the Senate Foreign Relations Committee, also served Idaho as a Senator for 33 years before his death in 1940. He is most remembered for his work in foreign policy and in particular for his isolationist stand in his fight against the League of Nations. In the domestic field he maintained an allegiance to sound fiscal responsibility. Above all, he was able to keep an independent stance, an open mind on issues in much the same fashion as Idaho's Senator Len Jordan of more recent times. Both Senator and Mrs. Borah were to become noted in their way as one of the most recognized political couples in the country. That legacy remains today. Idahoans are justly proud of this history and are remembering today Mary Borah and the wit and charm for which she was so well known and loved.

Not only Idahoans loved her. She was also a well know figure in Washington society. She was a guest in the White House of every President from Theodore Roosevelt through Lyndon B. Johnson. Alice Roosevelt Longworth once reportedly said that Mary Borah was the only woman who could make President Coolidge laugh. She often contributed articles to magazines and newspapers on the social life of the Capitol.

Her personal commitments to the service of others is equaled by the energy with which she served. She was actively interested in visting and helping hospitalized World War I veterans and was never too tired or too involved to give her gracious attention to those who came to visit or who needed assistance.

In reflecting on her strength of character and independent manner, I can not help but think of the Idaho State Seal, a symbol of the rich heritage of our State—a heritage of beautiful, plentiful country and of dedicated, hard working people. The seal portrays a pioneer couple guarding what is their lifeblood; the rivers, mountains and wildlife of the land. The man, symbolic of the hard work necessary to reap the benefits of the soil, stands by a horn of plenty and holds a pick and shovel. The woman, holding her own position as an equally important settler and developer of the State, balances the weights of justice in one hand and displays the spear of liberty in the other. Mary Borah exemplifies this image of the Idaho woman. She carried that same pioneer spirit that is Idaho's strength and pride. Mary Borah was an advocate of women's rights. She believed women should have the choice to work for the life they desired. Her choice was to serve her husband, her Senator and her country and she did so by bringing great honor to the people of her home State and to all Americans. It is with both respect and womanly grace that Mrs. Borah gained her complementary recognition in the political world.

It was said at Senator Borah's death that Borah and Idaho were one and the same. At his burial, he thus become part of the soil of Idaho; part of her hills, her valleys and her mountains. It is only appropriate that Mary Borah joins him now with all the rights and dignity of being as much a part of Idaho's heritage as her husband.

I am sure my colleagues would want to join with me today in honoring this truly fine woman.

U.S. INVOLVEMENT IN ANGOLA MUST END

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of the Senate an address I gave recently at the University of Southern California, in which I outlined my views concerning

U.S. involvement in Angola. I argued at that time, and I believe the events of recent days bear out my conclusions, that U.S. participation in Angola has the makings of a first-class foreign policy disaster.

The Angolan situation is filled with the complexity of a superpowers conflict accentuated by the unique pressures for African independence. My remarks suggested means for the United States to enter into serious negotiations with the Soviets for a prompt deescalation that might set the stage for a fair and peaceful resolution.

But the basic concern I expressed was that a decision for even indirect U.S. military operations in Africa on the scale suggested by the President should not be made in secret—nor should it be made only by a handful of Congressmen. The risks are too grave and the decision too important to our foreign policy to deny full-scale participation in the decision by the entire Congress through its regular processes.

Mr. President, I ask unanimous consent that my remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Hubert H. Humphrey

One week from today, Congress will reconvene. The final session of the 94th Congress has great potential for making history. It occurs during the celebration of the nation's bicentennial. And it will take place during a Presidential election year.

However, the real historic potential for this Congress lies in the fact that it will consider a host of domestic and foreign policy issues sure to affect American life for years to come. Our agenda is packed with critical decisions to be made in such fields as energy, tax reform, health care, employment and the environment.

I can assure you that the Congress is committed to take action on these and other issues.

And we will do so despite the Administration's attempt to govern by veto, by inaction and by negativism.

One of the first items on the Congressional agenda for 1976 is not a domestic matter. It is a critical foreign policy issue.

I speak of Angola.

The decision soon to be made on whether America should continue to participate in Angola's civil war raises two important questions:

First: What can be achieved by continued American involvement in Angola?

Second: To what degree should Congress participate with the President in the formulation of foreign policy in situations such as Angola?

These are complex and far ranging questions. But permit me to share with you my thoughts and tentative conclusions in response to them.

Public debate and discussion of the Angola issue is in the best interest of a more open and rational foreign policy.

The basic facts of America's involvement in Angola no longer are secret. We have supplied two of the three tribal factions for the past year with approximately $40 million in arms and materiel.

The President and the Secretary of State are very anxious to continue our involvement. And they want to increase the level of American aid.

Their rationale for continued and increased involvement is to stop Soviet penetration in Angola and all of Africa.

Their goal is to defeat the Soviet-backed MPLA and bring about a negotiated settlement of the conflict. They foresee dire consequences if the U.S. does not persist in its present course.

At first glance, the Administration's justifications for our Angolan involvement seem plausible. However, on close examination, they ignore shamefully the realities of the present Angolan situation and the tragic experience in Vietnam.

They involve gross oversimplifications of the impact of Soviet communism in Africa.

And they distort the real nature of American interests at stake in that part of the world.

To continue American involvement in Angola is to forget some of the painfully learned lessons of Vietnam.

Angola is not Vietnam and I do not pretend that it is.

But in Angola, as in Vietnam, we are involved in a civil war. It is the type of civil war which could lead to an incredibly protracted and destructive conflict.

In Angola, as in Vietnam, we know very little about the country, its tribal culture and peoples. In short, we again are becoming involved as a world power with a half-world knowledge.

In Angola, as in Vietnam, we claim to be defending freedom against communism. In fact, we are supporting two political factions about which we know almost nothing.

In Angola, as in Vietnam, the involvement of outside powers only escalates the level of violence and makes a negotiated settlement more difficult to achieve.

And finally, in Angola, as in Vietnam, we are backing the factions which have the least chance to achieve a military victory, which are the most compromised in nationalistic terms, and are in many ways the least prepared to rule.

I could go on with many more lessons from Vietnam. Frankly, I do not understand how the Administration could so easily forget some of these rather elementary lessons from a disastrous war which is so fresh in the minds of the American people.

But more important than the lessons of Vietnam is the reality of Africa.

The central fact of this reality is that the Soviet Union has been unable to gain a significant foothold in Africa since the independence movement began. Soviet ambitions to possess valuable ports, establish satellite states, and obtain great political leverage on the continent have been thoroughly frustrated.

The one possible exception to this statement could be Somalia. There the Soviets are trying to consolidate their position in a desperately poor and dependent country of questionable strategic importance.

The Soviets have faired so poorly because the majority of African leaders abhor domination by outside powers in the fashion of former colonial dominance. This fact has been the guiding rule of African politics in the past twenty years.

Neither we nor the Soviets will be able to influence substantially whatever faction finally prevails in Angola.

The winning side most likely will be a highly nationalistic, left-leaning group which resists domination by outside powers. Its independence will be strengthened by the country's considerable resources.

We have only to look to the other side of the continent—to Mozambique—to see the occurence of this phenomenon.

For years the Soviets backed the revolutionary faction called FRELIMO, which fought the Portuguese and then came to power on June 4, 1975. Recently, however, the rulers of Mozambique refused the Soviets base rights on the Indian Ocean. They also publicly accused Moscow of heavy-handed tactics.

If the Soviets are desirous of repeating their African failures in the name of Marx and Lenin, I see no reason why we should imitate their folly.

The mistake of our involvement is further compounded by the fact that there is no vital American economic or military interest at stake in Angola. Such an assessment has been made by the State Department and by defense experts. The oil and mineral resources of the country are available at other locales in far greater abundance.

Thus, America comes to this conflict solely on the basis of a political rationale of questionable validity. And we are backing factions least likely to win on the battlefield.

Angola has the makings of a first class foreign policy disaster for the United States.

Much of the difficulty with this policy can be traced to the manner in which it was made. Expert opinion was largely ignored and the Congress was disregarded.

A decision of this magnitude requires more than an act by a few Executive branch officials. It must be thought through and subjected to thoughtful examination from various perspectives. Certainly, it should not have been decided by the Executive branch alone.

The Congress can play a far more creative role in foreign affairs than merely voting yes or no on Executive branch proposals. In this case the Senate quite early advocated an alternative approach of real merit which still could lead to a negotiated settlement. Unfortunately, the Administration chose to cling to its cold war rhetoric rather than soberly examine its options.

The Senate has voted to stop the President from spending covert funds in Angola. The House will vote on the matter next week.

As an alternative to continued covert operations, we suggest that the President come to the Congress and ask for a specific amount of aid, presenting his justification for continued assistance to the two factions in Angola that we have supported. This public request and information then would be carefully and fully debated as Congress fulfills its responsibilities in determining the basic guidelines and framework of our foreign policy.

I am not in favor of arbitrarily tying the hands of President Ford or any other President. I understand that the Congress cannot and should not run the Nation's foreign policy on a day-to-day basis.

But the decision to become involved indirectly in a military operation in Africa on the scale suggested by the President should not be made in secret. Nor should it be made by only a handful of members of Congress.

The risks are too grave and the decision too important to our foreign policy to deny full-scale participation in the decision by the entire Congress through its regular processes.

There is little doubt that Congress has the constitutional right to share in the Angolan decision.

If the Angola question is submitted to the Congress, the decision might well be unfavorable.

But this is a risk which the democratic system compels the Administration to accept. If its policies cannot be justified to a majority of the Congress, it will not do for it to seek recourse to covert procedures in order to by-pass the Constitutional process.

I reject totally the philosophy that one branch or the other can be the final judge of what actions are or are not in the national interest. The ultimate decision in situations such as Angola must be a shared one according to our laws and traditions.

The great task ahead for United States diplomacy should not be a continuation of our military aid. Instead, we must use all our diplomatic skill to explore every avenue, including direct negotiations with the Russians, with the OAU, the Angolan parties and the U.N. This is the only possible route to avoid a prolonged war and great bloodshed.

Secretary Kissinger believes that continuing and increased American involvement is his only bargaining chip with the Soviets.

I disagree.

I believe we should take the following steps:

We should approach the Soviets and declare our willingness to cease our military involvement and pledge that we will work to obtain the withdrawal of troops in Angola from Zaire and from South Africa unless, of course, South Africa has carried through its announced intention to withdraw.

In return, we must demand a cessation of Russian military aid and withdrawal of Cuban troops.

Both the U.S. and the Soviets should jointly invite the OAU and any other group of African states to mediate.

Continuing American aid only encourages deeper Soviet involvement and intransigence.

It increases the risk of superpower confrontation.

It lessens the chance for meaningful negotiation.

The longer we are involved, the closer we will be associated with the involvement of the South Africans. And this perceived alliance of convenience would severely undermine our political influence in Africa and elsewhere in the Third World.

If the Soviets are totally unwilling to consider a serious American proposal, then we should use our considerable economic leverage to force them to reconsider their position.

The United States should make it clear to the Soviet Union that its intrusion violates the spirit of detente and jeopardizes its meaningful possibilities. We must be willing to force the issue of Russian involvement in Angola to the point where the Soviet Union asks "Is this worth the risk?"

In any event, we should put an end to our own involvement. We thereby would place ourselves in the strongest possible political and moral position with the Africans.

If the Soviet Union then persists, it will be isolated. The spectacle of the residual Soviet and Cuban presence soon would become increasingly embarrassing to the Soviets and the MPLA.

As has been the case elsewhere in Africa, Angolan nationalism likely will prove to be a more powerful force than Soviet Communism. Even if the Soviets gain some immediate tactical advantage, it is likely to be short-lived.

The cessation of outside aid and withdrawal of outside powers not only would diminish the level of violence, but also could open the door to mediation of the war.

To achieve this goal, both the United States and the Soviet Union will have to lower the level of their statements for public consumption and begin to undertake serious negotiations.

There is much irony in the Administration's Angolan adventure. It suddenly and secretly decided to fight communism in a country of little importance to the United States and where the odds are decidedly against us.

President Ford and Secretary Kissinger urge our nation on in Angola while in other far more important parts of the world we do little or nothing to thwart Soviet activity.

In Lebanon, for example, Syrian and left-wing extremists are being aided by the Soviets. This could strangle Lebanese democracy. What should our role be there?

And, in other areas, where is the voice of American liberty?

In Spain, we should be encouraging the new king and his administration to make democratic reforms to end peacefully an era of fascist rule.

In Portugal, now that the political situation has stabilized and the more moderate and democratic forces are in the ascendancy, we should devise ways to enable that country to continue peacefully on a course of democratic reform.

And in the Third World, we must not fail to be sensitive to the intense desires for political and economic independence. If we do ignore this fundamental commitment to independence, we will lose ground in the competition with the Soviets for influence.

In both Africa and Latin America, we often pay much more attention to ideologies than we do the people's struggle for survival. We are far more concerned about expropriation than land reform and equitable income distribution. Unfortunately, our lack of concern does not go unnoticed.

We must not lose sight of our foreign policy priorities. We must not forget where our real interests lie.

We must not lose our ability to discern the difference between cold war ghosts and real threats to our national interest.

I call upon the President to consider where the Administration's policy will lead our nation.

And I call on the President and the Secretary of State to make a serious offer to the Russians which could lead to peace in Angola.

Time is of the essence. A Presidential battle with Congress over this issue in the coming weeks only will postpone negotiations.

Extrication of the United States from Angola would hardly be perceived as weakness. Rather, it would be an act interpreted widely as a sign of maturity, common sense and restraint.

Angola represents the first major instance since the end of the Indochina struggle of an Executive branch effort to proceed without regard for the Congress. The Senate now has signaled the President that this cannot be. The Congress, at least, has learned something from Vietnam.

The old type of involvement which relied upon military force to counter overt Soviet efforts in the third world no longer will work. But this is not to say that we should opt out and avoid any involvement. Rather, we should seek to understand the forces at work in the rest of the world.

The strongest force in the world today is the universal aspiration for economic and political justice.

We should be in the vanguard of that struggle—not as the would-be preservers of the status quo, but as the champions of others' legitimate aspirations.

SALT COMPLIANCE EXAMINED BY GERARD SMITH

Mr. MATHIAS. Mr. President, no American and particularly no Member of the U.S. Senate, can be complacent about the charges leveled by past or present American officials that the Soviet Union has violated the letter or the spirit of the 1972 agreement to freeze strategic arms. The Congress not only has constitutional responsibility for the common defense, but the Senate must also play its unique role in the formulation of foreign policy. To ignore or condone any violation of such a vital contract would be unthinkable. Neglect of this issue could become the fatal chink in our armor if the charges are accurate.

When these charges were first aired I raised questions about them in a number of responsible quarters. I specifically discussed them with the Standing Consultative Commission, the body created to deal with questions that arise within the SALT process.

None of those with whom I have consulted has stated the case better than Gerard C. Smith. The credentials that entitle Ambassador Smith to speak on this subject are not surpassed by those held by any one else. He was the chief of the U.S. delegation at the strategic arms limitation talks from 1969 to 1972. He has had a long experience in government and he observes the international scene with a professional interest and a personal commitment to the welfare and security of the United States.

On January 16, 1976 the New York Times printed a valuable statement by Ambassador Smith and I ask unanimous consent that it be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

WRESTLING WITH THE PLOWSHARE PROBLEM

(By Gerard C. Smith)

Washington.—Recent criticism of United States negotiating in the strategic arms limitations talks and of Soviet actions under the 1972 agreements raises important issues for this country's national security and for its conduct of foreign policy. Such criticism, in an election year, may have effects that the United States will have to live with for some time.

The issues posted by these criticisms are fair and important subjects for debate, but full and fair discussion must rest upon substantial understanding of complex matters that may be shrouded in a somewhat limited historical record or by the tricks that memory plays on us all. In order to contribute to the debate on troublesome issues of Soviet compliance and intentions in the arms talks, I offer the following observations culled from my memory and reaffirmed by recent research.

A principal assertion (involving a subject on which I have some first-hand knowledge) advanced by critics is that the Soviet Union has violated either the letter or the spirit of the interim freeze agreement of 1972 by deploying land-based intercontinental ballistic missiles of a volume larger than permitted or contemplated by the agreement, which expires next year.

This interim agreement did not purport to limit or freeze missiles. Each side is free to build as many and as large missiles as it chooses. The constraint is on launchers for missiles (concrete silos or submarine tubes in which missiles are deployed).

The agreement, foreshadowed by an accord between President Nixon and Prime Minister Aleksei N. Kosygin in May 1971, was to be a quantitative freeze on numbers of missile launchers. No limits were to be placed on possible modernization or replacement of offensive strategic weapons.

Since the United States in 1972 had no launcher construction programs under way, the agreement as negotiated in 1972 does not affect its programs to modernize its present strategic missile launchers, which are proceeding on or ahead of their original schedules. It does not cover another form of launcher, heavy bombers, in which the United States has a large advantage.

In addition to quantitative controls on numbers of launchers, the United States later tried to negotiate constraints on the number of Soviet land-based launchers for heavy missiles. We wanted to stop the Soviet Union from putting significantly heavier missiles in approximately 1,000 silo launchers for the so-called SS–11 missiles, which we called light and which constituted the largest part of the Soviet Union's ICBM force. In effect, we were trying to get an arrangement that would limit Soviet modernization programs but not our own.

The Soviet Union proposed a provision that launchers for light missiles not be converted into launchers for heavy missiles, and it agreed that the dimensions of silo launchers would not be increased by more than 15 percent. I have not heard any claims that they have been so increased. This silo dimension limitation was designed to assure that the heavier SS–9 missiles not be deployed in SS–11 silo launchers.

Naturally, the United States wanted to get an agreed definition of the term "heavy." We pressed for a number of definitions over a period of many months without success. The Soviet Union said that the earlier Nixon-Kosygin accord, in May 1971, anticipated a freeze only on numbers of launchers and that the United States was trying to add qualitative constraints affecting the volume of missiles.

Our over-all bargaining power in the arms talks was great because of our lead in antiballistic missile technology, in bombers and in warhead numbers, but on this specific point it was not great since we were trying to fix constraints on Soviet programs that would not affect American programs.

As the May 1972 Moscow summit meeting approached, we studied the question of what to do if the Soviet Union remained adamant. No one in the delegation or Washington proposed that the negotiations be broken off if a definition of a "heavy" missile was not agreed on. Language for a possible unilateral statement of the United States understanding of the term "heavy" was considered by the delegation and in Washington.

At the Moscow summit meeting, President Nixon made another effort to reach agreement on a definition, without success. So, as part of its final instructions from the White House, the delegation was directed to put into the record the following statement:

"The U.S. delegation regrets that the Soviet delegation has not been willing to agree on a common definition of a heavy missile. Under these circumstances the U.S. delegation believes it necessary to state the following. The U.S. would consider any ICBM having a volume significantly greater than that of the largest light ICBM now operational on either side to be a heavy ICBM. The U.S. proceeds on the premise that the Soviet side will give due account to this consideration."

The head of the Soviet delegation replied that no understanding on this score had been reached.

I do not think that anybody on the United States delegation believed such a unilateral statement to be binding. I thought it might have some slight deterrent effect.

Article IV of the interim agreement reads: "Subject to the provisions of this interim agreement, modernization and replacement of strategic offensive ballistic missiles and launchers covered by this interim agreement may be undertaken."

At Helsinki we had been informally advised that while the Soviet Union would be deploying missiles of larger volume in SS–11 silos, they would not approach the halfway mark between an SS–11 and the admittedly heavy missile, the SS–9. I have seen no claims that the new Soviet missiles in question are greater in volume than this halfway mark. Although their volume is significantly larger than that of an SS–11, no informed persons claim that they will significantly upset the strategic balance.

After signing the agreements, the START—Soviet party chairman Leonid Brezhnev and vised President Nixon that the Soviet Union would proceed with its missile modernization programs as permitted by the agreement.

To call this a violation of the letter or the spirit of the agreement seems to me incorrect. Incidentally, it has always been my belief that the United States should not enter into arms-control agreements with the Soviet Union that depend on spirit for their fulfillment.

The United States has proceeded with its missile modernization programs. The Minuteman III multiple independently targetable re-entry vehicle (MIRV) program involves an increase in missile volume, though nothing as large as the Soviet missiles in question. Under the agreement the United States is free to increase its missile throw-weight by approximately three times. It has not chosen to do so. The Department of Defense has not requested such a program.

The real issue is not naiveté or poor drafting or violation of the letter or spirit of the agreement. The real issue is, should the strategic arms limitations talks have been broken off over the failure to get a definition of the term "heavy?" I think not. We had a number of arms-talks aims other than holding down the size of Soviet missiles during the five-year freeze.

Some offensive-launcher limitation had consistently been a condition of our agreement to the antiballistic missile treaty. Would it have been wise because of failure to reach an agreed definition of a heavy missile to scuttle the ABM treaty, which at that point was fully agreed? Keeping Soviet ABM's to the minimal Moscow deployment has substantially advanced United States security.

That President Nixon made the right decision seems confirmed by the fact that no critic of the arms negotiations that I have heard proposes that the United States exercise its right to terminate the interim agreement. It has worked in important respects.

The seemingly endless Soviet program to increase the number of ICBM silo launchers has stopped. This stoppage has resulted in a ceiling on admitted heavy missiles of the SS–9 and a later class. I understand that the Soviet Union is engaged in the ICBM reduction program called for by the agreement as a condition of its continuing to build strategic submarines. This involves decommissioning a substantial number of older ICBM launchers for very large throw-weight missiles deployed on soft launchers.

Even Senator Henry M. Jackson, a major critic of the agreement, is in favor of continuing the negotiation process and gives good advice about how to negotiate the next agreement. As this next agreement presumably will have some constraining effect on the United States as well as on Soviet programs—as did the ABM treaty—it is natural to expect that more precise arrangements will be negotiated.

Strategic forces second to none are essential to our national security. But strategic-arms control also is a very important part of that security. Its prospects and its products should be carefully scrutinized and debated. It is to be hoped, however, that this process will be conducted as objectively as possible. Election year oversimplifications such as the missile gap charges of 1960 should be shunned, lest the case for sensible arms control be set back indefinitely.

COUNTERPART FUNDS EXPOSÉ—NO COVERUP BY THE SENATOR FROM WISCONSIN

Mr. PROXMIRE. Mr. President, yesterday the Senator from Arizona (Mr. GOLDWATER) placed in the CONGRESSIONAL RECORD a table showing that in the period from October 1974 through January 9, 1976, some 162 Members of the Senate and House and their staffs visited 91 countries at a cost of $928,733.83. In addition he pointed out that the Air Force provided 106 staff personnel to accompany the flights.

I congratulate the Senator for this exposé. As he pointed out it follows the "Fleece of the Year" award which I gave to the Air Force for operating a $66 million fleet of 23 plush jets to transport top Government officials everywhere in this country and the world. Of these there were eight from the administration for every one congressional trip. In the course of making my award I was careful to point out that in fairness to the Air Force the "fleece" should be shared by all the Government big shots who have insisted on special treatment at the expense of the taxpayer. It is my belief that in most cases—perhaps not all but in most of them—the official should either use commercial planes or not make the trip.

GOLDEN COVERUP

During the course of his remarks the Senator from Arizona awarded me his "Golden Coverup" award. He did this on the basis that in 1973, and I quote the transcript of his remarks:

> The Congress voted to increase the daily counterpart funds from $50 to $75 to Congressmen, staff, etc. Then the Congress took the great cover-up step. It voted that these counterpart funds would not be reported and, lo and behold, the Senator from Wisconsin voted for it and the Senator from Arizona voted against it. What this means is that the public is denied the knowledge of vast sums of money spent by members of Congress, staff, etc. traveling all over the world.

While I am delighted that the Senator from Arizona has drawn public attention both to my "Fleece of the Year" award and to the excesses of Congress and its staff, I have searched the record and I can find no basis for his remarks about me. Let me be specific.

NEVER USED COUNTERPART FUNDS PERSONALLY

First, I myself have never used counterpart funds. The only trip I have taken since election to the Senate was to Western Germany in 1957 and I paid my own way out of my own personal funds for that trip.

NO VOTES AND NO COVERUP

Second, there was no vote in 1973 on either raising the daily counterpart fund allowance from $50 to $75 or on the issue of not reporting them. There is just no rollcall record on this issue whatsoever.

I have determined that in 1973 the Foreign Relations Committee, in the State Department authorization bill of that year, did provide for the increase to $75 and did delete the previous disclosure provisions. However, it substituted language which provided that counterpart funds could be used only in those countries where they were in excess and that expenses to any other country would be paid from appropriated funds by voucher.

As of December 31, 1972 counterpart funds were in excess only in India, Pakistan, Burma, Morocco, Tunisia, Guinea, the United Arab Republic, and Yugoslavia.

The effect of the Senate Foreign Relations Committee's provision was to provide that trips to any other country would be paid for appropriated funds by voucher which means that that fact was public.

As I am not a member of that committee, I did not vote either to delete the old provision or to add this new one. It was done in committee.

As I said, when that bill was on the floor there was no vote of any kind on this issue. Further, in the 120 pages of debate on the bill, this provision was not discussed.

However, even the effect of the amendment—which did not become law—was to make the facts and the cost of congressional travel to all but eight countries in the world public knowledge.

FINAL BILL PROVIDED FOR PUBLIC DISCLOSURE

Third, when the House and Senate met on the bill a different provision was adopted. The Senate language did not become law.

The final version provided that the Department of State submit a report to the chairman of each House and Senate committee showing the amounts and dollar equivalent values of foreign currency expenditures by each Member and employee with respect to travel outside the United States. Such reports were required to be available for public inspection in the offices of each committee.

I would make two points about this. First, this became Public Law 93-126. It provided for disclosure. It did not cover up the facts. In fairness it made it more difficult, perhaps, to find out all the facts or the totals because some 30 or more committees were involved. But the facts about travel and the use of counterpart funds were by this law continued to be made public knowledge. Second, again there were no rollcall votes on this issue. It was a small section of the conference report which was passed by a voice vote in the Senate.

There is no way the Senator from Arizona can claim that I voted for coverup and he voted against coverup. There was no vote and no coverup.

PRESENT LAW PROVIDES FOR DISCLOSURE

Fourth, this was changed again by Public Law 93-371, approved on August 13, 1974 which was the Legislative Appropriation bill.

The Senator from Iowa (Mr. CLARK) on June 20, 1974 proposed an amendment which provided that each committee would make a report showing the funds expended in connection with travel outside the United States including lodging, meals, transportation, and other purposes. It required that the report be made to the Clerk of the House and the Secretary of the Senate within the first 60 days of each session. The reports are on file and are available for public inspection at both places.

As this was not a coverup provision and as there was no rollcall vote on this provision, the Senator from Arizona (Mr. GOLDWATER) could not have made his statement that I voted to cover up but that he voted for disclosure on the basis of this amendment.

CONCLUSION

Mr. President, there is no basis whatsoever for the statement of the Senator from Arizona that I voted to cover up the disclosure of counterpart fund payments and he voted to make them public.

To summarize, there was no vote in the Senate in 1973 on this issue. What changes that were proposed in the law then were made in the Foreign Relations Committee of which I am not a member. The issue was never voted on in the Senate. Further, a reading of the Senate changes indicates that most of the funds provided would have been appropriated funds which had to be spent by voucher and made public.

In any case that provision did not become law. Instead the conference committee provided for reporting by the State Department of counterpart fund expenditures to the Senate and House committees where they were available for public inspection. On that issue there was neither any coverup nor any vote.

Finally, there was the Clark amendment which provided for the central location and disclosure of counterpart funds. That amendment was neither a coverup nor was any vote taken on it.

I hope very much that the Senator from Arizona will continue to publish examples of excessive spending and congressional or executive branch waste. It may be that public disclosure will end some of the abuses. Certainly we can hope so.

But as one who has never spent a nickel in counterpart funds nor voted against their disclosure at any time, I believe the Senator from Arizona will find that he was wrong when he claimed that I had voted to cover up these expenditures while he had voted to make them public.

I ask unanimous consent that a copy of the December 30, 1975, release in which I announced my "Golden Fleece of the Year" award be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Senator William Proxmire (D-Wis.) Tuesday awarded the fleece of the year to the Air Force for "operating a $66 million fleet of 23 plush jets solely to transport top government officials at a cost to the taxpayers of over $6 million a year."

Proxmire is chairman of the Senate Banking Committee and also chairs the Joint Economic Subcommittee on Priorities and Economy in Government.

A monthly "golden fleece" is given by Proxmire for the biggest or most ridiculous example of government waste. A fleece of the year tops off the series.* (See note at end)

"The yearly fleece without any question belongs to the Air Force," the Senator said, "for running a private airline for government bigshots. This little known executive airline is called the 89th Military Airlift Wing (Special Missions) and is based at Andrews Air Force Base near Washington, D.C.

"In fairness to the Air Force, this fleece of the year should also be shared by all the government bigshots who insist on such special treatment at the expense of the taxpayers.

"In the first ten months of 1975, the 89th made 975 flights carrying government officials as passengers at a cost of over $6 million. Not surprisingly, 849 or 87 percent of these flights were undertaken for high ranking defense officials or those requesting Defense Department flights.

"Treasury Department officials used these executive jets on 67 occasions or 7 percent of the time in the January-October period. The State Department found 26 flights essential while the Federal Energy Administration chipped in with 11, the Energy Research and Development Agency had 8 and the National Aeronautics and Space Administration had 6. There were a number of other miscellaneous flights.

"The stupidity of this massive airlift is that in almost every case, commercial flights were available to the same destination. Commercial flights would not only save the government hundreds of thousands of dollars if not millions, they would also help the depressed U.S. airline industry.

"These flights have gone to every point on the globe—from New York to California, the Middle East, South America, Europe, the Far East and the USSR. Except for the White House, costs of non-DoD flights are reimbursed from agency funds—funds which come from the taxpayers' pockets in any case.

"The most frequent single user of this most exclusive airline in the world was William Simon, Secretary of the Department of the Treasury. According to Air Force records, Mr. Simon took 58 flights the first ten months of 1975 at a government cost of $328,794.10. This averages out to $5,669 a flight.

"Other frequent users have been Deputy Secretary of Defense William Clements, then Secretary of the Army Howard Callaway, Administrator of the FEA Frank Zarb, Secretary of State Henry Kissinger and Navy Secretary William Middendorf.

"The 23-plane fleet is on call 24 hours a day for the top brass and officials. All they need do is call up and request a flight.

"The aircraft all are outfitted in a special VIP configuration—thus the designation of the V before the type of aircraft. There are 3 of the 4-jet VC–137B with a capacity of about 50; 5 of the 4-jet VC–135B with a capacity of about 30; 3 of the 2-jet VC–9C with a capacity of about 42; 11 of the 4-jet VC–140B with a capacity of about 8; and one 2-prop VC–6A with a capacity of about 5.

"This fleet cost the taxpayers $66.7 million to purchase. Operation and maintenance costs run from $2,206 an hour for the VC–137 to $155 an hour for the small VC–6.

"The VC–137B and VC–135B (similar to the Boeing 707) are equipped with sleeping facilities for up to ten persons.

"Military aides who accompany the passengers on these flights to serve food and drink and assist in their comfort are justified by the Air Force 'for passenger safety.' These men are called Air Passenger Specialists.

"The 23 aircraft fleet should not be confused with the Presidential aircraft also based at Andrews Air Force Base (commonly used by the President and Secretary of State) or with the 150 or so 'administrative support' aircraft based at military facilities throughout the world. The latter also are used to transport high ranking brass."

Below is a table indicating the number of flights taken by each department or agency from January-October 1975.

Agency/Department	*Number of Flights (Jan-Oct 75)*
Defense Department (of which Congressional trips are about 100)	849
Treasury	67
State	26
FEA	11
ERDA	8
NASA	6
Commerce	2
Corps of Engineers	1
FBI	1

Agriculture	2
Secret Service	1
Interior	1

NOTE.—All costing flight data are computed from detailed Air Force raw flight data and may reflect a small degree of scheduling or bookkeeping error.

Monthly awards have gone to the National Science Foundation for its $84,000 study on why people fall in love; jointly to the National Science Foundation, NASA, and the Office of Naval Research for spending $500,000 to determine why monkeys clench their jaws; to the Selective Service System for a $98,029 contract to study the need for an all-volunteer army, finished long after the all-volunteer army had been put into effect; to the Army Corps of Engineers for their effort to commit $6 to $10 billion to build a series of new locks and dams on the Mississippi under a little known 1909 law designed for maintenance of existing structures; to Congress for living high off the hog; to the Bureau of Land Management for issuing a 155-page list of requirements for a bid for fire equipment worth about $4,000 (low bid was $15,497 because the paperwork cost more than the equipment); to the Federal Aviation Administration for a 103-page study costing $57,800 of 79 body measurements of airline stewardess trainees; to the Navy for flying 1334 officers in 64 aircraft to a Las Vegas reunion; to the National Institute on Alcoholism for spending $102,000 to determine if drunk fish are more aggressive than sober fish; to Energy Czar Frank Zarb for 13 fuelish jet flights to urge community and business groups to conserve fuel; and to the Office of the White House for increased spending for consultants, contingencies and travel while calling for austerity from the rest of the government.

UKRAINIAN DAY

Mr. YOUNG. Mr. President, this day, January 22, marks the 58th anniversary of the proclamation of independence of Ukraine and the 57th anniversary of the Act of Union, whereby all Ukrainian ethnographic lands were united into one sovereign nation. The independence of Ukraine was proclaimed in Kiev on January 22, 1918. The Act of Union was proclaimed in that same capitol on January 22, 1919.

It is unfortunate that people living in the Ukraine have been harassed and tormented for almost 60 years by Soviet Russia. The Ukrainian people are strong and courageous and they are continuing to struggle for their rights and freedom. They are strongly supported by the Ukrainian Congress Committee of America, Inc.

On behalf of Mrs. Agnes Palanuk, secretary of the UCCA State branch of North Dakota, I am inserting a statement of their honorary president, Dr. Anthony Zukowsky, in the CONGRESSIONAL RECORD. I am hopeful that one day soon the Ukrainian people through their persistent struggle and deep courage will be granted their rights and freedom.

Mr. President, I ask unanimous consent that the statement by Dr. Zukowsky pertaining to treatment of those residing in the Ukraine be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY DR. ANTHONY ZUKOWSKY

JANUARY 22—UKRAINIAN DAY

For many years the 22nd of January is being proclaimed and celebrated in our American cities and States from coast to coast as Ukrainian Day. On January 22, 1976, Americans of Ukrainian descent will observe the 58th Anniversary of the proclamation of Independence of Ukraine, which took place on January 22, 1918, in Kiev, capitol of Ukraine.

Prior to this date and with outbreak of the Russian Revolution in March, 1917, the Ukrainians were the first to break out of the "prison of nations" and immediately initiated their own national revolution. They followed the course of self-determination. Within a few months the free and democractic election of the Ukrainian Parliament, "Central Rada," was held and they established the Ukrainian National Government.

After long and difficult preparation this freely elected Parliament and Government of Ukraine issued on January 22nd, 1918, in Kiev, capitol of Ukraine, a solemn act and Proclamation of Independence of Ukraine as Ukrainian National Republic. One year later also on January 22nd, 1919, the Western Ukrainian National Republic which on November 1st, 1918, had been created from the territories of the Austro-Hungarian empire inhabited by Ukrainians, united itself with the Ukrainian National Republic into one independent Ukrainian State.

This sovereign Ukrainian State was immediately and duly recognized by a large number of foreign nations, and diplomatic relations were established with them. Recognition was even granted by Soviet Russia. The latter, however, attacked Ukraine both by military aggression and subversion from within, a maneuver repeated many times since during the past 57 years by the masters of duplicity of the Kremlin. For 3½ years the Ukrainian people waged a gallant struggle in defense of their country alone and unaided from western nations, and were overpowered by the numerically stronger and far better equipped armored forces of Red Russian Bolshevicks.

The free world has lived to regret the downfall of the Ukrainian National Republic. Thus, the great French statesman Georges Clemencau admitted in 1924 that France and the allied powers had made a great mistake in 1918–1919 by withholding armed aid from the Ukraine in their fight against Moscow's Communist aggression. Had this error not been committed, said Clemenceau, the world would not be facing such a dangerous enemy.

Despite the fall of the Ukrainian National Republic, the spirit which brought it to life is more vibrantly alive among the 48 million Ukrainian people today than it ever was in the centuries old history of Ukrainian struggle for national liberation.

Today Ukrainian National Republic is represented abroad by its Government in exile, which created the Ukrainian National Council in Europe, dedicated to the resurrection of the Ukrainian National Republic.

Ukraine was conquered by Moscow's armed forces and occupied in 1921, and in 1923 became a constituent member of Soviet Union known as "Ukrainian Soviet Socialist Republic." But the freedom loving people of Ukraine never accepted Soviet Russian domination and have been fighting for their human rights and independence by all means until today.

They made passive resistance to collectivisation and Russian Communist economic exploitation and in order to break this opposition, Stalin ordered a genocide policy of mass starvation and artificial famine in 1932–1933, when eight to nine million Ukrainians died of malnutrition and hunger.

During the World War II, the Ukrainian people organized a powerful underground Ukrainian Partisan Army (U.P.A.) which fought against Nazi regime and against the Soviets, as well.

Stalin and Khrushchev unleashed bloody persecution and reprisals against the Ukrainian people also in 1940. This has been verified by Khruschev himself in articles printed in Life Magazine.

Relentless and severe persecutions of Ukrainians continued after the death of Stalin and after the ouster of Khrushchev from the top leadership in the Kremlin. Brezhnev-Kosygin leadership is bent on keeping the Soviet Russian empire intact by persecutions and deportations of Ukrainian youth, students, scientists and Ukrainian intellectuals.

Recently the international press has been providing a vast amount of documentation of the suppression of Ukrainian culture. Genocide and systemic deportations of Ukrainians to central Asia continues as do arrests and trials of Ukrainian patriots including Ukrainian Communists defending freedom of their country.

In summing the colonial rule of Moscow in Ukraine is characterized by the following:

Political oppression: All Ukrainian political parties and groups are outlawed and considered to be "anti-State groups" and dealt with accordingly. Also the Ukrainian Communist Party is rigidly controlled and directed by Moscow.

Russification: One of the ugliest features of Russian rule in Ukraine is the enforced Russification of the Ukrainian language and culture, Ukrainian institutions and schools, all for the purpose of creating a Soviet man, who would be a Russian.

Economic exploitation: Despite the fact that Ukraine is very rich in natural resources, the Ukrainian population is always shortchanged by the central government in Moscow. Consumer goods are scarce, as are other articles of prime necessity, such as clothing, medicine, and so forth. Most key positions in economy and administration are occupied by imported Russian officials, while Ukrainians are forced to seek employment elsewhere.

Religious persecution: In the 1930's the Soviet government destroyed the Ukrainian Autocephalic Orthodox Church, followed by the wanton destruction in 1945–1946 of the Ukrainian Catholic Church, forcing some five million Ukrainian Catholics into the fold of the Communist controlled Russian Orthodox Church. It also persistently harasses other Christian adherents in Ukraine, molesting religious leaders and terrorizing worshippers.

Destruction of Human Rights: In 1972–1973 the KGB (Soviet Secret Police) arrested some 600–700 Ukrainian intellectuals, writers, literary critics, journalists, professors, students, artists, painters, scientific workers and representatives of other strata of society in Ukraine, on suspicion of "anti-Soviet agitation and propaganda." Many of them were subjected to torture and are incarcerated in psychiatric asylums where they are gradually destroyed through forced injections of drugs and chemicals. Their only crime is that they defended the Ukrainian language and culture, and they were deeply concerned because the Soviet Russians still persisted in destroying the essence of the Ukrainian national identity. The persecution of Ukrainian intellectuals constitutes a gross violation of the United Nations Universal Declaration of Human Rights and the Soviet constitution itself.

All the available evidence of the western observers shows that the ever-increasing tempo of repression has failed to intimidate the Ukrainian people but they are deeply disappointed by the policy of detente and by the outcome of the Security Conference held last July in Helsinki, Finland. They know and we all know that the Russians got everything they wanted and especially, a guarantee—the political "status quo" and the Soviet Russian illegal conquest of Eastern and Central Europe.

We also know what the Russians did in Poland and Hungary in 1956, in Czechoslovakia in 1968, and in South Vietnam and the Middle East in 1973, and what they are doing in Portugal and in Angola today.

The Helsinki Conference will seal not only fate of such non-Russian European "union republics" of the USSR as Ukraine, Bielorussia, Estonia, Latvia, Lithuania, Moldavia, Armenia, Azerbaijan, Georgia and others, but also the countries of the so-called "peoples democracies", Poland, East Germany, Czechoslovakia, Romania, Hungary, and Bulgaria, all ruled by Moscow viceroys and Russian trained and Russian oriented gauleiters.

The United States Congress issued a document some years ago listing over 50 international treaties and agreements concluded between Soviet Russia and various countries, all of which were broken unilaterally by Moscow.

Any illusions or hopes that may be entertained regarding Communist Russia's "Peaceful intentions" must be measured against Soviet Russian policies in all countries they donimate now, especially Ukraine, the largest non-Russian nation in the Soviet Union.

We all know too well now that this Ukrainian State was overpowered and enslaved by the Godless tyranny which threatens today the whole world.

Both the U.S. Congress and the President of the United States have expressed their concern over captive non-Russian nations including Ukraine in the USSR, by enacting the "Captive Nations Week Resolution" in July 1959 (Public Law 86–90).

Today the Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest holiday. It also makes us appreciate much more the unbroken spirit of freedom and everlasting faith of the Ukrainian people, especially this year when we all in 1976 are celebrating the Bicentennial Anniversary of glorious American Revolution which in many ways resembles the Ukrainian National Revolution of 1917–1918.

Therefore, it is in the common spirit of liberty, faith and justice that the American people join the Ukrainians all over the world in the celebration of the Anniversary of the renewal of Independence of Ukraine.

"PRESIDENTIAL CRISIS" DEMANDS NEW LEADERSHIP

Mr. HUMPHREY. Mr. President, recently I was privileged to participate in the Western Regional Presidential Symposium at the University of California at Irvine. This was an excellent opportunity for meaningful reflection and examination of the course of the Presidency in American Government.

I am indebted to the sponsors of this symposium for organizing an assembly outside of the heated political arena where we could go beyond campaign rhetoric to substantive evaluation of the current state of the Presidency and of changes in the operation of our Federal executive.

I suggested that a strong Presidency will result from choosing individuals for that office who can execute responsibly its vast powers, using them in full and willing conformance with the letter and spirit of the constitutional provisions for sharing power.

I offered specific proposals for furthering cooperation between the Presidency and other branches of Government. I asked for consideration of a proposal to form a series of regional executive councils that would draw upon the expertise of State and local officials in the decisionmaking process.

I proposed the establishment of a Federal council consisting of the 50 State Governors and the President, which would would meet regularly to exchange ideas on programs, administration of the departments, implementation of laws, and the preparation of the budget.

My remarks expressed a deep-felt concern that a President, particularly in the area of foreign policy, must recognize the limits of power in the modern age—power that recognizes the rights and aspirations of other nations and people.

It is my strong belief that we must broaden the scope and begin to define the terms of our national debate on the kind of Presidential leadership necessary for our third century. It is in this spirit that I would like to share the text of these remarks with my colleagues.

Mr. President, I ask unanimous consent that my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD. as follows:

REMARKS OF SENATOR HUBERT H. HUMPHREY AT THE WESTERN REGIONAL PRESIDENTIAL SYMPOSIUM

I welcome this opportunity to address an issue that should be of vital concern in the United States today—the crisis of the Presidency.

We meet for these discussions of the Presidency at a dark and confusing hour. Our bicentennial celebration is just beginning and we are proud of our nation's achievement. The United States is not only the most powerful nation on earth; it is also—and far more importantly—the most durable republic in human history. We live under the oldest surviving written Constitution in the world.

Yet despite these very real achievements, we are in no mood for self congratulation. Too many of our people are out of work. Too many are hungry and inadequately housed. Too many of our cities and states are near default. And, worst of all, public confidence in our political institutions is at low ebb.

The truth is that this public doubt seems well deserved. The list of problems on the public agenda is long and frightening, but our government is deadlocked, at times almost paralyzed.

The President offers little leadership, and responds to Congressional efforts with a rain of vetoes. Without the cooperation of the executive branch, Congress has been hard pressed to develop a program for the nation.

Our government is simply not working properly, and people are beginning to wonder whether it is possible to summon up the will and strength to make it effective once again.

A generation of young people are growing up in an environment of political cynicism and alienation.

The Constitution has stood the test of time, and it is surely capable of adapting to the present crisis. The problem is not in our institutions. It is ourselves. Like the mythical Pogo, we "have met the enemy and they is us."

The beginning of the way out of our current predicament is the realization that it centers on the crisis of the Presidency. That is why discussions of the Presidency inevitably raise questions about the health of the whole system.

The Presidency, for better and for worse, in good times and bad, has become in Woodrow Wilson's phrase, "the vital place of action in the system." When that office is abused, or left dormant, the system's very life is threatened.

Originally the Framers intended that the powers of government be centered in Congress, the law-making body. The President's powers were outlined in almost cryptic terms in a brief second article of the Constitution. They centered on his primary responsibility for the conduct of foreign relations, as commander-in-chief of the armed forces, and for the "faithful execution" of laws made by Congress.

There was some mingling of powers. The President could veto legislation. He was directed to report to Congress on "the state of the union" and to recommend measures that he deemed "Necessary and expedient."

Congress, in turn, had power to deny confirmation to executive appointments, and to withhold appropriations. But the basic division of labor seemed clear enough. Congress, the law-maker, was the primary policymaker. The President was to administer the laws fairly and justly, and in the case of war to be the commander-in-chief, and to conduct foreign relations.

But the genius of the system, the quality that has enabled it to endure almost 200 years, is its flexibility and adaptability. The major adjustment, the one that has enabled the Constitution to adapt to modern times, has come with the "enlargement of the Presidency," in Rexford Tugwell's graphic phrase.

The phenomenon has not been confined to the United States. Throughout the western world, chief executives are no longer simply administrators of laws adopted by legislatures. The increasing interdependency of nations, and the increasing complexity of social and economic systems, has made expectation to fall on chief executives.

In our system, Congress still makes the laws, and the United States is still fundamentally a nation of law. In fact, the United States Congress is the most creative, most energetic legislature in the developed world, far more effective and independent than the legislative bodies in the great parliamentary democracies of Europe.

However we live in an age in which positive government has become an inescapable necessity. And in an age of positive government, executive leadership—leadership that can comprehend the nation's situation as a whole, leadership that can develop a coherent vision of a better future, and then call the national community toward actions that bring that vision to reality—executive leadership of this kind has come to be expected, even demanded, by citizens of the leading democracy in the world. And the people are right.

Despite the changes wrought by the times, the system framed in the 18th century remains essentially intact. Power is still kept separated, shared among different authorities. It is still a fundamental principle of our system that no single person, no single group can be trusted with power alone.

This separation of power is a great blessing, as we have recently had opportunity to appreciate anew. For when a self-interested faction seizes control over one branch, another branch is there to restore discipline and fiidelity to the system.

While there is good reason for keeping power separated, our system is also designed for cooperation and coordination between those separated branches, when the people give their confidence to a single party that is able to win the contest for the Presidency and hold control over both houses of Congress.

When this happens, the stage is set for a vigorous assault on the nation's problems—

provided that the President can take the lead in presenting a strong legislative program and in marshalling the resources of the executive branch in the difficult day-to-day job of governing.

Such vigorous coordination has in fact taken place at crucial times in the Nation's history. It happened under Abraham Lincoln and the Republicans. The great advances of Theodore Roosevelt's New Nationalism and Woodrow Wilson's New Freedom, of Franklin Roosevelt's New Deal and Lyndon Johnson's Great Society likewise took place in moments of Constitutional coordination and presidential initiative.

Some observers question whether the nation is ready now for a similar social and political renewal. After all, the pattern in our history has been for periods of presidential enlargement to be succeeded by periods of pause and reaction.

Thus, after Andrew Jackson's vigorous leadership came the serious failures in leadership by Martin Van Buren and John Tyler. After James K. Polk's solid achievements, reactions set in during the Presidencies of Millard Fillmore, Franklin Pierce, and James Buchanan. Lincoln's boldness was followed by the impeachment of Andrew Johnson and the incompetence and scandals of the administration of Ulysses S. Grant. Woodrow Wilson's energetic efforts were followed by stagnation under Warren Harding and Calvin Coolidge.

Recalling this pattern, some observers conclude that we are in for a period of reaction to the so-called "imperial Presidency." Certainly we have witnessed gross abuses of presidential power in recent years.

We have been lied to. The power of police agencies has been abused. Involvement in war, as in the civil war in Angola, and foreign intervention have been initiated without Congressional knowledge and approval. Funds for domestic programs have been impounded. Domestic agencies for economic development have been dismantled without Congressional approval. In short, we have lived in a period that has verged on presidential autocracy.

It is understandable, in reaction to this pattern, that some people have wanted to weaken the office of the Presidency. But that response is undiscriminating and it is wrong.

The answer lies not in weakening the Presidency, but in choosing individuals for that office who can be trusted with its vast powers, trusted to use them in full and willing conformance with the letter and spirit of the constitutional provisions for sharing power. A Constitutional President must realize that his responsibility is not only to use the power vested in the Presidency, but to exercise self-discipline in its use.

And the answer lies in choosing individuals posesssing imagination, courage, and self-discipline, so that the Presidency's vast powers are put to work in the people's behalf.

There are two critical aspects of the Presidency. The first is that it must be conducted openly, by political leaders who are not afraid to confide in the people. As Woodrow Wilson said, the President is "the political leader of the nation . . . When he speaks in his true character, he speaks for no special interest. If he rightly interprets the national thought and boldly insists upon it, he is irresistible, and the country never feels the zest of action so much as when its President is of such insight and calibre."

In this spirit, if political battle must be waged, as often it must be, the President must be determined to enlist the people on his side. And he must do so openly and candidly, not by deception.

This openness is essential, but it is not enough. Recent events have seemed to offer the choice between a vigorous Presidency conducted behind closed doors, and an open Presidency that is virtually inert. But that is a false choice. A President must be open and confiding, but he must also be a strong political leader, capable of winning support from other political leaders and from the people.

A President cannot lead alone. He must have the willing cooperation of other political leaders. Our system will not work otherwise. It is sometimes said that James K. Polk was the last President to manage the executive branch all by himself. That is probably an exaggeration, but even so, remember that in 1848, when Polk was President, the Federal budget was around 50 million dollars a year, and the civilian payroll was around 25 thousand employees, four-fifths of them in the postal service. Yet the job of managing a federal government even of this size completely exhausted Polk. He died a broken and bitter man, just a few months after leaving the White House.

If Polk was crushed by the labor of managing the federal government in 1848, it is obvious that the job can no longer be accomplished by direct command.

President Truman once remarked that General Eisenhower would have a hard time adjusting to the presidential office, given his military background. "The General will order 'Do this and do that.' And you know what?" Truman chuckled, "*Nothing* will happen." For this was precisely the sad experience of another General-become-President, Ulysses Grant.

A President must lead by persuasion. And he must persuade, not just his own staff and people of his own appointment in the federal government, but independently selected public officials throughout the land. There is no other way that our Constitutional system can be made to work. The President must be a person who can win the willing cooperation of independent citizens.

The essence of democratic government does not lie in giving commands, but in gaining consent. The Presidency, said Teddy Roosevelt, "is a bully pulpit." Yes indeed, the President must be the moral leader of the nation. But he must be more than a political philosopher and evangelist. He must be the teacher, the persuader, the advocate, the healer and the counsellor.

Let me illustrate what I mean more concretely.

The Presidency, the vital center of our governmental system, is the link that binds the political branches of the federal government. The President's primary instrument in this task is his political party. It is no coincidence that the recent crisis of the Presidency has been matched by a crisis in the major political parties. One cannot be restored without the other.

Genuinely popular government demands effective political parties. If the President is to rally the people to common purpose, he must first rally his political party.

The great Presidents of both parties have recognized this responsibility, and eagerly met it. Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Theodore Roosevelt, Woodrow Wilson, Franklin Roosevelt, and in our own time, Harry Truman, John Kennedy and Lyndon Johnson—all have stood forth as leaders of their parties.

The spectacle of the more recent past, by contrast, dramatically illustrates the need for Presidential leadership that does not shrink from the party connection, but rather leadership that is in a position to capitalize on it. Only through this leadership can legislation and administration be brought together behind a program to deal with the challenges facing the country.

Party leadership is one of the President's most difficult, most demanding tasks. American parties are notoriously undisciplined. They are not ideologically narrow or simple. American parties are broad, diverse, complex, and filled with internal tensions. One of the President's first responsibilities is to take the lead in finding common ground, on which all of his party's elements can stand, and to teach them the habit of standing together.

Broad as American parties are, they do present a real constituency for a President who can mobilize it. A President who intends to act positively, to lead the people in common enterprise for the public welfare, will find most of his natural allies gathered in the Democratic Party. If he can rally that party, he can build majorities for his program. The country has been without this kind of leadership for nearly a decade.

The importance of Presidential leadership for the party has been dramatically illustrated during the last session of Congress. In the Congressional elections of 1974, a large new group of Representatives was elected and came to Washington full of bright hopes for a more responsive and active government. Now after a year of dubious battle with a White House that has utterly failed to give clear direction, the "Class of 1974" is understandably discouraged.

A year ago, there was some talk among people who should know better that this Congress might be "veto proof." Now, a cruel disillusion has set in.

But Congress ought not have to be "veto proof" to be effective. Our system was *not* designed for confrontation. It was designed for shared power and responsibility in a spirit of accommodation.

The system was designed for cooperation, in the public interest. The new young members of Congress, and many of their elders, have good legislative ideas. They are prepared with bills that address the problems of this nation. They have, in fact, accomplished a great deal. But the utter lack of executive cooperation—indeed, the prospect that these good ideas would be blocked by vetoes—has sacrificed much of the promise that existed just one year ago.

One of the most discouraging episodes in the last disheartening year was the recent struggle over the tax cut. Everyone agreed that the tax cut should be extended. Meanwhile, Congress was in the midst of implementing the new Budget Control Act, which requires Congressional discipline in relating revenues and expenditures. Many were skeptical about this Act when it was passed, but even the skeptics now admit that it is working remarkably well.

President Ford, however, refused to recognize this progress. Instead, he set himself against it, insisting that Congress tie a spending ceiling to the tax cut—a spending ceiling for the fiscal year beginning ten months from now. It was a foolish demand in any case, but particularly so in light of the progress that Congress has been making in disciplining itself on budgetary matters.

The Presidency is a vital link in our political system in another sense, too. It is the link that binds the elements of the federal system together. Our national government spends billions of dollars each year on domestic purposes. We most urgently need a more effective way to administer these services. Part of the answer lies in a more creative use of the federal system.

Washington does not have all the answers. The time has come to recognize that there is solid experience and competence, as well as grass-roots knowledge, in our state capitals.

We know that government must be more responsive and efficient. One major step to achieve this is to establish a close relationship between the chief executives—between the President and the fifty state Governors.

In recent years, partly through revenue sharing and federal grants and loans, state governments have been growing in competence and importance. Also, because of the Supreme Court rule of one-man, one-vote, state legislatures have become much more representative and thereby more responsive to the needs of the people. State legislatures today are filled with young men and women of talent and competence, with imagination and ability. Also, the office of governor has been attracting able men and women, capable of administering complex affairs, and eager to understand the affairs of their states in a broader, regional framework.

We ought to encourage this important development. Governors should be drawn into closer coordination with one another and with the federal government, through the establishment of regional Executive Councils, each one including a federal representative appointed by, and reporting directly to, the President.

These Regional Councils should be responsible for planning and administering federal programs in their area, on the basis of plans prepared by the Governors of each region, working in cooperation with regional representatives of the federal departments.

But something more is needed to make our federal system cooperative and efficient. Our country is characterized by cultural, geographic and economic differences. These differences can either add to our strength or be a serious problem in the conduct of government.

Therefore, I propose that the modern Presidency should include the establishment of a Federal Council, consisting of the 50 Governors and the President. This council should meet regularly on a systematic basis so that the President may outline to the Governors his proposals and initiatives, and receive from the Governors their advice and counsel in the preparation of the federal budget, the administration of the departments, and the implementation of federal laws.

There is no substitute for the personal working relationship between the President and the State executives. The federal system is not just the government in Washington. It is a national government represented by the President and the 50 State governments represented by the Governors.

We live in a time in which doubts about democracy are very profound. Everyone agrees that government of, by, and for the people is a great dream, but many doubt that it will work for a nation that spans a continent and includes regions of the utmost variety. Certainly, the administration of such a government requires better planning than we have had in this country until now.

Our forefathers struggled against tyranny, against government by birth, by wealth, or class, and against sectionalism. Today, we struggle against confusion, ineffectiveness, waste, bureaucracy, and inefficiency. Our struggle is less glorious than theirs, but just as critical, if the dream of democracy is to be realized. The search now must be for means of coordinating a more decentralized administration. That is one of our primary challenges.

Another basic challenge is for the United States to become a mature world power. We have become a world power but, regrettably, as a representative government we have only a half-world knowledge.

And this is understandable. As Adlai Stevenson once said, "Government is like a pump, and what it pumps up is just what we are—a fair sample of the intellect, the ethics, and the morals of the people, no better, no worse." And I might add that while power can come swiftly, knowledge and judgment come through long experience of pain, suffering, study and action.

We must recognize the *limits* of power in this modern age—power that recognizes the rights and aspirations of other nations and people; and power that is used with resolution, when vital interests are genuinely at stake, but always with restraint. Above all, it will be power that is *shared* to promote the benefits of peace and development throughout the community of nations. And, it must be power that is exercised with a constant sense of moral obligations.

However, this mature understanding of the exercise of power by our Nation, recognized as the greatest military and economic power in world history, must begin with a clear understanding of the limits and obligations of power in the Presidency itself, by the incumbent in that office.

The awesome power of the modern Presidency has tempted recent incumbents to dispense with the hard work of sharing their power. It has seemed too difficult, too risky and unnecessary, at least in the short run, and especially in national security affairs, for the President to share his power with anyone who disagreed with him.

But we have learned that an autocratic Presidency is the greatest danger in our system. We need an *active* Presidency, but one moderated by the determination to take counsel widely. Our President must be a person to whom cooperation comes natually, for whom coordination is a deeply ingrained habit and style of operation.

We expect our President to be active—to be a leader. But we must remember that the appropriate activity for a President is communication with the people, listening carefully to the voice of the land, and winning popular assent for good and necessary measures. He must not only lead the people, he must also heed their concerns. He must not only be the leader, but also the healer.

We are at the beginning of a critical election year. The leader chosen this year must rally the people to new effort. He must restore confidence in a system that has worked through storm and stress for 200 years, a system that has survived wars and depressions, but is now suffering an acute internal crisis.

No foreign foe, no economic crisis has been able to break the spirit of this nation. But leaders who broke faith with the people have tried its soul. Unless the confidence of the people is won back, the future is bleak. But if the energies of the people can be rallied, we will embark upon the third century with renewed confidence.

I do not accept the conventional assessment that Americans are ready to support a radical dismantling of governmental institutions and programs designed to achieve a higher level of justice and happiness among our citizens. That is not what people are saying when they tell public opinion experts about their disillusionment and cynicism.

No, the people are expressing their natural feelings toward a government that has failed to keep its promises and that has imposed sacrifices without accepting a corresponding obligation to deliver results.

The people are not necessarily asking for something new and revolutionary. They are seeking a return to fundamentals, to standards that are basic and even old fashioned. People want honesty and integrity in public life. They want decency and fair play. They want to be trusted so that they can trust their government. They are seeking character and substance, rather than charisma and image.

The people are crying out for a government that *works* . . . one that understands their problems and that makes an honest and compassionate effort to help solve them. And when the people once again encounter such a government, they will give it their enthusiastic and loyal support.

Can a system based on free elections, on representation, on open decision-making, persist under modern conditions? The question is perpetual. The jury is out, as it always is. The record of the past inspires confidence. But a great deal depends upon the choice made this year, and on the quality of leadership provided by the person selected as the next President of the United States.

One of the great moral political leaders of our time was my dear and good friend, Adlai Stevenson. Adlai reminded us of the requirements of self-government, in a statement that reads as follows:

"Democracy is not self-executing. We have to make it work, and to make it work we have to understand it. Sober thought and fearless criticism are impossible without critical thinkers and thinking critics. Such persons must be given the opportunity to come together, to see new facts in the light of old principles, and evaluate old principles in the light of new facts, by deliberation, debate, and dialogue. This, as we all know well, though some of us forget from time to time, requires intellectual independence, impenitent speculation, and freedom from political pressure. For, democracy's need for wisdom will remain as perennial as its needs for liberty; not only external vigilance, but unending self-examination must be the perennial price of liberty because the work of self-government never ceases."

NUCLEAR REACTORS

Mr. THURMOND. Mr. President, Dr. Edward Teller, father of the H-bomb, made an address at the Los Angeles campus of Pepperdine University on November 4, 1975, concerning a vote in California next June on a California State Initiative, "The Nuclear Safeguard Act." Dr. Teller is now a visiting professor, Arthur Spitzer, Chair of Science and Technology.

His address is entitled, "Will California Vote Scrap U.S. Nuclear Reactors?" This important address should receive wide dissemination in our country. If California votes to support the probable restriction on the use of nuclear energy because of the safety factor, it could have a domino effect on other States which could adversely affect the continued development of nuclear power in the whole country. In 20 other States, similar propositions are being prepared for the people, according to reports.

Dr. Teller, who is one of our Nation's foremost expert scientists on nuclear energy, makes a convincing case on the built-in safeguards of nuclear reactors. He stated:

> To date, with four dozen big nuclear reactors operating in the United States for several years, there is not one individual to whom anyone can point and say, "His health has suffered on account of the radioactivity in an industrial reactor."

Mr. President, our country must go forward with the development of nuclear power. We cannot continue to depend on oil imports for energy. By 1985, nuclear reactors are planned to replace five million barrels of oil each day. If California and other States pass these measures, there will be more unemployment. There will be an increase in the cost of electricity and our economy will be in even greater trouble.

Our Nation must not let this happen because of scare tactics used by some to stop nuclear sources for power. Dr. Teller's address makes an excellent and factual rebuttal to those exaggerated allegations of radioactive dangers.

His address was published in the January 17, 1976, edition of Human Events, the national conservative weekly. I strongly recommend it to my distinguished colleagues and to all Americans who will be called upon to make these hard decisions.

Mr. President, I ask unanimous consent for the address given by Dr. Edward Teller and published by Human Events to be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From Human Events, Jan. 17, 1976]

WILL CALIFORNIA VOTE SCRAP U.S. NUCLEAR REACTORS?

(By Edward Teller)

(NOTE.—Following is the text of an address made by Dr. Teller at the Los Angeles campus, Pepperdine University, Nov. 4, 1975. Dr. Teller, the "father" of the H-bomb, is Visiting Professor, Arthur Spitzer Chair of Science and Technology.)

Next June we are going to go to the polls and, among others, we are going to vote on a California State Initiative, "The Nuclear Safeguard Act." The people who proposed this initiative are speaking as though no one before them had worried about nuclear safeguards. They want to set up a board of 15 distinguished Californians to decide whether or not nuclear reactors are safe, and whether or not, in effect, we should allow them to operate.

The language of the proposition is moderate. It is deceptively moderate. It allows existing reactors to continue to function. But, unless they are found particularly safe (in a sense to be established in California) they will be allowed to function only at less and less power.

A quarter of a century ago, I was chairman of the world's first Reactor Safeguard Committee. In 1948, we had three reactors operating in the state of Washington which had been built during World War II. Their safety has been investigated by excellent people, but in a great hurry. More reactors were proposed—many more. And everything was secret.

One group of people suggesting the building of reactors did not know about the details of the reactors in the state of Washington, nor about what another group was proposing. Under those conditions, the most important action was to make sure that more information becomes available. We know (and this point never has been questioned, it never can be questioned) that a nuclear reactor cannot explode in a way similar to a nuclear bomb. It is difficult to make a nuclear bomb explode and something basically different like a big reactor cannot and will not explode; none of the critics even suggest this.

But, a nuclear reactor contains a great deal of radioactivity. And, in a very big accident, a lot of this radioactivity could get loose. If that happens, there is no doubt that many people would be killed and more people's health would be in danger.

The Reactor Safeguard Committee set itself from the very beginning an incredibly ambitious aim: to eliminate any nuclear dangers to human health. I did not believe that we could have a perfect record. But, so far we did have a perfect record.

To date, with four dozen big nuclear reactors operating in the United States for several years, there is not one individual to whom anyone can point and say, "His health has suffered on account of the radioactivity in an industrial reactor."

Yet, we had accidents. The last one, hardly more than half a year ago, was "Brown's Ferry" accident, in Alabama. It was a fire caused by a fool carrying a candle to the wrong place. Much of the electric wiring of the reactor burned up and many of the controls of the reactor were no longer functioning. The damage amounted to more than $50 million. But the health of not a single individual was affected. We had managed to establish defense in depth against all possible health hazards. This does not mean that the health of each and every one of us is forever secure. The unforeseen always might happen. But we succeeded in making such injury so improbable that not a single one has as yet occurred.

At that time, many of my scientific friends, many of my friends in engineering, were indignant about the behavior of our committee. If they had known the word at that time, they would have called me a mini-Nader. But I claim that our caution paid off. It did not delay reactors much. It made them considerably more safe. We did more. We insisted, and in the end we succeeded, that all questions that may arise concerning the safety of nuclear reactors should be made available to the public.

You know what happened. Because information on potential hazards became available, the real-life Nader took hold of them. He did as though he had discovered them himself. He played them up to frighten people.

The result is this California initiative whose purpose is to stop the development of nuclear reactors.

In 20 other states of the Union, similar propositions are being prepared. This is not a California scare. This is a nationwide scare. But we in California will vote on it first. The next one will be Oregon. And then more and more will follow and the nuclear reactor industry in the United States will soon be dead. That is why Mr. Meany and the labor unions are opposed to this measure. They know that if the measure passes, there will be more unemployment, there will be an increase in the cost of electricity, there will be more trouble to our economy.

I would like to take a minute to point out to you a particularly nonsensical measure proposed in this initiative which would become an amendment to the California Constitution: "Restrict existing nuclear reactors," it says, "to 60 per cent of their output." This is sufficient to drive nuclear reactors out of the market; to deprive them of the status of a paying proposition. But if you look at the details of how trouble can arise in a nuclear reactor, the restriction of the reactor to 60 per cent of its power will make little difference.

When the Brown's Ferry accident occurred, the reactor was working but it was immediately shut down. The rate at which it had been working made very little difference. Real safety lies in many directions. A one-year study of 15 people from California will not begin to equal what the work of the three decades by the experts in this field throughout the nation has accomplished. What is intended here is to shut down nuclear plants. What will be the consequence?

California not only needs power. California needs clean power. The Los Angeles basin has this particular property: whatever you put into the atmosphere, it hangs around. You know this better than I do. Your lungs know it; your burning eyes know it; your throat knows it.

California has been consuming a disproportionate share of the country's clean, natural gas. This natural gas is running short. Before the date 1980, there will be a real crisis in the supply of natural gas. You might ship it in from outside as Liquefied Natural Gas. A Liquefied Natural Gas ship could become a floating bomb. It contains gas in liquid form which a small temperature rise can turn into a gas which may mix with air and explode. A nuclear reactor cannot explode. A Liquefied Natural Gas ship can, at least in principle. If this happens, the power of the explosion may be as great (or greater) as the bomb dropped on Hiroshima. Where will you get your Liquefied Natural Gas? Or will we import more oil, pay more for it, and pay an additional premium to remove the sulfur from it?

I believe that if this measure passes, we here in California will have no choice but to use coal-fired plants. I don't want to scare you. There is relatively clean coal in Alaska that can be shipped down here. That will make the smog worse, but only by a little. It may increase your electric bill by 20 per cent. That is the situation in California.

We are now importing each day seven million barrels of oil. Nuclear reactors are planned to replace by 1985 approximately five million barrels of oil each day. If we stop building reactors we may become more dependent on others and in the process deprive the developing world of the scarce oil that is needed everywhere.

A month ago I finished a two-week visit to Indonesia, where people live, almost all of them, in incredible poverty. Incidentally, they have some oil and their export of oil helps them to begin to get out of the worst kind of pollution there is—*pollution by poverty*. Other developing countries, as for instance, India, and much of Africa and many parts of South America, are in a less favorable position. Unless, worldwide, more energy can be produced at a reasonable price, the poor will remain poor and pollution by poverty will continue to exist.

That pollution kills. *That* pollution induces hatred. *That* pollution endangers the stability of the world. *That* pollution is the greatest social injustice that exists in today's small world. And *that* pollution is the one which the people who propose this amendment have completely disregarded.

Why should one vote for such a measure? There is one claimed reason—danger from radioactivity. And if we are careless, there will be such danger, but danger from radioactivity is very different from any other danger. One big difference I have already mentioned. The industry had an unbroken positive record with respect to human health. I know of no other industry that can claim anything similar. Imagine, electricity introduced on a reasonably big scale and after a few years not a single person electrocuted by accident. Such safety is not unusual.

But there are two additional reasons why nuclear energy is safer than any other of the innovations. One is this: radioactivity can be discovered and easily discovered by appropriate instruments even if it is present in incredibly small amounts. Not much more than one millionth of the radioactivity that might conceivably hurt you can be detected. In a drug store, a poison may be lost. In an experimental biological outfit, some bacteria might get loose. If that happens it is difficult to find the poison, the bacteria or the virus. If there is radioactive contamination, you can find it and what you can find you can clean up.

There is a third reason why the radioactive scare is without real substance. Each year throughout the world, industry produces thousands of new chemicals as food additives, as helpful drugs—each of them is tested, and indeed each should be tested for safety. None of these tests can be quite conclusive because, for instance, some of the chemicals may cause cancer, with a delay of several years.

The kind of radiation we get from radioactive substances is different from chemicals. A chemical substance has a specification which is exceedingly hard to predict. Radioaction due to radioactivity, to cosmic rays or other causes acts in a similar manner. The whole living world has been exposed to such radiation from the cosmic rays and natural radioactivity for hundreds of millions of years, for a time longer than the existence of the human race. In our own blood we carry potassium and that is a little radioactive. Today regulation will not permit more than doubling the dose to which the whole world has been exposed.

And yet there are tens of thousands of people living for instance in the province of

Kerala in India on the southeastern coast of the peninsula, who are exposed to 10 times, in some cases 30 times what we allow people to be exposed to. An obvious effect has not appeared. We know in this case, not that there is no possibility of a harmful effect, but that there can be no *unusual* harmful effect. Quite possibly none whatsoever.

There are many additional arguments you will hear about.

For example, there is the question of the disposal of radioactive wastes. For 1 per cent of the cost of electricity (or for less) one can bury these wastes deep underground in stable salt formations near which no earthquake has occurred for a million years. Then the radioactivity will be kept apart from the world of living beings until it has decayed.

Another popular question is: why can't nuclear reactors be fully insured? Can hydroelectric dams be insured? Yes, they can: except if they collapse due to an earthquake. And the earthquake hazard is, of course, the main hazard for dams. Nuclear reactors have killed no one. Dams have collapsed and this resulted in the deaths of thousands. Shall we ban dams, as well as reactors?

Children like to be scared. Grownups like to be scared. We are particularly easily scared of those things we do not understand. But in the case of nuclear energy we have something quite different from the usual scare. Here is something remote from human experience.

Not only the atom, which we never see, the atomic nucleus which is not much more than one 100,000th the size of an atom. Development connected with the atomic nucleus has turned out to be practical. This happened during a dreadful war and the work has been carried out in complete secrecy. The first thing the great majority of the people ever knew about it was that more than 100,000 Japanese were killed and the war was ended.

If there was ever a situation made to order to scare people, this is it. I happen to believe that by dropping those bombs on Japan we committed a dreadful mistake. I don't want to accuse anybody. It was a war that we didn't start. It was a war that our President, Truman, wanted to end as rapidly as possible.

If we had been moderate enough, imaginative enough, courageous enough, first to demonstrate and delay the actual use, we might have succeeded in ending a dreadful war without killing a single individual. If that had happened, everybody today would have greater respect for science. We would live in a happier and in a safer world. And people may not be so easily scared.

It is that mistake which gave Nader and others their opportunity to raise a big scare, a scare which in its ultimate effect may be worse than the atomic bomb. A scare that may lead to scarcity, to suffering, to the disintegration of the world economy and even to war.

It happens that we here in California are going to make a crucial decision next June. Unless people understand and unless people like yourself think, talk and act with great care, we may miss an important opportunity to relieve human want and thereby to contribute to a future which is more secure and in which peace has a better chance.

A CUSHION FOR BANKS

Mr. PROXMIRE. Mr. President, a recent editorial in Business Week points to the irresponsibility of the three bank regulatory agencies—the Federal Reserve Board, the Comptroller of the Currency and the Federal Deposit Insurance Corporation—in arguing for weak disclosure rules which would apply to banking institutions.

"Weak discipline" is the rule of the day at the bank regulatory agencies. Full disclosure might give the public some protection against the poor and ineffective regulation of banks under the present fragmented regulatory structure, while attaining the principal aim of protecting investors. What is urgently needed is the establishment of a single bank regulatory agency at the Federal level. S. 2298 would accomplish this.

I ask unanimous consent that the editorial "A Cushion for Banks" appearing in the January 16, 1976, issue of Business Week be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A CUSHION FOR THE BANKS

The three federal regulators of banking—the Federal Reserve Board, the Comptroller of the Currency, and the Federal Deposit Insurance Corp.—are supposed to protect the public from bad banking. Their duties do not include protecting the banks from the consequences of their own bad judgment or bad luck.

The regulators seemed to have forgotten this last week when they joined in a position statement urging the American Institute of Certified Public Accountants not to make banks charge themselves with immediate losses on municipal securities that have been exchanged or that have had their maturity extended. The securities in question obviously are those of New York City. And the object of the regulators is to minimize the impact of New York's financial crisis on the banking system.

The concern of the regulators is understandable. So is the gingerly approach of the Securities & Exchange Commission, which ruled this week that bank holding companies need not charge off presumed losses but should disclose the costs and carrying values of their holdings of New York City and Municipal Assistance Corp. securities.

But ignoring a problem is not the way to solve it. And an atmosphere of cover-up is more likely to breed suspicion and uncertainty than is a clear look at the facts in all their ugliness.

As it happens, the facts in the case of New York securities are not unbearably ugly. The total held by the 11 banks of the New York Clearing House is not more than $2 billion. The write-down to current value probably would average about 20%. The New York banks are capable of absorbing this loss without lasting injury.

That, however, is really beside the point. The basic question is whether the public gets a full and candid disclosure of where the banks stand or gets a set of reports that evade the issue.

Banks are fiduciary institutions. They owe it to their stockholders and their depositors to follow the most conservative accounting methods, with no rose-tinting or glossing over. When the private auditors are trying to hold their clients to such standards, it is irresponsible for the regulators to argue for a weaker discipline.

ARE THE SOVIETS VIOLATING SALT I?

Mr. HATFIELD. Mr. President, the January 16 issue of the New York Times carried an interesting article entitled "Wrestling With the Plowshare Problem," by Mr. Gerard C. Smith. Mr. Smith, we will recall, was the chief of the U.S. delegation at the strategic arms limitation talks from 1969 to 1972, and thus his comments on the allegations of Soviet SALT violations spring from a highly informed understanding of strategic arms limitation agreements. I think it is most important that we view any upcoming SALT II agreement with a clear understanding of what has occurred since SALT I, and I commend Mr. Smith's article to the attention of my colleagues. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 16, 1976]

WRESTLING WITH THE PLOWSHARE PROBLEM

(By Gerard C. Smith)

WASHINGTON.—Recent criticism of United States negotiating in the strategic arms limitations talks and of Soviet actions under the 1972 agreements raises important issues for this country's national security and for its conduct of foreign policy. Such criticism, in an election year, may have effects that the United States will have to live with for some time.

The issues posed by these criticisms are fair and important subjects for debate, but full and fair discussion must rest upon substantial understanding of complex matters that may be shrouded in a somewhat limited historical record or by the tricks that memory plays on us all. In order to contribute to the debate on troublesome issues of Soviet compliance and intentions in the arms talks, I offer the following observations culled from my memory and reaffirmed by recent research.

A principal assertion (involving a subject on which I have some firsthand knowledge) advanced by critics is that the Soviet Union has violated either the letter or the spirit of the interim freeze agreement of 1972 by deploying land-based intercontinental ballistic missiles of a volume larger than permitted or contemplated by the agreement, which expires next year.

This interim agreement did not purport to limit or freeze missiles. Each side is free to build as many and as large missiles as it chooses. The constraint is on launchers for missiles (concrete silos or submarine tubes in which missiles are deployed).

The agreement, foreshadowed by an accord between President Nixon and Prime Minister Aleksei N. Kosygin in May 1971, was to be a quantitative freeze on numbers of missile launchers. No limits were to be placed on possible modernization or replacement of offensive strategic weapons.

Since the United States in 1972 had no launcher construction programs under way, the agreement as negotiated in 1972 does not affect its programs to modernize its present strategic missile launchers, which are proceeding on or ahead of their original schedules. It does not cover another form of launcher, heavy bombers, in which the United States has a large advantage.

In addition to quantitative controls on numbers of launchers, the United States later tried to negotiate constraints on the number of Soviet land-based launchers for heavy missiles. We wanted to stop the Soviet Union from putting significantly heavier missiles in approximately 1,000 solo launchers for the so-called SS–11 missiles, which we called light and which constituted the largest part of the Soviet Union's ICBM force. In effect, we were trying to get an arrangement that would limit Soviet modernization programs but not our own.

The Soviet Union proposed a provision that launchers for light missiles not be converted into launchers for heavy missiles, and it agreed that the dimensions of silo launchers would not be increased by more than 15 percent. I have not heard any claims that they have been so increased. This silo dimension limitation was designed to assure that the heavier SS–9 missiles not be deployed in SS–11 silo launchers.

Naturally, the United States wanted to get an agreed definition of the term "heavy." We pressed for a number of definitions over a period of many months without success. The Soviet Union said that the earlier Nixon-Kosygin accord, in May 1971, anticipated a freeze only on numbers of launchers and that the United States was trying to add qualitative constraints affecting the volume of missiles.

Our over-all bargaining power in the arms talks was great because of our lead in antiballistic missile technology, in bombers and in warhead numbers, but on this specific point it was not great since we were trying to fix constraints on Soviet programs that would not affect American programs.

As the May 1972 Moscow summit meeting approached, we studied the question of what to do if the Soviet Union remained adamant. No one in the delegation or Washington proposed that the negotiations be broken off if a definition of a "heavy" missile was not agreed on. Language for a possible unilateral statement of the United States understanding of the term "heavy" was considered by the delegation and in Washington.

At the Moscow summit meeting, President Nixon made another effort to reach agreement on a definition without success. So, as part of its final instructions from the White House, the delegation was directed to put into the record the following statement:

"The U.S. delegation regrets that the Soviet delegation has not been willing to agree on a common definition of a heavy missile. Under these circumstances the U.S. delegation believes it necessary to state the following. The U.S. would consider any ICBM having a volume significantly greater than that of the largest light ICBM now operational on either side to be a heavy ICBM. The U.S. proceeds on the premise that the Soviet side will give due account to this consideration."

The head of the Soviet delegation replied that no understanding on this score had been reached.

I do not think that anybody on the United States delegation believed such a unilateral statement to be binding. I thought it might have some slight deterrent effect.

Article IV of the interim agreement reads: "Subject to the provisions of this interim agreement, modernization and replacement of strategic offensive ballistic missiles and launchers covered by this interim agreement may be undertaken."

At Helsinki we had been informally advised that while the Soviet Union would be deploying missiles of larger volume in SS–11 silos, they would not approach the halfway mark between an SS–11 and the admittedly heavy missile, the SS–9. I have seen no claims that the new Soviet missiles in question are greater in volume than this halfway mark. Although their volume is significantly larger than that of an SS–11, no informed persons claim that they will significantly upset the strategic balance.

After signing the agreements, the START—Soviet Party chairman Leonid Brezhnev advised President Nixon that the Soviet Union would proceed with its missile modernization programs as permitted by the agreement.

To call this a violation of the letter or the spirit of the agreement seems to me incorrect. Incidentally, it has always been my belief that the United States should not enter into arms-control agreements with the Soviet Union that depend on spirit for their fulfillment.

The United States has proceeded with its missile modernization programs. The Minuteman III multiple independently targetable re-entry vehicle (MIRV) program involves an increase in missile volume, though nothing as large as the Soviet missiles in question. Under the agreement the United States is free to increase its missile throw-weight by approximately three times. It has not chosen to do so. The Department of Defense has not requested such a program.

The real issue is not naiveté or poor drafting or violation of the letter or spirit of the agreement. The real issue is, should the strategic arms limitations talks have been broken off over the failure to get a definition of the term "heavy?" I think not. We had a number of arms-talks aims other than holding down the size of the Soviet missiles during the five-year freeze.

Some offensive-launcher limitation had consistently been a condition of our agreement to the antiballistic missile treaty. Would it have been wise because of failure to reach an agreed definition of a heavy missile to scuttle the ABM treaty, which at that point was fully agreed? Keeping Soviet ABM's to the minimal Moscow deployment has substantially advanced United States security.

That President Nixon made the right decision seems confirmed by the fact that no critic of the arms negotiations that I have heard proposes that the United States exercise its right to terminate the interim agreement. It has worked in important respects.

The seemingly endless Soviet program to increase the number of ICBM silo launchers has stopped. This stoppage has resulted in a ceiling on admitted heavy missiles of the SS–9 and a later class. I understand that the Soviet Union is engaged in the ICBM reduction program called for by the agreement as a condition of its continuing to build strategic submarines. This involves decommissioning a substantial number of older ICBM launchers for very large throw-weight missiles deployed on soft launchers.

Even Senator Henry M. Jackson, a major critic of the agreement, is in favor of continuing the negotiation process and gives good advice about how to negotiate the next agreement. As this next agreement presumably will have some constraining effect on the United States as well as on Soviet programs—as did the ABM treaty—it is natural to expect that more precise arrangements will be negotiated.

Strategic forces second to none are essential to our national security. But strategic-arms control also is a very important part of that security. Its prospects and its products should be carefully scrutinized and debated. It is to be hoped, however, that this process will be conducted as objectively as possible. Election year oversimplifications such as the missile gap charges of 1960 should be shunned, lest the case for sensible arms control be set back indefinitely.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, in a discussion of the merits of any international human rights treaty, we must ask ourselves what we hope to accomplish by means of such a treaty. Some people oppose U.S. participation in human rights treaties on the grounds that the treaties are meaningless documents which never can nor will be enforced. These opponents ask why we should sign an agreement which is nothing more than an exercise in futility.

I contend that human rights treaties, and the Genocide Convention in particular, are far from worthless attempts to impose unenforceable standards on all nations. On the contrary, I believe that these treaties have great potential benefits which can be realized only if we are a party to such agreements.

The Genocide Convention officially recognizes—

> That genocide, whether committed in time of peace or in time of war, is a crime under international law which they the Contracting Parties undertake to prevent and to punish.

The treaty seeks to prevent the destruction of national, racial, ethnic, or religious groups by defining genocide, outlawing it, and establishing procedures for trying and punishing all violators.

We have no guarantee, of course, that our ratification of the convention will enhance the efficacy of the contract. The relative ineffectiveness of the convention in the past as a medium for combating genocide is no reason for us to abandon the convention altogether. The structure established to prevent and punish genocide remains intact but untried. Our ratification of the treaty might activate the structure from its dormant state so that the world can unite against mass murderers.

Perhaps even more important than the potential tangible benefits are the intangible benefits which would result from ratification of the Genocide Convention. The 84 nations which have ratified the convention cannot understand why we fail to join them. Our support of the convention will erase the suspicion with which other nations view us in this matter.

Senate ratification will demonstrate our agreement with other signators on basic principles of human rights. Such agreement on principles is necessary to enhance the existing atmosphere of international cooperation and trust, only through which we can hope to build a more humane world.

THE EXPORT-IMPORT BANK OF THE UNITED STATES

Mr. THURMOND. Mr. President, Mr. R. Alex McCullough, of South Carolina, a director of the Export-Import Bank of the United States, has written an excellent guest editorial for the Spartanburg, S.C., Herald-Journal on the operations and value of the organization he directs.

His words are especially meaningful, because of his deep knowledge not only of banking and finance but of statecraft and public affairs. He has rendered distinguished service in his present position since 1969, and, prior to that time, made outstanding contributions in several positions of public and private endeavor.

Mr. McCullough has had a lifelong interest in public policy and the enhancement of the public good. Accordingly, his work at the Eximbank and his views on its value to the American economy are of a special significance to all Americans.

Mr. President, in order that my colleagues may have the benefit of his views on this important operation, I ask unanimous consent that the guest editorial which he wrote for the Spartanburg Herald-Journal on January 10, 1976, be printed in the RECORD.

There being no objection, the guest editorial was ordered to be printed in the RECORD, as follows:

EXIMBANK HAS IMPORTANT ROLE

R. Alex McCullough, native of Spartanburg, once was a school teacher in the county. Then he was managing editor of The Herald.

In 1951, he left the newspaper to serve as press secretary for Gov. James F. Byrnes. Following that, he was a top aide for U.S. Sen. Strom Thurmond.

He left that position to go with S. C. National Bank, where he became senior vice president.

In 1969, he was appointed a director of the Export-Import Bank of the United States, an office in which he still serves.

The Herald-Journal asked Mr. McCullough to write a guest editorial about the institution and its function.

It follows:

The Export-Import Bank of the United States or Eximbank, as it is better known by those who use it, is an independent agency of the U.S. Government established by an Act of Congress to assist in the financing of American exports. The law which fixes the scope of the Bank's operations, under a five-member Board of Directors, with a President-Chairman and First Vice President-Vice Chairman, specifies several "do's" and "don'ts."

Eximbank is directed by law to "faciliate exports" and to be competitive with the facilities aiding exporters in foreign countries. At the same time, the Bank is directed to try to minimize competition in government-sponsored export financing.

The law requires the Bank to "supplement and encourage" private capital and "not to compete" with private financing sources for export business.

Very importantly, the Directors of Eximbank are mandated by the law to approve credit only for transactions having a "reasonable assurance" of repayment, meaning that the Bank's loans are NOT low-cost aid loans or grants.

All of this brings us then to the question of "why?" What is the need for Eximbank?

Eximbank can supplement the private capital available from commercial banks and sometimes other lenders by participating to provide more funds than others have available or are willing to put into a particular transaction. This is especially true for larger overseas projects using millions of dollars. Also, Eximbank can provide funds for the longer end of a long-term loan beyond the time acceptable to private banks. Additionally, Eximbank can, for appropriate fees, guarantee or insure repayment of private funds loaned to support the export of American goods and services.

It would be ideal if all buyers of American goods and services could and would pay cash for every purchase. There are several reasons this does not happen. In the export business—just as in business in this country—very few sales are made on a cash basis; buyers expect and require credit. Many buyers can pay and will pay promptly and fully with interest as a project using exported American machinery earns profit for them. They could not pay in cash because they have to earn first.

Others who might be able to pay cash for a great deal of their items of machinery, equipment, etc., bought in this country simply prefer to use credit and require the American exporter to provide credit facilities. The buyers of American exports can expect credit because other countries—England, France, Germany, Italy, Belgium, Japan and more—not only offer government credit, they offer various forms of subsidies which make the financing very attractive to prospective buyers. So, if the American exporter is to compete successfully with his competitors overseas, he must in many cases provide some credit facility for the foreign buyer.

Eximbank is directed by law to provide financing as competitive as possible with the export financing agencies of other countries. This is extremely difficult. First, the foreign agencies assisting their exporters all receive regular and substantial subsidies from their governments while Eximbank operates without annual appropriations and must use funds it can borrow, along with repayments of loans and interest. The only public funds to Eximbank were appropriated by Congress 30 years ago when the Bank was established in its present form. Second, Eximbank must charge high enough interest rates on its loans to pay for the interest on money borrowed in the market to fund the Bank's lending operations. Third, Eximbank usually covers (guarantees, insures, or lends) a smaller percentage of a transaction than do the foreign agencies.

Such limitations on over-all operations, make it essential for Eximbank to examine closely each application to determine what is needed in the transaction to make the American exporter successful if competition makes concessional terms necessary, etc. Eximbank, to be effective, must be geared to a set of flexible programs which permits the evaluation of each credit application individually on its merits and a determination that a reasonable assurance of repayment is present. Eximbank's record of collections has been excellent.

Finally, it might be asked why the President and Congress consider it necessary to export American goods. It has been estimated that each billion dollars worth of exports means 65,000 jobs for American workers. That is reason enough even if trade and payments balances were not important.

In each of the past two years, Eximbank was a participant in export contract financing valued at about $12.5 billion. That is only about 15 per cent of total U.S. exports but generally involves export transactions which would not have taken place without Eximbank. Also, the exports the Bank assists may well provide the margin by which the United States achieves a favorable balance of trade or by which a trade deficit is lowered. Economists who argue that exchange rate adjustments (the varying values of monies in international trade) should solve trade differences generally ignore or give little weight to the importance of jobs sustained by the production of goods for exports.

Eximbank considers the jobs and trade important and in the best interests of the United States. That is the reason it is important to assist American exporters in their competitive battles with foreign exporters for sales in other countries.

OPPOSITION TO FEDERAL REGULATION OF PRIVATE FOREST MANAGEMENT PRACTICES

Mr. HOLLINGS. Mr. President, on January 14, 1976, the General Assembly of the State of South Carolina adopted a concurrent resolution opposing Federal regulation of private forest management practices and requesting the congressional delegation of South Carolina to investigate the basis of certain forest policy aspects of proposed model State forest practice legislation being developed by the U.S. Environmental Protection Agency.

The General Assembly of South Carolina believes the forest resources of the State can be best developed through the cooperative efforts of landowners, the forest industry, professional foresters, and government. They reject propsals for Federal forest practice regulations which have been developed by the Environmental Protection Agency and they request the South Carolina delegation to investigate the basis of forest practice and policy proposals of the EPA to determine whether the scope of such proposals is within the scope of Federal legislation and the intent of Congress.

Mr. President, on behalf of the South Carolina General Assembly, it is a pleasure for my distinguished colleague from South Carolina, Senator THURMOND, and me to endorse this request. Furthermore, on behalf of myself and the senior Senator from South Carolina (Mr. THURMOND), I ask unanimous consent that the concurrent resolution adopted by the General Assembly of the State of South Carolina be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A CONCURRENT RESOLUTION

Opposing Federal regulation of private forest management practices and memorializing the congressional delegation of South Carolina to investigate the basis of certain forest policy aspects of proposed model State forest practice legislation being developed by the United States Environmental Protection Agency

Whereas, the General Assembly of South Carolina believes the forest resources of the State can be best developed through the cooperative efforts of landowners, the forest industry, professional foresters and government; and

Whereas, the General Assembly is unaware of the need for federally sponsored or imposed forest practice regulations to reduce or eliminate yet undefined sources of water pollution as a result of forest management practices in this State; and

Whereas, the General Assembly in the past has specifically rejected proposals for federal forest practice regulation and has memorialized the Congressional Delegation of this State to oppose such regulation; and

Whereas, the United States Environmental Protection Agency has developed a proposal for development of comprehensive State forest practice acts covering every phase of forest management policy and related environmental protection, although by law this is a State prerogative. Now, therefore, Be it resolved by the Senate, the House of Representatives concerning:

That the General Assembly of South Carolina is opposed to federal forest practice regulations or standards that exceed the sole purpose of defining environmentally sound, scientifically based standards of stream quality based on current technology.

Be it further resolved that the General Assembly hereby memorializes the South Carolina Congressional Delegation to conduct a formal investigation into the basis of forest practice and policy proposals of the Environmental Protection Agency to determine whether the scope of such proposals is within the scope of federal legislation and the intent of Congress.

Be it further resolved that a copy of this resolution be forwarded to each member of the South Carolina Congressional Delegation.

THINGS LEFT UNSAID

Mr. MATHIAS. Mr. President, in his state of the Union message, President Ford drew upon some of the finest themes in American history. He called on all of us to recognize both the best in our past and the best in our present, and I certainly share his vision of an America whose greatness transcends her troubles. But what is to me most remarkable about his message is not what it says, but what it leaves unsaid. Many of the most important issues of our time were either quickly brushed aside or not even referred to.

The President, for example, mentioned unemployment. But he offered no meaningful solutions. Eight million Americans are out of work today. Getting the unemployed back to work is the first priority, not only for those who are out of work, but also for the health of the entire economy.

I agree with the President that an investment tax credit, which would encourage the modernization and expansion of industry, is a desirable step and I will support it in Congress, but I will support it for reasons other than those the President advanced. I don't believe it will do very much in the long run to help people find jobs. Modernization of industry is necessary to increase productivity, but automation historically has not proved helpful in creating jobs. In fact, it may have the opposite effect. What is needed, if we are to have full employment, is a structural change in our attitude toward the concept of full employment. We must forge a partnership between private business and government—a partnership that not only will create the new jobs necessary immediately, but also will provide stability so that these jobs do not vanish on the next economic downturn.

Clearly, this would include tax and other incentives to hire and train new people, and cooperative activities with labor and management aimed at expanding apprentice programs and removing artifiicial barriers to job opportunities. Our complex society is opening up new demands for public service in many fields; these must be explored in relation to talent in the surplus job market. Finally, we must come to terms with what our definition of full employment now is, with two wage-earners in many families, with some people working more than one job, and with a highly mobile population.

The President mentioned the importance of the intelligence community to the national security, and I share his concern that we should have all the information the Government needs in order to provide for the safety and welfare of the people. What is more remarkable, however, following a year of revelation concerning the misuse of intelligence agencies, is that the President failed to address the fact that these agencies must be made to act lawfully and to respect the rights of Americans. Thomas Paine, whom the President quoted, also said that:

> The source of tyranny which drove the first emigrants from home, pursues their descendants still.

In other important respects, the President's message was most significant for what it did not mention. In the year of the near collapse of New York City, for instance, why did the President never mention the decay of our cities and the urban problems that confront millions of Americans? More than three-quarters of the American people now live in urban areas. Urban problems are a very real measure of national problems. What happened in New York City, I think we all acknowledge, was in part due to conditions prevailing in cities throughout the Nation. With many cities in a state of physical decay and financial chaos, I cannot consider any report on the state of the Union complete without some mention of this pervasive and growing problem.

In the year following the busing turmoil in South Boston and Louisville, why did the President also make no mention of race relations? I am sure many of us would prefer not to talk about it, but the disturbing conditions in South Boston and in Louisville are not just local. They are symptoms of racial tension that exists throughout the country. Admittedly, there are no clear solutions, but there will be no solutions at all if we simply ignore the problem.

Why did the President make no mention of the environment, of the urban sprawl that is devouring our countryside and the carcinogenic agents that are contaminating our foods?

On the very day the President addressed the Congress, Newsweek devoted its cover story to examining the causes of cancer. Newsweek's editors documented the scientific community's growing belief that the primary cause of cancer in Americans is environmental pollution. How can any report of the state of the Union be complete without a single word on the environment when our own scientists tell us that pollution is the main cause of one of our major health problems, and when the planning of our cities and the use of our land are in a state of complete disarray?

And, finally, why has there been no attempt to focus on the significance of human life and the challenge of the individual spirit? It seems to me that more Americans are concerned with this question than with any other. They are worrying about the significance of human life in modern society, about the relationship of each individual to the Nation, to the community, to the family and to each other. While government cannot, and should not, regulate these relationships, it is the prime responsibility of government to provide a climate in which human beings can find happiness.

In the words of John Adams:

> The happiness of society is the end of government.

This responsibility of government, which was so clear to the founders of the Republic and reflected by Thomas Jefferson in the words of the Declaration of Independence, was a subject that did not find any place in the President's report.

The constitutional obligation that the President "shall from time to time give to the Congress Information on the State of the Union and recommend to their Consideration such Measures as he shall judge necessary and expedient," does not exempt the Congress from responsibility to make its own determination on the state of the Union and to consider such measurs as they deem necessary and expedient to promote the general welfare and enhance the pursuit of happiness.

I believe what the President said deserves serious consideration.

I also believe that what the President did not say is a grave challenge to the Congress and one that cannot be ignored.

A LETTER FROM A HAVANA PRISON

Mr. KENNEDY. Mr. President, a letter from a Cuban prison, which was printed recently in the New York Times, reminds us of the continuing problem of political prisoners and human rights in Cuba. This is an issue with which I have long been concerned, and about which I have communicated my concerns directly to the Cuban Government.

As one Senator who also has urged normalization in our relations with Cuba, and continues to so urge today, I still believe it is essential that we recognize the need for continued pressure on all governments to free political prisoners.

Although Cuba has a program of rehabilitation that has seen numerous prisoners released, some political detainees still remain. Hopefully, in the process of normalizing relations, the issue of political prisoners will be one of those discussed. Clearly our past policy of isolation and hostility has not achieved any direct impact on their situation—the changes and improvements have occurred despite, rather than because, of our policy. With an end to hostile relations between our two countries, the atmosphere may lead to an opportunity for the remaining prisoners to be released or to emigrate.

Just as we have relations with nations—and in fact provide assistance to some of them — which have equal or worse records of violations of human rights than Cuba—Chile, Brazil, Uruguay, U.S.S.R., People's Republic of China, India, et cetera—the existence of relations with Cuba would not indicate approval of either the system of government or the level of internal political freedom. It is simply time that our foreign policy toward Cuba reflect the reality of Cuba today—a government which has relations with virtually all of Latin America, one which has relations with most of our European allies, and one which clearly presents no threat to this Nation—surely no threat at all when compared with other governments with which we have relations, such as the Soviet Union and the People's Republic of China. And if the U.S.S.R. role in Angola is cause for concern—as it is—but not cause for breaking relations, neither should the Cuban role—which we deplore—because for halting the process of normalization.

The letter I ask to be printed today reflects a deeper subject—the subject of life and human freedom. It was written by Maj. Huber Matos, an early leader of the Cuban Revolution. His personal testament is an eloquent statement of human dignity. It is why we must press for the freedom of political prisoners—in Cuba, in Chile, in the Soviet Union, and elsewhere. Life is so very precious; and it is simply wrong and inhuman for a man or woman to be shut away from life because of his thoughts and ideas.

I ask unanimous consent that the letter written by Major Matos and printed in the New York Times be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 17, 1975]

LETTER FROM A HAVANA PRISON

(By Huber Matos)

(Maj. Huber Matos, a leader in the Cuban Revolution and former military chief of Camaguey Province, in December 1959 was sentenced to 20 years' imprisonment after having been convicted of counter-revolutionary activities by a military court. He had been arrested that October, on Prime Minister Fidel Castro's orders, after presenting a letter of resignation alleging Communist infiltration of the Government and asking permission to return to private life, where he had been a schoolteacher.

(In his letter to Mr. Castro, Major Matos said: "I believe that, having to choose between accommodating myself or getting out of the way in order not to do damage, it is honorable and revolutionary that I go."

(Major Matos' wife, Maria Luisa Araluce de Matos, and children now live in New Jersey. In a letter to the United Nations Human Rights Commission last February, she asserted that he had not been allowed a visitor at La Cabana Prison, in Havana, for five years. According to a son, also named Huber, some letters to the family have been smuggled out of prison. Following are excerpts from one, dated March 20, 1975, translated from the Spanish for The New York Times.)

Winter passes and I have had no further news from you or our children. The last news I have of you dates to October and November. Probably you, too wait with empty hands for my letters. I write to you every month. When I know my letters reach you I'll write about other things; meanwhile I'll repeat myself over and over again always with the hope that at last, reading one of these depressing letters, you'll be able to know how I am and what I am thinking after more than 15 years harsh imprisonment. And I'll speak here of my inner feelings as well—if I did not, this letter would not be mine.

To this very day I do not fear prison. Deprivation of freedom, lack of space, isolation, privations, etc., lessen happiness but do not impoverish the spirit. To the extent that circumstances tighten like a noose over the desires of the prisoner, the strengths of spirit grow. For this reason I have been able without fear to confront unpleasant situations throughout these years as a political prisoner; the bars and their shadows do not intimidate me.

I have a presentiment—no, something more than a presentiment—I am practically convinced that I shall spend my last days in these barred corners. But such a prospect does not take away a drop of my enthusiasm for life. There is no joy in my heart; neither do I mourn.

Why do I think of my freedom as something remote? You all believe that the day the Cuban Government will free its political prisoners draws nigh. We, who see this with the eyes of experience, think differently. We are certain that we are imprisoned for life. Your criteria are based on logical premises, but in the specific case of Cuba they are invalid.

In your October letter you point out that the revolutionary power has existed for a sufficient number of years to feel confident, and that the change in foreign policy of the majority of Latin-American countries toward the Cuban Government—finding concrete expression presently in the re-establishment of diplomatic relations and trade—must weigh equally in favor of a solution for Cuban prisoners.

I agree that the revolutionary power of our country has had enough time and accumulated sufficient resources to feel confident, and that the change in Latin-American foreign policy is significant—but neither seems to influence our fate. The reality we breathe tells us we belong to another world, that we are buried in the bowels of the earth.

There is something in my situation which gives me more pain than imprisonment itself. It is to be labeled and treated as an enemy of the People, knowing as I do that I am part of that People, and that their cause is my cause, although a considerable distance separates me from the system and the men who rule our country.

Nothing unites me to the latifundistas, the monopolies, the personages of the old order, not to the crimes, vices and privileges that the Revolution destroyed. I would not give one drop of my blood or sweat to revive the "elected" and corrupt Republic which was born in 1902, a deformed creature of North American intervention on the ashes of the ideals and sacrifices of true Cubans. But, in sum, this is my fate and I am resigned to it.

It is hardly pleasant to expose you to these truths. I should like to offer a more optimistic picture—but I could only do so by putting on rose-colored glasses. What is true is that when they try to tarnish my "Cubanness" everything within me rebels.

And if I explain to you how I contemplate the future it is because here freedom is more a dream than a hope, and dreams are lost in infinity when confronted by the dawn of reality. Where more or less long-term prisoners are concerned, the system which reigns in Cuba leaves little margin for hope.

Of course there are prisoners who, either through naivete or self-deception, believe that the government will not survive long and hope to be released from prison in a burst of happiness which cannot be far off. Others, the majority, simply hope for liberty.

My viewpoint is a minority one. If only it were mistaken! I know you are hoping I shall be free within the next few years; I know that you are making efforts to free me and relying on the help of apolitical organizations and people of good will. I am grateful for the good all those generous souls wish to do for me, but in truth it seems difficult to return to my home and life from the bowels of the earth.

If the spiritual state is holding up I cannot say the same for my physical state. I am old and ailing. I am a shadow of the man who entered prison in October 1959. Most of my hair has fallen out, and what remained is gray or white. Deep lines run from my eyes to chin. My thick dark eyebrows have completely disappeared. Only 56 years old, but I look like an old man.

The ups and downs of my health remind me of those old worn-out suits which, despite their many patches, still have a hole here and there. The good thing is that my spirit has no holes, nor will I allow them. And if my hair has fallen out, my energies have not gone with my hair. Privation and suffering, however hard, cannot undermine my spirit.

Even so, in recent months I have had the unpleasant experience of losing the use of my left arm, the result of an occurrence you already know about. Having experienced for a year and a half the loss of feeling in my arm, it became obvious that my shoulder had atrophied. I have been visited by more than one doctor, amongst them a captain, a specialist in orthopedics, who diagnosed atrophy in mid-November.

At the same time he explained that the condition was incurable and that the course of treatment I should follow should aim at preventing total loss of the arm's movement. I am following this course, which basically consists of exercises, heat and pills. I can definitely confirm that the exercises I do day after day according to the doctor's instructions permits me to retain such movement as I now have.

I do not give much importance to this circumstance since I was prepared for a greater loss of movement, and because my healthy spirits are not to be dampened by such clouds. From time to time I still amuse myself humming old songs. I still get up each morning and I go to bed each night thinking of my dear wife and of the children.

THE FUTURE OF THE AIRCRAFT CARRIER

Mr. TAFT. Mr. President, the New York Times magazine of January 18 contained an article on what is a very important defense topic: the future of the aircraft carrier. This article, "Dreadnought or Dinosaur," by Mr. John W. Finney, makes some points which we should examine carefully.

The Times article discusses three basic questions: The need for the aircraft carrier, the question of how many carriers we need, and the question of what size possible future carriers should be. These issues are, of course, closely interrelated, but each demands our attention.

In relation to the first question, the need for the aircraft carrier, Mr. Finney suggests that it is difficult to define a mission in modern conflict for the carrier, and that other types of ships might more effectively perform those missions we now assign to the carrier. I think this position shows a certain lack of understanding of the aircraft carrier and of its capabilities. A carrier is not a ship, it is a system fully integrated with aircraft. Those aircraft, the carriers' raison d'etre, can be varied according to mission. Attack aircraft can be used against hostile forces ashore, as the Times article points out. But also, in addition, fighter aircraft can be used to achieve local air superiority in support of an ally; attack aircraft can be used to gain naval superiority against hostile naval forces: amphibious forces with their helicopters and support aircraft can be embarked; and, very importantly, antisubmarine aircraft can be flown from the carrier. In a nuclear conflict it also at times has been allocated a possible strategic role.

The ASW function is of particular importance. The aircraft carrier is in fact a very effective antisubmarine ship. It is a far more effective antisubmarine ship than is a destroyer. In fact, a surface escort is of questionable use against a modern nuclear submarine. The S–3 antisubmarine aircraft now being embarked on our carriers are among our most promising ASW systems.

No other ship or weapon system promises to be as effective as the aircraft carrier in all these roles, as well as in various important diplomatic functions. The flexibility of an aircraft carrier, based on the many different types of aircraft it can carry, makes it a system which no other ship can replace. The Times article suggests that by building carriers we have forced ourselves to neglect other elements of the surface Navy; perhaps, on the contrary, by building ships of such questionable utility as DLGN's and patrol frigates, we have taken away funds from the aircraft carrier.

In final terms, our need for the aircraft carrier is a product of our need for an ability to use the seas in the face of enemy opposition. If we do need that ability—and I believe we do—then the aircraft carrier is perhaps the single most effective tool for obtaining it, as far as surface ships are concerned.

The second question the Times discusses is how many aircraft carriers do we need? As Mr. Finney notes, this is today decided largely on the basis of peacetime deployments. However, this is a questionable way to decide how many carriers are needed. The real consideration should perhaps be how many carriers would we seem to require in a war with the challenging seapower? Any other formula—any formula which ignores likely wartime requirements—may be a formula for inadequacy.

How many carriers would we need in a war with the naval challenger, the Soviet Union? We get a general idea from the recent rapid development by the Soviet Union of effective offensive weapons, in the form of antiship missiles. These missiles have greatly increased the vulnerability of any single ship in a naval engagement. This vulnerability applies not only to carriers but to all ships. What it means is that each ship, individually, is more likely to be hit and put out of action. In turn, this means that you need greater numbers of ships.

Today, with 14 carriers, we have all our eggs in very few baskets. That is the real problem with the aircraft carrier today—not that it is ineffective as an individual ship, but that in the face of the powerful Soviet Navy, carrier losses can be expected to be high in any naval engagement. With only 14 carriers there may not be enough to survive the initial Soviet attack and still respond effectively.

The need for greater numbers impacts directly on the question of carrier size. As the Times notes, the *Nimitz*-class carrier is a very expensive ship: Almost $2 billion for the ship and about $5 billion for the complete system. At that price, it will be impossible to achieve the numbers needed. Nor, as the Navy has pointed out, is a 50,000-to-60,000-ton nuclear-powered carrier likely to be much less expensive than the *Nimitz*.

Because the military situation requires us to emphasize numbers more than the capability of each single ship, we must consider a carrier size that will permit us to build substantial numbers. One possible configuration would be 20,000 to 30,000 tons, conventional power, and V/STOL aircraft. Such a carrier could possibly be built at a rate of three for each planned *Nimitz* class. Such a mix could be far more task and cost effective.

All of these questions on the future of the aircraft carrier will be of major and proper concern to the Congress during the coming year. I hope that my colleagues will, as I believe we must, devote attention not only to the financial but also to the military aspects of the decisions which must be made concerning future carrier size and the number of aircraft carriers we need. Ultimately, it must also be defense requirements, and not solely financial considerations, which decide the argument. To buy an ineffective system, or a military inadequate system, simply because it is cheaper could be false economy.

SALUTE TO UKRAINIAN AMERICANS IN NORTH DAKOTA

Mr. BURDICK. Mr. President, I want to take this opportunity to salute Ukrainian Americans in North Dakota and throughout the Nation who are observing the 58th anniversary of the independence of the Ukraine. Unhappily for that nation, and for the world, the independence of the Ukraine was shortlived, and it is only those of Ukrainian descent who fled their homeland who can celebrate this date freely.

In this, our Nation's Bicentennial Year, I think it is especially fitting to honor the Ukrainian Americans who have come to our Nation's shores to make their homes. The Statue of Liberty's motto remains a symbol to people throughout the world "yearning to be free." While they were denied liberty and individual freedom in their homeland, they believed they could find it here. And, in spite of all our trials and tribulations, they were right.

I am proud that many thousands of Ukrainian people believed that motto, for our Nation is the richer for it. Their strong and courageous spirit are a valuable addition to America, and their history and love of freedom are a living reminder to the rest of us that we are a very fortunate nation.

THE STRENGTH OF THE U.S. NAVY

Mr. HATFIELD. Mr. President, the winter issue of the journal, Foreign Policy, contains an article that should be of interest to all of us concerned about the strength of the U.S. Navy relative to that of the Soviet Union. The article, "Superpower Rivalry at Sea" by Michael T. Klare, is most interesting in light of the estimate of Soviet naval strength in the latest edition of Jane's Fighting Ships. Those concerned with the possible establishment of a Russian naval base in Angola may also find this article enlightening.

Our annual debate on the defense budget will begin very shortly. It is important that the debate be as informed as possible. I commend Mr. Klare's article to the attention of my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUPERPOWER RIVALRY AT SEA

(By Michael T. Klare)

The publication of military reference books is rarely the cause for public debate, but when *Jane's Fighting Ships* reported in its 1975–1976 edition that "the ever growing Soviet navy has outrun the legitimate requirements of national defense," many U.S. newspapers gave front-page headlines to the event. Indeed, *Jane's* annual presentations of Soviet naval capabilities are often cited by adherents to all sides in what has become one of the most hotly debated topics in Western military and political circles: What is the nature of the Soviet naval threat and how should the United States respond to it?

On one hand, there are the spokesmen for the United States Navy and allied industrial associations who insist that Moscow is building an offensive, high-seas fleet that already constitutes a significant threat to Western maritime security. The most outspoken representative of this position, Admiral Elmo R. Zumwalt, Jr., told reporters upon his retirement in 1974 that the Russians' "capability to deny us the sea lanes, which is their job, is greater than our capability to keep them open, which is our job." Even more alarmist appraisals can be found in the military press: *Sea Power*, for instance, gave prominent attention to Rear Admiral Ernest M. Eller's finding that recent Soviet naval gains "make the USSR the number one sea power in the world," and that the continuing Soviet build-up, 'if unchecked, could mean an early eclipse of the United States as a world leader."[1]

On the other side of the debate there are those experts who argue that Soviet naval strategy is still fundamentally defensive in nature, and that new Soviet warships are not equipped for sustained combat operations on the high seas. Thus Michael MccGwire, a retired Royal Navy commander and professor of military studies at Dalhousie University in Halifax, recently wrote that "in all essentials the Soviet navy's strategic mission remains the traditional one of defending the homeland."[2] MccGwire's views have generally been accepted by civilian analysts in the Defense Department, and have occasionally been echoed by former defense secretary James R. Schlesinger.

Finally, there is another group of specialists who accept the existence of a significant Soviet threat, but who insist that some Western estimates of Russian capabilities have been inflated in an effort to stampede Congress into voting higher shipbuilding appropriations. In the most dramatic rendition of this viewpoint, Senator John Stennis—normally one of the Pentagon's most reliable allies—wrote in 1974 that "for some time those who are overzealous or overconcerned or have something to sell, have oversold the strength of our possible adversaries and undersold our own strength."

It is not easy for even an informed layman to assess the validity of these competing positions, especially since most experts agree on the basic data and tend to base their differences on the interpretation of technical specifications. Nevertheless, by examining Soviet naval missions we can show that most of the more alarmist appraisals are lacking in substance and that many Western assessments of Russian capabilities are colored by parochial interests and often tell us more about U.S. objectives than they do about those of the Red navy.

First, a look at the basic data. Beginning in the mid-1960s, the Soviet Union embarked on a naval expansion program that has been termed "spectacular" by former Jane's editor Raymond Blackman. "It seems that once in her stride there is no stopping her naval progress," he wrote in his 1970 overview of Soviet shipbuilding. "Each year for the last few years a new type of rocket cruiser or missile destroyer has appeared. Each year a new class of submarines has been observed." Highlighting this "surge" have been the following developments:

Between 1967 and 1973, the Soviet Union introduced nearly a dozen major new classes of warships, including the missile-armed Moskva and Leningrad helicopter carriers (launched in 1967–1968), the Kresta-I (1967) and Kresta-II (1969) classes of guided mis-

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Footnotes at end of article.

sile cruisers, the Krivak-class guided missile destroyer (1970), the Kara-class multimissile cruiser (1972), and the Yankee- and Delta-class ballistic missile submarines (1967, 1973).[3]

In 1973, as a result of new Soviet deployments and the retirement of many aging U.S. vessels, the number of major Soviet surface warships afloat (221) exceeded that of the United States (174) for the first time in history (see table below).

In late 1973, the Soviet Union launched its first aircraft carrier, the 40,000-ton Kiev. Although not a full-deck carrier like the Forrestal and other U.S. attack carriers, the Kiev will carry V/STOL (vertical- and short-takeoff and landing) aircraft. Thus Soviet naval forces will be free of their total dependence on shore-based aircraft.

In April and May 1970, the Soviet Union conducted its first global naval exercise, the well-publicized Okean maneuvers. These tests, and subsequent exercises (including the even more ambitious Okean-II in April 1975), have amply demonstrated the Kremlin's intent to deploy a fleet capable of sustained operations far from Soviet territory.

These developments, which have received considerable attention in the Western press, clearly represent a substantial increase in Soviet naval strength. Some commentators have concluded from this data that Moscow is preparing to challenge the West for control of the high seas; thus, in a March 12, 1973 article suggestively entitled "Red Navy: Aiming To Be Number One," U.S. News and World Report indicated that many experts "are convinced that Russia has implemented a master plan to control the world's major sea lanes." But the build-up in Soviet naval assets does not necessarily indicate such an aggressive impulse. Indeed, as we shall show presently, many new Russian warships are designed to enhance the Soviet defense against U.S. sea-based nuclear forces. It is worth beginning, however, with a brief overview of Soviet naval history.

FROM THE AURORA TO THE KIEV

Soviet naval history begins with the very dawn of the Bolshevik revolution, on November 7, 1917, when the Baltic Fleet cruiser Aurora sailed into the Neva River in Petrograd (now Leningrad) and fired its guns on the Winter Palace—thus signaling the assault on Aleksandr Kerensky's final refuge and the onset of the Soviet era.

U.S. and Soviet naval strength

	United States	*Soviet*
Submarines	115	315
Ballistic missile submarines	74	62
Other submarines	74	253
Surface combat ships	174	221
Aircraft carriers	14	0
Helicopter carriers	0	2
Cruisers	7	29
Guided missile destroyers	28	43
Conventional destroyers	33	39
Frigates/escorts	91	108
Small combatants	23	1,200
Patrol craft	14	430
Minesweepers	9	260
Others	0	510
Amphibious vessels	65	100
Naval aircraft	6,260	1,200
Personnel strength	562,000	470,000

Source: U.S. Department of the Navy press release, January 1, 1974.

Although Lenin was keenly interested in the deployment of a credible naval force, economic conditions precluded a substantial navy buildup and the new "Socialist Worker-Peasant Red Fleet" was hard pressed to keep even a few of the old czarist warships in service.

Despite the paucity of resources, Soviet naval officers loyal to the "Old School" doctrines continued to teach a "command-of-the-sea" doctrine based on principles enunciated by the American naval strategist, Alfred Thayer Mahan. In the late 1920s, however, this doctrine came under sustained attack from a group of younger officers steeped in Marxian dialectics who argued that the heavy surface ships of a traditional "grand fleet" had become vulnerable to submarines, bombers, and fast patrol boats. Motivated largely by economic considerations, this "Young School" cadre advocated a strategy based on submarine warfare and local Soviet superiority in Russian coastal waters (where shore-based aircraft could be used to maximum advantage).

The Young School doctrine dominated Soviet naval thinking until the Spanish Civil War of 1936, which demonstrated the aggressive intent of the Axis powers and alerted Moscow to the need for a credible surface fleet to deter a maritime attack on the Soviet Union. Stalin then ordered production of a new class of heavy cruisers, but his ambitious shipbuilding program had to be abandoned during World War II. Although Soviet naval forces played only a minor role in the war (as coastal flanks of the large ground armies), Stalin was determined to build a powerful high-seas fleet to guard the maritime approaches to the Soviet Union and to attack enemy ships in the event of another world war. As soon as postwar economic reconstruction programs were safely underway, he ordered construction of 24 modern cruisers of the *Sverdlov* class (six were completed by March 1953), as well as 50 *Skoryi*-class destroyers.

With Stalin's death in March 1953, the neo-Old School doctrine of the early postwar era was rapidly supplanted by a neo-Young School doctrine favoring submarines, naval aircraft, and missile-armed patrol boats. Nikita Khrushchev was personally committed to the Young School approach and, in response to the growing threat posed by U.S. carrier-based nuclear strike aircraft, initiated construction of a new generation of missile-armed submarines and light patrol boats designed specifically for anticarrier operations. To ensure compliance with the new doctrine, Khrushchev brought in Admiral Sergei G. Gorshkov, a former commander of river and coastal flotillas, to serve as navy commander-in-chief.

In the ensuing period, Admiral Gorshkov remained faithful to the "mosquito fleet" doctrine enunciated by the Party, while simultaneously striving to preserve a limited role for large surface warships. According to Robert Waring Herrick, Gorshkov conducted an "adroit but cautious, step-by-step campaign" to retain the cruisers built during the Stalin era, and "to gain practical, if not theoretical, acceptance of the continuing importance of large surface warships in the nuclear era."[4] Subsequent events were to strengthen Gorshkov's bargaining position. In the Cuban missile crisis of 1962, for example, Moscow's lack of credible naval forces severely limited Khrushchev's options once the United States imposed a quarantine on the Caribbean island, and thus contributed to the final decision to remove the Soviet missiles. As a result of this setback, the leadership which replaced Khrushchev in 1963 was more receptive to Gorshkov's arguments for a balanced surface fleet, and he began to receive the economic resources needed to convert plans into reality. The navy's share of the defense budget rose from an estimated 15 per cent in the Khrushchev era to 30 per cent today; Gorshkov has been able to build 911 new ships in a single decade.

Gorshkov's big-ship views were given their most elaborate airing in a series of extraordinary strategy papers published in *Morskoi Sbornik* (*Soviet Naval Digest*) in 1972–1973. In these essays, known in the West as the "Gorshkov Papers," the commander-in-chief enunciates an unabashed command-of-the-seas doctrine based on the deployment of a balanced high-seas fleet.[5] To protect and expand its interests as a Great Power, he tells us repeatedly, the Soviet Union must have "a powerful ocean-going navy." Such a force cannot, moreover, "be only an undersea navy," but must include surface ships capable of conducting "a wide range of missions both in peacetime and in war." And these warships must exist in sufficient *quantity* to defeat any threat to Soviet security, and must also constitute the right "mix" of vessels to insure performance of all the many tasks assigned the Soviet navy.

Although many Western analysts have pointed to the Gorshkov Papers as evidence of a Russian drive to seize control of the world's sea lanes, these essays do not constitute a "master plan" for oceanic domination. Rather, they focus on three major aspects of maritime policy: (1) the role of naval forces in an all-out East-West conflict, (2) Moscow's politico-military relations with its friends and allies in the Third World, and (3) the economic advantages of increased maritime trade and exploitation of the ocean's food and mineral resources. Of these, the third does not concern us here, while the first involves a final "showdown" war in which control of the sea lanes would be an immediate tactical objective but hardly the overriding goal of Soviet strategy. Only the second item involves the possibility of a conventional conflict at sea and, as we shall show, the Soviet navy is largely unprepared for such operations.

SOVIET NAVAL OBJECTIVES IN THE 1970'S

The gross statistics—numbers of warships, tonnage, etc.—show clearly that the Soviet navy has grown substantially since the Khrushchev era. But it is necessary to analyze Russian capabilities from the perspective of operational roles and missions—i.e., the military functions which have shaped the size, structure, armament, and deployment of Soviet naval forces. Our analysis of Soviet capabilities suggests that the Red navy is being shaped for the following primary roles (in rank order):

1. defense against U.S. ballistic missile submarines and carrier-based nuclear forces;
2. maintenance of a secure deterrent against a pre-emptive U.S. nuclear strike;
3. deterrence of a conventional U.S. NATO attack on Soviet allies and clients;
4. expansion of Soviet influence in the Third World.

As I discuss each of these missions in juxtaposition to the corresponding U.S. missions and capabilities, it will become apparent that the Russian navy is still largely designed for defensive missions, although some new "para-diplomatic" tasks have been assigned to it. Western claims that the Soviets have an aggressive strategy are generally invalid.

STRATEGIC DEFENSE

When the United States launched its first Polaris submarine, the *George Washington*, in 1960, it acquired an almost invulnerable nulcear retaliatory system. By marrying the range and accuracy of an ICBM (intercontinental ballistic missile) with the mobility and immunity to detection of a nuclear-powered submarine, the Polaris system provided America with a true "assured destruction" capability. Even if all U.S. land-based ICBMs and strategic bombers were destroyed in an enemy first-strike attack, the *George Washington*—with its 16 nuclear-armed SLBMs (submarine-launched ballistic missiles)—could still cause unacceptable damage to the Soviet urban-industrial heartland.

Footnotes at end of article.

Although the Polaris fleet, frozen at 41 submarines in 1966, was considered sufficient to provide a more than adequate retaliatory capability, Defense Department planners have introduced a series of improvements in SLBM and submarine design. In 1968, the Navy placed a MIRVED warhead (multiple independently targetable re-entry vehicle) on an enlarged Polaris SLBM, and thereby created the Poseidon missile. Then, in 1972, the Pentagon began work on an even more powerful replacement, the Trident. Potentially the single most expensive weapon system ever developed (the initial batch of ten Trident submarines and 240 Trident missiles is expected to cost as much as $30 billion), the new system has an increased range and thus will permit the submarine to "hide" in a larger oceanic area.

The Soviet Union was quick to recognize the grave threat posed by the U.S. missile submarine fleet, and in May 1963 Soviet military writer V. P. Rogov stated in ***Morskoi** Sbornik* that Soviet strategists considered the Polaris fleet a "greater threat to peace" than any other U.S. nuclear system, whether ship-borne or land-based. Subsequently, Marshall Sokolovskii and M. Cherednichenko wrote in the Soviet military journal *Red Star* that in the event of a war with NATO forces, "the first priority mission of naval operations in the oceanic and sea theaters will be the destruction of atomic missile submarines." Indeed, a careful scrutiny of Soviet naval assets suggests that a large portion of the Soviet fleet and naval air arm is devoted to an antisubmarine warfare ASW mission. Thus the two operational helicopter carriers, *Moskva* and *Leningrad*, are both specifically designed as ASW ships, and a large proportion of the 285 Soviet attack submarines are believed to be assigned to an anti-Polaris mission.

There is also considerable evidence to suggest that the *deployment* of Soviet naval forces, as well as their structure, is determined by an anti-Polaris mission. In a carefully documented study, Geoffrey Jukes of the International Institute for Strategic Studies in London demonstrates that the Soviet warships were first stationed in the eastern Mediterranean on a sustained basis in September 1963, when the United States opened negotiations with Spain for the establishment of a Polaris base at Rota.[6] And, while it is clear that the Soviet Mediterranean, fleet serves many purposes besides defense against Polaris submarines, it is worth noting that *both* Soviet ASW heli-carriers are normally stationed there. A similar ASW orientation can be detected in the Soviet fleet's Indian Ocean operations. According to Jukes, Soviet forces were first deployed there on a regular basis in 1967, after the introduction of the Poseidon missile—which put targets in the central Soviet Union within reach of submarines stationed in the Indian Ocean.

While Soviet defense planners currently view U.S. missile submarines as the greatest naval threat to Soviet security, Moscow also considers U.S. carrier-based nuclear bombers a major strategic danger. (Under Pentagon nomenclature, such weapons are categorized as "Theater Nuclear Forces" aimed principally at military concentrations in Eastern Europe, and are not considered "strategic weapons" aimed at the Soviet Union. From Moscow's viewpoint, however, such distinctions are moot since U.S. naval aircraft can deliver nuclear bombs on Soviet territory from carriers based in the Mediterranean and Norwegian Sea.) Accordingly, many Soviet attack submarines and surface vessels are armed with surface-to-surface "cruise" missiles which are designed primarily for anticarrier use. These vessels would also be used to attack U.S. supply ships in the event of a major East-West war in Europe.

STRATEGIC DETERRENCE

Once the deterrent capabilities of ballistic missile submarines became obvious to Soviet defense planners, they immediately embarked on a crash program to invest the Soviet navy with a comparable force. When the first Soviet nuclear-powered missile submarines (the so-called *Hotel*-class) appeared in 1961, they fired only three missiles of extremely limited range (300–350 nautical miles) and could hardly be considered the equivalent of the Polaris system. As the 1960s progressed, however, the Soviet Union accelerated its missile submarine program, and in 1966 launched the first *Yankee*-class vessel, which roughly matches the capabilities of the earliest Polaris submarine. (By that time, however, the United States had already deployed the more advanced *A3* SLBM and was preparing to test the first Poseidon missile.) Once the first *Yankee*-class submarine proved itself in sea trials, the Kremlin ordered their construction at a very fast pace (six to nine per year) and when the SALT agreements were signed in May 1972, the Soviet Union had a force of 29 units at sea and 13 under construction.

Under the terms of the SALT agreement, the Soviet Union is permitted to deploy up to 62 "modern" nuclear-powered ballistic missile submarines with up to 950 SLBM launchers (to reach this ceiling, however, the Soviet Union must dismantle 210 older ICBMs). By early 1974, Moscow already had 33 *Yankee*-class submarines in operation, and 18 to 19 units of a new, larger vessel—the *Delta*-class submarine—under construction or fitting out. Former secretary of defense Schlesinger has testified that the Soviet Union is developing a new, longer-range SLBM (the *SS–N–8*), and the feverish pace of Soviet submarine construction suggests that Moscow intends to deploy the full amount of SLBMs allowed under SALT.

DEFENSE OF OVERSEAS ALLIES

On several occasions in the postwar era the Soviet Union has suffered severe humiliation because of its inability to deploy significant conventional forces in support of friends and allies located overseas. These incidents have in turn prompted the Kremlin to develop a powerful surface fleet and to deploy these forces abroad so as to deter U.S./NATO attacks on key Soviet allies and clients in the Third World.

Since the mid-1960s, the Soviet Union has stationed a significant portion of its Black Sea fleet in the Mediterranean (roughly 50 to 60 vessels in "slack" periods, and up to 90 warships in crisis situations), and these forces are believed to have discouraged the United States from intervening directly in any of the Arab-Israeli clashes of 1967–1973 (always assuming, of course, that the United States would have intervened if the Soviet forces had not been there). Although it is impossible to predict whether the Soviet fleet would have engaged U.S. forces if the United States had actually invaded a Middle Eastern ally of the Soviet Union, the size of the Russian force makes it look as if Moscow means business, and this "show of force" activity may be all that the Soviet Union intends—in order to reassure its allies and clients that the Soviet Union can protect them from Western intervention. Although the major Western powers have long used naval forces in such a deterrent fashion, the recent Soviet deployments are all the more striking for their novelty. As noted by Admiral Earl F. Rectanus in a 1974 Pentagon briefing: "A rapidly growing Soviet navy is flexing its muscles with new visibility in areas [traditionally] within the Western sphere of influence. . . ."

This phenomenon is all the more significant because it coincides with U.S. plans to shift many of its "forward defense" activities from land-based forces to sea-based forces, and to use the navy in a "para-diplomatic" mode in areas where direct U.S. military influence is minimal. As a result of the trauma of Vietnam, and in response to growing nationalism abroad, the Nixon Administration called for the withdrawal of U.S. ground troops from Asia and other Third World areas and for their replacement by the U.S.-armed troops of our clients. As many analysts have noted, this policy presupposes an increased role for U.S. naval forces: *first*, to provide psychological support for certain regimes which might feel threatened by the withdrawal of U.S. ground forces (e.g., the Park dictatorship in South Korea); *second*, to support such regimes in the event of a serious challenge from indigenous revolutionaries or other local forces (e.g., the U.S. air war against North Vietnam during the 1972 enemy offensive in the South); and *third*, to discourage other powers from intervening in behalf of nations engaged in warfare with U.S. allies (e.g., the U.S. military alert of 1973, designed to deter Soviet military support for Egypt's beleaguered Third Army).[7] "As I understand the Nixon Doctrine," Admiral Zumwalt explained in 1972, the Navy has "the mission of manifesting an overseas presence sufficiently powerful and visible to make plain to any possible adversary, as well as to our allies, that any effort to challenge our vital overseas interests or those of our allies could bring confrontation with American armed might."[8]

Clearly, a power Soviet naval presence in contested areas would limit or nullify the effectiveness of the new U.S. policy. Much of the alarm voiced in U.S. assessments of Soviet naval strength, therefore, can probably be attributed to a sense of chagrin over the fact that Moscow has begun to challenge U.S. politico-military initiatives in areas which were once exclusive Western preserves. Hence Zumwalt's lament to the Senate Committee on Armed Services (February 1974) that the Soviet Union has "acquired the ability to compete most effectively with us in the peacetime, *para-diplomatic* use of naval power" (emphasis added).

NAVAL DIPLOMACY

Throughout history, the major maritime powers have sent warships on "show the flag" voyages to foreign ports to facilitate the establishment of favorable trading relationships, to obtain docking rights, to protect the status of nationals ashore, and to help solidify client/patron relationships.

Although the Soviet Union has often condemned the provocative nature of U.S. and British naval diplomacy, it is obvious that Moscow is now prepared to conduct comparable operations on its own. In his 1972–1973 series in Morskoi Sbornik, Admiral Gorshkov reported that some 1,000 Soviets warships visited the ports of 60 countries between 1970 and 1972. These visits, he explained, "are clearly and convincingly spreading the ideas of the Leninist peace-loving Soviet government through many countries of the world." In addition to this noble enterprise, Gorshkov admitted to other, more pragmatic political objectives:

"Official visits and business calls of the warships of the Navy are making a significant contribution to improving mutual relations between states and peoples and to strengthening the international influence of the Soviet Union. . . ."

Gorshkov also suggested that modern warships embody "the achievements of Soviet science, technology, and industry" and thus constitute a particularly effective means of demonstrating Soviet economic strength.

Nowhere is the Soviet navy's new para-diplomatic role more evident than in the Indian Ocean, where Russian "show the flag" visits to littoral states rose from one visit in 1966 to 54 in 1969, and have since continued at the rate of about 40 to 50 per year. In an analysis of this activity, Geoffrey Jukes suggests that such visits were designed to "show the potentially pro-

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Footnotes at end of **article**.

Soviet among the nonaligned nations that Soviet military power was a reality."

The Soviet entry into the Indian Ocean and adjacent waters, once considered the exclusive domain of the Royal Navy, has provoked considerable alarm in the West. Much of this concern stems from the fact that two-thirds of the world's known petroleum reserves are located in the Persian Gulf kingdoms, and that 50 per cent of Europe's oil supply, 90 per cent of Japan's, and an increasing share of the United States' are carried by tanker across the Indian Ocean. When Great Britain announced in 1968 that it would terminate its military presence "east of Suez," military strategists in Washington immediately began to lobby for a U.S. naval presence in the area to counter a hypothetical Soviet threat to Western oil supplies. And, while the Soviet presence in the Indian Ocean has never numbered more than a handful of vessels (and, as noted above, their primary function is defense against U.S. Polaris missile submarines), this challenge has been used to justify the deployment of an increasing number of U.S. warships in the area, and construction of the U.S.-British naval station on Diego Garcia.[9]

POLITICAL OR MILITARY THREAT?

Some Western analysts have argued that the Soviet navy has been invested with the capability to attack and overpower U.S. warships at sea. Thus, Zumwalt told Congress in 1974 that "The Soviets have a capability to defer or thwart U.S. movements in certain areas. . . . There are many situations that would severely strain our naval capabilities and some important tasks which we might be constrained from carrying out." Most observers agree, however, that the Soviet navy is ill equipped for sustained operations against U.S. combat vessels at sea, based on several related findings:

The Soviet navy has no true attack carriers and thus cannot maintain air superiority over its naval forces on the high seas. (Although the *Kiev* will probably carry V/STOL aircraft, it does not have catapults or arresting gear to permit use by modern air-superiority fighters like the U.S. F-14.

Although Soviet surface combatants outnumber U.S. warships, they are far inferior in tonnage, firepower, and endurance to comparable U.S. vessels. "The United States has over twice the tonnage of the Soviet navy in modern surface combatants." Senator John Stennis wrote in 1974, and "our existing combatant ships have more range and weapons per ship than their Soviet counterparts." One U.S. attack carrier alone, he noted, "contains more explosive charge potential, that is, more munitions than the entire Soviet surface fleet of ships 1,000 tons or more." Moreover, the Soviet fleets contain no integral "underway replenishment" supply ships and thus cannot conduct sustained combat operations at sea.

The Soviet Union does not have secure naval bases abroad and would have to restrict its overseas naval deployments if a war were to break out. Although Moscow has established basing facilities at a few friendly Third World ports (Conakry in Guinea, Cienfuegos in Cuba, and Berbera in Somalia), nowhere does it have access to full-service installations that can compare to the U.S. Navy facilities at Subic Bay in the Philippines, Yakasuka in Japan, or Rota in Spain. U.S. bases, moreover, are usually secured by treaty and defended by American forces, whereas, many of the ports now used by Moscow would be closed to Soviet vessels in the event of hostilities.

Although most U.S. warships are now older than their Soviet counterparts (due to the large number of World War II vintage ships still in active service), the current U.S. shipbuilding effort (now averaging over $5 billion per year) far outstrips that of the Soviet navy and insures a larger, younger U.S. fleet in the 1980's.

When this data is taken into account, it becomes clear that the more alarmist appraisals of Soviet naval capabilities are lacking in substance. Indeed, the evidence suggests a much more skeptical assessment, such as that provided by Barry M. Blechman of the Brookings Institution:

"Generally, and with the exception of strategic submarines, the Soviet navy does not appear to be designed to project the Soviet Union's power into distant oceans but to defend the security and the interests of the USSR—by preventing attacks on its homeland and by limiting the role of the United States and other Western powers in regions close to Soviet shores, notably the Middle East."[10]

This assessment has been echoed by other specialists, and is gradually being assimilated into official U.S. Posture Statements. In his 1975 annual report to Congress, for instance, Defense Secretary Schlesinger indicated that there is a "basic asymmetry" between Soviet and U.S. naval capabilities, and that while the United States and its allies "emphasize sea control and the projection of power ashore," the Soviet Union "stresses defense against U.S. power projection efforts and interdiction of U.S. and allied military and economic support shipping." Schlesinger also repudiated the notion that the Soviet Union is the "number one sea power" and affirmed that given the current U.S. lead in new warship construction, "the United States, together with its allies, will remain able to defend the essential sea lanes in the Atlantic and Pacific, project power ashore under a wide range of circumstances, continue a strong deployed naval presence, and maintain the necessary maritime balance with the Soviet Union. . . ."

On the basis of the evidence available, Soviet naval construction and force deployments do not suggest a strategy aimed at oceanic domination. Clearly, any such effort would inevitably precipitate a confrontation with U.S. forces—a contingency for which, as we have seen, the Soviet Union is ill prepared. Indeed, it appears that MccGwire's view that "the Soviet navy's strategic mission remains the traditional one of defending the homeland" is essentially accurate.

Of the four objectives which shape Soviet naval capabilities, two (strategic defense and nuclear deterrence) relate to the threat of all-out nuclear war, in which the outcome of any *naval* engagements would obviously be a moot point. Clearly, it is only the last two Soviet objectives (defense of overseas allies and naval diplomacy) which constitute any long-term challenge to Western maritime interests. While it is possible that Moscow's efforts to project Soviet power abroad may ultimately result in an East-West clash at sea, the relative unpreparedness of its navy for such conflict suggests that this is a contingency the Kremlin would prefer to avert—at least for the foreseeable future. And, since Western defense analysts are well informed about the capabilities and vulnerabilities of the Soviet fleet, it is also obvious that these analysts are not worried about a Soviet *military* threat at sea but rather a "para-diplomatic" or *political* challenge. Once this becomes clear, the undercurrent of hysteria that characterizes many of the recent accounts of Soviet naval activity becomes more identifiable and understandable. Since Washington is increasingly relying on naval power to protect and advance U.S. interests abroad (particularly in the Third World), it is natural for the Pentagon to worry about a Soviet political challenge at sea.

By gaining "new visibility in areas of the world which have traditionally been within the Western sphere of influence" (to use Admiral Rectanus' words), Moscow has called into question the invulnerability of the Western fleets there and thus their utility as instruments of coercion and influence. Thus, it is not Western *shipping* that is threatened by Soviet naval deployments, but Washington's strategy for continued Western hegemony in remote Third World areas.

FOOTNOTES

[1] Ernest M. Eller, "Sea Power: The Anchor of Freedom," Sea Power, November 1973, pp. 14, 16–17.

[2] Michael MccGwire, Soviet Naval Developments: Context and Capability (New York: Praeger, 1973), p. 518.

[3] For year-by-year surveys of Soviet naval assets, see Jane's Fighting Ships, published annually by McGraw-Hill (1975–1976 edition published by Franklin Watts, Inc.), and The Military Balance, published annually by the International Institute for Strategic Studies, London.

[4] Robert Waring Herrick, Soviet Naval Strategy (Annapolis, Md.: U.S. Naval Institute, 1968), pp. 71–72.

[5] Gorshkov's essays, "Navies in War and Peace," appear in translation in monthly installments in U.S. Naval Institute Proceedings, January-November 1974. For analysis, see: William Beecher, "Gorshkov Papers Signify New Russian Naval Doctrine," Sea Power (May 1973), pp: 14–17; P. H. Vigor. "Admiral S. G. Gorshkov's Views on Seapower," RUSI: Journal of the Royal United Services Institute, March 1974, pp. 53–60; and Clyde A. Smith, "The Meaning and Significance of the Gorshkov Articles," Naval War College Review, March-April 1974, pp. 18–37.

[6] Geoffrey Jukes, "The Indian Ocean in Soviet Naval Policy," Adelphi Papers, no. 87, 1972, pp. 5–6.

[7] For discussion, see: Elmo R. Zumwalt, "The Navy Tomorrow," Ordnance, January-February 1972, pp. 285-287; Admiral Stansfield Turner, "The United States at a Strategic Crossroads," U.S. Naval Institute Proceedings, October 1972, pp. 20–25; Richard J. Barnet, "Nixon's Plan to Save the World," The New York Review of Books, November 16, 1972, pp. 14–18; and Michael T. Klare, "Defense Puts Out to Sea," The Nation, July 2, 1973, pp. 7–10.

[8] Zumwalt, op. cit., p. 285.

[9] For discussion, see: Center for Strategic and International Studies, The Gulf: Implications of the British Withdrawal (Washington, D.C.: Georgetown University, 1969); and U.S. Congress, House, Committee on Foreign Affairs, Proposed Expansion of U.S. Military Facilities in the Indian Ocean, Hearings, 93d Congress, 2d Session, 1974.

[10] Barry M. Blechman, The Changing Soviet Navy (Washington, D.C.: The Brookings Institution, 1973), p. 36.

THE ANNIVERSARY OF THE 1863 POLISH INSURRECTION

Mr. KENNEDY. Mr. President, today marks the 113th anniversary of the Polish Insurrection. In my home State of Massachusetts as across the Nation, Polish-Americans rightly place special importance upon this day—it is an anniversary which not only commemorates a nation's continuing struggle for liberty, it is also a day to pay tribute to a people and a nation whose pursuit of freedom is a challenge and an inspiration to all Americans.

The heritage of the Polish Insurrection is one replete with acts of courage and sacrifice in behalf of ideals which all Americans cherish. In 1863, young Polish leaders rose in armed defiance against their conquerors—calling upon their countrymen to unite in the cause of freedom. And although they lost this difficult battle, their cause won because it was just. From defeat rose a new movement for independence which would continue to sound the call of freedom, as it still does to this day. The young Polish freedom-fighter did not give his life in vain. Today he serves as an inspiration to Poles, to Americans, and to people everywhere who treasure man's greatest right—his right to be free.

America is a stronger and wiser Nation for the contributions of its citizens of Polish heritage. As Americans, they have assisted in the building of a great Nation, and have continuously contributed to the fiber of America's spiritual wealth. During our Bicentennial, Americans will reflect upon their history and as we celebrate our independence, we honor the Polish people, in Poland and in the United States, who deserve the tribute and thanks of a free nation.

THE SOUTH CAROLINA VOCATIONAL REHABILITATION DEPARTMENT

Mr. THURMOND. Mr. President, I would like to take this opportunity to publicly recognize and commend Chairman E. Roy Stone of Greenville, S.C., and the members of the South Carolina State Agency of Vocational Rehabilitaton, Vocational Rehabilitation Department, for their excellent work in the field of vocational rehabilitation.

This department was established in 1957 by the South Carolina General Assembly, as an independent agency consisting of seven members, one from each congressional district and one member-at-large, appointed by the Governor and confirmed by the State Senate. The present members of the agency are as follows: E. Roy Stone, Jr., chairman, Greenville; Dr. H. L. Laffitte, vice-chairman, Allendale; Dr. T. James Bell, Jr., Hartsville; John A. Montgomery, Columbia; Daniel E. Martin, Charleston; Harry W. Findley, Anderson; and E. H. Carroll of Rock Hill.

Under the direction of these men and Dr. Dill D. Beckman, executive officer and commissioner, this South Carolina agency has been ranked first in the Nation for the second consecutive year, in the number of rehabilitations per 10,000 of the disabled population. The Vocational Rehabilitation Department has also an outstanding record of cooperation with other public and private agencies, in order to provide enriched services and to avoid duplication of services to the disabled. This cooperative spirit is apparent on all levels of the operation.

The results of the agency's varied programs are exemplary. For example, during the fiscal year 1974–75, there were 13,143 rehabilitants taking part in the various programs. The rehabilitated workers increased their earning power 469 percent because of the rehabilitation services and correspondingly their earnings increased from $8,948,056 before rehabilitation to $50,882,000 after rehabilitation. Almost 80 percent of those rehabilitated were not earning anything at all when they were accepted into the programs.

Mr. President, I am proud to say that this agency is one which pays its own way and does not load down either Federal or State payrolls with inefficient and nonproductive programs. The projected total annual income of those 13,143 persons rehabilitated in 1974–75 will be $50,882,000. Based on these figures, the rehabilitants will repay, in Federal and State taxes, the full cost of their rehabilitation in 4.8 years.

Mr. President, I know of very few programs which offer so much in return for the relatively small amount invested.

PRESIDENT'S BUDGET PROPOSALS: IMPACT UPON OLDER AMERICANS

Mr. WILLIAMS. Mr. President, the state of the Union message and the budget proposals issued by President Ford this week contain bad news and good news for older Americans.

As chairman of the Subcommittee on Housing for the Senate Committee on Aging, I take some satisfaction from what might be regarded as a welcome change of policy upon the part of the executive branch.

I am referring to the administration's request for $375 million in lending authority for the 202 direct loan program to provide housing for older Americans. The budget message says that this amount will make 16,000 units available. In addition, $375 million would be released for section 202 loans in 1976.

Thus, for the first time during Mr. Ford's administration and that of his predecessor, the Office of Management and Budget is supporting a request for 202.

Those of us in the Congress who have persistently defended 202 over the years and have refused to let it die can take a great deal of satisfaction from this development. It appears that the Department of Housing and Urban Development—after many struggles, including a dispute over proposed regulations last year—will now vigorously implement 202.

But it is also necessary for 202 supporters to keep their perspective. Welcome as the funding request is, it appears to be far short of the full potential of 202. In the few months since HUD invited applications for 202 projects from nonprofit sponsors, more than 1,500 proposals have poured in. At least 700 of them, I am informed by HUD, are substantial and in complete harmony with 202 objectives. And from that 700, only 100 can be chosen. It is clear that the Congress must keep a close watch over 202 to determine a more realistic funding level.

It is also clear that a strategy for meeting all housing needs of older Americans cannot depend upon one or even two or three programs. The needs of individuals vary, particularly among the elderly. For this reason, I will pursue the examination of congregate housing begun by my subcommittee last year, and I will also look into other means of helping to maintain independence or semi-independence of the elderly.

OLDER AMERICAN ACT AMENDMENTS

Looking at other features of the budget message, I can enthusiastically welcome a request of $55.3 million for ACTION's older American programs; $3.8 million for senior companions, $34 million for foster grandparents; and $17.5 million for the retired senior volunteer programs. Each of these programs comes under the jurisdiction of the Senate Committee on Labor and Public Welfare, of which I am chairman. And we on the committee have a healthy respect and affection for these programs and the magnificent lift they give to the spirits of those elderly participants who help themselves while they help others.

But that same committee also has responsibility for the Older Americans Act, and here the President has given us some very bad news.

Our committee, and our counterpart in the House, devoted long months during 1975 to amendments intended to extend that act and to broaden its activities considerably.

We produced a bill which seemed to us to carry on the logical evolution of programs which help older Americans live better lives in their own communities in noninstitutionalized settings wherever possible. And we broadened funding authorizations considerably.

But the budget message does not go forward at all. It generally ignores clear congressional intent in the following ways:

First. It would reduce the title III State and community programs on aging under the Older Americans Act by $8 million. And yet, title III is the bulwark of that act. It helps communities organize and coordinate essential services for people in need of many levels of help. It makes communities more aware of the elderly persons in their neighborhoods. At its best, it is a grassroots partnership of Federal, State, and local resources and interests. To cut title III at this point by $8 million below the 1975 appropriation is to run the risk of crippling programs now at a vulnerable stage of development.

Second. The same is true of the title VII meals for the elderly program. Food costs and other expenses are going up, and increased funding would be needed simply to maintain present title VII operations. But the budget message calls for a $37-million reduction instead. Here again, this is a cutback which would cost more than it would save.

Third. In addition, the administration has failed to request funding for title IV training, senior centers, multidisciplinary gerontological centers, and the far-reaching title IX older American community service employment programs, despite widespread congressional and public support for each of these activities.

On another matter of concern to the Senate Committee on Labor and Public Welfare, I am deeply disturbed by the administration's proposal for funding of enforcement activities related to the Age Discrimination in Employment Act. Only 81 personnel slots are called for—the same number as for this year, even though it is clear that a substantial increase in staffing is badly needed.

INCREASE IN MEDICARE FEES

The final bit of bad news in the President's proposals seems innocent enough:

It is called catastrophic health insurance for all medicare beneficiaries. The President says that his proposal would mean that nobody after reaching age 65 would have to pay more than $500 a year for covered hospital or nursing home care nor more than $250 for 1 year's doctors' bills.

But the President also would require that fees for short-term care have "to go up somewhat."

In those few words, Mr. Ford is attempting to revive once more the so-called cost-sharing proposals which got nowhere when proposed by President Nixon and again last year when proposed by President Ford.

The total effect of the cost-sharing proposals in 1976 would be roughly the same as in previous years: they would affect far more medicare beneficiaries than would the so-called catastrophic coverage, and they would undoubtedly discourage many elderly individuals from using medicare at all.

Briefly, the latest Ford proposals would add high new coinsurance charges far beyond the present $104 for up to 60 days of medicare protection on covered hospital care; they would require an additional 10 percent coinsurance charge on hospital-based physician and home health services under part B; they would increase the deductible under part B from $60 to $77 in 1977 and from then on the deductible would go up proportionately whenever a social security benefit increase occurred. The same would be true of the liability limits of $500 and $250 under the catastrophic features of the plan. They would go up whenever social security benefits would be increased. In other words, there would be automatic penalties every time the monthly social security check was increased in any way.

I think President Ford must realize that his "catastrophic" plan will be regarded as a catastrophe once again by the Congress, and I can only wonder why he has brought it forth once more. One answer may be that he intends to claim that the budget would have been lower if Congress had only accepted his plan. But this game of budgetary oneupsmanship has become as transparent as it is unproductive. I urge a united congressional front against this part of President Ford's budget.

In fact, the Congress should take action to make the administration more aware of the difficulties encountered by older Americans who find it difficult and sometimes impossible to meet even the present medicare costs.

The Committee on Aging, at its hearings on "Future Directions in Social Security: Impact of the Cost of Living," has heard directly from the elderly and others who can document the day-to-day struggle that the elderly have in paying for the essentials of life. At hearings I conducted in Newark and Toms River, N.J., I was deeply moved by testimony describing medicare's inadequacies and relentlessly increasing fees.

Another good summary of the situation was provided by columnist-economist Sylvia Porter in her article of January 19. She correctly anticipated that Mr. Ford would once again call for cost-sharing, despite the despair the elderly already feel about the high price of health care. I ask unanimous consent to have that article printed in the RECORD. Mrs. Porter makes a totally convincing case for resolute rejection of the President's medicare proposals.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Post, Jan. 19, 1975]

MEDICARE COSTS UP AGAIN

(By Sylvia Porter)

If you are an elderly and/or disabled American covered by Medicare, you will pay more out-of-pocket for your health care in 1976 than any year since the program was begun.

—50 cents more a month, starting this July for the doctor bill insurance part of Medicare;

—$12 more on your hospital bills to cover an increase in the Medicare hospital deductible;

—A 13 per cent increase in your copayments toward the cost of your hospital stays of more than 60 days and post-hospital stays of more than 21 days in skilled nursing homes.

* * * * *

Why this new pinch on you, of all brutally squeezed groups of citizens? Because of the relentless upsurge in medical care costs. Since price restraints were lifted in May, 1974, physicians' fees and hospital costs have been spiraling upward at about twice the rate of the overall Consumer Price Index; costs of the Medicare program have far outrun earlier estimates. The deductibles and co-payments the Medicare beneficiaries must pay out of their own pockets, or through premiums for privately purchased supplementary insurance, have soared proportionately.

When Medicare was started in July, 1966, the premium rate for the voluntary doctor bill insurance was set at $3 a month—and this, with the matching $3 to be paid out of federal revenues for each elderly person enrolled, was figured to cover the costs of the program in the first year. Thereafter, rates were to be reviewed each year and raised if necessary. By July, 1975, the monthly premium rate had more than doubled to $6.70.

Then came a respite for Medicare beneficiaries—but only because Congress made an error in drafting amendments to the Social Security law intended to limit future increases in the Medicare premium rate to the percentage by which Social Security cash benefits had been raised in a previous 12-month period. The drafters messed up the description of which 12-month period, however.

The result was the premium could not be raised last July, even though cash benefits under Social Security had been hiked 11 per cent in 1975. And there was the chance that the premium rate would be frozen for another year—in the face of an additional 8 per cent increase in Social Security benefits in 1975.

But in the final hours before adjournment last month, Congress acted to correct the drafting error—permitting the premium rate to rise by 50 cents next July to $7.20.

This increase will come on top of a rise of 13 per cent in the amount of the Medicare hospital deductible. If you, a Medicare beneficiary, are admitted to the hospital this year, you will be responsible for the first $104 of your hospital bills, up from $92 last year. Your deductible (roughly the average cost of one day's hospitalization) was $40 back in 1966.

When the amount of the hospital deductible goes up, so do the co-payments by the same percentage as the deductible increase. For instance, you'll pay $26 per day for the 61st, to 90th day of hospitalization, up from $23.

For each of the 60 "lifetime reserve" days you use after you have exhausted your initial 90 days of hospitalization, your co-payment will be $52, up from $46. As for nursing homes, the co-payment for the 21st to the 100th day of confinement is now $13, an increase of $1.50 over 1975.

So far, White House efforts to control the costs of Medicare—such as attempts to limit physician fee increases—have served mainly to shift costs to the elderly and disabled.

* * * * *

President Ford nevertheless will call for more "cost sharing" when he delivers his budget for the next fiscal year on Wednesday, will propose—as he did last year, and as President Nixon did before him—that Medicare deductibles and co-payments be raised still further for those with short or average length hospital stays.

This proposal, the President will argue, would "save" more than $1.3 billion a year in the Medicare budget.

And from where would these savings come? From the pockets of the elderly and/or disabled. Make you feel good?

FRANCE BUILDS INDIAN OCEAN PRESENCE

Mr. TAFT. Mr. President, during last year's debate on the Diego Garcia issue I stated that, in my opinion, the Indian Ocean was primarily a European, not an American responsibility. I pointed out at that time that the Europeans have the naval forces to meet that responsibility and that France in particular maintains a large Indian Ocean force.

The Baltimore Sun of January 19 noted that:

> France will increase its presence in the Indian Ocean by sending two attack submarines and a logistics support ship to the area, official sources reported yesterday. This would increase the number of French warships in the area to 14, including the helicopter carrier *Jeanne d'Arc.*

This confirms both that the Europeans, in particular the French, are willing and able to take a leadership role in the Indian Ocean, and that France is once again providing the diplomatic and military leadership which Europe needs. Contrary to what many seem to think, European nations are not incapable of defending their own vital interests. It is not always necessary that the United States take the initiative, on the grounds that the Europeans cannot provide effective leadership. France has time and again demonstrated the ability to take bold initiatives in diplomatic matters, initiatives which serve the interests not only of France but of all Europe. The French have also been willing to invest in the military forces needed to back up such initiatives.

As I said at the time of the Diego Garcia debate, the United States should welcome such initiatives on the part of France and of other European states. We should not preempt situations where European interests are predominant. In the long run American as well as European interests are best served by having the Europeans lead in those areas, military and diplomatic, where America's concerns are less direct than those of Europe. I hope that in the future we will increasingly base our policies on this fundamental truth.

UKRAINIAN INDEPENDENCE DAY

Mr. WILLIAMS. Mr. President, today I am honored to join my colleagues in marking the 58th anniversary of Ukrainian independence, which was declared in the city of Kiev on January 22, 1918.

This day is very significant for Americans in our Bicentennial Year of Independence because while we in the United States are free to commemorate this important date, the 47 million Ukrainians must celebrate in secret. Yet I am convinced that they remain undaunted in their struggle for human rights and freedom, which are the basic tenets of the democratic society that we cherish.

For 3½ years the Ukrainian people waged a gallant struggle in defense of their country before being overwhelmed by the Soviet Army and subjected to the grim tyranny of a puppet regime which permitted the incorporation of the Ukraine into the Union of Soviet Socalist Republics in 1923.

The freedom-loving people of the Ukraine have never accepted Soviet domination and have been fighting since 1923 to regain their independence and preserve their culture by all means accessible to them. There are numerous Ukrainian writers, literary critics, journalists, professors, students, artists, painters, and scientific workers who have been imprisoned since 1923 for nationalistic activity.

A bitter reminder of this cruel oppression came less than two weeks ago when one of the imprisoned Ukrainian dissidents, a 36-year-old mathematician named Leonid I. Plyushch, was finally released to the West by the Soviet authorities after 2½ years in a Soviet mental hospital. Yet Western doctors report that he was not suffering from a mental disorder.

Because there are many other valuable members of the Ukrainian community like Mr. Plyushch who are wrongly imprisoned under similar conditions, we must continue to speak out and demand that the Soviets respect traditional human freedoms.

Like many of us, I was hopeful that the final act of the Conference on Security and Cooperation in Europe concluded at Helsinki last August would result in the respect for human rights within the Soviet Union. However, it unfortunately appears that the official Soviet view refuses to accept the humanitarian responsibilities which are specified in these agreements. The Soviet authorities apparently feel this agreement is conditioned and limited by Soviet law, customs, and traditions. Regrettably, these may make the application of the human rights provisions a complete nullity.

Nonethless, while the persecution continues, Ukrainians should be assured that those who cherish freedom and liberty have not forgotten that Ukrainian independence may one day be regained.

ONE HUNDRED YEARS OF THE NEWS

Mr. PERCY. Mr. President, I would like to call to the Senate's attention a special birthday being celebrated in Chicago. One hundred years ago the Chicago Daily News made its first appearance on the city's streets. In the remarkable century since that first, struggling four-page edition came out, the Daily News has become an institution both in Chicago and throughout Illinois. It has served as a chronicler and commentator on our times. Its famed domestic and foreign service correspondents have reported from every corner of the Earth. In doing so they helped their midwestern readers to understand and feel part of a world that was growing smaller every day.

Last week the Daily News published its centennial edition, a healthy, vigorous edition of almost 200 pages. I was pleased that the editorial that day emphasized not so much the past as the future, a future soundly built on experience and tradition.

Mr. President, I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A Future Built on Tradition: 100 Years of the News

In this Centennial Edition, we invite our readers to share with us a century of Chicago's history as seen through the pages of The Chicago Daily News. We do so with pride, with gratitude, and with a certain sense of awe—pride in what has been accomplished, gratitude to the many people who have made it possible, and awe at the distance traversed.

We are proud of The Daily News, for what it has been and for what it is today—a living, day-by-day documentary of a great city and the people who make it great—and for what it will be in the years ahead.

In a large sense, the newspaper and the city have grown to maturity together, their fortunes intertwined. The city would have survived without the newspaper, to be sure, but it would not have become quite the same city we now know.

Consider any area of life—government, politics, business, sports, science, news about churches and news about crime—and The Daily News has been there for a hundred years, exploring and informing and explaining. In its editorial columns it has sought to sort the right from the wrong, to press for needed reforms, and above all to make people think deeply about the important issues of the day, because we care deeply.

It has been an awesome century, this 100-year span during which The Daily News developed as a Chicago institution. Founders Melville Stone and Victor Lawson could hardly have foreseen, when they struggled to print their first four-page edition, the swift changes that were to come and to be recorded. In the long sweep of Earth's history, one century may be but the blink of an eye, yet never has there been a period like this one.

The telephone, that indispensable tool of news-gathering, had not yet been invented when the first Daily News went to press. It was invented in March of 1876 and came to Chicago the following year, bringing with it the beginning of a revolution in communication. The electric light came along, and the start of another vast upheaval in the way people live. The Wright brothers flew at Kitty Hawk, the automobile began to roll, and a revolution in transportation was under way.

Through the presses went stories of political upheavals, five wars in which the United States was embroiled, an almost infinite variety of news in all dimensions, yet no story was more important than the rapid advance of science and technology.

The years brought radio, the atomic bomb, television, jet planes, the leap into space, the discovery of the key to genetic change. Whereas millennia had passed in bringing mankind through the Stone Age and the Bronze Age, in a single century the "Ages" became almost too numerous to count: the Automobile Age, the Atomic Age, the Jet Age, the Space Age, the Electronic Age and more—all overlapping, all pushing and twisting the old social patterns into new shapes, affecting the lives of people in Chicago and its suburbs and people in remote parts of the world, drawing them together in ways still too dimly understood.

Chicago and its suburbs have been and remain the primary focus of The Daily News. Yet its more than 30,000 issues contain the record of what happened across this broad land and around the globe. From City Hall and the state capital, from Washington and from the far corners explored by correspondents of The Daily News Foreign Service, have come the raw materials to be winnowed for each day's paper—words by the ever-increasing millions demanding scrutiny and judgment.

Today's editors cannot, any more than the founders, foresee what the future will bring. Even in our own shop, a revolution is just beginning that will change the way we work, leading us into electronic editing and typesetting via the computer. But we welcome the internal challenge, as we welcome the broader challenges ahead.

We shall deal with those challenges of tomorrow just as past generations have done—one day at a time. The Daily News will go forward, confident that in years to come other Daily News staff members will be able to look back at our record with the same measure of pride and gratitude—and, yes, perhaps with a little bit of awe—at what this generation of those who write and edit the newspaper has been able to accomplish.

STATE OF THE UNION

Mr. FANNIN. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Wyoming (Mr. Hansen), and the material attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement of Senator Hansen

I was favorably impressed by President Ford's State of the Union message, and particularly agreed with his observations about the need for less federal spending and less federal intrusion in the lives of citizens.

A number of members of Congress have reacted to the President's remarks by noting that they will strongly oppose any cutbacks in federal programs and any attempt to substantially reduce spending for federal programs. These members have indicated they believe the American people do not want program and spending cuts.

I disagree with that assessment of the public mood, and so does the distinguished editor of the *Wyoming State Tribune* in Cheyenne, Wyoming. Editorializing on the President's speech and the reaction of some members of Congress, *Tribune* Editor Jim Flinchum notes:

"All this goes to the heart of a basic conflict that will rage this year on the American political scene: Is a stronger and ever-growing federal government and its bureaucratic apparatus commanding higher and higher fiscal outlays by the U.S. Treasury the way this nation should go: Or do the times demand a change in course away from the buildup of power at the Washington level that has been occurring for over four decades, requiring every year greater outlays of spending and an increasing command of Americans' lives by a powerful and entrenched bureaucracy?"

In my opinion, people want a reduction in government spending, and they very much want less government, rather than more. Congressman Benjamin Rosenthal of New York put it well during his assessment of the reason for the surprisingly narrow vote by which the House of Representatives passed a bill creating a new Agency for Consumer Protection. He said:

"There has grown up, especially in the last six months, a strong anti-government, anti-bureaucracy, anti-new agency phenomenon in this country."

I agree with Congressman Rosenthal, and I hope the "phenomenon" he describes will gain millions of adherents this year.

The full text of Mr. Flinchum's editorial follows:

Ford's Program Generally Sound

The best way to assess President Ford's State of the Union message is to ponder what the critics had to say about it, these being mostly leaders of the opposition in Congress.

Consider for a moment that the basic thesis of Ford's remarks was a hold the line federal budget of $394.2 billion, a $10 billion income tax cut to benefit mostly middle income Americans, and a health insurance plan that would benefit mostly the elderly.

Said the President: "By holding down the growth of federal spending we can afford additional tax cuts (in the future) and return to the people who pay taxes more decision-making power over their own lives."

To Ford's hold the line spending proposals, the Democrats have reacted with contumely and insult.

Typical is the comment of Congressman John Brademas of Pennsylvania who said Ford's program was " about as forward-looking as the one George III had for the (American) colonies 200 years ago." Sen. Robert C. Byrd, the assistant majority leader of the Senate who also has announced his candidacy for the Presidency, called Ford's remarks "Reaganish" and said the President failed to be "realistic."

The Democrats, House majority leader Tip O'Neill of Massachusetts said, "will not stand for the status quo or cutbacks in (federal) programs that help the people."

All of this goes to the heart of a basic conflict that will rage this year on the American political scene: Is a stronger and ever-growing federal government and its bureaucratic apparatus commanding higher and higher fiscal outlays by the U.S. Treasury the way this nation should go? Or do the times demand a change in course away from the buildup of power at the Washington level that has been occurring for over four decades, requiring every year greater outlays of spending and an increasing command of Americans' lives by a powerful and entrenched bureaucracy?

The hyperbole of Congressman Brademas likening Ford to King George III finds no historical support; if Mr. Brademas is so abysmally ignorant of what did happen in 1776, he ought to be reminded that one of the basic causes of the American Revolution was a revolt against the king's tyrannical tax policies plus the fact that the colonists essentially had no voice in the formation of crown policies that governed their lives, a condition for which precedent can be found in Washington today.

House majority leader O'Neill probably is right that the Democrats in Congress probably will not stand for any spending cuts or maintenance of the status quo; like a kamikaze pilot, the Democratic leadership is committed to a suicidal course of ever increasing spending, programming and empire-building.

Thus it is to be expected that the Democrats in their blind and unswerving devotion to the outpouring of dollars from the public purse, will fight Ford on the issue of fiscal restraint.

But we should like to say again this will be markedly counter to what seems to be the national mood.

Mr. Ford perhaps did sound "Reaganish" as Senator Byrd said, but the latter had better look again at the Harris and Gallup polls of the last two weeks on Reagan.

It was a sound and appealing State of the Union address; it will benefit Ford both within and without his own party, and if the Democrats in Congress fight it, they will do so at their peril.

THE 1977 DEFENSE BUDGET

Mr. THURMOND. Mr. President, on January 21 President Ford has released his administration's budget for fiscal year 1977 which totals $394.2 billion, 25.4 percent of which is allocated to the Defense Department.

In total obligational authority the President is requesting $112.7 billion for defense, a real growth increase of $7.4 billion over the total aproved for fiscal year 1976. This growth represents a significant upturn in baseline defense support. Baseline support, funds which actually boost a nation's military might and exclude such items as military assistance, retired pay and like items, has been trending down during the past 10 years.

FIRST SIGNIFICANT GROWTH

In fiscal year 1976, despite deep congressional cuts, defense ended up with about $2 billion in real growth. How much of the $7.4 billion of real growth in the new budget remains by October 1 is yet to be determined, but the President obviously sees the need for these higher expenditures if our national security is to be assured.

The Senate will recall that last year the administration requested $105.2 billion in total obligational authority, but the Congress reduced this request by about $7 billion with the final program totaling around $98 billion. This figure is based on congressional results to date as final action on the defense appropriation bill has not yet been taken.

In passing, it should be mentioned that a transition defense budget of about $23 billion for the 3 months of July, August, and September 1976 has also been acted upon by the present Congress.

OUTLAYS STABILIZING

Thus it appears that defense outlays, as a percent of the national budget, are stabilizing at around 25 percent, or to be exact, for fiscal year 1977 the figure is 25.4 percent. This is about 1 percent lower than the outlay percent requested in fiscal year 1976, but higher than the 24.4 percent finally approved by Congress.

This 25.4 percent figure may be compared with the 43.6 percent defense share of federal spending at the peak of the Vietnam war in fiscal year 1968, and the 60 percent figure in effect at the Korean war peak.

It all goes to prove that if we are willing to spend the money to remain militarily prepared, second to none, the expense will always be less than the cost of even limited wars, such as Korea and Vietnam. Further, no cost can be placed on the loss of life and the maiming of military personnel resulting from such wars.

SOVIETS OUTSPENDING UNITED STATES

Unfortunately, the 25 percent does not begin to match the defense expenditure of the Soviet Union. While the administration is asking for defense spending of $112 billion in fiscal year 1977, our latest intelligence indicates the Soviets will be spending at a rate of between $130 and $140 billion. Further, 51 percent of the U.S. defense budget goes to personnel costs while only about 30 percent of the Soviet budget is expended on personnel. This is true despite the fact that we have a uniformed force of 2.1 million, compared to 4.7 million Soviet military personnel. The obvious difference is that they conscript while we pay civilian comparable salaries to our all-volunteer force.

BUDGET LAW IN EFFECT

This year, for the first time, the Congress will be dealing with a newly structured fiscal year, from October 1, 1976, to September 30, 1977, under the 1974 Congressional Budget Act.

Last year the Congress made the mistake of allowing the Budget Committees of both Houses to set defense and other category ceilings without including those ceilings in the budget resolutions approved by the Congress. This year the law will require that the Congressional Budget Committee recommendations be incorporated in the resolution itself, thus each member must be recorded for or against real growth in our defense budget.

Frankly, the $112 billion requested by the President is a constrained figure, as defense spending levels are a part of the administration's overall effort to restrict Federal spending. The fact is that the military services requested over $122 billion for fiscal year 1977. The Defense Department favored around $116 billion; however, the President and the Executive Office for the Management of the Budget, OMB, finally developed the lower $112 billion figure. Based on the defense cutting record of the 94th Congress in the first session, this request also may be reduced.

LOWEST GNP SINCE WORLD WAR II

The fiscal year 1977 defense budget represents only 5.4 percent of the gross national product, down from 5.1 percent last year and 9.4 percent in 1968. It is the lowest defense GNP figure since World War II. Further, defense spending, certainly an undisputed responsibility of the Federal Government, represents only 16.5 percent of total public spending estimated in fiscal year 1977.

KEY ITEMS OF DEFENSE BUDGET

The key items in the new budget are found in the procurement account which totals $29.3 billion, and the account for research, developmnet, test and evaluation, a total of $11 billion.

The bulk of the remaining proposed

defense expenditures are centered on personnel cost, operation and maintenance, retired pay and military construction. These accounts total $69.6 billion.

MAJOR PROCUREMENTS BEGIN

Procurement of weapons systems has risen sharply, from $21.4 billion in fiscal year 1976 to $29.3 billion in fiscal year 1977. This increase is due to the fact that the Nation will begin in fiscal year 1977 initial procurement of several major programs. These include the B–1 bomber, the new Trident submarine-launched ballistic missile, the F–16 fighter aircraft, 16 new ships for the Navy, and the Army's new transport helicopter, the Uttas.

Unfortunately, the Soviets have already deployed their equivalent of the Trident, a submarine our intelligence agencies have named the Delta. The missile range on the Delta submarines permits the Soviets to hit key American targets without even leaving home waters, a range of over 4,000 miles.

The Soviet Union is also in production on their Backfire bomber, a long-range bomber similar to the B–1, but hopefully inferior to the B–1.

RESEARCH ACCOUNT

In the research and development account there are also a number of key items. These include continued development of the cruise missile, the XM–1 tank, the Navy's F–18 fighter, and the Army's advanced attack helicopter and SAM–D long-range ground-to-air missile.

We must never forget that the research we perform today is essential, if tomorrow we are to produce the advanced weapon systems necessary to insure the safety of our land and the flow of our commerce to and from our shores.

OTHER VITAL DEFENSE ITEMS

Of course, a budget this large includes many other vital programs. They are all tied to the now stabilized force structure, both strategic and conventional.

The Polaris and Poseidon missile submarines remain our strategic strike force within the Navy, with the Trident a follow-on to counter the Soviet Delta. The new budget also calls for our aircraft carrier force to remain at 13, a minimum number if we are to keep the sealanes open for our commerce. Key naval items in this budget involve movement toward the desired 600-ship Navy and better maintenance of ships already at sea.

The Army rests on its newly approved 16 divisions, a force to be achieved despite the lowest Army manpower levels since World War II. This smaller force must be provided with advanced weapons, like a new tank, new transport and attack helicopters, and an array of antitank weapons if it is to serve as a viable deterrent.

Further, the 16-division Active Army is backed up by the Army National Guard and Army Reserve, which together will provide 8 roundabout divisions, for a total ground mobilization force of 24 divisions.

AIR FORCE NEEDS

The Air Force requests involve further purchases of the new F–15 air superiority fighter and initial procurement of the B–1. Also, these requests include the A–10 close support aircraft, the new F–16 lightweight fighter, and aircraft for warning and control purposes, as well as for command posts.

At present, the 26-wing Tactical Air Force is not equipped at desired levels and problems exist with the C–5 transport. Further, termination of the Air Force's Minuteman III ballistic missile program raises questions as to how soon the United States will have to produce new ICBM's to meet the increasing Soviet threat.

DETAILS AVAILABLE

Mr. President, a detailed outline and narrative summary of the defense budget has been provided to the Congress and the press. However, it seemed appropriate to highlight for the membership some of the comparisons and key items in that budget.

There are requests which the Congress must examine closely. Besides the obvious and expensive procurement programs, I am concerned about some personnel reductions. These include 26,000 civilians, nearly half of whom work for the Army. Also, a 13,000 cut in Air Force military personnel and a 50 percent reduction in paid Naval Reserve Forces must be justified.

All of these issues and many more will receive the attention of the Armed Services Committee when our annual posture hearings begin January 29. At that time, Defense Secretary Donald Rumsfeld will present the defense budget in more detail. We will then begin the committee process of attempting to insure these defense requests are fully justified and any unnecessary items are eliminated.

OBSTACLES TO ACCESS, BUILT-IN HANDICAPS

Mr. PERCY. Mr. President, for many years I have advocated the right of the handicapped to live as much as possible like any other citizens. Modern technology and rehabilitative medicine have made it possible for the disabled, even those who are severely disabled, to be self-sufficient—as long as society does not place artificial barriers in their way.

One of the most serious concerns which confront handicapped Americans today is the problem of accessibility. Man-made architectural and transportational barriers cut off the handicapped of this country from normal opportunities of education, work, recreation, and the most basic social services.

Congress has taken a few steps toward encouraging the decline of structural barriers with the enactment of the Architectural Barriers Act of 1970 and the creation of the Architectural and Transportation Barriers Compliance Board in the Rehabilitation Act. A lack, however, of an understanding of the meaning of a barrier-free access to buildings and transportation systems has limited compliance with the law.

Today, I ask my colleagues in the Congress to read or reread the following article by Wolf Von Eckardt of the Washing Post. Mr. Von Eckardt has given us an excellent account of the obstacles which face the handicapped and what remedies are being taken. I ask unanimous consent that Mr. Von Eckardt's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 10, 1976]

OBSTACLES TO ACCESS, BUILT-IN HANDICAPS

(By Wolf Von Eckardt)

Architects seem to have no trouble getting trash cans in and out of their buildings. But they still resist making even public buildings accessible to handicapped people.

This is particularly distressing when thoughtless and callous design denies the handicapped enjoyment of the arts.

One of the most callous is Washington's Hirshhorn Museum and Sculpture Garden. The only way a person in a wheelchair or with a baby carriage can get upstairs where most of the treasures are, is in a freight elevator, along with the garbage. Once up, the carpeting is terrible for handicapped people to move on.

The sculpture garden is virtually barred to anyone who has difficulties with steps. But even if you make it, the garden is paved with crushed stone which is pretty, but hell for people on crutches, with canes or with walkers—which means many elderly citizens.

Yes, there is a law—the Architectural Barriers Act of 1968. It requires any new public facility which is wholly or partially financed by the federal government to be fully accessible to all handicapped persons. Unfortunately the law has no teeth in it, so most architects and bureaucrats ignore it.

Architects claim that eliminating cumbersome steps, stairs and revolving doors, or such simple things as lowering drinking fountains and telephones, will impair their creativity.

Bureaucrats either don't care or fear that barrier-free buildings will cost more money. There is a special problem with spending a little extra money to make existing buildings accessible to the handicapped. The renovation of the Smithsonian "Castle" on the Mall, for instance, offers an opportunity for Dr. Dillon Ripley, the head of the Institution, to show how a barrier-free entrance can be provided without disturbing the historic character of a lovely building.

The National Park Service deserves great praise for making it possible for the disabled not only to see, but also to experience the Lincoln and Jefferson Memorials. The recently built ramp at the Lincoln Memorial and the elevator now being installed at the Jefferson Memorial do not in any way interfere with the architecture of these monuments.

There are other praiseworthy examples where the experience of art is shared with handicapped persons. The Educational Facilities Laboratories, established by the Ford Foundation, has performed miracles of improving the design of school buildings in this country and has just issued a booklet listing these examples.

The booklet was supported by the National Endowment for the Arts, which believes that the arts are essential to the education and development of all people, including people who can't see, speak, hear, or walk, or who are crippled in other ways, physically or mentally.

Rather than just scold our museums, theaters, schools, churches, cinemas, studios, sport arenas and other public and private institutions for excluding these people—there may be as many as one of every four Americans—the booklet tells what can and has been done.

It is entitled "Arts and the Handicapped: An Issue of Access" ($4 prepaid from EFL, 850 Third Ave., New York 10022), and in concise fashion covers all aspects of the problem.

The biggest trouble is that "most people do not readily associate the arts with the handicapped." Or, when combining both, they think of recreation or art therapy. This ignorant unconcern has made the arts "an inconvenient obstacle course strewn with rules, regulations, revolving doors and inaccessible opportunities."

Attitude—attitude on the part of the sponsor and the institution—seems to be the most essential ingredient in making the arts available to all.

Richard Brown, director of the Kimbell Art Museum in Fort Worth, Tex., for instance, decided that his museum will have no barriers of any kind to the physically handicapped or the aged. He and his planning committee instructed the architect, the late Louis Kahn, that there was to be no change in level between the building and the site and no raised thresholds, that elevators, doors and all hardware were to be convenient for everyone and that floors were to be easy on which to maneuver walkers, wheelchairs and strollers.

Louis Kahn, a great prima donna, did not feel constricted by these considerations. According to director Brown, "Thoughtful design costs less and results in facilities which serve all people."

Brown has made it house policy to display art objects low enough for wheelchairs and children. Paintings, for instance, are hung 52 inches off the floor, instead of the customary 72 inches. There have been no accidents or incidents in the two years since the museum was opened.

One of the most exciting institutions listed in the booklet is the Brooklyn Children's museum, launched in 1899, as the first of its kind in the world. It is now located in Brower Park in a concrete box sunk 40 feet into the ground, with the park landscape rolling around and over the top of the building, almost hiding it from view.

"Any building in a New York park is aggressive, because it takes away land," said the architects, Holzman, Pheiffer Associates. "We decided to bury the building and put the park on top of it."

At first glance the interior does not at all appear to be designed for the handicapped. On closer inspection, however, you find that it provides a festival of mobility to all children. It includes a stream of water, for instance, with a water-wheel, swing gate, sluiceway and hydraulic turbine, as well as a pool for sailboats. All of this is accessible by wheel chair and the controls are oversized so that virtually all kids can use them.

An array of scales, measures, charts and body tracing—dial machine that projects full-scale figures of children from other countries, encourages children to learn to see themselves, to develop a concept of themselves. The equipment is designed so it can be used also by emotionally disturbed and retarded children.

Several museums, including the Smithsonian and the Baltimore Museum of Art, have held temporary tactile exhibitions for the blind. The California Art Commission developed two touring exhibitions, designed to acquaint blind persons with outstanding works of sculpture.

The Mary Duke Biddle Gallery for the Blind at the North Carolina Museum of Art has done exceptionally interesting work in creating tactile experiences of all kinds, including busts of famous people, that the blind can touch. The Gallery also includes paintings that are intensely lighted and can therefore be enjoyed by people with some residual sight.

The Dayton, Ohio, public schools obtained a federal grant to convert some basement rooms of an old school building into a "five-senses, perceptual experimental museum called 'New Visions.' " The museum serves all children, including the crippled, blind, deaf, retarded and emotionally disturbed.

To experience the sense of taste, there are bits of lemons, crackers, gumdrops, marshmallows, peanut butter, sugar and salt. The museum aims to help withdrawn children out of their emotional shell. In one instance, the staff reports, a child got so engrossed in what was happening that he suddenly talked for the first time.

The report concludes that making the arts available to the handicapped is not simple. It is not just a question of ramps and facilities, more staff and more money. It requires "affirmative action": law enforcement, the cooperation of architects and clients and imagination.

The most effective action, however, is the new militancy on the part of the handicapped themselves. It has created a climate of public opinion that has led to this excellent publication, a series of TV spots on the same subject, a new organization called "The New National Committee on Arts for the Handicapped" and a White House Conference on the Handicapped scheduled for next December.

ENVIRONMENTALISTS VERSUS POWER DEVELOPMENT

Mr. YOUNG. Mr. President, Mr. Andrew L. Freeman, manager of the Minnkota Power Cooperative, Inc., of North Dakota, recently addressed an open letter to the President of the United States and its citizens in the Minnkota Messenger relative to the effect some extreme environmentalists are having on power development in our country. Mr. Freeman is an expert in his field and a very well-respected citizen of my State.

I hope my colleagues will take the time to read the message contained in Mr. Freeman's letter, as I am sure they will find it very interesting. Mr. President, I ask unanimous consent to have Mr. Freeman's letter to the President printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

An Open Letter to the President of the United States and All Its Citizens

There seems to be a growing number of politicians, individuals, organizations and groups of one kind or another dedicated to the proposition that our environment is all-important and that we must in no way compromise with anyone or anything which will in any way degrade it no matter how small.

They sponsor the thought that our future energy needs should be obtained through conservation and through the development of solar, wind, and other exotic ways of capturing the forces of nature.

The fact that some of these ideas represent far out and impractical ways of providing energy means nothing to some of these people. They seem geared to the idea that lots of research money can produce instant answers no matter what the problem is.

They appear united in their belief that we are spendthrifts when it comes to our use of energy and that it is priced far too low. They are opposed to the mining of coal and the siting of power plants. They give no credit to the evidence that the land can be reclaimed. They speak and write as if all the land being mined is prime farm land capable of growing 60 bushels of wheat to the acre.

They advocate that our water should not be used for industrial purposes. They oppose the construction of more transmission lines. They believe that the use of atomic power should be outlawed. Many of them openly encourage a program of harassment for anyone who wishes to build a power plant, a gas plant, a dam, a pipeline or a transmission line.

Many of these people totally ignore the contribution that energy has made to their way of life. They, like all the rest of us, flush the toilet, turn on the TV, toast their bread, turn up the thermostat never giving thought that they too are a part of the problem and the establishment that they are so anxious to discredit and contain.

The fact that Canadian oil is being phased out, that known supplies of natural gas are now numbered in terms of a few short years, is of little concern to some of these people.

They seem to completely ignore the fact that young people are growing up and getting married, that they too need homes and jobs and the things that go into a home like a stove and refrigerator plus some heat and lights.

These people, though scattered and separated, work hard and long to discredit the work and efforts of others. They seem to have all kinds of time to go to meetings with money to spend for the purpose of protesting and delaying and raising doubts in the minds of many innocent people.

The fact that their actions are causing electric power costs to rise sharply and sources of electric supply to run short is no source of remorse or concern to them.

These people seem to operate from a rather shallow and narrow base. They need a broader platform on which to stand. They need a common umbrella and a uniform set of principles to subscribe to in order that they might demonstrate to the world that they are willing to live as they would have you and I live.

Maybe what they need is a new organization such as the *Kilowatt Conservation Club of America*—an organization dedicated to jobs and progress through zero growth.

If you know of someone or some group which should belong to such an organization, please contact us. We will be glad to furnish you with a supply of charter membership application forms (see pages 4 and 5) along with instructions for handling.

The *Kilowatt Conservation Club of America* might be just what it takes to bring some of these people to their senses before it is too late.

Yours very truly,

Andrew L. Freeman,
Manager.

THE AMERICAN BICENTENNIAL

Mr. THURMOND. Mr. President, the opening of this congressional session on the threshold of the Bicentennial offers us a unique opportunity for rededication to those ageless principles established in 1776.

We gather here again in behalf of the people of the United States, and the mandate handed to us by our forebears is clear: our Nation is one of representative laws based on freedom, fairness, and equality. In order to maintain these cherished fundamentals of national life, we must, as our Founding Fathers 200 years ago, be willing to sacrifice, if necessary.

It should be our resolve that no law shall give precedence to one citizen over another. For it is, indeed, a denial of one person's freedom to give another the special consideration to which each is not entitled.

We in the America of 1976 can also draw strength from the self reliance and independence demonstrated by Americans in 1776. Our country has grown since those early days of nationhood beyond the wildest dreams of those 18th century citizens. The reason for America's burgeoning development through these two centuries has been the initiative of its people and the opportunity of its political and economic system.

Together, these qualities of national life have produced great advantages for all Americans. It should be incumbent upon us as legislators of the realm to know that government cannot cure all ills. We can best commemorate the Bicentennial by adhering to the principles of initiative and opportunity. In such a large country as the United States it is necessary to have a sizable Federal Establishment, but it should not pervade every aspect of our daily lives.

There could be no finer time than the Bicentennial Year for America, through its legislative branch of Government, to reverse the trend toward big government which has grown unduly during the last generation. Our Government should be responsive, representative and reliable but it should never be used as a substitute for the obligations of citizenship.

We Americans have been richly blessed with liberty. We have been free to seek our own level and to achieve our own goals. Nothing should ever hamper that priceless heritage.

Mr. President, in defense of our country and the liberty it has long represented we must not be timid in providing for that defense. In order to insure the continuation of the United States as we have known it for future generations of Americans we must be strong militarily, economically and spiritually. In the process of this session of Congress, in the year of our Bicentennial, each of us will have the opportunity to make our contribution every day toward this goal.

Mr. President, it is good to see the interest in patriotism and country that has accompanied the Bicentennial. To each of us it is simply the measure of loyalty and support we give to our country. The practice of patriotism, however, does not mean a regimented lock step approach to national issues. In this historic Chamber, as in its predecessors, there is the debate that resolves national will. Yet our fundamental framework of freedom and our constitutional system of checks and balances are inviolate.

Our opportunity here is not only unique in this year of commemoration, it is symbolic of the entire Nation. May we apply the wisdom to insure a continuing celebration in America 200 years hence, and beyond.

INTERNATIONAL CONVENTIONS CONCERNING WOMEN'S RIGHTS

Mr. PERCY. Mr. President, I am very pleased today to see the Senate's ratification of the U.N. convention on the political rights of women and the Inter-American convention on the granting of political rights to women. This brings to fruition my charge as the chairman of the Committee on International Conventions concerning women's rights of the National Commission on the Observance of International Women's Year. My committee drafted a resolution adopted by the Commission which states, in part—

> The failure of the United States to ratify these international conventions concerning woman's rights contravenes the spirit of our Constitution and discredits the strength of our national commitment to equal rights and opportunities for all.

More important, the Senate action today corrects an insult to more than half the population of this country. The message from national women's organizations which contributed so much to the ratification of these conventions was clear. These organizations include, among others: The National Council of Jewish Women; the Federation of Organizations for Professional Women; B'nai B'rith Women; U.S. Committee for Cooperation, Inter-American Commission on Women; the National Commission on the Observance of International Women's Year; Women's Equity Action League, American Association of University Women, and National Council of Catholic Women. Senate inaction on these conventions, 27 years in the case of the Inter-American convention and 13 years in the case of the U.N. convention, indicates the indifference and low priority attached to questions of women's rights and subjects considered to be "women's issues." Women in 1976 will no longer tolerate such oversight.

While women in the United States already enjoy the rights guaranteed by the conventions, ratification is of great domestic and international importance in giving credence to this country's strength of conviction and leadership in assuring equal rights and opportunities for all people, men and women. There is no more propitious time than our Bicentennial Year and the International Women's Decade for ratification of these two treaties.

SMALL BUSINESSMAN HELPS MAKE OREGON BOTTLE LAW A SUCCESS

Mr. HATFIELD. Mr. President, Mr. John Piacientini operates a number of convenience stores in Oregon called the "Plaid Pantry." They are similar to the "Seven-Eleven" stores in and around Washington.

John was an early leader in Oregon efforts to reduce litter. In fact, in 1970, his small company offered one-half cent per container to Oregon residents who would return either beer or soft drink containers. Within 2 weeks, over 3.5 million containers were brought to Plaid Pantry parking lots.

Throughout the struggles to pass the Oregon bottle bill, and since then in efforts here to approve a national ban on throwaway beverage containers, John has been a strong supporter of these efforts, and a leader among citizen efforts.

During this past summer, John again stepped in to do the job in spreading the word that the Oregon bottle law is working. As I have mentioned privately to many of my colleagues here in the Senate, if a person were to believe all the statements made about the bottle law by our opponents, Oregon's bottle law would be considered an utter disaster. That simply is not so. It is working, and it has the support of the people.

John bought billboard space in several cities across the country to let others know about the success of the law in Oregon. The billboards proclaimed:

> To the people of (whatever state). Don't let anyone kid you . . . The Oregon Bottle Bill is working.

In 10 State capitals, this message was carried from one who had helped make this law work.

John sent me some material detailing this effort, as well as providing some additional background. I ask unanimous consent that this material appear at the conclusion of these remarks along with several newspaper columns which will serve as a reminder to those who oppose us that the law does work in Oregon, and no amount of high pressure lobbying can convince us in Oregon that it is not working.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. HATFIELD. Mr. President, John Piacientini is a typical Oregonian in that respect. He is irritated when he reads about the lavish campaign waged by opponents of my national returnable beverage container legislation and the other State and local bottle bills around the country. John was in a position to take decisive action on his own to refute these claims, and he really speaks for the vast majority of Oregonians when he tells our opponents that the law is working.

My colleagues know about the massive lobbying effort that bottle bill opponents have mounted, with big labor and big business walking in lockstep to defeat the national bill, as well as the State and local bills. Recently, the Washington Star carried an article describing the attempts by the people of Loudoun County in Virginia to reduce litter by a bottle bill, and the opposition of the lobbyists. Montgomery County in Maryland and Fairfax County in Virginia have both taken similar actions.

In conclusion, let me say that if more small businessmen could follow the example of John Piacientini on the bottle legislation, I think they would reap dividends. Many people throughout the country support bottle bills, and want to reduce litter. If small businessmen operating such convenience stores as the Plaid Pantry were to adopt policies such as those of John Piacentini has done, they would be rewarded by increased customer loyalties. People would support stores where such leadership efforts were displayed as in collecting the throwaway containers.

I think everyone who wants to reduce litter and end the foolish idolatry to our throwaway society will feel renewed when they read what this one small businessman has done to help in this cause.

EXHIBIT 1

[From Plaidpantry Convenience Stores]

NEWS RELEASE

This week in 10 state capital cities, as well as in Washington, D.C., an unusual billboard will be erected. Sponsored by the Plaid Pantry convenience market chain located in Oregon, the outdoor board will read: "To the people of (State). Don't let anyone kid you . . . the Oregon Bottle Bill is working!"

Billboards are being erected in the following State Capitals: Tallahassee, Fla., Springfield, Ill., Lansing, Mich., Denver, Colo., Harrisburg, Penn., Austin, Texas, Albany, New York, Olympia, Washington, Sacramento, Calif., Washington, D.C., Columbus, Ohio.

The board carries the signature of John Piacentini, president of Plaid Pantry and the initial voice from the business community supporting the controversial "Bottle Bill," which was passed by the Oregon legislature and signed into law by the Governor in July, 1971, with an effective enactment date of October, 1972. This was the first law of this type in the U.S.

The Bill, which outlaws sale of all nonreturnable bottles and cans ("throwaways") containing soft drinks and beer, was passed despite heavy lobbying efforts by the container industry and most bottlers and retail supermarket chains. Their claims—that the Bill would cause untold storage and handling problems for retail chains, that it would drive consumer prices up, that the customer wanted throwaways—were largely disputed by a unique experiment instituted statewide by the Plaid Pantry chain of 88 retail stores in April, 1970.

In testimony delivered before the U.S. Senate Subcommittee on the Environment in 1974, Piacentini explained how the test program worked. "Through a series of newspaper and broadcast media ads, the Plaid Pantry chain offered to redeem all soft drink and beer throwaways for ½ cent each, regardless of age or condition, at all our 88 retail outlets. The response was tremendous—in the first two weeks, more than 3.5 million bottles and cans were redeemed," he testified.

"Scouting troops, Little League teams and many other youth organizations throughout Oregon combed the State's highways picking up old, unsightly bottles and cans to help raise funds for their groups. More than 50,000 citizens, young and old alike, redeemed bottles and cans for ½ cent each at Plaid Pantry stores," he said.

Piacentini also said that, contrary to the predictions of anti-Bottle Bill lobbyists, the massive clean-up effort by Oregonians did not lose steam. "Rather, as citizens saw how much cleaner their highways looked, they intensified the drive to pick up all bottles and cans," he said.

He added that although there were some minor sorting and storage problems at various Plaid Pantry stores, and it did cost the chain some money to redeem the millions of bottles, the effort was well worth it. "Once this program got rolling, the major bottlers were very cooperative in making increased pickups and buying back their bottles and cans for re-cycling and re-use."

Heartened by the obvious popularity and success of the Plaid Pantry program—including a newspaper poll sponsored by the chain which indicated that 78% of those responding wanted elimination of non-returnable, one-way beverage containers—the Oregon Legislature passed the Bottle Bill. In a "litter survey" sponsored by Oregon's then-Governor Tom McCall 16 months after the law was passed, it was shown that beverage container litter was down 79% and that litter of all kinds was down 35% in the State.

Since the Oregon law, the State of Vermont has enacted a similar Bottle Bill and many other State Legislatures are presently considering the concept. In addition, a "Nonreturnable Beverage Container Prohibition Act" (S. 2062) has been introduced in the U.S. Senate by Senators Hatfield (R-Ore.) and Packwood (R.-Ore.), among others.

Piacentini said that there is a massive national lobbying effort, spearheaded by beverage container manufacturers, to defeat this proposal. "Millions of dollars are being spent in advertising to convince the average American citizen that Oregon's Bottle Bill has been a failure. But all available hard statistical evidence points to the contrary—roadside litter in Oregon has been very significantly reduced and with no dire economic consequences," he said.

Plaid Pantry's billboard asks citizens who want more information about the results of the Oregon Bill to write to company headquarters in Portland, Oregon 97214. "America is a beautiful nation and I personally would like to see an honest debate based on fact not industry propaganda on the merits of outlawing one-way containers," Piacentini said. "If Plaid Pantry can help stimulate this discussion with our billboard, then our mission has been accomplished."

Background Information

Testimony before the U.S. Senate Subcommittee on the Environment concerning the Nonreturnable Beverage Container Prohibition Act, S. 2062, May 6–7, 1974. Excerpts re: The Oregon Bottle Bill.

I. PUBLIC COOPERATION

In April, 1970, when many Oregonians were looking for the answer to stop littering along Oregon's landscape by empty beverage containers, we, at Plaid Pantry, launched the first major private antilitter drive in the Nation. . . . We offered one-half cent per container to all Oregonians returning one-way beer and carbonated beverage containers to our stores. In a period of 14 days, Oregonians returned over 3.5 million containers to our markets. Many of these containers had been laying in ditches for over 20 years. Over 50,000 citizens, mostly children, participated in this drive. They did it because they were concerned. This was a message from Oregonians that something had to be done to eliminate senseless littering of bottles, and they wanted to stop this problem. Opponents of the bill at the same time were saying that people were lazy and not concerned—even a 5-cent deposit would not be enough to keep them from littering. They were amazed at what one-half cent did.—John Piacentini, President, Plaid Pantry Markets.

II. LITTER AND SOLID WASTE REDUCTION

Approximately 1 year before the act went into effect, a group of thirty 1-mile highway sections were randomly selected for litter accumulation analyses. Since that time, litter has been picked up on 25 separate occasions. Comparing the summer litter period of June, July and August of 1972 with the same perior in 1973, litter rates for beer and soft drink cans and bottles covered by Oregon's bottle bill decreased by 90 percent. The average litter rate during the summer of 1972 was 129 items per mile per month and during 1973, the average was 12 items per mile per month. . . . The highway division litter clean up costs expended by the State have not significantly changed.—Don Waggoner, Past President, Oregon Environmenal Council.

III. CONSUMER PRICE REDUCTION

The Research Triangle Institute, in a 1972 report to the Environmental Protection Agency, estimates that beverage containers account for at least 20 percent of the items littered and 30 percent of the items picked up in a nationwide survey. Cleaning up just the beverage container share of litter cost the American public $43 million in 1969. Most of this amount could be saved if a deposit were placed on all beverage containers, insuring that most of them were never littered in the first place. In Oregon during 1973, the first full year after implementation of mandatory deposit legislation, there was a 92 percent reduction in item count of littered beverage containers, saving the state's taxpayers $366,000 to $632,000 in annual litter pickup costs.—N. E. Norton, President, Dr. Pepper-Royal Crown Bottling Company, Corpus Christi, Texas.

It is cheaper to reuse a bottle rather than purchase a new bottle or can each time a beverage is sold. This simple economic fact is now being reflected in the prices being charged between (Oregon and Washington). In May, 1973, there was a general brewery price increase for beer in Oregon. Retailers marked up the brewery price rather sharply and consequently returnables in Oregon were selling for approximately the same as throwaways in Washington for several months. Near the end of 1973, prices in Washington were increased. No increase was posted in Oregon. Since then, prices in Oregon have been decreasing. The result is that beer prices for most of the brands sold in Washington are now approximately 8 percent higher per ounce than the same sizes of brands sold in Oregon. This, of course, was to be expected since a throwaway bottle or can costs approximately 3 to 5 cents and has little or no true economic salvage value.—Don Waggoner.

IV. ENERGY SAVINGS

In 1972, beverage container production required approximately 1 to 2 percent of the energy used by all U.S. industry. . . . A switch to returnable containers would yield a saving of energy . . . (of) approximately 115,000 to 175,000 barrels of oil per day. . . . There are few other instances where energy savings of this magnitude could be achieved as easily in terms of required capital investment and employment dislocations required. Beyond the adjustment period, it appears as though net employment will increase . . . (and the) impact on consumer standard of living will be positive.—John C. Sawhill, Former Administrator, Federal Energy Administration.

V. EMPLOYMENT DISLOCATIONS

To listen to the container manufacturers, one would think that a mandatory deposit legislation would send the American worker back to the bread line. To be sure, passage of national beverage container legislation will result in temporary employment dislocations. However, it is also true that such legislation will result in the creation of additional employment opportunities across the country, more in fact than will actually be lost. According to the Research Triangle Institute, 60,800 positions would be needed at the retail and distribution levels, 300 more than would be lost in the container manufacturing industry. And this does not take into consideration the economic and employment impact of the diversion of the estimated $1.5 billion consumer savings to other spending. This, of course, does not offer consolation to those workers immediately affected by the initial employment dislocations. However, an examination of the brewing and soft drink industries indicated little concern on their part in the past for employment dislocations resulting from the switch to the use of throwaway containers. For example, in the brewing industry, that switch cost 11,200 workers their jobs. Between 1958 and 1967, there was a 15.6 decline in employment in the industry, which accompanied a 28.3 percent decline in the number of breweries in the country. Yet, during that period production was increasing.—Thomas Kimball, Executive Vice President, National Wildlife Federation.

In an article by Bruce Hannon on energy (Technology Review, February, 1974), he has a discussion on the relationship between production efficiency and employment. What he does is to graph the number of Btu's used in producing various materials per dollar of value on one coordinate, and on the other coordinate, he graphs the number of employees per dollar of output. So that one gets on the one hand a clear picture of which industries are highly energy intensive and on the other hand, those which are labor intensive, and it is quite interesting to note that the container industries are very energy intensive, but not labor intensive, whereas bottle handling and other service industries are labor intensive.—Dr. Priscilla Laws, Department of Physics, Dickinson College, Carlisle, Pennsylvania.

VI. RESOURCE CONSERVATION

Energy is not the only serious resource shortage now confronting the nation. Increasingly, we are running up against material shortages as well: 6.2 million tons of glass, 2.0 million tons of steel and 545,000 tons of aluminum were utilized in container production in 1972. While container manufacturers maintain that materials are in abundance, it should be remembered that some of the resources needed, such as bauxite and much of our iron ore, come from foreign sources: there is no guarantee of their cheap and abundant supply in light of the recent experiences with Middle Eastern oil. For that matter, it hasn't been that long since most of us naively believed that our domestic oil supplies were equally vast. Our point is, apparent resource plenitude is no justification for flagrant waste. The materials used in the manufacture of beverage containers represent 45 percent of all glass, 6 percent of all aluminum and 2 percent of all steel. If the use of refillables grew to 90 percent of the beverage market, two to three million tons of materials could be saved outright each year.—Thomas Kimball.

VII. SALES IMPACT

Prior to the enactment of the Oregon bottle bill, approximately 27 percent of Plaid Pantry business was in beer and carbonated beverages. The first month after the bill became law, the sale of beverages did go down in the stores due to a period of transition. Following the first month and since then, beverage sales in Plaid Pantry Markets have remained at 27 percent—exactly the same as prior to the Oregon law. There may have been a shift in the sales from one brand to another but the overall sales have remained constant.—John Piacentini.

VIII. STORAGE SPACE

Since the Oregon bottle bill became law, bottle returns at Plaid Pantry have increased over 300 percent, and we have had to add very little extra help. Even though our stores are smaller in size and do less overall volume than a supermarket, we sell as much beverage dollar-wise as they do. We also buy back as many returnable containers as the big stores, yet many supermarkets claim they have had to hire up to two full time additional employees to sort bottles. I sorted bottles all of my teenage life, and it is difficult for me to believe that any store, no matter how large, would need this much help to sort returnable bottles. Storage space has been somewhat of a problem for most stores of my size. During warm weather when we traditionally sell more beverages, we do find this to be a problem. Some suppliers have been very cooperative in making more frequent pickups during this particular time. However, I would rather have these bottles in the back rooms of my stores, even though crowded, than litter along our highways and beaches.—John Piacentini.

EXHIBIT 2

[From the Oregon Journal, 1975]

CLEANING UP AMERICA

(By Doug Baker)

John Piacentini, owner of the Plaid Pantry market chain, is once again backing up his anti-litter posture with hard cash as well as mere words.

Piacentini, the GOP candidate in the 3rd District congressional race last year, was one of the pioneers of Oregon's bottle bill. His Plaid Pantries were buying up empty bottles and cans long before bottle and can deposits became state law.

Effective this week Piacentini will buy billboards in the state capitals of the nation's 10 most populous states to spread the word on Oregon's bottle law.

In Albany, Sacramento, Denver, Austin, Lansing, Tallahassee and elsewhere Piacentini's billboards will proclaim: "Don't let anyone kid you—Oregon's bottle bill is working!"

Under the main line of the billboards there'll be a message inviting the skeptical to write John Piacentini, owner of 90 Plaid Pantry markets, for further information.

"I'm angry," said Piacentini last week. "I'm angry with all the industry propaganda against the bottle bill. This propaganda is unfair and misleading. It makes me mad."

Piacentini said that when he testified for U.S. Sen. Mark Hatfield's national bottle bill in Washington, D.C., there were so many glass industry lobbyists testifying against it that he felt "like a pea in the ocean."

The grocery chain owner said he is one of the few persons in the industry in favor of recycling bottles. "It just may help people to know that somebody who can't be called an 'environmental freak' is for such laws," he said.

Snorted Piacentini: "I've even heard a grocer say the bottle bill was a failure 'because people are bringing back more bottles than we're selling." '

"How can they call that a 'failure?' " he asked. "It seems to me pretty good evidence that in spite of a little inconvenience to the retailers the bottle law is a success."

[From the Oregon Journal, Nov. 24, 1975]

FIGHT FOR BOTTLE BILL HITS ROAD

(By Doug Yocom)

John Placentini was angry.

He, and a lot of others, worked for passage of Oregon's bottle bill in 1971. To Piacentini, the owner of the Plaid Pantry stores, the bill is a tremendous success.

But opponents such as the bottle and can manufacturers were fighting bottle bill legislation in other states. Their message: Oregon's bottle bill was proving to be a failure.

Earlier this year therefore, Piacentini bought billboards in 10 state capitals where bottle bill fights were in progress. Piacentini's message:

"To the people of (state). Don't let anyone kid you . . . the Oregon bottle bill is working."

The boards suggested anyone interested in additional information write Plaid Pantry. About 400 people did.

The billboards cost Piacentini about $8,000. The amount is symbolic of the Plaid Pantry store owner's support for the legislation requiring two to five cent refunds on beer and soft drink bottles and cans.

The legislation doesn't affect the Plaid Pantry stores much economically, although handling and storing empties is "more of a problem than not," Piacentini said. Beer and soft drinks accounted for 27 percent of Plaid Pantry's business before the bill and the same percentage after the legislation.

As a businessman who handles bottles in his stores and still backs the legislation, Piacentini hoped other businessmen would realize that bottle bills are "not as bad as some people make out."

So far only three states—Oregon, Vermont, and South Dakota—have passed legislation requiring refunds. Piacentini predicts that "in two to five years" a national bottle bill will pass.

Among bottle bill supporters, Piacentini ranks as a strict constructionist. He sees the bill as an anti-litter measure and, only secondarily, says it also encourages recycling. He doesn't favor extending to wine and whisky bottles, which he says are not part of the litter problem except along Skid Road.

If Oregon were to repeal its bottle bill, which Placentini doesn't propose, he doubts that Oregon citizens would regress to their pre-1971 littering habits. The bottle bill has taught them a lesson, he believes.

"Oregonians can't help but notice how much better their roadsides look," he said.

[From the Klamath Falls (Oreg.) Herald & News, Dec. 18, 1975]

GROCER TOOK IT PERSONALLY

(By Rick Miller)

PORTLAND.—John Piacentini serves as a glittering example of what can happen when a person decides to take something personally.

Several years ago, Piacentini battled the giants of the bottle and can industry over the use of the non-returnable, throwaway container in Oregon. The Portland grocery store owner was convinced that this type of container was a major source of highway litter and, to prove it, he announced, in 1970, that his Plaid Pantry stores would buy back all containers, both bottles and cans, for one-half cent apiece.

It was the first privately financed, anti-litter drive in the country and produced an avalanche of bottles and cans.

In a single, 14-day period, Oregonians returned 3.5 million containers, including some whose markings indicated they were at least 20 years old.

The following year, Oregon became the first, and presently one of only three, states in the nation to enact bottle bill legislation providing for the now familiar deposit and refund on many types of bottles and cans.

The story was well chronicled in the early 1970s, but received an update this past summer when Piacentini, at his own expense (about $8,000) purchased billboard advertising in 10 cities around the nation whose states are considering bottle bill legislation of their own.

SIMPLE MESSAGE

The message on the billboards was short and simple:

"To the people of (state). Don't let anyone kid you . . . the Oregon Bottle Bill is working."

The boards also invited interested parties to contact him personally for further information.

Piacentini says he took the billboards in order to counter the statements still being put out by the bottle and can industry in an effort to discourage any more states from enacting bottle bill legislation.

He selected billboards in state capital cities because they would create a lasting impression before state legislators who would see them day after day.

"I took those billboards for the same reason I got involved in this thing back in 1969," says Piacentini. "The industry is spreading misinformation about what will happen if we have a national bottle bill in pretty much the same way they tried it here in Oregon several years ago. It made me mad then, and it makes me mad now. I felt I had to respond to it."

Because Piacentini not only wanted to do something about it, but did do something about it, he has been selected to receive a Keep Oregon Livable Salutes certificate, that series of awards, to honor those individuals and private citizen groups who have made a personal, voluntary contribution to the livability of this state.

TESTIFIED

It was about one year ago that Piacentini received another first hand look at the container industry's approach to the bottle bill issue. The opportunity came when he was asked to testify, in Washington, D.C., before

Oregon Sen. Mark Hatfield's Senate subcommittee regarding a national bottle bill.

"I couldn't believe the things those industry people were saying at the Hatfield hearing," says Piacentini. "They said that prices were high, that people were not buying beverages because they couldn't get what they wanted, and that the highways and countryside were strewn with bottles and cans because the poeple won't return them, and a new wrinkle, that bottle bills create massive unemployment."

Despite the industry's claims in Washington, D.C., and elsewhere, Piacentini has received over 400 positive responses to his billboard advertising asking for information on Oregon's bottle bill. He answers each of them personally.

"The problem is," says Piacentini, "that you know and I know the truth of the matter. We can see our highways are clean. But people in other states are not aware of these facts, and if they accept the material put out by the bottle and can industry as fact, they will never pass bottle bill legislation of their own."

"That's the reason I took those billboards," says Piacentini. "To let the people in other states know that the bottle bill is good, and is working."

[From the Portland (Oreg.) Daily Journal of Commerce, Dec. 29, 1975]

POSITIVE STEP FOR LIVABILITY

(By Robert G. Swan)

The "Keep Oregon Livable" campaign was established as a non-profit organization to promote interest and concern in maintaining Oregon's livability. Dick Montgomery Jr, director of McCann Erickson's public relations division, calls attention to a new target for the livability campaign, established during Tom McCall's second term as governor. "Bob Straub is pledged as governor to carry on the KOL program," Montgomery tells you, "but he also has approved a significant change in approach. Instead of dwelling on 'What Oregonians should do . . . ', the thrust will now be, 'What private citizens are doing'." It is a positive approach, for certain. The first individual anti-litter success story is of a man who certainly deserves recognition as a citizen doer. His story is told by Rick Miller, who describes Portlander John Piacentini as a glittering example of what can happen when a person decides to take something personally. "Several years ago, Piacentini battled the giants of the bottle and can industry over the use of the nonreturnable, throwaway container in Oregon. The Portland grocery store owner was convinced that this type of container was a major source of highway litter and, to prove it, he announced, in 1970, that his Plaid Pantry stores would buy back all containers, both bottles and cans, for one-half cent apiece.

"It was the first privately financed, antilitter drive in the country and produced an avalanche of bottles and cans. In a single-14-day period, Oregonians returned 3.5 million containers, including some whose markings indicated they were at least 20 years old. The following year, Oregon became the first, and presently one of only three, states in the nation to enact bottle bill legislation providing for the now familiar deposit and refund on many types of bottles and cans.

"The story was well chronicled in the early 1970's, but received an update this past summer when Piacentini, at his own expense (about $8,000) purchased billboard advertising in 10 cities around the nation whose states are considering bottle bill legislation of their own. The message on the billboards was short and simple: 'To the people of (state). Don't let anyone kid you . . . the Oregon Bottle Bill is working.' The boards also invited interested parties to contact him personally for further information.

"Piacentini says he took the billboards in order to counter the propaganda still being put out by the bottle and can industry in an effort to discourage any more states from enacting bottle bill legislation. He selected billboards in state capital cities because they would create a lasting impression before state legislators who would see them day after day.

"I took those billboards for the same reason I got involved in this thing back in 1969," says Piacentini. "The industry is spreading misinformation about what will happen if we have a national bottle bill in pretty much the same way they tried it here in Oregon several years ago. It made me mad then, and it makes me mad now. I felt I had to respond to it."

"Because Piacentini not only wanted to do something about it, but did do something about it, he has been selected to receive a Keep Oregon Livable Salutes certificate, that series of awards, sponsored by Gov. Bob Straub, to honor those individuals and private citizen groups who have made a personal, voluntary contribution to the livability of this state. It was about one year ago that Piacentini received another first hand look at the container industry's approach to the bottle bill issue.

"The opportunity came when he was asked to testify, in Washington, D.C., before Oregon Sen. Mark Hatfield's senate subcommittee regarding a national bottle bill. 'I couldn't believe the things those industry people were saying at the Hatfield hearing,' says Piacentini. 'They said that prices were high, that people were not buying beverages because they couldn't get what they wanted, and that highways and countryside were strewn with bottles and cans because the people won't return them, and a new wrinkle, that bottle bills create massive unemployment.'

"Despite the industry's claims in Washington, D.C., and elsewhere, Piacentini has received over 400 positive responses to his billboard advertising asking for information on Oregon's bottle bill. He answers each of them personally. 'The problem is,' says Piacentini, 'That you know and I know the truth of the matter. We can see our highways are clean. But people in other states are not aware of these facts, and if they accept the material put out by the bottle and can industry as fact, they will never pass bottle legislation of their own. 'To let the people in other states know that the bottle bill is good, and is working.' " The same might be said of John Piacentini.

[From the Oregonian, 1975]

BOTTLE BILL CUTS LITTER

A new study of Oregon's bottle bill shows litter from beer and soft drink containers down 83 per cent during the law's second year of operation.

The study was made by Don Waggoner, past president of the Oregon Environmental Council, and released at the national convention of the American Association for Conservation Information at the Sheraton Motor Inn.

Waggoner said the study was drawn from figures compiled by the Highway Department over a three-year period, beginning a year before the bottle bill was passed.

There were 30 one-mile sections of highways in Western Oregon selected at random, Waggoner said, and litter was picked up and counted by highway department personnel.

Over-all roadside litter was down 39 per cent by piece count and 47 per cent by volume, Waggoner said.

Oregon's law, the first of its kind in the nation, became effective in October 1972 and bans pulltab cans and requires a deposit on all soft drink and beer containers.

Waggoner's report said there was no increase in antilitter enforcement or in litter pickup expenditures.

Beer prices in Oregon were slighly higher than in neighboring Washington, which does not have such a law, the report said.

[From the Washington Post, 1975]

TWO COUNTIES VOTE BOTTLE, CAN LAWS

(By Jane Seaberry and Alice Bonner)

The Montgomery County Council yesterday overrode County Executive James P. Gleason's veto of an ordinance requiring a tax on throwaway beverage containers.

In a similar action, the Fairfax County Board of Supervisors late Monday night enacted an ordinance that bans "pull-tab" metal cans and eventually will require stores to pay refunds on all beverage containers returned to them by consumers. The ordinance was adopted despite some supervisors' expressed concern that the law might later be overturned by Virginia courts.

Loudoun County passed a beverage container refund system four years ago, but legal challenges to it are still pending in the county's Circuit Court. Similar legislation in Bowie has been upheld in the courts.

In all four jurisdictions, the ordinances require that stores eventually give refunds to customers who return beverage containers. Most stores now already give refunds on returnable beverage containers.

Proponents of the container laws have said that the requirement that stores pay refunds on the throwaway containers would act as a deposit system because beverage producers would likely raise the price of their products to cover the refunds. This, they claim, would in turn deter consumers from buying beverages in throwaway containers.

Consumers in Montgomery will be required, starting next March 1, to pay 4 cents on containers 16 ounces or less and 9 cents on those more than 16 ounces. The money collected will be used by the Montgomery County Government.

Stores in Fairfax would be required to pay at least 5-cent refunds on beverage containers, but the Fairfax ordinance does not take effect until jurisdictions with a majority of the Washington-area population approve similar legislation.

The ordinances are based on a draft beverage container law by the Metropolitan Washington Council of Governments (COG) to control litter and save energy through the recycling of beverage containers. COG is requesting passage of the ordinance in each of 16 Washington-area jurisdictions in hopes of obtaining control of the container litter problem throughout the region.

In an override message given to Gleason, Montgomery County Council President Norman L. Christeller said the Council members, who voted 6 to 1 to override the veto, disagreed with Gleason's contention that the tax creates "a serious economic impact on consumers."

Christeller agreed with Gleason that the tax will have some economic impact on small businesses, especially those located near Prince George's County and the District of Columbia, which have yet to adopt COG's model ordinances. However, he said the tax will present merchants with a challenge: "Rather than losing business to a cheaper throwaway price elsewhere, they can show customers that returnables are even cheaper."

Some container industry representatives in Montgomery County had said the tax is restrictive and places its greatest impact on small retailers. Montgomery Council members have said they expect manufacturers to stop marketing the disposable containers.

The Fairfax supervisors said they were concerned with the possibility of a challenge to their ordinance if the Loudoun legislation is overturned by the courts.

"I hate to see this body continually make decisions that do not lend their credibility to the public," said Fairfax Supervisor John F. Herrity (R-Springfield), one of two opponents of the ordinance. Herrity and Joseph Alexander (D-Lee) wanted to defer the action until the Loudoun case is decided. The supervisors approved the measure, 7 to 2.

The Montgomery tax is set to end Dec. 31, 1977. It was created as an interim measure while the beverage industry, consumers and neighboring jurisdictions prepare for area-wide control of all beverage containers. Under the Montgomery ordinance, the tax would be replaced in 1978 by a mandatory refundable deposit of at least 5 cents on all beverage containers, whether now returnable or not.

The Fairfax bill will take effect after the majority of the population in COG member jurisdictions have adopted a similar ordinance, but not before July 1, 1977.

Oregon was the nation's first state to enact a tax on non returnable beverage containers and many other states and municipalities have debated the issue.

[From the Washington Star, Aug. 27, 1975]

The People Versus the No Deposit No Return Lobby

(By Susan Axelrod)

Leesburg, Va.—They sat on cold, metal chairs in a country courtroom—a dozen lobbyists and corporate executives in pin-striped suits, fidgeting with gold pocket watches and waiting to testify in a lawsuit testing the legality of mandatory deposits on beer cans and soda bottles.

The men in the fancy clothes used grandiloquent words, a mixture of corporate jargon and legaleses.

The county folk, dressed in sagging polyesters and shuffling in their seats while the testimony on Loudoun County's four-year-old ordinance droned on, spoke as plainly as if they were chatting across a backyard fence.

"We're simple folk here," said Agnes Harrison, president of Keep Loudoun Beautiful and one of the most determined witnesses at the hearing. "It's tough to come up against these lobbyists and cola people. It's big business against little old us."

Six-packs of canned orange juice and Fruity Juicy-Red Hawaiian Punch, bottles of Ho-Ko Chocolate Flavored Drink were on the courtroom floor, evidence to be entered in the case that brought these high-salaried men to this sleepy county seat.

They came to represent Reynolds Metals—one of the largest manufacturers of pop-top cans—the United States Brewers Association, and the cola triumvirate—Pepsi-Cola, Coca-Cola and Royal Crown Cola.

In May 1971 the Loudoun County Board of Supervisors passed an ordinance requiring a mandatory deposit on soft drink and beer containers—both bottles and cans—that it hoped would cut the county's litter.

It was to go into effect in January 1972, but it was enjoined by a judge in a suit brought by three retail grocers, two drink distributors and Coca-Cola, Pepsi-Cola and Royal Crown.

The suit charged the ordinance was unconstitutional and that a mandatory deposit on cans and bottles would have "no substantial relationship to the control of litter."

Those in favor of the ordinance say that a mandatory deposit would definitely reduce the drifts of cans and bottles along the county's roads. The supervisors have not yet set a price on deposits.

Agnes Harrison took the stand yesterday and, looking Judge Carlton Penn in the eye, told how her organization picks up "bags and bags" of bottles thrown by the side of the county's winding, country lanes.

"It's pitiful. We go out every spring to pick up bottles and cans. It never gets any better." Mrs. Harrison spoke in a crisply pronounced rural Virginia tone.

Outside the courtroom, at a nearby grocery store, Mary Carico said she and her son pick up littered bottles, too. "We pick up sackfuls, and you very rarely see returnable bottles among the mess. It's usually those non-returnable ones."

Anheuser-Busch (Budweiser Beer) vice president Frank J. Sellinger, who flew to Leesburg from St. Louis to testify, said a mandatory deposit is "a service that is going to add cost to the product.

"Besides, people these days don't bend over when they drop a nickel, what makes you think an irresponsible person is going to avoid throwing away a bottle for 2 cents?" he said, adding that it is more profitable to deliver cans than returnable bottles because room must be left vacant on trucks leaving the warehouse to pickup empty returnable bottles.

The pro-deposit coalition cites the state of Oregon as an example of reduced litter due to a mandatory deposit of 2 cents on refillable bottles and 5 cents on non-refillable bottles and cans. Oregon's law went into effect three years ago.

In a recent interview with The Star, Oregon Gov. Robert W. Straub said the result has been "a very noticeable cleanup of litter along our highways, lakes and recreation areas." Furthermore, Straub said, jobs have been created in grocery stores to handle the returned bottles.

County residents were reserved in their optimism about the outcome of this week's hearings. Penn is expected to rule today or tomorrow on the ordinance.

Both Fairfax and Arlington Counties are awaiting the outcome before acting to require a deposit on beverage containers in their jurisdictions.

A recent decision by the Maryland Court of Appeals upheld the city of Bowie's ordinance requiring a 5-cent deposit on soft drink and malt beverage containers and the Montgomery County Council is meeting tonight to decide which of four mandatory deposit proposals it should adopt.

Following a mid-morning recess yesterday, many persons seated in the stuffy courtroom walked to a soft drink machine in the hall for a cool drink.

"Remember folks," said the good-natured bailiff, "all pop bottles must be returned to the machine."

UKRAINIAN INDEPENDENCE DAY

Mr. BEALL. Mr. President, today marks the 58th anniversary of the proclamation of a "free and sovereign" Ukrainian republic. That proclamation, issued on January 22, 1918, by the National Rada—council or parliament—culminated a prolonged struggle by the Ukrainian people against Russian domination. The collapse of the tsarist government, in the face of internal unrest and repeated battlefield defeats at the hands of Imperial Germany, gave the Ukrainian patriots the opportunity to free their country from Russian hegemony.

The fierce independence of the Cossacks of the Ukraine has long been a prevailing part of this region's history. These proud warriors were the inhabitants of a rich and fertile plain which occupied the main invasion routes for all the major powers in Central and Eastern Europe.

In 988 the local Ukrainian ruler—Knez or Duke—St. Vladimir, accepted christianity from the Byzantine Empire to the south. Byzantium was to play a major role in shaping the early culture and customs of the people of this area. At that time the Ukrainian state was relatively small and centered around the city of Kiev. Throughout the 11th and 12th centuries, the Kievan principality expanded its territory to the north and the west. In 1237 the Tatar's swept across Asia and occupied Kiev. This invasion was only the first of many, the very name "Ukraine" reflects in part of nature of the problem.

It is apparently derived from the term "Ukraina"—U-"at" and Kraj—"land" or "border"—this fertile region with its sparse population was a hotly contested buffer zone between numerous rival powers. The Ukrainians had to deal with the Russians to the north and east, the Ottoman Empire to the south, Austria-Hungary to the west, and Poland/Lithuania to the northwest. The History of the Ukraine is marked by almost constant warfare among these rival powers, usually fought on Ukrainian soil. In May of 1652, the Rada asked tsar Alexius' protection and assistance during renewed hostilities with Poland. The Russian Ruler, who called the Ukraine "Malo-Rossiya"—little Russia—was more than willing to extend his "protection" to the region. On October 11, 1653, the Moscow Council of State formally approved the agreement and on January 18, 1654, a ceremony took place whereby the local leaders submitted the Ukraine to "the tsar's hand." Through countless conflicts since, the Russians have always considered the Ukraine to be part of Greater Russia.

As Tsarist Russia grew in power and size its ability to defend and subjugate the Ukrainian people increased. All political, cultural, and/or academic organizations were suppressed in an attempt to destroy Ukrainian nationalism. A determined effort was made to make the Ukrainians into Russians—Russianization. In 1876 a czarist ukase forbid the use of Ukrainian language in schools, books, or journals. This brutal repression of Ukrainian culture continued until 1905, when widespread disorders shook the czarist government of Nicholas II to its very foundations. Among the reforms granted in the face of this rebellion was the restoration of the use of Ukrainian language in schools and publications. From 1905 to 1914, conditions generally improved throughout Imperial Russia.

World War I brought war and destruction to the Ukraine but it also gave the region its one brief moment of freedom from foreign rule. The collapse of the czarist regime in Petrograd in March of 1917, brought to power a weak provisional government which struggled to gain effective control over the sprawling Russian Empire; while at the same time, continuing the war against Germany. In this uncertain environment, the Ukrainian national movement surfaced in an effort to establish an independent state. In April of 1917 the National Ukrainian Congress convened in Kiev and elected a central **council**—Rada—headed by the prominant Ukrainian scholar Myhaylo Hrushevsky. On June 23 the Rada proclaimed an autonomous republic within the Russian federation. Hrushevsky became President of the new republic, Volodymir Vinnichenko became Premier and Simon Petlyura the War Minister.

On November 20 the Rada announced plans to convene a freely elected Ukrainian Constituent Assembly. The new communist government in Russia paid lip service to the right of secession for national minorities but responded to the growing Ukrainian independence movement by establishing a puppet Ukrainian Soviet government. On January 22, 1918, the Rada proclaimed a "Free and Sovereign" Ukrainian Republic.

Continuing hostilities with Gemany, an aggressive program of communist subversion, and the turmoil of the Russian civil war engulfed the Ukraine.

The nationalist government never had a chance to consolidate its position and communist forces ultimately invaded and occupied the rich bread basket of Eastern Europe. On December 28, 1920, Lenin and Khristian Rakovski—leader of the communist "government" of the Ukraine—signed an act of incorporation which effectively ended this brief moment of Ukrainian independence.

The last two generations of Ukrainians have had to live under the oppressive yoke of Moscow's communist rule. The brutality of Joseph Stalin was frequently vented on the people of the Ukraine. Even local communist leaders were not immune to Stalin's wrath. Two Ukrainian Premiers and countless lesser officials were executed during the infamous purges of the 1930's.

It is a great compliment to the Ukrainian spirit that two generations of communist repression have failed to crush the desire to be free. The torch of freedom still burns within the hearts of the Ukrainian people. By celebrating the 58th Anniversary of Ukrainian independence we can hold out the hope that they have not been forgotten. To Americans in particular, January 22 marks a time each year for us to reflect on just how precious, valuable, and fragile liberty is and how important it is all of us to be vigilant in the defense of freedom.

U.S. INTEREST IN SELF-DETERMINATION FOR MICRONESIA

Mr. PERCY. Mr. President, at a recent meeting of the Foreign Relations Committee, I voted to recommend that the Senate approve the Commonwealth Covenant of the Northern Marianas Islands (H.J. Res. 549). This matter will come to the floor of the Senate sometime in the near future. I believe that it deserves the careful attention it has received by the Interior, Foreign Relations, and Armed Services Committees, because it helps to define our future political relations with the people of our present Trust Territory of the Pacific Islands, Micronesia.

I believe we should warmly welcome the decision of the people of the Northern Marianas Islands to seek self-determination within the U.S. family. By the same token, we should welcome the recent achievement of the other peoples of Micronesia in drafting their constitution. This will, in all likelihood, lead to a different form of association with the United States than that chosen by the Marianas.

Self-determination for all the peoples of the trust territory is long overdue—and a necessary basis for stable relations between the United States and this large region of the Pacific in the future. Thus, it is an important means of demonstrating to Japan and other nations that we intend to maintain our position in the Western Pacific.

DAVID BRUCE: A GREAT AMBASSADOR

Mr. MATHIAS. Mr. President, the United States is extremely fortunate to have been represented by Ambassador David Bruce in one capacity or another over a period of half a century. As he retires from his latest post as Ambassador to NATO he should receive the renewed thanks of the Congress and the American people for a unique career of public service.

In a perceptive column in today's New York Times, C. L. Sulzberger has paid a moving tribute to Ambassador Bruce and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A GREAT AMBASSADOR RETIRES

(By C. L. Sulzberger)

THE HAGUE, THE NETHERLANDS.—The United States has been astonishingly well served by its ambassadors during the postwar period, despite an unfortunate habit of stuffing the roster with political has-beens or fat-cats and despite occasional Congressional tendencies to kick around career diplomats or pennypinch their expense allowances.

In an era marked by Senator Joe McCarthy's bullying and Foster Dulles's inability to distinguish loyalty to him from national security—an era marked by a deep sag in State Department morale—the country managed by some miracle to enlist several outstanding envoys unmatched elsewhere.

The noncareer Averell Harriman and Ellsworth Bunker served (and serve) so long that they became more expert than the experts. The late Chip Bohlen and George Kennan were professionals admired by Washington's friends and adversaries the world around. David Bruce, who belongs to each school, is a credit to both.

Today marks the official retirement of Ambassador Bruce, aged 78, just fifty years after he joined the U.S. Foreign Service as vice-consul in Rome, a position he held only until 1928 when he retired from that profession to business and farming. When the Office of Strategic Services was created, Mr. Bruce joined, became its European theater director (as a colonel) and thereafter devoted his life to the nation.

He headed the Marshall Plan mission to France, the U.S. mission to the European communities, represented Washington at Vietnam peace talks, and was also Under Secretary of State. But he is best known for his singular ability as an ambassador, having served six Presidents as envoy to France, West Germany, Britain, China (head of the "liaison mission") and NATO, from which post he now steps down.

Ambassador Bruce's talents were those of the last eighteenth-century American gentleman. A tall, handsome, elegant man, erudite and immensely cultivated, he is a sportsman, knowledgeable about wine, furniture, food, fashion, books, philosophy, politics, war, impeccably courteous and infinitely humane.

While he was stationed in Bonn he used to sit around with Konrad Adenauer sipping Rhine wine and discussing Renaissance painting, on which the old Chancellor was expert. Adenauer said to me: "If you Americans can't send Bruce back here again, at least send somebody just like him."

Bruce was an intimate of Churchill, Eden, Macmillan and the leading French statesmen of the Fourth Republic. He had a fine working relationship with Chou En-lai. At NATO he was regarded as a kind of human monument.

His life was by no means staid and conventional. As Paris was being liberated in 1944, he and his friend Ernest Hemingway worked their way to the Ritz Hotel bar with a ragtag group of Free French and O.S.S. fighters. The manager asked Bruce if he wanted anything to drink. "Yes," he answered, "seventy martinis."

Over the years his observations have stood the test of time. In 1950, against Pentagon opposition, he advocated sharing America's secret weapons with our allies, arguing: "We do not plan any aggressive war, so even if the Russians learn their secrets, it won't matter to us. The Russians will have to learn them some day anyway."

He urged Churchill to back the European army project for rearming Germany. He criticized Admiral Radford for wanting to use nuclear weapons at Dien Bien Phu. He thought Adlai Stevenson would be a bad Secretary of State but an extremely good ambassador to the United Nations. He thought Britain's only future lay in Europe.

China always fascinated him. When President Eisenhower offered him the Indian embassy he declined, but said if China ever opened up, that's what he wanted. Had the Democrats won the 1956 elections, Bruce (a Democrat although he served Presidents from both parties) would have been anxious to go to Peking.

When eventually sent by President Nixon, he was fascinated by Mao Tse-tung, Chou (and above all the simplicity of Chou's life—except for a superb cuisine). Bruce used to quip: "China is capturing the third world at the banquet table."

He wrote one book, a study of the first sixteen U.S. Presidents, called "Revolution to Reconstruction." Of these, he told Eisenhower, the most effective were Washington and the two Adam's who had sought to represent the electors. Until he entered the White House, Lincoln (Bruce thought) had been a lazy, ambitious trimmer.

It is noteworthy that two of the three best Presidents for him were eighteenth-century figures (our age of quality) and the third belonged largely to that category. So does Ambassador Bruce.

BASEBALL GREAT BOB GIBSON

Mr. HRUSKA. Mr. President, a fellow Nebraskan, pitching great Bob Gibson of the St. Louis Cardinals retired from baseball last fall after an illustrious career.

He set many records while with the

Cardinals—both in the regular season and in the World Series. Bob Gibson was born in Omaha, attended Technical High School there and starred in both basketball and baseball at Creighton University.

He is truly a great athlete and a fine man who, as part owner of a radio station and a bank, has made many contributions to the Omaha community.

Mr. Gibson has kept all of his honors and accomplishments in their proper perspective, however. According to a recent newspaper story reflecting on his career, he said:

> I don't care if people remember my statistics, I only care what my loved ones and friends think of me. Besides, I don't think my baseball career is a true indication of me as a person.

Mr. Gibson recently was named to the Nebraska Sports Hall of Fame, which was started in 1951 by the Lincoln Evening Journal. I am sure it is not the only Hall of Fame in which he will be recognized.

This is not the first time he has been honored by his fellow Nebraskans. It was my great pleasure in 1965 to present Mr. Gibson with the Distinguished Nebraskan Award. This is an honor bestowed upon a Nebraskan who has excelled in his particular field, sponsored by the Nebraska Society of Washington, D.C. Bob Gibson certainly is regarded as one of the best pitchers in modern baseball history and would no doubt be a starter on any Nebraska baseball all-star team—Grover Cleveland Alexander, a native of St. Paul, Nebr., was not a bad hurler either.

So that my colleagues and others interested in the career of Bob Gibson may learn of his achievements, I ask unanimous consent that the article, "Baseball Great Gibson Joins Neb. Sports Hall," which appeared in the December 25 edition of the Lincoln Evening Journal, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BASEBALL GREAT GIBSON JOINS NEBRASKA SPORTS HALL OF FAME

(By Dave Sittler)

Singer Frank Sinatra may have turned "My Way" into a popular song, but baseball pitcher Bob Gibson has turned the lyrics into a lifestyle.

Gibson may have played the game of baseball as well as any man who ever pulled on a big league uniform. And he did it his way—with fierce pride, tenacious competitiveness, uncanny consistency, and style.

Living in Omaha, Gibson retired this fall after pitching the St. Louis Cardinals to 251 victories and two world championships during a brilliant career that spanned 17 years and lasted until age 39.

For his accomplishments, Gibson today becomes the 54th athlete to be inducted into the prestigious Nebraska Sports Hall of Fame, an honor inaugurated by the Lincoln Evening Journal in 1951.

RECORDS STAGGERING

To consider Bob Gibson's accomplishment's on a baseball diamond is a staggering task. They include:

The major league record for lowest earned run average by a pitcher working 300 innings, most years 200 or more strikeouts, a no-hitter against the Pittsburgh Pirates in 1971, five 20-victory seasons, a National League most valuable player award in 1968, two Cy Young Awards as the league's outstanding pitcher, and five appearances in All-Star competition.

But that's only a portion of his success. He also is credited with numerous records in World Series games including; most consecutive games won total series, most consecutive games won, most strikeouts in one game, three victories in the 1967 Series and an overall 7-2 mark in Series play.

Reflecting on his accomplishments with the Cardinals, Gibson acknowledged that his amazing statistics will be remembered by fans. But he indicated that the public's opinions don't concern him.

"I don't care if people remember my statistics, I only care what my loved ones and friends think of me," Gibson said. "Besides, I don't think my baseball career is a true indication of me as a person."

Bob Gibson, the man, was born Nov. 9, 1935, in Omaha's North Side, the black ghetto of Nebraska's largest city.

One of seven children of Pack and Victoria Gibson, he never knew his father, a mill worker who died of pneumonia a month before Gibson was born.

TOP MONEY

Gibson developed his God-given athletic talents and rose from a life of poverty to become one of the highest paid pitchers in major league history, commanding a nine-figure salary when he retired.

Even back in the days when he wore hand-me-down clothes and shoes with cardboard stuffed in the bottom to cover the holes, Gibson knew he would be a big league baseball player.

"I just always knew I would make it," Gibson said. "All kids have dreams, but most of them forget those dreams when they get to be 18 or 19 years old. I never forgot my dreams."

As good as he was in baseball, Gibson was almost as superb in basketball, starring at Omaha Technical High School and Creighton University.

"Basketball was my first love as a kid," Gibson recalled.

Gibson was good enough in the cage sport, that in 1957 he was asked to join an all-star team to play the Harlem Globetrotters, then appearing in Omaha.

GLOBETROTTERS IMPRESSED

Gibson and his teammates defeated the Globetrotters, something that rarely occurs, and the Globetrotters were so impressed with Gibson that they signed him to a contract after he finished school.

"I only played with the Globetrotters to help financially during the winter months between baseball," Gibson said.

Gibson reported to spring training with the Cardinals in 1958, and the racial prejudice he found there, still are the saddest memories of his baseball career.

"I guess I thought prejudice against blacks only occurred in Omaha before I went to spring training," Gibson said. "When the blacks were forced to sleep in separate housing from the whites, I found out that prejudice existed everywhere."

Gibson said prejudice against black men still exists in baseball, only "times have changed and things are a little more sophisticated."

It's because of racial prejudice that Gibson feels he never will be a major league baseball manager.

"My chances of being a manager are nil," Gibson said. "It took 100 years to get one black manager (Frank Robinson of the Cleveland Indians) and it will take another 100 years to get another.

"I'm not bitter when I say that, you people always think blacks are bitter when all I'm doing is stating facts."

FOND MEMORIES

Despite the racial prejudice that Gibson found in baseball, he recalls fond memories of his days in St. Louis, playing with such greats as Stan Musial, Curt Flood, Bill White, Kenny and Clete Boyer.

Not one moment, but a whole season, sticks out in Gibson's mind as his greatest achievement in baseball. It also points to the consistency of the strapping 6-1, 193-pound, righthanded Gibson.

"I'll always remember 1968, the whole year," Gibson said. "It was a phenomenal year."

In 1968, Gibson pitched in 34 games and 305 innings. He had a 22–9 won-lost record for a .710 percentage. He struck out 268 batters and his 1.12 earned run average is the major league record for lowest ERA by a pitcher working 300 or more innings. He beat 31-game winner Denny McLain of the Detroit Tigers in the first game of the World Series, setting a Series mark of 17 strikeouts in one game. He beat the Tigers a second time before losing the seventh game to Mickey Lolich partly because centerfielder Curt Flood misjudged a fly ball in a key situation. He won both the Cy Young Award and the National League's Most Valuable Player Award.

A STAR

"You can't be lucky over the full season," Gibson told a sportswriter that season. "Consistent high performance is the mark of a star."

Of his retirement, Gibson says, "my decision to quit was a combination of things. I had played for 20 years and my knees and legs were bad. I'm going to miss the friends I made and I enjoyed the competition."

A part owner in Omaha radio station KOWH, and an Omaha bank, Gibson has plenty to keep him busy, but he also is eyeing a job on the ABC–TV broadcast team which will do Monday night baseball next summer.

"I really would like to get into broadcasting," said Gibson, who has an extensive broadcasting background, as a commentator for Creighton basketball games and New York Nets basketball. "I've been to New York for a couple of auditions and talked to the top guns at ABC.

"People seem to pop up everyday and get broadcasting jobs so easily, but not me. "I've been working my butt off trying to get one."

Gibson says he won't miss the spotlight that a sports superstar enjoys and endures.

"Everyone enjoys having people know who they are," Gibson said. "But I was never one who liked being in the spotlight.

"I am one of those persons who doesn't like people to get so close to me they can touch. I'm not going to miss the spotlight one bit."

Gibson also says he doesn't take time to think about being inducted into baseball's Hall of Fame.

"The Hall of Fame is a fine thing," Gibson said. "But it's just not something that I think about, not at all."

Whether he thinks about it or not, Bob Gibson will make the trip to Cooperstown and the baseball shrine, just as he made the Nebraska Sports Hall of Fame today.

His credentials are superb and priceless for both honors. And he achieved those credentials his way—with style.

ADDRESS BY TREASURY SECRETARY WILLIAM E. SIMON BEFORE THE SOUTH CAROLINA STATE CHAMBER OF COMMERCE

Mr. THURMOND. Mr. President, at the annual meeting of the South Carolina State Chamber of Commerce in Columbia, S.C., on January 20, Secretary of the Treasury William E. Simon delivered an outstanding address which is of importance to the entire Nation.

In this address he clearly espoused the type of governmental policy which will strengthen our conomy, create more jobs, and rekindle the spirit of free enterprise. He assessed the very bigness of government and found it wanting. Indeed, he reviewed the growth of Federal spending programs, particularly those created in the 1960's, with the inevitable conclusion that they have created more problems than they have solved.

For example, jobs are the creation of capital investment and capital investment is dependent upon the incentive of profit. This simple economic maxim cannot be denied and the effect of big government is to stifle this economic process. First, taxes are too high and reduce the ability of people to buy and spend and invest. Second, Government budget deficits are far too large and absorb entirly too much of the borrowable money in the country. Furthermore, it leads to ever growing inflation, cheapening the dollars upon which every American depends.

Mr. President, the address by Secretary Simon was like a ray of light to beleaguered citizens who have struggled with the legacy of an overregulated and overwrought economy. In order that my colleagues may have the opportunity to read this excellent address on national policy and economic sense, I ask unanimous consent that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

ADDRESS BY THE HONORABLE WILLIAM E. SIMON

Nothing could give me greater pleasure than to return today to an area of the country that has gained a warm spot in my heart. In fact, if I were feeling any better about being here, the Congress would probably pass some sort of law against it.

When I first came to Washington about four years ago, I was told that there were two kinds of people in the Capitol who usually make good sense: Republicans and Southerners. Every once in awhile, some Republicans wander off the reservation, but the Southerners haven't disappointed me once.

My pleasure in being here is certainly enhanced by the honor of an introduction from a man who is not only a leading Southern spokesman but also a leading Republican, Senator Strom Thurmond. As I am sure all of you know, Strom has recently become the proud father of another baby boy, Paul Reynolds Thurmond. Strom tells me that this child—the fourth—completes his family, but I am sure he is still near the beginning of a long and happy marriage.

Strom Thurmond and Jim Edwards, your distinguished governor, have done more for South Carolina than almost any previous elected officials than I can think of. South Carolina should be proud of them, because I know you are proud of the fine State they have helped South Carolina to become. I know that I am very proud to be able to say that both are dear personal friends.

After opening remarks like that, you may think I qualify as a second Luther Hodges. But it's all true, and I'm happy to give you the credit you deserve.

I also must compliment you on your sense of timing for this speech. As you know, President Ford delivered his State of the Union address last night. Tomorrow, he will send his budget to the Congress, containing economic forecasts and projections for the next several years. And this coming Monday, he will submit his annual Economic Report to the Congress, discussing in much greater detail the economic outlook for the future. So I appear before you today at precisely the time that Washington is kicking off the annual battle between the President and Congress on what we should do and where we should be heading during the coming year.

In all of the material that will be flowing forth from the White House during this period, one point will be abundantly clear: we believe that the first and foremost task of this Nation in 1976 is to restore the vitality of our economy. We are encouraged by the progress that was made during 1975:

As you will recall, the year 1975 opened with inflation raging at 12%; we have cut that rate nearly in half—to about 7%.

During the spring of 1975, the unemployment rate reached 9.2%; today it hovers at 8.3%.

Two thirds of the jobs lost during the recession have now been restored.

During the third quarter of 1975, we registered the biggest single jump in the GNP in 25 years and preliminary reports show that the fourth quarter was also a strong one.

There are many other indices of an economy that is regaining its health—higher industrial production, growing retail sales, and a very bullish stock market.

Thus we made considerable headway in 1975, and we will make even more in 1976. But this is certainly no time for complacency. The unemployment rate is far higher than we can tolerate. And inflation is by no means under control. In fact, it remains the most dangerous enemy of future economic growth, and we must do nothing to unleash another inflationary spiral. The ruinous inflation of 1974 was the chief cause of the severe recession of 1975; if we embark once again upon excessive fiscal and monetary policies resulting in double digit inflation, I will guarantee an even worse recession than before. Please let us not permit the pain and suffering of the 1974–75 recession be in vain.

There will be a tendency in Washington in 1976, especially as the elections draw closer, to look with great alarm upon the current unemployment figures and inflation figures. You are going to hear a great deal of rhetoric in coming months about the so-called indifference of this Administration to push hard enough, to spend enough, to act decisively enough in solving our problems. We must not fall prey to those who offer us instant cures—the so-called compassionate people who promise us everything, but deliver us only one thing: inflation.

In judging this matter, I urge that you step back for a moment and ask yourselves a few basic questions:

How is it that the richest and most powerful country on earth could wander into this economic quagmire?

How could the most dynamic economic system in the world become infected with the diseases of both inflation and uemployment at the same time?

Indeed, where did we lose our way as a people?

I believe it is essential to decide how we got into this mess before we can really determine the best way to get out. Otherwise, we may just become more deeply mired. Economists argue about this a good deal, but to me, there is no real mystery about how we got here, nor what we must do.

It is clear, for instance, that the economic and social problems of today do not spring from a lack of concern in Washington. In the 10 years after President Eisenhower left office, the Congress increased the number of domestic spending programs from about 100 to over 1,000.

It is also clear that we have not failed from a lack of compassion. Since 1960, this Nation has spent over one trillion dollars on social programs to support people and communities that needed help. The compassion and generosity of the American people should not be in question.

Nor can we say that our problems stem from a lack of trying to control the business cycle. In the 1960s, it was popular to believe that the Government could fine tune the economy and abolish the ups and downs of economic growth. And we tried to do that with the tools of fiscal and monetary policy, making one adjustment after another.

Nor do our troubles result from a lack of effort on the part of the Government to control business—big and small. Today we have an army of more than 64,000 Government employees whose mission is to regulate and control almost every activity of the private sphere.

Nor have we had any lack of vision from our leaders. The staple of Washington life has become the politician with grand visions and even grander promises of what can be accomplished if he can spend more of our money or can be given greater authority over our lives.

So, over the past 10–15 years, the Government has tried many, many solutions. Yet the problems persist, and our people grow frustrated and disillusioned.

Does this mean there are no answers? Not at all. What it means, I would suggest, is that we have been taking fundamentally the wrong approach. We suffer not from a lack of Government action, but from an excess of Government action.

The trouble with the Federal Government is that it is trying to do more than its resources permit, to do many things that it cannot do very well, to do some things that it should never do at all, and to do all these things at the same time. That just does not make common sense.

Excesses in the Government have been most apparent, I would suggest, in three critical areas affecting the economy:

Fiscal policy;

Monetary policy; and

Regulatory policy.

No one who has followed the pattern of Federal spending in recent years can fail to be impressed by its explosive growth.

The Federal budget has quadrupled in 15 years;

We have had 16 budget deficits in 17 years;

And we have doubled the national debt in just 10 years time.

The Federal Government today is the Nation's biggest single employer, its biggest consumer, and its biggest borrower. And if present trends continue until the end of the century, government at all levels could account for almost 60% of our gross national product. Let there be no doubt that if Government ever becomes such a dominant part of our society, our economic freedoms will disappear, and when we lose them, our political freedoms will not be far behind.

Partly to accommodate the Federal Government's borrowing needs in the private markets, there has also been a less noticed equally significant shift in monetary practices. From 1955 to 1966, the money supply of the United States was growing at approximately 2½ percent a year, and we enjoyed relative price stability. From 1965 to the present, however, the average rate of growth has more than doubled, and it is no accident that during this most recent decade we have also had spiraling inflation.

This past decade has also seen unparalleled growth in the regulatory apparatus of the government. Regulatory agencies of the government now exercise direct control over 10 percent of everything bought and sold in the United States and indirectly control over almost every other sector of the private economy.

Whenever I start talking about the bureaucracy in Washington, I am reminded of a remark by Pope John. The Pope was entertaining a visitor once who asked him: How many people work in the Vatican? The Pope thought for a second and said "About half." Well, that's usually true in the bureaucracy too. But the Federal regulators are a different breed of cat—they seem to work harder than anybody else in Washington, and the results show. I'm told that American people now spend over 130 million work hours a year filling out Federal forms. That, too, just doesn't make good common sense.

The regulatory process has now become so burdensome, especially for small businesses, that it is threatening to strangle much of free enterprise in red tape. Even Ralph Nader agrees. "If there is any one thing worse than GM producing cars," he said, "it would be the U.S. Government producing them."

When you add up all these factors of excessive government spending, excessive expansion of the money supply, and excessive governmental regulation, one conclusion seems inescapable: Both our inflation and our unemployment should bear a label—Made in Washington, D.C.

The fact is that governmental excesses of the past 15 years became a strong, underlying cause of inflation during the 1960s, and they remain so today. The rise in government spending has added enormously to the aggregate demand for goods and services in the economy, thus forcing up prices. Heavy borrowing by the Government, which has forced the Treasury to soak up many of the funds in the private money markets, crowding out private borrowers, has been an important factor in the persistent rise in interest rates and the strains we have seen in the financial markets. An even worse result is that continuing deficits undermine the confidence of the public in the capacity of government to deal with inflation. Moreover, it is clear that the cumbersome regulatory procedures of the government have too often stifled competition and have added untold billions of dollars to consumer goods.

I grant that governmental excesses are not the sole cause of recent inflation—and the recession that was brought in its wake. The quadrupling of oil prices and rising food prices have also played a significant part, especially in the seventies. But the most fundamental cause of inflation can be traced directly to the excesses of the government.

It is also clear that as the forces of big government have been fed and nourished, our private enterprise system—the system that provides five out of every six jobs in the country and is the driving force of our society—has become sadly undernourished. We have gradually channeled a higher and higher percentage of our resources into consumption and government spending and less and less into savings and investment. As a result, the United States since 1960 has had the lowest rate of capital investment of any major industrialized country and one of the lowest rates of productivity growth. There can be no doubt that higher productivity is the secret to a higher standard of living. Thus, it is clear, as President Ford said last night, that we must strike a new balance in our economy—a balance that favors a much stronger and healthier free enterprise system.

If the country could grasp these central truths—and I believe people are beginning to understand and appreciate them—then it would be much easier for all of us to agree upon the solutions. As I have said, I believe the solutions are relatively straightforward—and, I might add, they are the basic policies of this Administration.

The centerpiece of our economic policies is the President's proposal to cut the growth in Federal spending and to return the savings to the American taxpayer in the form of a major tax cut.

In the last several months, the President has spent literally hundreds of hours trying to pare down the budget—in fact, he spent more time on this budget than any President in a quarter of a century. The result was a very realistic and solid budget that calls for a $28 billion cut in projected spending growth. I am particularly attracted to this program because it will give more instead of spending over $420 billion, the President is asking that in fiscal year 1977—which begins this October 1—that we limit spending to $394.2 billion. We should realize that in the last two years, Federal spending has grown by 40%. Under the President's proposal, next year's spending increase will be limited to 5.5%—the smallest increase since the days of President Eisenhower.

As the President said last night: The only way to hold down the cost of living is to hold down the cost of government. No government can spend more than it makes, year-in, year-out, without reaching a point of financial collapse. None of us want the tragic experience of New York City this past year to become a preview of our future as a nation.

By holding down the growth in Federal spending, we can also afford additional tax cuts and thus leave more money in private hands where it can do the most good. As you know, the Congress in late December passed and the President signed a temporary six-month extension of the 1974 tax cut. What the President is saying is this: We can have a much bigger and much better tax cut if we will only cut the growth in spending. Specifically, he is proposing a $28 billion tax cut—$10 billion more than what Congress has supported, and furthermore, the President's cut would be permanent—contingent upon acceptance of a $395 billion budget. For an average family of four, the deeper cut would mean more than $200 extra a year in tax savings.

I think these two points are also critical: One, the tax and spending plan would put us on the road to balancing the Federal budget within three years. Secondly, if we stay on that road, I believe it should be possible to enact another tax cut before the end of the decade.

The Government has many other ways to curb inflation. We are seeking greater competition in private industry through antitrust laws and we are trying to lower barriers to international trade. But the key is to restrain Federal spending, reduce the horrendous Federal deficits, and strengthen the free enterprise system.

If we are to fulfill our promise as a Nation, it is equally vital that there be enough jobs. The President's tax and spending cuts are a major part of that effort. But we can and must do more. We must offer the American people and American industry much greater incentives to invest in the future—to expand our supply of housing, to build new plants and equipment, to modernize industry, to expand our energy resources, and of greatest importance, to accomodate a growing labor force. The capital investment needs of the future are staggering: about $4½ trillion in the next decade—or three times as much as we spent in the last decade.

Much of the responsibility for raising new capital must lie with the private sector—a private sector that is invigorated by getting the government out of the marketplace, invigorated by a reduction in taxes, and invigorated by striking the new balance that favors less consumption and government spending and more savings and investment.

Last summer, on behalf of the Administration, I proposed a plan that would eliminate the double taxation of corporate dividends and would thus encourage greater private investment. Most of our European competitors have already adopted this tax approach, and I firmly believe it is time for the United States to catch up. That tax plan remains a central part of our economic strategy within the Administration.

Beyond that, President Ford last night proposed three other smaller, more concentrated programs that should help to increase investment and create more jobs:

One was his recommendations to allow accelerated depreciation for companies that build new plants or expand their current plants in urban areas where unemployment now runs over 7%. According to the preliminary information I have received, construction projects would be eligible for this accelerated depreciation in all of the following communities in South Carolina: Columbia, Charleston and Greenville-Spartanburg.

The President is also asking for an additional Federal assistance for building or rehabilitation or 225,000 new housing units.

Furthermore, the President is proposing a broadened stock ownership plan to encourage more Americans to invest in American-owned companies. Under this plan, middle and lower-income taxpayers would be eligible to deduct a portion of their income for money invested in the common stock of an American-owned company. I am particularly attracted to this program because it will give more Americans a greater stake in the private enterprise system, and to me that is certainly a step in the right direction.

I do not want to mislead you about these tax changes that I have just mentioned. We do not anticipate that any of them will have a massive impact upon the economy, but they can and will be helpful in increasing investment and creating more jobs.

Another major aspect of the President's economic program is in the regulatory field. It is even more difficult to achieve reform of Federal regulations than to fill out the Federal forms that go with them, but we are determined to try. Specifically, we are now seeking to lighten the regulatory burden in four key areas—banking, airlines, trucking and railroads—and we are currently investigating what can be done in others. It is no accident, we believe, that three of the industries in greatest difficulty today—airlines, railroads and utilities—are also among the most highly regulated industries in the country.

If time permitted, I would like to talk about many other aspects of policies—what we are seeking to do in energy, what we are trying to achieve in our international policies, the cushions that we are placing beneath the unemployed, etc.

But let me conclude with these few observations:

As we enter our third century as a nation, I believe the time has come not to reappraise our dedication to a better life for all—that dedication is clear—but to reappraise what we can pay for and how we can do it. The current plight of New York City, the disease that afflicts the British economy, and the overwhelming size of our own Federal deficits are all grave warnings to us. We can pay for what we now have and provide one for the future only if our great capitalist economy does its job—produces goods in a free market and makes a sufficient profit.

I am sick and tired of people apologizing for the free enterprise system. It has given this country the highest standard of living and the greatest prosperity ever known, and of most importance, has helped to give us the greatest freedom ever known to man. And it will continue to do that unless it is crushed by the juggernaut of Big Government.

What we need are not fewer but more capitalists in the United States—more people with a real and direct stake in the profits generated by a productive economy. We cannot continue to have more and more of our citizens involved only in receiving benefits from the government, and fewer and fewer people responsible for paying for the benefits. We must broaden the base of those who work and narrow the base of those who are able but don't want to.

President Ford last night urged that we strike a "new balance" in our national life:

a balance that favors greater freedom and vitality for our private enterprise system;

a balance that favors greater liberty and self reliance for individual Americans;

and a balance that favors greater honesty and realism in dealing with the challenges of our time.

These are great goals—goals worthy of the greatest nation on earth. We should not begin our Bicentennial year by retreating into the past, but by going forward into the future with a common combination of patience, realistic hope, courage, and common sense.

If we work together with common purpose and conviction—with pride in ourselves and our Nation—the goals we share today can become the first achievements of our third century together. Let that be our resolve.

Thank you.

PORTRAITS OF COMMANDERS IN CHIEF, 1946–74

Mr. HRUSKA. Mr. President, I have recently received a publication of the Strategic Air Command Consultation Committee entitled "Portraits of Commanders in Chief, 1946–74." This impressive booklet contains reproductions of the portraits of past commanders of the Strategic Air Command, SAC, accompanied by descriptions of the military careers of each.

The originals of these portraits hang in the reception lobby of SAC Headquarters at Offut Air Force Base, Nebr. Gen. Russell E. Dougherty, Commander in Chief of the Strategic Air Command, says of the display:

> This proud heritage greets me, and most members of the headquarters each day, and serves as a reminder of the traditions of the command.

The SAC Consultation Committee, created in 1956, is an organization, composed of Omaha citizens who respect and appreciate the military presence in the area. The members, from the Omaha business community, are invited to serve on the consultation committee by the SAC Commander. It is a group that should be highly commended.

"Portraits of Commanders in Chief, 1946–74," is an impressive, comprehensive record of the men who were leaders of the Strategic Air Command. I have known most of them personally and have great respect for their patriotism and dedication to America. Gen. John C. Meyer, SAC Commander in Chief from May 1, 1972 through July 31, 1974, died after the publication of the booklet. All who knew him mourn his death.

The text of the booklet provides a portrait, not only of the men themselves, but of the tradition of leadership and integrity in the military.

For this reason, Mr. President, I ask unanimous consent that the text of the publication, "Portraits of Commanders in Chief, 1946–74," be printed in the Record.

There being no objection, the text was ordered to be printed in the Record, as follows:

Portraits of Commanders in Chief, 1946–74

The Strategic Air Command is the United States' long-range strike force of combat aircraft, intercontinental ballistic missiles and strategic reconnaissance aircraft of the United States Air Force. Since 1946, SAC has been the world's most powerful military force, established and operating on a global basis.

SAC contributes to the deterrence of war, particularly nuclear war, by providing ready, flexible and credible strategic offensive forces capable of responding decisively across a spectrum of threats to the vital security interests of the United States.

SAC Headquarters is located at Offut AFB, Nebraska. Within the continental United States there are two numbered air forces: the Eighth Air Force, Barksdale AFB, Louisiana; and the Fifteenth Air Force, March AFB, California. The 1st Strategic Aerospace Division, Vandenberg AFB, California, and SAC's one air division overseas, 3d Air Division, Anderson AFB, Guam, also report directly to SAC Headquarters. The SAC force is located at some 55 bases worldwide.

The thousands of visitors to the Strategic Air Command headquarters each year see the historic lineage of the command as exemplified by a series of portraits—portraits of past commanders, portraits of command. This proud heritage greets me, and most members of the headquarters each day, and serves as a reminder of the traditions of the command.

This reception lobby is the creation of one of my predecessors as commander in chief, General Bruce K. Holloway. At his direction, the area was renovated, and new paintings hung. With the dedication of portraits of Generals Holloway and Meyer on March 24, 1975, all former commanders in chief of the Strategic Air Command are represented.

Three of the seven paintings are by the noted artist Maxine McCaffrey. Ms. McCaffrey, an Omaha native, is a frequent contributor to the Air Force Art Program, and was the first female artist to visit Southeast Asia during the hostilities there. Her portraits of Generals Meyer, Holloway, and LeMay display a unique sensitivity to personality and character. She is a good friend of the command, the city, and the Air Force and a delightful person to know. We are proud to have her paintings in our lobby, we are proud and respectful of the heritage they represent.

We are grateful to the SAC Consulation Committee members for publishing this booklet as a salute to the heritage of the Command and its leaders.

Gen. Russell E. Dougherty,
Commander in Chief,
Strategic Air Command.

GEN. GEORGE C. KENNEY

April 21, 1946–October 19, 1948

General George C. Kenney became the first commander of the Strategic Air Command (SAC) in April 1946. He was serving as the Senior U.S. Military Representative to the Military Staff Committee, United Nations, when he was appointed to command one of the three major combat commands of the U.S. Army Air Forces.

He retained his United Nations position until mid-October, at which time he assumed command of SAC. During his two and a half years as commander, SAC conducted its first nuclear weapons tests in the Pacific; flew Goodwill flights to European and South American countries, and, for the first time, used bombers as an instrument of international diplomacy.

Prior to assuming command of SAC, General Kenney had served in two World Wars. He entered military service at the outbreak of World War I in the Aviation Section of the Signal Reserve. He went to France in 1917 with the 14th Foreign Detachment.

In February 1918 he was assigned to the 91st Aero Squadron, where he accumulated more than 110 hours of flying over the front lines of the Toul and Meuse-Argonne sectors and engaged in 12 combats. He was credited with the destruction of two enemy aircraft in aerial combat.

Following World War I, he attended various training and flying schools, and held command and instructor positions.

In 1940, General Kenney became Assistant Attaché for Air in Paris, observing tactical operations on the Franco-German front and studying technical developments made in military aircraft and equipment by both sides. As a result of his observations, a large number of improvements were made in our military aircraft over a year prior to our actual entry into World War II.

He became actively involved in World War II in March 1942 when he assumed command of the Fourth Air Force. Later that year he took command of Allied Air Forces in the Southwest Pacific and the Fifth Air Force. In June 1944, in addition to his Allied Air Forces command, he was given command of the Far East Air Forces.

Under General MacArthur, General Kenney directed the successful air war against the Japanese for more than three years through the Southwest Pacific theater from Australia to the Philippines.

Following the war, he served on the Military Staff Committee of the United Nations; commanded the Strategic Air Command and the Air University at Maxwell Air Force Base, Alabama, before he retired from active service on August 31, 1951.

GEN. CURTIS E. LE MAY

October 19, 1948—June 30, 1957

General Curtis E. LeMay commanded the Strategic Air Command for nearly nine years. He built, from the remnants of World War I, an all-jet bomber force, manned and supported by professional airmen dedicated to the preservation of peace.

Under his leadership and supervision, plans were laid for the development and integration of an intercontinental ballistic missile capability.

General LeMay's military career started in 1928 as a flying cadet. He completed pilot training at Kelly Field, Texas and was commissioned a second lieutenant in the Air Corps Reserve in October 1929.

He served in various assignments in fighter operations before transferring to bomber aircraft in 1937. He participated in the first mass flight of B–17 Flying Fortresses to South America in 1938, which won for the 2nd Bomb Group the Mackay Trophy for outstanding aerial achievement.

In 1942 General LeMay organized and trained the 305th Bombardment Group and led that organization to combat in the European theater. He developed formation procedures and bombing techniques that were used by B–17 bomber units throughout the European Theater of Operations.

As commanding general of the 3rd Bombardment Division (England) he led the famed Regensberg raid, a B–17 shuttle mission that originated in England, struck deep in Germany, and terminated in Africa. In July 1944 he was transferred to the Pacific to direct the B–29 heavy bombardment activities of the 20th Bomb Command in the China-Burma-India theater. He later commanded the 21st Bomb Command with headquarters on Guam and still later became chief of staff of the Strategic Air Forces in the Pacific.

Following World War II he returned to the United States piloting a Super Fortress (B–29) on a nonstop record flight from Hokkaido Island, Japan, to Chicago, Illinois.

He was transferred to the Pentagon at Washington, D.C. where he served as first Deputy Chief of Air Staff for Research and Development until October 1947. In 1947 he went to Germany to command the U.S. Air Forces in Europe. He organized air operations for the Berlin Airlift.

General LeMay returned to the United States a year later and became commander of SAC. He held this position until 1957 when he was appointed Vice Chief of Staff of the United States Air Force. He became Chief of Staff of the United States Air Force in July 1961. He served in this capacity until his retirement in February 1965.

GEN. THOMAS S. POWER

July 1, 1957–November 30, 1964

General Thomas S. Power became Commander in Chief of the Strategic Air Command (SAC) on July 1, 1957. In August 1960 he assumed an additional duty as Director of the newly created Joint Strategic Target Planning Staff.

Under his command, SAC's nuclear deterrent force was expanded and improved. The command became an all-jet bomber force integrated with intercontinental ballistic missiles. General Power initiated action to increase the command effectiveness by having the bombers and missiles on 15-minute ground alert. He also tested and put into being the airborne alert program, in which a certain number of bombers were maintained in the air at all times.

Prior to becoming Commander in Chief of SAC, General Power served three years as commander of the Air Research and Development Command. He served as Vice Commander of SAC from 1948 to 1954.

General Power's military career began in February 1928 in the Air Corps flying school. Early in his career, he served as an Army air mail operations pilot, as a flying instructor at Randolph Field, Texas, and as an engineering and armament officer at Nichols Field, in the Philippines.

During World War II, General Power first saw combat as a B–24 pilot with the 304th Bomb Wing in North Africa and Italy. In August 1944 he was named commander of the B–29 equipped 314th Bomb Wing which he moved subsequently to Guam as part of the 21st Bomber Command. On March 9, 1945 he led the first large-scale fire bomb raid on Tokyo, initiating revolutionary new tactics which helped to speed the end of the air war in the Pacific.

In August 1945 General Carl Spaatz, then commanding general of the United States Strategic Air Forces in the Pacific, selected General Power as his Deputy Chief of Operations. He served in this capacity during the atomic bomb attacks on Hiroshima and Nagasaki. In 1946, General Power participated in the "Crossroads" atomic bomb tests at Bikini Atoll as Assistant Deputy Task Force Commander for Air.

After the atomic weapons tests, he served as Deputy Assistant Chief of Air Staff for Operations in Washington and later as Air Attaché in London.

General Power served as Commander in Chief of SAC until November 30, 1964 when he was succeeded by General John D. Ryan. General Power retired from the military on December 1, 1964. He died on December 6, 1970 at the age of 65.

GEN. JOHN D. RYAN

December 1, 1964—January 31, 1967

General John D. Ryan culminated over 17 years of command and staff assignments in the Strategic Air Command by becoming the Commander in Chief of SAC on December 1, 1964.

General Ryan's first SAC assignment was in April 1946 with the 58th Bombardment Wing at Carswell AFB, Texas. While assigned to the 58th Bomb Wing he participated in the Bikini Atoll atomic weapons tests as Assistant Chief of Staff for Plans for the wing. He later became Director of Operations for Eighth Air Force at Carswell AFB.

He commanded the 509th Bombardment Wing at Walker AFB, New Mexico, from 1948 to 1951 and the 97th Bombardment Wing and 810th Air Division at Briggs AFB, Texas, from 1951 to 1953. He was 19th Air Division commander at Carswell AFB, Texas, for three years before becoming Director of Materiel for Headquarters SAC in June 1956.

General Ryan assumed command of SAC's Sixteenth Air Force in Spain in 1960. He returned to the United States in July 1961 to command the Second Air Force at Barksdale AFB, Louisiana.

After one year as Inspector General of the U.S. Air Force, General Ryan came back into SAC as Vice Commander in Chief. In December 1964 he became Commander in Chief of SAC. He held this position until February 1967 when he was assigned as Commander in Chief of Pacific Air Forces.

While he was Commander in Chief, the Strategic Air Command became actively involved in the United States military action in Southeast Asia. The command's B–52s began bombing enemy positions in South Vietnam in support of ground troops. At the same time, SAC KC–135 tankers provided air refueling support for SAC bombers and all types of tactical fighter missions in Southeast Asia.

General Ryan was instrumental in the continued improvement and modernization of the command's forces. While he was in command, SAC received the new swing-wing i B–111 bomber and replaced the B–47 and older B–52 bombers. The command also phased out the Atlas and older Minuteman I intercontinental ballistic missiles, replacing them with the more modern Minuteman II and Titan II missiles.

From SAC, General Ryan went to command the Pacific Air Forces and became Vice Chief of Staff of the U.S. Air Force in August 1968. The following year he was appointed Chief of Staff of the United States Air Force, a position he held until his retirement on August 1, 1973.

GEN. BRUCE K. HOLLOWAY

August 1, 1968—April 30, 1972

General Bruce K. Holloway served as Commander in Chief of the Strategic Air Command from August 1, 1968, to April 30, 1972.

A graduate of the United States Military Academy in 1937, he received his pilot wings at Kelly Field, Texas, the following year. From 1938 to 1940 he served with the Sixth Pursuit Squadron and 18th Pursuit Group in Hawaii before taking a post-graduate course in aeronautical engineering at the California Institute of Technology.

Shortly after the United States entered World War II, he went to Chunking, China, as a fighter pilot with the famed "Flying Tigers" of the American Volunteer Group. Remaining with that group after it became the Army Air Force's 23d Fighter Group, he became its Commander before returning to the United States in 1944. During that tour in China, General Holloway earned status as a fighter ace, shooting down 13 Japanese planes.

General Holloway took command of the Air Force's first jet-equipped fighter group (1st Fghter Group) in 1946. As commander of the unit, he performed pioneer service in the new field of tactical jet air operations.

After graduation from the National War College in 1951, he progressed through key staff assignments in both operations and development fields at United States Air Force Headquarters. Later, as Director of Operational Requirements, he played a key role in preparing and evaluating proposals for many of our present aircraft and missiles.

He spent four years in the Tactical Air Command (TAC) as Deputy Commander of both the 9th and 12th Air Forces and in 1961 was named Deputy Commander in Chief of the U.S. Strike Command at MacDill AFB, Florida. Later in that assignment, he also fulfilled additional responsibilities as Deputy Commander in Chief of the Middle East/Southern Asia and Africa South of the Sahara Command.

General Holloway assumed command of the United States Air Forces in Europe in July 1965, serving in that capacity until his appointment as Vice Chief of Staff of the United States Air Force on August 1, 1966.

He retired from the United States air Force on April 30, 1972.

GEN. JOHN C. MEYER

May 1, 1972–July 1, 1974

General John C. Meyer, the leading American ace in Europe during World War II, became the seventh Commander in Chief of the Strategic Air Command on May 1, 1972.

He began his military career in the Air Corps in November 1939. In July 1940 he was commissioned as a second lieutenant and awarded pilot wings.

In July 1943 he commanded the 487th Fighter Squadron and led it into combat during World War II. By the end of the year he had flown over 200 combat missions and recorded 37½ aircraft destroyed in the air and on the ground.

After World War II he returned to the United States as the Secretary of Air Force's principal point of contact with the House of Representatives. In 1950 he assumed command of the 4th Fighter Group at New Castle, Delaware. He led this F–86 Sabrejet group to Korea where the unit flew in the 1st United Nations Counter-offensive and Chinese Communist Forces Spring Offensive campaigns. General Meyer destroyed two communist MIG–15 aircraft during his tour of duty in Korea.

General Meyer was assigned to the Strategic Air Command in 1959 as commander of the 57th Air Division at Westover AFB, Massachusetts. In 1961 he became the 45th Air Division commander at Loring AFB, Maine.

In 1962 General Meyer came to Strategic Air Command Headquarters as Deputy Director of Plans, and as Chief Strategic Air Command Representative to the Joint Strategic Target Planning Staff.

From SAC, General Meyer served as Commander of the Tactical Air Command's 12th Air Force. After over two years in TAC, he was assigned to the Joint Chiefs of Staff, as Deputy Director, Vice Director and later as Director of Operations.

In August 1969 he became Vice Chief of Staff of the United States Air Force. He served in this position until May 1972 when he became Commander in Chief of SAC.

As SAC Commander General Meyer directed SAC's efforts during the peak period of SAC's combat involvement in Southeast Asia, which included the climatic LINEBACKER II operation. During that 11-day air campaign in December 1972, SAC B–52 bombers struck military targets in the Hanoi and Haiphong area of the Republic of North Vietnam. Soon after LINEBACKER II a peace agreement was reached in Vietnam.

General Meyer retired from active military service on August 1, 1974.

SAC CONSULTATION COMMITTEE

Harold W. Andersen, J. D. Anderson, John H. Becker, Maj. Gen. Timothy J. Dacey, Jr., USAF, Ret., Leo A. Daly, Robert B. Daugherty, John D. Diesing, Charles W. Durham, Kermit Hansen, John C. Kenefick, Peter Kiewit, John R. Lauritzen.

Edward W. Lyman, Jack A. MacAllister, Morris F. Miller, Nick T. Newberry, Julius I. Novak, Charles D. Peebler, Jr., J. R. Reifschneider, V. J. Skutt, A. V. Sorensen, Arthur C. Storz, Robert H. Storz, Willis A. Strauss, A. F. Jacobson, Chairman.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

NATIONAL SECURITY COUNCIL MEMBERSHIP FOR THE SECRETARY OF THE TREASURY—VETO

The PRESIDING OFFICER (Mr. STAFFORD). Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will now proceed to the consideration of the President's veto message on S. 2350, which the clerk will report.

The legislative clerk read as follows:

> Veto message on S. 2350, a bill to amend the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council.

(The text of the President's veto message is printed on page 2 of the CONGRESSIONAL RECORD of January 19, 1976.)

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I rise in support of the President's veto of S. 2350, a bill to amend the National Security Act of 1947.

I think we can all understand that there is some merit in having the Secretary of the Treasury serve on the National Security Council. Certainly the position of the United States in the world economy, the integrity of the dollar, and our trade balances are all matters that are involved in national security, because national security does not involve military and political security alone, but involves economic security as well.

But I think in this instance the point the President has made is well taken, that he is denied some degree of flexibility which he feels he must have so far as the National Security Council is concerned.

The National Security Council in its particular responsibilities, by definition, does not frequently deal with economic and financial matters; it deals primarily with military and political matters, and it has been the custom and the practice to invite the Secretary of the Treasury to sit on deliberations of the Council when financial or economic matters are involved.

I think we must consider, then, the peculiar function of the National Security Council as being primarily oriented toward military matters and secondarily political matters, and note that there is in existence the Council on International Economic Policy, over which the Secretary of the Treasury presides; and that is the entity that is responsible for international economic planning and economic concern. The Secretary of the Treasury quite properly does preside over that council.

It does not seem to me that we should dilute the Secretary of the Treasury in terms of his ability to exercise his many responsibilities by adding on to the Secretary of the Treasury yet another responsibility, which is service on the National Security Council, when matters that come within the province of his office are not frequently or often taken up in the National Security Council. I think it suffices that we have a Council on International Economic Planning, of which the Secretary of the Treasury is very much a part.

I might note that if we mandated by statute the membership of the Secretary of the Treasury on the National Security Council, we perhaps might have to take it a step further and mandadte membership on the Council on the part of others who are concerned with international economic matters. The Secretary of Agriculture, for example, is very much concerned about the international economy, because he is in the business of trying to promote markets for the export of American food and fiber abroad. We could go on, perhaps, and note that the heads of other executive departments could have some interest in what goes on in the National Security Council. But that would be unwieldy, and I think the more we do this kind of thing, the more it reduces the flexibility we give the President.

Certainly the National Security Council does not operate in a vacuum. It does call in, from time to time, people who are involved in various concerns that might be under consideration or discussion in the Council. I think this flexibility has worked out quite well, and I see no point in mandating the membership of the Secretary of the Treasury on the National Security Council when, if the President should desire, he can sit in on the National Security Council when matters within the purview of his responsibility are under consideration.

I hope the Senate will sustain the President's veto.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that during this debate, Mr. David Raymond and Mr. Paul Donnelly of my staff be allowed the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, I have held two positions on the National Security Council in the past. One was as Secretary of the Air Force. It was wrong that the three Secretaries of the services should have been on the National Security Council, because that made them equal with the Secretary of Defense; so we were rightfully removed 2 years after the Council had started functioning in 1947.

Later I was chairman of the National Security Resources Board, and therefore, had an opportunity to present the economic picture. The only reason at that time the Secretary of the Treasury was not a statutory member of the council was because the Secretary of the Treasury, the Honorable John W. Snyder, was so close to the President that they would not have had a meeting without getting his advice on economic matters.

Yesterday, I made a talk on this subject on the Senate floor. I now have a very brief résumé of the reasons for my position. Incidentally, many Senators on both sides of the aisle voluntarily cosponsored this legislation, although I did not ask for any cosponsors.

As I mentioned, the bill has no other purpose than to strengthen the National Security Council whose membership today is limited to but four members; in addition to the President and the Vice President, only the Secretary of State and the Secretary of Defense.

By adding the Secretary of the Treasury as a third Cabinet member on this Council, we would be insuring that in the highest advisory body to the President on national security, our vital economic and financial interests would be considered in these important NSC deliberations.

Let us recall the purpose of the National Security Council as it is described in the law which established it, the National Security Act of 1947. This act says the purpose of the National Security Council is "to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security."

It is incredible that in matters such as the sale of grain, for example, the price of oil, and the international monetary fund agreement which was entered into by 128 nations in Jamaica a few weeks ago, there should be no representative on the National Security Council involved in these problems, or that the President would not have the benefit of the advice of his highest man on fiscal and monetary matters.

Let me repeat, the purpose of the Council is "to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security."

As mentioned, any meaningful consideration of domestic, foreign, and military policies relating to the national security would include fiscal—economic—considerations, as these relate to both our domestic well-being and foreign relations. This was precisely the thinking of two Presidential commissions, the Hoover Commission in 1949 and the Murphy Commission in 1975.

In a special report on national security organization, the Hoover Commission emphasized the fundamental importance of economic representation on the National Security Council:

> The National Security Act of 1947 contemplates that the National Security Council should weigh our foreign risks and commitments against our domestic and military strength and bring them into realistic balance. . . . The President should be able to access the impact of any plans and programs upon the nation as a whole.

Since the Hoover report, when, incidentally, there were seven members on the National Security Council, including, as I mentioned, the position I once held, Chairman of the National Security

Resources Board, who brought economic representation to the Council, today there are only these four members on this Council, and no economic representation.

Now let us consider the final recommendation of the Murphy Commission, that Presidential Commission on the Organization of Government for the Conduct of Foreign Policy, which was established by President Nixon in 1972.

In its June, 1975 final report, this Commission stated:

> Increasingly, economic forces define the strength or weakness of nations, and economic issues dominate the agenda of international negotiation. National Security policy is no longer simply a mix of diplomatic and military affairs; properly understood, national security embraces economic policy too. Accordingly, the membership of the National Security Council should be expanded to include the Secretary of the Treasury, and its jurisdiction expanded to include major issues of international economic policy-making.

On October 2, 1975, the Senate Armed Services Committee, after holding hearings, unanimously approved and recommended that the Secretary of the Treasury be placed on the National Security Council.

On October 9, this bill unanimously passed the Senate, with bipartisan support, including majority and minority leaders among the cosponsors.

On December 9, the House Armed Services Committee, after holding their hearings, also unanimously approved and recommended that the Secretary of the Treasury be placed on the National Security Council; thereupon, on December 17, this bill unanimously passed the House of Representatives.

Then, as we know, on New Year's eve, President Ford vetoed this bill.

The Wall Street Journal had reported on December 12 that Secretary Kissinger had objected to placing the Secretary of the Treasury on the National Security Council.

I do not wish to be critical of the Secretary of State, but sometimes, as I watch the amount of money that we are putting out in an effort, as I see it, to buy the peace, which perhaps was the great mistake of Great Britain in the 1930's. I can understand why he did not want anyone at Cabinet level on the National Security Council who represented our economic interests.

The President—and I refer to his veto message—tells us that economic matters are handled as a matter of routine through other channels; and that it would be "unnecessary" to have the Treasury Secretary on the National Security Council.

That this President, or any President, would subscribe to the narrow view that national security is limited on to diplomatic and military problems—and would not automatically include economic considerations—is to me little short of astounding.

Mr. President, I believe, in the interest of the United States, the economy is also important to security and also to the well-being of our country.

Therefore, I urge Congress to override the President's veto.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, how much time does the Senator require?

Mr. PERCY. Three minutes.

Mr. TOWER. I yield 3 minutes to the Senator from Illinois.

Mr. SYMINGTON. Mr. President, I yield the able senior Senator from Illinois as much time as he would like.

Mr. TOWER. And I yield to him as much time as he desires.

Mr. PERCY. I appreciate my colleagues yielding time.

Mr. President, I wish to precede my comments by simply reiterating my deep concern and interest in the importance of economic affairs as they relate to the future development of our Nation, not only internally and domestically but also in the world community.

As I believe the distinguished Senator from Missouri (Mr. SYMINGTON) and other members of the Committee on Foreign Relations know, I have taken the position for a long time, with the State Department, that it is unwise for us to have an alternating Under Secretary for Political Affairs and then occasionally an Under Secretary for Economic Affairs. It seems to me that, for a long time to come, political affairs of this Nation will be of a permanent nature, and so will economic affairs. It seems to me we should have an Under Secretary for Political Affairs and another for economic affairs.

Acting on behalf of the administration, I submitted a measure, drafted by the State Department, to implement this. It is now law, and we have had a full-time Under Secretary for Economic Affairs for some time.

So, too, I feel in the matter of the National Security Council, that the Secretary of the Treasury has a great responsibility throughout the world, as has been pointed out by the distinguished senior Senator from Missouri in his remarks on the floor of the Senate.

The Secretary of the Treasury has a role in the world that is important. This was borne out this morning in testimony that former Secretary Rusk gave before the Government Operations Committee, when he testified on the question of how we handle oversight over the security and intelligence activities of the country.

Former Secretary Rusk observed that, in his judgment, not only did Congress have a greater responsibility for oversight, but also, national security members should assume a greater responsibility in oversight. He testified this morning that he, as Secretary of State, was surprised subsequently to find that certain actions had occurred of which he was not aware and should have been aware, as Secretary of State.

I did not specifically put this particular question to him, because it was not really germane to our hearings; but his general assumption that greater responsibility should be taken by national security members, I think, would be reinforced by making the Secretary of the Treasury a statutory member. We have only two members right now from the Cabinet. I am not so sure that the Attorney General should not be a statutory member. I think with it written into law that they have this responsibility, they would take that responsibility much more seriously.

As former Attorney General Katzenbach testified this morning, the pressures of time on Cabinet officials are very great indeed. But if they are going to have this responsibility, I think they should have it in a more formalized way. Certainly, they should not be in a position where, by leave of the President, they are just performing that function then and sitting in. If they looked into or began to severely question certain of our activities, let us say in the covert field, someone might be inclined to advise that they keep their cotton-picking hands off their business.

That has been our great trouble in the intelligence community, that it is their business when it is really our business.

I think we should do everything we can to strengthen our oversight and I think by overriding this veto, we will be really strengthening the oversight of the executive branch of Government for a long time to come.

Mr. SYMINGTON. Will the Senator yield for a question?

Mr. PERCY. I am happy to yield.

Mr. SYMINGTON. I noticed during the holidays that the International Monetary Fund met in Kingston, Jamaica; 128 countries having to do with our fiscal and monetary world problems, as well, of course, as those of the United States. At that conference, the Secretary of the Treasury was the No. 1 man for the United States. The Senator has had great banking and business experience. He knows that problems of the economy are inextricably bound up in any diplomatic and military problems. Does he not think it unfortunate that in Jamaica, earlier this month, 128 countries met to make major decisions—and they were major, comparable in many ways to the Dumbarton Oaks conference—does the Senator not think it extraordinary that there was not a single member of the National Security Council present at those meetings?

Mr. PERCY. I should think so. Obviously, the Secretary of the Treasury sits in on such meetings, but he ought to be a statutory member, in the opinion of the Senator from Illinois. I think it fitting that a member of the Security Council should be participating, with the kind of stature he would have, in such a forum.

Mr. SYMINGTON. The only reason I brought it up is that the claim is made that economic problems are not important enough and should be handled on a routine basis, as against diplomatic and military problems. The able Senator and I serve on the Committee on Foreign Relations. If we are discusing the currency problems of 128 countries, there is certainly a great deal of diplomatic interest and action incident to such a discussion. Therefore, I do not see how they could be separated. That was the thrust of my question.

Mr. PERCY. To reinforce the distinguished Senator's point, I remind the Senator that at the height of the embargo, when it looked like the whole economy of this country and the Western World might be imperiled, it was the Secretary of the Treasury who was going around the world, to the Middle East, calling on various countries, and denouncing certain actions, pointing out the specific implications of those actions.

It is the Secretary of the Treasury, certainly, who works with many of the countries where a tremendous impact has been had from these fallout effects.

I say only, once again, that this is why I sponsored the legislation to have a full-time Under Secretary of State for Economic Affairs, because it was inconceivable to the Senator from Illinois that economics would not be right up there on a par with politics in the world in which we live. The Senator has served as a member of the delegation to the U.N. The Senator from Illinois served in the fall of 1974. Increasingly, the issues are economic issues in that international forum. Certainly, we cannot separate our intelligence and all of that from the economics of the matter.

In fact, the first debriefings I ever gave were 20-some years ago to the CIA, every time I came back. I thought it was an outstanding thing that they would reach out for businessmen doing business abroad to brief them on the economic implications of what they were doing abroad. That was 20 years ago. The impact is far greater today on the economics of the interrelated world in which we live.

Certainly, I feel that the chief fiscal officer of our country should be and deserves to be a statutory member of the National Security Council.

Mr. SYMINGTON. I thank my able colleague. Would he not agree that the price of oil was a vitally important economic matter as well as a diplomatic matter?

Mr. PERCY. It seems to me that we could have gone to war over it. In fact, it is the economics of the Middle East, just as much as the politics of the Middle East, that I think have great impact.

Mr. SYMINGTON. I thank the Senator.

Mr. PERCY. I think I can only reinforce what my distinguished colleague has had to say heretofore.

Mr. SYMINGTON. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time.

Mr. SYMINGTON. Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER. All time is yielded back.

Mr. MUSKIE. Mr. President, before us today is the question of whether the economic and fiscal aspects of our national security should be given full statutory consideration, by congressional mandate, in the deliberations of the National Security Council. The National Security Council is directed by law "to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security." Our distinguished colleague, Senator SYMINGTON, whose command of these issues is matched by few Senators, has argued persuasively that the Secretary of the Treasury, the Cabinet member charged specifically with guarding our economic interests, should be a full member of the National Security Council. Senator SYMINGTON has cited the impact of the 1973 oil embargo and overseas grain sales on the domestic economy, both as examples of national security matters profoundly affecting economic prosperity.

Everyone here is aware that the National Security Council, now composed of the President, the Vice President, the Secretary of the State, and the Secretary of Defense, deals with foreign and domestic policies regarding our national security, with the President making decisions based on Council discussions. And we are all increasingly concerned with the interdependence of these national security issues with our economic concerns both in the world at large and here at home.

Senator SYMINGTON expresses it better than I could:

> Inasmuch as a sound economy, with a sound dollar, is vital to national security, should there not be concern that the Nation's chief fiscal and monetary officer . . . has no statutory right to participate in these high-level discussions of national security issues?

This concern was expressed by the Congress when this bill was passed unanimously by both Houses. Senator SYMINGTON's bill has been recommended recently by the Presidential Commission on the Organization of Government for the Conduct of Foreign Policy, the Murphy Commission, and has been recommended in principle in the past by former President Hoover, in his capacity as Chairman of the Commission on the Organization of the Executive Branch of Government.

And the President has said that to grant full Council status to our top economic official is "undesirable as well as unnecessary."

Both Houses of Congress have already disagreed with this judgment.

Both Houses of Congress have recognized the importance of the economic implications of our foreign policy and our national security, and have addressed the need for closer consideration of our economic needs in decisions relating to our national security.

Both Houses of Congress have recognized that existing mechanisms for coordination of our national security and domestic and international economic policy are inadequate.

For all these reasons, Mr. President, both Houses of Congress should continue to insist that, as the Murphy Commission stated:

> National security policy is no longer simply a mix of diplomatic and military affairs; properly understood, national security embraces economic policy as well. Accordingly, the membership of the National Security Council should be expanded to include the Secretary of the Treasury.

We should, therefore, vote to override this veto.

Mr. KENNEDY. Mr. President, the question has been raised in connection with this debate as to the status of the President's action on S. 2350 in light of the pocket veto clause of the Constitution, article I, section 7, clause 2.

By returning the bill to the Senate, the President has clearly indicated his intention to treat this bill as a normal veto. Without question, the Senate is amply justified in treating the veto as a normal veto, rather than a pocket veto, and in proceeding, therefore, to vote on whether to override the veto.

The pocket veto question arises because the President's action in returning the bill to Congress is as unprecedented as it is welcome to those of us who have been endeavoring to obtain a rationale construction of the pocket veto clause, consistent with the legitimate powers of Congress under the Constitution.

Heretofore, Presidents have uniformly treated the sine die adjournment of the first session of a Congress as an occasion for a pocket veto, in spite of the fact that the rationale for such a pocket veto had lost its logic during the relatively brief adjournments that Congress now takes.

When a bill is pocket vetoed, the President is said to "put it in his pocket"—the bill is not returned to Congress, and Congress has no chance to override the veto. Since the pocket veto is, in effect, an absolute veto, it has been a periodic source of friction between Presidents and Congress for many years. In fact, the absolute veto power of King George III was the first of the 26 grievances cited against the King by the colonists in the Declaration of Independence:

> (. . . [L]et Facts be submitted to a candid World. He has refused his Assent to Laws, the most wholesome and necessary for the public Good.)

Recently, the U.S. Court of Appeals for the District of Columbia Circuit ruled in my favor in an action I had brought, challenging the pocket veto by President Nixon of the Family Practice of Medicine Act during the 5-day Christmas adjournment of Congress in 1970. The case is reported in *Kennedy* v. *Sampson*, 511 F. 2d 430 (1974). The administration declined to request Supreme Court review of the decision.

Subsequently, and somewhat belligerently, ignoring the obvious rationale of that decision, the administration chose to try to limit the ruling to its facts, and insisted on its pocket veto power during longer adjournments of Congress.

In early 1974, I filed another action in the U.S. District Court for the District of Columbia, challenging a pocket veto by President Nixon of a charter bus transportation bill during the *sine die* adjournment of the 1st session of the 93d Congress.

Later in 1974, President Ford pocket vetoed an aid-to-the-handicapped bill during the 31-day election adjournment of the 2d session of the 93d Congress. In this instance, the President had actually returned the bill to Congress, but with an ambiguous message which appeared to be a normal veto but which contained a proviso reserving the right to call his action a pocket veto.

Congress treated the message as a normal veto and proceeded to override it. But the President insisted the message had been a pocket veto, in spite of the rather ridiculous legal posture the administration was forced to take. The pocket veto clause provides that a pocket veto applies where an adjournment of Congress prevents the President from returning a bill to the Senate or the House. In the case in question, the President was maintaining that the election adjournment had prevented the return of the bill. But in fact, as everybody knew, the President had succeeded in returning the bill to Congress with no difficulty at all.

The distinguished constitutional law professor, Thomas Reed Powell, once said,

> If you think you can think about a thing inextricably attached to something else without thinking of the thing which it is attached to, then you have a legal mind.

By this test, the administration obviously qualifies as having a legal mind.

So, I amended my pending action in the district court to include a challenge to this pocket veto as well. That action, as amended, is currently pending before Judge Sirica. The judge ruled earlier this week that I had standing to bring the case and that the action was not moot, thereby disposing of the procedural questions in the case. As a result, the case is now ready to proceed to a decision on the merits of the two pocket vetoes in question.

Last spring, the Ford administration's hardline position began to thaw. During the 11-day Memorial Day recess in 1975, the President returned two bills to Congress as completely normal vetoes—the messages did not contain the pocket veto proviso used a few months earlier in the fall of 1974.

However, Congress did not attempt to override either veto. The legal issue with respect to these two bills was therefore moot, since the bills could not become laws under either the administration's interpretation or the congressional interpretation of the pocket veto clause.

That brings us to the administration's recent additional thaw, extending the practice of returning bills as unqualified normal vetoes to the sine die adjournment just past.

Recently, I wrote to Solicitor General Bork, asking for clarification of the administration's apparent shift in position on the issue, since the administration finds itself in the ungainly position of defending its pocket veto power in court while abandoning it before Congress.

An adjournment of Congress either occasions a pocket veto or it does not. There is no suggestion in the Constitution or the pocket veto precedents to support the proposition that a President has any discretion to choose between a pocket veto or a normal veto during the same adjournment of Congress.

I feel we have made a great deal of progress on this issue since the confrontations of recent years. The decision of the President to return S. 2350 to Congress with a normal veto is a generous conciliatory gesture to the Senate and House. I also see it as a clear vindication of the position that Senator Sam Ervin, I and other Members of Congress have been trying for many years to establish.

Mr. President, I ask unanimous consent that my letter of January 7, 1976, to Solicitor General Bork may be printed in the RECORD. I am currently awaiting his reply, which I hope will lead to a prompt and final settlement of the pocket veto issue.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
January 7, 1976.

Hon. ROBERT H. BORK,
Solicitor General,
Department of Justice,
Washington, D.C.

DEAR MR. SOLICITOR GENERAL: I am writing to request clarification of the Administration's current position with respect to the use of the pocket veto during adjournments of Congress.

The first session of the 94th Congress adjourned *sine die* on December 19, 1975. The second session of the 94th Congress is scheduled to begin on January 19, 1976. During the current *sine die* adjournment, the President has vetoed two bills—S. 2350 (to make the Secretary of the Treasury a member of the National Security Council), and H.R. 5900 (the Common Situs Picketing Bill). In both cases, the President returned the bills to Congress in a form essentially identical to the form used for a "normal" or "return" veto, which Congress may vote to override.

In the past, however, President Ford has chosen to use a form of veto during such adjournments that preserves the Administration's previous position that such bills may be pocket vetoed, which would prevent Congress from overriding the veto. The President's recent action thus appears to be inconsistent with the Administration's prior claim.

Certainly, nothing in the Constitution or Supreme Court decisions on the pocket veto power suggests that the President has any discretion to choose between a pocket veto or a return veto during an adjournment of Congress. Either the Pocket Veto Clause of the Constitution, Article I, Section 7, Clause 2, applies, or it does not.

As you know, I have filed an action in the U.S. District Court in Washington, challenging pocket vetoes in similar circumstances by President Nixon in January 1974, and by President Ford in October 1974. The case is now awaiting action by the Court.

Although I supported both S. 2350 and H.R. 5900 and regret the vetoes, I welcome the President's decision to send these two bills back to Congress in the form of a return veto, not a pocket veto. The President's action is an appropriate conciliatory gesture toward Congress that respects the constitutional prerogatives of the House and Senate to act on Presidential vetoes. I hope that this action by the President signals the end of the pocket veto as a bone of contention between Congress and the Administration.

I look forward to your clarification of the Administration's current position, which was foreshadowed by a statement on the floor of the House of Representatives by Congressman John J. Rhodes, Republican House Minority Leader on December 19, 1975. Cong. Rec. 41884.

If, as the President's recent action indicates, the Administration has in fact changed its position and now agrees that a pocket veto is unconstitutional during such adjournments of Congress, I hope that the Department of Justice will inform the court forthwith of the Administration's new position, so that the continuing controversy over the pocket veto may be settled, and so that an appropriate early disposition may be made of the pending litigation.

Respectfully,

EDWARD M. KENNEDY.

Mr. THURMOND. Mr. President, the bill, S. 2350, presently before the Senate for consideration to override the President's veto, was passed unanimously by the Senate Armed Services Committee last year. Simply stated, it merely requires that the Secretary of the Treasury become a statutory member of the National Security Council.

This bill, authored by the distinguished senior Senator from Missouri, Mr. SYMINGTON, was passed without objection by both Houses of the Congress and in my viewpoint is not a partisan issue.

I am impressed by the fact that the action incorporated in this legislation was recommended by the Murphy Commission established by President Nixon in 1972. Further, former President Herbert Hoover in testimony before the Senate Armed Services Committee following World War II, expressed the viewpoint that financial and economic factors should be weighed carefully in high level considerations on national security issues.

As the Members of the Senate know, one of the gravest problems facing the Nation today involves the huge deficit faced by this Nation. This is graphically illustrated by the fact that in the fiscal year 1977 budget $45 billion in outlays are required simply to pay interest on the national debt. This outlay alone amounts to nearly one-half of the $101 billion defense budget outlays for fiscal year 1977.

Thus, it is obvious that financial considerations and restraints need to be applied in every forum within the National Government, not only the executive branch, but especially in the Congress.

President Ford has submitted to the Nation a fiscally constrained budget for fiscal year 1977. Nevertheless, it contains a deficit of approximately $43 billion.

As regards passage of S. 2350, Congress has taken a step which could lead to even more fiscal constraint, or at the very minimum, it would assure an input on fiscal matters in the NSC. Presently such advice is not always present, although President Ford has frequently utilized such counsel in the past. Further, my view is this bill is not aimed at a particular President, but is intended to assist all future Presidents.

Certainly the Congress should be commended for this action and it would be my hope that the 2d session of the 94th Congress would incorporate such fiscally conservative ideology in its own actions in connection with the fiscal year 1977 budget.

Unfortunately, in my viewpoint the Congress last year added far too much Federal spending to the President's request and the Budget Committee did not provide the restraining force that I had envisioned when it was created in 1974. In fact, the Budget Committee and the Congress increased the fiscal year 1976 deficit significantly.

Hopefully, should the Congress decide to override the President's veto on this bill, they will carry forward this philosophy in the appropriations decided upon for the fiscal year 1977 budget.

Therefore, while I would normally support the President in a matter of this nature, especially when it involves his own advisory counsel, my deep concern reference the Nation's serious financial condition causes me to cast my vote in favor of overriding the veto of S. 2350.

Mr. KENNEDY. Mr. President, I wish to record my support for the distinguished Senator from Missouri (Mr. SYMINGTON), in urging the Senate to override the President's veto of S. 2350.

I believe that the case for including the Secretary of the Treasury as a statutory member of the National Security Council is overwhelming. Quite simply, as we move into a world of interdependence in so many ways, it is no longer possible to ignore the role that international economic policy plays in our relations with virtually every nation in the world. Nor can we accept a definition of our Nation's "security" which is so narrow that it ignores those critical elements of international economic security that vitally affect the future of the United States, or which fails to see the complex and subtle relationship between military, political, and economic factors in foreign policy. Within the White House, the National Security Council is the highest foreign policymaking body, providing the President with the final advice he needs to make his decisions. It is important that he have the broadest possible advice, from many quarters—not just limited to traditional areas like those represented by the Departments of State and Defense.

As I have argued many times in the past, no Secretary of State, however, talented, can bring together all the threads of issues and interests that affect our relations with other countries. Nor can any other Cabinet officer, acting on his own. Only the President can weave together all these different threads of foreign policy—defense, diplomatic efforts, financial and economic affairs, and the impact of events and policies on U.S. domestic policy and on our people. Thus for the President—any President—to be able to exercise effective leadership in foreign policy, he must have access to all the elements of that policy, within the forums where decisions are actually made. This means principally the National Security Council; and it means including the Secretary of the Treasury—not just from time to time, but as a permanent member. In fact, I find it hard to believe that the President does not want to avail himself of economic advice, on a regular basis, within the National Security Council. For surely that is in his interest, as well as the interest of the Nation's foreign policy.

Mr. TOWER. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays are mandatory under the Constitution.

Under the previous order, all time having expired on the President's veto message on S. 2350, the question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

The yeas and nays are required. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Indiana (Mr. BAYH), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from North Carolina (Mr. MORGAN), the Senator from Mississippi (Mr. STENNIS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Wyoming (Mr. HANSEN) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. FONG) is absent due to illness in the family.

The yeas and nays resulted—yeas 72, nays 16, as follows:

[Rollcall Vote No. 1 Leg.]

YEAS—72

Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Durkin
Eagleton
Eastland
Ford
Garn
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Williams

NAYS—16

Allen
Baker
Bartlett
Buckley
Curtis
Domenici
Fannin
Goldwater
Griffin
Hruska
Packwood
Scott, William L.
Stafford
Tower
Weicker
Young

NOT VOTING—12

Abourezk
Bayh
Fong
Hansen
Inouye
Laxalt
McGee
McGovern
Mondale
Morgan
Stennis
Tunney

The PRESIDING OFFICER (Mr. DURKIN). On this vote, the yeas are 72 and the nays are 16. Two-thirds of the Senators present and voting, having voted in the affirmative, the bill, on reconsideration, is passed, the objections of the President of the United States to the contrary notwithstanding.

EXECUTIVE SESSION

INTER-AMERICAN CONVENTION ON GRANTING OF POLITICAL RIGHTS TO WOMEN; CONVENTION ON THE POLITICAL RIGHTS OF WOMEN; INTERNATIONAL TELECOMMUNICATION CONVENTION, 1973, WITH ANNEXES AND FINAL PROTOCOL; TELEGRAPH AND TELEPHONE REGULATIONS, WITH APPENDIXES AND FINAL PROTOCOL; PARTIAL REVISION OF THE RADIO REGULATIONS (GENEVA 1959) WITH FINAL PROTOCOL

The PRESIDING OFFICER (Mr. DURKIN). Under the previous order, the Senate will now go into executive session and will proceed to vote on the resolutions of ratification of Executive D, 81st Congress, 1st session; Executive J, 88th Congress, 1st session; Executive J, 93d Congress, 2d session; Executive E, 93d Congress, 2d session; and Executive G, 94th Congress, 1st session, with the one vote to count for the five treaties.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will state the first resolution of ratification.

INTER-AMERICAN CONVENTION ON GRANTING OF POLITICAL RIGHTS TO WOMEN

The resolution of ratification of Ex. D was read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Inter-American Convention on The Granting of Political Rights to Women, Formulated at the Ninth International Conference of American States, and signed at Bogota, Colombia, on May 2, 1948, by the Plenipotentiaries of the United States of America and by the Plenipotentiaries of other American States (Ex. D, 81st Congress, 1st session).

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Ex. D, 81st Congress, 1st session, Inter-American Convention on Granting of Political Rights to Women? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Indiana (Mr. BAYH), the Senator from

Hawaii (Mr. Inouye), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Mondale), the Senator from North Carolina (Mr. Morgan), the Senator from Mississippi (Mr. Stennis), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Wyoming (Mr. Hansen), and the Senator from Nevada (Mr. Laxalt) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Fong) is absent due to illness in the family.

The yeas and nays resulted—yeas 88, nays 0, as follows:

[Rollcall Vote No. 2 Ex.]

YEAS—88

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—0

NOT VOTING—12

Abourezk
Bayh
Fong
Hansen
Inouye
Laxalt
McGee
McGovern
Mondale
Morgan
Stennis
Tunney

The PRESIDING OFFICER (Mr. Ford). On this vote, the yeas are 88, the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

CONVENTION ON THE POLITICAL RIGHTS OF WOMEN

The resolution of ratification of Ex. J. was read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the accession by the United States of America to the Convention on the Political Rights of Women, signed at New York, March 31, 1953 (Ex. J; 88th Congress, 1st session).

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the rsolution of ratification on Ex. J, 88th Congress, first session, the Convention on the Political Rights of Women? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Hawaii (Mr. Inouye), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Mondale), the Senator from North Carolina (Mr. Morgan), the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Wyoming (Mr. Hansen) and the Senator from Nevada (Mr. Laxalt) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Fong) is absent due to illness in the family.

The yeas and nays resulted—yeas 88, nays 0, as follows:

[Rollcall Vote No. 3 Ex.]

YEAS—88

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—0

NOT VOTING—12

Abourezk
Bayh
Fong
Hansen
Inouye
Laxalt
McGee
McGovern
Mondale
Morgan
Stennis
Tunney

The PRESIDING OFFICER (Mr. Ford). On this vote, the yeas are 88, and the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

INTERNATIONAL TELECOMMUNICATION CONVENTION, 1973, WITH ANNEXES AND FINAL PROTOCOL

The resolution of ratification of Ex. J was read as follows:

Resolved, (two-thirds of the Seantors present concurring therein), That the Senate advise and consent to ratification of the International Telecommunication Convention, with Annexes and Final Protocol to the Convention, reached at Malaga-Torremolinos on October 25, 1973 (Ex. J., 93–2), subject to the United States declaration at Article XXXVIII of the Final Protocol:

The United States of America formally declares that the United States of America does not, by signature of this Convention on its behalf, accept any obligations in respect of the Telephone Regulations or the Additional Radio Regulations referred to in Article 42 of the International Telecommunication Convention (Malaga-Torremolinos, 1973) and in Article 82 of the General Regulations thereof.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Ex. J, 93d Congress, 2d session, the International Telecommunication Convention, 1973, with Appendixes and Final Protocol? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Hawaii (Mr. Inouye), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Mondale), the Senator from North Carolina (Mr. Morgan), the Senator from Mississippi (Mr. Stennis), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Wyoming (Mr. Hansen) and the Senator from Nevada (Mr. Laxalt) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Fong) is absent due to illness in the family.

The yeas and nays resulted—yeas 88, nays 0, as follows:

[Rollcall Vote No. 4 Ex.]

YEAS—88

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—0

NOT VOTING—12

Abourezk
Bayh
Fong
Hansen
Inouye
Laxalt
McGee
McGovern
Mondale
Morgan
Stennis
Tunney

The PRESIDING OFFICER (Mr. Ford). On this vote, the yeas are 88, the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

TELEGRAPH AND TELEPHONE REGULATIONS, WITH APPENDIXES AND FINAL PROTOCOL

The resolution of ratification of Ex. E was read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to ratification of the Telegraph Regulations and the Telephone Regulations along with the Appendices thereto and a final Protocol to those Regulations done at Geneva, April 11, 1973 (Ex. E., 93-2), subject to the United States declarations as set forth in the Final Protocol to the Regulations:

(I) TELEGRAPH REGULATIONS FOR THE UNITED STATES OF AMERICA

1. The United States of America formally declares that the United States of America does not, by signature of the Telegraph Regulations (Geneva Revision, 1973) on its behalf, or by ratification thereof, accept any obligation in respect of the application of any provision of the Regulations to service within the United States with respect to telegraph service between the United States, on the one hand, and Canada, Mexico and Saint-Pierre and Miquelon Islands, on the other hand, and to the rates applicable to such service.

1. The United States of America formally declares that the United States of America does not accept any obligation in respect of the application of any provision of the Telegraph Regulations (Geneva Revision, 1973) to service over telecommunications channels other than those open to public correspondence.

(II) TELEPHONE REGULATIONS FOR THE UNITED STATES OF AMERICA

1. The United States of America formally declares that the United States of America does not, by signature of the Telephone Regulations (Geneva Revision, 1973) on its behalf, or by ratification thereof, accept any obligation in respect of the application of any provision of the Regulations to service within the United States with respect to telephone service between the United States, on the one hand and Canada, Mexico, and Saint-Pierre and Miquelon Islands on the other, and to the rates applicable to such service.

1. The United States of America formally declares that the United States of America does not accept any obligation in respect of the application of any provision of the Telephone Regulations (Geneva Revision, 1973) to service over telecommunications channels other than those open to public correspondence.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to a resolution of ratification on Ex. E, 93d Congress, 2d session, the Telegraph and Telephone Regulations, with Appendixes and Final Protocol? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Hawaii (Mr. Inouye), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Mondale), the Senator from North Carolina (Mr. Morgan), the Senator from Mississippi (Mr. Stennis), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Wyoming (Mr. Hansen), and the Senator from Nevada (Mr. Laxalt) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Fong) is absent due to illness in the family.

The yeas and nays resulted—yeas 88, nays 0, as follows:

[Rollcall Vote No. 5 Ex.]

YEAS—88

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Ford

Garn
Glenn
Goldwater
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McIntyre
Metcalf
Montoya

Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—0

NOT VOTING—12

Abourezk
Bayh
Fong
Hansen

Inouye
Laxalt
McGee
McGovern

Mondale
Morgan
Stennis
Tunney

The PRESIDING OFFICER (Mr. Ford). On this vote, the yeas are 88, the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

PARTIAL REVISION OF THE RADIO REGULATIONS (GENEVA 1959) WITH FINAL PROTOCOL

The resolution of ratification of Ex. G was read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to ratification of the Partial Revision of the Radio Regulations (Geneva, 1959), with a Final Protocol signed on behalf of the United States at Geneva on June 8, 1974 (Ex. G, 94-1), subject to the following reservation:

The Delegation of the United States of America does not, by signature of these Final Acts on its behalf, accept any obligation in respect of the Frequency Allotment Plan for Coast Radiotelephone Stations Operating in the Exclusive Maritime Mobile Bands between 4000 kHz and 23000 kHz and the associated implementing procedures and that, although the United States of America will observe the provisions of the plan and implementing procedures to the extent practicable, pending the results of a future World General Administrative Radio Conference, the United States of America reserves its right to take such measures as may be necessary to protect its maritime radiotelephony interests.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to a resolution of ratification on Ex. G, 94th Congress, 1st session, the Partial Revision of the Radio Regulations (Geneva 1959) with Final Protocol? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Hawaii (Mr. Inouye), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Mondale), the Senator from North Carolina (Mr. Morgan), the Senator from Mississippi (Mr. Stennis), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from North Caroline (Mr. Morgan) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Wyoming (Mr. Hansen) and the Senator from Nevada (Mr. Laxalt) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Fong) is absent due to illness in the family.

The yeas and nays resulted—yeas 88, nays 0, as follows:

[Rollcall Vote No. 6 Ex.]

YEAS—88

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Ford

Garn
Glenn
Goldwater
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McIntyre
Metcalf
Montoya

Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—0

NOT VOTING—12

Abourezk
Bayh
Fong
Hansen

Inouye
Laxalt
McGee
McGovern

Mondale
Morgan
Stennis
Tunney

The PRESIDING OFFICER (Mr. Ford). On this vote, the yeas are 88, the nays are 0. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session and resume the consideration of the unfinished business, S. 961, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. MAGNUSON. Mr. President, as I understand it, the pending order of business——

Mr. BENTSEN. Mr. President, I cannot hear the Senator. Will he use his microphone, please?

The PRESIDING OFFICER. Will the Senate come to order? Will the galleries cooperate?

Mr. MAGNUSON. As I understand it, the pending order of business is now the so-called Bentsen amendment to S. 961, the fisheries management bill.

I understand that the Senator from Alaska has a substitute to this amendment, and that there is a time limitation on the amendment, so I wish the Senator to know that.

I yield to the Senator from Texas.

The PRESIDING OFFICER. The Chair advises the pending question is on agreeing to the amendment by the Senator from Alaska (Mr. STEVENS) to the amendment No. 900 by the Senator from Texas (Mr. BENTSEN). Debate on this amendment is limited to 30 minutes to be equally divided and controlled by the Senator from Alaska (Mr. GRAVEL) and the Senator from Texas (Mr. BENTSEN) with votes thereon to follow immediately.

Mr. MAGNUSON. I thank the Chair.

Mr. BENTSEN. I thank the Senator very much for yielding.

Mr. President, I fully support the perfecting amendment offered by the distinguished Senator from Alaska to my amendment. This language is the result of extensive negotiations to reach mutually acceptable language and I appreciate the committee's willingness to accommodate the interests and needs of this Nation's distant-water fishers.

Mr. President, the Stevens-Bentsen compromise amendment is designed to provide a modicum of protection to this country's distant-water fishermen who will be adversely affected by this 200-mile legislation unless certain safeguards are enacted.

If the United States unilaterally extends its fishing zone, a number of other nations off whose coasts U.S. vessels fish can be expected to follow suit in the absence of any real progress toward multilateral solution at the Law of the Sea Conference. Since the bill before us would allow regulated foreign fishing based on sound management conservation practices in our own waters. I believe equity and justice require that foreign nations allow U.S. fishermen adequate and reasonable access to their waters as well as where their own stocks are not being fully fished.

In spite of growing support in the Congress for an extension of our fishing zone, however, the Department of State has done little toward beginning negotiations with those nations off whose coasts we fish and access to whose waters is essential for the very survival of our distant-water fisheries. Shrimpers in my own State of Texas will be particularly affected by the recent decision of Mexico to extend its fishing zone to 200 miles. Much of Texas shrimping is done off the coasts of Brazil and Mexico. If we are denied access to those waters, the shrimp industry in my State will be severely damaged. Likewise with tuna.

Mr. President, we are engaged in a virtual fishing war with Ecuador. Since 1961, Latin American nations have seized 211 U.S. fishing vessels at a total cost of $12 million. Of this amount $8 million has been reimbursed but the financial loss—and the lost fishing time—have been considerable.

Consequently, it is imperative that the U.S. Government negotiate fisheries agreements with these nations to stave off a deteriorating set of hemisphere relationships.

My amendment, Mr. President, would require the Department of State to begin negotiations with those nations in whose waters U.S. vessels fish in order to reach equitable fisheries agreements. If the Secretary of State determines that such a nation refuses to negotiate in good faith, the Secretary of the Treasury is required to impose an embargo against imports of seafood and seafood products of that fishery from that nation. In addition, my amendment would define an illegal seizure by another country of a U.S. fishing vessel as a refusal by that government to negotiate a fishing agreement in good faith.

Let me say a word at this point about one objection that has been raised to the amendment. Mr. President, this is not a heavy-handed approach. The amendment clearly gives the Secretary of State the widest possible authority and discretion to negotiate a fisheries agreement. Only when and if the Secretary determines that a foreign nation is not acting in good faith can he direct the imposition of an embargo. And anyone who knows anything about the State Department's history of negotiating can see that this mandate to the Secretary of State will be given the most liberal interpretation possible.

Mr. President, my amendment will be an important incentive to the State Department to begin negotiations which have already been too long delayed and which will be of major importance for this Nation's distant-water fishermen. Without this amendment, our tuna and shrimping industries, already hit by severe increases in operating costs which cannot be recovered by an increase in prices, are facing a deadly struggle for their very existence. This amendment will be an important step toward insuring the survival and well-being of two important segments of this Nation's fishing industry.

Mr. GRIFFIN. Mr. President, will the Senator yield for a question?

Mr. BENTSEN. I yield.

Mr. GRIFFIN. I must respectfully say that I am confused about this amendment. Is it the position of the Senator from Texas that in this bill we can lawfully, without regard to international law, assert a 200-mile fishing zone and at the same time continue to deny that other nations in South America can do the same? It seems to me that that is what the amendment of the Senator from Texas is suggesting, if I understand it—that while we are going ahead and unilaterally asserting a 200-mile limit with regard to fishing, we are going to continue to say that other nations cannot do that. There is something a little inconsistent about that.

Mr. BENSTEN. What I cannot understand from the Senator's viewpoint is whether he is arguing against my amendment or is arguing against the 200-mile extension. If one would assume that the 200 miles is going to carry, then we should put some language in to make it practical. We already see some of these other countries extending their fishing zones out to 200 miles. We should have some reciprocity in this; we should have a quid pro quo.

It is one thing to argue against the 200-mile extension—and I think that is what the Senator is doing—but it is something else to argue against this amendment to make the 200-mile extension more feasible and more practical.

Mr. GRIFFIN. I agree. Just as we have asserted, properly, that these other nations in South America have been in violation of international law and unilaterally, without a negotiating agreement, have asserted 200-mile jurisdiction, I find it a little difficult to understand how we can proceed now and do the same thing ourselves.

Mr. BENTSEN. Has the Senator from Michigan opposed all amendments up to now?

Mr. GRIFFIN. No, not necessarily.

Mr. BENTSEN. That is a qualified statement.

Mr. GRIFFIN. But I am opposed to the bill.

Mr. BENTSEN. I understand that.

Would the Senator object to trying to improve the bill? Is that not what the Senator from Texas is doing?

Mr. GRIFFIN. I cannot see that this is an improvement at all.

Mr. BENTSEN. Mr. President, is this on the time of the Senator from Michigan?

The PRESIDING OFFICER. It is on the time of the Senator from Texas.

Mr. GRIFFIN. I think the Senator has answered my question. It is clear that there is a great deal of inconsistency and no logic to this, so far as I can see, and I will have to oppose the amendment.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. BENTSEN. I yield.

Mr. STEVENS. Mr. President, I commend the Senator from Texas for his approach and for trying to work out the very difficult problem of assuring that American fishermen operating in waters claimed by another nation will receive the same treatment that we are prepared to give to foreign vessels within our waters. One of the purposes of this bill is to set up a measure of due process for the foreign fishing vessels that are within the waters over which this bill would give the United States jurisdiction.

I think the approach advocated by the Senator from Texas is one that will get their attention. Distant water fishing fleets of the United States do deserve our consideration, as we try to protect our domestic fishing fleets from the intrusions off our shores by nonregulated foreign fishing fleets.

Will the Senator from Texas permit me to ask unanimous consent that the substitute I have offered for his amendment, if it is adopted, be inserted in the bill on page 45, after line 10? I find that I failed to obtain that agreement yesterday. That is where it should appear in the bill. If the Senator will permit me to do so, I will make that unanimous-consent request.

Mr. BENTSEN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. BENTSEN. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Alaska is not present for his 15 minutes. Therefore, he has forfeited it.

Mr. BENTSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the substitute amendment by the Senator from Alaska (Mr. STEVENS).

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, has the substitute amendment of the Senator from Alaska been adopted by voice vote?

The PRESIDING OFFICER. Not as yet.

The question is on agreeing to the substitute amendment.

Mr. GRIFFIN. If it is adopted, will there be a vote on the Bentsen amendment?

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the substitute amendment of the Senator from Alaska (Mr. STEVENS).

The substitute amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Texas, as amended.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Michigan was recognized, and the Senator from Alaska will be recognized immediately after the Senator from Michigan.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas (Mr. BENTSEN).

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I was unavoidably detained and could not speak to the measure that the senior Senator from Alaska proposed for correcting the Bentsen amendment. I want to speak very briefly in opposition to the Bentsen amendment.

Mr. BENTSEN. Mr. President, if I may interrupt, we had an agreed time and the time was up. I ask unanimous consent that 5 minutes to each side be allowed in order that the distinguished Senator from Alaska may speak to the amendment.

Mr. GRIFFIN. Mr. President, reserving the right to object, how much time was yielded back?

The PRESIDING OFFICER. Better than 15 minutes.

Mr. GRIFFIN. Would it be acceptable to the Senator from Texas to vitiate that yielding back, in the event that more time is needed?

The PRESIDING OFFICER. The Chair is advised that the time of the Senator from Texas was used up. The Senator from Alaska used a great portion of that. The Senator from Alaska would have the time.

Mr. BENTSEN. Since the Senator from Alaska did use my time, why not use such time as was vitiated and take it back and divide it between the two of us?

Mr. GRIFFIN. Fine.

Mr. GRAVEL. How much time was left?

The PRESIDING OFFICER. Twenty-three minutes.

Mr. GRIFFIN. That will provide a little more time if necessary. That is my point.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the 23 minutes be reinstated and that that time be equally divided between the Senator from Alaska (Mr. GRAVEL) and the Senator from Texas.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. GRIFFIN. If the Senator from Alaska is not prepared to begin, will he yield me a few minutes?

Mr. GRAVEL. I am happy to yield.

Mr. GRIFFIN. Mr. President, the pending Bentsen amendment further compounds the problems of S. 961 by requiring foreign coastal nations to give better treatment to U.S. fishermen than the fishermen of those nations would receive under the provisions of S. 961. Such a proposal, if adopted, would—

Greatly increase the potential for international conflict;

Open the door for reciprocal action by other nations against the United States; and

Virtually guarantee the failure of the Law of the Sea Conference.

Quite simply, this amendment creates a double standard. On the one hand, foreign fishermen must abide by the unilateral restrictions imposed on them under this bill—without regard to existing international agreements.

But when it comes to the rights of U.S. fishermen in foreign waters, other nations would have to live up to existing obligations or face the prospect of a U.S.-import embargo on its fish and fish products.

Apparently it is all right for the United States to tell the world how it can fish within 200 miles of our coast—but it is not all right for a foreign country to restrict U.S. fishing beyond a 12-mile zone if that country's "claim of jurisdiction—is not recognized by the United States"—or is in "violation of an existing international agreement."

Are my colleagues suggesting that if the Japanese or the Soviet Union were to determine that their fishing vessels are not being provided with the opportunity to capture an appropriate portion of the fish harvest in waters under U.S. jurisdiction—or that the United States was not negotiating in good faith—they would be free to retaliate with restrictive trade practices against U.S. goods? Under the doctrine of reciprocity, a well recognized principle of international law, this Nation would be obligated to accept as binding against the United States, the same types of constraints and mandates as contained in these amendments.

In addition, Mr. President, these amendments would require the United States to prohibit foreign imports of fish or fish products in situations where it was determined that U.S. vessels were seized by other nations in violation of the provisions of this amendment. Such a mandatory response on the part of this country goes far beyond existing fishery embargo restrictions which allow the United States to respond in a discretionary and thereby more flexible manner.

The effect of this amendment is to change entirely the character of the bill from one that is ostensibly designed to protect and conserve the living resources of U.S. waters to one that is clearly designed to insure that this Nation have first priority on the fish resources of the entire world.

If indeed the objective of the proposed amendment is to increase the probability of achieving a favorable agreement with foreign nations regarding U.S. fishing activities in waters adjacent to their coasts, I believe that that objective is going to be made all the more difficult to achieve if this amendment becomes law. Foreign nations will be even less likely to negotiate with the United States if we take such an inconsistent position with respect to the rights of U.S. fishermen and their foreign counterparts.

Mr. President, I realize my colleague from Alaska (Mr. STEVENS) has made an attempt to improve the amendment offered by the Senator from Texas. Although I agree that it does represent an improvement, the fundamental objections have not been removed.

If the Law of the Sea Conference is to have a chance of success, unilateral measures such as this one will only make the task far more difficult. I hope the amendment will be defeated.

I thank the Senator for yielding.

Mr. GRAVEL. Mr. President, I would like to have the Senator from Texas on the floor, because I wish to ask some questions relative to the amendment.

Mr. STEVENS. Since I am the author of the amendment, will the Senator address the questions to me?

Mr. GRAVEL. I am happy to do that.

Perhaps our colleague can tell us, with respect to the shrimping activities off the coast of Brazil, how much our shrimpers take in. Does he know?

Mr. STEVENS. I do not have the statistics on the distant water fishing fleets available. They are in the record of the hearings. It is some 7 percent, my staff tells me.

Mr. GRAVEL. I am talking about dollar amounts. If I understand the amendment, it says that if they exclude our shrimp fleets over there, we will embargo shrimp, not the rest of their fisheries' product. Is that correct?

Mr. STEVENS. It is not quite correct. In effect, it says that if the Secretary determines that a foreign nation has refused to negotiate or refused to live up to a treaty then the fish products from that particular fishery could be embargoed.

Mr. GRAVEL. All fish products?

Mr. STEVENS. Fish products from that particular fishery.

Mr. GRAVEL. What are we talking, is it shrimp, anchovies, tuna?

If they only establish rules that impair our shrimp fishermen from fishing off Brazil, what are they embargoing, all fisheries' products?

Mr. STEVENS. Just shrimp products.

Mr. GRAVEL. Pardon?

Mr. STEVENS. Just shrimp products.

Mr. GRAVEL. OK; the figures I have, that we fish off the coast of Brazil, are worth $10 million. That is the catch our shrimpers have off Brazil.

Now, Brazil exports to the United States $4 million. So, mathematically, how are we punishing? We are punishing ourselves, because they will turn around and do what the Senator is afraid they are doing, but they are the beneficiary.

Mr. STEVENS. On the contrary, I think we would be establishing a very good principal of international reciprocity in the fishing area.

I do not think we can look to the value of a particular fishery, of any nation when determining the value of the fleets because they go from area to area during the period of a season.

We are talking primarily about tuna, which is a migratory fish, going in and out of the jurisdiction of many nations.

This concept says we want good-faith negotiations, we want good-faith compliance with agreements we have entered into and we want to make certain that we do not have any seizures in an area not recognized by the United States.

I thought my colleague was arguing yesterday he was afraid we might do just those things to foreign fleets.

One of the reasons I put this in is because we are trying to demonstate again that we are willing to equitably treat foreign fleets within our waters provided they negotiate in good faith affording these same rights to our high seas fishermen.

If we try to put a dollar value on a particular fishery, no one will understand what we are doing.

Mr. GRAVEL. We have to, otherwise we do not know what we are doing.

I will state that the nation of Brazil exports to the United States some $30 million in fisheries products. Now, our people catch off Brazil $10 million in shrimp.

If they deny us that $10 million for our people, then the most the Senator's bill would do would be to punish them by denying them $4 million that they could not export to the United States, that it would still leave the $26 million.

What kind of punishment is that to a country in this regard?

Mr. STEVENS. It is highly important to us, because my staff advises me that 15 percent of the shrimp we take is off of the coast of other nations within their 200-mile limit and 85 percent of our shrimp is taken within 200 miles of our coast.

The reciprocity principal is involved. I think it has a great deal to do with our own bill as well as the desire of the people the Senator from Texas represents who want to be reassured that they can continue to fish their distant water fishing grounds.

Mr. GRAVEL. It still does not add up in the arithmetic in question, that kind of rhetoric, but in dollars and cents it shows me the Texans will lose $10 million, the Brazilians will be punished by $4 million, and the rest of the Nation will still import from Brazil $26 million.

The Senator can talk about the rhetoric and the reciprocity all he wants, but the arithmetic in this case, in Mexico, Ecuador, and Panama, shows the amendment is really, in point of fact, ridiculous.

Let me just add, that is how it works out economically. It still—the point I was making yesterday—is considerably more important than the short-run economics involved, and that is that this is the beginning of a trade war.

Here we have gone for decades trying to get the world into a situation where we are lowering trade barriers.

I predicted in a paper I wrote some months back that by taking 200 miles unilaterally, we were placing in motion the seeds of an international trade war.

Proof of that statement is that one has to come in right now with an amendment, not even waiting for the bill to pass, but now, to set the trade war in motion, because if we begin to embargo other people's products, does the Senator think for a moment they will stand by and not retaliate? Then we escalate. So we are going to punish Brazil who does something they think is right to do and they retaliate and we begin the entire ripple effect around the world.

Here, we compound this difficulty trying to negotiate a new treaty with Panama, in our relations with South America, which are very delicate. We throw this in the breach and the prediction I made that we would have anarchy of the seas is a very mild prediction, at best.

I think it is very tragic that the committee and my colleague have not gone into the arithmetic of it and just talk in terms of rhetoric.

I will state again on Brazil, we are not punishing them very much. The people getting punished are the people of Texas. The shrimpers go to Brazil and catch $10 million worth of shrimp. We import from Brazil $4 million worth of shrimp.

So under the bill, the most we can do is embargo $4 million worth of shrimp.

We have already lost the ability to catch $10 million, but we import from Brazil some $6 million worth of fishery products.

If you want some teeth in this and get the trade war working efficiently, at least, all you ought to do is embargo all their fishery products, but the way it is structured, we have the people of Texas thinking we are taking care of them, but they will be the first to go.

Mr. JAVITS. Mr. President, I shall briefly explain my position in support of this amendment, offered by Senator BENTSEN as modified by Senator STEVENS.

I am generally opposed to unilateral boycotts as a mechanism for vindicating commercial interests—even legitimate commercial interests as are involved here with respect to shrimp fishing.

The language of this amendment is carefully framed to leave discretion in the Secretary of State, who is in a position to evaluate the potential from negotiation that might be derived before taking a step so drastic as a commercial boycott.

I have grave doubts about this bill at the present time, particularly since the Law of the Sea Conference will reconvene in New York City in March of this year.

However, I believe it is useful, in the context of this legislation, to reaffirm the authority of the Secretary of State to the decisive action to vindicate our legitimate and crucial fishing interests.

I, therefore, will support this amendment.

The PRESIDING OFFICER. All time of the Senator from Alaska (Mr. GRAVEL) has expired.

Mr. GRAVEL. We are still arguing on whose time?

The PRESIDING OFFICER. On the Senator's time.

Mr. GRAVEL. My time has expired. Is there any time remaining?

The PRESIDING OFFICER. No. On the time assigned to the Senator from Texas (Mr. BENTSEN), but he is not on the floor. The Chair will have to leave it as he did with the Senator from Alaska and forfeit the time of the Senator from Texas.

The yeas and nays have been ordered. The question now is on agreeing to the amendment as substituted. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Indiana (Mr. BAYH), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from North Carolina (Mr. MORGAN), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Wyoming (Mr. HANSEN) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. FONG) is absent due to illness in the family.

The result was announced—yeas 71, nays 16, as follows:

[Rollcall Vote No. 7 Leg.]

YEAS—71

Allen
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Ford
Garn
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevens
Stone
Symington
Talmadge
Tower
Weicker
Williams
Young

NAYS—16

Baker
Clark
Cranston
Culver
Fannin
Glenn
Goldwater
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Kennedy
McClure
Percy
Taft
Thurmond

NOT VOTING—13

Abourezk
Bayh
Fong
Hansen
Inouye
Laxalt
McGee
McGovern
Mondale
Morgan
Stennis
Stevenson
Tunney

So Mr. BENTSEN's amendment (No. 900), as amended, was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. Will the Senator from Washington suspend for a moment? The Senate will be in order. Senators will either return to their seats or go to the cloakrooms with their conversations.

Mr. MAGNUSON. M. President, as far as the committee is concerned, and we have canvassed the Senators fairly well, with the exception of the junior Senator from Alaska, we have no more amendments to submit, and we are ready to vote on the bill, unless there are further amendments.

I understand they are trying to arrive at an agreement between the junior Senator from Alaska and the leadership to see if we can vote today, which I would like to do.

While they are doing that, the senior Senator from Alaska has, I now understand, a rather minor amendment.

Mr. STEVENS. It is a technical amendment. I am sending it to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> Page 46, line 21, delete the period and insert the words ", except that any such measure shall not have economic allocation as its sole purpose.".

Mr. STEVENS. Mr. President, just briefly, this is an amendment to the national standards that are established by title II of this bill. Subsection (5) of those standards provides:

> Management and conservation measures shall, where appropriate, promote efficiency in the utilization of fishery resources.

The intent of this amendment is to make certain that those management and conservation measures shall not be for the sole purpose of economic allocation of the fishery resources. We have no such intent.

In effect, I am saying that a regional council could not, for example, say that only vessels over a certain size can fish for one species, and only those under another size for another species.

We have no intention to permit the regional council to have economic authority over fisheries resources. They are to have conservation and environmental authority, but not economic.

As such, I hope this proposal will be accepted as a technical amendment.

Mr. GRAVEL. Mr. President, I have no objection. I would just like to make the proviso that it be considered as original text. That this amendment, along with the last amendment, be considered as original text.

Mr. STEVENS. I would have to object to that. The Senator from Texas is not agreeable to it.

Mr. GRAVEL. He did agree to it just now, right alongside the Senator from Washington.

Mr. STEVENS. Then I suggest the absence of a quorum, to make sure that the Senator from Texas understands.

Mr. GRAVEL. Mr. President, I object to that unanimous-consent request, and suggest the absence of a quorum.

Mr. STEVENS. I do not have a unanimous-consent request pending. I moved the adoption of my amendment.

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FANNIN). Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I withdraw my objection to the request of my colleague from Alaska. The Senator from Texas has no objection to his request.

The PRESIDING OFFICER. The objection is withdrawn.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the Bentsen amendment and the present technical amendment that is being offered be treated as original text.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I repeat that insofar as I, the senior Senator from Alaska, and the committee know, there are no further amendments to be offered to the bill. If anyone has any amendments, now is the time to offer them.

I was hopeful that we could get a rollcall vote on the bill today or tomorrow, but I do not know. We are through with the committee amendments. But so far as I know, no other amendment will be offered by the committee or the managers of the bill.

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GRAVEL. Mr. President, I have been working on an amendment with other Senators. It is a very intricate amendment. It is one that I would like to present to the Senator from Washington as soon as we get our work done. I would like to present it to the Senator from Alaska, and we probably could work out an accommodation in a spirit of compromise. If that could be done, obviously, we would have no difficulties on any facet of time. But we are at the very crucial part. It is a very intricate amendment. It goes to all facets of the bill. That is the reason why I was guarding so preciously the right to be able to amend. Obviously, that right could be objected to.

Mr. MAGNUSON. The Senator has the right to do so at this time.

Mr. GRAVEL. I must say to the Senator that he has labored long and hard with his committee—many months and years, for that matter—and he cannot expect us to create something of equal strength in the period of a day of two. So I am not trying to cause a delay. There is nothing that is pressuring this body so that we cannot have patience a moment and secure the final form of this amendment and present it to the Senator from Washington. Other Senators who feel very strongly on the subject will join in this amendment.

Mr. MAGNUSON. I do not have my feet in concrete with respect to any legislation. We have had a whole month during the holidays, 20 days in January. We have had hearing after hearing. It has been before three committees, two times. That is what the consensus was.

I know that in the management part of the bill, there has been some difficulty. It is a matter of how you write it. We cannot satisfy everybody. We have heard a lot of proposals about it, even to the extreme that we have a Director of Fisheries who would have absolute power, back down to a commission, a separate commission. Finally, we worked out this measure, and this was the consensus about the best way to manage it. We cannot satisfy everybody. I know fishermen pretty well. They are pretty hard to get to agree on a lot of things. They are independent people.

I will be glad to look at the Senator's new amendment. But we have been here 4 days, and I would like to get this bill passed, as do the other Members of the Senate.

We just had a rollcall vote in which there were 70 some votes against an amendment. There is no use having more rollcall votes on amendments if that number of Members of the Senate are against these things. It just takes up a lot of their time. I do not know how long we can wait with this. No one has any so-called amendment or compromise except one Senator—the Senator from Alaska.

Mr. GRAVEL. I beg to differ.

Mr. MAGNUSON. That I know about.

Mr. GRAVEL. This compromise will be joined in by a substantial number of Members of the Senate—the leadership of the Senate.

Mr. MAGNUSON. If it is the State Department compromise, count me out.

Mr. GRAVEL. I assure my colleague that the reason why we have problems of delay right now is that it did not come from the State Department. I got the idea from a statement made by a Member of this body, on the floor of the Senate. I did not realize the import of what this Senator was suggesting. We did further research. I think the Senator can appreciate the fact that we do not have at our disposal the total research capability of the committee. We have not been able to work with the alacrity with which a committee would have worked, but we have been using all diligence and all haste to try to get language which is technically correct.

I do not think the Senator would want to see slipshod work presented to this body. All I am saying is that 5 days ago, I did not apreciate that this proposal was possible. Other Senators did not appreciate that it was possible. But it will take us a day or so more until we have a product to present privately to the Senator from Washington.

Mr. MAGNUSON. I want the Senator to present it to the Senate, not to me.

Mr. GRAVEL. As a courtesy, though, we would be prepared to offer it first to the Senator from Washington. I would not want to offer something complicated without his having a chance to go over it thoroughly, so that when he speaks about it on the floor, he will speak from his extensive years of experience in this area.

Mr. MAGNUSON. I will take a good, long look at it while the Senator is talking about it. I will have plenty of time.

[Laughter.]

Mr. GRAVEL. I assure my colleague that I can have it to him, in hand, for the weekend.

Mr. MAGNUSON. The Senator from Alaska just wants to go over until next week, does he not? Is that what he wants?

Mr. GRAVEL. If that were the case, I could tell my colleague that we could file a cloture motion, and it will have to go over until next week. That is not my intent. My intent is to get a reasoned compromise.

So I can tell my colleague that if he is looking to save time, this would be the way to save time. We would like to sit down with him privately and explain it to him.

Mr. MAGNUSON. I do not know how we are saving time. Why does the Senator not present it, and we will discuss it? That is the way to get at these things.

Mr. GRAVEL. I am afraid that we are not technically in a position to present it today.

Mr. MAGNUSON. How long does it take? This has been going on for weeks and months, and now we are getting letters from the State Department. It is like a broken record—the same old thing, over and over and over and over again. I respect their opinion, but let us vote on something here.

Mr. GRAVEL. This is not a State Department initiative. This is an initiative of the membership of this body. If we could have the time to do our work properly and present it to the Senator, we might well have a compromise.

Mr. MAGNUSON. Hhis is a committee of just one. But if the Senator wants to hold up the matter, he has that privilege.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. MAGNUSON. The junior Senator from Alaska is correct; I am becoming a little worked up about this thing. I have been going at it now for 18 long years. We have spent 4 days on the bill; we are ready to vote. The Senator can vote against the bill and present amendments. He can do anything that is his privilege as a Senator. But it is just another stall proposition. Let us get down and settle this matter one way or another.

Mr. GRAVEL. I assure my colleague that the moment he reads this amendment, he will not call it a stall. It is a substantial proposal to work out an agreement to accomplish the same goals under the Magnuson bill.

Mr. MAGNUSON. It is against the 200-mile limit, is it not?

Mr. GRAVEL. It is an amendment to protect the fish that the Senator is concerned about, to have the management proposals that he is concerned about. We are trying to do exactly what the Senator wants to do, without any risk. Is that so unreasonable? That is certainly within the context of the Senator's wishes.

Mr. MAGNUSON. My wish is to get the bill passed, and my wish is to have a vote on the bill. Maybe I will lose it when we have to vote. I do not know. I doubt it. Maybe we will lose it. We still have to go to conference with the House. That is going to take a long time. The House has passed this bill, and they are anxious that we do something. They passed it by a vote of 2-to-1. Then we waited and waited. Now, we are supposed to wait again.

Mr. President, as far as I am concerned, we are ready to vote. If anybody has an amendment, let him present it.

Mr. GRAVEL. Mr. President, I can state my case very simply. I shall be prepared to vote as soon as I can get this amendment technically in order and present it to the body. I think it is a significant amendment. I think it will be appreciated as a significant amendment.

Mr. STEVENS. Will the Senator yield to me?

Mr. GRAVEL. Yes.

Mr. STEVENS. I appreciate what the Senator is saying. We try to act on the basis of fairness here. This is Thursday. I understand we will be voting very soon. The distinguished majority whip will be asking, I presume, for a consent agreement on the Bush nomination. Will the Senator agree on a time limit so that we can vote on this bill and his amendment, following the Bush nomination?

In other words, the Senator will have an opportunity to present his amendment and we agree that the time limit on all other amendments not taken up before the Bush nomination, will be 2 hours. That way we can vote on the bill for certain on Tuesday? Would the Senator agree to that?

Mr. GRAVEL. Will I agree to a vote on the amendment on Tuesday?

Mr. STEVENS. On his amendment and the bill on Tuesday.

Mr. GRAVEL. If the amendment passed and he objected to the amendment, the Senator may not want to vote on it then.

Mr. STEVENS. I am willing to take that risk.

Mr. GRAVEL. If we could have a conference with those who will be joining the amendment, maybe——

Mr. STEVENS. I have conferred. We are prepared to set a time limit now, as much time as the Senator wants on each amendment, and, if possible, we will vote on those amendments before the Bush nomination; in any event, right after the Bush nomination is disposed of. Then vote on the bill at a time certain—I will agree to 1 hour on the bill, and 2 hours on each amendment and whatever else the Senator wants on his amendments. If he wins, fine. We will still go to conference, my friend. I still have a voice in conference.

Mr. GRAVEL. I wish to hear the views of the distinguished assistant minority leader.

Mr. GRIFFIN. I always find it difficult to agree to a time limitation when I do not know what the amendments are that we will have to vote on. Perhaps we can have a quorum call and try to get more information and have an opportunity to check with some of the others that I know are opposed to this bill.

Mr. ROBERT C. BYRD. Will the Senator yield before he asks for a quorum call?

Mr. GRIFFIN. I yield.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. If the Senator will continue to yield, Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TIME LIMITATION ON BUSH NOMINATION AND FOR VOTE TO OCCUR AT 3 P.M. ON TUESDAY, JANUARY 27, 1976

Mr. ROBERT C. BYRD. Mr. President, I have cleared the following request with Members on both sides of the aisle. I have been directed by the distinguished majority leader to propound it at this time.

I ask unanimous consent, as in executive session, that the debate on the nomination of Mr. George Bush of Texas to be Director of the Central Intelligence be limited to 2 hours, beginning at the hour of 1 o'clock p.m. on Tuesday next, the time to be equally divided between Mr. Thurmond and Mr. McIntyre, with a vote to occur on the nomination at the hour of 3 o'clock p.m. on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in executive session, that it be in order to order the yeas and nays on that nomination at any time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if the Chair will indulge me briefly, I think we can get enough Senators to get the yeas and nays on the nomination now.

Mr. President, I ask for the yeas and nays on the nomination of Mr. Bush.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICE. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreements, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. PACKWOOD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 49, line 2, after "Alaska" insert a comma and "Oregon,".

On page 49, line 19, before the period insert "and Oregon is entitled to one member".

Mr. PACKWOOD. Mr. President I have cleared this amendment with both Mr. Stevens and Mr. Magnuson. It adds one resident of Oregon to the Commission for the Alaska territorial waters. There are three from Washington, five from Alaska, this will add one Oregonian. That is in rough proportion to the number of Oregon fishermen fishing in those waters.

Mr. STEVENS. Mr. President, it is my understanding that the Federal representative would become a nonvoting member.

Mr. PACKWOOD. I have another amendment on that.

Mr. STEVENS. Yes.

Well, I would want to make sure these amendments are considered en bloc because they are delicate for us to be involved in.

Mr. PACKWOOD. I will be happy to offer the other amendment and ask they be considered en bloc.

I send to the desk another amendment.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. GRAVEL. Mr. President, I ask unanimous consent that these amendments be considered as original text.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. They will be considered as original text.

Mr. PACKWOOD. As to these amendments being considered en bloc, I would say the Federal member appointed to these commissions would be a nonvoting member.

The PRESIDING OFFICER. The second amendment will be stated.

The assistant legislative clerk read as follows:

On page 50, line 23, after "serve" insert "as a non-voting member".

Mr. PACKWOOD. Mr. President, the sum total of these two amendments is, first, a resident of Oregon would be added to the Commission involving Alaska territorial waters.

Two, on all commissions, the Federal member that is appointed will be a nonvoting member.

Mr. STEVENS. Mr. President, it is my understanding with regard to the Alaska Regional Council, there will still be nine members. Instead of having a Federal voting member we will now have a voting representative from Oregon.

In effect, they will all be nine non-Federal members; five from the State of Alaska, three from the State of Washington, and another from the State of Oregon. That is roughly equivalent to the fishing population in the area represented by the Alaska Regional Council.

On that basis, I would have no objection. I think it is a reasonable proposition.

Mr. MAGNUSON. I have no objection, either. This was called to my attention earlier. It was overlooked and we should have a representative from Oregon.

Of course, this is just about in ratio to the amount of fishing by the three States.

Mr. PACKWOOD. That is correct.

Mr. MAGNUSON. I have no objection.

The PRESIDING OFFICER. The amendments of the Senator from Oregon will be considered en bloc.

The amendments were agreed to.

The PRESIDING OFFICER. The amendments are adopted and considered as original text for the purpose of further amendments.

Mr. JACKSON. Mr. President, I am pleased to take the opportunity to express my support for S. 961, the Magnuson Fisheries Management and Conservation Act. No doubt this bill, popularly known as the 200-mile-limit bill, will when passed become the most important development in the long history of one of the Nation's first industries.

The protection of our coastal fisheries has long been a major issue in this country and has been debated by Congress at various times since we became a free nation. It seems, therefore, appropriate that the Congress should, in this Bicentennial Year, be on the brink of a restatement of strong interest in the conservation and management of our fisheries. For far too long we have witnessed the decline of many of the more important stocks in our coastal waters. I firmly believe that S. 961 will arrest that decline, and give the United States, for the first time, adequate enforcement authority to end the protein piracy of foreign nations operating with near abandon within sight of our shores.

This bill is also the first major effort to rationalize our national fishery management program, based on a joint Federal-State partnership and guided by clearly articulated management standards. Too often this facet is ignored by those who have opposed this legislation. I consider the management features as a fundamental reason for supporting this bill.

There is no doubt in my mind that this legislation is needed to protect our fisheries—the views of our Department of State notwithstanding. It is significant to me that Ambassador Donald McKernan, formerly the State Department's chief negotiator of fishery agreements, has expressed his strong support for Senator Magnuson's bill. Ambassador McKernan has no motivation except to report the truth about the status of our fisheries. He, more than anyone else in this country, understands the frustration and the too-frequent futility of relying upon international negotiations as the sole protectorate of our fish stocks. After reviewing the results of recent fisheries agreements claimed by opponents of S. 961 as removing any urgent need for the bill, Ambassador McKernan has said:

> There is no assurance that "many" of our fisheries will be rehabilitated in six or seven years as a result of recent bilateral or multilateral actions by our government. We do not have adequate control over foreign fishing, neither adequate surveillance nor enforcement, to be at all certain we will even be able to rehabilitate those fisheries depleted by foreign fishermen unless we achieve greater control over the activities of those fishermen.

As an example of what happens to an internationally regulated fishery when a highly sophisticated foreign fleet concentrates its effort, let us look at the haddock fishery which has supposedly been protected by the regulations of the International Commission for Northwest Atlantic Fisheries, ICNAF. In 1960, the United States took nearly the entire catch from this fishery—43,341 metric tons, MT, out of 43,801 metric tons total catch. Canada landed the remaining 460 metric tons. Up through 1965, this situation remained relatively unchanged. But in that year the Russians arrived in our waters and directed their efforts on the haddock fishery. In that year the Soviet fishing took 81,882 metric tons, about 75 percent more than U.S. fishermen landed. The U.S. total was 57,027 metric tons, hardly 13,000 metric tons more than they had landed in 1960.

In total, 154,725 metric tons of haddock were caught in 1965. In 1966, the results were similar, but the Canadians increased their catch on Georges Bank by a large measure. Because of this tremendous pressure, in less than 5 years the total catch of haddock off New England had dropped by an order of magnitude—to just 12,852 metric tons overall in 1970. By 1974, ICNAF adopted a zero quota for this species in subarea 5, covering the once prolific Georges Bank.

This entire sorrowful episode occurred while our fishermen pleaded for greater protection, and we instead put our faith in ICNAF.

But why does ICNAF fail? It fails because it must rely upon the good faith of each individual nation to police the terms of the annual ICNAF regulations and to punish violations by its citizens. Now I ask anyone to prove to me that a nation, such as the Soviet Union, will require that its fleet refrain from catching fish off our shores while the catching is still good and the jurisdiction limits narrow. As Senator STEVENS mentioned the other day, the Soviets said a computer error caused them to exceed their 1975 ICNAF mackeral quota by 100 percent. And what could be done about it? We cannot throw a computer in jail. And I ask you—what incentive do they have to prevent further computer errors? This year the U.S.S.R. had the worst grain harvest in recent times. Firm directives have now gone out to the Soviet fishing fleet, the world's largest, to bring in more protein. What will come first, the protein needs of mother Russia or the conservation needs of the fisheries around the world, including our own?

The Soviets are not the only offenders. Other nations have flocked to the waters within 200 miles of U.S. shores to take their share out of some of the most heretofore abundant fisheries in the world. Intense pressure, both past and potential, is evident in the list of overfished species—Alaska pollock, Pacific ocean perch, Pacific halibut, Atlantic halibut, haddock, yellow tail flounder, and others. The loss of maximum yield of these fisheries is both a measure of past abuses and a portent of possible future destruction if we allow the jurisdictional status quo to continue. Without a 200-mile limit, the trend of decline will not stop, for the conservation incentive is lacking in the international bodies we have today. This Nation must have S. 961 to protect adequately this major source of protein.

It has been argued that passage of this bill is inimical to U.S. national security interests. I am not persuaded by these arguments. As one who has been long concerned about maintaining a strong military posture in this troubled world, I am sensitive to the need for flexible movement by our military throughout the world. But maintenance of such flexibility does not hinge on what this country does to protect its fishery resources.

S. 961 is a reasonable measure, drafted to be in line with the general consensus on a 200-mile economic resource zone evident in the U.N. Law of the Sea Conference. The bill cannot be characterized as a pure exercise in self-interest by the United States for its provisions are actually narrower in scope than those found in the single negotiating text developed in the last session of that Conference. The bill expressly preserves existing navigation rights in the 200-mile fishery conservation zone. It does not create a territorial sea, as some have erroneously stated. And it cannot be cited, with any force of persuasion, as a basis for establishing a territorial sea.

Special purpose jurisdictional zones have had a long history in law of the sea. Such zones encompass less than full sovereignty and are created to deal with problems of general concern. Presently, zones beyond the territorial sea recognized for enforcement of customs, fiscal, immigration or sanitary laws, and for fishery management jurisdiction. Consequently, S. 961 has substantial precedent and is not a major deviation from traditional lawmaking in the ocean. In fact, the limit which our Department of State claims is the only permissible fishery limit—12 miles—is not the subject of any treaty. The 12-mile fishery limit came into being by a concert of unilateral actions taken by several nations, including the United States.

In summary, Mr. President, I believe the Congress has had ample opportunity to consider very carefully the pros and cons of S. 961. I am confident that my colleagues will join me in expressing their support for this long overdue conservation measure.

Mr. WILLIAMS. Mr. President, I wish to express my strong support for the Magnuson Fisheries Management and Conservation Act, S. 961, now pending before the Senate. This legislation will extend the jurisdiction of the United States over certain ocean areas and fish to a limit of 200 miles in order to protect the domestic fishing industry.

Over the past 15 years, there has been an alarming depletion of certain U.S. fish resources—some to the point of near extinction. This has been the result of intensive fishing in U.S. coastal waters, primarily by foreign fishermen. Moreover, this fishing has interfered with the livelihoods of U.S. fishermen, and in the process U.S. fishing gear has been destroyed without compensation for the massive losses which have been suffered. The frightening depletion of these fisheries severely threatens the social and economic welfare of the coastal areas concerned. It also threatens an irreplaceable resource which contributes to the food supply and economy of the Nation as a whole, and these critical dangers have prompted certain Members of Congress to work diligently on a bill to help conserve these stocks and the U.S. fishing industry.

The main purpose of this bill, which I am pleased to cosponsor, is to extend the exclusive fisheries zone of the United States from 12 to 200 miles as an interim measure until a U.N. Law of the Sea treaty can become effective, if one is concluded. It regulates all species of fish except such highly migratory species as tuna, bill fishes, swordfish, sailfish, and marlin, which would be regulated by international fishery agreements.

The Department of State is announcing that no action is needed because diplomatic negotiations have been so successful. But, at the same time, the National Marine Fisheries Service says the new agreements will still result in depletion of additional stocks. All indications are that the agreements are still allowing foreign fleets to take in excess of the maximum sustainable yield. The new fishing agreements actually institutionalize excessive fishing, and they have not solved the alarming situation facing our commercial and sports fishermen. It is also important to realize that achieving an agreement on a biomass quota, which limits the overall catch, does not solve the by-catch problem nor does it protect individual stocks.

It is difficult to believe the administration is really serious about protecting this valuable, renewable resource off our coast. The Department of State admits that satisfactory fisheries management requires extension of jurisdiction throughout the range of coastal species. And an extension to 200 miles is generally accepted principle in the Law of the Sea negotiations. Yet the administration will not do what it says needs to be done.

The latest example of how unreliable the enforcement of negotiated agreements is came only 2 weeks ago when we learned that mackerel stocks had been overfished extensively by the Russians last year. The Soviet fleets violation of their quota agreement resulted in 100,000 additional tons of mackerel being taken. This was 100 percent above the allotted Soviet quota. The Soviets admitted the violation, but claimed it was due to a computer error. We cannot afford to rely on agreements that do not provide for effective conservation management of fish stocks. Another "computer error" might result in several years wait before the number of fish would recover to the point that our fishermen could begin to take meaningful catches again.

Of course, all of us would like to achieve needed protection of our fishing industry and coastal fisheries resources by an enforceable treaty. But we have been trying to arrive at a treaty since the late 1950's.

In view of the length of time it is taking to negotiate the complex law of the sea treaty and the inevitable amount of time that will elapse between the final negotiation and the entry into force and effectiveness of the treaty, the urgency of the passage of this legislation is obvious. This is particularly so if the distant water fishing nations with their heavy investments in extensive and technologically advanced fleets should decide to accelerate their fishing efforts on the high seas before possible limitations mentioned at the Law of the Sea Conference are imposed under the proposed 200-mile economic zone.

As a supporter of the bill, I believe that it should be viewed as consistent with the 1958 Convention on Fishing and Conservation of the Living Resources of the High Seas, given the developments that have occurred since then, and with the U.S. position concerning the 200-mile economic zone which is now under negotiation. Moreover, the bill attempts to protect every segment of the U.S. fishing industry. Most importantly, it does not, by its own terms, interfere with vital naval interests such as freedom of navigation and passage through international straits or with treaties now in force.

I strongly urge prompt and favorable action on this legislation in the Senate.

Mr. CLARK. Mr. President, I have given careful consideration to S. 961, which would unilaterally declare a 200-mile fishing zone, and I have come to the conclusion that it would be best not to pass this bill at this time. I believe that very cogent arguments have been made on both sides of the debate over this bill. There is no question that steps need to be taken to protect the fisheries off our coasts. I think both proponents and opponents of this bill are sincerely seeking to protect those fisheries without endangering other American interests. There are, however, two factors which have caused me to oppose this bill.

First, I believe that there is still a good chance that the United Nations Law of the Seas negotiations will lead to settlement of the incredibly complex matrix of ocean issues which are troubling relations in the world today. These issues are becoming every day more complex, as new technology creates new problems in such areas as ocean pollution and exploitation of resources of the ocean floor, as well as in fishing. These problems can in the end only be resolved by international negotiations—regardless of whether this bill becomes law.

I am disappointed that the Law of the Seas negotiations have not yet produced a generally acceptable treaty, but there is no reason for dispair. When representatives of nearly 150 governments with widely divergent views on dozens of complicated and interrelated issues get together to try to reach a consensus on those issues, the process is going to take time. So far there have been two negotiating sessions, and the negotiators have produced a single negotating text—a substantial achievement in itself considering the difficulties involved. In addition, a consensus seems to be arising on a number of issues, including the 200-mile fishing zone. It would be a tragedy if premature unilateral action by us should endanger achievement of an agreement on guaranteed passage of vessels through straits, protecting the ocean environment, agreed boundaries of territorial seas, a program for extracting the wealth of the ocean floor for the benefit of mankind, and many other important matters while seeking to protect our fishing interests. Our negotiators believe that if we pass this bill, we will be giving those who claim 200-mile territorial waters extra leverage without gaining agreement on the other problems at issue.

That brings me to the next reason that I oppose this bill. The recent actions by the International Convention for the Northwest Atlantic Fisheries, ICNAF, to cut quotas of foreign fishermen by 42 percent and to close certain areas to ground trawlers, as well as progress in bilateral negotiations, now make the conservation problem less urgent. In recent weeks a United States-Poland agreement reducing the allowable Polish catch has been announced. I understand that a similar agreement with Romania has been concluded and that new negotiations with the Soviet Union and with the Republic of Korea are scheduled for the near future.

If adequately enforced, these agreements and others like them will protect our interests and permit replenishment of fish stocks. While there appear to be some grounds for dissatisfaction with enforcement of these agreements so far, they already seem to have partly alleviated the over-fishing problem. I understand that the ICNAF is meeting this month in Rome to draw up more effective enforcement rules, and that the U.S. representative will push strongly for a favorable outcome of that meeting. In any event, it would in my view be unwise to condemn these agreements before they have had time to prove their worth.

In summary, then, I hold strongly to the view that, whenever possible, negotiation is better than unilateral action. That is doubly true in the case of an intricate issue like Law of the Sea. And the problem of over-fishing appears less urgent now than it did a few months ago because of agreements which our Government has been working out with others. If we pursue this avenue now to protect our fisheries, we can give our negotiators time to make a real push for a definitive solution to the oceans dilemma.

ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL MONDAY, JANUARY 26, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow it stand in adjournment until the hour of 12 o'clock meridian on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM MONDAY UNTIL 10 A.M. ON TUESDAY, JANUARY 27, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Monday, it stand in adjournment until the hour of 10 o'clock on Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM TUESDAY TO 10 A.M. ON WEDNESDAY, JANUARY 28, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Tuesday, it stand in adjournment until the hour of 10 o'clock on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, we have a series of charts and explanations for the charts. I ask unanimous consent to have printed in the RECORD at this point those portions of the explanations and those portions of the charts that are printable in the RECORD according to the rules of the Senate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. FISHING INDUSTRY

VALUE OF LANDINGS AND IMPORTS OF EDIBLE FISHERY PRODUCTS (1973)

A nation's balance of payments is an important indicator of that nation's economic health. In fish products the United States has suffered an adverse balance of payments for several years. It is also the world's largest consumer of fish products.

In 1965, the United States produced approximately 50% of the total edible fishery products consumed in the U.S. while approximately 50% was imported. In 1970 the United States produced approximately 40% of the total while approximately 60% was imported. By 1974, 65% of U.S. consumed fish products were imported.

These facts show the outflow of dollars due to fish imports. Improvement in this balance will contribute to make our economy sounder. S. 961 should help make this improvement.

VALUE OF LANDINGS AND IMPORTS OF EDIBLE FISHERY PRODUCTS

Years	Values (millions of 1973 dollars)			Percent of total comprised by domestic
	Domestic	Imports	Total	
1965	409	479	888	46
1970	565	813	1,378	41
1972	658	1,233	1,891	33
1974	682	1,240	1,922	35

U.S. LANDINGS, IMPORTS, AND CONSUMPTION OF EDIBLE FISHERY PRODUCTS

This chart is merely another view of the relationship of imports and U.S. landings to total U.S. consumption.

The years covered are 1950–1974. During this period, total U.S. consumption of fish and fish products increased from 4.4 billion pounds to 6.5 billion pounds. During this same period, landings by U.S. fishermen decreased from 3.3 billion pounds to 2.4 billion pounds.

U.S. LANDINGS, IMPORTS, AND CONSUMPTION OF EDIBLE FISHERY PRODUCTS

Years	Landings	Imports	Total landings and imports	Percent supplied by U.S. landings
1950	3.3	1.1	4.4	75
1960	2.5	1.8	4.3	58
1970	2.5	3.7	6.2	40
1974	2.4	4.1	6.5	37

TOTAL VALUE OF U.S. COMMERCIAL AND FOREIGN CATCH WITHIN 200 MILES OF U.S. COAST (EXVESSEL 1974)

This chart is intended to show the present estimated overall value of fish caught within 200 miles of U.S. shores. [Exvessel values means the value of the fish at dockside prices.]

From the shoreline to 200 miles, the total 1974 value of fish caught was $1.5 billion. U.S. fishermen took approximately one-half of the total, and foreign fleets caught half.

But from the 12-mile limit, the line of existing U.S. jurisdiction, to 200 miles, foreign fleets account for 80% of the catch.

This chart does not imply that the sponsors of S. 961 intend to take over this foreign catch. On the contrary, this chart is intended to help the Senate understand the true value of the fisheries found within 200 miles of our coast.

TOTAL VALUE OF U.S. COMMERCIAL AND FOREIGN CATCH WITHIN 200 MILES OF U.S. COAST (EXVESSEL 1974)

	0 to 200 miles	0 to 12 miles	12 to 200 miles
Total catch	1,516	526	946
United States	780	570	210
Foreign	736	0	736

Note: 176.8 United States in foreign H_2O's.

PRESENT AND POTENTIAL RETAIL VALUE OF FISH AND SHELLFISH STOCKS WITHIN 200 MILES OF THE U.S. COAST

At the present time the United States takes approximately 2.5 billion dollars worth of fish and shellfish within 200 miles of the United States coast. In the same area, foreign fishermen take approximately 9 billion dollars worth of fish and shellfish. In the year 2000 assuming no 200 mile jurisdiction is enacted by the United States, it is expected that the United States will harvest approximately five billion dollars worth of fish and shellfish within this area, while foreign fishermen will harvest approximately 15 billion dollars worth of fish and shellfish in the same area.

If 200 mile jurisdiction is enacted by the United States, in the year 2000 the United States could harvest substantially more fish than is projected in this chart.

A PARTIAL LIST OF SPECIES OF ECONOMIC IMPORTANCE TO U.S. FISHERIES SHOWING THEIR PRESENT STATUS

The list was prepared by the National Marine Fisheries Services in conjunction with its Draft National Fisheries Plan (June 1974).

It should be noted at the outset that not all of the species in the overfished list have been overfished by foreign fishermen. The California sardine, for example, was depleted by our own fishermen. This is one reason why the management and conservation provisions in S. 961 apply to foreign and domestic fishermen.

Also, most of these stocks will fall within the jurisdiction of the United States when S. 961 is enacted.

S. 961 is needed to protect those stocks which have been overfished and need to recover, and also to prevent further decline of those in the "fully utilized" category.

Unfortunately, many of the overfished stocks have been subjects of bilateral and multilateral fishery agreements and overfishing was not prevented.

Potential for increased catch

Pacific rock sole.
Alaska herring.
Northeast Pacific shrimp.
Sea trouts.
King mackerel.
Mullets.
California anchovy.
Blue crab.
Rock crab.
Jonah crab.
Surf clam.
Ocean quahog.
Gulf of Mexico clupeid.
Oysters.
Hard clam.
Calico scallop.
Pacific salmon.
Skipjack.

Fully utilized

Atlantic mackerel
Red hake.
Silver hake.
Atlantic herring.
Atlantic squid.
Bering Sea cod.
King crab.
Tanner crab.
Pacific hake.
Atlantic cod.
Atlantic ocean perch.
Bluefish.
Menhadens.
American lobster.
Gulf shrimp.
Eastern Tropical Pacific Yellowfin tuna.

Overfished

Yellowfin sole. Foreign.
Alaska pollock. Foreign.
Pacific ocean perch. Foreign.
Pacific halibut. United States.
Atlantic halibut. Foreign.
Bering Sea herring. Foreign.
Bering Sea shrimp. Foreign.
Haddock. Foreign.
Yellowtail flounder. United States-Foreign.
California sardine. United States.
Pacific mackerel. United States.
Atlantic sea scallop. United States.
Northwest Atlantic shrimp. United States.
Atlantic bluefin tuna. United States.

Total number of species: 48.
Species with potential for increase: 18.
Fully utilized species: 16.
Overfished species: 14.
Percent of total number of species fully utilized or overfished: 62 percent.

YELLOWTAIL FLOUNDER LANDINGS FOR THE ICNAF AREA 1966–1975

The purpose of this chart is to depict the recent history of an overfished stock found within 200 miles of the New England coast.

Catches of yellowtail flounder have been regulated by the International Commission for Northwest Atlantic Fisheries throughout the period of time shown on the chart.

The U.S. share of the catch of this species has remained relatively constant throughout this period of time, peaking in 1967 and dropping to a low of 25,000 metric tons in 1974. In 1966, the Russians and the Canadians began to increase their effort on the yellowtail flounder until the stocks were driven below maximum sustainable yield, which the National Marine Fisheries Service estimates to be 35,000 metric tons.

Now that overfishing has nearly destroyed this stock of valuable fish, ICNAF agreed to limit the 1976 yellowtail flounder quota to 20,000 metric tons overall. U.S. scientists feel that the quota should have been set at zero, that the stocks will continue to decline under the 20,000 MT quota, and that the stocks are "seriously depressed".

This is clear evidence that the ICNAF agreement has not been capable of preventing overfishing. By the time a firm quota was set by ICNAF, the stocks had declined nearly irreparably. And there is no assurance that foreign nations will in fact enforce the quotas.

YELLOWTAIL FLOUNDER LANDINGS FOR THE ICNAF AREA 1966–75

[Table of landings metric tons, live weight]

Year	Total catch	United States	U.S.S.R.	Canada
1966	46,000	33,000	4,000	8,000
1967	48,000	31,000	10,000	7,000
1968	68,000	36,000	21,000	10,000
1969	78,000	37,000	26,000	14,000
1970	70,000	36,000	9,000	24,000
1971	71,000	29,000	16,000	26,000
1972	80,000	33,000	17,000	28,000
1973	67,000	30,000	5,000	30,000
1974	51,000	25,000	7,000	18,000

HADDOCK LANDING FOR ICNAF SUBAREA 5 (GEORGES BANK) 1960–1975

The chart provides a clear profile of the effects of foreign "pulse fishing" on the haddock on Georges Bank.

The maximum sustainable yield of the haddock fishery has been estimated at 45,000 metric tons by U.S. scientists. This is the level at which U.S. fishermen harvested the stock during the early 1960s.

In 1966 the Soviet fleet began to target on the haddock and increased their catch to 81,882 metric tons in 1965. Canada also began to land more haddock in the mid-60s. [The 1966 figures are incorrectly stated on the chart. The total catch of haddock for 1966 should be 203,174 metric tons. This was the catch for all ICNAF areas, not just subarea 5. The figures for the U.S., U.S.S.R., and Canada are correct but reflect the catch for all ICNAF areas also. 1966 figures for subarea 5 alone were not available.]

By 1970, the haddock fishery was virtually destroyed. Finally, in 1974, ICNAF set a zero quota for haddock. The quota is again zero for 1976, but a 6,000 metric ton quota for unavoidable bycatch is allowed. Nonetheless a larger inadvertent bycatch is expected which does not auger well for this fishery.

HADDOCK LANDINGS FOR ICNAF SUBAREA 5 (GEORGES BANK) 1960-75

[Table of landings (metric tons, live weight)]

Year	Total catch	United States	U.S.S.R.	Canada
1960	45,801	45,341	0	460
1965	154,725	57,027	81,882	15,048
1966	[1] 126,978	[2] 59,989	[2] 73,410	[2] 58,980
1970	12,852	9,872	103	2,016
1973	5,889	3,286	602	1,612
1974 (0 quota)				

[1] 203,174 includes the catch of all countries.

[2] Total ICNAF haddock catch.

U.S. AND FOREIGN CATCH WITHIN 200 MILES OF THE U.S. COAST IN ICNAF SUBAREA 5 (U.S. TONS)

The purpose of this chart is to demonstrate, in broad terms, the growth of foreign fishing off U.S. shores in the Georges Bank and the resultant decline in the U.S. fish catch.

Senator Gravel has circulated a series of charts in his so-called "fish sheets" depicting what he alleges to be an improvement in the standing of U.S. fish catches under the most recent ICNAF agreements. The 1976 ICNAF quotas are shown in the pie chart labeled 1976. In his fact sheets, Senator Gravel had a pie chart showing that the 1972 U.S. catch was but 17% of the total (189,550 tons) and the foreign catch was 83% (925,450 tons). He then claimed that the 1976 agreement was a decided improvement over the 1972 figures. This is true, and no one disputes it.

However, the history of foreign fishing began in 1960 when the U.S. took 98% of the fish in this area. This chart puts this history in clear perspective.

Under S. 961, the U.S. will be afforded preferential rights to all fish stocks within 200 miles of shore and foreign fishermen will be allowed to fish for the surplus.

MAJORITY CONFERENCE STATEMENT OF THE MAJORITY LEADER

Mr. **MANSFIELD**. Mr. President, at the initial meeting of the Majority Conference held today I made some remarks which relate to some of the issues which we as an institution confront as we enter the second session.

For the information of the Senate as a whole and for the benefit of the public generally, I ask unanimous consent that a copy of those remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Mike Mansfield Before the Senate Democratic Conference

Thursday, January 22, 1976, The Capitol, Room S-207, 12:15 p.m.

Welcome to the first Caucus of the Senate Democrats in 1976. This second session of the 94th Congress begins both with a sense of accomplishment for what was achieved in the first session and a sense of anticipation in regards to the months ahead.

A summary of the work of the first session of the 94th Congress was placed in the Congressional Record on December 18. I have asked that copies be distributed at this Caucus.

When we met at this time last year, the country was confronted with issues of critical concern. We were in the throes of the worst recession since the great depression. The recession was coupled with an ominous threat of a permanent energy shortage and fierce increases in the price of energy. The crisis in energy was directly attributable to the actions of an oil cartel abroad and inept and lackadaisical policies at home. For months, the Administration had dabbled with but failed to bring forth an effective national program. It offered only high prices at the gas pump and for home-heating, as a means of meeting the situation. That was not an acceptable policy to this Caucus or to the Congress.

We also began the year with serious differences with the Administration over what was wrong with the economy. In this connection, for the first time in our history, the Congress had to deal with a President and Vice President who were not elected by the people of the nation. Their prior political roles had been concerned, respectively, with a single House constituency and a single state out of fifty states. In noting this fact, at the time I stated that I did not do so to denigrate the President or Vice President. By repeating it, I do not do so now. Nor did I question, then, the Constitutional process by which they had been selected. Nor do I do so now. Both the President and the Vice President are dedicated and outstanding Americans and I hold them both in the highest esteem. My only purpose in noting the absence of a national constituency on the part of either was to underscore the fact that, taken as a whole, the House and Senate constituted the only part of the Federal Government which derives a mandate from all of the people. In consequence, an extra burden of responsibility was placed on the Members of the 94th Congress to interpret the needs and wishes of the people and to provide a degree of direction to this vast and sprawling government.

In this respect, the Congress faced a challenge which was unique. It was also confronted with an opportunity which was unique—that of designing from scratch and enacting a legislative program in certain critical areas, notably, the economy and energy, which would be responsive to needs of the nation.

In less than two months, under the guidance of Senator Pastore and working in conjunction with Committee Chairmen—the Democratic Majority had formulated a blueprint for economic recovery and energy sufficiency. By the end of February, the blueprint had been unanimously endorsed by the Democratic Conference. Shortly thereafter, it was also endorsed by the Democrats in the House of Representatives. In short, Congress did produce a unique response to a unique national situation.

After the Program of Economic Recovery and Energy Sufficiency had been adoped by the Caucuses, legislative committees of the House and Senate began immediately to forge these broad recommendations into legislation. It was a different and painstaking job. There was much pulling and hauling between the Houses and with the Administration. In the end, however, the essential legislation was completed before the first session of the 94th Congress drew to a close. A basic legal foundation now exists for a powerful effort to restore the economy and to free this nation from fear of energy shortages, arbitrarily induced or otherwise.

In dealing with this question and many others, the Senate met on 177 days last year. We were in session almost 1200 hours—a record. Over 600 roll call votes were taken—a record. Over 600 bills were enacted, and that in the face of fifteen major Presidential vetoes.

The effort of members of both parties to carry out their responsibilities was exemplary in every respect. There was, in my judgment, no greater dedication to public duty anywhere else in the government last year than that which was expressed in the Senate.

If the record of the Senate in the first session of the 94th Congress be judged by any reasonable criteria, it is a good record. It is not a perfect record. Insofar as the 94th Congess is concerned, it is not yet a complete record. But it is a record I have no hesitancy in commending to the attention of the people of the nation. Nor do I have any hesitancy in commending my Senate colleagues—all of my colleagues—for achieving it.

The past speaks for itself. It is time to move now to the present and to the problems we hope to address in the months ahead. When we convened last Monday, there were already 37 measures pending on the Senate calendar. Many are of more than passing interest. It is the intention of the leadership to clear the calendar of these items with the least possible delay. Others will appear on the calendar in the weeks ahead and these, too, we will strive to dispose of as promptly as possible.

I would point out that if we conform to the legislative schedule which was previously announced, we have only about 150 days or 30 working weeks available. We will have six recesses, including two for the national conventions, between now and October 2, the date on which we expect to adjourn for the national elections campaign. These breakaways from Washington are essential if members are to maintain contact with the needs of their constituencies, with nationwide and international problems and with the essential political process of which they are in indivisible part.

As of today, nineteen members of this Caucus are, or are expected to be, candidates for reelection. They must spend time in their states, perhaps more than the rest of us. Approaching an election, they owe a reckoning to the people whom they represent and to provide it, they must involve themselves in the political process. If they do not join with adversaries in this process, how else is representative government to be maintained?

The participation of incumbents in the political process puts an extra burden on them, but it does not relieve them of their legislative functions. Moreover, I should add that nine other members of this Caucus either are announced Presidential candidates or are rumored in the press to be potential candidates. The field could grow and probably will. That too will inevitably contribute to the compression of the legislative calendar.

To put it bluntly and simply, we will be required to do a great deal here in Washington in a very little time, even as many of us are also involved up to our ears elsewhere in the politics of the nation.

In addition to the items already on the calendar, I should point out that the Senate must deal with a serious controversy over a contested Oklahoma seat. Annual authorizations and appropriations for the Federal agencies will also make demands on the limited time. So, too, will other legislative matters, such as consideration of a new committee of the Senate on intelligence activities, renewal and revamping of revenue sharing, a tax cut and major tax reform.

We will also be occupied this session with a most significant innovation—the new Congressional Budget process. Its objective is to enable us to deal with the President's budget in a comprehensive fashion. The timetable which it establishes provides that the legislative plans of the standing committees and joint committees have to be submitted to the Budget Committee by March 15. The adoption of the First Concurrent Resolution on the Budget is to take place by May 15. Then all appropriations bills have to be enacted by the seventh day after Labor Day. Finally, the Second Concurrent Resolution on the Budget is scheduled to be adopted before the start of the new fiscal year which now is October 1.

If we are to comply effectively with this act, Senate Committees must intensify their cooperation. The two Houses will have to do the same. In this respect, an excellent spirit was manifested during the first session. I know that it will continue during the second. It is a very tight schedule which we have imposed upon ourselves. But it is to be hoped that the voice of Congress in fiscal affairs will be strengthened and the nation better served by the orderly processes which are established under the new Budget law.

That then, is about what looms ahead. There will be many variations on patriotic themes during this bicentennial year. As far as I am concerned, however, there can be for us no higher commemoration of the nation's founding than that this Senate of the 94th Congress serve the people well and faithfully during the current session and in so doing, continue to make its historic contribution to the preservation of the sovereignty of the people of the United States.

SOME SOLUTIONS TAKE MORE TIME

Mr. TOWER. Mr. President, this is a wonderful country in which we live; it has been blessed by devine Providence with abundant natural resources and an enterprising and creative populace; it has a tradition of self-government and democracy exceeding the fondest dreams of Cicero or Aristotle. While we can take pleasure in having solved nearly every problem that has faced us as a people, we often lose sight of the time it can take to overcome them. If there is any lesson we have not learned, it is patience.

Today we confront enormous challenges. To maintain our economic strength we must move resolutely to provide productive employment for our labor force without submitting to the hidden theft of inflation. We must encourage greater private investment while providing governmental support for transportation, education, and health. We must achieve enduring solutions to our energy problems ever mindful of environmental concerns.

I believe the administration's budget proposals move us toward meeting these challenges. By the proposed level and composition of Federal spending we will move toward lower unemployment without igniting a new round of inflation, with strength restored to the private sector. The President's proposals in transportation, education, and health meet public needs with improved and new programs. Both energy and the environment receive high priority attention in the budget.

But there is a reminder for all of us in the President's proposals, and it is this: In our Bicentennial Year we must recognize that solid solutions to our long term problems will take time. We must proceed wisely, and patiently—and, in so doing, we shall succeed.

Mr. President, the budget proposal of the President I think reflects a concern that is held by all of us, and I am delighted it is recognized by the administration. This country is capital short right now, and one of the greatest economic crises that could confront the American people would be a capital shortfall.

We estimate our capital needs for a satisfactory rate of economic growth over the next 10 years to be $1.5 trillion. We have to stop preempting the private sector of the economy. If in our rush to provide for the needy and to provide jobs and unemployment compensation, we are raising deficit spending to such an unacceptable level, the Treasury borrowings are preempting the debt market and denying availability of capital, we will not have the capital available for expansion in the private sector where it is going to be so desperately needed.

I wish sometimes we would quit looking at what is going on today and think about what is likely to happen tomorrow.

I sound a warning knell that this country is facing up to a capital crisis. That crisis is exacerbated by deficit spending. The President's budget takes all of it in a small step, nonetheless a step toward recognizing this potential disaster to the American people.

I think his budget is to be commended.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, if it is possible to get a unanimous-consent agreement, and the prospects look encouraging at this time, it would be the intention of the leadership to call up Calendar No. 500, H.R. 9852, the so-called mobile homes bill, tomorrow.

Following that, though not necessarily in order, would be Calendar No. 520, H.R. 508, to amend title 5, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations. Then there would be Calendar No. 535, S. 700, a bill to amend the Agricultural Adjustment Act of 1938, as amended; then Calendar No. 538, S. 2115, a bill to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected Reservists for a limited period, whether or not a declaration of war or national emergency has been declared; then Calendar No. 542, S. 2371, a bill to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the national park system, and for other purposes. This bill applies primarily to the horrendous strip mining now being undertaken in Death Valley, Calif., and which has been speeded up tremendously because of the possible passage of legislation of this kind reported by the Committee on Interior and Insular Affairs.

Then there is Calendar No. 559, S. 1640, a bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California, and for other purposes; and then Calendar No. 561, S. 507, a bill to provide for the management, protection and development of the natural resource lands, and for other purposes.

Those are measures which may be pulled in on a second track or on days ahead of time with the pending business, if an agreement is reached on their being considered. But one word of caution: On the basis of a promise made by the leadership before the sine die adjournment of the first session of the 94th Congress, Calendar No. 534, S. 2260, a bill to establish improved programs for the benefit of producers and consumers of rice, which is very controversial as far as certain States are concerned, will be eligible to be taken up any time from Thursday onward.

I make these announcements at this time to bring home to the Senate that there is a lot of legislation to be considered.

Mr. TOWNER. The rice bill is for next Thursday?

Mr. MANSFIELD. Not before next Thursday.

Of course, as far as some of these bills are concerned, they will not be taken up until those who have indicated they wanted to be here have been notified as well.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote occur on passage of the pending bill, the unfinished business, S. 961, no later than 2 p.m. on Wednesday next;

Provided, that paragraph 3 of rule 12 be waived;

Provided further, that time for debate on the measure be limited to 3 hours, to be equally divided between Mr. MAGNUSON and Mr. STEVENS;

That time on any amendment to the bill be limited to 1 hour, to be equally divided and controlled in accordance with the usual form, with the exception of one amendment to article 7 of the Conservation Treaty of 1958, on which there be a time limitation of 3 hours to be equally divided between Mr. MAGNUSON and the sponsor or sponsors of such amendment;

That a vote on the amendment to Article 7 of the Conservation Treaty of 1958 occur no later than 1:30 p.m. on Wednesday;

That time on any debatable motion or appeal or point of order, if such be submitted to the Senate for discussion by the Chair, be limited to 10 minutes, to be equally divided in accordance with the usual form;

That the Senate begin consideration of the amendment to article 7 of the Conservation Treaty of 1958 at the hour of 10:30 a.m. on Wednesday;

That at the hour of 11 a.m. on Tuesday, or upon the disposition of the nomination of Mr. Bush on Tuesday in accordance with the order previously entered, the Senate return to legislative session and at that time resume consideration of the unfinished business;

That the leadership of the Senate be authorized to set this measure aside on tomorrow and proceed with any other measure on the calendar that the leadership is prepared to move on; and

That on Monday of next week, the unfinished business be laid aside and that the leadership be authorized to proceed with other measures on that day.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, will the majority whip yield for a moment?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. I have just been reminded by staff of something that I had forgotten, and perhaps the Senator has, too: That we are scheduled to have a joint meeting with the House of Representatives on Wednesday at 12:30. I believe we had overlooked that.

The PRESIDING OFFICER. The Chair will state that the time has not been set for that meeting.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, at the time I propounded the unanimous-consent request, I was unaware of the 12:30 joint meeting of the House of Representatives and the Senate on Wednesday next. I therefore ask unanimous consent to modify the request in the following particulars:

That the vote on passage occur no later than 12 o'clock meridian on Wednesday;

That the vote on the amendment relating to article 7 of the Conservation Treaty of 1958 occur no later than 11:30 a.m.; and

That the debate on that amendment begin at 9 o'clock a.m. on Wednesday.

The PRESIDING OFFICER. The Chair reminds the Senator that there is 3½ hours covered by the request.

Mr. ROBERT C. BYRD. Yes, I thank the Presiding Officer.

That the debate on the particular amendment for which 3 hours have been allotted in the agreement begin at 8:30 a.m.

The PRESIDING OFFICER. Is there objection?

Mr. GRAVEL. Mr. President, reserving the right to object——

Mr. GRIFFIN. I am sorry, but when was the time set for the final vote on the bill?

Mr. ROBERT C. BYRD. At no later than, 12, the vote on the amendment relating to article 7 of the Conservation Treaty of 1958 to occur no later than 11:30.

Mr. GRIFFIN. Mr. President, reserving the right to object, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I modify the original request as follows: That the vote on passage of the bill occur no later than the hour of 12 o'clock meridian on Wednesday, with paragraph 3 of rule XII waived, provided further that the vote on the amendment involving article VII of the Conservation Treaty of 1958 occur at the hour of no later than 11:30 a.m. on Wednesday, that the 3 hours of debate on the amendment involving article VII be divided into two parts with 1½ hours to be utilized on Tuesday and the other not to exceed 1½ hours be utilized on Wednesday, beginning at the hour of 10 a.m., provided further that following the vote on the amendment to article VII of the Conservation Treaty of 1958 Mr. THURMOND be authorized to offer an amendment immediately with the time limitation on the amendment of not to exceed 15 minutes to be——

Mr. THURMOND. To the side.

Mr. ROBERT C. BYRD. We do not have the time.

Mr. MAGNUSON. Make it 10 minutes.

Mr. STEVENS. Ten-minute vote on each one.

Mr. MAGNUSON. I may wish to talk for 5 minutes.

Mr. JACKSON. Make it 7 minutes equally divided.

Mr. ROBERT C. BYRD. Let me say to Senators what we have here. We have a vote at 11:30 a.m. That is a 15-minute rollcall vote. That takes us to 11:45.

Mr. THURMOND. Start that 10 minutes back.

Mr. ROBERT C. BYRD. We have to leave to go to the Hall of the House of Representatives at no later than 12:15 p.m. There is going to be a 15-minute vote on final passage. That leaves us 15 minutes within which to call up an amendment by Mr. THURMOND and vote on it.

Mr. STEVENS. Seven and a half minutes, is that all right?

Mr. THURMOND. That is all right. Did the Senator say 7½ minutes? That is all right.

Mr. ROBERT C. BYRD. Five minutes.

Mr. THURMOND. Mr. President, I wonder if the Senator wishes to start the whole process 15 minutes sooner so we would not be caught in a jam. It might raise some questions.

Mr. ROBERT C. BYRD. I am only playing with the pieces of the jigsaw puzzle that has been given to me.

Mr. THURMOND. I say to the Senator from Alaska, is that all right, start 15 minutes sooner?

Mr. MANSFIELD. Let him make it. He will work it out. Give him a chance.

Mr. ROBERT C. BYRD. Seven and a half minutes equally divided?

Mr. THURMOND. Yes.

Mr. ROBERT C. BYRD. Mr. President, let me begin again.

I ask unanimous consent that following the vote on the amendment relating to article VII of the Conservation Treaty of 1958, Mr. THURMOND may be authorized to call up an amendment on which there be a time limitation of 7½ minutes, to be equally divided between Mr. THURMOND and Mr. MAGNUSON; that the rollcall vote on that amendment occur immediately; that the rollcall vote itself be limited to 7½ minutes, that any motion to recommit not be in order on Wednesday; that no further intervening amendments, motions, or appeals or debate be in order following the vote on the Thurmond amendment, between the vote on the Thurmond amendment and the vote on final passage.

The PRESIDING OFFICER (Mr. MATHIAS). Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a vote on an amendment by Mr. GRAVEL at 9:45 on Wednesday.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, I have not heard of this amendment.

I withdraw my objection.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, did the Chair rule on the request that I submitted, to the effect that a vote occur on an amendment by Mr. GRAVEL at 9:45 a.m. on Wednesday next?

The PRESIDING OFFICER. No final action was taken on the unanimous-consent request.

Mr. ROBERT C. BYRD. I repeat the request.

The PRESIDING OFFICER. Is there objection to the request of the majority whip with respect to the Gravel amendment?

Mr. STEVENS. Is that the vote at 9:45?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the further consideration of the bill, S. 961 (Order No. 498), a bill to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes, commencing at 11:00 a.m. on Tuesday, January 27, 1976, debate on any amendment (except an amendment based upon Article 7 of the Conservation Treaty of 1958, on which there shall be 3 hours debate) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion or appeal shall be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, motion or appeal, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That not to exceed 1½ hours of the 3 hours on the so-called "Article 7 amendment" be utilized on Tuesday, January 27, 1976, and that the other 1½ hours be utilized beginning Wednesday, January 28, 1976, at 10:00 a.m., with the vote on the amendment to occur no later than 11:30 a.m. on that date; that immediately following this vote, the Senator from South Carolina (Mr. Thurmond) is to be recognized to call up an amendment on which there shall be 7½ minutes of debate, to be equally divided and controlled by the Senator from South Carolina (Mr. Thurmond) and the Senator from Washington (Mr. Magnuson), to be immediately followed by a vote on the amendment.

Ordered further, That immediately following the vote on the amendment by the Senator from South Carolina (Mr. Thurmond), the Senate proceed to vote on final passage of the bill, without intervening motions, amendments, or appeals, except action on the committee amendment in the nature of a substitute.

Ordered further, That no motion to recommit the bill shall be in order on Wednesday, January 28, 1976, and that a vote occur on an amendment to be offered by the Senator from Alaska (Mr. Gravel) at 9:45 a.m. on that date.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the Senator from Washington, (Mr. Magnuson) and the Senator from Alaska (Mr. Stevens): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the order for the recognition of Mr. Pearson has been completed, there be a period for the transaction of routine morning business, of not to exceed 30 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF H.R. 9852, INCREASED LOANS FOR PURCHASE OF MOBILE HOMES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, the Senate proceed to the consideration of H.R. 9852, increased loans for purchase of mobile homes.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASED LOANS FOR PURCHASE OF MOBILE HOMES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed now, without any action to be taken thereon, to the consideration of H.R. 9852, the mobile homes bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 9852) to amend section 2 of the National Housing Act to increase the maximum loan amounts for the purchase of mobile homes, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing and Urban Affairs, with amendments.

On page 2, beginning with line 20, strike out:

Sec. 3. (a) The National Housing Act is amended by striking out "by not to exceed 45 per centum in any geographical area" where it appears in sections 207(c)(3), 213(b)(2), 220(d)(3)(B)(iii), 221(d)(3)(ii), 221(d)(4)(ii), 231(c)(2), and 234(e)(3) and inserting in lieu thereof in each such section "by not to exceed 50 per centum in any geographical area".

(b)(1)(A) Section 207(c)(3) of the National Housing Act is amended by striking out "$13,000", "$18,000", "21,500", "$26,500", "$30,000", and "$3,250" in the matter preceding the first semicolon and inserting in lieu thereof "$15,000", "$21,600", "$25,800", "$31,800", "$36,000", and "$3,900", respectively.

(B) Section 207(c)(3) of such Act is further amended by striking out "$15,000", "$21,000", "$25,750", "$32,250", and "$36,465" in the matter following the first semicolon and inserting in lieu thereof "$18,000", "$25,200", "$30,900", "$38,700", and "$43,758", respectively.

(2)(A) Section 213(b)(2) of such Act is amended by striking out "$13,000", "$18,000", "$21,500", "$26,500", and "$30,000" in the matter preceding the first proviso and inserting in lieu thereof "$15,600", "$21,600", "$25,800", "$31,800", and "$36,000", respectively.

(B) Section 213(b)(2) of such Act is further amended by striking out "$15,000", "$21,000", "$25,750", "$32,250", and "$36,465" in the first proviso and inserting in lieu thereof "$18,000", "$25,200", "$30,900", "$38,700", and "$43,758", respectively.

(3)(A) Section 220(d)(3)(B)(iii) of such Act is amended by striking out "$13,000", "$18,000", "$21,000", "$26,500", and "$30,000" in the matter preceding "except" where it first appears and inserting in lieu thereof "$15,600", "$21,600", "$25,800", "$31,800", and "$36,000", respectively.

(B) Section 220(d)(3)(B)(iii) of such Act is further amended by striking out "$15,000", "$21,000", "$25,750", "$32,250", and "$36,465", in the matter following "except" where it first appears and inserting in lieu thereof "$18,000", "$25,200", "$30,900", "$38,700", and "$43,758", respectively.

(4) Section 221(d)(3)(ii) of such Act is amended—

(A) by striking out "$11,240", "$15,540", "$18,630", "$23,460", and "$26,570", and inserting in lieu thereof "$13,884", "$18,648", "$22,356", "$28,152", and "$31,884", respectively; and

(B) by striking out "$13,120", "$18,630", "$22,080", "$27,600", and "$32,000" and inserting in lieu thereof "$15,744", "$22,356", "$26,496", "$33,120", and "$38,400", respectively.

(5)(A) Section 221(d)(4)(ii) of such Act is amended by striking out "$12,300", "$17,188", "$20,525", "$24,700", and "$29,038" in the matter preceding the first semicolon and inserting in lieu thereof "$14,760", "$20,625", "$24,630", "$29,640", and "$34,846", respectively.

(B) Section 221(d)(4)(ii) of such Act is further amended by striking out "$13,975", "$20,025", "$24,350", "$31,500", and "$34,578", in the matter following the first semicolon and inserting in lieu thereof "$16,770", "$24,030", "$29,220", "$37,800", and "$41,494", respectively.

(6)(A) Section 231(c)(2) of such Act is amended by striking out "$12,300", "$17,188", "$20,525", "$24,700", and "$29,038", in the matter preceding the first semicolon and inserting in lieu thereof "$24,760", "$20,625", "$24,630", "$29,640", and "$34,846", respectively.

(B) Section 231(c)(2) of such Act is further amended by striking out "$13,975", "$20,025", "$24,350", "$31,500", and "$34,578" in the matter following the first semicolon and inserting in lieu thereof "$16,770", "$24,030", "$29,220", "$37,800", and "$41,494", respectively.

(7)(A) Section 234(e)(3) of such Act is amended by striking out "$13,000", "$18,000", "$21,500", "$26,500", and "$30,000" in the matter preceding the first proviso and inserting in lieu thereof "$15,600", "$21,600", "$25,800", "$31,800", and "$36,000", respectively.

(B) Section 234(e)(3) of such Act is further amended by striking out "$15,000", "$21,000", "$25,750", "$32,250", and "36,465" in the first proviso and inserting in lieu thereof "$18,000", "$25,200", "$30,900", "$38,700", and "$43,758", respectively.

And insert in lieu thereof:

Sec. 3. The National Housing Act is amended by striking out the words "by not to exceed 45 per centum in any geographical area" where they appear in sections 207(c)(3), 213(b)(2), 220(d)(3)(B)(iii), 221(d)(3)(ii), 221(d)(4)(ii), 231(c)(2), and 234(e)(3) and inserting in lieu thereof in each such section the words "by not to exceed 75 per centum in any geographical area".

Sec. 4. (a) The seventh sentence of section 221(f) of the National Housing Act is amended by striking out ", but not more than 10 per centum of the dwelling units in any such project shall be available for occupancy by such persons".

(b) The proviso in subparagraph (C) of section 236(j)(5) of such Act is amended by striking out ", but not more than 10 per centum of the dwelling units in any such project shall be available for occupancy by such persons".

On page 6, beginning with line 20, strike out:

Sec. 5. Section 103(a)(2) of the Housing and Community Development Act of 1974 is amended by inserting "and $200,000,000 for fiscal year 1977, not more than 50 per centum of which amount may be used under section 106(d)(1)," immediately after "1976".

And insert in lieu thereof:

Sec. 5. Section 106(b)(3) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: "If the total amount available for allocation under subsection (a) is not sufficient to meet the hold-harmless needs of all metropolitan cities, urban counties, and other units of general local government and the aggregate of the basic grant amounts determined under this subsection, the Secretary shall, to the extent necessary, reduce the amount available for allocation under this paragraph.".

Sec. 6. (a) Section 1336(a) of the National Flood Insurance Act of 1968 is amended by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1976".

(b) Section 202(b) of the Flood Disaster Protection Act of 1973 is amended by striking out all that follows the words "shall not apply to" and inserting in lieu thereof the following: "(1) any loan to finance the acquisition of a building or structure completed and occupied as a residence or by a small business concern prior to January 1, 1976, (2) any loan or loans, which in the aggregate do not exceed $10,000, to finance improvements to or rehabilitation of a building or structure occupied as a residence prior to January 1, 1976, or (3) any loan or loans, which in the aggregate do not exceed an amount prescribed by the Secretary, to finance nonresidential additions or improvements for agricultural purposes to a farm.".

(c) Section 3(a)(4) of the Flood Disaster Protection Act of 1973 is amended by striking out the semicolon at the end thereof and adding the following: "and assistance provided under any such Act for natural disasters other than floods;".

Sec. 7. Section 235 of the National Housing Act is amended—

(1) by striking out in subsection (b)(2) "$21,600", "$25,200", "$25,200", and "$28,800" and inserting in lieu thereof "$25,000", "$29,200", "$29,200", and "$33,400", respectively;

(2) by striking out "July 1, 1976" in sub-

section (h)(1) and inserting in lieu thereof "July 1, 1977";

(3) by striking out in subsection (i)(3)(B) "$21,600", "$25,200", "$25,200", and "$28,800" and inserting in lieu thereof "$25,000", "$29,200", "$29,200", and "$33,400", respectively; and

(4) by striking out "June 30, 1976" in subsection (m) and inserting in lieu therof "June 30, 1977".

SEC. 8. (a) Section 221 of the National Housing Act is amended by—

(1) striking out "General Insurance Fund" where it appears in the second proviso of subsection (d)(4)(iv) and inserting in lieu thereof "Special Risk Insurance Fund";

(2) striking out in the fourth sentence of subsection (f) all that follows the words "as the Secretary may determine" and inserting in lieu thereof a period; and

(3) striking out "General Insurance Fund" where it appears in paragraphs (1) and (3) of subsection (g) and inserting in lieu thereof "Special Risk Insurance Fund".

(b) Section 238 of such Act is amended by—

(1) inserting "221," in subsection (b) immediately after the word "sections" each time such word immediately precedes an enumeration of sections of the National Housing Act; and

(2) by adding at the end thereof the following new subsections:

"(d) Notwithstanding any other provision of law, there are hereby transferred to the fund created under this section all receipts, funds, and other assets, all actual or contingent liabilities, all commitments for insurance, and all insurance on mortgages, of or chargeable to the General Insurance Fund created by section 519 of this Act which have arisen from or in connection with the insurance of mortgages under section 221 of this Act. All such assets, liabilities, commitments for insurance, and insurance of mortgages shall be and are hereby made assets, liabilities, commitments, and insurance of the fund established under this section as if they had originally been subject or chargeable to such fund.

"(e) Notwithstanding the limitations contained elsewhere in this Act, debentures of the General Insurance Fund may be used to pay mortgage insurance premiums for mortgages insured under section 221 of this Act.".

(c) Section 519(e) of such Act is amended by inserting immediately before "223(e)" the following: "221,".

(d) Notwithstanding any other provision of law, all references to the General Insurance Fund in section 207 or any other section of the National Housing Act shall, to the extent such references pertain to section 221 of that Act, be construed to refer instead to the Special Risk Insurance Fund.

(e) The provisions of subsections (a) through (d) shall become effective on such date, not to exceed ninety days after the date of enactment of this Act, as the Secretary deems appropriate.

SEC. 9. Section 244 of the National Housing Act is amended—

(1) by inserting "(A)" immediately after "assume" in subsection (a)(1);

(2) by inserting immediately before "10 per centum" in subsection (a)(1) a comma and the following: "or (B) under conditions prescribed by the Secretary, the full amount of any loss on the insured mortgage, advance, or loan up to a fixed initial percentage of the original or declining mortgage amount, plus a share or shares, which may be on a proportionate, fixed percentage or other basis, of any loss in excess of such fixed initial percentage, except that the percentage of loss assumed by the mortgagee shall not in any case be less than 10 per centum of the total amount of loss, except that the liability of a mortgagee under a coinsurance contract entered into pursuant to clause (A) or (B) may be";

(3) by adding at the end of subsection (a) the following new sentence: "Notwithstanding any other provision of this Act, when a public housing agency is a mortgagee, the Secretary may insure and make a commitment to insure any mortgage, advance, or loan eligible for insurance in accordance with regulations issued by the Secretary under this section, pursuant to a coinsurance contract, on a unit or project on which construction has commenced prior to issuance of the Secretary's commitment to insure.";

(4) by inserting after "loans" each place it appears in the second sentence of subsection (d) the following: "made by lenders other than public housing agencies"; and

(5) by adding at the end thereof the following new subsection:

"(g) As used in this section, the term 'public housing agency' has the same meaning as in section 3(6) of the United States Housing Act of 1937.".

SEC. 10. The first sentence of section 28(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(d)) is amended to read as follows: "No State or political subdivision thereof shall impose any tax on any change in beneficial or record ownership of securities effected through the facilities of—

"(1) a registered clearing agency; or

"(2) a registered transfer agent when performing the function described in section 3(a)(25)(E) of this title or, in connection with such function, any functions described in section 3(a)(25) (B) through (D) of this title,

or any nominee thereof or custodian therefor or upon the delivery or transfer of securities to or through or receipt from such agency or agent or any nominee thereof or custodian therefor, unless such change in beneficial or record ownership or such transfer or delivery or receipt would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency, registered transfer agent, or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision.".

The PRESIDING OFFICER. The Chair states that there is 1 hour on this bill, under the previous order; 2 hours on the Eagleton amendment; 2 hours on the Brooke amendment; 1 hour on other amendments in the first degree, and 30 minutes on amendments in the second degree and on motions and appeals. This order was entered in the usual form.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no time be charged today against H.R. 9852.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the agreement with respect to S. 961 be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS, TUESDAY, JANUARY 22

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, after the two leaders have been recognized under the standing order and upon the conclusion of any other orders for the recognition of Senators that may be entered into prior to that time, there be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m., with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS AND FOR ADJOURNMENT TOMORROW UNTIL 11 A.M. ON MONDAY, JANUARY 26, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, the following Senators be recognized, each for not to exceed 15 minutes and in the order stated: Mr. HELMS, Mr. McCLURE, Mr. CURTIS, Mr. BROCK, Mr. LAXALT, and Mr. BUCKLEY.

I ask unanimous consent that the Senate come in at 11 a.m. rather than at 12 meridian on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will adjourn shortly until the hour of 10 o'clock tomorrow morning. After the two leaders have been recognized under the standing order, Mr. PEARSON will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each, at the conclusion of which the Senate will resume consideration of the then unfinished business, H.R. 9852, the mobile homes bill. I expect rollcall votes on the bill and on amendments and motions relating to the same. Senators are so alerted.

Following the disposition of the mobile homes bill, and looking at the rest of the program on tomorrow and on Monday, it is the intention of the leadership to proceed with any of the following measures, not necessarily in the order listed, the list not necessarily to be confined to those measures enumerated: H.R. 508, an act to authorize civilians employed by the Departments of Defense to administer oaths while conducting official investigations; S. 700, a bill to amend the Agricultural Adjustment Act of 1938; S. 2115, to enable the President to authorize the involuntary order to active duty of selected reservists for a limited period; S. 2371, a bill to provide for the regulation of mining activity within the National Park System; S. 1640, a bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California; and S. 507, a bill to provide for the management, protection, and development of the national resource lands.

Conference reports, being privileged matters, may be called up at any time. Other measures cleared for action may also be taken up.

ADJOURNMENT UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and at 4:35 p.m., the Senate adjourned until tomorrow, Friday, January 23, 1976, at 10 a.m.

NOMINATION

Executive nomination received by the Senate January 22, 1976:

DEPARTMENT OF LABOR

Willie J. Usery, Jr., of Georgia, to be Secretary of Labor, vice John T. Dunlop, resigned.

EXTENSIONS OF REMARKS

EDWARD B. SERVOV, "MAN OF THE YEAR"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. GAYDOS. Mr. Speaker, the Croatian Fraternal Union Scholarship Foundation recently selected one of the most prominent attorneys in Allegheny County as the recipient for its 15th annual "Man of the Year" award.

This year's honoree, Edward B. Servov, not only is a dedicated fraternalist and a founder of the scholarship foundation, he is one of the leading civic and community leaders in McKeesport, Pa.

Attorney Servov has been an extremely active member of the CFU, serving 4 years as its general counsel, 1955–59, and executive secretary of the scholarship foundation since its inception in 1958. He also is chairman of the organization's annual ski festival. His dedication to the CFU is reflected in the fact his three children—Pamela Servov Lewis, Justine Servov Pasquale, and Edward Leigh Servov—all are members of the fraternity.

Professionally, Attorney Servov serves as solicitor for many communities and municipal authorities in the Mon-Yough Valley. He is a member of the Allegheny County, Pa., and American Bar Associations, the American Judicature Society, and the McKeesport Lawyers Association, an organization where he distinguished himself as its president.

With his selection as "Man of the Year," Attorney Servov joins an elite list of previous winners, including such dignitaries as:

Leonard C. Staisey, former chairman of the Allegheny County Board of Commissioners, 1961; Anthony E. Tomasic, investment banker, 1962; Gen. Ferdinand J. Chesarek, U.S. Army, 1963; Thomas R. Balaban, CFU general counsel, 1964; U.S. Senator MARK O. HATFIELD, 1965; Wilson M. Latkovic, insurance broker, 1966; Walter W. Kolar, director of Duquesne University Tamburitzans, 1967.

Bernard M. Luketich, CFU supreme treasurer, 1968; John Badovina, CFU supreme president, 1969; William M. Pandak, director of athletics at Staunton Military Academy, 1970; Frank Braidic, former CFU director of sports and education, 1971; Judge Gilfert M. Mihalich, Westmoreland County Court of Common Pleas, 1972; Steve Namesnik, Jr., secretary, CFU junior cultural federation, 1973, and Joseph Bella, former national secretary, CFU, 1974.

Many of these former recipients of the "Man of the Year" award were on hand to pay tribute to the accomplishments of Attorney Servov. They were joined on the program by other prominent personalities, including Rev. Phillip P. Pribonic, Hon. Emil Mrkonic of the Pennsylvania Legislature, Mayor John E. Pribanic of McKeesport, Michael Stivoric, a director of the CFU, John P. Plesh, CFU national secretary, and Rudy Perpich, administrative secretary of the scholarship foundation.

Mr. Speaker, it is with great pleasure that I call the attention of my colleagues to a man who has given unstintingly of himself for the benefit of others—Attorney Edward B. Servov.

CONGRESSIONAL WIVES

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. EDWARDS of Alabama. Mr. Speaker, the following question and answer pertaining to congressional wives appeared in the January 18 issue of Parade magazine:

Q. Aren't most Congressional wives little more than repressed stage props?—Jerry Brecher, Los Angeles.

A. Most of them would describe themselves in a different manner—most probably as "strongly supportive housewives"—but repressed stage props is probably more truthful. Few Congressional wives have the gumption or character to disagree publicly with their husbands. Good book on the subject is "The Power Lovers" by Myra MacPherson.

My wife, Jolane, was upset with the answer that columnist Walter Scott provided and I do not blame her. There has been much written about congressional wives lately, and now Scott talks about "repressed stage props" and "strongly supportive housewives." Well, let me tell Mr. Scott it's not easy being the wife of a Congressman. In fact, it is we who should be strongly supportive.

Mr. Speaker, I am proud of my wife and when she showed me the letter she had written to Mr. Scott, I just thought all Members ought to see it. Since there is no "Letter to the Editor" column in Parade to carry her comments, I am inserting her response in the RECORD at this point:

JANUARY 22, 1976.

Mr. WALTER SCOTT,
Parade Magazine,
New York, N.Y.

DEAR MR. SCOTT: I cannot allow your answer concerning congressional wives (Parade, Jan. 18) to pass without comment.

As a congressional wife, I am frequently amazed that various members of the news media do not realize that the congressional wife is not the one who is elected to speak out on the issues. If the public and media expect this, then I suggest that they include her name on the ballot and pay her a salary for the responsibility of analyzing and speaking out on our complex public issues. Otherwise, she has her own life to live, whether it be pursuing a career or raising a family.

I wonder why other wives are not accused of being "repressed stage props"? I have never heard of a doctor's wife publicly disagreeing with her husband's diagnosis, nor for that matter, have I heard of a journalist's wife "having the gumption or courage" to speak out against her husband's published word.

Congressional wives are often resourceful and individualistic because, due to frequently absent husbands, they have learned to pursue their own interests. Indeed, those with background and expertise in specialized fields do speak out.

Personally, I resent your attempt to depict the congressional wife as a weak and spineless creature simply because she is not always eager to hop on the soapbox.

Sincerely,

JOLANE EDWARDS.

UKRAINIAN INDEPENDENCE DAY

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. ANDREWS of North Dakota. Mr. Speaker, with the marking of the 58th anniversary of the proclamation of the independence of Ukraine on January 22, 1976, I insert into the RECORD the remarks of Dr. Anthony Zukowsky. Dr. Zukowsky is not only honorary president of the UCCA State Branch of North Dakota, he was president and leader of North Dakota Americans of Ukrainian descent for almost 25 years. He is also honorary chairman of the North Dakota Heritage Council, vice president of UCCA and recently became cochairman of the Ukranian National Council of all Ukrainians in the free world.

The remarks follow:

STATEMENT BY DR. ANTHONY ZUKOWSKY

For many years the 22nd of January is being proclaimed and celebrated in our American cities and States from coast to coast as Ukrainian Day.

On January 22, 1976 Americans of Ukrainian descent will observe the 58th Anniversary of the proclamation of Independence of Ukraine, which took place on January 22nd 1918 in Kiev, capitol of Ukraine.

Prior to this date and with outbreak of the Russian Revolution in March 1917, the Ukrainians were the first to break out of the "prison or nations" and immediately initiated their own national revolution. They followed the course of self-determination. Within a few months the free and democratic election of the Ukrainian Parliament—"Central Rada" was held and they established the Ukrainian National Government.

After long and difficult preparation this freely elected Parliament and Government of Ukraine issued on January 22nd 1918 in Kiev, capitol of Ukraine a solemn act and Proclamation of Independence of Ukraine as Ukrainian National Republic. One year later also on January 22nd 1919 the Western Ukrainian National Republic which on November 1st 1918 has been created from the territories of the Austro-Hungarian empire inhabited by Ukrainians, united itself with the Ukrainian National Republic into one independent Ukrainian state.

This sovereign Ukrainian State was immediately and duly recognized by a large number of foreign nations and diplomatic relations were established with them.

Recognition was even granted by Soviet Russia. The latter however attacked Ukraine both by military aggression and subversion from within, a maneuver repeated many times since, during the past 57 years by the masters of duplicity of the Kremlin.

For 3½ years the Ukrainian people waged a gallant struggle in defense of their Country; alone and unaided from western nations, was overpowered by the numerically stronger and far better equipped armored forces of Red Russian Bolsheviks.

The free world has lived to regret the downfall of the Ukrainian National Republic. Thus, the great French statesman George Clemanceau admitted in 1924 that France and the allied powers had made a great mistake in 1918–1919 by withholding armed aid from the Ukraine in their fight against Moscow's Communist aggression, had this error not been committed said Clemanceau, the world would not be facing such a dangerous enemy.

Despite the fall of the Ukrainian National Republic, the spirit which brought it to life is more vibrantly alive among the 48 million Ukrainian people today than it ever was in the centuries old history of Ukrainian struggle for national liberation.

Today Ukrainian National Republic is represented abroad by its Government—in exile, which created the Ukrainian National Council in Europe, dedicated to the resurrection of the Ukrainian National Republic.

Ukraine was conquered by Moscow's armed forces and occupied in 1921 and in 1923 became a constituent member of Soviet Union known as "Ukrainian Soviet Socialist Republic." But the freedom loving people of Ukraine never accepted Soviet-Russian domination and have been fighting for their human rights and independence by all means until today.

They made passive resistance to collectivisation and Russian-Communist economic exploitation and in order to break this opposition Stalin ordered a genocide policy of mass starvation and artificial famine in 1932/33 when eight to nine million Ukrainians died of malnutrition and hunger.

During the World War II the Ukrainian people organized a powerful underground Ukrainian Partisan Army (U.P.A.) which fought against Nazi regime and against the Soviet as well.

Stalin and Khrushchev unleashed bloody persecution and reprisals against the Ukrainian people also in 1940. This has been verified by Khrushchev himself in articles printed in Life magazine.

Relentless and severe persecutions of Ukrainians continued after the death of Stalin and after the ouster of Khrushchev from the top leadership in Kremlin. Brezhnev-Kosygin leadership is bent on keeping the Soviet-Russian empire intact by persecutions and deportations of Ukrainian youth, students, scientists and Ukrainian Intellectuals.

Recently the international press has been providing a vast amount of documentation of the suppression of Ukrainian culture. Genocide and systemic deportations of Ukrainians to central Asia continues, arrests and trials of Ukrainian patriots including Ukrainian Communists defending freedom of their country.

In summing the colonial rule of Moscow in Ukraine is characterized by the following:

Political oppression: All Ukrainian political parties and groups are outlawed and considered to be "anti-State groups" and dealt with accordingly. Also the Ukrainian Communist Party is rigidly controlled and directed by Moscow.

Russification: One of the ugliest features of Russian rule in Ukraine is the enforced Russification of the Ukrainian language and culture, Ukrainian institutions and schools—all for the purpose of creating a Soviet man, who would be a Russian.

Economic exploitation: Despite the fact that Ukranine is very rich in natural resources, the Ukrainian population is always shortchanged by the central government in Moscow. Consumer goods are scarce, as are other articles of prime necessity, such as clothing, medicine, and so forth. Most key positions in economy and administration are occupied by imported Russian officials, while Ukrainians are forced to seek employment elsewhere.

Religious persecution: In the 1930's the Soviet government destroyed the Ukrainian Autocephalic Orthodox Church, followed by the wanton destruction in 1945–46 of the Ukrainian Catholic Church, forcing some five million Ukrainian Catholics into the fold of the Communist controlled Russian Orthodox Church. It also persistently harrasses other Christian adherents in Ukraine, molesting religious leaders and terrorizing workshippers.

Destruction of Human Rights: In 1972–73 the KGB (Soviet Secret Police) arrested some 600–700 Ukrainian intellectuals—writers, literary critics, journalists, professors, students, artists, painters, scientific workers and representatives of other strata of society in Ukraine—on suspicion of "anti-Soviet agitation and propaganda." Many of them were subjected to torture and are incarcerated in psychiatric asylums where they are gradually destroyed through forced injections of drugs and chemicals. Their only crime is, they defended the Ukrainian language and culture, and they were deeply concerned because the Soviet Russians still persisted in destroying the essence of the Ukrainian national identity. The persecution of Ukrainian intellectuals constitutes a gross violation of the United Nations Universal Declaration of Human Rights and the Soviet constitution itself.

All the available evidence of the western observers show that the ever-increasing tempo of repression has failed to intimidate the Ukrainian people but they are deeply disappointed by the policy of detente and by the outcome of the Security Conference held last July in Helsinki, Finland. They know and we all know that the Russians got everything they wanted and specially a guarantee of the political "status quo" and the Soviet Russian illegal conquest of Eastern and Central Europe. We also know what the Russians did in Poland and Hungary in 1956, in Czechoslovakia in 1968, in South Vietnam and the Middle East in 1973 and what they are doing in Portugal and in Angola today.

The Helsinki Conference will seal not only fate of such non-Russian European union "republics" of the USSR as Ukraine, Byelorussia, Estonia, Latvia, Lithuania, Moldavia, Armenia, Azerbaijan, Georgia and others, but also the countries of the so-called "peoples democracies"—Poland, East Germany, Czechoslovakia, Romania, Hungary, and Bulgaria—all ruled by Moscow viceroys and Russian-trained and Russian-oriented gauleiters.

The U.S. Congress issued a document some years ago, listing over 50 international treaties and agreements concluded between Soviet Russia and various countries, all of which were broken unilaterally by Moscow.

Any illusions or hopes that may be entertained regarding Communist Russia's "Peaceful intentions" must be measured against Soviet Russian policies in all countries they dominate now, especially Ukraine the largest non-Russian nation in the Soviet Union.

We all know too well now that this Ukrainian State was overpowered and enslaved by the Godless tyranny which threatens today the whole world.

Both the U.S. Congress and the United States have expressed their concern over Captive non-Russian Nations including Ukraine in the USSR by enacting the "Captive Nations Week Resolution" in July 1959 (Public Law 86–90).

Today the Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest Holiday. It also makes us appreciate much more the unbroken spirit of freedom and everlasting faith of the Ukrainian people, specially this year when we all in 1976 are celebrating the Bicentennial Anniversary of glorious American Revolution which in many ways resembles the Ukrainian National Revolution of 1917–1918.

Therefore, it is in the common spirit of liberty, faith and justice that the American people join the Ukrainians all over the world in the celebration of the Anniversary of the renewal of Independence of Ukraine.

THE MUSKIE COUNTERMESSAGE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. ANDERSON of Illinois. Mr. Speaker, since I have already publicly commented on President Ford's state of the Union message, I think in the interest of fairness I should give equal time to Senator MUSKIE's countermessage of last evening. The Democratic spokesman opened by observing that the state of the Union is not what the President or the Democrats say it is, but rather the condition in which we find ourselves. After criticizing the administration for not doing enough to stimulate economic recovery and put people back to work, the Senator concluded by proclaiming that the state of the Union is "very strong indeed."

After correctly pinpointing public dissatisfaction with Government spending and programs, the Senator proposed that the answer was more Government spending and programs to solve all our Nation's problems. While the Democrats have faulted the President's message for being short on specifics and new programs, the Democrats have countered with promises of all manner of new programs, but curiously lacking in specifics. Despite the Senator's concession that increased Federal spending for such programs could further fuel inflation, he failed to indicate the costs of the Democratic proposals and whether they just might prove to be inflationary. Instead, the Senator suggested that we have nothing to fear so long as we have a congressional budget process to keep track of the mounting costs and label the sum total a spending ceiling. Moreover, our fears of excessive Government spending could be allayed if only we ran the Government in a more businesslike manner. Never mind that our experience with Government efficiency might suggest that some things could better be done by State and local governments or the private sector. The Senator unfairly criticized the President for not mentioning the need for greater Government efficiency in his state of the Union address, even though the central thrust of the President's domestic program reforms would have precisely that effect.

In conclusion, Mr. Speaker, it struck me that the Democratic spokesman was speaking out of both sides of his mouth while biting his tongue in the hope that nobody would catch the glaring contradictions. Put another way, in attempting to span both the Wallace and McGOVERN wings of the Democratic Party, the message executed a perfect spread-eagle and fell flat on its beak. To the Democrats, the new realism seems to mean to continue to promise the people everything but to claim it can be done for less cost. The American people are smart enough to know that the just deserts of this kind of political pie in the sky is inflationary indigestion.

SENATOR BILL BLAKLEY OF TEXAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. COLLINS of Texas. Mr. Speaker, a few days ago Texas lost one of its greatest sons with the death of Bill Blakley. He lived 77 eventful, successful, and exciting years.

He was the only person ever appointed twice to the U.S. Senate. Once in 1957 he was named to fill the place of Price Daniel who resigned to become Governor of Texas, and again in 1960 to succeed Vice President Lyndon B. Johnson. He was highly respected for his service, his candor and his honesty in the U.S. Senate. A strong believer in the Constitution and a living advocate of hard work and self-reliance, he stood firm on any conviction and decision that he reached.

Bill Blakley was born in a crude dugout in Missouri while his parents were in route by covered wagon to settle some land in Arapaho in the Indian territory of Oklahoma.

He was a self-educated certified public accountant. He only had one semester at the University of Oklahoma studying law; and while there, qualified for World War I service in the Flying Corps.

From the time he was a boy till he died, he liked to be referred to as a cowboy. He grew up working the cattle trails and roughnecking in the oil fields. When Blakley was grown, he moved to Texas and spent his entire working life in Dallas. Bill Blakley was a man of dignity. He looked lean and hungry. He dressed in a black suit and always wore a black bow tie with an L. B. J. Texan hat.

Blakley was recognized as one of the most outstanding businessmen in the South. He built an empire that included over 300,000 acres of ranch land, oil and gas holdings—570 wells, three insurance companies, a bank and many land developments. At one time, he was the largest stockholder in Braniff Airlines.

Bill Blakley was a kind man and a most generous person. He and his wife, Villa, have already given over $100 million to charity. These include Southwestern Legal Foundation, Crippled Children's Hospital, University of Dallas, art museums with his Remington and Russell, and universities and hospitals through the Southwest.

Bill Blakley was a man of few words but of strong action. He and his lovely wife, Villa, have always been an active part of Texas. Mrs. Collins and I extend our most heartfelt sympathy to Villa as we lost one of the finest friends we ever had. He represented Texas at its best. Bill Blakley was the greatest cowboy that ever came out of Texas.

WE NO LONGER ARE THE RICHEST OR BEST PAID

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. GAYDOS. Mr. Speaker, two reports on the state of the U.S. economy as compared to that of others, made public during our recent recess, should have marked importance to us in forming judgments on future spending in the foreign fields. I brief them here:

First, a finding of the World Bank supports what some of us have been saying for the last couple of years—that our country no longer is the richest industrial Nation.

And, second, the Bureau of Labor Statistics reports to the surprise of some that the U.S. worker is not today the highest paid on the average and, indeed, is slipping more and more down the list.

The World Bank now rates the United States in third place, behind Sweden and Switzerland, in per capita wealth, a figure obtained by dividing a nation's gross national product by its population.

Under this formula, Sweden has a per capita GNP of $6,720, followed, according to the United Press International story on the report, by Switzerland with $6,650 and then by our country with $6,640. We were the leaders until 1974. So we can see how quickly things have changed.

Also, the World Bank has found the gap narrowing between the third place United States and Russia, Japan and the nations of Western Europe. They all have come up and in time, unless we do what is needed to protect ourselves, could overtake us.

It is interesting to note, in addition, that the oil-rich nations of the Middle East are far ahead of everybody else, including the industrial countries, in per capita GNP. The United Arab emirates—UAE—have the highest figure—$13,500. That is more than double ours.

In that matter of average workers' pay, we have more, it seems, to be uneasy about in this new world developing around us. Where the American workers once headed handsomely the per hour income list, they now trail in fifth place behind Sweden, Belgium, West Germany, and Canada. Their per hour average pay of $6.07 compares to $6.93 for leader Sweden.

It is imperative, in my mind, that we adjust our thinking here in Congress to accommodate these new statistics. Our country no longer is the richest. Therefore, it should not continue to bear the heaviest per capita responsibility in world affairs which was imposed upon it when it was the tops. Neither should the fifth place U.S. worker be taxed harshly to fund giveaway programs and make donations to the United Nations far in excess of the per capita contributions of those better off. And why should the United States spend more per person on a Military Establishment than others who live secure under the common defense umbrella which we provide?

Our position anent the world is filled with inequities to our people—injustices which could be excused as long as this country was uniquely blessed economically. But conditions have changed and it is time we change our policies to fit them.

STRIPPER WELLS

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. SEBELIUS. Mr. Speaker, today I introduced legislation to provide that the first sale of crude oil produced from stripper wells will be exempt from Federal price controls.

This bill is identical to legislation introduced earlier this week in the other body by my colleague, the Honorable JAMES PEARSON, Senator from Kansas.

In introducing this legislation, Senator PEARSON pointed out the effect of the price rollback on stripper well production will be to simply reduce the capital available for exploration and development this year by approximately $3.5 billion. It will also force the abandonment of marginal wells whose limited production does not justify continued operation under the controlled price.

As my colleague in the Senate pointed out, we have a clear choice. Either we pay U.S. producers the incentive free market price for production or we pay the OPEC cartel their price for the same volume of production. In my own State of Kansas, independent producers were forced to shut more than 1,000 wells in 1975. The purpose of this bill is not to increase revenues where revenues are not needed to maintain production, but simply to recover from our own resources oil that otherwise must be purchased from the OPEC cartel.

Mr. Speaker, I took the opportunity to personally visit with many stripper well producers in Kansas during the recent break. They view price controls as an attempt to repeal the law of supply and demand. I should like to point out that 40,000 of the 42,000 producing oil wells in Kansas fall into the stripper well, or 10 barrels a day or less, category. These price controls endanger a Kansas industry that produces over $500 million worth of crude oil each year, employs 8,000 people and pays over $700,000 in State and local taxes. This example is repeated many times over in other oil producing States.

I would hope this legislation can receive prompt and favorable attention by my colleagues, as I believe it to be critical in determining the future of the independent oil producers in Kansas and throughout our Nation, not to mention the ability of U.S. producers to help us meet our Nation's energy independence goals.

INFLATION AND THE DEFENSE BUDGET

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. ROUSSELOT. Mr. Speaker, for years I have been a supporter of a strong defense posture for the United States. It has been my feeling that in order for the United States to adequately protect its interests at home and abroad, it must have a defense capability second to none. Certainly there are few who would argue with this.

There are those, however, who would suggest that we can maintain a strong defense posture without adequate funding. They would have us believe that by keeping the defense budget on an "even keel" or at lower levels than defense budgets of past years, we will be maintaining an adequate balance of power with our enemies and fulfilling the commitment of insuring our national security. Mr. Speaker, this is not true, and the figures that are used by those who would suggest this notion are misleading and deceiving.

An article that appeared in the Washington Post on January 6, 1976, points out the problems associated with trying to use the budget levels of past years along with outdated figures to determine what present or future defense spending levels should be. The author points out that, contrary to popular belief, our defense budget has been going down in constant dollars, not up. As a matter of fact, we have been spending a lot less, not more, for defense in our country, with our current level of defense spending being at its lowest level—in terms of constant dollars—since 1950. The article further points out that the U.S.S.R. is now spending almost 50 percent more on defense than the United States.

Mr. Speaker, a powerful and superior defense force is vital to the national interests and security of our country. We must not let inflation or misleading figures deter us from our pursuit of this goal.

Some people would suggest that because the United States has not been in a worldwide war in over 30 years we can afford to let our defense forces atrophy. They say that the likelihood of a nuclear war is remote, and that consequently our resources would be better spent elsewhere. Mr. Speaker, this is specious and faulty reasoning. Just because a given metropolitan area has less fires in a given year, or fewer crimes, does not justify a reduction in the number of fire engines that should be kept in readiness, or the number of police that should remain in uniform. To the contrary, a city should always be prepared to meet any contingency, be it in the form of a natural disaster or criminal misdeeds. As a nation, we must act in a similar manner, and be prepared for any possible development, at home or abroad.

We need a strong defense, not to prepare us as an aggressor nation, but to lend credence to our relations with ally nations, and to give meaning to our negotiations and treaties with nations that are less friendly to us. To insure peace in the world, we must be able to speak and bargain from a position of power with our adversaries. A strong defense insures a meaningful peace.

"Inflation and the Defense Budget," by R. W. Komer, follows in its entirety, and I commend it to my colleagues for their reading and reflection:

[From the Washington Post, Jan. 6, 1976]

INFLATION AND THE DEFENSE BUDGET

(By R. W. Komer)

One thing about James Schlesinger—he went out with a bang, not a whimper. Clearly one of the key issues in his departure was his vocal unhappiness with congressional and administration cuts in the defense outlays he felt essential. As Secretary of Defense he was deeply concerned over the real decline in American military power in relation to the Soviet Union.

A trained economist, Schlesinger is deeply aware of a fact of economic life that somehow seems to elude most of the media and many members of Congress—the difference between real and current dollars. Indeed he, and his predecessor Melvin Laird, spent a lot of their time trying to explain to an unheeding electorate that, while defense budgets have kept going up in current or inflated dollars, the trend has been precisely the opposite in reality.

In constant dollars, with inflation removed, our defense budget has been going down, not up. It is also way down as a percentage of GNP and as a percentage of the federal budget. The truth is we're spending a lot less, not more, for defense. While Hill critics keep talking of the "record" defense of FY 1976 budget request of almost $100 billion, the fact is that in constant dollars this is the lowest level of defense outlays since the pre-Korea Louis Johnson defense budget of FY 1950, which gave a signal some believe contributed to North Korea's decision to attack the South soon afterward.

In a brilliant series of articles in Foreign Policy, unfortunately ignored by the rest of the media, Albert Wohlstetter lashed out at the way false mythology dominates the arms debate. He showed how such widely used rhetorical imagery as "arms races," "steadily climbing defense budgets," "record defense spending" and the like obscure more than they reveal. Focusing primarily on the U.S. and Soviet strategic nuclear "arms race," he wondered how the United States at least could be regarded as racing, when its effort was declining rather than increasing in real terms.

In a broader context this is precisely what has disturbed Schlesinger too—the stark contrast between the downward trend in U.S. defense expenditures and the steady upward trend in those of the U.S.S.R. Drawing on CIA analyses, Schlesinger asserts that if U.S. spending on retirement pay is excluded, the U.S.S.R. is now spending almost 50 per cent more on defense than the United States. Comparative analyses of U.S. and Soviet defense spending are very difficult to make, depending as they do on complex ruble-dollar conversion ratios which can be quite misleading. We know all too little about Soviet defense costs; hence, we must do large extrapolations. Finally the two superpowers often spend their money on quite different things. But whatever the frailties of the analytic process, it is quite adequate for showing trends—and the Soviet trend is clearly up while ours is distinctly down. If there is an arms race, it is hard to see that we are running fast, as Wohlstetter brings out.

This is not to say that the United States is now militarily inferior to the Soviet Union, especially in nuclear capabilities. Nor does Schlesinger even claim this. What worries him is rather that if this trend continues over time, the United States might find itself in a seriously inferior position.

Schlesinger's concerns have been pooh-poohed by Sen. William Proxmire (D.-Wis.), who trotted out some reservations by U.S. intelligence chiefs over the accuracy of the U.S.-U.S.S.R. budget comparisons in order to throw cold water on them as overstating the Soviet budget. But a close reading of CIA head William Colby's and DIA Chief Lt. Gen. Daniel Graham's testimony, reinforced by their subsequent assertions, shows that, on the contrary, both insist we have probably been understating it.

In any case esoteric budget comparisons are hardly needed to sustain the case. As Sen. Sam Nunn (D-Ga.) recently told his colleagues, a simple head count will suffice. Soviet military manpower has increased by one million since 1964 and is now double ours. "On average from 1971 to 1974 the Soviets produced 3000 tanks per year compared to 462 in the United States. They produced annually 1200 cannon, compared to 170 in the United States; 930 tactical aircraft were produced by the Soviets compared to 540 in the United States; 39 surface ships per year for them, compared to 11 for us." True, our equipment may be technologically superior, but these trends do tend to broadly confirm the budget comparisons.

It is often suggested that in calling attention to the growing disparity between U.S. and Soviet strength, Schlesinger has been opposed to detente, in contrast to Henry Kissinger. But as Stephen Rosenfeld of The Post points out, actually they agree on detente as a goal. The difference he sees is that Schlesinger has thought that "the stick of a strong defense posture would more likely induce Soviet reasonableness"—on SALT as well as other issues.

While we're on the subject of defense costs, it is well to look at another favorite whipping boy—cost overruns. As so often used this term suggests that the military simply can't control costs. There's unquestionably too much gold plating and other waste in defense procurement, but it's not the crucial factor in cost overruns. Straight inflation is the biggest single cause. Moreover, as people like Rep. Les Aspin (D-Wis.) well know, the very term "cost overrun," with its connotation of the spendthrift military exceeding well conceived initial cost estimates, is a misnomer. Initial pre-development estimates of what highly sophisticated and unique weapon systems might cost when produced 5–10 years later are a far cry from estimating whether next year's auto or TV models will cost 5 percent to 10 percent more to produce. In those frequent cases where novel advances in the state of the art are being undertaken, cost estimates cannot be more than educated guesses.

Another characteristic of congressional and media analysis of defense outlays is that it tends to focus largely on expenditures to develop or procure high technology items, which take less than a quarter of the defense budget. There is little focus on manpower costs, which absorb well over half the budget, or operations and maintenance, which take the next biggest chunk. The fact is that more than three-fourths of the defense budget goes for maintaining the existing forces, without taking into account any outlays for new equipment or munitions. These costs have increased so much that the existing forces have had to be cut back sharply. As Sen. Nunn also pointed out recently, the number of uniformed personnel has been reduced no less than 585,000 from the level in 1964, the last pre-Vietnam year. The number overseas is down about 250,000 over the same period. These facts are also relevant to how much security we are getting from the still enormous sums we spend for defense. But where do we find a cogent exposition of possible tradeoffs between force structure, readiness and modernization?

My purpose is not to argue for higher defense spending—though I think a case could be made. It is to plead for more than superficial sloganeering and misleading rhetoric in the annual defense debate. How much is enough for national defense is a serious issue, on which the electorate is entitled to more illumination than it gets. We should not ignore inflation where it applies to the defense budget, while citing it constantly as a crucial cause of higher outlays in every other case. Nor should we cynically dismiss as just the usual budget-time propaganda those analyses showing the declining proportion of real resources being devoted to defense, or the growing gap between total U.S. versus U.S.S.R. military spending. These are by no means the only valid determinants of what constitutes prudent defense outlays. But they are not irrelevant either. Hence Schlesinger was only doing what his job called for when he said the public must be informed about such trends. Apparently the administration found him too much of a Cassandra on this score, but as he remarked "some years from now, somebody will raise the question why were we not warned, and I want to be able to say, indeed, you were."

HIRAM REVELS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. RANGEL. Mr. Speaker, I would like to call to my colleagues' attention the fact that on January 20, 1870, Hiram Revels became the first black man to hold a seat in the U.S. Senate. An educator, minister, and politician, he is an important figure in American history. In order to commemorate his many contributions to our country, I am inserting in the CONGRESSIONAL RECORD at this point, a biographical sketch of this unsung revolutionary. In this Bicentennial Year it is particularly important that we recognize the many black people who have made contributions to our Nation. I am certain that my colleagues will concur that Hiram Revels is such a person. His biographical sketch follows:

HIRAM REVELS—EDUCATOR AND UNITED STATES SENATOR

Hiram Revels (1822–1901), educator and Reconstructionist, was born free in Fayetteville County, North Carolina. Because there was little opportunity for obtaining an education there, he moved to a Quaker settlement in Indiana, where he acquired a rudimentary education at the Quaker seminary in Union County; later, he attended Knox College in Galesburg, Illinois. With this training, Revels became a minister in the Methodist Episcopal Church and had pastorates in several of the border states. At the outbreak of the Civil War, he helped organize the first of two Negro regiments raised in Maryland. After the successes of the Union Army in the West, Revels taught former slaves in St. Louis during 1863 and 1864.

From Missouri he moved to Vicksburg, Mississippi, where he assisted in the reorientation of the freedmen. In Jackson, he organized churches and schools. Work with the Freedmen's Bureau led to his participation in the state's Reconstruction activities. He was appointed alderman by General Ames, the military governor of the area. He was elected to the senate of Mississippi in 1869 and the following year was appointed to the United States Senate to fill the term vacated by Jefferson Davis. For a few months, Revels served as secretary of state under Governor Powers.

After his term in the Senate, he returned to Rodney, Mississippi, to serve as president of Alcorn College, a new institution to which he devoted his remaining years, forming a creditable educational center for Negroes. Later, he served as an African Methodist Episcopal minister in Indiana.

OUR CARRIER FORCE—IS IT WORTH THE COST? CAN IT DO THE JOB?

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, John Finney, in the New York Times magazine of Sunday, January 18, has written a thought-provoking article on the subject of aircraft carriers, their monumental expense, their role in the missile age, and the debate within the Military Establishment about the current worth of these behemoths.

Finney questions the need for these billion dollar vessels and goes on to say:

> The Navy, the most traditional of services, is wallowing in surging ship costs, conflicting purposes, and internal jealousies. In large measure, this is the price of the preoccupation with carriers, to the detriment and neglect of the rest of the surface fleet.

I was attracted to this story not only because of its implications for those of us who must vote on the Navy's budget—as well as those of the other services—but because I raised these very same issues of cost and military value of carriers in testimony 6 years ago, on April 8, 1970, before the Senate Armed Services Committee.

It was apparent to me then that the Navy's fleet of 15 aircraft carriers was several ships in excess of its needs. Further, there was absolutely no need for the Navy to procure additional carriers, at a cost of $2 billion per ship, plus an additional $3 billion when the cost of carrier planes is added.

While the President suggests cuts in the domestic budget and increases in the Pentagon's share of spending, it is important for us to note that almost half of the Navy's $26 billion fiscal year 1976 budget goes for supporting its carrier fleet. The obvious result of this, as John Finney points out, is "the Navy has not had enough money left over to maintain and rebuild the rest of the surface fleet, which helps explain why the size of the fleet has been declining."

As a former Navy man and as a Member of Congress, I want to see that our Navy is strong and able to play its role in the defense of our Nation. But I cannot agree with those Navy planners who insist upon spending literally billions to maintain a carrier force that may be useless and militarily vulnerable in this day and age.

I hope every Member of Congress would take time out to read Mr. Finney's excellent article which I insert in the RECORD:

[From the New York Times Magazine, Jan. 18, 1976]

DREADNOUGHT OR DINOSAUR?

(By John W. Finney)

WASHINGTON.—August 15, 1975, may some day be recorded as a historic turning point for the United States Navy. On that day, Adm. James L. Holloway 3d, the Chief of Naval Operations, walked out of the Pentagon office of Defense Secretary James R. Schlesinger with orders that the Navy drop plans for building a fleet of nuclear-powered supercarriers. Instead, the Navy was to draw up plans for a smaller aircraft carrier that would serve as the capital ship of the fleet into the 21st century.

It was a bitter defeat for Admiral Holloway and the rest of the "brown-shoe Navy" of naval aviators who, more than 30 years ago, took the helm away from the "black-shoe Navy" of battleship admirals and have ever since directed—some would say misdirected—the course of naval strategy. There was no great sadness among them, therefore, when Schlesinger was abruptly dismissed in the middle of the budget debate last November, to be replaced by Donald H. Rumsfeld, who by coincidence, was once a naval aviator himself. It is no secret that these admirals hope that the change in Secretaries will give them a chance to reverse the Schlesinger decision. At issue is what kind of Navy the country is to have, and how many billions it is to cost.

The Army has succeeded in rebuilding itself after the Vietnam debacle and in reestablishing a conventional role, particularly in Europe. The Air Force goes winging along, secure—perhaps unduly so—in its strategic role, with its bombers and missiles. But the Navy, the most traditional of the services, is wallowing in surging ship costs, conflicting purposes and internal jealousies. In large measure, this is the price of the preoccupation with carriers, to the detriment and neglect of the rest of the surface fleet. Still to one side in the dispute is the third component of our sea force—the "felt-slipper Navy" of submarines (submariners wear felt slippers when at sea so that their footsteps do not reverberate in the water). But given the burgeoning role of our atomic-powered undersea deterrent, the submariners are bound to move into the center of the internal controversy over the Navy's future course.

From the time that a Navy collier was converted into the Langley, the first attack carrier, in 1922, naval aviation had years of slow, difficult growth. To the black-shoe admirals who were brought up to believe that naval power grew out of the 16-inch gun of a battleship, the carrier operation seemed bizarre. All that changed abruptly with World War II. The Japanese attack on Pearl Harbor demonstrated the carrier's ability to project air power against distant land objects. The sinking of two of Britain's newest ships—the battleship Prince of Wales and the battle cruiser Repulse—by land-based Japanese torpedo bombers the same month demonstrated that the battleship was no longer the invincible queen of the seas. The iconoclastic Billy Mitchell had said just that at his court martial for insubordination nearly 20 years earlier, and now his concepts were borne out. In the Battle of Midway in 1942, a turning point of the war in the Pacific, the carrier replaced the battleship as the Navy's capital ship. For the first time, carrier fleet met carrier fleet, and the Japanese retreated with four carriers sunk, never again to mount a serious naval offensive.

The Battle of Midway left an indelible impression on the carrier admirals. They continued planning for the day when naval air power would meet again, much as battleship admirals used to dream of the moment when they would "cross the T" of an opposing fleet. Yet, as strategic thinking after World War II shifted to nuclear bombs and missiles as the central weapons of a future major war, the carrier became, to some degree, a ship in search of a mission. The answer to the Navy's dilemma was the supercarrier—a ship with a flight deck large enough to handle attack planes capable of carrying atomic bombs against the potential enemy, the Soviet Union. The keel of the first supercarrier, the United States, was laid in 1949. The very next day, Secretary of Defense Louis Johnson canceled construction of the ship, contending that it would duplicate the strategic role assigned to the Air Force.

His action touched off a rip-roaring interservice fight. The Navy, probably the most political of the three services, stormed Capitol Hill with protests that the Air Force's B-36 strategic bomber was incapable of reaching targets in the Soviet Union. In the B-36 versus carrier controversy, the Air Force won out. Yet the Navy never abandoned its desire to be able to project air power against the Soviet Union. When the carrier demonstrated its usefulness as a mobile platform in the Korean War, providing tactical air support as airfields in South Korea were overrun by the Communist attack, the Navy quickly won permission to construct the Forrestal, which was designed along the lines of the canceled super-carrier. In effect, Louis Johnson's decision had been reversed.

A carrier boom followed. Five more ships of the Forrestal class were completed between 1955 and 1961. In the Vietnam war, carriers operating with impunity in the Tonkin Gulf were able to project air power against North Vietnam and lay the mines that finally sealed the port of Haiphong. Whether carriers were essential to the American prosecution of the war, what with the airfields in South Vietnam and Thailand, is another question; Defense Secretary Schlesinger, in his defense-posture statement last year, would say only that "they helped to split the [enemy] air defenses and control our losses." In any event, the growing size of the carriers that continued to come out of the shipyards after 1961 was dictated largely by a different consideration—the Navy's desire to have an ability to attack the Soviet heartland.

Today, the Navy has 15 carriers in operation—two nuclear-powered supercarriers, the 87,000-ton Enterprise and the 91,000-ton Nimitz, so big that they can barely squeeze into the principal ports of the United States; eight conventionally powered ships of the 78,000-ton Forrestal class (the Forrestal, Saratoga, Ranger, Independence, Kitty Hawk, Constellation, America and John F. Kennedy); three World War II carriers of the 64,000-ton Midway class (the Midway, Coral Sea and Roosevelt), and two 40,000-ton carriers of the Essex class, of the same vintage—the Oriskany and the Hancock. The last two are soon to be decommissioned, but are to be replaced by two supercarriers of the Nimitz class that are under construction—the Dwight D. Eisenhower and the Carl Vinson. By the somewhat flexible rule that a ship has a 30-year lifetime, the Navy faces bloc obsolescence of the Forrestal-class carriers in the coming decade, and it was the Navy's wish to start now on replacing those carriers with nuclear-powered supercarriers that brought to a head the issue of future construction plans.

One question Schlesinger had to ask himself when the issue was placed on his desk was why the Navy needed 15 carriers in peacetime. The figure is an outgrowth of tradition and requirements, two reasons that at times are difficult to disentangle. The tradition goes back to the Washington Naval Conference of 1921–22, which limited the United States to 15 battleships. The requirements are based on deployment practices. Since the Korean War, the Navy has customarily kept five carriers deployed in forward areas—two in the Mediterranean and three in the Pacific—and each of these five is said to require two in reserve for rotation and maintenance. Some strategists—not in the Navy, of course—argued that the carrier fleet could easily be reduced to nine by reducing the forward deployments, and Schlesinger tried to move in that direction by proposing that the number be reduced to 12, with deployments reduced to one in the Mediterranean and two in the Pacific. The White House approved the lower force total—provided the number of forward deployments remained unchanged; reducing them, Secretary of State Henry Kissinger felt, could project an image of American weakness. How the Navy will maintain the deployments while reducing the total remains unclear.

It may sound cynical—and it certainly would be denied by any admiral—but another reason the Navy wants 15 ships is that more carriers meant more commands and staff jobs for the carrier admirals. There is something in a carrier that fulfills the *machismo* of any man who has ever gone down to the sea in ships, particularly one who is not only a sea dog but a naval aviator. It is a feeling that only a man who has been at the helm of a ship defying the challenging waves can really appreciate. On the bridge of a carrier, the captain, by tradition a naval aviator, stands in command of the most complex, most expensive ship ever made by man. Beneath him, on a carrier deck as large as five football fields, he controls a ballet of men and machines, as enlisted men in red and brown helmets direct the planes with stylized hand motions, and as the planes jump from the catapults, disappear momentarily beneath the clipper bow and surge upward in a whining climb. And for a finale, there is the landing operation, as the planes thump on the deck in a bouncing stop, as their tail hooks engage the arresting gear, and as the pilots emerge in smiling satisfaction at once again having defied a landlubber's rules of aerodynamics.

The supercarrier is like a large military base that somehow has been put to sea. It carries a crew of 6,000 officers and men who work and live in more than 2,700 compartments in the ship's 1,040-foot-long hull. When it sets sail, the carrier is loaded with 90 days' worth of provisions, including 90,000 dozens of eggs, enough ingredients for one million pancakes, and 243,000 pounds of meat. Its nuclear reactors generate more than 200,000 horsepower, which can drive the ship at more than 30 knots. Its mobility is global. With its nuclear power, the ship can steam for 13 years without refueling; in a conventional ship, that would be the equivalent of consuming 11 million gallons of oil.

Another question Schlesinger had to face was why the carrier had to be so big. Admiral Holloway's answer is that the carrier must be capable of operating in "a high threat environment." For "high threat," read "the Soviet Union." The Navy's original rationale for the supercarrier as a strategic weapon remains unchanged.

Yet this rationale poses a number of problems.

As the Soviet Union develops faster, longer-range aircraft and surface ships equipped with antiship missiles, the carrier becomes increasingly concerned about its own defenses and sacrifices some of its offensive power. (It can, in fact, be argued that the growth of the Soviet Navy has been influenced to some degree by a need for a defensive capability against carrier attacks.) Of the 100 aircraft carried by a supercarrier, only 36 are attack planes for striking at enemy targets. The rest of the aircraft are for defending the carrier and the attack planes. For all its huge investment, a supercarrier is capable of delivering a few hundred tons of bombs a day—not exactly an explosive punch when measured against the rule that it takes 10,000 tons to destroy a hardened target, such as would be encountered in the Soviet Union. Even with nuclear propulsion, a supercarrier can stay on bombing station for only about 10 days before it has to withdraw to replenish its ammunition and aviation fuel.

Then, there is the effect of the carrier syndrome on the Navy as a whole. About 50 percent of the Navy's $26-billion budget goes, in one way or another, into supporting the carriers. One obvious result is that the Navy has not had enough money left over to maintain and rebuild the rest of the surface fleet, which helps explain why the size of the fleet has been declining. More and more, as the Soviet Navy has grown, the surface fleet has been given the assignment of protecting the carriers. The Navy now has whole classes of destroyers and frigates that are gunless wonders of modern technology. Instead of guns, they are armed with antiaircraft missiles (most of which, the Navy admits, do not work effectively) and sophisticated antisubmarine weapons—armaments designed primarily to protect the carrier. As a gunboat, the modern destroyer has about as much firepower as a PT boat of World War II; indeed, if PT boats could ever learn to shoot torpedoes or missiles straight—and that now seems possible with computer-age technology—they would be more than a match for most of the surface combat ships now in the United States Navy.

In spite of all the missile-age defenses, the carrier is becoming increasingly vulnerable to the newest antiship missiles of the Soviet surface fleet—from Komar-class PT boats to the largest destroyers and cruisers. The Russians got a technological jump on antiship missiles—and here, too, the reason was the American obsession with carriers. The brown-shoe admirals decided long ago that the best "antiship missile" was the carrier-based plane, and that there was no reason, therefore, to develop such missiles for the surface fleet. The reasoning was that since the plane has a range of 1,000 miles, while the Soviet antiship missile has a range of only 100 miles, the Soviet missile-launching ship must steam 900 miles, all the while subject to attack by the carrier's planes, before it can attack the carrier. The reasoning may apply when the opposing fleets are far removed, as they usually were in the war in the Pacific (although the logic of it might escape a destroyer captain far removed from the protection of carrier planes and confronted by a Soviet destroyer armed with antiship missiles). But it is questionable whether such reasoning applies in the Mediterranean, where the carriers are tailed by Soviet ships poised for a quick strike in the event of war. Indeed, there is a serious question as to how much longer carriers can operate with impunity in the confined waters of the Mediterranean.

Third, there is the matter of cost. Admiral Holloway, whose advocacy of the supercarrier goes back to the Air Force-Navy clash of 1949, when he was a young naval aviator at Pensacola preparing material for the Navy's case, assumed a similar role at a higher level four years ago, when he was placed in charge of the Navy's campaign to persuade Congress to build a third nuclear-powered supercarrier—the Eisenhower. What Admiral Holloway as Chief of Naval Operations has been proposing for the long term is that the Navy build a supercarrier every other year until it has 12—or, even better, 15—of the behemoths. The cost of his proposal is staggering to everyone but those in the Pentagon who toss billions around as though they were K-rations. Each of the supercarriers now costs $2 billion to construct; when the airplanes are included, the capital investment comes to around $5 billion—not to mention the cost of operating the ship over a 30-year lifetime.

Finally, there is the paradox of the Navy clinging to the carrier as a way of staying abreast of the Air Force in strategic warfare when it is already pulling ahead of the Air Force with the nuclear-powered submarine. The advent of first the Polaris, and then the Poseidon, and now the Trident missile-launching subs has given the nation its most nearly invulnerable strategic force, one that bids fair to become the pre-eminent weapon for retaliating against the Soviet Union. It is not so much of a paradox, however, when one considers the factionalism and jealousies within the Navy. The submariners remain outcasts, suspected of being too indoctrinated in the ways of Vice Adm. Hyman Rickover, whose prickly championing of the nuclear-powered submarine at the expense of surface vessels made him a villain in many admirals' eyes. (Rickover's recent espousal of the cause of the nuclear-powered carrier—his passion seems to be for nuclear power rather than underwater craft—has softened his image for many, but long-held attitudes are slow to change.) The naval aviators who fought so long for primacy in the Navy are not eager to relinquish it to a new claimant, rescued from obscurity by atomic power.

Schlesinger's skepticism about the carrier admirals' strategic ambitions was made clear in his defense-posture statement of February 1975. It is the missile-launching submarines, he observed, that should be regarded "as the Navy's main contribution to nuclear deterrence"; while other Navy ships, such as carriers, are able to carry nuclear weapons, "their main justification should be nonnuclear." Three decades after the first supercarrier was scuttled on the ways, another Defense Secretary felt compelled to bring the carrier's postwar rationale sharply into question.

But if the supercarrier does not have a strategic role, what is its mission? The admirals' answers, stripped of rhetoric, embrace the 19th-century concept of naval power expounded by the great American naval strategist Admiral Mahan. Control of the seas is the resurrected slogan, its persuasiveness hitched to the growth of the Soviet Navy, although that growth has not been as rapid or as threatening as the Navy would have the Congress and the public believe. In words reminiscent of the jingoistic days of Manifest Destiny, the Navy, in its policy memorandums defending the supercarrier, describes the United States as "essentially an island lying between the Atlantic and Pacific Oceans. From our island position, the only way by which we can project our national power beyond the range of our land bases is through our Navy. For this, other than by all-out nuclear war, we must depend primarily on our attack aircraft carriers." Or, as Admiral Holloway puts it, "it is the carrier which maintains the supremacy at sea of the U.S. Navy."

But that claim too is open to question. What does "supremacy at sea" mean in an age of nuclear weapons? At times, the Navy seems to be thinking in terms of a major clash of fleets, reminiscent of the great World War II battles in the Pacific. In the nuclear age, this seems an unlikely possibility, if only because the Soviet Union would have to assume that a major Soviet naval assault could lead to nuclear retribution against its homeland. At other times, the Navy seems to be planning for refighting the World War II Battle of the Atlantic—keeping open the sea lanes to Europe in the face of the Soviet submarine threat. Of course, air power did not play much of a role in the Battle of the Atlantic, but, as envisioned by the carrier admirals, the next time will be different. Standing before a map of the world on the wall of his Pentagon office, Admiral Holloway foresees carriers moving up into the Greenland Strait, providing air protection against Soviet bombers equipped with antiship missiles, as the allied navies bottle up the Soviet submarine fleet in the Norwegian Sea.

There are just a few things wrong with such a scenario. First, the carriers themselves become extremely vulnerable to the bomber-launched antiship missiles. Second, there is the question of why such air cover could not be provided just as effectively by land-based aircraft. Third, there is the even more important question of whether the Navy is spending billions to prepare for a prolonged war in the Atlantic when the disposition of ground forces in Europe is shifting toward preparedness for a short war, measured in weeks.

At still other times, "control of the seas" is interpreted by the Navy to mean protection of vital sea lanes, such as those through which the oil of the Persian Gulf is carried to Europe, Japan and the United States. Assuming that there is a danger of the Soviet Navy's attempting to interdict critical sea lanes during some crisis—although once again it must be asked how far the Soviet Union would dare go in that direction—the question is whether the supercarrier is the right weapon to counter such a threat. The principal Soviet naval attack force is the large fleet of Soviet submarines. The most effective counter to submarines, however, is not the attack carrier but other submarines, surface ships and patrol aircraft.

With Schlesinger compiling a body of evidence that tended increasingly to undercut their claims, the brown-shoe admirals were being forced to the reluctant admission that the Navy could not build a new generation of nuclear-powered supercarriers and still have money to rebuild the neglected remainder of the surface fleet. Even for the Navy, which has been consuming 38 percent of the defense budget, more than any other service, there are limits to how much can be spent. Schlesinger's order of last August, killing the supercarrier construction program and asking for plans for a smaller carrier for the future, settled the issue. At least, it seemed to at the itme. But new doubt quickly arose.

During his tenure as Secretary of Defense, Schlesinger, a former strategic analyst with the Rand Corporation, tended to raise all the critical questions but to refrain from pushing them to their logical conclusion at the cost of dissension within military ranks. Characteristically, his decision to opt for a smaller carrier was a compromise. He had begun by talking in terms of a ship only slightly larger than the 40,000-ton Essex-class carriers of World War II, or about half the size of the four nuclear-powered supercarriers now in service or under construction. But as time went on, his guidelines were made more flexible, in order to get the Navy on board. Moreover, as a concession to the Navy and the Congressional supporters of Admiral Rickover, he agreed to have the so-called midicarrier nuclear-powered, thus probably adding 50 percent to its cost. By the time the Navy has finished juggling with "standard displacement" and "full load displacement"—terms that no one but admirals seem to understand—it will be no surprise if the midicarrier proposed by Schlesinger turns out to be as large as the 78,000-ton Forrestal, the supercarrier of an earlier day. In fact, the initial Navy studies, in reaction to the Schlesinger directive, came to the conclusion that it woud be cheaper and more effective to continue buidling the supercarrier than to start on a new class of midicarrier. This conclusion so bewildered and confused everyone in the Pentagon and the White House that a decision on the size of the next carrier has been postponed until late 1976.

What the Schlesinger compromise did was to focus attention on the question of how many carriers the Navy needed, and of what size. Yet any satisfactory answer to that would have to lead to a fundamental reassessment of the role of the carrier in modern warfare—to the question of whether carriers are needed at all. How is such a reassessment likely to shape up?

If the carrier does have one seemingly unchallengeable military advantage it is as a mobile landing field for projecting tactical air to distant quarters of the world. It is an advantage that is becoming of increasing value as the United States loses access to overseas bases and as a world of bipolar alliances breaks down. Looking a decade or so ahead, however, there is a question as to whether the carrier will be the only way to project air power to distant quarters. As aerial refueling techniques improve and the range of land-based tactical aircraft increases, some Air Force planners foresee a day when the United States will be able to project tactical air power to virtually any corner of the world from American bases in the Pacific or from the continental United States.

Even assuming a continuing need for carriers to project tactical air power, the question remains whether large attack carries are needed to fill that need. In a world in which alliances are increasingly replaced by a pattern of nonalignment, the major military problem probably will be in brushfire-war situations in which the United States will need to apply or demonstrate power against third-rate military powers. A sophisticated, expensive carrier designed to protect itself against Soviet attack is certainly not needed for limited operations of that kind. Even in the unlikely event of a general, conventional war with the Soviet Union, the carriers' main role would be to provide protection for amphibious operations designed to seize critical waterways, bases and strategic resources in areas far beyond the range of massed Soviet force.

It would seem, therefore, that the Navy's principal need is not for large, expensive carriers but for a greater number of less sophisticated ships able to project power in areas far from the Soviet Union. At one point, in fact, Adm. Elmo R. Zumwalt Jr., one of the few black-shoe admirals to have held the post of Chief of Naval Operations in recent years, tried to get the Navy thinking of smaller ships by proposing 1,000-ton "sea-control ships" which would carry helicopters and V/STO (vertical and short take-off and landing) planes. Their proposed mission would be to provide air cover for convoys and amphibious operations in low-threat areas. Such carriers, however, were too small for the naval aviators, for whom pride in the United States Navy tends to be equated with bigness, and the Zumwalt project was quietly scuttled by a Congress that has its own infatuation with the supercarriers.

To the naval aviators, no carrier is worth its salt unless it is able to launch the Navy's largest, most sophisticated planes. This sets off a cycle of requirements in which it is difficult to tell whether the carrier or the plane comes first. The planes must become larger, so the carriers can stay out of range of Soviet land-based planes. But this means the carriers must be larger, so they can handle the planes. Meanwhile, the planes become ever more expensive as they are made more complex so that they can defend the carrier against a Soviet threat.

Interestingly, the Soviet Union, with its still incubating carrier program, may be going in the direction Schlesinger was trying to push the United States Navy. The Soviet Union has launched one aircraft carrier, the Kiev, and has two others under construction. By American naval definition, however, they are not attack carriers. Displacing about 45,000 tons, or roughly the size of the World War II Essex carriers, the Soviet ships do not have catapults and cannot launch long-range attack planes. Rather, they seem to be primarily defensive ships, carrying helicopters and V/STOL aircraft for protecting surface ships against submarines. In limited-war situations, they could also be useful for projecting air power and protecting amphibious operations.

A curious dichotomy develops whenever the Navy looks at the Soviet carriers. The Soviet program is cited as evidence that the Russians are trying to catch up with the United States in carrier power, thus providing ever more reason why the Navy should build more carriers. But the Navy seldom volunteers the information that it is constructing five 40,000-ton carriers that will carry helicopters and V/STOL planes, and that it has six 18,000-ton helicopter carriers in operation. When the Navy builds such ships, they are "amphibious assault ships" for the Marine Corps. But when the Soviet Union builds similar ships, they suddenly become "carriers" with an ominous potential.

Midi or super, the question remains whether the carrier is a ship whose time in command of the seas is passing, as it passed for the battleship three decades ago. The carrier is no longer essential to providing air cover for the fleet, as it was in World War II. In strategic warfare, the carrier's role has been displaced by land-based missiles and missile-launching submarines. The carrier is becoming primarily a weapon for projecting military power against nonnaval, inferior military powers in the third world.

Even the carrier admirals are beginning to admit to some doubts. Looking into the future, Admiral Holloway sees "a clear demand for carriers for the next 10 years, and a need for the 20 years after that." The problem is that in building carriers now, the Navy is making a multibillion-dollar investment in ships that are supposed to sail the seas for 30 or 40 years. The decisions made now, therefore, will largely set the Navy's course well into the next century.

THE PRESIDENT'S SOCIAL SECURITY PROPOSAL

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. FORD of Tennessee. Mr. Speaker, I rise today to speak to my distinguished colleagues about the President's proposal to raise the social security tax paid by this Nation's employers and employees and his recommendation that this Congress reduce Federal income taxes by an additional $10 billion. As a member both the Select Committee on Aging and the Committee on Ways and Means, my concern for a sound social security system is surpassed by none. I have long advocated that we reexamine the social security program to insure that it is adequately financed and that it is responsive to the needs of its beneficiaries. Chairman BURKE and the diligent members of the Subcommittee on Social Security assured me some time ago that they were in the process of preparing for such proceedings and I understand that hearings will be held next week.

However, Mr. Speaker, the President's income tax proposal raises some doubts about the logic of his recent initiatives with respect to the social security tax. On this issue I would like to read to my colleagues now an editorial which appeared in the Memphis Commercial Appeal newspaper that Mr. D. M. Snider of Millington, Tenn., was kind enough to send to me:

SOCIAL SECURITY TAXES

If President Ford is thinking about asking Congress for yet another increase in Social Security taxes, he had better think again.

The reports from Washington Friday were that the President wants to increase the wage base on which the tax is paid from this year's level of $15,300 to $16,500 next year. Last year the maximum wage from which the tax could be taken was only $14,100.

And those reports also said he is considering asking that the tax rate be increased from the present 5.85 per cent to 6.15 per cent.

The idea is strange on the face of it.

How would the President reconcile such a proposal with his insistence on the need for another cut in federal income taxes? The income tax cut, he has argued, is needed to help the national economy recover. If that is true, then how can a whopping increase in the Social Security tax be good for the economy?

The incongruity of this is accentuated by the fact that both employes and employers must contribute equally to the Social Security taxes. So an increase in the tax means both less spending power for workers and higher costs for businesses, which in turn must mean increased inflationary pressures and more bad business.

There is no question that the whole Social Security system needs a new look.

Social Security was never intended as a national pension plan. It was conceived as an income floor for the elderly and in part as a means of getting older workers off pay rolls so younger people could be hired.

But it has become a political gimmick. Politicians even up to the White House level have used it to gain the votes of older citizens. Remember how President Nixon a few years ago opposed a Social Security increase, and then when Congress voted it anyhow claimed the credit for it in his next campaign?

That sort of gimmickry has corrupted the original intent of the program.

We are at a point now where many serious persons are doubting whether the system can long survive. The number of beneficiaries recently was about 30 million. It is expected to rise to 40 million by 1990. While the number who benefit has risen, the proportionate number supporting it has fallen. In 1935, seven workers paid Social Security taxes for each person collecting benefits. The ratio has dropped to three for one, and will drop to two for one by early in the next century.

At that rate there soon won't be much difference between Social Security and what we used to have when children were expected to take care of their elderly parents.

Add to all that the fact that Social Security is a flat rate tax that hits hardest at workers with low incomes—some now paying more in Social Security than they pay in federal income taxes—and you have a weird situation.

The elderly need income protection. But Social Security cannot do it all.

They need help from such things as the "circuit breaker" plans *that assist older home* owners, and with better provision for the elderly to earn a little side income from part-time employment. But the base for providing such relief should be more equitable than the Social Security tax.

What the President is thinking about is feeding what has become a national monster with a voracious appetite. His idea is not going to be popular because it is not acceptable.

MILLBRAE, CALIF. TO HONOR MAYOR GLANG

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. RYAN. Mr. Speaker, on February 20 the city council of Millbrae, Calif., in my congressional district will be honoring Mayor William G. Glang for 18 years of devoted public service to the city of Millbrae.

Mayor Glang's service to Millbrae began in 1958 when he won a seat on the Millbrae Elementary School Board. During his 10 years with the board he served as president twice. After resigning from the board in 1968, Mayor Glang ran for and won a seat with the Millbrae City Council. He has served as mayor of the city of Millbrae for 8 years. Also, since joining the State Farm Insurance Co. in 1953 Mayor Glang has remained active with the firm.

In addition to Mayor Glang's efforts with the school board and city council, his 18 years of service to Millbrae have included working with the San Mateo County Convention Bureau, serving as treasurer and vice president of the San Mateo County School Board Association, president of the Millbrae Chamber of Commerce, director of the San Mateo County Red Cross, chairman of the United Bay Area Crusade and membership chairman of the Millbrae County Methodist Church.

Even though his present position with the Millbrae City Council is a busy and challenging one, Mayor Glang will not be seeking reelection when his term of office is up in 1976 in order to spend more time with his wife Grace and their three children. I am sure, however, that Bill Glang will continue to have a very real effect upon the city of Millbrae.

I would like to congratulate Mayor Glang for more than living up to his overt precept. He has gained much happiness over the years because of his residence in Millbrae. I am certain that he has more than paid back his obligation for that peace of mind by his dedicated service to his city and his fellow citizens.

TRIBUTE TO RICHARD W. AKELEY

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. STEIGER of Wisconsin. Mr. Speaker, Richard W. Akeley was Wisconsin's State conservationist from February 1971 until his death on October 20, 1975. Those who knew him and worked with him respected and admired him. They are now seeking to name a park in the Kickapoo River-LaFarge Project in Wisconsin after him.

Such a park, they say, would symbolize Richard Akeley's life work—soil conservation and preservation. His philosophy was the wise use of our natural resources to benefit all mankind.

During his tenure, Richard W. Akeley guided the activities of the Soil Conservation Service, including the Wisconsin River Basin study, the Environmental Protection Agency sedimentation and demonstration control project, and the successful completion of the Southeast Wisconsin Rivers Basin study. He was a strong proponent of the use of the soil survey as a basic tool for natural resource planning. His efforts and leadership inspired the confidence of his fellow workers.

Deeply devoted to his work, Mr. Akeley did much to preserve and conserve the natural resources in the States he served during his career. He began his soil conservation service career in Maine in 1939 as a student trainee and served as district conservationist, area conservationist, and assistant State conservationist there. Transferring to New Jersey as assistant State conservationist, he became State conservationist there in 1967. He held that post for 4 years until coming to Wisconsin.

Wisconsin Farmers Home Administration Director Willis Capps, in a tribute to Richard Akeley printed in the November 20, 1975, State Administrative Committee minutes, described him as "a man to ride the river with." Years ago along the Mississippi River, that was the highest tribute that could be paid a man. All who have known Richard Akeley share Mr. Capps' feeling. The entire text of his tribute follows:

A TRIBUTE TO RICHARD AKELEY

In the olden days along the Mississippi River, the highest tribute that could be paid to a man was to say, "He will do to ride the river with." Richard W. Akeley, Dick to his friends, was that kind of man. Ever willing to stand up for his friends and without hesitation to fight for the cause he believed in, Dick made his presence felt by his honesty, his forthrightness, his leadership, and his loyalty.

One could have no better friend. We hope God may forgive those who may have caused anxiety and stress to this good man in his steadfast belief in fair and equitable administration. To his friends and family, we say, "Rejoice in the knowledge that as he passed this way we were privileged to know him and work with him." What we gained can never be taken from us. Yes, Dick Akeley was a man to ride the river with.

IS THERE NO END?

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. COUGHLIN. Mr. Speaker, when the Legislative Appropriations Act for fiscal year 1976 was enacted into law, it contained a provision restricting the automatic distribution of certain publications, including "United States Treaties and Other International Agreements," to Members of Congress unless specific written requests were received.

Last October, after the bill was signed into law, I received four of the publications which had been limited. At that time, I expressed my dismay and anguish over this continuing proliferation of unwanted and unused paper. Upon checking into the matter with the Government Printing Office, I was told that the printing and binding of the four publications had been authorized prior to enactment of the law. I understand this, and while I still opposed the distribution of these books, I at least found some solace in the reassurance from GPO, last October, that the end had come. The automatic distribution was over and I would no longer receive these books.

And then today came. And with it came the automatic distribution of "United States Treaties and Other International Agreements, Volume 25, Part 2." This book came even after I had filled out a form circulated by the Joint Committee on Printing on which I specifically indicated that I did not want to receive any more copies of U.S. Treaties.

I checked today with the joint committee, thinking my form may have gotten lost in the mail. But it did not. To my chagrin, I was advised by the committee staff that the program to end automatic distribution had not yet been put into effect because so few responses had been received from the Members polled. In fact, only about half had seen fit to answer. To me, it would seem that a lack of response should indicate a negative reply.

I also have contacted the Government Printing Office in order to determine how and when and why these books were ordered. While a substantive response has not yet been given me, I have been told that a mistake was made and that the matter would be looked into.

As the Congressman who initiated the effort in the Legislative Appropriations Subcommittee to end this automatic distribution, I know that the other members of the subcommittee share my frustration over this continuing waste of taxpayers' money. I, for one, am tired of mistakes. And I am tired of seeing this useless books lining bookshelves in Members' offices.

The subcommittee was successful—at least we thought we were successful—in putting an end to these unwanted documents. But now we find that the intent of the law has been thwarted.

We thought the end had come—but it has not. I intend to continue to pursue this matter—to find out why the law has not been obeyed. We must find a way to turn the presses off. Hopefully, the end is close at hand.

UKRAINIAN INDEPENDENCE DAY

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. KOCH. Mr. Speaker, today marks the 58th anniversary of the Proclamation of the Independence of the Ukraine, and we celebrate the efforts of the Ukrainian people to maintain their unique culture, heritage, and beliefs in the face of almost overwhelming opposition by the Soviet government which seeks to obliterate the identity of the Ukrainian people.

On January 22, 1918, the Ukrainian National Republic was officially established as an independent state. Despite the fact that the new Soviet Government had recognized the Ukraine as politically sovereign, Soviet forces attacked the Ukraine almost immediately. After more than 3 years of continuous warfare, the republic succumbed to the numerically superior forces of the Soviet Union. Its government was replaced by a Soviet regime, and in 1922 it was incorporated into the Union of Soviet Socialist Republics.

In the following half century, the Soviet Union has not been content with its political absorption of the Ukraine. The most abhorrent aspects of its policy have been the efforts to obliterate the cultural identity of the Ukrainian people. Although the Soviet Union now employs the Stalinist tactics of terror and genocide less flagrantly, the government continues to use mass arrests, illegal prosecutions, and subtle intimidation to destroy Ukrainian national consciousness.

Ukrainian life is manipulated by Moscow to prevent any deviation from the dogma of Russian communism.

On September 22, 1975, I marched with thousands of Ukrainian Americans and those who are not Ukrainian, such as myself, in support of human rights for Ukrainians in the Soviet Union. I want to add that I am proud that the Daily World—formerly the Daily Worker—attacked me for having participated in that march.

Some progress has been made. It was joyous news to learn that Leonid Plyushch had been released from Soviet detention and is now free from the chains of Soviet oppression. But Valentyn Moroz and many, many others languish in Soviet prisons for having spoken the truth. And, let me say again, I will march with the Ukrainians until all of us are free.

Soviet oppression cannot indefinitely stifle the spirit and will of the Ukrainian people. Releasing Plyushch is only the beginning. We will not rest until the

Ukrainian people are released from their Soviet shackles.

THE IRRATIONALITY OF THE PLO

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. BELL. Mr. Speaker, I call to the attention of my colleagues an editorial by Mr. William Randolph Hearst, Jr., which appeared earlier this week in the Los Angeles Herald-Examiner, wherein Mr. Hearst questions the sincerity and veracity of the PLO.

The text of his editorial follows:

HOW SINCERE IS THE PLO?

(By William Randolph Hearst, Jr.)

LOS ANGELES.—The only possible constructive benefit of the unreasonable denunciations of Israel during this past week in the United Nations Security Council is the remote chance that a good purgative of this nature will permit Arab states that blindly support the Palestine Liberation Organization to rid themselves of the emotional bile that has soured their thinking for a quarter of a century. But as even that appears unlikely, the session seems doomed to be an absolute waste of time.

Surely the Arab leaders, wise in the wiles and ways of the mysterious Middle East, must wonder about the sincerity and veracity of the PLO.

While its spokesmen are pleading for the creation of a Palestinian state—preferably at the expense of Israel—its armed units are violently engaged in a devastating power struggle in the very heart of the Arab world. These units are busily, even eagerly, destroying Lebanon and its once-beautiful capital city of Beirut, center of commerce, banking and industry for that entire part of the world.

As a close observer of this touchy Mideast situation—it was only last summer that Joe Kingsbury Smith and I visited the area and reported on the festering problems that are now boiling to a head—I cannot see how the elaborately staged verbal exercise at the UN can possibly accomplish anything. It does not even inspire sympathy for the Palestinians, for the world knows that the PLO terrorist group does not represent the former residents of the Holy Land.

More and more, the PLO seems to be forging itself into the striking tool of the Syrians whose bitterness against Israel seems never to modify. The present Security Council debate with PLO participation came about as a result of Syrian initiative and it is no secret that the PLO fighting units in Lebanon are supplied, trained and advised by the Syrian general staff.

Since it is also only by reaching an accommodation with Jordan that the Palestinians can ultimately establish a homeland, one wonders why this exercise in futility is being staged in the glass hot-air house on the banks of the East River.

It occurs to me that it is Syria, not Israel, that has expansionist plans in the Mideast. It is Syria that is using the PLO to carve up Lebanon, a country that was once part of greater Syria in pre-colonial days. It is Syria that is using the PLO to pressure for a further whittling-away of Israel's hard-won territory, under the guise of finding humanitarian solutions to the supposed problem of "homelessness" of about three-quarters of a million Palestinians.

I don't suppose that the diplomatic leaders of the western world are taken in by this slippery strategy but one wonders about the other Arab nations, which have been vocally supporting the PLO at the Security Council.

History should not be obscured by the clumsy rhetoric of the PLO spokesmen. There never was a Palestinian nation, per se. For centuries after the collapse of the Roman Empire the residents of the Holy Land lived under the despotic rule of the Turks until after World War I when they came under British colonial jurisdiction.

It is understandable that non-Jewish Palestinians want to create a "homeland" every bit as much as the Zionists did, and that should be the purpose and thrust of the Security Council debate. Instead there is only the insupportable contention that the ancient land of the Israelites belongs to the Arab Palestinians.

Since the Palestinians at the Security Council sessions have neither directed their attention toward finding some solution to the problem, short of the dissolution of Israel, nor have they called on the many factions of the Palestinians to drop their arms and stop fighting among themselves, it seems clear that the Palestinians are simply not ready at this time to discuss terms with the world leaders.

On the other hand we have Israel—not represented at the Security Council meeting by choice—offering, in exchange for recognition of its existence, to give up land to the Palestinians so they may settle next to Jordan and Syria, while on the other, we have the Palestinians refusing to respond to the offer. It destroys whatever sentiments of sympathy for the Palestinians that might have been growing in the West.

There is no reason why a healthy and wholesome Palestine-Jordan could not flourish side by side with Israel within the original area of mandated Palestine. This is land which the Israelis are prepared to "negotiate."

Betimes, it is clearly the business of the Security Council to inquire into the activities of the militant factions among the Palestinians in pitting Arab against Arab in endless terror and bloodshed in Lebanon. It is probably pointless, however, to expect that the issue even will be raised at the session, much less discussed.

Lebanon has been the main base of the PLO since it was expelled from Jordan in 1970. It went to Beirut because that democratic city, under the free and open rule of a carefully-balanced Christian and Moslem government, had neither the laws nor the will to impose "political" strictures. As a result, Lebanon is now torn by strife, with militant Moslems of the political left engaged in open warfare with equally militant Christians of the ideological right.

The culprit, logic dictates, is either the PLO or even more militant factions of the Palestinians. Here and now would be a most propitious place and moment for Yasir Arafat as titular leaders of the PLO to come forward with reasonable plans which could be presented before the world for due consideration.

Israel has offered to negotiate. But it takes two to tango.

MERIDEN SENIOR CITIZENS CHORAL GROUP SPANS THE GENERATIONS

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. SARASIN. Mr. Speaker, two of our country's alleged problems, old age and the generation gap, are really only a state of mind. Senior citizens groups throughout the country have demonstrated this fact repeatedly by participating in a wide-range of community activities which serve fellow citizens of all ages and from all walks of life.

Illustrative of senior citizen concern and interest in the Meriden Senior Citizens Choral Group, a chorus composed of members from 62 years of age to their middle 80's. This group, which has been in existence for 12 years, makes many appearances throughout the Fifth District, visiting area nursing homes at least once a month.

Most recently, the Senior Citizens Choral Group, directed by Mrs. Charles King with accompaniment by Harry Swenson, opened the John Barry School's Bicentennial program with Christmas carols and Bicentennial songs in honor of the role New England, and particularly Connecticut, played in the founding of our great country. Arranging this event was another senior citizen, Mr. Charles Byron, physical education instructor at the school, a member of the city's Aging Committee, and of the State Physical Fitness Committee for the Elderly.

The next time someone complains about the generation gap, just have them talk to the Senior Citizens Choral Group. They know it is just a figment of the imagination.

THE REFORM OF REVENUE SHARING

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. DRINAN. Mr. Speaker, as the Government Operations Subcommittee on Intergovernmental Relations and Human Resources prepares to begin mark-up of proposed legislation to extend the general revenue sharing program, a number of proposals to improve the program are receiving serious consideration. The extensive hearings held by the subcommittee late last year demonstrated the need for expanded citizen participation, stronger civil rights enforcement, more equitable allocation of funds, and increased traceability and accountability of revenue-sharing funds.

A recent newsletter issued by the Americans for Democratic Action summarizes the key issues and the two comprehensive reform bills which have been filed. I commend this informative newsletter to all of my colleagues, who will have this complex issue before them within the next few months.

GET READY, GET SET: THE REFORM OF REVENUE SHARING

With over thirty billion dollars, General Revenue Sharing (GRS) already is the biggest single domestic program ever passed by Congress. Not surprisingly, the White House, Members of Congress, state and local governments and interested groups began lobbying two years before renewal was to be considered. Books, articles, reports, studies, polemics abound; the National Science Foundation alone has spent $2 million on a series of revenue sharing studies.

Attitudes about revenue sharing range from those who hailed it as the new shape of Federalism to those who saw it as a Nixon plot to fund local politicos while avoiding civil rights requirements and needs of the poor. Some conservative critics called it fiscally irresponsible. ADA opposed it. But all now agree that if GRS is in fact renewed next year—which is becoming more and more likely—it will be with us for many years to come. ADA, in coalition with a number of other groups, has spent many months studying General Revenue Sharing as it presently is applied, and developing and testing proposals to improve the law. Many of these tested proposals have gone into the Dante Fascell (D-Fla.) bill, H.R. 10319.

NOT A NEW IDEA

GRS proposals are almost as old as the nation itself. In the 1780s federal aid was given to several states. In his second inaugural address, in 1805, Jefferson noted a federal surplus and called for a sharing of import tariffs with the states. By 1807 Jefferson had a $5 million surplus, but before he could allocate it to the states, his great gunboat scheme had consumed the funds. It would not be the last time that military needs undermined a revenue sharing plan.

During the 1820s the federal government showed a surplus for several years and legislation was proposed to give the money to the states. President Jackson, although supporting the first GRS program, had doubts about its constitutionality. In 1833, however, he vociferously reversed his position, and when a second bill reached his desk it was vetoed. By then Jackson's doubts hinged on state sovereignty. Any plan to mingle state and federal revenues, he felt, would mean that the "state governments . . . would lose all their independence and dignity . . . money is power and that government which pays the public officers. . . (is where) . . . all political power (will) be concentrated."

In 1837 the Treasury found itself with a $37 million surplus which was divided among the states. The results of that program are discussed in detail in Edward Bourne's "History of the Surplus Revenue of 1837," a book published in 1885. According to Bourne's state-by-state analysis, the program was a failure, marred by pork barreling, boondoggles, theft and incompleted programs. Capital projects got the bulk of the money. Attempts to use the money for operating expenses in human services repeatedly were defeated. Then, as today, the anti-operating expenditure arguments centered around the windfall nature of the money and the danger of committing as yet unproven future revenues.

Furthermore, when the funds were deposited in banks, the banks used them to expand credit, contributing to the Panic of 1837. And although the federal government often participated with the states in joint building programs, 125 years passed before GRS surfaced again.

THE FUTURE OF REVENUE SHARING

Beginning with its enactment clause there is not a section of the 1972 act that has not caused argument. The accompanying chart shows how the three current major proposals, extending and modifying the 1972 law, deal with the various areas of controversy. These bills are H.R. 8329, authored by Rep. Robert Drinan (D-Mass.), and Rep. Fascell's H.R. 10319, plus the Administration's own proposals. ADA considers both the Fascell and Drinan bills acceptable. It is generally agreed, however, that of the two, the Fascell bill has the best chance of passage. The Drinan bill would cost approximately $5.7 billion annually, the Fascell bill $6.5 billion, and the Administration bill $8.2 billion.

Four fundamental weaknesses are contained in the present revenue sharing program:

I. Accountability

Traditionally, the basic guarantee that **public expenditures will reflect local needs is the necessity for elected officials to cover those expenditures with local tax dollars.** Where local and state governments receive inter-governmental transfers—particularly from the federal government through categorical programs—there has been built into those programs what in essence is a surrogate for assuring local need, namely the preentitlement grant application and justification process.

The revenue sharing program has neither of those two protections built into it. Local officials receive revenue that has not been locally taxed and to which they are entitled as a matter of right from the federal government. Citizen monitors and formal studies have shown that citizen involvement has not been stimulated through the current program except in relatively few instances and rarely at the initiative of government officials. The Drinan bill allots one percent of total GRS funds for an affirmative action program.

The Fascell bill builds into the program a process through which local citizens can participate in the allocation of funds. Approximately six months before the beginning of a new fiscal year, each state and local government would have to inform its citizens of the anticipated receipt of revenue sharing funds and publish a concise explanation of the process by which the funds will be allocated, detailing their right to participate in that process. The bill would require public hearings. Two months before the beginning of the new fiscal year each state and local government would be required (1) to publish a proposed Planned Use Report explaining how the government intends to spend the funds, and (2) to make budget information available and comprehensible. Larger cities and state governments would be required to appoint a Citizens Advisory Committee.

Prior to commencement of a new fiscal year, each state and local government would be required—as at present—to submit a Planned Use Report to the Secretary of the Treasury. However, the Fascell bill would require that these reports list the budget items to which revenue sharing funds are allocated and the percentage of the item expenditure which consists of revenue sharing funds. At the end of a fiscal year, the Fascell bill would require that each state and local government submit an Actual Use Report which would update the Planned Use Report.

There is a second method by which the Fascell bill addresses the problem of accountability. The bill attempts to reconcile (1) the need of state and local officials to anticipate receipt of revenue sharing funds sufficiently far in advance to plan intelligently, and (2) the obligations of Congress. The Fascell bill would, in fiscal year 1976, authorize and appropriate revenue sharing funds for fiscal 1977, 1978, and 1979. Then an annual three-year-forward authorization and appropriation process would go into effect; during fiscal 1977, for example, Congress would consider the authorization and appropriation of revenue sharing funds for fiscal 1980. Congress would receive a comprehensive report submitted each year by the Secretary of the Treasury reflecting the information he had received from state and local officials.

Most of the above provisions also are contained in the Drinan bill.

II. A formula for equity

The heart of any revenue sharing act is the formula by which funds are allocated, first among the states and ultimately local governments.

With reference to the interstate formula of any revenue sharing bill, the key question for liberals is this: to what extent—if any—would application of the formula tend to narrow the gap between rich and poor neighborhoods? The alternative formulas of the existing law are not much concerned with this question. Presently the Fascell bill goes furthest by including a poverty factor. The Drinan bill offers an alternative to the present two-thirds local, one-third state formula, based on varying state and local tax and spend policies. But *any* proposal which reduces payments to *any* jurisdiction in order to increase payments to another, poorer jurisdiction will be in political trouble. Congress, like the Sorcerer's Apprentice, may find that it's easier to turn the thing on than to turn it off.

Distribution of funds was intended to reflect local need and taxing capacity. There is reason to doubt that the present formula satisfies those two criteria.

The Fascell bill attempts to achieve these objectives. With respect to intrastate allocations, the Fascell amendments preserve the basic structure of the existing formula. One-third of all funds received by a state would be allocated first among county areas and then among local governments within each county area. However, Fascell changes the definition of the factors used.

Income and tax effort presently are the two essential elements of the intrastate formula. Congress, to give recognition to needs caused by low income, included in the formula an income factor, measured as the inverse of per capita income. But inverse per capita income is not a particularly good measure of low income needs; many jurisdictions which have large poor populations with substantial needs have at the same time an average or above average per capita income. This is particularly true of some of our larger cities.

The Fascell bill substitutes *percentage of people below the poverty line* for per capita income. Because of the special public service demands of our larger central cities—resulting from higher costs of providing services and a need to provide the extra services associated with urbanization and density—Fascell's income factor includes persons in central cities whose income is below 125 percent of the poverty level. Fascell's formula would provide substantial additional help to central cities and poor rural communities.

The other component of the distribution formula is the measure of state or local taxing effort. The present bill uses the ratio of individual taxes to all personal income. The Fascell amendments would exclude from "personal income" all income below the poverty line, since only income above the poverty level can contribute significantly to a community's capacity to raise taxes.

The Fascell bill also would raise the per capita ceiling for local governments from 145 percent to 300 percent; the existing ceiling prevents those jurisdictions with greatest need from receiving what they otherwise would be entitled to receive under the formula. At the same time Fascell would eliminate the arbitrary 20 percent per capita floor which entitles governments of limited function to a windfall they would not otherwise be entitled to receive under the formula. Fascell raises the minimum allocation from $200 to $2,500 primarily to simplify administration and to avoid making allocations to certain inactive and limited function local "governments."

The Fascell bill also alters the division of funds among the states. The existing three factor and five factor alternate formulas are abandoned for a single formula based essentially on an income factor and a tax effort factor. Forty percent of the annual revenue sharing pot would be divided among the states according to income as defined in the intrastate formula above. Sixty percent of the pot would be divided among the states based upon their respective tax efforts. States could calculate tax effort (1) as it is calculated in the intrastate formula (i.e., the ratio of taxes to aggregate personal income above the poverty line), or (2) by measuring the ratio of state income tax collections to aggregate income over the poverty level, an incentive for states to maximize the share of their state taxes derived from individual income taxes.

III. Civil rights

Federal revenue sharing money presently is supporting discriminatory practices in public employment, private contractor employment, and public services and facilites. The Treasury Department and its Office of Revenue Sharing have not employed the legal tools at their command to end these practices, nor have they understood their obligations under existing law, and ORS is poorly equipped—in size of staff and sense of mission—to carry out an effective civil rights enforcement program. The Administration's proposal is a bit stronger than the present legislation, but the Drinan and Fascell bills both are much stronger.

The Drinan bill would maintain responsibility for civil rights enforcement in the Office of Revenue Sharing, while taking steps to ensure that ORS meets that responsibility. A time table would be established for disposition of all complaints. A finding of discrimination in any local program or action would result in the withholding of revenue sharing funds after a 60-day period for compliance. Private suits by aggrieved persons would be permitted, with attorneys' fees awarded to prevailing plaintiffs.

Fascell would shift basic responsibility for civil rights enforcement from Treasury to Justice and would expand the anti-discrimination prohibition to religious as well as racial, sexual, and other forms of discrimination. It also would recognize the fungibility of local revenue by extending the prohibition against discrimination to any program or activity conducted by a recipient government. After an initial determination of non-compliance is made by the Attorney General, local officials would have 30 days to comply. Failure to comply would result in either an administrative or a judicial enforcement proceeding; in either case the Attorney General is authorized under Fascell to secure a temporary suspension of revenue payments to non-complying jurisdictions. Compliance agreements would have to be made in writing and available to complainants; semi-annual status reports would be filed with Justice. Explicit time limits are provided.

IV. Motivating reform

The present program contains no incentives for state and local government modernization. Fascell would provide an additional entitlement to any state which submits a modernization master plan and time-table, upon Treasury's approval of the plan. States would continue to receive additional entitlements—out of a totally separate revenue sharing pot—as long as they were in substantial compliance with their timetables.

ADDITIONAL CONCERNS

Beyond these four major areas of weakness in current revenue sharing law and practice are several other considerations:

While the present single appropriation permits long-range planning, it hampers congressional oversight. Requiring an annual appropriation (Drinan) increases oversight opportunity but discourages planning. Fascell proposes an annual three-year advance appropriation with required annual expenditure reports—fungibility makes the value of such reports questionable.

Fungibility now makes a sham of restrictions against using GRS funds as local matching money in obtaining other federal funds. Drinan tries to deal with this through a maintenance-of-effort requirement and categorical expenditure percentages; Fascell eliminates the prohibition against matching.

The Administration is sticking with a minimum GRS payment of $200; Fascell ups the figure to $2500, and Drinan to $5000.

CONGRESSMAN BROCK ADAMS BEFORE THE NATIONAL WOMEN'S PRESS CLUB ON THE PRESIDENT'S BUDGET

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. ASHLEY. Mr. Speaker, our colleague Brock Adams, the distinguished chairman of the House Budget Committee, earlier today spoke to the National Women's Press Club on the President's budget for fiscal 1977 and the general state of the national economy. Those of us who serve with Brock on the Budget Committee feel a tremendous debt of gratitude for his outstanding leadership and for his tireless efforts to ensure that our new budget process becomes an integral part of the House's annual operations. His address today is both pertinent and timely, and I commend it to my colleagues for their information and guidance by inserting it in full in the Record:

STATEMENT OF REPRESENTATIVE BROCK ADAMS

The President's budget contains little good news for the economy; for the jobless; the poor, the elderly, and lower-income wage earners; or for hard-pressed States and local governments. Its benefits go instead to an already-bloated defense structure and the business community. The result—slower than needed economic recovery, with unemployment near 8 percent even if the President's optimistic economic forecast is realized; a shifting of the burdens of continuing recession to the poor, the elderly, and lower-income wage earners; and even harder times for States and localities trying hard to maintain existing services without raising taxes.

THE BUDGET AND THE ECONOMY

The President's Fiscal Year 1977 budget is based on a highly optimistic forecast of economic recovery. It projects a relatively high rate of real growth in GNP and a steady decrease in the unemployment rate.

PRESIDENT'S PROJECTION
[In percent]

Calendar year	GNP	Unemployment rate	Rate of real growth
1976	$1, 684	7. 7	6. 2
1977	$1, 890	6. 9	5. 7
1978	$2, 124	6. 4	5. 9
1979	$2, 376	5. 8	6. 5

While this level of economic recovery is highly desirable, it is doubtful that it can be achieved under the President's proposed fiscal policies which feature a drastic reduction in the rate of expenditure growth combined with very little net additional tax reduction.

Total expenditures ($394 billion) are at least $24 billion lower than the normal growth (current services) level ($419 billion). Furthermore, the increase in Fiscal Year 1977 outlays over 1976 (5.5%) is less than in any year since 1969, and less than the President's own projected rate of inflation (6.3%).

Net tax reduction effective in Fiscal Year 1977, compared with tax reductions already in place in Fiscal Year 1976, is only $4.9 billion, and not the $10 billion referred to by the President. Moreover, if additional revenue from the already-legislated automatic increase in the social security wage ceiling is considered, net tax reduction in 1977, compared with taxes effective at the end of 1975, is only $1.7 billion. By comparison, net tax reduction effective in Fiscal Year 1976 amounted to $15.8 billion.

On a full employment basis, the Fiscal Year 1977 budget shows a surplus of $3 billion—a $19 billion shift from the full employment deficit of $16 billion in Ficsal Year 1976.

Given these rather drastic shifts in budget policy from Fiscal Year 1976 to 1977—a shift from a stimulative policy to a policy of very little, if any, economic stimulation—the President's growth and unemployment projections simply do not appear to be realistic. In fact, these projections are considerably higher than many private forecasts that assume higher outlays than the President proposes and a simple extension of the current tax reduction. If the President's rosy economic projections are not achieved, there is little chance that the budget can be balanced by Fiscal Year 1979 as projected by the President, since the revenues required to balance the budget would not materialize.

Despite the President's projection that unemployment will be reduced only to 7.7% during 1976, and will still be at 5.8% during 1979, the budget for Fiscal Year 1977 contains no major proposal to reduce unemployment through a job creation program. The President does propose a modest tax incentive program for employers in high unemployment areas ($.3 billion in Fiscal Year 1977); but this trickle down approach may or may not produce identifiable results, since the ability of additional accelerated depreciation to create net new jobs targeted to the unemployed is highly questionable.

In sum, the President proposes a dramatic shift away from the stimulative budget policies of Fiscal Year 1976—a shift which, even with an additional tax cut, cannot achieve the level of economic growth projected by the President; cannot reduce unemployment in any significant way; and cannot achieve the balanced budget in Fiscal Year 1979 which appears to be a principal goal of the budget.

THE BUDGET'S PRIORITIES

The priorities proposed in this budget contain no surprises for the Congress or the American people. Basically, they are a revised statement of the priorities the President proposed and the Congress struggled to rewrite during the whole of the last session.

The President states that he is recommending a "significant increase" in defense spending for Fiscal Year 1977, but striving to achieve a "balance" in the domestic programs. The message comes through all too clearly as we look at some of the details.

The budget request for defense is predicated on essentially the same assumptions as the Fiscal Year 1976 budget. There is no substantive change in the threat to our security. There is no planned increase in our basic force structure. And military personnel levels are to remain constant.

Yet, Fiscal Year 1977 spending for defense is proposed at $115 billion, a full $14 billion or 14% increase over the amounts Congress recently approved for Fiscal Year 1976. About half of this increase is intended to finance new or expanded programs; the other half to cover the cost of inflation.

By contrast, the keystone of the President's domestic strategy is a series of broad block grants in health, education, social services, and child nutrition. I favor consolidation of many categorical grant programs in order to promote better management and local decision-making. But, like the Nixon special revenue sharing proposals, the funding levels do not reflect a truly "balanced" approach. Overall, these proposals would reduce expenditures $1.8 billion below the amounts most recently appropriated by the Congress or required under current law. The result is no real program growth, no new initiatives, and no allowance for inflation.

A major premise underlying the President's budget request is that tax reductions must be matched dollar for dollar with spending reductions. Yet the President's tax revenue proposals reveal a distinct bias toward business and away from the Nation's working poor and the elderly. Maximum corporate tax rates are to go down. The investment credit is to become permanent. And a measure of economic stimulus is to be achieved through accelerated depreciation, a tax incentive to promote broader ownership of common stock, and a new tax credit for banks and savings and loan associations.

Set against these tax reductions for business are proposals for immediate increases in the social security and unemployment compensation taxes paid by employers and employees. Particularly hard-hit would be low and modest-income workers, whose wages have not kept pace with inflation, and who would fall further behind with these increases. Nearly everyone agrees that some change in the financing of social security will be needed in the near future to keep that system solvent. But it is not necessary to raise these taxes this year, when we are all searching for ways to stimulate the economy and to promote, rather than retard, the recovery.

The President also proposes a Medicare cost-sharing proposal designed to achieve "savings" of $1.3 billion. This "savings", to the Federal budget, is to be paid for by an additional tax on the elderly. Approximately 5 million aged and disabled beneficiaries of Medicare would, under the President's proposal, pay more for hospital and nursing home care. About 12 million Medicare beneficiaries would pay more for physician services. In short, these aged and disabled persons would pay $1.3 billion more from their own pockets than they would under current law.

The President also proposes to shift more of the financing burden of ongoing Federal programs to States and local governments. Consider the block grant proposals for child nutrition, education, health, and social services. The child nutrition proposal forces State and local taxpayers to pay $900 million to equal what the Federal Government otherwise would have provided to feed school children, pregnant women, and poor infants. The education proposal provides no increases whatever for inflation or other factors raising the costs of educating our school children. The health proposal cuts Federal aid by about $800 million.

In short, the President has reduced his chances of achieving better management and local decision-making through the consolidation of grant programs by proposing, at the same time, a sharp cut-back in the services provided under his existing law.

QUESTIONABLE ASSUMPTIONS AND ESTIMATES

To some degree every budget is as good as its assumptions and estimates. While it is premature to challenge many of the assumptions and estimates the President has built into his budget, last year's experience offers some perspective.

Last year, you will recall, the President proposed program changes which would have resulted in spending reductions in Fiscal Year 1976 of approximately $17 billion. The Congress, however, approved very few of these proposed changes (essentially, only the 5% pay cap on Federal employees). This year, the President's proposed cutbacks total $28 billion. Of course, to the extent that the Congress rejects some or all of these proposals, just as in Fiscal Year 1976, the budget outlays, and thus the deficit, will rise accordingly.

We also saw last year that spending estimates for certain programs were considerably understated by the President. In its first budget resolution last year, the Congress added about $10 billion to cover unrealistic estimates for Medicare and Medicaid, food stamps, veterans' benefits, public assistance, interest on the debt, and receipts from sales on the outer-continental shelf. Several of these estimates had to be increased in the second budget resolution.

For example, last year the President's original estimate for Fiscal Year 1976 off-shore oil receipts was $8 billion. The Administration is now estimating receipts of only $3 billion. For Fiscal Year 1977, the initial estimate is $6 billion. It is not inconceivable that a similarly optimistic estimate is before us again. In the area of agricultural disaster payments and price support estimates, the budget assumes both ideal market conditions and weather. If either assumption proves too optimistic, Federal subsidy payments will rise substantially.

Thus, the $43 billion deficit and $394.2 billion outlay estimate proposed by the President may prove as illusory as his $52 billion deficit and $349 billion outlay estimate of Fiscal Year 1976.

A MISSED OPPORTUNITY

These criticisms do not mean that the President's budget is totally deficient. In fact, the President proposes several significant moves in the right direction.

The budget's support for the new community development block grant program and basic opportunity grants for higher education should be commended; as should its commitment to provide full cost-of-living increases to social security and other retirees. The budget also recognizes the need to tighten procedures in welfare programs in order to avoid both payments to ineligible persons and overpayments; and the need to re-think the entire system of Federal employee compensation and retirement policies.

I have already commended the President's move to consolidate and simplify our numerous categorical grant programs. The benefits of block grants—in terms of reducing the management burden of Federal agencies and local administrators and giving States and localities a greater role in decision-making—are now widely recognized.

Nevertheless, the President has missed a major opportunity to set the Federal system on the road to real reform.

First, he has jeopardized the acceptability of the block grant proposals by focusing the debate on funding levels and not the benefits of the block grant approach. States and localities will, quite rightly, question the abrupt reduction of Federal support which will force them immediately to make the choice between raising taxes and reducing services.

The "gradualism" the President spoke of in his State of the Union Message is a missing ingredient in his desire to re-shape the Federal-State-local relationship. The budget is, in fact, a sharp break with the past. The President's proposals would receive a more sympathetic hearing if he had proposed the gradual approach to reform that his statement to the Congress stressed.

Second, it is disappointing that the President refuses to commit his Administration to a meaningful welfare reform, not necessarily this year, but in the next two or three years. Welfare reform is long overdue, and while we cannot implement real welfare reform this year, we should begin the debate now and resolve it as soon as practicable.

Finally, the President has missed the opportunity to influence the Congress through the new congressional budget procedures being fully implemented for the first time this year.

As you know, this new process forces the Congress to look beyond a single budget year to consider both the budget and the economy over a 5-year period. It would have helped the Congress to have had the President spell out his general economic and budget goals for the 5-year period ending with Fiscal Year 1981. It would also have helped private industry, States, and local governments to have the President and the Congress debate these matters and come to some tentative conclusions about the Federal role in the economy as expressed in the budget.

Yet the President makes only projections for the 5-year period and takes pains to point out that these are only projections and not recommendations. Presumably, next year or the year after the President could reverse himself and set a new course, exacerbating the uncertainties throughout our society.

We do not, of course, need 5-year economic and budget planning. Our society is too complex and the state-of-the-art too primitive for a free society. Yet, we do need directions and goals to give meaning to budget numbers and economic directions, and the President has failed, in this respect, to provide the country with the leadership we look for in our chief executive. The Congress must not miss its opportunity to exercise that leadership.

PERSONAL ANNOUNCEMENT

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. KETCHUM. Mr. Speaker, today I voted against H.R. 10807, the Motor Vehicle Information and Cost Savings Act Amendments.

At first glance, this appears to be an innocuous little bill which does not cost much money, but purports to promote automobile safety. However, a closer look at this legislation reveals that it is another example of big government intruding into the lives of our citizens with more demands for burdensome paperwork requirements. The same people who so kindly brought us mandatory interlocking seat belts and an attempt at mandatory motorcycle helmets have now presented us with extensive and excessive recordkeeping provisions for motor vehicle odometers.

It seems fairly obvious to me that the citizens of this Nation are demanding less Government regulation, not more. Yet this bill which has passed the House today runs contrary to that desire by requiring motor vehicle dealers and distributors to maintain whatever records relative to odometers the Department of Transportation may decree. When is this Congress going to realize that small businesses may very well drown in a sea of Government forms if this obnoxious trend is not halted? There is simply no way I could have voted for legislation that compounds the problem of Federal paperwork. I am disappointed that the majority of my colleagues did not see fit to join me in the fight against an ever expanding bureaucracy.

PRESIDENT'S SOCIAL SECURITY PROPOSAL

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. BEDELL. Mr. Speaker, in his state of the Union address last Monday night, President Ford recommended significant changes in the financing of our social security system. Citing the urgent need to balance the income and outgo of social security, he proposed a payroll tax increase of 0.3 percent each for employees and employers of covered wages. The Ford formula will increase individual social security contributions. And it will place the primary burden of this cost increase on the already overtaxed low- and middle-income wage earner.

While I share the President's concern about the financial integrity of the social security system and acknowledge the need to correct the current imbalance in the income/outgo ratio of the trust fund, I cannot agree with his plan for raising additional revenues for the program. I am thus today introducing legislation which would provide a mechanism for raising necessary revenues without increasing taxes for those who can least afford it. This objective can be accomplished by increasing the maximum wage base counted for computation of benefits and for contributions.

The social security program is financed by the most regressive of taxes—the payroll tax. The tax is levied on the first dollar of earnings up to a maximum annual amount specified by law. Thus, the more money an individual earns, the less he contributes in terms of a total percentage of his income. Or, to put it another way, an individual's tax rate in effect declines as his or her wages rise rise above the maximum taxable wage base.

The social security system's financing mechanism is clearly inequitable. And President Ford's payroll tax proposal will simply exacerbate this problem.

The legislation I am introducing today would hold the tax rate at its present level and would adjust the wage ceiling upward over a 3-year period. Under existing law, the maximum base rises as average earnings covered by social security increases. Thus, the current maximum amount covered is $15,300 in 1976 and is projected to rise to $16,800 in 1977. My bill would raise this maximum base to $22,200 in 1977, $26,100 in 1978, and $28,500 in 1979. This proposal would have the dual impact of making the system more progressive while at the same time increasing protection for those who pay more.

At this point, I would like to take a moment to comment on the wage base figures cited in my bill. They are suggested ball park figures which a preliminary Library of Congress study indicates would raise as much or more revenue than the President's proposed social security tax increase. This would also preclude the necessity of transferring general revenues into the social security trust fund.

I do want to emphasize that I am not wed to these specific income levels, and I would be receptive to adjustments, up or down, which are based on more accurate data or changes in judgement as to how much additional revenues we want to raise to meet the short term financial objectives of the social security trust fund.

However, with this caveat in mind, I do want to make it clear that I am committed to the approach embodied in my bill. Additional short term revenues should be raised by increasing the maximum level of wages taxable rather than by increasing tax rates.

There can be little question that we should be concerned about the solvency of the social security trust fund. There is clear evidence that the fund is indeed headed for trouble, and the situation certainly demands thorough and timely consideration. At the same time, however, we must guard against the danger of precipitous action. Before embracing any particular cure, we must analyze our alternatives and fully understand the implications and consequences of our actions. I believe that such a study would expose the inherent inequity of the Ford plan and underscore the reasonableness of the wage base increase approach.

VICE ADM. CHARLES E. ROSENDAHL, U.S. NAVY, RETIRED

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. FLORIO. Mr. Speaker, as we begin the Bicentennial year many of the communities in my district are actively partaking in this celebration. On January 9 the people of the Township of Deptford, N.J. presented Vice Adm. Charles E. Rosendahl the "Jean Pierre Blanchard Award" for pioneering achievment in American Aviation.

The "Jean Pierre Blanchard Award" is named for the gentleman who made the first flight from American soil on January 9, 1793. The flight was in a hydrogen filled balloon which lifted off in Philadelphia and landed in Deptford Township.

Admiral Rosendahl was the first recipient of this award because he was most instrumental in the development of the American airship program. He had commanded American airships and, ironically, was the Commanding Officer of the Lakehurst Naval Air Station at the time of the sensational Hindenberg disaster.

Admiral Rosendahl has been the recipient of numerous awards including the Distinguished Flying Cross, the Distinguished Service Medal, and the Navy Cross.

I am most honored to have had Admiral Rosendahl join us in our local Bicentennial celebration and commend the people of the Township of Deptford for their enthusiasm and outstanding selection of Vice Adm. Charles E. Rosendahl as the first recipient of the "Jean Pierre Blanchard Award."

UKRAINIAN INDEPENDENCE—MAY IT BECOME A REALITY

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. DELANEY. Mr. Speaker, January 22 marks the 58th anniversary of Ukrainian independence and once again I am privileged to pay tribute to the great Ukrainian people.

According to the best calculations, there are approximately 54 million Ukrainians in the world. This places them next after the Russians and Germans as the largest national group in Europe.

Yet, from the time they became entangled with the Russian Empire by the Treaty of Pereyaslav in 1654, Moscow has resorted to all possible measures to deny Ukrainians their statehood and their distinct cultural heritage.

The Ukrainian Revolution which culminated in the establishment of the independence of Ukraine in 1918 was greatly inspired by our own struggle of 1776. Tragically, their hard-won freedom was shortlived—in less than 4 years, the Red army had spread its legions over the war-devastated countryside of the new nation.

Today, the Ukrainian Soviet Socialist Republic, as one of the so-called equal and sovereign constituent republics of the U.S.S.R., is a charter member of the United Nations Organization. She has a permanent mission in New York City, but she is not allowed to enter into direct relations with any of the free nations of the world. She is considered by her Kremlin masters as merely material to be remodeled and shaped to their fancy without regard to the principles of democracy or the wishes of her people—she is a colony of an imperialist power.

As the largest and economically most important of the non-Russian nations held captive in the U.S.S.R., Ukraine is living proof that the Russians, who exploit nationalism in the far reaches of the world, are afraid of it in their own backyard. Their own Bolshevik Revolution, contrary to high-sounding slogans and objectives, was a fraud. Not only did it fail to bring freedom to their own people, but it extended its tyrannical power over non-Russian nations who had adopted the principles of national self-determination and declared their independence with the fall of Czardom.

I am sure my colleagues are aware of the cruel punishment of 36-year-old Ukrainian mathematician, Leonid Plyushch, who just a short time ago arrived in Vienna to join his wife and two sons. He had been held for 2 years in a psychiatric prison hospital in the Soviet Union. I am sure they are aware of the tragic fate of Valentyn Moroz, the Ukrainian historian currently imprisoned in Moscow's infamous Vladimir Prison. I am sure they are aware of the vicious extermination of the Ukrainian Orthodox and Catholic Churches despite article 124 of the Constitution of the U.S.S.R.

On Massachusetts Avenue here in our Nation's capital, there stands a statue in tribute to a hero who prized freedom above all else—the great Ukrainian poet Taras Schevchenko. It was he who proclaimed "the new and just law of Washington" as an ideal for Ukrainia.

May his dream—may the dream of his countrymen throughout the ages—soon become a reality.

JAYCEE WEEK

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. GILMAN. Mr. Chairman, I rise today to call attention to a service organization which truly embodies the ideals and spirit of America—the Jaycees.

Over 7,000 chapters throughout the United States are this week celebrating "Jaycee Week" which marks the founding of the organization in January 1920.

The Jaycee organization has been termed the only service group in the free world dedicated to leadership training. This good will group is not confined to the boundaries of our great Nation. The Jaycees now boast over 250,000 members in the United States with thousands of chapters in 83 other nations.

I have had many warm, friendly meetings with the Jaycee units throughout my 26th Congressional District of New York and I am proud of the record of accomplishment achieved by the Jaycees in Orange, Rockland, and Southern Ulster Counties.

In the 26th Congressional District, there are active Jaycee chapters in the communities of Newburgh, Montgomery, Monroe, Cornwall, Middletown, Warwick, Goshen, Chester, Florida, Pine Island, New City, Ramapo, Pearl River, Stony Point, Nanuet, and institutional chapters at the Wallkill Correctional Facility and Letchworth Village. New chapters have recently been chartered in Pine Bush and Greenwood Lake.

The "Young Men of Action," as the Jaycees are often called, welcome to their ranks men between the ages of 18 and 35 who follow the Jaycee creed:

> We believe:
>
> That Faith in God gives meaning and purpose to human life;
>
> That the brotherhood of man transcends the sovereignty of nations;
>
> That economic justice can best be won by free men through free enterprise.
>
> That government should be of laws rather than of men;
>
> That the earth's great treasure lies in human personality;
>
> And that service to humanity is the best work of life.

This is the code by which the Jaycees perform so many worthwhile duties and programs.

One such worthy project is "Operation Threshold," a program for responsible alcoholic drinking.

Another is "Operation Venus," designed to educate citizens to the ravages of a national epidemic—venereal disease.

And yet another national program provides citizens with information on voter registration and voting on a nonpartisan basis.

Each local Jaycee chapter provides special services depending upon the distinct needs of their locale. Chapters in my 26th District of New York provide substantial assistance to the handicapped, to our senior citizens, and to our youth.

If there is a good cause being undertaken, chances are that a Jaycee is probably involved.

I urge all my colleagues to join with me in wishing the unselfish and dedicated members of the Jaycees success in all their community endeavors as they begin their 57th year of service to humanity.

NEW YEAR'S EVE SPEECH BY DR. BILLY GRAHAM

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. HUBBARD. Mr. Speaker, millions of Americans listened to the famed and beloved evangelist, Dr. Billy Graham, on nationwide television this past New Year's Eve. Several of the Members of Congress have referred to this excellent and timely religious message subsequent to our return to Washington. His message was entitled, "Our Bicentennial."

In order that each Member of Congress and others might have the chance to read this message from Dr. Billy Graham, I am sharing this in the CONGRESSIONAL RECORD:

OUR BICENTENNIAL

(By Billy Graham)

Good evening! I have just returned from a three-month trip around the world that took me through Asia, various countries in the Middle East and Europe. I have talked with church leaders, political leaders, educators, and military leaders. I visited with a number of Heads of State. I wish that every American could have been with me on this trip. It has been an eye opener! For example, someone has said that if you haven't been in Asia in the last six months you don't know Asia. The world is changing so rapidly that I hardly know it any more.

At midnight we enter 1976, the year of our 200th birthday, with a paradox of moods on the part of the American people. On the one hand, many are excited, thrilled, and optimistic about the next year. On the other hand, as a news magazine says, "Americans are in a bitter and fearful mood." There is no doubt that many are confused, discouraged, cynical, afraid, and disillusioned—with our scientists warning us of an all-out atomic war before the end of the century.

While we Americans will be glued to our television screens tomorrow watching the football games, the rest of the world is reeling and rocking from crisis to crisis. Dangerous explosions are almost everywhere. We are on the edge of a precipice. One newspaper reports that over twenty-five wars have been fought this past year or are now being fought. Most of them do not make the headlines, but people are being wounded and killed. When I hear so much talk of peace, I am reminded of what God said through Jeremiah to the false prophets of his day. God said they were "shouting peace, peace, when there is no peace." The Psalmist warned about dealing with those whose words are smoother than butter—those who say, "I am for peace, but when I speak they are for war." Let's face it. There has never been so much talk of peace, nor such a preparation for war as there is today.

Here at home many of our problems are getting worse with every passing day. The crime rate jumped faster than any other year in history. Drug addiction continues to soar as stronger drugs arrive daily by the planeload. Massive debts threaten some of our major cities with bankruptcy. Family life falters, and thousands of children are made orphans every month from broken homes. Abortion has brought the population growth to a standstill.

As I return home, I have a feeling that the American people are almost drugged and are oblivious to the events at home and abroad that cause the Atomic Clock to move closer to midnight.

What is wrong? It is almost a paradox that America, possessing all the economic affluence for enjoying life, virtually leads the world in crime, narcotics abuse, pornography, immorality, and even debts. We seem to be naive to what is happening in the real world. So we watch spectator and entertainment events on television and try to forget it all, hoping that it will go away. Or we take another highball and try to relax.

The rest of the world watches our self-inflicted wounds with amazement. They cannot understand why we wash so much dirty linen in public.

Tonight, before we take a look at the future, we should look at the past and remind ourselves of the roots from which we sprang 200 years ago.

I do not see how anyone could study the history of America without recognizing religious influences that have helped mold this nation from the beginning.

In 1835, an astute French visitor to the United States reported, "Upon my arrival in the United States, the religious aspect of the country was the first thing that struck my attention."

In no other nation's founding documents can we find so many declarations of allegiance to God. Time after time in our history there have been appeals to the "Supreme Judge" in seeking to build a new nation. This idea of freedom as a "right" of all men everywhere is absolutely unique among nations.

But where did it come from? Any search for its origin takes us back to "our fathers' God . . . Author of liberty." It takes us to the creation of man, whom God made in His own likeness, free to roam and replenish the earth. Free to decide how or even whether he would serve his Creator. And man chose rebellion. Today because of that choice by our first parents, we are alienated from God. Because of this alienation we are a "suffering" planet, with the ultimate result of "death" for every generation.

But this idea of freedom also takes us back to the Old Testament prophets, proclaiming in the face of kings and shouting from dungeons man's God-endowed right to freedom under God.

It takes us back to an angry Moses, daring Pharaoh's wrath to demand, "Let my people go!" and later leading a great army of the enslaved into a new country where they could, at God's behest, "proclaim liberty throughout the land and to all the inhabitants thereof." These words from Leviticus 25:10 are inscribed on Americas' Liberty Bell in Philadelphia.

It takes us back to Jesus Christ who, standing in Nazareth, boldly declared His destiny—"to preach deliverance to the captives, to set at liberty them that are bruised."

Liberty and freedom—these were the flaming revolutionary words the early followers of Christ cast again and again into the tinderbox of men's hearts and hopes.

Now, the thing tyrants feared was this

ideal of the Free Man in God. That ideal has always been terrifying to tyrants and that is why religious liberty is being curtailed in so many parts of the world today. Give men the Bible and freedom to proclaim its message, and they will soon be free.

It was in pursuit of this ideal that those 102 brave men and women clambered aboard a tiny vessel called the Mayflower one chill day in 1620 and, with prayers on their lips and visions of a new "nation under God," set sail for a far, unknown land.

The night before that historic dawn when the Pilgrims landed, they had crowded into her tiny hold to sign their "Mayflower Compact" (based on Biblical principles as they saw them)—later to be called "the birth certificate of American democracy."

And the Puritans who followed during the great migrations of 1630–1640 also "laid it on the line"—their reasons for coming to Massachusetts Bay. The opening sentence of their "New England Confederation" says, "We all came into these parts of America with one and the same end, namely, to advance the Kingdom of the Lord Jesus Christ." Not all, of course, were dedicated Christians. After the Puritans, there came a diverse lot of adventurers, slave traders, ex-prisoners and unbelievers. But it is a mark of the Puritans' vitality that their ideals largely prevailed in early America.

Americans who scoff at their straight-lacedness and earlier intolerance should never forget that it was the Puritan's religious faith and his passion for self-rule that gave us much of our system of political and social democracy—that has lasted these 200 years.

But both patriotism and Puritanism tended to wane and weaken in the third generation. By the middle of the 18th Century, problems for the young country began to mount. Many of them are the problems we face today. For example, inflation is nothing new in American history. In the late 1700s, during the days of the American Revolution, they too faced inflation. In 1779, ducks and chickens were sold for a few pennies each. In just two years' time they were costing $250 each. There came a time that money was hardly worth the paper it was printed on. That money, issued by the Continental Congress, had become valueless.

We should remember, as we face inflation today, that it's not nearly so bad as was faced by our forebears, and they licked it by sheer courage, discipline, hard work, and faith in the future of America.

Remember, the people that founded America did not have telephones, radio, television, electricity, automobiles, airplanes, inside plumbing, or refrigerators. They had no tractors or bulldozers. They had no supermarkets. They had no social security or guaranteed welfare. The fastest they could travel was by horseback. Yet they succeeded—where we seem to be failing. They scratched, dug, worked, sweated, and prayed to build a nation from New York to San Francisco.

Many times during American history there have been great spiritual awakenings that have affected the nation and strengthened its moral and spiritual fabric. One of those was called "The Great Awakening" of the 1740s. It strengthened the nation for the bitter days of the Revolution. Great evangelists like George Whitefield and Jonathan Edwards proclaimed judgment and grace, calling on the people to turn to God.

This Great Awakening, say historians, cradled and paved the way for the Revolution. Under such eloquent preaching sat those young people who would soon be called "the Founding Fathers" of America. And from under such preaching came men like John Adams who wrote, "Statesmen may plan and speculate for liberty, but it is religion and morality alone upon which freedom can securely stand. A patriot must be a religious man."

The Declaration of Independence reflects the feelings of men to whom religious faith was all-important. There was not an atheist or an agnostic among the 56 who signed that Declaration, though some were deists. Before they strode forward to append their signatures, each bowed his head in prayer. The Declaration's giant step was being taken, they affirmed, "with a firm reliance upon the protection of Divine Providence." In declaring themselves free, they said, they were assuming "the separate and equal station to which the laws of God entitled them." The self-evident truth they voiced was that men were "endowed by their Creator" with inalienable rights. And before the world they appealed to "the Supreme Judge of the world" for the source of their intentions.

Such expressions were no mere polite gestures to God. They were a firm commitment to the principle that God must be central to any plan of government. Because they signed that document, some of those men were captured and hanged. Some were stripped of their possessions, some were jailed. I have to ask myself tonight, at another hour of American crisis, do we have that kind of courage? Would we be willing to sign? How many people today would be willing to put their life on the line for freedom?

Eleven years later, after the Revolution was won, there assembled in Philadelphia men from thirteen colonies charged with creating one of the most revolutionary political documents of all time.

Yet there were flaws. They were men who had never known the concept of democratic liberty and freedom. For example, slavery was a part of the social structure, both North and South. Catholics could vote in only three of the thirteen states. Jews were not permitted to vote in New Jersey or in New Hampshire. Women could not vote anywhere in America. In the hindsight of 200 years, they made many mistakes, but what they produced was nothing short of a mirable of God.

When the Constitution was submitted for ratification, the people demanded a Bill of Rights that would settle certain fundamental freedoms once and for all. They were implied in the Constitution, but the people wanted them in black and white. In the Amendments making up the Bill of Rights, where was religion? *First!* In top place! Speech, Assembly and Petition followed Religion in the First Amendment. These were quickly approved. But for three-and-a-half months the House and Senate debated the phrasing of Religious Freedom, changing the words around, adding, deleting, clarifying. At no time in history has so much care and attention been lavished on one sentence of legislation.

The final wording: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." It was not government renouncing religious faith; it was government protecting our religious faith by forever removing "religious rights" from tampering by any public authority or self-seeking hierarchy. There we have a guarantee that America would never have a civil religion. But we would have freedom of religion—not freedom from religion as some have mistakenly interpreted this Amendment.

In every area of American life, the "faith of our fathers" has left its indelible imprint. And nowhere more so than in its educational system. When our forefathers stepped ashore in the New World, their first act was to establish a home. Next, they erected a church. Then they started a school.

The Puritans and the Pilgrims came to the New World determined to provide education for their young. In the lands they'd left, education was the privilege of the few. Therefore, those early Americans flung up their rude schoolhouses all along the advancing frontier. Their first textbook was the Bible, their first task to teach children to read.

Founded also by the churches were America's first institutions of higher learning. A few years after the Pilgrims landed, Harvard College came into being—its motto: "For Christ and the Church"; its main purpose: a training center for clergy. In 1701, Yale College was founded by a group of evangelical clergymen for the same purpose. Princeton was brought into being by the Presbyterian "revivalist party." The University of Pennsylvania stemmed directly from George Whitefield's electrifying preaching during the Great Awakening.

It was in America's churches too that women first came into their own. The Pilgrim woman was a new breed. Along with her man she stepped onto those free shores with freedom shining in her eyes. At home, in her community and church, she began her God-given fulfillment as a woman.

We may be a vastly different people today than we were 200 years ago. Our society is far more complex, more pluralistic. But of this we can be sure—God has not changed. His laws have not changed. He is still a God of love and mercy—but He is also a God of righteousness and judgment. Any individual or nation which ignores His moral and spiritual laws will ultimately face His judgment.

I believe that every problem facing us tonight as Americans is basically a spiritual problem. Crime is a spiritual problem. Inflation is a spiritual problem. Corruption is a spiritual problem. Social injustice is a spiritual problem. The lack of a "will" even to defend our freedoms is a spiritual problem.

The Lord, speaking through His servant, the prophet Isaiah, said, "I was ready to be sought by those who did not ask for me. I was ready to be found by those who did not seek me. I said, Here am I, to a nation that did not call on my name. I spread out my hands all the day to a rebellious people who follow their own devices. A people who provoke me to my face continually . . . When I spoke, you did not listen, but you did that which was evil in my eyes." And judgment came!

The great question before us tonight, on the even of our 200th birthday and on the eve of 1976—a crucial election year—is: will this nation survive this century as a free society, or even the next five years as a free society? As I came home from my three-month world tour, this is how crucial and how critical the problems of the present hour seem to me. I do not believe that we will be a free democracy 24 years from now in the year 2000, unless a dramatic change takes place within the hearts of the people of this nation.

It was James Russell Lowell, American poet of the last century, who put the challenge to us. When asked by a French historian, "How long do you think the American republic will endure?" Lowell replied, "So long as the ideas of its Founding Fathers continue to be dominant!"

One of the ideas was that the Bible was true, and that our entire social and political structure was to be built upon its laws and teachings.

Another idea that our Founding Fathers had was that God was supreme. That is why they put on our coins, "In God We Trust."

Another early idea, not shared by all by any means, was that every person needed Jesus Christ in his heart.

As tonight we enter a historic year, America is troubled. Our people are filled with frustration, fear, and confusion. According to a series of articles in the Los Angeles Times in October, thousands of radicals are highly organized from coast to coast with the determination to overthrow this country. We have heard testimony before Congress recently that highly trained terrorists have arrived in the United States to begin terror tactics during the Bicentennial year.

Will they succeed? It will depend on the patriotism, courage and faith such as those early Americans had, when they landed on these shores. Is God going to allow a cataclysmic judgment to fall upon this nation as has fallen upon nations of the past who have turned from God and forgotten Him? Or will God send to us another great spiritual awakening that has saved us in the past?

During the last 12 months, thousands of Americans have been turning to God. Prayer groups and Bible study groups have been springing up all over the nation. Churches and other religious organizations are reporting that millions are living a more disciplined Christian life. This is encouraging—even though it only involves a minority.

In a time similar to ours, when only a minority were true believers, Isaiah the great Hebrew prophet said, "Except the Lord of hosts had left unto us a very small remnant, we should have been like Sodom, and we should have been like unto Gomorrah."

But God is warning us tonight that judgment is going to fall upon us in a very short time unless we as a nation repent and turn to God. In pleading with ancient Israel, God said, "Come now, and let us reason together, saith the Lord: though your sins be as scarlet, they shall be as white as snow; though they be red like crimson, they shall be as wool. If ye be willing and obedient, ye shall eat the good of the land. But if ye refuse and rebel, ye shall be devoured with the sword; for the mouth of the Lord hath spoken it."

Will America turn to God at this late hour, or will America continue on the broad road that leads to destruction? It will soon be too late to decide—already the storm clouds are gathering.

I am calling Christians everywhere to a time of humiliation, prayer, and fasting during this 200th anniversary. There is no possible solution to the problems we face apart from a change in the spiritual atmosphere.

You who are listening to me tonight are asking the question, "What can I as an individual do? I feel so helpless in the midst of the present crisis. I want to do something—but what?"

What did those early pastors, teachers and evangelists proclaim? The heart of the message of Whitefield, Edwards, Wesley, Tennent and hundreds of other clergy along the Frontier was basically the same message I offer to you tonight.

First, recognize that God loves you. The Bible says that He is not willing that any should perish but that all should come to repentance.

Second, be honest before God. Admit that you have broken His laws and chosen to go your own way instead of His way. Be willing to let Him change your life.

Third, receive Jesus Christ into your heart as Savior and Lord.

Fourth, be a living example by your good works. The apostle James said, "Faith without works is dead." This proves that you mean business with God. Pray for those in authority—be a good citizen—help the poor—help the distressed and help the oppressed of the world.

Fifth, get involved in the political process. This coming year is an election year. I would like to challenge every deeply committed American who is qualified to think about running for political office. I do not believe that we as Christians should withdraw. We need men and women of integrity and Christian commitment who will run for political office this coming year—no matter to which political party you belong. On this New Year's Eve, if you will do these things you could have a part in helping America be the kind of country you want for your children and grandchildren.

America is too young to die. She is only 200 years old. During the last few weeks I have been in countries that date their history back thousands of years. We are a young country and should be just getting started. But unless we wake up and accept the challenge handed to us by our forefathers, we will die, like counties and civilizations of the past.

During this past year, Alexandr Solzhenitsyn visited the United States. While he was here, he told a little story that bears repeating tonight. He said that only once during his long imprisonment in a Soviet Union labor camp did he become so discouraged that he contemplated suicide. He was outdoors on a work detail, and he had reached the point where he didn't care whether the guards killed him or not. When he had a break, he sat down, and a perfect stranger sat down beside him—someone he had never seen before and never saw again. This stranger took a stick and drew a cross on the ground for no explainable reason. Solzhenitsyn sat and stared at the cross and then said, "I realize therein lies man's freedom." At that point, a new courage and a will to live and work returned.

Tonight you can come to that same cross and find forgiveness, peace, joy, and eternal life. Life takes on a new meaning, a new hope, a new song. This could be your commitment tonight.

May God help you to make this commitment, and may 1976 be a joyous and blessed year for each of you.

NINE IN LINE TO RECEIVE AWARD

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. RUSSO. Mr. Speaker, this Saturday will be a most special day for nine people in my district, and I would like to take this opportunity to congratulate them and commend them for their achievement.

These nine, who are between the ages of 19 and 35, have been nominated for the Dolton-Riverdale Distinguished Service Award for 1975 and will be honored at an awards dance on January 24 by the Dolton-Riverdale Jaycees.

Through active participation in their community and unselfish service, these nominees have demonstrated their willingness to care and involve themselves. What a marvelous attitude and philosophy to act upon. I am sure my colleagues join with me in commending such good citizenship, for we here in Government especially realize the vital role the citizen plays in shaping the destiny of our country.

There is today a trend towards negativism. We hear a great deal about "what's wrong," and I think it is a refreshing and well-needed change to focus on the positive. The Jaycees do this in many ways, and this coveted award is one example. And by honoring these outstanding citizens, the Jaycees hope to encourage others throughout the community to follow their example.

Today I want to extend my personal best wishes and thanks to these fine citizens: Gary L. Boston; Clyde Wells; Mary Zenke; Ed Kiply, Jr.; Barbara Fayta; Roy Hayes; Mary Helen Nagel; Bob Vostal; John P. Spomar, Jr.

OUTLOOK FOR SPACE IN THE FUTURE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. TEAGUE. Mr. Speaker, in 1957 a new organization was established to promote interest in and support of the then-fledgling and faltering U.S. space effort. That organization was the National Rocket Club, later appropriately renamed the National Space Club. Since those early days, the National Space Club has been most dedicated and enthusiastic of the U.S. efforts in space, science and technology.

When public interest in space began to wane, the National Space Club continued and even accelerated its support for our programs. Annually, it sponsors the Dr. Robert H. Goddard memorial dinner which provides a major forum for bringing public focus upon this Nation's space, scientific and technological achievements through the presentation of awards to those having made significant contributions during the preceding year. Each month, luncheons are held which feature experts from these areas. These events are neither purely technical nor purely social, but rather they provide an excellent sounding board for the exchange of ideas.

This past year, under the able leadership of its president, Larry G. Hastings, the National Space Club has featured many notable speakers. The January meeting heard the Honorable Dr. James C. Fletcher, Administrator of the National Aeronautics and Space Administration. I feel that his remarks deserve recognition. Therefore, Mr. Speaker, I insert Dr. Fletcher's remarks before the National Space Club in the RECORD:

REMARKS BY DR. JAMES C. FLETCHER

The start of a new year seems a good time to take a fresh look at our current efforts in space and explore how these efforts relate to our outlook for space in the future.

Initially, I would like to give you a status report of some of our better known projects—the Space Shuttle, LANDSAT, SEASAT, Helios, the Communications Technology Satellite, the Synchronous Meteorological Satellite, the ATS–6 and the Viking project. After that I would like to review with you how we arrived at where we are today and what the alternatives are likely to be for tomorrow.

As you know, our biggest and most important planetary enterprise underway is the current Viking program to land two unmanned spacecraft on Mars.

The first Mariner spacecraft provided us with a wealth of information about Mars. But they also provided us with almost as many new questions as they answered old. Mariner 9 revealed a completely new and different face of Mars than did the earlier flyby missions. Whereas the flyby coverage saw only a single geologic regime in the cratered highlands of the southern hemisphere, Mariner 9 revealed gigantic volcanoes, a rift valley extending a fifth of the way around the planet's circumference, and evidence of flowing water sometime in the past. In short, Mariner 9 revealed a dynamic, evolving Mars completely different from the lunar-like planet suggested by the flyby evidence.

The goal of the Viking mission—surface and atmospheric exploration with special emphasis on the search for extra-terrestrial life—is one I consider to be our most ambitious unmanned space venture to date.

Both Viking 1 and 2 are healthy and doing well.

Both craft are loaded with instruments designed to carry out 13 separate but related scientific investigations. The sophistication of the instruments, as many of you know, is a considerable achievement. One example, a biology laboratory with 40,000 parts, is crammed into a container the size of a gallon milk carton. We expect it will be doing the work of 40 technicians utilizing the facilities of a four-room laboratory.

Not only is Viking the most complex and technologically advanced unmanned space system NASA has ever developed, but if successful, it will also give us the greatest return. For it will report not only the first detailed analysis of soils and surface conditions on Mars, but the first direct search for life on another planet.

Another key feature of Viking is that the two spacecraft are built around a concept of adaptability. What we learned from the first vehicle will reflect in the operation of the second vehicle.

As an example—when the first vehicle enters the atmosphere, we will measure the structure and the composition of the atmosphere and use those data to design the entry for the second vehicle. We plan to learn as we go along, kind of bootstrap our way, and change the mission to be consistent with our newly acquired knowledge.

We have enjoyed some oustanding successes in our planetary programs. Pioneer 10 and 11 are still going strong. Pioneer 10 is now on its five-year extened mission, scheduled to reach the orbit of Saturn later this year and the orbit of Uranus two billion miles away and the probable limit of spacecraft communications with Earth, in 1979.

This spacecraft is setting a number of firsts: Man's first probe of the outer solar system. The first spacecraft to fly beyond the orbit of Mars. The first to penetrate the Asteroid Belt. And it will become the first man-made object to escape from the solar system into interstellar space.

Pioneer 10 has also made a tremendous contribution to our store of knowledge of Jupiter. It has provided us with the first firm ideas of what that planet is like—a whirling ball of liquid hydrogen with possibly a core of rock. Its mysterious Red Spot appears to be a 25,000 miles wide hurricane at least 70 years old. It has a magnetic field much larger than predicted, and radiation belts far more intense than expected.

The Younger Pioneer 11 continues to make a similar contribution. It has flown three times closer to Jupiter than did 10 and is due to arrive at Saturn in September 1979. If its camera is still operational, it will send back pictures of Saturn's rings as it travels through them.

During 1975 we launched a total of 21 satellites, the greatest number of launches since 1967. These launches included a variety of satellites for scientific and applications purposes, and, of course, the last manned Apollo flight, as well as spacecraft for foreign nations and commercial firms. I cite these figures as an illustration of the degree to which our space program is now oriented to practical applications. They also show that the space age has indeed arrived—that satellites are an accepted means of providing beneficial services which are economically profitable.

With regard to space applications, earth resources surveys continue to show special promise, wiht potential benefits to our economy numbering in the hundreds of millions of dollars annually.

With LANDSAT-1 and -2 now in orbit and the improved LANDSAT-C scheduled for launch in 1977, we and other government agencies—indeed other governments—will be able to determine how we should best take advantage of space capabilities for more extensive remote sensing of earth's resources.

For instance, LACIE, the Large Area Crop Inventory Experiment, an ongoing joint project with the Department of Agriculture and the National Oceanic and Atmospheric Administration, is a landmark agrometeorlogical undertaking. With it we intend to demonstrate that we have the technology required for an operational global crop forecasting system. Such a possibility is of paramount international political and economic significance.

In the field of meterological satellites, our synchronous meterological satellites SMS-1 and 2 have been joined by GOES-1, the National Oceanic and Atmospheric Administration's first operational geostationary satellite, and NIMBUS 7, which is making a significant contribution to our understanding of the atmospheric processes that influence weather and climate.

SEASAT, scheduled for launch in 1978, will be a sophisticated ocean monitoring satellite, and should prove to be of great economic benefit to the shipping and fishing industries and to maritime and shoreline construction projects.

Additional future space application launches scheduled include TIROS-N, the forerunner of a new operational polar satellite system; NIMBUS-G, our first satellite dedicated to the monitoring of pollution in the stratosphere and troposphere; and LAGEOS (Laser Geodynamic Satellite), which is designed to study the earth's crust and help us better understand the mechanics and causes of earthquakes.

Our ATS–6 satellite, which previously broadcast high quality, color television to remote areas in Alaska, Appalachia and the Rocky Mountain states, and later the live television coverage of the Apollo Soyuz, has been on station over Africa since last July. Since August, it has been broadcasting educational programming in four languages to millions of viewers in 5,000 Indian villages. To date the experiment has been quite successful, with excellent performance recorded by the Indian-developed receiving sets and more than enthusiastic participation by the Indian villagers.

In addition to the sharp and sustained increase in school attendance there have been some unanticipated benefits. For instance, in a village in Urissa, one of the seven states participating in the project, an official visiting a school during a morning broadcast found not only 140 students, but 12 parents intently watching the televised lessons. The teacher told the official that before the television experiment started the schoolhouse had a hole in the roof and needed other repairs, but the teacher could get no cooperation from the parents. When the broadcasts began, however, and the parents came—initially out of curiosity—they recognized the need for an adequate facility and now the building is in excellent repair. To that teacher, parent participation and support was the single most important benefit of the program.

The Communications Technology Satellite, to be launched Friday, will cap a five-year coperative effort with Canada's Department of Communications. This two-year program is our second satellite designed to transmit high-quality color television to small, simple ground stations.

Where the CTS has a function similar to ATS–6, its technology is quite different in that it has a much more powerful and efficient transmitter, and will use a new frequency range reserved exclusively for broadcast satellites. The beauty of communications satellites such as CTS and ATS–6, of course, is in their potential to serve those vast remote areas of Canada and the United States—or less developed countries—where land communications are not now highly developed, nor likely to be in the future.

Our upcoming launch of Helios II is the second of two joint solar probes we are making in cooperation with West Germany. The first Helios was launched a little more than a year ago and has at this time completed one and one-half revolutions around the Sun.

Data from Helios I on such phenomena as solar wind, interplanetary dust and zodiacal light are being correlated with the data we have been receiving from our Pioneer and IMP spacecraft from various parts of the solar system. By adding to this data from Helios II, we will have our first direct measurement of the interplanetary environment between the Earth and the Sun.

The last project I will mention is the development of the Space Shuttle, the beginning of a space transportation system.

The Space Shuttle, as you know, is a manned space vehicle that takes off like a rocket, operates in space for a period of time like a satellite, and returns to Earth and lands like an airplane. Its most important and unique feature is that it can be used over and over again. It can be used as a manned space laboratory or as a vehicle to put satellites in orbit rather than the present types of launch vehicles that are expended in each use. In effect, the Space Shuttle will give us a routine and almost daily accessibility to space.

The focus of NASA activity over the next decade—at least in terms of expenditure and effort—will be the Space Shuttle program. It promises to relate in our space efforts of the late 70's and 80's as did the Apollo program of the 60's and early 70's. It provides a natural bridge from manned space flight programs to those of extraterrestrial exploration.

I remember when I was a youngster growing up on Long Island in the 20's and 30's. We looked forward to those occasions when we would be taken out to the local flying field to watch the aerial circus and, if we were extra lucky, be taken up in a Curtis Robin or early surplus army trainer for a brief flight over the local farms and villages. We marveled at the skill and daring of these pilots and never dreamed that we were participating as pioneers in a vast and rapidly expanding air transportation industry.

This year marks the 50th anniversary of regularly scheduled air service in this country. Revenue passenger miles have jumped from 8 billion in 1947 to 162 billion in 1974, an increase of 2,000 per cent!

I think it is fair to make a similar analogy to the Space Shuttle. Our manner and unmanned orbital flights and moon walks during the last 18 years have just as surely led us to the beginning of a space shuttle transportation system that promises unlimited opportunities not only for space exploration but space exploration in the decades ahead.

We at NASA are pleased with the Shuttle progress. Those of you who are participants in the program are intimately aware of the benchmarks being made. During the past year we have moved from the design phase into one of fabrication and testing. The first test crews are being selected. The testing of engine components and the crew compartment is ongoing; and the wings and fuselage sections are under construction as are the rocket motors and external tank.

We expect roll-out to be September of this year. We will begin approach and landing tests—including a first free-flight drop from a 747—in early 1977, and launch and first orbital flight in 1979. By 1980 we plan to have the Space Shuttle operational with the first Spacelab as one of our early payloads.

I would like to add that not only are we on schedule, but we are operating within the resource constraints imposed by inflation, the Congress, and those watchdogs of bureaucratic fiscal integrity, the Office of Management and Budget.

Having brought you up to date with that brief review of where we are, I would like to touch on the aspect of where we are going and its direct relationship to the American taxpayer's acceptance of—and support for—our future endeavors in space. For without that acceptance and support we cannot sustain the effort necessary to fully explore and exploit the promises of outer space.

And how do we achieve that? By appealing to the common sense of the American taxpayer. By raising the level of his consciousness and understanding of how the discoveries of outer space enrich his life here on Earth. And in telling our story we must be as imaginative and aggressive as have other major segments of our economy.

Unfortunately, we have not done so. We in the scientific and technical community seem to have shown less competence in managing our own destiny within the framework of the national body politic than any other professional group. We have not yet built a consumer constituency.

Educators, farmers, auto workers, homebuilders—all have struck an imprint of worth onto the American psyche. It is an unfortunate anomaly that those of us who have done so much to advance the technology of communications, understand so little of its technique. There remains an unbridged void that separates the public's acceptance of the fruits of space technology today from its awareness that the same technological base can further enrich life and satisfy tomorrow's needs.

We . . . as a profession . . . as an industry, must bridge that gulf if we are to enjoy the continued acceptance and support of the American people.

We have our work cut out for us. The events of today seem to encourage the American people to take a less adventurous outlook and to be less willing to try new things. The national temper today is not challenged by a Sputnik. Its imagination is not fired by a walk on the Moon.

As I perceive it, the national temper today is one of caution, with the mainstream of American thinking certainly more conservative than it was in the 1960's. And while this climate makes it difficult to promote the acceptance of large national projects which are understandable—the Alaska Pipeline, for instance—such esoteric projects as the Space Shuttle and moon colonies are mind-boggling and difficult to promote.

So we must put these programs into a perspective of needs that, when fulfilled, are understandable and desirous in terms of dollars and cents return, rather than gadgets of convenience.

It seems to me that there is a vast untapped constituency in this land that we in the space world have overlooked as being natural and articulate allies in bridging the communications gap. I refer to those professions whose memberships have a direct economic stake in future, as well as present, space technology.

Educators, farmers, doctors, engineers, sailors and housewives—all have a real everyday, dollars and cents stake in the successful development and operation of a LANDSAT or NIMBUS satellite or a spacelab or space shuttle. Since the inception of our space program there has been a consistent and high rate of return on investment by way of technology transfer and its benefits to improved production, health care, communications, environmental quality and balance of trade.

From the time of the Revolutionary War until now, our Bicentennial, this country's total investment in fundamental science is on the order of $40 billion, a high percentage of that in just the last 15–20 years. Many economists guess that something on the order of 50 per cent of this nation's goods and materials have been derived from that investment in a science and technology base. In the order of today's $1 trillion plus gross national product, that is a handsome return. But put in terms of percentage of gross national product invested, this amount by many standards is a pittance.

When a farseeing Congress opened up the old Western frontier, it spent ten per cent of the gross national product to build railroads to and through the West. Today the percentage of our gross national product being spent on opening up the frontiers of space is less than ⅓ of one per cent.

The premise that technological progress is the cornerstone of our economy is illustrated in a recent study made for NASA by Chase Econometric Associates on the economic impact of NASA research and development spending. The study showed that:

A one billion dollar sustained increase in NASA R&D spending would raise real GNP $22 billion by 1984;

Labor productivity would be raised by 1.1 per cent;

The consumer price index would be lowered by 2 per cent;

Unemployment would drop by 0.4 per cent, and an additional 1.1 million jobs would be created because of a more rapid expansion of the labor force.

Although economic forecasts have lately been suspect, the Chase findings are not in major conflict with similar but less sophisticated studies on the impact of space technology on the economy. There can be little doubt that a strong national commitment to a vigorous science and technology effort is a path that leads *toward* the solution of our social problems, not away from them.

I see a continuing investment on the order of one per cent of our Federal budget in the utilization of near space and the exploration of deep space not inconsistent with a sound national economic policy. Nor is it inconsistent with the conclusions and recommendations made in a recent report of the Subcommittee on Space Science and Applications of the House Committee on Science and Technology. That report concluded that: "Based on . . . the high positive economic multiplier associated with space related research and development programs, NASA should assemble and propose to the President, and ultimately to the Congress, an expanded space program in FY 1977–78 at least 25 per cent greater than current funding to undertake new space initiatives."

However, I want to emphasize again that if we are to succeed in these initiatives we must cultivate the understanding and support of the American people.

As a prologue to what these initiatives might be and to enhance our perspective of them, I would like to quote from two earlier but quite disparate Committee reports.

The first: "There has been a great deal said about a 3,000-mile rocket. In my opinion such a thing is impossible for many years. The people who have been writing these things that annoy me have been talking about a rocket, so directed as to be a precise weapon that could land exactly on a certain target, such as a city. I feel confident that it will not be done for a very long period of time to come. I think we can leave that out of our thinking. I wish the American people would leave that out of their thinking.

The second: "The Committee judged the promises and offers of this mission to be impossible, vain, and worthy of rejection: that it was not proper to favor an affair that rested on such weak foundations and which appeared uncertain and impossible to any educated person, however little learning he might have."

The first quote is from the remarks of one of this nation's most distinguished scientists, Dr. Vannevar Bush, when he testified before a Congressional Committee in 1945.

The second quote was made somewhat earlier, in 1492, by the Talavera Commission when it refused Christopher Columbus funds to do some exploring in an unknown world.

In the 1890's, Roentgen wasn't searching for a cure for the common cold when he passed electricity through a gas and came up with X-rays, one of the greatest advances in medical technology of all times.

In 1802, when he started secret negotiations with Napoleon Bonaparte for the purchase of the city of New Orleans, Thomas Jefferson didn't dream that he would end up with the title to 825,000 square miles of the American West, then known as the Louisiana Territory.

These historic incidents bring to life the old proverb: "The afternoon knows what the morning never suspected." We cannot ignore that there are serendipitous fruits of our initiatives as well as the sought-after goals.

Any discussion of future space initiatives must start with the Space Shuttle, the key to opening up near space to quick, easy and economical access.

With the Space Shuttle, operations to and from low-altitude earth orbit—for both manned and unmanned exploration, science, and applications—will become routine and relatively inexpensive.

Following the development of a successful space shuttle system should come the construction in space of a permanent space station, something the Russians, it should be noted, are already working on.

With a permanent space station a reality, we can then become operative in a number of ways: The assembly of other space stations for biological and medical research, manufacturing operations, bases for deeper space operations, radio and optical astronomy, and solar power to be beamed to Earth by laser.

Another future space initiative that is likely is the establishment of a permanent, manned base on the Moon to support further investigation and exploration of that planet and others in our solar system. Still another is the establishment of one or more colonies in space itself.

Dr. Gerard O'Neill has articulated on many occasions—most recently in the December Aerospace—his concept of 21st Century space colonies.

The hulls of these space structures would be perhaps 19 miles long and four miles in diameter. There would be mountains, clouds, streams, and trees inside these satellites. A gentle gravity would be obtained by a slow rotation of the structures, and magnetic fields would ward off cosmic radiation from the 10,000 people in the initial version of the colony.

Another space initiative worthy of vigorous study concerns the search for extraterrestrial intelligent life. The solar system is not unique in the universe. Given the infinity of space and time, it is extremely likely that intelligent life exists elsewhere.

In 1971, project Cyclops made a comprehensive study of the optimum way to communicate with the more advanced forms of this intelligent life and made a design study for a large array of antennas which would scan the heavens for radio signals thousands of light years away.

A radio telescope in lunar orbit on the far side of the Moon, so as to be shielded from the Earth's radio noise, could be an even better facility for performing such a search.

Such initiatives will not come easily. They will take the courage of commitment . . . the courage and confidence that man can define his own purpose . . . shape his own destiny, that man's technology is subordinate to man's imagination.

But they will come.

Man's adventure in space has barely begun.

The practical benefits of space have barely been tapped. Between now and the turn of the century the prospects in space are rich in rewards for the human mind and spirit, and rich in response to man's practical needs. These rewards can be ours to benefit ourselves and to share with others, if there is will and vision.

BUSING RECONSIDERED

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. NEAL. Mr. Speaker, I would like to take a moment to call to my colleagues' attention the editorial from the most recent Saturday Review magazine. Here is another national voice calling for a reassessment of the results of the widespread policy of forced cross-busing of school children to achieve racial balance. Mr. Speaker, we must as a nation realize that the default of responsibility in providing equal educational opportunities for all young Americans has left the courts and the American people with a "solution" which only prolongs and inflames the problems it was designed to alleviate. Busing is not working. As a nation we must acknowledge that fact, and at the same time we must reaffirm our commitment to enacting real, workable alternatives to busing. Legislators, educators, administrators, judges, and parents need to look at the results of busing, and say, "We tried this; it was a mistake. It is time to try something new."

At this point, Mr. Speaker, I would like to insert into the RECORD the editorial by Norman Cousins from the January 24th issue of Saturday Review. I believe it offers excellent insight for our reevaluation, and commend the article to my colleagues' attention:

BUSING RECONSIDERED

Busing was honestly conceived as a way of coping with the fact that schools in predominantly black neighborhoods were segregated as the result of local geography. The effect of this circumstantial segregation, it was believed at the time, was to lower standards of education for blacks.

But busing hasn't worked. After almost a decade, it seems clear that the principal mistake was to assume that we could create a more socially responsible society by putting the problem on wheels and expecting it to arrive at a daily solution. The evidence is substantial that busing is leading away from integration and not toward it; that it has not significantly improved the quality of education accessible to blacks; that it has lowered the standard of education available to whites; that it has resulted in the exodus of white students to private schools inside the city or to public schools in the comparatively affluent suburbs beyond the economic means of blacks; and, finally, that it has not contributed to racial harmony but has produced deep fissures within American society.

Busing hasn't desegregated the schools. It has resegregated them. Racial concentration, the core of the problem, continues. Some 30 percent of white families have moved to the suburbs, leaving many large northern cities with predominantly black schools. For example, in Washington, D.C., 96 percent of the students are black; in Newark, N.J., 72 percent; in Detroit, 70 percent; in Philadelphia, 61 percent; in Chicago, 58 percent; in Cleveland, 57 percent. Does this mean that we must now borrow white students from the suburbs and bus them back to the inner city?

The document that is generally regarded as having provided the impetus for school busing is the 1966 report titled "Equality of Educational Opportunity." It was written by James S. Coleman, professor of sociology, University of Chicago, under the sponsorship of the U.S. Office of Education. Coleman's research showed that deprived students did better when their schoolmates came from backgrounds strong in educational motivation. The general interpretation placed on the Coleman Report was that the practice of segregation had resulted in inferior education for blacks. The conclusion at the time was that putting blacks into white classes offered the best chance of meeting that problem.

Professor Coleman has recently completed a second report. He now presents his somber conclusion that busing has had the effect of replacing old patterns of segregation with new ones. "Ironically," he writes, "'desegregation' may be increasing segregation." He reaffirms the need for ensuring equal protection under the Fourteenth Amendment, but he believes it is irresponsible to ignore or stand aside from the effects of measures taken for that purpose. "The achievement benefits of integrated schools appeared substantial when I studied them in the middle 1960s," he says, "but subsequent studies of achievement in actual systems that have desegregated, some with a more rigorous methodology than we were able to use in 1966, have found smaller effects, and in some cases none at all."

A major error in the original decision was to underestimate the extent to which family background is a controlling factor in education. Parents who are poorly educated themselves and who have to contend with prolonged joblessness, overcrowding, and malnutrition cannot reasonably be expected to create a home atmosphere supportive of a learning experience for their children.

What is happening is that we are bypassing the fundamentals in the search for an answer. It is the condition of the black in America that continues to be the central, overriding, and saturating issue. Everything involved in lifting a people out of their low estate in society—housing, health, economic opportunity, nutrition, access to justice under the law—fits into this total challenge.

The first thing that has to be done is to de-politicalize the issue. By this time, busing has become a battleground for liberals and conservatives. There appears to be a feeling among many liberals that to oppose busing is to renounce an essential commitment to a better life for blacks. Many conservatives feel that the busing program is proof positive of the hazards of severe governmental intrusion in matters involving racial and social injustice.

What is needed is a White House Conference for the purpose of making an objective analysis of the busing experience and for proposing alternatives.

It is to be hoped that the person invited to such a conference would come from many professions and occupations, and not from education alone.

There is no disgrace in having failed in an important social enterprise. The only disgrace is in persisting with failure in order to hold to commitments without regard to the need for keeping an open mind. A country dedicated to human rights should not have to confess intellectual and moral bankruptcy in attempting to provide an adequate education for all its citizens.—N.C.

PHILADELPHIA REACTS TO ANTI-SEMITISM AT THE U.N.

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. EILBERG. Mr. Speaker, the United Nations General Assembly vote last year to equate Zionism with racism has outraged Americans across the country.

The U.N.'s stated purpose is to help achieve international cooperation in solving world economic, social, cultural, or humanitarian problems.

The organization's role as a forum for rational discussion of these world problems has been ineffective since the November 10 resolution condemning Zionism.

The civilized, intelligent, and honest leaders of the world organization are threatened by the recent loss of morality among U.N. delegates. The General Assembly has legitimized and signaled for an intensification of anti-Semitism, with the U.N. vote now being used to justify such actions.

At this time, I enter into the RECORD a resolution passed by the city council of Philadelphia concerning last year's United Nations vote:

Resolution No. 445

Resolution condemning the United Nations General Assembly for its distortion of history and ill-considered attempt to equate Zionism wtih racism

Whereas, The United Nations General Assembly on November 10, 1975, adopted a resolution which describes Zionism as a form of racism thereby identifying it as a target of the Decade for Action to Combat Racism and Discrimination; and

Whereas, The General Assembly of the United Nations decided to launch on December 10, 1973, a Decade of Action to Combat Racism and Racial Discrimination and a program of action which the United States supported and in which it desires to participate; and

Whereas, The extension of the program of the Decade to include a campaign against Zionism brings the United Nations to a point of encouraging anti-Semitism, one of the oldest and most virulent forms of racism known to human history; and

Whereas. In article I of the Charter of the United Nations the stated purpose of the United Nations include: "To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character and promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion;" and

Whereas, The State of Israel has provided a homeland for thousands and thousands of people fleeing racism and genocide, and has provided millions of dollars of assistance to African, Asian and Latin American countries in the form of agricultural, technical and medical aid; therefore

Resolved by the Council of the City of Philadelphia, That we hereby condemn the resolution adopted by the General Assembly of the United Nations on November 10, 1975, which wrongly associates and equates Zionism with racism and racial discrimination thereby contradicting a fundamental purpose of the United Nations Charter.

Further Resolved, That we hereby call for an energetic effort by all those concerned to obtain reconsideration of the resolution adopted by the General Assembly of the United Nations which wrongly equates Zionism with racism.

Resolved, That certified copies of this resolution be forwarded to the Secretary General of the United Nations, the United States Ambassador to the United Nations, and the Congressional Delegation and the Senators from the Commonwealth of Pennsylvania as evidence of the sincere sentiments of this legislative body.

WASHINGTON REPORT: THE FIRST SESSION OF THE 94TH CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. HAMILTON. Mr. Speaker, two features of the first session of the just completed 94th Congress stand out in my mind:

First, Congress took the first cautious steps toward gaining control of the Federal budget, and

Second, Congress took seriously its oversight functions by doing a lot of revising of previously enacted legislation, trying to correct past mistakes and excesses, and by focusing on how well programs are being administered.

These features did not capture the headlines from Capitol Hill during 1975. The news media preferred to focus on the economy and energy and the political clashes between the Democratic Congress and the Republican President. Those events were probably more exciting and newsworthy, but in the long view the oversight and budgetary actions that impressed me may be equally significant.

For the first time, the Congress, despite some close votes, agreed on an overall ceiling for Federal spending and bound itself to stay within that limit. If this discipline continues into 1976, when the congressional budget process becomes even more strict and demanding, it will drastically alter the way the Congress does business and make the Congress reexamine even sacrosanct spending programs.

I still have some skepticism that the Congress can successfully discipline itself, but some critical victories give me encouragement: an excessively generous pension bill was quietly withdrawn, the Federal pay raise was cut back, and more and more Members of Congress carefully checked their voting to fit within the budget targets. All of this is in sharp contrast to the way Congress used to do business, when it would pass on 13 separate appropriations bills with no overall assessment of how much money was coming in or how one bill related to another. This year the budget control law was only partially in operation, with the focus on overall spending and revenue totals. Next year will be a more critical and painful test, because Congress will vote on setting limits on 17 separate Government functions, ranging from defense to agriculture to health. Some intensive battles over priorities can be expected.

Part of the oversight feature of the Congress that impressed me this year was the effort to rewrite and improve legislation already on the books. This revision effort could be seen in legislation to alter the original timetable for cleaning up automobile exhausts, to revise a 1973 law that failed to stimulate prepaid medical care, to change the Occupational Health and Safety Act to make it less painful to comply with safety standards, and to knock out a requirement that mortgage lenders tell home buyers twelve days in advance how much settlement fees will be.

Congress began to recognize this year that even laws passed with good intentions sometimes do not work and need to be reviewed, amended or repealed. These changes came about partly because of a structural reform in the Congress last year which required each Committee to have an oversight subcommittee and partly because more members are realizing that a lot of patchwork is needed to make laws do what they were intended to.

The other part of the oversight feature was the more than 200 hearings held to focus on how well federal programs are being administered by the executive branch and how effective they are. These hearings indicate that Members of Congress increasingly feel that Congress must do a better job of knowing what goes on in the federal government. Oversight hearings ranged widely in their subject matter and included beef grading standards, Internal Revenue Service regulations, revenue sharing, sex discrimination, Persian Gulf arm sales, and programs for the elderly.

Despite these favorable aspects of the 1975 congressional session, there was one major disappointment: this session of the Congress did not deal decisively with the really tough issues. Instead, and partly because of the continued political confrontation brought about by divided party control of the executive and legislative branches, a pattern of stalemate and patchwork developed, as in the energy, economic and tax bills. This pattern conveyed an atmosphere of uncertainty and indecision and it sent the wrong signals to the country, which wants decisive leadership above all.

Finally, two other quick observations about this Congress: Whatever its faults, this session of Congress worked hard. It met for 11 months and enacted 160 measures. The House worked more hours in session—about 950 hours—and in committee—about 12,000 hours—and took more votes—over 600—on legislation than any other Congress in the past 25 years.

The overall record is mixed, but there are solid accomplishments. The economy was stimulated out of recession, a responsible energy policy began to take shape, and a constitutional balance between the President and the Congress was established in foreign policy as Congress terminated U.S. involvement in Indochina and actively participated in a wide range of foreign policy issues.

PERSONAL EXPLANATION

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Ms. KEYS. Mr. Speaker, on Wednesday, January 21, I was unavoidably absent for rollcall No. 11, an amendment offered by Mr. RUPPE. Had I been present I would have voted "No."

SECOND GAS STUDY RELEASED

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. MAGUIRE. Mr. Speaker, yesterday I released the results of a Congressional Research Service study into the effects of natural gas deregulation. My distinguished colleagues from Connecticut (Mr. MOFFETT) and I this week released the results of a second CRS study which shows deregulation would mean a $15 to $18 billion loss in the Gross National Product and a loss of between 400,000 and 700,000 jobs while providing very little additional natural gas. Clearly we cannot afford such a move. Here is what CRS said about deregulation in its second study:

MACRO-ECONOMIC IMPACT OF S. 2310

I. INTRODUCTION

There are a number of factors militating toward natural gas price increases. Several measures are before the House Commerce Committee now. And the Federal Power Commission (FPC) is currently considering a new, higher national rate. There is little doubt natural gas prices will rise in the future. How much and how fast they rise will determine the macro-economic impact of deregulation.

The potential aggregate cost of natural gas price rises is large, and indeed substantially larger than the direct (i.e. not including secondary impacts) rises of old crude oil would have been if we had had decontrol. This is due to the fact that there is, on an equivalent basis, 30 percent more gas under FPC price controls than old crude oil. Furthermore, the gas is controlled at a price equivalently 40 percent of that of old oil.

A. Summary

Table 1 summarizes the macro-economic impact for the 1976 to 1977 period, relative to the Wharton control estimates, which do not include any deregulation effects. Lower real GNP, higher unemployment, and more rapid inflation are indicated during the period as a result of deregulation. Moreover, because of the model's short time frame, we have been unable to estimate the lagged effects both of delayed macro impacts and deregulation costs (which increase steadily for several years after 1977–IV).

TABLE 1.—*Summary of Selected Economic Indicators, Difference from "Control"*

	1976–IV	*1977–IV*
GNP (1958 dollars)	$7.5 to 8.5	$-15 to $-18
Percent	0.9 to 1.0	1.7 to 2.0
Unemployment rate	.1 to .2	.4 to .7
Inflation rate (GNP deflator)	1.3 to 1.5	.5 to .9

B. Computing gas price increases

Our computations are based on the December 31, 1975 CRS paper, *Economic Impact of S. 2310's Pricing Provisions*. A copy is attached. Generally, the cost elements identified therein would be operative under most deregulation bills currently being considered, to a greater or lesser degree. Our belief, as expressed in that study, is that natural gas will converge on the Btu equivalent with retired oil fuels commonly substituted for natural gas, not crude oil. This results in a $2.50/Mcf deregulation price given current propane and light fuel market prices. These will, of course, increase under the provisions of S. 622 (which is now law) and any future OPEC price escalations.

A range of impact estimates has been made for this analysis based on the parameters laid out in our December 31 paper. The lower case is based on the assumption that gas is not withheld from interstate contacts: the upper range assumed withholding. Table 2 contains the actual price figures used as basis for this analysis.

TABLE 2.—*Natural Gas Price Increases, Quarterly in Annual Rates*

[In billions of dollars]

Year/Quarter	*Without leakage*	*With leakage*
1976–I	$3.2	$3.7
1976–II	6.4	7.4
1976–III	9.6	11.1
1976–IV	12.8	14.9
1977–I	14.0	16.6
1977–II	15.2	18.3
1977–III	16.4	20.0
1977–IV	17.5	21.7

We have also assumed that supply is expanded 1 tcf (trillion cubic feet) in 1977 as a benefit of deregulation.

II. ECONOMIC IMPACT

Allowing the price of natural gas to fluctuate with market conditions could have a marked effect on overall economic activity. The exact extent to which the economy is affected, however, is highly sensitive to the assumptions regarding the size and speed of any run up in the natural gas prices. The price and timing assumptions described in the previous section form the basis for the following analysis.

In order to have a base from which to compare the economic effect, Congressional Research Service used the Wharton Econometric Forecasting Associates Quarterly Model of the U.S. Economy's January 1976 forecast as a "control." The short-term Wharton model (through 1977) rather than long-term annual model (through 1985) was used for several reasons. Most importantly the short-term model is quarterly, and therefore, better able to capture the effect of the relatively fast increases in natural gas prices assumed. Furthermore, the structure of the long-term model is such that it would not properly account for the long-term substitution and shifting of resources that would result from deregulation without substantial adjustments. (These potential problems with the long-term model are attenuated if the price increases are assumed to be inconsequential and drawn out over a long-term period.) It would, however, remain a major problem, both theoretically and empirically, to estimate the most probable directions resource reallocation would take through use of an input-output table.

Throughout the analysis it is assumed that monetary and fiscal policy will not be used to offset the economic consequences of deregulation. Monetary policy is assumed to continue to view inflation as the primary economic problem although some additional monetary growth is permitted to accommodate the current economic recovery.

A. Gross national product and employment

Based on the above noted assumptions, it is likely that deregulation of the price of natural gas would lead to a significant slowdown in the U.S. economy. By the end of 1977 it is estimated that real GNP would be $15 to $18 billion or about 2 percent lower than projected by the control forecast. Depending on how employers view this slowdown, the unemployment rate would increase by .4 to .7 percentage points. It is most likely, however, that the reduction in employment would be in the upper part of this range since employers would probably view the problem as one of slow long-term growth. If the economic slowdown were viewed as temporary, employees may possibly not be laid off but rather be kept on the payroll in anticipation of greater production. However, given the total impact of all energy prices on the economy over the past few years, it is conceivable that the slowdown in economic activity will not be viewed as transitory. On the contrary, it may be perceived also to have serious consequences in slowing down the potential rate of growth of the economy as capital equipment designed for "cheap" energy cannot be used to full efficiency. While this situation will not be permanent, it could take upwards of 10 years until adequate technology has been developed and capital replaced to regain the efficiency lost through relatively high energy prices.

B. Inflation and consumption expenditures

In terms of inflation as measured by the GNP deflator—the most general price index available—the impact will be most serious at the end of 1976. Initially, in the first quarter of 1976, the currently projected decline in the rate of inflation will be stopped. During this period the deflator will probably increase at a rate of about 1 percent higher than would otherwise be the case. By the end of the year, the rate of increase is likely to be between 1.3 and 1.5 percentage points higher. As the initial price effects work their way through the economy, however, the increase in the rate of inflation should moderate during the course of 1977 so that the rate of increase would be only .5 to .8 percentage points higher than the control at year end. The cumulative effect, therefore, would be to increase this price index by about 2 percent by the end of 1977.

Overall, in terms of current dollars, the increase in inflation will offset the decline in real GNP, leaving the current dollar GNP at about the control levels. The distribution of income and personal expenditures will, however, shift away from goods, durable and nondurable, toward increased expenditures for services. The increase in services is a direct result of higher natural gas prices and generally higher utility charges. By the end of 1977 it is likely that personal consumption expenditures for services will be about $4.5 to $5.5 billion higher than projected by the control forecast, while expenditures for durable goods will be about $2 to $2.5 billion lower. This shift in expenditure patterns would result in lower rates of investment for the manufacturing sector as well as continued high levels of unemployment.

It is also true that the factors summarized in Table 1 will continue to affect the economy beyond 1977, but analysis of these long-range effects is beyond the scope of this study.

LETTERS FROM CONSTITUENTS UPLIFTING

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. BRINKLEY. Mr. Speaker, many of the letters we receive from our constituents are uplifting, and I received such a letter during the recent midterm recess. We need messages like this from home occasionally to assure that we maintain the proper course of action on behalf of the Nation, and I am pleased to share this one with my colleagues:

COLUMBUS, GA.,
December 20, 1975.

DEAR CONGRESSMAN BRINKLEY: I want to express appreciation for the nice pictorial calendar you sent me.

When I look at it, I cannot help but think about what Henry W. Grady said as he gazed upon our Nation's Capitol. He said he thought it the best and grandest sight the sun might find in all its wheeling course; this majestic home of a Republic, in which was lodged the Ark of the Covenant of our country for its future uplifting and regeneration; and that if honor and wisdom and justice abided therein, the world would stand indebted to this temple upon which his eyes rested.

I was a great admirer of this man. He did more to heal the hatred between the North and the South than did any other one man. Today so many people are downgrading our country. I believe they are people without faith and cannot understand that God never closes one door without opening another.

I hope you enjoy this Christmas season to the fullest with your dear family.

Your friend,

MORTON SIMMONS.

THE TREATMENT OF JEWS IN ARAB COUNTRIES

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Ms. HOLTZMAN. Mr. Speaker, the Palestine Liberation Organization proposes a "secular state" to replace Israel in the Middle East. The PLO claims that the rights of Jews would be protected in such a state and is now arguing for its proposal before the U.N. Security Council. In view of the mistreatment of Jews in Arab countries I think it important that my colleagues and all Americans understand what life in the PLO's state might be like for Jews. I would, therefore, call to my colleagues' attention the following article which appeared in the Near East Report:

ARAB TREATMENT OF JEWS

MYTH

"Arabs claim that they are only anti-Israel, not anti-Jewish."

FACT

It is true that Jews were sometimes treated better in some Arab countries than in Christian lands in Europe.

But medieval history tells us that Jews were no strangers to persecution by the Arabs.

Mohammed was intolerant of nonbelievers and expelled or exterminated those who refused to be converted.

Many Jews died at the hands of Moslems and many others were forced to pay exorbitant taxes or live in mellahs, Arab ghettos for Jews.

And it was the Caliph Haroun al Rashid who invented the yellow badge of shame which Jews were ordered to wear in 807 A.D.

While the situation of Jews in Arab states has not been as catastrophic as that which shattered European Jewish communities, Jewish populations were harassed by Islamic restrictions which flared into violence. Riots which slew dozens occurred in Damascus in 1840 and 1948, in Iraq in 1941, in Libya in 1945, in Egypt in 1946 and 1948, and in Yemen in 1947 and 1948. Although Israel maintains a free emigration policy, very few, if any, Arab Jews have returned to their "native lands."

LIBYA

1948 Jewish population: 40,000;
1975: 40

A savage pogrom on Nov. 5, 1945 killed 130. Jews were burned in their shops, hurled from rooftops or balconies or beaten to death. Almost all Jewish synagogues were sacked. (Britain and Israel, September 1972) In June

1948, Libyan rioters murdered another 14 Jews.

After the Six-Day War, the population of 4,500 was again subject to brutal pogroms in which 18 Jews were killed, sparking a near total exodus from the country.

In February 1970, the new government headed by Muammer Qaddafi confiscated all Jewish property and canceled all debts owed to Jews since June 5, 1967 (Libyan Law Number 14, Feb. 7, 1970); and Jewish claims for compensation totaling millions of dollars were cancelled (Libyan Law Number 57, May 9, 1970); homeless Jews were herded into special camps (Britain and Israel, September 1972). Libya's thousand-year-old Jewish community is all but obliterated.

EGYPT

1948 Jewish population: 75,000;
1975: 1,000

The government forced all its 2,500 Jews to register. When war broke out in 1967, homes and property were confiscated.

More than 600 heads of families were put in the Abouzabel prison near Cairo, while 200 were taken to the Al Barraga jail near Alexandria. The Grand Rabbi of Alexandria, Jacques Nefussi, and the Chief Rabbi of Cairo, Chaim Douek, were arrested. A few elderly prisoners were released, but the rest were harshly treated. Some were tortured, most were beaten or crammed into stifling, crowded cells.

About 225 Jews of Italian and Greek nationality were allowed to leave but to take no more than 50 Egyptian pounds with them.

The Intercession of Spain, France and Italy was responsible for the release of 110 Jews from Egyptian jails. These governments also secured exit permits for hundreds of Jews by furnishing travel documents. Spanish officials liberally interpret Spanish law, which allows a Jew whose ancestor was expelled from Spain in the fifteenth century to claim Spanish nationality and protection.

In 1971, the Association of Jewish Victims of Egyptian Persecutions claimed over one billion dollars for properties seized by Egyptian regimes. (Britain and Israel, September 1972)

IRAQ

1948 Jewish population: 125,000;
1975: 600?

No Jewish community since Hitler has suffered the persecution of the 2,700-year-old Jewish community of Iraq.

The 1941 Mufti-inspired pro-Nazi coup of Rashid Ali sparked rioting and pogroms in which dozens died. Most Jews left for Israel after the vicious 1947 riots on Operation Ali Baba, in 1951.

In 1952, the Hashemite government ended the emigration rights of the Jews of Iraq and publicly hanged two Jews after falsely charging them with hurling bombs at the Baghdad USIA office. (Britain and Israel, September 1972)

With the ascension of competing Ba'ath factions in 1963, the Jews entered a purgatory:

Synagogues and schools were sequestered, the sale of property was forbidden, freedom of movement was curbed, and all Jews were forced to carry yellow identity cards, even though their freedom of movement was severely limited. (Cojo Report, July 1971)

After the Six-Day War there were more virulent measures:

Jewish property was expropriated, Jewish bank accounts were frozen; Jews were dismissed from public posts; businesses were shut; trading permits were canceled; telephones were disconnected. Jews were placed under house arrest for long periods or restricted in their movements to the cities or even quarters in which they lived. Departure was totally prohibited.

All these restrictions were contained in statutes and regulations, specifically Iraq Law Number 10 of 1968 and Iraq Law Number 64 of 1967.

Formally, these laws were "rescinded" in June 1969; yet they are still in operation.

Persecution was at its worst at the end of 1968. Scores were jailed on the "discovery" of a local "spy ring." Nineteen were sentenced to death in staged trials and barbarously hanged in the public squares of Baghdad; others died of torture.

Baghdad Radio, Jan. 27, 1969, called upon Iraqis to "come and enjoy the feast." Some 500,000 men, women and children paraded and danced past the scaffolds where the grotesque bodies of the hanged Jews swung; the mob rhythmically chanted "Death to Israel" and "Death to all Traitors."

The barbaric display brought a world-wide public outcry which President Bakr dismissed as "the barking of dogs."

Another 18 Jews were hanged in secret between 1970 and 1972. Jews had to house Palestinians and raise money for Fatah and other guerrilla groups. (COJO Report)

The Ba'ath party apparatus grew in 1972 and Jews began disappearing, their possessions seized by rapacious officials who posted signs on their houses that the "Jewish occupants had fled the country."

Nazeim Kazzar, head of the secret police, ordered the murder of five members of the Reuven Kashkush family on Apr. 12, 1973, in retaliation for the Israel assassination of Palestinian terrorist leaders in Beirut the day before. Kazzar's guilt was confirmed in late July 1972 by Bakr, who had executed Kazzar one month before for an unsuccessful coup. Bakr denounced Kazzar as a "psychopath . . . who murdered more than 2,000 people." (Beirut Daily Star, July 28, 1973)

To date, more than two dozen Iraqi Jews are still missing. Most of Iraq's remaining 600 Jews are either too old or too wealthy to leave; they are being pressured by the government to turn over title (without compensation) to over $200 million of Jewish community property, apartments, schools, hospitals and fields. (New York Times, Feb. 18, 1973)

SYRIA

1948 Jewish population: 45,000;
1975: 4,500.

Damascus was the site of the 1840 blood libel and pogrom which killed many Jews.

Even before the 1967 war, the 4,000 Jews in Syria were terrorized by night arrest, interrogation, imprisonment and torture. Jews were not permitted to leave the Damascus ghetto, where they came under attack. After the war their situation deteriorated.

An airport road was paved over the Jewish cemetery in Damascus; school examinations are scheduled on Saturdays to prevent Jewish participation; Jews who submit complaints against Moslems never win; Jews are singled out as such (Musawi) on identity cards; Palestinian refugees are housed in the Jewish quarter to prey on residents.

Jews are not permitted to leave the country, to go more than four kilometers from their place of business, to sell immovable property, to work for government and banks, to have telephones and driving licenses, to bequeath property to heirs. The state has confiscated the property of those who have escaped. Most Jews working for Arab merchants have been dismissed.

For two months a curfew was imposed on Jews in Kamishli; houses were marked in red and there were daily roll calls. A curfew is in effect in Aleppo.

A French Commission of Inquiry conducted in Paris in October 1971 heard the following testimony from an escaped Syrian Jew who was held for four days when, in accordance with regulations, he informed Syrian authorities of his brother's escape:

"[Four men] were imprisoned for four days. By the end of the four days [one of the men] had lost twenty kilos. The father was stripped and forced to assault his son."

A young woman testified:

"Of the three persons who fled and were caught, one came out deaf, another reduced to idiocy. . . . They tried again to escape and this time succeeded, but their families were arrested, the sister of one of them was tortured. . . . The other person was tortured with red-hot skewers, the traces were all over his back. They were thrown half dead into the street Three Jewish doctors who happened to be present did not dare approach since the security men were watching."

LEBANON

1948 Jewish population: 20,000;
1975: 2,000

Despite occasional outbursts by the Palestinians in Lebanon, Lebanon's remaining Jews (who have always been free to emigrate) live quietly around Beirut and other major cities.

YEMEN

1948 Jewish population: 54,000;
1975: 0

All the Jews of Yemen's ancient Jewish community have emigrated, nearly all of them to Israel. Early in 1948, there was looting after six Jews were accused of the ritual murder of two Arab girls. The Imams of Yemen always treated their Jewish subjects as infidels: Jews could not ride horseback, carry arms, own property or build houses taller than those of Moslem landlords.

SOUTH YEMEN

1948 Jewish population: 7,000;
1975: 0

The ancient Jewish tribes of the Hadramaut are now in Israel. Mob violence during the Six-Day War killed several Jews; the British government then in Aden evacuated all the remaining 350 Jews on June 18, 1967.

TUNISIA

1948 Jewish population: 23,000;
1975: 9,000

Jews were attacked by rioting Arab mobs. Synagogues and shops were burned. The government denounced the outbreaks and President Habib Bourguiba apologized to the Chief Rabbi, promising compensation.

The government appealed to the 20,000 Tunisian Jews to remain but has not prevented anyone from leaving. Hundreds emigrated to France.

The military court sentenced two youths to 15 years for burning the Great Synagogue. Others were convicted of attacking the American and British embassies and looting Jewish property.

MOROCCO

1948 Jewish population: 300,000;
1975: 35,000

There have been riots directed against Jews and one economic boycott initiated in 1967 by the Istiqlal Party. King Hassan has tried to protect the Jews but the Jewish middle-class has virtually disappeared. Younger Jews are eager to leave.

ALGERIA

1948 Jewish population: 150,000;
1975: 1,000

The majority of the 150,000 Jews in Algeria left with the French in 1963. There have been no reports of persecution of those who remained.

A French organization tracing 6,000 Europeans, including 600 Algerian Jews who disappeared between 1953 and 1963, reported that the 600 Jews were living in inhuman conditions in mobile forced labor camps.

Arab Treatment of Other Minorities

The Jews are not unique. Every minority has suffered discrimination and worse under Arab rule.

CHRISTIANS

Christians have been emigrating from Arab countries. The four million Copts of Egypt are subject to repression.

In December 1972, Moslem fanatics burned churches, houses and shops owned by Copts in Alexandria, El Mansura, Dimanhour and

El Hanka; Copts were attacked and beaten (Moshe Ron in Detroit Jewish News, Jan. 12, 1973.)

An Egyptian government investigating commission found 12 other incidents of arson, looting and robbery of Copts. (London Times, Jan. 9, 1973.)

Soon after Qaddafi's Revolutionary Command Council took control of Libya in September 1969, more than 4,000 Italians were ousted and forced to abandon property, money and belongings, according to a letter addressed by refugees to Premier Mariano Rumor.

The letter predicted that many more of the 35,000 remaining Italian residents—the biggest non-Arab minority in Libya—would flee during the year, leaving an estimated $300 million worth of property. Some 25,000 were later expelled.

The Libyan government proclaimed its "aim to avenge the past. . . . The feeling of holy revenge runs in our veins."

The Cathedral of the Sacred Heart in Tripoli was converted into the Gamal Abel Nasser Mosque on Nov. 26, 1970. (Washington Post, Nov. 27.)

KURDS

Kurdish minorities in Syria and Iraq have been victimized by exclusivist Arab nationalistic policies which cannot tolerate the fact that the Kurds thing of themselves as Kurds first and Moslems second.

The Kurds have lived in what is now Syria for centuries; they number about 500,000, or 10 percent of the Syrian population.

When Syria split with Egypt in 1961, the new Syrian regime began a drive to destroy the Kurds as an ethnic group. It embarked upon a campaign of discrimination and repression.

In August 1962, Syria instituted the "Arab-Belt" plan, by which the Kurds were forcibly evacuated from the arable Jezrieh region and forced to emigrate to other countries or settle in desert areas, Half of Jezrieh's 300,000 Kurds were stripped of their citizenship.

The Arab-Belt plan, according to the Arab press, was formulated to "save Arabism in Jezrieh," although Arabs represented less than 20 percent of the Jezrieh population. It was later extended to the two other main Kurdish areas in northern Syria.

But whether they come from the "Belt" areas or not, all the Kurds in Syria suffer: They have no Kurdish schools or newspapers; their political party is considered illegal; they are permitted no expressions of Kurdish culture and all Kurdish books are forbidden; and they are denied military and civil service positions unless they declare that they are "Arabs," rather than Kurds.

Iraq began genocidal war against the Kurds, who constituted about 25 percent of the population of eight million, in 1961. This continues to be Iraq's reply to the Kurdish demand for equal treatment and autonomy.

According to a New York Times article on Mar. 15, 1965, the Iraqis have used bombs, rocket-type artillery and napalm against Kurdish positions and villages.

Yet with all this, Iraq asked Kurdish Gen. Mustafa Barzani to commit his forces in the war against Israel in 1967. Barzani repeated his reply in an interview with Eric Rouleau of Le Monde News Service in January 1969:

"Three days before the outbreak of the war between Israel and the Arabs, the Baghdad government sent emissaries to me requesting that I place Kurdish army units at their disposal for the war against Israel. I replied, 'For six years you have been fighting us, trying to wipe out the Kurdish people, so how can you come now and ask for my help?' "

Despite a peace treaty between Barzani and the Ba'ath government in Baghdad guaranteeing Kurdish autonomy, Iraqi troops, fearing for the safety of the Kirkuk oil fields, attacked Kurdish villages in the summer of 1973. The Teheran Journal (June 27, 1973) reported that 10 Kurds were killed and 22 wounded by Iraqi government aircraft and artillery (London Times, June 28, 1973). The promise of full autonomy by 1974 seems remote. 200 Kurds are still in Iraqi jails. (Beirut Daily Star, Apr. 3, 1973).

BLACKS

It is estimated that 500,000–600,000 black Africans were slaughtered in Sudan in the war which the Arab North pursued against the South for 14 years after Sudan gained independence in 1959. Despite heavy casualties, the blacks refused to give up their struggle for liberation. As one black leader said in an interview with Lawrence Fellows, which appeared in the New York Times on Apr. 15, 1968, "With the Arabs we are dead anyway."

Sudan closed the South to the outside world and has tried to bar reporters. In 1964, the last of the foreign missionaries were expelled. Grim reports trickle out. UN figures in the Journal de Geneve (Sept. 9, 1967) indicated that 33,000 Sudanese refugees had fled to the Congo, 55,000 to Uganda, and 27,000 to Gambia. The South Sudan Liberation Front told the UN that since 1962, one million had died and 300,000 had fled to neighboring countries. The Times article, however, pointed out that Sudan has had some success in persuading her neighbors to help her clamp down and trap the refugees, leaving them no escape.

The Numeiry regime signed a peace agreement with the Anyanya rebel leadership in late 1972, and some real reconciliation is now under way.

SLAVERY

Sudan's attitude toward blacks is far from unique in the Arab world.

The Arabs, who ran the world's black slave markets for centuries, continue to indulge in slave trade for regional consumption.

The UN Economic and Social Council has been concerned with this problem, and Britain's Anti-Slavery Society has been instrumental in focusing public attention on it.

Incidents of chattel slavery have been sighted in Saudi Arabia—which "abolished" it years ago—and in Aden, Kuwait, Yemen, Muscat, Oman, Qatar and the Sudan according to British correspondents and observers. Growing oil revenues contributed to an increase.

Iraq expelled over 60,000 Irani nationals and ordered another 250,000 to prepare to leave, Teheran sources announced in December 1971. The expulsions were thought to be in retaliation of Iran's seizure of three Persian Gulf islands.

WEST GERMANY SHOWS ADMIRABLE RESTRAINT BY IMPOSING ARMS EMBARGO TO AREAS OF TENSION

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. ZABLOCKI. Mr. Speaker, it was reassuring to read in the January 21 Washington Post of the West German Government's decision to forego a highly profitable military equipment sale to Saudi Arabia. That admirable move was made as part of its established policy of not selling military goods in "areas of tension." At stake was a $600 million contract for 800 armored personnel carriers, a tantalizing order that would have represented an important trade advantage and jobs.

One might have perhaps hoped that West Germany had demonstrated similar restraint in its recent sale of nuclear equipment and technology to Brazil, thereby minimizing the nuclear proliferation problem. Nonetheless, West Germany's imposition of an arms embargo in the case of Saudi Arabia evidences responsible leadership worthy of emulation.

Particularly important is the fact that this decision and the policy on which it is based reflect a sensitive awareness of avoiding arms shipments to areas prone to conflict and tension. By contrast, our own Government's proclivity seems too often to be in the opposite direction.

For example, during fiscal year 1973 U.S. foreign military sales totaled $1.38 billion. During fiscal year 1974 the FMS total rose to $2.9 billion. Current arms sales orders indicate a $9.5 billion level for fiscal year 1975—with large portions going to Mideast and Persian Gulf states.

As the House moves toward floor consideration of the military security supporting assistance bill, obese with excessives of military equipment and arms to the Mideast, the West German Government example would be good to keep in mind.

For the information of my colleagues I am placing the Washington Post article in the RECORD at this point and recommend it to their full and careful reading:

BONN SET ON ARMS EMBARGO

(By Murray Seeger)

BONN.—Despite heady economic temptations, the West German government has reiterated its long-held policy against expanding its military sales. Last week, it decided to forego a possible $600 million sale to Saudi Arabia of 800 armored personnel carriers.

The Bonn government has been tempted many times to alter its course and join the worldwide competition to sell guns and equipment. For six months, the potential order from Saudi Arabia had been dangling in front of Chancellor Helmut Schmidt's Cabinet.

But according to qualified sources. Bonn decided once again to hold to its policy of not selling military goods in "areas of tension."

An overriding government concern is to avoid reawakening the memories of Germany's national history of militarism.

Although Saudi Arabia has not been an active combatant in the Middle East, the entire area around Israel is covered by the West German embargo.

The government's decision will probably be given this week to Saudi Foreign Minister Saud Ibn Faisal when he visits Bonn to discuss economic issues.

A government economic spokesman, Armin Gruenewald, said last week that the government saw "no reason" to change its 1971 policy statement limiting the export of arms to fellow members of NATO and government's outside areas of confrontation.

The Saudis were specifically interested in buying 800 Marder armored personnel carriers, which the West Germans have developed for their own army.

With Bonn rejecting the Saudi application, defense experts expect the United States, Britain and France to compete for the contract—with the Americans being the most likely winner.

Outside of NATO, Bonn has sold weapons to Australia, New Zealand, Japan, Sweden and Switzerland.

Sales to Greece and Turkey, two NATO countries with their own area of tension, have been limited but not cut off by Bonn. When the U.S. Congress halted arms aid to Turkey, the West Germans supplied some of the Turks' needs for replacement parts.

The rejection of the Saudi bid is comparable to the decision by Bonn last year to ignore an effort by Iran to buy Leopard tanks worth $400 million. The Iranians took their business to Britain and bought 800 Chieftain tanks.

Schmidt has delayed a reconsideration of the arms embargo apparently in hopes that the general economic recovery would remove some of the pressure by military maufacturers anxious to enlarge their markets.

After several postponements, the Security Committee of the Cabinet is expected to make a new statement on the issue later this month.

"We will probably say that Iran, Brazil and Peru are not areas of tension but that Israel, Egypt and Syria are," one official said.

While the government may loosen some of the restrictions on arms manufacturers, the most likely increase in overseas sales will come from the several joint development projects for new weapons that German companies have with other Europeans.

The arms business is about 3 per cent of the West German gross national product, accounting for the employment of about 200,000 workers. Foreign arms sales are less than 0.3 per cent of total exports.

The West German restraint helps the United States, for which arms make up about 19 per cent of exports; Britain, where military sales are 12 per cent of exports, and France, for which the trade is 8 per cent of exports.

PROBLEMS WITHIN VETERANS' ADMINISTRATION

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. RUSSO. Mr. Speaker, at this time I include in the RECORD the second in a series of articles on problems within the Veterans' Administration. I commend this excellent piece to the serious attention of our colleagues. The Chicago Tribune task force responsible for this work is to be commended.

The articles follow:

[From the Chicago Tribune, Jan. 19, 1976]

POOR CARE IS COMMON FARE AT VA HOSPITALS

Otis Jordan, 52, served in the Marines during World War II. Last June he went to the Veterans Administration hospital at Hines, Ill., complaining of bleeding and severe abdominal pains.

Instead of admitting Jordan or treating him, the Hines doctors told him to come back the following week for X-rays. Jordan was in so much pain he could not work.

His blood pressure was not taken, nor was his pulse. They didn't take his temperature.

Two visits and two weeks later, the diagnosis came back: "nerves." He was given some pills and sent home.

Twenty-four hours later, still worried by the pain and bleeding, Jordan saw a private doctor. The psysician was so alarmed over the results of a simple blood pressure test that he immediately scheduled Jordan's hospitalization.

Detailed tests at a private hospital revealed severe hemorrhoids, an enlarged heart, hypertension, and anxiety. Jordan underwent surgery almost immediately, and still is unable to return to his work at a gas station.

The director of Hines Hospital at that time, Dr. Robert C. Fruin, admitted, "I can't defend the fact that he was not given a blood pressure test."

The hospital's chief of staff, Dr. William Lees, said in a letter on the Jordan incident that a blood pressure test and rectal examination "were unfortunately omitted since the patient's major complaints did not appear to the examining physician to warrant such an investigation."

The experience with the VA has embittered Jordan's family. "My husband was in there serving his country. Shouldn't he get something? asked his wife, Rosella. "Uncle Sam should take care of his sons."

Otis Jordan's problems are only symptomatic of the ailments facing the VA hospital system, where overworked staff members all too often provide inadequate care to the nation's veterans while an inept bureaucracy wastes millions of tax dollars in the system's $2.4-billion budget.

The VA has 1.6 staff members for every patient, half the national average in nonfederal hospitals of 3.3 staff members for each patient, according in VA and American Hospital Association [AHA] figures. The figures include medical, clerical, and blue-collar workers.

The VA traditionally has offered its doctors and technicians salaries far below what they could get elsewhere. Compounding the problems of its tight-fisted pay policies are the VA's restrictive rules that discourage many qualified physicians from joining the agency's medical staff.

Here are some examples of the kind of treatment and the use of tax dollars found by the Tribune Task Force in the VA's 171 psychiatric and general medical hospitals:

The average hospital stay for a VA medical patient is 15.2 days longer than that of male adults of the same average age in nonfederal hospitals, VA and AHA figures show. At the $93.84 per day the VA budget provides for hospital care, the figures indicate that the 619,433 medical patients treated last year caused an unnecessary drain of about $884 million in tax money.

The VA uses an outdated drug dispensing system in nearly all its hospitals. Lost or stolen drugs may account for as much as 57 per cent of all drugs dispensed, at an annual loss of millions, according to the federal General Accounting Office.

At one hopsital in San Francisco, the GAO reported, the laboratory personnel shortage is so acute "that the inability to obtain prompt emergency laboratory results could endanger patients."

So severe is the shortage of VA psychiatrists that the VA hospital in Marion, Ind., had only one qualified psychiatrist for every 399 patients. The nationwide average for psychiatrists in mental hospitals is one for every 42 patients, the AHA reports.

A GAO study found that at the VA hosptial in Downey, Ill., 23 per cent of the psychiatric patients on a variety of powerful drugs were getting more than the recommended safe maximum dosages, and that a sampling of 13 other VA hospitals showed that 33 patients were getting excessive doses of thioridazine, an antipsychotic that can cause serious eye damage.

Despite this and other documented evidence of deterioration in the VA system, an American Legion representative testified before Congress last year that the VA offers the veteran "care second to none."

The VA's medical services aren't limited to war-wounded veterans. In fact, only 11.5 per cent of its patients have ailments connected with military service, in or out of battle. A recent patient census taken in one day at four Chicago area VA hospitals uncovered only nine patients suffering from battle-connected injuries in about 4,000 beds.

The agency also promises to care for any veteran over 65 or any veteran who says he cannot pay for medical service.

But various government studies over the last three years have recorded acute VA staffing problems in both quantity and quality. One of the VA's own studies of 33 hospitals in 1975 found that at one, the doctors are "aging and ailing, like their patients."

At Downey, according to the 1975 report, there was only one radiologist, and he was well over the age of retirement. The doctor had agreed to remain, though, until a replacement could be found.

"The [laboratory] staff is inadequate for any activities other than the minimum routine daily responsibilities," the report continued.

"We are short doctors in some very critical areas," complained Fruin, now chief of the spinal cord service at Hines, which, with 1,527 beds, is the largest general medical hospital in the VA system.

"We are constantly in a state of jeopardy," he said. "We have two anesthesiologists and we should have 10. We have two full-time nephrologists [kidney specialists] and one full-time equivalent. We should have six." Fruin's desired staffing levels are in line with the staff strength other large hospitals in this area say they have.

The administrator of VA Lakeside Hospital at 333 E. Huron St. [formerly called VA Research] voiced similar complaints and said, "when you come right down to it, the total VA budget never had enough money to take care of the deficiencies in personnel."

He said the biggest problem has been low pay for doctors. Until passage late last year of a law that raised top annual pay to $48,000, no doctor in the VA could make more than $36,000. The most recent figures from the American Medical Association show that internists averaged $47,000 in 1973 and general surgeons averaged nearly $59,000. Many doctors, of course, made much more.

Only doctors got the pay raise. Other VA personnel—especially medical technicians—remain in short supply, in part because their salaries are still low, the GAO said.

But the GAO study indicates that money alone may not be able to solve the VA's staffing problems. The nature of the work keeps some doctors away.

"The VA patient population is composed almost exclusively of male patients, of which a great majority are old," the GAO said. More than half of the VA's patients are over 45. "The young physicians may feel that this tends to limit the scope of their practice, since they have little opportunity to treat women and children."

And the VA seldom permits its doctors to maintain private practices.

"We have always felt that a VA physician's first allegiance and first responsibility is to his VA patient," Dr. John Chase, chief medical director for the entire VA system, told The Tribune.

Many of the VA's patients don't live in the large-city areas where the agency has most of its hospitals. So, the veteran either goes without VA care or travels hundreds of miles to the nearest VA hospital.

Not only could such long journeys be dangerous to the seriously ill, but they also are expensive for the VA—and the taxpayer. The agency spent $49 million last year on patients' long-distance travel.

The VA strictly limits the number of veterans it will reimburse because they live too far from VA hospitals and seek local care. "It is really more economical for us to pay the travel," said Marjorie Quandt, director of the VA's Medical Administration Services.

She said Michael Reese Hospital in Chicago charges as much as $244 a day for intensive care [$144 for a semi-private room] while the cost at VA hospitals is about $100 a day.

But patients who travel long distances to VA hospitals often stay longer, thus boosting the cost of care, VA officials say. They explain that these patients are hospitalized for medical screening that could be done at a clinic for local residents, and they must stay in the hospital while awaiting test results.

Even when the VA has the staff and the

equipment to do a good job, there often are problems with the care.

The VA's 18 spinal-cord injury centers scattered around the country, for example, have the equipment and the know-how to reduce greatly the crippling effects of a severe back injury. But the key to successful treatment is quick transfer to a center after the accident, ideally within 3 days, 30 at most.

Yet the GAO reported that the vast majority of patients initially hospitalized elsewhere were reaching the centers too late—often as long as three months after their accidents.

The problem, the GAO said, was that the VA was not doing enough to educate veterans and other hospital officials about the centers and the need for their quick use.

Chase agreed that the VA has been lax and said, "We have put on special education programs . . . which have helped reduce the time lapse markedly."

Another problem area is blood dialysis. The VA insists upon hospitalizing nearly all its kidney patients who must have their blood cleansed by the dialysis machines several times a week.

But the GAO, in a study of eight VA hospitals, concluded that 70 per cent of the dialysis patients could be treated less expensively as outpatients, saving $10,000 to $15,000 yearly per patient and freeing scarce hospital facilities for the patients who truly need hospitalization but cannot get it because the beds are full.

The crumbling condition of many of its hospital buildings is yet another problem facing the VA. Veterans Administrator Richard Roudebush said in an interview that half the agency's hospitals were built before World War II. Many of them are former military hospitals, thrown up in the rush of war with no expectation they would be used for years to come.

One section of a hospital in California was so unsafe it was condemned while it still housed patients, a VA inspection report said. At another hospital, a similar report noted, "the elevators must be repaired or replaced to avoid compromising the safety of patients and employes."

Roudebush said he is aware of the problem with the buildings but told The Tribune, "We would anticipate an expenditure not of millions, but of billions of dollars to replace all these hospitals [that need replacing]."

PROGRAM

	1976[1]
VA activities:	
Hospital care	$2,429,865
Nursing home care	104,863
Domiciliary care	54,184
Outpatient services	689,846
Misc. benefits and services	72,896
Education and training	186,971
Subtotal	3,538,625
Non-VA activities:	
Hospital contracts	$ 29,320
Community nursing	59,930
State domiciliaries	11,074
State nursing	11,912
State hospitalization	3,550
CHAMPVA:	
Hospitalization	23,830
Outpatient services	17,625
Subtotal	157,241
Total	$3,695,866
Financing reimbursements	−28,000
Budget	3,667,866

[1] Budget authority

Source: United States Veterans Administration.

NURSE: THEY SEND PATIENTS HERE TO DIE

(By William Crawford Jr.)

"They send patients to Aspinwall to die. Sometimes I get so discouraged I just want to quit. Sometimes I come home and I just want to cry."

Those are the words of Patricia Strawoet, an experienced registered nurse at a Veterans Administration nursing home known as Aspinwall near Pittsburgh.

It is one of 84 nursing homes the VA operates at a cost of $104,863,000 for the fiscal year 1976. Because the system has only 6,800 nursing home beds, studies show, veterans often have been put up in more expensive hospital beds for unnecessarily long and costly stays.

Mrs. Strawoet and other employes and veterans' families have complained to VA officials all the way up to Veterans Administrator Richard Roudebush and to senators and congressmen, but have seen little if any improvements.

Angered and frustrated by what she sees as the near-total abandonment of aging, ailing veterans by the VA bureaucracy, she consented to talk to The Tribune about what it is like for the 228 old soldiers who live there.

"There's only three of us for the 35 patients in this wing, yet about half of them require total care," she said. "I'm the only registered nurse on duty and I have to pass the medication out. If I am at one end of the floor and a patient started choking he could be dead by the time I got to him.

"I have men who are blind. I have paraplegics and quadraplegics. And I have men who are totally confused. One walks in circles and the other man eats cigars from the ashtrays. There's no way these men get the attention they require with the small staff we have.

"The screening committee is a sham. They send us men who are dying on their feet. There is no connection between the type of patient we get and the type of care we can provide.

"Let me ask you this. How would you like it if your father was put in a nursing home knowing that he was being placed in a wheelchair at 5 am. only to be left there to sit until 6 p.m. at night, never being moved?"

She complains about the help, not only the shortage, but also the quality. So do some of the relatives of the men inside.

"One day we visited my husband and you could see his eyes were swollen, puffed up, and red," Mrs. Ella Hunter told The Tribune. "We later learned that some of the aides had gotten mad at him and intentionally let the soapy water drain into his eyes while he was being given a shower. He has had a stroke and is 80 years old and there is no way he can defend himself."

Even the most fundamental equipment is missing from this nursing home. Nurses for example, say, that the home doesn't have enough special tubs to bathe quadraplegics, lacks commode chairs for crippled patients, and has only a few shower chairs. Elevators frequently break down.

"It is their priorities that are way out of line," Mrs. Strawoet says. "One day we had five men here cleaning the halls, but we didn't have enough people to care for the patients. We had one male nurse who was doing excellent work, but he found out he could make more money mopping floors, so he changed jobs."

The director of Aspinwall, Dr. A. J. Punterer, dismissed the complaints as the bellyaching of a few malcontents.

"Some employes say they don't have the time to care for the patients and all they do is complain they are overworked," he said. "If they would spend that time working instead of complaining, they could have the patient out of bed in 10 seconds."

He insisted the nursing home employs enough staff and argued that he is prevented from correcting problems of absenteeism and poor performance by union and civil service restrictions.

Mrs. Strawoet does not agree: "It is true that it's not easy taking care of these men. But, my God, is that an excuse for not treating them properly?"

FOULUPS SURROUND DEATH OF VA PATIENT

When Joseph Colwell, 67, entered a Veterans Administration hospital last September, he was suffering from congestive heart problems, seizures, a thyroid condition, and he was disoriented and confused. He also had been taking four times as much VA prescribed medicine as he was supposed to.

"My God, he could have heart palpitations," shrieked "A doctor Paul Shapiro, on duty at the outpatient clinic at West Side. VA Hopsital when he learned Colwell had been taking the overdose for three days. Another VA doctor had given Colwell the wrong instructions, Shapiro said.

Shapiro immediately ordered Colwell hospitalized at the 545-bed West Side facility. The first night there, he fell out of bed and got a black eye because he was not restrained.

During the next three weeks, he was transferred five times to five different floors, according to his wife, Kathleen. Nine days after the fist fall, he fell out of bed again.

There were one nurse and two assistants for 44 patients on the floor that night, according to Dr. Roy Korn, chief of staff. Other large area hospitals report their minimum staffs are at least twice that.

The second fall broke Colwell's hip, but no one knew it for five days and Colwell, unable to communicate with doctors and nurses, endured the agonizing pain. Korn said Colwell was given a full physical following each fall, "but there was no evidence of any change in his condition."

The hospital operated on the hip. Then Colwell suffered a stroke. He died Nov. 15.

The hospital filled out a death certificate listing hepatitis among the causes of death. Hepatitis is a disease sometimes transmitted to hospital patients through infected blood, food, or water, or close contact with an infected person.

A week later, after the Tribune and the Chicago Board of Health inquired about the disease, the hospital issued a new death certificate. This time, hepatitis was not listed.

"The original death certificate was in error," Korn said. "There was no hepatitis." The original notation was made hastily, he said, and not backed up by a thorough examination of the records.

DEBATE ON THE MILITARY BUDGET

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, each year those of us in Congress, deeply concerned about unnecessary military spending, make our arguments about waste and inefficiency in the armed services. We point to billion-dollar carriers, aircraft that are on the ground for repair more than they fly, amphibious trucks that sink, and the list goes on and on.

The Pentagon and its supporters conveniently—at budget time—find a new Russian missile that we must neutralize or some menacing Soviet force increase that must be matched by U.S. forces.

R. James Woolsey, writing in a recent issue of the Washington Post, suggests that both sides in this dispute at times are wrong and that a meeting of the minds can produce mutual agreement that will mean strong U.S. forces at prices that do not outrage concerned Members of Congress.

This necessary dialog becomes all the more important now, following the President's 1977 military spending requests that top last year's by more than $8 billion.

Nobody wants the United States to become a second rate military power. Yet it occurs to many of us that we seem to be spending more and getting less.

Just as congressional attempts to cut the military budget across the board appears to be the meat axe approach, and consequently less effective, the military's stubborn and selfish insistence on purchasing gilt-edged weapons that have no place in the nuclear age is equally misguided.

It should be apparent to those desirous of large military budgets that the public and the Congress cannot allow this continued excess when at the same time we are asking the elderly to pay more for their needed medical care and the worker to pay more social security taxes.

The military budget must be cut. And it will. The question remains, must the Congress attack it with a bludgeon, all the time fighting the services, or will the Pentagon wizards realize that a little conciliation toward Congress and less internal jealously can give the Nation what we all want, a military force equipped for a proper defensive posture dictated by today's world.

I would like to insert Mr. Woolsey's article into the Record at this time.

Igniting the Defense Debate

(By R. James Woolsey)

The lull in the defense debate is about to end. Both sides have been gathering strength for the year's extravaganza, which will begin with the President's budget submission tomorrow. It will feature fifteen rounds or so between the executive and the Congress in six committees and on the floor of each house, and will include around thirty secondary events in the form of presidential primaries.

Ever since the Safeguard ABM fights of 1969–70, the defense debate has been presented to the public as a lengthy annual duel between "defense critics" and "Pentagon defenders." Each year the critics thrash the defenders about the head and shoulders because of cost overruns and the failure to re-order priorities to serve domestic needs. The defenders raise alarms and stress the need to support whatever particular ship, bomber, or tank is currently at issue. This annual Punch and Judy show unfortunately lends itself to simplified and superficial reporting by the media, since most of the performers willingly divide into two battling groups, thus permitting strife, victory, and defeat to be chronicled in a few column inches or a few broadcast seconds, and the objects of dispute can be entertainingly sailed, flown, driven or fired across the evening news screen.

But as each year's debate winds down, the more conscientious participants, on both sides, feel a certain uneasiness. In private, many of the defenders will shake their heads about waste in the defense budget and regret the need to circle the wagons every year against the critics. In turn, many of the critics will quietly admit that they did have doubts about the wisdom of some cuts they supported and that there were areas where more, not less defense effort was probably needed. Still, each group feels that its side is generally right, and that either blanket support of Pentagon spending or undifferentiated pressure for reductions is the only way to check the crazies on the other side.

Both are wrong. The defense debate over the last seven years has lumbered into two sets of ever-deepening and misdirected ruts. Instead of reaching for last year's speeches to rewrite, the next time around both sides owe it to all of us to start over.

Since 1969 the critics have staged a number of "mini-Safeguard debates" on various weapons and have recently advocated ceilings on the weapons portion (less than a third) of the defense budget. The funds available for weapons have been cut proportionately more than the rest of the defense budget—in real terms they have been reduced by over 25 per cent in the last decade.

It is true that some of the weapons programs that have come in for special Congressional scrutiny have deserved special attention because they affected major policy issues (e.g. counterforce warheads for ICBMs) and some cost improvements have resulted from joint efforts by Congress and the Defense Department—several egregiously expensive weapons have been cancelled, and the next generation of fighter aircraft will be somewhat cheaper than the last. But because the unit cost of weapons is still very high, and since fewer real dollars are available for them, we are coming to the point where we can afford to buy far fewer than we need. A new nuclear carrier and its planes will cost about $15 billion by the end of the century.

Congress has not tried to force basic changes in the weapons development process or to eradicate incentives within it which are responsible for this phenomenon of "gold-plated unilateral disarmament." For example, instead of our having independent operational testing of weapons before procurement—recommended five years ago by the Blue Ribbon Panel—Pentagon developers continue to be the judge and jury of the weapons they sponsor. The critics have also largely ignored the difficult structural reforms concerning personnel (now commanding sixty per cent of the defense budget) which alone can achieve significant long-run savings and still allow us to maintain fighting capability—e.g., base closings, cutbacks of civilian support manpower, changes in promotion and retirement policies, reductions in fringe benefits, and reform of the reserves and national guard. The disproportionate focus on the weapons portion of the budget, together with cost overruns on older weapons, has severely limited innovation and modernization.

Recently Congress has also begun to try to cut defense costs by the use of dollar ceilings on the annual defense budget as a whole. Unfortunately such ceilings, because of their one-year focus, encourage the Defense Department to cut back primarily on operations, training, and maintenance, as distinct from making structural reforms. Thus the attempt to make short-run savings by overall budget ceilings produces rusty ships and rusty pilots, not cheaper and hardier tanks or a better ratio of colonels to lieutenants.

But if critics have often gone off on frolics and detours, the Pentagon's defenders have frequently gotten locked into protecting the status quo of a defense establishment badly in need of innovation to improve its fighting ability. Organizations and individuals whose careers are built on the successes of the past can have the same deadening effect on combat improvements that battleship admirals and cavalry generals had a half-century ago. For example, last summer, over the objections of his now-fired Secretary of Defense Schlesinger, the President worked together with parts of the Navy and some in Congress to obtain funding for a strike cruiser, the latest in a line of large nuclear-powered surface vessels. A Navy composed of such expensive ships will necessarily be small, raising serious problems of overall force vulnerability.

Recent technological advances do make conceivable a Navy less vulnerable and more effective, if greater emphasis were placed on tactical cruise missiles and Vertical-Take-Off Aircraft, on a larger role for nuclear submarines, and on a force of more numerous, smaller, and faster ships (some, perhaps, of hydrofoil or other radical design). But there is simply not enough money to build two new navies. In sum, the military services and many of their friends have been too reluctant to innovate and too ready to ask for more of the same. This is one major reason why their expressions of concern about the very real Soviet military buildup meet with skepticism.

Nineteen seventy-six would well be a less than vintage year in defense debates due to the above legacy and the influence of the presidential primaries. Left-wing Democrats and right-wing Republicans are commonly thought to be both the most influential in the primary process and the most inclined to demand tribal exhortations, not reasoned discourse, from political candidates.

Yet the military badly needs the best of what both its critics and its defenders have to offer. The objectives of the two groups, properly understood, are not hostile but complementary, even largely overlapping. Both efficiency and effectiveness are necessary and are far from being mutually inconsistent. In the aftermath of seven years of divisive jousting, those critics who admit that our military must be strong, and those supporters who admit that it must be lean, should come out of their respective closets—and say what they are thinking.

My own hunch is that opinion in both parties and in the nation as a whole on such defense issues is much less ideological and more open to sets of views previously thought to be politically incompatible than the current custodians of the Conventional Wisdom perceive. Certainly on domestic issues the once-rigid theoretical line between "liberals" and "conservatives" has been bent into surprising shapes by several new and popular Democratic governors. The defense debate is long overdue for a similar shaking up.

No one can guarantee that candidates who try to forge a new coalition on defense issues, who embrace both the need fo sharp improvements in America's military power and for teeth-rattling reform of the defense establishment, will succeed in 1976. But they will deserve to.

HELEN PLUMB—A SPIRIT OF DEDICATION AND ACHIEVEMENT

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1976

Mr. SARASIN. Mr. Speaker, when it comes to receiving plaudits for community service, few are more deserving than Helen Plumb, a woman whose interest in her community and in scores of worthy causes is documented in the logs of many organizations, where she is listed as chairman, chief volunteer or in other leadership positions. There can be no doubt that she cares about the town, about its people, as she has shown it with tireless service to their many needs.

Well before the days of the liberation movement, Helen Plumb scored a number of "firsts" for women. She was the first woman to serve on the board of trustees in the Trumbull Congregational Church; the first woman president of the Connecticut Town Clerks Association; the first woman to be named to an advisory board of a bank—the City National Bank—and the first woman president of the Trumbull Historical Society. Other traditional male bastions were entered by Helen who competed in basketball, tennis, and track for Bridgeport High School, and her fishing and skating prowess on town ponds earned her the respect of local lads. In fact, she was the only woman permitted by them to participate on their baseball team.

Helen Plumb's list of impressive accomplishments certainly does not stop here. She was clerk of the planning commission, clerk of the Republican town meeting, clerk of the town council, a member of three charter commissions, registrar of vital statistics, on the town hall planning committee, and a member of the board of admissions for almost 40 years. Extending beyond government activities, Helen was one of the founders of the Public Health Nursing Association, the Red Cross Branch in Trumbull, and the Historical Society. She served as town chairman of the heart and cancer drive and as superintendent of the primary department of Trumbull Congregational Church Sunday School.

Interest in the problems and needs of the people was not confined to local boundaries. Helen has also participated in many statewide organizations and activities, including the Daughters of the American Revolution, the Connecticut Town Clerks' Association, the New England City and Town Clerks Association, the International Institute of Municipal Clerks and she received the Town Clerks' Association Hall of Fame Award in 1974.

Of all the positions she has held and all the activities in which she has participated, however, Helen Plumb regards her work as town clerk as her most challenging. On the advice of her father, Helen, not long out of high school, asked Town Clerk Obie Burton for an opportunity to be his assistant when Annie Beach resigned the post in 1928. It was good advice, both for Helen and the town. She took the post and when Mr. Burton died 2 years later, she became the first woman town clerk in Trumbull's history and remained in the town hall to give 45 years of service. The job, at first, meant long hours and slim pay, particularly since salaries were derived solely from fees, few and low in the years of the Great Depression. It was, and still is, a demanding job, and during the early years, the position of town clerk was the only full-time office in government and was a clearinghouse for all kinds of information and services.

Elections, while stimulating, were not difficult for Ms. Plumb. She won her own 22 races handily, campaigning on her record of a good job for all the people every day. She responded with great expertise to the demands resulting from town growth which mushroomed after World War II, the need for changing regulations and the challenge of administering these regulations.

Retirement is the most recent step in Helen Plumb's career, and she will meet it in characteristic fashion: with imagination and enthusiasm in her many endeavors and the desire to share her wisdom and learning with others. Combining lifetime hobbies of photography and local history, she has assembled a show entitled "Trumbull; Past and Present". It is a job she works at continuously, either updating the material by recording changes going on in town or by showing the slides in classroom visits around town.

We salute Helen Plumb in her new challenge: to enjoy to the fullest a well-deserved retirement from the daily town clerk's routine, a retirement which will permit her to continue her tradition of community service to an even greater extent.

SENATE—*Friday, January 23, 1976*

The Senate met at 10 a.m. and was called to order by Hon. Richard Stone, a Senator from the State of Florida.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, grant us Thy blessing as we go to the tasks of this day. Grant unto us lips which speak the truth, but ever speak the truth in love.

Grant unto us minds which not only seek the truth but face the truth even when it hurts.

Spare us from shutting our eyes to that which we do not wish to see, when seeing would prompt healing.

Grant unto us resolution to stand for principle; but save us from mistaking prejudice for principle.

Grant us hands to work with diligence, and hands with time to help others.

Grant unto us the spirit of selfless service with the strength and gentleness of the Master.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter;

U.S. Senate,
President pro tempore,
Washington, D.C., January 23, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Richard Stone, a Senator from the State of Florida, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. STONE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of yesterday, Thursday, January 22, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the majority leader I will relinquish the time under the order.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Kansas (Mr. Pearson) is recognized for not to exceed 15 minutes.

TIME FOR A NEW HOOVER COMMISSION

Mr. PEARSON. Mr. President, on Wednesday, the President sent to Congress a proposed budget totaling just under $395 billion for fiscal year 1977. I fully support this effort to restrict Government spending.

The clear economic lesson of the 1970's is that we must bring Federal expenditures more nearly in line with Federal revenues. Holding the budget to this level is no easy task. It will test our commitment to the congressional budget process—especially in an election year when legislative largesse is traditionally at its greatest. Merely to fund existing programs would drive the budget beyond the President's target by nearly $30 billion.

So it is obvious we must resist, Mr. President, the temptation to cure every new social ill with a prescription of more Federal dollars. We must say "no" to the unchecked dollar growth of Federal programs once begun. And we must demand a maximum return on every Federal dollar spent.

Mr. President, it is to this last point that I want to address myself today. In an era of tight budgets, it is critically important, if we are to deliver essential services to the public, that scarce tax dollars not be wasted.

I want to call your attention once again to one of the few proven methods of significantly reducing Federal expenditures. I refer specifically to the highly successful Hoover Commissions of the 1940's and 1950's. The success of the first and second Hoover Commissions—both of which were congressionally created, bipartisan, and highly visible—stands in stark contrast to the various advisory committees, councils, and task forces on executive reorganization, which have been created solely by Executive order.

The first Hoover Commission emphasized in its studies the structural organization of Federal departments and agencies and their interrelated functions. Of the 273 recommendations offered by this Commission, over 200 or 75 percent, were implemented by legislative, administrative, or executive action. It has been estimated that the adoption of these recommendations has saved the U.S. taxpayer as much as $5 billion annually.

The second Hoover Commission was more concerned with operating procedures and policy questions in the Federal agencies and bureaucracy. Of the 314 recommendations offered by this Commission, some 225 of the total, or over 70 percent, have been implemented by legislative or executive action. It has been estimated that the adoption of these recommendations has saved the U.S. taxpayer as much as $4 billion annually and that the adoption of the remaining recommendations could yield an additional $3 billion in annual savings. The total cost of these two Commissions was less than $5 million; an excellent investment of taxpayer dollars.

Last January, I introduced legislation (S. 61) to establish a new Commission on the Operation of the Executive Branch of the Government. My bill closely parallels the laws which created the earlier Hoover Commissions. It is similar to proposals which I have offered in the past and which have received widespread support.

During the past 12 months, significant new support has been given for this type of legislation. The American Bar Association, the American Assembly and the National Academy of Public Administration have all voiced support for a Hoover-type commission to study the Federal Government. And while there are some differences of detail, we are all focusing on the same problem: the delivery of governmental services to the people in a more effective, efficient, and economical manner.

I am aware of other studies that relate to the tasks of the commission that I propose. The Murphy Commission, the Procurement Commission and the Paperwork Commission are relevant studies. The growing support for meaningful regulatory reform is another example.

But I believe, Mr. President, that we must go further in examining the impact of Government on our lives. It is no secret that Americans are becoming more critical of their Government. And it is not a new charge that Government has become remote and unresponsive.

Mr. President, the Bicentennial era provides a unique opportunity to reassess our system of government and make recommendations for improvement.

The unhappy events associated with Watergate, other evidences of corruption, the seeming ineffectiveness of many Great Society programs, the conflicts attending the civil rights movement, assassinations of national leaders, threats to the environment, the energy crisis, crime and unrest in the cities, "stagflation," and the disarray of public finances all argue for a comprehensive review of governmental processes. Americans are disillusioned by the performance of their Government. Opinion polls consistently show public confidence in the operation of Government to be at an all time low.

But despite these misgivings, the American people are still confident that their Government, as structured by the Founding Fathers, can be well run.

Mr. President, despite enormous changes in our society and the growing dimensions of governmental responsibility, there has been no comprehensive public study of the executive branch in 20 years—not since the second Hoover Commission. During these two decades, Federal civilian employment in the executive branch has increased from 2.4 million to nearly 3.0 million, a rise of 22 percent. Payroll costs for this same group have increased over 300 percent, jumping from $10 billion to $42 billion. In the past two decades, hundreds of new programs and many executive agencies have been established, creating new layers of duplication and an uncoordinated bureaucracy. The Federal budget has increased from $70 billion to nearly $400 billion. Since 1969 alone, more than 70 new executive agencies have been established by acts of Congress, reorganization plans, executive orders, or executive directives.

During this period, there have been four Presidential study groups on the organization of the executive branch—the Rockefeller, Price, Heineman, and Ash studies—but most of their findings and recommendations were not made public and have never been implemented.

In marked contrast, Mr. President, the Hoover Commission recommendations have succeeded both legislatively and operationally. This success is attributable to many factors: both Commissions were established by Acts of Congress; Members of Congress, the Executive, and the public served on the Commissions; the Commissions encouraged participation from interested persons and groups inside and outside of the Federal Government; Commission reports and supporting documents were made available for analysis and commentary by the public and Congress; and the Commissions were chaired by a nationally known figure—former President Herbert Hoover—who had recognized experience in both National Government and industrial management.

Mr. President, my proposal incorporates these same elements for success.

It is my hope that the Senate will move expeditiously with this proposal. The times demand action that can make Government more responsive, more open, and more efficient.

Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my name be added to the list of Senators who will be recognized on Monday for not to exceed 15 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT ON TUESDAY UNTIL 9:30 A.M. WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Tuesday it stand in adjournment until the hour of 9:30 a.m. on Wednesday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to Public Law 86–42, appoints the Senator from Florida (Mr. STONE) to attend the Canada-United States Interparliamentary Conference, to be held in Key Biscayne, Fla., January 29–February 2, 1976.

ORDER TO RESUME CONSIDERATION OF S. 961 ON WEDNESDAY, JANUARY 28, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday next, after the two leaders or their designees have been recognized under the standing order, the Senate resume the consideration of the unfinished business, S. 961.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. STONE) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. STONE) laid before the Senate the following message from the President of the United States, which was referred jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, Budget, Agriculture and Forestry, Armed Services, Commerce, Finance, Foreign Relations, Interior and Insular Affairs, Judiciary, Labor and Public Welfare, and Public Works:

To the Congress of the United States:

I herewith propose, in connection with the transmittal of my 1977 budget, actions that would reduce Federal spending by more than half a billion dollars over this fiscal year and the two following. These proposals reflect the priorities in my new budget—a reduced rate of growth in Federal spending and choices that seek fairness and balance within that restrained growth.

I am proposing—in accordance with the Impoundment Control Act of 1974—16 new rescissions that total $924 million and reporting six new deferrals of $1,858 million in budget authority. I am also revising—by a net $14 million—the amounts for three rescission proposals now pending before the Congress and increasing by $19 million a deferral previously reported.

The details of the proposed rescissions and deferrals are contained in the attached reports. Further information on each of the rescissions proposed by this message and others pending before the Congress is included in Part III of the appendix to the 1977 budget.

GERALD R. FORD.

THE WHITE HOUSE, *January 23, 1976.*

MESSAGE FROM THE HOUSE

At 11:25 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 1518) to amend the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) to authorize additional appropriations to establish fuel efficiency demonstration projects, to provide additional enforcement authority for the odometer antitampering provisions, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

ATTENDANCE OF A SENATOR

Hon. GEORGE McGOVERN, a Senator from the State of South Dakota, attended the session of the Senate today.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. McGOVERN (for himself and Mr. HUMPHREY):

S. 2867. A bill to rename the Department of Agriculture the Department of Food, Agriculture, and Rural Affairs, to enable the United States to comprehensively plan, coordinate, monitor, and evaluate Federal nutrition policies and programs by creating an Office of Food Nutrition, requiring an annual national food and nutrition report to the Congress, establishing a unified national nutritional monitoring system, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. THURMOND:

S. 2868. A bill to provide chiropractic treatment when requested for veterans eligible for outpatient medical care. Referred to the Committee on Veterans' Affairs.

By Mr. RANDOLPH (for himself, Mr. JACKSON, Mr. MONTOYA, and Mr. DOMENICI):

S. 2869. A bill to amend the Federal Nonnuclear Energy Research and Development Act of 1975. Referred jointly, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs and the Committee on Interior and Insular Affairs.

By Mr. MONTOYA:

S. 2870. A bill to amend the Internal Revenue Code of 1954 to treat Federal retirement system income the same as social security income to the extent that such retirement income does not exceed the sum of old-age benefits which may be received under title II of the Social Security Act and amounts which may be earned without reducing such benefits. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McGOVERN (for himself and Mr. HUMPHREY):

S. 2867. A bill to rename the Department of Agriculture, the Department of Food, Agriculture, and Rural Affairs, to enable the United States to comprehensively plan, coordinate, monitor, and evaluate Federal nutrition policies and programs by creating an Office of Food and Nutrition, requiring an annual national food and nutrition report to the Congress, establishing a unified national nutritional monitoring system, and for other purposes. Referred to the Committee on Agriculture and Forestry.

TOWARD A NATIONAL FOOD AND NUTRITION POLICY

Mr. McGOVERN. Mr. President, today, on behalf of myself and Senator HUMPHREY, I introduce legislation which represents a first step toward a national food and nutrition policy.

Basically this bill would do four things:

First. Establish within the executive branch an Office of Food and Nutrition that would be responsible for advising the President on food and nutrition policy, coordinating food and nutrition activities and programs of the Federal Government;

Second. Require the Director of the Office of Food and Nutrition to meet on a biweekly basis with representatives of all departments and agencies concerned with food and nutrition;

Third. Require the annual presentation by the President of a national food and nutrition report that would set goals for food and nutrition policy;

Fourth. Require the creation of a nutritional monitoring system to provide guidance for the Nation's food and nutrition policy by measuring the impact of these programs and policies on nutritional health.

I believe once this mechanism is in place, informed policymaking in the food and nutrition area will be possible.

There is no doubt this legislation is long overdue.

Six years ago the White House Conference on Food, Nutrition, and Health urged that food and nutrition policy be coordinated and focused within the Federal Government.

Events over the last several years show clearly the need to coordinate the Nation's efforts in food and nutrition. Last summer, for example, the Nation witnessed a direct confrontation between the needs for foreign exchange and détente and the fears of workingmen in our great trade unions that there might not be enough food for home consumption at prices the consumer could afford.

The struggle, which resulted in a delay in grain shipments, involved the intervention of the Secretary of Labor, remarks by the Chairman of the Federal Reserve Board and eventually the negotiation of a trading agreement by the State Department.

This tumultuous episode in policymaking is ample evidence of the lack of forethought and coordination that has recently hounded us in our efforts to adequately feed ourselves and to assist in feeding the hungry overseas.

I have long been impressed with the need to draw together the conflicting interests of the users and producers of food in a way that will foster a creative, equitable food policy that will benefit all.

In 1974, the select committee held a series of hearings aimed at the development of a national nutrition policy that would meet the needs of food consumers and producers, at home and abroad.

In preparation for these hearings, the committee requested from the Nutrition Consortium, an outline for a national nutrition policy. The National Nutrition Consortium represents four major scientific and professional societies, representing 40,000 trained professionals—the American Institute of Nutrition, the American Society for Clinical Nutrition, the American Dietetic Association, and the Institute of Food Technology.

If such a policy was to be implemented, the consortium said, it would be necessary to form "a food and nutrition policy board at a high level in the Government" and to establish "an Office of Nutrition or a National Nutrition Center to develop plans and programs for implementation of a national nutrition policy."

Since the 1974 hearings, the select committee has issued five staff reports expanding on issues raised at the hearings. They have covered the international food situation; food availability; the food stamp program; nutrition and health and the making of nutrition policy within the executive branch.

A review of these reports supports completely the aforementioned view of the consortium, and numerous other experts whose testimony the committee has received over the years, that greater coordination must be brought to our handling of food and nutrition policy.

In November 1975, the National Academy of Sciences reported, at the request of the President of the United States, on ways the United States can help alleviate problems related to malnutrition and food shortages.

The report concludes that the urgency and complexity of the world food situation "demand that prompt action be taken to bring focus and coherence to U.S. food and nutrition policies and programs."

The Food and Nutrition Office I propose would supply such a focus.

I am no longer willing to wait for the executive branch to put its administrative house in order. Following last year's Senate-sponsored national nutrition policy hearings, I began my own search for an appropriate mechanism for bringing more coherence, organization, and clarity into the Nation's nutrition policymaking process.

After carefully reviewing the testimony presented at those hearings and the committee reports, I have concluded that the solution does not lie in the creation of some new superagency or Department of Nutrition, but in establishing a new kind of procedure, designed to cope with the inherent complexity and ambiguity of an interdepartmental activity such as nutrition, embracing as it does, agricultural policy, foreign affairs, budgetary considerations, and the physical and emotional health of the American people.

I am therefore, introducing today this bill, to facilitate and support the interdepartmental planning process as it impacts on nutrition-related programs spread throughout the Government.

My proposed Federal Nutrition Planning and Organization Act represents a new kind of approach to the growing inability of Government to cope with complex tasks which cut across traditional departmental and categorical programs.

To better represent within the executive branch the need to coordinate increasingly complex programs, under more clear-cut goals and guidelines than now exist, this legislation also changes the name of the Department of Agriculture to the Department of Food, Agriculture, and Rural Development. I believe this is necessary to balance the interests of the American farmer and the American consumer, and also to balance urban and rural interests within our economic structure.

The bill I introduce today is founded on the belief, expressed by Franklin Roosevelt in 1943, that all of our food and nutrition policies must be guided by their impact on health. In his letter to the first World Food Conference under the sponsorship of the United Nations, President Roosevelt said:

> We know that in the world for which we are fighting and working the four freedoms must be won for all men. We know, too, that each freedom is dependent upon the others: that freedom from fear, for example, cannot be secured without freedom from want. If we are to succeed, each nation individually and all nations collectively, must undertake these responsibilities.
>
> They must take all necessary steps to develop world food production so that it will be adequate to meet the essential nutritional needs of the world population. And they must see to it that no hinderances, whether of international trade, of transportation or of internal distribution, be allowed to prevent any nation or group of citizens within a nation from obtaining the food necessary for health. Society must meet in full its obligation to make available to all its members at least the minimum adequate nutrition. The problems with which this conference will concern itself are the most fundamental of all human problems—for without food and clothing life itself is impossible.

At the heart of my approach is a report to be prepared by the Director of the Office of Food and Nutrition. This report will summarize the nutritional needs of our people and of people in other lands and then detail the policies and programs that are being used to meet these problems. The report will be issued annually to Congress through the President, with his state of the Union message.

The drafting of this report will, for the first time, require the various departments and agencies to enter into continuing discussion about their various food and nutrition efforts.

The goals outlined in the report are to be based on data developed by a comprehensive nutrition monitoring system, also provided for in the bill. This system will provide more thorough and timely measurements of nutritional health needs and also measure the effectiveness of current programs in meeting these needs.

No such current mechanism exists for basing program goals on monitoring results.

The report will also require a discussion of the Administration's goals in relation to the food supply as well as its nutritional assistance and research programs. Plans for production, commercial export, food assistance and reserves would be included, with a discussion of their impact on domestic and international food prices, food availability and nutritional health.

One of the most important parts of this analysis will be the systematic collation of all relevant programmatic information organized in a fashion which would permit the Congress to evaluate the feasibility, practicality, desirability, and cost of the Nation's nutrition-related programs and activities as a whole, without respect to individual agency or departmental responsibilities.

This is the kind of information we in the Congress require in order to adequately perform our constitutional function of setting priorities in the allocation of limited national resources in a responsible manner.

As it is now, we spend much of our time debating the individual merits or defects of specific programs, and rarely are able to see the overall pattern of Federal decisionmaking in an interdepartmental functional area like nutrition policy. I believe passage of this bill would be an appropriate complement to the new budgetary allocation process we have begun in the Congress this session.

The proposed Office of Food and Nutrition would, moreover, have several other functions contributing to a more unified and coherent national policy.

In meeting his responsibilities as the President's primary adviser on food and nutrition policy, the Director of the Office of Food and Nutrition would be required to meet at least on a biweekly basis with a Food Advisory Group, composed of representative of the departments and agencies concerned with food and nutrition policy. These would include the Secretaries of Agriculture, Health, Education, and Welfare, State, Treasury, Commerce, and Labor, or their representatives from the Office of Management and Budget, the National Security Council, the Central Intelligence Agency and the Council on International Economic Policy, and others.

The Food Advisory Group would provide a means for all departments and agencies to keep continually aware of each others' activities and provide a forum for the creation of coordinated, coherent policy.

The Food Advisory Group would do the work done now by the Food Deputies Group, created under the authority of Executive order.

In addition to facilitating cooperative interaction between agencies, the Director of the Office of Food and Nutrition would have the power to issue "nutrition impact statements," whenever apprised of any development which in his or her view is likely to have a significant impact on nutrient intake, food consumption or food cost. If such authority existed now, a national nutrition impact statement could be issued with respect to the shipment of grain to the Soviet Union.

Such a statement at the time of the original Russian wheat deal would have done much to reduce the feeling of helplessness and governmental irresponsibility engendered in the Congress and among the public.

Nutrition impact statements could also be issued to warn the public of hazardous substances in food or advise the Congress and the people with regard to new discoveries in the nutrition sciences.

The basic thrust of this provision, however, would be to engender a more careful approach among Federal agencies contemplating a major change in policy or programs with a potential impact on nutrient intake, food consumption or food cost and encourage them to coordinate plans with other governmental agencies to insure that any adverse impact could be minimized or avoided. While a nutrition impact statement would clearly fall short of a nutritional veto on policymaking or administration of programs by departments, it clearly would introduce a new element of caution among policymakers.

To reinforce this concept of using such an office as a "trip wire" to alert the Congress and the public of the significance of impending program or policy changes, I am also proposing that the Director have the power to delay for 90 days implementation of new regulations or amendments to regulations having an impact on nutrient intake, food consumption or food cost, unless the Office of Food and Nutrition is given notice of the proposed change prior to its publication. I believe this provision would also encourage more careful and coordinated policymaking by departments.

We cannot continue to operate on the assumption that the increasingly complex threads affecting nutrition policy will automatically weave themselves into a coherent plan.

There is no invisible seamstress repairing the rents in our social fabric caused by rising food prices, or patching holes in our national economy caused by commodity shortages. To believe in such a fantasy is one more way of rationalizing irresponsible government.

This bill represents a major departure from conventional attempts to institutionalize programs or policies. It focuses on the real problem coordination of the flow of information to decisionmakers, including the Congress—rather than on the illusion that creating some super agency will solve complex tangled issues. This proposal, unfortunately, could not insure an effective national nutrition policy. It would only facilitate one. There is no legislative substitute for concern or commitment on the part of the executive branch of Government.

But I submit that adopting this bill would, for the first time, provide both the executive branch and the Congress with a mechanism for reviewing food and nutrition policymaking in an appropriate context—as an interdepartmental activity embracing elements of many policies and programs.

I would like to add that it is my understanding that Senator Humphrey and others intend to introduce legislation pursuing an intent similar to mine. I welcome all such initiatives and hope that our collective efforts will succeed.

Mr. President, I ask unanimous consent to have printed in the Record several editorials and articles which appeared recently. They were the result of a report issued by the Senate Nutrition Committee entitled "Nutrition and Health, With an Evaluation of Nutritional Surveillance in the United States." The legislation I am introducing today reflects recommendations made in that report, all of which have received very favorable response. I also ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2867

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Nutrition Planning and Organization Act".

FINDINGS

Sec. 2. The Congress finds that:

(a) An adequate supply of safe and nutritious, reasonably priced foods is essential to the well being of the American people.

(b) The formulation of food and nutrition policy is inherently an interdepartmental function.

(c) Food and nutrient intake, with its impact on the health, vitality, and productivity of the American people, is affected by decisions, policies, and activities of various departments and agencies of the Federal Government and by programs which they administer.

(d) A unified and coordinated food and nutrition policy designed to promote the welfare of the American people must reconcile the diverse nutrition-related program objectives of the various departments and agencies of the Federal Government with each other and with other national priorities in order to guarantee that all facets of the national interest are given appropriate priority.

(e) The current low level of worldwide foodstocks, with its simultaneous impact on food prices and food availability in the United States and on commitments made by the United States at the 1974 World Food Conference, makes creation of a unified and coordinated food and nutrition policy more urgent than in the past.

(f) Creation of a single agency responsible for reviewing, coordinating, monitoring, and evaluating food and nutrition policy has consistently been recommended to the President and the Congress for more than five years by diverse panels of experts as a necessary element to achieve a comprehensive national food and nutrition policy.

(g) In order to provide a context for developing a more thorough and coordinated food and nutrition policy, balancing the interests of American farmers and food consumers and also balancing rural and urban interests within the American economy, the Department of Agriculture should be renamed the Department of Food, Agriculture, and Rural Affairs.

PURPOSE

Sec. 3. In order to insure a lasting peace by ameliorating the effects of hunger and famine throughout the world as well as to safeguard the health, vitality, and productivity of the American people, it is the purpose of this Act to change the name of the Department of Agriculture to the Department of Food, Agriculture, and Rural Affairs; to require all departments, agencies, office, and other instrumentalities of the Federal Government which administer nutrition-related programs to jointly participate in the preparation of an annual National Food and Nutrition Report to the Congress, assist in the establishment and operation of an Office of Food and Nutrition, and facilitate the creation of a National Nutrition Monitoring System; to provide such Office of Food and Nutrition with such powers, staff, and funds as may be necessary to properly coordinate, monitor, and evaluate Federal food and nutrition policies and programs, and, for other purposes.

DEFINITIONS

Sec. 4. For purposes of this Act:

(a) The term "Office of Food and Nutrition" means the office established by section 6 of this Act.

(b) The term "Director" means the Director of the Office of Food and Nutrition.

(c) The term "nutrition-related programs and activities" and "nutrition-related program or activity" mean any program, policy, plan, or activity formulated or carried out by any department or agency of the Federal Government, or any activity carried out in whole or in part with Federal funds by any State or the local subdivision of any State, or by any contractor, licensee, agent or person, if such program, policy, plan, or activity has, in the judgment of the Director, a significant impact on the achievement of the purposes of this Act or on the objectives of the National Food and Nutrition Report presented annually to the Congress as provided in section 6(b)(5) of this Act.

(d) The term "National Food and Nutrition Report" means the report described in Section 7 of this Act.

(e) The term "Nutrition Goals" means the report described in section 7(a)(1) of this Act.

(f) The term "Nutrition Plan" means the plan described in section 7(a)(2) of this Act.

(g) The term "Non-Food Factors Affecting Nutrition" means the report described in section 7(a)(3) of this Act.

(h) The term "Director's Report" means the report described in section 7(a)(4) of this Act.

(i) The term "Nutrition Impact Statement" means any statement issued by the Director pursuant to section 6(c)(6) of this Act.

(j) The terms "department or agency of the Federal Government", departments or agencies of the Federal Government", and "departments and agencies of the Federal Government" mean any executive department, government corporation, or independent establishment of the Federal Government as defined in sections 101, 103, and 104, respectively, of title 5, United States Code.

DEPARTMENT OF FOOD, AGRICULTURE, AND RURAL AFFAIRS

Sec. 5. (a) The Department of Agriculture is renamed the Department of Food, Agriculture, and Rural Affairs.

(b) All laws, orders, regulations, and other matters relating to the Department of Agriculture or the Secretary of Agriculture shall, on and after the date of enactment of this Act, be deemed to relate to the Department of Food, Agriculture, and Rural Affairs, and to the Secretary of Food, Agriculture, and Rural Affairs, respectively; and any law, order, regulation, or other matter which makes reference to any other offices or employee of the Department of Agriculture shall, on and after the date of enactment of this Act, be deemed to refer to such officer or employee as an officer or employee of the Department of Food, Agriculture, and Rural Affairs.

(c) Notwithstanding any other provision of law, there shall be hereafter in the Department of Agriculture, in addition to the Assistant Secretaries now provided for, an additional Assistant Secretary for Nutrition Programs and Food Policy, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be responsible for appraising the various programs and activities of the Federal Government in light of the findings and purposes declared in sections 2 and 3 herein and for other such duties as the Secretary shall prescribe, and shall receive compensation at the rate now or hereafter prescribed by law for Assistant Secretaries of Agriculture.

FEDERAL NUTRITION PLANNING OFFICE; DIRECTOR FUNCTIONS

Sec. 6. (a) There is established within the Executive Office of the President an office to be known as the "Office of Food and Nutrition". Such office shall be headed by a Director who shall be appointed by the President by and with the advice and consent of the Senate.

(b) The Director shall be a person knowledgeable of nutrition, having a recognized professional status in this field of science. He or she shall be the President's primary adviser on all matters relating to food and nutrition and shall serve as the Federal Government's primary spokesperson on all matters relating to food and nutrition, including representing the United States before the World agencies such as the Food and Agricultural Organization, and other international bodies having an interest in nutrition and health. The Director shall also:

(1) formulate and recommend to the President such proposed legislation as the Director may deem necessary or appropriate to carry out the purposes of this Act;

(2) assist all departments of the Federal Government in developing, modifying, or improving existing or contemplated nutrition-related programs, policies, and activities;

(3) advise the Executive Branch regarding the impact of Federal programs, policies, and activities on food consumption and nutrient

intake of, and the cost of food to, the American people;

(4) notify the Congress and the people of the United States of any significant or potentially adverse development or discovery which affects or is likely to affect food costs, food consumption and nutrient intake, or the quality or quantity of food available for domestic consumption within the United States without regard to whether such development or discovery was the result of some action or policy of a department or agency of the Federal Government;

(5) prepare and submit an annual National Food Nutrition Report to the Congress as provided in section 7 of this Act;

(6) coordinate the objectives of all nutrition-related programs and activities of the Federal Government; and

(7) perform such other duties relating to food and nutrition policy as the President may prescribe.

(c) In carrying out his or her duties under this section, the Director shall:

(1) Meet at least bi-weekly with a Food Advisory Group composed of the Secretaries of Agriculture, State, Health, Education, and Welfare, Treasury, Commerce, and Labor, the Director of the Office of Management and Budget, or their representatives, and representatives from the National Security Council, Central Intelligence Agency, Council on International Economic Policy and others the President may designate, and the Director shall present reports of the meetings to the President.

(2) convene such conferences, meetings, and hearings or conduct such inquires or investigations as the Director deems appropriate for preparing the National Nutrition Report or for the development of legislative proposals to submit through the President to the Congress;

(3) actively assist each department and agency of the Federal Government having a responsibility for a nutrition-related program or activity to provide the information necessary for the preparation of the National Food and Nutrition Report and provide technical assistance to any such department or agency during its budgetary and planning process to the extent permitted by available staff and funds;

(4) facilitate the cooperative interaction of departments and agencies of the Federal Government conducting nutrition-related programs and activities by convening such meetings or creating such interagency committees as may be appropriate to implement the purposes of this Act and by acting as a government-wide clearing house on nutrition related information for the Executive Branch, the Congress, and the technical and scientific community;

(5) interpret, to the extent permitted by and information gathered in connection with the operation of the National Nutritional Monitoring System provided under section 8 of this Act for the Congress and the American people;

(6) issue a Nutrition Impact Statement whenever apprised of any development the Director determines is likely to have a significant impact on nutrient intake, food consumption, or food cost, whether such development be the result of any action or policy initiated or proposed by any officer or employee of the United States, private person or agency, or foreign government, or the result of national phenomena which affect the production or distribution of food.

(7) be authorized to employ, and fix the compensation of, such specialists and other experts as may be necessary for the carrying out of its functions under this Act, without regard to the civil service laws and the Classification Act of 1923, as amended, and subject to the civil service laws, to employ such other officers and employees as may be necessary for carrying out its functions under this Act, and fix their compensation in accordance with the Classification Act of 1923, as amended.

(d) In any case in which any department or agency of the Federal Government fails to provide the Director with a copy of the complete text of any proposed regulation or policy of such department or agency or any amendment to any regulation or policy of such department or agency which the Director determines may have a significant impact on the nutrient intake or food consumption of, or on the cost of food to, the American people, he is authorized to delay for a period of 90 days the effective date of any such proposed regulation or policy or amendment, as the case may be.

NATIONAL FOOD AND NUTRITION REPORT

Sec. 7. (a) The Director shall prepare and submit to the Congress each year, through the President, as part of his State of the Union message, a document to be known as the National Food and Nutrition Report. Each National Food and Nutrition Report shall:

(1) Include a section, entitled "Nutritional Goals", which shall:

(A) Provide a comprehensive assessment of national nutrition status and of the unmet nutritional needs of the United States, whether due to inadequate food production, low family income, uneven food distribution or adulteration due to natural or human causes, with or without specific legislative recommendations to correct such deficiencies, except that prior to the establishment and operation of the National Nutrition Monitoring System provided for under section 8 of this Act, such assessment shall be based on nutrition and health assessment data being collected by departments and agencies of the Federal Government at the time of the enactment of this Act.

(B) Provide an assessment of world-wide nutritional needs, to be based on information gathered under the system specified in Section 9 of this Act, with identification of populations at high nutritional risk and an assessment of progress made in eliminating malnutrition over the past year.

(C) Provide a listing of specific goals aimed at meeting the needs described in Section 7(a)(1)(A) and (B).

(2) Include a section entitled "Nutrition Plan", which shall:

(A) Provide a comprehensive analysis of the national and international food supply situation anticipated in the year projected ahead from the date the report is issued and the relationship of the supply situation to meeting the nutritional goals as required by Section 7 (a) (1). The analysis shall include, but not be limited to:

(i) Projections of domestic and international food requirements;

(ii) Projections of anticipated domestic food production and anticipated use for domestic consumption, international trade, international food assistance, and reserve stocks.

(iii) Projected enhancement of food supplies that may result from food conservation measures.

(iv) The implications of supply factors for domestic and international food prices and food availability.

(v) The implications of supply factors for nutritional health, domestic and international.

(B) Provide a comprehensive listing and analysis of all Federal nutrition assistance programs, domestic and international, and their relationship to meeting the nutritional goals set forward in Section 7 (a)(1) of this Act. This analysis shall include, but not be limited to:

(i) the objectives of such program or activity; the intended beneficiaries of such program or activity; the estimated annual cost of such program or activity; the services or benefits provided by such program or activity; the places and locations at which such program or activity is to be carried out; and such other information as may reasonably assist the Congress in determining the feasibility, practicality, desirability, and cost of such program or activity.

(ii) A specific enumeration and description of all instances of duplication of services, overlapping activities, or evidence of inappropriate or wasteful utilization of resources, taking into account both nutritional and budgetary considerations, with or without specific recommendations to correct such deficiencies.

(C) Provide a comprehensive listing and analysis of all Federal nutrition-related programs, domestic and international, other than nutrition assistance programs, including but not limited to human nutrition research progress, nutritional elements of health assessment programs, and nutrition counselling services, and their relationship to meeting the goals as required by Section 7(a)(1) of this Act. This analysis shall include, but not be limited to:

(i) the objectives of such program or activity; the intended beneficiaries of such program or activity; the estimated annual cost of such program or activity; the services or benefits provided by such program or activity; the places and locations at which such program or activity is to be carried out; and such other information as may reasonably assist the Congress in determining the feasibility, practicality, desirability, and cost of such program or activity.

(ii) A specific enumeration and description of all instances of duplication of services, overlapping activities, or evidence of inappropriate or wasteful utilization of resources, taking into account both nutritional and budgetary considerations, with or without specific recommendations to correct such deficiencies.

(3) Include a separate section entitled "Non-Food Factors Affecting Nutrition," providing, at the discretion of the Director, an analysis of non-food factors that may affect food availability, food selection, food price, food quality, or food safety. Such analysis may include, but not be limited to, an analysis of the operation of food marketing orders, the impact of nutritional labeling, and the degree of competition existing in the food production, processing and marketing sectors in the United States.

(4) Include a separate section entitled "Director's Report" which shall include but not be limited to:

(A) An assessment of the implementation of this Act for the preceding year;

(B) Any proposed changes in existing programs or other recommendations for legislation, including proposals referred to in Sec. 6 as the Director may deem necessary or appropriate to carry out the purposes of this Act.

(C) Report on food composition and safety as provided in sec. 8(d) (4).

(b) The National Food and Nutrition Report shall be organized in a manner which will facilitate a total evaluation by Congress of the Nation's nutrition-related programs and activities as a whole, without regard to individual responsibilities of departments and agencies of the Federal Government;

(c) The National Food and Nutrition Report shall be completed for presentation by the President on December 31 of each year, with the first report to be submitted by December 31, 1976.

(d) The Director is authorized to gather such information as may be necessary to achieve the purposes of this section and section 6 of this Act.

NATIONAL NUTRITION MONITORING SYSTEM

Sec. 8. (a) The Director shall, in consultation with the Secretary of Health, Education, and Welfare, and the Secretary of Food, Agriculture, and Rural Affairs, submit to the

Congress a detailed plan establishing a National Nutrition Monitoring System for the monitoring, on a continuing basis, of the nutrient and food consumption of the American people and the known, probable, and possible health affects of such consumption. Such plan shall become effective unless the Congress adopts a concurrent resolution disapproving such plan within 90 days after the date of submission to the Congress.

(b) In developing a plan for such a system, the Director shall consult with such professionals in the nutrition and health surveillance fields as he deems appropriate in order to assure that the system developed represents the highest technical and scientific standards realistically feasible within the budgetary constraints of the respective offices collecting information for the system.

(c) The National Nutrition Monitoring System proposed under subsection (a) of this section shall be administered by the Secretary of Health, Education, and Welfare, in consultation with the Secretary of Food, Agriculture, and Rural Affairs insofar as the actual collection of information is concerned, but the Director shall provide summaries and interpretations of such information as provided in section 7(a)(1)(A) of this Act.

(d) Any National Nutrition Monitoring System proposed under subsection (a) of this section shall include the following elements:

(1) A general survey of the nation's nutritional health, to be conducted every five years, starting in January 1977, administered by the Departments of Food, Agriculture, and Rural Affairs, and Health, Education, and Welfare; which will combine the food consumption inquiry of the Household Food Consumption Survey, as authorized under the Research and Marketing Act of 1946, P.L. 70–732 (7 U.S.C.—427, 1621) and the nutritional health inquiry of the Health and Nutrition Evaluation Survey, as authorized under the National Health Survey Act of 1956, P.L. 933–53. The results of the survey shall be published by the Director as provided in section 7(a)(1)(A) of this Act.

(2) A general survey of the groups at high nutritional risk, to be conducted every two years, beginning January 1977, administered by the Department of Health, Education, and Welfare and following the general procedures used in the Health and Nutritional Evaluation Survey. The results of the survey shall be published by the Director as provided in section 7(a)(1)(A) of this Act.

(3) A continuous monitoring of the public's nutritional health through the establishment of state nutritional monitoring services. This state monitoring network shall be established through the expansion of the monitoring system currently administered by the Center for Disease Control. This expansion shall provide a monitoring sample inclusive of all regions of the country and persons of all ages and income levels.

(4) A continuous monitoring system to measure the nutrient content of foods, the presence of any hazardous chemical agents or food additives or any comtaminants or other potentially dangerous material as may occur naturally in foods. This monitoring is to be conducted jointly by the Departments of Agriculture, and Health, Education, and Welfare, and shall be included in the Director's Report provided for in section 7(a)(4) of this Act. This Report shall include information on the changing composition of foods, use of food additives and other factors affecting nutritional health and food safety.

(5) A survey, to be conducted by the Department of Health, Education, and Welfare, every two years, starting in January 1977, of the needs for manpower in nutritional health-related fields and the adequacy of nutritional evaluation and counselling services.

(6) The Director shall identify and report to Congress any significant monitoring gaps caused by the inadequate state of technical information and shall make such recommendations with respect thereto as may seem appropriate.

INTERNATIONAL NUTRITION MONITORING SYSTEM

SEC. 9. (a) The Office shall be responsible for coordinating a system through which the United States may measure nutritional health in other nations so as to better formulate its food and nutrition policies. This system shall be composed of the following elements:

(1) A continuous monitoring of nutritional status of other nations through United States Embassies and Missions to be conducted by the Departments of State and Agriculture upon passage of this Act, with monthly reports made to the Board that shall include the following information:

(A) estimates of numbers of persons dying of starvation;

(B) estimates of numbers of persons suffering debilitating malnutrition from lack of nutrients;

(C) changes in food production, food imports and exports, food prices, government policy or other factors that will significantly change the nutritional health status of the nation's population;

(D) United States actions that could materially improve the nutritional health of these populations.

(2) A continuous monitoring by the Office of reports of international governmental and non-governmental organizations, and United States intelligence reports to identify significant nutritional trends, status of food production, and other factors.

(3) Continuous nutrition surveys in selected countries to be conducted jointly by the government of that nation, and the Department of State, the Department of Food, Agriculture, and Rural Affairs, and Health, Education, and Welfare, and concerned international agencies to inquire into specific nutritional problems. Conclusions and recommendations based on the survey may follow.

(4) Continuous study in selected countries to be conducted jointly by the Departments of State, Food, Agriculture, and Rural Affairs, and Health, Education, and Welfare inquiring into those policies of these countries and of the United States and other nations, contributing to or detracting from the nutritional health of the population. These policies shall include:

(A) Agricultural production and trading policies of the United States and the nation involved;

(B) General economic policy of the nation involved, including progress in land reform.

(C) Activities of American business, including the food industry in the nation involved.

(b) A report of the findings of each year's reported in the annual National Nutrition Report described in Section 7.

(c) The Director shall identify and report to the Congress any significant monitoring data gaps caused by the inadequate state of technical knowledge and make such recommendations to the President and the Congress with respect thereto as he deems appropriate.

AMENDMENT TO TITLE 5, UNITED STATES CODE

SEC. 10. Section 5313 of Title 5, United States Code, is amended by adding at the end thereof a new paragraph as follows:

"(23) Director of the Office of Food and Nutrition.".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 11. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

[From the New York Times, Jan. 9, 1976]

Food and Health

If people really are what they eat, then Americans had better watch out. According to a recent report issued by the Senate Select Committee on Nutrition and Human Needs, a substantial portion of the population of the United States eats improperly, and this country hasn't developed the policies, governmental organizations or the human resources to keep a bad situation from becoming worse.

America's nutritional problems are not simply those of insufficiency but of over-abundance as well, with the latter condition spawning a fairly lethal set of problems. Dr. William E. Connor of the University of Iowa told the committee last year that "the vast majority of Americans suffer from over-abundance af food. . . ." contributing to such illnesses as coronary heart disease, high blood pressure, diabetes mellitus and obesity.

Nutritional insufficiency takes its expected toll on poor people, contributing to infant mortality and severe childhood diseases, while limiting learning ability growth and the ability to concentrate on productive tasks. It has unexpected effects as well, such as a high incidence of learning-hampering iron deficiency in black children between the ages of 1 and 5 who are in families with incomes above the poverty line, and a high incidence of protein deficiency in white adults between the ages of 45 and 59.

More disturbing, perhaps, is the committee's finding that nutrition training in medical schools is inadequate, that there are not enough nutritionists and dieticians to service the nation's needs; that the Federal Government's means of measuring nutritional adequacy in the American diet are spotty and inefficient and that there are not effective mechanisms in the executive branch for dealing with these problems. Moreover, the mechanisms that do exist are designed to deal with the issue in economic, political and foreign policy terms, rather than in terms of the health impact of America's domestic and foreign food policies.

The Senate committee recommends the establishment of a food and nutrition policy board in the Executive Office of the President and the appointment of an assistant secretary for nutrition in the Department of Health, Education and Welfare. Whatever the merits of any specific bureaucratic solution may be, it is clear that the development both of a food policy based principally on the health needs of the consumers and of arrangements within the executive branch capable of accomplishing that task are long overdue.

[From the Washington Post, Dec. 28, 1975]

A National Food Policy

To those of us who are regularly well fed, food is so much a routine matter that we seldom think of it as a subject that might require a national policy. But food, as much as any resource, deserves coordinated consideration. It certainly deserves as much coordination as we would give to energy or the environment—and not just because so many of our citizens are not regularly well fed. Indeed, the very same forces that make it necessary for this nation to grope toward an energy policy make the argument for a national food policy at least as compelling.

Consider the range of questions for which no single agency of government is totally responsible: When, and under what conditions should the United States export food? What criteria should our foreign food customers meet? Should it be merely the ability to pay, or should the level of need be part of the consideration? At home, what constitutes a food? May a chemical company be permitted to concoct a substance that tastes like meat while containing huge doses of unfamiliar chemicals? Should the development of "chemicalized" food be regulated more carefully? And speaking of the poor, what should the food policy aim to achieve? A guarantee of a minimum diet? A guarantee of an adequate diet for the average American? Should the intake of "empty calories," such as in potato chips, be discouraged? Or should government simply hand out money instead of food, and let people eat according to their own lights?

For years now, various departments of the U.S. government have been wrestling with their role in the formulation of a food policy. A little monograph published this week by the Senate Select Committee on Nutrition and Human Needs tells a sorry tale about their efforts: In summary, the committee's report faults the executive branch on various counts, including: a failure to survey adequately the nutritional needs of the nation, a failure in the implementation of better nutritional education in the nation's medical schools, a failure to implement a number of programs with the goal of helping the nation maintain better health by emphasizing the importance of nutrition. Sen. George McGovern, the committee chairman, frames some of his comments on this problem in anti-Nixon and anti-food terms, perhaps to be expected on the eve of an election year. There is blame enough to go around, however, and the hour is late for dealing with some of these questions.

The matter is pressing because the globe is shrinking and the population rising. Whatever one's view of the United States' role in Vietnam or Angola, the one inescapable fact is that the United States is one nation on which the poor of all lands rely for solutions to pressing problems having to do in one way or another with food. The problem of declining food stocks is just one of the several important food policy questions that is manifestly larger than the scope of any one agency of government. Experience has taught us the consequences of large-scale unplanned sales of grain to the Soviet Union, and that is only one example of why a coordinated food policy is in our long-term interest. This is not to say the many competing claims can ever be fully harmonized. It is to say that there is little public benefit from the confusion that now exists.

No place is that confusion more evident than in the field of food safety. An unprecedented number of food additives is entering the market and new foods are being "invented" daily through the use of chemicals. The implications of this development for the public health are enormous. But the present level of federal involvement is minimal.

For all these reasons, an idea advanced by the Senate Nutrition Committee is worthy of serious scrutiny. The committee proposes, among other remedies, that Congress create a food and nutrition policy board in the executive office of the President. It would be composed of the secretaries of HEW, State and Agriculture. In addition to assisting the President in the formulation of food policy this new board would also help him prepare a report on food nutrition as a normal part of the State of the Union message. It also calls for an HEW assistant secretary for nutrition. All these suggestions are open to critical evaluation. Much more discussion of the whole concept of nutritional and food planning is necessary. The remedies remain to be worked out. What is already clear, however, is that nutrition is too serious a matter to leave to bureaucratic confusion and conflicts of interest—or merely to chance.

[From the Washington Post, Jan. 1, 1976]

FOR THE RECORD

The following is excerpted from a recent report by the Senate Select Committee on Nutrition and Human Needs:

When we talk about health, nutrition and agricultural policy in the United States we do so in a global context in which food, like oil, is being rationed by price, not human needs. The rich eat well, the poor not so well or not at all.

In the United States the rise in food prices of more than 40 percent in 3 years has pushed millions further from an adequate diet. The food stamp program and other food assistance programs have helped ease the strain on the poor, but the extent to which the diets of vulnerable groups has suffered is not known.

Americans who can afford an adequate diet may not be getting one either, however, for rich and poor alike are tempted daily by a food system striving to expand demand by tempting the palate with foods overloaded with fat, sugar and salt, low in nutritive value, high in pleasure value. Our eating habits and the composition of our food have changed radically, but we do not have any detailed measure of what is happening to the Nation's nutritional health.

We do know that millions of Americans are literally sick with diet-related illnesses. Five of the 10 leading causes of death in the United States have been connected to diet.

In short, we find the United States, amid a world with a cruel imbalance in food distribution, pursuing a business as usual policy which is not only wasting food and the non-renewable resources needed to produce it, but is contributing to ill-health and the short fall of human potential. The perpetuation of this policy is founded at least partly on the prevalence of public ignorance about nutrition.

[From the Los Angeles Times, Dec. 22, 1975]

McGOVERN WARNS OF NUTRITION PERIL

(By Austin Scott)

WASHINGTON.—Sen. George S. McGovern (D-S.D.) said Sunday that nutrition—the lack or excess or quality of it—might be the nation's No. 1 health problem. He accused the Ford and Nixon administrations of "systematic indifference" to the need for action.

"Our eating habits and the composition of our food have changed radically, but we do not have any detailed measure of what is happening to the nation's health," McGovern said in the foreword to a new Senate staff study on nutrition.

"The threat is not beri beri, pellagra or scurvy. Rather, we face the more subtle, but also more deadly, reality of millions of Americans loading their stomachs with food which is likely to make them obese, to give them high blood pressure, to induce heart disease, diabetes and cancer—in short, to kill them over the long term. We face the tragedy of anemic children failing in school and repeating that pattern of failure throughout their shortened lives."

The 258-page staff report, released Sunday by the Senate Select Committee on Nutrition, which McGovern heads, recommends that Congress pass a law to promote nutrition education in a variety of ways.

It urges Congress to look also at medical licensing examinations, Medicare and laws governing federal and state health care to see how they might be changed to emphasize attention on good nutrition.

The departments of Agriculture and Health, Education and Welfare should speed up and make more comprehensive a number of nutrition studies on which they are working, the report says.

It recommends setting up a food and nutrition policy board in the White House and a post of assistant secretary for nutrition and an office of nutritional health evaluation in HEW.

McGovern said he did not know for sure why both administrations had rejected programs proposed over the years by experts inside and outside of government for improving the nation's nutrition, but he said politics might have played a part.

He said the Department of Agriculture's household food consumption survey, scheduled to begin next month, had been delayed at least a year by the Office of Management and Budget, "supposedly for technical reasons.

"But one official reports that, in fact, the Administration did not want to be embarrassed in an election year by preliminary findings which might very well show a decline in the nutritional quality of the American diet," McGovern said.

The White House said Administration officials had not seen a copy of the study or of McGovern's remarks and would have no comment.

McGovern said he was aware that remedies for the problems he described ". . . will not all be obvious or easy; they demand the rethinking of established economic patterns and assumptions."

But, he said, the problems ". . . must be faced squarely . . ." and, if change is necessary, "then we must change in a manner which protects the interests of food consumers and producers alike."

[From the Kansas City (Mo.) Times, Dec. 22, 1975]

"NUTRITIONAL IGNORANCE" ALLEGED

WASHINGTON.—The United States is a nation that is "eating blind," wasting food and the resources needed to produce it and maintaining its ignorance about nutrition, the chairman of the Select Senate Committee on Nutrition said Saturday.

Sen. George McGovern (D-S.D.) accused the administrations of President Gerald Ford and his predecessor, Richard M. Nixon, of "permitting and even perpetuating nutritional ignorance." McGovern was defeated by Nixon for the presidency in 1972.

The public "does have a right to proper nutrition evaluation and counseling" and needs constant monitoring of its nutritional health, he said in releasing a 258-page committee staff study of "nutritional surveillance in the United States."

McGovern said the report "documents beyond a doubt and in detail that the Nixon-Ford administration has kept the American public in the dark about nutritional health and has frustrated the effort to apply nutritional health standards to the nation's food and economic policies."

At various points in the document, the staff refers to sometimes-total cuts in the budgets of small agencies dealing with nutritional issues, changes in governmental surveys when the results would lend support to advocates of expanded federal feeding programs and what it called the inadequacies of the surveys in producing the information desired.

McGovern, endorsing 18 recommendations for governmental co-ordination, funding and surveying, said the remedies to the problems the staff analysis found "demand the rethinking of established economic patterns and assumptions."

For example, he said, the reason for this inaction by the White House leadership may be related to traditional concepts of and support for the free market place.

But, he said, it is "an anarchic market place where consumers may be uninformed of other variables more important than price or taste or color."

McGovern said "we have reached the point where nutrition, or the lack or the excess or the quality of it, may be the nation's No. 1 health problem. The threat is not beriberi, pellagara or scurvy.

"Rather," he said, "we face the more subtle, but also more deadly, reality of millions of Americans loading their stomachs with food which is likely to make them obese, to give them high blood pressure, to induce heart disease, diabetes and cancer—in short, to kill them over the long term."

[From the Lexington (Ky.) Herald, Dec. 28, 1975]

Nutrition Takes Back Seat Now

"We face the . . . reality of millions of Americans loading their stomachs with food which is likely to make them obese, to give them high blood pressure, to induce heart disease, diabetes and cancer—in short to kill them over the long term."

What a statement for anyone to make prior to the Great American Holiday Gorge in which this country is now in the middle.

From Christmas Eve to New Year's Day, Americans revel in the delights of stuffing both turkeys and themselves. It's a great tradition that leads to a lot of moaning and groaning after the feast. But at any rate, it's the American thing to do.

So Sen. George McGovern's timing was not the best as he and his Senate Select Committee on Nutrition released a study on nutrition a few days before Christmas.

On the other hand, maybe it was good timing. Families could get together and keep a record of what they've eaten and what they have planned to eat over the rest of the holidays just to see how much truth there is in the senator's claims.

While at present we're really dealing with a seasonal gourmet's delight, McGovern and his staff see a serious nutritional problem developing in this country.

It is so serious to him that he sees the lack of nutrition as possibly being the nation's number one health problem.

So McGovern and his committee are now proposing that Congress pass a National Health Manpower Act. It would encourage nutrition education in many ways.

It's an idea that more people might be willing to give serious thought to after the holiday stomach stretcher is over.

[From the Henderson (Ky.) Gleaner-Journal, Dec. 27, 1975]

Worries About Nation's Nutrition Are Justified

We are what we eat, and Sen. George McGovern, D-S.D., is justifiably concerned about what this means in terms of nutrition and health.

"Our eating habits and the composition of our food have changed radically but we do not have any detailed measure of what is happening to the nation's health," McGovern said last week.

"We face the . . . reality of millions of Americans loading their stomachs with food which is likely to make them obese, to give them high blood pressure, to induce heart disease, diabetes and cancer—in short, to kill them over the long term. We face the tragedy of anemic children failing in school and . . . throughout their shortened lives."

McGovern is right to ponder the future of another "burger-and-cola" generation.

A 258-page report from the Senate Select Committee on Nutrition, which McGovern chairs, recommends that Congress pass a Nutritonal Health Manpower Act to promote nutrition education.

It also urges Congress to look at medical licensing examinations, Medicare, and laws governing federal and state health care to see how they might be changed to emphasize good nutrition.

Good nutrition is as vital to the busy businessman as it is the growing child. Paying attention to what we eat is important. McGovern's ideas are food for thought.

[From the New York Post, Dec. 27, 1975]

Empty Calories

Many years of official hearings have given Americans an uneasy understanding of the fact that millions in this generally well-fed nation are still hungry; it is also true that overeating is not necessarily a remedy for undernourishment.

The point was given some emphasis the other day by Sen. George McGovern (D-S.D.). The Senator, chairman of the Senate Select Committee on Nutrition, was the latest to make the distinction between full stomachs and such dietary deficiencies as "empty calories"—largely non-nourishing food.

According to McGovern and his staff, there is evidence that the proposed Household Food Consumption Survey by Agriculture Dept. researchers has been postponed because early data may indicate disturbing nutritional shortcomings in the food choices many Americans make—when they do get a chance to make a meal.

Significantly improved nutrition education is one of the committee's prime recommendations. It may even be enough to compensate for the aggressive promotion of snacks, other mini-meals and potentially damaging food products—particularly the sales pitches aimed at smaller children. That will depend on more data; the food survey could supply some.

[From the Christian Science Monitor, Dec. 24, 1975]

Senate Report Says Federal Policy Must Aim for Reduction of Malnutrition in America

(By Lucia Mouat)

WASHINGTON.—Pressures are building on the Ford administration to develop a coordinated national food policy which takes into account the nation's nutritional needs.

The latest prod comes from the Senate Select Committee on Nutrition and Human Needs. In the foreward to the committee's latest report released over the weekend, Sen. George McGovern (D) of South Dakota, the chairman, calls for an "effective, compassionate, healthful" food policy and suggests as a start that much better information on the nation's eating habits is needed.

The report recommends a continuing nutritional surveillance program so that federal policymakers will know just how America's diet is changing and as precisely as possible the extent of malnutrition in the United States. The Senate report contends that present surveys are inadequate for the job.

The Department of Health, Education, and Welfare's health and nutrition evaluation survey for instance is dismissed in the report as deficient in failing to identify the location and nature of malnutrition and lacking timeliness. The last 1971 data is due to be published in 1976.

Similarly the Department of Agriculture's household food consumption survey, on which food-stamp allotments are based, is criticized for measuring only the average food intake, ignoring its consequences for nutritional health and offering no breakdown by income level.

"We know that the increase in the cost of food has proportionately hit low-income families much harder," notes Rodney Leonard, executive director of the Community Nutrition Institute and another staunch backer of the need for better data and for a forward-looking national food policy.

The Senate report observes that the failure to coordinate such a policy appears to be based on concern that once nutritional health considerations are given free rein, they will threaten traditional agriculture and economic policies such as the administration's effort to limit the size of the nation's food-stamp program.

"Food policy is set by market forces with very little concern for the public interests," charges Senator McGovern.

Mr. Leonard contends such food policy as exists, largely by default, has been governed in part by the world's growing demand for food and the U.S. position as one of the chief suppliers. He reasons that Americans would never have "voted" for the 50 to 60 percent increase in food costs occurring over the last three years as a result in large part of its food-export policy.

The Community Nutrition Institute head says that he is encouraged, however, by what he sees as now widespread recognition of the need for a national food policy: "I guess recognition is the first step toward getting there."

The Senate report, fifth in a series on the subject, is sharply critical of both the Nixon and the Ford administrations, charging them with delaying and underfunding surveys that could really pinpoint the nation's nutritional problems.

In addition to calling for a continuing public-education campaign on grounds that all should have the right to wholesome and safe food in this country, the report recommends specific structural changes in the executive branch such as a food and nutrition policy board within the president's executive office.

It also suggests that Congress establish an office of nutritional health evaluation within the Department of Health, Education, and Welfare and that the HEW secretary provide a report by June, 1978, on the department's plans in nutrition for the following two years.

[From the Christian Science Monitor, Dec. 24, 1975]

Agriculture Department Predicts Wheat Drop as Foreign Grain Importers Assess Situation

(By Robert M. Press)

CHICAGO.—An increasingly hungry world cannot count on the United States to produce more wheat each year.

This is one of the messages the U.S. is telling other countries this week in announcing its main wheat crop next year is likely to be about nine percent less than this year's yield.

Dry weather, mostly in the Mid-Western states which produce the bulk of the nation's winter-planted wheat, has led the U.S. Department of Agriculture (USDA) to forecast lower production in spite of the fact farmers have planted 2 percent more land in wheat than they did for this year's record harvest.

For shoppers in the U.S., the predicted lower production is "not enough to make any absolute difference in the price of bread," says USDA analyst Francis Gomme. Wheat costs, farmers point out, represent only about five cents in the cost of a pound loaf of white bread. The rest is mostly processing and transportation costs.

Importers of U.S. grain, however, will be assessing this week's USDA announcement closely.

The U.S. normally exports about two-thirds of its wheat. Total U.S. grain exports for the 1975–1976 marketing year will comprise about one-half of all feed and food grains moving in global trade, according to the USDA.

How much grain other countries may want from the U.S. next year depends partially on the success of still-unplanted rice crops in Asia and spring-planted wheat in the Soviet Union. But initial finds are that the winter wheat crop of the Soviet Union, which has a much harsher growing climate than does the U.S., "didn't start very well," says Dale Hathaway, director of the International Food Policy Research Institute, a newly formed (private) Canadian-U.S. organization.

This year the Soviet Union after a very bad grain crop, purchased some 13 million metric tons of U.S. grain out of the 80 million metric tons of grain the U.S. will export from that year's crop.

But the impact of the predicted drop in the U.S. wheat production is expected to be slight because the drop represents only about one percent of the world's wheat production, says Dr. Hathaway.

The long-run message of this week's USDA announcement, however, is clearer: steadily increasing agricultural production in the U.S. is not a certainty, because of weather problems or what the National Academy of Sciences describes as technological limits.

"There are upper limits . . . we don't know them," says Bille Hougart, staff officer of the Board of Agriculture and Renewable Resources at the National Academy of Sciences in Washington.

Some agronomists, he said in a telephone interview, speculate the U.S. farmer could double production of some crops. But, he points out:

It would be "difficult to duplicate in the next 25 years" improvements already made in farm equipment;

Much of the past production increases came from choosing the best crops for land available;

The greatest constraints on livestock production are reproductive limits, though research is under way to increase these.

USDA assistant secretary Robert W. Long said recently the U.S. had the "capacity, using present technology," to increase wheat, feed grain, and beef production by nearly 50 percent, and boost soybean output by one-third.

But, he adds, such grains depend on the availability of adequate farmland, water-trained farmers, production incentives, "affordable" fertilizer, and other factors.

By Mr. THURMOND:

S. 2868. A bill to provide chiropractic treatment when requested for veterans eligible for outpatient medical care. Referred to the Committee on Veterans' Affairs.

Mr. THURMOND. Mr. President, today, I am introducing legislation to provide that any veteran eligible for outpatient medical care and who requests chiropractice care by the VA.

Under current VA policy, it is my understanding that chiropractic services may be utilized in the VA only if these services are requested on a case by case basis by a physician. The legislation I am sponsoring would mandate the availability of these services on an outpatient basis.

By virtue of the 1972 amendments to the Social Security Act, chiropractic services are now provided under part B of medicare. Various Federal employee health benefits programs now cover chiropractic services. A number of States include chiropractic services under their medical assistance programs. I believe equal treatment should be provided for VA outpatients who desire chiropractic services.

Mr. President, I have looked into this matter in some depth, and submitted a number of questions to the VA concerning their policy on chiropractic services. I submitted a number of questions to the VA in a letter dated December 4, 1975, and have received a VA reply dated December 24, 1975. Mr. President, since these letters go into detail concerning this issue, I ask unanimous consent that they be printed in the Record.

Mr. President, I send a bill to the desk for appropriate reference, and I ask unanimous consent that it be printed in the Record.

There being no objection, the bill and letters were ordered to be printed in the Record, as follows:

S. 2868

*Be it enacted by the Senate and House of Representatives of the **United States** of America in Congress assembled*, **That** (1) chapter 17 of title 38, United States Code, is amended by adding a new section 629 at the end of subchapter III as follows:

"§ 629. Chiropractic care

"Any veteran eligible for medical services under the provisions of this chapter and who requests chiropractic care shall be furnished chiropractic care provided the doctor of chiropractic holds a degree of doctor of chiropractic from a school or college approved by the Administrator and is licensed to practice chiropractic in any of the States or territories or in the District of Columbia and has practiced chiropractic for a period of at least two years."

(2) By adding after

"628. Reimbursement of certain medical expenses."

in the table of sections at the head of the chapter the following:

"629. Chiropractic care."

December 4, 1975.

Dr. John W. Chase,
Chief Medical Director,
The Veterans Administration,
Washington, D.C.

Dear Doctor Chase: Enclosed for your reference is a copy of a letter I have received, together with an article from the International Review of Chiropractic, concerning the use of chiropractic services within the VA. You will find this material self-explanatory.

I would appreciate your reviewing the comments of Doctor Elich, and your providing me with a report on the current policy of the Department of Medicine and Surgery on the utilization of chiropractic services within the VA.

In preparing your response, it would be helpful if you could answer the following questions and provide the rationale underlying each response:

1. Are chiropractic services currently available on an inpatient basis for VA patients? If so, what is the procedure for determining the need for chiropractic services? If these services are not available, what criteria are used to determine their nonavailability?

2. Has the VA experienced any requests from patients desiring chiropractic services on an inpatient basis? If so, what is the magnitude of these requests and how are they handled?

3. Are chiropractic services available on an outpatient basis for VA patients? If so, what is the procedure for determining the need for these services? If these services are not available, what is the underlying rationale for their nonavailability?

4. Has the VA experienced requests from patients desiring chiropractic services on an outpatient basis? If so, how are these requests handled, and what are their magnitude?

5. If chiropractic services are authorized on a contract basis, could you explain the procedure for reimbursement, together with the annual cost for such services?

6. Is it the position of the VA that legislative authority does or does not exist to provide chiropractic services (a) on an inpatient basis? (b) on an outpatient basis?

7. If the VA authorizes chiropractic services on an outpatient basis, but not on an inpatient basis, what is the rationale underlying this distinction?

I shall appreciate hearing from you at your earliest convenience regarding this request, and want to take this opportunity to thank you for your good work in the Department of Medicine and Surgery.

With best wishes,

Very truly,

Strom Thurmond.

Veterans' Administration, Department of Medicine and Surgery,
Washington, D.C., December 30, 1975.

Hon. Strom Thurmond,
U.S. Senate,
Washington, D.C.

Dear Senator Thurmond: I am pleased to respond to your letter of December 4 regarding the Veterans' Administration policy on chiropractic services.

Before I reply to your specific questions, it might be well to state our policy in general terms. As you know, the law requires that individuals employed as physicians by the VA must possess the degree of doctor of medicine or of osteopathy from a college or university approved by the Administrator, and be licensed to practice medicine, surgery, or osteopathy in a State. Chiropractor do not meet these criteria.

Chiropractic services may, however, be utilized, and the individual providing them be reimbursed therefor, if the services have been requested on a case-by-case basis by a duly qualified physician.

The following are the replies to your questions:

1. Chiropractic services are available, as described above, only if the need is determined on a case-by-case basis by a duly qualified physician.

2. We have no record in VA Central Office of any requests for inpatient chiropractic care. Any such request would be handled at the hospital as a consultation, and we have not attempted to classify the consultations on the 1¼ million patients who are treated annually as inpatients in VA hospitals.

3. Outpatient requests for chiropractic services would be handled on the same basis as inpatient requests. The services would be made available only if specifically requested on an individual case basis by a qualified physician.

4. We have no data on how many requests there are for outpatient chiropractic services, but are aware that there have been a few. To our knowledge they have all been denied, because they were not requested by a physician.

5. If there were any reimbursement for chiropractic services, it would be on an individual fee-for-service basis rather than by contract. To date the question has not arisen, so there are no annual cost figures.

6. There is no specific legislative authority to provide chiropractic services in the VA. We do, however, possess the authority to authorize utilization of such services, and payment therefor, just as we do for the services of other paramedical personnel. This is applicable to both inpatient and outpatient services.

7. There is no distinction between inpatient and outpatient services.

Your interest in this matter is appreciated.

Sincerely yours,

Laurence V. Foye, Jr., M.D.,
John D. Chase, M.D.
Chief Medical Director.

By Mr. RANDOLPH (for himself, Mr. Jackson, Mr. Montoya, and Mr. Domenici):

S. 2869. A bill to amend the Federal Nonnuclear Energy Research and Development Act of 1975. Referred jointly, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs and the Committee on Interior and Insular Affairs.

SENATOR RANDOLPH INTRODUCES SYNTHETIC FUELS ACT OF 1976

Mr. RANDOLPH. Mr. President, if synthetic fuels are to contribute to the U.S. energy supplies during the next decade, the Congress must make the basic decision to direct the course of national energy policies.

Last year, after extensive hearings over a 4-year period, the Senate, on July 31, 1975, approved Federal loan guarantees for synthetic fuels development. Under a provision I authored, $6 billion in Federal loan guarantees were made available for coal gasification and liquefaction, oil shale, solar energy, geothermal, and other nonconventional energy technologies.

Mr. President, lengthly consideration given by the Senate to this measure was set forth in my letter of October 24, 1975, to Representative Olin E. Teague, chairman of the House Committee on Science and Technology. This letter was printed in the Record on December 9, 1975. For the benefit of my colleagues I ask unanimous consent that it again be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Public Works,
Washington, D.C., October 24, 1975.

Hon. Olin E. Teague,
Chairman, Committee on Science and Technology, House of Representatives, Washington, D.C.

Dear Chairman Teague: One of our country's greatest immediate challenges will be to lay the groundwork for the sustained energy programs necessary to assure sufficient domestic energy supplies to maintain a strong economy. With this objective in mind, the Energy Research and Development Administration (P.L. 93-438) was established in 1974: its mission was set forth by the Congress in the Federal Nonnuclear Energy Research and Development Act of 1974 (P.L. 93-577). Subsequently, as an expansion of these authorities, on July 31, 1975, the Senate approved a loan guarantee program as section 103 of S. 598. This letter summarizes the legislative history of this provision and our reasons for supporting its retention by the House and Senate conferees.

Congressional concern for the commercial demonstration of synthetic fuels dates from the 78th Congress, with passage of the Synthetic Liquid Fuels Act of 1944 (P.L. 79-290). Under the Randolph-O'Mahoney Act about $82 million was expended over an eleven year period from 1944 to 1955 for research in synthetic fuels from coal and oil shale.

Following termination of that program, the Senate's National Fuels and Energy Study Group (S. Res. 105, 87th Congress) on September 21, 1962, identified "the role of government-sponsored research in the fuels and energy industries" as one of twelve major policy issues requiring resolution by the Congress (see Senate Document No. 87-159). The programs of the Office of Coal Research were viewed by the Study Group as a proper diversion from the traditional roles of government research, for the synthetic fuels program was specifically directed toward commercial application of new energy technologies. It also was the judgment of the Study Group that a general energy research and development policy was not realistic; rather it was viewed preferable to consider the benefits and costs resulting from each research program on its own merits It was the Study Group's opinion that this position was consistent with the basis on which the synthetic fuels program and the Office of Coal Research were established; namely, flexibility.

Thus it was appropriate when the National Fuels and Energy Policy Study was approved by the Senate five years ago, on May 3, 1971, that its mandate include a requirement for the Study's consideration and recommendations on technological developments in progress, and in prospect, affecting energy and fuel production, distribution, transportation, and transmission (S. Res. 45, 92nd Congress). The Senate's Study was specifically directed to examine desirable areas for further energy research, development, and demonstration and to evaluate the present and potential effect of governmental programs and policies on different segments of the fuel and energy industries and their interaction with other governmental goals, objectives, and programs.

The Study began its oversight investigation in June, 1971, with hearings on the President's Message on Clean Energy, which proposed an expansion toward commercialization of Federal programs on coal gasification. Federal research programs on coal liquefaction and solar energy also were advocated. Subsequently, the Study convened hearings on oil shale and on coal gasification and advanced power cycles in February, 1972; on Federal energy research programs and priorities in June, 1972; and on geothermal energy in June, 1972.

Against this background the Study contracted in 1973 with Resources for the Future for an examination of the United States' energy research and development needs into the next century. Alternative strategies were set forth in the final report of Resources for the Future for the demonstration of coal gasification, coal liquefaction, oil shale, and advanced power cycles as well as fusion, geothermal, and solar energy (S. Res. 45, Publication Serial No. 93-21).

When the Senate Interior Committee, in conjunction with the National Fuels and Energy Policy Study, began consideration in June, 1973, of S. 1283, the Federal Nonnuclear Energy Research and Development Act of 1974, it had two years of oversight hearings serving as background. This measure when introduced emphasized establishment of a comprehensive Federally-sponsored national research, development, and commercial demonstration program. Specifically addressed were coal liquefaction, coal gasification, oil shale, geothermal steam and solar power. When enacted the Federal Nonnuclear Energy Research and Development Act (P.L. 93-577) provided a broad range of financial incentives for use at the discretion of the Administrator of the Energy Research and Development Administration to foster new energy technologies. The Committee on Interior and Insular Affairs also considered general loan guarantee authority. The decision, however, was made to restrict the program to geothermal energy programs in the final measure.

Similar legislation, however, was under consideration by the Committee on Public Works. Proposal amendments to the Resource Recovery Act of 1970 contained authority for Federal loan guarantees for the demonstration of new technologies for the recovery of energy and materials from solid wastes. Such a program was provided for in S. 3560 as well as S. 3277 and S. 3549. Also before the Committee on Public Works was a similar loan guarantee provision in S. 2652 as approved by the Senate Committee on Commerce. Seven days of hearings were convened by the Subcommittee on Environmental Pollution on these measures. Markup of a bill was begun but it was not completed prior to adjournment of the 93rd Congress. The action of the Committees on Public Works and on Commerce on loan guarantees for energy recovery from solid wastes are reflected in Section 217 of S. 2150 of the 94th Congress.

Following hearings on S. 598 (the ERDA authorization bill for Fiscal Year 1976) before the Senate Subcommittee on Energy Research and Water Resources of the Committee on Interior and Insular Affairs, Senator Randolph introduced S. 2066. The Synthetic Fuel Act of 1975 was drafted with the aforementioned loan guarantee provisions as the model. Inclusion of the provisions of S. 2066 in S. 598 as section 103 by the Committee on Interior and Insular Affairs, was agreed to by the Senate Committee on Banking, Housing and Urban Affairs. The provision provides ERDA with loan guarantee authority for the commercial demonstration of new energy technologies. As approved by the Senate this authority would supplement the other Federal financial assistance options already available to the Energy Research and Development Administration for support of new energy technologies. Also before the Senate is a simlar loan guarantee program in S. 973, the Energy Conservation and Development Act, which was introduced by Senator Lloyd Bentsen on March 6, 1975. Such a program was offered by Senator Bentsen and tentatively approved by the Senate Committee on Finance in July, 1975, as an amendment to H.R. 6860, the Energy Conservation and Conversion Act of 1975. In summary, over several years Federal loan guarantees for the support of new energy technologies have been and are being considered by the Senate. The program provided for in Section 103 of S. 598 is consistent with programs considered by the Committees on Finance, on Banking, Housing and Urban Affairs, on Interior and Insular Affairs, on Public Works, and on Commerce.

In our judgment, enactment of this loan guarantee program at this time would be consistent with national efforts to promote greater energy self-sufficiency at the earliest date. Moreover, the provision would retain this program in ERDA and would preserve the Congressional review procedures incorporated in ERDA's enabling legislation. The provision must be administered consistent with the Federal Nonnuclear Energy Research and Development Act of 1974. Therefore, the governing principles (Section 5) of that Act would apply, which require the "environmental and social consequences of a proposed program shall be analyzed and considered in evaluating its potential. Moreover, the program under Section 103 of S. 598 would have to be reflected in ERDA's comprehensive plan for energy research, development and demonstration which will be submitted to the Congress annually pursuant to section 6 of that Act. In addition, a report on each proposed loan guarantee for a demonstration project would have to be submitted to the Congress and reside before the Congress for 90 days before it could be finalized by the Administrator; this also is consistent with the policies set forth in ERDA's enabling legislation, including the Federal Nonnuclear Energy Research and Development Act of 1974.

Assuring you of our desire to cooperate, but with hope that this detailed letter will explain supportive documentation for loan guarantees for new energy technologies, we are,

Truly,

Jennings Randolph.

Mr. RANDOLPH. Mr. President, when the Senate on July 31, 1975, approved S. 598 as a substitute for H.R. 3474 by a vote of 92 to 2, it was with the recognition that there was no comparable provision in the House passed measure. Subsequently, on December 17, 1975, the Senate approved the conference report on H.R. 3474 by a vote of 80 to 10.

This action recognized the reality that now is the time for commitment to our country's energy future. Thus I was disturbed that the House of Representatives could not support retention of this loan guarantee provision of the conference agreement.

I have read the House debate and understand and appreciate the issues raised regarding oil shale development and matters relating to House committee jurisdictions.

Mr. President, I introduce the Synthetic Fuels Act of 1976, on behalf of myself and Senators JACKSON and MONTOYA. This measure expands on the provisions of S. 2066 which I introduced on July 8, 1975. This earlier legislation was incorporated with amendments in S. 598, authorizing fiscal year 1976 appropriations for the Energy Research and Development Administration.

During the House-Senate conference on this measure, modifications were made in the Senate passed provision to reflect concerns raised during hearings before the House Committee on Science and Technology.

The Synthetic Fuels Act of 1976 contains the language approved by the House-Senate conferees as section 103 of S. 598 with two modifications: First, specific reference to loan guarantees for oil shale development has been deleted. Second, the authorization for synthetic gaseous fuels from coal was restored to the Senate approved minimum of $2.5 billion. These are the only changes.

The proposed loan guarantee program does not commit the Federal Government to creation of a synthetic fuels industry. Rather, it is designed to encourage the early construction of a few prototype facilities to demonstrate the potential of new technologies. The experience of building these plants will facilitate responsible decisions for synthetic fuels development in the future.

The principal constraint to deployment of presently known technologies is the availability of sufficient capital at reasonable interest rates. Thus if synthetic fuels are to be developed in this decade, the Federal Government must encourage the commercialization of first generation technologies.

Mr. President, I ask unanimous consent that there be printed in the RECORD the text of the Synthetic Fuels Act of 1976 and extracts of relevant materials from the conference report on H.R. 3474.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2869

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Synthetic Fuels Act of 1976".

SEC. 2. It is the purpose of this Act to—

(1) assure adequate Federal support to foster joint Government and industry demonstration of new energy technologes;

(2) promote a program capable by 1985 of producing synthetic gaseous, liquid, and solid fuels from coal equivalent to at least one million barrels of oil per day;

(3) authorize loan guarantees for the construction and operation of facilities for the commercial production of synthetic fuels from coal; and

(4) further the national energy policies enunciated in the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878; 42 U.S.C. 5901 et seq.).

SEC. 3. (a) Section 7(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906) is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (5),

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(7) Federal loan guarantees and commitments thereof as provided in section 17.".

(b) The Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901, et seq.) is further amended by adding at the end thereof the following new section:

"LOAN GUARANTEES FOR COMMERCIAL DEMONSTRATION FACILITIES

"SEC. 17. (a) It is the purpose of this section—

"(1) to assure adequate Federal support to foster a joint government and industry commercial demonstration program to produce synthetic fuels from coal, and other domestic resources, to employ biomass and renewable and geothermal energy sources to produce synthetic fuels and other desirable forms of energy on a commercial scale, and to assure the availability of energy-efficient industrial equipment and facilities.

"(2) to authorize loan guarantees for the construction and start-up related costs of commercial demonstration facilities (A) for the conversion of domestic coal, biomass, and other domestic resources into synthetic fuels; (B) for the commercial demonstration of synthetic fuels and other desirable forms of energy from renewable and geothermal sources; and (C) for the commercial demonstration of energy-efficient industrial equipment and facilities; and

"(3) to gather information about the technological, economic, environmental, and social costs, benefit, and impacts of such commercial demonstration facilities. "(b) (1) The Administrator is authorized, in accordance with such rules and regulations as he shall prescribe, after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee, in such manner and subject to such conditions (not inconsistent with the provisions of this Act) as he deems appropriate, the payment of interest on, and the principal balance of, bonds, debentures, notes and other obligations issued by or on behalf of any borrower for the purpose of (A) financing the construction and start-up and related community planning and development costs of commercial demonstration facilities for the conversion of domestic coal, biomass, and other domestic resources into synthetic fuels, including, but not limited to, such synthetic fuels from fuels suitable for boiler use in compliance for mixture and transportation with natural gas by pipeline; gaseous, liquid, and solid fuels suitable for boilers use in compliance with applicable environmental requirements; liquid fuels for transportation uses; and petrochemicals; (B) financing the construction and start-up costs of commercial demonstration facilities to generate desirable forms of energy (including synthetic fuels) in commercial quantities from direct solar, wind, ocean thermal gradient, bioconversion, or other renewable energy resources; (C) financing the purchase, construction, installation, and start-up costs of energy-efficient industrial equipment and facilities for commercial demonstration; and (D) further implementing the financing of geothermal resource development under the Geothermal Energy Research, Development, and Demonstration Act of 1974 (30 U.S.C. 1101 et seq.). The outstanding indebtedness guaranteed and committed to be guaranteed under clauses (A), (B), and (C) of this paragraph shall at no time exceed $6,000,000,000: *Provided,* That $2,500,000,000 of guarantees shall be available for commercial demonstration facilities to produce high-Btu gaseous fuel compatible for mixture and transportation with natural gas by pipeline. Loan guarantees for geothermal resources development under clause (D) of this paragraph shall be carried out pursuant to the authority and provisions of the Geothermal Energy Research, Development, and Demonstration Act of 1974; *Provided,* That paragraphs (2) and (4) of this subsection, and subsections (g)(2), (h), (j), and (n) of this section, shall also apply to such guarantees: *Provided further,* That the limitations in section 201(e) of the Geothermal Energy Research, Development, and Demonstration Act of 1974 (30 U.S.C. 1141(e)) shall not apply to such guarantees.

"(2) An applicant for any guarantee under this section shall provide information to the Administrator in such form and with such content as the Administrator deems necessary.

"(3) Prior to issuing any guarantee under this section the Administrator shall obtain the concurrence of the Secretary of the Treasury with respect to the timing, interest rate, and substantial terms and conditions of such guarantee.

"(4) The full faith and credit of the United States is pledged to the payment of all guarantees issued under this section with respect to principal and interest.

"(c) The Administrator, with due regard for the need for competition, shall guarantee or make a commitment to guarantee any obligation under subsection (b) only if—

"(1) the Administrator is satisfied that the financial assistance applied for is necessary to encourage financial participation;

"(2) the amount guaranteed does not exceed 75 per centum of the total cost of the commercial demonstration facility, as determined by the Administrator: *Provided,* That the amount guaranteed may not exceed 90 per centum of the total cost of the commercial demonstration facility during the period of construction and startup.

"(3) the Administrator has determined that there will be a continued reasonable assurance of full repayment;

"(4) the loan is subject to the condition that it not be subordinated to any other financing;

"(5) the Administrator has determined, taking into consideration all available forms of assistance under this section and other Federal statutes, that the impacts directly resulting from the proposed commercial demonstration facility have been fully evaluated by the borrower, the Administrator, and others, and that effective steps have been taken or are planned to be taken in a timely manner to finance community planning and development costs directly resulting from such facility under this section, under other provisions of law, or by other means; and

"(6) the maximum maturity of the loan does not exceed thirty years, or 90 per centum of the projected useful economic life of the physical assets of the commercial demonstration facility covered by the guarantee, whichever is less, as determined by the Administrator.

"(d) At least sixty days prior to submitting a report to Congress pursuant to subsection (m) of this section on each guarantee, the Administrator shall request from the Attorney General and the Chairman of the Federal Trade Commission written views, comments, and recommendations concerning the impact of such guarantee or commitment on competition and concentration in the production of energy and give due consideration to views, comments, and recommendations received: *Provided,* That if either official recommends against making such guarantee or commitment, the Administrator shall not do so unless he determines in writing that such guarantee or commitment is in the national interest.

"(e) (1) As soon as the Administrator knows the geographic location of a proposed facility for which a guarantee or a commitment to guarantee is sought under this section, he shall inform the Governor of the State, and officials of each political subdivision and Indian tribe, as appropriate, in which the facility would be located or which would be impacted by such facility. The Administrator shall not guarantee or make a commitment to guarantee under subsection (b) of this section if the Governor of the State in which the proposed facility would be located recommends that such action not be taken unless the Administrator finds that there is an overriding national interest in taking such action in order to achieve the purpose of this section. If the Administrator decides to guarantee or make a commitment to guarantee despite a Governor's recommendation not to take such action, he shall communicate, in writing, to the Governor his reasons for not concurring with such recommendation. The Administrator's decision, pursuant to this subsection, shall be final unless determined upon a judicial review to be arbitrary and capricious. Such review shall take place in the United States court of appeals for the circuit in which the State involved is located, upon application made within ninety days from the date of such decision. The Administrator shall, by regulation, establish procedures for review of and comment on the proposed facility by a State, local political subdivisions, and Indian tribes which may be impacted by such facility, and the general public.

"(2) The Administrator shall review and approve the plans of the applicant for the construction and operation of any commercial demonstration and related facilities constructed or to be constructed with assistance under this section. Such plans and the actual construction shall include such monitoring and other data-gathering costs associated with such facility as are required by the comprehensive plan and program under this subsection. The Administrator shall determine the estimated total cost of such demonstration facility, including, but not limited to, construction costs, start-up costs, costs to political subdivisions and Indian tribes impacted by such facility, and costs of any water storage facilities needed in connection with such demonstration facility, and determine who shall pay such costs.

"(f) Except in accordance with reasonable terms and conditions contained in the written contract of guarantee, no guarantee issued or commitment to guarantee made under this section shall be terminated, canceled, or otherwise revoked. Such a guarantor or commitment shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Subject to the conditions of the guarantee or commitment to guarantee, such a guarantee shall be incontestable in the hands of the holder of the guaranteed obligation, except as to fraud or material misrepresentation on the part of the holder.

"(g) (1) If there is a default by the borrower as defined in regulations promulgated by the Administrator and in the guarantee contract, the holder of the obligation shall have the right to demand payment of the unpaid amount from the Administrator. Within such period as may be specified in the guarantee or related agreements, the Administrator shall pay to the holder of the obligation the unpaid interest on and unpaid principal of the guaranteed obligation as to which the borrower has defaulted, unless the Administrator finds that there was no default by the borrowers in the payment of interest or principal or that such default has been remedied. Nothing in this section shall be construed to preclude any forbearance by the holder of the obligation for the benefit of the borrower which may be agreed upon by the parties to the guaranteed obligation and approved by the Administrator.

"(2) If the Administrator makes a payment under paragraph (1) of this subsection or section 202(b) of the Geothermal Energy Research, Development, and Demonstration Act of 1974, he shall be subrogated to the rights of the recipient of such payment as specified in the guarantee or related agreements including, where appropriate, the authority (notwithstanding any other provision of law) to complete, maintain, operate, lease, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements, or to permit the borrower, pursuant to an agreement with the Administrator, to continue to pursue the purposes of commercial demonstration facility if the Administrator determines that this is in the public interest.

"(3) In the event of a default on any guarantee under this section, the Administrator shall notify the Attorney General, who shall take such action as may be appropriate to recover the amounts of any payments made under paragraph (1) (including any payment of interest under subsection (h) from such assets of the defaulting borrower as are associated with commercial demonstration facility, or from any other security included in the terms of the guarantee.

"(4) For purposes of this section, patents, and technology resulting from the commercial demonstration facility shall be treated as project assets of such facility in accordance with the terms and conditions of the guarantee agreement. Furthermore, the guarantee agreement shall contain a provision specifying that patents, technology, and other proprietary rights which are necessary for the completion or operation of the commercial demonstration facility shall be available to the Government and its designees on equitable terms, including due consideration to the amount of the Government's default payments.

"(h) With respect to any obligation guaranteed under this section, the Administrator is authorized to enter into a contract to pay, and to pay, the holders of the obligation for and on behalf of the borrower from the fund established by this section the principal and interest payments which become due and payable on the unpaid balance of such loan if the Administrator finds that—

"(1) the borrower is unable to meet such payments and is not in default; it is in the public interest to permit the borrower to continue to pursue the purposes of such demonstration facility; and the probable net benefit to the Federal Government in paying such principal and interest will be greater than that which would result in the event of a default;

"(2) the amount of such payment which the Administrator is authorized to pay shall be no greater than the amount of principal and interest which the borrower is obligated to pay under the loan agreement; and

"(3) the borrower agrees to reimburse the Administrator for such payments on terms and conditions, including interest, which are satisfactory to the Administrator.

"(i) Regulations required by this section shall be issued within one hundred and eighty days after enactment of this section, except as provided in subsection (t) of this section. All regulations under this section and any amendments thereto shall be issued in accordance with title 5 United States Code, section 553.

"(j) The Administrator shall charge and collect fees for guarantees of obligations authorized by clauses (A)3 (except with respect to community planning and development), (B), (C), and (D) of subsection (b) (1), in amounts sufficient in the judgment of the Administrator to cover the applicable administrative costs and probable losses on guaranteed obligations, but in any event not to exceed 1 per centum per annum of the outstanding indebtedness covered by the guarantee.

"(k) (1) In accordance with such rules and regulations as the Administrator in consultation with the Secretary of the Treasury shall prescribe, and subject to such terms and conditions as he deems appropriate, the Administrator is authorized, for the purpose of financing essential community development and planning which directly result from, or are necessitated by, one or more commercial demonstration facilities assisted under this section to—

"(A) guarantee and make commitments to guarantee the payment of interest on, and the principal balance of, obligations for such financing issued by eligible States, political subdivisions, or Indian tribes,

"(B) guarantee and make commitments to guarantee the payment of taxes imposed on such commercial demonstration facilities by eligible non-Federal taxing authorities which taxes are earmarked by such authorities to support the payment of interest and principal on obligations for such financing, and

"(C) require that the applicant for assistance for a commercial demonstration facility under this section advance sums to eligible States, political subdivisions, and Indian tribes to pay for such financing of such development and planning: *Provided*, That the State, political subdivision, or Indian tribe agrees to provide tax abatement credits over the life of the facilities for such payments by such applicant.

"(2) Prior to issuing any guarantee under this subsection, the Administrator shall obtain the concurrence of the Secretary of the Treasury with respect to the timing, interest rate, and substantial terms and conditions of such guarantee.

"(3) The total amount guaranteed under paragraph (1) of this subsection shall not exceed $350,000,000 which shall be included in the limitation on outstanding indebtedness set forth in subsection (b) (1) of this section.

"(4) In the event of any default by the borrower in the payment of taxes guaranteed by the Administrator under this subsection, the Administrator shall pay out of the fund established by this section such taxes at the time or times they may fall due, and shall be subrogated to the rights of such taxing authority.

"(5) If after consultation with the State, political subdivision, or Indian tribe, the Administrator finds that the financial assistance programs of paragraph (1) of this subsection will not result in sufficient funds to carry out the purposes of this subsection then the Administrator may—

"(A) make direct loans to the eligible States, political subdivisions, or Indian tribes for such purposes: *Provided*, That such loans shall be made on such reasonable terms and conditions as the Administrator shall prescribe: *Provided further*, That the Administrator may waive repayment of all or part of a loan made under this paragraph, including interest, if the State or political subdivision or Indian tribe involved demonstrates to the satisfaction of the Administrator that due to a change in circumstances there will be net adverse impacts resulting from such demonstration facility that would probably cause such State, subdivision, or tribe to default on the loan; or

"(B) require that any community development and planning costs which are associated with, or result from, such demonstration and which are determined by the Administrator to be appropriate for such inclusion shall be included in the total costs of the commercial demonstration facility.

"(6) The Administrator is authorized to make grants to States, political subdivisions, or Indian tribes for studying and planning for the potential economic, environmental, and social consequences of such commercial demonstration facilities.

"(7) At any time the Administrator may,

with the concurrence of the Secretary of the Treasury, redeem, in whole or in part, out of the fund established by this section, the debt obligations guaranteed or the debt obligations for which tax payments are guaranteed under this subsection.

"(8) When one or more States, political subdivisions, or Indian tribes would be eligible for assistance under this subsection but for the fact that construction and operation of the commercial demonstration facility occurs outside the jurisdiction of that authority, the Administrator is authorized to provide, to the greatest extent possible, arrangements for equitable sharing of such assistance.

"(9) Such amounts as may be necessary for direct loans and grants pursuant to this subsection shall be available as provided in annual authorization Acts and shall be requested in fiscal year 1977, and in subsequent fiscal years.

"(10) The Administrator, if appropriate, shall provide assistance in the financing of up to 100 per centum of the costs of the required community development and planning pursuant to this subsection.

"(l) (1) The Administrator is directed to submit a report to the Congress within one hundred and eighty days after the enactment of this section setting forth his recommendations on the best opportunities to implement a program of Federal financial assistance with the objective of demonstrating production and conservation of energy.

"(2) The report submitted under paragraph (1) of this subsection shall include a comprehensive plan and program to acquire information and evaluate the environmental, economic, social, and technological impacts of the demonstration program under this section. In preparing such a comprehensive plan and program, the Administrator shall consult with the Environmental Protection Agency, the Federal Energy Administration, the Department of Housing and Urban Development, the Department of the Interior, and the Department of Agriculture.

"(3) The comprehensive plan and program described in paragraph (2) shall include, but not be limited to—

"(A) information about potential commercial demonstration facilities proposed in the program under this section;

"(B) any significant adverse impacts which may result from any activity included in the program;

"(C) proposed regulations required to carry out the purpose of this section;

"(D) a list of Federal agencies, governmental entities, and other groups that will be consulted or utilized to implement the program; and

"(E) methods and procedures by which the information gathered under the program will be analyzed and disseminated.

"(4) The report required under paragraph (1) of this subsection shall be updated and submitted to the Congress at least annually for the duration of the program under this section.

"(m) Prior to issuing any guarantee or commitment to guarantee pursuant to subsection (b) of this section, the Administrator shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Interior and Insular Affairs of the Senate a full and complete report on the proposed commercial demonstration facility and such guarantee. Such guarantee or commitment to guarantee shall not be finalized under the authority granted by this section prior to the expiration of ninety calendar days (not including any day on which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which such report is received by such committees: *Provided*, That, where the cost of such commercial facility exceeds $350,000,000, such guarantee or commitment to guarantee shall not be finalized if prior to the close of such ninety-day period either House passes a resolution stating in substance that such House does not favor the making of such guarantee or commitment.

"(n) (1) There is hereby created within the Treasury a separate fund (hereafter in this section called the 'fund') which shall be available to the Administrator without fiscal year ilmitation as a revolving fund for the purpose of carrying out the program authorized by clauses (A), (B), and (C) of subsection (b) (1) and subsections (h) and (k) of this section. The Geothermal Resources Development Fund established by the Geothermal Energy Research, Development, and Demonstration Act of 1974 shall be available for the purpose of carrying out the geothermal loan guarantee program as established by that Act and as further implemented by this section.

"(2) There are authorized to be appropriated to the fund from time to time such amounts as may be necessary to carry out the purposes of the applicable provisions of this section, including, but not limited to, the payments of interest and principal and the payment of interest differentials and redemption of debt. All amounts received by the Administrator as interest payments or repayments of principal on loans which are guaranteed under this section, fees, and any other moneys, property, or assets derived by him from operations under this section shall be deposited in the fund or in the Geothermal Resources Development Fund, as applicable.

"(3) All payments on obligation, appropriate expenses (including reimbursements to other government accounts), and repayments pursuant to operations of the Administrator under this section shall be paid from the fund subject to appropriations or from the Geothermal Resources Development Fund, as applicable. If at any time the Administrator determines that moneys in the fund exceed the present and reasonably foreseeable future requirements of the fund, such excess shall be transferred to the general fund of the Treasury.

"(4) If at any time the moneys available in the fund or in the Geothermal Resources Development Fund are insufficient to enable the Administrator to discharge his responsibilities as authorized by subsection (b) (1), (h), and (k) of this section, or the Geothermal Energy Research, Development, and Demonstration Act of 1974 (30 U.S.C. 1101), as the case may be, the Administrator shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Administrator from appropriations or other moneys available under paragraph (2) of this subsection for loan guarantees authorized by clauses (A), (B), and (C) of subsection (b) (1) and subsections (h) and (k) of this section and from appropriations or other moneys available under section 204 of the Geothermal Energy Research, Development, and Demonstration Act of 1974 for loan guarantees described in clause (D) of subsection (b) (1) of this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall be not less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act; and the purpose for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(5) The provisions of this subsection do not apply to direct loans made under subsection (k) of this section.

"(o) For the purposes of this section, the term—

"(1) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, or any territory or possession of the United States,

"(2) 'United States' means the several States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa, and

"(3) 'borrower' or 'applicant' shall include any individual, corporation, company, partnership, association, society, trust, joint venture, joint stock company, or other non-Federal entity.

"(p) An applicant seeking a guarantee under subsection (b) of this section must be a citizen or national of the United States. A corporation, partnership, firm, or association shall not be deemed to be a citizen of the United States unless the Administrator determines that it satisfactorily meets all the requirements of section 802 of title 46, United States Code, for determining such citizenship, except that the provisions in subsection (a) of such section 802 concerning (1) the citizenship of officers or directors of a corporation, and (2) the interest required to be owned in the case of a corporation, association, or partnership operating a vessel in the coastwise trade, shall not be applicable.

"(q) No part of the program authorized by this section shall be transferred to any other agency or authority, except pursuant to Act of Congress hereinafter enacted.

"(r) Inventions made or conceived in the course of or under a guarantee authorized by this section shall be subject to the title and waiver requirements and conditions of section 9 of this Act.

"(s) With respect to any obligation which is issued after the enactment of this section by, or in behalf of, any State, political subdivision, or Indian tribe and which is either guaranteed under, or supported by taxes levied by said issuer which are guaranteed under, this section, the interest paid on such obligation and received by the purchaser thereof (or the purchaser's successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954 as amended: *Provided*, That the Administration shall pay to such issuer out of the fund established by this section such portion of the interest on such obligations, as determined by the Secretary of the Treasury to be appropriate after taking into account current market yields on obligations of said issuer, if any, or other obligations with similar terms and conditions, interest on which is not so included in gross income for purposes of chapter 1 of said Code and in accordance with such terms and conditions as the Secretary of the Treasury shall require.

"(t) (1) Each officer or employee of the Energy Research and Development Administration who—

"(A) performs any function or duty under this Act; and

"(B) (i) has any known financial interest in any person who is applying for or receiving financial assistance for a commercial demonstration facility under this section; or "(ii) has any known financial interest in property from which coal, natural gas, oil shale, crude oil, or other energy resources are commercially produced in connection with any commercial demonstration facility receiving financial assistance under this section,

shall, beginning on February 1, 1977, annually file with the Administrator a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

"(2) The Administrator shall—

"(A) act within ninety days after the date of enactment of this Act—

"(i) to define the term 'known financial interest' for purposes of paragraph (1) of this subsection; and

"(ii) to establish the methods by which the requirement to file written statements specified in paragraph (1) will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Administrator of such statements; and

"(B) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

"(3) In the rules prescribed in paragraph (2) of this subsection, the Administrator may identify specific positions within the Administration which are of a nonpolicymaking nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this subsection.

"(4) Any officer or employee who is subject to, and knowingly violates, this subsection shall be fined not more than $2,500 or imprisoned not more than one year, or both.

"(u) Nothing in this section shall be construed as affecting the obligations of any borrower receiving a guarantee pursuant to this section to comply with Federal and State environmental, land use, water, and health and safety laws and regulations or to obtain applicable Federal and State permits, licenses, and certificates.

"(v) The information maintained by the Administrator under this section shall be made available to the public, subject to the provisions of section 522 of title 5, United States Code, and section 1905 of title 18, United States Code, and to other Government agencies in a manner that will facilitate its dissemination: *Provided*, That upon a showing satisfactory to the Administrator by any person that any information, or portion thereof, obtained under this section by the Administrator directly or indirectly from such person would, if made public, divulge (1) trade secrets or (2) other proprietary information of such person, the Administrator shall not disclose such information and disclosure thereof shall be punishable under section 1905 of title 18, United States Code: *Provided further*, That the Administrator shall not withhold such information from (A) any delegate of the Administrator for the purpose of carrying out this Act, and (B) the Attorney General, the Secretary of Agriculture, the Secretary of the Interior, the Federal Trade Commission, the Federal Energy Administration, the Environmental Protection Agency, the Federal Power Commission, the General Accounting Office, or heads of other Federal agencies, when necessary to carry out those agencies' duties and responsibilities under this and other statutes, but such agencies shall not release such information to the public. This section is not authority to withhold information from Congress or any committee of Congress upon request of the chairman. For the purposes of this subsection, the term "person' shall include the borrower.

"(w) Notwithstanding any other provision of this section, authorities made available herein shall be effective only to the extent and in such amounts as provided in advance in appropriation Acts enacted after the date of enactment of this section.".

EXTRACT FROM CONFERENCE REPORT ON H.R. 3474, AUTHORIZING APPROPRIATIONS FOR THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION, FISCAL YEAR 1976 (HOUSE REPORT NO. 94-696)

SECTION 103—LOAN GUARANTEE PROGRAM FOR COMMERCIAL DEMONSTRATION FACILITIES

The Senate amendment included a new section authorizing loan guarantees for up to 75% of the cost of construction and operation of commercial-sized demonstration plants to convert coal and oil shale into synthetic fuels and to generate power or heat in commercial quantities utilizing as their energy source, direct solar, wind, ocean thermal gradient, biocenversion, or geothermal resources. The amendment authorized loan guarantees aggregating $6 billion for this new program. The House bill had no similar provision.

The Conferees recommend a revision of the Senate amendment to add a new Section 17 to the Federal Nonnuclear Energy Research and Development Act of 1974. The new Section 17 limits the guarantees to construction and start-up costs.

The Conferees agree that such a loan guarantee program is needed to initiate a meaningful commercial scale demonstration of promising energy conversion technologies and to generate essential information. A primary objective is to gather data about the technological, economic, environmental, and social costs, benefits, and impacts of these plants.

The conferees observe that many profound public policy decisions turn upon the viability of replacing imported energy with synthetic fuels created from domestic resources. In the absence of the experience and information which would be provided by the demonstrations assisted by these programs, these decisions will have to be made with inadequate information about their economic viability, their effort on our environment, and their impact on communities and States. This proposal gives the public, through ERDA, the States, local political subdivisions, and Indian Tribes, a say in how, when, and where the first of these plants will be built. With the information gained from these first plants, industry and government at all levels can better plan how, when, and where others will be built.

SECTION 17(B)(1)(A)—SIZE OF OIL SHALE DEMONSTRATION PLANTS

The new section 17(b)(1)(A) includes a proviso that directs ERDA to review carefully applications for loan guarantees to build oil shale commercial demonstration facilities to insure that such demonstration facilities are no larger than actually necessary to demonstrate commercial viability of the technology. Recent hearings by the House Science and Technology Committee have indicated that a full-scale commercial size facility may not be necessary initially to prove the viability of the technology and other factors. It has been suggested that a modular facility may be adequate. The Conferees do not adopt or reject that suggestion, but expect ERDA to examine the matter. The language gives ERDA adequate flexibility to approve whatever facility is reasonable.

The Conferees note that the Administrator's judgment as to the size of the facility would be subject to judicial review under existing law.

SECTION 17(B)(1)—GEOTHERMAL ENERGY

Loan guarantees for the commercial development of geothermal energy resources will be carried out pursuant to Title II of Public Law 93-410, the Geothermal Energy Research and Demonstration Act of 1974. Unlike Section 103, which applies only to commercial demonstration facilities, Public Law 93-410 provides for loan guarantees for the purposes of:

(1) The determination and evaluation of the resource base;

(2) Research and development with respect to extraction and utilization technologies;

(3) Acquiring rights in geothermal resources; or

(4) Development, construction, and operation of facilities for the demonstration or commercial production of energy from geothermal resources.

The following paragraphs and subsections of Section 103 do apply to geothermal loan guarantees. These paragraphs and subsections bring the geothermal loan guarantee program and the loan guarantee program of Section 103 into conformity in a number of important aspects:

(b)(1) Removes the limits of $25 million per project and $50 million per borrower.

(b)(2) Relates to information supplied to the Administrator by an applicant for a loan guarantee.

(b)(4) Explicitly pledges the full faith and credit of the United States to the guarantees.

(g)(2) Provides the Administrator with flexibility to provide for the completion and operation of projects in default, if such continuation is in the public interest.

(h) Authorizes the Administrator to pay the lender principle and interest payments if it is in the public interest to prevent default.

(j) Provides authority for the Administrator to collect fees for loan guarantees to cover the applicable administrative costs and probable losses, but not to exceed 1% in any one year of the outstanding indebtness.

(n) Provides that the geothermal resources fund may have funds made available to it by notes issued by the Administrator to the Secretary of the Treasury.

(v) Provides that information obtained shall be available to public, except where ERDA determines it to be confidential.

Proposed regulations implementing the geothermal loan guarantee program under Public Law 93-410 have been published on October 28, 1975 (40 F.R. 50100). The Conferees intend and expect that the modifications required by Section 103 will not delay promulgation of regulations. This will permit the Geothermal Loan Guarantee Program to be implemented expeditiously.

SECTION 17(b)(1)—UTILIZATION OF LOAN GUARANTEE AUTHORITY

Section 103 authorizes a loan guarantee program to assist in the financing of commercial demonstrations of a variety of energy technologies. The total commitment of outstanding guarantees authorized in this measure is limited to $6 billion. The division of this amount among the various technologies has not been included in the bill or arrived at by the Conferees with two exceptions. The total amount included within the $6 billion for loan guarantees in support of social impact assistance to local communities is limited to $350 million.

Additionally, the Conferees agreed to retain a provision of the Senate version of the measure stating "that up to $2,500,000,000 of guarantees shall be available for projects to produce high-Btu gaseous fuel compatible for mixture and transportation with natural gas by pipeline."

The Conferees note that the amount of $2,500,000,000 is a ceiling on the amount to be devoted to high-Btu gas demonstrations, and not a minimum. It was, however, the sense of the conference as it had been of the Senate committee, to assign a priority to demonstrations of the synthetic production of pipeline quality gas. The advanced state of technology for coal gasification coupled with the critical shortages of natural gas facing many portions of the nation makes the demonstration of viable synthetic gas production technologies an important objective of the Federal research, development and demonstration program.

The Conferees also point out that the scope of the loan guarantee program is not coincident with the scope of the synthetic fuels program which has been outlined by the President's synthetic fuels task force. While the measure provides latitude for the Administrator to apportion the loan guarantees among technologies and to respond to available proposals, the conferees expect the Administrator aggressively to seek and entertain proposals for demonstrations of a full range of technologies. The Administrator will have to make a particular effort to obtain proposals in the less conventional technologies where well establish industries do not exist and where the types of potential demonstrations are not widely known.

The Administrator should make a special effort to explore the potential for demonstrations using lignite, peat, and lesser known fossil fuels as an energy source, to demonstrate commercial solar energy applications, and to demonstrate the use of waste products for energy production. This high priority should also extend to significant demonstrations of industrial energy conservation equipment and facilities, since economic energy conservation measures are perhaps the most environmentally attractive technological frontier today. Further implementation of the geothermal loan guarantee program established by Public Law 93-410 is expedited by incorporation of certain parts of this section.

SECTION 17(b)(1)—LIMITATION ON INDEBTEDNESS

The limitation on outstanding indebtedness guaranteed refers to the total liability or fiscal exposure which may be assumed by ERDA under this section in the event that all the outstanding obligations are defaulted.

SECTION 17(b)(1)(B)—RENEWABLE RESOURCES

Subsection 17(b)(1)(B) authorizes the Administrator to provide loan guarantee assistance in financing the construction and start-up costs of commercial demonstration facilities that will produce, from various renewable energy resources, commercial quantities of desirable forms of energy. Renewable energy resources are generally considered to be all direct and indirect forms of solar energy, as well as tidal energy. These have the characteristic that are usually replaced by natural means within a time span on the order of one or two generations. Such resources include but are not limited to direct solar, wind, ocean thermal gradients, biomass grown purposefully for recovery of energy values, and wastes of all types, such as urban, industrial, agricultural, and forestry wastes. Desirable forms of energy include but are not limited to synthetic fuels, direct heat, electricity, low-grade heat, ammonia, and recycled materials originally produced by methods which consume significant amounts of energy.

SECTION 17(b)(3) AND (k)(2)—TREASURY TO ACT PROMPTLY

This subsection was adopted to assure that the loan guarantees are administered with the concurrence of the Secretary of the Treasury so as to minimize the impact on the money market and coordinate these efforts with other Administration programs which affect fiscal policy. It is expected that the Secretary of the Treasury will act promptly so that the concurrence will not delay the implementation of this program and that the Secretary will exercise special care that smaller projects will not be delayed.

SECTION 17(C)—COMPETITION

Subsection (c) requires that the Administrator have due regard for competition in carrying out loan guarantees. The Conferees are concerned that concentration in the energy business not be further aggravated through Federal loan guarantees. The Administrator is expected to be sensitive to this concern. The Conferees note as well that by-products from a commercial demonstration may have value comparable to the primary product. It is expected that the Administrator will consider these significant by-products when giving due consideration to the maintenance of competition.

SECTION 17(C)(1)—FINANCIAL PARTICIPATION

The Senate amendment referred to financial participation by private lenders or investors and referenced approval of application for a guarantee by the Secretary of the Treasury. In order to permit the utilization of the Federal Finance Bank, where appropriate, as authorized by the Federal Finance Bank Act of 1973 (Public Law 93-224, 12 U.S.C. 1281), the reference to "private lenders or investors" has been deleted.

SECTION 17(C)(2)—PROJECT COSTS

The Senate amendment authorized ERDA to make guarantees for up to 75% of the total project cost of each facility. It added that during the period of construction this guaranteed amount could exceed this percentage limit until construction is completed as determined by ERDA. Thus, the guarantee could be as high as 100% during construction.

The Conference recommendation is to retain the 75% limitation and to authorize a higher percentage during construction and the start up period but limit this to a maximum of 90%. The conferees emphasize that ERDA must require in the regulations or each guarantee agreement that the total guarantee of the facility when construction and start up ends and commercial operation begins as determined by ERDA does not exceed 75%. The Conferees want to make it clear that at all times the borrower will have a substantial and meaningful equity in the facility so that the risk will be shared. ERDA will have to examine the form of equity to insure compliance with this intention of the conferees.

The Conferees considered and rejected a provision to exclude from project costs for the purposes of loan guarantees the value of certain payments made to the United States such as bonuses, royalties, and rents. It is the intent of the Conferees, however, that the value of any Federal facilities, property, or other consideration which in certain situations might be made available for use in any demonstration project be excluded from project costs unless the Federal Government has, in fact, been paid the value of such facilities, property, or considerations by the parties financing the project.

SECTION 17(D)—COMPETITIVE IMPACT

Noting concern about the competitive impact of each commercial demonstration facility, the Conferees included in the new section 17 of the Federal Nonnuclear Energy Research and Development Act of 1974 provisions for consideration of this problem.

In subsection (c) ERDA must consider the need for competition in making loan guarantees.

In subsection (d), ERDA is required to solicit from the Attorney General and the Chairman of the Federal Trade Commission written views, comments, and recommendations concerning the impact of each proposed loan guarantee on competition and concentration in the energy supply industry. ERDA must do this in a timely fashion, but at least 60 days before ERDA sends its report on the proposed guarantee to Congress under subsection (m).

The Conferees expect that Justice and the FTC will act in timely fashion and provide their comments, etc., to ERDA so that ERDA can act upon them and the two Congressional committees can consider them also. In this regard, the Conferees intend that the FTC act expeditiously using its Bureau of Competition in reviewing each guarantee. It is expected, however, that each agency will give serious and meaningful attention and provide a comprehensive and adequate response, including, where appropriate, recommendations. The Conferees note that such recommendations could possibly include suggestions for improving a guarantee contract to overcome any anti-competitive or other problem that may exist.

The Conference Committee in its deliberation on this section emphasized that the Administrator carefully review the effect of approving a loan guarantee on the continued concentration of ownership in existing energy companies, particularly the integrated companies. The Administrator in carrying out the purpose of this section is urged to give appropriate priorities to those applicants for guarantees whose ownership is held by independent users of oil, coal or natural gas.

SECTION 17(E)(1)—STATE REVIEW

The new Section 17(e)(1) of the 1974 Act provides that once ERDA has ascertained, after reviewing applications for loan guarantees and determining which are capable of being approved, where a proposed demonstration facility is likely to be located, ERDA must promptly notify the appropriate State and local governmental officials. Before ERDA can approve any such application, however ERDA must give the Governor of the State where the facility will be located an opportunity to make a recommendation thereon. For the Governor to act effectively and in a timely manner, ERDA and the applicant will have to provide to the State sufficient data on which the Governor can make an informed judgment.

If the Governor recommends against making the guarantee for the facility, the ERDA must refrain from doing so unless the Administrator finds that there is an overriding national interest and sets forth his reasons for this finding in writing to the Governor. Clearly, if ERDA seeks to override the Governor, the burden is on ERDA to show that this particular facility is indeed in the national interest.

The ERDA decision is subject to judicial review filed within 90 days after the decision.

Provision is also made for ERDA regulations concerning review by States and communities which may be impacted by the facility in any way and by the general public. These regulations must be published within 180 days after enactment.

SECTION 17(g)(2)—DISPOSAL OF PROPERTY IN CASE OF DEFAULT

In the event of default, the Administrator is provided with the authority to complete the project, maintain the facility, operate the facility, including purchase of necessary feedstock and other material, and the authority to sell the products or energy produced by the facility. Such operation may be by the Federal Government or by other parties or by the defaulting borrower, where the Administrator determines that permitting the borrower to continue pursuing the purposes of the facility is in the public interest.

SECTION 17(g)(4)—DISPOSITION OF PATENTS ON DEFAULT

Section 17(g)(4) provides that "patents and technology resulting from the commercial demonstration facility shall be treated as project assets of such facility in accordance with terms and conditions of the guarantee agreement." The purpose of this provision is to make clear that in the event of default intangible assets such as patents and technology are subject to claim by the United States in the same manner as tangible, physical assets. The term technology is intended to be all-inclusive and embrace such items as know-how and trade secrets. Patents and technology may well be extremely valuable assets of a defaulted project, and should be available to the United States upon default.

The phrase "in accordance with the terms and conditions of the guarantee agreement" is not intended to eviscerate this provision. Rather, it is a direction that ERDA should include in the guarantee agreement detailed provisions protecting the rights of the United States and other interested parties. At the same time the conferees appreciate that ERDA must have some flexibility to sort out the rights of all interested parties. This is merely a recognition of the complexities and subtleties attendant to patent and technology rights.

The typical project participant may well own some patents and technology outright while being the licensee of other such rights. One of the government's objectives upon default is to have available, for itself and its designees, the patents and technology necessary to complete and operate the defaulting project. The mixture of owned and licensed patents and technology complicates the simple achievement of this goal.

Another complexity of the disposition of patents and technology upon default is the problem of severing the borrower's background patents and technology from subsequent improvements thereon because of the project. If the improvements are severable, then they can be treated as project assets in a straightforward manner. However, where this is not possible, ERDA must have the flexibility to tailor its guarantee agreement to meet its needs for the continued operation of the project.

Section 17(g)(4) also provides that "the guarantee agreement shall contain a provision specifying that patents, technology, and other proprietary rights which are necessary for the completion or operation of the commercial demonstration facility shall be available to the Government and its designees on equitable terms, including due consideration to the amount of the Government's default payments." The purpose of this authority is to insure that the full complement of patents and technology required for the limited purpose of completing and operating the defaulting project will be available to the government and its designees. Without this provision, it is conceivable that blocking patents and technology of the project participant or patents and technology licensed to the project participant by others might frustrate the ability of the United States or its designee to expeditiously and economically complete the project.

Waivers under Section 17(r) of this Act are not intended to override the applicability of section 17(g)(4) and should be made subject to its provisions.

SECTION 17(k)—COMMUNITY IMPACT ASSISTANCE

The Conferees were concerned, based on extensive testimony before the House Science and Technology Committee in September and October of this year, that the construction of commercial demonstration facilities would result in a sudden influx of construction workers, operating personnel, support personnel, and secondary (service) workers and their families. In unanticipated and unplanned circumstances, rapid increases in population can have adverse socioeconomic impacts on a community. In many cases, such adverse effects can be avoided with adequate planning and early construction of public service systems (schools, roads, health care facilities, etc.) and housing.

Under normal circumstances, however, many communities and local governments, even those in more populated areas, probably cannot build the public service system until after the housing has been built and people move in, creating an additional tax base to pay the cost of public services and facilities. The avoidance of these potential adverse effects requires either a slow growth rate—which is not possible, once work on the demonstration facility begins—or some means of financing the construction of needed public service systems in advance of population increase and tax-base growth.

As was made clear in the report of the Senate Committee on Interior and Insular Affairs (page 87), the Senate intended that energy facilities which are assisted by loan guarantees by this measure should provide for the early financing and construction of public service facilities as a part of the cost of domonstrating the energy technology. The Conferees agreed that existing Federal programs are not adequate in some potential instances to provide for the impacts to local communities which would arise from implementation of the loan guarantee program. The Conferees have provided in subsection (c) of the new section 17 which is added to the Federal Nonnuclear Energy Research and Development Act of 1974 by this conference report that the borrower and the Administrator of ERDA, as well as State and local governmental officials, consider and evaluate these potential impacts before approving a guarantee, and that the Administrator determine that adequate financing of the costs of needed public facilities will be provided for.

The provisions of the conference report amplify and make explicit the intent of the Senate version that the Administrator of ERDA shall assure adequate financial support for local communities to provide essential public facilities required as a direct result of the construction and operation of energy demonstration facilities assisted by loan guarantees. Subsection (b) of the new Section 17 sets forth several alternative forms of assistance to cover essential capital expenditures directly resulting from the proposed commercial demonstration facility for facilities including, but not limited to, public safety, health, education, roads, sewer and water.

First, the subsection authorizes ERDA to extend up to a maximum of 100% guarantees of a local community's obligations for financing such essential public facilities or of the tax revenue stream which is expected from the new commercial demonstration facility. In the former case, the Administrator would guarantee the obligations issued by State, local jurisdictions or Indian Tribes to finance essential public facilities. In the second situation, the Administrator would guarantee to the community the amounts of anticipated tax revenues from the energy demonstration facility. Such revenues could then become a reliable basis for municipal borrowing.

A provision has been included in subsection (s) to make clear that interest paid to a holder of a community's obligations which are guaranteed under the provisions of this measure not be exempt from income taxes. This provision is also designed to make it clear that the conferees are not changing or requiring a community to change the status or type of obligation it issues, but that the holder of the obligation must include the interest arising from the obligation as taxable income.

Because such a provision may result in a higher interest rate upon municipal securities issued by a community, the conferees have provided that ERDA shall pay an interest differential to the community. The amount of the differential will be determined by Treasury. The conferees intend that Treasury have discretion respecting the amount of the differential, the terms and timing of payments, and as to such other conditions as Treasury deems appropriate. An estimate of any such differential payments should be included in the report to Congress required under subsection (m) concerning each guarantee.

The conferees have established a ceiling of $350 million as the maximum outstanding obligation due to guarantees by the Administrator of financing for community development. This amount would be included within the total authorization of $6 billion established for outstanding obligations to guarantee financing of energy demonctration facilities under this measure. The limitation on the amount of impact assistance which, in the form of guaranteed obligations or the guarantee of the payment of taxes, refers to the principal amount of the obligations involved and not the interest charges on such obligations.

As a further alternative form of community assistance, the entity financing an energy demonstration facility with assistance under this measure could be required by the Administrator to include capital costs for essential public community facilities within the project costs. The funds would then be made available to appropriate public entities under terms and agreements prescribed by the Administrator. Payments would be treated as advances on taxes and tax credits would be provided by the public entities to the project to return the amounts over the life of the project.

Additionally, and only if circumstances make the previous approaches impractical or inadequate, the Administrator would be authorized to make direct loans to communities to cover the costs of essential public facilities and to forgive all or part of the repayment of such loans if changes in circumstances, such as failure or partial failure of the demonstration, make repayment by the community from revenues impossible.

A least favored approach is also provided to be used only where the lack of community or other public capability to administer the initial provision of community facilities would necessitate direct construction of community facilities as ancillary facilities of the demonstration itself. The costs of the community facilities would be included within the costs of the demonstration facility and the entity proposing the demonstration would arrange for construction of community facilities under the Administrator's direction and with the greatest possible local public participation.

The Administrator is authorized to provide planning grants to impacted communities to finance up to 100% of the planning of essential public facilities.

Funds for planning grants and loans will be authorized in future annual authorization Acts as required in the way funding for all other ERDA programs is provided.

The community assistance program is also extended to any commercial demonstration of in situ shale oil production which may be undertaken pursuant to the authority granted in Section 102 of this measure.

The conferees noted that the determination by the Administrator of the need for community assistance is to be predicated upon the projected net adverse impacts of the facility on the community, the actual anticipated requirement for essential public facilities made necessary directly as a result of the energy demonstration facility, and the lack of capability for financing such facilities in the absence of assistance taking into account other State and Federal programs. Population increase alone is not to be the measure of need.

The Administrator is expected to work closely in consultation with the impacted States, local governments and public groups in developing an appropriate community assistance program for each situation.

The Administrator, furthermore, is expected to coordinate other applicable Federal assistance programs to avoid duplication and to assist in bringing the full benefits of the programs into effect in each situation.

SECTION 17(M)—CONGRESSIONAL OVERSIGHT

The new section 17(m) provides that before ERDA finally makes a binding commitment to guarantee, or a guarantee of, obligations to any borrower to build a commercial demonstration facility, ERDA must transmit to the House Science and Technology Committee and the Senate Interior and Insular Affairs Committee a complete report on the proposed guarantee and facility.

Each report should be quite detailed. For example, it should include a description of the proposed facility, the expected total costs and benefits, the expected impact, a finding that effective actions have been taken or will be taken to deal with these impacts, the views of the appropriate non-Federal governmental officials and others, a detailed discussion of the extent of Federal financial commitment to the borrower for the facility and to local governmental entities, the terms and conditions of the agreement, a copy of the final environmental impact statement, and other pertinent data. Where the action is taken over the objection of the Governor, the ERDA findings and reasons shall be included. Similarly, the report of the Justice Department and the Federal Trade Commission concerning the impact of such guarantee or commitment on competition and concentration in the production of energy shall be included, together with ERDA's written determination, if any, that despite any objection by such agency the demonstration should proceed from the standpoint of the national interest.

Such report on each proposed guarantee or commitment will lay before the Committees for 90 calendar days, exclusive of days either House adjourns for more than 3 days.

If the estimated cost of proposed commercial demonstration facility will exceed $350 million, ERDA shall not finalize the guarantee or commitment for that facility if either House passes a resolution of disapproval within the 90 day period. These commercial demonstration facilities will often be quite large, have significant environmental and social impacts, and may be controversial. Such projects should require some degree of Congressional scrutiny, short of actual authorization. Those exceeding $350 million in costs require an opportunity for either House to express its disapproval. On these sizeable projects, the Conferees are concerned that they not be built without this opportunity for careful scrutiny by Congress.

SECTION 17(Q)—TRANSFER OF LOAN GUARANTEE PROGRAM

It is the expressed intent of the Conferees that the primary responsibility for the entire loan guarantee program remain with the ERDA until otherwise directed by the Congress. The Conferees do not intend to prevent the participation and cooperation of other Federal agencies with the ERDA through normal fund transfers provided that the ERDA maintain the final authority to control the program.

SECTION 17(R)—PATENT POLICY

Section 17(r) provides that "inventions made or conceived in the course of or under a guarantee authorized by this section shall be subject to the title and waiver requirements and conditions of Section 9 of this Act." This compromise provision reflects the intention of the Conference Committee that all of the patent policy provisions, except subsection (b), of Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 shall be applicable to the loan guarantee program contained in section 17.

In lieu of the broad reporting requirements of subsection (b), therefore, the Committee determined to provide ERDA with sufficient flexibility to promulgate such rules and regulations pertaining to the filing of reports and information as it believes necessary or appropriate to effectively carry out its mission and to protect the interests of the United States and the public. Exclusion of subsection (b) should not be read as precluding ERDA from promulgating such rules and regulations.

The conferees were concerned about the possible impact of subsection 9(b) on trade secrets and other proprietary rights because of the reports required by the subsection. The concern existed that subsection 9(b) might adversely affect a project participant's background trade secrets and other proprietary rights if such information was made public. Rather than risk discouraging potential project participants from cooperating in the synthetic fuel program because of possible uncertainty with respect to their background rights, the conferees believe that the limited application of Section 9 together with the positive protection contained in Sections 17(v) and 18, will adequately protect the holders of trade secrets and other proprietary rights.

The Conference Committee recognizes that Federal involvement and exposure in research and development programs through loan guarantees is more remote than the immediacy of its involvement and exposure in the case of direct Federal expenditures through grants or loans. The applicable provisions of Section 9 provide sufficient flexibility and safeguards to balance the equities between federal ownership and waiver of title in particular situations. The remote nature of the federal involvement in loan guarantee situations justifies a corresponding adjustment in the balance of equities applied in judging requests for waivers of title. For this reason, the Committee determined that as to section 17 guarantees ERDA be permitted to exercise gretater flexibility than previously specified in the Conference Report on the Federal Nonnuclear Energy Research and Development Act of 1974 with respect to the application of the waiver provisions of Section 9 of that Act.

Although the patent policy to be applied by a federal agency is properly the jurisdiction of those committees having legislative jurisdiction over the particular agency, the conferees appreciate the comments and suggestions of other committees having an interest in the general subject area. The conferees believe they have acted to incorporate the major suggestions offered by other committees in such a way as to effectuate the satisfactory resolution of their concerns.

Section 9 (with the exception of subsection (b)) of the Nonnuclear Act is made specifically applicable to the guarantee program under Section 17 of this Act because of the competing interpretations given to whether Section 9 applies generally to loan guarantees under that Act. Some of the House and Senate conferees believe that it does not apply. Their position is supported by the General Counsel of ERDA, whose letter and memorandum on this issue are reprinted below.

U.S. ENERGY RESEARCH AND
DEVELOPMENT ADMINISTRATION,
Washington, D.C., October 29, 1975.

Hon. MIKE MCCORMACK,
Chairman, Subcommittee on Energy Research, Development and Demonstration, Committee on Science and Technology, House of Representatives, Washington, D.C.

DEAR CHAIRMAN MCCORMACK: During testimony on the Geothermal Loan Guaranty Program on October 1 before your Subcommittee, Congressman Philip Hayes requested my legal opinion on the applicability of the patent provisions of the Federal Nonnuclear Research and Development Act of 1974 to Federal loan guarantees administered by ERDA. The attached Memorandum for the Record contains my analysis that section 9, the patent provisions of that Act, does not apply to loans, price support or loan guarantees.

Inasmuch as this request arose in the context of the Geothermal Loan Guarantee Program, I would add an additional thought to the attached memorandum. The Geothermal Energy Research, Development, and Demonstration Act of 1974 (Public Law 93-410), of which Geothermal Loan Guaranty Program is a part, contains no specific requirements as to patents. Therefore, the patent provisions utilized in carrying out the research, development and demonstration authorized by the Geothermal Act would depend on the patent policy of the particular Federal agencies conducting the program. Subsequent to ERDA's establishment, the research development and demonstration functions including the Geothermal Loan Guarantee Program as authorized by Public Law 93-410 have been transferred to ERDA.

The Conference Report (No. 93-1563) on the Federal Nonnuclear Research and Development Act specified that all of ERDA's nonnuclear contracts shall be governed by the patent policy of section 9 of that Act. Therefore, ERDA awarded research, development and demonstration contracts under the geothermal program will contain our standard patent provisions which implement the policy required by section 9. However, based on the attached legal opinion, these standard patent provisions will not be included in geothermal loan guarantee agreements but instead special patent provisions will be utilized as appropriate.

Sincerely,

LEONARD RAWICZ,
Deputy General Counsel.

WASHINGTON, *October 29, 1975.*

Memorandum for the Record.

Application of Section 9 of the Federal Nonnuclear Research and Development Act of 1974 to Section 7, Forms of Federal Assistance.

Section 7(a) of the Federal Nonnuclear Research and Development Act of 1974 (hereinafter the Act) identifies the following Forms of Federal Assistance which the Administrator may utilize in carrying out the objectives of the Act.

(1) Joint Federal-industry experimental, demonstration, or commercial corporations consistent with the provisions of subsection (b) of this section;

(2) Contractual arrangements with non-Federal participants including corporations, consortia, universities, governmental entities and nonprofit institutions;

(3) Contracts for the construction and operation of federally owned facilities;

(4) Federal purchases or guaranteed price of the products of demonstration plants or activities consistent with the provisions of subsection (c) of the section;

(5) Federal loans to non-Federal entities conducting demonstrations of new technologies; and

(6) Incentives, including financial awards, to individual inventors, such incentives to be designed to encourage the participation of a large number of such inventors.

Section 7(b) of the Act specifically notes that the joint-Federal-industry corporation of (1) above are "subject to the provision of section 9 of this Act."

Subsection 9(a), the Act's patent policy, specifies that "Whenever any invention is made or conceived in the course of or under any contract of the Administration, other than nuclear energy research, development, and demonstration pursuant to the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.)" and the Administrator makes certain findings which relate the inventor's activities to the ERDA contract, title to the invention vests in the United States unless the Administration waives all or any part of the rights of the United States to such invention. Where a waiver is granted, subsection 9(h) requires certain minimum rights to be retained by the Government. These minimum rights include a royalty-free license in the Government, which generally also includes State and municipal governments, and the right to terminate the waiver or to require the licensing of the invention involved in specified circumstances.

The question addressed herein is whether all the Forms of Federal Assistance of section 7 of the Act are subject to its patent policy. Specifically of interest is whether section 9 would apply to inventions made by a party constructing a demonstration facility which receives Government assistance in the form of a loan, price support or a loan guarantee.

The Conference Report (No. 93–1563) accompanying S. 1283, the bill which resulted in the Act, in reference to Forms of Federal Assistance states: Also, the provision in subsection 7(b) was modified by the conference committee to make clear the intention that any joint Federal-industry corporations which may be proposed for Congressional authorization would be subject to the patent policy set forth in section 9 of the compromise version.

This statement refers to a question which arose during the drafting of the patent policy for S. 1283 of whether the Government should own, in the first instance, all inventions made by the joint Federal-industry corporations contemplated by subsections 7(a)(1) and (b). Significantly, the reference to section 9 in section 7 is limited to only one of the Forms of Federal Assistance noted in section 7, the joint Federal-industry corporation. While this fact in itself suggests a Congressional intent that section 9 is inapplicable to the other Forms of Federal Assistance in section 7, it may nevertheless be argued that section 9 by its own terms is applicable.

As noted above, section 9 specifies that unless waived by the Administrator the Government owns any inventions ". . . made or conceived in the course of or under any contract of the Administration. . . ." Subsection 9(m)(2) defines contract as follows: the term "contract" means any contract, grant agreement, understanding, or other arrangement, which includes research, development or demonstration work, and includes any assignment, substitution of parties, or subcontract executed or entered into thereunder.

The Conference Report emphasizes the breadth of the term "other arrangement" with the following statement: Subsection (m) is the definitional section. Subsection (m)(2), which defines contract as including "other arrangements," is intended to encompass any and all other arrangements. The reference to section 9 in section 7 is intended to make this clear.

While the Report refers to the reference of section 9 in section 7, the correct reference is subsection 7(b), and as noted above this deals only with Federal-industry corporations.

With this background, the relationship of Federal assistance under section 7 to the patent provisions of section 9 will be discussed. The most important legal consideration in determining the applicability of section 9 to section 7 is whether the Federal assistance forms concerned herein, i.e., loans, price support, or loan guarantees, are within the term "contract" as it is defined by subsection 9(m)(2). There are two elements to this definition of "contract." First, ERDA must have an agreement or other arrangement with a party and secondly, the agreement or arrangement must include "research, development, or demonstration work." Ostensibly, Federal assistance in the form of a loan, price support or a loan guarantee may be said to be an "arrangement" and most probably the assistance will be to a party for the purpose of aiding that party conduct a "demonstration" or "commercial demonstration" of an energy related process, system or facility. Therefore the issue is whether these forms of Federal assistance are within the meaning of the term "which include research, development or demonstration work," of subsection (m)(2).

As noted in the Conference Report, section 305 of the National Aeronautic and Space Act of 1958 (NAS Act) and the implementing NASA regulations were used as a model for section 9. The related provisions of section 305 which establishes its applicability is the first phrase of subsection (a) which provides "Whenever any invention is made in the *performance of any work* under any contract of the Administration * * *" (emphasis added) and the definition of the term "contract" in subsection 305(j)(2). This subsection states: The term "contract" means any actual or proposed contract, agreement, understanding or other arrangement, and includes any assignment, substitution of parties, or subcontract executed or entered into thereunder.

In drafting subsection 9(a) changes were made to subsection 305(a) of NAS Act to accommodate the language of section 152 of the Atomic Energy Act of 1954 which refers to "inventions * * * made or conceived in the course of or under any contract, subcontract or arrangement entered into with or for the benefit of the Commission. * * *" This change would permit a greater harmonization of ERDA's patent policy for both its nuclear and nonnuclear work, a goal specified in the Conference Report. However, it was recognized that the resulting subsection 9(a) dropped the words "performance of any work" from subsection 305(a) and these words have been relied upon by NASA in interpreting the applicability of its patent provisions. For example, NASA has defined the word "work" in the NAS Act to limit section 305 to specific types of contracts, i.e., contracts which call for the performance of research and development work, *O'Brien and Parker*, Property Rights in Inventions Under the National Aeronautics and Space Act of 1958, Fed. B.J. Vol. 19, No. 3, July 1959. The NASA procurement regulations applies section 305 to NASA contracts "where research, experimental, design, engineering, or development work is contemplated", 41 C.F.R. 18–9.101–2 and not to fixed price supply contracts; construction contracts, or employment contracts. Further, a contractor's independent research and development program, even though agreed to in an advance agreement and supported by an overhead allowance (an arrangement), has not been interpreted by NASA to be encompassed by its statutory patent policy, see 41 C.F.R. 18–9.101–7. AEC has similarly interpreted the Atomic Energy Act patent provisions, 41 C.F.R. 9–9.5019. The removal of the term "performance of any work" of subsection 305(a) of the NAS Act from subsection 9(a) and a concern that the NASA regulatory provisions as to "design" or "engineering" work were overly broad led to the incorporation into the definition of "contract" in subsection 9(m)(2) the words "which includes research, development or demonstration work." Whether this was necessary is questionable in view of a recent court decision, which equates the term "in the course of or under any contract" with the term "in the performance of work under a contract." In *Fitch & Braun* v. *AEC*, 181 USPQ 41 (CCPA 1974), the Court of Customs and Patent Appeals interpreted the phrase "in course of or under" an AEC contract, pursuant to section 152 of the Atomic Energy Act as follows:

"The rule of statutory interpretation requires that the phrase "in the course of" and the word "under" mean different things. In our view, an invention made or conceived in performing, or as a result of performing, the work required by a contract is made or conceived "in the course of" that contract. That would be true even though the invention was not specifically sought in the terms of the contract. An invention is made or conceived "under" a contract when it is made or conceived during the life of the contract and the invention is, in whole or in part, specifically provided for by that contract. Neither of these fact situations applies here."

There is nothing in the legislative history which would establish that Congress in selecting the patent provisions of the NAS Act and the Atomic Energy Act as a model for section 9 intended to disregard the interpretation given to these provisions by NASA and AEC. As noted above, these interpretations include the concept that the type of work called for as well as the nature of the "arrangement" control whether these statutory patent provisions apply. Where only fiscal assistance is provided for the purpose of encouraging the conduct of independent research, development or demonstration which is not for the Government's account, i.e., independent research and development noted above, these agencies, as well as other Federal agencies, have determined that their statutory patent provisions do not apply.

Loans, price support and price guarantees are "arrangements" or "agreements" for fiscal assistance. In a loan situation the lender usually agrees to provide money to the borrower upon the condition that the money only be used for a specified purpose. Generally, a pledge of security is involved along with other terms and conditions to protect the lender. Consideration for the lender's money is usually the payment of an interest charge by the borrower. The purpose of a loan is of great concern to the lender albeit for the purchase of land, the construction of a facility, the purchase of equipment, the payment of salaries, etc. The property acquired with the money loaned or other value obtained normally accrues only to the borrower just as any liability which flows from the use of the money loaned is on the borrower's and not the lender's behalf. While the lender may monitor the borrower's efforts to assure the adherence to the purpose of the loan and the nature of the security involved, the work in question is done solely by and on behalf of the borrower. This is not at all related to the situation where work is performed by or on the Government's behalf under contract or otherwise.

Government loan guarantees are even further removed than a loan arrangement since in a loan guarantee the loan "agreement" is between the borrower and the lender. The Government's guarantee is in the form of default insurance to protect the lender. The Government's agreement to guarantee the loan is a fiscal arrangement similar to insurance and does not encompass, in itself, the performance of research, development or demonstration work even though that is the purpose for which the loan was made.

Similarly, in my opinion an agreement to guarantee the price of a product which contains the understanding that a new plant is to be built to make the product, is not an "arrangement" which includes research, development, or demonstration work. The party receiving the guarantee does all the demonstration type work on his own behalf. If the plant doesn't work, he takes all the losses. It is only after the standard products are available on market that the Government's fiscal obligation arises. Again the arrangement is fiscal, the purpose of which is to encourage independent demonstration work.

It is a rather unique requirement that a party loaning money, guaranteeing the repayment of a loan, or establish a price support level would end up owning a part of the assets of the party obtaining the loan or the benefit of the price support. If this would be the intent of Congress, it should be stated so explicitly since it has not been a usual consequence of any other similar government or private program.

In summary, it is my opinion that except for joint Federal-industry corporations the applicability of section 9 of the Federal Nonnuclear Research and Development Act to the Forms of Federal Assistance under section 7 of this Act is dependent upon the terminology of section 9. This section is applicable to contracts (i.e., contracts, agreements or other arrangements) which include the conduct of research, development or demonstration work. Section 9 of the Act is not applicable to Federal loans, price support or loan guarantees made for the purpose of encouraging other parties to construct demonstration facilities or the like on their own account since work is performed independently and not on the Government's behalf.

LEONARD RAWICZ,
Deputy General Counsel.

Other House and Senate conferees believe that section 9 of the 1974 Act does apply to all loan guarantees. Their position is supported in the following communication:

U.S. SENATE, COMMITTEE ON THE
JUDICIARY, SUBCOMMITTEE ON
ANTITRUST AND MONOPOLY,
November 14, 1975.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SCOOP: We understand that the Conference Committee considering ERDA's fiscal 1976 authorization (S. 598 and H.R. 3474) has been advised by the Energy Research and Development Administration that the patent provisions of the Federal Nonnuclear Research and Development Act of 1974 (P.L. 93–577), Section 9, do not apply to loans, price supports, or loan guarantees.

We respectfully disagree with ERDA's conclusion, and, as principal sponsors of the patent policy provisions contained in that Act, invite the Committee's attention to Section 9(m) which defines the term contract as meaning "any contract, grant, agreement, understanding, *or other arrangement,* which includes research, development, or demonstration work, and includes any assignment, substitution of parties, or subcontract executed or entered into thereunder." As further evidence of our intention, and that of the Congress, that the patent provisions of Section 9 are all encompassing and apply to all forms of Federal assistance, the Conference Report elaborated that "Subsection (m) (2), which defines contract as including 'other arrangement' is intended to encompass *any and all other arrangements.*" It further stated that "Section 9 (patent policy) is intended to apply to *all non-nuclear contracts* of the Energy Research and Development Administration."

The Conference Committee on the Energy Policy and Conservation Act (S. 622) has already acted to disapprove ERDA's interpretation by amending the patent policy provisions of that Act (which are essentially identical to those in P.L. 93–577) to specifically include "obligation guarantees."

Considering the importance of carrying out the intent of the Congress in enacting the patent provisions of P.L. 93–577, we respectfully suggest that the Conference Committee specifically refer to and reject ERDA's interpretation that Section 9 of P.L. 93–577 does not apply to loans, loan guarantees, or price supports. Alternatively, it may be useful to specifically amend Section 9(m) to include the phrase "loan, obligation guarantee, or price support."

Best personal regards.
Sincerely,

RUSSELL LONG.
PHILIP A. HART.

The Conference Committee does not believe it necessary to resolve this issue in this conference, particularly because of anticipated receipt from ERDA early next year of its report and recommendations on the patent provisions of Section 9.

SECTION 17(u)—DISCLAIMER—STATE LAWS, ETC.

Subsection (u) of the amendment contained in subsection (b) of Section 17 makes clear that the granting of a loan guarantee under the authority of that Section would convey no immunity from Federal or State laws to the demonstration projects constructed with the assistance of such guarantees.

The Conferees note that the undertakings which would be assisted will be private or, in some instances, possibly non-Federal, public ventures. Depending upon circumstances of siting, proprietorship, nature of the technology, or type of industry and product involved they will be subject tc various laws and regulations of Federal, State, and local government which are now in effect or which may be enacted or imposed in the future. It is the intent of this section that the granting of a guarantee would neither exempt a borrower or a project from such legal obligations which would otherwise apply or to extend any obligation which otherwise would not apply.

The Conferees particularly note that nothing in Section 17 is intended to affect the rights of various parties to water resources which are established under State and Federal law and interstate compact.

In response to the concerns expressed by Western governors, the Conferees considered those situations in which demonstration facilities which are assisted by loan guarantees were located upon Federal lands. As would be the case elsewhere, it is the intent of this measure that a loan guarantee would not in any way change or extend the applicability of any and all Federal, State, and local laws and regulations which would otherwise apply to the demonstration facility absent such loan guarantee.

The management of activities on the public lands is primarily a Federal responsibility, and State jurisdiction has been extended selectively by the Congress. The policy procedure which has ordinarily been adopted is exemplified by the Clean Air Act. This Federal law establishes administrative procedures by which regulations are promulgated by a State and are approved by the Environmental Protection Agency as consistent with Federal minimum requirements, such as Federal new source performance standards. The joint Federal-State implementation plans then become generally applicable to all facilities within the State, including facilities on the public lands. Similar approaches have been taken in the areas of water quality control and occupational and mine health and safety statutes.

Two major areas which are particularly applicable to major demonstration facilities, however, are not yet covered by a Federal-State regulatory regimen. They are surface mining reclamation and energy facilities siting. Some States have adopted rigorous laws and regulations in these areas or may do so in the near future.

The Federal government, thus far, has exercised its management of surface mine reclamation and energy facilities siting on the public lands primarily through the responsibilities of the Secretary of the Interior to use his discretion in the granting of leases, permits and rights-of-ways and to incorporate into such instruments provisions for the management of the undertaking.

The Conferees recognize the valid concern of the Western governors that major energy demonstration facilities which may be encouraged to come into being on the public lands by loans guarantees under this Act will conform to the standards established by the State for similar facilities elsewhere provided the State standards are more stringent than Federal standards, as provided for in such Federal statutes as the Clean Air Act and Federal Water Pollution Control Act. The conferees have incorporated into the Act provisions for early notice to the Governor of consideration of any loan guarantee within the State, and for close coordination with the Governor during development of the proposal. Prior to approval of any guarantee, by the Administrator, the Governor is also provided a right to express disapproval of the project.

The conferees expect that during the consideration of any proposal which contemplates sitting upon the public lands, the Governor will make known to the Administrator any provisions of State law regarding energy facilities siting or surface mine reclamation which he believes should be applicable to the demonstration facility.

The Administrator, in consultation with the Secretary of the Interior and the Administrator of the Environmental Protection Agency and such other Federal officials as the Administrator may deem to have relevant expertise or authority, will determine if such provisions are superior to the provisions of Federal law or regulation which would otherwise apply. If they are, the conferees expect that to the extent possible, ERDA and Interior will incorporate similar provisions into the Federal permits, leases, rights-of-way, guarantees, or other appropriate documents governing the demonstration facility.

In any case, prior to the time when the Governor is requested to make recommendations on a proposed facility, the Administrator shall advise the Governor of the measures which will be taken concerning the provisions recommended by the Governor the conferees expect that the reports submitted to the Congress concerning any proposed assistance for a demonstration facility will include a discussion of such recommendations by the Governor, if any, and the disposition to be made.

If during the life of the demonstration facility, the terms of such documents are revised, the responsible Federal official should obtain the Governor's views concerning the continued applicability of State-sponsored provisions.

SECTION 17(W)—APPROPRIATIONS

Subsection 17(w) makes it clear that the appropriations and budget process actions to establish the funding mechanism for the guarantee program must be complete before ERDA makes any commitment or obligation under this Section. Subsection (w) is intended to reflect due regard for the appropriation and budget processes, as well as the obvious lateness at this time of the authorization, appropriation and budget cycles for Fiscal Year 1976.

Additionally, the Conference Committee expects the implementation of the program to begin promptly, utilizing existing funds to initiate the administrative and regulatory steps necessary to carry out the loan guarantee program. In addition, it is important that the Administrator move swiftly in order to prepare a complete, carefully conceived report within 180 days as required by this section, and to request the needed appropriations.

Once the appropriate appropriation action has been taken to establish the mechanism of the fund authorized under Section 17, the Administrator will have full authority to carry out the directions of Section 17 and to make obligations subject only to the limitations of this Act and the available capabilities of the fund to support such obligations.

SECTION 17—NO ENDORSEMENT OF FURTHER PROGRAMS

The conferees note that the initial action of the Senate to incorporate the authority to guarantee the financing of energy demonstrations was taken prior to any recommendations for similar programs on the part of the Administration. After the Senate acted on this legislation the Administration completed and made public its draft Task Force report on a "Synthetic Fuels Commercialization Program" and the President transmitted to the Congress a legislative proposal for the Energy Independence Authority.

The conferees note that the provisions of Section 103 are not based upon any Administration proposal. The House Committee on Science and Technology has drawn upon the information in the draft Task Force Report and has received testimony from participants in the Task Force study. Some of this information has been of value to the conferees in perfecting Section 103. The section, however, is not modeled after the Task Force recommendations and it differs in many important respects from both the scope and approach of the effort postulated by the Task Force.

The Conferees especially emphasize that the approval of Section 103 in no way constitutes an expression of approval of approaches for assistance beyond loan guarantees. Nothing in Section 103 authorizes construction grants, price supports or price guarantees for the products from demonstration projects nor does the approval of Section 103 constitute any expression of Congressional commitment to other proposals which are pending or may be advanced in the future.

The conferees, furthermore, do not view Section 103 as the initial part of a more ambitious program. The program authorized by this measure is viewed as an independent and complete program as it now stands. Any further energy facility financing arrangements will be considered by the Congress on their merits.

SECTION 17—APPLICABILITY OF NEPA

The conferees considered the question of the applicability of the requirements of the National Environmental Policy Act of 1969, including section 102(2)(C) thereof concerning the preparation of environmental impact statements, to the loan guarantee program established by Section 103 of this Act. The conference Committee determined that no statutory language concerning the NEPA was necessary. The conferees intend that the National Environmental Policy Act of 1969 applies to any loan guarantee made pursuant to this section.

Mr. RANDOLPH subsequently said: Mr. President, I have sent to the desk a bill to amend the Federal Nonnuclear Energy Research and Development Act. I ask unanimous consent that this measure have joint referral to the Committee on Interior and Insular Affairs and to the Committee on Banking, Housing and Urban Affairs.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I have no objection to this with the understanding that one of the two named committees is the committee to which it would ordinarily be referred. In other words, that we are not taking it away from the committee that would ordinarily have jurisdiction.

Mr. RANDOLPH. That is right.

The ACTING PRESIDENT pro tempore. The Committee on Interior and Insular Affairs is one of the committees to which it would ordinarily be referred.

Mr. GRIFFIN. I thank the Chair.

Mr. RANDOLPH. That is correct.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RANDOLPH. We feel it is appropriate in this instance, and there is no time limit, as the Senator knows, as on the matter of the study through the referral jointly to these two committees.

I thank the Chair.

Mr. MONTOYA. Mr. President, today I am pleased to join Senator JENNINGS RANDOLPH and Senator HENRY JACKSON in introducing the Synthetic Fuels Act of 1976.

This legislation will authorize $6 billion for the Energy Research and Development Administration to use in guaranteeing loans made for the purpose of constructing and operating plants for the conversion of coal into gas. A similar loan guarantee program was part of the ERDA authorization bill passed by Senate last year, but was removed by the House. I believe that this program is an essential part of our total energy program, and must be passed early in this session if we are serious in our stated goal of energy independence for the United States.

We have heard a lot of rhetoric in recent years—both in this Chamber and elsewhere—about our energy "shortage." In actual fact, of course, our energy problems are the result not so much of a true shortage of energy sources. What we really have is a shortage of energy in a form which is clean, relatively low in cost, and readily available domestically. We need more oil than we can produce domestically in order to continue to keep America's industrial wheels moving. We will continue to be dependent on foreign oil sources in the future until we find and develop alternative energy supplies.

We need more natural gas than we are producing domestically, and in the future demands for clean nonpolluting forms of energy for industry will be even greater.

Coal, on the other hand, we have in large quantities. It is available domestically, and it is relatively cheap. However, it is dirty and less desirable as a fuel for industry than either oil or gas.

The importance of the legislation we are introducing today cannot be overemphasized in view of the above facts. It is clear that there is not sufficient available private capital to finance commercial demonstration facilities for the production of synthetic fuels from coal. A loan guarantee program, under the supervision of the Federal Energy Research and Development Administration—ERDA—will make it possible for us to encourage the construction and operation of coal conversion facilities by independent producers. The resulting use of our most abundant energy resource, coal, will make it possible for us to move more quickly toward the energy independence which we all want. This legislation will create a joint Government and industry demonstration program capable of producing, by 1985, synthetic fuel from coal equivalent to at least 1 million barrels of oil per day. That is certainly a goal worth working for.

During the next 10 years the vital decisions concerning our future energy independence will be made. Coal gasification and the full use of our vast coal reserves should be a major part of that energy program. If the demonstration projects provided for in this legislation are successful, private financing of synthetic fuel plants will be possible in the future without governmental loan guarantees, of course.

The question of environmental impact has been considered in writing this legislation The proposed loan guarantee program has received support from the Environmental Protection Agency, which states that it is an "environmentally sound course of action that will facilitate the assessment of the environmental impact of synthetic fuels development with a minimum danger to the environment." The program, with ERDA oversight, would permit only a few prototype synthetic fuel plants to be built initially, under controlled conditions. It would establish an industrial base for future expansion of the industry in an orderly and environmentally sound manner.

The program would promote competition within the energy industry, and would open the synthetic fuels industry to small independent companies which would otherwise lack the resources and borrowing ability to participate in commercial synthetic fuel production. The original conference report on this legislation included recommendations made by the Western Governors' Conference that a broad range of community assistance options for local communities would be included. Those recommendations have now been incorporated in the bill as it is introduced today, so that planning grants, guaranteed municipal bonds, guaranteed tax revenues from project activity, and other protections are provided for communities in which these proposed synthetic fuel plants are to be located.

In my own State of New Mexico there is strong support for this legislation. Plans are already drawn for a coal gasification plant in the northwest section of New Mexico. WESCO, the Western Gasification Co. that has proposed building this plant, estimates that 4,000 construction employees would be hired at the peak period, and that the construction payroll would be $122 million. After the plant is in operation, they estimate more than 600 jobs in the plant itself and 400 additional jobs in the mine operation. The coal, which is located on the Navajo Reservation in the Four Corners Area, would bring approximately $2.7 billion in royalties to the Navajo Nation every year. These figures are an illustration of the employment and economic benefits which would result to a community which has been tragically hurt by the recession and which has high unemployment figures at this time.

Mr. President, the Synthetic Fuels Act of 1976 is a legislative vehicle which will stimulate production of energy which we desperately need. It will create jobs. It will provide economic development in a sensible and planned way, in areas which need that kind of development badly. It has been planned so that environmental protections are included within the bill itself. The impact upon communities has been considered and planned for.

We have tried to make this legislation as comprehensive and well thought out as possible. I believe that we have succeeded in developing a bill which will help us to provide alternative energy resources for all of America while, at the same time, providing for environmental and economic concerns.

We need to stop talking about energy self-sufficiency, and to start acting to provide it. I urge your support for the Synthetic Fuels Act. It is the essential legislation to provide for the first step toward our safe and secure energy future.

By Mr. MONTOYA:

S. 2870. A bill to amend the Internal Revenue Code of 1954 to treat Federal retirement system income the same as social security income to the extent that such retirement income does not exceed the sum of old-age benefits which may be received under title II of the Social Security Act and amounts which may be earned without reducing such benefits. Referred to the Committee on Finance.

Mr. MONTOYA. Mr. President, I am today introducing legislation which is aimed at equalizing the tax treatment for civil service and other Federal retirement plans with the treatment presently given to social security and railroad retirement benefits. The legislation I am proposing will exclude from taxation the benefits received under any Federal retirement plan up to the amount of the maximum social security retirement benefit applicable for that year.

The benefits which are received by retired workers from social security are free of taxation. The same is true of benefits now received by retired railroad workers and their widows. However, benefits received by retired civil servants are taxed, however, following the final payment of dollars which have been previously contributed by the worker and taxed at the time of earning. It seems clear that this is an inequity—providing workers in different retirement groups with different tax treatment.

Recent waves of inflation have severely strained the resources of those who live on fixed incomes. Probably no group has been hit harder than retired workers who are dependent on pensions for the bulk of their income. Most of these pensions are set at levels which do not reflect the inflationary impact of the last few years. Even though percentage increases in civil service and military retirements have been allowed, the income tax bite has kept many of these retirement incomes below the actual purchasing level which workers had planned for and been led to expect in their senior years.

All older citizens on fixed incomes are having trouble. The items for which the aged normally spend the largest part of their income—food, housing, fuel, and medical care—have been the items which have the highest rates of inflation. In this situation the true cost-of-living index for senior citizens is not realistically represented in the cost-of-living index used for working families. Our elderly retired workers are falling behind in the race with inflation. When we compound that problem with inequitable tax treatment, we understandably find bitterness and resentment among retirees who have spent lifetimes working as servants of the public.

Every dollar which must be paid in taxes means a dollar which cannot be spent for essential needs.

The legislation I am proposing will relieve retired Federal employees of part of that burden. Under my bill they would be exempt from taxation on that portion of their retirement which was at the same level or below the maximum social security benefit for that year. Thus the retired civil servant would receive the same tax benefit which accrues normally to other retired workers.

Many retirees who are living on Federal pensions would not be affected by this legislation because their total income is so low that they are not required to pay any tax now. However, for the remaining half of Federal retirees, this legislation will mean a small but vitally important tax savings.

An example will illustrate the inequity which this bill addresses:

A husband and wife each receive social security benefits of $300 per month (annual)	$7, 200
They receive additional income from other sources (annual)	3, 500
Their total income annually is	10, 700
Their total federal tax is	0
However, if their retirement benefit is from civil service annuities in the same total (annual)	7, 200
And their additional income from other sources is the same	3, 500
They have the same total income but their tax would be	1, 104. 50

Congress recognized the obvious problem represented by these figures and the retirement income credit was introduced to correct the situation. However, the last time we acted to adjust the amount of retirement income credit so that it would be more in line with social security and railroad retirement benefits was in 1962. During the ensuing 14 years inflation has cut deeply into the value of the credit and at the same time social security benefits have more than doubled. It is time we came up with a sensible and more pemanent solution.

My proposed legislation would avoid the necessity of having to readjust ceilings every few years and would maintain a fair and evenhanded tax approach for all retired workers.

The Library of Congress Economics Division has done a brief analysis of the proposed legislation for me, and their estimate of the cost using the most recent tax data available to them would be around $500 million for Federal civil service pensions. Their analysis points out that most econometric models would produce a recoupment of 25 to 50 percent after feedback effects are taken into consideration.

Based on data for 1974, total payments to Federal retirees is about $11.9 billion annually. The average benefit was $5,080. For civil service retirees this constitutes 70 percent of the total income for annuitants and 49 percent for survivors.

I will be happy to make the Library of Congress analysis available to my colleagues.

Mr. President, I ask unanimous consent that the bill be printed in the Record. I urge the support of my colleagues for this legislative effort to correct an inequity which becomes more painful with every new surge of inflation.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2870

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled; That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as 125 and by inserting after section 123 the following new section:

"Sec. 124. Partial Exclusion of United States Retirement Benefits.

"(a) General Rule.—Gross income does not include amounts received by an individual for the taxable year as a pension, annuity, or other benefit under a retirement system maintained by the United States or any agency thereof which would be included in gross income but for this section, to the extent that such amounts do not exceed the maximum Social Security benefit for that year, as determined under subsection (b).

"(b) Maximum Social Security Benefit.—For purposes of this section, the maximum Social Security benefit for a calendar year is the sum of—

"(1) the maximum amount of the old-age insurance benefit which could be paid for the calendar year under title II of the Social Security Act to any individual who attained age 65 in, and first became entitled to benefits for, the first month of such calendar year, and

"(2) the maximum amount of the earnings (as defined by section 203(f)(5) of the Social Security Act) which could be received in such calendar year by an individual who is entitled to old-age insurance benefits under title II of such Act, and who has not attained age 72, without a reduction in such benefits for any month of such calendar year.

In the case of a taxpayer whose taxable year is other than the calendar year, the amount determined under this subsection shall be determined in accordance with regulations prescribed by the Secretary or his delegate.".

(b)(1) Section 37 of such Code (relating to retirement income) is amended—

(A) by inserting "other than a pension or annuity paid by the United States or an agency thereof," at the end of subsection (c)(1)(A), and

(B) by striking out "the United States," in subsection (f).

(2) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 124. Partial exclusion of United States retirement benefits.
"Sec. 125. Cross references to other acts.".

Sec. 2. The amendments made by this Act apply to taxable years beginning after December 31, 1975.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1379

Mr. FANNIN. Mr. President, on Wednesday, January 21, 1976, I submitted the name of the distinguished Senator from New Mexico, Mr. Montoya, to the Record as a cosponsor of S. 1379, a bill to provide tax incentives for solar energy development. Senator Montoya's name was not included in the Record on that date due to an oversight.

I am particularly sorry that Senator Montoya's name was not included in the Record on January 21 as he had submitted a statement on that date in support of S. 1379. I would like to express my appreciation to the distinguished Senator from New Mexico for his strong support for these solar energy incentives.

I hereby submit Senator Montoya's name as a cosponsor of S. 1379.

S. 1745

At the request of Mr. McGovern, the Senator from Massachusetts (Mr. Kennedy), the Senator from Minnesota (Mr. Mondale), and the Senator from Pennsylvania (Mr. Schweiker) were added as cosponsors of S. 1745, the Defense Economic Adjustment Act.

S. 1992

At the request of Mr. Robert C. Byrd (for Mr. Church), the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of S. 1992, a bill to amend title II of the Social Security Act.

S. 2524

At the request of Mr. McIntyre, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 2524, a bill to require that the Secretaries of the military departments be kept fully and currently informed regarding matters considered and acted upon by the Joint Chiefs of Staff.

S. 2617

At the request of Mr. Johnston, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of S. 2617, the Minority Business Development and Assistance Act of 1975.

S. 2651

At the request of Mr. Cranston, the Senator from California (Mr. Tunney), the Senator from Indiana (Mr. Bayh), and the Senator from Texas (Mr. Bentsen) were added as cosponsors of S. 2651, the Veterans Cost-of-Instruction Extension Act.

S. 2840

Mr. JAVITS. Mr. President, due to an oversight, two cosponsors, Senator Philip A. Hart and Senator Brooke, were inadvertently not listed as cosponsors on my food stamp bill, S. 2840, when it was introduced on December 19, 1975. I ask unanimous consent that Senator Philip A. Hart and Senator Brooke be added as cosponsors of S. 2840.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 337

At the request of Mr. Cranston (for Mr. Tunney), the Senator from Vermont (Mr. Leahy) was added as a cosponsor of Senate Resolution 337, relating to transfer of certain funds.

SENATE CONCURRENT RESOLUTION 86

At the request of Mr. Robert C. Byrd (for Mr. Church), the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of Senate Concurrent Resolution 86, opposing increases in medical costs for the elderly.

SENATE RESOLUTION 351—SUBMISSION OF A RESOLUTION RELATING TO INTERNATIONAL TERRORIST ACTIVITIES

(Referred to the Committee on Foreign Relations.)

Mr. BARTLETT (for himself, Mr. Bellmon, Mr. Fannin, Mr. Laxalt, Mr. Thurmond, Mr. Eastland, and Mr. Domenici) submitted the following resolution:

S. Res. 351

Resolved, That the Senate requests that the President engage in the negotiation of agreements with other nations to help prevent acts of terrorism by, among other means, denying assistance or asylum to persons who perpetrate acts of terrorism, and by invoking sanctions against any nation which gives assistance or grants asylum to such persons.

Sec. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the President.

Mr. BARTLETT. Mr. President, today I submit a resolution requesting that the President of the United States engage in negotiations with other nations to halt international terrorist activities.

These negotiations would hopefully lead to agreements to help prevent acts of terrorism by, among other means, denying assistance or asylum to persons who perpetrate acts of terrorism, and by invoking sanctions against any nation which gives assistance or grants asylum to such persons.

Surely it has become obvious that no nation is immune to terrorism. No nation alone can prevent the barbarous acts of violence which continue, to the shock and horror of every civilized person on earth. Terrorism, regardless of the ideal or goal involved, is a worldwide plague. Its prevention will require worldwide cooperation.

The resolution I submit would lay the foundation for that cooperation.

INTERNATIONAL TERRORISM

Mr. DOMENICI. Mr. President, I would like to emphasize my deep concern with the continuing incidents of terrorism on the international scene and the fact that it is becoming increasingly obvious that no country is immune from terrorist activities. The issues which face the United States in the wake of this increasing threat of international terrorism involve the safety of American travelers, businessmen and diplomats abroad as well as the issue of U.S. internal security. I am deeply concerned with these issues because it has become more and more apparent that the pattern of international terrorism has become increasingly diversified as persons involved in terrorist activities are resorting to new methods of violence for new purposes, as their activities are more geographically widespread and as cooperation among different terrorist groups is growing. These activities pose a serious and growing threat to international transportation, communications, commerce and to diplomatic relations. Moreover, both preventive measures and punishment of the terrorists themselves are complicated when attacks occur under the jurisdiction of third states or when terrorists are granted asylum by sympathetic states.

In cosponsoring this resolution I am mindful that the United States has encouraged multilateral action against terrorism, particularly in the United Nations and its specialized agency, the International Civil Aviation Organization. Three treaties dealing with the protection of international civil aviation and negotiated under the auspices of the ICAO are now in force:

First. The 1963 Tokyo Convention on Offenses and Certain Other Acts Committed on Board Aircraft,

Second. The 1970 Hague Convention for the Suppression of Unlawful Seizure of Aircraft, and

Third. The 1971 Montreal Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aircraft.

Amplifying the Tokyo Convention, the Hague and Montreal Convention classify air piracy as an international crime and provide for the extradiction and prosecution of hijackers. The Montreal Convention expands the offenses covered to include sabotage. However, attempts to make these agreements more effective by providing for sanctions against nations that harbor hijackers have failed.

In other areas related to international terrorism, two treaties concerning the protection of diplomats from terrorism have been signed, but only one has come into force. The Convention To Prevent and Punish the Acts of Terrorism Taking the Form of Crimes Against Persons and Related Extortion That Are of International Significance, adopted by the Organization of American States in 1971, came into force on October 16, 1973. In September 1972 the killing of 11 Israeli athletes at the Olympic Games in Munich prompted debate on the subject of international terrorism in the United Nations. Regrettably, the United Nations has not been able, because of third-world opposition, to act on a draft U.S. Treaty. Even so, a more limited convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons was worked out by the U.N. Legal Committee and the International Law Commission, and was approved by the General Assembly on December 14, 1973. Twenty-two ratifications are needed before the treaty can go into effect. On November 18, 1974 the President sent the convention to the Senate which approved U.S. ratification of the convention on October 28, 1975. As of November 25, the convention had been ratified or acceded to by 11 countries.

I have cited some of the efforts already made in international negotiations which have been aimed at combatting terrorist activities to demonstrate that some progress in this direction has been made. I am convinced, however, that the threat of international terrorism is a growing threat which will be with us for some time to come and which will require greater efforts by the United States as well as other countries if the problem is to be solved. Without such efforts and greater international cooperation we are all destined to become victims of international terrorists. If much has been done, even more still remains to be done. I am pleased to associate myself with the present resolution which urges the President to continue efforts to resolve the problem of terrorism through international negotiations and I urge my colleagues to consider it quickly and favorably.

AMENDMENTS SUBMITTED FOR PRINTING

COMMONWEALTH OF NORTHERN MARIANA ISLANDS—HOUSE JOINT RESOLUTION 549

AMENDMENT NO. 1330

(Ordered to be printed and to lie on the table.)

Mr. PELL (for himself and Mr. HARRY F. BYRD, JR.), submitted an amendment intended to be proposed by them jointly to the joint resolution (H.J. Res. 549) to approve the "Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America," and for other purposes.

FISHERIES MANAGEMENT AND CONSERVATION ACT—S. 961

AMENDMENT NO. 1331

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself, Mr. GRIFFIN, Mr. MORGAN, Mr. STAFFORD, Mr. HUMPHREY, Mr. GOLDWATER, Mr. HUDDLESTON, Mr. THURMOND, Mr. CLARK, Mr. TOWER, Mr. MCGEE, Mr. BAKER, Mr. GRAVEL, and Mr. STEVENSON) submitted an amendment intended to be proposed by them jointly to the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. CRANSTON. Mr. President, Senator GRIFFIN and I are today introducing a compromise amendment to S. 961, the 200-mile limit bill. It is initially cosponsored by these Republicans and Democrats from both coastal and inland States representing the full spectrum of political philosophies in the Senate: MORGAN, STAFFORD, HUMPHREY, GOLDWATER, HUDDLESTON, THURMOND, CLARK, TOWER, MCGEE, BAKER, GRAVEL, and STEVENSON.

The amendment retains the fisheries management provisions of S. 961, while striking the assertions of unilateral 200-mile jurisdiction from the bill.

To conserve and protect resources from depletion, the amendment provides for invoking application of the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas as the proper way to establish emergency conservation procedures.

It draws upon the authority within article 7 of the Geneva Convention to give coastal nations power to adopt conservation measures appropriate to any stock of fish or other marine resouces in the areas of the high seas adjacent to its territorial sea, provided that negotiations to that effect with the other nations concerned have not led to an agreement within 6 months. [In accordance with article 7, unilateral action of this nature must be based on scientific findings and must not discriminate against foreign fishermen.]

The amendment further directs the Secretary of Commerce in consultation with the Secretary of State to promulgate regulations necessary to conserve the productivity of the living resources of the high seas if prior negotiations have not led to a satisfactory agreement at the end of 6 months.

These regulations would apply simultaneously and equally to all vessels and fishermen taking, either intentionally or incidentally, regulated fish stocks.

Finally, the amendment provides as enforcement the provisions and the penalties imposed by the act—including seizure, forfeiture, and condemnation. These are to be applied to those vessels violating the regulations promulgated by the Secretaries of State and Commerce.

NATIONAL RESOURCE LANDS MANAGEMENT ACT—S. 507

AMENDMENT NO. 1332

(Ordered to be printed and to lie on the table.)

Mr. STEVENS. Mr. President, today I would like to offer an amendment to S. 507, the National Resource Lands Management Act. The bill as now drafted provides for the total repeal of the Alaska Homestead Act. My amendment would allow the possibility of continued homesteading in Alaska until June 30, 1984.

Mr. President, I would like to point out that currently there is no homesteading in Alaska. The Secretary of the Interior in December 1969 put a freeze on homesteading in my State. The reason for this action was to avoid confusion until the transition period necessary to resolve the Alaska Native land selections and the Alaska State land grants is concluded. My amendments would not alter the freeze on homesteading. It would, however, provide that once these other matters are settled there would again be the possibility of homesteading in Alaska.

Alaska now has one-half of all public lands left in the United States. Even after the State of Alaska completes its selection of lands, over 60 percent of the State will still be owned by the Federal Government.

S. 507 provides that Federal land will only be sold at a price established on a fair market value concept. I do not believe that the possibility of settling on public lands should be denied to those willing to invest what Alaskans refer to as "sweat equity" and open only to those willing to deal on a cash and carry basis. We should use public lands to encourage people to make a new life for themselves. We have plenty of land like that in Alaska.

There are a great many lands in Alaska that are today withdrawn for specific purposes such as military reservations, which may not be there forever, wildlife reservations, or other specific withdrawals. If these withdrawals are revoked these lands will be very suitable for farming and homesteading in the future. This would also apply to lands that Congress decided not to withdraw from the public domain under section 17(d)(2) of the Alaska Native Claims Settlement Act.

I urge that the possibility of homesteading not be forever closed in Alaska. Land and opportunity should be available for those Americans not able to deal on a cash and carry basis.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD immediately following my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1332

On page 116, line 4, add:

"(f) Notwithstanding any other provision of this Act, all laws of the United States in effect on the date immediately preceding the effective date of this Act relating to homesteading in the United States shall, on and after such effective date, continue to be applicable to lands within the State of Alaska classified by the Secretary as suitable for homestead entry in the same manner and same extent as if this Act had not been enacted until June 30, 1984.

ADDITIONAL STATEMENTS

DR. TOM DOOLEY ANNIVERSARY

Mr. JAVITS. Mr. President, Sunday marked the 15th anniversary of the death of Dr. Tom Dooley, the great American humanitarian. Tom Dooley was a Navy medical officer who helped evacuate 610,000 Indochinese refugees from North Vietnam shortly after the fall of Dienbienphu. He was horrified by their terrible suffering and resigned his commission in the Navy to establish a crude hospital in Laos. He was the only doctor in a nation of 3 million people.

In 1957, Tom Dooley was instrumental in setting up MEDICO which has played a major role in establishing hospitals in remote areas of Africa and Asia. Not only did he dedicate his life to the people who needed him most, but Dr. Dooley also wrote and lectured widely to tell others of the human misery he saw and to help raise funds for his network of primitive hospitals.

Tom Dooley died of cancer in 1961 after compressing a hundred lifetimes of helping others into his 34 years. He left behind a legacy of spirit and compassion which helped provide the inspiration for the Peace Corps and similar organizations throughout the world. Today, his work is being carried on by the Dooley Heritage, a private group dedicated to providing medical care to people in the remotest parts of the globe.

We will honor many great Americans during this Bicentennial Year. We should honor Dr. Tom Dooley who aided his fellow man and displayed the finest attributes of the American character.

SENATOR MUSKIE ON THE STATE OF THE UNION

Mr. HUMPHREY. Mr. President, the Democratic majority in the Congress was most fortunate in having as its spokesman over nationwide television on the three major networks our colleague and the distinguished and able Senator from Maine, EDMUND MUSKIE. In a most forthright, honest, and persuasive manner, he presented the case for the Democratic Party.

Those of us who know Senator MUSKIE were not at all surprised by the obvious sincerity, clarity, and integrity of his message. It was a combination of the character of the man and the essence of Democratic Party policy as developed by the majority Members of Congress.

ED MUSKIE spoke for us but, even more importantly, he spoke for the Nation. His thoughtful and yet provocative, calm and yet powerful message represents a program of action upon which we as Democratic officeholders can stand and fight.

It was ED MUSKIE who talked sense. It

was Senator MUSKIE who truly represented the forces of change which are sweeping this Nation. He gave to America a reason to believe in government, a reason to have faith in the institutions of democracy, and a reason to have faith in the American dream.

I ask unanimous consent that the address of Senator MUSKIE entitled "The State of the Union—A Democratic View" be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE STATE OF THE UNION—A DEMOCRATIC VIEW

(Remarks by Senator EDMUND S. MUSKIE, Democrat of Maine, Washington, D.C., Jan. 21, 1976)

I speak tonight for the restoration of American democracy—for restoration of that now endangered confidence which is essential to the life of freedom and to the meaning of the Republic. It is that confidence which has for two centuries animated the labors of a citizenry with the expectation that the common effort would inevitably lead to increasing opportunity—would continually drive back those obstacles which limit the citizen's freedom to direct and enhance the quality of human life.

That confidence and the successful conduct of that struggle is not some romantic dream, an old proverb plucked from some ancient book for occasional Fourth of July celebrations. It is the idea which has constituted and defined our existence and progress as a nation. It is the reality which is the foundation and justification of everything else—wealth and power, public institutions and private enterprise, the building from which I speak and the Constitution on which it was raised.

Two nights ago we heard from the President of the United States. He struck a theme which profoundly misunderstands both the realities and needs of the America he now helps govern.

However, it is not my intention simply to answer the President or argue with his convictions. The Democratic leadership of the Congress in which I serve has asked me, rather, to present another point of view. It is not the opinion of Congress or of its Democratic majority. For I am only qualified to speak as the senior Senator from Maine, a Democrat, and as Chairman of the Senate Committee on the Budget. Still, even though some members of my party in Congress may not share all my views, we do share a common bond: The oath and obligation of office—to defend the Constitution of the United States, to advance its principles, and to represent fairly and according to our individual conscience and best understanding, the interests of the people we serve—our own constituencies and the Nation whose well-being is our constitutional obligation. And I can, and I intend, to represent and discharge, that common mandate whose fulfillment is the obligation of every Member.

My message tonight is not one of comfort or reassurance. But it is a truth and it is a warning.

I have just returned from two intensive weeks of travel, listening and talking among my people back home in Maine. We talked about a lot of very serious problems which are shared by millions of Americans from coast to coast. The problem which concerns me more than all the rest—because unless we solve it, we cannot solve the rest—is the extent to which you have lost confidence in your political system and your ability to govern yourselves.

Too many of you do not believe the government cares about you and your problems.

Too many of you believe that government can't do anything about your problems.

Too many of you believe that government exists only for the benefit of the few who are rich and powerful.

Too many of you believe that you can do nothing to improve the performance of your government.

Too few of you are willing to try.

Political power in our system is still yours to use—if you will.

If you doubt what I say, recall, if you will, the Watergate affair and the reason why it was finally resolved by an orderly transfer of power involving the first resignation from office of a President in our entire history. It was you who produced that result—not the Congress—not even the courts. Your political institutions moved when you insisted that they do.

You and your elected representatives are in this business of governing together. When communication between us breaks down, when we lose confidence in each other, we lose the very essence of self-government.

I find no confidence that government can restore economic health to our nation—put people back to work—get our factories open again—and stop the inflation that robs our elderly and poor—and deprives every one of us of our hard-earned dollars.

I find no confidence that government can do something effective about this siege of crime that makes many of you prisoners in your homes, behind doors that lock out the threat which lurks in the darkness.

That government can make schools again into houses where children can learn and prepare themselves for the future.

That government can slow down spiralling health costs, that add more misery to your lives each year.

That government can bring our powerful oil industry under control, to hold down the price of energy.

That government can stop a disastrous retreat from the goal of environmental quality we set so resolutely not so long ago.

And I find no confidence that government would begin to curb the abuses of power that threaten you.

The abuse of power by corporations that dominate the marketplace, charging what they want—who ignore the quality of our air and water—the safety of workers—the quality of goods— who each year push and shove for more tax privileges and more exemptions from law—corporations, in other words, that each year grow *more* wealthy and *more* powerful.

And we can begin to do what we must do to insure that government will curb its own abuses.

I find no confidence that government can curb its abuses—the abuse of government power goes on—the abuse of our rights by the FBI and the CIA have been exposed—the war in Vietnam went on for years—the no longer secret war in Angola goes on.

Everywhere I turn in this nation, these are the problems I hear from your lips.

This is the State of the Union.

And it is also a Congressional agenda for action.

The goodness and the strength of the American people is not diminished by the corruption of a few of our leaders.

Our system of reward for hard work is not discredited by a few years of hard times.

Our government—the model for free people everywhere in the world—has not been destroyed by a few Presidents or the failure of Congress to block them in time.

We have had some very bad times in our country in these last few years.

But our people are still strong.

The Republic still stands.

Our freely elected government can still work.

Who among us would trade America for any other country in the long history of the world?

We don't need a new system.

What we *need* is the will to make our system work.

We must reject those of timid vision who counsel us to go back—

To go back to simpler times now gone forever.

To go back on the promises we have made to each other.

To go back on our guarantee to every American for a decent job and secure retirement.

To go back on our commitment to quality education and affordable health care.

To go back on consumer protection and worker safety.

To go back on our commitment to a clean environment.

To go back and give up.

We cannot go back.

We cannot give up.

And we will not.

If we've learned anything as a nation—from Valley Forge to Yorktown, from the Great Depression to the landing on the moon—it is this: Give Americans the tools and they'll do the job.

We are entering a period when the country's capacity to produce and create can be greater than at any time in recent history. There are houses to design and build. There are roads to build, to repair. There are rivers to clean. There are railroads to mend. There are day-care centers to build and to operate so that more young women can participate in revitalizing America. There are books to be written and printed. There are farms to be expanded and worked. There are cities to rebuild. There are new sources of energy to be developed and produced. Oh, yes, we have work to do.

Clearly, something is wrong in a system in which there is so much work to be done at the same time there are so many people without work.

And that problem is not only the business of business. It is also the business of government.

We all have a big stake in that effort. We all pay for unemployment.

For every one percent increase in the unemployment rate—for every one million Americans out of work—we all pay three billion dollars more in unemployment compensation and welfare checks and lose 14 billion dollars in taxes. That means that today's unemployment costs us taxpayers more than 65 billion dollars a year.

President Ford's budgets for these two years of recession have included more than 40 billion dollars for unemployment compensation and jobless payments alone—and another fourteen billion dollars in interest on the extra national debt that unemployment has cost.

But the President's budget offers no new jobs. In fact, it proposes cutbacks in the existing, limited emergency jobs program Congress has enacted.

The President's plans for our economy are pennywise and pound-foolish. Under them, America's factories are producing only three fourths as many goods as they actually could.

That means fewer jobs and higher prices.

If we had just enough jobs this year to match the unemployment rate of 1968, we would collect enough federal taxes to wipe out the entire federal deficit, this year and next.

But the President's budget is designed to keep unemployment over seven percent for another year and more. To keep seven million Americans unemployed at this time a year from now. Most economists believe that if the Administration's policies are followed, unemployment will not fall below seven percent in this decade.

We American taxpayers pay a staggering price for these jobless policies.

But the Americans who want work and can't find it pay so much more.

What price does a father or mother pay who cannot support their children? What price does a master carpenter pay when he is reduced to welfare? How can we calculate the cost to America's jobless in lost seniority, job-training, and pension rights? What price will we all pay when two out of every five inner city youths grow up without ever having had a full-time job?

Experts in both government and private enterprise tell us that we can, if we choose, significantly reduce the present unemployment during the next fiscal year. Direct employment programs—using federal dollars to pay for public service jobs like classroom teaching aides and hospital attendants—would produce the most jobs at the lowest total cost.

Federal assistance to local communities for layoffs in local government services—like police protection and trash collection—also have high job yields for the tax dollars invested.

Yet President Ford says he intends to veto even the limited program pending in the Congress now for short-term public works and financial assistance to local communities which have high jobless rates. This anti-recession bill—which the President seeks to block—would create 300,000 jobs this year.

The President says we cannot afford to help Americans find work.

I say we cannot, as taxpayers, afford not to.

And those jobs should be in addition to the jobs Congress could create in private industry by additional cuts in taxes without increasing present federal spending levels. And Congress could avoid discouraging private sector employment by rejecting the President's proposals to increase payroll taxes.

As I listen to my people in Maine, and occasionally to those outside the state, it is clear that one of the most frightening economic results of recent years is inflation—and especially the quadrupling of oil prices. They have put the very necessities of life beyond the reach of more and more of our citizens.

The Administration has tried hard to make the case that budget deficits are a direct cause of inflation. I wish the American economy were that simple. Curing inflation then would be a simple matter of cutting the budget. Unfortunately, the facts do not bear out the Administration claim.

In 1974, for example, the federal government deficit was the smallest in the past several years. But in that year, 1974, both inflation and interest rates reached their highest points in 21 years.

Prices were high that year because of the sudden increase in oil prices, steep increases in food prices, and a deliberate policy by the Federal Reserve Board to keep interest rates high. The size of the deficit was incidental.

The Administration did not raise oil prices. It was not responsible for poor crops around the world during the late 1960's and early 1970's. But it compounded the problems, partly by inept, often panicky management of the economy, starting with the first Nixon Administration. The Administration raced the economy's engine in election years and then created recessions to curb the resulting inflation. It moved too quickly from one set of wage-price controls to another without ever giving any of them a chance to work. It tried to impose domestic oil price increases on top of the foreign increases that would have doubled the impact. It compounded the poor crop years by selling too much of this nation's grain reserves to the Soviet Union.

What the nation needs at this time is leadership that will not jump from one economic panic button to another. We need a consistent, responsible, non-partisan plan for protecting the economy from further shocks.

We need an energy policy that will keep the prices of oil and natural gas at reasonable levels until the economy can absorb increases.

We need a food policy that gives farmers a guarantee of reasonable incomes and consumers a guarantee of reasonable prices. A crop failure in Russia should not be permitted to disturb that balance.

We need a wage-price council which will make life miserable for any big corporation that raises prices without very good reason and will do so in the name of the President of the United States.

We need an anti-trust policy that will move immediately to prevent powerful firms from gaining too much control over both markets and capital, not spend years in court arguing cases after it is too late.

Federal deficits are not the cause of the inflation we have experienced in the last two years, but they can be in the future, and we must be concerned about the possibility, as the economy recovers its health.

Beyond that, wasteful government spending, inefficient and ineffective programs, are burdens taxpayers ought not to be asked to carry. More than that, they rob us of the resources we need to serve high priority national needs. Moreover, their very existence undermines that public confidence in government which is essential and so sadly lacking.

Congress, recognizing this, has enacted a new budget process to remedy this now-chronic national financial crisis.

Our job is to decide on a ceiling on spending and a floor under taxes for each year.

In doing so we also set an economic policy for the country and ration the dollars in the budget according to our actual national needs.

Our goal is to balance the budget as soon as the economy permits.

We have imposed a tough spending ceiling on the federal government this year.

We will impose a similar spending ceiling next year and every year.

We have held the federal deficit to the lowest possible level consistent with reducing unemployment.

And, in fact, we have held the federal deficit 25 billion dollars below the Secretary of the Treasury's estimate of last spring.

And we are using the process to determine the economic impact of tax and regulatory policies.

Finally, we will use all of this information to put spending priorities more in line with real needs, and to weed out programs which cost too much or produce too little.

Last year we reduced the President's requests for defense and foreign military aid to levels we thought were closer to our real defense needs and purposes.

We have used part of the money we saved to increase jobs, health care and social security.

We rejected at least $10 to $15 billion in other requests to hold down the deficit.

But the new budget reform process is just one step in a broader effort we must undertake.

We need a second spending reform to make sure the federal money we spend is effectively used.

We should question the most basic assumption about every program.

Any programs not doing the job or duplicating better-run programs should be eliminated.

By the end of every four years, all programs should be reviewed in this process.

The only program excepted from this review should be the Social Security program, which is, after all, an insurance system.

We have learned that we can't solve our problems by simply throwing federal dollars at them. In the past seven years, the federal government has provided more than four billion dollars to improve local law enforcement. President Ford is now proposing to spend seven billion more. During the same seven years crime has increased 55 percent.

At the same time, we know that we can't solve priority problems like pollution or provide a national defense without a substantial commitment of tax dollars. So we must pursue the hard, detailed job of evaluating federal spending in each and every area of the budget. We must buy only what we need And at the lowest sound cost.

I was disappointed that the President made no proposals in his State of the Union message to improve government efficiency—to bring new businesslike methods into the bureaucracy.

Under our system the President, after all, is the Chief Executive.

Efficiency in the general government is his responsibility.

But what steps has he taken to improve efficiency and reduce costs in the Executive Branch?

Why does it cost the government twice as much as a private insurance company to process medical claims?

Why does the government take months to get the first check out to a woman entitled to a federal pension?

Why does the Social Security Administration take a year or more to process a citizen's claim for disability compensation?

Why can't defense contractors be made to deliver their goods at agreed-upon prices without cost overruns? Have you ever heard of a Defense Department employee being fired for permitting a cost overrun paid for with our tax dollars?

Through the new Congressional budget reform process, Congress has laid the groundwork for more efficient government at tax savings to our citizens.

I hope President Ford will join us in that effort.

I do not believe most Americans want their government dismantled.

We can't very well fire the mailmen, discharge our armed forces, or lay off the people who run the computers that print our Social Security checks.

But we can expect maximum efficiency and performance in office by everyone who draws a federal salary.

Let us now ask ourselves about America's place in the world.

What is your definition of national security? . . . protecting our shores from attack? . . . standing by our allies in Western Europe and Asia? . . . protecting our vital economic interests? . . . playing a leadership role in moving the world away from the arms race? . . . if it is, I would agree.

We must also ask what is the most dangerous foreign policy problem we face today? I think, once again, it is a gulf of doubt and mistrust between us and our government.

That gulf has widened since the tragic collapse of Vietnam.

It was less than a year ago that we saw films of South Vietnamese soldiers pushing women and children away from evacuation planes in Danang . . . we saw Americans being airlifted from the roof of the American Embassy in Saigon to Navy ships in the China sea. Until that end, this Administration was pleading for another $720 million to spend on a cause that the American people had long since recognized was wrong and hopeless.

Vietnam was a bitter disappointment.

But it also offered us some positive lessons: U.S. interests are *not* served by military intervention everywhere in the world where we see instability. And the U.S. *can* conduct a responsible policy toward its potential adversaries and toward its allies . . . and *can* pursue its interests after Vietnam—better, if anything, than before.

Yet just last month, we discovered that the President has involved our nation in a major way in yet another faroff land: in Angola, where our nation's interests and those of the free world are far from clear.

The Senate voted against any further expenditures for Angola.

As in Vietnam, we find ourselves deeply committed without prior notice or consultation with our people in a country where U.S. interests could not possibly be served at any price.

A free people deserve to be informed and to consent to the foreign policy we pursue.

Much of the world today is watching with amazement as a Congress of the United States examines U.S. intelligence operations overseas. I know many of you must have asked yourselves, as I have, whether it is necessary to hang out the dirty linen—to talk about assassination attempts, to admit that the whole world knows about both us and themselves, that nations spy.

Yes, it is necessary. How else is the American public to get hold of its foreign policy again? How else can we guarantee that interventions in other countries are an appropriate expression of deliberate U.S. policy, and not the making of some faceless bureaucrat? Oh, sure, it is inconvenient to conduct foreign policy in the open, and, certainly there will always be a need for intelligence work and for secrecy within the bounds of established policy.

But a Republic gets its strength from the consent of the governed and from a consensus on shared objectives. It gets only weakness and disappointment from secrecy and surprise.

So let us seek a foreign policy we can talk about in public and agree to in advance.

Let us defend our real interests—and leave no doubt of it. But where our interest is not direcly or clearly involved, let our adversaries learn, as we did in Vietnam, the expensive lesson of the limits of their power.

Let us be neither patsy nor bully for the other nations of the world.

Let us pursue a lessening of tensions with the Soviet Union and China, wherever it is consistent with our own interests.

Let us extend a helping hand to the two-thirds of the people of the world who have so little. And let us do so with the confidence of a truly great people. We do not need to always win all our debates with every nation in the world.

Let our greatness be, not that we always win, but that—as God gives us the power to see it—we are always in pursuit of the right.

In his State of the Union message—and in the budget he sent us—the President has made some serious proposals for reduction in federal expenditures and changes in our national priorities.

The President's program includes a number of ideas to simply shift the cost of federal programs from the federal government to the states and the cities. We must frankly be skeptical of such proposals that simply raise state and local taxes. But I believe Congress must evaluate the President's proposals with an open mind.

Where they are simply gimmicks or mistakes, they should be rejected.

Where they need amendment, they should be shaped to meet America's actual needs.

Where they make sense, they should be adopted.

We must not be afraid of change.

Just as we cannot go back to the old days, we must be ready to change old ways to meet new needs and present realities.

I do not believe we face any problems we cannot solve.

Our problems are man-made, and men and women can find their solutions.

We need the will to try.

The state of the Union is as strong as the bond between us.

So let us make a pledge to one another tonight.

Assert your right to share control of our national destiny. Decide now that you are going to vote in the Presidential and Congressional, state and local elections this fall, and keep that commitment.

But put the politicians who seek your vote in those elections to a stringent test.

Are they men of their word?

If they promise more government benefits and services, do they also say how much they will cost?

If they say they are going to reduce the size of government, do they tell you which services you are going to go without and how much that will save?

Do they offer specific proposals or simply slogans?

The Congress which meets in this building is your Congress if you participate in its election and supervision.

Together, we *are* the Union.

And I find the state of that Union very strong indeed.

UKRAINIAN INDEPENDENCE DAY

Mr. BUCKLEY. Mr. President, I would like to join my colleagues in paying tribute to the many Ukrainian Americans in New York and around the country who have made possible through their tireless efforts and their prayers, the freedom for one Ukrainian, Leonid Plyushch. After years of harassment by Soviet authorities, the noted mathematician has been allowed to leave the Soviet Union.

January 22 marks the 58th anniversary of the founding of the Ukrainian State. While the new Soviet Government recognized the Ukrainian Republic, its independence was short lived. A combination of circumstances forced that nation to bow to Communist tyranny, a tyranny which continues today. The struggle to rid the Ukraine State of the Communist yoke has been continuous, and the involvement of Americans of Ukrainian ancestry has been vitally important. Their voices have been heard, but we must continue to work to alert the world to the realities of Soviet oppression.

The policy of détente has produced few rewards, especially for those living within the Soviet borders. The fact is that Soviet oppression is routinely applied to individuals of all national groups and of all religious persuasions. Agreements we have signed have been meaningless at least as far as Soviet compliance is concerned.

Today, in this Bicentennial celebration of our Nation's freedom, as we salute the Ukrainian spirit and those individuals who have worked to serve the cause of freedom everywhere, let us resolve to explore all avenues open to us and to miss no opportunity to insist on freedom for these long suffering individuals. We must make clear to the Soviet Government that the question is not "if" Ukraine will be free, but "when."

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, today I want to demonstrate to my colleagues why the Genocide Convention poses no threat to the sovereignty of our Nation. Opponents of ratification of the convention have argued that Senate endorsement will undermine the authority of our Nation's governing institutions by subordinating the power of the President, Congress, and courts to an international body whose judgments are beyond appeal.

These opponents see in the convention the image of a tribunal, inherently biased against the United States, handing down decisions against Americans who have been accused of genocide. I want to assure everyone that this image is nothing more than a mirage. Ratification of the convention will not subject us to the whims of a body supreme in its authority and unaccountable in its decisionmaking. What the convention does is establish a mechanism for punishment of those who commit genocide and a deterrent for those who contemplate it.

Article V of the convention stipulates that—

> The Contracting Parties undertake to enact, in accordance with their respective Constitutions, the necessary legislation to give effect to the provisions of the present Convention . . .

The guarantees made to every American citizen in the Constitution remain intact. Article VI refers to an "international penal tribunal" which might try people accused of genocide; such a tribunal is not yet in existence, and even if such a body were established, no American would be subject to its jurisdiction unless the Senate ratified a new treaty recognizing the tribunal. The provision in article IX that disputes concerning the convention can be submitted to the International Court of Justice—ICJ—at The Hague provides no threat to us because this body has only an interpretive function. The ICJ has no authority to try persons accused of genocide.

Our Constitution provides that treaties are the "supreme law of the land." By giving the Senate the responsibility of ratification of all treaties, the Constitution entrusted the Senate to safeguard the sovereignty of the United States. The Genocide Convention in no way comprises our status as an independent nation striving to improve itself and its world.

CALIFORNIA CONSIDERS INMATES' UNION

Mr. FANNIN. Mr. President, I was somewhat amazed and appalled to see a story in the Washington Post this week indicating the State of California is considering a program which would allow convicts to organize a type of labor union.

I must agree with the spokesman for prison guards who called the idea "idiotic."

Men and women are sent to prisons because they have been judged irresponsible when it comes to following the rules of decent society. Now we see proposals that these people somehow should be allowed to vote on how the prisons are run.

Prisons should serve three purposes. They should separate those who are violent or who prey on their fellow citizens from the rest of society; they should provide rehabilitative services so that upon release the convicts can assume a constructive role in society; and they should function as punishment.

The running of the prisons should be determined by the legislative and administrative agencies of our Government. It is up to officials elected by the people to decide what our prison policies should be—the prisoner has forfeited his or her rights to make such decisions.

Mr. President, our penal system should function in a humane manner and we are constantly striving to improve our prisons so that they serve as correctional institutions rather than as schools in crime. But to establish unions of prisoners is nonsense. I ask unanimous consent to have the article from the Washington Post printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

California Considers Inmates' Union

Sacramento, January 20.—The State Department of Corrections is considering the adoption of a policy that would permit California's 20,000 prison inmates to organize and join the equivalent of a labor union.

To be called "Inmate Representing Organizations," the union would maintain outside staffs whose members would go into the prisons to help inmates prepare and present grievances.

Assistant Director Philip D. Guthrie said the proposal results from "our overall effort to find some way for inmates to have some effective voice in control over their day-to-day lives."

Ken Brown, executive secretary of the California Correctional Officers Association, called the plan "idiotic" and warned that the prison guards might strike if it is adopted.

Guthrie said the proposal has not been approved by the department. However, he said, it has been approved by the Sacramento headquarters staff and was to be presented to prison wardens and parole superintendents at a meeting today.

If all goes well, he indicated, the department will seek approval from higher-ups in the administration of Gov. Edmund G. Brown Jr. (who are already aware of the plan) and eventually will launch a pilot project.

Brown, the guards' spokesman, said the plan would endanger guards by disrupting discipline.

"Suppose the custody staff decides to make a disciplinary transfer of some individual but they go through their 'meet and confer' and the decision is overturned.

"Now this individual comes back as some kind of hero. He says, 'Here I am, not even the prison system could tell me where to do my time.'

"The question is: Who's in control here? Why did society send this guy here in the first place?" he said.

Guthrie said the proposal was prepared during eight months of talks between department officials and spokesmen for the "Prisoners Union," a San Francisco Bay area organization that says it represents about 20,000 convicts and ex-convicts around the nation.

CONSUMER ASSEMBLY, 1976

Mr. HUMPHREY. Mr. President, I recently had the distinct pleasure of speaking before the Consumer Federation of America's Consumer Assembly for 1976. This meeting brought together consumer advocates from government, industry, and the private sector as well as farm group representatives.

In my remarks, I focused on the important economic issues facing American consumers today. The rapid inflation and deep recession we have been experiencing have reduced the standard of living of American consumers twice as much as any other postwar recession.

By the end of this decade, recession alone will have cost our Nation $1.5 trillion in goods never produced, services never provided, and income never found in anyone's paycheck. In other words, a family of four will have lost, on the average, an incredible $28,000 in income—in buying power—as a result of the disastrous economic mismanagement by this administration.

I pointed out that the problems we face today do not lend themselves to the solutions of yesterday. We need creative solutions and consumers need an effectice means to help shape these solutions.

Some of these solutions we should focus on are—

Helping consumers help themselves through cooperatives and more effective representation;

A national food policy designed to give both producers and consumers fair treatment;

An energy policy which will provide an adequate supply of energy at reasonable prices;

An anti-inflation program designed to encourage competitive pricing and stimulate production;

An all-out attack on waste both in the economy and government; and

A national economic policy for balanced national growth and development.

I stressed the need for a positive Government with strong leadership. What we need is a Government that works, that understands the peoples' problems, and makes an honest realistic but compassionate effort to help solve them. We do not need a Government that in the name of free enterprise only exacerbates the problem by listening to one voice; by asking our farm families to produce without knowing whether they will recover their investments let alone make a profit; by asking our poorest consumers to eat only in good years; by creating conditions where your take-home pay declines while consumer prices skyrocket; or by tolerating unemployment while industrial production facilities lie idle.

Mr. President, I ask unanimous consent that the text of my remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Hubert H. Humphrey to the Consumer Federation of America, Washington, D.C., January 22, 1976

It is a distinct pleasure to be here with you this morning.

You have a big stake in seeing that government faces up to the hard answers that are needed to solve the problems of today.

Participation is what good government is all about, and because of your participation considerable progress has been made in areas of vital concern to consumers: safe products, effective and honest warranties, fair credit, and consumer cooperatives, to name a few. But more needs to be done.

The greatest abuse the American consumer is confronted with today is the continued undermining of his purchasing power. He is increasingly unable to afford essential products and services.

One of the causes of this phenomenon is that our economy is experiencing both inflation and recession at the same time. Never before has any industrialized society had such an experience. We have developed economic tools to combat one or the other. But to be faced with both at the same time has confounded us—and has deeply affected the American consumer.

Americans are learning a very bitter lesson from the economic catastrophe of the 1970's. By the end of this decade, recession alone will have cost our nation $1.5 trillion in goods never produced, services never provided, and income never found in anyone's paycheck.

More specifically, that represents a loss of over $7,000 for every man, woman and child in America today. A family of our will have lost, on the average, an incredible $28,000 in income—in buying power—as a result of this disastrous economic mismanagement.

Rapid inflation and deep recession have reduced the standard of living of American consumers twice as much as any other postwar recession. Consumers have taken a severe beating from every direction—paying higher prices for what they buy, while wages and income have lagged far behind.

In the past three years, consumer prices have risen 28 percent while the take-home pay of the average worker with a wife and two children has decreased 5.4 percent. This same worker's take-home pay in 1975 actually was lower than in 1965. All this when:

The price of food at the supermarket has gone up 18 percent in the last two years.

The retail price of fuel has increased 32 percent in that same period.

The median price of a new home is $41,300 and can be afforded by only 15 percent of all American families. Only 20 percent can afford an existing home.

The cost of medical care skyrocketed to $118.5 billion in 1975 and now eats up more than one month's pay per year for the average American.

Consumers and consumer groups have exercised considerable muscle in the marketplace. You have a right to be heard, to be informed and to inform, to be safe, and to choose.

There isn't any doubt that the problems of today do not lend themselves to the solutions of yesterday And all of us know what these problems are.

What we need are creative solutions, and you need an effective means to participate in shaping these solutions.

We need to make it possible for more consumers to become involved in helping themselves through consumer cooperatives and through more effective representation as decisions affecting their interest and way of life are made.

We need a food policy which is designed to give both producers and consumers fair treatment.

We need an energy policy which will provide an adequate supply of energy at reasonable prices. We cannot permit a handful of producers to rig energy prices in their own short-term interest.

We need an anti-inflation program designed to encourage competitive pricing and restore industry to higher levels of production.

We need an all-out attack on waste throughout the economy. Significant spending reduction, regulatory reform and revenue-raising tax reforms are possible without severely impairing important government services.

Most of all, we need a natioal economic policy to encourage, in a free, democratic and orderly way, a means of achieving our goals with available resources.

Let's take these items one at a time.

One of the most important items on the consumer agenda is to make it possible for most consumers to become involved in helping themselves.

This is happening through the growing effectiveness of state and local consumer organizations and by recent Congressional endorsement of an Agency for Consumer Advocacy. This legislation strikes a good balance between the public's right to know about products or services which may endanger their health or safety or which may cause substantial economic injury, and the right of those complained against also to be heard. The voice and interests of consumers must be heard in fact, not just in theory.

Consumer cooperatives also have become a reality and we need to promote their growth by providing loans and technical assistance, just as we did to farmers through the Farm Credit System. A national consumer cooperative bank would serve consumers interested in establishing or expanding sound business endeavors in housing, consumer goods, health services, credit and other similar consumer activities.

This could be one of the greatest economic additions to the forward look that consumers already have brought to many of our national programs and goals.

Consumers and producers alike have an interest in maintaining a strong system of cooperatives. They help the farmers compete and help assure a reliable food supply for consumers.

The erratic "boom and bust" policies advocated by this Administration are not the answer. They wrongly have set the consumer against the farmer.

For example, the food bill of American citizens has increased over $57 billion in the last three years as a result of the "doctrine of the free market" as interpreted by Secretary Butz. This Administration's policies are encouraging higher food prices while driving our farmers out of business.

We've all heard a lot of hoopla about the cost of farm subsidies. But during the last 40 years the government has paid less to the farmers for price supports, conservation, cropland adjustment and other programs than it has cost you at the cash register in the supermarket in the last three years alone.

The percent of your income going for food had actually been declining before this Administration took office. Government costs for farm programs have gone down in the last three years. But your food bill has increased by almost 50 percent. Neither the consumer nor the farmer is being served by this "boom and bust" policy of the Administration.

The time has come to make tough decisions so that our food policy is fair to farmers and consumers alike.

It simply is not a political issue or an economic problem when rising food prices mean the difference between a decent meal and gnawing hunger, between health and malnutrition for hundreds of thousands of families across America.

It is too much to ask our poorest consumer to eat only in good years.

It also is too much to ask our farm families who have made American agriculture the most productive and efficient in the world—to plan and plant next years' crop when widly gyrating prices give not one clue as to whether they will recover their investments for production costs, let alone make a profit.

Farmers and consumers both have paid a high price, because we have ignored the need for a balanced national food policy. We should not be deceived by the rhetoric today concerning the need to remove the shackles of government intervention and interference from the farmer. A policy of "government hands-off" as some advocate, simply is not realistic in a world where state-controlled trading operations dominate the export business of many nations.

How many times are our producers and consumers going to be burned by volatile markets before we come to the realization that some basic structural changes have occurred in the world's agricultural system and we need a food and agricultural policy to reflect these changes?

It is no easy task to develop a comprehensive policy to meet the needs of both producers and consumer. But it should aim at the following objectives:

Price and income protection for producers of food and fiber;

Food supply stability for consumers at reasonable prices;

Adequate supply of inputs and transportation for producers at reasonable prices;

Adequate agricultural production for domestic and international needs;

The establishment of a reserve program to provide market stability during periods of shortage and surplus; to maintain the reliability of the United States as an exporter, and to continue the provision of food assistance to needy nations.

Soaring energy prices have been another cause of the sharp erosion in purchasing power we have experienced.

Month after month we watched gas prices, heating oil prices, and electric rates climb until now we pay 80 percent more for gas, 140 percent more for heating oil, and 75 percent more for electricity than we did in 1973. And we've had to fight mightily just to keep these prices from going still higher.

The free-enterprise buccaneers of this Administration tell us that oil prices should be set by the free market. But an OPEC-dedicated oil price is hardly what I would call a free market. It is a contrived artificial price established by an international cartel with no justification other than that provided by naked monopoly power.

Yet the debates rarely focus on that fact. And hardly anyone talks about you—about the impact of energy shortages and soaring prices to the consumer.

Oil decontrol was proposed in your name with claims that it would reduce imports. But the Administration's own data reveals that imports would be reduced by less than 10 percent by 1980. And this, had it come to pass, would have cost you at least $12 billion in higher oil prices on top of the estimated $40 billion in higher energy costs you already are paying. According to projections by the Joint Economic Committee, you would have faced double digit inflation this winter and watched 150,000 men and women join the ranks of the unemployed.

Specific authority already vested in the President resulted in a 20 percent increase in oil exploration without total decontrol.

Instead of taking more money out of your pocket, we need to establish a reliable oil and energy supply to achieve energy independence. We need to tax American know-how, not American consumers. We need:

A challenge to private enterprise to develop effective automobiles, appliances and machines that save energy;

A good-sized emergency oil stockpile of up to one billion barrels;

More domestic oil production—if environmentally sound, and if it can be done for less than we now pay for OPEC oil;

A massive solar energy program to replace scarce and environmentally-damaging nuclear and fossil fuels; and

An expeditious solution to the problems of transporting natural gas so that badly-needed energy will not be flared off in Alaska as shortages occur in the other 49 States.

Is it any wonder that public confidence in government is at an all-time low when time after time agencies that purport to represent the public interest end up costing the consumer more money?

In this time of economic recession and energy conservation, we need to devote a major effort to change regulatory processes which increase costs to the consumer and encourage a wasteful use of our precious resources. With the possible exception of taxation, no economic activity touches so much of the citizenry as does the regulatory commissions. Yet we're still operating according to concepts that have been or are becoming outmoded by change.

We need to encourage competitive pricing and restore industry to higher levels of production. Recent price increases in many industries simply cannot be justified when one realizes that 30 percent of our industrial resources lie idle and unused.

Auto production is down and has been for over two years, yet buyers are being asked to pay $1,000 more for the average car than they were two years ago. No wonder so many Americans are clinging to their old cars and so many auto workers remain unemployed. No wonder so many of our people feel that "free enterprise" is simply the mumbo-jumbo of the monopolists and their economic apologists.

In a truly competitive market, many of these pricing actions would not have taken place. Such irresponsible use of arbitrary pricing power has delayed and weakened the economic recovery by reducing the real value of consumers' purchasing power at a crucial time and by reinforcing the fear of inflation.

Renewed wage and price controls, reorganization of concentrated industries to create more competition, and the creation of government corporations to inject competition into certain concentrated industries have proposed to restrain corporate power. Each of these remedies, however, has serious drawbacks.

But fundamental changes will be necessary if arbitrary economic power continues to grow as it has done. In fact, we may not be far from a new era of general trustbusting like the one that swept America in the early 1900's in response to excessive corporate bigness and power.

I have talked about the direction we need to take in addressing the problems facing consumers today—food, energy, continued price escalation in the industrial sector in spite of production slack, and participation in the decisions so directly affecting you.

But to solve these problems we need a positive government with strong leadership. Don't let anyone promise to take government out of your lives. Some would have you believe that big federal government is to blame for the country's economic stagnation—that by cutting back federal programs, inflation somehow will magically disappear. Unfortunately, it's not that easy.

Big spending won't do it either.

What we really need is direction—some clear, national economic policy that is shaped by the people it will affect. Businesses plan; consumers plan. All other industrial nations plan. We are a nation with our destiny in our hands. Let's act like one.

We must look ahead in a free, democratic and orderly way to put the nation back on the road to prosperity. But we must do it together.

People are crying out for a government that works, that understands their problems, and makes an honest realistic but compassionate effort to help solve them. A great deal depends on the choice you make at the polls in November and on the quality of leadership provided by the person selected as the next President of the United States.

One of the great moral political leaders of our time was my dear and good friend, Adlai Stevenson.

Adlai reminded us that democracy is not self-executing. We have to make it work through sober thought and constructive criticism. We need to reason together, to see new facts in the light of old principles, and evaluate old principles in the light of new facts. Democracy's need for wisdom will remain as perennial as its need for liberty. Self-examination is the perennial price of liberty. The work of self-government never ceases.

A part of this self-examination will take place here during your convention. It's up to each and every one of you to speak out.

You have one of the biggest stakes in seeing that government faces up to the hard answers. Your voice is as vital now as it ever has been. Use it wisely, but most of all, use it.

S. 1—CONSTITUTIONAL AND CRIMINAL JUSTICE SAFEGUARDS NEEDED

Mr. JAVITS. Mr. President, as the 2d session of the 94th Congress begins, we face a major legislative issue in the sound resolution of the deficiencies which exist in S. 1, the massive bill which seeks to revise and reform our Federal criminal laws. I regard the responsibility to bring the bill into line with the requirements of the Constitution and the principles of justice as among the most serious and far reaching which have faced Congress in recent years.

I support the overall goal of restructuring the Federal criminal law into a more coherent and rational code, eliminating the contradicting redundancies which practitioners and teachers of the law have properly criticized for decades. The objective of clarifying and improving present law is desirable.

More than 10 years of study, hearings and comment—starting in 1966 with the appointment of the National Commission on the Reform of the Criminal Laws by President Johnson—is now reaching its final stages as the full Senate Judiciary Committee takes up the bill in the coming weeks.

As introduced, this legislation would sharply extend the power of the Federal Government over individuals and make certain significant decreases in the freedoms of individual Americans. Some of its principal provisions reflect, I feel, a shocking insensitivity to individual rights and to comprehend the fundamental nature and limits of governmental power under the Constitution. Other sections, while not raising constitutional questions, involve issues of major social and political importance to the Nation. Several provisions, therefore, require elimination or major revision:

1. ESPIONAGE AND SECRECY PROVISIONS

In at least four areas, the bill ignores the premium which we have long placed upon public awareness and debate about national security issues. It broadly extends the field of "classified information" and establishes an "expansive purview" of espionage. Linked to a new section relating to "impairing a government function," all of these provisions create a standing challenge to the guarantees of the first amendment.

In the view of some experts, these provisions go too far in giving virtual ownership to the Government of all public information. This approach could make government employees and news reporters vulnerable to prosecution where their conduct is now lawfully protected.

2. WIRETAPPING

S. 1 would continue authorization for wiretapping on order of the U.S. Attorney General without a court order for up to 48 hours, when "an emergency situation exists with respects to conspiratorial activities threatening the national ecurity." It would require landlords and private businesses to cooperate with Federal agents in the carrying out of surveillance activities. The difficult and dangerous issue of national security wiretapping must be resolved without further eroding constitutional protections.

3. SEDITION

A further challenge to first amendment freedom is raised in section 1103 of the bill which appears to make criminal activity which is short of that required under current law. The new language suggests that statements "inciting" others to engage in conduct that then or at some future time would facilitate the destruction of the Government would be enough. The constitutional line between punishable inchoate revolution and nonpunishable subversive speech has been expressed in the rule of the Supreme Court that "clear and present dangers" may be prosecuted. I am not persuaded that this standard should be changed.

4. CONSPIRACY

The Federal law of conspiracy has long been criticized as permitting the charging of individuals whose intent and criminal participation is corroborated by overt acts which are of questionable evidentiary significance. The bill appears further to weaken the overt act requirements by requiring the overt act not to demonstrate that the plotting has gone beyond mere talk, but rather that it constitute "conduct" that is engaged in with intent to effect an object of a criminal agreement. "Conduct" is defined to include "omission" and "possession".

5. CAPITAL PUNISHMENT

Under the bill, capital punishment for homicide is mandatory in a variety of special circumstances. In attempting to develop legislative standards, meeting the requirements set out by the Supreme Court in Furman against Georgia the drafters of the bill have failed to meet even that test by the arbitrary character of the categories which are suggested.

6. MARIHUANA OFFENSES

S. 1 continues the provisions in current Federal law authorizing prison sentences for petty marihuana offenses. This approach flies in the face of a strong movement among the States to decriminalize the personal possession and private use of small amounts of marihuana, and the recommendation of President Nixon's National Commission on Marihuana and Drug Abuse. I was persuaded as a result of my work as a member of the Commission, and by the numerous studies which have since been completed that decriminalization is appropriate and urgently necessary. My bill, S. 1450—cosponsored by Senators CRANSTON, BROOKE, NELSON, TUNNEY, and HASKELL—would accomplish this, and my pending amendment to S. 1 would change that bill accordingly.

7. FEDERAL OFFICIALS DEFENSE

Sections 541–544 of the bill appear to subject federal officials to a lower standard of culpability under the criminal law than is imposed upon other citizens. In authorizing "public servants" to assert that the conduct charged "was required or authorized by law to carry out the defendant's authority," we would relieve such individuals from the high standard of personal responsibility which public officials—at every level of government—should be held to.

8. THE INSANITY DEFENSE

The bill's handling of the insanity defense is regressive. It in effect would abolish this long recognized defense. It would admit insanity as a defense only if the insanity caused a lack of the "state of mind required as an element of the offense charged." If a defendant insanely believed that his victim sought to kill him or that God required him to kill, he would be convicted. Present law requires that the defendant be acquitted if he lacked substantial capacity to appreciate the nature or character of his conduct. By adopting the provision proposed in S. 1, we would remove the element of moral responsibility and cognitive choice from the equation in determining legal guilt.

Mr. President, there are numerous other provisions in S. 1, which give me cause for concern. They deal with the issues of entrapment, sentencing, riot control, demonstrations, obscenity and complicity. Some have argued that Senators should announce opposition to the entire bill now. In view of the fact that the National Commission on the Reform of the Criminal Laws and the House and Senate Judiciary Committees have devoted almost 10 years to this monumental effort, I believe that it is premature to oppose the entire bill prior to the time that the amended version is reported by the Senate Judiciary Committee to the Senate floor. I do not believe that it is reasonable or fair to deny the committee and its staff the opportunity to present for our consideration the results of more than a year of intensive work to improve the bill since its introduction in January of 1975; or to abort proposed Senate amendments to improve the bill whether or not I support it ultimately as the Senate votes on it.

U.S. RELATIONS WITH THE THIRD WORLD

Mr. GARY HART. Mr. President, during the holiday recess there appeared in the Washington Post a U.S. foreign policy analysis by Joel Dreyfuss that is one of the best pieces of writing on the subject that I have seen in a long time. Mr. Dreyfuss proposes that the American Government and people might learn a little about some of our problems with Third World countries in the United Nations and elsewhere if we looked at our policies from their point of view. I would not say this is a very radical suggestion, but I do think the process could result in a radical change for the better in our relations with the rest of the world.

Mr. President, if our Bicentennial Year is to have real meaning, the Government and people of this country must take a close look at what America is supposed to be all about. We have to ask ourselves if we are completely satisfied with the way we are and act 200 years after the founders of this Nation launched the greatest experiment in institutionalized human decency and fair play political men had ever attempted. We must ask ourselves in all honesty if we have been true to their values.

There are many areas of our national life that must be examined, Mr. President, but for the way we conduct our relations with the Third World, I recommend that we start by reading and pondering what Joel Dreyfuss has to say. We may not all agree on every point in the article, but we cannot disagree that the time has come for an open-minded, self-appraisal.

I ask unanimous consent, Mr. President, that the Dreyfuss article in the January 3, 1976, Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 3, 1976]

PERCEPTIONS OF THE THIRD WORLD

(By Joel Dreyfuss)

There is a willingness among our politicians and columnists to view a number of international events in recent years as great disaster for world order and democracy.

But to many people who consider themselves part of the so-called Third World, which includes the non-white non-European majority of nations and people, the emergence of oil power, the fall of South Vietnam and the recent events in Angola indicate the beginning of a long awaited rebalancing of power.

The rantings of our own leaders, as demonstrated recently by President Ford, Secretary of State Kissinger and U.N. Ambassador Daniel Moynihan are complaints against the dissolution of the status quo.

Their resistance to change comes not so much from a revival of Cold War ideologies as it does from evaluations based on a very narrow European and non-European world view that is no longer accepted by many Third World nations.

Few non-white nations can avoid snickering at Kissinger's charges that the Soviet Union is trying to "colonize" Africa. Not if they remember America's 14-year, $150 billion mistake in Southeast Asia that cost us the lives of 55,000 Americans and millions of Vietnamese.

Our politicians rail against the Arab oil monopoly, yet they are just exercising the lessons we taught them in our best schools on the basic of capitalism and the free enterprise system. Andrew Carnegie and John D. Rockefeller, given the opportunity, would do no better.

The United Nations resolution declaring Zionism a form of racism was probably bad politics, especially for nations whose claims to sovereignty were based on arguments not much different from that of the Israelis.

But the political intemperance of the Third World countries was hardly different from the American refusal to admit the existence of China for 25 years.

Neither act was helpful in solving world problems but there was an assumed rationality behind each action: in the case of China, the American belief that Taiwan's forces would eventually overthrow the Communist regime and in the case of Israel, the perception of that country as a Western colonialist outpost in the heart of the Third World with close ties to South Africa.

Whether either of those perceptions has any validity is not the issue. What matters is that a different view of the world is emerging, one that has as much—or as little—internal rationality as the ones which have been in prominence over the last 400 years.

The new view is being promulgated by nations who see themselves as part of a different group, the have-nots and, in the case of oil-rich countries, the "had-nots."

What most Western countries refuse to understand is the basis for that world view. Instead, our politicians and our media continue to present the behavior of Third World countries as irrational and incompetent acts, attitudes that indicate a deep-seated racism.

In their new world view, Third World countries view the wealth of Western nations as having been acquired at their expense. The wealth of Western countries began with Europe's creation of the largest scale of slave trade in man's history and continues today with the removal of mineral and natural wealth without proper compensation.

The leaders of Western countries, whose interpretation of world events is based on a very narrow European-centered interpretation of history, need to remember that Europe and its surrogate, the United States, did not always dominate the world's events.

Throughout most of recorded history, the thoughts, philosophy and politics of the world were determined by the nations of Africa, Asia and the Middle East.

It is only in recent years that some historians are conceding that Egypt was a black African nation during its most important periods. The Arab conquest of southern Europe is still cast as a great cultural disaster in American history books, yet it left Europe a rich legacy ranging from algebra to flamenco music

The acquisition of wealth and political power by the Third World forbodes a change in the balance of power and a change in the perception of world problems. Some Western nations, notably France and England, have taken steps to accept the fall from grace and concentrate their efforts on forming new relationships with their former colonies.

The American reaction to Angola indicates that we still have much to learn and a great deal of arrogance to overcome. The Soviets, no doubt pursuing their own objectives, have been careful in choosing sides.

The Russians did not colonize Cuba, although their financial support has upheld the Castro government. But many of our analysts conceded that our foreign policy drove Cuba to Russian arms.

In the case of Angola—willingly or not—we find ourselves in league with a nation abhorred by most of the world and against a genuine movement for self-determination.

No African nation believes that Russia is acting out of selflessness, but neither does anyone believe that it will use Angola as a beachhead to attack Brazil. Those kinds of charges by our leaders tell more about our perception of the political sophistication of Africans than it does about our foreign policy.

The United States was once a "have-not," a young potentially rich country with a burning belief in liberty, self-determination and the pursuit of happiness. In the last 30 years, we have continually aligned ourselves with despots, dictators and true colonialists.

In the bicentennial year, this nation could do no better than reasses its objectives and realign itself with young struggling nations whose ultimate objectives were inspired by our own example of 200 years ago.

ADDITIONAL SUPPORT FOR YOUNG FARMERS HOMESTEAD ACT

Mr. McGOVERN. Mr. President, the Young Farmers Homestead Act of 1975 which I introduced on October 30 of last year and which now has 13 cosponsors in the Senate and which has been introduced by six Members in the House, continues to bring favorable comment in the press and periodical publications.

I ask unanimous consent that the following press pieces in support of the legislation be printed in the RECORD: "RFD With Me," by Jean Rice, appearing in Gold Kist News, the publication of the large and influential southern cooperative, Gold Kist, Inc.; an article by the distinguished senior Senator from Colorado (Mr. HASKELL) entitled "Last Four Decades Shows Sharp Decline in Farms," printed in the Northwest Colorado Press of Craig, Colo.; a letter to the editor of the Rapid City, S. Dak., Journal by Clayton Kjerstad of Quinn, S. Dak., appearing in the January 7, 1976, edition of that newspaper; and from the Progressive Farmer, January 1976, an article entitled, "Young Farmer Homestead Act."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Atlanta Gold Kist News, December 1975]

RFD WITH ME

(By Jean Rice)

The cry still remains—"How're you gonna keep 'em down on the farm?"

This time though the glamor is not because they've seen Pare' or the glimmering lights of the big city.

It's money. Can a young man start with nothing today and get into farming? Might can be done, but the truth is most young farmers are taking over the family farm or farming on a partnership basis.

This is good. But there are thousands of young men and women today—trained in agriculture—who probably won't ever be in a position to farm. Some economists are now saying $150,000 to $200,000 investment depending on the type operation.

During 1976 hearings will probably be scheduled on the "Young Farmer Homestead Act of 1975"—a bill introduced by Sen. George McGovern (D.-S.D.). A similar bill has been introduced in the House.

Washington reports indicate McGovern's mail has been highly in favor of the Homestead plan. Most of us would simply have to know more about it than we do at the present time to form an opinion one way or the other. We do know however that with land values increasing 15 percent or more a year the situation is serious for young farmers trying to get started.

McGovern's plan includes creating a Federal Farm Assistance Corp. This agency would purchase land at market price based on FHA appraisals. FHA would lease the land to young farmers for a period of seven years for cash rent—plus taxes and interest. After seven years the young farmer could quit or purchase the land through FHA or private lender financing.

The "Homestead" part of the name is from the fact that the Agency would sell the land at 75 percent of the appraisal value at the time of sale. In the seven years the young farmer farmed, the land has increased in value.

The McGovern bill offers plans to prevent quick resales and to keep the land from costing the government and taxpayer. Also it's designed so it will supplement present lines of credit.

We all need to take a real good look at this bill. It may not be the answer. It has some questionable points. It might be more bureaucracy. It might be worth considering with some amending. It may cause some co-op credit boards and private lending institutions to take a longer look at special interest rates for young farmers. Some PCA's now have special classification for young farmers.

One thing is for sure. We've got to give the young farmer a break—at my expense or your expense. It's important for young farmers to look forward to ownership.

[From the Northwest Colorado Press]

Last Four Decades Shows Sharp Decline in Farms

We have witnessed over the last four decades a sharp decline in the fortunes and number of family farms in this country.

In fact, the Dept. of Agriculture predicts that by the year 2000 there will be only one million farms in the United States, compared with 5.7 million in the 1930's.

Meanwhile the agriculture industry has come under the increasing domination of "agribusinesses"—the large corporations which now control 25 percent of the nation's produce even though they own only one percent of the land.

One of the most serious problems behind this trend away from the smaller independent farm is the overwhelming start-up cost facing any young person interested in taking up farming. High land prices are followed by expensive machinery, energy and farm chemicals and supplies; it all adds up to a debt that any farmer would find difficult to overcome.

The Young Farmers Homestead Act of 1975 is one piece of legislation that attempts to do something about the trend away from family farming, by helping new farmers who aren't wealthy to obtain land.

Modeled after a successful land transfer program in the Canadian province of Saskatchewan, that act would set up a federal corporation to buy farms for up to $200,000 and then lease them to young farmers for a 2 to 7 year period for just the cost of debt service and taxes.

At the end of the lease period, the farmer could purchase the land for either 75 percent of the appraised market value or for the original cost to the corporation—whichever is greater. So the government can't lost any money, and with land price increasing as rapidly as they are it may even make some money.

So the new farmer would be free of a down payment and payments on the principal for seven years. And by purchasing the land for 75 percent of the appreciated value, the farmer would have a 25 percent equity in the land and become eligible for commercial loans.

A five-member board of directors appointed by the President and confirmed by the Senate would manage the corporation. It would be advised by a council made up of two members from each of 10 geographic regions—one of whom would be a full-time farmer and the other a person with an interest in rural affairs.

That council would advise the board on such matters as the maximum eligible income and the required amount of farm or ranch experience for a lease. Thus, we would be ensured of a practical and experienced farm voice in the program as well as a broad national perspective.

Another important provision guards against land speculation by discouraging quick resale. This section would vest capital gains in the lessee-purchaser only gradually, over a five-year period.

After carefully studying this legislation, I have decided to co-sponsor it. Sen. George McGovern of South Dakota is the principal sponsor.

It would give young farmers without a lot of money the capital they need to start up a business, would guard against speculation and still would be of little or no ultimate cost to the government.

[From the Rapid City (S. Dak.) Journal, Jan. 7, 1976]

Homestead Act

The Young Farmers Homestead Act may be as good as the first Homestead Act.

How can a young farmer get started today when he has to buy the land, farm machinery, livestock and a home? Who would loan him this money?

This act is set up so if you are a good efficient manager you can get a start. The land has to be all paid for but the time schedule is set up differently.

Most of the land today is artificially high where large landholders are the only ones that can buy. The young farmer starting out should be able to compete for this land or else the rich get richer.

It's doubtful this act will raise land values because established people can pay for land with land they already own but someone without any land has to make that land he buys pay for itself.

The reason some farm organizations are opposed to this act is because these people are the ones that own land.

Clayton Kjerstad.

Quinn.

[From the Progressive Farmer, January, 1976]

Young Farmer Homestead Act

Keep an eye out for Senate hearings on this measure (S–2589) early in the new year. It is a "sleeper" that could go all the way. Not given much chance when introduced last fall, the bill has gained surprising momentum since then. Reason: the legislation faces up squarely to what probably has to be done if not-rich but bright youngsters are really going to get into ranching or farming for themselves.

Briefly, the bill provides for Government purchase of ranch and farm units for lease and eventual sale to young farmers. Lease for two to seven years would be at cash rent, based on real estate taxes and carrying charges. Sale price at 75% of appraised value would give the young buyer a 25% equity or "sweat value" in the appreciation that occurred during term of the lease.

Big idea of the plan is to keep family farming going in America. Just more credit won't do it, say the bill's sponsors, who include Senator John Sparkman of Alabama. Start-up costs in farming today are somewhere near $250,000. Average age of U.S. farmers is more than 50. Projections show, meanwhile, that unless something is done to stop the trend, somewhere between 200,000 and 400,000 farm units will disappear every year in the next 20 years.

THE 1976 VFW PRIORITY GOALS FOR LEGISLATIVE AND SECURITY MATTERS

Mr. THURMOND. Mr. President, I have before me the "1976 VFW Priority Goals for Legislative and Security Matters."

This document sets forth the areas of major concern for the 1.8 million members of this fine patriotic organization. I believe it is a document of sufficient importance for every Member of the Congress to take the time to read and study thoroughly.

Mr. President, in order to share this document with my colleagues, I ask unanimous censent that it be printed in the Record.

There being no objection, the document was ordered to be printed in the Record, as follows:

1976 VFW Priority Goals

LEGISLATIVE PROGRAM

Preamble

"Look to yourselves, that we lose not those things which we have wrought."

During this Bicentennial Year of our great Republic, it is both appropriate and needed that we all remember well it was the citizen soldier, the patriot, who rallied round a small number of professionals to win our cherished freedom and independence two hundred years ago. So has it been in each subsequent confrontation threatening our liberty and democratic way of life. The citizen soldier answered the call, swelling the ranks of a nucleus of highly trained professionals. Both groups produced their magnificent heroes who made the supreme sacrifice, leaving behind their widows, children, and dependent parents. All who survived belong to a very special group we call veterans—some so severely maimed and disabled they will require highly specialized medical treatment and constant aid and attendance the remainder of their lives. These are the very special people the Veterans of Foreign Wars has served and represented for 76 years, exemplifying our motto to "Honor the Dead by Helping the Living." These are the very special people for whom a grateful nation through the wisdom of the Congress of the United States has provided a comprehensive program of rights and benefits. However, the Veterans of Foreign Wars believes more must be done to accord full and continuing recognition to our nation's veterans.

The present veteran population exceeds 29 million, who, with their families, total 94 million or 44.5 percent of the nation's population. The average age of all veterans is 45.5 years. Spanish-American War veterans comprise the smallest group of less than 1,000, averaging 94.5 years. The slightly over one million World War I veterans average 79.4 years, although some are in their early 90's. World War II veterans, who average 54.4, are by far the largest segment—13.7 million. The 5.9 million Korean veterans at 44.9 are understandably older than the 7 million Vietnam veterans with an average of 28.9. Three million cold war veterans who served between the Korean Conflict and Vietnam complete our veteran population.

The keystones of veterans' benefits are the compensation and pension programs, readjustment benefits, and health care. Compensation is presently paid to 2.2 million veterans suffering from service-connected disabilities in amounts commensurate with their degree of disability.

Nearly a half million of these veterans are 50 percent or more disabled, and more than 124,000 are 100 percent disabled. Dependency and indemnity compensation is paid to over 226,000 widows and children in cases where the veteran expired of his service-connected disabilities. Pension is paid to approximately one million veterans, with war service, who are in financial need due to adversity because of their nonservice-connected disabilities. More than a million widows of such veterans receive a modest death pension. Both the veteran and widow who receive pension must meet a strict means test. Readjustment benefits most used by veterans are those for education and training, of which 2.6 million veterans took advantage last year, and home loans were insured in the same period by the Veterans Administration in the amount of $10 billion. Health care for our disabled and needy veterans war furnished in Veterans Administration hospitals to more than a million patients, and the

VA's outpatient clinics treated more than 15 million in the past year.

The thrust of our V.F.W. resolutions each year is to improve programs for veterans and keep benefits abreast of inflation. The unemployment rate among younger Vietnam veterans, which has been three times the national average, is shocking and needs immediate attention. A housing program must be established which will enable veterans of this era to own homes. The pension program, which causes one third of our older veterans to go without the food they need and one-fourth of them unable to afford needed medical care, must be revised. The flow of national sentiment for the needs of veterans and their widows to social welfare programs has unfortunately and historically been the handmaiden of peacetime. Many proposals by antiveteran forces, both within the private sector and the Administration, which would do violence to the Veterans Administration and its programs, commenced to surface even during the Vietnam era. Therefore, our resolutions reflect deep concern with this proliferation of untoward attacks from various quarters.

The Twentieth Century Task Fund Report would integrate into the general social welfare system all VA programs. A quote from a recent Ralph Nader report indicates: "The long range strategy of the federal government should be to return veterans programs to their proper functions and replace non-service connected benefits through national health insurance, pension reform and an improved social security system." A memo from a Deputy Assistant Secretary in the Department of Health, Education and Welfare recommends that VA hosptials be sold to the private sector. A document from the Department of Health, Education and Welfare to the Office of Management and Budget stated, "We feel strongly that it would be very desirable in the future to relate VA health care activities to the efforts of other federal agencies responsible for health care, and that those efforts be integrated into an overall national health policy." The National Organization of Women (NOW) would all but eliminate veterans' preference in federal employment.

Also, from within the Administration we have seen recent proposals to nearly terminate the veterans pension program, to revise the Veterans Administration Schedule for Rating Disabilities—to the detriment of seriously disabled Vietnam veterans, to impose federal income tax on disability benefits and eliminate the $250 burial allowance.

With this background, the following priority goals of the Veterans of Foreign Wars were recommended by the National Legislative Committee and approved by Commander in-Chief Thomas C. (Pete) Walker, which, hopefully, Congress will act favorably upon during the coming year.

Legislative goals for 1976

For Service-Connected Disabled and Their Dependents

a. Increase rates for compensation and dependency and indemnity compensation.

b. Authorize dependency and indemnity compensation to widows and orphans of 100 percent service-connected disabled veterans, regardless of the cause of death.

c. Authorize CHAMPVA to dependents of veterans 100 percent disabled at time of death.

d. Oppose taxation of compensation or dependency and indemnity compensation.

Pension

a. Liberalize the pension program by excluding as countable income social security or retirement and disability income and including an automatic cost-of-living increase.

b. Grant pension for World War I veterans and widows without income limitations.

c. Oppose taxation of pension payments.

Cemeteries

a. Provide a national cemetery in every state.

b. Oppose elimination of $250 burial allowance.

Veterans Administration Medical Care

a. Provide highest quality medical care in all VA facilities.

b. Oppose takeover of VA hospitals by National Health insurance and the dismembering or dismantling of benefits administered by the Veterans Administration.

c. Support pay parity for health care personnel in VA hospitals with their counterparts in other agencies.

d. Oppose substitution of drug product other than that prescribed by the physician and approved for dispensing by VA and DOD quality assurance programs.

Housing

a. A housing program must be established to enable Vietnam veterans to own their own homes.

Educational Benefits

a. Remove restriction on nine months extension of educational benefits authorized by Public Law 93–508.

Civil Service and Employment

a. Preserve and extend veterans preference.

b. Improve employment services to veterans.

c. Restore travel funds for Veterans Employment Service.

d. Support adequate funds for Veterans Employment Service.

e. Oppose veterans preference and other veterans benefits for draft dodgers and deserters.

f. Support priority employment at federal and state levels for disabled veterans and veterans.

Armed Forces

a. Oppose taxation of military disability retired pay.

b. Oppose transferring retired pay accounts from the Department of Defense to the Veterans Administration.

c. Increased CHAMPUS benefits.

d. Support mustering out pay for Vietnam veterans.

PRIORITY—NATIONAL SECURITY AND FOREIGN AFFAIRS PROGRAM

Preamble

Freedom

"No word was ever spoken that held out greater hope, demanded greater sacrifice, needed more to be nurtured, blessed more the giver, damned more its destroyer, came closer to being God's will on earth."—Omar Nelson Bradley, General of the Army.

The Man in the Arena

"It is not the critic who counts, not the one who points out how the strong man stumbled or how the doer of deeds might have done them better.

"The credit belongs to the man who is actually in the arena, whose face is marred with dust and sweat and blood; who strives valiantly; who errs and comes short again and again; who knows the great enthusiasms, the great devotions, and spends himself in a worthy cause; who if he wins, knows the triumph of high achievement; and who, if he fails, at least fails, while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat."—Theodore Roosevelt, 22nd President of the United States.

As America prepares for her 200th birthday, and nearly 10,000 V.F.W. Posts across our land and abroad "get the spirit," we find, by a supreme irony, that freedom's most eloquent spokesman in our beloved land is an exiled Russian Aleksandr Solzhenitsyn, and it is the carper and the critic, and not Teddy Roosevelt's "man in the arena" who seems to dominate the national landscape.

This should not be. This need not be. And your V.F.W. will do everything in our power to get America's "eye" back where it belongs; on our heritage of freedoms—so well appreciated abroad, so taken for granted at home—and on America's doers, not on our home-grown whiners.

As Chief "Pete" Walker told us in Los Angeles:

"We are not secure because we are free, but we are, and will continue to be free if we remain secure.

"With more to conserve, protect, and advance than any nation in the history of the world, I call upon the President and the Congress to support and sustain American military forces second to none.

"I believe that never again, comrades, and I mean never, should we embark on a war and not attain victory in the shortest possible time.

"This I believe, that detente has been a policy disaster both for America and for the non-Communist world, and I call upon the Administration to start telling it like it is, dealing with the Soviet Union only when a clear American interest is advanced thereby.

"I believe that in the Communist scheme of events, America is their last domino."

While some of our once proud cities sink into crime, corruption, and incompetence and much of the country remains either puzzled by, or indifferent to, the forces and trends at home and abroad which affect our ability to decide our national future, your V.F.W. will stand rocklike for that which endures: love of God, love of country, and love of fellow man.

Today we see: a NATO riven by discord on its Portuguese and Turkish flanks, the Middle East still explosive, Panama reaching for that which it could never create on its own: the United States Canal on the Isthmus, cynical Clemency Board and Congressional staffers trying to slip "amnesty" in by the "back door," America benumbed and bemused by detente, a reckless effort to unionize the Armed Forces, and our FBI and CIA hampered, harangued and hassled by Congressional "showboating."

But we in the V.F.W. know full well that a soldier's pack is lighter than a prisoner's chains, and we will continue to speak up and out for the millions of uncomplaining doers who have, are, and will always keep America strong and free.

Get The Spirit? We've always had it, and we invite the great mass of our fellow citizens to join us.

SECURITY GOALS FOR 1976

The Veterans of Foreign Wars of the United States sustains its long-held position that the greatest social service America can provide her citizens is to keep them alive and free.

To this end, and for the preservation of the nation we all love, the V.F.W. supports unanimously and will advance the following priority goals:

1. We request that section 4 of the "War Powers Bill" be revised so, that if in the future U.S. Armed Forces are involved in hostilities, the Congress be required to express promptly their support or opposition to our involvement.

2. The United States Canal located on the Isthmus of Panama will stay under U.S. control, and we urge the Congress to be very selective in approving any treaty which would dilute in any way our sovereignty over the Canal.

3. In the future, should it be necessary to defend our Nation or our Nation's security interests, we should fight to win.

4. We call upon the Congress to mandate an authorized Fiscal Year 1976 minimum end strength of 785,000 for the active duty Army and permit and encourage the expansion to 16 Divisions.

5. We urge that extreme caution be used in accepting detente so that our beloved

country will not be left in a position of being vulnerable militarily and diplomatically.

6. We urge that the Congress and the Executive Branch draw up a plan for truly universal military training for all U.S. citizens, and that this plan be held in readiness should it be needed in the future.

7. To protect our security interests in the Indian Ocean, we ask the Congress to fully fund the U.S. forces base in the Indian Ocean on Diego Garcia.

8. Since the National Guard and Reserve Forces are essential to the Total Forces Concept, we urge that every effort be taken to provide the Guard and Reserve with modern equipment which is essential to their combat readiness, and will enhance their precious training time.

9. The V.F.W. calls upon the President, the Congress, and the State Department to provide a pro rata share only of the financial support the United States provides to the United Nations.

10. The United States should expand, as necessary, that portion of our gross national product committed to our military to assure that we will be able to counter any Soviet threat throughout the world.

11. If the Communists seize power over the long-suffering Portuguese people, the U.S. will consider the "Helsinki Accords" a dead letter, and in concert with our NATO allies, take those steps necessary to rid Portugal of the minority rule Communist junta.

12. The V.F.W. strongly opposes any effort from any quarter to unionize our military services.

13. We urge the Congress to avoid attempting to formulate day-to-day American security policy.

14. We continue our support for the CIA and the FBI so that their efforts to maintain the security of our country will not be hampered by Congressional "showboating."

15. In the interest of national security, we urge the Congress to reconsider their termination of aid to Turkey and correct their blunder by reconsidering their vote on the aid program for Turkey.

16. Military equipment should not be diverted from U.S. forces to nations abroad, but should be programmed separately for such foreign needs.

Foreign affairs

1. We urge the U.S. to continue to seek a just diplomatic solution to the current tensions in the Middle East, and to counter Soviet influence in the area by all means available to us.

2. We urge extreme caution in efforts to establish full diplomatic relations with the Peoples Republic of China so as to prevent any erosion of U.S. support for the Republic of China. We also urge the continuation of our 1954 treaty commitment to defend the Republic of China from attack.

3. We continue our opposition to the establishment of diplomatic relations with Communist Cuba, and in light of the October 1974 CBS interview with Fidel Castro, the Cuban exiles should be given equal time to present their views.

4. We oppose any aid, financial or otherwise, for Vietnam.

5. For as long as the Government of the Philippines honors their commitment under the 1952 Mutual Defense Treaty, the United States will continue her support to that country.

6. We urge the United States government to officially assure the Government of the Republic of Korea that we will stand behind and honor the Mutual Defense Treaty of 1954.

Military affairs

1. We oppose any Congressional effort to eliminate characterization of discharges or efforts to lower the requirements for an honorable discharge.

2. The V.F.W. will continue to oppose "amnesty" today, tomorrow, and for as long as there are those who continue to push this travesty.

3. We call upon the United States Government to use every means available, for as long as it takes, to obtain information on her sons listed as Missing in Action.

4. The Congress of the United States should restore recomputation of military retired pay for all living pre-1958 retirees in accordance with retirement procedures in effect prior to their retirement.

5. We urge that accrued leaves in excess of 60 days be paid to our former Prisoners of War who were unable to use their leave.

6. We feel that when a reservist is honorably retired, upon completion of at least 20 years of Federal Service, he should become immediately eligible for enrollment in the Survivors Benefit Plan.

7. Every effort must be extended to have the bodies of Corporal Charles McMahon and Lance Corporal Darwin Judge returned to their families from Vietnam.

8. We support the ROTC and Junior ROTC and urge all college and university students to take advantage of the tremendous opportunity for training and achievement the program offers.

9. We urge continuation of the Commissary System as is, and oppose any effort to reduce the support of this important program.

10. We offer the Selective Service System our maximum voluntary assistance, and the use of our Posts, as registration points, in the forthcoming annual registration period for the Selective Service.

11. The Veterans of Foreign Wars continues its support for the USO, an organization so vital to our servicemen and their families.

ARID LANDS DEVELOPMENT; A KEY OPPORTUNITY FOR MIDDLE EAST COOPERATION

Mr. HUMPHREY. Mr. President, on October 23, 1975, the distinguished senior Senator from Massachusetts, Senator Kennedy, delivered a challenging and thought provoking address at an important conference sponsored by the American Academy of Arts and Sciences and the Hebrew University of Jerusalem. This was in the form of a scientific symposium dealing with the whole area of arid zone development. I ask unanimous consent that Senator Kennedy's address be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. The work of the Hebrew University in this area is symbolic of the potential good for the world that can emanate out of this small oasis of democracy in the Middle East, the land of Israel. With 60 percent of the Earth's surface, as Senator Kennedy pointed out, a vast arid zone, the pioneering scientific effort designed to turn arid areas into fully productive agricultural areas has tremendous world significance. It literally represents survival for millions of human beings.

It is my fervent and profound wish, Mr. President, that the governments of the Middle East that surround the small State of Israel can come to realize that the best interests of the peoples they serve can come from a cooperative effort with the resources, drive, and idealism that can be found in Israel. There is no reason, Mr. President, why scientists from the University of Cairo and the Hebrew University cannot begin to work together in a joint commitment to help eradicate disease and starvation from that area of the world.

The president of the Hebrew University, our good friend former Ambassador Avraham Harman, has assured me of the willingness of his university to join in such a common effort. We can be assured of the peaceful intentions of Israel's neighbors if we see a response and a willingness to join together for the common human good. I pray that day will soon be at hand.

The address follows:

[Exhibit 1]

Address by Senator Edward M. Kennedy

It is a great pleasure to be here this evening, at this Symposium on Arid Zone Development. I am particularly pleased to join this evening in paying special tribute to the work of Hebrew University. Since its founding, 50 years ago, Hebrew University has become one of the world's great centers of learning and research. Its success in making "the desert bloom as the rose" is only one of a long list of accomplishments, that have built the nation of Israel, and spread knowledge and understanding to the far corners of the earth.

In its half-century, Hebrew University has sought to fulfill the promise of its founder, Chaim Weizmann—the promise that "science will bring to this land both peace and a renewal of its youth, creating here the springs of a new spiritual and material life." Throughout the life and growth of Hebrew University, from its first small buildings on Mount Scopus, to its present 4 campuses and 17,500 students, it has reflected the high ideals and deep commitment that we associate with the State of Israel. Through its training of teachers, medical technicians and scientists—through developing agricultural techniques to draw forth life from a barren land—through eradicating diseases which took the lives of so many in the early days, Hebrew University has made possible the rapid modernization of Israel.

It is also gratifying that the American Academy of Arts and Sciences is playing a critical role, in the vital work of bringing to life lands that throughout history have been unable to support and sustain human life.

For nearly two centuries . . . since before the birth of our Republic . . . the Academy has been deeply involved in issues critical to the shaping of our nation and its place in international society. In recent years, it has pioneered efforts to control the arms race. It has sponsored American participation in the Pugwash Conferences, which built the first bridges between East and West. And through the journal Daedalus . . . with other independent studies and reports . . . the Academy is exercising intellectual leadership vital to our future.

The distinguished work of Hebrew University and the American Academy of Arts and Sciences is being carried on in this Symposium. The subject you will be discussing for the next two days is one of the most important facing mankind: for its goes to the heart of issues facing our future on this planet. Our ability to provide food, and clothes, and a chance for productive, useful lives to the world's growing population will be determined by efforts such as these.

Fully 60% of the earth's surface is a vast arid zone, now supporting only a tiny fraction of the world's 4 billion people. Yet as pressures increase on the world's resources, large tracts of now arid land must be brought into useful production.

The potential for development of arid lands can be seen in the miracle **that is** Israel. In a few short years, this gallant and determined people have applied their knowledge, their efforts, and their commitment to bring forth one of the great achievements of modern man.

It is to Israel's great credit that it shares the knowledge it has gained. In the future, there are untold benefits to be reaped by millions of the world's people. It must be our fervent hope that these benefits will also come to other nations of the Middle East. For one of the great promises of the peace that Israel has sought so long is the contribution which that nation can make in the development of the entire region. For this reason, among others, peace in the Middle East will be a blessing, for Jew and Arab alike, creating a firm basis for cooperation in promoting better lives for all.

For the next two days, you will seek to answer the profound questions and dilemmas raised by prospects for arid zone development. But I believe it is in order for me to talk with you briefly about the basic challenge to us in the United States.

As we reassess our position in the world—in an age of detente, an era beyond Vietnam—we are increasingly aware that our future is bound to that of other nations. In food, in fuel, in other raw materials, the uses of the seas, and the preservation of the global environment—in all these areas we are now, forever, vitally involved with the outside world.

As we engage in the patient work of restructuring the global economy, we are challenged anew to apply the wonders of technology to the benefit of mankind, and to exercise anew that leadership which will be critical to the success of efforts both here and elsewhere.

The emergency of global interdependence is also leading us to gain a more profound understanding of our national "security". Increasingly, we recognize that what happens to the global economy will significantly shape and determine our future on this planet. Yet our commitment of time, attention, and resources lags far behind our preoccupation with issues left over from the cold war: where the United States and the Soviet Union together spend $200 billion annually on the weapons of war, while devoting only a tiny fraction of their resources to meet new threats to mankind's survival.

We in the United States thus share an added responsibility for the security of people and nations. This is a responsibility that extends to the billions of people living in the world's developing countries. For, at heart, what happens to these people—for good or ill—will also affect the way we live our lives in parts of the world that have been economically more fortunate.

We have recognized our interdependence with them in global efforts to preserve the environment, meet the challenge of overpopulation, and most recently in a global approach to problems of food. In this last area where the United States is the most productive agricultural nation in history, we have a special responsibility—not only for sharing our abundance with the rest of the world, but also in promoting and expanding agriculture, in all the world's climatic zones. Constructive work was done at the Rome World Food Conference. And now the United States, must play its full part in continuing this work, including the International Agricultural Development Fund.

For the last two years, we have been increasingly concerned with the world's energy resources. The sudden rise in the world price of oil has helped us understand the need for finding alternatives to traditional sources of fuel yet the response so far has only just begun to meet the challenge. I believe it is time to go beyond efforts to band the rich-oil consuming nations together, or even to work constructively with the OPEC oil producing states.

The time has come for a global approach to energy—in the development of energy resources wherever they are found, and wherever the greatest economic benefit can come to mankind. We need to survey the world's energy needs for the future, and worldwide possibilities for development. For in the final analysis, there is no basic confrontation between today's producers and consumers. Rather there is a shared need for a long-term energy strategy that will meet global needs for the indefinite future.

In these two critical areas—food and fuel—there is also great potential for the development of the world's arid zones. The United States can and must play its part—with our science and technology, with the commitment of our resources, and with thoughtful analysis of the many possibilities and problems.

I am personally deeply committed to the success of this effort. I am privileged to be actively involved in the work of the Congress new Office of Technology Assessment, in congressional work with the National Science Foundation, and in drafting legislation to set up both a National Institute of Policy Analysis and Research, and a Government Agency on the Future—to serve as a national showcase for promising new technologies.

Let me touch on a few efforts that are underway:

Later this month, the United States will join other nations in setting up an International Center for Agricultural Research for Dry Land Agriculture. Working in cooperation with the World Bank, this new center will focus efforts on bringing into cultivation more of the world's 7.8 billion acres of Arable land.

In the Colorado River, we are learning to decrease salinity through the use of the drip irrigation method.

Through the use of computers and the collection of weather data, we have developed an irrigation scheduling system, which permits greater efficiency in water use;

Research is underway to devise new ways of stabilizing arid areas, and to control the shifting of desert sands;

We are developing deep tillage methods for fine sand stratified soils, to increase crop production;

In the city of Phoenix, we have developed a successful method to recapture effluents and conserve water supplies.

And we welcome efforts by the United Nations Development Program to set up an Institute for Research and Development of the Sahel, building on existing research facilities.

In all these efforts—and more—I believe the United States should apply its talents and resources to Arid Zone development: as one of the most promising realms of scientific activity for the benefit of mankind.

We can and must build upon the work you are doing . . . and help to answer the profound questions . . . help make the difficult choices . . . that are posed by alternative strategies for development, competing needs, and implications for the world's ecosystem.

I wish to conclude with a word about the triumph and tragedy of events in the world's Arid Zones. The great triumph of man's ingenuity in bringing life out of the desert can be seen in Israel. Yet we have also seen the tragedy of neglect in other parts of the world. For years, we saw the Sahara Desert creep southward into the nations of the Sahelian region of Africa. Crops and forage disappeared; rivers dried up; the dusts came; and a noble people were driven in the tens of thousands from lands where their fathers for generations had gained a basic livelihood. Even now that the rains came again, the damage that has been done will mean years of recovery, before real hope can return of economic development.

Yet the potential is there in the Sahel, even to become a source for grain and protein for other nations in West Africa and beyond. This is a potential that we can help fulfill through our efforts: by applying the ingenuity of man to his fundamental needs.

I believe that what you are doing here will help prevent a similar tragedy . . . that your efforts can help bring the triumph—the dream—of Israel's great success to lands and peoples around the globe—even to the arid lands or our own western United States. And the prophecy of Isaiah will be fulfilled: "I will even make a way in the wilderness, and rivers in the desert."

Thank you.

MOSCOW IN THE MIDDLE EAST

Mr. McCLURE. Mr. President, for several years, my concern about growing Soviet influence in the Middle East has been expressed, both in relation to our foreign policies with the nations of this region and to our growing dependence on Middle East oil. The energy issue has become even more serious, with the passage of the so-called Energy Policy and Conservation Act which has reversed the past administration policy of decreasing our reliance on imported oil. With the President's signing of this legislation, despite my urgings and those of many of my fellow Senators to veto this disastrous bill, the United States is now committed at least enough through 1976 to a policy of meeting any increase in domestic needs through increases in OPEC oil imports.

My purpose today, however, is to bring before the Senate the critical implications of the other side of the Middle East-Soviet problem: our foreign policies with Israel and with the Arab nations.

There should no longer be any doubt as to the true significance of the Palestinians in this issue. Fortunately, our policies appear to be recognizing this fact. The testimony of Assistant Secretary of State Harold H. Saunders is one indication that administration policy is beginning to take into account the rights of the Palestinians with regard to a Middle East settlement.

But, what if this recognition does not extend to our policy decisions? Then, I believe, the results will be catastrophic—not just for Israel and the United States, but also for the Arab nations. The only winner will be the Soviet Union.

The Soviet Union has long recognized the strategic importance of the Middle East, with control of its oil reserves as a potential stranglehold on Western Europe and Japan—and now, unfortunately, to some extent the United States. Israel, of course, would suffer the same fate as the Arab nations under this domination.

Before we can remove this threat, it is necessary to correct the misunderstandings which exist concerning the role of the Palestinians. A recent article by Rowland Evans and Robert Novak, entitled "Moscow's Inroads in the Middle East," presents an excellent analysis of the present debate over this issue. In their discussion of the Palestinian debate in the U.N., they explain how some U.S. Government officials claim that "ending the deadlock on terms even close to the PLO's would hand Moscow and the Arab extremists a glittering victory. In fact, the reverse is closer to the truth. To continue freezing out the PLO guarantees continued radicalization, which is the essential breeding ground for Soviet exploitation."

We see, therefore, that there is no basic conflict between what should be our fundamental policy goals in the Middle East; protection of Israel's right to exist as a soverign nation, a national homeland for the Palestinians, restoration of occupied territories to the Arab nations, and exclusion of the Soviet Union.

Failure to accomplish any of these four goals will ultimately result in a United States-Soviet showdown—a showdown which, in the words of Evans and Novak, "contains the seeds of World War III".

Mr. President, I ask unanimous consent that the complete article, from the Washigton Post of January 20, 1976, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MOSCOW'S INROADS IN THE MIDDLE EAST

(By Rowland Evans and Robert Novak)

UNITED NATIONS, N.Y.—*Although direct* U.S.-Soviet confrontation could grow out of escalating civil war in Lebanon, the more realistic danger is a radicalized Lebanon becoming a rich new base for Soviet political operations on Israel's border.

Fear over this predictable future for Lebanon is raising Arab pressures high at the United Nations for a settlement of the Palestine question. Indeed, the danger of political infection from a radicalized Lebanon, financed and armed by Moscow, is a larger reason than the actual plight of the Palestinian refugees for wanting the Palestinian question solved.

That lies at the heart of Britain's decision last week to separate itself from the United States on bringing direct pressure on Israel to satisfy political "rights" of the Palestinians.

The British concern: Failure to settle the Palestine issue threatens to turn the clock back on the Nixon-Ford administration's successes over seven years in limiting and replacing Soviet influence in the Middle East.

But while the British and other U.S. allies, including Japan, are pressuring Israel publicly at the U.N. to deal with the Palestine Liberation Organization (PLO), the United States—which has most to lose in a radicalized Lebanon—is not. The reason: unwillingness to split with Israel, which would unleash the American-Jewish community against President Ford at the crucial point in his struggle with Ronald Reagan for the nomination.

This is a case of American politics conflicting with Mideastern reality. A conspicuous PLO success at the U.N. may be the single most important political necessity slowing the rush of events in Lebanon. Those events are now driving Lebanon into total civil war, threatened by intervention from both Syria and Israel to protect their own interests. The danger of intervention was enchanced last weekend with the heaviest fighting yet and the resignation in despair of Prime Minister Rashid Karami.

That melancholy tide may flow unchecked no matter what happens. But Mideast experts here and in Washington agree on this: Serious inroads by Moscow will be unavoidable if there is continued deadlock over the PLO's right to represent the Palestinians and over Israel's withdrawal from its occupied Arab lands until after the 1976 presidential election.

Ever since 1958, when President Eisenhower landed U.S. Marines on Beirut's beaches to block a threatened Communist takeover, Lebanon has been the pleasant and safe haven for western interests in the Mideast. Some Arab businessmen mark 1958 as the start of the slowly growing American influence that, with many ups and downs, produced close relations between Washington and Cairo and Syria's decision—despite its arms dependence on Moscow—to reestablish diplomatic relations with Washington.

Now, the precise reverse may be starting: Lebanon, radicalized in the civil war between the Moslem Left (including Palestinian refugees) and the Christian-Moslem Right, becoming the incubator of political extremism for export to pro-western Arab states such as Kuwait, Saudi Arabia and Egypt.

The irony of this situation is dramatized by the view of some strong protectors of Israel in the U.S. government—including U.N. Ambassador Daniel P. Moynihan. They claim ending the deadlock on terms even close to the PLO's would hand Moscow and the Arab extremists a glittering victory. In fact, the reverse is closer to the truth. To continue freezing out the PLO guarantees continued radicalization, which is the essential breeding ground for Soviet exploitation.

That, in turn, gives the color of truth to the recurring Israeli theme that the Middle East is most important to the United States because of U.S.-Soviet competition. Civil war leading to a radicalized Lebanon financed from Moscow makes this Israeli theme a self-fulfilling prophecy, reestablishing Soviet influence in full bloom after its withering decline during the Nixon-Ford years.

Israeli hawks sound this theme so avidly because it deflects U.S. politicians and voters from the Palestine question—and Israeli withdrawal from occupied Arab territory—to the much more easily understood Cold War issue of Soviet penetration of the Arab world. It also guarantees vast amounts of U.S. aid to Israel long into the future.

A U.S.-Soviet showdown following a new war between Syria and Israel over Lebanon—though highly questionable—cannot be ruled out. Some high officials believe such a showdown contains the seeds of World War III.

What is certain is that the longer the Palestinian question goes unsolved, the more difficult the U.S. position becomes throughout the Arab world and the more opportunities Moscow has to leapfrog back over the United States as champion of the Arabs.

GAO GRAIN INSPECTION REPORT

Mr. McGOVERN. Mr. President, this body is well aware of the abuses in corrupt grain inspection and short weighting practices at several large export centers. To date, 60 Federal indictments have resulted from investigations by the Justice Department, and numerous guilty pleas have been entered by grain inspectors for accepting illegal bribes.

The Agriculture Committees of both bodies, together with the General Accounting Office, are in the process of completing extensive investigations in this area for purposes of enacting corrective legislation.

Aside from the Federal crimes already discovered, at stake in the investigations and legislation is the integrity of the product of the American farmer. This product is the envy of the world as it leaves the field and the combine, but through adulteration and other sharp practices, it is now suspect in international grain transactions.

The January 23, 1976, edition of the New York Times contains an article by William Robbins, who has followed closely the entire scope of these investigations. It deals with the contents of the GAO investigations which will soon reach Congress for evaluations. It thus should be of interest to all Senators, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

G.A.O. IS EXPECTED TO ASK FEDERAL GRAIN INSPECTION

(By William Robbins)

WASHINGTON, Jan. 22.—The General Accounting Office, in an investigative report to Congress, will urge creation of an all-Federal grain inspection system, saying that nothing short of complete reform can prevent scandals of the kind exposed in a broad investigation of corruption in the industry.

This is the major recommendation resulting from a month-long study, which has taken 40 agents of the G.A.O., the investigative arm of Congress, throughout the country and to most major foreign countries that buy American grain, according to sources familiar with the study.

The report is now in the form of a draft, which is being circulated to government offices for comment.

A system like that proposed by the agency, if enacted, would replace the present system under which grain is inspected either by privately employed inspectors licensed by the Agriculture Department or by inspectors working for state agencies, with their work spot-checked by Federal supervisors.

The report describes the Federal supervision system as a failure.

Among 60 indictments returned in the Federal investigation, many have involved inspectors working for private agencies. The most recent indictments, returned last Monday, charged three inspectors working for a Louisiana state agency with misgrading and bribery. Other indictments have charged thefts.

Some of the largest international grain companies are under investigation, and two companies have been indicted in theft conspiracies.

The G.A.O., which conducts independent studies of Government operations when Congress directs it to, undertook this investigation in response to a bipartisan request from members of the Senate Agriculture Committee. Its report is scheduled for public disclosure Feb. 15.

Sentiment favoring an all-Federal agency like that recommended by the G.A.O. is known to be widespread among career professional officials in the Agriculture Department. Such a system has also been proposed by Congressional critics of the present system, such as Senator Dick Clark, Democrat of Iowa.

The Ford Administration, however, opposes such a system and has offered a plan for strengthened Federal supervision of private and state inspectors. Strong political pressures have also developed for preserving the present system.

Such a system, according to the G.A.O.'s findings, is doomed to failure. To prevent misgrading where corruption is intended would require 100 percent Federal supervision—one Federal employee to watch each licensed private inspector, the report is said to find.

ONE VESTIGE RETAINED

Under the system proposed by the G.A.O., Federal inspectors would be placed at all interior terminal grain elevators and at export elevators. The only vestige of the present system that would be retained would be a provision allowing the Agriculture Department to let Federal contracts for private or state inspection services at isolated country elevators.

Among other recommendations, the report is said to urge combining in a single agency responsibility for grading grain and for monitoring the weighing of grain. Those duties are now divided between the Agriculture Department's Grain Division and the department's Transportation and Warehouse Division.

The G.A.O. is said to have found widespread shortweighing practices, including systematic shortweighing of railroad-car loads of grain.

The study is said to detail complaints from foreign buyers over many years that they often fail to get in American shipments either the quantity or the quality of grain they pay for.

The report is also said to be highly critical of the Department of Agriculture for its failure for many years to develop a system for effective response to the foreign buyers' complaints.

John A. Knebel, the new Under Secretary of Agriculture, declined in an interview to discuss the contents of the study which he described as a "tough report."

But he said that the department was acting immediately "with all our resources" on some of the findings.

"The situation should never have gotten to the point" described in the report, he told a reporter earlier. "We're going to use every resource at our command. I'm not satisfied that we have the luxury to wait for legislation."

Mr. Knebel was interviewed after exhibiting in his office samples of off-grade grain and debris found loaded aboard a tanker upriver from New Orleans after inspectors had certified it as being loaded with No. 3 corn, an average grade.

Spread out on his table in transparent pouches were grains of corn embedded in what appeared to be congealed trash. Other pouches contained rocks found in some of the grain. Much of the corn on the ship was also found to contain high ratios of broken kernels and foreign matter, conditions that sharply lower its quality.

Color slides of photographs taken on the ship and projected on a screen in Mr. Knebel's office showed piles of corn so broken up that it looked like meal. Others showed corn so deteriorated that it was sprouting. And one slide showed in closeup a section of a pile of dust with grains of corn embedded in it.

Mr. Knebel said that an investigation of the grading and loading of the grain going aboard the ship, a Polish supertanker named the Rysy Z, could lead to a question whether the responsible inspection agency, the Destrehan Board of Trade, Inc., "has been so impaired" that it would be necessary to withdraw its authorization to do business.

The grain aboard the ship is to be regraded by Federal officials and supervisors when it is unloaded in Poland.

A spokesman for Cook Industries, Inc., the company shipping the grain, which has contended that samples taken when Federal supervisors made a surprise visit were not representative of the entire cargo, said that he would reserve comment on Mr. Knebel's exhibits until the company could review all the findings.

"When you have an aberation like his, you know something pervasive is wrong," Mr. Knebel said. "It looks like some people are still not convinced that we mean business."

He said that surprise visits to loaded ships, would be stepped up and added, "We're going to put every son of a gun in jail we can get our hands on."

SENATOR HUMPHREY REPORTS ON VETERANS' BILLS

Mr. HUMPHREY. Mr. President, I have been a strong and consistent supporter of legislative measures addressed to the needs and rights of veterans.

The 94th Congress passed the disability compensation and survivors benefits bill which takes into account the increase in the cost of living.

We redesignated, effective January 1, 1978, November 11 of each year as Veterans Day, a national holiday.

We passed the Veterans' Administration Physicians and Dentists Comparability Pay Act. These pay increases will allow our VA hospitals to attract and retain qualified physicians and dentists, particularly in scarce specialities.

We authorized the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs, a bill which I sponsored in the Senate.

The Senate now is considering major legislation to help our deserving veterans live out their lives in dignity.

In 1976 we must continue to recognize and respond to the varied needs of our younger as well as our older veterans in areas of continuing education, job training, health care, employment, housing, and retirement.

PENSION REFORM

Pension reform legislation which the Senate has approved now is awaiting House action. The Senate Veterans' Affairs Committee included in this bill a number of provisions which I long have advocated.

We must no longer allow the pensions of veterans and their survivors to be reduced or dropped altogether when social security payments are increased.

We must bring these pensions up to a level so that our older veterans and their widows can afford the food they need, the necessary medical care, and adequate housing. We must assure incomes for those on pensions that is above the poverty level and prevent them from having to turn to welfare assistance. We must guarantee automatic annual increases in pensions to keep up with the increases in the cost of living.

HOUSING

We need to further provide assistance to veterans who desire to purchase adequate housing. I fully support the Veterans Housing Amendments Act which will increase the maximum Veterans' Administration's guaranty for mobile home loans from 30 to 50 percent. It also will make permanent the direct loan revolving fund. I also support the provision which would fill in an eligibility gap by extending entitlement for VA home loans to those veterans who served exclusively between World War II and the Korean conflict.

INSURANCE

I support the restructure of veterans' insurance to provide choices of conversion either to an individual policy of life insurance, including term or a veterans group life insurance policy, upon expiration of servicemen's group life insurance coverage.

HEALTH CARE

We must provide the highest quality of medical care in all VA facilities.

I have introduced legislation to provide for the construction of a new Veterans' Administration hospital in the city of Minneapolis.

I am a cosponsor of the State Veterans Home Assistance Act which would give Minnesota Soldiers Home in Minneapolis an increased reimbursement from the Federal Government for nursing care. The Minnesota Veterans Home anticipates increased responsibility in the near future for the needs of World War II veterans whose average age is now 65.

EDUCATION

I am not in favor of recent proposals that would curtail the time period to utilize GI benefits for those who did not use their entitlements. This is a time when adults need retraining in order to qualify for available jobs. This is a time when the Vietnam veteran especially is confronted with obstacles of a contracting job market and accelerated education costs. They need the opportunity to use their abilities.

In 1974 we provided a limited 9-month eligibility in addition to the normal 36 months under the education benefits of the GI bill. We must extend basic eligibility from 36 to 45 months with no restriction as to level of training for which entitlement may be used.

The House recently voted to terminate the educational benefits of the GI bill. I believe the GI bill should be continued. Alternative education benefits for peacetime volunteers must be provided before terminating the benefits as they now stand.

EMPLOYMENT

The unemployment rate for Vietnam veterans is three times the national rate.

We must step up our job services to veterans. They should have an opportunity for a career if they desire.

I fully support the continuance of civil service preferences for veterans.

Mr. President, it is vitally important action be concluded on the legislative agenda I have outlined. It is incumbent upon Congress to continue to give effective recognition to the needs of our veterans.

THE NATION'S FINANCIAL INSTITUTIONS

Mr. SPARKMAN. Mr. President, every Senator, I believe, is aware that in 1975 this body passed legislation of great importance to the Nation's financial institutions generally, and to the thrift industry—savings and loan associations, and mutual savings banks—in particular. Other related legislation is pending in the Senate.

The House, so I am advised, expects to complete action this year on various proposals, some of which are akin to what the Senate has considered and will consider, and some that are drastically different.

In any event, it is safe I believe to assume that in 1976 major legislation that would restructure our financial institutions, including the thrift industry, will be before both the Senate and the House of Representatives, and differences on action taken by the Senate and the House will be resolved by conferees from the two bodies.

It is with this situation in mind that I invite your attention to an article that was carried in the December 2, 1975, issue of the American Banker. The article bears directly on the legislative condition I have just described, and was submitted by John E. Horne, now chairman of the board of Investors Mortgage Insurance Co., but formerly my administrative assistant, Administrator of the Small Business Administration, and Chairman of the Federal Home Loan Bank Board.

Many of you will recall that it was during Johns' term as a member and later Chairman of the Federal Home Loan Bank Board that so many worthwhile measures were enacted by Congress which today enable the thrift industry to be viable and to remain as the single most important source of funds for housing America's families.

A few such measures are:

First. The structure of regulation Q in a manner to enable the thrift industry to pay higher interest rate on deposits than commercial banks.

As much as if not more than any other one thing, this arrangement accounts for the tremendous net savings inflow to the thrift industry during the past 9 years.

Second. The authority for associations to invest required liquidity in a multiplicity of items rather than just in Government bonds. Now the liquidity may also be invested in Government agencies, FNMA, FHLBB, TVA, Export-Import Bank, et cetera; bank CD's; municipals; Federal funds; bankers' acceptance, et cetera. This provides greater opportunity for earning on liquidity and also a more flexible liquidity posture.

Third. The right for associations to offer a variety of savings accounts, both in passbook and certificates, in order to appeal to various desires of savers. The ability to compete for savings is thereby greatly strengthened.

Fourth. Legislation authorizing service corporations, with authority left with the Board to determine the activities of such entities. This eliminates the necessity of passing new legislation every time the Board approves a new activity for a service corporation.

Fifth. Authority for the Board to permit insured associations to engage in electronic funds transfer system programs—EFTS.

Sixth. The Financial Institutions Supervisory Act which gave the Board cease-and-desist authority, and enabled it to supervise on a case-by-case basis.

Seventh. The right for associations to make consumer loans on numerous items either through the association or an affiliated service corporation.

Eighth. The change in terminology from share accounts to deposits, and from dividends to interest. This change enables the thrift industry to be more competitive with commercial banks.

Ninth. A 100-percent increase to $40,000 in the level of insurance of savings accounts.

Tenth. The right to make loans in the mobile home field.

Eleventh. The authority for savings and loan associations to invest up to 1 percent of their assets in associations and housing activities in foreign countries. These loans carry a 100-percent AID guaranty.

A matter not requiring legislation but of tremendous importance to the savings and loan industry is the agreement Horne's Board reached with the Federal Deposit Insurance Corporation—FDIC—to issue identical insurance regulations. This agreement officially established for the first time that FSLIC for the savings and loan industry and FDIC for the banks are on par with one another. Prior to this, banks frequently advertised and otherwise claimed that FDIC was superior

Horne's Board also began the monthly Federal Home Loan Bank Board Journal to serve as a more effective means of communication between the Board and system members.

Since leaving the Federal Home Loan Bank Board in late November 1968, John has continued to work with industry leaders and with Congress to enact laws that are of immense benefit to the solution of our housing and home financing needs. I refer to such laws, just to name a few, as the creation of the Federal Home Loan Mortgage Corporation; the amendment to the Federal National Mortgage Administration Act to authorize it to operate in the conventional mortgage field; the authority for FHLMC and FNMA to utilize private mortgage insurance on conventional loans; authority for IRA and Keogh Fund accounts; and the periodic retention of regulation Q with a rate differential favorable to the thrift industry.

Mr. President, in view of John Horne's excellent track record in both legislation and administration of housing and home financing programs, and the timeliness of his remarks I suggest his statement will be of interest to members and I ask unanimous consent that it be printed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the American Banker, Dec. 2, 1975]

1976 CONGRESS WILL DETERMINE FUTURE OF SPECIALIZED THRIFT INDUSTRY

(By John E. Horne)

As I view the current situation, the time is fast approaching when Congress and the administration will be forced to decide whether or not the nation is to continue to have a viable thrift industry whose major responsibility is to offer a safe source for people to save money, and to provide funds for economical home financing.

To state the matter another way, the Congress is faced with the choice of maintaining and strengthening a financial type institution specializing in providing shelter, or dismantling and otherwise making ineffective a $400 billion industry that on the whole has done an outstanding job during more than four decades and which provides annually, either directly or indirectly, approximately three-fourths of the funds that are spent on our housing needs.

Based on legislation and reports now pending and studies still underway, that decision apparently will be made in 1976. How the various financial institutions and many other interested groups react to these proposals during the next few months, and what modifications or substitute means are proposed, can and likely will influence greatly what the decision will be.

Those of us who lived through the Great Depression of the 1930's or who have studied the federal involvements in housing that resulted from that tragedy, know that one result was the establishment by Congress of a Federal system of specialized financial institutions to help meet the nation's housing needs. Such institutions were labeled Federal Savings and Loan Associations, and were given advantages and encouragement under various federal programs. Federal insurance of accounts, insured mortgages through FHA, tax advantages, and access to a central bank—the Federal Home Loan Bank System—for funds and other needs are several inducements Congress provided.

State chartered savings and loan associations and mutual savings banks were given access to these federal programs insofar as federal law was applicable.

Thus it was that in the 1930's Congress for the first time acknowledged by positive action that a system of financial institutions specialized in providing shelter was imperative.

From time to time following the 1930's Congress took further steps to express its support of and confidence in the thrift industry. However, there were no major changes made at the Federal level either in restructuring or granting substantive new powers to the thrift industry until the 1960's.

By that time the growth of the economy and changes therein, the growing capital shortage evidenced by vicious competition among financial institutions of all types for savings and newly imposed taxes on thrift institutions, were among the causes that forced Congress once again to decide whether or not it should retain a viable thrift industry dedicated to supplying the major portion of the nation's housing needs.

What Congress did in the 1960's was not labeled as being a choice to maintain a specialized type financial institution to meet housing needs, but the passage of legislation and other measures that were taken to strengthen the thrift industry and to add to its tools make unmistakenly clear that this was Congressional intent.

The things to which I refer are too numerous to elaborate on here, but a few are modification of interest ceiling under Regulation Q to provide an advantage to the thrift industry over that of commercial banks; permission for the thrift industry to offer certificate type savings acounts as well as passbooks; permission to invest liquidity in numerous items other than just government bonds, authorization to make use of service corporations and thus engage in investment activity beyond that held directly by an association; and authority for the Federal Home Loan Bank Board to permit and administer electronic funds transfer services to insured members. These and a host of other necessities were authorized by Congress to enable the thrift industry to remain viable and to perform even more effectively in funding shelter for the nation's families.

In most cases these Federal actions applied to State chartered thrift institutions. When not applicable, or for other reasons, State chartered institutions usually have obtained similar and sometimes more liberal authority. The combined effect, though, is a thrift industry with more than double the assets than when the measures were authorized and a thrift industry that consistently provides the bulk of funds that go into shelter for housing America's families.

Additional helpful tools have been granted by Congress since 1970, but other powers are now necessary to enable the industry to cope with the rapidly changing economic and political problems that have developed and that will continue to change.

Understandably, though, those who comprise the thrift industry are puzzled that in spite of their unbelievable achievements in fulfilling our housing needs there are those in powerful positions in and out of government that would now dismantle the specialized financial institution, or otherwise impair if not make impossible its viability.

Industry members understandably point out that while all the housing requirements are not being met, their institutions have done more than all other sources put together. And understandably they ask why won't the Congress and the Administration give us the tools now and in the future, as they have done reasonably well in the past, and let us who have the experience get on with the job.

With cause they fear some of the recommendations in the Administration's Financial Institution Act. And they seem to fear even more some of the tentative recommendations made as discussion principles in the recent report of the Financial Institutions and the National Economy—FINE—made to members of the Committee on Banking, Currency and Housing.

It should be emphasized that these tentative conclusions have not been acted on by the Committee and Congress, but the fact that they would be printed and hearings held on them signify deep concern to many if not all thrift industry members. Perhaps the suggestions most feared are those that would lump the supervision insurance of accounts, chartering, merging, etc. of savings and loan associations along with commercial banks and mutual savings banks under the same authority—Federal Depository Institution Commission—give the Federal Reserve Board the authority to impose reserve requirements on the thrift industry; and in effect reduce the Federal Home Loan Bank Board to a federal mortgage corporation for low and middle income housing while at the same time turning the Federal Home Loan Banks into giant conduits for housing subsidies.

Apparently there would be no type financial institution charged primarily with helping to provide housing. What we have known as the thrift industry would be "altered" out of existence and converted into general purpose institutions. And this raises the question—what would be the source of housing funds that would be lost should Congress agree?

Under the most favorable conditions one can now anticipate, there are many problems still to be solved before decent housing can be available for millions of American families. Among these problems are:

The rising cost of housing. Some estimates say that less than 15% of America's families can afford to buy a median priced home. It is also predicted that by 1980 every home under $35,000 will be a mobile home of some sort.

Continued uncertainty of the economy. Inflation is far from under control, unemployment has climbed to 8.6% of the labor force and is expected to remain as high as 7% or more during 1976.

Large Treasury financing throughout 1976 poses a threat to savings flows to the thrift industry, and could bring another round of disintermediation. Likely among the results could be a further clamor for removal of Regulation Q an action which would compound the savings inflow problem.

Another problem is the earnings squeeze of the thrift industry. Short borrowing often at high cost, and long lending without an adequate spread brought on this condition. There are potential remedies, but will Congress retain Regulation Q and other tools to help correct this situation.

Finally, up to now at least, the Administration has evidenced little interest in "biting the bullet" to relieve the housing shortage. It has, though, evidenced a lack of understanding of the contributions made by the thrift industry and the need to shore up its capacity to continue as a viable force in meeting our housing needs.

Understandably, though, those who comprise the thrift industry are puzzled that in spite of their unbelievable achievements in fulfilling our housing needs there are those in powerful positions in and out of government that would now dismantle the specialized financial institutions, or otherwise impair if not make impossible its viability.

Industry members understandably point out that while all the housing requirements are not being met, their institutions have done more than all other sources put together. And understandably they ask why won't the Congress and the Administration give us the tools now and in the future, as they have done.

* * * * *

To provide whatever means are necessary to enable it to obtain and retain a steady flow of funds from the saving public to be used for housing; and to recognize that a system that has enabled this nation to have the best housed people in the world, in spite of deficiencies beyond its control, should be encouraged and strengthened as was the case in the 1930's, the 1960's, and up to now, rather than try to perform under the constant fear that it will be dismantled or rendered ineffective either by crippling changes or failure to give it new tools as the need arises.

Even under the best conditions now envisioned, there will be only about 1,200,000 new housing units in 1975 and 1,450,000 in 1976. If the thrift industry, for whatever the reason may be, is discounted the prediction would be less than half this already inadequate volume.

THE 1975 FARM PRICES

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate the record of farm prices for 1975. America's farmers are entitled to receive at least 100 percent of parity. The parity index is but another way of stating the relationship between the prices that farmers receive for what they sell as compared to the prices that farmers pay for what they buy. 1975 farm prices averaged 73 percent of parity. A parity price for wheat would have been $4.68 per bushel; December wheat was sold for $3.41. A parity price for corn would be $3.11 per bushel; December corn sold for $2.37. A parity price for soybeans would be $6.98 per bushel; December soybean prices were $4.28 per bushel. These are but examples of the difference between a price that a farmer ought to receive and the price that he does receive.

Surely our farmers are not being properly rewarded for their record of production and service. The goal of 100 percent of parity must continue to be the standard that we seek to achieve.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notification I have just received. A portion of the notification, which is classified information, has been deleted for this publication.

There being no objection, the notification was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
January 20, 1976.

HON. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 76-34, concerning the Department of the Army's proposed Letter of Offer to Iran for an estimated $33.2 million.

Sincerely,

H. M. FISH,
Lieutenant General, U.S. Air Force, Director, Defense Security Assistance Agency, Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 76-34—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

(a) *Prospective Purchaser:* Iran.

(b) *Total Estimated Value:* $33.2 mililon.

(c) *Description of Articles or Services Offered:* "Conventional Ammunition": (deleted).

(d) *Military Department:* Army.

(e) *Date Report Delivered to Congress:* January 20, 1976.

WILDLIFE PROTECTION

Mr. HASKELL. Mr. President, I would like to comment on the recent action of the Fish and Wildlife Service in withdrawing Federal financial support for a game management project in the State of Alaska which would have "eliminated" the wolf population within a 3,000-square-mile area.

The Service found, upon further consideration of the Alaskan proposal, that no Federal support for this program would be appropriate without the completion of an environmental impact statement. I concur with this finding.

The elimination of an entire population of a species within such a large area would, I believe, have a significant impact on the ecosystem and the environment. It is an action which should not be taken without considerable reflection.

It is my understanding that existing data regarding the size of both the wolf and the moose populations involved, as well as the relationship between the two, is not extensive.

Studies of the wolf-moose relationship on Isle Royale in Lake Superior seem to indicate that the two species exist in dynamic balance. Moreover, the recent increase in the issuance of moose tickets in Alaska suggests that another predator—man—might have had a far more detrimental effect on the moose population in question than the wolf.

Recent experiments conducted by the Fish and Wildlife Service in transplanting timber wolves from Minnesota to Michigan suggest that, once the species is eliminated, it will be very difficult to reintroduce.

I believe that the Fish and Wildlife Service has exercised eminent good judgment in withdrawing Federal funds from this project. I think that the States, which have been charged with the responsibility of management of the fish and wildlife populations on Federal lands within their borders, should take note of this action and assure that their game management plans are consistent with the preservation of delicately balanced ecosystems and environmental protection.

OLYMPIC COMMITTEE: POSITIVE ACTION FOR THE HANDICAPPED

Mr. HUMPHREY. Mr. President, I am most pleased to share with my colleagues a letter which I just received from Mr. F. Don Miller, executive director of the U.S. Olympic Committee, concerning facilities for the physically disabled at Olympic games.

Mr. Miller's prompt and courteous reply to my letter of December 30 shows that the Olympic Committee does indeed share the concern of the Senate and the Congress that all our citizens have the right to the full development of their economic, social, and personal potential regardless of their disabilities.

Mr. Miller has initiated correspondence with Mr. Howard Radford, treasurer of the Olympic Committee in Montreal, asking about provisions made by the committee to meet the special needs of the handicapped who may be attending the games this summer. He also wrote Rev. Bernard Fell, a member of the Organizing Committee for the 1980 Winter Games in Lake Placid, asking what specific action is being taken to assure proper accommodation of handicapped persons.

The Olympic Committee's response is most gratifying. I hope that the authorities in Montreal and Lake Placid will show equally positive concern and action.

Mr. President, I ask unanimous consent that the text of Mr. F. Don Miller's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 16, 1976.

Senator HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: We share your grave concern about having suitable ingress, egress and seating provisions for handicapped persons desirous of attending the Olympic Games. The United States Olympic Committee strongly supports the provisions of the Architectural Barriers Act of 1968.

In order to get the latest information on what provisions might have been planned by the Montreal Organizing Committee, I have written to Howard Radford, Treasurer, Organizing Committee for the 1976 Olympic Games in Montreal to let us know promptly what provisions have been made in Montreal for handling ticket requests from handicapped persons.

Likewise, we have contacted Rev. Bernard Fell of the Lake Placid Organizing Committee, pointing out the provisions of this Act of 1968, and have requested him to let us know what is being done by the Organizing Committee there to conform to the provisions of the federal legislation.

Upon receipt of this information from the authorities in Montreal and Lake Placid we shall relay this information. Thank you very much for the interest and personal consideration which you have shown for the handicapped persons.

Sincerely,

F. DON MILLER.

GRAIN STANDARDS AND U.S. EXPORTS

Mr. McGOVERN. Mr. President, let me point out to other Members of the body that the horror stories of the grain inspection crimes at export points in this country are having a significant impact on the public through editorial comment in the Nation's newspapers. The quality product of the U.S. farmer is now under attack in the export market and it is evident that farmers, farm publications, and newspaper editors in the agricultural areas of the country do not like it. South Dakota's largest daily paper, the Sioux Falls Argus Leader, in its January 3, 1976, edition makes this ever so clear in its principal editorial for that day, entitled "United States Slips in Handling No. 1 Export." For other Senators' information, I ask unanimous consent that the text of the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNITED STATES SLIPS IN HANDLING NO. 1 EXPORT

Would the Japanese let their automobiles, cameras, radios, TV sets, tape decks and other products destined for export, out of their country without a rigorous quality check?

We don't think so.

Would the West Germans ship their automobiles to the United States without their factories making a determination that the products were in excellent shape?

We don't think so.

Would American manufacturers, shipping automobiles, radios, machine tools, commercial airliners, engines, and other goods to overseas destinations, let them out of the country without quality control procedures?

We don't think so.

Would grain firms handling corn and other grain destined for export, let the shipments out of this country's ports, without maintaining tight control for quality and weight, so that the buyers in Spain, Japan or elsewhere would be assured of getting what they pay for?

The answer is yes, in too many cases. And the U.S. Department of Agriculture (USDA), which licenses the grain inspectors hired by commercial firms, hasn't done as much as it should have to police the export of American grain. Unfortunately, the foreign buyer cannot be sure that he will get what he pays for.

The problem has wide-ranging ramifications for American agriculture and its retention of world markets. The handling of the United States' No. 1 export—grain from American farms—needs Congress' and the administration's closest attention in this new year.

The Des Moines Register in a series of investigative articles last year exposed many shortcomings and in some cases, incidents of fraud, in the way that American grain is handled at ports. The newspaper has dug into U.S. Department of Agriculture records for some of the documentation, and has gotten other corroboration of the problem on its own.

FIFTY-SEVEN INDICTMENTS RETURNED

So far, the investigation into corruption in U.S. grain export trade has resulted in criminal indictments of 57 individuals and companies in New Orleans, La., and Houston, Tex., on charges of bribery, grain theft, misgrading, misweighing and income tax evasion. More indictments are expected in 1976.

Among those indicted have been grain companies, elevator officers and employes and licensed grain inspectors and weighers. Under the U.S. inspection system, which Congress is expected to revise inspections of grain are made by government-licensed inspectors who are employed by private firms, boards of trade and grain exchanges. The investigation has revealed that some grain inspecting firms have business ties to the grain companies whose shipments they inspect.

FOREIGN BUYERS UNHAPPY

Overseas, there is more unhappiness with U.S. grain shipments than the number of complaints indicate.

A copyrighted story in the Des Moines Register this week said that U.S. corn shipments to Japan have been consistently short-weighted over the past six years. Figures compiled by Japanese trade officials show a pattern of small but consistent shortages, totaling 177,000 metric tons between 1969 and 1974. Other short-weighting complaints have come from Spain Korea, Canada, the Philippines, Italy and Guatemala. There have also been complaints about the quality of the grain, excess foreign material in the shipments, etc.

The Register said a Spanish buyer alleged that a recent shipment of corn from Philadelphia was 492 metric tons short on arrival in Barcelona, a shortage of 2.3 per cent and a loss to the buyer of $63,800. He said such a shortage could happen only through "negligence or bad faith." He said shipments from the U.S. have averaged 0.6 to 0.7 per cent less than the certified weight in the past four years. Shipments from Argentina, Brazil and South Africa, on the other hand, are never more than 0.3 per cent under weight, the Spaniard said.

MAKE PROSECUTION A CERTAINTY

The nation's farmers should not lose any foreign markets because of carelessness, fraud or ineptness at the ports and terminals which handle their grain. Food is not only the No. 1 dollar earner for the United States, but it should also be used as the nation's trump card in future efforts to gain reciprocity in detente from the Soviet Union, China and other Communist countries.

Congress and the Ford administration must take action to ensure that foreign purchasers of American grain get what they pay for. Part of the debate in Congress over revising the inspection system has been discussion of whether the USDA should hire the grain inspectors. There must be a way to meet the problem without making all grain inspectors federal employes.

Obviously, tighter regulation by the federal government is required. Prosecution of violators exposed thus far, and making government action against future offenders a certainty should help the situation.

NSPE'S ENERGY POLICY

Mr. MORGAN. Mr. President, it is doubtful that many issues will demand more attention from the Congress during coming months than energy supply and conservation. The resolution of these problems will not be simple, and will require intensive long-term efforts on the part of both Government and the private sector. Tough and unpopular decisions may be necessary, including those which mandate severe conservation measures.

The cost of all energy is steadily increasing, and especially that of imported fuel upon which we are forced to depend in ever-increasing quantities. The challenge is clear. Not only must we develop additional domestic energy resources to fulfill the Nation's needs, but at the same time reduce our level of energy consumption by implementing and adhering to realistic conservation practices.

I found the recent hearings, conducted by the Senate Public Works Subcommittee on Buildings and Grounds, of which I am chairman, to be both revealing and educational. These had to do with the application of energy conservation techniques in the design, construction, and maintenance of public buildings, and proposed legislation to mandate such measures. We learned then that office and commercial type buildings account for more than one-third of all energy used in the United States, and that any reduction achieved would represent a significant savings in both resources and expenditures.

This experience has given me new appreciation for the depth and complexity of our energy problems, and the necessity for competent technological guidance in developing solutions, both on a long- and short-term basis. Not only is there a tremendous opportunity for the design professions to make substantial contributions, but it is essential that they do so. Engineers, architects, research scientists, conservationists, and others offer a wealth of knowledge that can be tapped, and Members would benefit by considering their proposals, whether we concur or not.

Mr. President, I would like to bring to your attention one such contribution which, although I do not fully agree with some of its precepts, should be of interest to all of us. This is a statement on energy policy by the National Society of Professional Engineers, appearing in the December issue of their monthly publication, the Professional Engineer.

I ask unanimous consent that this "NSPE Statement on Energy Policy" be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON ENERGY

Without energy, man is at the mercy of the elements nonproductive, defenseless—a creature in the most primal sense. This *truly* is energy's importance to mankind, individually and collectively. The current energy shortage in America is real, and it has reached crisis proportions. This has been dramatically demonstrated by the recent Arab oil embargo and recognized by the President in his expressed determination to reduce our national dependence on foreign sources of energy.

The adoption of prudent policies and the pursuit of concerted actions are crucial. America must prevent further reduction in its productivity and standard of living. We must reverse the outward movement of our industrial base to foreign countries. And, we must achieve self-sustenance for vital national functions by establishing firm energy policies and making an all-out effort to fulfill them.

Within the next 25 years, the United States will consume more energy than it has in its entire history despite rigorous conservation measures. This projected increase in energy usage, coupled with the present and anticipated shortages of conventionally available fuels, will seriously tax the nation's ability to maintain a level of productivity needed for economic well-being, national defense, and future growth.

Professional Engineers are in a unique position in history to help evaluate and implement programs to guide the United States toward energy independence. Engineers, to be of maximum effectiveness must have a role in the policy-making processes and should receive maximum continuous support as their efforts are applied to the task of bringing the various options of energy resource use into balance and of reducing national dependence on foreign sources of energy.

A whole host of difficult issues must be faced and resolved. In addition to issues more fully discussed later, it is important that engineers should also develop positions on these difficult public issues:

(1) Restrictions on the wasteful consumption of energy;

(2) Relaxation of statutory environmental restrictions on power plants, automobile emissions, surface mining . . .;

(3) Removal or maintenance of price controls on energy sources;

(4) Windfall profits tax to prevent profiteering coupled with plowback provision;

(5) Production of petroleum from Naval reserves;

(6) Development of deep-water ports;

(7) Liberalization of tax incentives, such as investment credits for drilling, exploration, other supply generators; and the conservation of energy;

(8) Modernization of laws concerning mineral leasing on Federal lands;

(9) Consideration of elimination of import tariffs and quotas;

(10) Construction of increased fossil fuel storage capacity for emergency use;

(11) Acceleration of licensing and siting for nuclear facilities;

(12) Labeling products for energy efficiency;

(13) Promotion of offshore drilling;

(14) Stimulation of synthetic fuel production;

(15) Improving urban transportation;

(16) Expansion of R & D;

(17) Greater utilization of coal;

(18) Consideration of the deregulation of natural gas;

(19) Restoration of depletion allowance for oil and gas production.

While gas, oil, coal and nuclear fuel are the real workhorses of energy supply, much interest has been aroused in energy sources such as Geothermal, Solar, Wind, Tidal, and Ocean Currents. Whether these sources of energy can make a significant impact before 2000 must be further researched. Even with the most intensive development, question has been raised about how much they could actually supply. While some think they could supply no more than 4 percent of our energy needs by 1990, others are more optimistic. The potential of solar energy must also be kept in perspective. With a well-managed, well-funded, aggressive program, we may be able to provide 2 percent of our energy by solar heating, cooling and other uses. Other energy sources, such as the incineration or conversion of refuse, cannot contribute significantly to the overall energy picture. The potential capacity of these energy sources must be considered before massive amounts of capital funds are poured into these projects.

When we searched for domestic energy sources to substitute for imported oil, we must look at the complete energy picture. The energy sources such as gas, oil, coal, and nuclear power, are capable of meeting our energy needs for many years, provided they are used effectively.

Natural gas supplies presently available to the United States are not sufficient to meet all the demands for this premium fuel. This supply can be extended by gas manufactured from coal, oil shale, organic and inorganic waste, and increased exploration and drilling, including offshore, secondary recovery, and deep well.

Oil, which continues to be the leading source of primary energy, is not expected to grow significantly in supply. As in the case of gas, the lag in discovery rates has begun to darken the domestic supply picture. If efforts fail to reverse the disappointing discovery trends of recent years, the vast reserves of tar sands and shale will have to be developed to make significant contribution to the Nation's energy supply by the end of the present decade.

Of all fossil fuels, coal is by far the most abundant. United States reserves amount to an estimated 1.6 trillion tons—3,000 times the 500 million tons burned in 1971. With this abundance of energy in coal, we must further develop its use by producing synthetic oil and pipeline quality gas. To attain independence from energy imports, we must accelerate all programs aimed at the production of oil and gas from coal. The greater use of coal is an immediate option. Environmental considerations and governmental regulation must also be tempered with the needs for industrial growth, increased employment, and popular demand for comfort and convenience.

The best hope for reduction in the spiraling costs of electricity can be and has been realized by the increased use of nuclear power. For example, in one area of Pennsylvania alone, 900 Megawatts of nuclear capacity has significantly reduced the need to burn high-priced, low-sulfur oil, and the resulting savings have reduced customers' fuel adjustment charges by about 40 percent in the first five months of 1975. For a typical residential consumer using 500 kilowatt-hours the monthly bill reduction was about $2.50.

Nuclear generating capacity can be expanded and brought on line to accommodate an increased electric use. Barring limitations on and regulation of the supply of economically recoverable uranium ore, there are no technological or resource limitations blocking a rapid expansion of nuclear generating capacity. However, effective licensing and siting procedures must be developed to permit prompt processing of applications for nuclear power plants consistent with the need for adequate safety and environmental protection. Environmental considerations, of course, cannot be ignored. And with respect to all energy sources, consideration should be given to practicalities, such as the siting of nuclear projects in areas with no water supplies. Availability of necessary water sources for some energy recovery processes may be a critical consideration. But a reasonable balance among all interests must be maintained. Nuclear energy is an essential power source for the immediate future. Moratoriums and other delaying actions in the construction of nuclear power plants are non-productive. With close regulation, nuclear power is the best approach for supplementing fossil fuel sources in the near term. The increased use of nuclear power will, furthermore, free use of coal for conversion to liquid and gaseous hydrocarbons.

Energy utilization in buildings represents a large portion of our total consumption and consequently represents a big potential for conservation provided present codes and regulations are modified. In the design of new buildings or projects, the engineer can accelerate known applications and techniques to reduce energy consumption through consideration of the structure (configuration and orientation) as well as careful selection and application of the mechanical and electrical systems.

Transportation, including automobiles, mass transportation, and other forms, representing about 25 percent of the nation's annual energy use, also has great potential for energy economy. In addition, freight transportation, especially railroads, must be retained and improved to move coal to generating plants and other production facilities.

Considerations regarding energy and the environment should be subjected to sound engineering judgments which can result in the most economical decisions in keeping with the overall best interests of the public.

Energy is an essential ingredient of economic growth. It would not be correct to say that the availability of energy causes economic growth, but economic growth certainly cannot take place unless adequate supplies of energy are available.

In recommending the adoption of sound national policy and wise implementation, the National Society of Professional Engineers believes:

That a comprehensive, coordinated, and priority-charged energy program, involving the full breadth of political and social decisions by government, industry, the technical professions, and the public, must be developed without further delay;

And, That this program should include, as a minimum: (1) Effective conservation efforts; (2) Increase in production of all existing domestic forms of energy; (3) Rapid expansion of sources with demonstrated reserves and productive potential; (4) Provision for adequate research, development, funding and other needed stimuli of new energy sources.

A WORD OF CAUTION

Mr. MONTOYA. Mr. President, Secretary of State Henry Kissinger is on a trip to the Soviet Union and Europe to proceed with negotiations on a new strategic arms limitations agreement, SALT II.

There is much at stake in his trip. It comes at a time when we have been informed by former Secretary of Defense James Schlesinger, former Chief of Naval Operations Adm. Elmo R. Zumwalt, and Cental Intelligence Agency Director William Colby before Senate and House committees that the Soviet Union has violated, in spirit and in fact, the SALT I accord. Their disturbing reports have been supported by articles appearing in numerous publications of diverse political sentiments such as Aviation Week and Space Technology, the New Republic, the Washington Post, Air Force, Newsweek, and the Reader's Digest.

It comes at a time when we have also heard that a number of our problems regarding the Soviet SALT violations and their growth of military power is to be attributed to the failures of our diplomacy and to the Secretary of State's penchant for secrecy and personal diplomacy. We have heard the charge that the Secretary of State has also deliberately withheld important information about the Soviet transgressions from us and the public.

His trip comes at a time when our policy is to pursue a relaxation of tensions and to lower risks of nuclear confrontation. One cannot help but wonder what the implications are for SALT II and the Vladivostok agreement if the charges that the Soviet Union has abused the treaty to realize its political and military advantages are true. The issue is very disturbing.

I am also concerned about trips to Moscow to negotiate a new arms control agreement in an election year. We are well aware of the fact that former President Nixon negotiated SALT I in the atmosphere of an election year and we know that many technical problems that had not been solved for over a year were quickly resolved. We wonder if some of the SALT I problems do not stem from the pressures of that election year. I wonder if it would not be in the best interest of the Nation to postpone the arms negotiation or new agreements until after the November 1976 elections.

I do wish to stress emphatically, however, that I very much favor a credible SALT II package that will stabilize the arms race and that will rectify any wrongs in the SALT I arrangement. I believe it should include systems like that Backfire and Cruise missiles. Ideally, it should lead to a reduction of numbers of weapons—as Senator JACKSON proposed earlier. I do believe it essential, however, that SALT II be negotiated so effectively that the Soviet leadership will find nothing to tempt new violations, for my great fear is that should we bungle or fall, we may not have too many more opportunities.

I repeat, that I firmly support efforts to stabilize the arms race and to negotiate a new round of SALT talks. It is imperative that we succeed. Equally, however, I am profoundingly disturbed by the charges of Soviet violations of the accord. To get at the heart of these allegations and to learn more about the issue, I have commissioned a study of the problem by two analysts specializing in national security questions and arms control negotiations in New Mexico. I have found their research paper to contain much information which I believe should be at the disposal of the Congress and the public as we consider this next round of arms control negotiations and Kissinger's visit to the Kremlin. I ask unanimous consent that this study written by Jay Sorenson and Ed Fugue be printed in full in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE PITFALLS OF SALT I AND THE NEED FOR STRATEGIC STABILITY

(By Jay B. Sorenson and Ed Fugue)

NOTE.—The authors wish to express their appreciation for the invaluable assistance provided by Mary Fackelman in every aspect in the preparation of this study.

The available evidence for the six year record since the United States and the Soviet Union negotiated the Strategic Arms Limitations Talks I (SALT I) indicates that while both desired to ease tensions and lower the risks of nuclear war, both pursued different means, and sadly, different objectives.

The record would indicate that while the U.S. sought to ensure confidence in strategic security and detente, it did so by advancing mutual acceptance of the concept of "essential equivalence," a formula that allowed asymmetry in force configuration but premised stabilization by means of short term control on strategic launchers, missile numbers, and ballistic missile defense.

Moscow's military build-up under SALT has contributed to considerable uncertainty and debate in the West as to Soviet intentions, objectives, and capabilities. It is unclear whether the Kremlin leaders are pursuing a military option of "adequacy," "sufficiency," or "supremacy." It is not clear whether the Soviet leadership perceives clearly their own intentions or goals; it is evident that they are pursuing multiple and contradictory objectives simultaneously, and that the results can only be commitments to incompatible goals and policies. It is, however, apparent that Moscow's SALT representatives presented the concept of "equal security" as an alternative to our "essential equivalence" doctrine, and that by persisting, secured concessions in a variety of strategic systems including some 40 percent in number of launchers and a generation of missiles with better than double the average throw weight of ours on the grounds of asymmetry in security vulnerabilities, technology and adversary threats. It is equally clear that Moscow's leaders have introduced new strategic systems consisting of long range missile firing subs and three different ICBM systems and have built up a military capability bordering on superiority in numbers and war winning aspects under the aegis of SALT I. It appears that their commitment to stabilization was superficial, and their actions have led many to voice grave reservations about Soviet intentions, or whether we are wise to rely on it as the best practical base for a more complete and long term agreement of detente. It is the uncertainties of Soviet behavior that lie at the heart of the present debate over Soviet violations of the spirit and letter of the SALT I agreements of 1972.

II. ALLEGED VIOLATIONS

Since February 1975 reports have circulated charging the Soviet Union with violating the terms of the ABM Treaty and the Interim Agreement on Strategic Offensive Arms.[1] These charges were reported to have been expressed before the Senate Armed Services Committee when Central Intelligence Agency Director William E. Colby testified on February 11, and when former Defense Secretary James R. Schlesinger testified on March 6. Both avoided direct charges of violations against Moscow, but the charges persisted. With varying degrees of caution, they were reported in publications as varied as Aviation Week and Space Technology, The Washington Post, Air Force, The New Republic, Newsweek, and the Readers Digest. Analysts of both hawkish and liberal bent have not been in disagreement in their reports. The most recent charges were aired by former Chief of Naval Operations Admiral Elmo Zumwalt and James Schlesinger in their December testimony before the Select Committee on Intelligence, and the Senate Foreign Relations Committee. Zumwalt's testimony, supported by accounts provided by other American officials such as Paul Nitze, have brought the issue into the open.

The charges have also led to grave reservations about the ability and conduct of our foreign policy by our officials, but the critical issue is the behavior of the Soviet leadership. The Soviet Union is charged with the following violations:

1. *Light and Heavy Missiles:*[2] The Soviet Union has been accused of violating the 1972

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Interim Agreement on Offensive Missiles on the grounds that Moscow has been replacing its light SS–11 missiles with the heavy SS–19. Under the terms of the Interim Agreement, Moscow and Washington fixed the number of land-based ICBMs and silos and, in Article II agreed that neither side was to convert launchers from light into heavy land-based ICBMs.[3]

Much confusion existed over the implications of fixing launchers and the head Soviet delegate initialed the Agreed Interpretation–J which stipulated that "the dimensions of land-based ICBM silo launchers will not be significantly increased" in the process of "modernization and replacement." [4] To add further clarity to the confusion, Common Understanding–A was issued on May 26, 1972. It stated that "the parties agree that the term 'significantly increased' means that an increase will not be greater than 10–15 percent of the present dimensions of land-based ICBM silo launchers." [5] This represented the upper limit of the Soviet agreement. Moscow clearly understood the full intent of the U.S. effort, and the Russians agreed to limit the size of silos, but they did not agree on restrictions on the size of Soviet missiles or on limits on converting light to heavy missiles.

Secretary Kissinger responded to the Soviet refusal to define heavy missile weight on May 26, 1972 with U.S. Unilateral Statement–D. It stipulated, "The U.S. regrets that the Soviet Delegation has not been willing to agree to a common definition of a heavy missile . . . the United States would consider any ICBM having a volume significantly greater than that of the largest light ICBM now operational . . . to be a heavy ICBM. The U.S. proceeds on the premise that the Soviet side will give due account to this consideration." [6] We also informed the Russians that we would consider any missile exceeding 70 cubic meters as a "heavy weapon." At the time we estimated the SS–11 to be 69 cubic meters. Once having issued the interpretation, Kissinger's expectation was that none of the 1096 SS–11 Soviet light missiles would be converted into heavy ones of the SS–19 class.

Beginning in late 1974 or early 1975. U.S. intelligence detected the Russians deploying the 100 cubic meter SS–19 as a replacement for the SS–11. The Russians were able to attain this significant increase in volume without an increase in the dimensions of their silo launchers in excess of the 10–15 percent specified in the Common Understanding–A. The Russians developed a "cold launch" technology in which compressed air is used to "pop up" (eject) the missile in the silo before its engines are ignited. By taking out the heat flashing, the SS–19 could be fitted into a slightly enlarged SS–11 silo. However, the 10–15 percent increase the U.S. agreed for the permitted volume expansion of the silo turned out to be a 52 percent expansion when registered in length and diameter.

The Secretary of State misled the Congress on this issue. In his statements of June 15, 1972 he conveyed the impression that the United States had received assurances that the American unilateral interpretation was acceptable. He simply omitted any discussion of the fact that Moscow had refused to define a heavy missile. Rather he claimed that the United States had "adequate safeguards," though none in fact existed. He also stipulated that a safeguard existed in that "no missile larger than the heaviest light missile that now exists can be substituted." And, that, "secondly, there is the provision that the silo configuration cannot be changed in a significant way," or, "we think, we have adequate safeguards with respect to that issue . . . as far as the break between the light and the heavy missiles is concerned, we believe that we have assurances through the two safeguards." [7]

As one writer has observed, of all the charges leveled against the Secretary of State, his deception of the Congress and the U.S. public by failing to inform them that he had never received Soviet assurances that the American unilateral interpretation was acceptable is the most serious and damaging. It tells us much about the price the Secretary and President were prepared to pay for a Soviet agreement in the year of the 1972 elections.

2. *ABM Violations:* The ABM Treaty has generally been considered to be the peak achievement of the entire agreement, or the element that has added credibility to a detente policy. Today, however, the Russians have been charged with six separate violations of the ABM Treaty.

The Russians have tested SA–2 and SA–5 air defense systems "in an ABM mode," or at altitudes in excess of 100,000 feet. They have tested air defense radars in "an ABM mode," they have interfered with U.S. electronic monitoring of ABM radar tests; they have developed and tested mobile ABM radars; they have tested a mobile ABM radar at a power aperture product in excess of three million, and have netted ABM radars.

The upgrade of SAMs to an ABM role is a clear violation of Article VI (a) of the ABM Treaty.[8] Yet for at least 18 months in 1973 and 1974, the Russians tested SA–5 missiles and radars "in an ABM mode." Once again, the heart of the issue of violation in fact rather than spirit lies in the question of the clauses negotiated and the conscious agreements drawn. In actual fact, the Russians never committed themselves to a precise definition of "in an ABM mode."

The U.S. attempted to resolve this problem and secure an agreement by issuing a unilateral statement. American Unilateral Statement-E of April 7, 1972 offered a detailed definition that stipulated a test would be "in an ABM mode" if "an interceptor missile . . . is flight tested to an altitude inconsistent with interception of targets against which air defenses are deployed." [9] The Russians did not commit themselves to a precise definition of our statement-E or our pressure for their interpretation of "an ABM mode."

Moscow denies that their high-altitude SA–2 and SA–5 tests were "in an ABM mode," and they point up the fact that Common Understanding-C permits non-ABM radars to be used for "range safety or instrumentation" on or off the agreed ABM test ranges.[10] This runs counter to the U.S. specification that the employment of non-phased array radars for "range safety of instrumentation" may be located at sites apart from the regular ABM test ranges. The Soviets responded with characteristic silence. The U.S., under the guidance of its inimitable Secretary, interpreted Soviet silence to mean acquiescence and a common understanding.

Another charge points up the same problem, but relates to mobile ABMs and ABM radar. The issues here turn on deployed mobile ABM systems, their components, testing ranges, and ABM radars tested and deployed. Article V–1 of the ABM Treaty provided for prohibition of mobile land-based ABMs as well as other systems. It stipulated that "each Party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, or mobile land-based." [11] Because of a perceived element of ambiguity in the language, the U.S., on January 28 stated that the "prohibition applied to ABM launchers and radars which were not permanent fixed types." On April 13, 1972 the Russians indicated "a general common understanding" on this matter. The tests they have conducted since the agreement they claim deal with transportable rather than truly mobile and thus are not permanent fixed types. They have responded to the charge of a Treaty violation of testing a mobile ABM Radar at an aperture product (the mean emitted power in watts and antenna area in square meters) in excess of three million along similar lines. According to the Soviets, the Agreed Interpretation-D restrictions apply only to the deployment of these systems but not to the testing of them.[12] Furthermore, Article IV allows testing on agreed test ranges at any power aperture product allowed by technology, and the testing took place on the agreed test ranges.[13]

The whole issue of test ranges has contributed to a major problem in the assessment of treaty violations. The SALT treaty did specify that none of the testing limitations would apply to ABM systems located at "current" test ranges. Since the language was very ambiguous, the U.S. issued a unilateral statement identifying two ranges for the U.S.—White Sands in New Mexico and the Kwajalein Atoll in the Pacific. It identified only one Soviet range near Sary Shagan in Kazakhstan. Once again Moscow neither confirmed nor rejected the U.S. unilateral statement.

In November 1975, U.S. intelligence reported that the Russians had constructed a large ABM test range and a new giant phased-array ABM type radar on the Kamchatka Peninsula on the shores of the Pacific, and that this project constituted a clear and precise violation of the ABM Treaty. Alternatively, some intelligence analysts have pointed out that the Kamchatka range may have always been a Soviet ABM test range, and so the question of whether the deployment of a new phased-array SA–5 radar for long range detection is a violation in technical terms of the treaty. What is clear, however, is that the construction of the giant phased-array ABM type radar helps to fill in a missing gap in Soviet perimeter ABM radar coverage. The loose language of SALT I may enable the Russians to claim the Kamchatka ABM radar is permissible as part of its test range equipment, but it is certainly clear they have an added ABM radar capability they did not have in 1972. Kissinger has stated that he will seek a Soviet explanation of the Kamchatka's radar function.

We also face the related problem that the Russians have tested non-ABM radars against incoming objects that have simulated U.S. ICBMs and submarine launched warheads. It is difficult to interpret this act in any way but "SAM upgrading" or as one that promises the possibilities of an elemental ABM defensive system.

The Russians have also jammed U.S. electronic surveillance of ABM and upgraded SAM missile and radar tests. Article XII–2 of the ABM Treaty states: "Each Party undertakes not to interfere with the national technical means of verification of the other Party operating in accordance with paragraph 1 of this Article." [14] Moscow's leadership claims that the activity we were monitoring was SAM activity and not an ABM test and hence the tests were not covered by any provisions of the ABM treaty. Equally, their interference with our monitoring of their tests also constitutes no violation because again it was not ABM tests that were occurring.

Soviet interference with our surveillance systems leaves the U.S. in an awkward position. We cannot possibly know what the Russians are developing or whether they are conforming with the terms of the treaty. We are utterly dependent on their "good will and good word," and this is completely inconsistent with the entire intent and purpose of the SALT I ABM Treaty.

One last point to note is that it took the U.S. roughly a full year to protest and attain Soviet compliance on the SAM upgrading efforts. Admiral Zumwalt contends that Kissinger was reluctant to confront the Russians with the charge of a possible viola-

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tion, and that he watered down the Defense Department's charges and never informed the Defense Department as to the Soviet replies.[15] Kissinger called the tests a "borderline case." He argued that the Russians did not carry out other tests that would be necessary to upgrade the SA-5 to ABM status. Hence there was no clear-cut violation. In Kissinger's defense, he may have realized a vague treaty was technically not violated, or that the Defense Department was overstating its case. However, Kissinger could not have ignored the fact that a violation of the intent of the ABM Treaty had occurred.

The Secretary's position is weak. The tests took place, the Russians gained systems they did not possess in 1972, and they ceased testing only following a U.S. complaint, and only after they had completed about twice as many tests the Defense Department requires to prove a weapon operationally ready.

3. *Concealment and Verification:* One of the most important violation charges leveled against the Russians is that they have been obstructing the use of our national inspection systems to verify compliance with the SALT I agreement.

Verification by national inspection means is one of the most important provisions of the entire SALT I arms stabilization package. National inspection is the mechanism that provides the confidence of compliance within reasonable limits of error. Possible or outright violations by means of interference with the inspection systems or concealment measures raise the gravest of questions about the credibility of the Soviet commitment to the SALT agreement of 1972.

Article V of the Interim Agreement spells out in detail the use of national technical means of verification to assure compliance.[16] It explicitly stipulates that "each Party undertakes not to interfere with national technical means of verification of the other party," and in Article V-3 it specifies that "each Party undertakes not to use deliberate concealment measures which impede verification by national technical means of compliance with the provisions of this Interim Agreement." To underscore the importance of the prohibition of concealment measures and to cover ambiguities concerning mobile ICBM launchers, the U.S. issued a Unilateral Statement on May 20, 1972. We stated that although the issue of land mobile ICBMs had been deferred to future negotiations, "the U.S. would consider the deployment of operational land mobile ICBM launchers during the period of the Interim Agreement [1972-1977] as inconsistent with the objectives of the Agreement." [17] The Russians were put on explicit notice as to the importance of the question to the U.S. No reasonable doubt could exist about the intent and purpose of the clause.

The major "national technical means of verification" the U.S. relies on are the Samos satellites that orbit the Soviet Union around the clock photographing the sites and using sensors and other technical intelligence devices to gain data on Soviet activities. The satellites take high resolution photos on each pass to determine whether any changes or differences can be detected in the development of new Soviet national security systems.

Intelligence reports and testimony by Colby and Schlesinger before Congress indicate that the Russians have placed large canvas covers over mobile ICBM launchers, over silo doors and other facilities, large canvas covers of 80 by 30 feet over SSBN construction, have refit facilities at Severomorsk, and that they have tried to deceive our satellites with decoy submarines. With these actions they have made it extremely difficult, if not impossible, for us to determine whether they are deploying land mobile ICBM launchers or merely testing new systems.

The U.S. has protested the concealment practices at the recent session in Geneva of the Consultative Commission. The Russian reply has been less than satisfactory. Resorting to legal technicalities, they have asserted that they neither signed nor initialed provisions in SALT I that bear on the development and testing of land mobile ICBMs, and that the concealment of the launchers relates to testing not specifically covered in the Interim Agreement. They point out that the language of the U.S. Unilateral Statement-B refers explicitly only to the "deployment" of mobile land ICBM launchers.[18] On this count they have not violated the treaty. Regarding the charge that they have illegally placed canvas covers over large areas of their construction and refit facilities for ballistic submarines at Severomorsk on the Kola inlet, the Russians also claim innocence of any wrong doing. Article V-3 may prohibit "deliberate concealment measures" but the very next sentence stipulates: "this obligation shall not require changes in current construction, assembly, conversion, or overhaul practices." [19] The Russians contend that long before SALT I they covered some work areas in the SSBN yards because of weather conditions and the practice is perfectly legal under the terms of the agreement. They have proceeded with this explanation in the face of the U.S. Unilateral Statement of May 20, 1972 which stipulates: "I wish to emphasize the importance that the United States attaches to the provisions of Article V, including in particular their application to fitting out or berthing submarines." [20] The Russians have also rebutted with the charge that the U.S. has placed aluminum shelters of forty-four by fifty-six by 1.5 feet over Minuteman III silos for periods as long as several weeks. The U.S. government has replied that covers are placed for only 18 or 72 hours to let concrete harden on the new silos.

The question remains whether the Russians' practice of covering construction and conversion systems and of testing systems not covered in the agreement is in compliance with the verification clauses. Unfortunately, the Administration has not publicly aired the possible transgressions or raised the question with the people. The entire controversy over Soviet behavior about violations of the clauses that are critical to the credibility and our confidence of the agreement raises serious questions about Soviet attitudes and intentions.

4. *Command and Control Centers:* The problem of the appearance of new silos that the Moscow leaders have labeled "command and control centers" raises a related question. Under the SALT I agreement, both nations were barred from building new ICBM launch silos after July 1, 1972. Beginning in mid-1973, U.S. intelligence detected the Russians constructing 150 new silos in their launch fields.

In reply to U.S. inquiries, the Soviets asserted that the silos were command and control facilities and not missile launchers. What is disturbing about the Soviet development and reply is that the silos are identical to launch silos; missiles could easily be installed in them; and the doors of these structures are identical with the doors on launcher silos, and can be blown off instantly. This is a requirement that a command and control post does not have. It is also evident that the Russians have retained their original command and control facilities. The reason for the redundancy in command and control centers is not at all clear. With all this uncertainty, it is difficult to confidently rule out the possibility that the Russians have added 150 launchers to their allowed ICBM totals, or that they are not violating the 1972 ICBM Agreement.

5. *Laser Early Warning Satellite Violations:* Allegations of laser interference with our national inspection system have also been leveled against the Soviets. The Russians may be experimenting with ground-based lasers to blind infrared sensors on U.S. early warning satellites. At present we employ three such satellites to detect the launch of Soviet ballistic missiles.

On October 18, 1975 infrared sensors on board the early warning satellite stationed over the Indian Ocean, which monitors Soviet ICBM silos, were illuminated from sources in Western Russia. Energy levels 10-1,000 times the intensity obtained from an ICBM launch or from a natural source such as a forest fire or volcano were registered. Five separate incidents have occurred since October 18, and they have affected warning satellites stationed to detect submarine-launch missiles or to relay data to the U.S. Air Force and the Strategic Air Command bomber fleet. Strong radiation persisted for more than four hours on at least one occasion. No permanent damage to the spacecraft has been reported by Pentagon officials to date.

Under the terms of SALT I, the U.S. and U.S.S.R. agreement not to interfere with the operation of reconnaisance satellites appears not to apply to early warning satellites. These satellites do not play a direct role in verifying the quantities of strategic weapons in each nation's inventory. Hence, no technical violation of the SALT I agreement occurred.

6. *Telemetry:* Interference with U.S. telemetry tracking raises another dimension of the verification problem. While radar is employed to track the reentry of a MIRV vehicle and to ascertain the circumstances of the separation of the multiple warheads, telemetry provides the information needed to determine whether a system is MIRV capable. This capability will be central to the structure of SALT II, which will require some added verification abilities to verify some limitations on MIRV deployment.

Telemetry is essentially the monitoring of electronic signals broadcast by the missile. The signals obtained may reveal data on the fusing mechanism for the nuclear weapons in the MIRVed vehicle, the method of deployment of the individual missile from the spacebus, the internal functions of the missile in the areas of fuel consumption, temperature, pressure, etc. Telemetry, in other words, has been essential to the acquisition of data to determine the stage of MIRV capability and success of Soviet MIRV tests. Alternatively, the denial of telemetry information deprives the U.S. of a critical element of a national inspection system that is essential for our confidence in the system and agreement. Denial of telemetry mechanisms adds only to the uncertainty of the relationship and of Soviet intentions and behavior.

This is exactly what has happened. As one source has reported, in 1974 the Russians began to attempt to jam U.S. telemetry receivers. To add to the difficulty of U.S. intelligence detection, they have also resorted to substituting a digital for an analogue system of transmitting signals, and they are encoding and encapsulating the electronic data signals.[21]

The difference is quite important. Analogue system signals are transmitted uncoded and can therefore be readily recorded and interpreted by U.S. intelligence analysts. However, with the digital system, the data signals are translated into coded data that are processed by computers on the ground before they can be interpreted. This form of encoding signals is extremely difficult for U.S. intelligence analysts to reconstruct; the codes are based on arbitrary numbers and can be changed daily. The real difficulty, however, is that the Russians have taken

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to the practice of encapsulating the data in flight recorders and retrieving the recorded information after missile flight termination.

The same reporter notes that the U.S. switched from a digital to analogue system to comply with the 1972 SALT agreements on the banning of interference with verification systems. Though it is unclear as to what the U.S. is presently doing, it would appear that we are now encoding our telemetry signals once again.[22]

The verification of MIRV capabilities is of critical importance to the state of the stabilization of the arms race as well as verification confidence. The Secretary of State underscored the importance of verification for all MIRV tests when he said in December 1974 that "the one principle on which we're going to be adamant and will not yield, which is nonnegotiable, is that any missile that has been tested with a MIRV mode successfully, I mean if they run five or six tests, will be counted as a MIRVed missile when it is deployed. . . . If they reject the verification formula, unless there is enormous ingenuity . . . I think it will be very hard to conceive how there can be a deal."[23]

In February 1975, Moscow reportedly informed the Secretary of State that they rejected the notion that a whole class of missiles should be counted against the MIRV ceiling only because some of them had been tested with MIRVs. Gromyko is reputed to have repeated the Soviet disclaimer in May. Secretary Kissinger is reported to have been talking of a "compromise" since May. It is, however, as some observers note, another instance of the Secretary impaled on the horns of diplomatic ambiguity and compromise as a result of his own eagerness to secure Soviet agreement on strategic weapons.

III. CONCLUSION

In essence, it is the ambiguity of Soviet behavior, their mockery of the SALT I Agreement, that is most disturbing. The Soviet leadership clearly and unambiguously, in spirit and in fact, violated the central provisions of the SALT I agreements. Alternatively, much of their behavior constitutes no violation of the technical provisions at all. Yet, it is an indisputable fact that they operated within the technical provisions of a loosely worded and ambiguous set of agreements to achieve objectives incompatible with those of the intent of the agreement. No stabilization of the arms race has occurred as was provided for by both sides under the terms of the SALT Treaty and Interim Agreement. This is the hard, obdurate, indisputable fact.

Complicating our problem of determining Soviet violations and assessing Soviet behavior, are a series of allegations charging Henry Kissinger and then President Nixon with a deliberate policy of secrecy and deception and legal and technical incompetence during the negotiation of SALT I that has made it possible for the Soviet Union to realize these advantages without at times technically violating the Treaty or Interim Agreement.

Secretary of State Kissinger, in particular, is charged not only with keeping the Congress and the public in the dark, but he has been specifically accused of communicating privately in "back channels" excluding Defense Department and arms control experts and intelligence officials and of withholding information of the negotiations from them; that he excluded from negotiations U.S. experts who could have avoided ambiguous language in the agreements and pressed for U.S. equivalence at a time when the Russians were using their technical experts to help achieve a Soviet advantage in the military formulas and in the SALT agreement. It is also charged that a conflict of interest that he had as the architect of the SALT agreement and as head of the NSC Verification Panel prevented him from rigorously investigating complaints of Soviet violations or confronting the Russians with mounting evidence of violations early in the game. He is further charged with having suppressed reports of violations, that he made concessions unnecessarily, and that he made them before they were necessary in the name of winning Soviet agreement on the spirit of the accord; and that his political commitments and stake in the success of the agreement led him to engage in a secret agreement to plug a loophole resulting from "sloppy negotiation" that could have resulted in a major Soviet advantage of 210 SS-N 13 SLBMs deployed on its diesel powered Golf-class submarines.

These charges are quite serious. Kissinger has denied them, and judgment will have to be reserved for the future. The evidence would appear to indicate, however, that the Secretary is not completely innocent of having withheld information important to the Congress and the people. It is also evident that Secretary Kissinger and ex-President Nixon, eager to emerge as the architects of peace in an election year, too quickly compromised on or disposed of technical points that our SALT negotiators had refused to make concessions on for over a year. It does not appear to be a coincidence that in this election year of 1976, the present Administration, faced with increasing challenge even within its own party, appears to be rapidly glossing over the specific technical problems of SALT II such as the Backfire and Cruise missile issues, much as the Nixon Administration and this same Secretary of State did in 1972 with SALT I.

On the other hand, the Soviet leaders must assume the burden of responsibility for the failure of SALT I. The record does not necessarily indicate the wickedness of the Kremlin leaders. They, like the leaders of most nations, exploited every advantage they found. They outmaneuvered us in the negotiations. In the well-established tradition of Soviet diplomacy, they took the treaty drafting very seriously, stressing the technical clauses rather than its spirit. As tough bargainers, they refused to agree to specific definitions, concepts or terms which they perceived not to be in their interest. With tactics of delay and obstinacy, they secured an agreement in a presidential year that enabled them to realize their dual objectives of relaxing tensions with the West and of securing a war-avoidance and war-fighting capability which many of their marshals had pressed for since the ouster of Khrushchev.

Following the conclusion of the agreements, they proceeded to exploit every clause and every loophole they could find to realize their military goals while not jeopardizing détente, though these actions belied the negotiated strategic balance and promised only a scale tipped to their advantage. They certainly were not deterred by our unilateral interpretations, which, as Colin Gray of London's Institute of Strategic Studies notes, are next to worthless since they lack the force of law.[24] It is indisputably clear that this generation of Soviet leaders feels no greater a compunction to refrain from engaging in any activity not explicitly forbidden in unambiguous language than have their predecessors. Conversely, they will engage in risk running within the technical limits of an agreement or just outside of it if they perceive the political or military benefits to be worth the costs, and if the penalties for noncompliance or violations of fact or spirit are not perceived to be credible.

At the moment of Secretary Kissinger's impending trip to Moscow to negotiate a SALT II treaty based on the Vladivostok accord, when we are aware that technical difficulties as well as the omission of some weapons systems have again loomed as an obstacle to a new agreement for several months, it would be well to learn the lessons of SALT I. While it is humanly impossible to devise treaties and agreements that are free of all potential ambiguity or that do not allow for rival interpretations, it is essential that we approach the technical drafting with the greatest skill and care and avoid all the pitfalls of SALT I; that we may secure a national inspection and verification system that lowers the risks of violations, provides the required information on MIRV and ABM capabilities, and that assures the confidence essential for both sides to comply with the new agreement. We must also build into the agreement a price for violations in spirit or in fact too high to be desirable or worth the risks.

Paul Nitze recently pointed out, with profound regret, that under SALT I the Soviet Union has continued to pursue a nuclear superiority option that is not merely quantitative, but is designed to produce a war winning capability.[25] One may not be as certain as is he about the Soviet objective of superiority, but at the same time one may agree that the danger is that should the Soviet Union achieve these objectives, it would lead the Soviet Union to adjust its policies and actions in ways that would undermine the present détente and that would resurrect the danger of nuclear confrontation, or induce the Soviet leadership to press for greater expansion of its political power by all and any means of pressure at its disposal.

In the course of the next round of negotiations, we must take steps to head off this possible outcome. We must undertake to redress the impending strategic imbalance that has resulted from Soviet pursuit of its independent goals under the aegis of an arms stabilization agreement with the U.S. Only by moving in these directions can we bring the strategic arms objectives of both nations into alignment and make détente credible and stable. If we fail, what are the odds for another chance?

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[4] *Ibid*, p. 418.

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[8] Kintner, et al., *SALT* . . ., pp. 409–410.

[9] *Ibid*, pp. 419–420.

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[19] *Ibid*, p. 413.

[20] *Ibid*., p. 419.

[21] Szulc, *The New Republic*, June 7, 1975, p. 14.

[22] *Ibid*, p. 14.

[23] *Ibid*, p. 14.

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AN AMERICAN FOREIGN POLICY

Mr. CRANSTON. Mr. President, our distinguished colleague, the senior Senator from Maryland (Mr. MATHIAS), recently delivered one of the most profound statements on foreign policy I have read in recent years. Beginning with the principles of justice and freedom which inspired our Revolutionary forefathers, Senator MATHIAS argues that "American foreign policy does not need to be manipulative or brutal to succeed."

Instead of modern versions of the Realpolitik of 19th century Europe, Senator MATHIAS proposes that American foreign policy be premised on the Jeffersonian principle of "peace, commerce and honest proceedings with all nations, entangling alliances with none."

I am particularly pleased that the speech was delivered in the State of California at the City Club of San Diego on January 9, 1976. The City Club of San Diego was founded by an old friend of many Senators, Mr. George Metrovich, formerly the administrative assistant to Senator Charles Goodell of New York. George introduced Senator MATHIAS at the January 9 meeting.

I know my colleagues will be as impressed as I am by Senator MATHIAS' statement, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SPEECH BY CHARLES McC. MATHIAS, JR., TO THE CITY CLUB OF SAN DIEGO, JANUARY 9, 1976

In this Bicentennial Year, Americans can look back with pride over two hundred years and find themselves the citizen heirs of a prosperous nation with a rich history of accomplishment. We should not, however, regard our history as an ornament of success that is reflected in limited editions of specially struck silver medals and patriotic ceremonies recalling past victories. Rather, we should measure our history against the promise of our beginning in 1776 and the subsequent years of trial that tested and strengthened the ideals of the new nation. It is with knowledge of the hopes and ideals of our first years that we can see where we are now.

The United States began as a weak and remote nation, born of revolution. Its creation by revolution was assisted by the quarrels between the great power alliances of Europe. Washington, Adams, Jefferson and the other founding fathers shaped foreign policies with a direct and simple purpose: in order to survive as an independent country. Jefferson's first inaugural address, delivered in 1801 reflected in a straightforward manner a foreign policy principle still applicable today:

"Peace, commerce and honest proceedings with all nations, entangling alliances with none."

Jefferson and the early presidents of the republic had to carefully construct a foreign policy that would avoid war and would enable the new democratic republic to survive. Survival is no less a primary concern today. The United States has become, after two centuries of existence, the most powerful nation in the world. Its forces can destroy any nation on earth in a matter of moments, and yet, paradoxically it is again almost as fragile as the 13 colonies since it can be destroyed in moments by its rivals should war break out between them. No less now than in the closing years of the 18th century, the avoidance of war is the basic aim of our foreign policy. Conventional war on any scale, directly or by proxy, could quickly lead to destruction of the country, as well as life on earth as we now know it if it involves the United States with the other nuclear powers.

In 1776, the United States was vulnerable to the initiatives of other nations of greater power. We are now in the position of being able, to some extent, to shape events rather than being forced to react to them.

Our strength gives us the power to lead, but equally impressive is the fact that despite our mistakes much of the world is still willing to follow. The appeal of American history is proof against the cynicism of the twentieth century. But this is an asset that can be squandered and exhausted.

Jefferson's foreign policy was not merely one of practical necessity; it also reflected the aspirations, hopes and ideals of the new Nation. The aspiring quality of American life, its vision of constructing a society to achieve greater happiness and prosperity, is, of course, the essence of the Constitution and characteristic of the thinking of our greatest leaders. What has distinguished American life from its European heritage is the sense of vision, its belief that life can be improved and that the positive principles of law can lead to a better world. Just as the aspirations of the Declaration of Independence were translated into basic law in the Constitution and Bill of Rights, so our history is proof of the effort, still continuing, to achieve those high goals of human equality under law and personal liberty guaranteed by law and the promise of a happy and tranquil life set forth in the Declaration of Independence and the Constitution.

The greatest challenge and contrast to this uniquely American perception of the best means to carry out its role in world affairs is the European approach of *realpolitik* exemplified by legendary 19th century diplomats. The combination of a keen awareness of other nations' desires, a skilled appreciation of the elements of other nations' power, including insight into the psychological make-up of their leaders, and a willingness to use any and all means, including deception, intrigue, and force to achieve policy ends are characteristic of *realpolitik*. There have been American practitioners of *realpolitik*, but in the long run they are not in the mainstream of the American experience and their victories have been costly.

The uniquely American philosophy expressed by John Adams that "the happiness of society is the end of government" should be the rule of our foreign policy as it is of our domestic behavior. This requires restraint. Some means, some methods, recent history tells us all too well, cannot be used without disastrous results. An open, democratic society that requires full accountability makes certain practices of secrecy and duplicity unacceptable by the United States although they may be available to other authoritarian nations. What cannot survive scrutiny and debate can only rarely be used.

Angola is a recent case in point. The unfortunate and ill-advised involvement of the United States in Angola would not have occurred if the issue had been fully and carefully considered, and if congressional advice had been sought before our recent involvement began.

A foreign policy that attempts to better relationships between nations rather than to play one nation against another, that carries out its objectives in a relatively open, straightforward manner, whose pronouncements are matched by its deeds must, of necessity, be based on a sound and full awareness of the realities of how other nations act. To succeed a foreign policy of aspiration and of vision must be based on a sound, rigorous appreciation of the world as it is. It requires an effective, professional foreign service whose reporting on events throughout the world is encouraged. Its efforts are wasted, however, unless its information is weighed and its judgments considered. It also requires a disciplined and discreet intelligence service. I am committed to the proposition that we should have the ability to acquire all the information our government needs to make sound decisions for our security and our welfare.

An American foreign policy does not need to be manipulative or brutal to succeed. What is required in our foreign policy leaders, Presidents, and Secretaries of State, and legislators alike, is a deep understanding of the history, behavior, policies and resources of other nations and peoples, and even more important, a full understanding and sympathy of the purposes of the constitution, the course of American history and the beliefs of its people.

The next President, Secretary of State and Congress will be faced with great challenges that will require great vision now sorely lacking. The next President must have an informed awareness of the world the United States now leads. The next President will not be able to meet the domestic needs of the United States unless he can be certain that the resources and leadership will be available and not drained off by avoidable foreign policy or defense needs such as brush-fire wars in remote countries.

Just as we can no longer supply all of our basic resource needs from within our own boundaries, so too we cannot plan to solve the problems of our cities, improve our transportation system, better our educational program, provide adequate health care for all and care for the aged, and purify our environment unless the President and Congress are also aware of the real problems that face the country abroad. Foreign and domestic affairs are intertwined. We require leaders in the executive and legislature who can apportion with wisdom our great, *but not limitless*, resources to policies and programs that will enhance the quality of life in America rather than pile-up overkill capacity costing hundreds of billions. It requires a vigilant foreign policy to measure the significance of our rivals' efforts and to accurately define what is overkill as contrasted with actual defense requirements.

As in the past, the greatest problem of foreign policy in the coming years (that will face the White House and the Congress) concerns our political relationships and the adequacy of defensive forces. The stakes are our survival as a nation and life itself.

The beginnings of better relationships with potential adversary nations with great nuclear power—namely, China and the Soviet Union, are steps approved by the American people that should be furthered. If the promising beginnings are to lead to the lessening of the danger of nuclear war between the super powers, the United States must be prepared for the possibility that Peking and Moscow will resolve their differences. The straightforward policy advocated by Jefferson in his first inaugural address, in my view, is a practical necessity we should put into effect now by a changed diplomacy, and is worth repeating:

"Peace, commerce and honest proceedings

with all nations, entangling alliances with none."

It is clear that we must deal with our potential enemies with greater care and intelligence and do what is possible to transmute rivalry into friendship. Trade of mutual benefit, cultural exchange and diplomatic cooperation in all possible areas of human intercourse are means by which the military danger of conventional or nuclear war can be averted. These peaceful means must be given more support by our leaders. While beginnings in these three areas have been made, the initial tentative bonds of peace should be strengthened. It will require leaders of vision and well-informed, practical good sense who understand the preeminent greatness of America and its unique potential to bless its own people and to shed great benefits on the rest of the world.

No matter how grim the prospect appears to be, there does not appear to be an alternative to preserving the mutual deterrence in nuclear weapons that exists at the present time.

The promising movements toward a rational defense policy made at SALT I and II have led to protracted negotiations in which the "bargaining chips" approach used by the United States has several times proven the effects of its wasteful, dangerous course of negotiation. The "bargaining chips" have thus far always been part of the final agreement. For example, the ABM "bargaining chip" led to over six billion dollars of waste. The current debate over marginal weapons such as the cruise missile promises to lead to further waste of billions of dollars. When compared to the immediate needs of those who live in our cities and on our farms, it is obvious that the next president should set aside this extravagent negotiating tactic for other more direct and less costly negotiating processes.

Why can we not say at the outset of a negotiation what we really need and want?

We know how much defense we need, because the amount is quantifiable in terms of dollars and weapons. The President must then correlate this sum into the larger issue of a stable economy as the essential foundation of national security. The current rate of inflation and other economic problems would indicate that spending at the level of $100 billion for a number of consecutive years is excessive in the absence of a question of immediate survival or without willingness to make substantial sacrifices in the domestic economy. We may be assisted in making this painful choice by the fact that we already have 18,000 deliverable warheads of substantial lethality, we have the current ability to destroy the U.S.S.R. forty-four times over. The U.S.S.R. has about half that capability. Surely, there is negotiating room to reduce the nuclear weapons on both sides.

I supported the Vladivostok Agreement of last year in principle which set a limit of 2400 inter-continental weapons delivery systems each for the United States and the Soviet Union, but I believed then and I believe now that that total is too high. My support was contingent on a sustained effort to reduce weapons further from that level. The next President, Secretary of State, and Congress will have to press hard for more substantial mutual reductions in nuclear weapons if our economy is to cope with the strains already being felt by us and, incidentally, by all the nuclear powers. This is an urgent need that cannot be further delayed.

The Vietnam War and the loss of faith and confidence in the necessity for SEATO Alliance and other peripheral commitments has focused the need for a re-definition of our vital alliances. Jefferson's admonition, delivered in 1801, was to avoid "entangling alliances." SEATO, Vietnam, Angola, Chile are all entanglements in which our vital interests were not at stake.

NATO, on the other hand, is an alliance of continued need and purpose, although the situation in Europe is no longer one in which there is imminent danger of attack. The situation in Europe is very different now than in the late 50's and early 60's, in this period of eased tensions and the prospect of better relations between east and west. Large armies on either side of the borders in the east and west are not required, and by any accounting only drain the resources of both east and west. I do not see the present likelihood of the use of conventional forces for war in Europe, between the Warsaw Pact and NATO forces. Mutual force reductions are clearly now possible. Talks leading to possible reductions have begun, but these approaches are tentative, cautious, and even timid. More should be done to enhance mutual reductions to a level which does not threaten stability with the east and the west. That level is far lower than the present deployment of forces. Our ability to monitor any changes in purpose and our logistical capabiilties are presently adequate to meet any foreseeable change for the worse.

The next decade will require those who make our foreign policy in the White House and the Capitol, and those who carry out our foreign policy in the foreign service and the Defense Department to devote more and more effort to working out solutions to relatively new problems that cross national boundaries: First, there is a requirement for a new world economic system to reduce the contagious character of inflation and depression. Second, the worldwide adverse impact of environmental pollution which is already poisoning the air and threatening the health of many nations. Third, the need for effective means of controlling international terrorism and vicious crime such as drug traffic.

The oil crisis of the past few years has shaken the existing world economic relationships to their foundations. It is clear that the balance of payments problems of the consumer nations caused by the four-fold increase in the price of oil is a warning of other predictable shortages of vital resources, minerals and food. Some stable equations must be found between the supplies and needs of all nations, whether large or small. The world's resources are not infinite. Famines in the third world and oil shortages in the industrial nations are warnings to the poor and the affluent alike. At the international level, at least, new means must be found to prevent famine, or sudden shortage by foresight and management. Our means of prediction of shortages in food or minerals or money are already adequate. Stable relationships between the nations who control various key resources have yet to be formulated. These concerns were once largely relegated to missionaries and charities, but they must now be the concern of nations. This is a major foreign policy agenda item—a need that the new leadership must find answers to.

Just as there has been a failure in existing economic arrangements to meet the crises of recent years, so too there has been a loss of confidence in the ability of world organizations to cope with violence on a scale short of war. Terrorism has affected governments and innocent people the world over. In the United States, the Middle East, Ireland, the Far East—no corner of the globe has been immune from the unpredictable violence of terrorists.

The attack at the last Olympic games, the kidnapping of OPEC officials in Vienna, the bombings in Belfast, London, New York, Tokyo—All these are reflections of the incapacities of existing institutions to keep reasonable order. The causes of terrorism are in large measure traceable to larger unresolved issues such as the Palestinian question or the Irish question. But this increasing violence, the use of increasingly more powerful weapons requires effective action to be taken to stop this tragic criminality. The world drug traffic is yet another instance, if more insidious, of the inability of existing international institutions to maintain order.

There has been considerable disillusion with many of our international institutions. The micro nations, some no larger than Paducah, have come to dominate the United Nations General Assembly, and impede the serious work of that body. The limited jurisdiction of the world court prevents it from being a forum where multinational corporations and Nations can settle their disputes.

The critically important role which these institutions can play in international peace and commerce requires some reforms so that they can receive the confidence of all Americans.

I have only spoken of the major questions that face the leaders of this country in the executive branch and the Congress and throughout our national life. Underlying this agenda of critical areas that require leadership is the necessity for a sense of vision of what we have been, what we are and what we could be. In the past few years, the image of America has been tarnished by failures of policy that have flowed from misguided leadership. In too many important areas, our actions have been widely divergent from our announced aims. The great qualities of American generosity, the support of free governments, the treasured values of our constitutional system, our belief in individual freedoms, and our long record of wanting to live in peace with other nations of the world has been threatened by leadership that lacked this vision and was not true to the purposes handed down to us from the days of the revolution in 1776.

We still possess our constitutional government. We are still a free democracy. We are the most powerful nation on earth. Our capacity to do good or ill is the greatest that the world has ever seen. We have done and will continue to do all this in spite of the dangerous military and moral challenges of the past decade. The greatness of America is reflected in the greatness of our achievement. We are the posterity of the founders and we shall continue to strive for justice and peace as they ordained. The challenge is there, the power is there, the direction that our leaders should take lies in the pages of our history. We only need men of vision to carry it out.

CURBING NUCLEAR WEAPONS PROLIFERATION: MR. LILIENTHAL'S "DRASTIC" PROPOSAL

Mr. GLENN. Mr. President, on January 19, the Committee on Government Operations heard some very provocative testimony from Mr. David Lilienthal, the first Chairman of the Atomic Energy Commission.

Mr. Lilienthal called for an immediate and unilateral cutoff of all U.S. exports of nuclear equipment, material, and technology, to remain in effect until such time as international safeguards are sufficiently upgraded to prevent the diversion of our peaceful nuclear exports to weapons purposes. He declared that the spread of "capabilities to produce nuclear weapons of mass destruction is reaching terrifying proportions." He also charged that the United States has been the "major proliferator" of these capabilities—the "atomic patsy of the world."

I ask unanimous consent that articles from the Washington Post and the New York Times describing Mr. Lilienthal's testimony be printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Jan. 20, 1976]

End to Nuclear Exports Asked

(By Don Oberdorfer)

David E. Lilienthal, the first chairman of the Atomic Energy Commission, yesterday called for an immediate embargo on exports of U.S. nuclear reactors, materials and technology to check the "terrifying" spread of A-bomb capabilities abroad.

The leadoff witness in new congressional hearings on nuclear export policy, Lilienthal conceded that his proposal would bring "a howl of pain" from some of those affected and could involve violation of previous U.S. agreements to provide nuclear plants and know-how to other nations.

Nevertheless, he maintained that drastic action is necessary to halt and reverse the trend toward weapons proliferation. When he contemplates the threatened spread of atomic arsenals throughout the world, "I'm glad I'm not a young man and I'm sorry for my grandchildren," the former New Dealer said.

Nobel prize laureate Hans Bethe, director of theoretical physics for the U.S. atomic bomb project during World War II, and physicist Herbert York, director of the government's H-bomb laboratory in the postwar era, gave qualified endorsement to the Lilienthal plan in testimony before the Senate Government Operations Committee.

Bethe and York said any U.S. embargo should be a temporary one designed to jar the world into international agreements for better control of nuclear trade. Bethe and several senators expressed concern that an embargo could backfire unless carefully handled, spurring other nations to race faster than ever for nuclear independence.

According to projections by the International Atomic Energy Agency, the worldwide total of nuclear power reactors will quadruple to 800 over the next 10 years. A U.S. study estimated that by 1990 nuclear reactors of less-developed countries will generate 30,000 pounds of plutonium yearly—the equivalent of 3,000 small atomic bombs.

The United States is the supplier of about 70 per cent of the worldwide nuclear equipment and technology, according to Sen. John H. Glenn Jr. (D-Ohio), chairman of the current round of hearings.

The theoretical topic for the hearings is legislation to tighten and reorganize governmental supervision of nuclear exports. The bill does not call for an embargo on nuclear sales.

Lilienthal, chairman of the AEC from its inception in 1947 until 1950, charged that the United States has become "the atomic patsy of the world."

He maintained that "many private citizens of this country would be shocked and indignant if they realized the extent to which the United States has been putting into the hands of our own commercial interests and of foreign countries quantities of bomb material . . . We have been shipping this stuff all over the world in great quantities for years."

Senate committee data estimate that the United States exported $3.9 billion in nuclear materials and equipment through mid-1974. Current exports were estimated at more than $1 billion per year, and rising sharply.

Nobel laureate Bethe emphasized the danger that "fast breeder reactors" and "isotope separation plants" could become uncontrollable sources of A-bombs. He said export of both should be banned.

[From the New York Times, Jan. 20, 1976]

U.S. Export Ban on Nuclear Equipment Urged by Former Atomic Energy Chief

(By David Burnham)

Washington, Jan. 19.—The first chairman of the Atomic Energy Commission said today that the "impending disaster" of the rapid international spread of nuclear bombs required that the United States immediately and unilaterally end the shipment of nuclear equipment to all foreign countries.

The call was made at a Senate hearing by David E. Lilienthal, chairman of the commission from 1947 to 1950.

Two fellow panelists at the hearing, Dr. Hans A. Bethe and Dr. Herbert F. York, said they would support a temporary embargo of nuclear shipments, now estimated to earn the United States more than $1 billion a year, if it was the first step in a major diplomatic effort to develop an effective international system to control the spread of nuclear weapons.

Advocate of Nuclear Power

Dr. Bethe, a Nobel Prize winner, director of theoretical physics for the Manhattan Project in World War II and professor of physics at Cornell University, has been an outspoken advocate of nuclear power as a source of energy. Dr. York, director of the Lawrence Radiation Laboratory at Livermore, Calif., during the development of the H-bomb, is a professor of physics at the University of California, San Diego.

"If a great number of countries come to have an arsenal of nuclear weapons, then I'm glad I'm not a young man and I'm sorry for my grandchildren," Mr. Lilienthal, now the head of an international consulting firm, said at the Senate Government Operations Committee hearing.

Six countries are known to have developed atomic weapons—the United States, the Soviet Union, Britain, France, China and India. But within four years, 28 countries are expected to be operating nuclear power reactors and developing within their borders a growing familiarity with nuclear technology.

"The tragic fact is that the atomic arms race is today proceeding at a more furious and more insane pace than ever," Mr. Lilienthal said. "Proliferation of capabilities to produce nuclear weapons of mass destruction is reaching terrifying proportions."

"We have to decide now what we can do, now, within our own capabilities, to prevent a very bad situation from becoming a disastrous and inevitable one," he said.

COMPLETE EMBARGO PROPOSED

"I therefore propose as a private citizen that this committee, with its great prestige, call upon the Congress and the President to order a complete embargo to the export of all nuclear devices and all nuclear material, that it be done now, and done unilaterally," Mr. Lilienthal continued.

"Further, unilaterally, the United States should without delay proceed by lawful means to revoke existing American licenses and put an end to the future or pending licensing to foreign firms and governments of American know-how and facilities paid for and created by American taxpayers' funds and American brains."

Asked about the proposed embargo, Dr. Bethe said: "When I first heard about it and read it, I didn't like it. But I now like it when Mr. Lilienthal said the embargo was temporary until we worked out real controls. But we have to make clear that the embargo is temporary until a treaty can be concluded between nuclear countries that really assures control over poliferation."

Dr. York, in response to the same question, said, "my views are similar to Dr. Bethe's. As the first part of a major initiative to try to do something, it seems valid."

Mr. Lilienthal said that if the United States, the world's major nuclear supplier, unilaterally embargoed the export of nuclear equipment, the other countries that have gradually begun selling reactors and other nuclear equipment to less developed nations such as Brazil would also cease their exports.

The two other panelists also offered suggestions about the steps the United States should take to curtail the spread of weapons. Dr. York recommended that it cut off all nuclear shipments to the scores of nations such as France and Japan that have not ratified the 1968 treaty on the nonproliferation of nuclear weapons.

Dr. Bethe recommended that Congress immediately pass a law forbidding the export of the so-called "breeder reactor." This reactor, now under development by the United States, is designed to create more plutonium than it burns. In addition to serving as reactor fuel, plutonium can be fashioned into atomic bombs.

Senator Abraham A. Ribicoff, the Connecticut Democrat who heads the committee, called for a detailed study of the present weapons controls. "If the system is inadequate—and there are several experts who insist it is—then we must acknowledge these inadequacies and organize our Government to deal with them effectively and fast. Otherwise our nation and the world are in peril."

Mr. GLENN. I ask unanimous consent that the text of Mr. Lilienthal's testimony be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Mr. President, this is very strong medicine, very strong words indeed, coming from such an eminent figure in our Nation's nuclear history. The focus of our hearings, for which I am serving as ad hoc chairman, is not a nuclear-export moratorium bill, but rather a bill, S. 1439, to reorganize the present system of Federal interagency controls over our nuclear export program. Our goal is to streamline the policy and decisionmaking process in the executive agencies and to upgrade the independent check on the actions of these agencies that already exists in the export-licensing authority of the Nuclear Regulatory Commission.

I have joined with our distinguished chairman and ranking minority Member, Senators Ribicoff and Percy, in introducing S. 1439, the Export Reorganization Act of 1976, and I ask unanimous consent that a summary of the revised nuclear provisions of the bill—which serve as the focus for our current hearings—be printed at this point in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

S. 1439—Export Reorganization Act of 1976

MAJOR NUCLEAR PROVISIONS

Consolidates in the Nuclear Regulatory Commission all peaceful nuclear exporting, licensing and approval authority, including functions now exercised by the Energy Research and Development Administration with respect to technology (know-how) and by the Commerce Department with respect to components (sections 6(a), 6(d)).

Designates the State Department as the lead agency for negotiating, renegotiating and entering into all agreements for nuclear cooperation with other nations, and all subsequent arrangements made pursuant to those agreements, with the close cooperation and technical assistance of ERDA (section 5(a)).

Requires State Department to take into full consideration the recommendations and policies of the NRC with respect to licensing and approving nuclear exports, before negotiating, renegotiating and entering into nuclear agreements and subsequent arrangements (section 5(b)(1)).

The Arms Control and Disarmament Agency (ACDA) is required to submit to NRC, State Department and Congress, Nuclear Proliferation Assessment Statements on all U.S. nuclear agreements and subsequent arrangements with other countries and on all strategically significant nuclear-export applications made under those agreements and arrangements (section 8).

Requires the State Department to furnish NRC with all Executive Branch data and recommendations that are required by NRC to make nuclear export licensing decisions (section 5(c)(1)).

Requires the NRC to take into account the adequacy of safeguards against nuclear diversion, theft and sabotage in a recipient country in determining whether an export to that country would be inimical to the common defense and security and public health and safety of the United States (section 7(a)).

Permits the NRC to submit to Congress the final determination on approving a nuclear export application that raises substantial foreign policy considerations that the NRC cannot adequately resolve. The licence approval takes effect in 60 days unless Congress passes a concurrent resolution of disapproval within 60 days (section 7(c)(1)).

Transfers from ERDA to NRC such personnel as the Office of Management and Budget (OMB) determines are necessary for NRC to carry out its nuclear export safeguards responsibilities (section 6(b)).

Requires the State Department, with technical assistance from ERDA, to submit to the President and Congress a study on the feasibility of internationalizing all strategically significant parts of the nuclear fuel cycle, including establishment of Multinational Regional Nuclear Fuel Cycle Centers (section 9(c)).

Requires the NRC to submit to the President and Congress a study on the differences and interactions between nuclear safeguards as applied by the United States and the International Atomic Energy Agency (IAEA), with recommendations for upgrading them (section 9(b)).

Requires ERDA, in consultation with NRC, to establish a safeguards training program for nations receiving peaceful nuclear assistance from the United States (section 9(a)).

Transfers from the Transportation Department to NRC functions relating to the transportation of radioactive materials (section 6(c)).

Mr. GLENN. Mr. President, the Congress and indeed the entire Nation and the world, should take seriously the very real dangers that have prompted Mr. Lilienthal to make what he himself terms a "drastic" proposal. The dimensions of the danger are summarized in an excellent handbook entitled "Facts on Nuclear Proliferation," which was prepared for the committee by the Congressional Research Service. I urge my colleagues and members of the public to obtain a copy and to give the easy-to-read text, charts, tables and graphs their closest scrutiny. Senators Ribicoff and Percy and I have sought to summarize the significance of the nuclear proliferation problem in the handbook's Statement of Purpose. I ask unanimous consent that the Statement be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF PURPOSE

With this handbook, the Senate Committee on Government Operations is seeking to draw together, for the first time in a single volume, the little-known details of nuclear proliferation.

The details are awesome in their implications. The Federal Government's leading arms control expert, Dr. Fred Ikle, Director of the Arms Control and Disarmament Agency, has stated that the transfer of peaceful nuclear technology "provides not only the means but also the cover" for the global spread of nuclear weapons. He and other expert witnesses before this Committee have spelled out the close relationship that exists between the acquisition of civilian nuclear know-how and the capability to develop nuclear explosives.

The worldwide spread of nuclear power technology, facilities and material—particularly to less-developed countries—is accelerating, and threatens to outpace efforts by the supplier nations and the International Atomic Energy Agency (IAEA) to apply adequate safeguards against diversion, theft and sabotage.

For example, this volume contains projections by the IAEA that the worldwide total of nuclear power reactors will quadruple to 800 over the next 10 years, while the number of plants built to separate plutonium from the spent fuel of reactors will triple to 17.

The data also projects that plutonium, a highly toxic material suitable for fashioning into nuclear weapons as well into nuclear fuel, will be generated in ever-increasing quantities by power reactors as a chemical by-product of the nuclear-fission process. In the less-developed countries alone, according to data from a study done for the Energy Research and Development Administration (ERDA), reactors will be generating 30,000 pounds of plutonium annually by 1990—the equivalent of 3,000 small atomic bombs.

The United States, as the supplier of more than 70 percent of the power reactors in operation or on order throughout the world, should fully utilize its leadership position to win the support of other supplier nations for strengthening IAEA safeguards and curbing the export of nuclear fuel facilities to individual non-nuclear weapons states.

The State Department is to be commended for arranging the first multilateral talks among the major nuclear supplier nations on controlling proliferation. It is essential that the suppliers agree to require a uniform, complete international safeguards system. One of the options being considered is to discourage national ownership of nuclear fuel facilities by promoting Multi-National Regional Nuclear Fuel Centers, as proposed by Secretary of State Kissinger.

Such measures are particularly important with respect to exports to nations that have not ratified the Treaty on Non-Proliferation of Nuclear Weapons (NPT) and that are not obligated, therefore, to accept IAEA safeguards on all their nuclear activities or to forego the development of nuclear explosives.

Equally important is the need to reach agreement on minimum worldwide physical-security standards to reduce to an absolute minimum the risk of nuclear theft and sabotage by terrorist or criminal groups.

Perhaps the most formidable challenge to United States diplomacy for the balance of this century is to reduce the incentives for other nations to obtain nuclear weapons. For example, major breakthroughs in the SALT and test-ban talks with the Soviet Union would demonstrate our readiness to deemphasize nuclear weapons, as would the granting of no-first-use assurances to non-nuclear weapons parties to the NPT.

The United States also should place the highest priority on developing alternative energy sources for domestic and world consumption over the next decade so that it becomes clear whether nuclear power should be regarded as a short-term or long-term energy option. If a commercially viable alternative can be found, it may be possible to limit or curb the spread of the more dangerous aspects of the nuclear fuel cycle—particularly plutonium reprocessing and uranium enrichment.

Unfortunately, although many of the technical details of civilian nuclear technology are being made available by the United States and other supplier nations on a commercial basis, the details of world nuclear trade are often cloaked in secrecy or not made readily accessible to the public.

This handbook presents the most primary and recent data on proliferation that is available from public literature. It covers all parts of the nuclear fuel cycle and includes data on safeguards and weapons implications as well as a glossary of nuclear terminology. The main gap in the literature appears to be the absence of a complete nation-by-nation breakdown of all bilateral agreements for nuclear cooperation. The Committee welcomes comments and additional information to fill this and any other gaps in the data for use in future editions of the handbook.

The data in this volume is intended to supplement the comprehensive selection of materials on the legal, technical and policy aspects of the proliferation problem as contained in the compendium. "Peaceful Nuclear Exports and Weapons Proliferation," which was issued by the Committee earlier this year. The Compendium has been in great demand both here and abroad, in official and unofficial circles, and we hope the handbook proves to be as valuable.

Both publications are designed to serve as a resource to the Committee and to those wishing to participate in our consideration of S. 1439—the Export Reorganization Act of 1975—to reform the present system of Federal interagency controls over nuclear exports as well as over other strategically significant exports.

Little time remains to act, and the United States cannot act alone. The cooperation of all nuclear exporting nations is needed to ensure that the peaceful atom is not misused by nations or terrorists for weapons purposes. It will be easier for the United States to play a vigorous leadership role if there is a greater public understanding of this critical problem. This handbook is designed to help make the problem understandable before it gets out of control.

Abe Ribicoff,
Chairman.
Charles H. Percy,
Ranking Minority Member.
John Glenn,
Ad Hoc Chairman for consideration of S. 1439.

Senate Committee on Government Operations, December 19, 1975.

SALE OF NUCLEAR TECHNOLOGY

Mr. GLENN. Mr. President, the Government Operations Committee, in reviewing the present system of interagency controls over the sale of nuclear technology to other nations, is evaluating the policies and practices of the agencies to determine whether they have served to limit the spread of nuclear weapons capabilities around the world. In this regard, I wish to call attention to two very important documents:

The prepared testimony of Adrian Fisher, former chief U.S. negotiator of the Nuclear Nonproliferation Treaty, and now dean of the Georgetown University Law Center. Dean Fisher testified that the present U.S. practice of exporting nuclear technology to nations that have not ratified the treaty "is inconsistent with the purposes of the NPT" and "has the effect of being a serious discrimination against nonnuclear states that are parties to the NPT."

An analysis entitled "United States Agreements for Cooperation in Atomic Energy," which was prepared for the Committee by the Congressional Research Service. This is an excellent study of the organizational and proliferation aspects of all the U.S. agreements for nuclear cooperation with other nations. These agreements, and the subsequent arrangements made pursuant to these agreements, provide the basis of all sales of nuclear equipment, materials and technology to other nations. The study includes an analysis of the pending agreement with Egypt which, because of the unusually strict safeguards that would apply to nuclear sales to that nation, helps identify any weaknesses and loopholes in our existing agreements with other nations.

I ask unanimous consent that Dean Fisher's testimony and the summary section of the CRS study entitled "Matters of Likely Interest to Congress," be printed at the close of my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 2.)

Mr. **GLENN**. Finally, Mr. President, the committee would still very much like to hear directly from Secretary of State Kissinger on these serious matters. The Secretary has addressed himself on occasion to the nuclear proliferation problem in the context of speeches on other issues, but has never made a policy statement devoted entirely to the proliferation problem. I hope very much that he still will accept the committee's invitation to utilize an appearance at our hearings for the purpose of doing so. I can think of no higher priority in terms of protecting the national interest than addressing this problem at the highest foreign-policy level of our Government.

EXHIBIT 1

STATEMENT BY DAVID E. LILIENTHAL BEFORE THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS ON S. 1439

My name is David E. Lilienthal. I reside at 88 Battle Road, Princeton, New Jersey. I am Chairman and Chief Executive Officer of Development and Resources Corporation—D&R—with home offices at 1271 Avenue of the Americas, New York City.

By appointment of President Truman, I was the first Chairman of the Atomic Energy Commission of the United States, serving from April 1947 to February 15, 1950. Prior to that time, I was Chairman of the Board of Consultants on International Control of Atomic Energy, and Chairman of TVA.

I appear as a private citizen and upon the invitation of the Committee.

This is no ordinary hearing. The issue being explored by this Committee, and here I quote the words of Senator Percy of April 24, 1975, "relates directly to the future of our own and world civilization . . . the worldwide proliferation of the capacity to fashion deadly nuclear weapons from peaceful nuclear materials is, I believe, central to the future of man. Time is running out fast."

In inviting me to be a witness in these Hearings—an invitation which I appreciate—I was asked to present my views on "historical perspectives and hopes for the future."

At the end of this prepared statement I have summarized the history of American efforts to put the dangerous and destructive aspects of the atom under international control. It is a record that is not without significant and heartening results. It offers ample evidence of this country's dedication to international action in the interests of safeguarding not just Americans but all of humankind on this vulnerable planet.

Nevertheless the tragic fact is that the atomic arms race is today proceeding at a more furious and a more insane pace than ever. Proliferation of capabilities to produce nuclear weapons of mass destruction is reaching terrifying proportions. And now the prospect of the reprocessing or recycling of nuclear wastes to produce weapons material from scores of atomic power plants is close upon us. This is compounded by a wave of organized international terrorism and, therefore, by an increased danger that nuclear weapons materials or the weapons themselves may be seized and hijacked for criminal purposes.

I have not abandoned hope that truly effective international nuclear control and development will one day come to pass. I will mention later what I think we can do, and persuade others to do, to bring that about. But will this come in time? We have to decide now what we can do, now, within our own capabilities, to prevent a very bad situation from becoming a disastrous one.

I therefore propose as a private citizen that this Committee, with its great prestige, call upon the Congress and the President to order a complete stop to the export of all nuclear devices and all nuclear material, that it be done now, and done unilaterally. Further, unilaterally, the United States should without delay proceed by lawful means to revoke existing American licenses and put an end to the future or pending licensing to foreign firms and governments of American know-how and facilities paid for and created by American taxpayers' funds and American brains.

This action taken alone will not solve the whole problem of proliferation. But it will put an end to our major part in it.

For the fact is that we, the United States, our public agencies and our private manufacturers, have been and are the world's major proliferators.

I consider the historical perspective, which I later summarize, to be distinctly relevant to the consideration of what to do, now. It is the now, the present, and the immediate future, that interest me the most, and obviously are of the most interest to this Committee and to our fellow Americans in the cities, the towns and the farms of our country.

Admittedly, an embargo on the export of nuclear technology, materials and plants, would be drastic action. It raises the question of America's moral position to take such a course.

Certainly, we wish we could believe that the policies and actions we think necessary to protect ourselves and the world might meet with the complete and ready approval of other countries. Whether they do or not, the history of American participation in nuclear development in the past thirty years confirms that our moral position is a strong one, and it entitles us to proceed even if the approval and emulation of others are not immediately forthcoming. The issues are urgent. Nothing should be allowed to inhibit the Committee or the Congress or the Agencies from acting now, unilaterally, doing what it is in our power, on our own, to do, without suffering the interminable processes of international debate.

In considering what the United States can do on its own to slow up, to inhibit, or to stop further proliferation, we need this as a starting point in our thinking: that we have earned the right, we have the responsibility and we have the leadership to put our own house in order (which this Committee is now considering) and to decide what we should or should not export to others. What we do on our own, others may not follow—but they will not lightly disregard our leadership. Nor will the world escape the deeper implications of a clearly demonstrated resolve on our part to do something more than mouth platitudes about international cooperation.

We are in a time when it has become not only respectable but fashionable for Americans to be apologetic for their own country, to be defensive, to denigrate this country's motives and its position and authority in the world. One has only to read almost day by day the flood of articles, of political analyses, of statements by self-styled foreign policy analysts, to see how far this has gone. If we adopt this defensive, apologetic view of America's posture respecting the further spread of atomic weapons, you can be sure that once more we will be taken advantage of, because of our national inclination to be loved, even at the cost of being the Atomic Patsy of the world—which is what we have become.

I suggest we should not be overly impressed by the morally indefensible doctrine that if we do not continue to supply these potentially deadly materials and this technology, other countries will do so.

I think most private citizens of this country would be shocked and indignant if they realized the extent to which the United States has been putting into the hands of our own commercial interests and of foreign countries quantities of bomb material, whether plutonium or highly enriched uranium. Newspaper scare stories and articles about the danger of theft or seizure of bomb material by terrorist groups grip our imagination and take headlines. But we have been shipping this stuff all over the world in great quantities for years. I ask permission to include in the record an exchange of letters with Dr. Glenn Seaborg, then Chairman of AEC, on this very point.

No one could have put the tragic nonsense of this course better than Senator Ribicoff at a Hearing of this Committee on April 24, 1975, when he said, "The terrible irony of all this is that the reactors now being sold by such exporters as France and West Germany in competition with our own reactors are based on designs that American manufacturers originally sold to France and West Germany manufacturers. . . . The result is that we now find ourselves in an increasingly nuclear powered world that is governed by nationalism and commercialism." And the Senator continued, "I believe if the United States asserts world leadership on this momentous issue other nations will follow." I agree.

There are two ways of looking at a complex problem of this kind. One way is the approach of the theoreticians, the public policy analysts, the writers for learned periodicals. Those who advocate this approach—and they have talked the loudest or we would not now be in the fix we are—insist that we see the other fellow's point of view to the exclusion of our own, they downgrade American motivation and are supersensitive to any remote imputation that we are being selfish, that our concern for safeguards is simply a way of trying to keep the benefits of nuclear technology for ourselves. This kind of advocacy gets nowhere.

Neither have the good faith efforts of those who promoted the Atoms for Peace slogan. The United States was not forced to export hundreds of kilograms of materials convertible to bombs. Under that big-hearted but unrealistic slogan, we invited and promoted the export of such material and have done so now for more than twenty years.

There is another approach and that is what might be called the approach of the manager, a profession to which I belong.

The managerial approach to difficult problems is not to try to solve everything in one fell swoop if the problem is a difficult one, but to divide the task into manageable jobs—taken one step at a time.

What are such steps we can take on our own while we wait—God knows how long—for international agreement? Well, first, we can provide for an elbowroom of time, a moratorium: a ringing declaration by the Congress against exporting a single additional gram of plutonium or enriched uranium, or a single additional nuclear reactor of any kind by anyone from this country to any other country.

A second thing we can do, on our own, is to greatly increase the funding and urge others to broaden the functions of the international agency responsible for safeguards. This is one of the few United Nations agencies that continues to command respect, and it deserves that respect and that support, and an increase of that support. For example, a proposal that the IAEA be the sole and exclusive processor of nuclear wastes should receive support.

Another thing we can and should do is continue to clarify our administrative organization to deal with the uncertainties of export technology in ways this Committee contemplates.

Another way we can move, on our own, is to solve the grave problem of processing of highly poisonous atomic wastes, so that when the time comes to resume our exports of nuclear technology we will have something safe to offer—something better than the "systematic poisoning of our descendants"—Dr. Conant's phrase description of our present prospects.

What I am saying today is let's take a breather, let's stop our complete reliance on international action as a sole means of slowing up or preventing the further proliferation of atomic weapons. Let's do what we can do alone. Let's see whether American leadership, American diplomacy, American economic and moral pressure, American withholding, a revival of American pride in our record, cannot give us, and therefore the world, a moratorium in which to design and execute a course of action to avoid this impending disaster.

As Senator Ribicoff said in the April 24th Hearings, "Unless something is done—and done quickly—to reverse this trend, the spread of nuclear weapons and the threat of nuclear blackmail may be irreversible."

Today there is a new opportunity for America once more to assert leadership, a leadership out of which came the Non-Proliferation Treaty and the International Atomic Energy Agency. No one is wise enough to foretell what would happen if now the people of the United States put a flat and complete embargo on the export of nuclear technology, facilities and materials. But what is the alternative? Our experience in international negotiations on the whole has so far been a sad one. If we show that we mean business, it may very well improve.

APPENDIX

As to historical perspective:

In early August of 1945 a United States military plane dropped an atomic bomb on the Japanese cities of Hiroshima and Nagasaki. At that time these were the only operable atomic weapons in the world, and the United States was the only country with the knowledge and resources to produce these dreadful weapons. Almost immediately President Truman committed the United States to a position unheard of in the history of warfare, namely, an offer to proceed to the international control of a technology and a weapon which we alone possessed.

President Truman and Secretary Acheson asked me to bring together and to chair a Board of Consultants of five private citizens to prepare a plan and a proposal to effectuate the international control to which America was committed. It was recognized that the destructive powers of the atom were inseparable, physically, from the beneficent use of atomic discoveries for peaceful purposes. Our plan, with suitable modifications, became the American proposal for internationalization but was not accepted by the Soviet Union.

A civilian Atomic Energy Commission was created in 1946 of which I was the first Chairman. It was several years later that the policy of the country as fixed by President Eisenhower and the then Atomic Energy Commission again moved away from a monopoly position in an extreme way, namely, the Atomic Energy Commission promoted the export to many countries of the essential nuclear technology as well as very large amounts of plutonium and enriched uranium intended for peaceful electricity producing machines but which would be equally available for atomic weapons. Again upon the initiative of the United States, a treaty was proposed whereby nations would bind themselves not to produce atomic weapons in a treaty called the Non-Proliferation Treaty. Many nations have ratified that treaty.

Again, upon American initiative, an International Atomic Energy Agency was created to supervise and police safeguards against the diversion of atomic materials, much of which had been supplied by the United States, to weapons production. A proposal intended to put an end to the testing of nuclear weapons was modified to prohibit such testing in the atmosphere, though underground testing was to continue.

All of these efforts from the very beginning in 1945 were by American initiative, directed toward yielding up American superiority and monopoly and establishing a fair degree of internationalization. These steps toward the American goal of internationalizing the destructiveness of atomic energy have indeed made progress but the pace of proliferation has nevertheless accelerated and in the case of the potential reprocessing of the waste materials from atomic power plants presents a new and frightening chapter in the multiplication of nuclear weapons in the hands of dozens of countries.

The paradox of this situation is how little recognition there is in the world today of the constructive American efforts of the last thirty years.

December 2, 1964.

Dr. Glenn T. Seaborg,
Chairman, U.S. Atomic Energy Commission,
Washington, D.C.

Dear Glenn: I have read your recent excellent address on the international atom with the greatest interest, as well as your letter to the New York Times on the inspection activities of the international body resident in Vienna.

Those statements are the occasion for this letter of inquiry.

You recall, of course, the work of a Board of Consultants to the State Department on international control of atomic energy. Building on the thinking of many scientists within the Manhattan District, we prepared a Report, in March 1946.

We on that Board spent much time analyzing "safe" and "dangerous" applications of the then existing knowledge. The substantial inseparability, at some stages, of peaceful and military applications of atomic energy development was apparent; this led us, naturally enough, to consider the effectiveness of inspection as a general proposition, and certain specific measures of inspection, as part of an international control system. In this we were aided greatly by the report of a Committee of the Manhattan District headed by Dr. Manson Benedict, called the "Technical Committee on Inspection and Control."

We took a rather dim view, back in 1946, of inspection as "the only instrument of control," as did the "Technical Committee." We also were sure that technical considerations were by no means the sole or perhaps the only criteria.

What the Board of Consultants said on the questions of "inspection" by an international body is set out in our report, as published by the Department of State, particularly at pp. 4 et seq.

I would appreciate, as a private citizen, your opinion about the applicability to today's changed situation of the doubts and limitations about international inspection we entertained in 1946.

The proposal for international control set out in our 1946 report failed of acceptance, but an international agency does exist and is functioning. Many other relevant things have changed since 1946, in the political field and perhaps also technically. But in your speech you refer to the large quantities of fissionable material, some of it weapons material, the U.S. has exported for use in atomic power plants in other lands. The "proliferation" of nuclear weapons capability, in short, the "dangerous" side of atomic development, ostensibly or primarily for power production, is no longer an abstract issue.

I hope I am not one to set up impossible goals; but I would feel a great deal better about the export of atomic power capability if I could have those earlier doubts about international inspection, by an international agency, modified or dispelled.

Would you, or someone on the AEC staff, be able to find time to clarify this question in my mind? I should think increased support for the international agency would be more readily forthcoming by an exposition on this theme. Or perhaps it has already been done, and I have missed it.

With very best wishes, I am,
Sincerely,
David E. Lilienthal.

U.S. Atomic Energy Commission,
Washington, D.C. December 31, 1964.

Mr. David E. Lilienthal,
Chairman of the Board, Development and Resources Corporation, New York, N.Y.

Dear Dave: This is in answer to your thoughtful letter of December 2 pointing out the concern expressed in 1946 by the Board of Consultants over the adequacy of international inspections to provide "security against atomic warfare".

In reviewing the Board's report, I was again impressed by the concept proposed and at the same time, again cognizant of the gulf which has come to separate the conditions existing in 1946 and the conditions of today. In 1946, it appeared that we might be able to choose between completely controlled atomic energy development or no atomic energy development at all. The choice with which we are confronted today is between world-wide development of atomic energy without controls or with those controls which we can achieve through prudent cooperation and assistance.

Since 1946, much of the basic scientific knowledge associated with the development of nuclear energy has become generally available; first, through independent efforts as in the case of the USSR and later through open scientific dissemination, as in the case of the three Geneva Conferences. As a result, many nations have recognized the broad potential of nuclear energy and embarked on ambitious programs drawing from their own resources and any available outside resource to meet their needs. The atomic energy developments in these nations which can be made subject to control today are those dependent on material or equipment transferred between nations or groups of nations or those developments which individual nations may voluntarily submit to such control. The control system which has on-site inspection as one of its major facets is designed to assure that these specific assisted or volunteered activities are not used to further a military purpose. This is in contrast with the system contemplated in 1946 under which any "dangerous" atomic energy activities in the world could be developed only by, and therefore under the control of, the international body. While the International Atomic Energy Agency does not have the exclusive responsibility for development of "dangerous" atomic energy activities, it does have affirmative promotional and coordinating functions which contribute to the effectiveness of its control system.

A great effort is being made today to develop the organization, procedures and techniques for international inspection needed to keep pace with the expanding international nuclear activities. The International Atomic Energy Agency is conducting inspections of reactors which have been made subject to control in many countries. Detailed procedures based on proven accountability techniques and intimate knowledge of the types of reactors being inspected are followed in a manner commensurate with the potential strategic significance of the facilities. Although no system of control is absolutely foolproof I feel that the present one gives, insofar as the facilities subject to it are concerned, such a high degree of assurance of detecting any diversion that a potential violator would be unlikely to run the risk of detection.

As regards the direct role of the United States in the development of peaceful nuclear energy capabilities abroad, I feel as I mentioned in my October 27 address on the international atom, ". . . that if we did not cooperate in sharing our peaceful nuclear technology and nuclear materials, there would be other countries—not all of which necessarily would agree to the need for safeguards—othe countries which might be willing to provide nuclear materials and technology without a firm assurance as to their eventual peaceful end use".

I hope you find this an adequate response to your concern and would be pleased to correspond further with you on it if you desire. Or perhaps a better course would be to have lunch together to discuss this and other matters. If you think well of this idea. I should like to suggest that John Palfrey join us.

Sincerely,

GLENN T. SEABORG.

SEPTEMBER 30, 1968.

Hon. GLENN T. SEABORG,
Chairman, U.S. Atomic Energy Commission, Washington, D.C.

DEAR GLENN: Would you ask the appropriate staff of AEC to provide me with the following information, as of the latest available date:

1. The total number of kilograms of plutonium and other nuclear weapons-grade "fissionable material" which, to date, the U.S.A. has sent overseas.

2. A break-up of this total, by importing nations.

I note the following, in your recent address at Vienna: ". . . my Government's belief that the Non-Proliferation Treaty represents a major step forward in our common effort to end the peril of nuclear war and to further advance international cooperation in the peaceful uses of nuclear energy." My question is prompted by this statement of our Government's belief in the principle of non-proliferation, i.e., decreasing or limiting the number of hands in which the components of nuclear weapons are held.

It was with great satisfaction that I noted that the Fermi Award will be given to that very distinguished and wonderfully warm and human scientist colleague of yours (and my Princeton neighbor) John Wheeler.

With best personal regards, I am,

Sincerely,

DAVID E. LILIENTHAL.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., October 9, 1968.

Mr. DAVID E. LILIENTHAL,
Chairman of the Board, Development and Resources Corp., New York, N.Y.

DEAR DAVE: In response to your letter of September 30, attached is a copy of our latest summary of shipments of special nuclear material to foreign countries. This is the only form in which we summarize the information and I think it will provide the data you requested.

It is important to note that the enclosed figures represent gross shipments exported from the United States and do not reflect returns of material to the U.S. or processing and consumption losses. All of this special nuclear material was exported under the terms of an agreement for cooperation between the United States and the recipient country and is subject to appropriate safeguards. Furthermore, any material not of U.S. origin which is up-graded by blending with U.S.-supplied material becomes subject to the same safeguards.

I trust that this information will fulfill your needs.

It is gratifying to know that you agree with our choice for the Fermi Award. We feel that it is a good one and well-deserved.

Cordially,

GLENN SEABORG,
Chairman.

TABLE 3.—DISTRIBUTION ABROAD OF AEC-PRODUCED NUCLEAR MATERIAL

	Enriched uranium (kilograms U-235)				U-233 (grams)		Plutonium (grams)		Heavy water (tons)	
	Less than 20 percent U-235 [1]		Greater than 20 percent U-235 [2]							
	Cumulative through June 30, 1968	12 mo. ending June 30, 1968	Cumulative through June 30, 1968	12 mo. ending June 30, 1968	Cumulative through June 30, 1968	12 mo. ending June 30, 1968	Cumulative through June 30, 1968	12 mo. ending June 30, 1968	Cumulative through June 30, 1968	12 mo. ending June 30, 1968
Argentina			33.4	10.8						
Australia	(3)		18.6	7.8	1,009.0		6,247		15	
Austria			20.2	2.5	1.0		161			
Brazil			19.8				80			
Canada	172.5	23.2	483.7	122.1			355		391	20
China, Republic of			8.8	4.1			95		(3)	
Colombia			2.2				80			
Denmark	(3)		29.3	5.5	1.0		81		18	
Euratom	(3)		.2				2		(3)	
Belgium	131.2	.3	265.5	11.9	61.0		10,280			
Eurochemic	53.0		10.1	10.1	5.0	2.0	2,810			
France	2,791.3	546.6	2,009.1	369.5	89.0		13,862	300	167	
Germany	3,923.6	404.4	1,319.0	31.7	14.0		415,352	30,153	190	
Italy	3,356.0	507.8	194.1	49.4					36	
Netherlands	343.3		199.1	25.0			461	80	2	
Greece			6.0				112			
LAEA							(3)			
Argentina			3.8							
Austria	(3)		.2				96			
Congo			2.0							
Finland	.4	.4	2.9							
Greece							80			
Iran			5.2				112			
Mexico							160	80		
Norway	44.7									
Pakistan			5.2				112			
Philippines			2.9	1.6						
Romania			.1							
Spain			10.1	10.1						
Vietnam	.1									
Yugoslavia			2.7				(3)			
India	1,864.5	930.1							10	
Indonesia			2.3							
Ireland			(3)				16			
Israel	(3)		9.1		5.0		606		4	
Italy	11.7	7.1	98.6	2.7	5.0		138		7	
Japan	534.1	133.0	249.6	32.4	20.0	10.0	6,812	6,016	53	2
Korea	3.1						8			
New Zealand							80			
Norway	54.1	5.8	1.0	1.0			6		31	
Philippines			4.3				32			
Portugal			6.0							
South Africa	12.1		19.1	12.1			159		6	
Spain	563.6	563.6	40.2	13.9			5		5	
Sweden	72.9	22.4	210.5	9.4	2.0		1,137		29	

	Enriched uranium (kilograms U-235)				U-233 (grams)		Plutonium (grams)		Heavy water (tons)	
	Less than 20 percent U-235 [1]		Greater than 20 percent U-235 [2]							
	Cumulative through June 30, 1968	12 mo. ending June 30, 1968	Cumulative through June 30, 1968	12 mo. ending June 30, 1968	Cumulative through June 30, 1968	12 mo. ending June 30, 1968	Cumulative through June 30, 1968	12 mo. ending June 30, 1968	Cumulative through June 30, 1968	12 mo. ending June 30, 1968
Switzerland	60.3	19.0	18.6		30.0		1,500		51	
Thailand			4.8				80			
Turkey	1.2		4.8				288			
United Kingdom	30.9		692.4	60.0	512.0		1,116	98	124	
Venezuela			4.9				10			
Vietnam			2.4				80			
Total	14,024.6	3,163.7	6,022.8	793.6	1,754.0	12.0	462,611	35,727	1,139	22

[1] The bulk of this material is used for fueling power reactors.

[2] Primarily for fueling research and test reactors and other research applications.

[3] Minute quantities.

EXHIBIT 2

TESTIMONY OF ADRIAN S. FISHER, FRANCIS CABELL BROWN PROFESSOR OF INTERNATIONAL LAW, GEORGETOWN UNIVERSITY LAW CENTER, BEFORE THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS ON S. 1439, THE EXPORT REORGANIZATION ACT OF 1976, JANUARY 20, 1976

My experience in the field covered by S. 1439 has been primarily that of an international negotiator. In particular, I was involved in the negotiation of the Treaty on the Non-Proliferation of Nuclear Weapons. In fact, I was the chief U.S. negotiator of that treaty at various times and was so at the time that Article III was agreed to and when the final touches were put on the language of Article IV. I will therefore confine my remarks to those aspects of the problem of nuclear trade which relate to the Non-Proliferation Treaty and its implementation.

My first point is almost a truism. It is that Article IV of the Treaty imposing obligations on the nuclear states party to the Treaty to exchange equipment, materials and scientific and technological information for the peaceful uses of nuclear energy with non-nuclear parties imposes no obligation on the U.S. to supply such equipment or information to states which are *not* parties to the treaty. On the other side of the coin, I believe, that our participation in the Non-Proliferation Treaty, places an obligation upon us to adopt a policy on exports and exchange of technical and scientific information in such a way as to obtain the widest possible adherence to the treaty. This, I submit, our current policies do not do.

Our current policies permit nuclear exports to non-parties to the NPT, so long as the particular material exported is subject to safeguards. The supporters of these nuclear supply agreements with non-parties, including the agreement now under discussion, point to this fact in defending the agreements and even argue that the bilateral safeguards which are required are even stronger than those that would be imposed by the IAEA if the receiving state were a party to the NPT.

This argument overlooks the fact that the current U.S. practice has the effect of being a serious discrimination *against* non-nuclear states that are parties to the NPT. Non-nuclear weapons states parties to the NPT have agreed to accept safeguards on *all* source and special materials in all peaceful activities. At the same time materials are being sold to some non-parties to the NPT under safeguards applying *only* to the material being transferred, not to other materials which are either indigenous or are received from a source outside the NPT.

Some have suggested that this practice is an actual violation of the terms of Article III of the Treaty. While I do not agree with this view, I believe the current practice is inconsistent with the purposes of the NPT. Second, it tends to undermine the effectiveness of the safeguards system itself, in light of the fact that safeguards are more effective when applied to *all* nuclear facilities within a state. Third, it overlooks the real danger that a state can build up a nuclear industry with safeguarded nuclear materials and then turn that industry to the manufacture of weapons from indigenous material, or material obtained from a non NPT source. One need only look at the Indian Canadian experience to see that this is a real, not a theoretical, concern.

Some have suggested that this problem can be handled by adopting a policy that we export nuclear materials only to members of the NPT. I think that such a policy would fail because of the opposition of one of the principal suppliers of nuclear material, France, which is an opponent of the NPT. I believe a policy which might stand a better chance of success is one under which the U.S. would supply to a state not party to the NPT *only* if that state has accepted approved IAEA safeguards on all their peaceful nuclear programs. After all, France has said that while she will not be a party to the NPT she does not propose to do anything which the treaty prohibits. We might as well take her up on this. I am sure that an argument will be made that existing commitments prevent the adoption of such a policy. These commitments should be given the most severe scrutiny to determine whether they are internationally binding legal commitments along the lines of a treaty, which I doubt, or are merely contractual arrangements, in which case they should be subject to renegotiation. In any event we could adopt the policy outlined above as a policy binding for the future.

The second point which I would like to address relates to our obligations under Article IV of the NPA. The argument has been made that if a state is a party to the NPT and has accepted IAEA safeguards pursuant to Article III, they are entitled to any assistance in the field of the peaceful use of nuclear energy that they ask for. Such an argument could be based on the far-reaching language of Article IV of the Treaty which provides:

> "ARTICLE IV
>
> "1. Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with articles I and II of this Treaty.
>
> "2. All the Parties to the Treaty undertake to facilitate, and have the right to participate in, the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy. Parties to the Treaty in a position to do so shall also cooperate in contributing alone or together with other States or international organizations to the further development of the applications of nuclear energy for peaceful purposes, especially in the territories of non-nuclear-weapon States Party to the Treaty, with due consideration for the needs of the developing areas of the world."

There is no doubt that Article IV was part of the *quid pro quo* which non-nuclear states obtained in return for joining the NPT. It is a commitment of the United States and we should live up to it in good faith. But the key word in this Article is the word "peaceful." This word means that we should not be required, and should not permit ourselves, to supply nuclear materials, even to a party, if an examination of the party's total nuclear program, including its projected acquisition of a national fuel separation facility far in excess of peaceful needs, can only lead to the conclusion that it is preparing to develop a weapons capability.

The third point that I would like to make relates to the structure of the bill itself. Section 8 provides for the Nuclear Proliferation Assessment Statement. I think this is a very good idea and it tracks very closely the requirement which Congress recently inserted in P.L. 94–141 of a Statement of Arms Control Impact Information and Analysis with respect to certain weapons programs. There is one significant difference, however. As I read S. 1439 it is entirely up to the NRC to trigger this requirement by determining what are "strategically significant atomic energy facilities, components or materials." P.L. 94–141 gives the Director of ACDA an equally authoritative voice with the DOD in making such a determination with respect to weapons programs and triggering the requirement for a statement. I hope the prior decision of the Congress could be followed in this legislation.

One final point. At various places throughout the legislation distinctions are made between military and peaceful uses of nuclear energy. This will inevitably raise the question as to which side of this distinction the so called "peaceful" nuclear explosions fall. I would hope that this Committee would make it clear that, in view of the identity of the nuclear technology and equipment used in so-called peaceful nuclear explosive devices with those used in highly sophisticated nuclear weapons, that the peaceful nuclear explosive devices are considered to be military for the purpose of the Bill. This, it seems clear, is required by Article I of the Non-Proliferation Treaty.

[From CRS Study, "United States Agreements for Cooperation in Atomic Energy: An Analysis"]

I. SUMMARY OF OBSERVATIONS AND ISSUES

SUMMARY OF FACTORS AFFECTING AGREEMENTS FOR COOPERATION

At the request of the Senate Committee on Government Operations, the authors examined U.S. agreements for nuclear cooperation in relation to (1) proliferation of the ability to make nuclear weapons, and (2) to legislation before the Committee to reorganize certain export functions of the Federal Government.[1] This examination has produced a commentary on factors that Congress may wish to keep in mind while considering the pending legislation and an identification of 14 related issues which appear to merit consideration.

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[1] S. 1439, the Export Reorganization Act of 1976.

The report identifies five overall factors relevant to negotiation and administration of the agreements for cooperation:

1. The agreements for cooperation and export licenses have fostered the substantial export of U.S. nuclear materials, equipment and technology since 1955 which have stimulated and strengthened the growth of nuclear energy industries abroad. This industrial growth probably would have occurred without U.S. nuclear cooperation, but at a slower pace. Nonetheless, the stronger and more diversified is the nuclear industrial base of a nation, the more readily it may, at its option, produce nuclear explosive materials and develop nuclear weapons.

2. The United States through the agreements for cooperation has obtained unprecedented modification of national sovereignty through commitments of agreement nations to safeguard U.S.-supplied nuclear materials and equipment and to permit inspection by inspectors of the United States or the International Atomic Energy Agency. Provisions in the agreements which require application of international safeguards in agreement nations gave the International Agency practical working experience that was important preparation for its responsibilities under the Non Proliferation Treaty.

3. The formulation of the functions, negotiation and administration of agreements for cooperation and export licenses was dominated by the U.S. Atomic Energy Commission for the period 1955–1974 and the pattern it established has changed little since the Energy Reorganization Act was passed in 1974.

4. Times and circumstances have changed markedly since U.S. nuclear cooperation began in 1955. Concern about proliferation was then focused on the vertical proliferation of U.S. Competition with the Soviet Union in production of nuclear weapons. Now concern has been extended to include horizontal proliferation of the ability to make nuclear weapons among many nations. In 1955 there was little thought of a chronic world shortage of oil and natural gas, although there should have been, so the use of nuclear power depended upon its economic competitiveness with cheap and plentiful fossil fuels. Now many nations are turning to nuclear power, rightly or wrongly, to relieve their dependence upon imported, high-priced oil from possibly unreliable suppliers. In 1955 one Federal agency, the U.S. Atomic Energy Commission, dominated U.S. nuclear cooperation with its attendant agreements and export licenses. Today four Federal agencies are involved, three of which are under direction of the President and one of which is an independent regulatory agency substantially, but not wholly, independent of the President and his influence, raising possibilities for divergent or conflicting decisions and actions.

5. The implementation of the Energy Reorganization Act has helped draw attention to several matters meriting congressional attention in connection with the pending export reorganization legislation, and also with oversight of the administration of U.S. nuclear cooperation. The report identifies and discusses 14 specific issues and matters meriting such attention.

MATTERS OF LIKELY INTEREST TO CONGRESS

During the examination of the agreements and writing of the commentary a number of matters became evident concerning negotiation and administration of the agreements for cooperation. There follows an identification of 14 such matters together with brief supporting discussion.

1. Organization for nuclear cooperation and negotiation of agreements for cooperation.—Four Federal agencies participate in U.S. nuclear cooperation. Three of them answer to the President and one is an independent regulatory agency. This arrangement provides an independent check upon the executive branch actions, and could, therefore, lead to divergent or conflicting policies and decisions.

Four Federal agencies participate in various aspects of U.S. nuclear cooperation with other nations. The Department of State and the Energy Research and Development Administration negotiate the agreements for cooperation. The Administration administers them and authorizes certain activities of U.S. nationals abroad. The Nuclear Regulatory Commission licenses the export of nuclear materials and equipment by the U.S. nuclear industry, and the Department of Commerce licenses exports of nuclear components not licensed by the Commission. The three departments and agencies report directly to the President while the Commission is an independent regulatory agency with substantial independence from Presidential direction, although the President has means to exert powerful indirect influence.[2]

The present organization opens possibilities for divergent or conflicting action between the executive branch agencies on the one hand and the independent Commission on the other. However, this independence provides a separate check upon nuclear exports under agreements for cooperation. To what extent the Commission needs to consider U.S. foreign policy and how consideration of this factor in addition to consideration of national defense and security are coordinated with the departments with primary responsibility for these functions are matters likely to merit congressional attention.

2. Administration of agreements.—The administration of agreements for cooperation appears largely the responsibility of the Energy Research and Development Administration which may make decisions for re-export of U.S. transfers or other decisions that could differ from or conflict with similar decisions of the Nuclear Regulatory Commission. The nature and extent of interagency coordination in administration of agreements merits congressional attention.

The Department of State has primary responsibility for negotiation of agreements for cooperation. However, the subsequent administration of those agreements appears to be primarily up to the Energy Research and Development Adminitration. The agreements in many provisions name the Administration to make subordinate decisions, arrangements and judgments. Assuming that the lead role of the State Department in negotiation of agreements stems from the importance of the agreements to foreign policy, then it seems reasonable to expect that the Department also should have a substantial, perhaps the principal role in administration. For example, the re-export of transferred materials and equipment is subject to approval by the Administration although some such transactions could have substantial foreign policy implications.

The arrival upon the scene of the independent Nuclear Regulatory Commission makes the interaction of the Commission with the Department of State and the Energy Research and Development Administration a whole new field of public administration. To what extent are consistent judgment and action desirable in relation to the congressional desire for an independent check upon executive branch judgments and actions when nuclear materials or equipment are presented for export or re-export? Are informal contact and coordination, which now seem to be improving, sufficient or are statutory relations needed as insurance against a day when interagency relations may be strained or at odds?

Some examples. It seems likely that the Commission will take more of an interest in the physical security to be provided for U.S. exports by agreement nations or international organizations. Yet administration of safeguards provisions of the agreements is the function of the Administration which thus also will be increasingly concerned with physical security. Consider also the export of enriched uranium. Many agreements limit the enrichment to 20 percent for U.S. exports unless the Administration decides otherwise. Yet at the time and place of export it will be the Commission that decides whether to issue a license for the supply of enriched uranium already agreed to by the Administration. These examples involve considerations of foreign policy as well as national defense and security. It is not clear how consideration of these factors by the Commission and the Administration should be coordinated, if at all.

It should be noted that one interpretation of the Energy Reorganization Act of 1974 underscores the importance of the Commission as an independent check and balance upon executive branch decisions for nuclear exports. In essence, the Commission is seen as possessing a potential veto over executive branch export actions, a veto that Congress expects the Agency to use if it cannot make the required findings for defense and security. Since there are no statutory provisions for appeal or reconsideration, presumably this veto power is absolute. Considering the substantial impact of this veto power, what provisions should there be, if any, for coordination between the Commission, the Administration and the State Department in instances of controversy? What consideration, if any, should the Commission be required to give to U.S. foreign policy and views of the executive branch? Also, to what extent should Congress be able to make a final determination on a controversial export?

3. Revision of agreements.—The agreements for cooperation contain no provisions for updating which may be a disadvantage for the future. However, agreements have been modified without such provisions, indicating they can be changed as needed.

Many agreements for cooperation have been changed or superseded since 1955 although they contain no provision for formal revision or updating. Nonetheless, some agreements contain out-of-date provisions such as references to then pending agreements with the International Atomic Energy Agency now long consummated, or to leasing of special nuclear materials. While the presence of out-of-date provisions probably does not impair the administration, they do become clutter. More important are prospects for future modification of the agreements to adapt them to changing times and conditions, particularly should the United States succeed in getting the nuclear exporting nations to agree upon common prerequisites for exports of sensitive nuclear technologies such as fuel reprocessing. It would seem desirable to have a right to reopen agreements as times change. Of course this implies a reciprocal right of an agreement nation to reopen an agreement and perhaps to seek to weaken present U.S. rights. So there are disadvantages as well as advantages to seeking provisions for routine updating. Nonetheless, the absence of such a provision is a matter of administration that Congress may wish to consider.

4. Future trends—the pending agreement with Egypt.

Of particular interest to Congress are the pending agreements for cooperation with Egypt and Israel. The one for Egypt appears nearest to completion and information on its principal provisions has been issued by the State Department.[3]

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[2] The President designates the chairman, nominates Commissioners for appointment or reappointment, and controls the Commission's budget.

On November 5, 1975, Secretary of State Kissinger and Egyptian Deputy Prime Minister Fahmy agreed in principle to conduct a program of cooperation in peaceful uses of atomic energy. Their agreement was viewed as an important step toward completing negotiations which, it is now hoped, can produce an agreement for cooperation in the near future.

From information released by the State Department, it appears that the agreement will closely follow typical agreements for research and power, with a few notable differences.

The scope of the agreement includes design, construction and operation of research and power reactors but does not mention fuel reprocessing or enriching which presumably are excluded.

The proposed commitment not to use any of the assistance for military purposes also specifically excludes the manufacture of any nuclear explosive device.

The plutonium produced in the powerplants covered under the agreement or derived from U.S. fuel supplied for these facilities will be reprocessed, fabricated and stored outside Egypt.

Also, facilities utilizing relevant nuclear technology obtained from the United States will be under safeguards. There is, however, no commitment to place *all* nuclear materials and equipment in Egypt under international safeguards. The Egyptian Government also guarantees to apply "effective physical security measures" to the facilities and nuclear material covered by the agreement. How these measures might apply, if at all, to facilities and nuclear materials from other sources is not specified. Finally, the State Department release notes the intention of the United States that at such time as negotiations are completed, the same safeguards and special measures will be included in both the agreements for cooperation with Egypt and Israel respectively: "If certain provisions are modified or altered in one agreement, it is the intention of the United States Government to introduce such modifications or alterations in the other agreement."

5. Re-export control.—While initial exports of nuclear materials and equipment are licensed by the Nuclear Regulatory Commission, the agreements for cooperation require approval of the Energy Research and Development Administration for re-export of such items by an agreement nation. This anomaly could lead to confusion or divergent actions and therefore merits congressional attention.

The organization and administration of agreements for cooperation and the licensing of nuclear exports present an anomaly concerning export and re-export of nuclear materials and equipment. If an item such as a quantity of enriched uranium, is to be exported directly from the U.S. nuclear industry to an agreement nation, a license must be obtained from the Nuclear Regulatory Commission. However, if the agreement nation later wishes to re-export that item to another nation, it must obtain the approval of the Energy Research and Development Administration, even though a similar direct export to the second nation would require an export license from the Commission. In situations where one nation can turn to another or to the United States for a desired nuclear item, there is the possiblity of inconsistent or even contradictory decisions and actions by the Commission and the Administration. This anomaly merits congresssional attention.

Another facet of re-export is that of nuclear technology. U.S. agreements for cooperation provide for control over re-export of material things but not for re-export of nuclear technology supplied by the United States.

6. Safeguarding nuclear technology.—The agreements for cooperation require international safeguards for nuclear materials produced from exported nuclear materials or equipment, but not for nuclear materials produced in facilities built only with the help of U.S. technology and "know how". This appears to be a loophole which other governments are beginning to close in their agreements for nuclear cooperation. The safeguarding of U.S.-furnished nuclear technology is a matter of warranting congressional attention.

The agreements for cooperation provide for safeguards for U.S.-supplied nuclear materials and equipment, and for nuclear material produced from them. The agreements do not, however, commit the agreement nation to declare nuclear facilities made with U.S. information and technology or by persons trained in the United States and to apply safeguards to them. In recent innovative actions, the governments of France and West Germany have sought to close this loophole in agreements for nuclear cooperation with South Korea and Brazil, respectively.

The general adoption of this innovation would help to assure nations throughout the world that their neighbors are not using imported technology to build unsafeguarded nuclear facilities. Of course, the effectiveness of such a provision depends ultimately upon the motivations of the agreement state and the factors that sustain its compliance with the terms of an agreement. Assuming, however, that agreements will be honored, it seems likely that this innovation is desirable and that the United States should seek to add it to existing as well as to future agreements.

7. Reprocessing of spent fuels.—The agreements for cooperation provide assurances that reprocessing of U.S. supplied nuclear materials will be done only in facilities acceptable to the United States. Since there is little reprocessing of commercial nuclear fuel, these commitments remain untried. The demand for fuel reprocessing is likely to increase, however, and with it the desire of agreement nations to reprocess, particularly if there are no regional reprocessing centers or access to reprocessing in the United States. What change can be made in terms of administration of agreements for cooperation to minimize the metastasis of fuel reprocessing among individual nations is a likely matter for congressional interest.

The agreements for cooperation generally provide that all alteration and reprocessing of nuclear fuel from the United States shall be done in facilities acceptable to both parties upon a joint determination that safeguards may be efficiently applied. The power agreement with the United Kingdom is silent on this matter. The power agreement with India specifies that India may reprocess any special nuclear material used in the Tarapur Atomic Power Station upon a joint determination that safeguards may be effectively applied, or in such other facilities as may be mutually agreed. Of special interest in India is that its reprocessing facilities can reprocess its own materials, which are not under the agreement. This can complicate the workings of materials accountability and safeguards systems. It is somewhat akin to the problem of a butcher shop in keeping higher and lower grades of meat separate in the meat grinder: it requires unusual measures and discipline.

In the early years of the agreements, the used fuels from research reactors were returned to the United States for reprocessing, which was feasible because these fuels were comparatively simple in chemical and metallurgical qualities. At present there is little commercial reprocessing of nuclear power fuels. Used fuels are mostly stored until reprocessing becomes available, or a decision is made not to reprocess but to store used fuels indefinitely. So there is no commercial competition on the world market for fuel reprocessing and the attendant risks that some reprocesses might pay less attention to safeguards than others. However, several nations are trying to acquire their own fuel reprocessing capability, including Brazil, Iran and South Korea. A trend toward national fuel reprocessing would compete with and perhaps weaken the efforts to establish regional fuel reprocessing facilities under international safeguards.

In the administration of agreements for cooperation, the United States can expect future pressure from agreement nations concerning reprocessing. If the United States does not permit those nations to reprocess U.S.-supplied fuel in their own plants, it will have to offer alternatives. But these are few. At present no commercial fuel reprocessing plants are operating in the United States to perform this service. Reprocessing of nuclear power fuel in the facilities of the Energy Research and Development Administration would interfere with production of plutonium for weapons and would require extensive modification of process equipment. The concept of regional plants, while supported by interested parties, has yet to attract enough concrete support to begin their construction. For a while the agreement nations probably could store used fuels in their own facilities. Sooner or later, however, their storage capacity will be filled up. Used fuel could be collected and stored at regional centers awaiting reprocessing, but this concept too requires much more international commitment than is now on the horizon. Used fuels could be returned to the United States for indefinite storage or temporary storage pending reprocessing. This alternative, however, would require construction of storage facilities, for the present ones would be inadequate.

The world situation for reprocessing of nuclear fuels is likely to undergo fundamental changes within the coming decade. What these changes may be and how the agreements for cooperation can be modified in terms and administration to anticipate and to influence these changes appear to be likely matters for congressional interest.

8. International safeguards for all nuclear activities in an agreement nation.—The agreements for cooperation with non-weapons nations do not require international safeguards on *all* nuclear materials and facilities of an agreement nation, whether or not supplied by the United States. U.S. attempts to have nuclear supplier nations agree upon prerequisites for exports have yet to succeed. What can be done to obtain such commitments collectively with other supplier nations, or unilaterally, and what the benefits and disadvantages might be, are matters for congressional attention.

The agreements for cooperation commit agreement nations to place U.S.-supplied nuclear materials and equipment under international safeguards but do not require the nations to place all of their nuclear materials and equipment from whatever source under these safeguards. According to recent press reports, the United States has been trying with little success to convince nuclear supplier nations to require such a commitment as a prerequisite for their nuclear exports. Whether the United States should unilaterally attempt to require an expanded safeguards commitment as a condition for U.S. nuclear cooperation is a controversial question. Such a position might serve only to deny the U.S. nuclear industry access to the world market, with the advantage then going to the nuclear industries of other exporting nations. What measures the United States might take to convince other nuclear supplier nations of the desirability of the U.S. position is a matter worth congressional attention.

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[3] Department of State release no. 533, November 4, 1975.

9. Physical security.—The agreements for cooperation do not reflect the current importance attached to physical security and protection of U.S. nuclear exports against theft or sabotage. The relationships among the State Department, the Energy Research and Development Administration and the Nuclear Regulatory Commission should be considered if the Commission is directed by statute to consider physical security in issuing export licenses.

The increase in terrorist acts over recent years has caused some observers to warn that terrorists might try to steal nuclear explosive materials and to make and use nuclear weapons. This concern has generated increasing attention in the United States to physical protection and security for nuclear materials and facilities. The greatest risks for terrorist theft would appear to be at fuel reprocessing and fuel fabrication plants and for materials in transit. These risks of terrorist, or other subnational, theft will increase in plutonium and highly enriched uranium become widely used as nuclear fuels, particularly if and when breeder reactors come into general use. At present responsibility for protection of nuclear materials and equipment is that of the nations involved. There is no international nuclear security agency.

U.S. agreements for cooperation do not commit agreement nations to meet U.S. standards for physical security. Although the agreements place U.S. supplied materials and equipment under international safeguards, these do not extend to physical security. The furthest that the International Atomic Energy Agency has gone is to issue a security guide. If the Nuclear Regulatory Commission is required to decide whether physical security in an agreement nation is adequate to permit licensing of a proposed nuclear export, then some consideration is indicated of the relationships between the State Department, the Energy Research and Development Administration and the Commission in considering physical security in the negotiation and administration of agreements for cooperation and in the licensing of nuclear exports.

10. Preference for NPT adherents.—Although encouraging nations to ratify the Non Proliferation Treaty is a goal of U.S. foreign policy, the agreements for cooperation do not include preferential terms for nations that have ratified the treaty. Whether such preferences should be provided, and in what forms, is an open question for the 1970s.

The Non Proliferation Treaty has been in effect for five years. During this time, none of the agreements for cooperation have been amended to give any preference to those agreement nations which ratify the treaty, or at least to agree to place all of their nuclear activities under international safeguards. Whether such preferences would affect the hard core of industrial nations opposed to the treaty is debatable, regardless of whether other, less determined nations might be influenced to ratify. Whether it would be feasible to offer some preferential treatment for agreement states that ratify the NPT and whether such preferences would be worth their cost and possible disadvantages are questions meriting congressional attention.

11. Government-to-government transfers.—Although most nuclear exports are now made via export licenses issued by the Nuclear Regulatory Commission to private parties, the Energy Research and Development Administration still may make government-to-government transfers. Two issues arise from this situation. First, to what extent could the executive branch use such transfers to circumvent export controls by the Commission? Second, what voice, if any, should the Commission have in the negotiation and administration of government-to-government transfers?

In the early years of nuclear cooperation, the U.S. Atomic Energy Commission often transferred materials directly to agreement nations without export licenses. Such licensing was limited to exports by fledgling companies in the U.S. nuclear industry. In later years, direct government to government exports decreased as the USAEC withdrew from competition with the growing U.S. nuclear industry.

Now most nuclear exports are made via export licenses of the Nuclear Regulatory Commission issued to companies in the industry or to persons who act as agents in the United States for foreign customers. However, government to government transfers remain possbile and under the Energy Reorganization Act still require no license.

Although there is little serious anticipation that the Nuclear Regulatory Commission would be continually at loggerheads with the State Department or the Energy Research and Development Administration over nuclear cooperation and exports, it appears that the executive branch could try to circumvent an obstinate Commission by reviving government to government transfers. If this loophole is real, then Congress may wish to consider the future use of government to government exports, limitations upon their use, and the relationships of the State Department, the Administration and the Commission in their arrangement.

Concerning information in the public record, the Commission's practices for domestic licenses would suggest full information in the dockets for export licenses. On the other hand, details of foreign policy matters usually are not open to the public. The extent to which the Commission's decisions on export licenses should be documented in the public docket is a question likely to be raised by public interest groups concerned about U.S. nuclear exports.

12. NRC findings on defense and security.—The Nuclear Regulatory Commission has to make findings involving the common defense and security, based largely upon information and analysis provided by the executive branch. Of likely congressional interest is the ability of the Commission to develop resources capable of arriving at sound findings, and the extent of documentation of these findings in the public record.

Before it can issue an export license, the Nuclear Regulatory Commission must find that the export is not inimical to the common defense and security. Since the Commission is primarily an independent regulatory agency concerned with certain economic and safety and environmental effects of civil nuclear power, it has comparatively little experience with consideration of national defense and security.

The Atomic Energy Act of 1954 as amended contains no guidance or detailed definition of this criteria and the Commission's resources to consider these factors are small in comparison with those of the Federal departments having primary responsibility for defense and security. The Commission receives advisory analyses from the Department of State after that Department has obtained comments and inputs from other departments and agencies. It serves as the funnel for a homogenized statement of advice from the executive branch. Also, the dockets of the Commission's license actions contain little information of the Commission's analyses.

Of potential interest to Congress are two matters. First, the Commission's ability to independently arrive at sound findings concerning the relation of a particular export to national defense and security. Second, in the light of recent moves to open up the processes of government to the public, it may be time to consider what information should appear in the Commission's dockets for export licenses.

13. Peaceful nuclear explosives.—Although the U.S. opposition to non-weapons states' developing nuclear explosives of any kind is well known, except for three cases the agreements for cooperation are silent on the use of U.S.-supplied materials and equipment for this purpose. How important are guarantees not to use U.S. exports for this purpose, and what can be done to obtain the guarantees, are matters of current interest.

The agreements for cooperation are silent about use of U.S.-supplied materials and equipment to develop so-called peaceful nuclear explosives. Only four agreements, those with Israel, Portugal, Spain, and South Africa, note the U.S. opposition to such use. Although all agreement nations are committed to use transferred items solely for civil purposes and not to use them for atomic weapons or for military purposes, there is no prohibition on peaceful nuclear explosives. The definition of atomic weapons in the agreements does not include such devices,[4] and civil uses are not defined. Considering that United States opposition to the development of such devices by non-weapons nations is well known, it seems unlikely that an agreement state would resort to a legalistic reading of the present terms to justify its misuse of U.S.-supplied materials and equipment. Nonetheless, it could happen. Considering that the echoes of the Indian Government's detonation of a peaceful nuclear explosive are still being heard in discussions of safeguards and proliferation, it seems likely that Congress will be interested in the administration of agreements for cooperation to prevent such use of U.S.-supplied materials and equipment.

14. Public participation.—The public has no opportunity to participate in the negotiation or administration of agreements for cooperation and limited opportunities for participation in the licensing decisions of the Nuclear Regulatory Commission. Whether and to what extent such participation is desirable, its advantages and disadvantages, and the nature of information to be made available to the public are controversial questions. Nonetheless, it may be desirable to consider them in the light of recent trends toward openness in government.

The negotiation and administration of agreements for cooperation provide for no public participation nor would they usually be expected to for subjects of less importance than proliferation of nuclear weapons. Details of foreign relations historically have been kept confidential without public participation. Now the procedures of the Nuclear Regulatory Commission provide for some public participation for decisions on nuclear exports and the possibility of a hearing before an Atomic Safety and Licensing Board. So far these provisions have been little exercised.

As for documentation for the public, the records of agreements for cooperation are not public documents whereas certain documents appear in the Commission's dockets for export licenses. These dockets, however, contain little detailed information or analysis used by the Commission.

Whether there should be expanded opportunity for public participation in arrangements for nuclear cooperation with other nations is a controversial question. It is complicated by the organizational situation in which two Federal agencies with little history of public participation have the responsibility for negotiation and administration of agreements and an independent regulatory agency with a history of openness acts on export licenses. Nonetheless, with the present trends toward participatory democracy and openness in government, the matter of public participation may merit attention.[5]

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[4] An atomic weapon is defined in U.S. agreements for cooperation to mean any device utilizing atomic energy the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapons test device. There is no reference to explosive devices.

IMPROVING THE COORDINATION OF OUR FOREIGN AGRICULTURAL POLICY

Mr. HUMPHREY. Mr. President, yesterday the Foreign Agricultural Subcommittee of the Senate Committee on Agriculture and Forestry began hearings looking into the way our foreign agricultural policy is established.

There have been a number of interventions in the export market in recent years in spite of the administration's declared "free market policy." These interventions have created a great deal of uncertainty and resentment among consumer and producer groups.

Our purpose in holding these hearings is to look at the mechanism by which these groups and interests are related in the development of agricultural policy. A series of groups have been established in the executive branch to coordinate policy. We need to examine how policy is coordinated and whether the existing mechanism is appropriate to the existing need.

At the hearing we also dealt with the question of defining what conditions or circumstances would warrant a future intervention in the market. This issue is of great concern to producers as well as consumers in this country, but at this point we are simply operating on ad hoc arrangements. The recent grain agreement with the Soviet Union may reduce some of the uncertainty in this area, but at this point how well this arrangement works remains to be seen.

Secretary Butz, in response to questions from members of the subcommittee, agreed that it would be helpful and useful to spell out what conditions would warrant future intervention into our export markets. This is an area that we will need to pursue further with both the Congress and the executive branch.

These hearings will continue again tomorrow.

Mr. President, in order to provide a fuller understanding of the issues developed at this session, I ask unanimous consent that my remarks and a prepared chronology of events affecting U.S. foreign agricultural policy be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COORDINATION OF FOREIGN AGRICULTURAL POLICY

(By Senator Hubert H. Humphrey)

The increasing uncertainties affecting our food supply—**from the availability and price** of farm inputs to the shortfalls of food production on the other side of the globe—have increased the complexity and importance of the policy making process.

Over the previous two decades, the task of assuring an adequate food supply and reasonable food prices was facilitated by an abundance of inputs and ever increasing productivity. The task before policy makers was how to protect producers from the price depressing effects of abundance and limited foreign demand.

Now, with the greatly increased costs of farm production, increased variability of the forces affecting commodity supplies and prices, and depleted world commodity stocks, the costs of a wrong decision, or one which does not provide for a balance of the interests involved, may be reflected and multiplied many times throughout our food production and marketing system.

The purpose of this hearing today is to review the impact of these changes on our decision making process, beginning with recent U.S. foreign policy decisions. We will need to evaluate the extent to which the various groups, on which those decisions impacted, had their interests represented, and, finally, we will need to seek ways to strengthen and improve the decision making process.

The volume of farm exports has fluctuated widely over the last few years, despite steady increases in prices.

Grain shipments abroad increased from 48.5 million tons in 1971/72 to 80.1 million in 1972/73, then back to 72.5 million tons in 1974/75. Over the coming year, our export volume may reach another record at 91–99 million tons.

This variability in export volume can have a marked impact on our food and agricultural system. The unanticipated increase in demand for grain exports in 1972 led to a massive transportation and storage tangle when record grain exports were delayed by boxcar and ocean carrier shortages, port congestion and other bottlenecks.

And while the present year has not brought such a crunch on marketing facilities, a recent issue of Foreign Agriculture warns that, "this year is not a good test of the transport's systems ability to perform . . . that test would come quickly should the economic recovery now underway pick up substantial momentum and coincide with strong and urgent foreign demand for U.S. farm products."

The increased volatility of demand has also left its mark on the prices paid by consumers for basic farm commodities. Previously, swings in demand were buffered by sizable stocks of farm commodities. Yet, such a built-in reserve is virtually non-existent. Five years ago world reserve stocks represented 89 days of grain consumption. Today, world food security rests upon only a month's supply of all cereals.

The absence of buffer stocks has led to highly volatile commodity prices which, while having only a modest effect on retail food prices, have had a pervasive impact on our livestock economy and inflation within the food distribution system. When prices received by livestock producers fell, prices paid by these producers—and most particularly the cost of feed—rose sharply. The massive slaughter and disruption in this industry will take at least two years to recover. While some sectors of our food economy may benefit from such a roller coaster of feed prices, there are many others that are being hurt and hurt badly.

Volatility is also an important trigger in the long-term inflation of food prices. We have seen that when the price of a raw commodity goes up there are increases all along the distribution and processing system—not on a dollar for dollar pass through basis but on a percentage pass through basis. But when the price of the raw commodity falls, whether it be wheat or livestock, the so-called middlemen are not likely to reduce the price of their services proportionately.

In just two years, between 1972, and 1974, the retail price spread jumped about 35% after several decades of only modest increases. The next effect is a permanently larger slice of the pie for the middleman at the expense of the consumer and the producer. The farmer's share of the consumer's food dollar is today just over 40 cents.

Grain prices have now receded from their earlier peak but the cost of production inputs, such as land, labor, taxes, fuel and machinery, have continued to rise. Since the level of agricultural support prices were established in 1973, the cost of production has risen substantially. $3.60 wheat may still seem high to the consumer but a recent ERS study showed that it now costs between $2.60 and $3.50 to produce that wheat. $2.70 corn may be substantially above the average a few years ago, but it is going to require an investment of somewhere between $2 and $2.70 a bushel to raise that crop of corn. And the producer knows that the support levels on the books are of no value whatsoever. He bears all the risk although the government has asked for full production.

Not many farmers are getting rich from farming, and fewer still are adequately paid—considering their investments of time and money—in comparison to the non-farm sector. The farmer may have had a few above average years where per capita disposable personal income of the farm population reached the level of the non-farm economy. But now farm income is declining relative to non-farm income, and if the markets break further that boom may only lead to bust for those who have enjoyed a modest improvement in income in recent years.

Now, there are some that still feel that we should let these forces run amuck, that they will make the necessary adjustments. But, unfortunately, these "adjustments" are people—people who have depended upon a stable agricultural economy. Such an approach only reminds me of a ship which has gone off course. It just might readjust its course but a lot of people might get hurt or even drown along the way.

Over the past two and one-half years, we have seen decisions made to intervene in the wholesale and retail marketing of food. We have seen at least five cases of government intervention in the exportation of U.S. agricultural commodities. We have seen dislocations as a result of decisions to provide short-term relief to specific groups or individuals. We have seen some groups hurt as a result of these decisions.

If a lesson can be drawn from the experiences of the past three years, it is that the game has changed and that the rules and mechanisms of decision making must be altered to respond to the structural changes in U.S. and world agriculture and the increasingly important interrelationship between the elements of our food and agricultural system. It may seem obvious that what is good or provides relief to one group may provide damage to another. But one person's gain does not have to be another's loss. There is a need to seek a balance of interests which can minimize the losses to everyone.

The balance between our grain and livestock economy is a good case in point. We do not have to put our livestock, poultry and dairy producers through an extreme of boom and bust, fueled by volatile feed prices. Simply by establishing a buffer of grain, we can help round out the extreme peaks and valleys which burn livestock feeders on one end and grain producers at the other.

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[5] One difficulty encountered in making this study was obtaining complete and authentic texts of many of the agreements for cooperation. Often a final version had to be assembled by cutting and pasting changes from various documents. So there is some uncertainty that all of these reconstructions are wholly accurate. Since the agreement documents are comparatively short, it would appear both feasible and desirable to republish complete, authentic texts for revised agreements, and to reissue a complete text whenever an agreement is modified in the future.

Another and more subtle feature of the new climate of food and agriculture is the balance between short and long term interests. Having had experience as a member of the Executive Branch of government, I know the pressures that our federal policy makers face in dealing with issues in the short run.

What I am trying to say is that our decision makers have a bias for short-term cosmetic solutions with little regard for their impact over the longer term. "Let's put a cap on beef prices even though it will create dislocations and possibly higher prices in the future. Let's put controls on exports even though it could set off a cycle of reduced sales abroad, increased domestic inflation and reduced farm productivity."

When one looks at all of the agencies—26 in all by a recent study—involved in food and agricultural policy, it is understandable that decisions are made which are seemingly at cross purposes.

If the Secretaries of State, Treasury, Agriculture and Labor say conflicting things, one can only wonder who is in charge. And obviously, this will have an important impact on decisions by our foreign buyers.

If the complex interrelationships of our food and agricultural system are to be balanced—over the long term as well as the short—we have got to start thinking in terms of a comprehensive policy which relates all the basic elements.

We can no longer afford to have a separate policy for grain producers and another for livestock, dairy and poultry producers. We can not ever afford to have just an agricultural policy, or a consumer policy, or trade policy. We must have a policy which interrelates and balances all of these elements.

And there must be a mechanism within which we can weigh the costs and benefits of food and agricultural policy decisions throughout our economy. We have the capability—but lack the machinery to "put all the elements together." Without such machinery, decisions affecting food and agriculture will remain a conflict of competing interests.

The purpose of today's hearing is not to determine blame for any inadequacies in recent decisions. The purpose of these hearings is to draw upon the experience of these decisions to see how we can improve the mechanism and process. It is our hope that this can be a constructive exercise.

This is but the first step designed to respond to the new conditions which we face today. Today's witnesses can offer a great deal in understanding this process and developing recommendations for improvements.

WORLD AND U.S. PRODUCTION UTILIZATION AND STOCKS OF GRAIN 1965/66–1975/76[1]

[Million metric tons]

	1965/66	1966/67	1967/68	1968/69	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76
Production:											
World	885.4	959.6	984.0	1,023.9	1,033.1	1,041.3	1,130.7	1,101.9	1,193.1	1,143.5	1,157.6
United States	182.5	183.2	206.9	201.1	203.9	185.7	236.5	227.0	236.0	202.9	247.4
Utilization:											
World	921.3	931.8	965.6	990.5	1,050.4	1,077.4	1,118.2	1,145.2	1,188.1	1,152.3	1,157.9
United States	151.3	149.6	151.2	159.1	166.5	164.2	176.2	181.7	178.0	141.9	154.7
End stocks:[2]											
World	125.2	153.0	171.4	204.8	187.5	151.4	163.9	120.6	125.6	116.8	116.5
Percent world utilization	13.6	16.4	17.8	20.7	17.9	14.1	14.7	10.5	10.6	10.1	10.0
United States	53.5	46.1	59.3	68.7	69.3	51.2	68.9	42.3	27.4	23.4	33.2
Percent world utilization	5.8	4.9	6.1	6.9	6.6	4.8	6.2	3.7	2.3	2.0	2.9
Percent United States utilization	35.4	30.8	39.2	43.2	41.6	31.2	39.1	23.3	15.4	16.5	21.5

[1] Data taken from FAS/ERS grain data base, Jan. 12, 1976, printout; includes wheat, milled rice, and major coarse grains.

[2] Stocks for wheat, coarse grain, and milled rice.

U.S. AGRICULTURAL EXPORTS AND IMPORTS: QUANTITY INDEX AND VALUE, CALENDAR YEARS 1965–75

Year	Exports		Imports	
	Quantity index (1967=100)	Value (millions)	Quantity index (1967=100)	Value (millions)
1965	100.54	$6,229	94.74	$4,087
1966	106.60	6,881	100.88	4,491
1967	100.00	6,380	100.00	4,452
1968	100.48	6,228	112.12	5,024
1969	94.22	5,936	104.77	4,957
1970	111.18	7,259	110.37	5,770
1971	111.38	$7,693	112.94	$5,823
1927	128.88	9,401	117.87	6,467
1973	166.42	17,680	121.18	8,419
1974	155.17	21,994	115.05	10,247
1975 (estimate)	157.10	22,000	124.94	9,500

MAJOR PURCHASES OF U.S. AGRICULTURAL PRODUCTS (VALUE), CALENDAR YEARS 1965–74 AND JANUARY–NOVEMBER 1975

[Thousands of dollars]

Year	U.S.S.R.	PRC	EC	Japan	India	Brazil
1965	29,267	....	1,981,240	876,239	482,445	59,302
1966	23,264	....	2,152,085	942,087	538,654	101,169
1967	19,335	....	1,997,385	864,584	529,498	109,749
1968	5,261	....	1,849,631	932,902	363,469	88,042
1969	11,612	....	1,718,672	933,604	261,729	68,574
1970	15,884	....	2,105,162	1,213,513	256,165	68,426
1971	29,864	....	2,391,254	1,072,918	271,765	89,756
1972	429,627	61,284	2,726,050	1,427,316	86,920	68,235
1973	920,151	574,984	4,525,637	2,997,728	331,241	271,207
1974	299,933	652,559	5,504,192	3,478,906	454,843	239,939
January–November 1975	973,315	79,674	4,986,779	2,823,835	696,943	287,159

A BRIEF CHRONOLOGY OF RECENT DECISIONS AFFECTING U.S. FOREIGN AGRICULTURAL POLICY

(Prepared for the Subcommittee on Foreign Agricultural Policy of the Committee on Agriculture and Forestry by the Congressional Research Service)

A BRIEF CHRONOLOGY OF THE SOYBEAN EMBARGO OF 1973

Autumn 1972—Demand for U.S. soybeans and soybean meal increased sharply. World weather conditions reduced output of oilseed crops in India, West Africa, Australia, China, and the Soviet Union, and the Peruvian anchovy catch was low. U.S. oilseed crops also suffered from poor weather during the harvest season.

January 1973—The Department of Agriculture relaxed restrictions on set aside land to increase production of soybeans, feed grains, and food grains.

February 15, 1973—A second devaluation of the U.S. dollar increased foreign demand for soybeans and oilseed meals.

Spring 1973—Heavy rain and flooding hindered the planting of soybeans and feed grains in the U.S. Soybean production was estimated at 1.28 million bushels. The Department of Agriculture released an additional 13.5 million acres of feedgrain set aside land for planting feedgrains or soybeans.

April 6, 1973—The Department of Agriculture suspended exports of vegetable oils under the CCC Export Credit Sales Program and announced curtailment of the amount of edible oils programmed under Food for Peace.

June 13, 1973—President Nixon imposed price ceilings on all retail and wholesale prices and announced an export monitoring system for agricultural exports as part of his general economic stabilization program. He requested new authority to control agricultural exports for the purpose of controlling the rise in U.S. food prices. Under the monitoring system, each exporter was to report weekly to the Department of Commerce, concerning the volume of anticipated exports of wheat, rice, barley, corn, rye, oats sorghum, soybeans, soybean oil-cake and meal, cottonseeds, and cottonseed oil-cake and meal.

June 22, 1973—The Chicago Board of Trade limited trading of soybean and soybean meal futures for July, August, and September to liquidation of contracts only.

June 27, 1973—Secretary of Commerce Frederick B. Dent announced that he had imposed an embargo on the export of U.S. soybeans, cottonseeds, and their products, effective 5:00 p.m. EDT, because the U.S. supply of soybeans was not sufficient to meet domestic requirements and reported anticipated exports. The embargo was imposed pursuant to the authority set forth in the Export Administration Act of 1969. Secretary of Agriculture Earl Butz approved the embargo.

June 28, 1973—The Chicago Board of Trade suspended trading in soybean contracts for a 24-hour period.

July 2, 1973—The Office of Export Control, Department of Commerce announced the replacement of the embargo by a licensing system for agricultural commodities included in the monitoring program, though soybean oil and cottonseed oil were excluded from export license requirements. All exporters who reported anticipated exports of soybeans prior to September 1, or soybean oil-cake and meal exports prior to October 1, were required to file the following documentation: (1) a certified copy of the contract of sale for export to a foreign buyer, dated prior to June 13, (2) a sworn affidavit as to the amount previously exported against such contract, and (3) a sworn affidavit that the applicant was the exporter and that the contract to sell to a foreign firm was not offset in whole or in part by a similar contract to purchase the same grain from a foreign firm. The Office of Export Control would issue an export license against each verified contract for 50 percent of the unfilled balance of soybean contracts and 40 percent of the unfilled balance of soybean oil-cake and meal contracts. These licenses would expire on September 15 and October 15, respectively.

July 5, 1973—The Office of Export Control, Department of Commerce, reimposed export license requirements on soybean oil and cottonseed oil and brought 39 other oilseed products under licensing restrictions.

July 18, 1973—Phase IV of the economic stabilization program began, which allowed the passthrough of cost increases of raw agricultural products incurred since June 8, except for beef, which remained under a price ceiling until September 10.

July 20, 1973—The Department of Agriculture announced that there would be no set aside of land in 1974 for feedgrains, wheat or cotton.

August 1, 1973—The Department of Commerce announced that licenses would be issued for soybean exports for shipment during September on the basis of 100 percent of the unfilled balance of orders which had been accepted by the exporter on or before June 13, 1973, and previously reported to the Department. The 50 percent unlicensed portion against orders accepted on or before June 13 for export *prior* to September 1 were ineligible for licensing under the new order.

August 31, 1973—The 1972–73 soybean marketing year ended. The average farm price per bushel peaked at $10 in June and averaged $4.75 for the marketing year.

September 21, 1973—The Department of Commerce revoked the export licensing system.

September 1973—The Statistical Reporting Service, Department of Agriculture, took over the export reporting system, pursuant to Section 812 of the Agriculture and Consumer Protection Act of 1973.

April 17, 1974—While in Tokyo for trade talks, Secretary of Agriculture Earl Butz stated that the U.S. embargo of soybean exports in 1973 was "a mistake" and added that "we are determined never again to restrict access to our food supplies in America."*

October 1974—The export reporting system was transferred to the Foreign Agricultural Service, Department of Agriculture.

A. BRIEF CHRONOLOGY OF THE MORATORIUM ON GRAIN SALES TO THE SOVIET UNION, 1975

March 6, 1975—Secretary of Agriculture Earl Butz announced the termination of the voluntary prior-approval system for export sales of grains, soybeans, and soybean meal. The export reporting system remained in effect.

June 9, 1975—The Department of Agriculture revised downward its projection of Soviet grain production, from 210 to 200 million tons. Soviet grain import requirements were estimated between 10 and 15 million tons.

July 7, 1975—A Department of Agriculture team returned from a 3-week inspection tour of Soviet wheat-producing areas and predicted a lower yield than in 1974.

July 9, 1975—The Department of Agriculture revised its estimate of Soviet grain production, from 200 to 195 million metric tons.

July 16, 1975—The Department of Agriculture announced the first 1975 sale of U.S. grains to the Soviets (2 million metric tons).

July 17, 1975—The Canadian Wheat Board announced that the Soviets had purchased 2.0 million metric tons of high-grade wheat. The Department of Agriculture announced additional sales of 1.2 million metric tons of U.S. grains to the Soviets.

July 22, 1975—The Department of Agriculture announced additional sales of 1.0 million metric tons of wheat to the Soviets.

July 23, 1975—Major U.S. newspapers carried the story that the Soviets had declined to issue a formal invitation to members of the House Committee on Agriculture to tour Soviet farm lands in August.

*July 24, 1975—The Department of Agriculture asked export firms to notify the Department before making major grain sales to the Soviet Union. The Department revised its estimates of Soviet grain production, from 195 to 185 million metric tons. Soviet import requirements were estimated at 20 million metric tons.

July 29, 1975—At a hearing before the Joint Economic Committee, the Chairman of the Federal Reserve Board, Arthur Burns, testified that grain sales to the Soviets could lead to a sharp rise in food prices in the U.S.

July 31 and August 9, 1975—At hearings before the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations, Assistant Secretary of Agriculture, Richard Bell, stated that U.S. grain sales to the Soviet Union included 10.3 million tons of wheat, corn, and barley. John Schnittker testified that grain sales to the Soviets should be stopped until mid-October.

August 9, 1975—Information obtained by the Central Intelligence Agency indicated that Soviet grain import requirements could reach 40 million metric tons.

*August 11, 1975—The Secretary of Agriculture called on grain companies to withhold further sales to the Soviet Union until U.S. crop production figures were known. The Department of Agriculture estimated Soviet grain production at 180 million metric tons.

August 18, 1975—The maritime unions reaffirmed their intention to boycott ships loading grain for the Soviet Union in ports along the Atlantic Coast, Gulf of Mexico, and Great Lakes. Longshoremen in Port Houston stopped loading grain.

August 21, 1975—The Secretary of Agriculture predicted a rise of 1.5 percent in U.S. food prices as a result of grain sales to the Soviet Union, and an annual food-price inflation rate of 9 percent.

August 29, 1975—The Department of Agriculture revised its estimate of Soviet grain production, from 180 to 175 million metric tons. Import requirements were set at 25 million metric tons.

September 4, 1975—Secretary Butz and Chairman Burns testified before the Senate Committee on Agriculture and Forestry. Secretary Butz stated that no additional sales would be made to the Soviet Union until the dispute with the maritime unions was settled.

*September 9, 1975—As a result of negotiations between George Meany and President Ford, the President announced his intention to explore the possibility of a long-term grain agreement with the Soviet Union. He extended the moratorium on grain sales to the Soviets until mid-October. The maritime unions agreed to load grain destined for the Soviet Union.

September 10, 1975—Under Secretary of State Charles W. Robinson left for Moscow to begin negotiations for a long-term grain trade agreement.

September 16, 1975—Under Secretary Robinson announced in Moscow that the Soviets had agreed in principle to a long-term trade agreement.

September 19, 1975—The text of the U.S.-Soviet agreement on shipping rates of $16 per ton was released. The rate would go into effect on September 22 and extend at least through 1975.

October 6, 1975—American newspapers reported a speech by a Soviet Communist Party leader, stating that Soviet grain production could reach only 170 million metric tons, or 45 million tons short of the projected goal.

October 9, 1975—The Department of Agriculture reduced its estimate of Soviet grain production to 170 million metric tons, including 82 million metric tons of wheat.

October 10, 1975—The Department of Agriculture released its October 1 crop estimates, showing record harvests for wheat (2.137 billion bushels) and corn (5.737 billion bushels).

*October 20, 1975—President Ford announced the signing of a five-year grain trade agreement with the Soviet Union and ended the embargo on grain sales to the Soviets.

October 24, 1975—Grain sales to the Soviet Union resumed.

A BRIEF CHRONOLOGY OF THE MORATORIUM ON GRAIN EXPORTS TO POLAND IN 1975

September 9, 1975—President Ford announced his intention to explore the possibilities for a long-term grain agreement with the Soviet Union, and extended the moratorium on grain sales to the Soviet Union at least until mid-October. After this announcement was made, the U.S. longshoremen agreed to end their boycott of ships loading grain destined for the Soviet Union.

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*The Department of Agriculture announced a voluntary prior-approval system for export sales of wheat, corn, grain sorghum, soybeans, soybean meal, and soybean oil-cakes on October 7, 1974. Barley and oats were added to the list on October 11. The prior-approval system ended on March 6, 1975.

*Major decisions related to the embargo.

September 10, 1975—Without a public announcement, the State Department requested through the Polish embassy that Poland halt grain buying in the United States. Poland had purchased 1.9 million metric tons of wheat and corn before that date. On the same day, Under Secretary of State Charles W. Robinson left for Moscow to begin negotiations for a long-term grain trade agreement.

September 11 or 12, 1975—Jozef Danilczuk of the New York Office of Rolinpex, the Polish grain-buying agency, was ordered by his government to stop buying grain on the American market.

September 12, 1975—Danilczuk informed grain exporting firms that Rolinpex was no longer buying grain in the United States. He later reported that he did not mention the embargo to the firms.

September 21, 1975—The Polish Minister of Agriculture Kazimierz Barcikowski arrived in Washington to begin discussion of a long-term grain trade agreement.

September 22, 1975—News agencies began publishing reports of a secret government ban on grain sales to Poland. These news stories caused sharp fluctuations in grain prices on U.S. commodity exchanges.

September 23, 1975—An Associated Press article in the *Washington Post* stated that "informed sources" has confirmed that further U.S. sales to Poland had been suspended until a long-term agreement could be negotiated with the Soviet Union. Department of Agriculture officials confirmed the suspension but added that it originated in the State Department and not in Agriculture. State Department officials declined to comment or said that they were unaware of the suspension.

September 29, 1975—Secretary of Agriculture Earl Butz and the Polish Minister of Agriculture completed discussions on a long-term trade agreement between the United States and Poland. The agreement was scheduled to be signed in November.

October 10, 1975—President Ford announced that he was lifting the embargo on grain sales to Poland because the Department of Agriculture was estimating record corn and wheat harvests.

October 20, 1975—President Ford announced the signing of a five-year grain trade agreement between the United States and the Soviet Union.

November 27, 1975—Secretary Butz and Minister Barcikowski exchanged letters relating to a five-year grain trade agreement. Poland agreed to purchase 2.55 million tons of U.S. wheat and corn each year. This amount would be allowed to fluctuate from year to year by 20 percent, depending on the size of the U.S. crop and Polish import requirements.

A BRIEF CHRONOLOGY OF THE 5-YEAR GRAIN TRADE AGREEMENT WITH THE SOVIET UNION, AND SHIPPING ARRANGEMENTS, 1975

July 16, 1975—The Department of Agriculture announced the first 1975 sale of U.S. grains to the Soviet Union (2 million metric tons).

July 16, 1975—The Canadian Wheat Board announced that the Soviets had purchased 2.0 million metric tons of high-grade wheat. The U.S. Department of Agriculture announced additional sales of 1.2 million metric tons of U.S. grains to the Soviets.

July 22, 1975—The Department of Agriculture announced additional sales of 1.0 million metric tons of wheat to the Soviets.

July 23, 1975—U.S. newspapers carried the story that the Soviets had declined to issue a formal invitation to the Members of the House Committee on Agriculture to tour Soviet farmlands in August.

July 24, 1975—The Department of Agriculture asked grain export firms to notify the Department before negotiating major grain sales to the Soviet Union. The Department issued a revised estimate of Soviet grain production at 185 million metric tons, 25 million tons below its original estimate early in 1975.

July 29, 1975—At a hearing before the Joint Economic Committee, the Chairman of the Federal Reserve Board testified that grain sales to the Soviet Union could lead to a sharp rise in American food prices.

July 30, 1975—General Mills raised its wholesale price of flour 1.6 cents a pound, effective August 1. Amstar raised the wholesale price of a five-pound bag of sugar by 10 cents. Foreign demand was given as the reason for the price increases.

July 31, 1975—The AFL–CIO pledged to support the International Longshoremen's Association if the longshoremen refused to load grain on ships bound for the Soviet Union.

July 31 and August 9, 1975—At hearings before the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations, Assistant Secretary of Agriculture Richard Bell estimated Soviet grain import needs at 20 million tons. U.S. sales to date totalled 10.3 million tons of wheat, corn, and barley. John Schnittker testified that sales of grains to the Soviet Union should be stopped until mid-October.

August 9, 1975—Information obtained by the Central Intelligence Agency indicated that Soviet grain import needs could reach 40 million tons in 1975.

August 11, 1975—The Secretary of Agriculture called on grain exporting companies to withhold further sales to the Soviet Union until U.S. crop production levels became known. The Department now estimated Soviet grain production at 180 million metric tons.

August 18, 1975—The maritime unions reaffirmed their intention to boycott ships loading grain for the Soviet Union, because the effect of the sales would be to increase American food prices. Longshoremen in Port Houston stopped loading grain.

August 20, 1975—Associations of wheat producers began to talk of a retaliatory boycott against union-made farm implements. President Ford called for restraint and cooperation.

August 21, 1975—The Secretary of Agriculture predicted a rise of 1.5 percent in U.S. food prices as a result of grain sales to the Soviets.

August 29, 1975—Negotiations between the U.S. and Soviet Union on shipping rates for U.S. grain were suspended. The Department of Agriculture revised its estimates of Soviet grain production to 175 million metric tons.

September 4, 1975—Secretary of Agriculture Butz testified before the Senate Committee on Agriculture and Forestry that no additional sales would be made to the Soviet Union until the dispute with the maritime unions was settled.

September 9, 1975—As a result of negotiations with George Meany, the President announced his intention to seek a long-term grain trade agreement with the Soviet Union, and to seek an oil-for-grain agreement. President Ford extended the moratorium until mid-October when the Department of Agriculture would know the level of U.S. crop production. The maritime unions agreed to end their boycott.

September 10, 1975—Under Secretary of State Charles W. Robinson left for Moscow to begin negotiations for a long-term grain agreement. President Ford announced that he would create a special board to consider related questions of agricultural exports and domestic food prices.

September 16, 1975—Under Secretary of State Robinson announced in Moscow that the Soviets had agreed in principle to a long-term trade agreement for U.S. grains.

September 19, 1975—The text of the U.S.-Soviet agreement on shipping rates was released. The Soviets agreed to pay U.S. shippers $16 a ton, effective September 22.

October 1, 1975—The Senate Committee on Agriculture and Forestry agreed that the U.S. should negotiate separate agreements for the sale of U.S. grains to the Soviets, and for the sale of Soviet oil to the U.S.

October 9, 1975—The Department of Agriculture reduced its estimate of Soviet grain production to 170 million metric tons.

October 10, 1975—The Department of Agriculture reported that crop estimates showed record harvests of wheat and corn.

October 20, 1975—The White House released the text of the U.S.-Soviet grain agreement, to take effect on October 1, 1976. It commits the Soviet Union to purchase a minimum of 6 million metric tons of wheat and corn annually through 1981, and permits the Soviets to purchase an additional 2 million tons annually without Government consultation. The U.S. may reduce the quantity to be sold in any one crop year if the estimated total U.S. grain supply is less than 225 million tons in the crop year. Shipments are to be in accord with the U.S.-Soviet Maritime Agreement. An oil trade agreement was still under negotiation.

October 24, 1975—The Department of Agriculture reduced its estimate of Soviet grain production to 160 million metric tons. Import needs were estimated at 30 million tons.

December 5, 1975—Assistant Secretary of Commerce Robert Blackwood announced that the Soviets were unwilling to pay above-market rates for American shipping after December 31, 1975. American longshoremen threatened another boycott of Russian-bound ships if the Soviets refused to pay the higher rates agreed to in September ($16 per ton).

December 5, 1975—A spokesman for the Washington Association of Wheat Growers, Jerry Rees, stated that wheat growers might sue the Federal government over the five-year grain export agreement with the Soviets. Rees accused the government of yielding to unjustified pressure from consumer groups and the maritime unions, and interfering unnecessarily in the grain market.

December 9, 1975—William Kuhfuss, President of the American Farm Bureau, stated that there was no legal basis for suing the Federal government over the grain trade agreement, though the Bureau opposes the agreement.

The Department of Agriculture reduced its estimate of Soviet grain production to 137 million metric tons, about 80 million tons below the original Soviet target for 1975.

December 18, 1975—Under Secretary Blackwood initialed the U.S.-Soviet shipping agreement which will take effect on January 1, 1976, and will remain in force for six years. The agreement allows American ships to receive $16 a ton for grain shipped to the Soviet Union. The U.S. has the right to * * *.

December 29, 1975—Secretary of Commerce Rogers Morton and Minister of the Merchant Marine Timosey Guzhenko signed the shipping agreement in Washington and Moscow.

ANALYSIS OF ESTATE AND GIFT TAX PROPOSALS INTRODUCED IN THE SENATE DURING 1975

Mr. NELSON. Mr. President, as chairman of the Select Committee on Small Business, I am pleased to inform the Senate further as to the results of our hearings and investigations in the field of small business tax reform.

On December 18, I introduced a "Small Business Estate and Gift Tax Reform Act" proposal, S. 2819, based upon hearings in Washington, D.C., and various parts of the country during the past year—CONGRESSIONAL RECORD, December 18, page 41526.

The estate tax exemption has been unchanged and largely unexamined since 1942. Inflation has increased 225 percent since then, rendering the fixed-dollar estate and gift tax structure completely out of date. The heaviest burdens of this obsolescence have fallen upon owners of smaller businesses, family farms, and modest amounts of property. My remarks challenged the Congress, the executive branch, and private business to address in a systematic way the issues involving a revision of our estate and gift tax laws—and how they affect our free enterprise system.

We are pleased that the President, on January 5, and in his state of the Union address, endorsed the concept of estate tax reform for farm and business estates up to $300,000, though his proposal is only a modest step in the right direction.

In that regard, we made the President's proposal a part of a study which we had requested of the Library of Congress that would catalog all of the estate and gift tax legislation now before the Senate, and to compare their provisions insofar as is possible.

This work of the Library of Congress is now complete and has been presented to and analyzed by the Select Committee on Small Business. So that the benefits of this study can be extended to the Senate, small business groups and the general public, I ask unanimous consent that the following three documents embodying: first, a comparative analysis of the legislation in this field by the Small Business Committee; second, the background catalog of bills by the Congressional Research Service of the Library of Congress; and third, revenue estimates of various alternative proposals—be included in the record following my remarks.

I would hope that this information will be helpful to the Congress as it proceeds to consideration of tax reform legislation in 1976.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXHIBIT I

COMPARISON OF THE MAJOR FEATURES OF ESTATE AND GIFT TAX LEGISLATION INTRODUCED IN THE U.S. SENATE DURING 1975

	Increase in estate tax exemption to the amounts indicated below:				Increase in gift tax exemption		Integration of estate and gift tax systems		Increase in marital deduction:		Reduction in valuation of property in estate		Extension of sec. 6166 deferral provision					
Senate bill No.	$100,000	$120,000	$150,000	$200,000	$60,000	$100,000	Combined use of exemptions	Integrated rates	$100,000+	$240,000+	Valued at existing use	Reduced by covenants on use	Increase years for payments	Relieve executor of personal liability	Expand definition of closely held business	Reduction of interest rate on deferral	Strengthening of sec. 303 stock redemption	Study of additional steps toward preserving independence of farm and family businesses
S. 2819		[1] √			√		√			√		√		√	√		√	√
S. 2394			√								√		√			√		
S. 512								√	√									
President's proposal													√	√		√		
S. 2272				√					√		√							
S. 2764				√									√					
S. 2465				√									√					
S. 2267											√							
S. 2187				√					√		√							
S. 2038		[2] √									√							
S. 1803				√					√									
S. 1184											√							
S. 1173				√					√		√							
S. 927			√										√					
S. 702	√																	
S. 679				√							√							
S. 678				√							√							
S. 568		√																
S. 436				√		√												
S. 227				√														
S. 80											√							

[1] In 3 stages: to $80,000 in 1976, $100,000 in 1978, and $120,000 in 1980.

[2] $125,000.

Source: Analysis by Senate Select Committee on Small Business of material provided by Congressional Research Service, Library of Congress, January 1976.

EXHIBIT III

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., August 4, 1975.

From: Economics Division

Subject: Revenue estimate for S. 2187 of the 94th Congress, a proposal to revise certain features of the Federal estate tax

This memorandum is in response to your request for revenue estimates for various features of S. 2187 of the 94th Congress. S. 2187 was introduced July 28, 1975, by Senator Robert C. Byrd and is designed to revise Federal estate tax law. Each major provision of S. 2187 is briefly described below and the revenue loss attributable to each provision is noted.

The total revenue loss for S. 2187 is estimated at $2.52 billion, based on 1974 levels. Revenue from the Federal estate tax for fiscal year 1975, based on present law, is estimated at $4.3 billion. Thus, S. 2187 would reduce estate tax revenue by more than 50 percent. The source of all revenue estimates is the Department of the Treasury, Office of the Secretary.

Proposal	*Revenue Loss in billions*
Increase the specific exemption from $60,000 to $200,000	$2.1
Increase the marital deduction maximum from 50 percent of the adjusted gross estate to $100,000 plus 50 percent of the adjusted gross estate[1]	0.4
Provide a method for valuing farms and similar land on the basis of current use rather than "fair market value"	0.02
Total	$2.52

[1] Without an accompanying increase in the specific exemption, this provision would cost $0.7 billion. However, the cost is reduced to $0.4 billion when combined with the increase of the specific exemption to $200,000.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, November 17, 1975.

From: Economics Division.

Subject: Revenue loss estimates of substituting $25,000 credit, $40,000 credit, and $50,000 credit for $60,000 estate tax exemption; revenue loss estimates for raising exemption.

The following estimates are based on data from Statistics of Income 1972, Estate Tax Returns, Internal Revenue Service:

$25,000 credit in lieu of $60,000 exemption—estimated revenue loss in 1975: $400 million.

$40,000 credit in lieu of $60,000 exemption: $940 million.

$50,000 credit in lieu of $60,000 exemption: $1.32 billion.

The following estimates were given to us by Mr. Floyd Reeves of the Department of the Treasury in February, 1975:

	Billions
Raising $60,000 exemption to $100,000	$1.0
Raising $60,000 exemption to $120,000	1.3
Raising $60,000 exemption to $150,000	1.7
Raising $60,000 exemption to $180,000	2.0
Raising $60,000 exemption to $200,000	2.1
Raising $60,000 exemption to $225,000	2.25

EXHIBIT II

COMPARISON OF THE MAJOR FEATURES OF ESTATE AND GIFT TAX LEGISLATION INTRODUCED IN THE U.S. SENATE DURING 1975

ESTATE TAX

Proposals to alter individual exemptions	*Proposed exemption level*
Bill numbers:	
S. 227,* 436, 678, 679, 1173, 1803, 2187, 2272, 2764, 2465*	$200,000. *S. 227, S2465 proposed an exemption equal to the lesser of (1) $200,000; (2) "The value of the decedent's interest in a family farming operation continually owned by him or his spouse during the five years prior to the date of his death and which passes or has passed to an individual or individuals related to him or his spouse." This exemption would be in addition to the individual $60,000 exemption.
S. 927, 2394	$150,000.
S. 568	$120,000.
S. 2038	$125,000.
S. 702	$100,000.
S. 2819	$80,000 from 1975 to 1978; $100,000 from 1977 to 1980; $120,000 after 1980.

Proposals to alter marital deductions	*Proposed deduction limit*
Bill numbers:	
S. 1173, 1803, 2187, 2272, S. 512	$100,000 plus 50 percent of decedent's adjusted gross estate.
S. 2819	$240,000 plus 50 percent of decedent's adjusted gross estate as exceeds $242,000.

PROPOSALS TO ALLOW CERTAIN REAL PROPERTY TO BE VALUED ACCORDING TO ITS EXISTING USE RATHER THAN ITS FAIR MARKET VALUE FOR ESTATE TAX PURPOSES

Bill numbers	*Definition of qualified real property*	*Revocation of election and recapture*
S. 80	". . . Real property substantially all of which is, and, for the 60 months preceding the date of death of the decedent, has been devoted to—(A) farming, (B) woodland, (C) open space, or (D) any use: provided, that the property is listed in the National Register of Historic Places."	If (1) land is converted to a non-qualifying use (2) rezoned to permit a non-qualifying use, or (3) removed from the National Register of Historic Places; then the excess of tax liability based on market valuation over liability based on qualifying use violation must be paid plus 9 percent interest. Same recapture provisions are activated if owner sells an interest in property with respect to which election was made.
S. 678, S. 679	Same as S.80, except it uses the wording "open pastoral space" than "open space" to describe qualifying use under (C).	Same as S. 80 except: (1) sale or transfer of property must take place within 5 years after date on which return was filed in order for revocation and recapture to be activated; (2) interest on recapture payments is 6 percent; (3) revocation is activated if property is removed from the National Register of Historic Places, or if "the maintenance of historic values" is discontinued.
S. 1173	Same as S. 80 except property listed in National Register of Historic Places is excluded. Also limited to "scenic" open space.	If property is "sold or transferred, within 5 years after the date on which the return was filed" or "is converted substantially to a [non-qualifying] use", then recapture provisions are activated. No interest payments required.
S. 2038	Only "farming" and "woodland involved in the commercial production of trees" qualifies.	In order for recapture to apply, either property must be converted to non-qualifying use within 5 years after date on which return was filed or must be sold or transferred within 5 years after date on which return was filed. No interest payments required.
S. 1184	Only land devoted to farming qualifies.	If credit is taken, lien is placed on qualified property. Conversion to "a use inconsistent with its use as qualified farm property" results in recapture of credit. Interest payments upon recapture determined according to Sec. 6621 of Internal Revenue Code.
S. 2267	Same as S. 1184.	Same as S. 1184, except interest rates on recapture set at 4 percent.
S. 2394	Substantially all of property must have been devoted to farming during the 60 months preceding the date of death of decedent. Also: qualifying property must constitute at least 35 percent of the value of gross estate of resident, or 50 percent of the decedent's taxable estate.	Same as S. 1184.
S. 2187, S. 2272	Same is S. 1173.	Same as S. 1184, except interest rates on recapture set at 4 percent.

PROPOSALS TO EXTEND THE TIME FOR PAYING ESTATE TAXES

Bill numbers	*Nature of extension*	*Limitations on extension*
S. 2465, S. 2394	Changes the provisions of Sec. 6161(a)(2) of the Internal Revenue Code so that Secretary of the Treasury can grant time extention on estate tax payments in cases of "hardship" rather than "undue hardship."	Applies only to estates of decedents dying after Dec. 31, 1974. (S. 2465.) Applied only to estates of decendents dying after Dec. 31, 1975; if due date for payment established in Sec. 6161(a)(2), 6166, or 6163 is extended or postponed, interest shall be paid at 4 percent. Otherwise interest rate is as prescribed in Sec. 6161 (S. 2394).
S. 927	Allows payment of the estate tax in 2 or more equal installments over a period of not more than 10 years.	(1) Applies only to estates worth $300,000 or less. (2) Applies only to estates of decedents dying after June 30, 1975.
President's proposal, as described in *New York Times*, January 6, 1976 (P. 1, col. 1).	No estate tax payments required for first 5 years, starting with 6th year, estate tax payments would be required over 20 year period. Interest on the unpaid amount would be 1 percent per annum.	Limited to farm or business in which decedent owns at least 20 percent interest. Firm can consist of no more than 10 partners or shareholders. Provisions would apply only to tax due on $300,000 of property of decedent. [(N.B.) curently, same types of farms and businesses can postpone their tax payments for nine months and pay over a 10-year period. $300,000 limitation is not in current law. Current interest requirement is 9 percent annum—7 percent after Feb. 1, 1976.]
S. 2764	No payments required for first five years. (N.B. bill appears to be drafted incorrectly.)	
S. 2819	Authorizes the Secretary of the Treasury to study the impact of provisions of the Internal Revenue Code allowing deferral and extension of estate tax payments of closely held enterprises on the decisionmaking of these enterprises.	
	GIFT TAX	
S. 436	Increases annual exclusion from $3,000 to $10,000 increase specific exemption (lifetime) from $30,000 to $100,000.	
S. 2819	Increases specific exemption from $30,000 to $60,000, allows taxpayer to transfer his estate tax exemption to gift tax. (S. 2819 changes estate tax exemption. See page 1 of this chart.)	
	INTEGRATION OF ESTATE AND GIFT TAXES	
S. 512	Sets a uniform rate structure for both estate and gift tax. Ranges from 20–80 percent (80 percent rate applies to estates worth more than $5 million.) Sets specific exemption of $25,000 for both sets of taxes (i.e. exemptions for both taxes equals $25,000.) Special tax is imposed on transfers that skip generations. Rate equals 60 percent of marginal rate imposed on portion of estate that does not skip a generation.	

MARSHALL UNIVERSITY IN HUNTINGTON, W. VA., RECEIVES LETTER OF REASONABLE ASSURANCE OF ACCREDITATION OF NEW MEDICAL SCHOOL—SENATOR RANDOLPH PRAISES COOPERATIVE EFFORTS ON THIS ACHIEVEMENT

Mr. RANDOLPH. Mr. President, there is understandable happiness and justifiable satisfaction among the citizens of our State, particularly in Huntington, Cabell County, and the surrounding areas. On yesterday, Marshall University received news that the liaison committee on medical education of the Association of American Medical Colleges and the American Medical Association will issue a letter of "reasonable assurance of accreditation" for the development of a new medical school at this university.

This new medical school will be funded in part under the Veterans' Affairs Medical School Assistance and Health Manpower Training Act, Public Law 92–541. This measure authorizes the Veterans' Administration to assist institutions of higher learning in the development of new medical schools and health professions training programs through direct funding and utilization of Veterans' Administration hospital facilities and staff. Under this program, it is necessary that an institution and a veterans' hospital be in close proximity. At Huntington there is an outstanding Veterans' Administration health care facility. It was my responsibility as a member of the Senate Veterans' Affairs Committee to participate in the formulation of Public Law 92–541, enacted in 1972.

Since the inception of this constructive and progressive legislation for the training and education of health care professionals, Marshall University, citizens of our State, and public officials have worked diligently toward the development of a new medical school utilizing this authority. These efforts have required constant perseverance and cooperation. In June 1974 the Veterans' Administration announced preliminary approval of the Marshall University application contingent on certain requirements to be fulfilled by the university. One of these was the letter of "reasonable assurance of accreditation" from the AMA–AAMC Liaison Committee on Medical Education. This particular requirement is now in the process of being finalized.

There were those persons at the outset who doubted that this effort could be successful. There were those who lost confidence at various times in our labors. There were those who lost hope and left the fight. Some persons downgraded this endeavor. But Marshall University and the majority of our citizens of West Virginia persevered. We did not quit.

This has been a challenging task—almost a crusade—and it is impossible in these brief remarks to commend all of those persons who performed and who are continuing to perform essential roles as we move forward with the development of a final program for a new medical school for the training of urgently needed physicians. I do express tribute to President Robert Hayes of the university, his staff and faculty, and the student's of Marshall University. I stress also that our Governor, Members of the Congress, and the State legislature, the board of regents, the medical fraternity, and local health care institutions in the area of Huntington have exercised critical roles in this program.

This success was wrought by planning, by documentation of the facts, and by effective presentation of our valid case. There is much work yet to be done on this project as we cooperate to establish a Marshall University Medical School. I am confident this objective will be achieved.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? There being none, morning business is closed.

INCREASED LOANS FOR PURCHASE OF MOBILE HOMES

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 9852, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 9852) to amend section 2 of the National Housing Act to increase the maximum loan amounts for the purchase of mobile homes, and for other purposes.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, has the pending business been laid before the Senate?

The ACTING PRESIDENT pro tempore. Yes, it has. The pending business is H.R. 9852, under a time limitation agreement. Who yields time?

Mr. SPARKMAN. Mr. President, there is a limitation of time, as I understand.

The ACTING PRESIDENT pro tempore. One hour on the bill and on amendments.

Mr. SPARKMAN. How much on the bill?

The ACTING PRESIDENT pro tempore. One hour, on the bill and on amendments.

Mr. SPARKMAN. To be equally divided?

The ACTING PRESIDENT pro tempore. That is correct. Who yields time?

Mr. SPARKMAN. Mr. President, I yield myself such time as I may require.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, the bill before the Senate, H.R. 9852 "Amending section 2 of the National Housing Act and for other purposes," should have been more properly labeled "Housing and Community Development Amendments of 1975." The bill contains 10 sections each of which would amend existing housing and community development laws primarily to update or correct them in order to make them work more effectively. The committee accepted only those amendments which it believed were essential at this time and could not be postponed until next year when the committee plans to make an extensive review of programs and, if necessary, recommend comprehensive changes to existing programs.

The bill before us had its genesis in a bill (S. 848) passed by the Senate on July 30, 1975, which had, when introduced, only one provision—to amend section 2 of the National Housing Act. The original bill was amended both in the Senate and in the House. The House had a corresponding bill, H.R. 9852, which was substituted for S. 848 and sent to Senate with nine more sections involving essential changes needed at this time.

Several basic issues were raised in considering proposals placed before the committee. One issue was on mortgage ceilings with respect to FHA-insured mortgages and loans. Rising costs have made it impossible for builders in many parts of our Nation to construct housing that could be financed under existing ceilings. In the bill, H.R. 9852, which was reported by our committee before the House passed S. 848, eligible insured loan ceilings were raised for mobile homes, for multifamily housing, and for section 235 homeownership assistance housing. In each case, the ceilings were raised consistent with the construction cost increases as published by the Bureau of Labor Statistics.

Most of the members have reservations about higher cost ceilings but believe that in view of rising costs we have no choice but to approve the higher ceilings. It is understood, of course, that the actual costs can be well below the ceiling, and particularly in high-cost areas the Secretary of HUD would exercise her discretion to keep the mortgage well below the allowable maximum ceiling.

Mr. President, I shall stop for a minute to propound a unanimous-consent request that I have overlooked, and that is that the following staff members of the Subcommittee on Housing and of the parent committee, of the Committee on Banking, Housing and Urban Affairs, may be permitted privileges of the floor during discussion of this bill:

Bob Malakoff, Jerry Buckley, Tom Brooks, Bill Weber, Ken McLean, Carolyn Jordan, Gil Bray, and Carl Coan, the staff director, of the Subcommittee on Housing.

Mr. President, I ask unanimous consent that those individuals be granted privileges of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, another basic issue before the committee involved amendments to the National Flood Insurance Act. Starting July 1, 1975, federally related financial institutions are not permitted to make secured loans to property owners in flood-prone areas in localities that have been surveyed and have not agreed to participate in the flood insurance program as authorized by law. The committee amendment would moderate the statutory sanctions by making exceptions for existing properties under certain circumstances. The committee turned down proposals which would remove the statutory sanctions relative to other properties located in flood-prone areas in nonparticipating communities. We believe our compromise amendment on this is fair and will not seriously affect the purposes of the flood insurance program.

Other amendments in the bill are more or less of an emergency nature and are needed at this time to update existing programs and make them work more effectively. For the most part these are noncontroversial amendments to meet immediate needs. Later this year more amendments may be brought before the Senate. In fact, the President's state of the Union message called for three new amendments and I assume there will be other small amendments brought before the committee in the next few months which will be considered and reprinted in a separate bill later in the year.

The bill, S. 848, which was the earlier version of this bill was passed unexpectedly by the House on December 19 and is now signed into law. Several sections of the bill before us are therefore moot, and I intend to offer an amendment to strike the moot provisions and to renumber the bill accordingly.

Mr. President, I reserve the remainder of my time.

Mr. MORGAN. Mr. President, will the Senator yield to me for the purpose of making a unanimous-consent request?

Mr. SPARKMAN. I yield.

Mr. MORGAN. Mr. President, I ask unanimous consent that Mr. Rick Wahlstrom of my staff be granted privileges of the floor during consideration of this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Who yields time?

Mr. BROOKE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Masachusetts is recognized.

Mr. BROOKE. I thank the Chair.

Mr. President, I have no opening statement. I shall either proceed or be very pleased to yield to the distinguished Senator from Missouri (Mr. EAGLETON) for his amendment at this time.

Mr. EAGLETON. Whatever the Senator says.

Mr. BROOKE. Mr. President, is it necessary to accept the amendments that the committee has submitted?

Mr. SPARKMAN. I was going to offer that. If the Senator will offer them all right.

Mr. BROOKE. If the Senator from Alabama offers them then I shall agree we can accept those and then proceed.

Mr. EAGLETON. The Senator from North Carolina (Mr. MORGAN) has a quickie over here which will take about 3 minutes.

The ACTING PRESIDENT pro tempore. The Chair states that the committee amendments are required to be disposed of before the floor amendments, other than floor amendments to the stated amendments.

Mr. BROOKE. I do not quite understand. Should the floor amendments be considered prior to the committee amendments?

The ACTING PRESIDENT pro tempore. The committee amendments first, as reported, the floor amendments, second, except the floor amendments as relate to a reported committee amendment.

Mr. BROOKE. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. BROOKE. Mr. President, I yield to the distinguished Senator from Missouri (Mr. EAGLETON).

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. SPARKMAN. In my statement I referred to the fact that certain portions of the bill had become moot by reason of other actions taken. Now I have an amendment seeking to strike out all those sections that have become moot.

Is that to be considered as a committee amendment or does it have to be offered first?

The ACTING PRESIDENT pro tempore. If the Senator would simply request that the committee amendments that have been adopted en bloc by the unanimous consent agreement shall by unanimous consent be considered original text subject to further amendment that would cover his situation.

Does the Senator so request?

Mr. SPARKMAN. Yes, I make that unanimous-consent request.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, I yield to the distinguished Senator from North Carolina (Mr. MORGAN) for purposes of an amendment.

Mr. MORGAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. MORGAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

"SEC. . Section 235(a) of the National Housing Act is amended—

"(1) by inserting '(1)' immediately after '(a)'; and

"(2) by adding at the end thereof the following:

" '(2)(A) Notwithstanding any other provision of this section, the Secertary is authorized to make periodic assistance payments under this section on behalf of families whose incomes do not exceed the maximum income limits prescribed pursuant to subsection (h)(2) of this section for the purpose of assisting such families in acquiring ownership of a mobile home consisting of two or more modules and a lot on which such mobile home is or will be situated. Assistance payments under this section pursuant to this paragraph shall be accomplished through payments on behalf of an owner of lower-income of a mobile home as described in the preceding sentence to a financial institution which makes the loan, advance of credit, or purchase of an obligation representing the loan or advance of credit to finance the purchase of the mobile home and the lot on which such mobile home is or will be situated, but only if insurance under section 2 of this Act covering such loan, advance of credit, or obligation has been granted to such institution.

" '(B) Notwithstanding the provisions of subsection (c) of this section, assistance payments provided pursuant to this paragraph shall be in an amount not exceeding the lesser of—

" '(i) the balance of the monthly payment for principal, interest, real and personal property taxes, insurance, and insurance premium chargeable under Section 2 of this Act due under the loan or advance of credit remaining unpaid after applying 20 per centum of the mobile home owner's income; or

" '(ii) the difference between the amount of the monthly payment for principal, interest, and insurance premium chargeable under Section 2 of this Act which the mobile home owner is obligated to pay under the loan or advance of credit and the monthly payment for principal and interest which the owner would be obligated to pay if the loan or advance of credit were to bear interest at a rate derived by subtracting from the interest rate applicable to such loan or advance of credit the interest rate plus mortgage insurance premium applicable to mortgages insured under subsection (i) of this section at the time such loan or advance of credit is made and the interest rate which such mortgages are presumed, under regulations prescribed by the Secretary, to bear for purposes of subsection (c)(2) of this section.

" '(C) For purposes of this paragraph, where used in this section, the terms "mortgage", "mortgagor", and "mortgagee" include a loan or advance of credit, borrower, and financial institution, respectively, as defined under section 2 of this Act.' "

Mr. MORGAN. Mr. President, I have discussed this amendment with the floor manager of the bill.

Mr. President, I ask unanimous consent that the Senator from Florida (Mr. STONE) be added as a cosponsor of my amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, the purpose of my amendment today is to include a segment of the housing industry under 235 that has, in recent years, become a significant but often neglected factor in the housing market. Mobile homes, I feel, have become a substantial part of the housing market today, especially among low- and moderate-income people. Moreover, mobile homes have been approximately 20 percent of the total housing starts for several years and 40 percent of the single family sales.

Therefore, I propose an amendment which would give HUD the authority to utilize the 235 interest subsidy in conjunction with the FHA title I mobile home insurance to subsidize the purchase of mobile homes of two or more modules sited and sold with land. Although FHA interest rates on mobile homes and land are somewhat higher than the rate under the FHA 203b program, I have allowed for this by indicating that an equivalent subsidy to that given on a conventional home will be applied to the mobile home loan.

In other words, a person purchasing a double module mobile home with land would get no more subsidy than a person purchasing a conventional home.

Mr. President, I believe mobile homes are an important part of our national housing picture, and we should give that industry, which is at the present time as distressed as the conventional home building industry, an equal opportunity to utilize our national housing programs to the best advantage of lower income American people.

The 235 interest subsidy program originated in the 1968 Omnibus Housing bill. The program was designed to subsidize the interest for low income home purchasers down to 1 percent of the total interest cost. By doing this, the purchaser would only have to pay the principal and 1 percent interest, thereby allowing a much lower income family to purchase a home. The program was funded for several years at around $200 to $250 million a year. The program was suspended from use by the Nixon administration in 1972 or 1973 at which time a suit was brought against the administration which eventually resulted in Secretary Hills releasing approximately $250 million in 235 funds recently.

Numerous problems resulted from the initial 235 program with many abuses of the program surfacing upon investigation by various committees in Congress. One solution to improve the program according to the administration was to only subsidize the interest rate down to 5 percent. In the past by going down to 1 percent, families often did not have the financial background to handle the responsibility of homeownership successfully.

Therefore, one of the changes in the program that Secretary Hills revitalized was that the interest would be subsidized down to 5 percent on conventional homes, thereby specifically aiming the program at families with medium incomes between $9,000 and $11,000. This, of course, makes the average mobile home buyer, who is often in this income category, eligible for the 235 interest subsidy housing.

In the early seventies when the 235

program was the major Government subsidy program for housing, the mobile home industry did not attempt to become included in the program. Among the reasons for this decision were: A. concern with potential problems—problems that became real—with the fundamental guidelines in the program; B. At that time, few States required mobile home standards, and the Federal Government was not involved in developing mobile home standards. Currently, both of these areas of concern have changed. HUD has announced new underwriting procedures that will improve the chances of success for the 235 interest subsidy program. At this time, 43 States require that mobile homes be built to the American National Standards Institute's standard, A119.1. FHA also requires mobile homes insured under their title I program to be built to this standard. In the 1974 Housing Act, the Federal Government decided that HUD would develop Federal standards for mobile home production and these standards will be in effect as of June 15, 1976. Taking into account these important changes, I feel that mobile homes should be allowed to participate in any programs that are designed to allow more American families to own their own homes, such as the 235 interest subsidy program.

The FHA title I mobile home program began in 1969. The reason mobile homes were placed under the title I section of FHA was because that is the portion of FHA that insures consumer loans for home improvements. Mobile homes in most States are considered chattel mortgages or personal property, thereby qualifying them for consumer loans rather than mortgage loans. Since chattel loans and mortgage loans are different types of lending, it made more sense to insure mobile homes under that portion of the FHA program. It also provides expertise for mobile home lending with a 235 interest subsidy supplement to be administered by the title I division of FHA. The FHA title I division has the authority to and is writing the regulations for insuring mortgages on land on which to site the mobile home also. This will be a unique lending package because it will require a chattel mortgage on the mobile home and a conventional mortgage on the land to be held and combined as collateral on the insured loan. Since the FHA title I division already has this authority, it is more realistic to have that division supervise the insurance of a mobile home that will be subsidized by the 235 interest subsidy program.

An additional benefit for extending the 235 interest subsidies to mobile home purchasers is that the average loan will be somewhat smaller than the loans on conventional homes. This should allow HUD to finance more units and assist more lower income families for its housing dollar. Another benefit will be that FHA title I mobile home loans have a shorter term maturity; and therefore, the Federal Government will be involved in the subsidy for a shorter period of time.

When Secretary Hills announced the reactivation of the 235 interest subsidy program, she indicated that one of the major purposes for this reactivation was to assist the home building industry and get them back on the road to economic recovery from a very serious recession. According to statistics released earlier this week, mobile home shipments in 1975 declined 35 percent from 1974. Last year was the third consecutive annual decline and the lowest output of mobile homes since 1964. Although shipments are expected to rise about one-third this year, there is little doubt that economic recovery for the manufactured housing industry is extremely important at this time.

Mr. President, there is only one additional thought that occurs to my mind. So often it is the low- and moderate-income people who purchase these modular homes because they can purchase them with furniture, and they are the ones who really need the interest subsidy. I shall not say they need it most, but they certainly need it. Unfortunately, these people cannot always buy conventional homes.

The industry has somehow made it possible. But this would not give them any greater interest subsidy. It would be the same amount. With regard to standards, the HUD standards for modular mobile homes would become effective on June 15, 1976, and the 235 funds, as I understand it, have just been made available and it will take some time before the program is fully operative.

Mr. SPARKMAN. Mr. President, so far as am concerned, I am willing to accept the amendment. I call attention to what the Senator from North Carolina said—that his proposal would not become effective until HUD had acted on the standards; and that are to be effective as, I understand, by June 15. I believe they are working on new standards on mobile home sites as well, which should be ready by the same date. At any rate I see no objection to the use of 235 assistance to double modular mobile homes that are built in conformance with the new HUD health and safety standards and are placed on a site that also meets the new HUD standards.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BROOKE. I was going to suggest that the Senator agree that our committee would hold hearings on this matter. I do not think HUD has voiced an opinion on it. Traditionally, as the Senator knows, we have not allowed 235 to be used for mobile homes. The interest rate has been quite different with mobile homes. This may be good legislation; it certainly is important. Mobile homes are an important part of our housing picture. But I wonder whether we should have HUD's opinion on this matter prior to acceptance of this amendment.

Mr. SPARKMAN. I believe that the 235 program—and I have said this many times on the floor of the Senate as well as in committee—has been one of the finest programs we have had in affording home ownership to persons of the low-middle income group. It does have advantages over the regular FHA rates. By providing a lower interest rate it lowers the monthly payment and makes it possible for those people to own their own home.

Since the mobile home is a very popular part of our housing program, I felt that it would be very good to allow the application of the 235 subsidy to the mobile home, subject to this delay, until June 15, when HUD is supposed to come out with the regulations. I understand the provision limits the interest subsidy to the same as on the regular section 235 homes under title II of the National Housing Act. At this time that would be from 8¾ down to 1 percent but the administration has limited the subsidy by regulation from 8¾ down to 5 percent. I assume HUD would use the same formula for the title I mobile home loans once this program is written into law.

Mr. MORGAN. I simply add that HUD has known for a substantial period of time of our intention to offer such an amendment. They have had ample time, and they have expressed no opposition to it. Since it authorizes them to do it, in the interest of time and bringing it along at the same time, I would like to see it made part of this bill, if we could do so.

Mr. BROOKE. Is it purely optional as to whether HUD would apply 235 to mobile homes, under the Senator's amendment? It it mandatory?

As the Senator knows, traditionally, there has been more of a risk in mobile homes, and they have not had as low an interest rate that conventional homes have had. Under 235 at this time, it is down to 5 percent, as I understand it.

I am not opposed to mobiles homes. As the Senator from North Carolina and our distinguished chairman have said, they are popular and are an important part of our housing program. I just wonder what the consequences would be.

It appears to me that HUD should at least have its opinion heard. I am sorry we do not have an opinion from HUD on it.

I just want to know whether, by the adoption of the Senator from North Carolina's amendment, the use of section 235 funds to subsidize mobile home purchases would be mandatory or optional with HUD.

Mr. MORGAN. The amendment, as I submitted it, uses the word "authorized." I used it purposely. I do not intend that it would be mandatory.

Mr. BROOKE. It is not the intent of the Senator from North Carolina that use of this authority be mandatory. It merely means that it would be authorized and that HUD would not have to use 235 money for mobile homes.

Mr. MORGAN. That is correct.

Mr. BROOKE. I have no objection.

The ACTING PRESIDENT pro tempore. Do the Senators yield back their time?

Mr. MORGAN. I yield back my time.

Mr. SPARKMAN. I yield back my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MORGAN. Mr. President, I ask unanimous consent that Peter Wentz and Suzzane Reed, of Senator BIDEN's staff, be granted the privilege of the floor during the debate and votes on H.R. 9852.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Missouri is recognized.

Mr. EAGLETON. Mr. President, I yield myself such time as I may consume.

Mr. SPARKMAN. Mr. President, there is a time limitation, separate and apart, on this amendment, I believe; is there not?

The ACTING PRESIDENT pro tempore. As soon as the Senator's amendment is stated, he will have his own time on the amendment.

AMENDMENT NO. 1230

Mr. EAGLETON. Mr. President, I call up my amendment No. 1230.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an amendment numbered 1230.

The amendment is as follows:

Strike out section 6(b) and insert in lieu thereof the following:

"(b) Section 2(a)(4), section 3(a)(5), section 102(b), and section 202(b) of the Flood Disaster Protection Act of 1973 are repealed.".

At the end of section 6, insert the following new subsections:

"(d) Section 2(b) of such Act is amended—

"(1) by inserting 'and' after the semicolon at the end of clause (2);

"(2) by striking out '; and' at the end of clause (3) and inserting in lieu thereof a period; and

"(3) by striking out clause (4).

"(e) Section 205(b) of such Act is amended by striking out ', and each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions.'.

"(f) Section 1305(c) of the National Flood Insurance Act of 1968 is amended by adding at the end thereof the following flush sentence:

"'In addition, notwithstanding the provisions of section 1315, the Secretary shall make flood insurance available for property which is in existence on the date of enactment of this sentence and which is located in any other State or area (or subdivision thereof), at the same rate or rates as are applicable to similar property located in a State or area (or subdivision thereof) which is subject to the preceding sentence, if the owner of such property located in such other State or area (or subdivision thereof) agrees to meet such requirements as the Secretary may prescribe for the purpose of this sentence, except that such requirements may not be more stringent than the requirements applicable to owners of property located in States or areas (or subdivisions thereof) which are subject to the preceding sentence.'.

"(g) Section 102 of the Flood Disaster Protection Act of 1973 is amended by adding at the end thereof the following:

"'(d) For the purpose of this section, an area will not be deemed to be an "area in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968" as a result of the participation in the flood insurance program by any owner of property located in that area pursuant to the last sentence of section 1305 (c) of the National Flood Insurance Act of 1968.'.

"(h) Section 202 of such Act is amended by adding at the end thereof the following new subsection:

"'(c) The provisions of this section shall not apply to any financial assistance or loan applied for by any person who is or will be participating in the national flood insurance program pursuant to the last sentence of section 1305(c) of the National Flood Insurance Act of 1968, notwithstanding the nonparticipation of the community in the area in which that person's property is located.'".

The ACTING PRESIDENT pro tempore. Will the Senator state whether this is the amendment on which there is a 2-hour limitation?

Mr. EAGLETON. That is my understanding. There are two amendments at the desk. In one of them, a word was omitted inadvertently. Amendment No. 1230 is the correct amendment.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. EAGLETON. I yield.

Mr. BROOKE. Is amendment No. 1230 identical to the amendment formerly numbered 1213?

Mr. EAGLETON. Except for one word. I believe they left out "not" in the earlier amendment.

Mr. BROOKE. Does that change the substance of the amendment?

Mr. EAGLETON. Except that the word "not" belongs in the amendment. It does not change the thrust of the amendment.

Mr. BROOKE. I thank the Senator.

Mr. EAGLETON. Mr. President, I ask unanimous consent that in my amendment on line 1, where it reads "section 6(b)" it be corrected to read "section 6(a)".

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the names of the following Senators be listed as cosponsors of amendment No. 1230: Senators CURTIS, HARTKE, SYMINGTON, THURMOND, GARN, BENTSEN, BAYH, DOLE, MCINTYRE, HUDDLESTON, BUMPERS, and ALLEN.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, the purpose of this amendment is to restore some degree of reasonableness and equity to the Federal flood insurance program. This amendment would do two things:

First. Rescind the ban on conventional mortgage and construction credit in areas which do not or cannot adopt the required HUD land use standards; and

Second. Allow individuals with existing homes and businesses in flood designated areas to purchase flood insurance if they agree to comply with relevant HUD standards on their own property, but regardless of what their communities as a whloe may choose to do.

Mr. President, the Federal insurance program has been hailed by its former administrator as "the first constructive land use bill in the Nation." I would quarrel with the adjective "constructive," but there is no question that it is a mandatory Federal land use program, one that goes further than anything proposed before or since in the Congress.

Under this program, any area designated by the Department of Housing and Urban Development as having even one chance in 100 years of being flooded is required to adopt restrictive land use and control measures in its flood plain which meet standards established by HUD and, further, to submit the adopted measures to HUD for review and approval or revision.

Any designated area that fails to do this within a specified time is subject to loss of all forms of Federal construction assistance, most forms of Federal disaster aid and virtually all mortgage and construction credit from private lending institutions which are insured or in any other way regulated by the Federal Government. Moreover, no individual homeowner or businessman is permitted to buy flood insurance until his community adopts the HUD land use measures. If that jurisdiction fails to act, residents of the flood plain are liable to the sanctions described even though they themselves may be willing to comply with the standards on their own property.

Areas in some 22,000 communities representing 10 percent of the Nation's homes and businesses are subject to these penalties unless they agree to adopt HUD-dictated land use standards and building codes in their flood plain areas. Once a Federal official or paid consultant circles a region on a map, every homeowner and businessman living in the area must buy flood insurance within 1 year or suffer the confiscatory penalties provided by the act.

It makes no difference that a community may lack legal authority to adopt the land use standards and cannot persuade the State legislature or voters to grant it. The penalties apply all the same.

It makes no difference that a community designated by some HUD consultant has never had a damaging flood in its recorded history or ever received a dollar in Federal flood disaster assistance. The land use standards and the penalties apply all the same.

It makes no difference that a homeowner may have his life savings invested in his home and be anxious to protect that investment with flood insurance. Unless he is also able to persuade his community as a whole to adopt the HUD land use standards, he is not permitted to buy insurance and, because he has not bought it, he is forced to pay the penalties.

It makes no difference that a community may have no practical choice about where it is located and can adopt the restrictive HUD zoning and building codes only at the cost of forfeiting its economic future. The land use standards and penalties still apply.

The Federal Insurance Administration is opposed to my amendment, and I guess I can understand its point of view. The way it stands now, the Agency wins either way. If a community refuses to come into the program, it will not be able to build in the designated flood areas because no federally supervised bank or savings and loan and no Federal agency will be allowed to extend construction assistance. If, on the other hand, a community agrees to participate in the insurance program, it must adopt the HUD land use and building standards which effectively limit, if not rule out altogether, new construction in the flood-designated areas.

Either way, FIA wins. It is Catch-22, or in this case Catch-22,000.

Mr. President, the flood insurance program was created in 1968 for two basic purposes: First, to give individuals a better way of indemnifying themselves against flood losses than was provided by the old low-interest disaster loans and grants; and second, to encourage communities to make wiser use of their floodplain areas.

As a condition of receiving this federally subsidized insurance, communities had to agree to adopt certain zoning and building codes in their flood-prone areas which were designed to limit future flood losses and to avoid continued Federal payments to rebuild the area.

That made sense. It might have been reasonable also to carry the program a step further by providing that any community which did not agree to participate in the insurance program would not be eligible for future Federal construction or flood disaster aid in the flood-designated areas.

But the 1973 amendments to this act did not stop there. They went well beyond any direct Federal investment in these areas to provide that communities will do what the Department of HUD considers to be in their own best interest—or else. Any community which does not adopt the HUD land use standards will find it virtually impossible to develop or maintain the areas involved or to rebuild after a disaster.

However desirable the goal of flood plain management might be, I submit that attempting to use the banking laws of this country to enforce it exceeds the proper role of the Federal Government.

No one can make the case that Federal tax dollars are in any way threatened because a bank my decide to make a loan on property which happens to be located within a theoretical 100-year floodplain. The FDIC has never lost a dime on such a risk. This part of the act is clearly punitive and is being used as a means of dragooning communities against their will and perception of their best interests to adopt HUD land use standards.

The application of this sanction on top of the denial of all Federal construction aid could condemn many communities which for good reasons have not taken part in the insurance program to oblivion. I do not believe Congress ever intended the banking laws to be used as a bludgeon in this way.

This is a highly dangerous precedent and comes close to asserting that because the Federal Government regulates banks, it therefore can regulate everything banks do.

Well, banks are involved in just about every aspect of a community's life. If we accept this new doctrine of Federal power what will be left of the traditional powers of local government? What is to keep the Federal Government some day from prohibiting private bank credit for construction that does not comply with a general land use plan dictated by some master Federal agency?

I support programs to encourage sound flood plain mangement, but there are limits beyond which the inequities and hardships created outweigh any possible benefits. I believe we have such a situation in the flood insurance program and my amendment is an effort to restore balance to our policies.

Perhaps the greatest inequity of this program is the requirement that a community must adopt HUD land use standards before any individual within the community is able to purchase flood insurance and escape the sanctions.

I have had numerous letters from constituents in flood-designated areas who are anxious to have flood insurance protection but are unable to convince the governing jurisdiction to adopt the standards. In Lincoln County, Mo., for example, residents of the flood plain area have three times gone to the county in a referendum to obtain authority to meet HUD land use requirements. Three times they were beaten at the polls by margins as great as 2 to 1.

The residents want flood insurance. They voted for the proposition, but they were outvoted overwhelmingly. Now they are being penalized for their political failure.

The concept of holding an individual responsible and liable for the failures of his community is questionable policy under any circumstance. But where it involves the lifetime investments of homeowners and businessmen, it is a base injustice that demands correction.

The Senate Banking Committee last June heard testimony from one of my constituents—a farmer who has lived 30 years along the Mississippi River. He cannot convince his county to adopt the HUD land use standards and now is told by the Federal Government he is no longer eligible for Federal construction or disaster aid. He cannot even get a private loan to repair his property at his own expense.

It happens that my constituent received a substantial loan from the Farmers Home Administration after the 1973 Mississippi floods. A condition of that loan is that he keep his property in A-1 repair which, of course, he can not without access to credit. If he does not meet the conditions of his loan, FmHA has advised it will be forced to foreclose.

Mr. President, in this farmer's case, the flood insurance program is more than mandatory land use control. It amounts to land confiscation—without compensation and without due process.

There are literally thousands of individuals and communities faced with the same unjust treatment under this program and, knowing the facts, I can not believe Congress will allow it to continue.

The committee bill (H.R. 9852) does propose some changes in the act. It recommends rescinding the present ban on nonflood disaster aid for individuals who do not or cannot buy insurance. It also proposes to drop the ban on conventional bank credit for homes and small businesses which were constructed at the time of this amendment enactment.

I am pleased that the basic inequities of this program finally have been recognized but I am disappointed that the committee went only part way toward correcting them.

Specifically, the committee bill would continue to deny willing individuals who already have homes in nonparticipating flood-designated areas the right to purchase flood insurance on the same conditions as everyone else, and it would continue to deny them all forms of Federal construction aid and most forms of flood disaster assistance.

Moreover, the amendment provides no relief at all for the thousands and thousands of businesses which may not meet the definition of "small business," but which are equally subject to the penalties of the act.

I know of no basis for this kind of arbitrary discrimination. On what grounds can we justify denying bank credit to some businesses while allowing it for others?

In both cases, the structures already exist and in both cases the owners should have the right to protect their investments and not be subject to the confiscatory penalties of some program which came along years later.

In any event, Mr. President, it is highly doubtful that the right to obtain private bank credit is going to mean very much for the individual who lives in a truly high-risk flood area. What bank would make such a loan knowing its collateral might be wiped out in the next flood and knowing the owner is ineligible for Federal assistance and is not permitted to insure the property?

My amendment meets the problem directly. It would allow any individual homeowner or businessman in a flood-designated area to purchase insurance if he is willing to comply with relevant HUD standards with respect to that property but regardless of what the community as a whole may do. So that there will be no question of making subsidized insurance available to new flood plain construction, I have limited this section to structures existing as of date of enactment.

It has been suggested that to allow individuals to purchase insurance would pose huge administrative burdens for the FIA. I do not believe that would be the case and would point to the testimony of Mr. Hunter, the Acting FIA Administrator, that FIA now processes thousands of appeals applications on an individual basis. Despite the large number of such appeals, Mr. Hunter testified the Agency can take very prompt action. There is no reason it could not as easily make insurance available in the same way.

I would also note that the SBA, FHA, VA, and Farmers Home Administration handle thousands of individual loans every day of the week—some with far more conditions tied to them than required by FIA—and no great administrative problems have resulted.

In any event, the provision for sale of flood insurance to individuals who agree to comply with the relevant HUD building standards on their own property would be for the most part self-enforcing. A standard clause in existing flood insurance policies makes false statements cause for withholding or recovering benefits. Thus, unless an individual who has agreed to comply with the HUD standards actually does so, no benefits would be forthcoming and insurance companies could demand evidence of intent to comply before making payment.

I would note for the record that this is exactly how this same agency—the Federal Insurance Administration—administers its crime and urban property insurance programs. Policies are written on an individual basis and enfoced by insuring companies.

Mr. President, the Flood Insurance Administrator has made the improbable charge that my amendment would lead to an even worse form of Federal land use control because it would involve the Federal Government in a situation where it is directly restricting private property use on an individual basis.

I might ask how that is any different from an SBA or FHA or FmHA or VA loan which, in exchange for the Federal assistance involved, requires certain conditions be met with respect to the use of the property in question.

The Rural Development Act, for example, provides that no business receiving a loan under the program may relocate if that move would result in a transfer of employment from one area to another.

The FHA, of course, has a hundred conditions affecting construction and grading standards which must be met before a builder can qualify for Federal loan mortgage insurance.

The thing that sets these programs apart from the Flood Insurance Act is that the individual is given the choice about accepting the Federal assistance. If he does not like the strings attached, he is free to find other private sources of finance.

The flood insurance program is unique in that it tells an individual he must accept the Federal restrictions even if he does not take the Federal assistance.

That is what makes it a mandatory land use program and that is what my amendment would change.

Thus, my amendment would rescind the sanction which prohibits banks and other lending institutions which are regulated or supervised in any way by a Federal agency from making or renewing a loan on any flood plain property not covered by flood insurance. It is this sanction which makes flood insurance into a mandatory Federal land use program.

The FIA Administrator testified that "No community is required to join the program; participation remains discretionary."

But then he added the all-important qualifier:

> To be sure, by not participating, the community denies to its citizens the right and ability to obtain flood insurance and precludes itself and its citizens from federal or federally related (i.e. private bank loans) assistance by way of grants or loans for construction, acquisition, repair or improvement of properties in flood hazard areas.

That is the kind of free choice a victim is given by a stick-up man: "Your money or your life."

The application of the banking sanction denies an option to the individual or community which, for good reasons of their own, elect not to adopt the HUD land use restrictions and agree to forgo all Federal construction and flood disaster aid. They are not permitted by this program to make that choice and to take that risk. Even though there is no Federal investment at issue, HUD presumes to impose on that individual or community its own idea of what is "prudent" investment and development.

If the 4 days of hearings which the committee held on this program proved anything, it was—as one witness put it—the fallacy of the Federal Government trying to legislate a single shoe size for every foot in America.

What may be acceptable restrictions for Arnold, Mo., or Galveston, Tex., may not fit the local situation in Cape Girardeau, Mo., or Houston, Tex., or Orange County, Calif., or New Orleans, La.

No Federal agency on the basis of a vague standard like a "100-year-flood" can hope to deal intelligently or fairly with the great variance in local situations.

How can you tell Houston, Tex., it cannot build its proposed superport in the coastal flood plain? Where do you build a port—in the mountains?

How can you tell a grain company that its facilities for loading barges have to be moved 49 miles inland? That could be the effect of the present program according to one witness representing a large Midwest farm co-op.

It may be a reasonable quid pro quo for the Federal Government to require certain building restrictions as a condition of receiving federally subsidized flood insurance and other direct Federal construction and flood disaster aid. But a community should have the freedom to reject that offer without suffering the penalty of losing access to all private credit as well. As it stands, the Federal flood insurance program is a mandatory land use measure as stringent as any that could have been devised.

I urge the Senate to adopt the changes proposed by my amendment. These changes not only will remove the land-use stigma from the Flood Insurance Act and relieve individuals of a gross injustice, but, I am convinced, will also strengthen the overall program.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. EAGLETON. I am pleased to yield to my colleague from Louisiana.

Mr. JOHNSTON. First, I congratulate the distinguished Senator from Missouri for coming up with a very finely balanced compromise on flood insurance matters. My State has about the bottom third of it in wetlands, and it is subject to hurricanes, it is subject to floods, it is subject to river overflows, and it is subject to every kind of water disaster that the mind of man can conceive of.

So flood insurance and land use restrictions are most important. In fact, they are of critical importance to us in our State.

We welcomed and we applauded the flood insurance program because it made available for the first time protection to people in these low-lying areas. But what we have found is that since this bill has come into effect it overcompensated with its requirements for flood insurance, that many low-lying areas were perfectly suitable for different kinds of buildings, but that if one put an overall land use restriction requiring, frequently, a synthetically set 100-year flood level, we found, first, the 100-year flood level was frequently totally unrealistic; and second, that an overall land use restriction simply was not practical and put more land out of commerce, more land out of the reach of people who needed either homes or camps, and made it totally impractical.

I think the Senator's amendment—which allows each individual, if he wants FHA insurance, if he wants FSLIC insurance, if he wants flood insurance, to build his home up to that standard, put it on stilts, put it on a mound, put it on whatever it takes to build it up to that 100-year flood level—allows that individual choice without at the same time hurting the Government at all.

We find, for example, there are some areas that are really not suitable for building a home, but they are pretty good for a camp, in a swamp area, and a man might be willing to take the risk of letting his camp be flooded.

I think in this United States of America, and it is a free country, he ought to be able to do so, if he wishes to do so and is willing to take that risk and is not going to call on the Government either through flood insurance or disaster aid to make up the difference.

Until we are able to determine the reality of the 100-year flood level with a little more precision—and it is not a science, it is a developing art—until we are able to determine that with a little more precision, until we are better able to balance the conflicting claims of those who need housing, on the one hand, with those who need protection, on the other, I think the scope of the present legislation goes too far, is too stringent, is too strict. I think the leveling, compromising effect of the amendment from the Senator from Missouri is a most welcome addition in this field of flood insurance.

After all, we are not asking for flood insurance below the 100-year flood level. All we are simply asking for is some relief from the overly strict present provisions of the law.

Let me close with one example of how difficult it is to determine the 100-year flood level.

On the border between Louisiana and Texas, two different branches of the Corps of Engineers determined the 100-year flood level. They were 5 feet apart, even though the two levels were exactly against one another. Now, that is not because the Corps of Engineers is incompetent. It is simply because it is a developing art.

How do we determine the interrelationship between waves, wind, tides, river problems, and rain? And we do this without proper histories of any of these. It does not fit into a computer. It is not a scientific determination. It is educated guesswork.

While we are dealing with that, we should not put hundreds of square miles of good land out of commission and take away the freedom of a man to build, if he is willing to build without that kind of protection.

I wholeheartedly support the amendment of the Senator from Missouri and hope we can pass it overwhelmingly.

Mr. EAGLETON. Mr. President, I want to thank my distinguished colleague from Louisiana. He has for a long period of time been a very vigorous supporter of my amendment which was introduced in bill form.

In relating it to the largest city in his State, New Orleans, La., he has graphically pointed out the dilemma that the area finds itself in. On the one hand, there are property owners, I am sure, in that area who want to get in the program and get flood insurance. On the other hand, some homeowners and business owners do want in.

All we are asking is if an individual can make his free choice and not suffer the loss of bank credit, not suffer the availability of money if a bank is willing to loan money and assume the risk.

We think the individual homeowners and businessmen should be able to operate in that manner without the heavy-handed, oppressive nature of HUD dictates.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BROOKE addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama has control of the time; does he yield time?

Mr. SPARKMAN. Mr. President, I yield such time as the Senator from Massachusetts may need.

The PRESIDING OFFICER. The Senator from Massachusetts may proceed.

Mr. BROOKE. Mr. President, I rise to oppose the printed amendment No. 1230 introduced by the distinguished Senator from Missouri.

Before my colleagues vote on this matter, I think they should have the benefit of some very important facts about the national flood insurance program.

Of the 15,800 communities HUD has identified as having high flood risk areas, 12,000 are participating in the national flood insurance program.

Another 2,000 communities have been enrolled prior to formal identification by HUD.

I think this demonstrates that the national flood insurance program is a success.

Fourteen thousand communities with flood problems are building in clear recognition of flood hazards and low-cost flood insurance is available to millions of property owners in these participating areas.

The proposed amendment to H.R. 9852 that would permit individuals in nonparticipating communities to benefit from federally subsidized flood insurance would be unfair to these 14,000 communities that have taken the necessary steps to make flood insurance available locally by adopting safety standards for flood plain development.

Removing the law's present requirements and extending insurance availability to individuals in nonparticipating communities would remove the major incentive for these 14,000 communities to sustain safe building practices in the flood plains.

The consequences for the taxpayers will be a return to unsafe building practices in the Nation's flood plains, increased dangers for the people living in flood-prone areas, and sharply higher Federal expenditures for disaster relief.

The distinguished Senator from Missouri has argued that the adoption of his amendment is necessary to prevent a hardship for property owners in flood-prone areas whose communities do not join the national flood insurance program.

May I point out that the Committee on Banking, Housing and Urban Affairs has taken action on this issue. Section 6 of H.R. 9852 as reported by the committee provides for a permanent extension of the provision in current law which permits conventional mortgage financing for existing homes in flood prone areas in nonparticipating communities.

Therefore, there would be no hardship on those persons who have existing homes and the sanctions in the law, of course, would not apply to these homeowners because of this extension. This exemption should alleviate any potential hardship without causing a fatal weakening of the national flood insurance program.

Mr. President, the Secretary of HUD has sent a letter to the distinguished Senator from New Jersey (Mr. Williams) and me, dated January 14, 1976, expressing her opinion concerning the amendment offered by the distinguished Senator from Missouri. I will just read a portion of that letter and then I will ask unanimous consent that the entire text be printed in the Record.

I welcome this opportunity to respond to your letter of January 5, 1976 requesting HUD's views on Printed Amendment No. 1213 to H.R. 9852, introduced by Senator Eagleton.

That is new amendment No. 1230.

I believe the adoption of Senator Eagleton's amendments would seriously weaken the National Flood Insurance Program. HUD is on record in opposition to the enactment of these proposals. Nevertheless, I would like to summarize our reasons for objecting to these changes in the National Flood Insurance Program:

By permitting individuals in non-participating communities to benefit from federally subsidized flood insurance, the amendments would remove a major incentive for communities to undertake local flood plain management. This will result in unsafe construction in flood prone areas and increased hazards for flood plain occupants.

The amendments call for individual property owners to undertake flood protection measures, rather than encouraging local community-wide flood plain management as under current law. This would require a massive new Federal bureaucracy to determine on a property-by-property basis whether individuals were complying with HUD flood protection standards in order to be eligible for Federal Flood Insurance.

In addition, the Federal government would be put in the position of reviewing local building permits in flood hazard areas, traditionally a prerogative of state and local governments.

By removing the requirement in present law for flood insurance protection for new mortgage transactions in flood plain areas, the amendments could result in higher disaster relief costs, a burden which would have to be shared by all the taxpayers, 90% of whom live in non-flood prone areas. In contrast, the present National Flood Insurance Program will result in reduced Federal expenditures for disaster relief.

Mr. President, I ask unanimous consent that the entire text of the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Hon. Harrison A. Williams, Jr.,
U.S. Senate,
Washington, D.C.
Hon. Edward W. Brooke,
U.S. Senate,
Washington, D.C.

Dear Senators Williams and Brooke: I welcome this opportunity to respond to your letter of January 5, 1976 requesting HUD's views on Printed Amendment No. 1213 to H.R. 9852, introduced by Senator Eagleton.

I believe the adoption of Senator Eagleton's amendments would seriously weaken the National Flood Insurance Program. HUD is on record in opposition to the enactment of these proposals. Nevertheless, I would like to summarize our reasons for objecting to these changes in the National Flood Insurance Program:

By permitting individuals in non-participating communities to benefit from federally subsidized flood insurance, the amendments would remove a major incentive for communities to undertake local flood plain management. This will result in unsafe construction in flood prone areas and increased hazards for flood plain occupants.

The amendments call for individual property owners to undertake flood protection measures, rather than encouraging local community-wide flood plain management as under current law. This would require a massive new Federal bureaucracy to determine on a property-by-property basis whether individuals were complying with HUD flood protection standards in order to be eligible for Federal Flood Insurance.

In addition, the Federal government would be put in the position of reviewing local building permits in flood hazard areas, traditionally a prerogative of state and local governments.

By removing the requirement in present law for flood insurance protection for new mortgage transactions in flood plain areas, the amendments could result in higher disaster relief costs, a burden which would have to be shared by all the taxpayers, 90% of whom live in non-flood prone areas. In contrast, the present National Flood Insurance Program will result in reduced Federal expenditures for disaster relief.

As you know, the Committee on Banking, Housing and Urban Affairs declined to act on these proposals following extensive hearings last year. In H.R. 9852, as amended, the Committee did recommend a permanent extension of the availability of conventional mortgage financing in non-participating communities as the Administration had proposed. The Committee's action should eliminate any potential hardship the present program may have caused residential property owners in flood hazard areas.

If I can be of any further help, please let me know.

Sincerely,

Carla A. Hills.

Mr. BROOKE. Mr. President, it seems to me that these are sound points which the Secretary of Housing and Urban Development, Mrs. Carla Hills, has made. There is no doubt that we want to give relief to those who are in disaster areas, and we are doing so. We have great sympathy for those who live in flood-prone areas. But to adopt a program, as the Secretary has pointed out, which provides insurance on a property-by-property basis, with the full bureaucracy, in times when we are having such serious fiscal problems, would be unrealistic. No. 1, we would not be able to fund such a program. No. 2, it would purport to do something we cannot do, and in fact we might seriously hurt the persons who now live in flood-prone areas and who are covered under current law.

As I pointed out earlier, concerning those persons who own their own homes and who would perhaps be hurt by the imposition of the sanctions which were in the 1973 act, they are taken care of by the provisions of H.R. 9852 as reported and there would be no inequity as far as they are concerned.

I just do not think we should take the approach which is offered by the Senator from Missouri, though I am sure his heart is right and he certainly wants to perform a service—and I think he does peform a service even by bringing it to the attention of the Senate—I just think is not the approach which will achieve the good results which the Senator from Missouri hopes to achieve.

Therefore, Mr. President, I feel constrained to oppose this amendment and hope that the Senate will reject it.

Mr. SPARKMAN. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. SPARKMAN. I merely want to call attention to the fact that in our committee we have given a great deal of attention to this matter. We held extensive hearings 2 years ago. We held hearings again in June of last year, and again in November of last year. Our committee has certainly tried to get all of the information that we could in connection with this problem. We came up with this solution. It was a difficult thing to work out. There were differences of opinion, of course, among members of the committee.

We had testimony from our distinguished colleague from Missouri (Mr. EAGLETON), and we gave close attention to the proposals that he made.

The Department which will have to handle this, or which certainly will have a great part in it, sees problems ahead, as the Senator from Massachusetts has just pointed out.

The Senator from New Jersey (Mr. WILLIAMS) took a great deal of interest in this matter. He telephoned me yesterday that he was not going to be able to be here and asked me if I would present to the Senate a statement in his behalf.

I would like to read that statement now. These are the words of Senator WILLIAMS:

> Mr. President, the proposal to allow the sale of federally subsidized flood insurance to the owners of property in communities not participating in the program would, in my opinion, make a mockery out of the Federal flood insurance program.
>
> One of the underlying assumptions of this amendment is that many municipalities are unable to qualify for participation in the National Flood Insurance Program and that this is an extensive problem encountered by many communities throughout our nation. Nothing could be further from the truth. In New Jersey alone 97 percent of the communities are now participating in the program.
>
> But by allowing individuals in non-participating communities to purchase federally subsidized flood insurance and by allowing federally assisted new construction in the flood plain, this amendment would only serve as a disincentive for community administration of flood management which protects lives and property in these areas. This amendment would make the provisions of the National Flood Insurance Act which encourage participation in the program by flood-prone communities and which as a quid pro quo allows them to purchase federally subsidized flood insurance, ineffective.
>
> Sound flood plain management is of the utmost importance if we are to reduce disaster relief costs and minimize future property damage. However, this amendment would encourage the type of irresponsible construction that results from a lack of prudent flood plain management, thereby contributing to the high cost of disaster losses. It would not only be contrary to the basic concept of insurance loss prevention which wise flood plain management is, but it would also unfairly force taxpayers throughout the United States to subsidize irresponsible construction.
>
> By making flood insurance coverage available to individuals in non-participating communities, the amendment would also obviously lessen the incentive for those communities to participate in the program. Additionally, the terms of the amendment could lead to communities already participating to withdraw from the program, especially if little or no construction is contemplated in the flood-prone portion of that community.
>
> The economic justification for federally subsidized flood insurance is community commitment to flood plain management in order to reduce future flood losses. Therefore, under this proposal, the long term economic justification for the taxpayer's subsidy of such insurance would not be realized or justified. Providing a subsidy for flood insurance without community commitment to flood plain management does not protect the occupants of new construction in the flood plains, since this goal can only be attained through community oversight.
>
> At the heart of any genuine insurance program is loss prevention. The Federal Flood Insurance program under the proposed amendment would be an insurance program in name only and would become an unjustified giveaway of taxpayer dollars. Federal payments for future flood losses would actually increase because of greater losses due to future floods. These losses would in turn be paid for through disaster relief assistance. And of course making flood insurance available to individuals absent their community's commitment to flood plain management would act as an incentive to the remaining non-participating communities not to join the program.
>
> In addition, under this amendment the Federal Government would be called upon to administer individual flood plain management. It would be required to promulgate land use standards for non-participating communities who wish to purchase federally subsidized flood insurance. Contrary to the present program, where flood plain management of high hazard areas in a community is regulated, for the benefit of the entire community, as well as for neighboring communities, by local government, under this proposal the Federal Government would be called upon to directly regulate the individual's use of his own land on a case-by-case basis—an uncalled for and unnecessary intrusion into local affairs.
>
> The requirement for Federal regulation of individual flood plain management in exchange for individual rather than communitywide availability of flood insurance, would require a huge bureaucracy and a potentially massive outlay of Federal funds. The Federal Government would be required to establish a national building code department to perform for individuals in non-participating communities the comparable services done today by local governments in the over 13,000 communities already participating in the program. The Federal Government would thus be required to operate a massive new Federal building department to review, monitor, and implement a building code for floodprone areas on a case-by-case basis—a task which in my opinion is totally unfeasible at the Federal level and which is presently being performed by local government.
>
> This amendment would also remove the flood insurance purchase requirement in connection with conventional mortgage loan financing in communities where insurance is available. This proposal is based in part upon the contention that there is no Federal interest involved in such transactions. It has also been argued that the lender should be permitted to exercise his own judgment in determining whether individual conventional loans should be covered by flood insurance.
>
> While the Federal interest is more obvious in connection with FHA insured or VA guaranteed loans, there are equally valid Federal interests where federally regulated lenders make conventional loans. Such loans constitute approximately 80 percent of all mortgages.
>
> Without the present requirement for flood insurance protection in connection with conventional mortgage loans, too many lenders will rely on the recent memory of local flooding—and we know that recent memory alone of flood occurrences is a poor index of the genuine hazard. Under the proposed amendment the exposure of property to flood hazards would in many cases be underestimated. The technical information provided for in HUD's identification process would be ignored, and the flood insurance requirement would be waived. The net result would be that the general taxpayer would be called upon to continue to assist flood disaster victims who had ignored or underestimated the flood hazard.
>
> The proposals to remove the benefit denials on conventional mortgage loan financing in non-participating communities is based on a valid concern which we all share. None of us wish to see a homeowner experience difficulty in securing a buyer for his home because city-hall has failed to act. In this connection, H.R. 9852 would adequately relieve the distress of such individuals by making conventional mortgage loan financing available for existing homes in non-participating communities. In my opinion, these provisions adequately address the concerns of the distinguished Senator from Missouri.
>
> However, carte blanche removal of the flood insurance purchase requirements in participating communities would most certainly undermine the flood insurance program by creating further incentives for new substandard construction in the flood plain.
>
> Mr. President, the Federal flood insurance program as presently structured has been a continuing success and H.R. 9852 has made the necessary adjustments to avoid individual hardships. I, therefore, strongly urge that this amendment which accommodates very few and could hamstring the efforts of many communities to implement prudent flood plain management be rejected by the Senate.

The PRESIDING OFFICER. The Senator's 10 minutes has expired.

Mr. SPARKMAN. I simply remind Senators that this is the statement of Senator Williams.

Mr. **EAGLETON.** I yield the Senator from New Hampshire such time as he may require.

Mr. **McINTYRE.** Mr. President, I want the record to show that I support Senator Eagleton's efforts to correct some of the heavy handed sanctions which have made this program anathema to many of the citizens of New Hampshire.

When Congress enacted this legislation I fully supported these efforts to mitigate loss of life and property caused by flood damage. In reality, however, this program has become a bureaucratic nightmare—the carrot and stick with a catch-22, as Senator Eagleton calls it.

Let us examine for a moment how this program works. An individual goes to his local banker to secure a loan to purchase a home. The banker tells him that he is prohibited by Federal law from making the loan, because the home has been declared by the Department of Housing and Urban Development to be in a flood hazard area.

I could entertain the Senate for hours with stories of flood-prone homes on mountain tops and next to foot-wide spring creeks but this would use up all of Senator Eagleton's precious time.

To get back to my mortgage seeker, the banker informs him that in order to make the loan the home must be protected from flood loss by the purchase of flood insurance. But in order for this individual to get flood insurance, his community as a whole must first join the program, enact zoning and building codes and agree to all HUD regulations. But suppose this community does not want to rezone itself in HUD's image. The handful of affected individuals may not be able to convince the town that enacting zoning and building codes which meet Federal standards would be in the best interest of the town as a whole. The individual goes back to HUD and tells of his willingness to flood proof his home and purchase flood insurance for his property. Tough luck, says HUD. You lose.

As you can well imagine, the flood prone individuals are up in arms—caught by a newly enacted law; town officials are up in arms knowing that the town stands to lose all Federal aids—disaster relief, EPA funds, Hill-Burton money—because they do not want to enact a federally approved building code; and I am up in arms that the Federal Government, in all its misguided wisdom has removed local control over planning and zoning.

We are hearing from all levels of government the desire to return controls back to the cities and towns. Let the Senate show that it means business. Let us act on this initiative. Let us ease these heavy-handed sanctions.

Senator Eagleton's amendment would do two things:

First. Rescind the prohibition on loans from federally regulated lending institutions to property owners in noncomplying areas.

Second. Allows owners of existing homes and businesses to purchase insurance if they agree to comply with HUD standards on their own property even if the community as a whole declines to go along.

Rather than weaken the flood insurance program I believe this amendment will strengthen the act by increasing participation allowing individuals willing to comply with HUD standards to protect themselves—whether or not the community acts.

The community will still be encouraged to join the program. However, individuals will no longer be held hostage by HUD and its team of bureaucrats.

Mr. President, I urge the adoption of the Eagleton amendment.

Mr. **EAGLETON.** I will yield to the Senator from Louisiana.

Mr. **JOHNSTON.** Mr. President, I ask unanimous consent that my name be added as a cosponsor of this amendment.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **EAGLETON.** Mr. President, the distinguished Senator from Alabama raised as one of the objections the fact that my amendment, if passed, would not afford sufficient incentive for communities to stay in the program.

I would like to point out that if a community opts out of the program, it would forgo the advantages accruing to it under other Federal programs, such as FmHA, EHA, FPA, Hill-Burton, any form of Federal disaster relief, and the building of any new Federal buildings, just to enumerate a few things a city would forgo if it opted out of the program.

Mr. President, I ask unanimous consent that the memorandum entitled "Response to HUD Charges," which sets forth the various objections of HUD, some of which were articulated by the Senator from Massachusetts, and my responses thereto, be printed in the Record at this point.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Response to HUD Charges

HUD Charge: The amendment would result in higher disaster relief costs.

Rebuttal: The amendment retains the prohibition on federal construction and flood disaster aid to property owners who do not buy flood insurance. That part of the program remains unchanged.

HUD charge: Even though the amendment permits individuals to buy insurance many won't do it. They will rely instead on Congress to bail them out with disaster relief.

Rebuttal: Many individuals who are eligible to buy insurance under the existing program did not do so. The percentage of those who have actually bought policies in participating communities is very, very small—something like 400,000 out of 4 or 5 million property owners.

There is no way the Federal government can force an individual to use good judgment. All I can say is that we have established a policy of offering subsidized insurance in place of disaster loans and my amendment doesn't change that policy. If there is going to be pressure to enact a new disaster aid program, it is just as likely to happen under the existing program. In fact it is more likely because my amendment would give people who want insurance but are prevented from buying it an opportunity to protect themselves.

HUD charge: It would take a massive new bureaucracy to enforce an individual sales program.

Rebuttal: 1. The overriding issue here is whether we are going to do what is just and equitable for the individual or do what is easiest and most convenient for HUD. Are we going to allow individual homeowners and businessmen to lose the value of their property simply because that makes life a little easier for the bureaucrats who run the program?

2. Most communities will continue to participate as communities because there remain powerful incentives to do so. Only a relative *few* will participate on an individual basis. Moreover, this right is limited to existing structures only.

3. HUD's own proposal which was adopted by the Committee would be far more complex and difficult to administer. It involves enforcing an aggregate limit of $10,000 on improvements to existing homes and $25,000 to farms. These limits apply over the life of the property and would have to be enforced on an individual basis. If there is any substance at all to HUD's argument, it would apply more to its own proposal than to the Eagleton amendment.

4. Federal construction and disaster aid has always been administered on an individual basis and has not required any army of bureaucrats to enforce. These programs carry more conditions than are involved in flood insurance, i.e., an SBA loan.

5. In many respects the program could be self enforcing. If an individual agrees not to substantially improve his property (more than 50% of market value) and does so, he would be liable to loss of insurance coverage or withholding of benefits. If he fails to comply with his agreement not to rebuild in the flood plain after a disaster, he would be liable to action by HUD with whom he signed an agreement.

6. Obviously, some policing will be necessary just as it is necessary today. GAO in fact, has critized HUD for not doing enough to see that local officials are enforcing flood plain ordinances. But it would not be a major problem any more than it is for the countless other conditional loan programs this government administers.

HUD charge: In rescinding the prohibition against private bank loans in non-participating communities, the amendment would permit new construction in flood-designated areas.

Rebuttal: 1. There remain powerful incentives for communities to participate in the program and most will.

2. Some won't because they do not feel they have any significant flood problem or because of acceptance of HUD restrictions would seriously impair their existence and development as a community. But if they are willing to forego all federal assistance why shouldn't local communities have that option. To use the federal banking laws as a club to enforce compliance with what Washington thinks is best for the community is a dangerous precedent and represents a major new intrusion into purely local and private decisions.

HUD charge: Any relaxation of the program's sanctions, however modest, would weaken the objective of better flood plain use.

Rebuttal: 1. On the contrary the Eagleton amendment would increase participation in the program by giving more property owners an opportunity to buy insurance and comply with HUD standards.

2. Few studies have been made on the actual impact of flood insurance on flood plain occupancy and use, principally because the program sanctions began to apply only on January 1, 1976. Two case studies that have been done—one by the New England Rivers Commission and the other for the Urban Land Institute—concluded the program was having the opposite effect by removing the risk of investment in such property.

Mr. EAGLETON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to Senator PROXMIRE from the National Flood Insurers Association, in which that organization states very clearly and forcefully opposition to this amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 22, 1976.

Hon. WILLIAM W. PROXMIRE,
U.S. Senate, Committee on Banking, Housing and Urban Affairs, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR PROXMIRE: The National Flood Insurers Association was created pursuant to the National Flood Insurance Act of 1968. The Association by written Agreement with the Secretary of the Department of Housing and Urban Development, conducts the insurance aspects of the Flood Program and is commonly referred to, in the language of the Act, as the insurance company or insurance pool.

I am writing to respond to remarks credited to Senator Thomas Eagleton in the Congressional Record of January 19, 1976 (cited at page 102). Senator Eagleton has previously proposed amendments to the enabling legislation that would allow individual homeowners to agree to comply with HUD Flood Plain Management Standards rather than continuing the present community-wide compliance. In response, Secretary of HUD, Carla Hills has advised the Senator that it would require a greatly expanded bureaucracy to enforce such individual compliance. On January 19 Senator Eagleton answered the Secretary by proposing that "it would be a simple matter for the insurance company" to enforce the building requirements by withholding benefits or suing to recover payments if the homeowner failed to meet the standards.

The Senator's suggestion would not, in our opinion, improve the Flood Program or mitigate the Federal government involvement in Flood Plain Management. The shifting of the enforcement mechanism to the insurance company would still necessitate a form of a national building code and would require greatly expanding the company to accommodate a staff sufficient to administer the enforcement process. This enforcement of building compliance for each of thousands of annual claims would involve monumental costs, whether those costs were Federal employees or the overall program costs jointly shared with the Federal government.

Furthermore, the Senator's suggestion that withholding benefits or suing to recover payments for failure to comply is "how most insurance works" is not accurate. Such a system would be characterized as post claim underwriting which would undermine any actuarially sound basis for continuing this program as an insurance program. Contrary to Senator Eagleton's suggestion, insurance industry practice is to inspect properties or require a medical examination prior to issuing insurance. The industry has opposed post claim underwriting whenever possible. Furthermore, the cost of litigating claims nationwide would clearly be prohibitive, and the increased cost of this approach would certainly subject the Congress to criticism for passing a "Lawyers Relief Act".

Although I have not had the opportunity to poll all of our members about the Senator's proposal, a selective sampling indicates an unwillingness on the part of the Member Companies to police building code requirements and otherwise involve the insurance industry in the enforcement of minimum repair requirements contrary to any present or prior industry practice. Senator Eagleton's reference to the Crime and Urban Property Insurance Programs as examples of his proposal is appropriate, for those programs have not succeeded in extricating extensive Federal involvement nor been successful as insurance programs.

In a related matter, Senator Eagleton states that the insurance industry is subsidized by the Flood Program. Such is not the case. The insurance pool (NFIA) is operated as a non-profit organization with surplus funds being deposited in the U.S. Treasury to be held for future losses and expenses of the program. The Member Companies of the pool are, by contract with HUD, limited to a return of five percent of gross premiums in consideration for the risk capital pledged by them. The subsidization of the program is the Federal government's sharing of losses and costs with policyholder premiums and the pool as a result of HUD's establishment of the insurance premium at an artificial rate in order that the insurance will be readily available to all persons at low rates. This was clearly the intent of the legislation and supported by the insurance industry. As a result of setting these low rates, the Federal government has agreed to share in the costs of the program because those rates do not otherwise establish an actuarially sound insurance program. The subsidization does not, however, inure to the benefit of the insurance industry, but goes to pay policyholder claims and expenses of the program.

In conclusion, let me extend this offer to discuss the Flood Insurance Program at any time with you, any of your colleagues in the Senate, or Members of appropriate Senate Staffs.

Very truly yours,
SAMUEL H. WEESE,
General Manager.

Mr. SPARKMAN. Mr. President, I am prepared to yield back the remainder of my time.

Mr. EAGLETON. Mr. President, I do not propose to prolong this debate any further, for I think the issue has been fairly and clearly defined.

On one side is the argument that to change this program for whatever reason would make it more difficult to administer. To weaken the powers of the agency to force compliance with its regulations would make the program less effective. And, behind it all, I sense there is a reluctance to concede that in enacting this law Congress may not have used the best judgment.

On the other side, is the reality of homeowners, farmers, and businessmen about to lose investments of a lifetime, not because they are unwilling to comply with the conditions imposed by the agency, but because they have been unable to persuade others in the community to go along. Against considerations of what is best and easiest for the Federal agency involved is the prospect of thousands of communities unable to develop or make necessary improvements or repairs—marked for slow but steady deterioration.

Much is said these days about restraint in Government, and of at least entertaining the possibility that all wisdom may not reside in Washington.

We have all heard the rhetoric from both political sides. The test, however, is what we are going to do about it. That is what this vote is about.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

The yeas and nays were not ordered.

Mr. EAGLETON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I am pleased to cosponsor the amendment offered by the junior Senator from Missouri. This amendment would modify the Flood Disaster Protection Act so as to correct some serious inequities in the present program.

Specifically, this amendment would allow individuals who are willing to comply with specified land use and building standards to qualify for flood insurance at reduced rates, whether or not their local community has fully complied with Department of Housing and Urban Development land use requirements. Additionally, this amendment removes the purely punitive sanctions in the act which have no relation to possible loss of Federal tax dollars.

Mr. President, when the Flood Disaster Protection Act passed the Senate in December of 1973, I was very concerned about the far-reaching, punitive sanctions in the legislation. Very soon these sanctions will be fully effective and forced on numerous local communities throughout the Nation. The sanctions will exert extreme hardships on thousands of communities which have been determined by HUD to be flood-prone at least once in 100 years, but which have not enacted the mandatory land use controls to qualify for the Federal flood insurance program.

Effective July 1, 1975, flood-prone communities not in compliance were no longer eligible for any Federal financial assistance for development of public or private facilities. They were also made ineligible for credit from federally insured or supervised banks and savings and loan institutions, except that this sanction has been postponed until March 1, 1976, in the case of home loans. Finally, they were no longer eligible for any kind of assistance under the Disaster Protection Act, even if the disaster is not flood related.

Unless this Eagleton amendment is adopted, these sanctions will be fully effective March 1, 1976. On that date, thousands of persons who own land in areas subject to flooding even once in 100 years will find that they can obtain virtually no credit from commercial banks, savings and loan institutions, Farmers Home Administration, Federal Housing Administration, Veterans' Administration, or most other commonly used credit sources. Without capital, they will be unable to substantially improve or add to their homes or businesses. Furthermore, the value of their property will be greatly diminished by these Government regulations.

To make matters worse, there is virtually nothing that many individuals can do about this impending situation. Even if they personally are willing to comply with HUD-mandated building standards, they are still ineligible for Federal flood insurance and face the full brunt of the sanctions, unless their local government enacts the federally dictated land-use controls. We are already beyond the point of allowing each local community to decide for itself; but unfortunately, little attention has been paid to the tremendous economic burden imposed on individual property owners and local communities by the HUD flood insurance program regulations.

Fortunately, this amendment will, if enacted, correct some of the worst of these inequities, while at the same time preserving an effective flood insurance program. The changes proposed by the Senator from Missouri return some measure of freedom of choice to individual landowners in HUD-determined flood-prone areas.

Under this amendment, individuals can elect to follow required building standards and qualify for Federal flood insurance, even if their local community is unable or unwilling to adopt the HUD-mandated land-use controls. This amendment preserves incentives for compliance with the flood insurance program, but it removes those punitive sanctions relating to loans from commercial lending institutions and non-flood-related disaster payments.

I am pleased that the Committee on Banking, Housing and Urban Affairs has taken several steps in the bill before us to make the flood insurance program more realistic from the standpoint of affected communities. Section 6 of H.R. 9852 extends the emergency coverage provisions of the flood insurance program for an additional year, which will benefit many participating communities not yet able to meet the requirements of the permanent program.

The committee has also made the cost of nonparticipation in the flood insurance program a bit less burdensome, and this appears to be at a time when the local affected people may have to give thanks for small measures of relief. Constructive changes in the present punitive law will allow homeowners and small businessmen to receive conventional financing for the purchase and/or limited improvement of existing, previously occupied dwellings. Without such an exception, credit from a federally insured lending institution could not be extended for such purchase or improvement of any home or business within the 100-year floodlines of nonparticipating communities. A similar exception is granted for financing improvements on farms within the boundaries of flood-prone areas. Unfortunately, the committee report specifies a $25,000 loan limitation, which is totally unrealistic, considering the cost of capital improvements for modern day farming.

In total, the committee amendments to present flood insurance law are sadly lacking and should be supplemented with the amendment of the Senator from Missouri.

Mr. President, HUD has determined that some 177 local communities in my State of South Carolina may be subject to some flooding once in 100 years. Of this number, 50 communities had not qualified for the Federal flood insurance program as of October 31, 1975. I support this amendment because I do not want to see these 50 communities bankrupted and punished by a Federal agency for inactions that are not entirely within their control. I urge that Senator Eagleton's amendment be adopted.

Mr. SYMINGTON. Mr. President, my distinguished colleague from Missouri, Senator Eagleton, has offered an amendment designed to correct inequities in the flood insurance program and draw more people into the program.

I support and have cosponsored his amendment.

This program was enacted to control unrestricted use of flood plains and reduce loss of lives and property as well as the cost to the Federal Government in disaster payments.

The Eagleton amendment does not change any of these congressionally authorized objectives, but actually would help make the program more successful.

First, this amendment would make flood insurance available to individuals who are willing to comply with HUD land use standards on their own property, regardless of what the community as a whole may do. This would open the program to people who are now prohibited from joining through no fault of their own.

In Missouri, for example, governing bodies of all except first-class counties and incorporated cities can acquire zoning authority only through referendum. In most areas where zoning authority has not been voted, the majority of voters do not live in the areas designated as flood prone.

Since relatively few individuals own homes or other structures in flood prone areas, if they cannot prevail in a county or communitywide vote on zoning, they are prohibited from buying flood insurance.

Second, under the present law, individuals through no personal negligence, who are unable to buy flood insurance are not eligible for several Federal programs, including mortgage loans from federally insured or regulated banks or savings and loan associations.

The idea of the Federal Government placing economic sanctions against individuals, because of the actions or inactions of the community in which they live is repugnant to our concept of a free, democratic society.

By repealing that provision of the act which prohibits all commercial bank credit in flood designated areas, decisions on loans would be left to local lending institutions who would be in a better position to assess the risks and benefits of such a loan.

It is for these reasons that I strongly urge adoption of the Eagleton amendment.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Both Senators having yielded back their time, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the distinguished Senator from Washington (Mr. Jackson). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. MORGAN (when his name was called). On this vote I have a pair with the senior Senator from New Jersey (Mr. Williams). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I, therefore, withheld my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Delaware (Mr. Biden), the Senator from Arkansas (Mr. Bumpers), the Senator from Alaska (Mr. Gravel), the Senator from Maine (Mr. Hathaway), the Senator from Hawaii (Mr. Inouye), the Senator from Washington (Mr. Jackson), the Senator from Wyoming (Mr. McGee), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. Pastore), the Senator from Mississippi (Mr. Stennis), the Senator from California (Mr. Tunney), the Senator from New Jersey (Mr. Williams), and the Senator from Michigan (Mr. Philip A. Hart) are necessarily absent.

On this vote, the Senator from Arkansas (Mr. Bumpers) is paired with the Senator from Rhode Island (Mr. Pastore). If present and voting, the Senator from Arkansas would vote "yea" and the Senator from Rhode Island would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Wyoming (Mr. Hansen), the Senator from Oregon (Mr. Hatfield), the Senator from Nevada (Mr. Laxalt), the Senator from Pennsylvania (Mr. Hugh Scott), the Senator from Virginia (Mr. William L. Scott), and the Senator from Ohio (Mr. Taft) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Fong) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield), the Senator from Pennsylvania (Mr. Hugh Scott), and the Senator from Ohio (Mr. Taft) would each vote "nay."

The result was announced—yeas 29, nays 46, as follows:

[Rollcall Vote No. 8 Leg.]

YEAS—29

Allen
Bartlett
Brock
Byrd, Robert C.
Cannon
Curtis
Dole
Domenici
Eagleton
Ford
Garn
Goldwater
Hartke
Helms
Hollings
Hruska
Huddleston
Johnston
Long
Magnuson
McClure
McIntyre
Metcalf
Nunn
Randolph
Stevens
Symington
Thurmond
Tower

NAYS—46

Baker
Beall
Bellmon
Brooke
Buckley
Burdick
Byrd,
  Harry F., Jr.
Case
Chiles
Church
Clark
Cranston
Culver
Durkin
Eastland
Fannin
Glenn
Griffin
Hart, Gary
Haskell
Humphrey
Javits
Kennedy
Leahy
Mathias
McClellan
McGovern
Mondale
Montoya
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevenson
Stone
Talmadge
Weicker
Young

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Mansfield, for
Morgan, for

NOT VOTING—23

Abourezk
Bayh
Bentsen
Biden
Bumpers
Fong
Gravel
Hansen
Hart, Philip A.
Hatfield
Hathaway
Inouye
Jackson
Laxalt
McGee
Moss
Pastore
Scott, Hugh
Scott,
  William L.
Stennis
Taft
Tunney
Williams

So Mr. Eagleton's amendment (No. 1230) was rejected.

Mr. CRANSTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 7 strike lines 1 through 10 and insert in lieu thereof:

"Sec. 5. (a) Section 103(a)(2) of the Housing and Community Development Act of 1974 is amended by striking 'fiscal years 1975 and 1976', and inserting in lieu thereof, 'fiscal years 1975 and 1976, and $200,000,000 for fiscal year 1977, of which amount not more than 50 per centum may be used under section 106(d)(1)(A),'.

"(b) Section 106 of the Housing and Community Development Act of 1974 is amended by redesignating subsection '(d)' as subsection '(d)(1)'; paragraphs '(1)' and '(2)' as subparagraphs '(A)' and '(B)', respectively; and subparagraphs '(A)', '(B)' and '(C)' as clauses '(i)', '(ii)' and '(iii),' respectively.

"(c) Section 106(d) of the Housing and Community Development Act of 1974, as amended by subsection (b) of this section, is further amended by adding the following paragaraph at the end thereof:

"'(2) In the event the total amount available in fiscal year 1977 for allocation under 106(d)(1) is insufficient to meet in full the hold-harmless needs of metropolitan cities, urban counties, and other units of general local government in metropolitan areas as computed under subsections (g) and (h), the Secretary shall make up any such deficiency from amounts available for use under section 197 and, if such amounts are exhausted, by a ratable reduction in basic grant amounts determined under subsection (b).'"

Mr. BROOKE. Mr. President, will the Senator yield for me to move to reconsider the last vote?

The PRESIDING OFFICER. The Senator's request requires unanimous consent, since the Senator's amendment is being considered.

Mr. BROOKE. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. I move to reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I am going to give a very brief statement and then leave the handling of this amendment to my cosponsor (Mr. Brooke) because I am supposed to be presiding over a committee hearing.

There are two problems in the present allocation priority system of HUD's community development block grant program:

First, there may be a shortfall in funds available to hold-harmless communities in fiscal year 1977, and second, there may be no funds available for discretionary balances in fiscal year 1977 if no set-aside is established.

H.R. 9852 as reported by the Senate Banking Committee, does not resolve either of these problems adequately.

Senator Brooke and I are offering an amendment which resolves both problems. This is an amendment in the nature of a substitute to section 5 of H.R. 9852.

Upholding our commitment to fully fund hold-harmless jurisdictions, the compromise amendment distributes any shortfall in hold-harmless funds equitably among all urban counties and all large metropolitan cities. This minimizes the total loss to any single jurisdiction and maintains equal status between urban counties and cities.

The compromise amendment establishes a set-aside of not less than $100 million for discretionary balances. This insures small cities access to the community development block grant program.

I feel that the provisions of our compromise resolve the potential problems in the block grant program in a just and equitable manner. The amendment is supported by the National Association of Counties, the National League of Cities, and the National Conference of Mayors. I ask unanimous consent that the letters of support from these organizations be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

National Association of Counties,
Washington, D.C., December 15, 1975.

Hon. Alan Cranston,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Cranston: This is to advise you that the National Association of Counties supports an amendment, to be offered by you and Senate Brooke to Section 5 of H.R. 9852, providing a procedure for meeting an anticipated shortage of community development funds in Fiscal Year 1977 to "hold harmless" metropolitan cities, urban counties and other units of local government under Title I of the "Housing and Community Development Act of 1974."

As you know H.R. 9852, as reported by the Senate Banking, Housing and Urban Affairs Committee, provides that any shortage of hold harmless funds—expected to total approximately $85–90 million in Fiscal Year 1977—must be made up by deducting that amount from the formula entitlements of urban counties. This provision is exceedingly discriminatory in that it singles out one category of recipients to bear the full burden of the shortage, and, thus, is opposed by NACo.

In contrast, the amendment offered by you and Senator Brooke would provide for equitable treatment of urban counties and cities by spreading the funding of the hold harmless deficit among all categories of recipients.

It is our understanding that the National League of Cities and the U.S. Conference of Mayors also support your amendment. NACo urges its adoption by the Senate.

Sincerely,

Bernard F. Hillenbrand,
Executive Director.

National League of Cities,
U.S. Conference of Mayors,
December 15, 1975.

Hon. Alan Cranston,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Cranston: We understand that the Senate Committee on Banking, Housing and Urban Affairs has worked at considerable length concerning the problem of funding for the community development program for FY 1977. We further appreciate that members of the Committee continued to work on this problem after the amendments to the Housing and Community Development Act were reported by the Senate Committee in H.R. 9852.

The result of these efforts, we understand, will be offered as an amendment to H.R. 9852 on the Senate floor by Senator Brooke and yourself. The National League of Cities and the U.S. Conference of Mayors continue to support adequate appropriations as the primary solution to the problem of shortfalls in funding for all cities participating in the program. We are, moreover, sorely disappointed that discussions of shortfalls are necessary at all.

We support adequate funding for cities who receive commitments in the 1974 Act to funding based on their prior participation in federally-assisted community development activities, metropolitan cities receiving formula funding, and adequate funds for discretionary balances for applications by so-called non-entitlement communities.

We believe that the Brooke-Cranston Amendment acceptably balances the equities of funding for the various categories of participants in the program against the possibility of a potential shortfall in the total appropriation for the community development program.

We reiterate our commitment, however, to seek adequate funding for all classes of participants by urging the Administration to request, and the Congress to appropriate, funds for the program at the full authorized level for FY 1977.

Sincerely,

John Gunther,
Executive Director, U.S. Conference of Mayors.

Alan Beals,
Executive Vice President, National League of Cities.

Mr. CRANSTON. I believe Senator Brooke would now like to comment on the amendment.

Mr. BROOKE. Mr. President, I have a rather lengthy statement on this amendment, which I understand the distinguished chairman of the committee will accept.

When H.R. 9852 was before the Banking Committee, I offered an amendment designed to establish clearly what would be the priority in allocating community development block grant funds in the event that there were insufficient funds to meet the claims of all legally entitled recipients. The committee accepted my amendment, which is now section 5 of H.R. 9852.

At the time the 1974 Housing and Community Development Act was under consideration, the House added a new category of block grant recipient—formula entitlement urban counties which have populations of 200,000 or more—to formula entitlement cities—cities with populations of 50,000 or more—and hold-harmless communities which were to receive priority funding under the Senate version of the bill. The House report stated—

> It is the Committee's understanding that, in all likelihood, not more than 10 counties would qualify under this definition in the first year of the program, and probably not more than 50 during the first six program years.

However, HUD, contrary to the understanding of the Senate conferees on the 1974 act, established criteria which made some 75 counties eligible in the first year of the program instead of the anticipated 10. The result has been a shortage of community development funds to meet the needs of cities and towns which are located in urban areas and have populations of less than 50,000. While some of these smaller communities are located within urban counties and have thus been able to obtain block grant funds through their county governments, the vast majority of the small cities and towns across the country have gone without block grant funds because urban counties have used up the urban balances which were expected to be available to these communities.

The adverse effect on small towns and cities has been particularly acute in New England, where by tradition most local government functions are carried on by towns and cities, not counties. In Massachusetts, four of our counties—Essex, Norfolk, Middlesex, and Worcester—would, on the basis of population, qualify as urban counties, but because we do not use the county form of government, they receive no funds, and the smaller cities and towns within their jurisdictions are also deprived of funding. Thus, New England loses out simply because of its traditional form of government. If there is any justification for this grantsmanship by gerrymandering, it escapes me. I certainly hope we in New England shall not be expected to change our form of government in order to get a fair share of community development block grant funds.

The HUD Appropriations Subcommittee, on which I serve, has at my urging tried to make up the deficiency in funding for small cities by earmarking funds for these communities in the HUD Appropriations Acts. However, the sums which have been set aside are far less than these communities were led to expect they would receive at the time the 1974 act was under consideration.

HUD, in order to redress this imbalance in community development funding, proposed an amendment to H.R. 9852 to set aside $200 million in community development funds for smaller cities in urban areas, and the House incorporated this amendment in its version of H.R. 9852. I strongly support this approach, and I hope that the Senate will accept the House provision.

If the $200 million set-aside for small communities is enacted, it is possible that there will be a shortfall in funds to satisfy the claims of all formula entitlement and hold-harmless communities. And, in fact, there is the possibility of a shortfall, even if the House provision is not enacted, depending upon community development appropriations levels.

Anticipating this possibility, this summer I inquired how HUD planned to deal with any shortfall. The Department replied that it read the 1974 Housing and Community Development Act to require that the grants to "hold harmless" cities would be reduced first. These hold-harmless cities are cities which participated in the urban renewal, model cities and other categorical grant programs which were incorporated into the community development block grant program. Under the 1974 act they were to be held harmless at approximately their level of funding under the old categorical programs during the 5 years preceding enactment of the 1974 act. Over the life of the community development block grant program, these communities have had no increase in funding, while inflation has reduced the real value of their grants. Now HUD is telling us that there is a possibility that these hold-harmless cities will not be "held harmless" at all if there are insufficient funds to satisfy all claimants.

It is to protect these "hold-harmless" cities that I offered my amendment to H.R. 9852, and I believe that my amendment reflects the consensus of the Congress at the time the 1974 act was passed. However HUD may interpret the language of the 1974 act, I do not believe that the Congress intended that hold-harmless cities would not, in fact, be held harmless, nor, in my opinion, did Congress expect some 75 urban counties to displace small cities and step ahead of hold-harmless cities in order to take the first priority in receiving community development block grants. As one conferee on the 1974 act, I can assure you that that was not my understanding of our intent.

My amendment to H.R. 9852, which was adopted in committee, establishes that in the event of a shortfall of community development funds, urban counties, rather than hold harmless cities, will be the first to have their allocations reduced. Of course, I hope that this would not be necessary, and if there are adequate appropriations for community development block grants it will not be necessary.

Since the Banking Committee reported S. 9852, Senator Cranston and I have had discussions with Washington representatives of the National Association of Counties, the National League of Cities, and the National Conference of Mayors. Our discussions have focused on the best way to assure a fair distribution of community development funds while spreading any deficiency in funding over as wide a group as possible. The result of our discussions is the amendment which Senator CRANSTON has offered for himself and me. I believe the amendment represents a good compromise on the allocation issue, and I am happy to support it.

Under the compromise, there would be a set-aside of $200 million to fund small cities in urban areas. This money will be distributed at the discretion of the Secretary of HUD, and not more than $100 million may be used to satisfy "hold harmless" commitments. And, it is hoped that the Secretary in distributing these funds would give special consideration to those areas of the country where by tradition local government is carried on through town and city governments rather than counties.

In addition, if there are insufficient funds to assure that all legally entitled recipients will be funded, then the Secretary shall see that hold-harmless cities are fully funded by: First, using up to $100 million of the $200 million set-aside previously mentioned to fund hold-harmles communities, and if that is not sufficient to meet the deficiency, then second, using her discretionary funds to meet the deficiency, and if that is insufficient, third, proportionately reducing the entitlements of formula entitlement communities.

This method of funding will only be effective during fiscal year 1977. After that year, it is expected that the Congress will undertake a comprehensive review of the allocation formula and make such revisions as are necessary.

The compromise amendment which Senator CRANSTON and I offer is, in my opinion, the best adjustment in the community development formula which can be enacted at this time, and I urge my colleagues to support it.

I yield to the chairman.

Mr. SPARKMAN. Mr. President, I agree with the Senator from Massachusetts and am willing to take this amendment.

Mr. JAVITS. Mr. President, I should like to ask Senator CRANSTON a question about this amendment.

Mr. CRANSTON. Would the Senator please ask Senator BROOKE? I have to run to a hearing. Senator BROOKE knows the answers to all questions.

Mr. JAVITS. First, Mr. President, I ask unanimous consent that Charles Warren of my staff may have the privilege of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Did I interrupt Senator Sparkman?

Mr. SPARKMAN. I thought, since he was asking unanimous consent for members to have the privilege of the floor, I would ask unanimous consent that Mr. Dan Wall be granted privileges of the floor during consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, are we operating under any time agreement?

The PRESIDING OFFICER. There are 30 minutes to a side on any amendment offered by the Senator from California.

Mr. JAVITS. I should like to ask Senator BROOKE to reply to this.

This equalization amendment in respect of community development recognizes a new formula which, for large cities, we thoroughly approve and support. But we understand that in the reallocation, if there is an ascending scale of benefit to these cities, they lose that ascending scale in the reallocation plan, and it is not generally and wisely distributed to all urban counties, but only hits these major cities. What is there, in explanation of this amendment, which bears upon that question?

Mr. President, I am sympathetic to the Senator's plight.

Mr. BROOKE. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. BROOKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, in response to my distinguished colleague from New York and my distinguished colleague from Texas, who raise a very important question, one which we in the Senate Banking, Housing and Urban Affairs Committee have hassled with for a long period of time, it was our hope that no city, no county, would suffer any deficiency. The President has proposed in his budget $3.248 billion for the program. I would like to give assurance to the Senator from New York and the Senator from Texas that, as we see it, we are adopting this on the supposition that there will be no deficiency.

Mr. JAVITS. Well, I think that is a proper answer. So that it will be a common responsibility, should this representation which underlies the amendment prove to be invalid, of addressing ourselves again to the problem.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. JAVITS. I gather the answer of my colleague is "Yes."

Mr. BROOKE. My answer is "Yes."

Mr. JAVITS. I thank my colleague.

Mr. BROOKE. I yield to the Senator from Texas.

Mr. TOWER. I thank the Senator from New York for raising this question.

I believe the intention of the sponsors of this amendment is to forestall a situation which might occur if the budget is not sufficient to accommodate the needs of hold-harmless communities in fiscal year 1977.

In reviewing the history and legislative intent of the 1974 Housing and Community Development Act, I believe it is clear that the Congress did not intend for the past recipients of categorical grants to receive block grant funds as a matter of right beyond the first 3 years of the act. The following 3 years, hold-harmless communities were to be phased down until by the sixth year the only communities with assured funding were to be those which qualified under the population, poverty and overcrowded housing formula.

It is my understanding that the sponsors of this amendment are not seeking to establish any precedent here that would affect any change in the basic statute. If that were the case, since we have not had any hearings on a matter of that magnitude and importance, I would strongly oppose this amendment.

Rather, I understand that the sponsors are primarily concerned with a unique situation which might occur only in fiscal year 1977.

As I understand it, however, the budget request for fiscal year 1977 is for a full funding for community development—$3.25 billion. Since the administration is requesting the total amount that is authorized, I question the necessity of section 5(c) of this amendment. At a full funding level, and taking into account the House action in assuring that at least $100 million is set aside for SMSA discretionary balances, the shortfall in funding for hold-harmless and metropolitan cities could range from zero to perhaps $25 million at the most. The figure cannot be pinpointed because at this time it is not known how many urban counties beyond the 75 which were eligible for fiscal year 1976 funding will qualify for, and seek participation in, fiscal year 1977.

However, I understand that, at most, there are about 10 additional urban counties which might theoretically qualify, plus a few new communities which could pass the 50,000 population threshold based on estimated 1973 population figures.

When a similar situation occurred this past year, HUD utilized funds from the Secretary's 2 percent discretionary fund to help assure adequate funding for hold-harmless and entitlement communities. If one assumes a full funding budget request, that would mean that the Secretary would have about $60 million in her discretionary fund from which she could address a shortage of, at most, $25 million in meeting hold-harmless, urban county, and metro city requirements.

Therefore, it seems to me that there is a lack of need for the Senate committee's modification to the House amendment. Because of this, I cannot support this proposal and I would hope that the proponents would reconsider their position on this amendment.

Mr. BROOKE. As I understand it, the distinguished floor manager of the bill has agreed to accept this amendment, and I join my colleague in its acceptance, with the understanding we have given to the distinguished Senator from New York and the distinguished Senator from Texas.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BROOKE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The second assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes an amendment:

At the end of the bill add the following:

SEC. . The United States Housing Act of 1937 is amended by adding at the end thereof the following:

"SEC. 32. An assistance payment made with respect to a dwelling unit under this Act may not be considered as income or a resource for the purposes of determining the eligibility or the extent of eligibility of any person living in such unit for assistance under the Social Security Act or any other Federal law."

Mr. JAVITS. Mr. President, will the clerk add the name of Senator BROOKE as a cosponsor of that amendment as well?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, this amendment is being offered to clear up possible problems that may exist in the administration of the public housing program and, particularly, section 8 and the supplemental security income program.

Prior to the enactment of the new section 8 under the Housing and Community Development Act of 1974, there was no problem regarding the administration of the SSI program and other housing assistance programs. Specifically, eligibility for SSI and the level of benefits were not affected by the fact that a tenant was residing in projects; that is, housing projects, which received subsidies under section 235 and 236, the rent supplement program and payments under the standard public housing program. I understand that this is still the case today, and that probably no additional clarifying language is necessary with regard to most of these programs.

But section 8 is a new program and, in that respect, HEW has raised a question that all subsidies on behalf of a tenant should be counted as unearned income. If this happens, Mr. President, recipients of the SSI program, the social security program, who become eligible to reside in section 8 projects will lose practically all their SSI benefits, since in my State and in many other areas section 8 housing assistance payments are almost equal to the SSI payments.

Thus there would be a situation where the aged, the blind, and the disabled would lose their social security payments which are needed to maintain them even at the low standard of living because they at long last were able to get decent housing under the section 8 program.

My amendment—I should say our amendment, Senator BROOKE'S and mine—clarifies the situation by amending the Housing Act of 1937 to provide that assistance payments made with respect to a dwelling under the Housing Act of 1937 shall not be considered as income or as a resource for the purposes of determining eligibility under the Social Security Act or any Federal law.

This will make clear with regard to public housing programs and, particularly, section 8 programs that assistance under the public housing programs would not be counted in determining eligibility under SSI.

I believe the amendment will treat all participants in Federal housing programs equally, as I have just mentioned, and this concern which HEW has shown is not the case respecting the other programs, that is, 235, 236, and standard public housing and, therefore, it should not be the case either under the new section 8 program, and I propose the amendment in order to make that clear.

Mr. BROOKE. Mr. President, I heartily endorse the Senator's amendment, I think it is an important amendment, and it is a necessary amendment. I commend the Senator for introducing the amendment, and I am pleased to have been associated with him in developing it. It is my understanding the distinguished manager of the bill will accept this amendment.

Mr. SPARKMAN. Well, Mr. President, I have not said that. Of course, I am willing to go along.

I do want to say I have some misgiving about it because, it seems to me, really, while it is tied to the Housing Act and relates to particular types of housing, it seems to me it is tied in with social security and the various benefits that may accrue to a person under different programs that are not under our jurisdiction.

I just raise that question and I would like to hear from the Senator from New York.

Mr. JAVITS. I think the Senator raises a very proper question, but the policy which we have laid down as far as rent supplements, et cetera, are concerned, 235, 236, and the regular standard housing program, establishes that policy.

We will not tax the recipient of social security for what benefit he gains in this way. Therefore, we have a new program not directed toward depriving these unfortunates of any part of their benefits, but was directed toward enabling them to get into a better condition as far as housing is concerned.

The equity of penalizing these particular ones who happen to be, by the way, the most desirable, the aged, the blind, the disabled, et cetera, would seem to run contrary to the general policy we have already adopted in the Housing Act.

Might I say to the Senator that I have such confidence in his sense of fairness and equity that I appreciate what he said, he will go along, the Senator will take it to conference. I am sure he will find it stands up.

Mr. SPARKMAN. Yes, I am willing to go along, but I did also point out that some facts may come up that will affect my feeling on this in conference.

Mr. JAVITS. If they do, I say that I have the utmost faith in the Senator's good faith, the Senate having passed the amendment, and in his own sense of equity.

Mr. President, I yield back the remainder of my time.

Mr. SPARKMAN. I yield back my time.

The PRESIDING OFFICER (Mr. STEVENSON). All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TOWER. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, line 18, after "(1)" insert the following: "any loan made to extend, renew, or increase the financing or refinancing of a previously occupied residential dwelling completed and occupied as a residence prior to January 1, 1976, (2)".

On page 7, line 20, strike out "(2)" and insert in lieu thereof "(3)".

On page 7, line 24, strike out "(3)" and insert in lieu thereof "(4)".

Mr. TOWER. Mr. President, the addition of this amendment would assure owners of existing, previously occupied residential dwellings that they will not only be able to sell their property, but will also be able to extend, renew or increase the financing on their homes, despite the fact that the property is located in a community or area which is not participating in the national flood insurance program.

As interpreted by HUD the 6-month extension of time which the Congress passed in June of last year, and which expires March 1, 1976, only permits new purchasers of existing properties access to long-term financing from federally connected lending institutions. Amendments approved by the Senate Banking, Housing and Urban Affairs Committee would properly extend this authority indefinitely.

However, the same institution which could provide long-term financing to a new buyer under this exemption could not provide a loan extension, refinancing, or renewal on an existing loan in order that a present homeowner could finance his children's college education, pay hospital bills, or even finance repair of his roof. It is inequitable to merely permit a present owner of an existing property to sell his home and to deny him any other access to the equity he has in his property.

Mr. President, it is my understanding that this amendment has been cleared with the distinguished Senator from Alabama (Mr. SPARKMAN) and the distinguished minority member (Mr. BROOKE), and I urge its adoption.

The PRESIDING OFFICER. Is all time yielded back?

Mr. TOWER. I yield back all my time.

Mr. SPARKMAN. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

Mr. BROOKE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Massachusetts (Mr. BROOKE) proposes an amendment.

Mr. BROOKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

"SEC. . Section 8(e)(1) of the U.S. Housing Act of 1937 is amended as follows:

Following the words "State or local agency" delete the comma and add words "or the Farmers Home Administration,"

Mr. BROOKE. Mr. President, the section 8 housing assistance payments program, administered by the Department of Housing and Urban Development—HUD—is the Federal Government's major deep subsidy housing program. Under this program, a low-income tenant pays 15 to 25 percent of adjusted income as a contribution to rent and HUD pays the owner the difference between the tenant contribution and the approved rent. The section 8 program does not provide this subsidy until the units are built. Therefore, another mechanism must be utilized to finance the construction or rehabilitation of units which will receive section 8 assistance upon completion.

In nonmetropolitan areas, a major source of financing for low-cost rental units is the Farmers Home Administration—FmHA—section 515 rural rental housing program, since private sources are very limited in rural areas and many State housing finance agencies appear to be reluctant to finance rural units. Without available financing, the section 8 new construction and rehabilitation programs cannot work. Therefore, a successful combination of the section 8 and FmHA 515 programs is essential if the congressional mandate to place 20 to 25 percent of section 8 assistance in nonmetro areas is to be met and as many as 100,000 rural low-income households are to be housed over the next year or so.

One major problem in successfully combining the two programs is that the term of a FmHA mortgage is generally 40 years, while section 8 assistance is limited to 20 years. Because of this discrepancy, FmHA is concerned that it will have a problem after 20 years in filling the units, if there are not enough moderate income people who could afford the rents without section 8 assistance. Therefore, FmHA is requiring that an applicant demonstrate that—

> There will be a future market for the units without the section 8 housing assistance payments contract by projecting future population growth, considering projected family incomes and projected growth trends. (FmHA Bulletin No. 540A(444)).

This rather vague requirement will probably mean that many otherwise acceptable proposals will be rejected because FmHA does not believe the community is growing. This will be a particularly severe problem for small communities with large numbers of elderly and poor citizens.

In order to eliminate FmHA's concern, there is a need for section 8 assistance to be made available over the full 40-year term of the FmHA mortgage. If this were the case then FmHA would not have to be concerned about the availability of moderate and middle-income tenants and a proposal could be judged on its merits alone, without consideration of the town's growth potential.

Section 8 contracts already can be made for 40 years for units financed by State or local public agencies, which are supported by the Federal Government through the Federal tax exempt status of the public agency bonds. It only seems reasonable that projects financed directly by the Federal Government, through FmHA, should also be eligible for 40-year contracts. This legislative change would eliminate a major roadblock in the successful combination of the section 8 and section 515 programs, and would thus facilitate the production of decent housing for thousands of rural poor families and elderly.

Mr. President, I have just recently concluded a tour of some rural areas of Massachusetts, and there is a great need for rural housing. The new section 8 could be very beneficial to rural areas, if we could get this extension for 40 years.

I hope that the distinguished chairman of this committee (Mr. SPARKMAN) will see fit to accept this amendment.

Mr. SPARKMAN. Mr. President, let me say that I think this is a very good amendment. It is looking into the future and securing, as I understand, what is already available under other areas.

Mr. BROOKE. Indirectly.

Mr. SPARKMAN. I think it is a very good amendment.

I am very much interested in rural housing. I believe the first rural housing provision ever offered here was offered by me in the Housing Act of 1949.

That law has been most helpful, and we have changed the population eligibility at different times. I believe this is a good amendment and I am very glad to support it.

Mr. BROOKE. Mr. President, let me say, and I should have said this earlier, the distinguished chairman of our subcommittee, the former distinguished chairman of the Banking, Housing and Urban Affairs Committee, is the father of rural housing, but he is the father of so many housing programs that I neglected to say it. I am very pleased to have his acquiescence in this particular proposal. I certainly agree with him that it is essential and will be very helpful. I am grateful to my distinguished colleague.

The ACTING PRESIDENT pro tempore. Is all time yielded back?

Mr. SPARKMAN. I yield back the remainder of my time.

Mr. BROOKE. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I would like to call up an amendment somewhat akin to the last amendment. I send the amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. SPARKMAN) proposes an amendment as follows:

At the appropriate place in the bill insert the following new section:

SEC. . Section 520(3)(B) of the Housing Act of 1949 is amended by adding the words "for lower and moderate income families" after the word "credit".

Mr. SPARKMAN. I believe this is acceptable to the distinguished Senator from Massachusetts.

Mr. BROOKE. Yes.

The ACTING PRESIDENT pro tempore. Is all time yielded back?

Mr. BROOKE. I yield back the remainder of my time.

Mr. SPARKMAN. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1271

Mr. SPARKMAN. Mr. President, I have one more amendment to offer on behalf of the Senator from Texas (Mr. BENTSEN), who cannot be here. He is busily engaged in other fields right now.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Alabama (Mr. SPARKMAN) for the Senator from Texas (Mr. BENTSEN) proposes an amendment No. 1271.

The amendment is as follows:

H.R. 9852 is amended by adding the following new section at the end thereof:

SEC. . The twelfth undesignated paragraph of section 5(c) of the Home Owner's Loan Act of 1933 (12 U.S.C. 1464(c)), as amended, is amended by adding in the first sentence, immediately after the words "made pursuant to either of such sections" and before the period the following language: "and in the share capital and capital reserve of the Inter-American Savings and Loan Bank."

Mr. SPARKMAN. Mr. President, Senator BENTSEN has a prepared statement. I ask unanimous consent that his statement be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT OF SENATOR BENTSEN

This is a very simple amendment, one which has already passed the Senate and one which I have discussed with the distinguished Floor Manager of this bill. I believe it will be acceptable to the Committee and to the full Senate.

My amendment, would authorize Federal savings and loan associations to invest up to 1% of their assets in the share capital and capital of the Inter-American Savings and Loan Bank.

The Congress has for many years supported the concept of thrift and private homeownership through the development of specialized credit institutions in the United States and has been instrumental in fostering the development and growth of National systems of credit institutions throughout Latin America similar in many respects to our savings and loan associations.

Our credit institutions could not function as effectively as they do where it not for the secondary mortage market represented by the Federal National Mortgage Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation. These agencies, acting as our secondary mortgage market, provide a stabilizing mechanism to cover the ebb and flow of available mortgage credit.

The Latin American nations have recognized the need for a secondary mortgage market and have acted in concert with each other to form the Inter-American Savings and Loan Bank.

I believe it would be useful here to outline briefly for the Senate the background of the Inter-American Savings and Loan Bank.

The initiative for the establishment of the bank, dedicated to housing finance, originated in the late 1960's under the auspices of the Inter-American Savings and Loan Union. The ISLU, which was founded in 1964, has as its principal objective the promotion of permanent, effective means of providing housing finance in both North and South America. Inasmuch as its membership includes vitrually every public and private housing finance entity in Latin America as well as a large number of U.S. savings and loan associations, their National trade organizations, Federal Home Loan Banks, and the Federal Home Loan Bank Board, the Inter-American Savings & Loan Union enjoys broad multi-national support in the hemisphere.

The basic objective of establishing an Inter-American bank specializing in housing finance is to provide an international market for home financing. In this context, the bank will be empowered to engage in secondary mortgage operations across National boundaries and to utilize its own standing in the international financial community to mobilize funds for re-lending to member institutions.

Sufficient capitalization for the bank to commence operations was subscribed in January of this year by eleven Latin American countries. What is currently lacking is a mechanism by which U.S. housing finance institutions could participate in the bank.

My amendment would involve no expenditure of Federal funds. It would merely allow Federal savings and loan associations, which are already authorized to invest in AID's housing program up to 1% of their assets, to invest in the Inter-American Savings and Loan Bank within that 1% limitation up to an aggregate of $3.5 million.

Between the savings and loan industries of the United States and Latin America there is a strong bond of friendship, born not only of common objectives and interests but also of more than a decade of close cooperation in the establishment and develpment of housing finance institutions in Latin America, significantly through the AID housing guaranty program and the efforts of the membership of the National Savings and Loan League. In the interests of U.S. foreign policy towards Latin America and of the very tangible benefits which can accrue to the U.S., this bond of friendship must be maintained and strengthened.

The Latin American nations have recognized the need for a secondary mortgage market and have acted in concert with each other to form the Inter-American Savings and Loan Bank. These mortgage credit systems have come of age to the point where the establishment of this facility, with or without U.S. participation, will be accomplished. The U.S. has been asked to participate and I believe it is very much within our National interest to do so. I further believe that this natural evolution of mortgage credit systems will benefit from our participation just as the various Latin American savings and loan systems came into being through our earlier assistance.

The Agency for International Development has long encouraged the establishment of the Inter-American Savings and Loan Bank and supports my amendment. I ask the Senate's support for it as well.

Mr. SPARKMAN. Mr. President, I might add that this provision has already passed the Senate as part of last year's foreign aid bill but was dropped in conference as being nongermane to the jurisdiction of the International Relations Committee. I yield back the remainder of my time and move the adoption of the amendment.

Mr. BROOKE. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, may I ask unanimous consent on these amendments which have just been agreed to, three of them, I believe, to reconsider the votes by which the amendments were agreed to.

Mr. BROOKE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BROOKE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BROOKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of bill 9852, add the following new section:

"SEC. . Section 7 of the Department of Housing and Urban Development Act, Public Law 89-174, is amended by adding at the end thereof a new subsection (n) reading as follows:

"'(n) Notwithstanding any other provision of law, the Secretary is authorized by contract or otherwise to establish, equip and operate a day care center facility for the purpose of serving children who are members of households of employees of the Department. The Secretary is authorized to establish or provide for the establishment of appropriate fees and charges to be chargeable against HUD employees or others who are beneficiaries of services provided by such a day care center.'"

Mr. BROOKE. Mr. President, I am introducing an amendment to H.R. 9852 at the request of the Secretary of Housing and Urban Development.

The amendment would clarify the authority of the Secretary to establish, equip and operate a day care center within the HUD headquarters building for the purpose of serving children of HUD employees. During the past several years, HUD officials and employees have discussed the feasibility of establishing a day care center program for employees' children. Both Secretary Hills and her predecessor Secretary Lynn have expressed support for the establishment of such a center.

The amendment would facilitate the establishment of the contemplated day care center. The center would be located in facilities designed and furbished especially for the purpose.

The conversion, equipping, and maintenance of space in which the center would operate would require the expenditure of some Federal funds, but the center's program is intended to be self-sustaining.

It is intended that the establishment of the center will be undertaken with funds already appropriated for general departmental administrative expenses, and that no further appropriation will be necessary for that purpose. To support the center's program, the amendment would authorize the charging of appropriate fees to employees and any others whose children might be served.

It is also intended that the proposed center will be operated on a license basis under which an existing nonprofit HUD employee corporation established to aid in the development and operation of the center would enter into a management contract with a professional management firm.

I believe the amendment is noncontroversial in that it would allow HUD to establish the type of day care facility already in operation at a number of other Federal agencies, including HEW and NASA.

I hope my colleagues will join me in supporting this amendment.

Mr. SPARKMAN. Mr. President, I am willing to yield back the remainder of my time and move the adoption of the amendment.

The ACTING PRESIDENT pro tempore. Is all time yielded back?

Mr. BROOKE. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BROOKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, when I made my opening statement, I said there would be certain revisions and deletions because of a subsequent law that has been enacted already. I submit technical amendments at this time and ask for their immediate consideration.

The ACTING PRESIDENT pro tempore. The amendments will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. SPARKMAN) proposes certain technical amendments.

The amendments are as follows:

Beginning with page 1, line 3, strike out all through page 6, line 24.

On page 7, line 1, strike out "SEC. 5." and insert in lieu thereof "SECTION 1.".

On page 7, strike out lines 11 through 14.

On page 7, line 15, strike out "(b)" and insert in lieu thereof "SEC. 2. (a)".

On page 8, line 4, strike out "(c)" and insert in lieu thereof "(b)".

On page 8, line 9, strike out "SEC. 7." and insert in lieu thereof "SEC. 3.".

On page 8, line 23, strike out "SEC. 8." and insert in lieu thereof "SEC. 4.".

On page 10, line 21, strike out "SEC. 9." and insert in lieu thereof "SEC. 5.".

On page 12, line 9, strike out "SEC. 10." and insert in lieu "SEC. 6.".

The ACTING PRESIDENT pro tempore. The question is on agreeing to the technical amendments.

The technical amendments were agreed to.

Mr. SPARKMAN. I move to reconsider the vote by which the technical amendments were agreed to.

Mr. BROOKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BROOKE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I send to the desk an amendment making some technical corrections, and ask that it be reported.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. SPARKMAN) proposes certain technical corrections.

Mr. SPARKMAN's amendment is as follows:

On page 11, line 1, strike out "before" and insert in lieu thereof "after".

On page 11, line 1, immediately after "centum" insert a comma.

On page 11, line 2, strike out "a comma and".

The ACTING PRESIDENT pro tempore. Is time yielded back?

Mr. BROOKE. Yes.

Mr. SPARKMAN. I yield back my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, those are all of the amendments that are to be submitted. We have been waiting on Senator BURDICK, who says he is not offering his amendment at this time, but will later take it up with the committee.

Mr. DOMENICI. Mr. President, I am pleased to note the committee report to H.R. 9852 has language relating to changes HUD plans to make regarding the definition of "substantial rehabilitation" of residential structures in flood hazard areas in communities which are participating in the national flood insurance program.

When I testified before the Banking Committee proposing a change in the HUD regulations, I related the problems confronting many communities in this country, including Albuquerque in my State of New Mexico. Under present regulations, these communities have little recourse as to what alternatives are available to them, should they desire to do less than substantial rehabilitation of existing dwellings. Currently, these homes can only be improved up to 50 percent of the value of the home prior to rehabilitation. If a home is valued at

$5,000, therefore, only $2,500 can be used to rehabilitate it. In many instances, this is insufficient.

There are many dwellings in Albuquerque which fall into this category. The alternatives are to raze the home and incur relocation costs plus the cost of a new dwelling elsewhere at a much higher cost, or, to floodproof the existing structure during the rehabilitation effort, again significantly increasing the cost of rehabilitation.

I am happy that HUD officials had this problem and have testified to their willingness to increase the limits of nonsubstantial rehabilitation to 80 percent of the appraised value of the structure prior to rehabilitation or $25,000, whichever is greater.

This proposal is similar to the suggestion I made before the committee, and I think it will provide significant assistance to communities that want to rehabilitate existing structures which are located in flood hazard areas.

It is my hope that HUD officials will see fit to follow through on their proposed regulation at the earliest possible time—as I understand is their intention.

Mr. DOLE. Mr. President, I will be voting in favor of H.R. 9852 today, which amends various provisions of the National Housing Act. It is basically a good piece of legislation which has garnered the support of our colleagues on both sides of the aisle, and I think it will prove to be beneficial for the people of Kansas.

MOBILE HOMES

Without going into a great deal of detail with regard to this bill's provisions, I would note that section 1 of this bill promises to facilitate the purchase of mobile homes throughout the country. This section will increase the ceilings on loans eligible for FHA insurance to finance the purchase of a mobile home under title 1 of the National Housing Act. While existing law limits such loans to $10,000, this measure will raise these ceilings to $12,500, and to $20,000 for those mobile homes composed of two or more modules. Commendably, these higher ceilings take into account rising costs in the construction of mobile homes, which have become so important, particularly to those rural communities which are now experiencing rapid growth in population. I think this provision will indeed facilitate the ability of residents in rural communities to acquire mobile home units for primary residences.

FLOOD INSURANCE

In addition, I would like to focus on one particular section of this legislation which deals with the National Flood Insurance program. Under the terms of this provision, the Department of Housing and Urban Development will be authorized to continue to provide emergency coverage for structures in floodprone areas where the community is participating in the Flood Insurance program, until December 31, 1976.

Of equal importance, however, are those provisions which entail a limited relaxation of the prohibition against conventional lending in nonparticipating communities. Under current law, individuals living in designated flood-prone areas within communities which have not enrolled in the National Flood Insurance program 1 year after official notification will become ineligible for FHA or VA mortgages, loans from the Small Business Administration, or loans from federally regulated banks and savings and loan institutions. The measure before us today will extend to nonparticipating communities the permission to provide conventional mortgage loans for purchase of existing, previously occupied residential dwellings. Furthermore, it would authorize conventional loans to finance improvements to existing residential structures within nonparticipating communities, and coventional loans could also be provided to finance improvements or additions to existing farms for nonresidential agriculture purposes in such communities. This relaxation of some of the restrictions against conventional loans in nonparticipating communities will, in my opinion, reduce the unnecessary harsh penalties which would otherwise devolve upon the community. Yet it will not critically weaken the incentive to participate.

Finally, section 6 of H.R. 9852 would eliminate the existing prohibition against Federal disaster relief assistance to nonparticipating communities which suffer disasters unrelated to flooding. This provision is particularly important in Kansas, where tornadoes periodically threaten to devastate large sections of communities. Such destruction should be met in those instances by the appropriate extent of Federal disaster assistance, regardless of whether or not a community is participating in a flood insurance program of this type.

I do believe the National Flood Insurance program is important, that it is beneficial, and that it should be extended. But I do not believe it should in any way become a mandatory element of Federal land use control. Communities should, to a large extent, be capable of making their own plans for flood hazard areas within their boundaries, and those plans should include appropriate restrictions against development within floodprone regions. The judicious management of such flood hazard areas should be encouraged and promoted, but the National Flood Insurance program should not be used as a device to coerce communities into becoming involved in something they do not desire or cannot afford. Recent statistics indicate that, of 445 Kansas communities designated as containing flood hazard areas, 242 have not yet chosen to participate in the National Flood Insurance program. I trust that the flood hazards that may exist within these Kansas localities can be neutralized without the use of undue Federal threats relating to loss of all disaster relief assistance, or suspension of all conventional loans.

Mr. President, is is with this perspective that I am casting a favorable vote for these amendments to the National Housing Act, and I hope for prompt action in passing the legislation.

Mr. SPARKMAN. I think we have completed action on the bill. I yield back my time, and move its adoption.

Mr. BROOKE. I yield back my time.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

Mr. SPARKMAN. Mr. President, there was some question as to whether or not there would be a rollcall vote. I believe Senator Brooke has cleared that up. Therefore, I move final approval.

The ACTING PRESIDENT pro tempore. The question is, Shall the bill pass?

The bill (H.R. 9852) was passed.

Mr. BROOKE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the bill (H.R. 9852) be printed as passed by the Senate, with the Senate amendments.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the acting President pro tempore (Mr. Stone) appointed Mr. Proxmire, Mr. Sparkman, Mr. Williams, Mr. Cranston, Mr. McIntyre, Mr. Tower, Mr. Brooke, and Mr. Garn conferees on the part of the Senate.

TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, has an order for the transaction of routine morning business on Monday been entered?

The ACTING PRESIDENT pro tempore. The order for Monday has not yet been entered.

Mr. ROBERT C. BYRD. It has not been entered?

The ACTING PRESIDENT pro tempore. Not yet.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Senators on Monday, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CONSIDERATION ON MONDAY OF S. 2115—ACTIVE DUTY OF SELECTED RESERVISTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business on Monday, the Senate proceed to the consideration of Calendar Order No. 538, S. 2115.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER AUTHORIZING SENATORS UNTIL 5 P.M. TODAY TO FILE AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unaminous consent that Senators may be authorized throughout the afternoon to file amendments up until 5 p.m. today on any of the bills which I shall enumerate for possible action on Monday and with special reference to Calendar Order No. 538, S. 2115, a bill relating to active duty of selected reservists which will be called up immediately after the morning business period on Monday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, will that also apply to the 200-mile fisheries bill?

ORDER AUTHORIZING SENATORS UNTIL 5 P.M. TODAY TO FILE ADDITIONAL AMENDMENTS ON S. 961

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may offer, during the afternoon of today until 5 p.m., additional amendments to the fisheries bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER AUTHORIZING SENATORS UNTIL 5 P.M. TODAY TO INTRODUCE BILLS, JOINT RESOLUTIONS, OTHER RESOLUTIONS, AND STATEMENTS IN THE RECORD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may also have until 5 p.m. today to introduce bills, joint resolutions, as well as other resolutions, and statements into the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene on Monday at 11 a.m.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. HELMS, Mr. MCCLURE, Mr. CURTIS, Mr. BROCK, Mr. LAXALT, Mr. BUCKLEY, and Mr. ROBERT C. BYRD.

At the conclusion of the orders for recognition of Senators, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each, and at the conclusion of routine morning business the Senate will proceed to the consideration of Calendar Order No. 538, S. 2115, a bill to amendment chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected Reservists, for a limited period, whether or not a declaration of war or national emergency has been declared.

Also on Monday, the leadership hopes to take up and have the Senate dispose of Calendar Order No. 535, S. 700, a bill to amend the Agricultural Adjustment Act of 1938, and hopefully also Calendar Order No. 561, S. 507, a bill to provide for the management, protection, and development of the national resource lands.

I expect rollcall votes on Monday in view of the measures that have been enumerated for action on that date.

Rollcall votes may occur also on other matters. Conference reports are privileged and, of course, can be called up at any time. Other measures may also be cleared for action by that time.

I hope to have a whip notice this afternoon going to the offices of Senators outlining more in detail the program for next week as far as it can be seen at this moment.

ADJOURNMENT UNTIL 11 A.M., MONDAY, JANUARY 26, 1976

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 11 a.m., Monday, January 26, 1976.

The motion was agreed to; and at 1:03 p.m., the Senate adjourned until Monday, January 26, 1976, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate January 23, 1976:

DEPARTMENT OF JUSTICE

Robert B. Fiske, Jr., of Connecticut to be U.S. attorney for the southern district of New York for the term of 4 year, vice Paul J. Curran, resigned.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Robert E. Lee, of Colorado, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1975, vice Lyle S. Garlock.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. James Francis Hollingsworth, [redacted] Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. John Holloway Cushman, [redacted] [redacted] U.S. Army.

HOUSE OF REPRESENTATIVES—*Friday, January 23, 1976*

The House was not in session today. Its next meeting will be held on Monday, January 26, 1976, at 12 o'clock noon.

CONFERENCE REPORT ON S. 2718, RAIL SERVICES ACT OF 1975

Pursuant to an order of the House on Thursday, January 22, 1976, the conference report on the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes, is herewith printed, as follows:

[Submitted by Mr. STAGGERS]

CONFERENCE REPORT (H. REPT. NO. 94–781)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the text of the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from it disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act, divided into titles and sections according to the following table of contents, may be cited as the "Railroad Revitalization and Regulatory Reform Act of 1976":

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Sec. 208. Rate bureaus.
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Sec. 212. Car service compensation and practices.

TITLE III—REFORM OF THE INTERSTATE COMMERCE COMMISSION

Sec. 301. Access to information by congressional committees.
Sec. 302. Effective date of orders of the Commission.
Sec. 303. Commission hearing and appellate procedure.
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TITLE IV—MERGERS AND CONSOLIDATIONS

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TITLE I—GENERAL PROVISIONS

DECLARATION OF POLICY

Sec. 101. (a) Purpose.—It is the purpose of the Congress in this Act to provide the means to rehabilitate and maintain the physical facilities, improve the operations and structure, and restore the financial stability of the railway system of the United States, and to promote the revitalization of such railway system, so that this mode of transportation will remain viable in the private sector of the economy and will be able to provide energy-efficient, ecologically compatible transportation services with greater efficiency, effectiveness, and economy, through—

(1) ratemaking and regulatory reforms;

(2) the encouragement of efforts to restructure the system on a more economically justified basis, including planning authority in the Secretary of Transportation, an expedited procedure for determining whether merger and consolidation applications are in the public interest, and continuing reorganization authority;

(3) financing mechanisms that will assure adequate rehabilitation and improvement of facilities and equipment, implementation of the final system plan, and implementation of the Northeast Corridor project;

(4) transitional continuation of service on light-density rail lines that are necessary to continued employment and community well-being throughout the United States;

(5) auditing, accounting, reporting, and other requirements to protect Federal funds and to assure repayment of loans and financial responsibility; and

(6) necessary studies.

(b) Policy.—It is declared to be the policy of the Congress in this Act to—

(1) balance the needs of carriers, shippers, and the public;

(2) foster competition among all carriers by railroad and other modes of transportation, to promote more adequate and efficient transportation services, and to increase the attractiveness of investing in railroads and rail-service-related enterprises;

(3) permit railroads greater freedom to raise or lower rates for rail services in competitive markets;

(4) promote the establishment of railroad rate structures which are more sensitive to changes in the level of seasonal, regional, and shipper demand;

(5) promote separate pricing of distinct rail and rail-related services;

(6) formulate standards and guidelines for determining adequate revenue levels for railroads; and

(7) modernize and clarify the functions of railroad rate bureaus.

DEFINITIONS

Sec. 102. As used in this Act, unless the context otherwise indicates, the term—

(1) "Association" means the United States Railway Association;

(2) "Commission" means the Interstate Commerce Commission;

(3) "Corporation" means the Consolidated Rail Corporation;

(4) "final system plan" means the final system plan and any additions thereto adopted by the Association pursuant to the Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.);

(5) "includes" and variants thereof should be read as if the phrase "but is not limited to" were also set forth;

(6) "Office" means the Rail Services Planning Office of the Commission;

(7) "railroad" means a common carrier by railroad or express, as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3)), and includes the National Railroad Passenger Corporation and the Alaska Railroad; and

(8) "Secretary" means the Secretary of Transportation or his designated representative.

TITLE II—RAILROAD RATES

EXPEDITIOUS DIVISIONS OF REVENUES

Sec. 201. Section 15(6) of the Interstate Commerce Act (49 U.S.C. 15(6)) is amended by (1) inserting "(a)" immediately after "(6)", and (2) adding at the end thereof the following three new subdivisions:

"(b) Notwithstanding any other provision of law, the Commission shall, within 180 days after the date of enactment of this subdivision, establish, by rule, standards and procedures for the conduct of proceedings for the adjustment of divisions of joint rates or fares (whether prescribed by the Commission or otherwise) in accordance with the provisions of this paragraph. The Commission shall issue a final order in all such proceedings within 270 days after the submission to the Commission of a case. If the Commission is unable to issue such a final order within such time, it shall issue a report to the Congress setting forth the reasons for such inability.

"(c) All evidentiary proceedings conducted pursuant to this paragraph shall be completed, in a case brought upon a complaint, within 1 year following the filing of the complaint, or, in a case brought upon the Commission's initiative, within 2 years following the commencement of such proceeding, unless the Commission finds that such a proceeding must be extended to permit a fair and expeditious competition of the proceeding. If the Commission is unable to meet any such time requirement, it shall issue a report to the Congress setting forth the reasons for such inability.

"(d) Whenever a proceeding for the adjustment of divisions of joint rates or fares (whether prescribed by the Commission or otherwise established) is commenced by the filing of a complaint with the Commission, the complaining carrier or carriers shall (i) attach thereto all of the evidence in support of their position, and (ii) during the course of such proceeding, file only rebuttal or reply evidence unless otherwise directed by order of the Commission. Upon receipt of a notice of intent to file a complaint pursuant to this paragraph, the Commission shall accord, to the party filing such notice, the same right to discovery that would be accorded to a party filing a complaint pursuant to this paragraph.".

RAILROAD RATEMAKING

Sec. 202. (a) Section 1(5) of the Interstate Commerce Act (49 U.S.C. 1(5)) is amended by inserting "(a)" immediately after "(5)" and by adding at the end thereof the following new sentence: "The provisions of this subdivision shall not apply to common carriers by railroad subject to this part.".

(b) Section 1(5) of the Interstate Commerce Act (49 U.S.C. 1(5)), as amended by subsection (a) of this section, is further amended by adding at the end thereof the following new subdivisions:

"(b) Each rate for any service rendered or to be rendered in the transportation of persons or property by any common carrier by railroad subject to this part shall be just and reasonable. A rate that is unjust or unreasonable is prohibited and unlawful. No rate which contributes or which would contribute to the going concern value of such a carrier shall be found to be unjust or unreasonable, or not shown to be just and reasonable, on the ground that such rate is below a just or reasonable minimum for the service rendered or to be rendered. A rate which equals or exceeds the variable costs (as determined through formulas prescribed by the Commission) of providing a service shall be presumed, unless such presumption is rebutted by clear and convincing evidence, to contribute to the going concern value of the carrier or carriers proposing such rate (hereafter in this paragraph referred to as the 'proponent carrier'). In determining variable costs, the Commission shall, at the request of the carrier proposing the rate, determine only those costs of the carrier proposing the rate and only those costs of the specific service in question, except where such specific data and cost information is not available. The Commission shall not include in variable cost any expenses which do not vary directly with the level of service provided under the rate in question. Notwithstanding any other provision of this part, no rate shall be found to be unjust or unreasonable, or not shown to be just and reasonable, on the ground that such rate exceeds a just or reasonable maximum for the service rendered or to be rendered, unless the Commission has first found that the proponent carrier has market dominance over such service. A finding that a carrier has market dominance over a service shall not create a presumption that the rate or rates for such service exceed a just and reasonable maximum. Nothing in this paragraph shall prohibit a rate increase from a level which reduces the going concern value of the proponent carrier to a level which contributes to such going concern value and is otherwise just and reasonable. For the purposes of the preceding sentence, a rate increase which does not raise a rate above the incremental costs (as determined through formulas prescribed by the Commission) of rendering the service to which such rate applies shall be presumed to be just and reasonable.

"(c) As used in this part, the term—

"(i) 'market dominance' refers to an absence of effective competition from other carriers or modes of transportation, for the traffic or movement to which a rate applies; and

"(ii) 'rate' means any rate or charge for the transportation of persons or property.

"(d) Within 240 days after the date of enactment of this subdivision, the Commission shall establish, by rule, standards and procedures for determining, in accordance with section 15(9) of this part, whether and when a carrier possesses market dominance over a service rendered or to be rendered at a particular rate or rates. Such rules shall be designed to provide for a practical determination without administrative delay. The Commission shall solicit and consider the recommendations of the Attorney General and of the Federal Trade Commission in the course of establishing such rules.".

(c) Section 15 of the Interstate Commerce Act (49 U.S.C. 15) is amended by redesignating paragraphs (8) through (14) thereof as paragraphs (10) through (16) thereof, respectively, and by inserting therein a new paragraph (9) as follows:

"(9) Following promulgation of standards under section 1(5)(d) of this part, whenever a rate of a common carrier by railroad subject to this part is challenged as being unreasonably high, the Commission shall, upon complaint or upon its own initiative and within 90 days after the commencement of a proceeding to investigate the lawfulness of such rate, determine whether the carrier proposing such rate has market dominance, within the meaning of section 1(5)(c)(i) of this part, over the service to which such rate applies. If the Commission finds that such a carrier does not have such market dominance, such finding shall be determinative in all additional or other proceedings under this Act concerning such rate or service, unless (a) such finding is modified or set aside by the Commission, or (b) such finding is set aside by a court of competent jurisdiction. Nothing in this paragraph shall limit the Commission's power to suspend a rate pursuant to this section, except that if the Commission has found that a carrier does not have such market dominance over the service to which a rate applies, the Commission may not suspend any increase in such rate on the ground that such rate as increased exceeds a just or reasonable maximum for such service, unless the Commission specifically modifies or sets aside its prior determination concerning market dominance over the service to which such rate applies.".

(d) Section 15 of the Interstate Commerce Act (49 U.S.C. 15) is amended by adding at the end thereof the following two new paragraphs:

"(17) Within 1 year after the date of enactment of this paragraph, the Commission shall establish, by rule, standards and expeditious procedures for the establishment of railroad rates based on seasonal, regional, or peak-period demand for rail services. Such standards and procedures shall be designed to (a) provide sufficient incentive to shippers to reduce peak-period shipments, through rescheduling and advance planning; (b) generate additional revenues for the railroads; and (c) improve (i) the utilization of the national supply of freight cars, (ii) the movement of goods by rail, (iii) levels of employment by railroads, and (iv) the financial stability of markets served by railroads. Following the establishment of such standards and procedures, the Commission shall prepare and submit to the Congress annual reports on the implementation of such rates, including recommendations with respect to the need, if any, for additional legislation to facilitate the establishment of such demand-sensitive rates.

"(18) In order to encourage competition, to promote increased reinvestment by railroads, and to encourage and facilitate increased nonrailroad investment in the production of rail services, a carrier by railroad subject to this part may, upon its own initiative or upon the request of any shipper or receiver of freight, file separate rates for distinct rail services. Within 1 year after the date of enactment of this paragraph, the Commission shall establish, by rule, expeditious procedures for permitting publication of separate rates for distinct rail services in order to (a) encourage the pricing of such services in accordance with the carrier's cash-outlays for such services and the demand therefor, and (b) enable shippers and receivers to evaluate all transportation and related charges and alternatives.".

(e) Section 15 of the Interstate Commerce Act (49 U.S.C. 15), as amended by this Act, is further amended—

(1) by adding at the end of paragraph (7) thereof the following new sentence: "This paragraph shall not apply to common carriers by railroad subject to this part."; and

(2) by inserting a new paragraph (8) as follows:

"(8)(a) Whenever a schedule is filed with the Commission by a common carrier by railroad stating a new individual or joint rate, fare, or charge, or a new individual or joint classification, regulation, or practice affecting a rate, fare, or charge, the Commission may, upon the complaint of an interested party or upon its own initiative, order a hearing concerning the lawfulness of such rate, fare, charge, classification, regulation, or practice. The hearing may be conducted without answer or other formal pleading, but reasonable notice shall be provided to interested parties. Such hearing shall be completed and a final decision rendered by the Commission not later than 7 months after such rate, fare, charge, classification, regulation, or practice was scheduled to become effective, unless, prior to the expiration of such 7-month period, the Commission reports in writing to the Congress that it is unable to render a decision within such period, together with a full explanation of the reason for the delay. If such a report is made to the Congress, the final decision shall be made not later than 10 months after the date of the filing of such schedule. If the final decision of the Commission is not made within the applicable time period, the rate, fare, charge, classification, regulation, or practice shall go into effect immediately at the expiration of such time period, or shall remain in effect if it has already become effective. Such rate, fare, charge, classification, regulation, or practice may be set aside thereafter by the Commission if, upon complaint of an interested party, the Commission finds it to be unlawful.

"(b) Pending a hearing pursuant to subdivision (a), the schedule may be suspended, pursuant to subdivision (d), for 7 months beyond the time when it would otherwise go into effect, or for 10 months if the Commission makes a report to the Congress pursuant to subdivision (a), except under the following conditions:

"(i) in the case of a rate increase, a rate may not be suspended on the ground that it exceeds a just and reasonable level if the rate is within a limit specified in subdivision (c), except that such a rate change may be suspended under any provision of section 2, 3, or 4 of this part or, following promulgation of standards and procedures under section 1(5)(d) of this part, if the carrier is found to have market dominance, within the meaning of section 1(5)(c)(i) of this part, over the service to which such rate increase applies; or

"(ii) in the case of a rate decrease, a rate may not be suspended on the ground that it is below a just and reasonable level if the rate is within a limit specified in subdivision (c), except that such a rate change may be suspended under any provision of section 2, 3, or 4 of this part, or for the purposes of investigating such rate change upon a complaint that such rate change constitutes a competitive practice which is unfair, destructive, predatory or otherwise undermines competition which is necessary in the public interest.

"(c) The limitations upon the Commission's power to suspend rate changes set forth in subdivisions (b) (i) and (ii) apply only to rate changes which are not of general applicability to all or substantially all classes of traffic and only if—

"(i) the rate increase or decrease is filed within 2 years after the date of the enactment of this subdivision;

"(ii) the common carrier by railroad notifies the Commission that it wishes to have the rate considered pursuant to this subdivision;

"(iii) the aggregate of the increases or decreases in any rate filed pursuant to clauses (i) and (ii) of this subdivision within the first 365 days following such date of enactment is not more than 7 per centum of the rate in effect on January 1, 1976; and

"(iv) the aggregate of the increases or decreases for any rate filed pursuant to clauses (i) and (ii) of this subdivision within the second 365 day-period following such date of enactment is not more than 7 per centum of the rate in effect on January 1, 1977.

"(d) The Commission may not suspend a rate under this paragraph unless it appears from specific facts shown by the verified complaint of any person that—

"(i) without suspension the proposed rate change will cause substantial injury to the complainant or the party represented by such complainant; and

"(ii) it is likely that such complainant will prevail on the merits.

The burden of proof shall be upon the complainant to establish the matters set forth in clauses (i) and (ii) of this subdivision. Nothing in this paragraph shall be construed as establishing a presumption that any rate increase or decrease in excess of the limits set forth in clauses (iii) or (iv) of subdivision (c) is unlawful or should be suspended.

"(e) If a hearing is initiated under this paragraph with respect to a proposed increased rate, fare, or charge, and if the schedule is not suspended pending such hearing and the decision thereon, the Commission shall require the railroads involved to keep an account of all amounts received because of such increase from the date such rate, fare, or charge became effective until the Commission issues an order or until 7 months after such date, whichever first occurs, or, if the hearings are extended pursuant to subdivision (a), until an order issues or until 10 months elapse, whichever first occurs. The account shall specify by whom and on whose behalf the amounts are paid. In its final order, the Commission shall require the common carrier by railroad to refund to the person on whose behalf the amounts were paid that portion of such increased rate, fare, or charge found to be not justified, plus interest at a rate which is equal to the average yield (on the date such schedule is filed) of marketable securities of the United States which have a duration of 90 days. With respect to any proposed decreased rate, fare, or charge which is suspended, if the decrease or any part thereof is ultimately found to be lawful, the common carrier by railroad may refund any part of the portion of such decreased rate, fare, or charge found justified if such carrier makes such a refund available on an equal basis to all shippers who participated in such rate, fare, or charge according to the relative amounts of traffic shipped at such rate, fare, or charge.

"(f) In any hearing under this section, the burden of proof is on the common carrier by railroad to show that the proposed changed rate, fare, charge, classification, rule, regulation, or practice is just and reasonable. The Commission shall specifically consider, in any such hearing, proof that such proposed changed rate, fare, charge, classification, rule, regulation, or practice will have a significantly adverse effect (in violation of section 2 or 3 of this part) on the competitive posture of shippers or consignees affected thereby. The Commission shall give such hearing and decision preference over all other matters relating to railroads pending before the Commission and shall make its decision at the earliest practicable time.".

(f) Nothing in the amendments made by this section shall be construed—

(1) to modify the application of section 2, 3, or 4 of the Interstate Commerce Act (49 U.S.C. 2, 3, or 4) in determining the lawfulness of any rate or practice;

(2) to make lawful any competitive practice which is unfair, destructive, predatory, or otherwise undermines competition which is necessary in the public interest;

(3) to affect the existing law or the authority of the Commission with respect to rate relationships between ports; or

(4) to affect the authority and responsibility of the Commission to guarantee the equalization of rates within the same port.

(g) The Secretary and the Commission shall separately study the effect of the amendments made by this section on the development of an efficient and financially stable railway system in the United States. Such studies shall include (1) an analysis of the effect of such provisions upon shippers and upon carriers in all modes of transportation, and (2) proposals for further regulatory and legislative changes, if necessary. The Commission shall gather all data relating to such studies as requested by the Secretary, and shall make such data available to the Secretary. The Secretary and the Commission shall transmit the results of their respective studies to each House of Congress within 20 months after the date of the enactment of this Act.

TARIFF MODIFICATIONS

SEC. 203. (a) Section 15(3) of the Interstate Commerce Act (49 U.S.C. 15(3)) is amended by adding at the end thereof the following new sentence: "With respect to carriers by railroad, in determining whether any such cancellation or proposed cancellation involving any common carrier by railroad is consistent with the public interest, the Commission shall, to the extent applicable, (a) compare the distance traversed and the average transportation time and expense required using the through route, and the distance traversed and the average transportation time and expense required using alternative routes, between the points served by such through route, (b) consider any reduction in energy consumption which may result from such cancellation, and (c) take into account the overall impact of such cancellation on the shippers and carriers who are affected thereby.".

(b) Section 15a of the Interstate Commerce Act (49 U.S.C. 15a) is amended by adding at the end thereof the following new paragraph:

"(5) The Commission shall, in any proceeding which involves a proposed increase or decrease in railroad rates, specifically consider allegations that such increase or decrease would change the rate relationships between commodities, ports, points, regions, territories, or other particular descriptions of traffic (whether or not such relationships were previously considered or approved by the Commission) and allegations that such increase or decrease would have a significantly adverse effect on the competitive position of shippers or consignees served by the railroad proposing such increase or decrease. If the Commission finds that such allegations as to change or effect are substantially supported on the record, it shall take such steps as are necessary, either before or after such proposed increase or decrease becomes effective and either within or outside such proceeding, to investigate the lawfulness of such change or effect.".

INVESTIGATION OF DISCRIMINATORY FREIGHT RATES FOR THE TRANSPORTATION OF RECYCLABLE OR RECYCLED MATERIALS

SEC. 204. (a) INVESTIGATION.—The Commission, within 12 months after the date of enactment of this Act, and thereafter as appropriate, shall—

(1) conduct an investigation of (A) the rate structure for the transportation, by common carriers by railroad subject to part I of the Interstate Commerce Act, of recyclable or recycled materials and competing virgin natural resource materials, and (B) the manner in which such rate structure has been affected by successive general rate increases approved by the Commission for such common carriers by railroad;

(2) determine, after a public hearing during which the burden of proof shall be upon such common carriers by railroad to show that such rate structure, as affected by rate increases applicable to the transportation of such competing materials, is just, reasonable, and nondiscriminatory, whether such rate structure is, in whole or in part, unjustly discriminatory or unreasonable;

(3) issue, in all cases in which such transportation rate structure is determined to be, in whole or in part, unjustly discriminatory or unreasonable, orders requiring the removal from such rate structure of such unreasonableness or unjust discrimination; and

(4) report to the President and the Congress, in the annual report of the Commission for each of the 3 years following the date of enactment of this Act, and in such other reports as may be appropriate, all actions commenced or completed under this section to eliminate unreasonable and unjustly discriminatory rates for the transportation of recyclable or recycled materials.

(b) PARTICIPATION.—The Administrator of the Environmental Protection Agency shall take such steps as are necessary to assure that the Commission carries out the requirements set forth in subsection (a) of this section as expeditiously as possible. Such Administrator is authorized to participate as a party in the investigation to be commenced by the Commission under such subsection (a).

(c) RESEARCH, DEVELOPMENT, AND DEMONSTRATION.—The Secretary, in cooperation with the Commission, shall establish a research, development, and demonstration program to develop and improve transport terminal operations, transport service characteristics, transport equipment, and collection and processing methods for the purpose of facilitating the competitive and efficient transportation of recyclable or recycled materials by common carriers by railroad subject to part I of the Interstate Commerce Act.

(d) REVIEW.—Orders issued by the Commission pursuant to this section shall be subject to judicial review or enforcement in the same manner as other orders issued by the Commission under the Interstate Commerce Act. In all proceedings under this section, the Commission shall comply fully with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(e) DEFINITIONS.—As used in this section, the term—

(1) "recyclable material" means any material which has been collected or recovered from waste for a commercial or industrial use, whether or not such collection or recovery follows end usage as a product; and

(2) "virgin natural resource material" and "virgin material" mean any raw material, including previously unused metal or metal ore, woodpulp or pulpwood, textile fiber or material, or other resource which is, or which will become (through the application of technology), a source of raw material for commercial or industrial use.

ADEQUATE REVENUE LEVELS

SEC. 205. Section 15a of the Interstate Commerce Act (49 U.S.C. 15a) is amended—

(1) by adding at the end of paragraph (2) and at the end of paragraph (3) the following new sentence: "This paragraph shall not apply to common carriers by railroad subject to this part."; and

(2) by redesignating paragraph (4) as paragraph (6), and by inserting immediately after paragraph (3) the following new paragraph:

"(4) With respect to common carriers by railroad, the Commission shall, within 24 months after the date of enactment of this paragraph, after notice and an opportunity for a hearing, develop and promulgate (and thereafter revise and maintain) reasonable standards and procedures for the establishment of revenue levels adequate under honest, economical, and efficient management to cover total operating expenses, including depreciation and obsolescence, plus a fair, reasonable, and economic profit or return (or both) on capital employed in the business. Such revenue levels should (a) provide a flow of net income plus depreciation adequate to support prudent capital outlays, assure the repayment of a reasonable level of debt, permit the raising of needed equity capital, and cover the effects of inflation, and (b) insure retention and attraction of capital in amounts adequate to provide a sound transportation system in the United States. The Commission shall make an adequate and continuing effort to assist such carriers in attaining such revenue levels. No rate of a common carrier by railroad shall be held up to a particular level to protect the traffic of any other carrier or mode of transportation, unless the Commission finds that such rate reduces or would reduce the going concern value of the carrier charging the rate.".

RATE INCENTIVES FOR CAPITAL INVESTMENT

SEC. 206. Section 15 of the Interstate Commerce Act (49 U.S.C. 15), as amended by section 202 of this Act, is amended by adding at the end thereof the following new paragraph:

"(19) Notwithstanding any other provision of law, a common carrier by railroad subject to this part may file with the Commission a notice of intention to file a schedule stating a new rate, fare, charge, classification, regulation, or practice whenever the implementation of the proposed schedule would require a total capital investment of $1,000,000 or more, individually or collectively, by such carrier, or by a shipper, receiver, or agent thereof, or an interested third party. The filing shall be accompanied by a sworn affidavit setting forth in detail the anticipated capital investment upon which such filing is based. Any interested person may request the Commission to investigate the schedule proposed to be filed, and upon such request the Commission shall hold a hearing with respect to such schedule. Such hearing may be conducted without answer or other formal pleading, but reasonable notice shall be provided to interested parties. Unless, prior to the 180-day period following the filing of such notice of intention, the Commission determines, after a hearing, that the proposed schedule, or any part thereof, would be unlawful, such carrier may file the schedule at any time within 180 days thereafter to become effective after 30 days' notice. Such a schedule may not, for a period of 5 years after its effective date, be suspended or set aside as unlawful under section 2, 3, or 4 of this part, except that the Commission may at any time order such schedule to be revised to a level equaling the variable costs of providing the service, if the rate stated therein is found to reduce the going concern value of the carrier.".

EXEMPTIONS FROM INTERSTATE COMMERCE ACT

SEC. 207. Paragraph (1) of section 12 of the Interstate Commerce Act (49 U.S.C. 12 (1)) is amended by inserting "(a)" immediately before "The Commission" and by adding at the end thereof the following new subdivision:

"(b) Whenever the Commission determines, upon petition by the Secretary or an interested party or upon its own initiative, in matters relating to a common carrier by railroad subject to this part, after notice and reasonable opportunity for a hearing, that the application of the provisions of this part (i) to any person or class of persons, or (ii) to any services or transactions by reason of the limited scope of such services or transactions, is not necessary to effectuate the national transportation policy declared in this Act, would be an undue burden on such person or class of persons or on interstate and foreign commerce, and would serve little or no useful public purpose, it shall, by order, exempt such persons, class of persons, services, or transactions from such provisions to the extent and for such period of time as may be specified in such order. The Commission may, by order, revoke any such exemption whenever it finds, after notice, and reasonable opportunity for a hearing, that the application of the provisions of this part to the exempted person, class of persons, services, or transactions, to the extent specified in such order, is necessary to effectuate the national transportation policy declared in this Act and to achieve effective regulation by the Commission, and would serve a useful public purpose.".

RATE BUREAUS

SEC. 208. (a) Section 5a of the Interstate Commerce Act (49 U.S.C. 5b) is amended in paragraph (1)(A) thereof by striking out "part I, II, or III" and inserting in lieu thereof "part I (other than a common carrier by railroad), part II, or part III".

(b) Part I of the Interstate Commerce Act is amended by inserting after section 5a thereof a new section 5b as follows:

"AGREEMENTS BETWEEN CARRIERS SUBJECT TO PART I

"SEC. 5b. (1) As used in this section, the term—

"(a) 'affiliate' means any person directly or indirectly controlling, controlled by, or under common control or ownership with, any other person, and as used in this subdivision, the term (i) 'control' has the same meaning as in section 1(3)(b) of this part; and (ii) 'ownership' refers to equity holdings of 5 per centum or more in any business entity;

"(b) 'antitrust laws' means the Act of July 2, 1890, as amended (15 U.S.C. 1, et seq.), the Act of October 15, 1914, as amended (15 U.S.C. 12, et seq.), the Federal Trade Commission Act (15 U.S.C. 41, et seq.), sections 73 and 74 of the Act of August 27, 1894, as amended (15 U.S.C. 8 and 9), and chapter 592 of the Act of June 19, 1936, as amended (15 U.S.C. 13, 13a, 13b, 21a); and

"(c) 'carrier' means any common carrier by railroad subject to part I of this Act.

"(2) Any carrier which is a party to an agreement, between or among two or more carriers, relating to rates, fares, classification, divisions, allowances, or charges (including charges between carriers and compensation paid or received for the use of facilities and equipment), or rules and regulations pertaining thereto, or procedures for the joint consideration, initiation, or establishment thereof, shall, under such rules and regulations as the Commission shall prescribe, apply to the Commission for approval of such agreement. The Commission shall, by order, approve any such agreement if approval thereof is not prohibited by paragraph (4) or (5) and if it finds that, by reason of furtherance of the national transportation policy declared in this Act, the relief provided in paragraph (8) should apply with respect to the making and carrying out of such agreement; otherwise the application shall be denied. No such approval shall be granted or continued (a) if any of the terms and conditions which are prescribed under the last sentence of this paragraph are violated or not complied with, or (b) unless the Commission receives a verified written statement (and any written supplement or addendum thereto requested by the Commission) setting forth, with respect to each carrier which is a party to such agreement (i) its name, (ii) the mailing address and telephone number of its headquarter's office, (iii) the names of each of its affiliates, (iv) the names, addresses, and affiliations of each of its officers and directors and of each person who, together with any affiliate, owns or controls any debt, equity, or security interest in it having a value of $1,000,000 or more and (v) such other information as the Commission directs to be included. The approval of the Commission shall be granted only upon such terms and conditions as the Commission determines are necessary to enable its approval to be granted in accordance with the standard set forth in this paragraph.

"(3) Each conference, bureau, committee, or other organization established or continued pursuant to any agreement approved by the Commission under the provisions of this section shall maintain such accounts, records, files, and memoranda and shall submit to the Commission such reports, as may be prescribed by the Commission. All such accounts, records, files, and memoranda shall be subject to inspection by the Commission or its duly authorized representatives. The Commission may conduct investigations, make reports, issue subpoenas, conduct hearings, require the production of relevant documents, records, and property, copy and verify the correctness of information subject to inspection, and take depositions (a) to determine whether any such conference, bureau, committee, or other organization, or any carrier which is a party to any such agreement, has acted or is acting in compliance with the provisions of this section, regulations issued under this section, and the public interest, (b) to determine whether any such organization or carrier is inhibiting an efficient utilization of transportation resources or has established practices which are inconsistent with efficient, flexible, and economic operation, and (c) for such other purposes as the Commission considers appropriate.

"(4) The Commission shall not approve under this section any agreement which it finds is an agreement with respect to a pooling, division, or other matter or transaction to which section 5 of this part is applicable.

"(5)(a) The Commission shall not approve under this section any agreement which establishes a procedure for the determination of any matter through joint consideration, unless it finds that under the agreement there is accorded to each party the free and unrestrained right to take independent action, without fear of any sanction or retaliatory action, at any time before or after any determination arrived at through such procedure. In no event shall any conference, bureau, committee, or other organization established or continued pursuant to any agreement approved by the Commission under the provisions of this section—

"(i) permit participation in agreements with respect to, or any voting on, single-line rates, allowances, or charges established by any carrier;

"(ii) permit any carrier to participate in agreements with respect to, or to vote on, rates, allowances, or charges relating to any particular interline movement, unless such carrier can practicably participate in such movement; or

"(iii) permit, provide for, or establish any procedure for joint consideration or any joint action to protest or otherwise seek the suspension of any rate or classification filed by a carrier of the same mode pursuant to section 15(7) of this part where such rate or classification is established by independent action.

As used in clause (i) of this subdivision, a single-line rate, allowance, or charge is one that is proposed by a single carrier applicable only over its own line and as to which the service (exclusive of terminal services provided by switching, drayage, or other terminal carriers or agencies) can be performed by such carrier.

"(b) The limitations set forth in subdivision (a) shall not be applicable to—

"(i) general rate increases or decreases, if the agreements accord the shipping public, under specified procedures, adequate notice of at least 15 days of such proposals and an opportunity to present comments thereon, in writing or otherwise, prior to the filing with the Commission of the tariffs containing such increases or decreases, or

"(ii) broad tariff changes if such changes are of general application or substantially general application throughout a territory or territories within which such changes are to be applicable.

In any proceeding in which it is alleged that a carrier voted or agreed upon a rate, allowance, or charge, in violation of the provisions of this section, the party alleging such violation shall have the burden of showing that such vote or agreement occurred. A showing of parallel behavior is not, by itself, sufficient to satisfy such burden.

"(6)(a) The Commission is authorized, upon complaint or upon its own initiative without complaints, to investigate and determine whether any agreement previously approved by it under this section, or terms and conditions upon which such approval was granted, is not or are not in conformity with the standard set forth in paragraph (2) and with the public interest, and whether any such terms and conditions are not necessary or whether any additional or modified terms and conditions are necessary for purposes of conformity with such standard. After any such investigation the Commission shall, by order, terminate or modify its approval of such an agreement if it finds such action necessary to insure conformity with such standard, and shall modify the terms and conditions upon which such approval was granted to the extent it finds necessary to insure conformity with such standard or to the extent to which it finds such terms and conditions not necessary to insure such conformity. The effective date of any order terminating or modifying approval, or modifying terms and conditions, shall be postponed for such period as the Commission determines to be reasonably necessary to avoid undue hardship.

"(b) The Commission shall periodically, but not less than once every 3 years, review each agreement which the Commission has by order approved under this section to determine whether such agreement, or any conference, bureau, committee, or other organization estabished or continued pursuant to such agreement, still conforms with the standard set forth in paragraph (2) and the public interest, and to evaluate the success and effect upon the consuming public and the national rail freight transportation system of such agreement and organization. The Commission shall report to the President and to the Congress on the results of such reviews, as part of its annual report pursuant to section 21. If the Commission makes a determination that any such agreement or organization is no longer in conformity with such standard, the Commission shall by order terminate or suspend its approval thereof.

"(7) No order shall be entered under this section except after interested parties have been afforded a reasonable opportunity for a hearing.

"(8) Parties to any agreement approved by the Commission under this section and other persons are, if the approval of such agreement is not prohibited by paragraph (4) or (5), hereby relieved from the operation of the antitrust laws with respect to the making of such agreement, and with respect to the carrying out of such agreement in conformity with its provisions and in conformity with the terms and conditions prescribed by the Commission.

"(9) Any action of the Commission under this section (a) in approving an agreement, (b) in denying an application for such approval, (c) in terminating or modifying such approval, (d) in prescribing the terms and conditions upon which such approval is to be granted, or (e) in modifying such terms and conditions, shall be construed as having effect solely with reference to the applicability of the relief provisions of paragraph (8).

"(10) The Federal Trade Commission, in consultation with the Antitrust Division of the Department of Justice, shall periodically prepare an assessment of, and shall report to the Commission on (a) any possible anticompetitive features of (i) any agreements approved or submitted for approval under this section, and (ii) any conferences, bureaus, committees, or other organizations operating under such agreements, and (b) possible ways to eliminate or alleviate any such anticompetitive features, effects, or aspects in a manner that will further the goals of the national transportation policy and this Act. The Commission shall make such reports available to the public.

"(11) Any conference, bureau, committee, or other organization established or continued pursuant to any agreement approved by the Commission under this section shall make a final disposition with respect to any rule, rate, or charge docketed with such organization within 120 days after such proposal is docketed.".

FILING PROCEDURES

SEC. 209. Section 6(6) of the Interstate Commerce Act (49 U.S.C. 6(6)) is amended by striking out "shall prescribe; and the" and inserting in lieu thereof the following: "shall prescribe. The Commission shall, beginning 2 years after the date of enactment of this sentence, require (a) that all rates shall be incorporated into the individual tariffs of each common carrier by railroad subject to this part or rail ratemaking association within 2 years after the initial publication of the rate, or within 2 years after a change in any rate is approved by the Commission, whichever is later, and (b) that any rate shall be null and void with respect to any such carrier or association which does not so incorporate such rate into its individual tariff. The Commission may, upon good cause shown, extend such period of time. Notice of any such extension and a statement of the reasons therefor shall be promptly transmitted to the Congress. The".

INTRASTATE RAILROAD RATE PROCEEDINGS

SEC. 210. Section 13 of the Interstate Commerce Act (49 U.S.C. 13) is amended by striking out ": *Provided*, That" and all that follows through "hearing and decision therein" in paragraph (4) thereof, and by adding at the end thereof the following new paragraph:

"(5) The Commission shall have exclusive authority, upon application to it, to determine and prescribe intrastate rates if—

"(a) a carrier by railroad has filed with an appropriate administrative or regulatory body of a State a change in an intrastate rate, fare, or charge, or a change in a classification, regulation, or practice that has the effect of changing such a rate, fare, or charge, for the purpose of adjusting such rate, fare, or charge to the rate charged on similar traffic moving in interstate or foreign commerce; and

"(b) the State administrative or regulatory body has not, within 120 days after the date of such filing, acted finally on such change.

Notice of the application to the Commission shall be served on the appropriate State administrative or regulatory body. Upon the filing of such an application, the Commission shall determine and prescribe, according to the standards set forth in paragraph (4) of this section, the rate thereafter to be charged. The provisions of this paragraph shall apply notwithstanding the laws or constitution of any State, or the pendency of any proceeding before any State court or other State authority.".

DEMURRAGE CHARGES

SEC. 211. (a) Section 1(6) of the Interstate Commerce Act (49 U.S.C. 1(6)) is amended by inserting at the end thereof the following new sentence: "Demurrage charges shall be computed, and rules and regulations relating to such charges shall be established, in such a manner as to fulfill the national needs with respect to (a) freight car utilization and distribution, and (b) maintenance of an adequate freight car supply available for transportation of property.".

CAR SERVICE COMPENSATION AND PRACTICES

SEC. 212. (a) Section 1(14)(a) of the Interstate Commerce Act (49 U.S.C. 1(14)(a)) is amended to read as follows:

"(14)(a) It is the intent of the Congress to encourage the purchase, acquisition, and efficient utilization of freight cars. In order to carry out such intent, the Commission may, upon complaint of an interested party or upon its own initiative without complaint, and after notice and an opportunity for a hearing, establish reasonable rules, regulations, and practices with respect to car service by common carriers by railroad subject to this part, including (i) the compensation to be paid for the use of any locomotive, freight car, or other vehicle, (ii) the other terms of any contract, agreement, or arrangement for the use of any locomotive or other vehicle not owned by the carrier by which it is used (and whether or not owned by another carrier, shipper, or third party), and (iii) the penalties or other sanctions for nonobservance of such rules, regulations, or practices. In determining the rates of compensation to be paid for each type of freight car, the Commission shall give consideration to the transportation use of each type of freight car, to the national level of ownership of each such type of freight car, and to other factors affecting the adequacy of the national freight car supply. Such compensation shall be fixed on the basis of the elements of ownership expense involved in owning and maintaining each such type of freight car, including a fair return on the cost of such type of freight car (giving due consideration to current costs of capital, repairs, materials, parts, and labor). Such compensation may be increased by any incentive element which will, in the judgment of the Commission, provide just and reasonable compensation to freight car owners, contribute to sound car service practices (including efficient utilization and distribution of cars), and encourage the acquisition and maintenance of a car supply adequate to meet the needs of commerce and the national defense. The Commission shall not make any incentive element applicable to any type of freight car if the Commission finds that the supply of such type of freight car is adequate. The Commission may exempt such incentive element from the compensation to be paid by any carrier or group of carriers if the Commission finds that such an exemption is in the national interest.".

(b) The Commission shall, within 18 months after the date of enactment of this Act, revise its rules, regulations, and practices with respect to car service, in accordance with the amendment made by subsection (a) of this section.

TITLE III—REFORM OF THE INTERSTATE COMMERCE COMMISSION

ACCESS TO INFORMATION BY CONGRESSIONAL COMMITTEES

SEC. 301. Section 17 of the Interstate Commerce Act (49 U.S.C. 17), as amended by section 303 of this Act, is further amended by inserting therein a new paragraph (15) as follows:

"(15) Whenever the Committee on Interstate and Foreign Commerce of the House of Representatives or the Committee on Commerce of the Senate makes a written request for documents which are in the possession or under the control of the Commission and which relate to any matter involving a common carrier by railroad subject to this part, the Commission shall, within 10 days after the date of receipt of such request, submit such documents (or copies thereof) to such committee, or submit a report in writing to such committee stating the reason why such documents have not been so submitted, and the anticipated date on which they will be submitted. If the Commission transfers any document in its possession or under its control to any other agency or to any person, it shall condition such transfer on the guaranteed return by the transferee of such document to the Commission for purposes of complying with the preceding sentence. This paragraph shall not apply to documents which have been obtained by the Commission from persons subject to regulation by the Commission, and which contain trade secrets or commercial or financial information of a privileged or confidential nature. This paragraph shall not be deemed to restrict any other authority of either House of Congress, or any committee or subcommittee thereof, to obtain documents. For purposes of this paragraph, the term 'document' means any book, paper, correspondence, memorandum, or other record, or any copy thereof.".

EFFECTIVE DATE OF ORDERS OF THE COMMISSION

SEC. 302. Section 15(2) of the Interstate Commerce Act (49 U.S.C. 15(2)), is amended by striking out ", not less than thirty days, and shall", and inserting in lieu thereof "as the Commission may prescribe. Such orders shall".

COMMISSION HEARING AND APPELLATE PROCEDURE

SEC. 303. (a) Section 17 of the Interstate Commerce Act (49 U.S.C. 17) is amended by redesignating paragraphs (9) through (12) thereof as paragraphs (10) through (13) thereof, respectively, and by inserting therein the following new paragraph (9):

"(9)(a) Whenever the term 'hearing' is used in this part, such term shall be construed to include an opportunity for the submission of all evidence in written form, followed by an opportunity for briefs, written statements, or conferences of the parties, such conferences to be chaired by a division, an individual Commissioner, an administrative law judge, an employee board, or any other designated employee of the Commission.

"(b) With respect to any matter involving a common carrier by railroad subject to this part, whenever the Commission assigns the initial disposition of any such matter before the Commission to an administrative law judge, individual Commissioner, employee board, or division or panel of the Commission, such judge, Commissioner, board, division, or panel shall—

"(i) complete all evidentiary proceedings with respect to such matter within 180 days after its assignment; and

"(ii) with respect to any matter so assigned which involves written submissions or the taking of testimony at a public hearing, submit in writing to the Commission, within 120 days after the completion of all evidentiary proceedings, an initial decision, report, or order containing—

"(A) specific findings of fact;

"(B) specific and separate conclusions of law;

"(C) a recommended order; and

"(D) any justification in support of such findings of fact, conclusions of law, and order.

The Commission, or a duly designated division thereof, may, in its discretion, void any requirement for an initial decision, report, or order, and, in appropriate cases, may direct that any matter shall be considered forthwith by the Commission or such division, if it concludes that the matter involves a question of agency policy, a new or novel issue of law, or an issue of general transportation importance, or if the due and timely execution of its functions so requires. Whenever an initial decision, report, or order is submitted, copies thereof shall be served upon interested parties. Any such party may file an appeal with the Commission, with respect to such initial decision or report. If no such appeal is filed within 20 days after such service, or within such further period (not to exceed 20 days) as the Commission, or a duly designated division thereof, may authorize, the order set forth in such initial decision or report shall become the order of the Commission and shall become effective unless, within such period, the order shall have been stayed or postponed by the Commission pursuant to subdivision (d) or (e).

"(c) The Commission, or a duly designated division thereof, may, upon its own initiative, and shall, in any case in which an appeal is filed under subdivision (b), review the matter upon the same record or upon the basis of a further hearing. Any such appeal shall be considered and acted upon by the Commission, or a duly designated division thereof, within 180 days after the date on which such appeal is filed. Any such decision, report, or order shall be stayed pending the determination of such appeal. Such a review shall be conducted in accordance with section 557 of title 5, United States Code, and such rules (limiting and defining the issues and pleadings upon review) as the Commission may adopt in conformance with section 557(b) of such title 5. The Commission may, in its discretion and on such terms and conditions as it may prescribe, authorize duly designated employee boards to perform functions under this paragraph of the same character as those which may be performed by a duly designated division of the Commission (other than the decision of any appeal under this paragraph which may be further appealed to the Commission).

"(d) Any decision, order, or requirement of the Commission, or of a duly designated division thereof, shall become effective 30 days after it is served on the parties thereto, unless the Commission provides for such decision, order, or requirement, or any applicable rule, to become effective at an earlier date. Any interested party to a decision, order, or requirement of a duly designated division of the Commission may petition the Commission for rehearing, reargument, or other reconsideration, subject to such rules and limitations as the Commission may establish. If the Commission finds that a decision, order, or requirement presents a matter of general transportation importance, or if it finds that clear and convincing new evidence has been presented or that changed circumstances exist which would materially affect such decision, order, or requirement, the Commission may reconsider such decision, order, or requirement, and it may, in its discretion, stay the effective date of such decision, order, or requirement. If the Commission reconsiders a decision, order, or requirement, it must complete the process and issue its final order not more than 120 days after the date on which it grants the application for reconsideration.

"(e) The Commission may, in its discretion, extend any time period set forth in this section for a period of not more than 90 days, if a majority of the Commissioners, by public vote, agree to such extension. The Commission shall submit an annual report in writing to each House of Congress setting forth each extension granted pursuant to this subdivision (classified by the type of proceeding involved), and stating the reasons for each such extension and the duration thereof.

"(f) In extraordinary situations in which an extension granted pursuant to subdivision (e) is not sufficient to allow for completion of necessary proceedings, the Commission may, in its discretion, grant a further extension if—

"(i) not less than 7 of the Commissioners, by public vote, agree to such further extension; and

"(ii) not less than 15 days prior to expiration of the extension granted pursuant to subdivision (e), the Commission reports in writing to the Congress that such further extension has been granted, together with—

"(A) a full explanation of the reasons for such further extensions;

"(B) the anticipated duration of such further extension;

"(C) the issues involved in the matter before the Commission; and

"(D) the names of personnel of the Commission working on such matter.

"(g) The Commission may, at any time upon its own initiative, on grounds of material error, new evidence or substantially changed circumstances—

"(i) reopen any proceeding;

"(ii) grant rehearing, reargument, or reconsideration with respect to any decision, order, or requirement; and

"(iii) reverse, modify, or change any decision, order, or requirement.

The Commission may establish rules allowing interested parties to petition for leave to request reopening and reconsideration based upon material error, new evidence, or substantially changed circumstances.

"(h) Notwithstanding any other provision of this Act, any decision, order, or requirement of the Commission, or of a duly designated division thereof, shall be final on the date on which it is served. A civil action to enforce, enjoin, suspend, or set aside such a decision, order, or requirement, in whole or in part, may be brought after such date in a court of the United States pursuant to the provisions of law which are applicable to suits to enforce, enjoin, suspend, or set aside orders of the Commission.

"(i) Notwithstanding the provisions of paragraphs (5), (6), (7), and (8), the provisions of this paragraph shall govern the disposition of, and shall apply only to, any matter before the Commission which involves a common carrier by railroad subject to this part, except that the provisions of other sections of this part pertaining to deadlines in Commission proceedings shall govern to the extent that they are inconsistent with the provisions pertaining to deadlines contained in this paragraph.

"(j) Reports in writing and other written statements (including, but not limited to, any report, order, decision and order, vote, notice, letter, policy statement, rule, or regulation) of any official action of the Commission (whether such action is taken by the Commission, a division thereof, any other group of Commissioners, a single Commissioner, an employee board, an administrative law judge, or any other individual or group of individuals who are authorized to take any official action on behalf of the Commission) shall indicate (i) the official designation of the individual or group taking such action, (ii) the name of each individual taking, or participating in taking, such action, and (iii) the vote or position of each such participating individual. If any individual who is officially designated as a member of a group which takes any such action does not participate in such action, the written statement of such action shall indicate that such individual did not participate. Each individual who participates in taking any such action shall have the right to express his individual views as part of the written statement of such action. The written statement of any such action shall be made available to the public in accordance with Federal law.".

(b) Section 17 of the Interstate Commerce Act is amended by inserting therein a new paragraph (14) as follows:

"(14)(a) Any formal investigative proceeding with respect to a common carrier by railroad which is instituted by the Commission after the date of enactment of this subdivision shall be concluded by the Commission with administrative finality within 3 years after the date on which such proceeding is instituted. Any such proceeding which is not so concluded by such date shall automatically be dismissed.

"(b) Within 1 year after the date of enactment of this subdivision, the Commission shall conclude or terminate, with administrative finality, any formal investigative proceeding with respect to a common carrier by railroad which was instituted by the Commission on its own initiative and which has been pending before the Commission for a period of 3 or more years following the date of the order which instituted such proceeding.".

OFFICE OF RAIL PUBLIC COUNSEL

SEC. 304. (a) Part I of the Interstate Commerce Act is amended by redesignating section 27 thereof as section 29 thereof and by inserting after section 26 thereof a new section 27, as follows:

"OFFICE OF RAIL PUBLIC COUNSEL

"SEC. 27. (1) There shall be established, within 60 days after the date of enactment of this section, a new independent office affiliated with the Commission to be known as the Office of Rail Public Counsel. The Office of Rail Public Counsel shall function continuously pursuant to this section and other applicable Federal laws.

"(2) (a) The Office of Rail Public Counsel shall be administered by a Director. The Director shall be appointed by the President, by and with the advice and consent of the Senate.

"(b) The term of office of the Director shall be 4 years. He shall be responsible for the discharge of the functions and duties of the Office of Rail Public Counsel. He shall be appointed and compensated, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, at a rate not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title.

"(3) The Director is authorized to appoint, fix the compensation, and assign the duties of employees of such Office and to procure temporary and intermittent services to the same extent as is authorized under section 3109 of title 5, United States Code. Each bureau, office, or other entity of the Commission and each department, agency, and instrumentality of the executive branch of the Federal Government and each independent regulatory agency of the United States is authorized to provide the Office of Rail Public Counsel with such information and data as it requests. The Director is authorized to enter into, without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5), such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of his functions and duties. The Director shall submit a monthly report on the activities of the Office of Rail Public Counsel to the Chairman of the Commission and the Commission, in its annual report to the Congress, shall evaluate and make recommendations with respect to such Office and its activities, accomplishments, and shortcomings.

"(4) In addition to any other duties and responsibilities prescribed by law, the Office of Rail Public Counsel—

"(a) shall have standing to become a party to any proceeding, formal or informal, which is pending or initiated before the Commission and which involves a common carrier by railroad subject to this part;

"(b) may petition the Commission for the initiation of proceedings on any matter within the jurisdiction of the Commission which involves a common carrier by railroad subject to this part;

"(c) may seek judicial review of any Commission action on any matter involving a common carrier by railroad subject to this part, to the extent such review is authorized by law for any person and on the same basis;

"(d) shall solicit, study, evaluate, and present before the Commission, in any proceeding, formal or informal, the views of those communities and users of rail service affected by proceedings initiated by or pending before the Commission, whenever the Director determines, for whatever reason (such as size or location), that such community or user of rail service might not otherwise be adequately represented before the Commission in the course of such proceedings; and

"(e) shall evaluate and represent, before the Commission and before other Federal agencies when their policies and activities significantly affect rail transportation matters subject to the jurisdiction of the Commission, and shall by other means assist the constructive representation of, the public interest in safe, efficient, reliable, and economical rail transportation services.

In the performance of its duties under this paragraph, the Office of Rail Public Counsel shall assist the Commission in the development of a public interest record in proceedings before the Commission.

"(5) The budget requests and budget estimates of the Office of Rail Public Counsel shall be submitted concurrently to the Congress and to the President.

"(6) There are authorized to be appropriated to the Office of Rail Public Counsel for the purpose of carrying out the provisions of this section not to exceed $500,000 for the fiscal year ending June 30, 1976, not to exceed $500,000 for the fiscal year transition period ending September 30, 1976, and not to exceed $2,000,000 for the fiscal year ending September 30, 1977.".

(b) Section 13 of the Interstate Commerce Act (49 U.S.C. 13), as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

"(6) (a) Whenever, pursuant to section 553(e) of title 5, United States Code, an interested person (including a government entity) petitions the Commission for the commencement of a proceeding for the issuance, amendment, or repeal of an order, rule, or regulation relating to common carriers by railroads under this Act, the Commission shall grant or deny such petition within 120 days after the date of receipt of such petition. If the Commission grants such a petition, it shall commence an appropriate proceeding as soon thereafter as practicable. If the Commission denies such a petition, it shall set forth, and publish in the Federal Register, its reasons for such denial.

"(b) If the Commission denies a petition under subdivision (a) (or if it fails to act thereon within the 120-day period established by such subdivision), the petitioner may commence a civil action in an appropriate court of appeals of the United States for an order directing the Commission to initiate a proceeding to take the action requested in such petition. Such an action shall be commenced within 60 days after the date of such denial or, where appropriate, within 60 days after the date of expiration of such 120-day period.

"(c) If the petitioner, in an action commenced under subdivision (b), demonstrates to the satisfaction of the court, by a preponderance of the evidence in the record before the Commission or, in an action based on a petition on which the Commission failed to act, in a new proceeding before such court, that the action requested in such petition to the Commission is necessary and that the failure of the Commission to take such action will result in the continuation of practices which are not consistent with the public interest or in accordance with this Act, such court shall order the Commission to initiate such action.

"(d) In any action under this paragraph, a court shall have no authority to compel the Commission to take any action other than the initiation of a proceeding for the issuance, amendment, or repeal of an order, rule, or regulation under this Act.

"(e) As used in this paragraph, the term 'Commission' includes any division, individual Commissioner, administrative law judge, employee board, or any other person authorized to act on behalf of the Commission in any part of the proceeding for the issuance, amendment, or repeal of any order, rule, or regulation under this Act relating to common carriers by railroad.".

REFORM OF RULES OF PRACTICE BEFORE THE COMMISSION

SEC. 305. (a) Within 360 days after the date of enactment of this Act, the Commission shall study, develop, and submit to the Congress an initial proposal setting forth rules of practice under which the Commission proposes to conduct all adjudicatory and rulemaking proceedings with respect to any matter involving a common carrier by railroad subject to this part. Such rules of practice before the Commission shall be consistent with existing law, shall take into consideration the varying nature of proceedings before the Commission, and shall include—

(1) specific time limits upon the filing and disposition of all complaints, applications, petitions, pleadings, motions, appeals, and rulemaking proceedings before an administrative law judge, individual Commissioner, review board, division, or panel of the Commission, or the full Commission;

(2) specific methods of taking testimony, receiving evidence, hearing cross-examination, and the modification of such procedures so as to facilitate the timely execution of the functions of the Commission;

(3) utilization of additional administrative law judges or the assignment of employees of the Office, in complex adjudicatory or rulemaking proceedings, so as to facilitate proper focus and timely resolution of the issues within the required time limits; and

(4) specific remedies in any case of failure to observe required time limits.

(b) Within 420 days after the date of enactment of this Act, the Administrative Conference of the United States shall submit to the Congress and to the Commission its comments on the rules of practice before the Commission proposed pursuant to subsection (a) of this section, together with such recommendations as it considers appropriate.

(c) Within 30 days after the receipt of comments submitted pursuant to subsection (b) of this section the Commission shall consider such comments and shall submit to the Congress a final proposal setting forth the rules of practice before the Commission with respect to matters involving common carriers by railroad. Such rules of practice shall take effect at the end of the first period of 60 calendar days of continuous session of the Congress after the date of submission of such final proposal, unless either the Senate or the House of Representatives adopts a resolution during such period stating that it does not approve such final proposal. If no resolution is adopted as provided in the preceding sentence, the Commission shall adopt such proposed rules of practice. For purposes of this subsection, continuity of session of the Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded from the computation of the 60-day period.

(d) If either the Senate or the House of Representatives passes a resolution of disapproval under subsection (c) of this section, the Commission shall develop a revised proposal setting forth the rules of practice before the Commission pursuant to this section. Within 60 days after the date of such disapproval, each such revised proposal shall be submitted to the Congress by the Commission for review pursuant to such subsection (c).

(e) The Commission shall periodically, but not less than once every 3 years, review the rules of practice adopted pursuant to subsection (c) of this section, and shall revise such rules as it considers necessary.

PROHIBITING DISCRIMINATORY TAX TREATMENT OF TRANSPORTATION PROPERTY

SEC. 306. Part I of the Interstate Commerce Act (49 U.S.C. 1 et seq.), as amended by this

Act, is further amended by inserting therein a new section 28, as follows:

"SEC. 28. (1) Notwithstanding the provisions of section 202(b), any action described in this subsection is declared to constitute an unreasonable and unjust discrimination against, and an undue burden on interstate commerce. It is unlawful for a State, a political subdivision of a State, or a governmental entity or person acting on behalf of such State or subdivision to commit any of the following prohibited acts:

"(a) The assessment (but only to the extent of any portion based on excessive values as hereinafter described), for purposes of a property tax levied by any taxing district, of transportation property at a value which bears a higher ratio to the true market value of such transportation property than the ratio which the assessed value of all other commercial and industrial property in the same assessment jurisdiction bears to the true market value of all such other commercial and industrial property.

"(b) The levy or collection of any tax on an assessment whch is unlawful under subdivision (a).

"(c) The levy or collection of any ad valorem property tax on transportation property at a tax rate higher than the tax rate generally applicable to commercial and industrial property in the same assessment jurisdiction.

"(d) The imposition of any other tax which results in discriminatory treatment of a common carrier by railroad subject to this part.

"(2) Notwithstanding any provision of section 1341 of title 28, United States Code, or of the constitution or laws of any State, the district courts of the United States shall have jurisdiction, without regard to amount in controversy or citizenship of the parties, to grant such mandatory or prohibitive injunctive relief, interim equitable relief, and declaratory judgments as may be necessary to prevent, restrain, or terminate any acts in violation of this section, except that—

"(a) such jurisdiction shall not be exclusive of the jurisdiction which any Federal or State court may have in the absence of this subsection;

"(b) the provisions of this section shall not become effective until 3 years after the date of enactment of this section;

"(c) no relief may be granted under this section unless the ratio of assessed value to true market value, with respect to transportation property, exceeds by at least 5 per centum the ratio of assessed value to true market value, with respect to all other commercial and industrial property in the same assessment jurisdiction;

"(d) the burden of proof with respect to the determination of assessed value and true market value shall be that declared by the applicable State law; and

"(e) in the event that the ratio of the assessed value of all other commercial and industrial property in the assessment jurisdiction to the true market value of all such other commercial and industrial property cannot be established through the random-sampling method known as a sales assessment ratio study (conducted in accordance with statistical principles applicable to such studies) to the satisfaction of the court hearing the complaint that transportation property has been or is being assessed or taxed in contravention of the provisions of this section, then the court shall hold unlawful an assessment of such transportation property at a value which bears a higher ratio to the true market value of such transportation property than the assessed value of all other property in the assessment jurisdiction in which is included such taxing district and subject to a property tax levy bears to the true market value of all such other property, and the collection of any ad valorem property tax on such transportation property at a tax rate higher than the tax rate generally applicable to taxable property in the taxing district.

"(3) As used in this section, the term—

"(a) 'assessment' means valuation for purposes of a property tax levied by any taxing district;

"(b) 'assessment jurisdiction' means a geographical area, such as a State or a county, city, township, or special purpose district within such State which is a unit for purposes of determining the assessed value of property for ad valorem taxation;

"(c) 'commercial and industrial property' or 'all other commercial and industrial property' means all property, real or personal, other than transportation property and land used primarily for agricultural purposes or primarily for the purpose of growing timber, which is devoted to a commercial or industrial use and which is subject to a property tax levy; and

"(d) 'transportation property' means transportation property, as defined in regulations of the Commission, which is owned or used by a common carrier by railroad subject to this part or which is owned by the National Railroad Passenger Corporation.".

UNIFORM COST AND REVENUE ACCOUNTING SYSTEM

SEC. 307. Paragraph (3) of section 20 of the Interstate Commerce Act (49 U.S.C. 20 (3)) is amended to read as follows:

"(3)(a) The Commission shall, not later than June 30, 1977, issue regulations and procedures prescribing a uniform cost and revenue accounting and reporting system for all common carriers by railroad subject to this part. Such regulations and procedures shall become effective not later than January 1, 1978. Before promulgating such regulations and procedures, the Commission shall consult with and solicit the views of other agencies and departments of the Federal Government, representatives of carriers, shippers, and their employees, and the general public.

"(b) In order to assure that the most accurate cost and revenue data can be obtained with respect to light density lines, main line operations, factors relevant in establishing fair and reasonable rates, and other regulatory areas of responsibility, the Commission shall identify and define the following items as they pertain to each facet of rail operations:

"(i) operating and nonoperating revenue accounts;

"(ii) direct cost accounts for determining fixed and variable costs for materials, labor and overhead components of operating expenses and the assignment of such costs to various functions, services, or activities, including maintenance-of-way, maintenance of equipment (locomotive and car), transportation (train, yard and station, and accessorial services), and general and administrative expenses; and

"(iii) indirect cost accounts for determining fixed, common, joint, and constant costs, including the cost of capital, and the method for the assignment of such costs to various functions, services, or activities.

"(c) The accounting system established pursuant to this paragraph shall be in accordance with generally accepted accounting principles uniformly applied to all common carriers by railroad subject to this part, and all reports shall include any disclosure considered appropriate under generally accepted accounting principles or the requirements of the Commission or of the Securities and Exchange Commission. The Commission shall, notwithstanding any other provision of this section, to the extent possible, devise the system of accounts to be cost effective, nonduplicative, and compatible with the present and desired managerial and responsibility accounting requirements of the carriers, and to give due consideration to appropriate economic principles. The Commission should attempt, to the extent possible, to require that such data be reported or otherwise disclosed only for essential regulatory purposes, including rate change requests, abandonment of facilities requests, responsibility for peaks in demand, cost of service, and issuance of securities.

"(d) In order that the accounting system established pursuant to this paragraph continue to conform to generally accepted accounting principles, compatible with the managerial responsibility accounting requirements of carriers, and in compliance with other objectives set forth in this section, the Commission shall periodically, but not less than once every 5 years, review such accounting system and revise it as necessary.

"(e) There are authorized to be appropriated to the Commission for purposes of carrying out the provisions of this paragraph such sums as may be necessary, not to exceed $1,000,000, to be available for—

"(i) procuring temporary and intermittent services as authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed $250 per day plus expenses; and

"(ii) entering into contracts or cooperative agreements with any public agency or instrumentality or with any person, firm, association, corporation, or institution, without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5).".

SECURITIES

SEC. 308. (a)(1) Paragraph (6) of section 3(a) of the Securities Act of 1933 (15 U.S.C. 77c(a)(6)) is amended to read as follows:

"(6) Any security issued by a motor carrier the issuance of which is subject to the provisions of section 214 of the Interstate Commerce Act, or any interest in a railroad equipment trust. For purposes of this paragraph 'interest in a railroad equipment trust' means any interest in an equipment trust, lease, conditional sales contract, or other similar arrangement entered into, issued, assumed, guaranteed by, or for the benefit of, a common carrier to finance the acquisition of rolling stock, including motive power;".

(2) The second sentence of section 19(a) of such Act (15 U.S.C. 77s(a)) is amended by striking out "; but insofar as they relate to any common carrier subject to the provisions of section 20 of the Interstate Commerce Act, as amended, the rules and regulations of the Commission with respect to accounts shall not be inconsistent with the requirements imposed by the Interstate Commerce Commission under authority of such section 20".

(3) Section 214 of the Interstate Commerce Act (49 U.S.C. 314) is amended by striking out "That the exemption" and all that follows through "*And provided further,*".

(b) Section 13(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(b)) is amended by striking out ", and, in the case of carriers subject to the provisions of section 20 of the Interstate Commerce Act" and all that follows in such subsection, and inserting in lieu thereof "(except that such rules and regulations of the Commission may be inconsistent with such requirements to the extent that the Commission determines that the public interest or the protection of investors so requires).".

(c) Paragraph (7) of section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(7)) is amended to read as follows:

"(7) Any company (A) which is subject to regulation under section 214 of the Interstate Commerce Act, except that this exception shall not apply to a company which the Commission finds and by order declares to be primarily engaged, directly or indirectly, in the business of investing, reinvesting, owning, holding, or trading in securities, or (B) whose entire outstanding stock is owned or controlled by a company excepted under clause (A) hereof, if the assets of the controlled company consist substantially of securities issued by companies which are subject to regulation under section 214 of the Interstate Commerce Act.".

(d) (1) The amendments made by subsection (a) of this section shall take effect on the 60th day after the date of enactment of this Act, but shall not apply to any bona fide offering of a security made by the issuer, or by or through an underwriter, before such 60th day.

(2) The amendment made by subsection (c) of this section shall not apply to any report by any person with respect to a fiscal year of such person which began before the date of enactment of this Act.

(3) The amendment made by subsection (c) of this section shall take effect on the 60th day after the date of enactment of this Act.

RAIL SERVICES PLANNING OFFICE

SEC. 309. Section 205 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 715) is amended to read as follows:

"RAIL SERVICE PLANNING OFFICE

"SEC. 205. (a) ESTABLISHMENT.—The Rail Services Planning Office is established as an office in the Commission. The Office shall function continuously pursuant to the provisions of this Act, and shall be administered by a director.

"(b) DIRECTOR.—The Director of the Office shall be appointed for a term of 6 years by the Chairman of the Commission with the concurrence of 5 members of the Commission. He shall be appointed and compensated, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, at a rate not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title. The Director of the Office shall administer and be responsible for the discharge of the functions and duties of the Office from the date he takes office unless removed for cause by the Commission.

"(c) POWERS.—The Director of the Office is subject to the direction of, and shall report to, such member of the Commission as the Chairman thereof shall designate. The Chairman may designate himself as that member. Such Director is authorized, with the concurrence of such member or (in case of disagreement) the Chairman of the Commission, to enter into, without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5) such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the functions and duties of the Office with any person (including a government entity). Each department, agency, and instrumentality of the executive branch of the Federal Government and each independent regulatory agency of the United States is authorized, and shall give careful consideration to a request, to furnish to the Director of the Office, upon written request, on a reimbursable basis or otherwise, such assistance as the Director deems necessary to carry out the functions and duties of the Office. Such assistance includes transfer of personnel with their consent and without prejudice to their position and rating.

"(d) DUTIES.—In addition to its duties and responsibilities under other provisions of this Act and under the Railroad Revitalization and Regulatory Reform Act of 1976, the Office shall—

"(1) assist the Commission in studying and evaluating any proposal, submitted to the Commission pursuant to section 5 (2) or (3) of the Interstate Commerce Act (49 U.S.C. 5 (2) or (3)), for a merger, consolidation, unification or coordination project, joint use of tracks or other facilities, or acquisition or sale of assets, which involves any common carrier by railroad subject to part I of such Act;

"(2) assist the Commission in developing, with respect to economic regulation of transportation, policies which are likely to result in a more competitive, energy-efficient, and coordinated transportation system which utilizes each mode of transportation to its maximum advantage to meet the transportation service needs of the Nation;

"(3) assist States and local and regional transportation agencies in making determinations whether to provide rail service continuation subsidies to maintain in operation particular rail properties, by establishing criteria for determining whether particular rail properties are suitable for rail service continuation subsidies, with such criteria to include the following considerations: rail properties are suitable if the cost of the required subsidy for such properties per year to the taxpayers is less than (A) the cost of termination of rail service over such properties measured by increased fuel consumption and operational costs for alternative modes of transportation, (B) the cost to the gross national product in terms of reduced output of goods and services, (C) the cost of relocating or assisting through unemployment, retraining, and welfare benefits to individuals and firms adversely affected thereby, and (D) the cost to the environment measured by damage caused by increased pollution;

"(4) conduct an ongoing analysis of the national rail transportation needs, evaluate the policies, plans, and programs of the Commission on the basis of such analysis, and advise the Commission of the results of such evaluation;

"(5) within 180 days after the date of enactment of the Railroad Revitalization and Regulatory Reform Act of 1976, issue additional regulations, after conducting a proceeding in accordance with the provisions of section 553 of title 5, United States Code, which contain—

"(A) standards for the computation of subsidies for rail passenger service (except passenger service compensation disputes subject to the jurisdiction of the Commission under section 402(a) of the Rail Passenger Service Act (45 U.S.C. 562(a)), which are consistent with the compensation principles described in the final system plan and which avoid cross subsidization among commuter, intercity, and freight rail services; and

"(B) standards for the determination of emergency commuter rail passenger service operating payments pursuant to section 17 of the Urban Mass Transportation Act of 1964;

"(6) determine and publish, and from time to time revise and reissue, standards for determining, (A) the 'revenue attributable to the rail properties,' (B) the 'avoidable costs of providing service', (C) a 'reasonable return on the value', and (D) a 'reasonable management fee', as those phrases are used in section 304 of this Act, after a proceeding in accordance with the provisions of section 553 of title 5, United States Code; and

"(7) employ and utilize the services of attorneys and such other personnel as may be required in order properly to protect the interests of those communities and users of rail service which, for whatever reason (such as their size or location) might not otherwise be adequately represented in the course of the reorganization process under this Act, until the assumption of such duties by the Office of Rail Public Counsel pursuant to section 27(4) (d) of the Interstate Commerce Act (49 U.S.C. 27(4) (d)).

"(e) ADDITIONAL DUTIES.—(1) Within 270 days after the date of enactment of the Railroad Revitalization and Regulatory Reform Act of 1976, the Office shall issue additional regulations, after conducting a proceeding in accordance with section 553 of title 5, United States Code. Such regulations shall (A) develop an accounting system which will permit the collection and publication, by the Corporation or by profitable railroads providing service over lines scheduled for abandonment, of information necessary for an accurate determination of the attributable revenues, avoidable costs, and operations of light density lines as operating and economic units, and (B) determine the 'avoidable cost of providing rail freight service', as that phrase is used in section 1a(6) (a) (ii) (A) of the Interstate Commerce Act. The Office may, at any time, revise and republish the standards and regulations required by this section to incorporate changes made necessary by the accounting system developed pursuant to this subsection.

"(2) Upon the request of a State in the region, within 90 days after the date of enactment of the Railroad Revitalization and Regulatory Reform Act of 1976, the Office shall prepare and publish an evaluation of the economic viability of any or all light density lines within such State which are not designated for inclusion in the final system plan. Such an evaluation shall include an analysis of the actions which may be necessary to make the operation of rail services over any such line economical. The results of each such evaluation shall be transmitted to the requesting State and published in the Federal Register, not later than 1 year after the date such request is received by the Office.".

EQUITABLE DISTRIBUTION OF CARS FOR UNIT TRAIN SERVICE

SEC. 310. Section 1(12) of the Interstate Commerce Act (49 U.S.C. 112)), is amended by adding at the end thereof: "In applying the provisions of this paragraph, unit-train service and non-unit-train service shall be considered separate and distinct classes of service, and a distinction shall be made between these two classes of service and between the cars used in each class of service; questions of the justness and reasonableness of, or discrimination or preference or prejudice or advantage or disadvantage in, the distribution of cars shall be determined within each such class and not between them, notwithstanding any other provision of section 1, 2, or 3 of this Act (49 U.S.C. 1, 2, or 3), and of section 1, 2, or 3 of the Elkins Act (49 U.S.C. 41, 42, or 43). Coal cars supplied by shippers or receivers shall not be considered a part of such carrier's fleet or otherwise counted in determining questions of distribution or car count under this paragraph or any provision of law referred to in this section. As used in this paragraph, the term 'unit-train service', means the movement of a single shipment of coal of not less than 4,500 tons, tendered to one carrier, on one bill of lading, at one origin, on one day, and destined to one consignee, at one plant, at one destination, via one route.".

APPROPRIATIONS REQUEST

SEC. 311. Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11) is amended by adding at the end thereof the following new subsection:

"(j) Whenever the Interstate Commerce Commission submits any budget estimate or request, other budget information (including manpower needs), legislative recommendations, prepared testimony for congressional hearings, or comments on legislation, to the President or to the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress. No officer or agency of the United States shall have any authority to prohibit, impose conditions on, or in any way impair the free communication by such Commission with the Congress, its committees, or any of the Members of the Congress with respect to any budget estimate or request of the Commission.".

LAW REVISION

SEC. 312. The Commission shall prepare, or shall cause to be prepared, in whole or in part by consultants, a proposed modernization and revision of the Interstate Commerce Act, and a proposed codification of all Acts supplementary to the Interstate Commerce Act. The Commission shall submit the final draft thereof to the Congress within 2 years after the date of enactment of this Act. The final draft shall include comments on each proposed provision, significant alternative provisions considered but not recommended, and such other information as may be useful to the Congress. The final draft shall be designed to simplify the present law and to harmonize regulation among the several modes of transportation subject to regulation under the Interstate Commerce Act.

TITLE IV—MERGERS AND CONSOLIDATIONS

RESPONSIBILITIES OF THE SECRETARY

SEC. 401. The Department of Transportation Act (49 U.S.C. 1651 et seq.) is amended by inserting after section 4 thereof the following new section 5:

"RAIL SERVICES

"SEC. 5. (a) The Secretary may develop and make available to interested persons feasible plans, proposals, and recommendations for mergers, consolidations, reorganizations, and other unification or coordination projects for rail services (including, but not limited to, arrangements for joint use of tracks or other facilities and any acquisition or sale of assets) which the Secretary believes would result in a rail system which is more efficient, consistent with the public interest.

"(b) In order to achieve a more efficient, economical, and viable rail system in the private sector, the Secretary may, upon the request of any railroad and in accordance with subsections (a) through (e) of this section, assist in planning, negotiating, and effecting a unification or coordination of operations and facilities with respect to two or more railroads.

"(c) The Secretary may conduct such studies as are deemed advisable to determine the potential cost savings and possible improvements in the quality of rail services which are likely to result from unification or coordination with respect to two or more railroads, through the elimination of duplicative or overlapping operations and facilities; the reduction of switching operations; utilization of the shortest, or the most efficient, and economical routes; the exchange of traffic rights; the combining of traffic and of terminal or other facilities; the upgrading of tracks and other facilities used by two or more railroads; reduction of administrative and other expenses; and any other measures likely to reduce costs and improve rail service. For purposes of studies conducted under this section and the study described in section 901 of the Railroad Revitalization and Regulatory Reform Act of 1976, each railroad shall provide such information as may be requested by the Secretary in connection with the performance of functions under this section and such section 901. In furtherance of any of the functions or responsibilities of the Secretary under this section or such section 901, any officer or employee duly designated by the Secretary may obtain, from any railroad, information regarding the nature, kind, quality, origin, designation, consignor, consignee, and routing of property, without the consent of the consignor or consignee involved, notwithstanding the provisions of section 15(13) of the Interstate Commerce Act (49 U.S.C. 15(13)) and may, to the extent necessary or appropriate, exercise, with respect to any railroad, any of the powers described in section 203(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 713(c)), as provided therein, except that subpoenas shall be issued under the signature of the Secretary.

"(d) When requested by one or more railroads, the Secretary may also hold conferences with respect to any proposed unification or coordination project. The Secretary may invite officers and directors of all affected railroads; representatives of employees of such railroads who may be affected; the Interstate Commerce Commission; appropriate State and local government officials, shippers, and consumer representatives; and representatives of the Federal Trade Commission and of the Attorney General to one or more such conferences with respect to such a proposal. The Secretary may mediate any dispute which may arise in connection with any proposed unification or coordination project. Persons attending or represented at any such conference shall not be liable under the antitrust laws of the United States with respect to any discussion at such conference and as to any agreements reached at such conference, which are entered into with the approval of the Secretary in order to achieve or determine a plan of action to implement any such unification or coordination project.

"(e) Whenever any railroad submits a proposal for a merger or other action the approval of which is subject to the jurisdiction of the Interstate Commerce Commission under section 5(2) of the Interstate Commerce Act (49 U.S.C. 5(2)), the Secretary may, if he has not already done so, conduct a study of such proposal in order to determine whether or not, in his judgment, such proposal is in accordance with the standards set forth in section 5(2)(c) of such Act (49 U.S.C. 5(2)(c)). Whenever such proposal is the subject of an application and a proceeding before such Commission, the Secretary is authorized to appear before the Commission in any proceeding held with respect to such application.".

MERGER PROCEDURE

SEC. 402. (a) Section 5(2)(f) of the Interstate Commerce Act (49 U.S.C. 5(2)(f) is amended by inserting a new sentence immediately preceding the last sentence thereof as follows: "Such arrangement shall contain provisions no less protective of the interests of employees than those heretofore imposed pursuant to this subdivision and those established pursuant to section 405 of the Rail Passenger Service Act (45 U.S.C. 565).".

(b) Section 5(2) of the Interstate Commerce Act (49 U.S.C. 5(2)) is amended by adding at the end thereof the following two new subdivisions:

"(g) In any case arising under this paragraph which involves a common carrier by railroad, the Commission shall—

"(i) within 30 days after the date on which an application is filed with the Commission and after a certified copy of such application is furnished to the Secretary of Transportation, (A) publish notice thereof in the Federal Register, or (B) if such application is incomplete, reject such application by order, which order shall be deemed to be final under the provisions of section 17;

"(ii) provide that written comments on an application, as to which such notice is published, may be filed within 45 days after the publication of such notice in the Federal Register;

"(iii) require that copies of any such comments shall be served upon the Secretary of Transportation and the Attorney General, each of whom shall be afforded 15 days following the date of receipt thereof to inform the Commission whether he will intervene as a party to the proceeding, and if so, to submit preliminary views on such application;

"(iv) require that all other applications, which are inconsistent, in whole or in part, with such applications, and all petitions for inclusion in the transaction, shall be filed with the Commission and furnished to the Secretary of Transportation, within 90 days after the publication of notice of the application in the Federal Register;

"(v) conclude any evidentiary proceedings within 240 days following the date of such publication of notice, except that in the case of an application involving the merger or control of two or more class I railroads, as defined by the Commission, the Commission shall conclude any evidentiary proceedings not more than 24 months following the date upon which notice of the application was published in the Federal Register; and

"(vi) issue a final decision within 180 days following the date upon which the evidentiary proceeding is concluded.

If the Commission fails to issue a decision which is final within the meaning of section 17 within such 180-day period, it shall notify the Congress in writing of such failure and the reasons therefor. If the Commission determines that the due and timely execution of its functions under this paragraph so requires, or that an application brought under this paragraph is of major transportation importance, it may order that the case be referred directly (without an initial decision by a division, individual Commissioner, board, or administrative law judge) to the full Commission for a decision which is final within the meaning of section 17.

"(h) The Secretary of Transportation may propose any modification of any transaction governed by this paragraph which involves a carrier by railroad. The Secretary shall have standing to appear before the Commission in support of any such proposed modification.".

EXPEDITED RAILROAD MERGER PROCEDURE

SEC. 403. (a) Section 5 of the Interstate Commerce Act (49 U.S.C. 5) is amended by redesignating paragraphs (3) through (16) thereof as paragraphs (4) through (17) thereof, respectively, and by inserting therein a new paragraph (3), as follows:

"(3)(a) If a merger, consolidation, unification or coordination project (as described in section 5(c) of the Department of Transportation Act), joint use of tracks or other facilities, or acquisition or sale of assets, which involves any common carrier by railroad subject to this part, is proposed by an eligible party in accordance with subdivision (b) during the period beginning on the date of enactment of this paragraph and ending on December 31, 1981, the party seeking authority for the execution or implementation of such transaction may utilize the procedure set forth in this paragraph or in paragraph (2).

"(b) Any transaction described in subdivision (a) may be proposed to the Commission by—

"(i) the Secretary of Transportation (hereafter in this paragraph referred to as the 'Secretary'), with the consent of the common carriers by railroad subject to this part which are parties to such transaction; or

"(ii) any such carrier which, not less than 6 months prior to such submission to the Commission, submitted such proposed transaction to the Secretary for evaluation pursuant to subdivision (f).

"(c) Whenever a transaction described in subdivision (a) is proposed under this paragraph, the proposing party shall submit an application for approval thereof to the Commission, in accordance with such requirements as to form, content, and documentation as the Commission may prescribe. Within 10 days after the date of receipt of such an application, the Commission shall send a notice of such proposed transaction to—

"(i) the Governor of each State which may be affected, directly or indirectly by such transaction if it is executed or implemented;

"(ii) the Attorney General;

"(iii) the Secretary of Labor; and

"(iv) the Secretary (except where the Secretary is the proposing party).

The Commission shall accompany its notice to the Secretary with a request for the report of the Secretary pursuant to clause (v) of subdivision (f). Each such notice shall include a copy of such application; a summary of the proposed transaction involved, and the proposing party's reasons and public interest justifications therefor.

"(d) The Commission shall hold a public hearing on each application submitted to it pursuant to subdivision (c), within 90 days after the date of receipt of such application. Such public hearing shall be held before a panel of the Commission duly designated for such purpose by the Commission. Such panel may utilize administrative law judges and the Rail Services Planning Office in such manner as it considers appropriate for the conduct of the hearing, the evaluation of such application and comments thereon, and the timely and reasonable determination of whether it is in the public interest to grant such application and to approve such proposed transaction pursuant to subdivision (g). Such panel shall complete such hearing within 180 days after the date of referral of such application to such panel, and it may, in order to meet such requirement, prescribe such rules and make such rulings as may tend to avoid unnecessary costs or delay. Such panel shall recommend a decision and certify the record to the full Commission for final decision, within 90 days after the termination of such hearing. The full Commission shall hear oral argument on the matter so certified and it shall render a final decision within 120 days after receipt of the certified record and recommended decision of such panel. The Commission may, in its discretion, extend any time period set forth in this subdivision, except that the final decision of the Commission shall be rendered not later than the second anniversary of the date of receipt of such an application by the Commission.

"(e) In making its recommended decision with respect to any transaction proposed under this paragraph, the duly designated panel of the Commission shall—

"(i) request the views of the Secretary, with respect to the effect of such proposed transaction on the national transportation policy, as stated by the Secretary, and consider the matter submitted under subdivision (f);

"(ii) request the views of the Attorney General, with respect to any competitive or anticompetitive effects of such proposed transaction; and

"(iii) request the views of the Secretary of Labor with respect to the effect of such proposed transaction on railroad employees, particularly as to whether such proposal contains adequate employee protection provisions.

Such views shall be submitted in writing and shall be available to the public upon request.

"(f) Whenever a proposed transaction is submitted to the Secretary by a common carrier by railroad pursuant to clause (ii) of subdivision (b), and whenever the Secretary develops a proposed transaction for submission to the Commission pursuant to subdivision (c), the Secretary shall—

"(i) publish a summary and a detailed account of the contents of such proposed transaction in the Federal Register, in order to provide reasonable notice to interested parties and the public of such proposed transaction;

"(ii) give notice of such proposed transaction to the Attorney General and to the Governor of each State in which any part of the properties of the common carriers by railroad involved in such proposed transaction are situated;

"(iii) conduct an informal public hearing with respect to such proposed transaction and provide an opportunity for all interested parties to submit written comments;

"(iv) study each such proposed transaction with respect to—

"(A) the needs of rail transportation in the geographical area affected;

"(B) the effect of such proposed transaction on the retention and promotion of competition in the provision of rail and other transportation services in the geographical area affected;

"(C) the environmental impact of such proposed transaction and of alternative choices of action;

"(D) the effect of such proposed transaction on employment;

"(E) the cost of rehabilitation and modernization of track, equipment, and other facilities, with a comparison of the potential savings or losses from other possible choices of action;

"(F) the rationalization of the rail system;

"(G) the impact of such proposed transaction on shippers, consumers, and railroad employees;

"(H) the effect of such proposed transaction on the communities in the geographical areas affected and on the geographical areas contiguous to such areas; and

"(I) whether such proposed transaction will improve rail service; and

"(v) submit a report to the Commission setting forth the results of each study conducted pursuant to clause (iv), within 10 days after an application is submitted to the Commission pursuant to subdivision (c), with respect to the proposed transaction which is the subject of such study. The Commission shall give due weight and consideration to such report in making its determinations under this paragraph.

"(g) The Commission may—

"(i) approve a transaction proposed under this paragraph, if the Commission determines that such proposed transaction is in the public interest; and

"(ii) condition its approval of any such proposed transaction on any terms, conditions, and modifications which the Commission determines are in the public interest; or

"(iii) disapprove any such proposed transaction, if the Commission determines that such proposed transaction is not in the public interest.

In each such case, the decision of the Commission shall be accompanied by a written opinion setting forth the reasons for its action.".

(b) Section 5 of the Interstate Commerce Act (49 U.S.C. 5) is further amended—

(1) in paragraph (2)(a) thereof by inserting "or paragraph (3)" immediately after "subdivision (b)";

(2) in paragraph (2)(f) thereof, by inserting immediately after "(2)" the following: "or paragraph (3)";

(3) in paragraph (5) thereof, as redesignated by this Act, by striking out "paragraph (2)" and inserting in lieu thereof "paragraphs (2) and (3)", and by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (6)";

(4) in paragraph (8) thereof, as redesignated by this Act, by striking out "paragraph (4)" and inserting in lieu thereof "paragraph (5)", and by striking out "(12)" and inserting in lieu thereof "(13)";

(5) in paragraph (10) thereof, as redesignated by this Act, by striking out "(7)" and inserting in lieu thereof "(8)";

(6) in paragraph (14) thereof, as redesignated by this Act, by striking out "(12)" and inserting in lieu thereof "(13)";

(7) in paragraph (16), as redesignated by this Act, by striking out "paragraph (14)" and inserting in lieu thereof "paragraph (15)";

(8) in paragraph (17), as redesignated by this Act, by striking out "paragraph (14)" and inserting in lieu thereof "paragraph (15)"; and

(9) by striking out "subparagraph" each place it appears and inserting in lieu thereof "subdivision".

TITLE V—RAILROAD REHABILITATION AND IMPROVEMENT FINANCING

DEFINITIONS

SEC. 501. As used in this title, the term—

(1) "applicant" means any railroad, or other person (including a governmental entity) which submits an application to the Secretary for the guarantee of an obligation under which it is an obligor or for a commitment to guarantee such an obligation;

(2) "equipment" includes any type of new or rebuilt standard gauge locomotive, caboose, or general service railroad freight car the use of which is not limited to any specialized purpose by particular equipment, design, or other features. General service railroad freight car includes a boxcar, gondola, open-top or covered hopper car, and flatcar. The Secretary may designate other types of cars as equipment upon a written finding, with reasons therefor, that such designation is consistent with the purposes of this Act;

(3) "facilities" means—

(A) track, roadbed, and related structures, including rail, ties, ballast, other track materials, grading, tunnels, bridges, trestles, culverts, elevated structures, stations, office buildings used for operating purposes only, repair shops, enginehouses, and public improvements used or useable for rail service operations;

(B) communication and power transmission systems, including electronic, microwave, wireless, communication, and automatic data processing systems, electrical transmission systems, powerplants, power transmission systems, powerplant machinery and equipment, structures, and facilities for the transmission of electricity for use by railroads;

(C) signals, including signals and interlockers;

(D) terminal or yard facilities, including trailer-on-flat-car and container-on-flat-car terminals, express or railroad terminal and switching facilities, and services to express companies and railroads and their shippers, including ferries, tugs, carfloats, and related shoreside facilities designed for the transportation of equipment by water; or

(E) shop or repair facilities or any other property used or capable of being used in rail freight transportation services or in connection with such services or for originating, terminating, improving, and expediting the movement of equipment;

(4) "Fund" means the Railroad Rehabilitation and Improvement Fund established under section 502 of this title;

(5) "holder" means the obligee or creditor under an obligation, except that when a bank or trust company is acting as agent or trustee for such an obligee or creditor, the term refers to such bank or trust company;

(6) "obligation" means a bond, note, conditional sale agreement, equipment trust certificate, security agreement, or other obligation issued or granted to finance or refinance equipment or facilities acquisition, construction, rehabilitation, or improvement; and

(7) "obligor" means the debtor under an obligation, including the original obligor and any successor or assignee of such obligor who is approved by the Secretary.

THE RAIL FUND

SEC. 502. (a) ESTABLISHMENT.—There is hereby established in the Treasury of the United States the Railroad Rehabilitation and Improvement Fund. The Fund shall be administered by the Secretary, without the requirement of annual authorizations, in order (1) to secure the payment, when due, of the principal of, any redemption premium on, and any interest on, all Fund anticipation notes and Fund bonds, by a first pledge of and a lien on all revenues payable to and assets held in the Fund, and (2) to carry out the purposes, functions, and powers authorized in this title.

(b) Purpose.—The purpose of the Fund is to provide capital which is necessary to furnish financial assistance to railroads, to the extent of appropriated funds, for facilities maintenance, rehabilitation, improvements, and acquisitions, and such other financing as the Secretary approves, in accordance with this title.

(c) General Powers.—In order to achieve the objectives and to carry out the purposes of this title, the Secretary may—

(1) issue and sell securities, including Fund anticipation notes and Fund bonds, as provided for in section 507 and 508 of this title;

(2) make and enforce such rules and regulations, and make and perform such contracts, agreements, and commitments, as may be necessary or appropriate to carry out the purposes or provisions of this title;

(3) prescribe and impose fees and charges for services by the Secretary, pursuant to this title;

(4) settle, adjust, and compromise, and, with or without consideration or benefit to the Fund, release or waive, in whole or in part, in advance or otherwise, any claim, demand, or right of, by, or against the Secretary or the Fund;

(5) sue and be sued, complain, and defend, in any State, Federal, or other court;

(6) acquire, take, hold, own, deal with, and dispose of, any property, including carrier redeemable preference shares as provided for in section 505(d) of this title; and

(7) determine, in accordance with appropriations, the amounts to be withdrawn from the Fund and the manner in which such withdrawals shall be effected.

(d) Assistance From Other Agencies.—The Secretary, with the consent of any department, establishment, or corporate or other instrumentality of the Federal Government, may utilize and act through any such department, establishment, or instrumentality. The Secretary may, with such consent, utilize the information, services, facilities, and personnel of any such department, establishment, or instrumentality, on a reimbursable basis. Each such department, establishment, and instrumentality is authorized to furnish any such assistance to the Secretary upon written request from the Secretary.

(e) Jurisdiction.—Whenever the Secretary or the Fund is a party to any civil action under this title, such action shall be deemed to arise under the laws of the United States. The district courts of the United States shall have original and removal jurisdiction of any action in which the Secretary or the Fund is a party, without regard to the amount in controversy. No attachment or execution may be issued against the Secretary, the Fund, or any property thereof prior to the entry of final judgment to such effect in any State, Federal, or other court.

(f) Contents of Fund.—There shall be deposited in the Fund, subject to utilization pursuant to subsection (i) of this section—

(1) funds received by the Secretary for deposited in the Fund, subject to utilization from the issuance and sale by the Secretary to the Secretary of the Treasury of Fund anticipation notes, as provided in section 507 of this title;

(2) funds as may be hereafter appropriated to the Fund, following the submission to the Congress of the Secretary's report, under section 504 of this title, with respect to the perceived needs of the rail industry for facilities rehabilitation and improvement, projected cash shortfalls within the rail industry, and the scope and sources of long-term public sector funding for the Fund;

(3) funds received by the Secretary for deposit in the Fund, representing the proceeds from the issuance and sale of Fund bonds, as provided in section 508 of this title;

(4) redeemable preference shares issued by a railroad and purchased by the Secretary on behalf of the Fund and funds received by the Fund representing dividends and redemption payments on such shares, as provided in sections 505(d) and 506 (a) and (b) of this title;

(5) income and gains realized by the Fund from any investment of excess funds pursuant to subsection (g) of this section, and the obligations or securities comprising such investments; and

(6) any other receipts of the Fund.

(g) Excess Funds Investment.—If the Secretary determines that the amount of money in the Fund exceeds the amount required for current needs, the Secretary may, subject to sections 508 (g) and (h) of this title, direct the Secretary of the Treasury to invest such amounts as the Secretary deems advisable, for such periods as the Secretary directs, in obligations of, or obligations guaranteed by, the Government of the United States, or in such other governmental or agency obligations or other securities of the United States as the Secretary of the Treasury deems appropriate.

(h) Depository.—The Secretary may deposit moneys of the Fund with any Federal Reserve bank, any depository for public funds, or in such other places and in such manner as the Secretary of the Treasury deems appropriate.

(i) Uses.—Moneys in the Fund shall be utilized—

(1) to provide financial assistance to railroads for facilities maintenance, rehabilitation, improvement, and acquisition projects, and for such other financial needs as may be approved by the Secretary pursuant to section 505 of this title,

(2) to effect the payment, when due, of the principal of, and any interest on, Fund anticipation notes and Fund bonds issued by the Secretary pursuant to sections 507 and 508 of this title,

(3) to redeem, as contemplated by section 507(c) and section 508(g) of this title, Fund anticipation notes and Fund bonds,

(4) in such amounts as are provided in appropriation acts, to make payment of all expenses incurred by the Secretary in carrying out his duties with respect to the Fund, and

(5) to make transfers to the general fund of the Treasury.

CLASSIFICATION AND DESIGNATION OF RAIL LINES

Sec. 503. (a) Traffic Density Analysis.—Within 180 days after the date of enactment of this Act, each railroad designated by the Commission as a class I railroad shall prepare and submit to the Secretary a full and complete analysis of the rail system operated by it. Such analysis shall indicate the traffic density for the preceding 5 calendar years on each of the main and branch rail lines of the railroad submitting such analysis. The requirements of the two preceding sentences shall not apply to any railroad subject to reorganization pursuant to the Regional Rail Reorganization Act of 1973.

(b) Preliminary Standards and Designations.—Within 270 days after the date of enactment of this Act, the Secretary shall develop and publish—

(1) the preliminary standards for classification, in at least 3 categories, of main and branch rail lines according to the degree to which they are essential to the rail transportation system; and

(2) the preliminary designations with respect to each main and branch rail line, in accordance with such standards for classification.

The classification of rail lines for purposes of this subsection shall be based on the level of usage measured in gross-ton-miles, the contribution to the economic viability of the railroad which controls such lines, and the contribution of such lines to the probable economic viability of any other railroads which participate in the traffic originating on such lines. In determining "level of usage" and "probable economic viability", for purposes of such classification, the Secretary shall take into account operational service and other appropriate factors, and he may make reasonable allowance for differences in operation among individual railroads or groups of railroads.

(c) Public Hearings.—Commencing 30 days after the date of publication of the standards and designations required under subsection (b) of this section, the Office shall conduct public hearings, at representative locations, to solicit comments and receive views on the preliminary standards for classification and on the preliminary designations. The Office shall give notice of the date, time, and place of each such hearing, and such notices shall be designed and placed in such manner that all interested parties will have a full and fair opportunity to be heard.

(d) Report by Office.—Within 120 days after the date of publication of the standards and designations required under subsection (b) of this section, the Office shall submit a report to the Secretary containing its conclusions and recommendations with respect to such preliminary standards for classification and such preliminary designations. This report shall be based on the record which was developed by the Office during the hearings under subsection (c) of this section, as supplemented by such studies as may be undertaken by the Office.

(e) Final Standards and Designations.—Within 60 days after the date of receipt of the report required under subsection (d) of this section, the Secretary, with the cooperation and assistance of the Office, shall, after giving due consideration to such report, prepare and publish—

(1) the final standards for classification of main and branch rail lines; and

(2) the final designations with respect to each main and branch rail line, in accordance with such standards for classification, including findings to support any material change which is made in a final designation from the corresponding preliminary designation.

CAPITAL NEEDS STUDY

Sec. 504. (a) Deferred Maintenance Statement.—Within 180 days after the date of enactment of this Act, each railroad designated by the Commission as a class I railroad (other than a railroad subject to reorganization pursuant to the Regional Rail Reorganization Act of 1973) shall prepare and submit to the Secretary a full and complete statement (1) of such railroad's deferred maintenance and delayed capital expenditures as of December 31, 1975, and (2) of the projected amounts of appropriate maintenance to be performed and capital expenditures to be made for such railroad's facilities, during each of the years from 1976 through 1985. Each railroad shall submit such additional information as may be required from it by the Secretary, in connection with his duties under section 503 of this title or under this section, prior to July 1, 1977, including the projected sources of and uses for the funds required by such railroad for such projected program.

(b) Preliminary Financing Recommendations.—Within 480 days after the date of enactment of this Act, the Secretary, after giving due consideration to (1) the final designations under section 503(e) of this title, (2) the information furnished under subsection (a) of this section, and (3) any other relevant information, shall develop, publish, and transmit—

(A) to the Congress, preliminary recommendations as to the amount and type of carrier equity and other financing to be effected through the Fund, or through any other funding mechanism recommended by the Secretary, based upon his view of the rail industry's facilities rehabilitation and improvement needs, as projected through December 31, 1985; and

(B) to the Corporation and to the Secretary of the Treasury, preliminary recommendations as to the means by which the Federal share, if any, of such equity and other financing should be provided.

In preparing such recommendations, the Secretary shall specifically consider and evaluate the public benefits and costs which would result from public ownership of railroad rights-of-way.

(c) Evaluation.—Within 90 days after the date of publication of the Secretary's preliminary recommendations under subsection (b) of this section, the Secretary of the Treasury shall publish and transmit to the Secretary and to the Congress his evaluation thereof and any recommendations with respect to the matters referred to in subsection (b) (3) (B) of this section.

(d) Final Recommendations.—Within 90 days after the date of receipt of the evaluation transmitted under subsection (c) of this section, the Secretary shall, after giving due consideration to such recommendations, prepare and transmit to the Congress his final recommendations with respect to the matters referred to in subsection (b) of this section.

REHABILITATION AND IMPROVEMENT FINANCING

Sec. 505. (a) Eligibility.—Any railroad may apply to the Secretary, in accordance with regulations promulgated by the Secretary—

(1) following the date of enactment of this Act, for financial assistance for such financing as may be approved by the Secretary; and

(2) following the publication of final standards and designations under section 503(e) of this title, for financial assistance for facilities rehabilitation and improvement financing.

(b) Application and Determination.—(1) Each application for facilities rehabilitation and improvement financing shall set forth—

(A) a description of the proposed facilities rehabilitation and improvement projects for which such railroad is seeking financial assistance, and of the current physical condition of such facilities;

(B) the classification of each main and branch rail line included in such project, as determined in accordance with the final standards and designations under section 503(e) of this title;

(C) the track standard under which each such line has been and is being operated and the reasons therefor, and the safety standards and signal requirements necessary under such standard to prevent loss of life and serious accident or injury at grade crossings;

(D) the track standard necessary, in the judgment of such railroad, to provide reliable and competitive freight service (and passenger service, where applicable) over each such line, together with such railroad's recommendations as to (i) the most economical method of improving the physical condition of each such line to meet such track standard, (ii) the cost of providing adequate safety standards and signals, and (iii) an economic analysis of the cost of such improvements in condition and in safety standards and signals;

(E) such railroad's estimate as to the cost of labor and materials, and the date of completion, and its opinion as to the priority to be accorded such portions of the proposed project as are reasonably divisible;

(F) the amount and kind of Federal financial assistance required by such railroad in order to complete the proposed project; and

(G) such other information as the Secretary shall by regulation require to assist him in evaluating such application in accordance with this section or for carrying out the purposes of this title.

(2) The Secretary shall act upon each such application within 6 months after the date on which all required information is received. The Secretary may approve any such application if he determines that providing the requested financial assistance is in the public interest. When making such a determination, the Secretary shall consider (A) the availability of funds from other sources at a cost which is reasonable under principles of prudent railroad financial management in light of the railroad's projected rate of return for the project to be financed, (B) the interest of the public in supplementing such other funds as may be available, in order to increase the total amount of funds available for railroad financing, and (C) the public benefits to be realized from the project to be financed in relation to the public costs of such financing and whether the proposed project will return public benefits sufficient to justify such public costs. The Secretary, in granting financial assistance to any applicant, shall assign the highest priority, among applications for assistance which would return equal public benefits, to applications for assistance for providing safety improvements and signals, including underpasses or overpasses at railroad crossings at which injury or loss of life has frequently occurred or is likely to occur.

(c) Financing Agreement.—Upon the approval of an application for financial assistance under this section, the Secretary shall promptly enter into an agreement with such railroad to provide financing in such amounts and at such times as is sufficient, in the judgment of the Secretary, to meet the reasonable cost, in whole or in part, of the facilities rehabilitation and improvement project which has been approved, in whole or in part. Each such agreement shall include such terms and conditions as are necessary or appropriate, in the judgment of the Secretary, to assure that the financing will be used only in the manner, and for the purposes, approved by the Secretary.

(d) Authorization.—(1) In the case of a railroad other than a railroad in reorganization under section 77 of the Bankruptcy Act, financing pursuant to this section shall be in the form of purchase by the Secretary of redeemable preference shares at par. Such shares shall be specifically issued for such purpose in accordance with the terms and conditions set forth in section 506 of this title.

(2) (A) In the case of a railroad in reorganization under section 77 of the Bankruptcy Act, the Secretary, in order to provide financing pursuant to this section, may agree to purchase redeemable preference shares of such railroad at par as part of a plan of reorganization of such railroad approved by the court having jurisdiction over the reorganization of such railroad. Such shares shall be specifically issued in accordance with the terms and conditions set forth in section 506 of this title.

(B) The Secretary, in order to provide financing pursuant to this section, may also purchase certificates issued under section 77(c) (3) of the Bankruptcy Act by a trustee of a railroad in reorganization and approved by the reorganization court, under such terms and conditions as may be approved by the Secretary and the reorganization court. In purchasing such trustee certificates or at any time thereafter, the Secretary may agree with the trustee of such railroad in reorganization, subject to the approval of the reorganization court, to exchange such certificates for redeemable preference shares issued, in accordance with the terms and conditions set forth in section 506 of this title, in connection with a plan of reorganization approved by the reorganization court. No certificate shall be purchased under this section unless and until the Secretary makes a finding in writing that—

(i) such certificates cannot otherwise be sold at a reasonable rate of interest;

(ii) the project to be financed can reasonably be expected to be maintained as part of a financially self-sustaining railroad system; and

(iii) the probable value of the assets of the railroad in the event of liquidation provides reasonable protection to the United States.

(3) The total par value of the redeemable preference shares and the amount of trustee certificates which the Secretary may purchase from the proceeds received from the issuance and sale of fund anticipation notes shall not exceed $600,000,000. Not more than $100,000,000 of such proceeds may be used to purchase trustee certificates.

(e) Future Purchases of Redeemable Preference Shares.—The total par value of the redeemable preference shares which the Secretary may purchase under this title after December 31, 1977, shall be determined by the Congress following the receipt by the Congress of the Secretary's recommendations as to the scope and sources of funding of the Fund or any recommended alternative financing mechanism, as submitted pursuant to section 504 of this title, except that—

(1) the amount of the Secretary's investment in redeemable preference shares in any fiscal year (out of proceeds other than those derived through the issuance and sale of fund anticipation notes) shall not, when added to the amount of his prior investment in such shares, exceed 200 percent of the aggregate principal amount of the fund bonds which (A) have been issued by the Secretary prior to such fiscal year, and (B) are projected to be issued by the Secretary through the end of such fiscal year; and

(2) neither redemptions of fund bonds nor their payment at scheduled maturity shall have any bearing on the limitation in paragraph (1) of this subsection.

REDEEMABLE PREFERENCE SHARES

Sec. 506. (a) Characteristics.—The redeemable preference shares acquired by the Secretary pursuant to section 505(d) of this title are securities which are issued by a railroad for the purpose of obtaining financing under this title. Each such redeemable preference share—

(1) shall be nonvoting and shall have a par value of $10,000;

(2) shall be senior in right, (i) to all common stock of the issuing railroad, whenever issued, (ii) to any previously issued preferred stock where such seniority does not mitigate any rights of the holders of such stock accorded by the terms and conditions of such stock, and (iii) to any subsequently issued preferred stock, with respect to dividend and redemption payments and in case of liquidation or dissolution of such railroad, but shall be otherwise subordinate in such matters to any of such railroad's previously issued and outstanding securities which rank ahead of its common stock and shall be subordinate to all securities other than common stock received in exchange as a part of a court approved reorganization plan under section 77 of the Bankruptcy Act (11 U.S.C. 205) approved after the date of enactment of this sentence for previously incurred senior debt or previously issued and outstanding securities which ranked ahead of its common stock;

(3) shall accrue dividends, commencing on the 10th anniversary date of the date of its original issuance, at such rate as shall be fixed by the Secretary for each issuance prior to the issuance thereof and which, when added to the amount of the mandatory redemption payments under subparagraph (4) of this paragraph, shall return to the Fund not less than 150 percent of the aggregate par value thereof, over the scheduled life of the issue and in annual payments which shall be as nearly equal as practicable; and

(4) shall be subject to mandatory redemption, at par, commencing not earlier

than the 6th and not later than the 11th (as determined by the Secretary for each issuance) anniversary date of the date of its original issuance, in annual amounts which shall, over the period ending (as determined by the Secretary for each issuance) not later than the 30th anniversary date of the date of its original issuance, aggregate the total par value of such share.

(b) Deposit.—All redeemable preference shares which are acquired by the Secretary pursuant to section 505(d) of this title shall, upon such acquisition, be deposited in the Fund.

(c) Overdue Payments.—Whenever any dividend or redemption payment which is due on redeemable preference shares issued by any railroad remains unpaid for a period of 4 months, the Secretary shall be entitled to appoint two members to the Board of Directors of such railroad. The term of office of such members shall not extend beyond the period during which such dividend or redemption payments remains unpaid.

FUND ANTICIPATION NOTES

Sec. 507. (a) General.—The Secretary shall, until December 31, 1977, issue and sell, and the Secretary of the Treasury until such date shall, to the extent of appropriated funds, purchase Fund anticipation notes in an aggregate principal amount of not more than $600,000,000, in order to provide financial assistance to railroads for such financing needs as the Secretary approves.

(b) Terms of Issue.—Fund anticipation notes shall be issued in denominations of $100,000 (or any integral multiple thereof), upon such terms and conditions, with such maturities, such rates of interest, if any, and such redemption premiums, if any, as the Secretary in his sole discretion may determine. The date of maturity of each Fund anticipation note may not exceed 7 years from the date of its issuance.

(c) Redemption.—If the Congress, following its receipt of the recommendations of the Secretary pursuant to section 504(d) of this title (with respect to the amount of facilities rehabilitation and improvement financing which should be effected through the Fund and the method of long-term public sector funding therefor) authorizes the issuance of Fund bonds, the Secretary shall redeem the Fund anticipation notes then outstanding, in such manner, and over such period of time, as the Secretary shall determine, from the proceeds of the sale of such Fund bonds and from such other public sector moneys as have been appropriated to the Fund.

(d) Remittance and Termination.—If the Congress does not, on or before September 30, 1978, enact legislation of the type referred to in subsection (c) of this section, the Secretary shall hold in trust all redeemable preference shares issued by railroads which are held in the Fund, and the Fund shall thereupon terminate.

FUND BONDS

Sec. 508. (a) Issuance.—The Secretary may, following enactment of the legislation referred to in section 507(c) of this title, issue Fund bonds in denominations of $100,000 (or any integral multiple thereof), in such total amounts as may be authorized by the Congress. No Fund bonds—

(1) shall be issued which mature in less than 8, or more than 15, years from the date of original issuance thereof;

(2) shall be issued later than the 10th anniversary of the date of publication of the final standards and designations under section 503(e) of this title; and

(3) shall, except as otherwise provided pursuant to subsections (d)(6) and (g) of this section, be subject to redemption (at the option of the Secretary) (A) at any time prior to the 10th anniversary of the date of original issuance thereof, and (B) at any time thereafter.

(b) Pledge and Lien.—The Secretary, subject to sections 502 and 508(g) of this title, shall impose a first pledge of, and a first lien on, all revenues payable to, and assets held in, the Fund, and appropriated for the use of the Secretary pursuant to this title. The Secretary may impose such a pledge of and lien on all other revenues or property of the Fund. The purpose of any such pledge and lien shall be to secure the payment, when due, of the principal of, any redemption premiums on, and any interest on, all Fund anticipation notes and Fund bonds and for other purposes incidental thereto. Such incidental purposes may include the creation of reserve and other funds which may be similarly pledged and used, to such extent and in such manner as the Secretary deems necessary or desirable. Any pledge made by the Secretary shall be valid and binding from the time it is made. The revenues and assets held in the Fund, and the revenues or property of the Fund which are so pledged and which are subsequently received by the Fund, shall immediately be subject to the lien of such pledge without any physical delivery thereof or any further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind, in tort, contract, or otherwise, against the Secretary or the Fund, without regard to whether such parties have notice thereof. No instrument by which a pledge is created need be recorded or filed to protect such pledge.

(c) Enhancement of Marketability.—The Secretary may enter into binding covenants with the holders of Fund bonds, and with the trustee, if any, under any agreement entered into in connection with the issuance of such bonds with respect to (1) the establishment of reserves, and other funds; (2) stipulations concerning the subsequent issuance of obligations; and (3) such other matters as the Secretary deems necessary or desirable to enhance the marketability of fund bonds.

(d) Specific Determinations.—Subject to subsection (a) of this section, the Secretary may determine, with respect to Fund bonds—

(1) the form and denominations in which they shall be issued;

(2) the time when they shall be sold, and in what amounts;

(3) the time when they shall mature;

(4) the price thereof at sale;

(5) the rate of interest thereon;

(6) whether, and in what manner, they may be redeemed prior to the date when they mature; and

(7) whether they shall be negotiable or nonnegotiable and whether they shall be bearer or registered instruments, and any indentures or covenants relating thereto.

(e) Characteristics.—Fund bonds issued by the Secretary under this section shall—

(1) contain a recital that they are issued under this section, which shall be conclusive evidence as to the validity and regularity of issuance and sale of such Fund bonds;

(2) be subject to such other terms and conditions as the Secretary may, by the resolution authorizing their issuance, determine;

(3) be lawful investments and may be accepted as security for all fiduciary, trust and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the United States;

(4) not be exempted from Federal, State, and local taxation; and

(5) not be debts or enforceable general obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the United States. Neither the full faith and credit, nor the general taxing power, of the Federal Government shall be pledged to the payment of the principal of, any premium on, or interest on, such fund bonds.

(f) No Personal Liability.—Neither the Secretary, nor any other individual, who executes any Fund anticipation notes or Fund bonds, shall be subject to any personal liability or accountability by reason of the issuance of any such notes or bonds.

(g) Redemption and Transfer.—If, after the 10th anniversary date of the original issuance of the initial series of Fund bonds, the amount in the Fund, exclusive of the value of any redeemable preference shares held by the Fund, exceeds 250 percent of the amount required to satisfy amounts due in the succeeding fiscal year on account of Fund bonds, the Secretary may use such excess to redeem Fund bonds in accordance with their terms or may withdraw all or part of such excess from the Fund and transfer it to the general fund of the United States. When all Fund bonds have been redeemed, all amounts remaining in the Fund or thereafter accruing to it shall be transferred to the general fund of the United States, except to the extent necessary to cover such expenses of the Fund as may be required to carry on and complete any remaining responsibilities.

(h) Purchase by Secretary.—The Secretary, subject to such agreements with holders of Fund bonds as may then exist, is authorized (out of any funds available) to purchase Fund anticipation notes or Fund bonds. Upon any such purchase, such bonds and notes shall be canceled.

AUTHORIZATIONS

Sec. 509. There is authorized to be appropriated to the Secretary of the Treasury for the purposes of the Fund not to exceed $600,000,000, and the Secretary of the Treasury is authorized and directed to purchase, from time to time, prior to September 30, 1978, from the Secretary, out of such moneys in the Treasury as are appropriated under this sentence, Fund anticipation notes in such aggregate principal amounts, subject to the foregoing limitation, as the Secretary may so offer for sale. No money in the Fund, regardless of source, shall be obligated, expended, or otherwise committed to any purpose from the Fund prior to or after September 30, 1978, without prior approval thereof in an annual appropriations Act. The Fund shall not qualify as one of the exceptions provided in section 401(d) of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1351(d)).

EXEMPTION

Sec. 510. Neither the provisions of section 20a of the Interstate Commerce Act (49 U.S.C. 20a), nor the registration and prospectus delivery requirements of the Securities Act of 1933, nor the provisions of the securities laws of any State, shall be applicable to the issuance and sale of redeemable preference shares by railroads under this title.

GUARANTEE OF OBLIGATIONS

Sec. 511. (a) General.—The Secretary may, in accordance with the provisions of this section, guarantee and make commitments to guarantee the payment of the principal balance of, and any interest on, an obligation of an applicant prior to, on, or after the date of execution or the date of disbursement of such obligation, if the proceeds of such obligation shall be or have been used to acquire or to rehabilitate and improve facilities or equipment. Each guarantee of such an obligation shall be made in accordance with the provisions of sections 511 through 513 of this title and such rules as the Secretary may prescribe to protect reasonably the interest of the United States. Each application for the guarantee of such an obligation or for a commitment to guarantee such an obligation shall be made in writing to the Secretary in such form and with such content as the Secretary prescribes. Such application shall be granted, in whole or in part, if the Secretary determines that the proposed, negotiated, or executed obligation is eligible for such guarantee. Each such guarantee or commitment to guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Secretary deems appropriate, consistent with the purposes of this title. Such a guarantee or commitment to guarantee shall inure to the benefit of the holder of the obligation to which such guarantee or commitment to guarantee applies.

(b) Fund.—An obligation guarantee fund shall be established and administered by the Secretary as a revolving fund to carry out the provisions of sections 511 through 513 of this title. Moneys in the obligation guarantee fund shall be deposited in the Treasury of the United States to the credit of such fund or invested in bonds or other obligations of the United States approved by the Secretary of the Treasury.

(c) Valuation.—Before granting any application for a guarantee or a commitment to guarantee any obligation, the Secretary shall make a determination of the value of the facilities or equipment which are or will be financed or refinanced by such obligation. Such determination of value shall be conclusive and not subject to review in any court.

(d) Modifications.—The Secretary may approve any modification of any provision of a guarantee, or of a commitment to guarantee an obligation, including the rate of interest, time of payment of interest or principal, security, or any other terms and conditions, if the Secretary makes a finding in writing that such modification is equitable and is in the overall best interests of the United States under this title, and that the holder of such obligation consents to such modification.

(e) Extent of Authority.—(1) The aggregate unpaid principal amounts of obligations which may be guaranteed by the Secretary under this section shall not exceed $1,000,000,000 at any one time, of which not to exceed $150,000,000 may be guaranteed for the purposes described in paragraph (2) of this subsection.

(2) Obligations may be guaranteed for the purpose of improving rail properties designated in the final system plan pursuant to section 206(c)(1)(C) of the Regional Rail Reorganization Act of 1974 (45 U.S.C. 716(c)(1)(C)), if the proceeds of such obligations shall be or have been used to acquire or rehabilitate and improve facilities or equipment in a manner that returns the most public benefits for the costs involved.

(f) Rate of Interest.—The rate of interest (exclusive of premium charges for a guarantee and service fees) which shall be paid on the unpaid principal balance of each obligation guaranteed by the Secretary under this section, shall not exceed an annual percentage rate which the Secretary determines to be reasonable, taking into consideration the prevailing interest rates for similar obligations in the private market.

(g) Notice.—Upon receipt of an application for the guarantee of an obligation under this section, the Secretary shall cause a notice of such application to be published in the Federal Register and shall invite and afford interested persons an opportunity to submit comments on such application.

(h) Prerequisites for Guarantees.—No obligation shall be guaranteed and no commitment shall be made to guarantee any obligation under this section, unless and until the Secretary makes a finding in writing that—

(1) an obligation for equipment acquisition, rehabilitation, or improvement is secured by the particular equipment which is to be financed or refinanced by such obligation;

(2) payment of the obligation is required by its terms to be made within 25 years from the date of its execution;

(3) the financing or refinancing is justified by the present and probable future demand for rail services to be rendered by the applicant and will serve to meet demonstrable needs for rail services and to provide shippers with improved service;

(4) the applicant has given reasonable assurances that the facilities or equipment to be acquired, rehabilitated, or improved with the proceeds of the obligation will be economically and efficiently utilized;

(5) the probable value of any equipment or facilities to be improved, rehabilitated, or acquired is sufficient to provide the United States with reasonable security and protection in the event of default by the obligor, in the case of repossession by the holder of the obligation or in the case of possession or purchase by the Secretary; and

(6) the transaction will result in an improvement in the ability of any affected railroad to transport passengers or freight.

(i) General Requirement.—The recipients of any guarantees of, or of any commitments to guarantee, an obligation under this section, shall, consistent with their capital resources, maintain their facilities, on a continuing basis, in accordance with standards promulgated under this subsection. The Secretary shall assure compliance with this requirement by regular periodic inspection.

(j) Conditions of Guarantees.—No guarantee of, and no commitment to guarantee, an obligation may be granted, approved, or extended under this section, unless the obligor first agrees in writing that so long as any principal or interest is due and payable on such obligation—

(1) there will be no increase in discretionary dividend payments over the average ratio which such payments bore to earnings for the applicable fiscal period during the 5 years preceding such proposed increase, without prior approval of such increase by the Secretary;

(2) the obligor will not use assets or revenues (other than cash) related to or derived from railroad operations in nonrailroad enterprises, without prior approval in writing from the Secretary; and

(3) the obligor will take all reasonable and practicable steps possible in accordance with such guidelines as may be established by the Secretary, to improve the equitable distribution and efficient and expeditious use of all equipment and facilities in order to improve rail service.

Approval under paragraph (1) or (2) of this subsection may only be granted if, after a public hearing with an opportunity for interested persons to submit comments, the Secretary makes a written finding that such increase in dividends (or such use of assets or revenues) will not materially affect the ability of the obligor to comply with the requirements of this section.

(k) Breach of Conditions.—The Attorney General shall commence a civil action in any appropriate district court of the United States to enjoin any activity which the Secretary finds is in violation of any requirement or condition specified in subsection (i) or (j) of this section, and to secure any other appropriate relief, including termination, suspension, and punitive damages.

(l) Investigation Charge.—The Secretary shall charge and collect from each applicant such amounts as he deems reasonable for the investigation of any application submitted under this section, for appraisal of the value of the equipment or facilities involved, and for making the necessary determinations and findings. Such charges shall not aggregate more than one-half of 1 percent of the principal amount of the obligation with respect to which the applicant seek a guarantee or commitment to guarantee.

(m) Premium Charge.—The Secretary shall assess and collect from the obligor an annual premium charge on each obligation guaranteed under this section. The amount of such premium may not exceed an annual rate of 1 percent on the unpaid principal balance of such obligation at the time payment is due. Payment is due initially when the obligation is guaranteed by the Secretary, and, thereafter, on the anniversary date of such guarantee.

(n) Administrative Costs.—All moneys received by the Secretary under this section shall be deposited in the obligation guarantee fund, and to the extent provided in appropriation acts, may be used by the Secretary to pay administrative costs and expenses incurred by him pursuant to this section.

ISSUANCE OF NOTES OR OBLIGATIONS

Sec. 512. (a) Authorization.—The Secretary may issue, in such amounts as are provided in appropriation acts, notes or other obligations to the Secretary of the Treasury, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary may prescribe. Such obligations may be issued whenever the moneys in the obligation guarantee fund are not sufficient to pay any amount which the Secretary is required to pay under section 513 of this title. Such obligations shall bear interest at a rate to be determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States on comparable maturities during the month preceding the issuance of such obligations. The Secretary of the Treasury shall purchase any such obligations, and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force. The purposes for which securities may be issued under such Act are extended to include any purchase of notes or other obligations issued under this subsection. The Secretary of the Treasury may sell any such obligations at such times and price and upon such terms and conditions as he shall determine in his discretion. All purchases, redemptions, and sales of such obligations by such Secretary shall be treated as public debt transactions of the United States. Moneys obtained under this subsection shall be deposited in the obligation guarantee fund, and redemptions of any such obligations shall be made by the Secretary from such fund.

(b) Validity.—No guarantee or commitment to guarantee under section 511 of this title may be terminated, suspended, canceled, or otherwise revoked, except in accordance with lawful terms and conditions prescribed by the Secretary. Such a guarantee or commitment shall be conclusive evidence that the underlying obligation is in compliance with the provisions of such sections of this title, and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment to guarantee shall be valid and incontestable in the hands of the holder thereof, as of the date when the Secretary granted the application therefor, except as to fraud or material presentation by such holder.

(c) Definition.—As used in this section, the term "Secretary of the Treasury" includes any designated representative of such Secretary.

DEFAULT ON GUARANTEED OBLIGATIONS

Sec. 513. (a) General.—If there is a default by the obligor in any payment of principal or interest due under an obligation guaranteed under section 511 of this title, and if such default continues for 30 days, the holder of such obligation or his agent has the right to demand payment by the Secretary of the unpaid interest on, and the unpaid principal of, such obligation consistent with the terms of the guarantee of such obligation. Such payment may be demanded after or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than 90 days from the date of such default. Within such specified period, but not later than 60 days from the date of such demand, the Secretary shall pay to such holder the unpaid interest on, and the unpaid principal of, such obligation, consistent with the terms of the guarantee of such obligation, except that (1) the Secretary shall not be required to make any such payment if he finds, prior to the expiration of such period, that there was no default by the obligor in the payment of interest or principal or that such default has been remedied, and (2) no such holder shall receive payment or be entitled to retain payment in a total amount which, together with any other recovery (including any recovery based upon a security interest in equipment or facilities) exceeds the actual loss of such holder.

(b) RIGHTS OF THE SECRETARY.—(1) If the Secretary makes payment to a holder under subsection (a) of this section, the Secretary shall thereupon—

(A) have all of the rights granted to him by law or agreement with the obligor; and

(B) be subrogated to all of the rights which were granted such holder, by law, assignment, or security agreement between such holder and the obligor.

(2) The Secretary may, in his discretion, complete, recondition, reconstruct, renovate, repair, maintain, operate, charter, rent, sell, or otherwise dispose of any property or other interests obtained by him pursuant to this section. The terms of any such sale or other disposition shall be as approved by the Secretary.

(c) FORM OF PAYMENT.—Any amount required to be paid by the Secretary pursuant to subsection (a) of this section shall be paid in cash.

(d) ACTION AGAINST OBLIGOR.—If there is a default by the obligor in any payment due under an obligation guaranteed under section 511 of this title, the Secretary shall take such action against such obligor or any other person as is, in his discretion, necessary or appropriate to protect the interests of the United States. Such an action may be brought in the name of the United States or in the name of the holder of such obligation. Such holder shall make available to the Secretary all records and evidence necessary to prosecute any such suit. The Secretary may, in his discretion, accept a conveyance of property in full or partial satisfaction of any sums owed to him. If the Secretary receives, through the sale of property, an amount greater than his cost and the amount paid to the holder under subsection (a) of this section, he shall pay such excess to the obligor.

AUDIT OF TRANSACTIONS

SEC. 514. (a) GENERAL.—The Comptroller General of the United States is authorized to audit the operations of the Fund and of the obligation guarantee fund in accordance with such rules and regulations as he may prescribe. Any such audit shall be conducted at the place or places where accounts of the Fund or of the obligation guarantee fund are normally kept. The representatives of the Comptroller General shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to, or in use by or in connection with the Fund, the obligation guarantee fund, or the Secretary which pertain to the financial transactions of the Fund or the obligation guarantee fund and which are necessary to facilitate an audit. Such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents and custodians. All such books, accounts, records, reports, files, papers, things, and property shall remain in the possession and custody of the Fund, the obligation guarantee fund, or the Secretary, as the case may be.

(b) ACCESS TO INFORMATION.—The representatives of the Comptroller General shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by any person or entity which has entered into a financial transaction with or involving the Fund, the obligation guarantee fund, or the Secretary, under this title, to the extent deemed necessary by the Comptroller General to facilitate any audit of financial transactions pursuant to subsection (a) of this section. Such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such property of such person or entity shall, to the extent practicable, remain in the possession and custody of such person or entity.

(c) REPORT.—The Comptroller General shall make a report of each such audit to the Congress. Such report shall contain all comments and information which the Comptroller General deems necessary to inform Congress of the financial operations and condition of the Fund and of the obligation guarantee fund and any recommendations which he deems advisable. Such report shall indicate specifically and describe in detail any program, expenditure, or other financial transaction or undertaking observed in the course of such audit which the Comptroller General deems to have been carried on or made without lawful authority or which is inconsistent with the purposes and provisions of this title. A copy of such report shall be furnished to the President, the Secretary, and the Commission, at the time it is submitted to the Congress.

ANNUAL REPORT

SEC. 515. The Secretary shall report to the Congress within 90 days following the end of each fiscal year on the financial condition and operations of the Fund and of the obligation guarantee fund during such fiscal year, and on the anticipated condition and operations of the Fund and of the obligation guarantee fund during the current fiscal year.

EMPLOYEE PROTECTION

SEC. 516. (a) GENERAL.—Fair and equitable arrangements shall be provided, in accordance with this section, to protect the interests of any employees not otherwise protected under title V of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 771 et seq.), who may be affected by actions taken pursuant to authorizations or approval obtained under this title. Such arrangements shall be determined by the execution of an agreement between the representatives of the railroads and the representatives of their employees, within 120 days after the date of enactment of this title. In the absence of such an executed agreement, the Secretary of Labor shall prescribe the applicable protective arrangements, within 150 days after the date of enactment of this title.

(b) TERMS.—The arrangements required by subsection (a) of this section shall apply to each employee who has an employment relationship with a railroad on the date on which such railroad first applies for applicable financial assistance under this title. Such arrangements shall include such provisions as may be necessary for the negotiation and execution of agreements as to the manner in which the protective arrangements shall be applied, including notice requirements. Such agreements shall be executed prior to implementation of work funded from financial assistance under this title. If such an agreement is not reached within 30 days after the date on which an application for such assistance is approved, either party to the dispute may submit the issue for final and binding arbitration. The decision on any such arbitration shall be rendered within 30 days after such submission. Such arbitration decision shall in no way modify the protection afforded in the protective arrangements established pursuant to this section, shall be final and binding on the parties thereto, and shall become a part of the agreement. Such arrangements shall also include such provisions as may be necessary—

(1) for the preservation of compensation (including subsequent general wage increases, vacation allowances, and monthly compensation guarantees), rights, privileges, and benefits (including fringe benefits such as pensions, hospitalization, and vacations, under the same conditions and so long as such benefits continue to be accorded to other employees of the employing railroad in active service or on furlough, as the case may be) to such employees under existing collective-bargaining agreements or otherwise;

(2) to provide for final and binding arbitration of any dispute which cannot be settled by the parties, with respect to the interpretation, application, or enforcement of the provisions of the protective arrangements;

(3) to provide that an employee who is unable to secure employment by the exercise of his or her seniority rights, as a result of actions taken with financial assistance obtained under this title, shall be offered reassignment and, where necessary, retraining to fill a position comparable to the position held at the time of such adverse effect and for which he is, or by training and retraining can become, physically and mentally qualified, so long as such offer is not in contravention of collective bargaining agreements relating thereto; and

(4) to provide that the protection afforded pursuant to this section shall not be applicable to employees benefited solely as a result of the work which is financed by funds provided pursuant to this title.

(c) SUBCONTRACTING.—The arrangements which are required to be negotiated by the parties or prescribed by the Secretary of Labor, pursuant to subsections (a) and (b) of this section, shall include provisions regulating subcontracting by the railroads of work which is financed by funds provided pursuant to this title.

INTERCITY RAIL PASSENGER SERVICE

SEC. 517. The Secretary is authorized, pursuant to the provisions of, and within the authorizations contained in, this title, to provide financial assistance, in the aggregate sum of up to $200,000,000, to any railroad or railroads for the purpose of improving intercity rail passenger service on any lines of such railroad or railroads which are located outside of the Northeast Corridor (as defined in section 701(c) of this Act).

TITLE VI—IMPLEMENTATION OF THE FINAL SYSTEM PLAN

GENERAL

SEC. 601. (a) Unless otherwise specified, whenever, in this title, an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or provision of "such Act", the section or other provision amended or repealed is a section of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.).

(b) The table of contents of such Act is amended to read as follows:

"TABLE OF CONTENTS

"TITLE I—GENERAL PROVISIONS

"Sec. 101. Declaration of policy.
"Sec. 102. Definitions.

"TITLE II—UNITED STATES RAILWAY ASSOCIATION

"Sec. 201. Formation and structure.
"Sec. 202. General powers and duties of the Association.
"Sec. 203. Access to information.
"Sec. 204. Report.
"Sec. 205. Rail Services Planning Office.
"Sec. 206. Final system plan.
"Sec. 207. Adoption of final system plan.
"Sec. 208. Review by Congress.
"Sec. 209. Judicial review.

"Sec. 210. Obligations of the Association.
"Sec. 211. Loans.
"Sec. 212. Records, audit, and examination.
"Sec. 213. Emergency assistance pending implementation.
"Sec. 214. Authorization for appropriations.
"Sec. 215. Maintenance and improvement of plant.
"Sec. 216. Purchase of debentures and series A preferred stock.

"TITLE III—CONSOLIDATED RAIL CORPORATION

"Sec. 301. Formation and structure.
"Sec. 302. Powers and duties of the Corporation.
"Sec. 303. Valuation and conveyances of rail properties.
"Sec. 304. Termination and continuation of rail services.
"Sec. 305. Continuing reorganization; supplemental transactions.
"Sec. 306. Certificates of value.
"Sec. 307. Protection of Federal funds.

"TITLE IV—LOCAL RAIL SERVICES

"Sec. 401. Findings and purposes.
"Sec. 402. Rail service continuation assistance.
"Sec. 403. Acquisition and modernization loans.

"TITLE V—EMPLOYEE PROTECTION

"Sec. 501. Definitions.
"Sec. 502. Employment offers.
"Sec. 503. Assignment of work.
"Sec. 504. Collective-bargaining agreements.
"Sec. 505. Employee protection.
"Sec. 506. Contracting out.
"Sec. 507. Arbitration.
"Sec. 508. Duties of acquiring and selling railroads.
"Sec. 509. Payment of benefits.

"TITLE VI—MISCELLANEOUS PROVISIONS

"Sec. 601. Relationship to other laws.
"Sec. 602. Annual evaluation by the Secretary.
"Sec. 603. Freight rates for recyclables.
"Sec. 604. Separability.
"Sec. 605. Duty of transferee.".

(c) Section 202(a)(2) of such Act (45 U.S.C. 712(a)(2)) is amended to read as follows:

"(2) issue obligations under section 210 of this title; make loans under section 211 of this title; purchase or otherwise acquire or receive and hold and dispose of securities (whether debt or equity) of the Corporation under section 216 of this title and exercise all of the rights, privileges, and powers of a holder of any such securities; and issue certificates of value under section 306 of this Act;".

(d) Section 303 of such Act (45 U.S.C. 743) is amended by adding at the end thereof the following new subsection:

"(e) TRANSFER AND OTHER TAXES AND RECORDING FEES.—All transfers or conveyances of rail properties (whether real, personal, or mixed) which are made under this Act (including transfers and conveyances which are made in accordance with a supplemental transaction pursuant to section 305 of this title) shall be exempt from any taxes, imposts, or levies now or hereafter imposed, by the United States or by any State or any political subdivision of a State, on or in connection with such transfers or conveyances or on the recording of deeds, bills of sale, liens, encumbrances, or other instruments evidencing, effectuating, or incident to any such transfers or conveyances, whether imposed on the transferor or on the transferee. Such transferors and transferees shall be entitled to record any such deeds, bills of sale, liens, encumbrances, or other instruments and, consistent with the designations and applicable principles in the final system plan, to record the release or removal of any preexisting liens or encumbrances of record with respect to properties so transferred or conveyed, upon payment of any appropriate and generally applicable charges to compensate for the cost of the service performed.".

(e) Section 208 of such Act (45 U.S.C. 718) is amended by adding at the end thereof the following new subsection:

"(d) ADDITIONS.—(1) The supplemental report, dated September 18, 1975, to the final system plan, and the provisions of the Association's official errata supplement to the final system plan, dated December 1, 1975, including all designations made therein, shall be treated for all purposes as if they had been part of and included in the final system plan adopted by the Association and reviewed by the Congress. The final system plan shall, for all purposes, be deemed to be approved as modified and amended by such supplemental report and such supplement.

"(2) The Association may, upon petition of any State, modify the final system plan to make further designations with respect to rail properties of railroads in reorganization in the region designated for transfer to the Corporation under such plan, if such designations (A) are likely to result in improved rail service on such rail properties and connecting rail properties, and (B) would not materially impair the profitability of the Corporation. Such designations, including designations of such rail properties to a State, a profitable railroad, or a responsible person, may be made at any time prior to delivery of the final system plan to the special court under section 209(c) of this title. Such further designations shall be treated for all purposes as if they had been included in the final system plan adopted by the Association and reviewed by the Congress, and the final system plan shall for all purposes be deemed to be approved as modified by such designations. Any action of the Association with respect to any such petition shall not be subject to review by any court.

"(3)(A) Within 20 days after the date of enactment of the Railroad Revitalization and Regulatory Reform Act of 1976, the Association may, by notice to the Congress and by publication in the Federal Register, modify, supplement, or add to the designations of rail properties in the final system plan if the Association finds such actions are necessary to—

(i) achieve the efficient implementation of the final system plan, or

(ii) provide for the offer to profitable railroads of rail properties designated in the final system plan to the Corporation, if such properties are not essential in the operation of other rail properties of the Corporation but are or would be integrally related to the operation of rail properties of (or which are offered pursuant to the final system plan to) such profitable railroad, or

(iii) provide for the designation of additional rail properties to the Corporation or to a subsidiary thereof to enable the Corporation to serve efficiently a line of railroad designated to the Corporation in the final system plan if such line does not connect with any other line of railroad so designated to the Corporation or if such line would be served more efficiently as a consequence of such designation.

Any designation to a profitable railroad pursuant to this paragraph shall comply with the second sentence of section 206(d)(4) of this title, and shall only be made upon a finding by the Association that such designation is integrally related to an offer of rail properties to a profitable railroad in the final system plan, that the goals of the final system plan require that the rail properties be operated as a part of the rail properties included in such offer, and that the implementation of such designation will not materially and adversely affect the impact of such offer on the profitability of the Corporation or any profitable railroad operating in the region. Any designation to a profitable railroad pursuant to this subsection, which amends any prior offer, shall terminate 30 days after the date of enactment of this paragraph unless, prior to such date, such profitable railroad has notified the Association in writing of its acceptance of such amendment to the prior offer.

"(B) If a line of railroad or any segment thereof is designated for rail service in the final system plan, no designation may be made by the Association pursuant to this paragraph which would result in such line or segment not being so designated. Any designations made pursuant to this paragraph shall be treated for all purposes as if they had been included in the final system plan adopted by the Association and reviewed by the Congress. The final system plan shall for all purposes be deemed to be approved as amended by such designations.

"(C) Any designations made pursuant to this paragraph shall not be subject to review by any court.

"(D) Any labor agreements entered into under section 508 of this Act shall be subject to further negotiations for any modifications which may be necessary to implement designations made pursuant to this paragraph.".

(f) Section 102(14) of such Act (45 U.S.C. 702(14)) is amended to read as follows:

"(14) 'Secretary' means the Secretary of Transportation or the person at the time performing the duties of the Office of the Secretary of Transportation in accordance with law, or the duly authorized representative of either of them;";

(g) Section 102 of such Act (45 U.S.C. 702) is amended (1) by redesignating paragraphs (8) through (15) thereof as paragraphs (10) through (17) thereof, respectfully; and (2) by inserting therein a new paragraph (9) as follows:

"(9) 'local or regional transportation authority' includes a political subdivision of a State."

SPECIAL COURT

SEC. 602. (a) Section 209(b) of such Act (45 U.S.C. 719) is amended by striking out the sixth sentence thereof and inserting in lieu thereof the following new sentence: "The special court may issue rules for the conduct of any proceedings under this section and under section 305 of this Act, including rules with respect to the time within which motions may be filed, and with respect to appropriate representation of interests not otherwise represented (including the Secretary with respect to a petition by the Association in the case of a proposal developed by the Secretary, under such section 305).".

(b) Section 209 of such Act (45 U.S.C. 719) is amended by adding at the end thereof the following three news subsections:

"(e) ORIGINAL AND EXCLUSIVE JURISDICTION.—(1) Notwithstanding any other provision of law, any civil action—

"(A) for injunctive or other relief against the Association from the enforcement, operation, or execution of this Act or any provision thereof, or from any action taken by the Association pursuant to authority purportedly conferred under this Act;

"(B) challenging the constitutionality of this Act or any provision thereof;

"(C) challenging the legality of any action of the Association, or any failure of the Association to take any action, pursuant to authority conferred or purportedly conferred under this Act;

"(D) to obtain, inspect, copy, or review any document in the possession or control of the Association that would be discoverable in litigation pursuant to section 303(c) of this Act; or

"(E) brought after a conveyance, pursuant to section 303(b) of this Act, to set aside or annul such conveyance or to secure in any way the reconveyance of any rail properties so conveyed; or

"(F) with respect to continuing reorganization and supplemental transactions, in accordance with section 305 of this Act.

shall be within the original and exclusive jurisdiction of the special court. The special court shall not hear or determine any such action prior to the date of conveyance, pursuant to section 303(b)(1) of this Act, except as the Constitution may require. Relief shall not be granted in any action referred to in subparagraph (A), (C), or (E) unless the person seeking such relief establishes that the Association acted in reckless or deliberate disregard of applicable law.

"(2) The original and exclusive jurisdiction of the special court shall include any action, whether filed by any interested person or initiated by the special court itself, to interpret, alter, amend, modify, or implement any of the orders entered by such court pursuant to section 303(b) of this Act in order to effect the purposes of this Act or the goals of the final system plan. During the pendency of any proceeding described in this paragraph, the special court may enter such orders as it determines to be appropriate, including orders enjoining, restraining, conditioning, or limiting any conveyance, transfer, or use of any asset or right which is subject to such an order or which is at issue in such a proceeding, or which involves the enforcement of any liens or encumbrances upon such assets or rights. Any orders pursuant to this paragraph which interpret, alter, amend, modify, or implement orders entered by the special court shall be final and shall not be restrained or enjoined by any court.

"(3) A final order or judgment of the special court in any action referred to in this section shall be reviewable only upon petition for a writ of certiorari to the Supreme Court of the United States, except that any order or judgment enjoining the enforcement, or declaring or determining the unconstitutionality or invalidity, of this Act, in whole or in part, or of any action taken under this Act, shall be reviewable by direct appeal to the Supreme Court of the United States in the same manner that an injunctive order may be appealed under section 1253 of title 28, United States Code. Such review is exclusive and any petition or appeal shall be filed not more than 20 days after entry of such order or judgment.

"(f) DISPOSITION OF CASH DEPOSITS.—Whenever the compensation which is deposited with the special court under section 303(a) of this Act is in the form of cash, such cash shall be invested and reinvested upon such terms and conditions as the special court shall determine, pending the making of the findings referred to in paragraphs (1), (2), and (3) of section 303(c) of this Act. Notwithstanding section 303(c)(4) of this Act, the special court may order (1) the income from such investments, (2) the dividends or interest, if any, received on any securities or obligations deposited with the special court under such section 303(a), and (3) the income, if any, received with respect to any other form of compensation so deposited, to be distributed to the trustee of each railroad in reorganization and to any person leased, operated or controlled by such a railroad which conveyed the right, title, and interest in the rail properties with respect to which such cash, securities, obligations, or other compensation have been so deposited with the special court. Notwithstanding section 303(c)(4) of this Act, the special court may, within 90 days after the date of conveyance of rail properties pursuant to section 303(b) of this Act, order up to 25 percent of any cash (including investments made with cash) and other compensation deposited with the special court to be distributed to such trustee or person. On petition of the applicable trustee or person, the special court may order such additional distributions as it finds reasonable and appropriate, prior to the making of the findings referred to in paragraphs (1), (2), and (3) of such section 303(c).

"(g) STAY OF COURT PROCEEDINGS.—The special court may stay or enjoin any action or proceeding in any State court or in any court of the United States other than the Supreme Court if such action or proceeding is contray to any provision of this Act, impairs the effective implementation of this Act, or interferes with the execution of any order of the special court pursuant to this Act.".

FINANCE COMMITTEE

SEC. 603. (a) Section 201 of such Act (45 U.S.C. 711) is amended by redesignating subsections (i) and (j) thereof as subsections (j) and (k) thereof, respectively, and by inserting therein a new subsection "(i)" as follows:

"(i) FINANCE COMMITTEE.—The Board of Directors of the Association shall have a Finance Committee which shall consist of the Chairman of such Board, the Secretary, and the Secretary of the Treasury (acting directly or, at any time, through their respective duly authorized representatives). The Finance Committee is authorized to exercise only such powers as are vested in it pursuant to any provision of this Act. The vesting of such powers in the Finance Committee shall not be deemed to relieve the Board of Directors of its authority to exercise any other powers of the Association, none of which may be delegated to the Finance Committee, or of its general authority to study, analyze, and make advisory findings with respect to any matter relevant to the role of the Association as an investor in securities of the Corporation. Notwithstanding any provision of State law, (1) the Finance Committee, without any requirement of review or approval by the Board of Directors of the Association, is authorized to establish, revise, and maintain its own rules and procedures, by majority vote of the members thereof, and (2) the Board of Directors of the Association shall not have power to take, and shall not take, any action affecting the membership of the Finance Committee or limiting the exercise by the Finance Committee of the powers vested in it pursuant to any provision of this Act.".

(b)(1) Section 201(h) of such Act (45 U.S.C. 711(h)) is amended by adding at the end thereof the following new sentence: "The Secretary and the Chairman of the Commission may act in such capacity directly or at any time through their duly authorized representatives.".

(2) Section 201(d)(2) of such Act (45 U.S.C. 711(d)(2)) is amended by striking "or" and inserting in lieu thereof the following: "acting directly or at any time through".

(c) Section 102 of such Act (45 U.S.C. 702), as amended by this Act, is amended by redesignating paragraph (7) thereof as paragraph (8) thereof, and by inserting therein a new paragraph (7) as follows:

"(7) 'Finance Committee' means the Finance Committee of the Board of Directors of the Association established under section 201(i) of this Act;".

OBLIGATIONS OF THE ASSOCIATION

SEC. 604. Section 210(b) of such Act (45 U.S.C. 720(b)) is amended to read as follows:

"(b) MAXIMUM OBLIGATIONAL AUTHORITY.—The aggregate amount of obligations of the Association issued under this section which may be outstanding at any one time shall not exceed $275,000,000, and no additional obligations or proceeds thereof shall be issued or made available except—

(1) to meet existing or potential commitments for loans under section 211 of this title made or applied for prior to January 1, 1976 (except that such January 1, 1976 date shall not apply to loans made in accordance with section 211(g) of this Act); and

(2) for the purpose of providing loans pursuant to subsections (g) and (h) of section 211 of this title.".

DEBENTURES AND SERIES A PREFERRED STOCK

SEC. 605. Title II of such Act is amended by adding at the end thereof the following new section:

"DEBENTURES AND SERIES A PREFERRED STOCK

"SEC. 216: (a) GENERAL.—The Association is authorized, in accordance with the provisions of this section, and such rules and regulations as it may prescribe, to invest from time to time in the securities of the Corporation by purchasing (1) up to $1,000,000,000 of debentures issued by the Corporation, and (2) after the acquisition of such debentures, up to $1,100,000,000 of the series A preferred stock of the Corporation.

"(b) PURPOSES AND PROCEDURE FOR INVESTMENT.—(1) The Association is authorized to purchase debentures and, thereafter, series A preferred stock of the Corporation at such times and in such amounts as may be required and requested by the Corporation in accordance with the terms and conditions governing such purchases (which shall be prescribed by the Association), to provide—

"(A) for the modernization, rehabilitation and maintenance of rail properties of the Corporation;

"(B) for the acquisition of equipment and other capital needs;

"(C) for the refinancing of indebtedness which was incurred by the Corporation under section 211 of this title or which was incurred under section 215 of this title and assumed by the Corporation; or

"(D) working capital as contemplated by the final system plan.

"(2) Purchases of up to $1,000,000,000 of debentures and, thereafter, of up to $1,100,000,000 of series A preferred stock shall be made by the Association as required and requested by the Corporation, unless the Finance Committee makes an affirmative finding that—

"(A) the Corporation has failed in any material respect to comply with any covenants or undertakings made to the Association and such failure remains uncorrected;

"(B) the Corporation has failed substantially (as determined by performance within the margins prescribed by the Board of Directors) to attain the overall operating (including rehabilitation) and financial results projected for the Corporation in the final system plan (including any modifications of such projected results and of the performance margins applicable to such projected results which are jointly approved by the Finance Committee and the Board of Directors and which would improve the possibility that the Corporation will attain such projected results and perform within such margins, as modified); or

"(C) it is not reasonably likely, taking into consideration all relevant factors including the overall operating (including rehabilitation) and financial results achieved by the Corporation, that the Corporation will be able to become financially self-sustaining without requiring Federal financial assistance substantially in excess of the amounts authorized in this section.

"(c) FINDING, DIRECTION, AND REVIEW BY CONGRESS.—(1) If the Finance Committee makes an affirmative finding pursuant to subsection (b)(2) of this section, it may direct the Association—

"(A) not to purchase any debentures or series A preferred stock of the Corporation after the date of such affirmative finding; or

"(B) to purchase debentures or series A preferred stock of the Corporation, after the date of such affirmative finding, only in such amounts, at such times, and on such terms and conditions (notwithstanding subsection (e)(1) of this section) as the Finance Committee determines to be appropriate to the role of the Association as an investor in such debentures and series A preferred stock.

"(2) A copy of each affirmative finding, the reasons therefor, and direction made by the Finance Committee under paragraph (1) of this subsection, together with the comments and recommendations thereon of the Board of Directors of the Association, shall be transmitted to the Congress by the Association within 10 days after the date on which the Finance Committee makes such finding and direction, or if not so transmitted, shall be transmitted by the Finance Committee. Each such direction so transmitted shall become finally effective and is required to be implemented by the Association, unless within the first period of 30 calendar days of continuous session of Congress after the date of its transmittal to Congress either House of Congress disapproves such direction (except that such direction shall become finally effective immediately upon approval of such direction by both Houses of Congress) in accordance with the procedures specified in section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407). For purposes of this paragraph, continuity of session of Congress is broken only in the circumstances described in section 1011(5) of that Act (31 U.S.C. 1401(5)). During review by the Association and Congress, the Association shall take no action inconsistent with the direction of the Finance Committee pursuant to paragraph (c)(1) of this section, except to the extent the Association finds necessary, in its discretion, to assure continuous orderly operation of the Corporation.

"(3) If the Congress, pursuant to paragraph (2) of this subsection, disapproves a direction submitted to the Association pursuant to paragraph (1) of this subsection, the Association shall continue to purchase the debentures or series A preferred stock of the Corporation as otherwise provided in this title until such time as a direction is submitted under this section which is not so disapproved (or affirmatively approved). The powers of the Association and of the Board of Directors of the Association shall remain in effect except to the extent modified by any such direction. If any such direction is disapproved by either House of Congress, the Finance Committee may, not earlier than 30 days after the date of such disapproval, make (and the Board of Directors of the Association shall transmit) any additional affirmative finding and direction with respect to the same matter, which direction shall become effective in accordance with paragraph (2) of this subsection. An affirmative finding and direction under this subsection, or action by the Association during a review thereof by the Congress, may not be held unlawful or set aside by any reviewing court on the ground that such funding and direction or action were not adequate to meet the requirements of subparagragh (A), (E), or (F) of section 706(2) of title 5, United States Code.

"(4) Notwithstanding any other provision of this section, or any terms and conditions governing its purchase of securities of the Corporation, the Association shall, upon written application by the Corporation at least 30 days prior to such investment, make an initial investment in debentures of the Corporation within 60 days after the date of conveyance of rail properties pursuant to section 303(b)(1) of this Act. Such initial investment shall be limited to such amounts as the Association and Finance Committee, acting jointly, determine are necessary for the continued and orderly operations of the Corporation prior to any additional investment.

"(5) Not later than 60 days after the date of conveyance pursuant to section 303(b)(1) of this Act, the Association shall select 6 individuals to serve as members of the Board of Directors of the Corporation, subject to the provisions of section 301(d) of this Act.

"(d) TERMS AND CONDITIONS.—Notwithstanding any other provision of State law, the debentures and the series A preferred stock of the Corporation shall have such terms and conditions, not inconsistent with the final system plan or this title, as may be prescribed by the Association, except as follows:

"(1) The Corporation shall not be required to issue to the Association additional shares of series A preferred stock of the Corporation as a dividend on any such stock.

"(2) The dividends payable on series A preferred stock of the Corporation shall not be cumulative and shall be paid in cash when and to the extent that there is 'cash available for restricted cash payments', as that term is defined in the final system plan.

"(3) After the Association calls for redemption of the certificates of value, no shares of series A preferred stock of the Corporation shall be issued in lieu of interest on the debentures of the Corporation and, to the extent such interest is not payable in cash by reason of the absence of sufficient 'cash available for restricted cash payment', the Corporation shall deliver to the holders of the debentures contigent interest notes in a face amount equal to such unpaid interest.

"(4) If the Board of Directors of the Association and the Finance Committee, acting jointly, modify the terms or conditions governing the purchase of debentures or series A preferred stock of the Corporation pursuant to subsection (e)(1) of this section, or if the Finance Committee waives compliance with any term, condition, provision, or covenant of such securities pursuant to subsection (e)(2) of this section, the Finance Committee may require the Corporation to issue contingent interest notes in such amount as, in the determination of the Finance Committee, will provide protection for the United States, in the event of bankruptcy, reorganization, or receivership of the Corporation, equal to the protection the United States would have had in the absence of such modification or waiver.

"(5) The contingent interest notes issued pursuant to this section shall bear interest compounded annually at the rate of 8 percent per annum and such notes and the accumulated interest thereon shall be payable only in the event of bankruptcy, reorganization, or receivership of the Corporation prior to the repayment and redemption of all outstanding debentures and accumulated series A preferred stock of the Corporation. The contingent interest notes and the accumulated interest thereon shall have the same priority in bankruptcy, reorganization, or receivership as the debentures of the Corporation. The other terms and conditions of the contingent interest notes shall be as set forth in an agreement to be entered into between the Association and the Corporation prior to issuance of any debentures.

"(e) MODIFICATIONS, WAIVERS, AND CONVERSIONS.—(1) The Board of Directors of the Association and the Finance Committee, acting jointly, may agree with the Corporation to modify any of the terms and conditions governing the purchase by the Association of securities of the Corporation, upon a finding that such action is necessary or appropriate to achieve the purposes of this Act or the goals of the final system plan.

"(2) The Finance Committee may, in its discretion and upon a finding that such action is necessary or appropriate to achieve the purposes of this Act or the goals of the final system plan, waive compliance with any term, condition, provision, or covenant of the securities of the Corporation held by the Association, including any provision of such securities with respect to redemption of principal or issuance price, payment of interest or dividends, or any term or condition governing the purchase of such securities.

"(3) Notwithstanding any provision of State law, there shall be no conversion of the debentures of the Corporation into series A preferred stock of the Corporation, as provided in the terms and conditions of the debentures and pursuant to the final system plan, unless the Board of Directors of the Association and the Finance Committee jointly determine to effect such conversion.

"(f) APPROPRIATION.—There is authorized to be appropriated to the Association $2,100,000,000 to be used for the purchase of securities of the Corporation in accordance with this section. All sums received by the Association on account of the holding or disposition of any such securities shall be deposited in the general fund of the Treasury.".

LOANS

SEC. 606. Section 211 of such Act (45 U.S.C. 741) is amended by adding at the end thereof the following new subsections:

"(g) PRE-CONVEYANCE LOANS TO THE CORPORATION.—During the period between the effective date of the final system plan and the date of the conveyance of rail properties pursuant to section 303(b) of this Act, the Association may make such loans in such amounts to the Corporation as the Association deems essential to provide for the purchase by the Corporation of material, supplies, equipment, and services necessary to permit the orderly and efficient implementation of the final system plan. Notwithstanding any inability of the Association during such period to make the finding required by subsection (e)(3) of this section because of any existing contingencies, the Association may make any such loans to the Corporation, subject to—

"(1) the most favorable terms and conditions for assuring timely repayment and security as may then be reasonably available, and

"(2) the requirement that any loan to the Corporation under this subsection be refinanced immediately out of the proceeds of the first sale by the issuance of debentures under section 216 of this title.

In order to assure that necessary funds are available to the Corporation for implementation of the final system plan, the Corporation is authorized to accept such loans as may be approved by the Association under this subsection, and any such acceptance shall be deemed for all purposes to constitute a reasonable and prudent business judgment in compliance with any fiduciary obligations imposed on the Corporation or its directors. For purposes of tihs subsection, the term 'Corporation' includes a subsidiary of the Corporation.

"(h) LOANS FOR PAYMENT OF OBLIGATIONS.—(1) The Association is authorized, subject to the limitations set forth in section 210(b) of this title, to enter into loan agreements, in amounts not to exceed $230,000,000 in the aggregate, with the Corporation, the National Railroad Passenger Corporation, and any profitable railroad to which rail properties are transferred or conveyed pursuant to section 303(b)(1) of this Act, under which the Corporation, the National Railroad Passenger Corporation, and any profitable railroad entering into such agreement will agree to meet existing or prospective obligations of the railroads in reorganization in the region which the Association, in accordance with procedures established by the Association, determines should be paid by the Corporation, the National Railroad Passenger Corporation, or a profitable railroad, on behalf of the transferors, in order to avoid disruptions in ordinary business relationships. Such obligations shall be limited to amounts claimed by suppliers (including private car lines) of materials or services utilized in current rail operations, claims by shippers arising from current rail services, payments to railroads for settlement of current interline accounts, claims of employees arising under the collective bargaining agreements of the railroads in reorganization in the region and subject to section 3 of the Railway Labor Act, claims of all employees or their personal representatives for personal injuries or death and subject to the provisions of Employers' Liability Acts (45 U.S.C. 51–60), and amounts required for adequate funding of accrued pension benefits existing at the time of a conveyance or discontinuance of service under employee pension benefit plans described in section 505(a) of this Act. The Association shall not make such a loan unless it first finds that the loan is for the purpose of paying obligations with respect to accrued pension plans referred to in the preceding sentence or that the Corporation, the National Railroad Passenger Corporation, or a profitable railroad is entitled to a loan pursuant to subsections (e) and (g) of section 504 of this Act, or unless it first finds that—

"(A) provision for the payment of such obligations was not included in the financial projections of the final system plan;

"(B) such obligations arose from rail operations prior to the date of conveyance of rail properties pursuant to section 303(b)(1) of this Act and are, under other applicable law, the responsibility of a railroad in reorganization in the region;

"(C) the Corporation, the National Railroad Passenger Corporation, or a profitable railroad has advised the Association that the direct payment of such obligations by the Corporation, the National Railroad Passenger Corporation or profitable railroad is necessary to avoid disruptions in ordinary business relationships;

"(D) the transferor is unable to pay such obligations within a reasonable period of time; and

"(E) with respect to loans made to the Corporation, the procedures to be followed by the Corporation, in seeking reimbursement from the railroads in reorganization in the region for obligations paid on their behalf under this subsection, have been jointly agreed to by the Finance Committee and the Corporation.

"(2) The trustees of each railroad in reorganization in the region shall attempt to negotiate agency agreements with the Corporation, the National Railroad Passenger Corporation, or a profitable railroad for the processing of all accounts receivable and accounts payable attributable to operations prior to the conveyance of property pursuant to section 303(b)(1) of this Act. If any railroad in reorganization in the region fails to conclude such an agreement within a reasonable time prior to such conveyance, the applicable reorganization courts, after giving all parties an opportunity to be heard, shall prescribe the terms of such an agency arrangement by order, giving due consideration to the need, wherever possible, to make such agreements uniform among the various estates.

"(3) The Association may, not less than 30 days prior to the date of conveyance pursuant to section 303(b)(1) of this Act, petition each district court of the United States having jurisdiction over the reorganization of a railroad in reorganization in the region for an order, which shall be entered prior to such conveyance, and which—

"(A) identifies that cash and other current assets of the estate of such railroad which shall be utilized to satisfy obligations of the estates identified in paragraph (1) of this subsection; and

"(B) provides for the application by the trustees of such railroads and their agents, consistent with the principles of reorganization under section 77 of the Bankruptcy Act (11 U.S.C. 205) and with the agency agreement specified in paragraph (2) of this subsection, of all such current assets, including cash available as of or subsequent to such date of conveyance, to the payment in the postconveyance period of the obligations of the estates identified in paragraph (1) of this subsection.

"(4)(A) Each obligation of a railroad in reorganization in the region which is paid with financial assistance under paragraph (1) of this subsection shall be processed, on behalf of such railroad, by the Corporation, the National Railroad Passenger Corporation, or a profitable railroad, whichever is appropriate. An obligation of a railroad in reorganization in the region shall be paid, on behalf of such railroad, by the Corporation, the National Railroad Passenger Corporation, or a profitable railroad, whichever is appropriate, if—

"(i) such obligation is deemed by the Corporation, the National Railroad Passenger Corporation, or a profitable railroad, whichever is appropriate, to have been, on the date of conveyance of rail properties pursuant to section 303(b)(1) of this Act, the obligation of a railroad in reorganization in the region;

"(ii) such obligation accrues after such date of conveyance but as a result of rail operations conducted prior to such date, and the trustees of such railroad in reorganization acknowledge that it is an obligation of such railroad; or

"(iii) the district court of the United States having jurisdiction over such railroad in reorganization in the region approves such obligation as a valid administrative claim against such railroad;

to the extent that payment is required under a loan agreement with the Association under such paragraph (1).

"(B) The Association shall resolve any disputes among the Corporation, the National Railroad Passenger Corporation, and a profitable railroad concerning which of them shall process and pay any particular obligation on behalf of a particular railroad in reorganization.

"(C) The Corporation, the National Railroad Passenger Corporation, or a profitable railroad shall have a direct claim, as a current expense of administration, for reimbursement from the estate of a railroad in reorganization in the region for all obligations of such estate (plus interest thereon) which are paid by the Corporation, the National Railroad Passenger Corporation, or a profitable railroad, as the case may be. The right of the Corporation or the National Railroad Passenger Corporation to receive reimbursement under this subparagraph from the estate of a railroad in reorganization in the region shall be reduced by the amount, if any, of loans, plus interest forgiven under paragraph (5) of this subsection.

"(5)(A) If, at any time, the Finance Committee of the Association determines that the failure of the Corporation to receive full reimbursement with interest from the estate of a railroad in reorganization in the region for any obligation of such estate paid pursuant to this subsection could adversely affect the fairness and equity of the transfers and conveyances pursuant to section 303(b)(1) of this Act, or that the failure of the National Railroad Passenger Corporation to receive such full reimbursement plus interest for any such obligation would be contrary to the public interest, the Association shall forgive the indebtedness, plus accrued interest, of the Corporation or of the National Railroad Passenger Corporation incurred pursuant to paragraph (1) of this subsection in the amount recommended by the Finance Committee. The Association shall have a direct claim, as a current expense of administration of the estate of such railroad in reorganization, equal to the amount by which loans of the Corporation or of the National Railroad Passenger Corporation, plus interest, have been forgiven. Such direct claim shall not be subject to any reduction by way of setoff, cross-claim, or counterclaim which the estate of such railroad in reorganization may be entitled to assert against the Corporation, the National Railroad Passenger Corporation, the Association, or the United States.

"(B) The direct claim of the Association under this paragraph, and any direct claim authorized under paragraph (4) of this subsection, shall be prior to all other administrative claims of the estate of a railroad in reorganization, except claims arising under trustee's certificates or from default on the payment of such certificates.

"(6) Notwithstanding any other provision of this subsection, the Association shall forgive any loan made to the Corporation or the National Railroad Passenger Corporation pursuant to this subsection, plus accrued interest thereon, on the 3rd anniversary date of any such loan, except that the Association shall not forgive any loan or portion thereof, in accordance with this paragraph, if—

"(A) the Finance Committee makes an affirmative finding, with respect to such loan or portion thereof, that—

"(i) the Corporation has not exercised due diligence in executing the procedures adopted pursuant to paragraph (1)(E) of this subsection, and

"(ii) the failure of the Association to forgive such loan or portion thereof will not adversely affect the ability of the Corporation to become financially self-sustaining;

"(B) the Finance Committee so directs the Association; and

"(C) neither House of the Congress disapproves such affirmative finding and direction, in accordance with the following provisions of this paragraph.

A copy of each such finding, the reasons therefor, and such direction made by the Finance Committee, together with the comments and recommendations thereon of the Board of Directors of the Association, shall be transmitted to the Congress by the Association within 10 days after the date on which the Finance Committee makes such finding and direction, or if not so transmitted, shall be transmitted by the Finance Committee. Each such finding and direction so transmitted shall become effective immediately, and shall remain in effect, unless, within the first period of 30 calendar days of continuous session of Congress after the date of transmittal of such finding and direction to Congress, either House of Congress disapproves such finding and direction in accordance with the procedures specified in section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407). For purposes of this paragraph, continuity of session of Congress is broken only in the circumstances described in section 1011(5) of that Act (31 U.S.C. 1401(5)).

"(7) For purposes of this subsection, the term 'Corporation' includes a subsidiary of the Corporation.

"(i) ELECTRIFICATION.—Upon application by the Corporation, the Secretary shall, pursuant to the provisions of and within the obligational limitations contained in sections 511 through 513 of the Railroad Revitalization and Regulatory Reform Act of 1976, guarantee obligations of the Corporation for the purpose of electrifying high-density mainline routes if the Secretary finds that such electrification will return operating and financial benefits to the Corporation and will facilitate compatibility with existing or renewed electrification systems. The aggregate unpaid principal amount of obligations which may be guaranteed by the Secretary under this paragraph shall not exceed $200,000,000 at any one time.".

MISCELLANEOUS AMENDMENTS TO TITLE II

SEC. 607. (a) Section 201(j) of such Act (45 U.S.C. 711(j)), as redesignated by section 603(a) of this Act, is amended by adding at the end thereof the following new paragraph:

"(4) Any reference in this Act to the Secretary of the Treasury is to the Secretary of the Treasury or the person at the time performing the duties of the Office of the Secretary of the Treasury in accordance with law, or the duly authorized representative of either of them. Any reference in this Act to the Chairman of the Commission is to the Chairman of the Commission or the person at the time performing the duties of the Chairman of the Commission in accordance with law, or the duly authorized representative of either of them.".

(b) Section 202(e) of such Act (45 U.S.C. 712(e)) is amended by inserting after "obligations issued" and before "and loans" in clause (4) thereof the following: ", certificates of value issued, securities purchased,".

(c) Section 202(f) of such Act (45 U.S.C. 712(f)) is amended by inserting after "section" and before ")" in the first sentence thereof the following: "and receipts and disbursements under section 216 of this title and section 306 of this Act.".

(d) Section 203(a) of such Act (45 U.S.C. 713(a)) is amended by striking out the last sentence thereof.

(e) Section 206(d)(3) of such Act (45 U.S.C. 716(d)(3)) is amended by inserting after the first sentence thereof the following three new sentences: "All determinations made by the Association in the correction to the preliminary system plan published on April 11, 1975 (40 Fed. Reg. 16377), shall be treated for all purposes as if they had been made upon adoption and release by the Association of the preliminary system plan. All determinations made by the Commission with respect to such correction shall be treated for all purposes as if they had been made within 90 days after adoption and release by the Association of the preliminary system plan. All determinations made by the Commission with respect to acquisitions by profitable railroads referred to in any supplement to the preliminary system plan published under section 207(b)(2) of this title shall be deemed to be timely if made prior to the adoption of the final system plan under section 207(c) of this title.".

(f) Section 206(c)(1)(B) of such Act (45 U.S.C. 716(c)(1)(B)) is amended by inserting immediately after "paragraph" the following: "and what alternative designations shall be made under this paragraph".

(g) Section 206(c)(1)(A) of such Act (45 U.S.C. 716(c)(1)(A)) is amended by striking out the semicolon and inserting in lieu thereof the following: ": *Provided*, That the Corporation shall, within 95 days after the effective date of the final system plan, give notice to the Association of which such rail properties, if any, are to be transferred to a subsidiary of the Corporation in the event that the Board of Directors of the Association finds that such transfer would be consistent with the final system plan;".

(h) Section 206(c)(2) of such Act (45 U.S.C. 716(c)(2)) is amended by adding at the end thereof the following new sentence: "Any rail properties designated to be offered for sale to the Corporation may be sold instead to a subsidiary of the Corporation.".

(i) Sections 206(d)(1), 209 (c) and (d), 215(d), 304(e), and 501 (1) and (2) of such Act (45 U.S.C. 716(d)(1), 719 (c) and (d), 744(e), and 771 (1) and (2)) are amended by inserting after "Corporation" each time it appears the following: "or any subsidiary thereof".

(j) Section 206(c)(1)(D) of such Act (45 U.S.C. 716(c)(1)(D)) is amended by—

(1) inserting immediately after "by" the following "(i)"; and

(2) striking out "; and" at the end thereof and adding the following: ", or (ii) the National Railroad Passenger Corporation to meet the needs of improved rail passenger service over intercity routes, other than properties designated pursuant to subparagraph (C) of this parargraph; and".

(k) Section 210(c) of such Act (45 U.S.C. 720(c)) is amended by adding at the end thereof the following new sentence: "All guarantees entered into by the Secretary under this section shall constitute general obligations of the United States for the payment of which its full faith and credit are pledged.".

(l) Section 209(c) of such Act (45 U.S.C. 719(c)) is amended by striking out "obligations of the Association" each time it appears and inserting in lieu thereof "certificates of value of the Association."

(m)(1) Subsection (b) of section 214 of such Act (45 U.S.C. 724(b)) is amended by striking out "$5,000,000" and inserting in lieu thereof "$7,000,000".

(2) Section 214(c) of such Act is amended by striking out the period and inserting in lieu thereof ", and not to exceed $14,000,000 for the fiscal period which includes the period ending September 30, 1977.".

(n) Section 214(a) of such Act (45 U.S.C. 724(a)) is amended by adding at the end thereof the following: "There are authorized to be appropriated to the Secretary such sums as may be necessary to discharge the obligations of the United States arising under section 303(c)(5) of this Act.".

(o) Paragraph (4) of section 206(d) of such Act (45 U.S.C. 716(d)(4)) is amended—

(1) in the first sentence thereof, by striking out "30 days after the effective date of the final system plan" and inserting in lieu thereof "7 days after the date of the enactment of the Railroad Revitalization and Regulatory Reform Act of 1976"; and in the second sentence thereof, by striking out "60" and inserting in lieu thereof "95"; and

(2) by inserting immediately after the first sentence thereof the following new sentence: "Any such offer may be modified until the date of acceptance thereof, unless such modification results in an offer for the sale of rail properties at less than the net liquidation value thereof.".

(p) Section 206(d) of such Act (45 U.S.C. 716(d)) is amended by adding at the end thereof the following new paragraph:

"(6) Notwithstanding any statement to the contrary in the final system plan, a State (or a local or regional transportation authority) shall not be required to deliver to the Corporation a firm commitment to acquire rail properties designated to such State or authority prior to 7 days after the date of enactment of this paragraph.".

(q) Section 206 of such Act (45 U.S.C. 717 (c)) is amended by adding at the end thereof the following new subsection:

"(j) Any rail properties over which rail service was being provided as of the date of enactment of this Act, and which were recommended in the preliminary system plan for transfer to the Corporation, shall be deemed to be designated in the final system plan for transfer to the Corporation under subsection (c)(1)(A) of this section. Any designation in the final system plan, pursuant to subsection (c)(1)(B) of this section, of overhead trackage rights to be acquired by a profitable railroad operating in the region over specified rail properties to be acquired by the Corporation, where such designation does not (1) authorize such profitable railroad to interchange traffic with at least one railroad, or (2) provide for the connection of portions of such profitable railroad's rail properties, and where the transfer of ownership of such rail properties (including trackage rights) to such profitable railroad was recommended in the preliminary system plan, and the Commission has made a determination with respect thereto, in accordance with subsection (d)(3) of this section, shall be deemed to authorize such profitable railroad to interchange traffic with the Corporation and any other profitable railroad connecting with such specified rail properties.".

(r) Section 209(c) of such Act (45 U.S.C. 719(c)) is amended by adding at the end thereof, without paragraph indentation, the following new sentences: "Notwithstanding any other provisions of this subsection and subsection (d) of this section, the time for the delivery of a certified copy of the final system plan shall be March 11, 1976, and may be extended to a date not more than 30 days thereafter, prescribed in a notice filed by the Association not later than February 10, 1976, with the special court, the Congress, and each court referred to in such subsection (d). Such notice shall contain the certification of the Association that an orderly conveyance of rail properties cannot reasonably be effected before the date for conveyance determined with respect to such notice. The time prescribed in section 303(a) of this Act shall be determined with respect to the date prescribed in such notice.".

(s) Section 209(c) (1) and (2) of such Act (45 U.S.C. 719(c) (1) and (2)) is amended by striking out "railroad leased" each time it appears therein and inserting in lieu thereof "person leased" in lieu thereof.

(t) Section 102(12) of such Act (45 U.S.C. 702(12)), as redesignated by this Act, is amended by striking out "the phrase 'railroads leased, operated, or controlled by a railroad in reorganization'," and inserting in lieu thereof the following: "the phrase 'persons leased, operated, or controlled by a railroad in reorganization',".

CAPITALIZATION OF THE CORPORATION

Sec. 608. Section 301(e) of such Act (45 U.S.C. 741(e)) is amended to read as follows:

"(e) INITIAL CAPITALIZATION.—(1) In order to carry out the final system plan, the Corporation is authorized to issue debentures, series A preferred stock, series B preferred stock, common stock, and other securities.

"(2) Debentures and series A preferred stock shall be issued initially to the Association. Series B preferred stock and common stock shall be issued initially to the estates of railroads in reorganization in the region, to railroads leased, operated, and controlled by railroads in reorganization in the region, and to other persons leased, operated or controlled by a railroad in reorganization who are transferors of rail properties in exchange for rail properties transferred to the Corporation pursuant to the final system plan. Notwithstanding any other provisions of State or Federal law the series B preferred stock and common stock shall have terms and conditions not inconsistent with the final system plan. As a condition of its investment in the Corporation, the Association may require that the Corporation adopt limitations consistent with the final system plan on the circumstances under which dividends on the series B preferred stock and common stock are payable so long as any of the debentures or series A preferred stock are outstanding.

PROTECTION OF FEDERAL FUNDS

Sec. 609. Title III of such Act, as amended by this Act, is further amended by inserting the following new section:

"PROTECTION OF FEDERAL FUNDS

"Sec. 307. (a) AUDIT.—(1) The Comptroller General of the United States is authorized to audit the programs, activities, and financial operations of the Corporation for any period during which (A) Federal funds provided pursuant to this Act are being used to finance any portion of its operations, or (B) Federal funds have been invested therein pursuant to this Act. Any such audit may be conducted under such rules and regulations as the Comptroller General may prescribe. The Comptroller General shall report to the Congress at such times and to such extent as he considers necessary to keep the Congress informed on the security of such Federal funds and guarantees and, to the extent appropriate, make recommendations for achieving greater economy, efficiency, and effectiveness in such programs, activities, and operations.

"(2) For the purpose of any audit conducted pursuant to subsection (a) of this section, the Comptroller General, or a designated representative of the Comptroller General shall have access to and the right to examine all books, accounts, records, reports, files, and other papers, items, or property belonging to or in use by the Corporation.

"(b) REPORT.—The Association shall prepare and submit an annual report to Congress on the performance of the Corporation in order to keep the Congress informed as to matters which may affect the quality of rail services in the region and which may affect the security of Federal funds referred to in subsection (a) of this section. Each such report shall be submitted within 150 days after the end of the fiscal year of the Corporation. Each such report shall include an evaluation of—

"(1) the degree to which the goals of section 206(a) of this Act are being met;

"(2) the amounts and causes of deviations, if any, from the financial projections of the final system plan;

"(3) the amount of Federal funds made available to the Corporation and a clear description of the uses of such funds;

"(4) the projected financial needs of the Corporation;

"(5) the projected sources from which such financial needs are likely to be met; and

"(6) the ability of the Corporation to become financially self-sustaining without requiring Federal funds in excess of those authorized by section 216(f) of this Act.".

CONTINUING REORGANIZATION; SUPPLEMENTAL TRANSACTIONS

SEC. 610. (a) Section 102 of such Act (45 U.S.C. 702) as amended by this Act, is amended—

(1) in paragraph (16) thereof, by striking out "and";

(2) in paragraph (17) thereof, by striking out the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following two new paragraphs:

"(18) 'subsidiary' means any corporation 100 percent of whose total combined voting shares are, directly or indirectly, owned or controlled by the Corporation;

"(19) 'supplemental transaction' means any transaction set forth in a proposal under section 305 of this Act, within 6 years after the date on which the special court orders conveyances of rail properties to the Corporation under section 303(b) of this Act, under which the Corporation or a subsidiary thereof would (A) acquire rail properties not designated for transfer or conveyance to it under the final system plan, (B) convey rail properties to a profitable railroad, a subsidiary of the Corporation or, other than as designated in the final system plan, to the National Railroad Passenger Corporation or to a State or a local or regional transportation authority, or to any other responsible person for use in providing rail service, or (C) enter into contractual or other arrangements with any person for the joint use of rail properties or the coordination or separation of rail operations or services.".

(b) Title III of such Act is amended by adding at the end thereof the following new sections:

"CONTINUING REORGANIZATION; SUPPLEMENTAL TRANSACTIONS

"SEC. 305. (a) PROPOSALS.—If the Secretary or the Association determines that, as part of continuing reorganization, further restructuring of rail properties in the region through transactions supplemental to the final system plan would promote the establishment and retention of a financially self-sustaining rail service system in the region adequate to meet the needs of the region, the Secretary or the Association, as the case may be, may develop proposals for such supplemental transactions as are necessary or appropriate to implement the needed restructuring. Transfers of rail properties included in proposals developed by the Association shall be limited to (1) rail properties which would have qualified for designation under section 206(c)(1)(A) of this Act but which were not transferred or conveyed under the final system plan, and which the Association finds to be essential to the efficient operations of the Corporation, and (2) transfers, consistent with the final system plan, of rail properties from the Corporation to a subsidiary thereof. Each proposal (other than a proposal developed by the Association) shall be submitted in writing to the Association and shall state and describe any transactions proposed, the rail properties involved, the parties to such transactions, the financial and other terms of such transactions, the purposes of the Act or the goals of the final system plan intended to be effectuated by such transactions, and such other information incidental thereto as the Association may prescribe. Within 10 days after receipt of a proposal developed by the Secretary, and upon the development of a proposal developed by the Association, the Association shall publish a summary of such proposal in the Federal Register, and shall afford interested persons (including the Corporation when property is to be transferred to or from the Corporation) an opportunity to comment thereon.

"(b) EVALUATION BY ASSOCIATION.—The Association shall analyze each proposal containing one or more supplemental transactions, taking into account the comments of interested persons and statements and exhibits submitted at any public hearings which may have been held. The Association shall, within 120 days after the publication of a summary thereof under subsection (a) of this section, publish in the Federal Register a report evaluating such proposal. Such evaluation shall state whether the supplemental transactions contained in such proposal, considered in their entirety, are (1) in the public interest and consistent with the purposes of this Act and the goals of the final system plan, and (2) fair and equitable. If the Corporation opposes, or seeks modification of, any such proposed transfer, its written comments shall be given due consideration by the Association and shall be published as part of the evaluation. Within 30 days after the Association publishes its report, each proposed transferor or transferee shall notify the Association in writing as to whether any proposed supplemental transaction requiring the transfer of any property from or to such transferor or transferee is acceptable to such proposed transferor or transferee. If any such proposed transferor (other than the Corporation) or transferee fails to notify the Association that any proposed supplemental transaction requiring the transfer of any property from such transferor or to such transferee is acceptable to it, no further administrative or judicial proceedings shall be conducted with respect to such proposed supplemental transaction.

"(c) REVIEW BY THE COMMISSION.—Within 90 days after the publication in the Federal Register of each report referred to in subsection (b) of this section, the Commission shall determine whether the supplemental transactions referred to in the report, considered in their entirety, would be in the public interest and consistent with the purposes of this Act and the goals of the final system plan. In making such determination, the Commission shall give due consideration to the views received by it, within 30 days after the publication of the applicable report, from the Corporation and the Secretary. The Commission may condition its approval of such supplemental transactions on such reasonable terms and conditions as it may deem necessary in the public interest. The approval by the Commission of such supplemental transactions shall not be a prerequisite to the consummation of such transactions, but any determination of the Commission modifying, approving, or disapproving any proposed supplemental transactions shall be given due weight and consideration by the special court in the proceedings prescribed in subsection (d) of this section. If the Commission fails to act within the time period provided in this subsection, the supplemental transactions involved shall be deemed to have been approved by the Commission. The Commission may prescribe such regulations as may be necessary for the administration of this section.

"(d) SPECIAL COURT PROCEEDINGS.—(1) If the Association has made the determination pursuant to subsection (b) of this section that a proposal for supplemental transactions is in the public interest and consistent with the purposes of this Act and the goals of the final system plan, and is fair and equitable, the Association shall, within 40 days after the date of the Commission's determination under subsection (c) of this section, or after the expiration of the 90-day period referred to in such subsection (c), whichever is applicable, petition the special court for an order of such court finding that such proposal for supplemental transactions is in the public interest and consistent with the purposes of this Act and the goals of the final system plan, and is fair and equitable, and directing the Corporation to carry out the supplemental transactions specified in such proposal. If the Association has determined, pursuant to subsection (b) of this section that a proposal made by the Secretary is not in the public interest or is not consistent with the purposes of this Act and the goals of the final system plan or is not fair and equitable, the Secretary may, if he determines that such proposal is in the public interest and consistent with the purposes of this Act and the goals of the final system plan and is fair and equitable, petition the special court for an order of such court finding that such proposal for supplemental transactions is in the public interest and consistent with the purposes of this Act and the goals of the final system plan and is fair and equitable, and directing the Corporation to carry out any supplemental transactions specified in such proposal. Such a petition shall be submitted to the special court within 90 days after the date of the Commission's determination under such subsection (c), or after the expiration of the 90-day period referred to in such subsection (c), whichever is applicable.

"(2) Within 180 days after the filing of a petition under paragraph (1) of this subsection of the special court shall decide, after a hearing, whether the proposed supplemental transactions contained in such petition, considered in their entirety, are in the public interest and consistent with the purposes of this Act and the goals of the final system plan and are fair and equitable. If the special court determines that such proposed supplemental transactions, considered in their entirety, are in the public interest and consistent with the purposes of this Act and the goals of the final system plan and are fair and equitable, it shall, upon making such determination, issue such orders as may be necessary to direct the Corporation to consummate the transactions. If the special court determines that such proposed supplemental transactions, considered in their entirety, are not in the public interest or not consistent with the purposes of this Act and the goals of the final system plan, or are not fair and equitable, it shall file an opinion stating its conclusion and the reasons therefor. In such event the Association (in the case of a proposal developed by the Association) or the Secretary (in the case of a proposal developed by the Secretary) may, within 120 days after the filing of such opinion, certify to the special court that the terms and conditions of the proposal have been modified consistent with the opinion of the court and are acceptable to each proposed transferor (other than the Corporation) or transferee, and may petition the special court for reconsideration of the proposal as so modified. Within 90 days after the filing of such petition, the special court shall decide, after a hearing, whether the proposal as modified by the certification is in the public interest and consistent with the purposes of this Act and the goals of the final system plan and is fair and equitable, and shall enter such further orders as are consistent with its determination.

"(3) The Corporation is authorized to petition the special court and to be represented regarding any proposed supplemental transaction, contained in a proposal developed by either the Association or the Secretary, which involves the properties of the Corporation.

"(4) In proceedings under this subsection, the special court is authorized to exercise the powers of a judge of a United States district court with respect to such proceedings and such powers shall include those of a reorganization court.

"(5) Any evaluation by the Association, the Secretary, or the Commission shall not be reviewable in any court except the special court in accordance with the provisions of this section. The supplemental transactions shall not be restrained or enjoined by any court nor shall they be otherwise reviewable by any court other than by the special court to the extent provided in this section.

"(6) Notwithstanding any other provision of this Act, no findings, determinations, or proceedings shall be required with respect to any proposal for supplemental transactions other than as expressly set forth in this section.

"(7) Any supplemental transaction under this section shall subject the transferor and transferee, in each such supplemental transaction, to the requirements and other provisions of title V of this Act, except that the term 'effective date of this Act' contained in such title V shall be applied to such supplemental transaction as if it read 'effective date of the supplemental transaction'.

"(8) A final order or judgment of the special court entering or denying an order pursuant to this subsection shall be reviewable in the same manner as provided in section 209(e)(3) of this Act.

"(e) Definition.—As used in this section, the term 'fair and equitable' means fair and equitable, in accordance with the standards applicable to the approval of a plan of reorganization (or a step in such plan) under section 77 of the Bankruptcy Act (11 U.S.C. 205) to—

"(1) the estates of railroads in reorganization in the region and persons leased, operated, or controlled by such railroads who have conveyed rail properties, under section 303(b)(1) of this title, in exchange for securities of the Corporation, the Association, or profitable railroads and other benefits provided as a consequence of this Act and to any subsequent holders of such securities at the time of the supplemental transaction involved; and

"(2) the holders of other securities of the Corporation.

Whenever any property or securities of the Corporation are required to be valued in order to determine whether the terms of a supplemental transaction are fair and equitable, the special court shall give proper recognition to the contributions to the Corporation by all classes of security holders, except that such court shall not assign to the series B preferred stock or the common stock of the Corporation any values added to those securities, by reason of investment by the Association in debentures and series A preferred stock of the Corporation, in excess of any value required by constitutional principles applicable to a reorganization process.

"CERTIFICATES OF VALUE

"Sec. 306. (a) General.—On the date when the Corporation is required to deposit securities with the special court pursuant to section 303(a)(1) of this title, the Association shall deposit with the special court the certificates of value of the Association required by this section. The Secretary shall guarantee the payment of all certificates of value delivered in accordance with this title. All guarantees entered by the Secretary under this section shall constitute general obligations of the United States of America for the payment or redemption of which its full faith and credit are pledged. Such guarantees shall be valid and incontestable except as to mutual mistake of fact or as to fraud or material misrepresentation by the holder of such certificates or the transferor of rail properties to which certificates of value of any series so guaranteed are issued.

"(b) Number and Distribution.—A separate series of certificates, of value shall be issued to each railroad in reorganization in the region and each person leased, operated, or controlled by such a railroad that transfers rail properties to the Corporation or a subsidiary thereof. The number of certificates of value of each series to be deposited pursuant to subsection (a) shall be equal to the number of shares of series B preferred stock of the Corporation which are required to be deposited by the Corporation with the special court, pursuant to section 303(a)(1) of this title in exchange for the rail properties transferred to the Corporation or a subsidiary thereof by such transferor. Certificates of value of the appropriate series shall be distributed by the special court, pursuant to section 303(c)(4) of this title, at the same time, to the same transferors, and in the same numbers of units as shares of such series B preferred stock are distributed to such transferor.

"(c) Redemption.—(1) Certificates of value, of any series, shall be redeemed by the Association on December 31, 1987, or on such earlier date as the Board of Directors of the Association and the Finance Committee jointly may determine and specify.

"(2) Each certificate of value of each series shall be redeemable for an amount, payable in cash, equal to its base value on the redemption basis, minus—

"(A) the sum of the fair market value of the series B preferred stock applicable to such certificate, the fair market value of the common stock applicable to such certificate, and all cash dividends theretofore paid on any such series B preferred stock and on any such common stock; and

"(B) the sums paid to a transferor of rail properties to whom such series of certificates of value was issued resulting from sales or leases by the Corporation of properties transferred to it by such transferor divided by the number of certificates of value distributed to such transferor.

"(3) The number of shares of series B preferred stock and common stock applicable to each certificate of value of any series, pursuant to paragraph (2) of this subsection, shall be—

"(A) one share of series B preferred stock (without regard to any stock splits, stock combinations, reclassifications or similar transactions affecting the number of shares of outstanding series B preferred stock following the date of distribution pursuant to section 303(c)(4) of this title); and

"(B) the number of shares of common stock determined by dividing the total number of shares of common stock distributed pursuant to section 303(c)(4) of this Act to the transferor receiving such series of certificate of value by the total number of certificates of value in the series so distributed to such transferor.

"(4) The base value of each certificate of value of any series shall be the value obtained by (A) taking the net liquidation value, as determined by the special court, to which the transferor to whom such series of certificates of value is issued is entitled by virtue of transfers of rail properties, under section 303(b)(1) of this title to the Corporation or a subsidiary thereof; (B) subtracting the value of other benefits provided under this Act, as determined by the special court; (C) adding such amount, if any, as the special court may determine shall be required after taking into consideration compensable unconstitutional erosion, if any, in the estate of a railroad in reorganization which the special court finds to have occurred during any bankruptcy proceeding with respect to such railroad as a result of this Act; (D) adding interest from the transfer date to the redemption date to be compounded annually at a rate of 8 percent per annum; and (E) dividing the resulting value by the number of certificates of value of such series distributed to such transferor. In determining such base value, the special court shall give due weight and consideration to the finding of the Association as to the net liquidation value to which each transferor is entitled by virtue of conveyances of rail properties under section 303(b)(1) of this title. For purposes of this paragraph, the term 'rail properties' includes all rights with respect to employee benefit plans transferred and assigned to the Corporation pursuant to section 303(b)(6) of this title. Net liquidation value with respect to such rights shall be determined after taking into account all obligations finally transferred or assigned to the Corporation pursuant to such section.

"(5) The fair market value of series B preferred stock and of common stock of the Corporation shall be determined in accordance with regulations prescribed by the Association, on the basis of the average price of each such security in the primary established market in which such securities are traded over a period of 120 consecutive trading days ending not less than 20 nor more than 40 trading days preceding the redemption date, or, in the case of a security for which there is not an established trading market, on the basis of the fair market value thereof, as determined by the majority vote of three experts in the valuation of securities, one to be selected by the Association, one to be selected by the directors of the Corporation elected by the holders of the security to be valued, and one to be selected by the two first selected.

"(d) Authorization for Appropriations.—There are authorized to be appropriated to the Secretary such sums as are necessary to discharge the obligations of the United States arising under this section.".

OFFICERS AND DIRECTORS OF THE CORPORATION

Sec. 611. (a) Section 301(c) of such Act (45 U.S.C. 741(c)) is amended by inserting "(1)" immediately before "The members", by deleting the second sentence of such paragraph (1) and by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any provision of State law, after the date of enactment of this paragraph, the members of the executive committee of the Association (including duly authorized representatives of members who are authorized by this Act to be represented) and the chief executive officer and chief operating officer of the Corporation shall adopt the bylaws of the Corporation and serve as the Board of directors of the Corporation until all members of the Board of Directors of the Corporation have been selected in accordance with subsection (d) of this section. The chief executive officer shall serve as chairman of such Board until a chairman thereof is selected pursuant to subsection (d) of this section, after which time such chairman shall serve at the pleasure of such Board.".

(b) Section 301(d) of such Act (45 U.S.C. 741(d)) is amended to read as follows:

"(d) BOARD OF DIRECTORS.—(1) Notwithstanding any provision of State law, the articles of incorporation and bylaws of the Corporation shall provide that the Board of Directors of the Corporation shall consist of 13 members selected in accordance with the articles and bylaws of the Corporation as follows:

"(A) six individuals selected by the holders of the Corporation's debentures and series A preferred stock voting as one class, with every $100 principal amount of debentures, and every $100 liquidation amount of series A preferred stock each receiving one vote for directors;

"(B) three individuals selected by the holders of the Corporation's series B preferred stock; and

"(C) two individuals selected by the holders of the Corporation's common stock.

"(2) The chief executive officer and the chief operating officer of the Corporation shall also serve on the Board, but the chief executive officer and chief operating officer of the Corporation shall not be entitled to vote on the election or removal of either. In the event a vacancy occurs on the Board of Directors due to death, disability or resignation of a director (other than resignations pursuant to this subsection), such vacancy shall be filled only by a vote of the holders of the class of securities that initially elected such director. Two members of the Board selected by the holders of the Corporation's debentures and series A preferred stock shall resign when the total of the principal amount of the outstanding debentures and the amount of the liquidation amount of the outstanding series A preferred stock, once having exceeded $1,500,000,000, has been reduced below that amount; two additional members of the Board selected by the holder of the Corporation's debentures and series A preferred stock of the Corporation shall resign when the total of the principal amount of the outstanding debentures and the amount of the liquidation amount of the outstanding series A preferred stock, once having exceeded $1,500,000,000, has been reduced below $750,000,000. The two remaining members of the Board selected by the holders of the corporation's debentures and series A preferred stock shall resign when all the debentures and series A preferred stock have been redeemed by the Corporation. As directors resign in accordance with the foregoing provisions, the election of corporate directors to fill the vacancies created by their resignations shall be governed by applicable State law and the articles and bylaws of the Corporation.".

(c) Section 301 of such Act (45 U.S.C. 741) is amended by (1) striking out subsection (f) thereof; (2) redesignating subsection (g) thereof as subsection (h); and (3) inserting therein the following two new subsections:

"(f) OFFICERS.—The officers of the Corporation shall include a chief executive officer and a chief operating officer, who shall be appointed by the Board of Directors and who shall serve at the pleasure of the Board; and such other officers as shall be provided for in the bylaws of the Corporation.

"(g) VOTING TRUSTEES.—For and during the period between the deposit of securities of the Corporation with the special court, in accordance with section 303(a) of this title, and the distribution of such securities, in accordance with section 303(c) of this title, the special court shall, within 30 days after the date of conveyance pursuant to section 303(b)(1) of this Act, appoint one or more voting trustees for each class of securities which is so deposited. Such voting trustees shall, on behalf of the distributees, exercise the rights of the holders of such securities as their interests may appear. Within 30 days after such appointment, such voting trustees shall select members of the Board of Directors of the Corporation on behalf of the holders of the class of securities whose rights they exercise pursuant to this subsection.".

MISCELLANEOUS AMENDMENTS TO TITLE III

SEC. 612. (a) Section 303(b)(3) of such Act (45 U.S.C. 743(b)(3)) is amended to read as follows:

"(3)(A)(i) Notwithstanding any other provision of this Act, if an interest in railroad rolling stock is included in the rail properties conveyed pursuant to subsection (b)(1) of this section, and if such conveyance is in accordance with the requirements of clause (ii) of this subparagraph, the conveyance of such properties shall be deemed an assignment. Any such assignment shall relieve the assignor of liability for any breach which occurs after the date of such conveyance, except that such assignor shall remain liable for any breach, event of default, or violation of covenant which occurred (and any charges or obligations which accrued) prior to the date of such conveyance, regardless of whether the assignee thereof assumes such liabilities, charges or obligations. If any such liabilities, charges, or obligations (accrued prior to the date of such conveyance) are paid by or on behalf of any person or entity other than such assignor, such person or entity shall have a claim to direct reimbursement, as a current expense of administration, from such assignor, together with interest on the amount so paid.

"(ii) A conveyance referred to in clause (i) of this subparagraph may be effected only if—

"(I) the Corporation or a subsidiary thereof, the profitable railroad operating in the region, or the State or responsible person to whom such conveyance is made assumes all of the obligations under any applicable conditional sale agreement, equipment trust agreement, or lease with respect to such rolling stock (including any obligations which accrued prior to the date on which such properties are conveyed), and

"(II) such conveyance is made subject to such obligations.

As used in this subparagraph, the term 'railroad rolling stock' means assets which could be carried in Interstate Commerce Commission account numbers 52, 53, 54, and 57.

"(B) Subject to the provisions of this paragraph, the provisions of this Act shall not affect the title and interests of any lessor, equipment trust trustee, or conditional sale vendor under any conditional sale agreement, equipment trust agreement, or lease under section 77(j) of the Bankruptcy Act (11 U.S.C. 205(j)). A profitable railroad operating in the region, the Corporation or a subsidiary thereof, or a State or responsible person, to whom such a conveyance is made as assignee or as lessee, shall assume all liability under such conditional sale agreement, equipment trust agreement, or lease. Such an assignment or conveyance to, and such an assumption of liability by, such a profitable railroad, Corporation, subsidiary, State, or responsible person shall not be deemed a breach, an event of default, or a violation of any covenant of any such conditional sale agreement, equipment trust agreement, or lease so assigned or conveyed, notwithstanding any provisions of any such agreement or lease."

(b) Section 201 of the Government Corporation Control Act (31 U.S.C. 856) is amended by (1) inserting "and" after the comma at the end of subsection (7) thereof; and (2) deleting ", and (9) the Consolidated Rail Corporation to the extent provided in the Regional Rail Reorganization Act of 1973." and inserting in lieu thereof ".".

(c)(1) Section 303(a)(1) of such Act (45 U.S.C. 743(a)(1)) is amended by inserting after "Corporation", the second time it appears "or any subsidiary thereof".

(2) Paragraph (1) and (2) of section 303(b) of such Act (45 U.S.C. 743(b) (1) and (2)) are amended by inserting after "Corporation" each time it appears therein (except the first time) "or any subsidiary thereof".

(3) Section 303(c)(1) of such Act (45 U.S.C. 743(c)(1)) is amended by inserting after "Corporation" each time it appears "or any subsidiary thereof".

(4) Paragraph (2)(A) of section 303(c) of such Act (45 U.S.C. 743(c)(2)(A)) is amended by striking "Corporation" the second time it appears and inserting in lieu thereof "Corporation or any subsidiary thereof".

(d)(1) Section 303(a)(2) of such Act (45 U.S.C. 743(a)(2)) is amended by inserting after "region" the first time it appears "and each State or responsible person (including a government entity)".

(2) Section 303(b)(1) of such Act (45 U.S.C. 743(b)(1)) is amended (A) by inserting immediately after "region" the first place it appears the following: ", States, and responsible persons", and (B) by striking out "and the respective profitable railroads operating in the region" and inserting in lieu thereof ", the respective profitable railroads operating in the region, States, and responsible persons".

(3) Section 303(b)(2) of such Act (45 U.S.C. 743(b)(2)) is amended by striking out "and the respective profitable railroads operating in the region" and inserting in lieu thereof ", the respective profitable railroads operating in the region, States, and responsible persons".

(4) Paragraph (4) of section 303(b) of such Act (45 U.S.C. 743(b)(4)) is amended by striking "or the profitable railroad" and inserting in lieu thereof ", profitable railroad, State, or responsible person".

(5) Section 303(c) of such Act (45 U.S.C. 743(c)) is amended by striking "and profitable railroads operating in the region" and inserting in lieu thereof ", profitable railroads operating in the region, States, and responsible persons".

(6) Paragraph (1)(A)(ii) of section 303(c) of such Act (45 U.S.C. 743(c)(1)(A)(ii)) is amended by inserting "State, or responsible person" after "region,".

(7) Paragraph (3) of section 303(c) of such Act (45 U.S.C. 743(c)(3)) is amended by inserting ", State, or responsible person" after "region" and by inserting after "railroad" each time it appears therein (except the first time) ", State, or responsible person."

(3) Paragraph (4) of section 303(c) of such Act (45 U.S.C. 743(c)(4)) is amended by inserting ", States, and responsible persons" after "railroads".

(e) Section 303(c)(2) of such Act (45 U.S.C. 743(c)(2)) is amended by (1) striking out "shall" in the clause preceding subparagraph (A) thereof and inserting "may" in lieu thereof; (2) striking out the semicolon at the end of subparagraph (A) thereof and inserting in lieu thereof ", except that at least one share of series B preferred stock and one certificate of value shall be allocated to each such railroad;"; and (3) amending subparagraph (C) thereof to read as follows:

"(C) enter a judgment against the Corporation if the judgment would not endanger the viability or solvency of the Corporation."

(f) Section 303(c) of such Act (45 U.S.C. 743(c)) is amended by adding at the end thereof the following new paragraph:

"(5) Whenever the special court orders, pursuant to section 303(b)(1) of this title, the transfer or conveyance to the Corporation or any subsidiary thereof of rail properties designated under section 206(c)(1)(C) or (D) of this Act, to a profitable railroad, or to a State, or responsible person (including a government entity), the United States shall pay any judgment entered against the Corporation with respect to the conveyance of any such rail properties or against such profitable railroad, State, or responsible person, plus interest thereon at such rate as is constitutionally required. The United States may, in its discretion, represent the Corporation or such profitable railroad, State or responsible person, in any proceedings before the special court that could result in such a judgment against the Corporation under paragraph (2) of this subsection or against such profitable railroad, State or responsible person, under paragraph (3) of this subsection. The Corporation, any profitable railroad, State, or responsible person, which is represented by the United States of America shall cooperate diligently in whatever manner the United States shall reasonably request of it in connection with such proceedings. Neither the Corporation, or its subsidiaries, nor any profitable railroad, State or responsible person, shall be obligated to reimburse the United States for any moneys paid by the United States pursuant to this section.".

(g) Section 303(d) of such Act (45 U.S.C. 743(d)) is amended by (1) striking out "5" and inserting in lieu thereof "20".

(h) Section 303(c)(4) of such Act (45 U.S.C. 743(c)(4)) is amended by (1) striking out "subsection (b)" and inserting in lieu thereof "subsection (a)"; and (2) inserting after "region" the following: "and to persons leased, operated, or controlled by such railroads who so transferred or conveyed rail properties".

(i) Section 303 of such Act (45 U.S.C. 743) is amended by (1) adding ", certificates of value" after "securities" in subsection (c)(1)(A)(i) thereof, in the preamble of subsection (c)(2) and in subsection (c)(2) thereof, and in subsection (c)(3) thereof; (2) adding "and certificates of value" after "of the Corporation" in subsection (c)(2)(A) thereof and after "Corporation's securities" in subsection (c)(2)(B) thereof; (3) striking out "obligations of the Association" each place the phrase appears and inserting in lieu thereof "certificates of value issued by the Association"; and (4) striking out "obligations" each place it appears other than as part of such phrase and inserting in lieu thereof "certificates of value".

(j)(1) Section 301(a) of such Act (45 U.S.C. 741(a)) is amended by inserting immediately after "Corporation" the following: "or such other corporate name as may be duly adopted by the Corporation".

(2) Section 201(k) of such Act (45 U.S.C. 711(k)), as redesignated by section 603(a) of this Act, is amended (A) by striking out "these provisions" in the third sentence thereof and inserting in lieu thereof "this provision"; (B) by striking out "or the Corporation" each place it appears in the third and fourth sentences thereof; and (C) by striking out the second sentence thereof.

(3) Section 301(b) of such Act (45 U.S.C. 741(b)) is amended in the third sentence thereof by inserting immediately after "of the Corporation" the following: "or of its principal railroad operating subsidiary".

(k) Section 303(b)(4) of such Act (45 U.S.C. 743(b)(4)) is amended by inserting immediately after "is made assumes" the following: "all future liability under such lease and".

(l) Section 303(b) of such Act (45 U.S.C. 743(b)) is amended by inserting at the end thereof the following two new paragraphs:

"(5) Notwithstanding any covenant, undertaking, condition, or provision of any sort in any lease, agreement, or contract, the conveyance, transfer, assignment, or other disposition of such lease, agreement, or contract or of any interest therein to, or the assumption by, the Corporation or any subsidiary thereof, or a profitable railroad of obligations thereunder, shall not be deemed a breach, an event of default, or a violation of any covenant of such lease, agreement, or contract."

"(6) Notwithstanding anything to the contrary contained in this Act or any other provision of law, the special court shall include in its order such further directions as may be necessary to assure (A) that the operation and administration of the employee pension benefit plans described in section 505(a) of this Act shall be continued, without termination or interruption, by the Corporation until such time as the Corporation elects to amend or terminate any such plan, in whole or in part; and (B) that appropriate transfers and assignments with respect to all rights and obligations relating to such plans shall be made to the Corporation for such purposes, without prejudice to payment of consideration for whatever rights any railroad in reorganization may have in any residual assets under any such employee pension benefit plan. No court shall enter any judgment against the Corporation with respect to any such rights, except that the special court may enter such a judgment in an order issued by it pursuant to subsection (c) of this section, after taking into consideration the rights and obligations transferred pursuant to this paragraph. All liabilities as an employer shall be imposed solely upon the railroad in reorganization in the event such plan is terminated, in whole or in part, by the Corporation within 1 year after the date of such transfer or assignment (except liabilities as an employer under the Employee Retirement Income Security Act of 1974 for benefits accruing during such period).".

(m) Section 301 of such Act (45 U.S.C. 741) is amended by adding at the end thereof the following two new subsections:

"(h) No director of the Corporation shall be liable, for money damages or otherwise, to any party by reason of the fact that such person is or was a director, if, with respect to the subject matter of the action, suit, or proceeding, such person was fulfilling a duty which he in good faith reasonably believed to be required by law or vested in him in his capacity as a director of the Association or as an officer of the United States. The United States shall indemnify such person against all judgments, amounts paid in settlement, and costs and expenses (including fees of accountants, experts, and attorneys), actually and reasonably incurred in connection with any such action, suit, or proceeding in which such person is determined to have met such standard of conduct. This subsection shall not be construed to grant any immunity from any criminal law of the United States.

"(i) CORPORATE SIMPLIFICATION.—In the interest of corporate simplification, the Corporation, in implementing the final system plan, shall undertake, as soon as possible and pursuant to financial assistance provided by the Railroad Revitalization and Regulatory Reform Act of 1976, to acquire all interests in rail lines and related rail properties otherwise conveyed to the Corporation, upon the tender of such interests to it, so as to eliminate any remaining intermediate layers of ownership or interest, such as leaseholds, owned or held by persons who are neither a railroad, a railroad in reorganization, nor controlled by a railroad in reorganization. Any option, conditions regarding the purchase price for such interests, in existence since prior to January 2, 1974, shall be deemed to be conclusive of fair and equitable value.".

(n) Section 303(c)(3) of such Act (45 U.S.C. 743(c)(3)) is amended by adding at the end thereof the following: "The special court shall also find the amount of the payments, if any, which each profitable railroad has made on behalf of a transferor railroad in reorganization in accordance with section 211(h) of this Act, for which payment the profitable railroad has not been reimbursed, as provided in section 211(h). Notwithstanding any other provision of this paragraph or of paragraph (4), the special court shall order the return to any such profitable railroad from compensation deposited by such profitable railroad pursuant to section 303(a)(2), of any such amount so found together with interest at the rate provided in section 211(h).".

(o) Section 303(b)(1) of such Act (45 U.S.C. 743(b)(1)) is amended by striking out "railroad leased" and inserting in lieu thereof "person leased".

(p) Section 303(b)(1) of such Act (45 U.S.C. 743(b)(1)) is amended by adding at the end thereof of the following: "In any case where the special court orders the trustee or trustees of a railroad in reorganization in the region to execute and deliver deeds or other instruments conveying rail properties to the Corporation or a subsidiary thereof or to a profitable railroad operating in the region or a State or responsible person, those deeds or other instruments may be executed, acknowledged, and delivered on behalf of the trustee or trustees by any person or persons who have been duly authorized to perform such acts on behalf of the trustee or trustees by the district court of the United States or any other court having jurisdiction over the respective railroad in reorganization in the region. Notwithstanding any provision of State or local law, in any case where deeds or other instruments have been executed, acknowledged, or delivered by a representative of the trustee or trustees of a railroad in reorganization in the region in accordance with the previous sentence, such execution acknowledgment, and delivery, and the deeds or other instruments to which they pertain, shall have the same legal effect as they would have had if the trustee or trustees had themselves executed, acknowledged and delivered such deeds or other instruments.".

(q)(1) Section 303(c)(1)(A)(i) of such Act is amended by inserting after "exchange" the second time it appears the following: "(taking into consideration compensable unconstitutional erosion, if any, which the special court finds to have occurred in the estate of each such railroad or person, during a bankruptcy proceeding with respect to such railroad)".

(2) Section 303(c)(1)(A)(ii) of such Act (45 U.S.C. 743(c)(1)(A)(ii)) is amended by inserting immediately after "region," the following: "in exchange for compensation and other benefits accruing to such transferor as a result of such exchange (taking into consideration compensable unconstitutional erosion, if any, which the special court finds to have occurred in the estate of each such railroad or person, during a bankruptcy proceeding with respect to such railroad)".

(3) Section 303(c)(2) of such Act (45 U.S.C. 743(c)(2)) is amended by inserting immediately after "reorganization" the second time it appears the following: "(taking into consideration compensable unconstitutional erosion, if any, which the special court finds to have occurred in the estate of each such railroad or person, during a bankruptcy proceeding with respect to such railroad)".

(4) Section 303(c)(3) of such Act (45 U.S.C. 743(c)(3)) is amended by adding at the end thereof the following new sentence: "In making any finding under this paragraph, the special court shall take into consideration compensable unconstitutional erosion, if any, which it finds to have occurred in the estate of a railroad in reorganization in the region, or of a person leased, operated or controlled by such a railroad, during a bankruptcy proceeding with respect to such railroad.".

DEFINITIONS

SEC. 613. Section 501 of such Act (45 U.S.C. 771) is amended—

(1) in paragraphs (1) and (6) thereof, by inserting immediately after "Corporation" each place it appears the following: "or a subsidiary thereof";

(2) in paragraph (2)(A), by inserting immediately after "Corporation" the following: "Corporation or a subsidiary thereof, to the National Railroad Passenger Corpora-

tion,"; and (B) by striking out "except a president," and inserting in lieu thereof "(except a Class I railroad which is not wholly owned, operated, or leased by a railroad in reorganization but is controlled by a railroad in reorganization), but does not include a president,";

(3) by amending paragraph (3) thereof to read as follows:

"(3) 'protected employee' means any employee of—

"(A) an acquiring or selling railroad who is adversely affected by a transaction;

"(B) the Corporation who, immediately preceding such employment by the Corporation, was employed by a selling railroad and who is adversely affected by the sale of rail properties to the Corporation pursuant to an offer designated under section 206(c)(2) of this Act;

"(C) a railroad in reorganization in the region; and

"(D) a railroad who is adversely affected by a supplemental transaction under section 305 of this Act or by a project recommended under section 206(g) of this Act;

who, in any such case, has not reached age 65 on the effective date of this Act;"

(4) amending paragraph (8) thereof by (A) striking out "this Act or" and inserting in lieu thereof "this Act, including section 305 thereof, or", and (B) striking out "and" at the end of such paragraph;

(5) striking out the period at the end of paragraph (9) thereof and inserting in lieu thereof "; and"; and

(6) adding at the end thereof the following new paragraph:

"(10) 'selling railroad' means a railroad which sells rail properties pursuant to an offer designated under section 206(c)(2) of this Act."

EMPLOYMENT OFFERS

Sec. 614. (a) Section 502(b) of such Act (45 U.S.C. 772(b)) is amended to read as follows:

"(b) Mandatory Offer.—The Corporation shall offer employment, to be effective as of the date of a conveyance or discontinuance of service under the provisions of this Act, to each employee of a railroad in reorganization in the region who has not already accepted an offer of employment by the Association (where applicable), an acquiring railroad, or the Corporation. Such offers of employment to employees represented by labor organizations shall be confined to their same craft and class. The Corporation shall apply to such employees the protective provisions of this title.".

(b) Section 502(a) of such Act (45 U.S.C. 772(a)) is amended by adding at the end thereof the following new sentence: "As used in this subsection, the term 'where applicable' refers to the relation of the Association, as an employer (A) to employees of the Association who, before the date of conveyance, under section 303(b)(1) of this Act, had creditable service under the relevant statute and who were offered and accepted coverage under such statute, and (B) to former employees of railroads in reorganization in the region, after the date of such conveyance.".

COLLECTIVE BARGAINING AGREEMENTS

Sec. 615. Section 504 of such Act (45 U.S.C. 774) is amended by adding at the end thereof the following three new subsections:

"(e) Liability for Employee Claims.—In all cases of claims by employees, arising under the collective bargaining agreements of the railroads in reorganization in the region, and subject to section 3 of the Railway Labor Act (45 U.S.C. 153), the Corporation, the National Railroad Passenger Corporation, or an acquiring carrier, as the cases may be, shall assume responsibility for the processing of any such claims, and payment of those which are sustained or settled on or subsequent to the date of conveyance, under section 303(b)(1) of this Act, and shall be entitled to direct reimbursement from the Association pursuant to section 211(h) of this Act. In those cases in which claims for employees were sustained or settled prior to such date of conveyance, it shall be the obligation of the employees to seek satisfaction against the estates of the railroads in reorganization which were their former employers.

"(f) Transfer of Employees to the National Railroad Passenger Corporation or Acquiring Railroads.—Notwithstanding any otherwise applicable provisions of this title, protected employees to whom the Corporation has made offers of employment may be transferred to the National Railroad Passenger Corporation in accordance with the following procedure:

"(1) Not later than 90 days after the date of completion of the transaction required by section 206(c) of this Act, inplementing agreement negotiations between representatives of the various crafts or classes of employees associated with the involved properties, the Corporation, and the National Railroad Passenger Corporation shall commence. These negotiations shall—

"(A) identify the specific employees of the Corporation to whom the National Railroad Passenger Corporation offers employment;

"(B) the procedure by which those employees of the Corporation may elect to accept employment with the National Railroad Passenger Corporation;

"(C) the procedure for acceptance of such employees into the National Railroad Passenger Corporation's employment; and

"(D) the procedure for determining the seniority of such employees in their respective crafts or classes on the National Railroad Passenger Corporation's system which shall, to the extent possible, preserve their prior seniority rights.

If no agreement regarding the matters referred to in this subsection is reached by the end of 60 days after the date of commencement of negotiations (which shall also be a date which is at least 90 days after the transaction contemplated by section 601(d) of this Act), upon notice of any party, all parties thereto shall within an additional 10 days select a neutral referee. If such parties are unable to agree upon the selection of such a referee, the National Mediation Board shall promptly appoint a referee. Hearings shall commence not later than 30 days after the date of selection or appointment of such referee, and a decision shall be rendered by such referee within 60 days after the date of commencement of the hearings. The referee shall resolve and decide all matters in dispute regarding the negotiation of the implementing agreement or agreements. All parties may participate, but the referee shall have the only vote. The referee's decision shall be final and binding and shall constitute the implementing agreement or agreements between the parties. The salary and expenses of the referee shall be paid pursuant to the provisions of the Railway Labor Act.

"(2) Prior to implementation of an agreement or agreements pursuant to paragraph (1) of this subsection, the representatives of the various crafts or classes of employees designated to be transferred to the National Railroad Passenger Corporation shall meet with representatives of the National Railroad Passenger Corporation for the purposes of negotiating agreements regarding rates of pay, rules, and working conditions. If, 60 days after the date of commencement of such negotiations, no agreement has been reached, the bargaining agreement in existence on the rail properties from which the employees are to be transferred and which is applicable to the craft or class of employees being transferred will apply and such implementing agreement will be put into effect.

"(3) An employee of the Corporation who is entitled to protection and who is transferred as a result of an acquisition pursuant to this Act shall upon transfer to the National Railroad Passenger Corporation or to an acquiring railroad, carry with him his protected status. The National Railroad Passenger Corporation or an acquiring railroad, as new employers, shall be responsible for payment of protective benefits and shall be entitled to reimbursement pursuant to section 509 of this title.

"(4) The National Railroad Passenger Corporation may prior to completion of any of the agreements referred to in this section, offer employment to any noncontract employee. Noncontract employees accepting employment with the National Railroad Passenger Corporation shall carry with them all rights and benefits accorded to them under this title.

"(g) All cases or claims by employees or their personal representatives for personal injuries or death against a railroad in reorganization in the region arising prior to the date of conveyance of rail properties, pursuant to section 303 of this Act, shall be assumed by the Corporation or an acquiring railroad, as the case may be. The Corporation or the acquiring railroad shall process and pay any such claims that are sustained or settled, and shall be entitled to direct reimbursement from the Association pursuant to section 211(h) of this Act.".

EMPLOYEE PROTECTION

Sec. 616. (a) Section 505(a) of such Act (45 U.S.C. 775(a)) is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", including benefits under any employee pension benefit plan in effect on December 1, 1975, other than a plan maintained primarily for the purpose of providing deferred compensation for a select group of management personnel or other highly compensated employees. For purposes of protecting employee pension benefits under this title, the term 'protected employee whose employment is governed by a collective-bargaining agreement' includes any beneficiary of, and any participant in, such plan. The protected benefits of such beneficiary or participant, accrued as of the date of conveyance, may be limited to the amount guaranteed under terminated plans pursuant to title IV of the Employee Retirement Income Security Act of 1974. Pension benefits shall not be paid to any beneficiary of a terminated plan whose benefits are guaranteed by such Act.".

(b) Section 505(b)(1) of such Act (45 U.S.C. 775(b)(1)) is amended by striking out "the last 12 months immediately prior to his being adversely affected" and inserting in lieu thereof "the 12 full calendar months immediately preceding February 26, 1975, or in the case of a supplementary transaction, the 12 full calendar months immediately preceding the effective date of such transaction,".

(c) Section 505(b)(3) of such Act (45 U.S.C. 775(b)(3)) is amended by striking out "his being adversely affected" and inserting in lieu thereof "February 26, 1975, or the effective date of the supplemental transaction, as the case may be".

(d) Section 505(b) of such Act (45 U.S.C. 775) is amended by (1) redesignating paragraph (4) thereof as paragraph (5) thereof and (2) inserting a new paragraph (4) therein as follows:

"(4) If a noncontract employee exercises seniority rights in a craft or class of employees protected under this Act, then, during the period such seniority is exercised, such noncontract employee shall be entitled to the same protection offered under this Act to employees in the craft or class in which such seniority is exercised. However, in computing the monthly displacement allowance, the last 12 months prior to February 26, 1975, during which such noncontract employee performed service under a collective-bargaining agreement, shall be used.".

(e) Section 505(f) of such Act (45 U.S.C. 775(f)) is amended to read as follows:

"(f) Termination Allowance.—The Corporation may terminate the employment of an employee of a railroad in reorganization who has less than 3 years' service with such railroad, as of the date of enactment of this Act. The Corporation's right to terminate an employee must be exercised within a period of 1 year from the date of conveyance, pursuant to section 303 of this Act. Upon notification to the employee of the Corporation's intent to terminate his services, the employee shall have the option of accepting the termination allowance or of accepting a voluntary furlough without pay. If the employee entitled to receive a lump sum separation allowance accepts such an allowance, the amount shall be determined as follows:

2 to 3 years' service ------	180 days' pay at the rate of the position last held.
1 to 2 years' service ------	90 days' pay at the rate of the position last held.
Less than 1 year's service -	5 days' pay at the rate of the position last held for each month of service.".

(f) Section 505(h) of such Act (45 U.S.C. 775(h)) is amended by adding at the end thereof the following new sentence: "Provisions of this title shall also be applied, upon a conveyance or discontinuance of service, to employees who are otherwise entitled to protective benefits and who were placed in furlough status on or after February 26, 1975.".

(g) Section 505 of such Act (45 U.S.C. 775) is amended by adding at the end thereof the following new subsection:

"(i) Noncontract Employees.—Compensation, severance, termination, and moving expense benefits for employees not governed by a collective-bargaining agreement shall be consistent with subsections (b), (c), (e), (f), and (g) of this section and shall be in accordance with the following provisions:

"(1) A protected employee, whose employment is not governed by the terms of a collective-bargaining agreement, may be required by the Corporation, upon reasonable notice, to transfer to any position on the Corporation's system. If such transfer requires a change in residence, the employee may either voluntarily suspend his employment at his home location in lieu of protective benefits, or he may sever his employment and receive a benefit computed in accordance with subsection (e) or (f) of this section. These provisions supersede all provisions or conditions in subsection (d) of this section.

"(2) If any dispute arises between the Corporation and a noncontract employee regarding the interpretation or application of any provision of this title, the Corporation shall establish a resolution procedure with arbitration as the final step. Either party may request arbitration, and the cost and expenses of such arbitration shall be shared equally by the parties.".

(h) Section 509 of such Act (45 U.S.C. 779) is amended to read as follows:

"PAYMENT OF BENEFITS

"Sec. 509. The Corporation, the Association (where applicable), and acquiring railroads, as the case may be, shall be responsible for the actual payment of all allowances, expenses, and costs provided protected employees pursuant to the provision of this title. The Corporation, the Association (where applicable), and acquiring railroads shall then be reimbursed for the actual amounts paid to, or for the benefit of, protected employees, pursuant to the provisions of this title, other than provisions with respect to employee pension benefits, not to exceed the aggregate sum of $250,000,000, by the Railroad Retirement Board, upon certification to such Board, by the Corporation, the Association (where applicable), and acquiring railroads, of the amounts paid such employees. Such reimbursement shall be made from a separate account maintained in the Treasury of the United States to be known as the Regional Rail Transportation Protective Account. Neither the Regional Rail Transportation Protective Account nor the Corporation nor an acquiring railroad shall be charged for any amounts of benefits paid to a protected employee under the provisions of the Railroad Unemployment Insurance Act or any other income protection law or regulation. There is authorized to be appropriated to the Regional Rail Transportation Protective Account annually such sums as may be required to meet the obligations payable hereunder, not to exceed the aggregate sum of $250,000,000. There is further authorized to be appropriated to the Railroad Retirement Board annually such sums as may be necessary to provide for additional administrative expenses to be incurred by the Board in the performance of its functions under this section.".

DUTIES OF ACQUIRING AND SELLING RAILROADS

Sec. 617. Section 508 of such Act (45 U.S.C. 778) is amended to read as follows:

"DUTIES OF ACQUIRING AND SELLING RAILROADS

"Sec. 508. (a) Acquiring Railroads.—(1) An acquiring railroad shall offer such employment, subject to such rules and working conditions, and afford such employment protection to employees of a railroad from which it acquires properties or facilities (including operating rights) pursuant to this Act, and shall afford such protection to its own employees who are adversely affected by such acquisition, as shall be agreed upon between such acquiring railroad and the representatives of such employees prior to such acquisition, except that the protection and benefits (except as to rules and working conditions) provided for protected employees in such agreements shall be the same as those specified in section 505 of this title. Unless and until such agreements are reached, the acquiring railroad shall not enter into purchase agreements pursuant to section 206(d)(4) of this Act. For purposes of this subsection, the National Railroad Passenger Corporation shall be deemed to be an acquiring railroad, with respect to employees described in section 501(3) of this title.

"(2) If the National Railroad Passenger Corporation acquires rail properties of a railroad in reorganization in the region, prior to the date of conveyance of rail properties to the Corporation pursuant to section 303(b)(1) of this Act but after the publication of the preliminary system plan, it shall offer such employment and afford such employment protection to employees of a railroad from which it acquires rail properties and shall further protect its own employees who may be adversely affected by such acquisition, as shall be agreed upon between the National Railroad Passenger Corporation and the representatives of such employees prior to such acquisitions. The protection and benefits provided for employees in such agreements shall be the same as those specified in section 505 of this title, and such protection and benefits shall supersede conflicting provisions in any previously applicable job stabilization agreements or agreements implementing such stabilization agreements, and the National Railroad Passenger Corporation shall be reimbursed for expenses incurred as a result of any such acquisition, as provided in section 509 of this title.

"(b) Selling Railroads.—A selling railroad shall offer such employment and shall provide such employment protection to each of its employees who are adversely affected by such sale, pursuant to agreements to be entered into between it and the representatives of such employees prior to said sale: *Provided,* That (1) the protection and benefits provided for protected employees in such agreements shall be the same as those specified in section 505 of this title, and (2) unless and until such agreements are reached, the selling railroad shall not enter into selling agreements pursuant to section 206(d) of this Act.".

EXEMPTIONS

Sec. 618. (a) Section 601(a)(2) of such Act (45 U.S.C. 791(a)(2)) is amended by adding immediately before the period at the end thereof the following: "and with respect to any action taken to formulate or implement any supplemental transaction".

(b) Section 601(b) of such Act (45 U.S.C. 791(b)) is amended to read as follows:

(b) Commerce, Securities, and Bankruptcy.—(1) The provisions of the Interstate Commerce Act (49 U.S.C. 1 et seq.) and the Bankruptcy Act (11 U.S.C. et seq.) are inapplicable (A) to actions taken under this Act to formulate and implement the final system plan where such action was in compliance with the requirements of such plan, and (B) to actions taken under this Act to formulate or implement any supplemental transaction.

"(2) All securities of the Corporation which are issued to the Association as the initial holder, or which are issued in connection with the transfer to the Corporation or a subsidiary thereof of rail properties under this Act, shall be deemed for all purposes to have been issued subject to and authorized pursuant to section 20a of the Interstate Commerce Act (49 U.S.C. 20a).

"(3) The provisions of section 5 of the Securities Act of 1933 (15 U.S.C. 77e), shall not apply to transactions involving the issuance of any security of the Corporation to the Association, transactions involving the issuance of any security of the Corporation that is deposited with the special court pursuant to section 303(a) of this Act, or transactions involving the issuance or distribution of any security of the Corporation, where the terms and conditions of such issuance or distribution are approved by the special court pursuant to section 303(c) of this Act.

"(4) The powers and duties of the Commission under section 77 of the Bankruptcy Act (11 U.S.C. 205), with respect to a railroad in reorganization in the region which conveys all or substantially all of its designated rail properties to the Corporation or a subsidiary thereof, or to profitable railroads in the region, pursuant to the final system plan, and the duty of the trustee or trustees of such a railroad to file a reorganization plan with the Commission, shall cease upon the date of such conveyance. The powers and duties of the Commission under section 77 of the Bankruptcy Act shall also so terminate, as of the date of enactment of this paragraph, with respect to any railroad in reorganization under such section 77 but not subject to this Act which (1) does not operate any line of railroad, and (2) has transferred all or substantially all of its rail properties to a railroad in reorganization in the region which was subject to this Act prior to the date of enactment of this paragraph. Thereafter, such powers and duties of the Commission shall be vested in the district court of the United States which has jurisdiction of the estate of any such railroad in reorganization at the time of such conveyance. Such court shall proceed to reorganize or liquidate such railroad in reorganization pursuant to such section 77 on such terms as the court deems just and reasonable, or pursuant to any other provisions of the Bankruptcy Act, if the court finds that such action would be in the best interests of such estate. This paragraph does not affect any obligation of any carrier by railroad subject to regulation under the Interstate Commerce Act. The powers and duties of the Commission under section 77 of the Bankruptcy Act shall continue in effect if the railroad in reorganization continues to operate any line of railroad.".

(c) Section 601(c) of such Act (45 U.S.C. 791(c)) is amended to read as follows:

"(c) ENVIRONMENT.—The provisions of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) shall not apply with respect to any action taken under authority of this Act before, and including, the conveyance of rail properties ordered by the special court under section 303(b)(1) of this Act, and shall not apply thereafter to any action taken in compliance with the requirements of the final system plan.".

APPLICATION OF THE NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 619. Nothing in this title shall affect the application of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) to actions of the Commission.

TITLE VII—NORTHEAST CORRIDOR PROJECT IMPLEMENTATION

NATIONAL RAILROAD PASSENGER CORPORATION

SEC. 701. (a) GENERAL.—To carry out the purposes of this title, the Rail Passenger Service Act, and the Regional Rail Reorganization Act of 1973, the National Railroad Passenger Corporation is authorized to—

(1) acquire by purchase, lease, exchange, gift, or otherwise, and to hold, maintain, sell, lease or otherwise dispose of, any real or personal property or interest therein which is necessary or useful in establishing and maintaining improved high-speed rail services, as specified in section 703 of this title;

(2) enter into and implement such contracts and agreements as are necessary or appropriate in the conduct of its functions;

(3) provide for the continuous operation and maintenance of rail freight, intercity rail passenger, and commuter rail passenger service over the properties acquired pursuant to this section: *Provided*, That any provision of rail freight or rail commuter service shall be effectuated by a compensatory contract with the responsible carrier;

(4) improve railroad rights-of-way between Boston, Massachusetts, and Washington, District of Columbia (including at its option, the route through Springfield, Massachusetts, and routes to Harrisburg, Pennsylvania, and Albany, New York, from the Northeast Corridor main line) to enable improved high-speed rail passenger service to be provided between Boston, Massachusetts, and Washington, District of Columbia, and intermediate intercity markets, in accordance with the goals set forth in section 703 of this title;

(5) acquire, construct, improve, and install passenger stations; communications, electric power, and other facilities and equipment; public and private highway and pedestrian crossings; other safety facilities or equipment; and any other facilities or equipment which it determines are necessary to enable improved high-speed rail passenger service to be provided over the railroad rights-of-way to be improved under paragraph (4) of this subsection;

(6) enter into agreements with other railroads, other carriers, and commuter agencies, for the purpose of granting, acquiring, or entering into trackage rights, contract services, and other appropriate arrangements for freight and commuter services over the rights-of-way acquired under this title, with such agreement to be on such terms and conditions as are necessary to reimbursement for costs on an equitable and fair basis, except that cross subsidization among intercity, commuter, or rail freight services is prohibited;

(7) appoint a qualified individual to serve as the General Manager of the Northeast Corridor improvement project; and

(8) enter into agreements with telecommunications common carriers on a basis which is consistent with, and subject to, the Communications Act of 1934, for the purpose of continuing existing, and creating new and improved, rail passenger radio mobile telephone service in the high-speed rail passenger service area specified in section 703(1) of this title.

(b) TRANSFER OF RAIL PROPERTIES.—The Corporation, on the date of conveyance pursuant to section 303(b)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743), shall, by purchase or lease, transfer to the National Railroad Passenger Corporation all rail properties designated pursuant to sections 206(c)(1)(C) and 601(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(c)(1)(C) and 791(d)), and it shall, within 180 days after the date of enactment of this title, execute agreements providing for the National Railroad Passenger Corporation to assume (1) all operational responsibility for intercity rail passenger services with respect to such properties, and (2) control and maintenance of the properties transferred. Such parties may agree to retaining or transferring, in whole or in part, operational responsibility for rail freight or commuter rail services in the area specified.

(c) DEFINITION.—As used in this title, the term "Northeast Corridor" means the States of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, and Maryland, and the District of Columbia.

OPERATIONS REVIEW PANEL

SEC. 702. (a) ESTABLISHMENT.—There is established an entity which shall be representative of the various users of Northeast Corridor rail transportation facilities, to be known as the Operations Review Panel (hereafter in this section referred to as the "Panel"). The Panel shall have the authority to take such actions as are necessary to resolve differences of opinion concerning operations (among or between the National Railroad Passenger Corporation, other railroads, and State, local, and regional agencies responsible for the provision of commuter rail, rapid rail, or rail freight services), with respect to all matters except those conferred on the Commission in section 402(a) of the Rail Passenger Service Act (45 U.S.C. 562 (a)).

(b) MEMBERSHIP.—The Panel shall consist of 5 members, as follows:

(1) one member who shall be selected by the chief executive officer of the National Railroad Passenger Corporation;

(2) one member who shall be selected by majority vote of the commuter rail authorities which are subject to the jurisdiction of the Panel;

(3) one member who shall be selected by the chief executive officer of the Corporation; and

(4) two neutral members who shall be selected by the Chairman of the National Mediation Board.

The members shall each serve a term of 4 years from the date of such selection, or until a successor has been selected. If, within 45 days after the date of enactment of this Act, the National Railroad Passenger Corporation, the commuter authorities, or the Corporation fails to select the member who it is authorized to select under this subsection, the Chairman of the National Mediation Board shall, within 30 days after the expiration of such 45-day period, appoint a member on behalf of such party. Any member so appointed shall serve until such time as the party so represented selects a successor.

(c) DECISIONS AND REVIEW.—All decisions of the Panel shall be final and binding on the parties. All costs and expenses of the Panel shall be paid by (1) the National Railroad Passenger Corporation, (2) the commuter rail authorities which are subject to such Panel, and (3) the Corporation, each of which shall pay one-third of such costs and expenses, unless otherwise determined by a majority of the members of such Panel. The Panel may adopt such rules of procedure and may employ such resources as it considers appropriate. It may issue preliminary and final orders, which shall have the force and effect of law, with respect to any difference of opinion concerning any operational matter which is the subject of such an order. No order of the Panel shall be subject to review by any court. Upon petition by any party subject to the Panel, the United States District Court for the District of Columbia shall enforce any final order issued by the Panel.

REQUIRED GOALS

SEC. 703. The Northeast Corridor improvement project shall be implemented by the Secretary in order to achieve the following goals:

(1) INTERCITY RAIL PASSENGER SERVICES.—(A)(i) Within 5 years after the date of enactment of this Act, the establishment of regularly scheduled and dependable intercity rail passenger service between Boston, Massachusetts, and New York, New York, operating on a 3-hour-and-40-minute schedule including appropriate intermediate stops; regularly scheduled and dependable intercity rail passenger service between New York, New York, and Washington, District of Columbia, operating on a 2-hour-and-40-minute schedule, including appropriate intermediate stops.

(ii) Improvements in facilities in accordance with route criteria approved by the Congress, on routes to Harrisburg, Pennsylvania, and Albany, New York, from the Northeast Corridor main line and from Springfield, Massachusetts, to Boston, Massachusetts, and New Haven, Connecticut in order to facilitate compatibility with improved high-speed rail service operated on the Northeast Corridor main line.

(B) The improvement of nonoperational portions of stations (as determined by the Secretary in consultation with the National Railroad Passenger Corporation) used in intercity rail passenger service and of related facilities and fencing. Fifty percent of the cost of such improvements shall be borne by States (or local or regional transportation authorities), except that the Secretary may, in his sole discretion, fund entirely any safety-related improvement.

(C) The improvements required by this section shall be accomplished in a manner which is compatible with the accomplishment in the future of additional improvements in service levels, and which will produce the maximum labor benefits in terms of hiring persons who are presently unemployed.

(D) The submission by the Secretary and the National Railroad Passenger Corporation to the Congress of annual reports on progress achieved and work in progress and planned (including the need for further improvements) with respect to the completion of this program, including an up-to-date accounting of intercity passenger ridership, revenues from such ridership, expenses, and on-time dependability of intercity passenger trains in the Northeast Corridor.

(E) Within 2 years after the date of enactment of this Act, the submission by the Secretary to the Congress of a report on the financial and operating results of the intercity rail passenger service established under this section, on the rail freight service improved and maintained pursuant to this section, and on the practicability, considering engineering and financial feasibility and market demand, of the establishment of regularly scheduled and dependable intercity rail passenger service between Boston, Massachusets, and New York, New York, operating on a 3-hour schedule, including appropriate intermediate stops, and regularly scheduled and dependable intercity rail passenger service between New York, New York, and Washington, District of Columbia, operating on a 2½-hour schedule, including appropriate intermediate stops. Such report shall include a full and complete accounting of the need for improvements in intercity passenger transportation within the Northeast Corridor and a full accounting of the public costs and benefits of improving various modes of transportation to meet those needs. If such report shows (i) that further improvements are needed in intercity passenger transportation in the Northeast Corridor, and (ii) that improvements (in addition to those required by subparagraph (A) (i) of this paragraph) in the rail system in such area would return the most public benefits for the public costs involved, the Secretary shall make appropriate recommendations to the Congress. Within 6 years after the date of enactment of this Act, the Secretary shall submit an updated comprehensive report on the matters referred to in this subparagraph. Thereafter, if it is practicable, the Secretary shall facilitate the establishment of intercity rail passenger service in the Corridor which achieves the service goals specified in this subparagraph.

(2) Rail Commuter Services, Rail Rapid Transit, and Local Transportation.—To the extent compatible with the goals contained in paragraph (1) of this section, the facilitation of improvements in and usage of rail commuter services, rail rapid transit, and local public transportation.

(3) Rail Freight Service.—The maintenance and improvement of rail freight service to all users of rail freight service located on or adjacent to the Northeast Corridor and the maintenance and improvement of all through-freight services which remain in the Northeast Corridor, to the extent compatible with the goals contained in paragraphs (1) and (2) of this section.

(4) Passenger Radio Telephone Service.—To the extent compatible with the goals contained in paragraph (1) of this section, the continuation of and improvement in passenger radio telephone service aboard trains operated in high-speed rail service between Washington, District of Columbia, and Boston, Massachusetts. The President and relevant Federal agencies, including the Federal Communications Commission, shall take such actions as are necessary to achieve this goal, subject to the provisions of the Communications Act of 1934 (47 U.S.C. 151 et seq.), including necessary licensing, construction, operation, and maintenance standards for the radio service, as determined by the Federal Communications Commission to be in the public interest, convenience, and necessity.

FUNDING

Sec. 704. (a) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary—

(1) $1,600,000,000 to remain available until expended in order to effectuate the goals of section 703(1) (A) (i) of this title and after such goals have been achieved, the goals of section 703(1) (A) (ii);

(2) $150,000,000 to remain available until expended in order to effectuate the goal of section 703(1) (B);

(3) for payment to the National Railroad Passenger Corporation—

(A) $10,000,000 to remain available until expended for nonrecurring costs related to the initial assumption of control and responsibility for maintaining rail operations on the Northeast Corridor;

(B) $85,182,956 to acquire the properties of the Northeast Corridor;

(C) $650,000 to remain available until expended, for the development and utilization of mobile radio frequencies for high-speed rail passenger radio telephone service; and

(D) $20,000,000, to remain available until expended, for acquiring and improving properties designated in accordance with section 206(c) (1) (D) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(c) (1) (D)).

(b) Limitation.—No funds appropriated under this section or pursuant to section 601 of the Rail Passenger Service Act may be used to subsidize any operating losses of commuter rail or rail freight services.

(c) Coordination.—The Secretary shall take all steps necessary to coordinate all transportation programs related to the Northeast Corridor to assure that all such programs are integrated and consistent with implementation of the Northeast Corridor improvement project under this title, including, if the Secretary finds any significant noncompliance with the implementation of the goals of section 703 of this title, the denial of funding to any noncomplying program until such noncompliance is corrected.

(d) Emergency Maintenance Continuation.—After the conveyance of rail properties, pursuant to section 303(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(b)) and section 701(b) of this title, not to exceed $25,000,000 of the funds appropriated pursuant to Public Law 94–6 (89 Stat. 11) shall remain available to be utilized by the Secretary for the purpose of performing emergency maintenance on the rail properties designated in accordance with section 206(c) (1) (C) of tre Regional Rail Reorganization Act (45 U.S.C. 716(c) (1) (C)).

CONFORMING AMENDMENTS

Sec. 705. (a) Section 402(a) of the Rail Passenger Service Act (45 U.S.C. 562(a)) is amended by adding at the end thereof the following three new sentences: "Notwithstanding any other provision of this Act, the Corporation may enter into agreements with any other railroads and with any State (or local or regional transportation agency) responsible for providing commuter rail or rail freight services over tracks, rights-of-way, and other facilities acquired by the Corporation pursuant to authority granted by the Regional Rail Reorganization Act of 1973 and the Railroad Revitalization and Regulatory Reform Act of 1976. In the event of a failure to agree, the Commission shall order that rail services continue to be provided, and it shall, consistent with equitable and fair compensation principles, decide, within 180 days after the date of submission of a dispute to the Commission, the proper amount of compensation for the provision of such services. The Commission, in making such a determination, shall consider all relevant factors, and shall not permit cross subsidization among intercity, commuter, and rail freight services.".

(b) Section 601(d) (1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 791 (d) (1) is amended to read as follows:

"(d) Northeast Corridor.—(1) Rail properties designated in accordance with section 206(c) (1) (C) of this Act shall be purchased or leased by the National Railroad Passenger Corporation. The Corporation shall negotiate an appropriate sale or lease agreement with the National Railroad Passenger Corporation for the properties designated for transfer pursuant to section 206(c) (1) (C) of this Act (45 U.S.C. 716(c) (1) (C)), which shall take effect on the date of conveyance of such properties to the Corporation.".

(c) Section 403(b) of the Rail Passenger Service Act (45 U.S.C. 563(b)) is amended (1) by inserting "(1)" immediately after "(b)", and (2) by striking out the second sentence thereof and inserting in lieu thereof the following: "The Corporation shall institute such service under an agreement if the State, regional, or local agency agrees to reimburse the Corporation for 50 percent of total operating losses and associated capital costs of such service if service can be provided with the resources available to the Corporation and if it is consistent with the following requirements:

"(A) The State or agency must make an adequate assurance to the Corporation that it has sufficient resources to meet its share of the costs of such service for the period such service is to be provided under this section.

"(B) The State or agency has conducted a market analysis acceptable to the Corporation to insure that there is adequate demand to warrant such service.

An agreement made pursuant to this section may by mutual agreement be renewed for one or more additional terms of not more than 2 years.

"(2) If more than one application is made for service and all applications are consistent with the requirements of this subsection, but all the services applied for cannot be provided with the available resources of the Corporation, the Board of Directors shall decide in its discretion which application or applications best serve the public interest and can be provided with the available resources of the Corporation, except that a proposal for State support of a service deleted from the basic system shall be given preference.

"(3) The Board of Directors shall establish the basis for determining the total costs and the total revenue of the service provided pursuant to this subsection.".

(d) Section 404(b) (4) of the Rail Passenger Service Act (45 U.S.C. 564(b)) is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "For purposes of paragraph (3) of this subsection, the reasonable portion of such losses to be assumed by the State, regional, or local agency shall be equal to 50 percent of the total operating losses and associated capital costs of such service."

(e) Section 306 of the Rail Passenger Service Act (45 U.S.C. 546) is amended by adding at the end thereof the following new subsection:

"(i) The provisions of section 361 of the Public Health Service Act (42 U.S.C. 264) shall not apply to railroad conveyances operated in intercity rail passenger service.".

(f) Section 303(a) (5) of the Rail Passenger Service Act (45 U.S.C. 543(a) (5)) is amended by (1) striking out "for each meeting of the board he attends." and inserting in lieu thereof "per diem when engaged in the actual performance of duties.", and (2) inserting ", secretarial or professional staff support which is reasonably required" immediately after "necessary travel.".

(g) Section 305(d) (1) (B) of the Rail Passenger Service Act (45 U.S.C. 545(d) (1) (B)) is amended by striking out "for the construction of tracks or other facilities necessary to provide".

(h) Section 402(d) (1) of the Rail Passenger Service Act (45 U.S.C. 562(d) (1)) is amended by striking out "the construction of tracks or other facilities necessary to provide".

(i) Section 403(c) of the Rail Passenger Service Act (45 U.S.C. 563(c)) is amended by adding the following sentence at the end thereof: "After January 1, 1977, all route additions shall be in accordance with the Criteria and Procedures for Making Route and Service Decisions approved by the Congress pursuant to section 404(c) (3), and this subsection shall no longer apply to route additions."

FACILITIES WITH HISTORICAL OR ARCHITECTURAL SIGNIFICANCE

Sec. 706. Section 4(i) of the Department of Transportation Act (49 U.S.C. 1653) is amended by—

(1) redesignating paragraph (1) (C) thereof and all references thereto as paragraph (1) (D) thereof;

(2) inserting immediately after paragraph (1) (B) thereof the following new subpara-

graph: "(C) acquiring and utilizing space in suitable buildings of historic or architectural significance, unless the use of such space would not prove feasible and prudent compared with available alternatives;";

(3) redesignating paragraphs (4), (5), (6), (7), (8), (9), and (10) thereof as paragraphs (5), (6), (7), (8), (9), (10), and (11) thereof, respectively;

(4) inserting after paragraph (3) thereof the following new paragraph:

"(4) Acquisitions made for the purpose set forth in paragraph (1)(C) of this subsection shall be made only after consultation with the chairman of the National Endowment for the Arts and the Advisory Council on Historic Preservation."; and

(5) amending paragraph (9) thereof, as redesignated by this section, to read as follows:

"(9)(A) There is authorized to be appropriated for the purpose set forth—

"(i) in paragraphs (1)(A) and (1)(C) of this subsection, not to exceed $15,000,000;

"(ii) in paragraph (1)(B) of this subsection, not to exceed $5,000,000; and

"(iii) in paragraph (1)(D) of this subsection, not to exceed $5,000,000.

"(B) There shall be available to the National Endowment for the Arts, from the sums available under subparagraphs (A)(ii) and (A)(iii) of this paragraph, not to exceed $2,500,000 for planning pursuant to paragraph (1)(D) of this subsection, and not to exceed $2,500,000 for interim maintenance pursuant to paragraph (1)(B) of this subsection.

"(C) Sums appropriated for the purposes of this subsection are authorized to remain available until expended.".

TITLE VIII—LOCAL RAIL SERVICE CONTINUATION

EXTENSION OF SERVICE

SEC. 801. (a) Section 1(18) of the Interstate Commerce Act (49 U.S.C. 1(18)) is amended to read as follows:

"(18)(a) No carrier by railroad subject to this part shall—

"(i) undertake the extension of any of its lines of railroad or the construction of any additional line of railroad;

"(ii) acquire or operate any such extension or any such additional line; or

"(iii) engage in transportation over, or by means of, any such extended or additional line of railroad.

unless such extension or additional line of railroad is described in and covered by a certificate which is issued by the Commission and which declares that the present or future public convenience and necessity require or will be enhanced by the construction and operation of such extended or additional line of railroad. Upon receipt of an application for such a certificate, the Commission shall (A) send a copy of the application to the chief executive officer of each State that would be directly affected by the construction or operation of such extended or additional line, (B) send an accurate and understandable summary of such application to a newspaper of general circulation in such affected area or areas with a request that such information be made available to the general public, (C) cause a copy of such summary to be published in the Federal Register, (D) take such other steps as it deems reasonable and effective to publicize such application, and (E) indicate in such transmissions and publications that each interested person is entitled to recommend to the Commission that it approve, disapprove, or take any other specified action with respect to such application.

"(b) The Commission shall establish, and may from time to time amend, rules and regulations (as to hearings and other matters) to govern applications for, and the issuance of, any certificate required by subdivision (a). An application for such a certificate shall be submitted to the Commission in such form and manner and with such documentation as the Commission shall prescribe. The Commission may—

"(i) issue such a certificate in the form requested by the applicant;

"(ii) issue such a certificate with modifications in such form and subject to such terms and conditions as are necessary in the public interest; or

"(iii) refuse to issue such a certificate.

"(c) Upon petition or upon its own initiative, the Commission may authorize any carrier by railroad subject to this part to extend any of its lines of railroad or to take any other action necessary for the provision of adequate, efficient, and safe facilities for the performance of such carrier's obligations under this part. No authorization shall be made unless the Commission finds that the expense thereof will not impair the ability of such carrier to perform its obligations to the public.

"(d) Carriers by railroad subject to this part may, notwithstanding this paragraph and section 5 of this part, and without the approval of the Commission, enter into contracts, agreements, or other arrangements for the joint ownership or joint use of spur, industrial, team, switching, or side tracks. The authority granted to the Commission under this paragraph shall not extend to the construction, acquisition, or operation of spur, industrial, team, switching, or side tracks if such tracks are located or intended to be located entirely within one State, and shall not apply to any street, suburban, or interurban electric railway which is not operated as part of a general system of rail transportation.

"(e) Any construction or operation which is contrary to any provision of this paragraph, of any regulations promulgated under this paragraph, or of any terms and conditions of an applicable certificate, may be enjoined by an appropriate district court of the United States in a civil action commenced and maintained by the United States, the Commission, or the attorney general or the transportation regulatory body of an affected State or area. Such a court may impose a civil penalty of not to exceed $5,000 on each person who knowingly authorizes, consents to, or permits any violation of this paragraph or of the conditions of a certificate issued under this paragraph.".

(b) Paragraphs (19), (20), (21), and (22) of section 1 of the Interstate Commerce Act (49 U.S.C. 1(19) through 1(22) are repealed.

DISCONTINUANCE OR ABANDONMENT

SEC. 802. The Interstate Commerce Act is amended by inserting after section 1 thereof the following new section:

"DISCONTINUANCE AND ABANDONMENT OF RAIL SERVICE

"SEC. 1a. (1) No carrier by railroad subject to this part shall abandon all or any portion of any of its lines of railroad (hereafter in this section referred to as 'abandonment') and no such carrier shall discontinue the operation of all rail service over all or any portion of any such line (hereafter referred to as 'discontinuance'), unless such abandonment or discontinuance is described in and covered by a certificate which is issued by the Commission and which declares that the present or future public convenience and necessity require or permit such abandonment or discontinuance. An application for such a certificate shall be submitted to the Commission, together with a notice of intent to abandon or discontinue, not less than 60 days prior to the proposed effective date of such abandonment or discontinuance, and shall be in accordance with such rules and regulations as to form, manner, content, and documentation as the Commission may from time to time prescribe. Abandonments and discontinuances shall be governed by the provisions of this section or by the provisions of any other applicable Federal statute, notwithstanding any inconsistent or contrary provision in any State law or constitution, or any decision, order, or procedure of any State administrative or judicial body.

"(2)(a) Whenever a carrier submits to the Commission a notice of intent to abandon or discontinue, pursuant to paragraph (1), such carrier shall attach thereto an affidavit certifying that a copy of such notice (i) has been sent by certified mail to the chief executive officer of each State that would be directly affected by such abandonment or discontinuance, (ii) has been posted in each terminal and station on any line of railroad proposed to be so abandoned or discontinued, (iii) has been published for 3 consecutive weeks in a newspaper of general circulation in each county in which all or any part of such line of railroad is located, and (iv) has been mailed, to the extent practicable, to all shippers who have made significant use (as determined by the Commission in its discretion) of such line of railroad during the 12 months preceding such submission.

"(b) The notice required under subdivision (a) shall include (i) an accurate and understandable summary of the carrier's application for a certificate of abandonment or discontinuance, together with the reasons therefor, and (ii) a statement indicating that each interested person is entitled to recommend to the Commission that it approve, disapprove, or take any other specified action with respect to such application.

"(3) During the 60-day period between the submission of a completed application for a certificate of abandonment or discontinuance pursuant to paragraph (1) and the proposed effective date of an abandonment or discontinuance, the Commission shall, upon petition, or may, upon its own initiative, cause an investigation to be conducted to assist it in determining what disposition to make of such application. An order to the Commission to implement the preceding sentence must be issued and served upon any affected carrier not less than 5 days prior to the end of such 60-day period. If no such investigation is ordered, the Commission shall issue such a certificate, in accordance with this section, at the end of such 60-day period. If such an investigation is ordered, the Commission shall order a postponement, in whole or in part, in the proposed effective date of the abandonment or discontinuance. Such postponement shall be for such reasonable period of time as is necessary to complete such investigation, but in no event shall exceed 90 days. Such an investigation may include, but need not be limited to, public hearings at any location reasonably adjacent to the line of railroad involved in the abandonment or discontinuance application, pursuant to rules and regulations of the Commission. Such a hearing may be held upon the request of any interested party or upon the Commission's own initiative. The burden of proof as to public convenience and necessity shall be upon the applicant for a certificate of abandonment or discontinuance.

"(4) The Commission shall, upon an order with respect to each application for a certificate of abandonment or discontinuance—

"(a) issue such certificate in the form requested by the applicant if it finds that such abandonment or discontinuance is consistent with the public convenience and necessity. In determining whether the proposed abandonment is consistent with the public convenience and necessity, the Commission shall consider whether there will be a serious adverse impact on rural and community development by such abandonment or discontinuance;

"(b) issue such certificate with modifications in such form and subject to such terms and conditions as are required, in the judgment of the Commission, by the public convenience and necessity; or

"(c) refuse to issue such certificate.

Each such certificate which is issued by the

Commission shall contain provisions for the protection of the interests of employees. Such provisions shall be at least as beneficial to such interests as provisions established pursuant to section 5(2)(f) of this Act and pursuant to section 405 of the Rail Passenger Service Act (45 U.S.C. 565). If such a certificate is issued, actual abandonment or discontinuance may take effect, in accordance with such certificate, 120 days after the date of issuance thereof.

"(5)(a) Each carrier by railroad subject to this part shall, within 180 days after the date of promulgation of regulations by the Commission pursuant to this section, prepare, submit to the Commission, and publish, a full and complete diagram of the transportation system operated, directly or indirectly, by such carrier. Each such diagram shall include a detailed description of each line of railroad which is 'potentially subject to abandonment', as such term is defined by the Commission. Such term shall be defined by the Commission by rules and such rules may include standards which vary by region of the Nation and by railroad or group of railroads. Each such diagram shall also identify any line of railroad as to which such carrier plans to submit an application for a certificate of abandonment or discontinuance in accordance with this section. Each such carrier shall submit to the Commission and publish, in accordance with regulations of the Commission, such amendments to such diagram as are necessary to maintain the accuracy of such diagram.

"(b) The Commission shall not issue a certificate of abandonment or discontinuance with respect to a line of railroad if such abandonment or discontinuance is opposed by—

"(i) a shipper or any other person who has made significant use (as determined by the Commission in its discretion) of such line of railroad during the 12-month period preceding the submission of an applicable application under paragraph (1); or

"(ii) a State, or any political subdivision of a State, if such line of railroad is located, in whole or in part, within such State or political subdivision;

unless such line or railroad has been identified and described in a diagram or in an amended diagram which was submitted to the Commission under subdivision (a) at least 4 months prior to the date of submission of an application for such certificate.

"(6)(a) Whenever the Commission makes a finding, in accordance with this section, that the public convenience and necessity permit the abandonment or discontinuance of a line of railroad, it shall cause such finding to be published in the Federal Register. If, within 30 days of such publication, the Commission further finds that—

"(i) a financially responsible person (including a government entity) has offered financial assistance (in the form of a rail service continuation payment) to enable the rail service involved to be continued; and

"(ii) it is likely that such proffered assistance would—

"(A) cover the difference between the revenues which are attributable to such line of railroad and the avoidable cost of providing rail freight service on such line together with a reasonable return on the value of such line; or

"(B) cover the acquisition cost of all or any portion of such line of railroad;

the Commission shall postpone the issuance of a certificate of abandonment or discontinuance for such reasonable time, not to exceed 6 months, as is necessary to enable such person or entity to enter into a binding agreement, with the carrier seeking such abandonment or discontinuance, to provide such assistance or to purchase such line and to provide for the continued operation of rail services over such line. Upon notification to the Commission of the execution of such an assistance or acquisition and operating agreement, the Commission shall postpone the issuance of such a certificate for such period of time as such an agreement (including any extensions or modifications) is in effect.

"(b) A carrier by railroad subject to this part shall promptly make available, to any party considering offering financial assistance in accordance with subdivision (a), its most recent reports on the physical condition of any line or railroad with respect to which it seeks a certificate of abandonment or discontinuance, together with such traffic, revenue, and other data as is necessary to determine the amount of assistance that would be required to continue rail service.

"(7) Whenever the Commission finds, under paragraph (6)(a) of this section, that an offer of financial assistance has been made, the Commission shall determine the extent to which the avoidable cost of providing rail service plus a reasonable return on the value of the rail properties involved exceed the revenues attributable to the line of railroad or the rail service involved.

"(8) Petitions for abandonment or discontinuance which were filed and pending before the Commission as of the date of enactment of this section or prior to the promulgation by the Commission of regulations required under this section shall be governed by the provisions of section 1 of this Act which were in effect on such date of enactment, except that paragraphs (6) and (7) of this section shall be applicable to such petitions.

"(9) Any abandonment or discontinuance which is contrary to any provision of this section, of any regulation promulgated under this section, or of any terms and conditions of an applicable certificate, may be enjoined by an appropriate district court of the United States in a civil action commenced and maintained by the United States, the Commission, or the attorney general or the transportation regulatory body of an affected State or area. Such a court may impose a civil penalty of not to exceed $5,000 on each person who knowingly authorizes, consents to, or permits any violation of this section or of any regulation under this section.

"(10) As used in this section:

"(a) The term 'avoidable cost' means all expenses which would be incurred by a carrier in providing a service which would not be incurred, in the case of discontinuance, if such service were discontinued or, in the case of abandonment, if the line over which such service was provided were abandoned. Such expenses shall include but are not limited to all cash inflows which are foregone and all cash outflows which are incurred by such carrier as a result of not discontinuing or not abandoning such service. Such foregone cash inflows and incurred outflows shall include, (i) working capital and required capital expenditures, (ii) expenditures to eliminate deferred maintenance, (iii) the current cost of freight cars, locomotives and other equipment, and (iv) the foregone tax benefits from not retiring properties from rail service and other effects of applicable Federal and State income taxes.

"(b) The term 'reasonable return' shall, in the case of a railroad not in reorganization, be the cost of capital to such railroad (as determined by the Commission), and, in the case of a railroad in reorganization, shall be the mean cost of capital of railroads not in reorganization, as determined by the Commission.".

LOCAL RAIL SERVICE ASSISTANCE

SEC. 803. Section 5 of the Department of Transportation Act, as added by section 401 of this Act (49 U.S.C. 1654), is amended by adding at the end thereof the following 10 new subsections:

"(f) The Secretary shall, in accordance with this section, provide financial assistance to States for rail freight assistance programs that are designed to cover—

"(1) the cost of rail service continuation payments;

"(2) the cost of purchasing a line of railroad or other rail properties to maintain existing or provide for future rail service;

"(3) the cost of rehabilitating and improving rail properties on a line of railroad to the extent necessary to permit adequate and efficient rail freight service on such line; and

"(4) the cost of reducing the costs of lost rail service in a manner less expensive than continuing rail service.

"(g) The Federal share of the costs of any rail service assistance program shall be as follows: (1) 100 percent for the period from July 1, 1976 to June 30, 1977; (2) 90 percent for the period from July 1, 1977 to June 30, 1978; (3) 80 percent for the period from July 1, 1978 to June 30, 1979; and (4) 70 percent for the period from July 1, 1979 to June 30, 1981. For the period from July 1, 1979 to June 30, 1981, the Secretary may make such adjustments in the percentage level of the Federal share as may be necessary and appropriate so as not to exceed the maximum amount of funds authorized under subsection (o) of this section. The Secretary shall, within 1 year after the date of enactment of this subsection, promulgate standards and procedures under which the State share of such cost may be provided through in-kind benefits such as forgiveness of taxes, trackage rights, and facilities which would not otherwise be provided.

"(h) Each State which is, pursuant to subsection (j) of this section, eligible to receive rail service assistance is entitled to an amount equal to the total amount authorized and appropriated for such purpose, multiplied by a fraction whose numerator is the rail mileage in such State which is eligible for rail service assistance under this section and whose denominator is the rail mileage in all of the States which are eligible for rail service assistance under this section. Notwithstanding the provisions of the preceding sentence, the entitlement of each State shall not be less than 1 percent of the funds appropriated. For purposes of this subsection, rail mileage shall be measured by the Secretary, in consultation with the Interstate Commerce Commission. Any portion of the entitlement of any State which is withheld, in accordance with this section, and any such sums which are not used or committed by a State shall be reallocated immediately, to the extent practicable, among the other States, in accordance with the formula set forth in the first sentence of this subsection.

"(i) Rail service assistance to which a State is entitled under this section may be allocated by such State to meet the cost of establishing and implementing the State rail plan required by subsection (j) of this section or by section 402(c)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 762(c)(1)). Such grants shall be made available by the Secretary during the course of the State rail planning process, and shall be distributed by the Secretary as needed by the States. The amount of State rail planning grants to which each State (including each State referred to in subsection (n)(1) of this section) is entitled shall be proportionate to the amount of rail service assistance to which such State is entitled under this Act.

"(j) A State is eligible to receive rail service assistance from the Secretary if—

"(1) such State has established an adequate plan for rail services in such State as part of an overall planning process for all transportation services in such State, including a suitable process for updating, revising, and amending such plan;

"(2) such State plan is administered or coordinated by a designated State agency and provides for the equitable distribution of resources;

"(3) such State agency (A) has authority and administrative jurisdiction to develop, promote, supervise, and support safe, adequate, and efficient rail transportation services, (B) employs or will employ, directly or indirectly, sufficient trained and qualified personnel, (C) maintains or will maintain adequate programs of investigation, research, promotion, and development, with provisions for public participation, and (D) is designated and directed solely, or in cooperation with other State agencies to take all practicable steps to improve transportation safety and to reduce transportation-related energy utilization and pollution;

"(4) such State provides satisfactory assurance that it has or will adopt and maintain adequate procedures for financial control, accounting, and performance evaluation in order to assure proper use of Federal funds; and

"(5) such State complies with regulations of the Secretary issued under this section and the Secretary determines that such State meets or exceeds the requirements of paragraphs (1) through (4) of this subsection.

"(k) A project is eligible in any year for financial assistance from the applicable rail service assistance program only if—

"(1)(A) the Commission has found that the public convenience and necessity permit the abandonment of, or the discontinuance of rail service on, the line of railroad which is related to such project, or (B) the line of railroad or related project was eligible for assistance under title IV of the Regional Rail Reorganization Act of 1973; and

"(2) such line, or related projects, has not previously been the subject of Federal rail service assistance under this section for more than 5 fiscal years.

"(l) The Secretary shall pay to each eligible State an amount equal to its entitlement under subsection (h) of this section, to be expended or committed to one or more projects which are eligible, pursuant to subsection (k) of this section.

"(m)(1) Each recipient of financial assistance under subsections (e) through (o) of this section, whether in the form of grants, subgrants, contracts, subcontracts, or other arrangements, shall keep such records as the Secretary shall prescribe including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project which was supplied by other sources, and such other records as will facilitate an effective audit. Such records shall be maintained for 3 years after the completion of such a project or undertaking.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of receipts which, in the opinion of the Secretary or of the Comptroller General may be related or pertinent to the grants, contracts, or other arrangements referred to in paragraph (1) of this subsection.

"(3) The Secretary and the Comptroller General shall regularly conduct, or cause to be conducted—

"(A) a financial audit, in accordance with generally accepted auditing standards; and

"(B) a performance audit of the activities and transactions assisted under this section, in accordance with generally accepted management principles.

Such audits may be conducted by independent certified or licensed public accountants and management consultants approved by the Secretary and the Comptroller General, and they shall be conducted in accordance with such rules and regulations as may be prescribed by the Comptroller General.

"(n) As used in this section, the term 'State' means—

"(1) during the period from the date of enactment of this subsection through the second anniversary of the date on which rail properties are conveyed pursuant to section 303(b)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(b)(1), any State in which a carrier by railroad subject to part I of the Interstate Commerce Act maintains any line of railroad, except that the term shall not include the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, Ohio, Indiana, Michigan, and Illinois, and the District of Columbia; and

"(2) during the period following the second anniversary of the date on which rail properties are conveyed pursuant to such section 303(b)(1), any State in which a carrier by railroad subject to part I of the Interstate Commerce Act maintains any line of railroad.

"(o) There are authorized to be appropriated to the Secretary for the purposes of subsections (f) through (o) of this section not to exceed $360,000,000, without fiscal year limitation. Of the foregoing sums, not to exceed $5,000,000 shall be made available for planning grants during each of the 3 fiscal years ending June 30, 1976; September 30, 1977; and September 30, 1978. In addition, any appropriated sums remaining after the repeal of section 402 of the Regional Rail Reorganization Act of 1973 are authorized to remain available to the Secretary for purposes of subsections (f) through (o) of this section. Such sums as are appropriated are authorized to remain available until expended.".

TERMINATION AND CONTINUATION OF RAIL SERVICES

SEC. 804. Section 304 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 744) is amended to read as follows:

"TERMINATION AND CONTINUATION OF RAIL SERVICES

"SEC. 304. (a) DISCONTINUANCE.—(1) Except as provided in subsections (c) and (f) of this section, rail service on rail properties of a railroad in reorganization in the region, or of a person leased, operated, or controlled by such a railroad, which transfers to the Corporation or to profitable railroads operating in the region all or substantially all of its rail properties designated for such conveyance in the final system plan, and rail service on rail properties of a profitable railroad operating in the region which transfers substantially all of its rail properties to the Corporation or to other railroads pursuant to the final system plan, may be discontinued, to the extent such discontinuance is not precluded by the terms of the leases and agreements referred to in section 303(b)(2) of this title, if—

"(A) the final system plan does not designate rail service to be operated over such rail properties;

"(B) not sooner than 30 days following the effective date of the final system plan, the trustee or trustees of the applicable railroad in reorganization or a profitable railroad give notice in writing of intent to discontinue such service on a date certain which is not less than 60 days after the date of such notice or on the date of any conveyance ordered by the special court pursuant to section 303(b)(1) of this title, whichever is later; and

"(C) the notice required by subparagraph (B) of this paragraph is sent by certified mail to the Commission; to the chief executive officer, the transportation agencies, and the government of each political subdivision of each State in which such rail properties are located; and to each shipper who has used such rail service during the previous 12 months.

"(2)(A) If rail properties are not, in accordance with the designations in the final system plan, required to be operated, as a consequence of a recommended arrangement for joint use or operation of rail properties (under section 206(g) of this Act) or as part of a coordination project (under sections 206(c) and (g) of this Act), rail service on such properties may be discontinued, subsequent to the date of conveyance of rail properties pursuant to such section 303(b)(1), if the Commission determines that such rail service on such rail properties is not compensatory and if—

"(i) the petitioner and any other railroad involved in such arrangement or coordination project have, prior to filing an application for such discontinuance, entered into a binding agreement (effective on or before the effective date of such discontinuance) to carry out such arrangement or project;

"(ii) such application is filed with the Commission not later than 1 year after the effective date of the final system plan; and

"(iii) such discontinuance is not precluded by the terms of the leases and agreements referred to in such section 303(b)(2).

"(B) For purposes of this paragraph, rail service on rail properties is compensatory if the revenue attributable to such properties from such service equals or exceeds the sum of the avoidable costs of providing such service on such properties plus a reasonable return on the value of such rail properties, as determined in accordance with the standards developed pursuant to section 205(d)(6) of this Act.

"(C) The Commission shall make its final determination, with respect to any discontinuance requested under this paragraph, not later than 120 days after the date of filing of an application therefor. The applicant shall have the burden of proving that the service involved is not compensatory. If the Commission fails to make a final determination within such time, the application shall be deemed to be granted.

"(D) The Commission may issue rules, regulations, and procedures as it deems necessary for the conduct of its functions under this paragraph.

"(b) ABANDONMENT.—(1) Except as provided in subsections (c) and (f) of this section, rail properties over which rail service has been discontinued under subsection (a) of this section may not be abandoned sooner than 120 days after the effective date of the discontinuance. Thereafter, except as provided in subsection (c) of this section, such rail properties may be abandoned upon 30 days' notice in writing to any person (including a government entity) required to receive notice under subsection (a)(1)(C) of this section.

"(2) In any case in which rail properties proposed to be abandoned under this section are designated by the final system plan as rail properties which are suitable for use for other public purposes (including roads or highways, other forms of mass transportation, conservation, and recreation), such rail properties shall not be sold, leased, exchanged, or otherwise disposed of during the 240-day period beginning on the date of notice of proposed abandonment under this section unless such rail properties have first been offered, upon reasonable terms, for acquisition for public purposes.

"(3) Rail service may be discontinued, under subsection (a) of this section, and rail properties may be abandoned, under this section, notwithstanding any provision of the Interstate Commerce Act, the constitution or law of any State, or the decision of any court or administrative agency of the United States or of any State.

"(c) CONTINUATION OF RAIL SERVICES.—No rail service may be discontinued and no rail properties may be abandoned, pursuant to this section—

"(1) in the case of service and properties referred to in subsections (a)(1) and (b)(1) of this section, after 2 years from the effective date of the final system plan or more than 2 years after the date on which the final rail service continuation payment is received, whichever is later; or

"(2) if a financially responsible person (including a government entity) offers—

"(A) to provide a rail service continuation payment which is designed to cover the difference between the revenue attributable to such rail properties and the avoidable costs of providing rail service on such properties together with a reasonable return on the value of such properties;

"(B) to provide a rail service continuation payment which is payable pursuant to a lease or agreement with a State or with a local or regional transportation authority under which financial support was being provided on January 2, 1974 for the continuation of rail passenger service; or

"(C) to purchase, pursuant to subsection (f) of this section, such rail properties in order to operate rail services thereon.

If a rail service continuation payment is offered, pursuant to paragraph (2)(A) of this subsection, for both freight and passenger service on the same rail properties, the owner of such properties may not be entitled to more than one payment of a reasonable return on the value of such properties.

"(d) Rail Freight Service.—(1) If a rail service continuation payment is offered, pursuant to subsection (c)(2)(A) of this section, for rail freight service, the person offering such payment shall designate the operator of such service and enter into an operating agreement with such operator. The person offering such payment shall designate as the operator of such service—

"(A) the Corporation, if rail properties of the Corporation connect with the line of railroad involved, unless the Commission determines that such rail service continuation could be performed more efficiently and economically by another railroad;

"(B) any other railroad whose rail properties connect with such line, if the Corporation's rail properties do not so connect or if the Commission makes a determination in accordance with subparagraph (A) of this paragraph; or

"(C) any responsible person (including a government entity) which is willing to operate rail service over such rail properties.

A designated railroad may refuse to enter into such an operating agreement only if the Commission determines, on petition by any affected party, that the agreement would substantially impair such railroad's ability to serve adequately its own patrons or to meet its outstanding common carrier obligations. The designated operator shall, pursuant to each such operating agreement, (i) be obligated to operate rail freight service on such rail properties, and (ii) be entitled to receive, from the person offering such payment, the difference between the revenue attributable to such properties and the avoidable costs of providing service on such rail properties, together with a reasonable management fee, as determined by the Office.

"(2) The trustees of a railroad in reorganization shall permit rail service to be continued on any rail properties with respect to which a rail service continuation payment operating agreement has been entered into under this subsection. Such trustees shall receive a reasonable return on the value of such properties, as determined in accordance with the standards developed pursuant to section 205(d)(6) of this Act.

"(3) If necessary to prevent any disruption or loss of rail service, at any time after the date of conveyance, pursuant to section 303(b)(1) of this title, the Commission—

"(A) shall take such action as may be appropriate under its existing authority (including the enforcement of common carrier requirements applicable to railroads in reorganization in the region) to ensure compliance with obligations imposed under this subsection; and

"(B) shall have authority, in accordance with the provisions of section 1(16)(b) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)), to direct rail service to be provided by any designated railroad or by the trustees of a railroad in reorganization in the region, if a rail service continuation payment has been offered but an applicable operating or lease agreement is not in effect.

For purposes of the preceding sentence, any compensation required as a result of such directed service shall be determined in accordance with the standards developed pursuant to section 205(d)(6) of this Act. The district courts of the United States shall have jurisdiction, upon petition by the Commission or any interested person (including a government entity), to enforce any order of the Commission issued pursuant to the exercise of its authority under this subsection, or to enjoin any designated entity or the trustees of a railroad in reorganization in the region from refusing to comply with the provisions of this subsection.

"(e) Rail Passenger Service.—(1) The Corporation (or a profitable railroad) shall provide rail passenger service for a period of 180 days immediately following the date of conveyance (pursuant to section 303(b)(1) of this title), with respect to any rail properties over which a railroad in reorganization in the region, or a person leased, operated, or controlled by such a railroad, was providing rail passenger service immediately prior to such date of conveyance. Such service shall be provided on such properties regardless of whether or not such properties are designated in the final system plan as rail properties over which rail service is required to be operated, except with respect to properties over which such service is provided by the National Railroad Passenger Corporation.

"(2) If a State (or a local or regional transportation authority) was providing financial assistance to support the operation of rail passenger service, pursuant to a lease or agreement which was in effect immediately prior to the date of conveyance (pursuant to such section 303(b)(1)), the Corporation (or a profitable railroad) shall be bound by the service provisions of such lease or agreement for the duration of the 180-day mandatory operation period specified in paragraph (1) of this subsection. If a State or such an authority was providing financial assistance for the continuation of rail passenger service on rail properties immediately prior to such date of conveyance, it shall provide the same level of financial assistance during such 180-day mandatory operation period. If no such financial assistance was being provided or if no such lease or agreement was in effect immediately prior to such date of conveyance, with respect to any such rail properties, the Corporation (or a profitable railroad) shall provide the same level of rail passenger service, for the duration of such 180-day mandatory operation period, that was provided prior to such date by the applicable railroad. If—

"(A) such financial assistance is not provided;

"(B) a State (or a local or regional transportation authority) has not, by the end of such 180-day mandatory operation period, offered a rail service continuation payment pursuant to subsection (c)(2)(A) of this section;

"(C) an applicable rail service continuation payment pursuant to such subsection (c)(2)(A) is not paid when it is due; or

"(D) a payment required under a lease or agreement, pursuant to section 303(b)(2) of this title or subsection (c)(2)(B) of this section, is not paid when it is due,

the Corporation (or, where applicable, the National Railroad Passenger Corporation, a profitable railroad, or the trustee or trustees of a railroad in reorganization in the region) may (i) discontinue such rail passenger service, and (ii) with respect to rail properties not designated for inclusion in the final system plan, abandon such properties pursuant to subsections (a) and (b) of this section.

"(3) Nothing in this subsection shall be construed to affect the obligation of the Corporation (or a profitable railroad), or of the trustees of the railroads in reorganization in the region, to provide rail passenger service pursuant to section 303(b)(2) of this title or subsection (c)(2)(B) of this section.

"(4) If a State (or a local or regional transportation authority)—

"(A) offers a rail service continuation payment, pursuant to subsection (c)(2)(A) of this section and under regulations issued by the Office pursuant to section 205(d)(5) of this Act, for the operation of rail passenger service after the 180-day mandatory operation period, and

"(B) provides compensation for operations conducted at a loss during the 180-day mandatory operation period,

the Corporation (or a profitable railroad) shall continue to provide such service after the end of such period, except as otherwise provided in this subsection.

"(5)(A) The Secretary shall reimburse the Corporation (or a profitable railroad) for any loss which is incurred by it during the 180-day mandatory operation period specified in paragraph (1) of this subsection which is not compensated for by a State (or a local or regional transportation authority). The amount of such reimbursement shall be determined pursuant to section 17(a)(1) of the Urban Mass Transportation Act of 1964 and under regulations issued by the Office pursuant to section 205(d)(5) of this Act.

"(B) The Secretary shall reimburse States, local public bodies, and agencies thereof for additional costs incurred by such States, bodies, and agencies for rail service continuation payments for rail passenger service pursuant to section 17(a)(2) of the Urban Mass Transportation Act of 1964 and under regulations issued by the Office pursuant to section 205(d)(5) of this Act.

"(C) If a dispute arises with respect to the application of any such regulations, the parties to such dispute may submit such dispute to arbitration by a third party. If the parties are unable to agree upon the selection of an arbitrator, the Chairman of the Commission shall serve in that capacity (except as to matters required to be decided by the Commission, pursuant to section 402(a) of the Rail Passenger Service Act (45 U.S.C. 562(a))).

"(6) Notwithstanding any other provision of this subsection, the Corporation is not obligated to provide rail passenger service on rail properties if a State (or a local or regional transportation authority) contracts for such service to be provided on such properties by an operator other than the Corporation, except that the Corporation shall, where appropriate, provide such operator with access to such properties for such purpose.

"(f) Purchase.—If an offer to purchase is made under subsection (c)(2)(C) of this section, such offer shall be accompanied by an offer of a rail service continuation payment. Such payment shall continue until the purchase transaction is completed, unless a railroad assumes operations over such rail properties of its own account pursuant to an order or authorization of the Commission. Whenever a railroad in reorganization in the region or a profitable railroad gives notice of intent to discontinue service pursuant to subsection (a) of this section, such railroad shall, upon the request of anyone apparently qualified to make an offer to purchase or to provide a rail service continuation payment, promptly make available its most recent reports on the physical condition of such property, together with such traffic and revenue data as would be required under subpart B of part 1121 of chapter X of title 49 of the Code of Federal Regulations and such other data as are necessary to ascertain the avoidable costs of providing service over such rail properties.

"(g) Abandonment by Corporation.—After the rail system to be operated by the Corporation or a subsidiary thereof under the final system plan has been in operation for 2 years, the Commission may authorize the Corporation or a subsidiary thereof to abandon any rail properties as to which it determines that rail service over such properties is not required by the public convenience and necessity, if the Corporation or a subsidiary thereof can demonstrate that no State (or local or regional transportation authority) is willing to offer a rail service continuation payment pursuant to subsection (c) of this section. The Commission may, at any time after the effective date of the final system plan, authorize additional rail service in the region or authorize the abandonment of rail properties which are not being operated by the Corporation or any subsidiary or affiliate thereof or by any other person. Determinations by the Commission under this subsection shall be made pursuant to applicable provisions of the Interstate Commerce Act.

"(h) Interim Abandonment.—After the date of enactment of this section and prior to the date of conveyance (pursuant to section 303(b)(1) of this title), no railroad in reorganization in the region may discontinue service or abandon any line of railroad other than in accordance with the provisions of this Act, unless (1) it is authorized to do so by the Association, and (2) no affected State (or local or regional transportation authority) reasonably opposes such action, notwithstanding any provision of any other Federal law, the constitution or law of any State, or the decision or order of, or the pendency of any proceeding before any Federal or State court, agency, or authority.

"(i) Disposition of Designated Rail Properties.—No railroad in reorganization in the region and no person leased, operated or controlled by such a railroad shall sell, transfer, encumber, or otherwise dispose of rail property, or any right or interest therein, designated for transfer to the Corporation or conveyance to a profitable railroad in the final system plan, except pursuant to section 303 (b) of this title. The provisions of this subsection shall not apply to any such sale, transfer, encumbrance, or other disposition—

"(1) as to which the Association generally or specifically consents in writing;

"(2) which, prior to enactment of the Railroad Revitalization and Regulatory Reform Act of 1976, had been specifically approved by a United States district court having jurisdiction over the reorganization of a railroad in reorganization under section 77 of the Bankruptcy Act (11 U.S.C. 205); or

"(3) following certification to the special court, pursuant to section 209(c) of the Regional Rail Reorganization Act of 1973, of any such rail properties not previously so certified.

"(j) Exemption.—(1) No local public body which provides mass transportation services and which is otherwise subject to the Interstate Commerce Act shall, with respect to the provision of such services, be subject to the Interstate Commerce Act or to rules, regulations and orders promulgated under such Act, except that any such local public body shall continue to be subject to applicable Federal laws pertaining to (A) safety, (B) the representation of employees for purposes of collective bargaining, and (C) employment retirement, annuity, and unemployment systems or any other provision pertaining to dealings between employees and employers.

"(2) For purposes of this subsection, the term—

"(A) 'local public body' has the meaning prescribed for such term in section 12(c)(2) of the Urban Mass Transportation Act (49 U.S.C. 1608(c)(2)) and includes any person or entity which contracts with a local public body to provide transportation services; and

"(B) 'mass transportation' has the meaning prescribed for such term in section 12 (c)(5) of the Urban Mass Transportation Act (49 U.S.C. 1608(c)(5))."

CONTINUATION ASSISTANCE

Sec. 805. (a) Section 402 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 762) is amended to read as follows:

"RAIL SERVICE CONTINUATION ASSISTANCE

"Sec. 402. (a) General.—(1) The Secretary shall provide financial assistance in accordance with this section to assist in the provision of rail service continuation payments, the acquisition or modernization of rail properties, including the preservation of rights-of-way for future rail service, the construction or improvement of facilities necessary to accommodate the transportation of freight previously moved by rail service, and the cost of operating and maintaining rail service facilities such as yards, shops, docks, or other facilities useful in facilitating and maintaining main line or local rail service. The Federal share of the costs of any such assistance shall be as follows: (A) 100 percent for the 12-month period following the date that rail properties are conveyed pursuant to section 303(b)(1) of this Act; and (B) 90 percent for the succeeding 12-month period.

"(2) The Secretary shall, within one year after the date of enactment of the Railroad Revitalization and Regulatory Reform Act of 1976, promulgate standards and procedures under which the State share of such cost may be provided through in-kind benefits such as forgiveness of taxes, trackage rights, and facilities which would not otherwise be provided.

"(3) The Secretary, in cooperation with the Secretary of Labor, the Association, and the Commission, shall assist States and local or regional transportation authorities in negotiating initial operating or lease agreements and shall report to the Congress not later than 30 days after the date of enactment of the Railroad Revitalization and Regulatory Reform Act of 1976 on the progress of such negotiations. The Secretary may, with the concurrence of a State, enter directly into operating or lease agreements with railroads designated to provide service under section 304(d) of this Act, and with the trustees of railroads in reorganization in the region over whose rail properties such service will be provided, to assure the uninterrupted continuation of rail service after such date of conveyance. Such agreements may be entered into only during the period when the Federal share is 100 percent. Payments shall be made from the funds to which a State would otherwise be entitled under this section.

"(b) Entitlement.—(1) Each State in the region which is, pursuant to subsection (c) of this section, eligible to receive rail service continuation assistance is entitled to an amount equal to the total amount authorized and appropriated for such purpose multiplied by a fraction whose numerator is the rail mileage in such State which is eligible for rail service continuation assistance under this section and whose denominator is the rail mileage in all of the States in the region which are eligible for rail service continuation assistance under this section. Notwithstanding the preceding sentence, the entitlement of each State shall not be less than 3 percent of the funds appropriated. Not more than 5 percent of a State's entitlement may be used for rail planning activities. For purposes of this subsection, rail mileage shall be measured by the Secretary in consultation with the Interstate Commerce Commission. Any portion of the entitlement of any State which is withheld, in accordance with this section, and any such sums which are not used or committed by a State shall be reallocated immediately, to the extent practicable among the other States in accordance with the formula set forth in this subsection. In addition to amounts provided pursuant to such rail mileage formula, funds shall also be made available to each State for the cost of operating and maintaining rail service facilities such as yards, shops, and docks which are useful in facilitating and maintaining mainline or local rail services and which are contained in each State's rail plan, except that (A) any such assistance shall extend for a period of only 12 months following the date rail properties are conveyed under section 303(b)(1) of this Act, and (B) no railroad shall be required to operate such facilities. With respect to the limitation on assistance for rail service facilities under the preceding sentence, the Secretary shall, not later than 90 days prior to the end of such 12-month period, submit a report to the Congress in conjunction with a designated State agency, recommending future action with respect to such facilities.

"(2) For a period of not more than 1 year following the date rail properties are conveyed pursuant to section 303(b)(1) of this Act, the Secretary is authorized to provide financial assistance, from the funds to which a State would otherwise be entitled under this section for the continuation of local rail services, to any person determined by the Secretary to be financially responsible who will enter into any operating and lease agreements with railroads designated to provide service under section 304(d) of this Act, regardless of the eligibility of the State, where the applicable rail properties are located, to receive assistance under subsection (c) of this section. In any case in which a State is eligible to receive rail service continuation assistance under subsection (c) of this section, States shall have priority to receive such payments over any other person eligible under this paragraph and no other person eligible under this paragraph shall receive such payments unless his application therefor has been approved by the State agency designated under subsection (c) to administer the State plan.

"(c) Eligibility.—(1) A State in the region is eligible to receive financial assistance pursuant to subsection (b) of this section if, in any fiscal year—

"(A) the State has established a State plan for rail transportation and local rail services (herein referred to as the 'State rail plan') which is administered or coordinated by a designated State agency and such plan includes a suitable process for updating, revising, and amending such plan and provides for the equitable distribution of such financial assistance among State, local, and regional transportation authorities;

"(B) the State agency (i) has authority and administrative jurisdiction to develop, promote, supervise, and support safe, adequate, and efficient rail services, (ii) employs or will employ, directly or indirectly, sufficient trained and qualified personnel, and (iii) maintains or will maintain adequate programs of investigation, research, promotion, and development with provision for public participation;

"(C) the State provides satisfactory assurance that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this title to the State; and

"(D) the State and complies with the regulations of the Secretary issued under this section.

"(2) The rail freight services which are eligible for rail service continuation assistance pursuant to this section are—

"(A) those rail services of railroads in reorganization in the region, or persons leased, operated, or controlled by any such railroad, which the final system plan does not designate to be continued;

"(B) those rail services, or rail properties referred to in section 304(a)(2) of this Act;

"(C) those rail services in the region which have been, at any time during the 5-year period prior to the date of enactment of this Act, or which, are subsequent to the date of enactment of this Act, owned, leased, or operated by a State agency or by a local or regional transportation authority, or with respect to which a State, a political subdivision thereof, or a local or regional transportation authority has invested (at any time during the 5-year period prior to the date of enactment of this Act), or invests (subsequent to the date of enactment of this Act), substantial sums for improvement or maintenance of rail service; or

"(D) those rail services in the region with respect to which the Commission authorizes the discontinuance of rail services or the abandonment of rail properties, effective on or after the date of enactment of this Act.

"(3) The rail freight properties which are eligible to be acquired or modernized with financial assistance pursuant to subsection (b) of this section are those rail properties which are used for services eligible for rail service continuation assistance, pursuant to paragraph (2) of this subsection, including those properties which are identified, in the applicable State rail plan as having potential for future use for rail freight service.

"(4) The facilities which are eligible to be constructed or improved with financial assistance pursuant to subsection (b) of this section are those facilities in the region (including intermodal terminals and highways or bridges) which are needed in order to provide rail freight service which will no longer be available because of the discontinuance of rail freight service under section 304 of this Act or other lawful authority. No funds provided under this paragraph may be used to pay the State share of any highway projects under title 23, United States Code.

"(5) Rail properties are eligible to be acquired with financial assistance pursuant to subsection (b) of this section if (A) they are to be used for intercity or commuter rail passenger service, and (B) they pertain to a line in the region (other than rail properties designated in accordance with section 206(c)(1)(C) of this Act) which, if so acquired, (i) would enable the National Railroad Passenger Corporation to serve, more efficiently, a route which it operated on November 1, 1975, (ii) would provide intercity rail passenger service designated by the Secretary under title II of the Rail Passenger Service Act, or (iii) would provide such service over a route designated for service pursuant to section 403(c) of the Rail Passenger Service Act (45 U.S.C. 563(c)).

"(d) Regulations.—Within 90 days after the date of enactment of this Act, the Secretary shall issue, and may from time to time amend regulations with respect to the provision of financial assistance under this title.

"(e) Payment.—The Secretary shall pay to each eligible State in the region an amount equal to its entitlement under subsection (b) of this section.

"(f) Records, Audit, and Examination.—(1) Each recipient of financial assistance under this section, whether in the form of grants, subgrants, contracts, subcontracts, or other arrangements, shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of 3 years after completion of the project or undertaking referred to in paragraph (1) of this subsection, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants, contracts, or other arrangements referred to in such paragraph.

"(g) Withholding.—If the Secretary, after reasonable notice and an opportunity for a hearing to any State agency, finds that a State is not eligible for financial assistance under subsections (c) and (d) of this section, payment to such State shall not be made until there is no longer any failure to comply.

"(h) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary to carry out the purposes of this section an amount not to exceed $180,000,000 without fiscal year limitation. Such sums as are appropriated shall remain available until expended.

"(i) Definition.—As used in this section, the term 'rail service continuation assistance' includes expenditures made by a State (or a local or regional transportation authority), at any time during a 1-year period preceding the date of enactment of this Act, or subsequent to the date of enactment of this Act, for acquisition, rehabilitation, or modernization of rail facilities on which rail freight services would have been curtailed or abandoned but for such expenditures.".

(b) Section 403(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 763), is amended by striking the colon and the proviso and inserting in lieu thereof a period.

(c) Section 403(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 763(b)) is amended by striking the last sentence thereof and inserting in lieu thereof the following: "Notwithstanding any other provision of this title, a State may expend sums received by it under paragraphs (1) and (2) of section 402(b) of this title for acquisition and modernization pursuant to this section, or for any project designated pursuant to a State rail plan.".

REPEAL

Sec. 806. Effective on the date of the second anniversary of the date on which rail properties are conveyed, pursuant to section 303(b)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743), title IV of such Act is repealed.

RAIL PASSENGER SERVICE

Sec. 807. Section 206(d)(5) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 716(d)(5)) is amended to read as follows:

"(5) All properties—

"(A) transferred by the Corporation pursuant to sections 206(c)(1)(C) and 601(d) of this Act;

"(B) transferred by the Corporation to any State (or local or regional transportation authority), pursuant to subsection (c)(1)(D) of this section, or

"(C) transferred by the Corporation to any State, local or regional transportation authority, or the National Railroad Passenger Corporation, within 900 days after the date of conveyance, pursuant to section 303(b)(1) of this Act, to meet the needs of commuter or intercity rail passenger service,

shall be transferred at a value related to the value received from the Corporation pursuant to the final system plan for the transfer to such Corporation of such properties. The value of any such properties, which are transferred pursuant to subparagraph (B) or (C) of this paragraph, shall be adjusted to reflect the value attributable to any applicable maintenance and improvement provided by the Corporation (to the extent the Corporation has not been released from the obligation to pay for such improvements) and the cost to the Corporation of transferring such properties.".

EMERGENCY OPERATING ASSISTANCE

Sec. 808. The Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following new section:

"EMERGENCY OPERATING ASSISTANCE

"Sec. 17. (a) The Secretary shall provide financial assistance for the purpose of reimbursing—

"(1) the Consolidated Rail Corporation, the National Railroad Passenger Corporation, other railroads, and, if applicable, the trustee or trustees of a railroad in reorganization in the region (as defined in section 102 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 702)) for the costs of rail passenger service operations conducted at a loss during the 180-day mandatory operation period, as required under section 304(e) of such Act (45 U.S.C. 744(e)). Such reimbursement shall cover all costs not otherwise paid by a State or a local or regional transportation authority which would have been payable by such State or authority, pursuant to regulations issued by the Office under section 205(d)(5) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 715) if such regulations had been in effect on the date of conveyance of rail properties under section 303(b)(1) of such Act; and

"(2) States, local public bodies, and agencies thereof for additional costs incurred by such States, bodies, and agencies with respect to rail passenger service required by section 304(e)(4) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 744(e)(4)).

"(b) Financial assistance under subsection (a) of this section shall not apply to intercity rail passenger service provided pursuant to an agreement with the National Railroad Passenger Corporation which was in effect immediately prior to such date of conveyance.

"(c) Financial assistance provided pursuant to subsection (a) of this section shall be subject to such terms, conditions, requirements, and provisions as the Secretary may deem necessary and appropriate with such reasonable exceptions to requirements and provisions otherwise applicable under this Act as the Secretary may deem required by the emergency nature of the assistance authorized by this section. Nothing in this section shall authorize the Secretary to waive the provisions of section 13(c) of this Act.

"(d) The Federal share of the costs of any rail passenger service required by subsections (c) and (e) of section 304 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 744(c) and (e)) shall be as follows:

"(1) 100 percent of the costs eligible under subsections (a)(1) or (a)(2) of this section for the 180-day mandatory operation period required by section 304(e) of such Act;

"(2) 100 percent for the 180-day period following the 180-day mandatory operation period;

"(3) 90 percent for the 12-month period succeeding the period specified in subparagraph (2) of this subsection; and

"(4) 50 percent for the 180-day period succeeding the period specified in subparagraph (3) of this subsection.

No assistance may be provided beyond the time specified in subsection (d)(3) of this section, unless the applicant for such assistance provides satisfactory assurances to the

Secretary that the service for which such assistance is sought will be continued after the termination of the assistance authorized by this section.

"(e) The terms and provisions which are applicable to assistance provided pursuant to this section shall be consistent, insofar as is practicable, with the terms and provisions which are applicable to operating assistance under section 5 of this Act.

"(f) To finance assistance under this section, the Secretary may incur obligations on behalf of the United States in the form of grants, contract agreements, or otherwise in such amounts as are provided in appropriations Acts, in an aggregate amount not to exceed $125,000,000, as follows: (1) not to exceed $40,000,000 by September 30, 1976, (2) not to exceed $95,000,000 by September 30, 1977, and (3) not to exceed $125,000,000 by September 30, 1978. Sums so appropriated are authorized to remain available until expended.".

CONVERSION OF ABANDONED RAILROAD RIGHTS-OF-WAY

Sec. 809. (a) Study.—The Secretary shall, within 360 days after the date of enactment of this Act, and in consultation with the Secretary of the Interior, the Office, the Association, the Environmental Protection Agency, any other appropriate Federal agency, any appropriate State and regional transportation agency, any other appropriate State and local governmental entities, and any appropriate private groups and individuals, prepare and submit to the Congress and the President a report on the conversion of railroad rights-of-way. This report shall evaluate and make suggestions concerning potential alternate uses of, and public policy with respect to the conversion of, railroad rights-of-way on which service has been discontinued or is likely to be discontinued. This report shall include—

(1) an inventory statement developed by the Secretary as to all abandoned railroad rights-of-way and significant segments of such rights-of-way which retain their linear characteristics, including, as to each, identification of the owner of record and an evaluation of its topography, characteristics, condition, approximate value, and alternate use suitability;

(2) an evaluation of the advantages of establishing a rail bank consisting of selected such rights-of-way, as a means of assuring their availability for potential railroad use in the future, a discussion of interim uses for such rights-of-way, the development of conveyancing and leasing forms, conditions, and practices to assure such availability, a projection as to the costs of such a program and recommendations regarding the administration of such a program;

(3) a survey of existing Federal, State, and local programs utilizing or attempting to utilize abandoned railroad rights-of-way for public purposes, including an assessment of the benefits and costs of each; and

(4) an assessment and evaluation of suggestions for more effective public utilization of abandoned railroad rights-of-way, including recommendations for legislative, administrative, and regulatory action, if any, and proposals as to the optimum level of funding therefor.

(b) Information and Funding.—The Secretary of the Interior, after consultation with the Secretary, shall, in accordance with this subsection, provide financial, educational, and technical assistance to local, State, and Federal governmental entities for programs involving the conversion of abandoned railroad rights-of-way to recreational and conservational uses, in such manner as to coordinate and accelerate such conversion, where appropriate. Such assistance shall include—

(1) encouraging and facilitating exchanges of information dealing with the availability of railroad rights-of-way, the technology involved in converting such properties to such public purposes, and related matters;

(2) making grants, in consultation with the Bureau of Outdoor Recreation of the Department of the Interior, to State and local governmental entities to enable them to plan, acquire, and develop recreational or conservational facilities on abandoned railroad rights-of-way, which grants shall cover not more than 90 percent of the cost of the planning, acquisition, or development activity of the particular project for which funds are sought;

(3) allocating funds to other Federal programs concerned with recreation or conservation in order to enable abandoned railroad rights-of-way, where appropriate, to be included in or made into national parks, national trails, national recreational areas, wildlife refuges, or other national areas dedicated to recreational or conservational uses; and

(4) providing technical assistance to other Federal agencies, States, local agencies, and private groups for the purpose of enhancing conversion projects. To increase the available information and expertise, the Secretary may contract for special studies or projects and may otherwise collect, evaluate, and disseminate information dealing with the utilization of such rights-of-way.

(c) Conforming Amendment.—Section 1a of the Interstate Commerce Act, as inserted by this Act is amended by redesignating paragraph (10) thereof as paragraph (11), and by inserting immediately after paragraph (9) the following new paragraph:

"(10) In any instance in which the Commission finds that the present or future public convenience and necessity permit abandonment or discontinuance, the Commission shall make a further finding whether such properties are suitable for use for other public purposes, including roads or highways, other forms of mass transportation, conservation, energy production or transmission, or recreation. If the Commission finds that the properties proposed to be abandoned are suitable for other public purposes, it shall order that such rail properties not be sold, leased, exchanged, or otherwise disposed of except in accordance with such reasonable terms and conditions as are prescribed by the Commission, including, but not limited to, a prohibition on any such disposal, for a period not to exceed 180 days after the effective date of the order permitting abandonment unless such properties have first been offered, upon reasonable terms, for acquisition for public purposes.".

(d) Authorization of Appropriations.—There are authorized to be appropriated to carry out the provisions of this section, not to exceed $6,000,000 for the fiscal year and the transitional fiscal period ending September 30, 1976, not to exceed $7,000,000 for the fiscal year ending September 30, 1977, and not to exceed $7,000,000 for the fiscal year ending September 30, 1978. Sums appropriated pursuant to this authorization are authorized to remain available until expended. Of the funds appropriated, at least four-fifths are to be made available to the Secretary of the Interior to carry out subsection (b) of this section.

RAIL BANK

Sec. 810. (a) Establishment.—The Secretary shall, within 180 days after the date of enactment of this Act, and after consultation with the Secretary of the Interior and the Secretary of Commerce, in accordance with this section, establish a rail bank to consist of rail trackage and other rail properties eligible under this subsection, for purposes of preserving existing service in certain areas of the United States in which fossil fuel natural resources or agricultural production is located. The Secretary may include in such rail bank any railroad trackage or other rail properties which are listed for consideration for inclusion in a rail bank under part III, section C, of the final system plan.

(b) Powers.—(1) The Secretary may acquire, by lease, purchase, or in such other manner as he considers appropriate, rail properties or any interests therein eligible for inclusion in the rail bank established under this section. Except as provided in paragraph (2) of this subsection, the Secretary may hold rail properties acquired for such rail bank, and may sell, lease, grant rights over, or otherwise dispose of interests or rights in connection with such rail properties.

(2) The Secretary may not dispose of any such rail properties pursuant to paragraph (1) of this subsection if he determines, after consultation with the Secretary of the Interior and the Secretary of Commerce, that such disposition would adversely affect the availability of such properties for any continued necessary access to, and egress by rail from, facilities in which fossil fuels are being or can be extracted or processed.

(c) Authorization of Appropriations.—There are authorized to be appropriated to the Secretary for purposes of carrying out the provisions of this section such sums as are necessary, not to exceed $6,000,000. Sums appropriated pursuant to this section are authorized to remain available until expended.

TITLE IX—MISCELLANEOUS PROVISIONS

COMPREHENSIVE STUDY OF RAIL SYSTEM

Sec. 901. The Secretary shall conduct a comprehensive study of the American railway system. Such study shall commence not later than 45 days after the date of enactment of this Act. Such study shall include—

(1) a showing of the potential cost savings and of possible improvements in service quality which could result from restructuring the railroads in the United States;

(2) an identification of the potential economies and improvements in performance which could result from the improvement of local and terminal operations;

(3) estimates as to potential savings in the cost of rehabilitating the United States railway system if rehabilitation is limited to those portions of such system which are essential to interstate commerce or national defense;

(4) an assessment of the extent to which common or public ownership of fixed facilities could improve the national rail transportation system;

(5) an assessment of the potential effects of alternative rail corporate structures upon the national rail transportation system;

(6) a listing, in order of descending priority, of the rail properties which should be improved to the extent necessary to permit high-speed rail passenger or freight service over such properties, in terms of the costs and benefits of such improvements and the reasons therefor; and

(7) an estimate of the potential benefits of railroad electrification for high density rail lines in the United States, and an evaluation of the costs and benefits of electrifying rail lines in the United States with a high density of traffic, including—

(A) the capital costs of such electrification and the oil fuel economies which would be derived therefrom, the ability of existing power facilities to supply the additional power required, and the amount of coal or other fossil fuels required to generate the power necessary for railroad electrification; and

(B) the advantages to the environment of electrification of railroads in terms of reduced fuel consumption and air pollution, and the disadvantages to the environment from increased use of fuels such as coal; and

(8) a survey and analysis of the financial and physical condition of the facilities, rolling stock and equipment of the various railroads in the United States.

Within 40 days after the date of enactment of this Act, the Secretary shall submit a report to the Congress setting forth the results of the study conducted pursuant to this section.

STUDY OF AID TO RAIL TRANSPORTATION

Sec. 902. (a) Study.—Within 30 days after the date of the enactment of this Act, the Secretary shall initiate a comprehensive study and analysis of (1) past and present policies and methods of providing Federal aid for the construction, improvement, operation, and maintenance of rail transportation facilities and services, (2) the relationship of such policies and methods to the policies and methods of providing Federal aid for other modes of transportation, and (3) or whether common carriers by railroad have been or are disadvantaged by reason of such policies and methods, and, if such carriers have been or are disadvantaged, the extent of such disadvantage. The Secretary shall examine ways and means by which future policy respecting Federal aid to rail transportation may be so determined and developed as to encourage the establishment and maintenance of an open and competitive market in which rail transportation competes on equal terms with other modes of transportation, and in which market shares are governed by customer preference based upon the service and full economic costs.

(b) Cooperation.—The Commission and the Secretary of the Army are authorized and directed to cooperate fully with the Secretary in carrying out the purposes of this section, and also to submit such independent and separate reports, comments, and recommendations as they consider appropriate.

(c) Information.—In carrying out the purposes of this section, the Secretary may require all common carriers by railroad to file such reports containing such information as the Secretary considers necessary. The Secretary shall have the power to require by subpoena the production of such books, papers, tariffs, contracts, agreements, or other documents or data of a common carrier by railroad related to the study and analysis as he considers relevant. The Secretary may treat as confidential and privileged any document, data, or information received for such study and analysis, notwithstanding the provisions of section 552 of title 5 United States Code.

(d) Report to Congress.—Within 1 year after the date of enactment of this Act, the Secretary shall complete the study and analysis authorized and directed by this section, and shall transmit a report to the Congress containing his findings and conclusions, together with his recommendations for a sound and rational policy with respect to Federal aid to rail transportation.

STUDY OF CONGLOMERATES

Sec. 903. The Commission shall undertake a study of conglomerates and of such other corporate structures as are presently found within the rail transportation industry. The Commission shall determine what effects, if any, such diverse structures have on effective transportation, on intermodal competition, on revenue levels, and on such other aspects of national transportation as the Commission considers to be legitimate subjects of study. The Commission shall prepare a report with appropriate recommendations and shall submit its report to the Congress within 1 year after the date of enactment of this Act.

RAIL ABANDONMENT REPORT

Sec. 904. The Secretary shall submit to the Congress, within 90 days after the date of enactment of this Act, a comprehensive report on the anticipated effect, including the environmental impact, of any abandonments of lines of railroad and any discontinuances of rail service in States outside the region, as defined in section 102 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 702).

NONDISCRIMINATION

Sec. 905. (a) General.—No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, or denied the benefits of, or be subjected to discrimination under, any project, program, or activity funded in whole or in part through financial assistance under this Act.

(b) Compliance.—(1) Whenever the Secretary determines that any person receiving financial assistance, directly or indirectly, under this Act, or under any provision of law amended by this Act, has failed to comply with subsection (a) of this section, with any Federal civil rights statute, or with any order or regulation issued under such a statute, the Secretary shall notify such person of such determination and shall direct such person to take such action as may be necessary to assure compliance with such subsection.

(2) If, within a reasonable period of time after receiving notification pursuant to paragraph (1) of this subsection, such person fails or refuses to comply with subsection (a) of this section, the Secretary shall—

(A) direct that no further Federal financial assistance be provided to such person;

(B) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(C) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and/or

(D) take such other actions as may be provided by law.

(c) Civil Action.—Whenever a matter is referred to the Attorney General pursuant to subsection (b) of this section, or whenever the Attorney General has reason to believe that any person is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may commence a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

(d) Regulations.—The Secretary may prescribe such regulations and take such actions as are necessary to monitor, enforce, and affirmatively carry out the purposes of this section.

(e) Judicial Review.—Any determinations made or actions taken by the Secretary pursuant to this section shall be subject to judicial review.

(f) Definition.—For purposes of this section, the term "financial assistance" includes obligation guarantees.

MINORITY RESOURCE CENTER

Sec. 906. The Department of Transportation Act (49 U.S.C. 1651 et seq.) is amended (1) by redesignating sections 11 through 15 thereof as sections 12 through 16 thereof, and (2) by inserting a new section 11 as follows:

"MINORITY RESOURCE CENTER

"Sec. 11. (a) The Secretary shall, within 180 days after the date of enactment of this section, establish a Minority Resource Center (hereafter in this section referred to as the 'Center').

"(b) The Center shall have an Advisory Committee, which shall consist of 5 individuals appointed by the Secretary from lists of 3 qualified individuals recommended by minority-dominated trade associations in the minority business community.

"(c) The Center is authorized to—

"(1) establish and maintain, and disseminate information from, a national information clearing house for minority entrepreneurs and businesses, for purposes of furnishing, to such entrepreneurs and businesses, information with respect to business opportunities involving the maintenance, rehabilitation, restructuring, improvement, and revitalization of the Nation's railroads;

"(2) assist minority entrepreneurs and businesses in obtaining investment capital and debt financing;

"(3) conduct market research, planning, economic and business analyses, and feasibility studies to identify such opportunities;

"(4) design and conduct programs to encourage, promote, and assist minority entrepreneurs and businesses to secure contracts, subcontracts, and projects related to the maintenance, rehabilitation, restructuring, improvement, and revitalization of the Nation's railroads;

"(5) enter into such contracts, cooperative agreements, or other transactions as may be necessary in the conduct of its functions and duties;

"(6) develop support mechanisms, including venture capital, surety and bonding organizations, and management and technical services, which will enable minority entrepreneurs and businesses to take advantage of business opportunities related to the maintenance, rehabilitation, restructuring, improvement, and revitalization of the Nation's railroads; and

"(7) participate in, and cooperate with, all Federal programs and other programs designed to provide financial, management, and other forms of support and assistance to minority entrepreneurs and businesses.

"(d) The United States Railway Association, the Consolidated Rail Corporation, and the Secretary shall provide the Center with such relevant information, including procurement schedules, bids, and specifications with respect to particular maintenance, rehabilitation, restructuring, improvement, and revitalization projects, as may be requested by the Center in connection with the performance of its functions.

"(e) As used in this section, the term 'minority' includes women.".

And the House agree to the same.

Harley O. Staggers,
Fred B. Rooney,
Brock Adams,
Ralph H. Metcalfe,
W. G. Hefner,
Jim Santini,
James J. Florio,
Samuel L. Devine,
Joe Skubitz,
James T. Broyhill,
Managers on the Part of the House.

Vance Hartke,
Frank E. Moss,
John O. Pastore,
Wendell H. Ford,
Adlai E. Stevenson,
Daniel K. Inouye,
Warren G. Magnuson,
J. Glenn Beall, Jr.,
James L. Buckley,
Lowell P. Weicker, Jr.,
James B. Pearson,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the text of the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of

the Senate bill after the enacting clause and inserted a substitute text, and the Senate disagreed to the House amendment.

The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment.

The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by reason of agreements reached by the conferees, and minor drafting and clarifying changes.

Unless otherwise indicated, references to provisions of existing law refer to provisions of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.).

LEGISLATIVE BACKGROUND

S. 2718 was reported by the Committee on Commerce of the Senate on November 26, 1975, and passed by the Senate on December 4, 1975. H.R. 10979 was reported by the Committee on Interstate and Foreign Commerce of the House of Representatives on December 12, 1975, and passed by the House, as an amendment to the text of S. 2718, on December 18, 1976. The Committee of Conference ordered a conference substitute to the bill, S. 2718, reported and on December 19, 1975, this conference report was passed by the Senate and the House of Representatives. On January 20, 1976, the House of Representatives voted, and on January 21, 1976, the Senate voted, to pass H. Con. Res. 527, which vacated the conference report approved December 19, 1975 and recommitted the matter to the Committee of Conference. On January 22, 1976, the Committee of Conference ordered reported the conference substitute to which this joint statement of managers is attached.

SUMMARY AND DESCRIPTION

Title I—General Provisions

Title I of the conference substitute sets forth the congressional declaration of policy and contains definitions of terms used throughout the legislation.

Title II—Railroad Rates

Title II amends part I of the Interstate Commerce Act to provide for an extensive overhaul of railroad rate regulation by the Interstate Commerce Commission. The provisions eliminate needless or harmful regulatory constraints on railroads, and they prescribe ratemaking practices which will encourage effective competition and protect consumers.

(1) This title establishes new standards for determining whether a railroad rate is just and reasonable. Under the new standards, no railroad rate can be found to be too low if it contributes to the going concern value of the railroad proposing it (a rate which equals or exceeds variable costs is presumed to contribute to going concern value). In addition, no railroad rate can be found to be unjustly or unreasonably high, unless the ICC finds that the proponent carrier has market dominance over the service involved; market dominance means the absence of effective competition for the traffic to which the rate applies. In cases in which the Commisison finds there is no market dominance, the Commission has no power to suspend the rate on the ground that it is unjustly or unreasonably high. These changes are intended to inaugurate more competitive pricing in rail transportation, but they are not intended to authorize or to be applied to permit predatory competitor conduct. Specific language is included in the conference substitute to provide that no amendment shall be construed to make lawful any competitive practice which is "unfair, destructive, predatory, or otherwise undermines competition which is in the public interest". Further, nothing in these provisions is to modify the application of sections 2, 3, or 4 of the Interstate Commerce Act in determining the lawfulness of any railroad rate.

(2) This title modifies the power of the ICC to suspend proposed railroad rates which are alleged to be unlawful. The ICC has general authority to suspend a proposed rate for 7 months (or for 10 months, if it makes a report to Congress) if a verified complaint is filed that alleges that the rate is unlawful and the complaint shows that, unless the rate is suspended, the proposed rate will cause substantial injury to the complainant and that it is likely that the complainant will prevail on the merits. For 2 years after the date of enactment of this legislation, however, the ICC may not suspend any proposed rate for any period, if the proposed rate does not represent more than a 7% per year increase or decrease over the existing rate, unless (a) the carrier proposing the rate has market dominance over the service involved, (b) the rate is alleged to be unlawful under section 2, 3, or 4 of the Interstate Commerce Act, and (c) the rate would represent a competitive practice that is unfair, destructive, predatory, or otherwise undermines competition which is . . . the public interest.

Other amendments made by this title:

(3) require the ICC to promulgate rules and standards for the establishment of railroad rates based on seasonal, regional, or peak-period demand and to establish by rule expedition procedures permitting the filing of separate rates for distinct rail services;

(4) sets time deadlines and establishes a streamlined procedure for the Commission's resolution of disputes among carriers involving the division of revenues received when goods are transported by two or more carriers pursuant to a joint rate;

(5) specifies factors which the Commission must take into account in determining whether cancellation of joint rates and through routes is consistent with the public interest;

(6) directs the Commission to conduct an investigation to determine whether the rate structure discriminates against recycled and recyclable materials in favor of virgin materials;

(7) requires the Commission to promulgate standards for the establishment and maintenance of adequate revenue levels for railroads; these standards are to be designed to promote honest, economic, and efficient management and to enhance the ability of rail to attract and retain the capital necessary for a sound transportation system;

(8) establishes an expedited procedure for Commission consideration of a proposed rate schedule whose implementation is dependent on a capital investment of $1 million or more;

(9) requires the Commission to exempt from regulation under the Interstate Commerce Act any rail carrier-related person, service, or transportation if regulation would serve little or no useful public purpose and is unnecessary to effectuate the goals of the National Transportation Policy;

(10) reforms the Commission's regulation of rate bureaus (associations of carriers, exempt from the antitrust laws, which publish rates collectively and facilitate the movement of traffic); the changes, designed to make the railroad industry more competitive, restrict the types of agreements that can be made by rate bureaus, require Commission approval and periodic review of agreements, and authorize additional investigatory powers in the Commission with respect to their operation;

(11) directs the Commission to require that all rates be incorporated into tariff publications within 2 years of the rate's publication;

(12) grants the Commission exclusive authority to prescribe rates, regulations or practices for intrastate traffic if the applicable State failed to act within 120 days after a carrier filed a change in an intrastate rate for the purpose of adjusting such rate to accord with rates for similar traffic moving in interstate or foreign commerce;

(13) requires the Commission to establish rules and regulations for the computation of demurrage charges so that freight car utilization is maximized and car owners receive adequate compensation; and

(14) reforms existing law with respect to compensation when one carrier pays for the use of a freight car owned by another carrier.

Title III—Interstate Commerce Commission

Title III contains provisions to reform and improve the process by which Interstate Commerce Commission regulates the railroad system. The conference report—

(1) requires the Commission to make documents available to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce of the Senate within 10 days after request;

(2) removes the requirement that certain orders of the Commission can take effect only after a 30-day waiting period;

(3) makes extensive reforms of the Commission's hearing and appellate procedure, including provisions that impose deadlines for Commission actions and that permit a streamlined decisionmaking procedure in certain circumstances;

(4) establishes on a permanent basis the Office of Rail Public Counsel to represent the interests of communities and users of rail service affected by Commission proceedings;

(5) directs the Commission to develop and submit to Congress a proposal to modernize Commission rules of practice and to facilitate prompt and fair proceedings before the Commission;

(6) prohibits States and localities from imposing taxes at a discriminatory rate on the transportation property of railroads;

(7) directs the Commission to establish a uniform expense and revenue reporting system for common carriers by railroad;

(8) establishes a Rail Services Planning Office within the Commission as a permanent rail planning and policy office;

(9) extends the protections of the Federal securities laws to investors in securities of railroads by repealing certain exemptions under the laws administered by the Securities and Exchange Commission;

(10) states that in rate proceedings, the Commission must consider rate relationships between commodities, ports, points, regions, and territories; and must consider the competitive position of shippers or consignees served by the railroad proposing the rate increase or decrease;

(11) provides for the concurrent submission to the Congress and to the President of Commission budget estimates; and provides for Congressional access to information submitted by the Commission to executive agencies;

(12) directs the Commission to propose a modernization and revision of the Interstate Commerce Act.

Title IV.—Mergers and Consolidations

Title IV contains provisions designed to expedite Commission action on applications for mergers and consolidations of rail services. In the interest of developing a rational, coordinated approach to mergers, the Secretary of Transportation is given broad authority to conduct studies, appear in Commission proceedings, and assist in the development of proposals and recommendations for mergers and consolidation.

The bill takes steps to remedy the chronic problem of extended and unnecessary delay in the Commission's processing of merger applications. The bill reforms the existing procedure by setting time deadlines on each stage of Commission action in merger cases.

The bill also establishes a new, alternative expedited merger procedure which may be used at the option of the party seeking authority for a merger, consolidation, or other unification project. The expedited merger procedure, which remains in effect for six years, differs from the existing procedure in that (1) the initial planning or review process is undertaken by the Secretary rather than in a hearing before the Commission (however, after the plans are completed, they are submitted to the Commission for its approval), (2) it establishes the "public interest" as the standard for the Commission's approval of a merger rather than the standards established under Section 5(2) of the Interstate Commerce Act, and (3) the Commission is directed to approve, disapprove or modify the application before it, . . . interest standard, without concerning itself with applications for inclusion by other parties or other considerations.

Title V.—Railroad Rehabilitation and Improvement Financing

Title V establishes in the Treasury a Railroad Rehabilitation and Improvement Fund to be administered by the Secretary of Transportation. The purpose of the Fund is to provide the capital necessary to furnish financial assistance to railroads including ConRail for facilities maintenance, rehabilitation, improvements, acquisitions and such other financing as the Secretary of Transportation approves.

The conference report directs the Secretary of Transportation to issue and sell Fund anticipation notes to the Secretary of the Treasury. The Secretary of the Treasury is directed to buy the notes to the extent of appropriated funds, and appropriations are authorized until September 30, 1978, for this purpose in an amount not to exceed $600,000,000. The proceeds from the sale of Fund anticipation notes are to be uesd by the Secretary of Transportation (hereinafter "the Secretary") to purchase "redeemable preference shares" issued by railroads whose applications for financing are approved by the Secretary.

To be eligible for rehabilitation and improvement financing under this title, each class I railroad (other than a railroad in reorganization which has elected to be reorganized pursuant to the Railroad Reorganization Act of 1973) is directed to submit to the Secretary an analysis of its rail system and a statement of its traffic density for the preceding 5 years. This analysis must be submitted to the Secretary within 180 days after the enactment of this title.

The Secretary is directed to develop (1) standards for classifying main and branch lines according to the degree to which they are essential to the rail system and (2) designations for each main and branch line in accordance with the standards. After the publication of final standards and designations, any railroad may apply to the Secretary for financial assistance under this title. The application must contain a description of the railroad's proposed facilities rehabilitation and improvement project, the essentiality designation of each main and branch line included in the project, and safety and other information required by the Secretary. The Secretary may approve an application if he or she determines that "providing the requested financial assistance is in the public interest."

The Secretary is to use the proceeds received from the sale of fund anticipation notes to purchase redeemable preference share and/or trustee certificates from railroads whose applications for financial assistance are approved. If the financing application of a solvent railroad is approved, financing is to be in the form of purchase by the Secretary of redeemable preference shares at par issued by the railroad. In the case of railroads in reorganization under section 77 of the Bankruptcy Act, the Secretary may purchase redeemable preference shares or trustee certificates as part of a court-approved plan of reorganization. The total par value of shares and certificates which the Secretary may purchase shall not exceed $600,000,000, of which not more than $100,000,000 may be used to purchase trustee certificates issued by the bankrupt railroads.

The redeemable preference shares purchased by the Secretary are nonvoting. They accrue dividends, beginning 10 years after their issuance, at a rate fixed by the Secretary, and are subject to mandatory redemption at par between 6 and 11 years after issuance. The redemption is to be in annual amounts which, over the period ending not later than 30 years after issuance, aggregate the shares' total par value.

Money is authorized to be appropriated to the Secretary of the Treasury for the purchase of fund anticipation notes only until September 30, 1978. The value of redeemable preferences shares which may be purchased after that time are to be determined by Congress following the receipt of studies and recommendations by the Secretary of Transportation on the amount and type of carrier equity and other financing to be effected through the Fund. The Secretary's recommendations are to be based in part on statements submitted by each class I railroad describing the railroad's deferred maintenance and delayed capital expenditures as of the end of 1975, and the projected amounts of maintenance which should be performed and capital expenditures which should be made during the years from 1976 through 1985. These recommendations are to be based on the Secretary's views of the rail industry's facilities rehabilitation and improvement needs projected through December 31, 1985. Should Congress, in light of the Secretary's study, decide to implement the long-term public sector funding by means of the Fund, the Secretary may issue Fund bonds in the amount authorized by the Congress.

Financial assistance is also available under this title in the form of loan guarantees. The bill authorizes the Secretary to guarantee the payment of the principal balance of and any interest on an obligation if the proceeds of such obligation will be or have been used to acquire or to rehabilitate and improve railroad facilities or equipment. The aggregate unpaid principal amounts of obligations which may be guaranteed by the Secretary may not exceed $1,000,000,000 at any time. Up to $200 million in obligations may be guaranteed for the electrification of certain lines of the Consolidated Rail Corporation between Pittsburgh and Harrisburg, Pennsylvania. Up to $150 million in obligations may be guaranteed by the Secretary of Transportation to finance improvements in the Northeast Corridor.

The bill requires that fair and equitable arrangements be provided to protect the interests of employees who may be affected by actions under this title.

Finally, up to $200 million of the funds authorized by this title may be used to assist in the improvement of passenger services operated by Amtrak or other railroads outside the Northeast Corridor.

Title VI.—Implementation of the Final System Plan

Title VI of the Act contains the provisions necessary to implement the Final System Plan for the Northeast/Midwest Regional rail system.

The bill authorizes the United States Railway Association ("the Association") to purchase up to $2.1 billion of ConRail securities. The first $1 billion will be in the form of Series A preferred stock. The purchases of ConRail securities will take place unless the Finance Committee of the USRA Board of Directors, composed of the Secretary of Transportation, the Secretary of the Treasury, and the Chairman of the Association, makes an affirmative finding that ConRail has:

1) committed and left uncorrected a material violation of any covenants or undertakings made to the Association;

2) has failed to obtain the overall operating (including rehabilitation) and financial results projected in the Final System Plan; or

3) cannot achieve the overall operating (including rehabilitation) and financial results without requiring Federal assistance substantially in excess of that authorized in this bill.

The bill makes clear that: a) the powers of the Finance Committee are limited to those expressly provided therein; b) the Board of Directors of the Association cannot delegate any additional powers to the Finance Committee; and c) the creation of a Finance Committee in no way relieves the Board of Directors of the Association from its responsibilities as an investor in ConRail securities.

Any affirmative finding by the Finance Committee to cut off funds for ConRail cannot become finally effective for a period of 30 calendar days of continuous session of Congress after such a decision is made if either House of Congress passes a resolution of disapproval. During that 30 day period, the Association can purchase whatever ConRail securities are necessary to assure the orderly operation of the Corporation.

The bill provides that ConRail is to issue additional series A preferred stock as payment for interest on the debentures until sufficient cash is available. However, no series A preferred stock can be paid as interest on the debentures after the Association redeems the certificates of value. The Finance Committee may require ConRail to issue contingent interest notes, payable only in bankruptcy, in lieu of the further accumulation of series A preferred stock.

Completing the basic financial package of the Final System Plan is the issuance of certificates of value by the Association to the holders of the series B preferred stock and common stockholders of ConRail. The certificates of value are redeemable by the Association no later than December 31, 1987. In effect, the certificates of value guarantee the transferors of rail properties that they will receive the net liquidation value for their property, as determined by the special court. The transferors are thus guaranteed the constitutional minimum required in the Regional Rail Reorganization Act of 1973.

In order to ensure an orderly transition from the bankrupt railroads to ConRail and acquiring carriers, the bill provides that the Association can make pre-conveyance loans to ConRail to purchase material, supplies and services in anticipation of its operation. Loans can be made to ConRail and acquiring carriers to enable them to pay obligations of the bankrupt carriers in a timely fashion that avoids any disruptions in orderly business relationships. However, this provision does not relieve the bankrupt carriers from the ultimate responsibility for these obligations and ensures that they will be paid as promptly as possible as administrative claims in each bankruptcy court. The total authorization for such loans is set at $230 million.

In order to assure the timely implementation of the industry structure contained in the final system plan, the bill provides deficiency judgment protection by the Federal Government for ConRail on any properties conveyed to it or to profitable railroads, States or a responsible person (including a government entity).

In addition, the bill provides that profitable railroads to whom rail properties are designed in the Final System Plan have up to 7 days after enactment of this bill to exercise their options outlined in the final system plan.

The bill provides that the conveyance of rail properties must take place no later than May 1, 1976. However, it is anticipated that the timely enactment of the bill will result in a conveyance of rail properties and the start-up of ConRail on or about March 31, 1976.

ConRail

The bill provides that ConRail will have a 13-member Board of Directors. Six members will represent the holders of ConRail's debentures and series A preferred stock; three members will represent the series B preferred stockholders: two members will represent the common stockholders; and ConRail's chief executive officer and chief operating officer will serve on the Board. The bill provides that the Board members representing the debentures and series A preferred stock will be named by the holders of those securities, namely the Association. Membership on the Board will be reduced as the government's investment in ConRail is repaid.

Supplemental transactions

The bill provides that if the Secretary of Transportation or USRA determines that a further restructuring of rail properties in the Region would promote the establishment and retention of a financially self-sustaining rail system adequate to meet the needs of the Region, they may develop such proposals. However, the association is limited to developing proposals on properties subject to its jurisdiction under the Regional Rail Reorganization Act of 1973. Each proposal developed pursuant to this section of the bill must be evaluated by the association and published in the Federal Register.

If any proposed transferor or transferee, other than ConRail, objects to the supplemental transfer proposal, it cannot proceed. The ICC has the responsibility to evaluate any proposals that do proceed and has the ability to propose modifications to such proposals, but does not have a veto over such proposed transaction. If the Association then finds that a proposal for a supplemental transaction is in the public interest and consistent with the goals of the Act and the goals of the Final System Plan, it must submit it to the special court. However, the Secretary of Transportation may carry any proposal he initiates to the special court regardless of any USRA determination. The special court can order that a supplemental transfer be implemented if such a transfer is (a) in the public interest; (b) consistent with the purposes of the Act; (c) consistent with the goals of the Final System Plan and (d) is fair and equitable. The special court may suggest modifications to a proposal under this section and the association and/or the Secretary can then resubmit such a proposal along the lines suggested by the special court.

ConRail is authorized to petition the special court to enable it to be posal made under this section developed by the Association or the Secretary. posal made under the section developed by the Association or the Secretary. The bill limits the authority of the Association and the Secretary to develop supplemental transaction proposals to six years after the conveyance of the rail properties under the Act.

The bill makes several changes in the employee protection provisions found in Title V of the Regional Rail Reorganization Act of 1973. For the most part, these changes resulted from the recommendations of the Association, ConRail, acquiring carriers and railroad unions in attempting to implement the existing provisions of Title V.

Title VII.—Northeast Corridor Project Implementation

Title VII implements the Northeast Corridor project, the establishment of high speed intercity rail passenger service in the heavily populated eastern seaboard. The "Northeast Corridor" includes the States of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland and District of Columbia. The Northeast Corridor improvement project is to be funded by the Secretary of Transportation in order to achieve the following goals:

(1) within 5 years, the establishment of regularly scheduled, dependable intercity rail passenger service operating on at least a 3 hour and 40 minute schedule between Boston and New York City, (including intermediate stops) and a 2 hour and 40 minute schedule between New York City and Washington, D.C., (including intermediate stops). $1.75 billion is authorized to be appropriated to the Secretary to meet this goal;

(2) improvements in services on routes to Harrisburg, Pennsylvania, and Albany, New York, from the Northeast Corridor main line, and from Springfield, Massachusetts, to Boston and New Haven, in order to facilitate compatibility with improved high speed rail service on the Northeast Corridor main line.

(3) improvement of stations used in intercity rail passenger service;

(4) improvement and increase in use of rail commuter services, rapid rail transit and local public transportation;

(5) maintenance and improvement of rail freight service to all users located in or adjacent to the Corridor; and

(6) improvement in and expansion of passenger radio telephone service aboard the high speed rail service between Boston and Washington, D.C.

The Secretary of Transportation is directed to submit to Congress within 2 years a report on the results of the intercity rail passenger and rail freight services established and maintained under this title. Within 2 years the Secretary is also required to report on the practicability of establishing of passenger service between Boston and New York City on at least a 3-hour schedule (including intermediate stops); and passenger service between New York City and Washington, D.C. on at least a 2½ hour schedule (including intermediate stops).

Title VIII—Local Rail Services Continuation

Title VIII of the bill clarifies the ICC's authority over railroad abandonments and discontinuances; establishes a local rail service assistance program on a nationwide basis; and makes several changes in the local rail service assistance program for the Northeast/Midwest region originally provided in the Regional Rail Reorganization Act of 1973.

The bill makes clear that the ICC must find that the public convenience and necessity permit the discontinuance of rail service or the abandonment of rail lines before issuing a certificate permitting such abandonment or discontinuance.

In order to facilitate timely notice that service on any individual line may be in jeopardy, the bill requires each railroad to submit to the ICC a diagram of its system identifying any lines that are "potentially subject to abandonment". No line can be abandoned or service discontinued if there is any objection unless a line has been listed for 4 months as "potentially subject to abandonment".

If the ICC finds that the public convenience and necessity permit abandonment or discontinuance, the ICC must postpone the issuance, of a certificate if a financially responsible person offers financial assistance to enable continued service on the line. Such assistance must cover the difference between the revenue attributable to the line and the avoidable cost (as defined in the bill) of providing rail freight service along with a reasonable return on the value of the line.

The bill authorizes the Secretary of Transportation to provide financial assistance to the States for rail freight assistance programs that are designed to cover the costs of: 1) rail service continuation payments; 2) purchasing a line of railroad or rail properties for "rail banking"; 3) rehabilitating and improving a rail line; and 4) reducing the cost of lost rail service in a less expensive way than continued rail service.

The Federal share of the costs of the program is 100% for the first year; 90% for the second year; 80% for the third year; and 70% for the fourth and fifth years. A total authorization of $360 million is provided and the Secretary is given the authority to adjust the Federal share during the fourth and fifth year of the program in light of the funds available under the authorization. Up to $5 million is allocated for use by the States for rail planning purposes. States are allocated funds based on the percentage of rail mileage eligible for assistance located in their State. In order to participate in the program, the States must establish a State rail plan.

During the first two years after the date of conveyance of rail properties under the Act, however, the 17 States located in the Northeast/Midwest Region will come under the provisions of Titles III and IV of the Regional Rail Reorganization Act of 1973 as amended in this bill. After that two-year period, they will become part of the national program provided on the bill.

The bill does make several changes in the local rail service assistance program presently provided for in the Regional Rail Reorganization Act of 1973. It restates all of Section 304 of the Act incorporating several changes needed to ensure the orderly and prompt implementation of the Regional local rail service assistance program. The bill makes clear the obligation of ConRail and other carriers, as determined by the ICC, to provide rail service on lines where an assistance payment is offered. Similarly, the owners of the rail properties involved (trustees of bankrupt railroads) are also obligated to make their properties available for use in the program. The ICC is given the authority to take whatever action is appropriate to ensure that the involved parties comply with the provisions of the Act as amended.

Because the final system plan jeopardizes continued service on some commuter passenger lines, the bill contains provisions designed to permit the continuation of service on those commuter lines during a transition period allowing the affected States and commuter authorities to make decisions on long term service in an orderly and reasonable manner. The bill provides that ConRail must continue service being provided on the date of conveyance for 180 days during which time it will be reimbursed for any losses incurred for the provision of that service under standards to be developed by RSPO ConRail is obligated to continue to provide such service after the initial 180 day period if the appropriate State or commuter authority offers a service assistance payment.

As amended in this bill, Title IV of the Regional Rail Reorganization Act authorizes the Secretary of Transportation to provide assistance to States in the Region to assist in the provision of rail service assistance payments, the acquisition or modernization of rail properties (including "rail banking"), the construction of facilities needed to move freight previously moved by rail and the cost of operating certain rail facilities excluded from the final system plan. The Federal share for the first year of the program is 100 percent and is 90 percent for the second year. After the end of the second year, the program concludes and the 17 States in the Northeast/Midwest Region join the national program authorized elsewhere in this bill. Each State is entitled to funds in proportion to the total rail mileage eligible for assistance located in that State.

The bill does not change the $180 million authorization originally provided in the Regional Rail Reorganization Act for this program.

To ensure the orderly implementation of the program, the bill authorizes the Secretary to enter into operating and lease agreements for a State, if a State makes such a request. In addition, financially responsible persons are made eligible for a period of one year to receive local rail service assistance payments in States that have not become eligible to participate in the program.

To be eligible for the program, States must complete a State rail plan and meet other standards set forth in the Act. The bill also specifies the rail freight services eligible for assistance payments.

The bill amends the Urban Mass Transit Administration Act of 1965 to provide an authorization for the Secretary to provide financial assistance to ConRail, Amtrak, other railroads, States and commuter authorities for the continuation of commuter service required elsewhere in the bill. The Federal share for the first year of the program is 100 percent; for the second year is 90 percent; and for an additional 180-day period shall not exceed 50 percent, but only for service where satisfactory assurance is provided that such service will be continued when Federal support is ended. The total authorization for this program is $125 million.

The bill also provides for a study of a program for the conversion of abandoned railroad rights-of-way and authorizes Federal assistance for programs involving the conversion of such properties to recreational and conservational use. A $20 million authorization over a 3-year period is provided for this program.

Finally, Title VIII provides that the Secretary of Transportation must establish a rail bank for fossil fuel and agricultural production purposes. An authorization of $6 million is provided for this program.

Title IX—Miscellaneous Provisions

Title IX contains provisions that—

(1) direct the Secretary of Transportation to conduct a comprehensive study of the American railway system; an analysis of Federel aid to rail transportation; and a report on the anticipated effects, including environmental impact, of abandonment of railroad lines and discontinuances of rail services in states outside the Region;

(2) require the Commission to study conglomerates in the rail transportation industry;

(3) state that projects, programs and activities funded in whole or in part through financial assistance under this Act must be conducted in a manner that does not discriminate on the grounds of race, color, national origin, or sex;

(4) establish a Minority Resource Center within the Department of Transportation for the purpose of publicizing and furthering minority business opportunities on railroad-related projects.

SPECIFIC PROVISIONS

RAILROAD RATES

Expeditious divisions of revenues

Senate Bill

The Senate bill added two new subdivisions to section 15(6) of the Interstate Commerce Act:

New subdivision (B) required the Commission to establish standards and procedures for the conduct of proceedings for the adjustment of divisions of joint rates or fares. The Commission was directed to issue a final order in such proceedings within 270 days after the submission of a complete evidentiary case, unless a report was made to the Congress which indicated that (and set forth the reasons why) the Commission could not meet this time requirement. All section 15(6) evidentiary proceedings were required to be completed within 1 year after the filing of a complaint or within 2 years after such a proceeding commences in any case in which it is initiated by the Commission, unless the Commission found that more time was necessary and so reported to Congress.

Subdivision (C) required that all supporting evidence, in a division's proceeding, be filed with the complaint. During the course of the proceeding only rebuttal or reply evidence could be filed, unless otherwise directed by order of the Commission. The provision had prospective application only and did not affect any cases pending before the Commission.

House Amendment

No provision.

Conference Substitute

The conference substitute follows the Senate provision.

Railroad ratemaking

Senate Bill

The Senate bill amended the Interstate Commerce Act to provide new standards and procedures for the regulation of railroad rates subject to the jurisdiction of the Interstate Commerce Commission.

Section 1(5) of the Act was amended to provide new standards for determining the justness and reasonableness of rates subject to regulation by the Commission. The Senate bill provided that no rate could be found to be too low if it contributed to the going concern value of the proponent carrier; and a rate which equalled or exceeded variable costs, as defined by the Commission, was presumed to contribute to going concern value. No rate could be found too high unless the Commission found that the proponent carrier had market dominance over the service involved. Market dominance was defined as an absence of effective competition which insured that rates did not exceed a just and reasonable level. Market dominance was presumed to exist if no competing carrier had participated in the traffic in the 12 months prior to the Commission proceeding. A finding of market dominance did not create a presumption that the rate was unjust or unreasonable. The market dominance determination was to be made in accordance with standards and procedures adopted by the Commission, after consideration of the recommendations of the Attorney General and the Federal Trade Commission.

The Senate bill required the Commission to make a market dominance determination within 90 days after a rate was challenged as being unreasonably high. A finding that market dominance did not exist over the service involved would be determinative in subsequent proceedings unless set aside by the Commission or by a court of competent jurisdiction. The Commission's power to suspend a rate for being unreasonably high was not limited, except that when the Commission found a lack of market dominance the power to suspend for being unreasonably high lapsed until the Commission specifically modified or set aside its prior determination.

The last sentence of section 15a(3) of the Interstate Commerce Act was amended to provide that no rate of a carirer could be held up to a particular level to protect the traffic of any other carrier or mode of transportation unless the Commission found that such rate reduced or would reduce the going concern value of the carrier charging the rate.

The Senate bill amended section 15 of the Interstate Commerce Act, to (1) provide for the establishment by the Commission of procedures for the establishment of railroad rates based on seasonal regional peak period demand for railroad services, and (2) to require the Commission to establish procedures for the establishment of separate rates for distinct rail services by railroads.

The Senate bill further provided that nothing in this section was to be construed to—

(1) nullify the application of the National Transportation Policy declared in the Interstate Commerce Act to each of the provisions of that Act;

(2) modify the application of section 2, 3, or 4 of the Interstate Commerce Act in determining the lawfulness of any rate or practice; or

(3) make lawful any competitive practice which was unfair, destructive, predatory, or otherwise undermined competition which is necessary in the public interest.

House Amendment

The House amendment excludes pipelines which are not within the House Committee's jurisdiction and provides that the Commission may not find a rate unjust or unreasonable on the basis that the rate is too low, if the rate is compensatory. A compensatory rate was defined as one which equalled or exceeded the variable cost to the carrier of providing the specific transportation service.

The House amendment introduced the market dominance concept into price regulations for common carriers by rail. If a carrier has dominance in an area or over a commodity, it is subject to rate regulation. If the carrier has no market dominance, i.e., there is effective competition, then any rate must be considered just and reasonable.

The House amendment also contained provisions relating to rate zone freedom. The House amendment stated that, upon the filing of any nongeneral increase or decrease, the Commission may order a hearing upon complaint on the lawfulness of the rate. The hearing must be concluded within 7 months, unless the Commission, in writing, stated its reasons to the Congress why it could not finish the hearing in seven months. The Commission would then be given an additional three months in which to finish the hearing. The Commission could suspend the rate if it deemed it unlawful, either because it was unjust or unreasonable or discriminatory. However, the Commission could not suspend the rate on grounds that it was unjust or unreasonable if the rate was no greater than 7-percent increase or decrease over the rate that existed January 1 of the year in which a rate change was sought.

The Commission retained authority to suspend a general rate increase or decrease at any time.

The Commission was not permitted to suspend a rate under this section unless the complainant alleged, and the Commission found, that the proposed rate increase would cause injury to the complainant, that the complainant was likely to prevail on the merits, and that the suspension would further the national transportation policy.

If the rate was not suspended, but the Commission was conducting a hearing as to the lawfulness of such rate, it could require that the carrier keep records for a 7- or 10-month period, and if the rate was eventually found unlawful, then the carrier must refund, with interest, the money collected that was in excess of a just rate. The carrier must attempt to distribute the money in an equal proportion to those who paid the excess rate. This section specifically stated that in all cases except one, the burden of proof was on the carrier, to prove that the rate was just and reasonable. The one exception was when the rate increase or decrease was within 7 percent of the rate in effect as of January 1 of that year.

Suspension did not apply where port equalization (of rates for goods to and from ports) was involved.

The House amendment stated that the rate zone of freedom was only in effect for 3 years and mandated that during that time the Secretary along with the Chairman of the Commission must study the effects of such rate zone freedom.

Conference Substitute

The conference substitute integrates the Senate and House provisions.

The conference substitute, amends section 1(5) of the act by establishing new standards for determining the justness and reasonableness of rates charged by common carriers by railroad. Under the new standards, no rate can be found too low if it contributes to the going concern value of the proponent carrier; and a rate which equals or exceeds variable costs, as determined by formulas established by the Commission, is presumed to contribute to going concern value. In determining variable costs the Commission shall, at the request of the proponent carrier, determine only costs of the carrier relating to the specific services in question, except where such data is not available. Variable cost shall not include any expenses which do not vary directly with the level of service provided.

The conferees adopted language clarifying the meaning of the term "variable cost." In addition, the conferees adopted the Senate provision of "going concern value". It was the conferees' intention in adopting these changes that the Commission in determining variable cost should focus upon the particular cost of the specific carrier proposing the specific service where such data is available and requested by the proponent carrier. With respect to rate changes which would "contribute to the going concern value of the carrier," the conferees intend that the Commission inquire as to whether the rate change improves the going concern value of the carrier as compared to what it would have been had the rate not been changed. The carrier need not necessarily prove that the rate change resulted in a net increase in the going concern value. Such a showing may not be possible, for example, where the carrier is decreasing his rate to counter a rate decrease of a competitor. In this situation, the object of the carrier is simply to retain as much contribution to going concern value as is possible given the competitive situation.

The Conference substitute further provides that the Commission may not find a rate unlawful on the ground that it exceeds a just and reasonable maximum unless it has found that the carrier has market dominance over the service rendered or to be rendered under such rate. Market dominance is defined as the absence of effective competition from other carriers or modes of transportation. This provision is designed to permit rates to be set by the forces of competition in those situations in which effective competition exists.

Provisions in the Senate bill establishing a presumption of market dominance have been eliminated. The determination of whether market dominance exists is to be made in accordance with standards and procedures adopted by the Commission after consideration of the recommendations of the Attorney General and the Federal Trade Commission. Such standards are to be designed to provide for a practical determination without administrative delay. While the absence of effective competition test is not intended to strictly conform with the standards of the antitrust laws, it is intended that when the Commission administers the test it will recognize the absence of forces which normally govern competitive markets. Inasmuch as the new section 5b permits the consideration of rates free from the antitrust restrictions which would otherwise control competitive markets, the Committee of Conference intends that there will be presumed to be an absence of effective competition between railroads with respect to any rate discussed or considered under an agreement approved by the Commission pursuant to new section 5b of the Interstate Commerce Act.

These changes amending section 1 of the Interstate Commerce Act are intended to inaugurate a new era of competitive pricing, but are not intended to allow predatory competitive conduct. Therefore, specific language was inserted to provide that nothing in this section would be construed to make lawful any competitive practice which is "unfair, destructive, predatory, or otherwise undermines competition which is necessary in the public interest." Also, nothing in this section will modify the application of sections 2, 3, or 4 of the Interstate Commerce Act in determining the lawfulness of any rate.

Section 15 of the Interstate Commerce Act is amended to provide a process for determining whether the Commission has jurisdiction to determine whether a rate alleged to be too high is just and reasonable. The conference substitute requires the Commission to make a market dominance determination within 90 days after a rate is challenged as being unreasonably high. If the Commission finds no market dominance, its finding is binding in subsequent proceedings unless set aside by a court or by the Commission. This amendment does not affect the Commission's power to suspend a rate for being unreasonably high, except that once the Commission finds a lack of market dominance with respect to a rate or rates the power to suspend such rate or rates for being unreasonably high lapses until the Commission specifically modifies or sets aside such determination with respect to market dominance. This is a limitation on the Commission's suspension powers set forth in the new section 15(8) of the Interstate Commerce Act.

A new paragraph (17) is added to section 15 of the Interstate Commerce Act which provides that the Commission shall establish procedures for the establishment of railroad rates based on seasonal, regional, or peak period demand for railroad services; and a new paragraph (18) is added to section 15 of the Act which requires the Commission to establish procedures for the establishment of separate rates for district rail services.

A modified version of the rate zone freedom provision of the House amendment is included in the conference substitute as a new paragraph 15(8) of the Interstate Commerce Act. This provision applies only to common carriers by railroad. Under this provision, the Commission, upon complaint or upon its own motion, may investigate any new railroad rate and must complete its investigation within 7 months, or within 10 months if a report is made to Congress setting forth the reasons for delay. Pending completion of such an investigation, the Commission may suspend any new railroad rate for a period of 7 months, or 10 months if a report is given to Congress as to the reasons for delay. However, such suspension may be made only upon a verified complaint by an interested party and only upon findings that without suspension the rate will cause substantial injury and that the complainant is likely to prevail on the merits. The burden of proof is on the complainant to establish a basis for such findings. Rate zone freedom is provided by exemption from the Commission's suspension power, for a period of 2 years, of increases or decreases of up to 7 percent per year. This exemption does not, however, apply to general increases, rate changes unlawful under sections 2, 3, or 4 of the Interstate Commerce Act, increases in rates over which the carrier has market dominance, and rate decreases under investigation as constituting a competitive practice which is unfair, destructive, predatory or otherwise undermines competition which is necessary in the public interest.

If a new rate is suspended but not investigated, the railroad must keep account of any increased amounts collected during the period of investigation, and must refund such amounts if ordered to do so by the Commission. If a rate decrease is suspended, and later found lawful, the railroad may refund extra amounts collected on an equal basis to all participating shippers. In addition, as previously provided in the Interstate Commerce Act, the burden of proof remains on the railroad to show that a changed rate is just and reasonable. The Commission is to give investigation and suspension cases precedence over other railroad cases.

The conference substitute provides that nothing in the amendments made by this section is to be construed (1) to modify the application of sections 2, 3, or 4 of the act in rate cases; (2) to make lawful any competitive practice which is unfair, destructive, predatory, or otherwise undermines competion which is necessary in the public interest; (3) to affect existing law or authority of the Commission with respect to rate relationships between ports; or (4) to affect the authority and responsibility of the Commission to guarantee the equalization of rates within the same port.

Finally, the Secretary and the Commission are to each study the effects of the provision to guarantee the equalization of rates to Congress in 20 months.

Tariff modifications

Senate Bill

The Senate bill amended section 15(3) of the Interstate Commerce Act to specify factors which the Commission must take into account in determining whether cancellation of joint rates and through routes under section 15(3) is consistent with the public interest. The bill required the Commission to consider (1) the distance traversed and the average transportation time and expense required using the through route compared with the alternative route; (2) potential reductions in energy consumption; and (3) the impact of such cancellation on affected shippers and carriers.

The Senate bill amended section 15a of the Interstate Commerce Act by adding a new paragraph providing that in any proceeding involving a proposed increase or decrease in railroad rates, the Commission must consider (1) allegations that rate increases or decreases would change the rate relationships between commodities, ports, points, regions, territories or other particular descriptions of traffic, and (2) allegations that rate increases or decreases would have a significantly adverse affect on the competitive posture of affected shippers or consignees.

House Amendment

The House bill provided that the authority and responsibility of the Commission to guarantee the equalization of rates between ports would remain intact.

Conference Substitute

The conference substitute follows the Senate provision (the House provision, as modified, is described in the section on rail ratemaking). The amendment to section 15(a) was modified to insure that when the Commission considered adverse competitive effects it only considered actions by railroads serving the affected party.

This provision is intended to deal with a procedural problem which arises in rate cases. It does not expand existing ICC jurisdiction, but rather assures that the ICC will considers, at the time a rate is proposed, allegations regarding the effects of the proposed rate changes.

Investigation of discriminatory freight rates for the transportation of recyclable or recycled materials

Senate Bill

The Senate bill directed the Commission to conduct an expedited investigation of the rate structure for the transportation of recyclable or recycled materials and competing virign natural resource materials, and the manner in which that rate structure has been affected by general rate increases approved by the Commission.

The Administrator of the Environmental Protection Agency was authorized to take steps, in proceedings before the Commission, necessary to insure that the Commission undertook this investigation as expeditiously as possible. The Administrator was also authorized to participate as a party in the Commission's investigation.

The Senate bill also required the Secretary of Transportation to establish a research, develepoment, and demonstration program to develop and improve transportation methods, equipment operations and terminal facilities for the movement of recyclable materials. The program was to be undertaken in cooperation with the Interstate Commerce Commission and the Federal Maritime Commission.

Commission orders pursuant to this section were made reviewable in the courts in the same manner as other Commission orders.

House Amendment

The House amendment is the same as the Senate bill.

Conference Substitute

This provision is included in the conference substitute, except that the provision directing the Federal Maritime Commission to participate in the research, development, and demonstration program is deleted.

Adequate revenue levels

Senate Bill

The Senate bill amended section 15a of the Interstate Commerce Act by requiring the Commission to develop and promulgate reasonable standards and procedures for the establishment of revenue levels adequate under honest, economical, and efficient management to cover total operating expenses, including depreciation and obsolescence, plus a fair, reasonable and economic profit and/or return on capital employed in the business. Such revenue levels were to provide a flow of net income plus depreciation adequate to support prudent capital outlays, assure the repayment of a reasonable level of debt, permit the raising of needed equity capital, and cover the effects of inflation. Finally, such revenue levels were required to insure retention and attraction of capital in amounts adequate to provide a sound transportation system in the United States.

House Amendment

The House amendment mandated the Interstate Commerce Commission to establish standards for the establishment and maintenance of revenue levels for railroads. Such revenue levels were to be considered by the Commission in its ratemaking duties. In general, the levels must take into account rail costs given honest, economical and efficient management.

Conference Substitute

The conference substitute follows the Senate provisions but, at the request of the Committee on Public Works and Transportation of the House of Representatives, limits their application to common carriers by railroad.

Rate incentives for capital investment

Senate Bill

The Senate bill added a new paragraph to section 15(7) of the Interstate Commerce Act by providing that a carrier may propose a schedule setting forth a new rate, classification, regulation or practice, if implementation of the schedule was contingent upon a total capital investment of $1 million or more by this carrier or any shipper or other interested party. Upon the request of any interested person, the Commission was directed to investigate the lawfulness of the proposed schedule. If the Commission did not find the proposed schedule unlawful, within 180 days after it was filed with it, the carrier could put this rate into effect upon 30 days' notice. Thereafter, for a period of 5 years, this rate could not be suspended or set aside as unlawful under section 1, 2, 3, or 4 of the Interstate Commerce Act, except that the Commission could order the rate increased to a compensatory level if the rate embraced in the schedule was found to reduce the going concern value of the carrier.

House Amendment

The House amendment permitted anyone to file notice of intent to file a new rate whenever the implementation of such proposed rate would require a total capital investment of $1 million or more. When the date was filed, and an affidavit was presented stating that the carrier would be making a capital investment of over $1 million, the Commission was required to hold a hearing, and if, within 180 days after the filing of such proposed rates, the Commission did not find that the rate is unlawful, then the rate would go into effect, and could not be suspended under any section of the Interstate Commerce Act, unless the Commission found at a later date that the rate in effect was not compensatory.

Conference Substitute

The conference substitute follows the House provision, except that in cases where the Commission does not determine within 180 days that the proposed schedule is unlawful, the carrier must file within 180 days after the end of the first 180 day period in order for the schedule to become effective. The House provision adopts the going concern value concept of the Senate provision.

Exemptions from Interstate Commerce Act

Senate Bill

The Senate bill directed the Commission, upon petition by the Secretary or an interested person or upon it own initiative, to exempt any person, services or transportation performed under the Interstate Commerce Act from all or part of the regulations under such act if such regulation was unnecessary to effectuate the goals of the National Transportation Policy, and if such regulation would serve little or no useful public purpose. Such an exemption could be revoked after notice and a hearing upon a finding that the conditions giving rise to the exemption no longer exist or that the continuance of the exemption is not consistent with the National Transportation Policy.

House Amendment

The House amendment permitted the Commission upon application or upon its own motion, to grant exemptions from Part I of the Interstate Commerce Act where regulation under that Act was not necessary to effectuate the National Transportation Policy, and the Commission found that regulation would serve little or no purpose. The Commission, after a hearing, could reinstate any regulation it has revoked.

Conference Substitute

The conference substitute follows the House provision but limits its applicability to common carriers by railroad subject to Part I of the Interstate Commerce Act, because of the jurisdictional objections of the Committee on Public Works and Transportation of the House of Representatives.

Rate bureaus

Senate Bill

The Senate bill amended the Interstate Commerce Act by exempting railroads from the provisions of section 5a (regarding agreements between carriers to establish rate bureaus) and by adding a new section 5b to regulate rate bureau agreements between carriers subject to Part I of the Interstate Commerce Act. New section 5b is similar to section 5a except as noted below.

The bill added a definition of the term "affiliate" and redefined the terms "antitrust laws" and "carrier." The definition of the term "carrier" made the provisions of section 5b applicable only to carriers subject to part I of the Interstate Commerce Act.

The Senate bill required the Commission to prescribe rules and regulations, and terms and conditions, for the approval of the types of agreements between carriers described in that subsection. Carriers were required to submit these agreements for approval, and new provisions were added governing the criteria for approval or disapproval of such agreements.

The Senate bill granted the Commission additional investigatory powers into the operations of the rate bureaus, and more clearly defined the type of agreement which must be approved.

The Senate bill provided that no carrier organizations shall (1) permit participation in discussions or agreements with respect to, or any voting on, single line rates, allowances, or charges established by any carrier, (2) permit any carrier to participate in discussions or agreements with respect to, or to vote on rates, allowances, or charges relating to any particular interline movement, unless the carrier could practically participate in the movement, or (3) permit joint action to protest a rate established by independent action. Such agreements could contain provisions calling for prenotification as to an independent action and provided that these prohibitions on joint consideration and joint action would not apply in certain instances, such as general rate increases or decreases. Provisions relating to the burden of proof were also included.

The Commission's authority to investigate and make certain determinations about these agreements was expanded. The Commission was directed to review agreements at least every 3 years for their conformity with this section and their effectiveness in terms of serving the needs of the public. These studies were to be included in the Commission's annual report to Congress. If the Commission made a determination that any of these agreements were no longer in conformity with the standards, it was required to terminate or suspend its approval.

The Senate bill directed the Federal Trade Commission, in consultation with the Department of Justice, to furnish assessments to the Interstate Commerce Commission with respect to the competitive effects of rate bureau agreements. These reports were required to be made available to the public.

The Senate bill provided that rate bureaus must make a final disposition of proposed rules, rates, or charges docketed before a bureau within 120 days after the proposal was docketed.

House Amendment

The House amendment required that railroad rate bureaus dispose of all rules, rates, or charges docketed with them within 120 days from the initial filing of such rules, rates or charges with such bureaus.

With respect to joint and single line rates, the House amendment prohibited any agreement or voting among the carriers within a rate bureau involving single line movements or joint line movements when a carrier was not a participant in such joint line movement.

The House amendment defined a single line rate as a rate that was proposed by a single line carrier applicable only over its own line and as to which the service (exclusive of terminal services provided by switching, drayage, or other terminal carriers or agencies) can be performed by such carrier. The House amendment prohibited the Commission from entering an order terminating or modifying its approval of any agreement by reason of this section earlier than 6 months after the date of enactment of the bill.

The House amendment also directed the

Interstate Commerce Commission to conduct a study of rate bureaus for all modes, and to make a report and recommendation to Congress within 12 months from the date of enactment of the bill.

Conference Substitute

The conference substitute follows the Senate provision except that—

(1) the conferees accepted the House language prohibiting the Commission from entering an order or terminating or modifying its approval of any agreement earlier than 6 months after the date of the enactment of the bill;

(2) the House definition of single line rates was adopted;

(3) discussions are permitted with respect to joint line rates, as provided in the House bill;

(4) the application of new section 5b is limited to common carriers by railroad subject to Part I of the Interstate Commerce Act, because of jurisdictional objections by the Committee on Public Works and Transportation of the House of Representatives; and

(5) the conferees accepted the narrower House exemption for general rate increases and broad tariff changes of general applicability.

As used in the clauses prohibiting agreements with respect to single line and certain joint rates, the word "agreement" has a limited meaning and refers only to an action taken with respect to a particular rate under consideration rather than the basic ICC approved accord under which rate bureaus operate. Section 208 therefore does not disturb the ICC's jurisdiction to protect the public interest by requiring that rate bureau agreements provide for prenotification or public notice of new tariff filings, nor does it prohibit discussions on such filings, even though new section 5b(6)(a) would prohibit voting on and agreements with respect to certain of those filings.

Filing procedures

Senate Bill

The Senate bill amended section 6(6), section 217(a), and section 306(b) of the Interstate Commerce Act to require the Commission, beginning 2 years after the date of enactment, to require that all rates be incorporated into individual carrier or ratemaking association tariff publications within 2 years of the initial publication of the rate or within 2 years after a change in any rate is approved by the Commission. Failure on the part of carriers to incorporate such rate into its individual tariff would result in nullification of the rate.

House Amendment

No provision.

Conference Substitute

The conference substitute follows the Senate bill but it limits the applicability of the provision to common carriers by railroad and to railroad ratemaking associations. This limitation was made because of jurisdictional objections by the Committee on Public Works and Transportation of the House of Representatives.

Intrastate railroad rate proceedings

Senate Bill

The Senate bill amended section 13 of the Interstate Commerce Act by adding a new paragraph which granted the Commission exclusive authority to determine and prescribe rates, regulations, or practices for traffic moving in intrastate commerce if the carrier filed with the appropriate State administrative agency or regulatory body a change in such rates for the purpose of adjusting the rates to accord with rates for similar traffic moving in interstate or foreign commerce, and the State agency has not acted within 120 days of such filing. Notice of an application to the Commission under this paragraph must be served on the appropriate State body.

House Amendment

The House amendment amended section 13 of the Interstate Commerce Act (49 U.S.C. 13) by deleting the proviso in existing paragraph (4) thereof and by adding a new paragraph which was, as to intrastate railroad rates, which was the same as the new paragraph added by the Senate bill. It assured State regulatory bodies at least 120 days exclusive jurisdiction over an intrastate rate case, required a railroad to exhaust its State remedy for a change in intrastate rates, and provided that if a State failed to act on the railroad's application for rate change within 120 days the Interstate Commerce Commission would have exclusive authority to determine these intrastate rates.

Conference Substitute

The conference substitute follows the House provision.

Demurrage charges

Senate Bill

No provision.

House Amendment

The House amendment required that rules and regulations be established for the computation of demurrage charges so that freight car utilization would be maximized.

Conference Substitute

The conference substitute follows the House provision.

Freight car compensation

Senate Bill

No provision.

House Amendment

The House amendment authorized the Commission, upon complaint or on its own motion, to conduct hearings and establish rules and regulations relating to car service including per diem charges. Such per diem charges were to be based upon the goal of generating incentive for carriers to acquire and maintain a car fleet adequate for their needs. Per diem charges would be fixed according to a just and reasonable standard. The purpose of this provision was to provide sufficient incentives for the purchase and maintenance of an adequate number of freight cars.

The House amendment gave the Commission 18 months in which to revise its rules to implement this provision.

Conference Substitute

The conference substitute follows the House provision, with modifications to ensure that the Commission will consider the transportation use of the car and provide a fair return on investment in freight cars to assure a proper incentive for efficient utilization of new freight cars.

TITLE III—REFORM OF THE INTERSTATE COMMERCE COMMISSION

Access to information by congressional committees

Senate Bill

No provision.

House Amendment

The House amendment added a new paragraph to section 17 of the Interstate Commerce Act which permitted the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce of the Senate to make written requests for documents which are in the possession or under the control of the Commission, and which relate to matters involving the common carrier by railroad. When such request was made by either committee, the Commission must, within 10 days after receiving such request, submit such documents to the committee or report in writing to the committee, stating the reasons why such documents cannot be submitted and the anticipated date in which they will be submitted. This provision did not apply to documents which were obtained by the Commission and which contain trade secrets or commercial or financial information of a privileged or confidential nature. Further, this new provision did not restrict any other authority of either House of Congress from obtaining documents by any other means.

Conference Substitute

The conference substitute follows the House amendment.

Effective date of orders of the Commission

Senate Bill

The Senate bill amended section 15(2), section 221(b), section 315(d) and section 416(c) by removing the requirement that orders of the Commission, except orders for the payment of money, can take effect only after a 30-day waiting period.

House Amendment

No provision.

Conference substitute

The conference substitute follows the Senate bill as to section 15(2). The other provisions of the Senate bill were not adopted due to the jurisdictional objection of the Committee on Public Works and Transportation of the House of Representatives.

Administration of the Interstate Commerce Commission

Senate Bill

The Senate bill amended the Interstate Commerce Act to provide that the Commission would be composed of 11 Commissioners appointed by the President with the advice and consent of the Senate for terms of 7 years. A person chosen to fill a vacancy would be appointed for the unexpired term of the Commissioner whom he or she succeeded. A Commissioner could be removed by the President for inefficiency, neglect of duty, or malfeasance. Upon the expiration of his or her term of office, a Commissioner could serve until a successor was appointed and qualified. The Senate bill also provided that not more than 6 commissioners could be appointed from the same political party. A Commissioner was prohibited from being employed by, holding any official relation to, or owning any stock or bonds of, or being in any manner pecuniarily interested in a common carrier by railroad subject to the Act.

The President was directed to appoint a Commissioner to serve as Chairman, with the advice and consent of the Senate; the Chairman would serve at the pleasure of the President. The duties and responsibilities of the Chairman were set forth.

The Chairman was directed to appoint a Secretary and was authorized to appoint a General Counsel, a Managing Director, and the heads of major administrative units of the Commission. The Commission was directed to appoint such other employees as it deemed necessary or appropraite; such appointments were not subject to approval by any office or agency other than the Commission or the Civil Service Commission. The Chairman of the Commission, with its approval, could designate certain positions (not to exceed 45) as "noncareer positions" and could appoint to such positions individuals whose principal duties involve significant participation in the determination of major Commission policies. Appointments or removals to such noncareer positions could be made without regard to any provision of title 5 of the United States Code and would not be subject to approval by any official or agency of the Federal Government other than the Interstate Commerce Commission.

The Chairman was designated the chief executive officer of the Commission with authority to set policies of the Commission and to exercise the executive and administrative functions. The Chairman was required to allocate to each of the other Commissioners funds determined by the Commission to be sufficient to assure that each Commissioner could obtain an adequate personal professional staff. Each Commissioner could appoint such staff without approval of the Chairman, and such staff would serve at the pleasure of the appointing Commissioner.

House Amendment

No provision.

Conference Substitute

The conference substitute follows the House provision, the provision was not included in the conference substitute because of the jurisdictional objection of the Committee on Public Works and Transportation of the House of Representatives.

Representation

Senate Bill

The Senate bill added a new paragraph (13) to section 17 of the Interstate Commerce Act. Subparagraph (13)(A) provided that except as otherwise provided in subparagraph (B) or (C), the Commission could commence, defend, or intervene in, and supervise the litigation of, any civil action or appeal involving the Interstate Commerce Act in its own name and through its own attorneys, if, before commencing, defending, or intervening in such action, the Commission gave written notice and undertook to consult with the Attorney General concerning such action, and the Attorney General failed, within 45 days after receipt of notification to commence, defend, or intervene in such action.

New subparagraph (13)(B) provided that except as otherwise provided in subparagraph (C), the Commission would have exclusive authority to commence, defend, and supervise the litigation, in its own name and through its attorneys, of any civil action relating to injunctive relief; consumer redress; obtaining judicial review of a rule, regulation, or order issued by the Commission; enforcement of a subpena pursuant to or relating to compliance with an order under the Interstate Commerce Act; or brought pursuant to section 222(b)(1) of the Interstate Commerce Act. The Commission was required to inform the Attorney General of the exercise of such authority, and could authorize the Attorney General to act for the Commission. The Commission's exercise of its authority to control its own litigation under this section would not preclude the Attorney General from intervening in any such action or appeal on behalf of the United States.

New subparagraph (C) provided that if the Commission made a written request to the Attorney General, within 30 days of the date of entry of a judgment in a civil action where the Commission had represented itself, to represent itself in the Supreme Court, it may do so if the Attorney General concurred with the request or if within 60 days from entry of judgment, the Attorney General refused to appeal or to file a petition for a writ of certiorari or failed to take any action with respect to the Commission's request. If the Attorney General did represent the Commission before the Supreme Court in such a civil action, he could not agree to any settlement, compromise, or dismissal of such action, or confess error in the Supreme Court, unless the Commission concurred.

Under new subparagraph (D), if any applicable right of the Commission could be extinguished due to any procedural requirement of a court prior to the expiration of the 45-day period in subparagraph (13)(A) or the 60-day period in subparagraph (13)(C), the Attorney General would have one-half of the time prescribed in these subparagraphs to take the actions specified in subparagraphs (A) and (C). Such rights of the Commission could be extinguished notwithstanding the provisions of chapter 31 of title 38, United States Code, or any other provision of law.

The Senate bill required that whenever the Commission had reason to believe a person was liable for a criminal penalty under the act, it shall certify the facts to the Attorney General who has the duty to cause appropriate criminal proceedings to be brought.

The Senate bill also struck the first and fourth paragraphs of section 2323 of title 28, United States Code, and it removed the Commission from the parties authorized by such section to appear in an action involving the validity of a Commission order.

House Amendment

No provision.

Conference Substitute

The conference substitute follows the House provision. The provision of the Senate amendment was not included because of the jurisdictional objection of the Committee on Public Works and Transportation of the House of Representatives.

Commission hearing and appellate procedure

Senate Bill

The Senate bill added a new sentence to section 17(3) of the Interstate Commerce Act so that the term "hearing" would include an opportunity for the submission of all evidence in written form, followed by an opportunity for briefs, written statements or conferences.

Section 17(5) of the Interstate Commerce Act was amended by adding a provision that the Commission or a duly designated division thereof could omit the recommended decision required by this section if it found that the case involved a question of agency policy, a new or novel issue of law, or an issue of general transportation importance, or if the due and timely execution of its functions so required.

The Senate bill modified section 17(6) of such Act by providing that any decision, order, or requirement of the Commission, or of a duly designated division shall become effective within 30 days after service, unless the Commission provided that it should become effective at an earlier date. The bill further provided that any interested party may, subject to rules promulgated by the Commission, petition the Commission for rehearing, reargument, or reconsideration of a decision, order, or requirement of a duly designated division, and, if the Commission found that a matter of general transportation importance was presented, the Commission may reconsider said decision and may, in its discretion, stay its effective date.

Section 17(7) of the Interstate Commerce Act was amended to provide that any decision, order, or requirement of the Commission or a duly designated division would be final on the date on which it is served and that a civil action against such order may be brought after such date in a court of the United States pursuant to the provisions of law applicable to such suits.

The Senate bill modified section 17(8) of the Interstate Commerce Act to provide specifically that the Commission may at any time, on its own motion, reopen any proceeding and may grant rehearing, reargument, or reconsideration with respect to any of its decisions, orders, or requirements and may reverse, modify, or change any decisions, orders, or requirements. In addition, it may establish rules allowing interested parties to petition for leave to request reopening and reconsideration based upon new evidence or changed circumstances.

The Senate bill repealed section 17(9) of the Interstate Commerce Act, a section which dealt with the initiation of court suits against Commission orders. This subject was covered under new subsection 17(7) of the Interstate Commerce Act.

The Senate bill made technical amendments and added a new paragraph which provided that, except as otherwise provided by the Interstate Commerce Act, whenever a proceeding that required affirmative authorization or approval had been pending before the Commission for more than 2 years following its commencement, it would be presumed, as of such date, that such authorization was warranted and lawful. Such presumption was subject to rebuttal only by clear and convincing evidence to the contrary. Such a presumption would be conclusive on the third anniversary of the initiation of the proceeding, and as of that date, the Commission was required to issue such an order.

House Amendment

The House amendment added new paragraph 9a to the Interstate Commerce Act. The new paragraph stated that the initial disposition of any matter before the Commission which involved a common carrier by railroad, and which was assigned to an administrative law judge, commissioner, employee board, or division or panel of the Commission, must—

(i) be completed within 180 days, and

(ii) that those reviewing such matter must submit in writing within 120 days after the completion of the proceedings the initial decision, report, or order containing—

(A) specified findings of fact,

(B) specific and separate conclusions of law,

(C) a recommended order, and

(D) any justification in support of such findings of fact, conclusions of law, or order.

The initial decision, report, or order was to be served upon interested parties within 5 days after it was submitted to the Commission and such order would become final unless an appeal was filed with the Commission by a party to the proceeding within 30 days after such order was submitted to the Commission. If such appeal was filed then it should be acted upon and decided whether by the Commission or a designated division of the Commission within 180 days after the date on which the matter was referred to such body. No Commissioner who participated in the initial decision could participate on the panel hearing the appeal.

Review of the initial decision, report or order was to be considered in accordance with section 557, of title V, United States Code.

The mandate of the designated division was to take effect within 30 days after it was entered by such division, unless—

(i) the Commission required that it become effective at an earlier date; or

(ii) within such 30-day period, the entire Commission, in its discretion decided to review the matter and stay the effective date of the appellate decision until the final disposition of such matter. However, the Commission could, in its discretion, review the decision without staying the effects of the initial decision.

In all instances where the Commission granted review, it was required to complete the review process within 120 days of the date it granted the application for review.

The Commission, in its discretion, could extend the time period pursuant to this paragraph for not more than 90 days if a majority of the Commissioners, by public rollcall vote, agreed to such extension, and the Commission was directed to submit in its annual report to the Congress, each such extension, classified by type and stating the reasons.

In extraordinary situations, in which the Commission believed that even the 90-day extension was not sufficient, it could grant a further extension if—

(i) not less than seven Commissioners, by public rollcall vote, agreed to such further extension, and

(ii) not less than 15 days prior to the expiration of the granted extension, the Commission reported in writing to the Congress that a further extension was needed together with—

(A) a full explanation of the reasons for the further extension,

(B) the anticipated duration of the extension,

(C) the issues involved, and

(D) the personnel of the Commission working on such matter.

The Commission could, at any time and upon its own motion, reopen any proceeding based upon new evidence or changed circumstances.

Conference Substitute

The conference substitute follows the House bill except that it incorporates the Senate provision that—

(1) on novel issues of law or on issues of general transportation importance, or due and timely execution of its functions, permit the Commission to hear a matter initially rather than having such matter proceed through the normal appellate process, to hear a matter proceeded through normal appellate channels, and

(2) all proceedings instituted by the Commission shall be concluded with administrative finality, within 3 years after such proceeding was initiated.

Office of Rail Public Counsel

Senate Bill

The Senate bill provided for the establishment, within 60 days of enactment, of the Office of Public Counsel, as an independent office affiliated with the Commission. The Office was to be administered by a Director, appointed by the President for a 4-year term, from among persons recommended by the Commission. The appointment was subject to Senate confirmation. The Director could be removed for cause. The Office:

(1) was given standing to become a party to Commission proceedings;

(2) could petition the Commission for the initiation of proceedings;

(3) could seek judicial review of Commission action; and

(4) was directed to evaluate and represent, before the Commission and other Federal agencies, the public interest in safe, efficient, reliable, and economical transportation services.

Section 13 of the Interstate Commerce Act was amended by adding a new paragraph providing that any person could petition the Commission to commence a proceeding for the issuance, amendment, or revocation of an order, rule, or regulation, and requiring that the Commission either grant or deny the petition with 120 days. Any grant or denial or failure of denial or failure to act would be deemed a final order within the meaning of section 706 of title 5, United States Code, and would be subject to review by the appropriate court. In any action under this section, the courts would have no authority to compel the Commission to take any action other than the initiation of a proceeding for the issuance, amendment, or repeal of any order, rule, or regulation.

The Senate bill provided that whenever, pursuant to 5 U.S.C. 553(e), an interested person petitioned the Commission to commence a proceeding for the issuance, amendment, or repeal of an order, or regulation, the Commission must either grant or deny the petition within 120 days. If the petition was granted, the Commission must commence an appropriate proceeding as soon as practicable, and if denied, the Commission must publish its reasons in the Federal Register.

A petitioner was authorized to commence a civil action for an order directing the Commission to take the petitioned action if the Commission denied the petition or failed to act within the time prescribed. Such action was to be commenced within 60 days of the date of denial or where appropriate, the expiration of the 120-day period.

The court must order the Commission to initiate the action if the petitioner could demonstrate that the action was necessary and that failure of the Commission to take such action would result in the continuation of practices which are inconsistent with the public interest or not in accord with the Interstate Commerce Act.

House Amendment

The House amendment added a new section to the Interstate Commerce Act entitled the Office of Rail Public Counsel.

The Commission was directed to establish the Office within 60 days of the bill's enactment. The Office was to be administered by a Director appointed by the Commission, the Commission was to give consideration exclusively to the qualifications of the nominee. The appointment was for a term of 6 years and the Director could be reappointed, unless removed for malfeasance. The Director must be compensated at a rate not in excess of GS–18 of the General Schedule.

The Director was to coordinate the administrative functions of the Office with the Commission, and appoint, fix the compensation of, and assign the duties of the employees of the Office. Each Federal agency was authorized to provide the Office such information and data as it requests in writing, and the Director was authorized to enter into such contracts as are necessary to conduct the functions of the Office. The Director was required to submit a monthly report of Office activities to the Chairman of the Commission, and the Commission, in its annual report to the Congress, was to summarize and make recommendations with respect to the activities of the Rail Public Counsel.

In addition to the duties specified by other laws, the Rail Public Counsel, in regard to matters that concern railroads, was:

(i) authorized to become a party to any proceeding formal or informal, before the Commission;

(ii) authorized to petition for the initiation of proceedings within the jurisdiction of the Commission;

(iii) authorized judicial review of any Commission action regarding railroads;

(iv) authorized to solicit, study, and evaluate the views of communities and users of rail service affected by proceedings before the Commission.

The budget requests and budget estimates of the Office were to be submitted to the Congress by the Commission without modification and the moneys appropriated to the Office were not to be used by the Commission for any other purpose.

Not more than $2 million was authorized for the Office.

Conference Substitute

The conference substitute follows the Senate bill except that—

(1) with respect to the appointment of a Director of the Office, the provision limiting the President to persons recommended by the Commission is deleted;

(2) the Director is required to solicit and present before the Commission the views of communities and users of rail services affected by Commission proceedings whenever the Director determines that such views might not otherwise be adequately represented before the Commission the term communities and users of rail services indicate the general community and indirect as well as direct users of rail services;

(3) the Office of Public Counsel provided in the Senate bill is redesignated the "Office of Rail Public Counsel" and the duties and responsibilities of the Office are limited to matters involving common carriers by railroad. This change was made because of jurisdictional objection by the Committee on Public Works and Transportation of the House of Representatives; and

(4) the functions of the Office are limited to rail matters before the Commission and other Federal transportation agencies whose policies and activities significantly affect rail transportation matters subject to the jurisdiction of the Commission.

The Director is expected to be selected on the basis of his or her personal qualifications, especially his or her legal expertise, familiarity with and knowledge of the regulation of common carriers by railroad and the role of railroads in the national transportation system.

Reform of rules of practice before the Commission

Senate Bill

No provision.

House Amendment

The Commission was required, within 180 days, to study, develop, and submit to the respective committees of Congress, rules of practice under which the Commission proposes all adjudicatory, rulemaking proceedings with respect to any matter involving a common carrier by railroad. Such rules and practices must take into consideration the nature of the proceedings, a must include—

(i) specific time limits for the filing of all pleadings before the Commission;

(ii) specific methods of taking and receiving testimony, and modification of such procedures to facilitate the timely execution of the functions of the Commission;

(iii) utilization of administrative law judges and the Rail Services Planning Office in complex adjudicatory or rulemaking procedures so as to facilitate proper focus and timely resolution of the issues; and

(iv) remedies in the case of failure to observe time limits.

Within 210 days after the bill's enactment, the Administrative Law Conference of the United States was required to submit to the Congress and the Commission its comments on the proposed rules of practice drafted by the Commission.

Within 30 days after the receipt of comments from the Administrative Law Conference, the Commission was required to consider such comments and to submit to the Congress a final proposal setting forth the rules of practice before the Commission. The Congress was given 60 calendar days of continuous session in which to disapprove the final proposal. If either House of Congress did not disapprove such proposal, then it would become effective.

If either House of Congress passed a resolution of disapproval, then the Commission was to develop a revised proposal setting forth the rules of practice before the Commission. Both Houses of Congress would again have 60 days in which to disapprove such resolution; if they did not disapprove, it would go into effect. If either House disapproved, the proposal was to be revised by the Commission and again submitted to the Congress.

The Commission was required, periodically, but not less than once every 3 years, to review the rules of practice, adopted pursuant to this section.

Conference Substitute

The conference substitute follows the House amendment, except as to the time requirements, which are as follows: the initial proposal shall be submitted to Congress within 360 days after the date of enactment; within 420 days the Administrative Conference of the United States shall submit its comments thereon to Congress; within 30 days after such comments are received by the Congress, the Commission shall submit its final proposal to Congress; the final proposal shall take effect within 60 days if not disapproved by either the Senate or the House of Representatives. If the proposed regulations are disapproved the Commission is directed to resubmit the revised proposed regulations to the Congress within 60 days so that the Congress can again consider and disapprove such proposed rule.

Prohibiting discriminatory tax treatment of rail transportation property

Senate Bill

The Senate bill amended Part 1 of the Interstate Commerce Act by adding a new section 27 declaring certain taxation activities to be an unreasonable and unjust discrimination against, and an undue burden on, interstate commerce.

The Senate bill made it unlawful for any State, political division, or entity acting on behalf of the State or subdivision to commit any of the following acts: (1) the assessment of transportation property at a value which bears a higher ratio to the true market value of such transportation property than the ratio which the assessed value of all other commercial and industrial property bears to the true market value of such property in the same assessment jurisdiction; (2) the levy or collection of the tax on an assessment unlawful pursuant to (1); (3) the levy or collection of an ad valorem property tax on transportation property at a rate higher than that generally applicable to commercial and industrial property in the same assessment jurisdiction; and (4) the imposition of any other tax which results in the discriminatory treatment of any common or contract carrier subject to the Interstate Commerce Act.

The Senate bill gave the District Courts of the United States jurisdiction to grant mandatory or prohibitive injunctive relief, interim equitable relief, and declaratory judgments as may be necessary to remedy any acts in violation of this section. The jurisdiction provided for by this section was not made exclusive of the jurisdiction which any Federal or State court may have, and, in order for relief to be granted under the section, the transportation property must be assessed at a ratio of at least 5 percent above that applied to all other commercial and industrial property. The burden of proof with respect to determination of assessed value and true market value was to be determined by State law, and where the ratios could not be established to the satisfaction of the court through a sales assessment ratio study, the court was directed to hold certain assessments unlawful.

The Senate bill made this section inapplicable to any State which, on the date of enactment, had in effect a constitutional provision for the reasonable classification of property for State purposes.

House Amendment

Part I of the Interstate Commerce Act was amended to include a new section making unlawful ad valorem State or State subdivision taxation activities. Such prohibited tax practices included (1) overvaluation; (2) collection of an unlawful tax; (3) collection of any ad valorem property tax at a higher tax rate than the tax rate generally applicable to commercial and industrial property in the taxing district; or (4) the imposition of a discriminatory "in-lieu tax".

The House amendment outlined methods by which true market value could be established and gave the courts guidelines for determination of whether a tax was unlawful.

A new remedy was established for rail carriers who wished to challenge discriminatory taxes by permitting an action in Federal district court.

The provisions of this section were not to become effective until 3 years after the date of this bill's enactment.

Transfer taxes and recording fees exempted ConRail from transfer taxes both at conveyance, February 26, 1976, and upon any subsequent supplementary transaction authorized by law. ConRail and any other party to a transaction will pay filing fees.

Further, this section exempted ConRail from transfer taxes at the time of the conveyance of properties from the bankruptcy to ConRail and upon any subsequent transaction authorized by the Railroad Revitalization and Regulatory Reform Act of 1975.

ConRail and any other party to a transaction will have to pay the filing fees for such transfer.

Conference Substitute

The conference substitute follows the Senate bill except that the conferees deleted the provision making this section inapplicable to any State which had, on the date of enactment, a constitutional provision for the reasonable classification of property for State purposes and limited the provision to taxation of railroad property.

Uniform expense and revenue reporting system

Senate Bill

The Senate bill directed the Commission to establish, within 3 years, standards and procedures for the presentation by rail carriers of expense and revenue data required in Commission proceedings. The Commission was to consult with certain persons in the development of these standards, and was directed to consider the expenses which the new standards would impose on carriers in relation to their benefits. The standards were to be designed to promote fairness, uniformity, consistency, and compatibility.

The Senate bill provided that the Commission must, in developing these standards and procedures, develop financial reporting methodologies and procedures with the intent of furthering the art of railroad financial management and reporting. The Commission was further directed to identify the types of financial information which it should consider in making particular determinations and to develop criteria for applying the information to the determinations.

The Senate bill directed the Commission to consider, in conjunction with the development of these revenue standards, whether any modification should be authorized or required in the uniform system of accounts. Any modification must be in conformity with generally accepted accounting principles. The Commission was directed to implement changes in the uniform system of accounts which are cost-effective, nonduplicative, and compatible with the present and desired managerial and responsibility accounting requirements of the carriers, and which protect the confidentiality of competitive information.

The Commission was directed to review the uniform system of accounts at least every 5 years and to make any necessary revisions. The Commission was authorized to prescribe certain uniform accounting rules prior to the establishment of the uniform expense and revenue data standards.

The Senate bill directed the Office of Management and Budget, within 180 days of enactment, to establish a rate at which, and a period within which, transportation revenues and expenses should be discounted to best reflect the opportunity costs of the capital resources available for transportation needs.

The Senate bill authorized an appropriation of $1 million to the Commission for certain specific purposes in carrying out this section.

House Amendment

The House amendment directed the Interstate Commerce Commission to issue regulations prescribing a uniform cost and revenue accounting and reporting system for rail carriers by June 30, 1977. Such regulations were to be effective by January 1, 1978.

The Commission was required to consult with and solicit the views of other agencies of the Federal Government and the representatives of the carriers, their employees, shippers, and the public.

Minimum standards for inclusion in the system were set forth—

(i) Operating and nonoperating revenue;

(ii) Direct costs for determining fixed and variable costs; and

(iii) Indirect costs for determining fixed, common, joint and constant costs.

The system was required to be in accordance with generally accepted accounting principles, and was to be cost-effective, nonduplicative, and compatible with rail carriers' present and desired managerial and responsibility accounting requirements.

The Commission was required to review and revise, if necessary, the new system periodically, but not less than once every 5 years. Additional staffing for two systems accountants was authorized to carry out this requirement. An amount not to exceed $1,000,000 was authorized for procuring temporary and contractual assistance to carry out the provisions of this section.

The House amendment required the ICC to review and revise the new system, if necessary, periodically, but not less than once every 5 years.

Additional staffing for two systems accounts was authorized to carry out this requirement.

An amount not to exceed $1 million was authorized for procuring temporay and/or contractual assistance to carry out the provisions of this section.

Conference Substitute

The conference substitute follows the House provision.

Securities

Senate Bill

No provision.

House Amendment

The House amendment removed the exemption for railroad securities under the Securities Act of 1933 except for interests in railroad equipment trusts; repealed the provision under the Securities Act of 1933 stating that Securities and Exchange Commission (SEC) rules on accounts which are inconsistent with those of the ICC shall not apply to railroads subject to section 20 of the Interstate Commerce Act. The responsibility of the ICC for the approval of securities issuances under sections 20a and 214 of the Interstate Commerce Act would remain unchanged.

By modification of section 3(a)(6) of the Securities Act of 1933, the provisions of the Trust Indenture Act of 1939 would now be applicable to the appropriate debt securities of rail carriers.

The provision under the Securities Exchange Act of 1934 permitting carriers to file ICC reports with SEC in lieu of reports otherwise required was repealed.

The House amendment eliminated the automatic exemption from provisions of the Investment Company Act of 1940 for railroad investment companies which the SEC found to be engaged principally in the business of investing, reinvesting, owning, holding, or trading in the securities. The SEC would continue to exercise its authority under section 3(b)(2) of the Investment Company Act of 1940 to exempt any rail carrier which the Commission finds and, by order, declares to be primarily engaged in a business other than of an investment company.

Conference Substitute

The conference substitute follows the House amendment. Note, however, that provision is made in title VI for the exemption of the initial issuances of ConRail securities under the final system plan from the registration requirements of the Securities Act of 1933.

The conferees intend that the term motor carrier as used in the new paragraph (6) of this section is to have the same meaning as such term is given in section 203(a)(16) of part II; of the Interstate Commerce Act.

Further, the conferees wish to make clear that the provisions of the conference report relating to railroad securities in no way affect the jurisdiction of the Senate Banking Committee, and that if the implementation of these provisions by the Securities and Exchange Commission results in unintended hardship, the conferees expect the SEC to use its existing authority to provide exemptions in order to ameliorate any unintended effects.

Rail services planning office

Senate Bill

The Senate bill amended section 205 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 715) by redesignating the Rail Services Planning Office as the Transportation Services Planning Office, and established that office as a permanent planning and policy unit in the Commission.

In addition to its existing duties, the Office was directed to assist the Commission in studying and evaluating any transaction proposed under section 5(2) of the Interstate Commerce Act with respect to any merger, consolidation, control, coordination, joint use of tracks or other facilities, acquisition or sale of assets, or other such project; and to assist the Commission in developing, with respect to economic regulation of transportation, policies which are likely to result in a more competitive, energy-efficient, and coordinated transportation system which utilizes each mode of transportation to its maximum advantage to meet the transportation service needs of the Nation.

The Senate bill gave the Planning Office the responsibility to issue regulations for the development of a new accounting system to determine specified costs and revenues associated with rail lines. The Planning Office also had the responsibility to determine the avoidable cost standard as used in the provisions on discontinuance or abandonment. The Planning Office was directed to prepare an evaluation of the economic viability of any light density line not included in the final system plan when requested to do so by a State.

House Amendment

The House amendment established a permanent Office of Rail Services Planning, within the Commission. Such office was to be administered by a Director.

The Director was to be appointed with the concurrence of five members of the Commission for a term of 6 years, and the Director was to discharge the duties and functions of the Office.

The Director was required to report to the Chairman of the Commission, or to such person as the Chairman designated. The Director could enter into such contracts as are necessary to conduct the functions and duties of the Office, and each agency of the Federal Government was authorized to give consideration to a written request to furnish the Director, on a reimbursable basis or otherwise, such assistance as the Director deemed necessary to carry out his functions.

In addition to any duties the Office may have under any other law, the Office was required to:

(i) assist the Commission in studying and evaluating proposals for mergers, consolidations, joint use of tracks or other facilities;

(ii) assist the Commission in developing a national and efficient rail economic regulatory policy;

(iii) assist the States and local regional transportation agencies in making determinations of whether to provide rail service continuation subsidies to maintain in operation particular rail properties by establishing criteria for determining whether such properties are suitable for the continuation of service with such subsidies; and

(iv) conduct an ongoing analysis of national rail transportation needs.

$7 million was authorized to be appropriated for the Office.

Section 205 of the Regional Rail Reorganization Act of 1973 was repealed.

Conference Substitute

The conference substitute follows the House provision except that the Office of Public Counsel remains with the Rail Services Planning Office until the assumption of such duties by the Office of Rail Public Counsel pursuant to section 27(4)(d) of the Interstate Commerce Act.

Equitable distribution of cars for unit train service

Senate Bill

The Senate bill amended section 1(12) of the Interstate Commerce Act by adding that in applying the provisions of paragraph (12), unit-train service and non-unit-train service must be considered separate and distinct classes of service and a distinction must be made between these two classes of service and between the cars used in each class of service. Questions of the justness and reasonableness of, or discrimination or preference or prejudice or advantage or disadvantage in, the distribution of cars was to be determined within each such class and not between them.

The Senate bill provided that cars supplied by shippers or receivers must not be considered a part of such carrier's fleet or otherwise counted in determining questions of distribution or car count under this paragraph or statutes referred to in this section. "Unit-train service" was defined to mean the movement of a single shipment of coal of not less than 4,500 tons, tendered to one carrier, on one bill of lading, at one origin, on 1 day and destined to one consignee, at one plant, at one destination, via one route.

House Amendment

The House amendment was the same as the Senate bill.

Conference Substitute

This provision is included in the conference substitute.

Appropriations request

Senate Bill

The Senate bill provided that not less than 10 months prior to the start of each new fiscal year, the Commission must prepare and submit concurrently to the Congress and to the President budget estimates for the new fiscal year. Whenever the Commission transmitted any budget request, supplemental budget requests or estimates, other budget information (including manpower needs), legislative recommendations, prepared testimony for Congressional hearings, or comments on legislation to any official or agency of the executive branch, the Commission must concurrently submit a copy to the Congress. No official or agency would have authority to require the Commission to submit or transmit to any official or agency for any purpose any information described in this section prior to the submission thereof to the Congress.

House Amendment

The House amendment required the Commission to concurrently submit a copy of its budget request to the Congress and the President or Office of Management and Budget.

Conference Substitute

The conference substitute follows the House amendment, except that the type of information covered by the provision was expanded to conform to the Senate bill. The provision thus applies to any budget request, supplemental budget request or estimate, other budget information (including manpower needs), legislative recommendations, prepared testimony for congressional hearings, and comments on legislation.

Law revision

Senate Bill

The Senate bill directed the Commission, either with its own staff or through consultants, to prepare a proposed modernization and revision of the Interstate Commerce Act, as amended, as well as a proposed codification of all acts supplementary to the Interstate Commerce Act. The report was to be submitted to Congress within 2 years after enactment of the Senate bill, and must include comments on each proposed provision and the alternatives considered but not recommended. The purpose of such revision was to simplify present laws and harmonize regulations among the modes of transportation.

House Amendment

The Commission was directed to prepare a proposed modernization and revision of the Interstate Commerce Act as it relates to railroads and, if feasible, a proposed codification of all Federal laws relating to rail transportation and submit the final draft to Congress within 500 days of this bill's enactment.

Conference Substitute

The conference substitute follows the Senate bill.

TITLE IV—MERGERS AND CONSOLIDATIONS

Authority of the Secretary of Transportation

Senate Bill

The Senate bill amended the Department of Transportation Act by adding a new section 5, authorizing the Secretary to plan and develop proposals for mergers and similar arrangements intended to achieve a more efficient or adequate rail system. The bill authorized the Secretary to conduct studies, to assist any railroad, and to hold conferences for the purposes of planning and proposing mergers and other unification or coordination projects which the Secretary believes would result in a more efficient or adequate rail system.

The Senate bill required the Secretary to conduct a comprehensive study of the American railway system, to determine the potential cost savings and improvements in service quality which could result from restructuring the railroads; the potential economies and improvement of local and terminal operations; the potential savings in the expense of rehabilitating railroads which are possible through improvement of traffic flows; the extent to which common or public ownership of fixed facilities could improve the national rail transportation system; the potential effects of alternative rail corporate structures upon the national rail transportation system; the rail properties which should be improved to permit high-speed rail passenger or freight service; and the financial and physical condition of the facilities, rolling stock, and equipment of the various railroads in the United States.

For purposes of such studies, each railroad was required to provide information requested by the Secretary in connection with performance of his functions under this section, and the Secretary was authorized to obtain from any railroad information concerning the nature, kind, quality, origin, destination, consignors, consignees, and routing of property with or without the consent of the consignor or consignee.

House Amendment

No provision.

Conference Substitute

The conference substitute follows the Senate bill, except that the study of the American railway system is included in another provision.

Merger procedures

Senate Bill

The Senate bill reformed the Commission's existing merger procedure by setting specific time limits for each procedural step in processing a merger application.

Under the modified procedure provided in the Senate bill, within 30 days after the date on which a merger application is filed, the Commission must publish notice in the Federal Register (or reject the application as incomplete). Written comments on the application may be filed for a period of 45 days after the publication of notice. The Secretary of Transportation, the Chairman of the United States Railway Association, and the Attorney General must be served with copies of the application, and are given 15 days after receipt thereof to inform the Commission whether he or she will intervene as a party to the proceeding. All other applications which are inconsistent with the primary application, and all applications for inclusion in the transaction must be filed within 90 days.

The Commission must conclude any evidentiary proceeding within 240 days after notice of the application was published in the Federal Register, except that the Commission was given 24 months to conclude an evidentiary proceeding involving two or more class I railroads. A final decision was required to be issued within 180 days following the conclusion of the evidentiary proceeding; the Commission was required to notify the Congress if such deadline could not be met.

In certain circumstances the Commission could order that the case be referred directly to the full Commission without an initial decision by a division, individual Commissioner, board or administrative law judge.

House Amendment

This section added a new paragraph (3) to section 5 of the Interstate Commerce Act. Any merger, consolidation, coordination project, joint use of tracks or other facilities, or acquisition of or sale of assets involving a common carrier by railroad that was proposed by the Secretary or by a common carrier between January 1, 1976, and December 31, 1981, could utilize the expedited procedures under this paragraph if the carriers involved in such merger or consolidation project petitioned the Commission in accordance with the procedures prescribed under this paragraph.

Any transaction for such consolidation or merger could be proposed either by the Secretary, with the consent of the carrier involved, or by the involved railroads, provided that such proposal was submitted to the Secretary 6 months prior to proposing such transaction to the Commission.

Once the carrier submitted an application for such proposed merger or consolidation pursuant to this new paragraph the Commission, within 10 days after receiving such application, was required to notify:

(1) The Governor of each State in which the involved transactions were situated;

(2) The Attorney General;

(3) The Secretary of Labor; and

(4) The Secretary, in cases in which the Secretary was not the party proposing such merger or consolidation.

The Commission was required to hold a public hearing on each application submitted, and within 90 days after its receipt, a panel of the Commission which could utilize administrative law judges or the Rail Services Planning Office to resolve the issues in timely and effective manner. The panel was required to complete the hearing with 180 days after the hearing began and to render an initial decision and certify the record to the Commission within 90 days after the termination of such hearing. The Commission was required to hold oral argument on the certified matters and render a decision on such proposal within 120 days after receiving the certified record. The Commission could extend the time period allotted to the panel and to the full Commission but for no more than 2 years from the date on which the proposal was first filed with the Commission.

In making the initial decision, the panel of the Commission was to request the views of the Secretary, the Attorney General, and the Secretary of Labor.

Whenever a proposed transaction was submitted by the Secretary or by a common carrier, the Secretary was directed to—

(i) publish it in the Federal Register;

(ii) give notice to the Attorney General, and the Governor of each State in which the proposed transaction is situated;

(iii) conduct informal public hearings, and provide all interested parties an opportunity to submit written comments;

(iv) study each proposed transaction with respect to the needs of rail transportation in the area affected, competition, environmental impact, employment, the cost of rehabilitation, the rationalization of the rail system, impact on shippers, consumers and railroad employees, and the effect on the geographical area affected;

(v) submit a report to the Commission setting forth results of each study conducted pursuant to this paragraph.

The Commission was required to give due weight and consideration to the results of the Secretary's study.

The Commission was authorized to approve, disapprove, or modify such proposed transaction with consent of the carrier, if it deemed such modification in the public interest.

This section also amended existing merger procedures with the Commission by requiring that all applications for inclusion within a merger proposed by other carriers that were inconsistent in whole or in part with the original application for a merger, must be filed within 90 days after the first application for a merger was perfected.

Conference Substitute

The conference substitute incorporates the major provisions of both the Senate and House bills and by so doing, there are created extensive changes in existing procedures utilized by the Interstate Commerce Commission in the determination of whether to approve proposed railroad mergers.

The most significant features of both bills are that the Secretary of Transportation is given a significant role as a catalyst in the studying, developing, and negotiating of railroad mergers. Further, the Secretary is authorized and, under the new "expedited merger proceedings", is directed to appear before the Commission with the results of his studies.

Second, alternative merger procedures, with different standards for review by the Commission, are made available to railroads attempting to merge.

Third, strict time limits are placed upon the Commission for the completion of merger proceedings.

Under the adopted Senate provisions the existing section 5(2) of the Interstate Commerce Act was amended to require the Commission to publish notice of all proposed applications for merger, to accept written comments within 45 days after such publication in the Federal Register, to serve such comments on the Secretary and the Attorney General, and to require that all applications for merger, inconsistent, in whole or in part, with the perfected application for merger, be filed with the Commission within 90 days after publication in the Federal Register. Further, all evidentiary proceedings relating to such merger must be completed within 2 years after publication in the Federal Register and a final Commission decision rendered within 180 days after conclusion of the evidentiary hearing.

This adopted Senate provision, except for its time limitations, does not affect the standards or case law presently utilized by the Commission under section 5(2) of the Interstate Commerce Act in its review of a merger application.

The Senate provision does require the Commission in section 5(2) merger proceedings to complete evidentiary proceedings in 2 years and to render its final decision within 180 days after the completion of evidentiary proceedings. If the Commission cannot complete a merger proceeding within the time limits prescribed, it must report to the Congress that there will be a delay and the reasons for such delay in order to extend the proceeding.

The adopted House provisions entitled "Expedited Merger Railroad Merger Procedure" offers to railroads an alternative procedure for seeking approval of a merger that differs in significant functional aspects from section 5(2) of the Interstate Commerce Act in that (1) the initial planning or review process is undertaken by the Secretary rather than in a hearing before the Commission (however, after the plans are finalized, they are submitted to the Commission for its approval), (2) it establishes public interest as the standard for the Commission's approval of a merger rather than the standards established under section 5(2) of the Interstate Commerce Act, and (3) the Commission is directed to approve, disapprove or modify the application before it, based on the public interest test and without concerning itself with inclusion applications. This stems from the fact that the only merger applications that are permitted to be reviewed by the Commission under the new section 5(3) of the Interstate Commerce Act are those that apply to the Secretary, for study, 6 months prior to applying to the Commission. Once such an application is presented to the Commission, it must be acted upon on its own merits.

TITLE V.—RAILROAD REHABILITATION AND IMPROVEMENT FINANCING

Senate Bill

The rail fund

The Senate bill established in the Treasury of the United States (for a period of 2 years) a Railroad Rehabilitation and Improvement Fund, called the Fund, under the direction and control of the U.S. Railway Association. The Fund was to serve as the vehicle for a new form of Federal financial assistance to rehabilitate and improve the Nation's fixed rail plant. The Association was enabled and authorized to secure a first pledge of and lien on all revenues payable to, and all assets held in the Fund. The purposes of the Fund were to provide capital to the U.S. Railway Association which would provide financial assistance to the Consolidated Rail Corp. ("ConRail") and to provide financial assistance to railroads throughout the Nation. Original jurisdiction was established in the district courts of the United States for all civil actions in which the Association or the Fund was a party.

The Fund was to consist of: (1) proceeds from the sale of Fund anticipation notes to the Treasury (2) moneys to be appropriated by Congress to the Fund; (3) proceeds from the issuance and sale of Fund bonds if and when later authorized to be sold to the public by Congress; (4) ConRail debentures and series A preferred stock purchased by the Association; (5) redeemable preference shares to be issued by rail carriers other than ConRail and purchased by the Association; and (6) income and gains realized from the investment of excess moneys held by the Fund. Excess moneys provided in the Fund could be invested by the Secretary of the Treasury.

The uses to which the Fund's moneys could be put were specified to be the following: (1) providing financial assistance to ConRail through the purchase by the Association of debentures or series A preferred stock; (2) providing financial assistance to carriers other than ConRail for working capital, facility rehabilitation and other financial needs through the purchase of redeemable preference shares of stock; (3) payment of principal and interest on fund anticipation notes and on Fund bonds if issuance is authorized by Congress; (4) payment of the Association's expenses in carrying out its functions; and (5) redemption of fund anticipation notes and of Fund bonds if issuance is later authorized by Congress. The Fund was exempted from apportionment under the provisions of the Act of July 12, 1870.

Classification and designation of rail lines

The Senate bill established procedures for classification by the Secretary of Transportation of rail lines on the basis of the essentiality of each line to the rail transportation system and the economic viability of each line.

Each of the Nation's railroads (except ConRail and those railroads which have elected to be reorganized pursuant to the provisions of the Regional Rail Reorganization Act of 1973) was directed to prepare and submit to the Secretary of Transportation and the Interstate Commerce Commission, within 180 days after enactment, with respect to each of its main and branch lines, a traffic density schedule for each of the preceding 5 calendar years.

The Secretary of Transportation was directed to develop and publish, within 270 days, a set of preliminary standards for classifying main and branch rail lines according to the degree to which they are essential to the rail transportation system. This classification was to be based on the level of usage, the contribution to the economic viability of the railroad controlling the line, and contribution to the probable economic validity of any other railroads which participate in traffic originating on such lines. The Secretary was then to make preliminary designations in accordance with the classifications. The Transportation Services Planning Office of the Interstate Commerce Commission was directed to hold public hearings on the Secretary's preliminary standards and designations. Following hearings, the Office was to report to the Secretary its conclusions and recommendations on the Secretary's standards for classification and preliminary designations within 120 days after initial publication. The Secretary was directed to prepare and publish the final classification standards for main and branch lines, and the final designations with respect to each main and branch line, within 60 days after the date of receipt of the Office's report. Any material changes from the preliminary standards and designations required specific findings.

Capital needs study

Each railroad was directed to prepare and submit to the Secretary of Transportation and the U.S. Railway Association, within 180 days, a full and complete schedule of its deferred maintenance and delayed capital expenditures as of December 31, 1975, with a 10-year projection of desired maintenance and capital expenditures.

The Secretary of Transportation was directed to develop and publish preliminary financing recommendations to meet the railroad's capital needs. He was required to transmit to the Association and to Congress a preliminary recommendation as to the amount of railroad equity financing that needed to be affected through the capital fund or other funding mechanism which the Secretary found to be appropriate. He was also required to transmit to the Association and to the Secretary of the Treasury a preliminary recommendation as to the means by which Federal participation in the equity financing of the railroad industry should be provided, consistent with the Secretary's recommendations on future policy for Federal aid to transportation; in preparing these preliminary financing recommendations, the Secretary was directed to consider specifically the public benefits and costs, if any, which would result from public ownership of railroad rights-of-way.

The Association was directed to evaluate the Secretary's preliminary financial recommendations, and the Secretary of the Treasury was directed to evaluate the means by which Federal share equity financing should be provided. These evaluations were to be published and transmitted to the Secretary of Transportation and to Congress within 90 days of the date of publication of the Secretary's preliminary recommendations. The Secretary was to make his final recommendations regarding railroad financing within 90 days after receipt of the evaluations by the Association and the Secretary of the Treasury.

Rehabilitation and improvement financing

The Senate bill set forth the mechanism by which railroads (other than ConRail) become eligible to receive financial assistance for facilities rehabilitation improvement, working capital, and other financial needs. Any railroad, other than ConRail, was eligible to apply to the Association for working capital and such other financial needs as might have been approved by the Association in accordance with regulations that were promulgated by the Association. An application to the Association for financial assistance for facilities and rehabilitation improvement was to await the final classification and designation of rail lines by the Secretary under section 503(e).

The Senate bill set forth the requirements of an application by a railroad for facilities rehabilitation and improvement financing, including the essentiality classification of each main and branch line as determined by the Secretary. The Association was required to act on any railroad application within 6 months and the Association could approve an application if the Association determined that the rendering of the requested financial assistance was in the public interest. In evaluating each application, the Association was to consider (1) the availability of funds from other sources at reasonable costs considering principles of prudent management in light of the projected rate of return on investment for each proposed project, (2) the interest of the public in increasing the total funds (private and public) available for railroad financing, and (3) the public benefits in relation to public costs and whether there will be adequate public benefits to justify public costs. The Association was directed to enter into a financing agreement with a railroad when an application for financial assistance was approved to provide financing sufficient to meet the reasonable cost of the railroad's financing program.

The financing by the Association of railroads other than ConRail was to be provided through the purchase by the Association of redeemable preference shares of railroad stock. These redeemable preference shares were to be purchased at par value. The total amount of such purchases by the Association was not to exceed $1.4 billion. The total par value of the redeemable preference shares which the Association could purchase after December 31, 1977 was limited to an amount to be determined by Congress, following receipt by the Congress of the Secretary's financing recommendation. This section further limited the amount of the Association's investment in redeemable preference shares in any fiscal year out of proceeds other than those from the issuance and sale of fund anticipation notes. This latter limitation applied to fund bond proceeds when such bonds were authorized by Congress.

Redeemable preference shares

The Senate bill described the redeemable preference shares which the Association was to purchase from a railroad, other than the Consolidated Rail Corporation, for the purposes of obtaining working capital or facility rehabilitation financing. The redeemable preference shares were designed to repay the Fund not less than 150 percent of the total equity investment made by the Association and were to include features specified in the bill.

All redeemable preference shares acquired by the Association be deposited in the Fund upon acquisition.

The Association was authorized to appoint two members to the board of directors of a railroad which had a continuing default in respect of dividend or mandatory redemption payments for a period in excess of 1 year.

Fund anticipation notes

The Association was authorized, until December 31, 1977, to issue and sell to the Secretary of the Treasury, fund anticipation notes in an aggregate principal amount not to exceed $4.4 billion, in order to provide financial assistance to (1) ConRail pursuant to the Regional Rail Reorganization Act of 1973, as amended, and (2) to other railroads for working capital and such other financing needs as the Association approves.

Such fund anticipation notes were to be issued in denominations of $100,000, or any integral multiple thereof, with such terms and conditions as the Association determined in its discretion, except that the date of maturity could not exceed 7 years from the date of issuance.

The Senate bill provided for the redemption of fund anticipation notes if Congress later authorized the issuance of fund bonds. The redemption must utilize the proceeds of the sale of fund bonds and other moneys appropriated to the rail fund. The amount of fund anticipation notes to be redeemed was to be reduced by that amount of debentures and series A preferred stock in ConRail which had not been exchanged for redeemable preference shares. If Congress later authorized the Association to issue fund bonds, the Association was directed to either exchange all debentures and series A preferred stock issued by ConRail held in the fund for redeemable preference shares or to transfer from the fund to the Secretary of the Treasury all debentures and series A preferred stock of the Corporation held by the fund.

The Senate bill provided for termination of the Fund if Congress did not, on or before January 1, 1978, enact the legislation to authorize the issuance of fund bonds at which time the Association was to hold for the Secretary of the Treasury all debentures and series A preferred stock issued by ConRail and all redeemable preference shares issued by railroads other than the Corporation, which were held in the fund. If Congress did not take affirmative action, the Fund was to thereupon terminate.

Fund bonds

The Association was authorized to issue fund bonds in the event that Congress enacted further legislation authorizing such bonds. All fund bonds were to be in denominations of $100,000 or any integral multiple thereof. No fund bond was to mature in less than 8 years or more than 15 years from the date of original issuance. Each fund bond was to be subject to redemption at the option of the Association at any time on or after the 10th anniversary date of the original issue.

The Association was directed to impose a first pledge of and lien on all revenues payable to, and assets held in, the Fund to secure any payments of principal or interest on fund notes or bonds. In order to enhance the marketability of fund bonds, the Association was authorized to enter into certain binding covenants with the holders. The Association was authorized to determine the forms and denominations, the timing of sale, the maturities, the price, the rate of interest, the redemption features of the bonds, and whether they were to be negotiable or nonnegotiable and whether they were to be bearer or registered instruments. The characteristics of the fund bonds were set forth, including a requirement that they be considered lawful investments and not exempt from any Federal, State, and local taxation. The bonds were not to constitute an enforceable obligation or debt of the Federal Government. Any officer of the Association or other individual who executed any fund anticipation note or fund bond was exempted from personal liability.

The Senate bill provided that, if after the 10th anniversary date of the original issuance of the fund bonds, the amount in the fund, exclusive of the value of any redeemable preference shares held by the rail fund, exceeded 250 percent of the amount required to satisfy amounts due in the succeeding fiscal year on account of the fund bonds, the Association was authorized to use the excess amounts to amounts due in the succeeding fiscal year on account of the fund to redeem fund bonds. If the Secretary of Transportation so recommended, the Association could withdraw all or part of such excess from the fund and transfer it to the general fund of the United States. Following redemption of all fund bonds, the amount remaining in the fund was to be transferred to the general fund of the United States except to the extent necessary to cover the expenses of the Association or the fund to carry out and complete any remaining responsibilities.

The Association was authorized, subject to the agreements which the holders of fund bonds as existed at the time, to purchase fund anticipation notes or fund bonds out of any funds available.

Authorization of appropriations

The Senate bill authorized appropriations to the fund not to exceed $4.4 billion. The Secretary of the Treasury was authorized and directed to purchase prior to January 1, 1978, from the Association, any fund anticipation notes that the Association offered for sale. Additional funds to permit the Association to carry out its obligations under title V of the bill, were also authorized to be appropriated to the fund, not to exceed $2 million in any fiscal year.

Exemption

The Senate bill exempted the issuance and sale of redeemable preference shares by railroads from the provisions of section 20(a) of the Interstate Commerce Act, and from the registration and prospective delivery requirements of the Securities Act of 1933.

Guarantee of obligations

The Senate bill—

(1) authorized the Association to guarantee and make commitments to guarantee the payment of interest on the principal balance of a facility or equipment obligation;

(2) established an obligation guarantee fund to be administered by the Association as a revolving fund;

(3) required the Association to make a determination of the value of the equipment which would be financed or refinanced by an obligation before granting any application for a guarantee or commitment to guarantee such obligations;

(4) provided that the Association could permit a modification of any provision of the guarantee of, or a commitment to guarantee, any obligations;

(5) provided that the aggregate unpaid principal amounts of obligations including interest, which may be guaranteed by the Association at any one time, shall not exceed $1 billion;

(6) stated that interest would be payable on the unpaid principal balance of any obligation guaranteed by the Association and that the rate of such interest was to be limited to an annual percentage rate which the Association determined to be reasonable, considering prevailing interest rates for similar obligations in the private market;

(7) provided for the publication of notice of any applications for guarantees under this section in the Federal Register;

(8) required the Association to make the following findings in writing before providing any guarantee: (i) the obligation is secured by the equipment to be financed or refinanced by such obligation; (ii) the payment of the obligation is to be required within 25 years from its execution; (iii) the financing and refinancing of the equipment is justified by the present and probable future demands for rail services to be rendered by the applicant and will serve to meet those needs and provide shippers with improved service; (iv) there is reasonable assurance that the facilities or equipment to be acquired and modernized or improved will be economically and efficiently utilized; (v) the probable value of such facilities or equipment is sufficient to provide the United States with reasonable protection in case of default and repossession by the holder of the equipment obligation or the possession or purchase by the Association; and (vi) the transaction will result in an improvement in the capability of any railroad to improve freight or passenger services;

(9) required the recipients of any guarantee or commitment to guarantee to maintain the facilities or equipment on a continuing basis, consistent with their capital resources and in accordance with standards promulgated by the Association. The association was to assure compliance with this obligation by regular periodic inspection;

(10) required that no guarantee could be issued unless the obligor first agreed that (i) there will be no increase in the discretionary dividend payments in excess of the past 5-year average, except where the Association approves after a public hearing and finding that the increased dividends will not materially impair the ability of the obligor to comply with item 3 below; (ii) there will be no use of assets or revenues—other than cash—for no railroad operations except where the Association approves after public hearings, and make the findings that such diversion of assets will not impair the ability of the obligor to comply with item 3 below; and (iii) the obligor takes reasonable steps to improve use of all equipment and facilities;

(11) provided that upon breach of any conclusion of paragraph (9) or (10) above, the Association may seek to enjoin the activity in violation of the condition. Any person violating a condition may be subject to a civil penalty;

(12) provided for an investigation charge which the Association was to collect from each applicant;

(13) provided for a guaranteed obligation premium charge which could not exceed an annual rate of 1 percent of the unpaid principal balance; and

(14) provided that all administrative costs could be paid from the proceeds collected as an annual premium charge up to 5 percent of that amount.

Issuance of notes or obligations

The Association was authorized to issue notes or obligations to finance the guarantee of such obligations, and to dispose of property acquired by it. Revocation of such guarantees, except in accordance with lawful terms and conditions prescribed by the Association was prohibited.

Default on guaranteed obligations

The rights of parties under a guaranteed obligation, including rights under any security agreements, were established. The Association was given a right of action against defaulting obligors.

Audit of transactions

The Comptroller General was authorized to audit transactions of the Association and, if necessary in such audits, was granted access to the records of companies for whom obligations were guaranteed. The Comptroller General was required to make a report on each such audit to the Congress.

Annual report

The Association was required to report to the Congress within 90 days following the end of each fiscal year on the financial conditions and operations of the fund during each fiscal year and on the anticipated condition and operation of the fund during the next fiscal year.

Employee protection

The Senate bill required that fair and equitable arrangements be provided to protect the interests of employees who may be affected by actions under this title.

House Amendment

Rail transportation fund

The Secretary was directed to establish, within the Department of Transportation, a rail transportation fund. The fund was to consist of appropriated funds and obligation authority, and it was to maintain the following three accounts:

(1) The Improvement of Facilities and Services Account,

(2) The Rail Passenger Service Account, and

(3) The Loan Guarantee for Rail Improvement and Service Account.

All expenditures were limited by specific appropriations acts or by obligational authority limits. The Secretary was directed to prepare and transmit to the Congress a business-type budget for the fund, in accordance with the Government Corporation Control Act.

Improvement of facilities and services account

There was authorized to be appropriated, over a 6-year period or until September 30, 1981, $1.5 billion for railroad rehabilitation. Not more than $350 million in this account could be used to develop an integrated computer system for train control and car utilization.

Any of the funds could be used to—

(1) construct, rehabilitate, improve or modernize track, roadbed or related structures, electrical transmission systems, signal system, terminal for yard facilities, shop or other repair facilities;

(2) provide supplemental assistance for funding supplemental transaction; and

(3) develop an integrated computer system (limited to $350 million).

The Secretary could only expend funds if the Secretary determined—

(1) the projects were in the public interest;

(2) the projects furthered the goals of this action and national transportation policy; and

(3) the financial assistance is necessary if the project is to be undertaken.

Before the Secretary expended funds he was directed to develop criteria for the most effective utilization of the funds authorized for rail rehabilitation and the furtherance of the goals of this act. The development of criteria was to be in the following manner:

(1) within 90 days each common carrier by railroad was to analyze its rail system and file with the Secretary a complete schedule, showing the traffic density on each of its main and branch lines for the preceding 5 years. ConRail was exempt from this section;

(2) within 180 days of this bill's enactment, the Secretary was to develop and publish preliminary standards for classifying main lines and branch lines according to their level of usage, measured in ton/miles and probable economic viability. A preliminary designation based on such classifications was required to be made;

(3) within 30 days after the publication by the Secretary of preliminary standards for classification, the Rail Services Planning Office was required to hold public hearings on such classifications;

(4) within 120 days after the publication by the Secretary of such classifications, the Office of Rail Services Planning was directed to report to the Secretary its conclusions and recommendations with respect to such standards and designations;

(5) within 60 days after the receipt of such conclusions and recommendations of the office, the Secretary was required to prepare and publish the final standards for main and branch line classifications.

Any common carrier by railroad was authorized to apply to the Secretary, in accordance with the regulations promulgated by him, the financial assistance authorized under the improvement of service account. The Secretary was directed to act upon each application within 6 months after it is submitted. In considering such applications the Secretary was required to give first priority for rehabilitation to the highest classification of main line, unless he determined that there were compelling reasons for giving such priority to an application for rehabilitation of main lines classified otherwise.

Financial assistance could be in the form of grants, partial grants, matching grants, direct loans in which the Secretary either deferred or forgave all or a portion of the interest subsidies, loan guarantees or any combination of the above.

Each State was encouraged to contribute a portion of the cost of any project that was approved by the Secretary and that was to be undertaken in such State. The State portion could consist of contributions from State governments, local governments, the railroad, shippers, or other interested parties.

Loan guarantee for rail improvement and service account

The Secretary was authorized, with the approval of the Secretary of the Treasury, to guarantee any lender against loss of principal and interest on securities obligations or loans issued to finance the acquisition, construction, maintenance or development of specified railroad facilities and equipment. These guarantees were to be general obligations of the United States and any guarantee made by the Secretary was not revokable.

The authorized guarantees were to be utilized for the purpose of financing, merger, consolidation, coordination project, joint use of tracks, or other facilities or sale of assets, as well as the acquisition, construction, maintenance or development of: tracks and roadbeds subject to traffic usage of at least 5 million gross ton-miles per mile of road per year; electrical, communication, and power transmission systems; signals; terminal facility modernization and consolidation; new and rebuilt rolling stock, tugs and related marine equipment used in connection with common carrier by railroad; computer based data systems; and abandoned lines where potential buyer is a transportation authority or a shipper or receiver on such lines. The Secretary was required to consider whether the prospective several findings designed to assure adequate protection to the United States in the event of default, and to assure that the improvements would contribute to a more rational, efficient, and economical rail transportation system. Different findings must be made with respect to guarantees for rolling stock. The prospective obligee was also required to have an equity interest in the asset to be financed—or in case of a lease, a beneficial interest. In addition, the Secretary was required to find that:

(1) managerial policies of the obligee are designed to upgrade and develop plant facilities and operations to fulfill its duties as a common carrier;

(2) the financial stability of the carrier is such that there is reasonable assurance the loan will be prepaid on schedule—and the value of the security pledge, will afford protection for the United States in event of default;

(3) the project for which the loan is used will enhance the efficiency of the rail operations;

(4) credit on reasonable terms is not otherwise available to the prospective borrower for the specific project envisaged;

(5) the interest rate on the loan is not unreasonable in the context of the rates prevailing on the private market for similar loans;

(6) the interests of employees who may be adversely affected by a project funded by the loan program will be protected. The Secretary was required to find that the employee protection arrangement already exists, or will be provided for, and that such arrangements will at least be equal to those established pursuant to section 5(2) (f) of the Interstate Commerce Act, and section 405(5) (f) of the Interstate Commerce Act, and section 405(5) of the Rail Passenger Service Act of 1970.

The Secretary was required to make a finding in regard to any rolling stock loan that (1) the acquisition or rebuilding of the rolling stock is justified, and (2) the probable value of the rolling stock will provide reasonable protection to the United States in event of default. The Secretary must make a finding in regard to the data system loans that the data system is consistent with intent of section 803(b) (3) of this act.

As a criterion for deciding whether applicants for the loans under this program were to be approved, the Secretary was to consider the return on investment for which the guarantee is sought; the potential for intermodal connections and substitutions, the improvement of utilization of freight cars, the relationship of proposed improvement to other improvement plans of the railroad, the improvement of service both for passenger and for shippers. and the contribution to the efficiency of the railroad.

The Secretary was authorized to prescribe rules and regulations for administration of this section.

The Secretary was authorized to enter into agreements with the Federal Financing Bank which may purchase obligations issued by the borrower and guaranteed by the Secretary, and a revolving fund was created within the Department of the Treasury to be available to the Secretary without fiscal year limitation, for purposes of this act. The total amount of the guarantees extended through this fund were not to exceed limitations in appropriations acts. The House amendment provided for authorization of periodic appropriations to provide capital for the fund.

The Secretary was to issue to the Secretary of the Treasury notes or other obligations in an amount to cover any deficiency in the fund in order to enable the Secretary to discharge his responsibilities under guarantees under this act.

The Secretary was authorized to guarantee under this section an aggregate unpaid principal amount of securities, obligations and loans, outstanding at any one time not to exceed $2 billion.

The Secretary was prohibited from guaranteeing any security, obligation, or loan the interest of which is exempt from Federal income taxes.

Conference Substitute

The conference substitute follows the Senate provisions except that—

(1) the Rail Fund is to be administered by the Secretary of Transportation rather than the United States Railway Association;

(2) the United States Railway Association may not utilize moneys in the Fund to purchase debentures and other securities of the Consolidated Railroad Corporation;

(3) $600 million is authorized to be appropriated for the purchase before September 30, 1978, of redeemable preference shares pursuant to this title;

(4) the amount of loan guarantees authorized is $1 billion, and the purposes for guarantees is broadened to conform to the House bill;

(5) $200 million of the financing made available under the title may be used to provide assistance to improve intercity passenger services operated by Amtrak or other railroads outside the Northeast Corridor;

(6) all railroads, including the Corporation, are eligible to apply for financial assistance under the title; and

(7) The Secretary may purchase redeemable preference shares from a railroad being reorganized pursuant to a court approved reorganization plan.

(8) the Secretary may purchase trustee's certificates from a railroad in reorganization which, by law, cannot issue "shares" of any kind, in amounts up to $100 million and the Secretary may authorize the conversion of those certificates to redeemable preference shares upon approval of the bankruptcy court which has approved a reorganization plan for such railroad;

(9) up to $200 million in obligations may be guaranteed for the electrification of certain lines of the Corporation between Pittsburgh and Harrisburg, Pennsylvania; and

(10) up to $150 million of obligations authorized under this title may be guaranteed by the secretary to finance improvements to the Northeast corridor.

IMPLEMENTATION OF THE FINAL SYSTEM PLAN

Transfer taxes on transactions pursuant to the Regional Rail Act

Senate Bill

The Senate bill provided for the exemption of all transfers and conveyances of rail properties under the Regional Rail Reorganization Act of 1973, as amended (hereinafter referred to as "existing law") from all otherwise applicable Federal, State and local taxes.

House Amendment

The House provision is substantially similar to the Senate provision.

Conference Substitute

The conference substitute follows the Senate bill and applies the exemption to taxes "in connection with" as well as "on" such transactions. It was also made clear that the exemption applies to transfers to subsidiaries of the corporation, Amtrak, and State, local or regional transportation authorities.

Additional final system plan designations

Senate Bill

The Senate bill provided that the provisions and designations of the Association's official errata supplement, dated December 1, 1975, would be treated for all purposes as if included in the final system plan as approved by the Congress.

It also authorizes the Association, upon petition of any State, to make certain further limited designations at any time prior to the delivery of the final system plan to the special court.

House Amendment

The House amendment contained the same provisions with regard to the Association's official errata supplement. It also proposed to amend section 206(d)(4) of existing law by authorizing, up to the date of acceptance of offers by profitable railroads, modifications in such offers to the extent that any final offer would not be at a price below the net liquidation value of the rail properties designated for sale under the offer.

Conference Substitute

The conference substitute incorporates the principal features of the Senate and House bills and further effectuates the basic objectives of these proposed amendments by the added inclusion of paragraph (3) of the new section 208(d) of the Regional Rail Act which authorizes, as part of the final system plan, certain limited categories of amendatory designations to permit the efficient implementation of the plan and to further the goals of the plan. The effect of paragraph (1) of the new subsection 208(d) is to grant affirmative congressional approval to the final system plan. It is clear that the additional designations permitted under the conference substitute can be made notwithstanding provisions of existing law in effect before the enactment of this legislation which might be construed as inconsistent with such designations.

Special court

Senate Bill

The Senate bill—

(1) amended section 209(b) of existing law to expressly vest the special court with authority to prescribe appropriate rules for the conduct of its functions;

(2) amended section 209 of existing law by adding new subsection (c), which provided that civil actions brought to challenge or to enforce or declare rights under or pursuant to the Rail Act of 1973 are within the original and exclusive jurisdiction of the special court and which also clarified the postconveyance jurisdiction of the special court by making it clear that the special court would have exclusive jurisdiction to resolve disputes concerning the meaning and implementation of its conveyance orders under section 303(b), subject to judicial review as specified;

(3) amended section 209 of existing law by adding new subsection (f), which provided that the special court would have exclusive judicial review authority with respect to supplementary transfers under section 305;

(4) amended section 209 of existing law by adding new subsection (g), which made it clear that the special court had authority to make interim investments of securities and cash deposited with it and to make interim distributions of such assets to entities transferring rail properties pursuant to the final system plan; and

(5) amended section 209 of existing law by adding new subsection (h), which made explicit the power of the special court as it relates to the stay of proceedings in other courts that would have an adverse effect on the reorganization process.

House Amendment

The House amendment—

(1) added subsection (e) to section 209 of existing law. New subsection (e) provided that any legal action brought to enjoin the operation of the act or any part or amendment thereof, to obtain a declaratory judgment of unconstitutionality, to enforce or declare rights, or to obtain or inspect records of the Association, could be brought only in the special court set up under the act, and not in any other Federal or State court. This jurisdiction was not to be exercised until after the conveyances under section 303(b). Any appeal was made directly reviewable by the Supreme Court; and

(2) added new subsection (f) to section 207 to existing law by placing the enforcement of rights under this act within exclusive jurisdiction of the special court.

Conference Substitute

The conference substitute adopts the provisions of the Senate amendment, a provision based on the House amendment concerning the deferral of judicial review to the limited extent that such review is authorized until after conveyance, and a provision establishing a narrow standard of judicial review where such review is authorized.

The new provisions are intended, among other things, to emphasize the original scheme that precludes judicial review under any provisions of the Rail Act of the Association's actions until after conveyance, except as the Constitution of the United States may otherwise require. The critical public interest in the orderly and timely completion of the vast Northeast rail reorganization as set forth in the final system plan justifies deferring such judicial review until after conveyance. So far as the post-conveyance period is concerned, the Association's designations and any other determinations made in developing the final system plan are not subject to judicial review, except as to fairness and equity matters. Finally, with respect to those cases where post-conveyance judicial review may be available, the person seeking judicial review must establish that the Association acted in reckless or deliberate disregard of applicable law. This test will be more difficult to meet than an "arbitrary or capricious test" and is appropriate in these particular circumstances because of the degree to which Congress itself has reviewed the Association's actions, and because of Congress affirmative approval of the final system plan. The conference substitute eliminates the provision giving the special court exclusive jurisdiction over any action to enforce or declare rights under the Rail Act of 1973. Many actions covered by this provision undoubtedly would be within the exclusive jurisdiction of the special court under other provisions of this bill, but still others may be of no concern to the central functions of the special court under the Rail Act of 1973, as amended.

Finance committee

Senate Bill

No provision.

House Amendment

The House bill established a Government Banking Committee of the Association's Board vested with certain authority, either exclusive or jointly exercised with the Board, pertaining to the purchase and holding of ConRail securities by the Association.

Conference Substitute

The conference substitute provides for the establishment of a Finance Committee of the Board of Directors of the Association. It will have, in relation to the Association's Board, some of the same functions as the Government Banking Committee proposed in the House amendment. The conference substitute spells out limited functions for the finance committee and subjects the exercise of those functions to specified congressional review procedures. The finance committee has no powers other than those expressly conferred by statute.

Obligations of the Association

Senate Bill

The Senate bill reduced the authorized amount of Association obligations under section 210(b) of existing law by $1 billion, or from $1.5 billion to $500 million in aggregate amount outstanding at any one time. The reduction was made effective as of the Association's first purchase of securities from ConRail under section 216 of existing law. Also following that event, ConRail would have become ineligible for further loans under section 211 of existing law.

House Amendment

The House amendment reduced the authorized amount of Association obligations under such section 210(b) to a total of $235 million. Following the first purchase of securities by the Association from ConRail, the Association would be unable to utilize its obligation for further section 211 loans to any entity except as to existing or potential commitments made or applied for prior to January 1, 1976 and for loans under the proposed section 211(h).

Conference Substitute

The conference substitute adopts a total obligational limit of $215,000,000, and limits its availability to section 211 loans in existence or applied for before January 1, 1976, and to subsections 211 (g) and (h) loans, for which authority is added by the conference substitute.

Debentures and series A preferred stock

Senate Bill

The Senate bill amended existing law by adding a new section 216, "Debentures and Series A Preferred Stock," under which the Association was authorized to invest up to $1 billion in debentures of the Corporation and up to an additional $2 billion in series A preferred stock of the Corporation, in accordance with specified procedures, and criteria, and under such terms and conditions as may be prescribed by the Board of Directors of the Association (except that interest and dividends thereon would not be cumulative and would be payable only at such times as the Corporation had an earned surplus, after such payment, in excess of $500 million). The new section also authorized the Association to utilize up to $3 billion of the funds realized from the sale to the Treasury of fund anticipation notes for the purchase of such securities of the Corporation; required the Association to make available to the Corporation upon application up to an additional $200 million for the purpose of electrification of high-density mainline routes where such improvements would return benefits and be compatible with existing or renewed electrification systems; and required the Association to prepare an annual report to Congress on the performance of the Corporation.

House Amendment

The House amendment—

(1) authorized the Association to invest up to $1 billion in debentures, and up to $1.1 billion in series A preferred stock, issued by ConRail;

(2) established the purposes and procedures for the investment in ConRail's securities. At the outset, the USRA Board and the Government Banking Committee would jointly prescribe the terms and conditions for any such purchase including an agreed margin of deviance from the overall results projected for ConRail in the final system plan. The proceeds of these investments could be used by ConRail to modernize, rehabilitate, and maintain its rail properties, acquire capital items such as equipment, refinance debt incurred under sections 211 and 215, and provide working capital. Purchases of up to $1 billion of debentures and $1.1 billion of

preferred stock were to be made as required and requested by ConRail unless the committee found that (a) ConRail committed and left uncorrected a material violation of any covenant or undertaking made to the Association, (b) ConRail failed substantially (i.e., within margins jointly prescribed by the Association's Board and the committee) to attain the overall business and financial results projected in the final system plan, as modified by the Board and the committee, or (c) ConRail was not reasonably likely to become financially self-sustaining without Government funds substantially in excess of the $2.1 billion authorized. If such a finding were made, the committee could direct that USRA purchase no additional ConRail securities or that it purchase such additional securities only on such terms and conditions as the committee determined to be appropriate to the Association's role as an investor;

(3) provided that the debentures and the series A preferred stock would have such terms and conditions not inconsistent with the final system plan or title IX of this Act except that—

(a) The Corporation shall not pay the Association additional preferred A stock in lieu of interest or dividends;

(b) The interest on such debentures and the dividends on such stock shall not be cumulative and such interest or dividends shall be paid only out of the net profits of the corporation; and

(c) Any terms and conditions which prescribe covenants or undertakings with ConRail shall be jointly prescribed by such Board of Directors and the Government Banking Committee.

(4) authorized the Board of the Association and the committee jointly to reach agreements with ConRail modifying the terms and conditions governing the purchase of any securities held by USRA. The terms and conditions of ConRail's securities acquired by USRA could be modified by agreement of the ConRail subject to the committee's concurrence with respect to certain kinds of terms and conditions. The committee alone could waive compliance by ConRail with any "term, condition, provision, or covenant" of any security or with any term and condition governing their purchase. This power to waive included the power to forgive payment of interest dividends, payment of principal on the debentures, and the redemption of the series A preferred stock;

(5) authorized $2.1 billion to be appropriated to the Association to be used for the purchase of securities in accordance with this section;

(6) amended subsection 202(f) of existing law which presently provides that only the administrative expenses of USRA should be included in the annual Federal budget, and that its receipts and disbursements not be included in the budget; and

(7) required receipts and disbursements with respect to investments in ConRail securities under section 216 and the certificates of value authorized by section 306 to be included in the Federal budget and deficit ceilings.

Conference Substitute

The conference substitute follows the House amendment, except as follows:

(1) A Finance Committee of the Board of Directors of the Association, with defined powers, is substituted for the Government Banking Committee.

(2) It is made clear that "overall operating and financial results", in the test to be applied by the Finance Committee, includes rehabilitation as an element of operating results. The Finance Committee may not, of course, freeze the Corporation to the specific rehabilitation strategies, priorities or projects in the plan, since the Corporation should be permitted some flexibility in this regard. However, it is appropriate to recognize that the overall operating results projected in the plan cannot be attained without the successful accomplishment of fundamental and large-scale rehabilitation.

(3) The authority to modify ConRail's projected results and applicable performance margins is clarified.

(4) New subsections 216(c) (2) and (3) have been added incorporating a congressional review provision applicable to any affirmative finding by the Finance Committee that could cut off, change the terms or reduce the flow of funds to the Corporation. This review is designed to negate any possibility of executive branch control over corporate management decisions. Either House of Congress could disapprove an affirmative finding within 30 continuous session days and during such 30-day period the finding would not be effective or final unless affirmatively approved by each House. During the period of congressional review the Association could not take any action inconsistent with the Finance Committee's findings, except that it could make additional purchases of the Corporations securities or take any other action that the Association found necessary to assure the Corporation's continuous orderly operation.

(5) A new security, contingent interest notes, has been added, which the Corporation is to issue in the following circumstances:

(a) After the Association has called for redemption of the certificates of value (see discussion of this security in section 610), such notes shall be issued to the debenture holder in lieu of series A preferred stock that would otherwise have been issued to such holder because cash interest is not payable on the debentures by reason of the absence of sufficient "cash available for restricted cash payment," and

(b) Under certain carefully limited circumstances the Corporation can be required to issue such notes in order to provide for the preservation in bankruptcy of the position of the United States as the source of the large investment in the Corporation that is not presently available from conventional financial sources.

(6) Any conversion of the Corporation's debentures to series A preferred stock would be pursuant to the joint action of the Association's Finance Committee and Board of Directors.

(7) Through Title V funding, the Secretary is directed, in defined circumstances, to guarantee ConRail obligations up to $200,000,000 for electrification projects and, as noted elsewhere, the Association is required to submit an annual report to Congress on ConRail's performance.

Section 211 loans

Senate Bill

The Senate bill did not propose changes in existing law relating to section 211 loans, except that (1) it made ConRail ineligible for additional section 211 loans following its first sale of securities to the Association, and (2) it reduced the total amount available for such purposes (see supra).

House Amendment

The House amendment authorized preconveyance section 211 loans to ConRail for the purchase of material, supplies, equipment and services, notwithstanding the existence of various contingencies affecting the security for such loans which could not be fully resolved until all authorized appropriations under the implementing legislation were made. The purpose of these loans was to assure interim financing necessary for the orderly implementation of the final system plan.

The House amendment also authorized section 211 loans to be made to ConRail, Amtrak, and acquiring railroads, for the payment of certain obligations of the railroads in reorganization, where such payments were necessary to permit continued, orderly operations. The provision was designed to provide some assurance of a source of continuing payments to employees, shippers, suppliers and others within the framework of the loan program. Loans to ConRail or Amtrak covering payments unreimbursed by railroads in reorganization could be forgiven under defined circumstances and the Association would succeed to the rights of ConRail and Amtrak against the estates of the railroads in reorganization. Provisions were also made (through the return of compensation deposited with the special court) for the reimbursement to profitable railroads for payments otherwise not reimbursed.

Conference Substitute

The conferees adopted the substance of the House proposals with certain modifications to facilitate their administration and to conform their provisions to other provisions of the conference substitute.

Capitalization of the corporation

Senate Bill

The Senate bill authorized the initial issuance by ConRail of debentures and series A preferred stock to the Association. Series B preferred stock and common stock were authorized for initial issuance to the transferors of rail properties to ConRail under the Rail Act. The Senate bill also authorized the Association to prescribe limitations on the payment of series B preferred and common dividends as long as debentures and series A preferred stock remained outstanding.

House Amendment

The House amendment was substantially similar, but did not provide for the issuance of redeemable preference shares or for Association-prescribed dividend limitations.

Conference Substitute

The Association is also authorized to require, as a condition of investment in ConRail debentures and series A preferred stock, that ConRail itself adopt limitations consistent with the final system plan on the circumstances under which dividends on the series B preferred and common stock are payable so long as any debentures or series A preferred stock are outstanding. The series B preferred and common stock are also required to have terms and conditions not inconsistent with the final system plan, notwithstanding any other provisions of Federal or State law.

Protection of federal funds

Senate Bill

The Senate bill (as well as the House amendment) terminated ConRail's status as a "mixed ownership Government corporation." The Senate bill had no further provisions for any Government audit of ConRail.

House Amendment

The House amendment authorized the Comptroller General of the United States to audit ConRail for any period in which Federal funds were being used to finance any of ConRail's operations, or in which Federal investments were made or in which ConRail has outstanding obligations guaranteed by the United States.

Conference Substitute

The conference substitute provides for a type of audit authority in the Comptroller General similar to that in the House bill, but limited to periods of Federal funding for ConRail pursuant to the Rail Act. With regard to any other Federal funding, ConRail will have the same audit status as any other private sector railroad which is the recipient of Federal funding under more general programs.

The conference substitute also requires the Association to submit an annual report to

Congress with regard to ConRail's financial status and its relationship to the attainment of the goals of the final system plan.

Supplemental transactions

Senate Bill

The Senate bill amended existing law by adding a new section 305, "Supplementary Transfers" and added a definition of "supplementary transfer" to the general definitions section of existing law. The new section—

(1) authorized the Department of Transportation or the Association to propose any transfer, within 4 years after the date of conveyance, which is supplemental to the final system plan, and which involved (i) the Corporation or any subsidiary or affiliate thereof acquiring additional rail properties not designated in the final system plan; (ii) the Corporation or any subsidiary or affiliate thereof conveying any of its rail properties to a profitable railroad, to one of its subsidiaries or affiliates, to Amtrak, to a State (or a local or regional transportation authority), or to any other responsible person, for use in providing services; or (iii) the Corporation or any subsidiary or affiliate thereof entering into arrangements for the joint use of rail properties or for the coordination or separation of rail operations or services;

(2) required the Association to make a finding that the goals of existing law would be better achieved by such transfer; to give notice of any proposal for such a revised or supplemental designation in the Federal Register; to provide a 60-day period for the receipt of public comment thereon by the Association and the ICC; to analyze such comments and any exhibits submitted by the Office; and to publish (within 120 days after the notice) a report evaluating each proposal stating whether it is in the public interest as defined by the purposes of the act and the goals of the final system plan and whether it is fair and equitable;

(3) required the ICC to review each such evaluative report of the Association within 90 days after it is published to determine whether the proposed supplementary transfer is in accord with section 5 and other applicable provisions of the Interstate Commerce Act and considering whether such transfer would impair the Corporation and involve any increase in public costs; no supplementary transfer could have been made without the approval of the Commission; the ICC was also authorized to condition its approval of any such transfer on such reasonable terms and conditions as it deemed necessary in the public interest;

(4) required the Association to submit each proposed supplementary transfer to the transferor or transferee involved for its approval, within 30 days after ICC approval; the consent of the Corporation would not have been required in any case in which the Association determined that the transfer would be likely to achieve the specified goals in a less costly manner than the final system plan;

(5) provide that all supplementary transfers would be subject to judicial review by the special court (under procedures set forth in an amendment in the Senate bill adding a new section 209(f) to existing law) within a specified time period; and

(6) defined "fair and equitable" for these purposes and provided that revised and supplementary transfers would subject the transferor and the transferee involved to the requirements of the employee protection provisions of existing law.

House amendment

The House amendment added a new section 306 to existing law. Section 306(a) authorized the Association to include additional branch lines in ConRail under defined circumstances prior to delivery of the final system plan to the special court.

The House amendment also amended existing law to add a definition of "supplemental transactions." The balance of section 306 dealt with these transactions, which were required to be proposed within 6 years after ConRail begins to operate, involve property acquisitions or conveyances by ConRail (or a subsidiary or affiliate) not originally designated in the final system plan or contracts between ConRail and another person for either the joint use of rail properties or the coordination or separation of rail operations and services.

Under section 306(b) the Secretary, the Association, or the ICC could propose a supplemental transaction. The proposal was required to be submitted to the Association in detail, and within 10 days after receiving it the Association was required to publish a notice of the proposal in the Federal Register and afford interested persons the chance to comment on it.

Under section 306(c), the Association was to evaluate the proposal, consider the comments, hold hearings if necessary, and within 120 days of the notice publication, publish in the Federal Register its evaluation. The standard for evaluation was to be whether the proposal was in the public interest as defined by the purposes and goals of existing law and the final system plan and was fair and equitable as determined by the special court. After the Association evaluation was published, each proposed transferor or transferee, including ConRail, was given 30 days to accept the proposal by notifying the Association. No transaction could take place unless it was accepted by the proposed transferor and transferee.

Section 306(d) established the special court proceedings for review of the supplemental transactions as being in the public interest, and fair, and equitable in accordance with the standards applicable to the approval of a plan of reorganization or a step in such a plan under section 77 of the Bankruptcy Act (11 U.S.C. 205). The procedures to be applied before the special court with respect to such transactions were:

(1) If the Association approved the proposal, and the parties consented, the Association was required to petition the special court within 40 days for an order directing ConRail to carry out the supplemental transactions. The special court was to so order, if it found the transactions to be in the public interest as defined by the purposes of existing law, and the goals of the final system plan and were fair and equitable. If the Association disapproved a proposal made by the Secretary, he could petition the special court for a finding that the supplemental transactions, considered in their entirety, were fair and equitable and in the public interest and an order directing ConRail to carry out the transactions;

(2) The special court would decide the question of whether the supplemental transactions considered in their entirety, were in the public interest and fair and equitable within 180 days after a petition by the Association or the Secretary was filed. If it found that the supplemental transactions were in the public interest and were fair and equitable it was to enter an order directing consummation of the transactions. If it found the supplemental transactions, considered in their entirety, were not fair and equitable, it was to enter an opinion explaining its reasons. The Secretary then could use expedited procedures to adjust the proposal, correct deficiencies found by the special court, and re-petition the special court for approval;

(3) The special court was given power to establish its own rules of proceeding to insure that it heard all interested parties;

(4) In reviewing the supplemental transactions, the special court was to have all of the powers of a judge of a U.S. district court, including those of a reorganization court judge;

(5) The special court was to be the only court with jurisdiction to review the proposed supplemental transactions; and

(6) Only the requirement for findings, determinations, and proceedings specifically set forth in this section were applicable to supplemental transactions.

Section 306(e) of the House amendment set forth a definition of the term "fair and equitable" to be used each time that phrase appears in section 306.

Section 306(f) provided that appeals from the special court were to go directly and exclusively to the Supreme Court whose jurisdiction, which must be invoked within 20 days, would be the same as in appeals from injunctions by three-judge courts in constitutional cases.

The second new section added to existing law by section 906(b) of the House amendment, entitled "Supplement Assistance," authorized the Secretary to provide supplemental assistance in the form of grants or loans to, or for acquisition of securities—including equity securities—of ConRail or other railroads, State, local, or regional transportation authorities, or other responsible persons. These funds were to be utilized to provide supplementary assistance to ConRail and to facilitate supplement transactions.

Section 906(b) of the House amendment also provided that in implementing the final system plan ConRail should eliminate leaseholds owned by persons who are not a railroad by acquiring such leaseholds under terms agreed upon prior to January 2, 1974.

The House amendment also extended immunity from the antitrust laws to supplemental transactions. The Bankruptcy Act was made inapplicable to transactions taken to implement the final system plan whenever such provisions are inconsistent with the provisions of this act. The House amendment exempted from the National Environmental Policy Act actions taken by the Association in implementing the final system plan, or in completing the conveyance of the rail properties between the bankrupts and ConRail and other profitable railroads.

Conference Substitute

The conference substitute follows the House amendment, except as follows:

(1) A definition of subsidiary of the Corporation is added to section 102 of existing law to define that term for purposes of supplemental transaction and for various other purposes of the act where the defined term is used.

(2) The provision for supplemental assistance is dropped from this section of the amendment.

(3) The authority of the Interstate Commerce Commission to propose supplemental transactions is not included, but the Senate provision for expedited review by the Interstate Commerce Commission is included with some modification.

(4) The requirement that the Corporation consent to any supplemental transaction under which it is a transferee is included, but not where it is a proposed transferor. The Corporation is given, however, the right to petition the special court and be represented there, with respect to any supplemental transaction involving its properties is explicitly stated.

Certificates of value

Senate Bill

The Senate bill amended existing law by adding a new section 306, "Certificates of Value." The new section—

(1) created a new Association security, the certificate of value, which would be guaranteed by the Secretary of Transportation and backed by the full faith and credit of the United States;

(2) provided that such certificates would

be issued and deposited with the special court, in a number equal to the number of series B preferred shares of the Corporation deposited with the special court, for distribution to the railroads in reorganization and other persons transferring rail properties to the Corporation pursuant to the final system plan;

(3) provided for redemption of the certificates of value by December 31, 1987, and provided that the redemption price would be the special court's determination of the constitutional minimum value, with such interest as may be constitutionally required, of the rail properties transferred pursuant to section 303(b)(1) of existing law less adjustments for such items as the market value of series B preferred stock and common stock of ConRail and any cash dividends paid thereon, and the amount of any judgment under section 303(c)(2)(C) against the Corporation; and

(4) provided a method for the valuation of the series B preferred stock and the common stock of the Corporation, and authorized the appropriation of such funds as are necessary to redeem the certificates of value.

House Amendment

The House amendment amended existing law by adding a new section 305 which would permit the Association to issue certificates of value, and amended section 210 to make the certificates a full faith and credit obligation of the United States.

Certificates of value were to be issued to transferors of rail property to ConRail along with the ConRail series B preferred stock and common stock. The House amendment replaced the term "obligations of the Association" with the term "certificates of value." A new section 305 was added to existing law creating the certificates of value which were to be issued by the Association to the transferors of rail property to ConRail.

Under the new subsection 305(a) of existing law the certificates of value were to be deposited with ConRail securities. They would be guaranteed by the Secretary, and such guarantees constituted a full faith and credit obligation of the United States.

The values of the series B preferred stock and of the common stock were to be determined by one of two alternative methods, one of which utilized a trading market should one exist in the securities, the other of which provided for valuation by experts if no market existed.

The new subsection (d) of existing law authorized the appropriation of whatever funds were necessary to redeem the certificates.

Section 210(e) of existing law was amended to permit the Secretary to back his guarantee of the certificates of value issued under section 306(a) by the same mechanism now available to him for his guarantee of the Association's section 210 obligations.

Under the new subsection 305(b) the certificates of value were to be issued and deposited in a number equal to the number of series B preferred shares deposited by ConRail with the special court for distribution to the transferors, and were to be distributed to the transferors in the same number of units as were the shares of such series B preferred stock so distributed. The final system plan contemplates that 21 million series B preferred shares will be issued by ConRail.

Subsection (c) of the new section 305 required that all certificates of value must be redeemed by December 31, 1985, but could be redeemed before that time as the Association may determine.

The value of each certificate when redeemed was an amount payable in cash equal to its base value on redemption date minus the fair market value of the applicable series B preferred stock and common stock, all paid cash dividends on such securities and any sums paid a transferor of rail properties resulting from sales or leases by ConRail of properties transferred to it by such transferor.

The base value of such certificate was determined by taking the net liquidation value, as determined by the special court, with interest if required, divided by the number of certificates of value distributed to such transferor.

Conference Substitute

The conference substitute follows the House amendment except that—

(1) all certificates of value must be redeemed by December 31, 1987;

(2) interest is to be compounded in conformance with the final system plan;

(3) provision is made for the issuance of certificates in separate series rather than in a single series; and

(4) provisions have been added with respect to transfer rights in employee benefit plans and compensable erosion, if any. These subjects are discussed in greater detail later in this statement.

The certificates of value will help to assure that the exchange of rail properties for securities of the Corporation is fair and equitable to each transferor. The certificates of value are, however, only one of several elements designed to assure fairness. The most important feature of the final system plan and the Rail Act, as far as the present owners and creditors are concerned, is the provision of massive federal assistance, financial and otherwise, to enable their rail properties to remain in rail service, which should produce the highest values for these owners and creditors.

At present, the rail properties subject to the Rail Act generally cannot be run profitably without such governmental assistance, and their owners generally have no available alternative except to seek permission for piecemeal liquidation to liquidate for nonrail purposes. Reorganization in accordance with the final system plan offers a prospect of producing higher values for these private interests than liquidation. The role of the certificates of value is to assure that these private interests will fare no worse than under the liquidation alternative. This is all the assurance that is needed to make it "fair and equitable" to carry out the reorganization plan. In order to avoid even the possibility of constitutional attacks delaying the conveyance, however, the act leaves open the technical possibility of an eventual Tucker Act remedy.

Officers and Directors of the Corporation

Senate Bill

The Senate bill amended existing law by terminating the status of the Association's executive committee as the statutory ConRail Board as soon as 5 members of ConRail's proposed 13-member Board were selected. ConRail's chief executive officer was designated as a member and Chairman of the ConRail Board until the election of a Chairman by Con-Rail's reconstituted Board, which was to replace the Association's executive committee following the deposit of ConRail series B preferred and common stock with the special court and the first purchase of ConRail securities by the Association.

The Senate bill provided for a successor 13-member Board elected in accordance with ConRail's articles and bylaws: 6 to be selected by holders of ConRail's debentures and series A preferred stock; 3 by holders of its series B preferred stock; and 2 by holders of its common stock. The Senate bill provided for a chief executive officer and chief operating officer, who were also designated as statutory Board members expressly representing all classes of security holders rather than the holders of any particular class. As the amount of outstanding debentures and series A preferred stock was reduced, the directors elected by the holders of these securities were to be reduced in number and replaced by other directors elected in accordance with applicable State law and ConRail's articles and bylaws.

During the period that the series B preferred and common stock remained on deposit with it, the special court was authorized to appoint one or more voting trustees to exercise rights of holders on behalf of the distributees.

House Amendment

The House amendment continued the Association's executive committee as ConRail's Board until seven members of ConRail's new Board were selected. ConRail's chief executive officer was not designated as a member of this interim ConRail Board.

The House bill provided for a successor board of directors with 11 members selected in accordance with ConRail's articles and bylaws. The Association's president and ConRail's chief executive officer and chief operating officer were all designated as statutory ConRail Board members. Of the remaining eight members, two were to be appointed by the President, by and with the advice and consent of the Senate; two were to be selected by the holders of the ConRail debentures and series A preferred stock; two by the holders of ConRail series B preferred stock and two by the holders of its common stock.

The House bill required that a presidential appointee should be qualified to represent the interests of communities and users of rail service effected by ConRail's operations. ConRail was also directed to provide presidentially appointed members with sufficient staff to permit the knowledgeable and responsible exercise of their duties. The House bill also provided for a phase reduction in the number of presidentially appointed members and members selected by the holders of the debentures and series A preferred stock as the amount of such outstanding securities was reduced. The President of the Association was to resign when the Association no longer held any ConRail securities. Board vacancies were to be filled in accordance with applicable State law and ConRail's articles and bylaws.

The special court was given discretion to appoint either voting trustees or directors to represent the interests of the series B preferred and common stock distributees.

Conference Substitute

The conference substitute incorporates the basic provisions of the Senate bill. However, ConRail's successor Board will not replace the interim Board until all members representing security holders have been selected within 60 days after conveyance in accordance with procedures established in the conference substitute. Both the chief executive officer and chief operating officer of ConRail are designated as statutory members of the ConRail Board prior to, as well as following, the selection of the successor board. As statutory members of ConRail's successor Board these officers are not designated in the conference substitute as representatives of the holders of all classes of securities rather than the holders of any particular class or classes. Although authorized Board members are selected by the holders of various classes of ConRail securities, the conferees believe that it is appropriate and consistent with law to consider all directors as having a fiduciary obligation to the corporation and all of its security holders. It is therefore deemed inappropriate to provide such characterization exclusively for these two Board members.

A modification was also made in the formula of the Senate bill governing the reduction in the number of Board members representing debentures and series A preferred stock as the amount of such outstanding securities decreases.

Miscellaneous amendments to existing law

Senate Bill

The Senate bill—

(1) amended section 201(h) of existing law to permit the Chairman of the Interstate Commerce Commission (hereafter in this statement referred to as the "ICC") to appoint a representative to serve for him on the executive committee of the Board of Directors of the Association;

(2) amended section 202(e) of existing law to make a technical correction to accommodate certificates of value;

(3) amended section 202(m) of existing law to require receipts and disbursements with respect to Association investments in debentures and series A preferred stock of the Corporation and in certificates of value to be included in, and made subject to the limitations on, the annual budget of the U.S. Government;

(4) amended section 203(a) of existing law to eliminate a time limitation on access to information;

(5) amended section 206(d)(3) of existing law to deal with consideration by the ICC of the corrections made by the Association in the preliminary system plan covering specific acquisitions by profitable railroads;

(6) amended section 206(c)(1)(B) of existing law to authorize the Association to designate an alternative profitable railroad to which properties could be transferred if the first profitable railroad offered such properties did not accept the offer;

(7) amended various provisions of existing law to make it possible for certain rail properties, which are designated in the final system plan to be transferred to the Corporation, to be transferred instead to a subsidiary or affiliate of the Corporation;

(8) amended section 206(c)(1)(D) of existing law to permit the designation in the final system plan of rail properties of railroads in reorganization in the region which may be purchased or leased from the Corporation by the National Railroad Passenger Corporation (elsewhere referred to in this statement as "Amtrak") in order to meet the needs of improved passenger service over intercity routes other than those in the Northeast corridor;

(9) amended section 210(c) of existing law to clarify that all obligations made by the Secretary of Transportation will be considered as general obligations of the United States backed by the full faith and credit of the Federal Government;

(10) amended section 213 of existing law by adding a new subsection (c), which prohibited a trustee of a railroad in reorganization from making any payment on account of interline balances due and owing on the date of enactment of existing law if such trustee had received financial assistance under section 213 within 90 days of the proposed such payment or if the applicable court found that such trustee was likely to need such assistance within 90 days after such payment;

(11) amended section 214 (b) and (c) of existing law to increase the authorization of appropriations for the Rail (redesignated as "Transportation" in the Senate bill) Services Planning Office of the ICC (hereafter in this statement referred to as the "Office") and for the Association;

(12) amended section 214(a) of existing law to authorize the appropriation of funds which may be required to pay judgments which the United States of America might become obligated to pay under section 303 (c);

(13) amended section 303(b)(3) of existing law to treat transfers of rolling stock as an assignment under which the assignor is discharged from ongoing liability under any conditional sale agreement, equipment trust agreement, or lease covering such rolling stock, while remaining liable for any breach, event of default, or violation of covenant occurring prior to the conveyance;

(14) amended section 201 of the Government Corporation Control Act by removing the Corporation from the list of entities subject to that provision;

(15) amended sections 303 (a), (b), and (c) of existing law to permit transfers to subsidiaries or affiliates of the corporation;

(16) amended section 303(c)(2) of existing law to assure that each transferor railroad is allocated at least one share of series B preferred stock and one certificate of value, and to authorize the special court in the event of a constitutionally inadequate exchange to enter a judgment against the Corporation "if the judgment would not endanger the viability or solvency of the Corporation";

(17) amended section 303(c) of existing law by adding a new paragraph (5), which provided that the United States would indemnify the Corporation and profitable railroads with respect to certain kinds of deficiency judgments;

(18) amended section 303(d) of existing law to increase the amount of time within which appeals may be taken from a finding or determination of the special court and by deleting the second sentence;

(19) amended section 303(d)(4) of existing law to provide for distribution of securities and compensation deposited with the special court directly to persons leased, operated, or controlled by railroads in reorganization, where such persons transferred rail properties in accordance with the final system plan;

(20) made a variety of amendments to conform various provisions to reflect the addition of certificates of value;

(21) amended section 301(b) to permit the Corporation to incorporate in other jurisdictions so long as its principal railroad operating subsidiary maintains its principal office in Philadelphia, Pa.; and

(22) amended section 303(b)(4) of existing law to provide that the transfer of a lease would not be deemed a breach, an event of default, or a violation of covenant of any lease so conveyed.

House Amendment

The House amendment—

(1) amended section 206(c)(1)(D) of existing law to permit designation in the final system plan of properties of railroads in reorganization that may be purchased or leased from ConRail by Amtrak to meet the needs of improved passenger service over intercity routes other than the Northeast corridor;

(2) amended provisions establishing an executive committee for the Association's board authorizing, as in the case of the Secretary, the Chairman of the Commission to be represented by his duly authorized representative;

(3) eliminated the last sentence of section 203(a) of existing law which prevented information requests after the effective date of the final system plan;

(4) stated that all corrections made by the Association of the preliminary system plan were to be deemed to have been made upon adoption and release of such plan. Determinations made by the Commission with respect to such corrections are treated as if made within 90 days after release of the plan;

(5) amended section 206(d) of existing law by extending to 5 days the date by which commitments to purchase must be made after the bill's enactment. Modification of offers of sale were permitted until date of acceptance unless the modification results in an offer less than net liquidation value;

(6) amended section 207(c) of existing law by providing that any railroad line which was recommended in the preliminary system plan for transfer to ConRail must be so designated in the final system plan. This section also provided that if a profitable railroad was designated overhead trackage rights in the preliminary system plan such designation was to be made in the final system plan under certain conditions;

(7) added a new subsection to section 208 of existing law treating the association's official errata supplement to the final system plan as though it had been included in the final system plan. The enactment of this amendment would, among other things, constitute affirmative congressional approval of the final system plan;

(8) extended the period for delivery of the final system plan to the court to March 11, 1976, provided that the Association, not later than February 1, 1976, notified the special court and the Congress.

(9) added as section 301(b) of existing law a provision protecting directors, officers, employees or agents of the Corporation against suit and providing an indemnity for them;

(10) amended section 303(a)(1) of existing law to provide that the securities of the Corporation that are deposited with the special court shall be those included in the Association's certificate to the court;

(11) amended section 303(b)(1) of existing law to make explicit that the special court may issue orders running directly to persons leased, operated or controlled by railroads in reorganization which persons may not necessarily be a railroad. In the complex corporate structures of major rail systems, properties used or useful in rail transportation services may in fact be held by subsidiaries of railroads in reorganization that are not, technically, railroads as defined in the act, and may not be in reorganization, yet their transfer to the Corporation may be desirable. The final system plan makes a number of such designations. They could include, for example, assets of a truck line subsidiary whose operations are operationally integrated into the operations of a railroad in reorganization or particular properties of a real estate subsidiary that are in fact used in rail transportation service, such as all or part of a freight yard.

(12) amended section 303(c)(2) of existing law to increase the flexibility of the special court's authority to fashion remedies as part of its valuation proceedings. No deficiency judgment could be entered that would endanger ConRail's viability or solvency;

(13) amended section 303(c)(3) of existing law by requiring the return of deposited compensation to any profitable railroad not previously reimbursed for payments made under section 211(h);

(14) amended section 303(c)(4) of existing law to provide explicitly for distribution of the securities deposited with the special court not only to the estates of the railroads in reorganization as presently provided, but also to the other transferors of rail properties (which may include subsidiaries that, considered alone, are not "railroads") in accordance with the final system plan;

(15) amended section 303 of existing law by adding a new subsection (e) to place restraints on the disposition of rail properties designated for transfer under the final system plan;

(16) amended section 303(d) of existing law by increasing the amount of time for filing appeals from the special court by 15 days;

(17) amended section 403(d) of existing law to remove the authority to guarantee loans for modernization purposes; and

(18) amended section 201 of the Government Corporations Act by removing ConRail from the list of "mixed ownership Government corporations" contained in that act.

Conference Substitute

The conference substitute—

(1) permits the Secretary and the Chairman of the ICC to act through duly author-

ized representatives as members of the Association's Board of Directors;

(2) makes technical corrections in recognition of the fact that certificates of value of the Association will be issued;

(3) eliminates the restrictive last sentence of section 203(a) of the Rail Act;

(4) adopts the amendment to section 206 (d)(3) of the Rail Act contained in both the Senate and House amendments;

(5) permits alternative designations to another profitable railroad if the one first designated fails to accept the offer of designated rail properties;

(6) makes technical corrections in recognition of the fact that direct transfers of designated rail properties to subsidiaries of the Corporation may be desirable under some circumstances;

(7) ratifies the designations of rail properties located outside the Northeast corridor to Amtrak;

(8) extends several deadlines established by the Rail Act or set in the final system plan;

(9) permits modification of offers to profitable railroads provided that the modification does not result in an offer for the sale of rail properties at less than their net liquidation value;

(10) adopts the House amendment to section 207(c) of existing law concerning rail lines recommended in the preliminary system plan for transfer to the Corporation;

(11) amends sections 603(a), (b) and (c) of the act as required to give effect to section 208(d)(2) added by section 601(e) of the conference substitute;

(12) adds States and responsible persons to the entities that would be indemnified by the provision set forth in section 610(e) of the Senate amendment;

(13) leaves intact the last sentence of section 303(d) of the Rail Act. The retained sentence would provide useful guidance to the Supreme Court in the event that interlocutory appeals are filed in that Court arising out of the procedings in the special court;

(14) permits the existing Consolidated Rail Corporation to adopt a different corporate name and makes that name available for alternative uses in the event that the entity now using it should change its name;

(15) adopts with changes that would substantially narrow by limiting its availability to the Corporation's directors (and otherwise) the indemnity provision that would be added by section 301(h). As the Supreme Court has made clear, all of the Corporation's directors have the same responsibility, to operate the Corporation at a profit for the benefit of its shareholders. *Regional Rail Reorganization Act Cases*, 419 U.S. 102, 152, (1974). However, since some directors of the Association will, by operation of law, also be interim directors of the Corporation and since some interim and successor directors of the Corporation may be officers of the Government or directors of the Association this indemnity provision is appropriate.

(16) directs the Corporation to undertake a program of corporate simplification as soon as possible and in implementing the final system plan;

(17) adopts the provisions of the House amendment concerning the return of deposited compensation to any profitable railroad not previously reimbursed for payments under section 211(h);

(18) adds an amendment to section 303(b) (1) of the act that would authorize duly authorized representatives of trustees of railroads in reorganization to execute documents and perform other acts on behalf of the trustees in connection with transfers and conveyances under the Rail Act;

(19) adds amendments that would make explicit the implicit requirement that the special court take into account the effects of compensable unconstitutional erosion, if any, caused by operation of the Rail Act in performing its duties under section 303(c) of the Rail Act. Considering the substantial benefits conferred by the Rail Act it seems unlikely that any alleged compensable unconstitutional erosion arising from the operation of the Rail Act will be provable particularly in light of the analysis of the erosion problem set forth in *In the Matter of Penn Central Transportation Co.*, 384 F. Supp. 895, 918–922 (Special Court 1974). For reasons of judicial economy, if for no other reasons, it is desirable that the court that is rapidly acquiring vast knowledge of the regional rail reorganization problem take into account the so-called erosion claims in its section 303(c) determinations. We also note that there is now pending in the Court of Claims an action alleging both pre-Act and post-Act erosion. In line with the same goal of judicial economy, it is the intent of the conferees that all actions for such erosion now pending or subsequently filed in the Court of Claims be stayed until the Special Court has ordered the distribution of the securities and the certificates of value and compensation pursuant to section 303(c)(4) of this Act;

(20) * * * the fact that the final system plan designates the transfer of rail properties from entities leased, operated, or controlled by a railroad in reorganization which entities are neither railroads nor in reorganization. No change was made in section 206(c) for this purpose because the process described in that section has already been completed;

(21) adds as section 303(b)(6) a provision concerning employee benefit plans, a matter discussed more fully at a later point in this statement; and

(22) relocates to section 804 of the conference substitute the provision imposing a freeze on the disposition of rail properties designated for transfer or conveyance in the final system plan. This ban is comprehensive and complete, and is intended to put a halt to the numerous and sometimes ingenious stratagems that the trustees of certain railroads in reorganization are devising that could circumvent or impinge upon the designations in the final system plan from an operational standpoint or increase the financial burdens on the Corporation. For example, some trustees have asserted that because a particular parcel of real property is not presently being used in the particular rail service system that their debtor is providing it may not be transferred to ConRail. It is for the Association to make the judgment concerning what is "used or useful" to the greater ConRail system; that judgment has been reviewed and affirmatively approved by the Congress and it is not subject to review in the courts. To take another example, some trustees have been seeking to convert short-term licenses or easements to long-term or permanent easements with a payment to the debtor of the total consideration for the long-term or permanent easement before transfer occurs under the act. Transactions of this type may not be approved without the Association's consent because, even if they pose no threat to ConRail in the operational sense, they could deprive ConRail of revenues that the final system plan assumes will accrue to ConRail.

A slightly different example is the case of minority stock interests. Some trustees are insisting that such interests cannot or should not be transferred to ConRail. Such decisions have been left to the discretion of the Association under existing law. In fact, some of these particular designations (including designations of property located in Canada or securities issued by Canadian corporations) were objected to by trustee groups in their testimony on the plan before the committees. Congress as well as USRA has rejected the notion that minority stock interests cannot constitute property that is used or useful in rail transportation service. Whether particular stock interests are so useful are decisions that the Association has made and Congress has approved. To take a final example, the trustees of one debtor assert that they are free to sell current inventories of rail properties because the amount of such inventories designated for transfer in the final system plan is "X" and the amount they presently have on hand or will have on hand at conveyance is "X" plus "Y." It seems clear that current inventories of rail properties must be transferred in their entirety, except as the Association may otherwise consent. Figures of quantity given in the final system plan for such inventories 6 to 8 months before anticipated transfer must of necessity be approximations only, particularly when the Association is not in a position to control either the rate of consumption or the rate of replacement. The dollar values given in the plan cannot be reasonably read to impose a limit on the amount of inventory of rail properties designated for transfer.

Employee protection and related provisions

Senate Bill

The Senate bill amended:

(1) section 501 of existing law to include any subsidiary of the Corporation in the definition for purposes of the employee protection provisions of title V, by changing the definitions of "employee of a railroad in reorganization" and "protected employee" and to adding a definition of "selling railroad" to conform to other amendments, including the new provision for supplementary transfers;

(2) section 502(b) of existing law to allow the Corporation or any acquiring carrier, for their convenience during the period of transition, to make offers of employment to employees of a railroad in reorganization, prior to the date of conveyance, and allowing such employees to retain their protected status so long as they do not die, resign, or retire and provided they are not dismissed for cause prior to the date of conveyance.

(3) section 504 of existing law by adding a new subsection (e), which provided that in all employee claims arising under section 3 of the Railway Labor Act in which awards, judgments, or carrier sustentions have been rendered prior to the date of conveyance in accordance with the final system plan, the employees would have an enforceable action against the estates of their former employers, and that the Corporation would assume the responsibility for processing and adjudicating any such claims which arose before and were pending on the date of conveyance, subject to the Corporation being reimbursed therefor by such estates.

(4) section 504 of existing law by adding a new subsection (f), which provided the mechanism for transferring protected employees from the Corporation to Amtrak without the loss of any title V protection to which they would otherwise have been entitled;

(5) section 504 of existing law by adding a new subsection (g), which required the Corporation or an acquiring carrier, as the case may be, to assume all cases or claims by employees (or their representatives) for personal injury or death against a railroad in reorganization which arose prior to the date of conveyance and to process and pay such claims, subject to reimbursement from the Association pursuant to section 216(b) (5);

(6) section 505(b) (1) and (3) of existing law to clarify the commencement date for purposes of computing the monthly displacement allowances;

(7) section 505(b) of existing law by adding a paragraph with respect to the entitlements of a noncontract employee in a craft or class of employees protected under this Act;

(8) section 505(f) of existing law by replacing it with a substitute which permitted an employee with less than 3 years service, as of January 2, 1974, to choose voluntary furlough in lieu of being paid a termination

allowance and which required the Corporation to exercise its right to terminate an employee within a period of 1 year from the date of conveyance;

(9) section 505(h) of existing law by adding a provision under which the Corporation will offer active employment to employees of railroads in reorganization who were furloughed on or after the date of publication of the preliminary system plan (February 26, 1975);

(10) section 505 of existing law by adding a new subsection (i), which clarified how the protection of title V could be applied to employees who are not governed by collective bargaining agreements;

(11) section 509 of existing law ("Payment of Benefits") by replacing it with a substitute which made the Corporation, the Association (where applicable), and acquiring railroads as the case may be, responsible for the actual payment of all allowances, expenses, and costs to which protected employees are entitled under title V, subject to reimbursement (to an aggregate sum of $250 million) by the Railroad Retirement Board from a separate account in the U.S. Treasury to be known as the Regional Rail Transportation Protective Account;

(12) section 508 of existing law by adding a provision which makes Amtrak an "acquiring railroad" with respect to employees who are protected employees within the meaning of the Act and which required Amtrak to provide employee protection and by adding a new subsection which provided that selling railroads shall offer such employment and shall provide such employment protection to each employee adversely affected by a sale of rail properties as is provided for in agreements to be entered into between such railroads and the representatives of such employees prior to such sale;

House Amendment

The House amendment amended:

(1) section 501 of existing law, by defining a "protected employee" as any employee (1) of an acquiring or selling railroad adversely affected by a transaction, (2) of the Corporation, who immediately preceding employment by the Corporation, was employed by a selling railroad and was adversely affected by the sale of property to the Corporation; and (3) of a railroad in reorganization who has not reached age 65 on the effective date of that act;

(2) section 508 of existing law by designating Amtrak as an acquiring railroad, and by requiring a selling railroad to offer employment and employment protection to employees adversely affected by such sale as shall be agreed upon by the selling railroad and representatives of such employees prior to sale, and that protection and benefits provided were to be the same as those of section 505 of existing law, except that it is made clear that the agreements to be negotiated by acquiring railroads with representatives of employees may contain such modifications of rules and working conditions of such employees as may be agreed to, while the rights of such employees with respect to compensation, fringe benefits, and rights and privileges pertaining thereto may not be adversely affected. Until such an employee protection agreement was reached, the selling railroad was not to enter into such selling agreement;

(3) section 501(2) of existing law which defines an "employee of a railroad in reorganization" and covers "rail properties" found in section 102(10). The amended language reflected the exclusion of certain class I rail subsidiaries and their employees from the provisions of the act;

(4) section 502(b) of existing law by allowing ConRail or an acquiring carrier, for their convenience during the period of transition, to make offers of employment to employees of railroads in reorganization prior to the effective date of conveyance, and allowing those individuals to retain their protected status provided they do not die, resign, or retire or are not dismissed for cause prior to the date of conveyance;

(5) section 504 of existing law by adding a new subsection (e). This subsection concerned liability for employee claims arising under section 3 of the Railway Labor Act, involving the interpretation or application of collective bargaining agreements. In all section 3 claims in which awards, judgments, or carrier suspensions were rendered prior to the date of conveyance, ConRail was required to assume the responsibility for continued processing, settling, and/or adjudicating such claims. Any of the claims which were sustained were to be paid by ConRail, which would then be entitled to direct reimbursement from the estates;

(6) section 504 of existing law by adding new subsection (f) providing the mechanism for transferring protected employees from ConRail to Amtrak or acquiring carrier. Tripartite negotiations for implementing agreements are intended in order that protected employees be given opportunities with Amtrak. Collective bargaining agreements covering those crafts or classes of employees transferred were, in the absence of agreements between Amtrak and the representatives of the employees, to be the agreements in existence on the properties from which the employees were transferred; A transferred protected employee would not lose any title V protection to which he would have been otherwise entitled;

(7) section 505(a) of existing law to provide that a protected employee will not be placed in a worse position with respect to accrued pension benefits;

(8) section 505(b) (1) and (3) of existing law and clarified the commencement date for computation of monthly displacement allowances. February 26, 1975 was made the publication date of the preliminary system plan, and 12 full calendar months before that date was made the uniform computation test period;

(9) section 505(f) of existing law by permitting an employee with less than 3 years service as of the effective date of the act, January 2, 1974, to choose voluntary furlough status in lieu of being paid a termination allowance. The section was further amended by requiring ConRail to exercise its right to terminate an employee within a period of 1 year from the date of conveyance;

(10) section 505(h) of existing law by adding a provision under which ConRail would offer active employment to employees of railroads in reorganization who were furloughed on or after the date of publication of the preliminary system plan, February 26, 1975. This clarifying language provided monetary protection to those employees who may have been furloughed prior to the date of conveyance and who (1) assumed such status on or after February 26, 1975, and (2) qualified for monetary payments as employees of railroads in reorganization prior to the effective date of the act, January 2, 1974; and

(11) added a new subsection, 505(i) to existing law to clarify how the protection of title V could be applied to employees not governed by collective bargaining agreements. These employees were not subject to seniority rules or craft or class jurisdictional barriers, and thus it was made clear that certain of section 505's protective conditions cannot be applied to this group.

Conference Substitute

The conference substitute incorporates the provisions of the Senate bill. With regard to protection of accrued pension benefits, the conferees adopted the House provision with modification.

Under the conference substitute certain employees of the railroads in reorganization, many of whom are not covered by negotiated labor agreements, are covered by supplemental pension plans. Some of these plans are apparently funded in an amount sufficient to meet those employee obligations that would exist or arise on account of past service if the plan were terminated as of the conveyance date; in other instances, using this criterion, it appears that the plans are either partly or wholly unfunded. The shortfall between such funding and such obligations would, determined as if all such plans were terminated as of the conveyance date, constitute an aggregate amount estimated at approximately $30 million.

The Rail Act made no specific provision with respect to preserving such accrued pension rights for the benefit of those rail employees and their beneficiaries not covered by negotiated labor agreements. Accordingly, amendments are required in order to permit such accrued rights to be preserved, to the maximum extent possible, in a manner not inconsistent with the continuing operation of ConRail as a viable railroad. The conference substitute would provide for the transfer to ConRail, as of the conveyance date, of all the rights and obligations of each railroad in reorganization with respect to such pension plans, together with a mechanism that would enable ConRail to fund such shortfall if it should determine to do so, but leaving ConRail free to terminate any or all such plans, in whole or in part, within one year. In the event of complete termination, no liability as an employer would be imposed on ConRail (except certain limited liabilities arising in the intervening period) and the employees of any such plan would be required to look to the assets of such plan, to the trustees of the bankrupt estate and to the Pension Benefit Guarantee Corporation (to the extent any such guarantee is applicable) for the funding of all past service pension benefits accrued as of the conveyance date. Each such plan should, if economically feasible, be preserved, but ConRail, as the post-conveyance employer of the vast majority of covered railroad employees, should have flexibility to determine the extent to which each such plan should be continued, amended or terminated in whole or in part, taking into account such factors as the financial aspects of its own operations, available funding sources, and its overall employment policies.

More particularly, the employee pension benefit provisions contained in the conference substitute consist of the five following parts:

(1) An amendment to section 505(a) of existing law that includes among the protected benefits covered by that section accrued benefits of all beneficiaries of, and participants in, employee pension benefit plans. "Employee pension benefit plan" is intended to include any plan qualified under section 401 of the Internal Revenue Code; and any plan, not so qualified, providing retirement benefits in lieu of benefits that would otherwise be provided under such a qualified plan or that constitutes the primary retirement plan for substantially all the employees whose employment is not governed by a collective bargaining agreement; except that, in no event, shall benefits determined in whole or in part on the basis of service be determined on any basis other than actual service.

(2) A correlative amendment to section 303(b)(6) of existing law to assure that the employee pension benefit plans described in section 505(a) are at least temporarily continued by ConRail with all of the powers of Penn Central and the other predecessor railroads without interruption, or termination, and that ConRail succeeds to all of the powers of Penn Central and the other predecessor railroads in the direction and control over the pension funds themselves. In other words, the section 303(b)(6) amendment

contemplates that the plans will be transferred to ConRail intact as of conveyance date and that the plan assets will follow the plans, all then to be directed by ConRail utilizing all the rights which were possessed by any of its predecessors. The conference substitute further provides that in the case of any such plan that may be overfunded in terms of employee obligations, on account of past service, that would exist or arise in the event of termination as of the date of conveyance, such transfer shall be made without prejudice to the claims of any railroad in reorganization that may otherwise exist to recover the plan assets constituting such overfunding. However, no such claim shall be asserted against ConRail otherwise than in the section 303(c) proceedings under the Rail Act.

(3) A financing amendment to section 211 (h) to provide for the funding of the foregoing shortfall. As stated above, this is estimated at $30 million.

(4) An amendment to section 509 to insure that no part of the $250 million set aside for protected employee benefits shall be applied to the continuation of the pension plans. In other words, whatever funding the pension plans may require must come out of 211(h) or out of operating revenues.

(5) A provision in new section 306(b) that makes it clear that all the employer's rights are to be taken into account in determining the base value of certificates of value.

Exemptions

Senate Bill

The Senate bill amended—

(1) section 601(a)(2) and 601(b) of existing law to expand those provisions to include any action taken to formulate or implement a supplementary transfer;

(2) section 601(b) of existing law by adding new paragraphs which provided that securities issued by the Corporation to the Association or in connection with the transfer of rail properties to the Corporation shall be deemed to have been issued in compliance with section 20a of the Interstate Commerce Act, and which provided that the ICC's powers and duties under section 77 of the Bankruptcy Act shall cease as of the date of conveyance, with respect to a railroad in reorganization which conveys all or substantially all of its designated rail properties to the Corporation or any subsidiary or affiliate thereof. Thereafter, such powers and duties vest in the appropriate U.S. district court which is required to proceed to reorganize or liquidate such railroad in reorganization pursuant to such section 77 (on such terms as such court deems just and reasonable) or pursuant to any other provisions of the Bankruptcy Act if such court finds that such action would be in the best interest of the estate of the railroad in reorganization; and

(3) section 601(c) of existing law to extend the exemption therein provided from the requirements of the National Environmental Policy Act of 1969 to include any action taken to implement the final system plan or to formulate or implement any supplementary transaction.

House Amendment

The House amendment amended—

(1) section 601(b) of existing law by further providing that the powers and duties of the ICC under section 77 of the Bankruptcy Act, with respect to a bankrupt railroad's duty to file a reorganization plan with the ICC, shall terminate upon (1) conveyance of its rail properties in accordance with designations included in the final system plan, or (2) the discontinuance of service over lines not designated for conveyance in the final system plan, whichever is later. The amendment further provided that after termination of the ICC's powers and duties, such responsibilities would reside with the applicable U.S. district court;

(2) section 601(c) to provide that the provisions of section 102(2)(C) of the National Environmental Policy Act of 1969 do not apply with respect to any action taken under the authority of the Regional Rail Reorganization Act of 1973 or in compliance with the requirements of the final system plan;

(3) section 601(a)(2) of existing law to provide that the antitrust laws are inapplicable with respect to an action taken to formulate or implement any supplemental transaction under the Rail Act; and

(4) section 601(b) of existing law to provide that the Interstate Commerce Act and the Bankruptcy Act are inapplicable to transactions under the Rail Act taken to implement the final system plan where the action was taken to implement the plan or a supplemental transaction.

Conference Substitute

The conference substitute

(1) extends the exemption from the antitrust laws, Interstate Commerce Act and Bankruptcy Act to supplemental transactions;

(2) makes the terms of the exemption from the Interstate Commerce Act and Bankruptcy Act in existing law parallel to the terms of the exemption from the antitrust laws in existing law;

(3) provides that all securities that it is now contemplated the Corporation will issue shall be deemed for all purposes (including the preemptive effect over other Federal or State law) to have been issued subject to and with all the approvals obtained pursuant to section 20a of the Interstate Commerce Act (49 U.S.C. 20a) although by reason of the operation of other provisions of the Rail Act these securities will not be subject to sction 20a review and approval;

(4) provides an exemption from the registration provisions of the Securities Act of 1933 (77 U.S.C. 77e) for certain transactions involving or dispositions of the Corporation's securities;

(5) adopts, with modifications, the Senate amendment concerning termination of the ICC's powers under section 77 of the Bankruptcy Act (11 U.S.C. 205); and

(6) makes it clear that the provisions of section 102(2)(C) of the National Environmental Policy Act of 1969 (4 U.S.C. 4332(2)(C)) do not apply to actions taken under the authority of the Rail Act through the time of conveyance, and, after conveyance, to any actions taken in compliance with the final system plan. The exemption would not extend to supplemental transactions.

Application of the National Environmental Policy Act to ICC

Senate Bill

No provision.

House Amendment

The House amendment provided that nothing in the Rail Act shall affect the application of the National Environmental Policy Act of 1969 to actions of the ICC.

Conference Substitute

The conference substitute adopts the House provision.

Conflict of interest

The Corporation, if it is to succeed, will need the very best talent available. The Conference Committee, as was the case with the sponsoring committees in both houses, considered statutory language that would resolve any conflict of interest problems. However, as has been the case when similar questions in other areas have arisen, it was difficult to treat the issue with any blanket provision.

The conferees do not regard past service with either the United States Railway Association or the Department of Transportation as a bar to future service with ConRail. Each case should be viewed on its merits and decided in the context of existing law and codes of ethics.

NORTHEAST CORRIDOR PROJECT IMPLEMENTATION

Existing law explicitly recognizes the Northeast corridor project as a key element in the reorganization of insolvent railroads in such a way as to "authorize and direct the maintenance of adequate and efficient rail services in the Midwest and Northeast region of the United States." Section 206(a) of the National Rail Reorganization Act provides that one of the principal goals of the final system plan is "the establishment of improved high speed rail passenger service, consonant with the recommendations of the Secretary in his report of September 1971, entitled 'Recommendations for Northeast Corridor Transportation'"; section 206(c)(1)(C) requires the final system plan to designate which rail properties of railroads in reorganization in the region or of railroads leased, operated, or controlled thereby should be acquired by Amtrak for improvement to achieve this goal; and section 601(d) required the Secretary of Transportation to begin the necessary engineering studies and improvements upon enactment (January 2, 1974). Both the Senate bill and the House amendment provide for implementation of the Northeast corridor project, as follows:

Senate Bill

The Senate bill would have created a statutory corporate subsidiary of the National Railroad Passenger Corporation, to be known as the Northeast Corridor Improvement Corporation (hereafter in this statement referred to as the "NCI Corporation"). The NCI Corporation would be subject to the supervision of its own board of directors, consisting of 6 members of the board of Amtrak selected in accordance with its bylaws, the president of Amtrak, and 4 individuals to be appointed by the President from lists of qualified individuals recommended by the Governors of the States located in the corridor, by and with the advice and consent of the Senate, for a term of 4 years each. The board was directed to appoint a qualified individual to serve as the general manager of the NCI Corporation to serve at the pleasure of the board and to report directly to the president of Amtrak. The NCI Corporation was authorized to acquire property, enter into contracts, provide for rail service over properties acquired, improve railroad rights-of-way between Boston and Washington, D.C., to enable improved high-speed rail passenger service to be provided in the corridor; to enter into agreements with other railroads and commuter agencies and carriers and with telecommunications carriers to the extent specified, and to take other necessary action designed to assure a prompt and timely implementation of this important initiative in intercity passenger transportation.

The Senate bill required the Corporation, on the date on which rail properties are transferred to it under section 303, of the Regional Rail Reorganization Act, to transfer to the NCI Corporation all rail properties designated pursuant to sections 206(c)(1)(C) and 601(d). The Senate bill also established an "Operations Review Panel" to resolve differences of opinion concerning corridor operations between the NCI Corporation, ConRail, other railroads, and State, local, and regional agencies responsible for providing commuter and other rail services. The following goals were set for the Northeast corridor improvement project: (*1*) Within 4 years after enactment, the establishment of regularly scheduled and dependable intercity rail passenger service between Boston and New York City operating on a 3-hour schedule with appropriate intermediate stops, and similar service between New York City and Washington, D.C. operating on a 2½-hour schedule with appropriate intermediate stops, together with line improvements on connecting lines from Harrisburg, Pennsylvania, Albany, N.Y., and Springfield, Massachusetts, to facilitate compatibility with improved high-speed rail service on the corridor main line; (2) to the extent compatible with the foregoing goal, the facilitation of improvements in and usage of rail commuter services, rapid rail transit, and local public transportation; (3) the maintenance and improvement of rail freight service to all users thereof located in or adjacent to the corridor to the extent compatible with the foregoing goals; and (4) the continuation, improvement, and expansion of passenger radio telephone service aboard trains operated in high-speed rail service. The President and relevant Government agencies were specifically directed to take whatever action necessary to achieve this goal.

The Senate bill authorized $3 billion to be appropriated to the Association to permit the Association to make available non-interest-bearing 30-year loans to Amtrak for the use of the NCI Corporation, and other entities to effectuate the foregoing goals. The bill also authorized a total of $235,732,956 to be appropriated to the NCI Corporation, in the form of grants and $20 million to be appropriated to Amtrak for acquisition of certain properties outside the Northeast corridor that were designated pursuant to section 206(c)(1)(D) of the Regional Rail Reorganization Act. The Senate bill also made conforming amendments to the Rail Passenger Service Act, a conforming amendment to section 601(d) of the Regional Rail Reorganization Act of 1973, and the Department of Transportation Act.

House Amendment

The House amendment authorized $1.1 billion for rail passenger service over a period of 6 years. The funds remained available until expended.

The Secretary was directed to expend $200 million of the total funds authorized pursuant to this section in areas and on projects other than in the Northeast Corridor.

The $900 million was to be expended on the Northeast Corridor for upgrading rail passenger service between Boston, Massachusetts, and Washington, D.C.

(i) by eliminating deferred maintenance within the Northeast Corridor system,

(ii) the extension of electrification from New Haven, Connecticut to Boston,

(iii) by making a significant improvement to the signaling and control systems needed to improve the safety of rail passenger operations on the corridor,

(iv) rehabilitating and upgrading numerous deteriorated bridges on the corridor.

The Secretary was authorized to enter into agreements and to make payment to any railroad including the National Railroad Passenger Corp., or to any other person including a Federal or State agency to assist in financing the improvements to rail facilities and equipment which were necessary to permit in accordance with safety, speed, and comfort the provisions of improved intercity rail passenger service between Boston, Massachusetts, and Washington, D.C.

The House amendment provided that eligible activities for financial assistance were to include:

(i) the improvement of railroad rights-of-way and bridges, tunnels, and related structures,

(ii) improvement of signals control and communications facilities,

(iii) extension and modernization of electrification systems,

(iv) improvement of facilities and equipment used for maintenance and repair of intercity rail passenger facilities,

(v) improvement of station and station platforms essential to the operation of intercity trains and stations,

(vi) planning and design of the above mentioned activities, and

(vii) design and development of rolling stock suitable for use of intercity rail passenger service.

In carrying out his duties, the Secretary was to provide for the accomplishment of improvements to railroad facilities and equipment—

(A) in a manner compatible with the establishment of future service levels,

(B) affording due regard to the impact of disruptions of intercity, freight and commuter operations, and

(C) to use such funds to the maximum labor benefit in terms of hiring persons who are presently unemployed.

The Secretary was directed to obtain assurances that railroad facilities and equipment improved with financial assistance provided by this act would be properly maintained.

The Secretary was required to take appropriate action to encourage prompt and just settlements of any dispute with respect to the use of railroad rights-of-way during the period on which improvements are being made to the rights-of-way under this section.

Conference Substitute

The conference substitute follows the Senate bill, except that—

(1) the National Railroad Passenger Corporation is permitted to form its own subsidiary organization to implement the Northeast Corridor project rather than having a statutorily created subsidiary corporation. While the corridor operations of Amtrak are to be segregated from the rest of the remaining Amtrak system in order to determine whether rail passenger service in this highly populated corridor can be made profitable, the addition of accounting requirements in the goals portion of title III of the legislation was believed to be sufficient to accomplish this;

(2) a definition of "Northeast Corridor" was added, which should not be construed to mean that the operations review panel created under section 702 has jurisdiction over any rail operations other than those operating over properties acquired by the National Railroad Passenger Corporation, or connecting lines having significant commuter traffic.

(3) the required goals were modified to require two stages of improvement. Within 5 years of enactment, the first stage of improvements must have produced regularly scheduled, dependable intercity rail passenger service operating on at least a 3 hour and 40 minute schedule between Boston and New York City, and at least a 2 hour and 40 minute schedule between New York City and Washington, including intermediate stops. These mandatory running times are minimum requirements, and the National Railroad Passenger Corporation and the Secretary may exceed them. The second stage of improvement—going beyond the trip times required in the first stage—would come about after an examination by the Department of Transportation of the need for further improvement in intercity passenger transportation within the corridor and an accounting of the way in which those needs can be met at the least public costs with the most public benefits. It is anticipated that this study will be similar to the Department's 1971 study of Northeast Corridor transportation alternatives. The Department is required, both 2 years after enactment and 2 years after the completion of the improvements required by this section, to make the determination of the best manner in which needed improvements in intercity transportation are to be made. The Secretary will have the flexibility to make the improvements needed either as part of the initial improvements required by this legislation or with the experience and data generated by operation of the improved system. Both the Secretary and the National Railroad Passenger Corporation are to submit annual reports to the Congress on the progress made in implementing the improvements required by this legislation and any further improvements that are needed;

(4) the funding of the Northeast Corridor project was changed from $2.4 billion in loans to $1.6 billion in grants, and, to the extent that these funds are not needed to complete the requirements mandated by section 703, these moneys are to be used to fund improvement of the related trackage described in section 703;

(5) the time in which the project is to be implemented was changed from 4 to 5 years;

(6) the funding agency was changed from the U.S. Railway Association to the Department of Transportation;

(7) specific reference to authorization for the utilization of the necessary government radio frequencies was deleted upon agreement between the conferees and representatives of the Executive Branch that the retained language continues to authorize utilization of necessary government frequencies by common carriers. The deletion has no substantive effect on the policy alternatives available to achieve the goal of continuation of, expansion and improvement in passenger radio telephone service aboard trains operated in high-speed rail service between Washington, District of Columbia, and Boston, Massachusetts. In particular, the conferees note that the President is obligated to continue to authorize use of governmental frequencies where necessary to prevent interruption of the service, to maintain existing quality of the service, or to allow extension of the service between Washington, D.C. and Boston;

(8) the compensation principles for operations in the Corridor were clarified to make clear that the various users are to be treated fairly and equitably. It is contemplated that in determining compensation, appropriate consideration will be given to the actual magnitude and impact of operations conducted for intercity passenger, freight, and commuter users; and

(9) the provisions relating to Union Station in Washington, D.C. were deleted in response to jurisdictional objections from the Committee on Public Works and Transportation of the House of Representatives.

LOCAL RAIL SERVICE CONTINUATION

Abandonment of lines of railroad and discontinuance of rail service

Senate Bill

The Senate bill included amendments in the nature of a substitute to the Interstate Commerce Act's provisions dealing with abandonments of lines of railroad, together with technical conforming amendments to that act's provisions dealing with extensions. The Senate bill added a new section 1a to the Interstate Commerce Act. The new section:

(1) prohibited the discontinuance of rail service over, or the abandonment of, any line of railroad unless it is described in and covered by a certificate issued by the ICC declaring that the present or future public convenience and necessity require or permit such discontinuance or abandonment;

(2) provided that notices of proposed abandonments and discontinuances must be submitted to the ICC at least 60 days before the proposed effective date and required railroads submitting such a notice to the ICC to certify that a similar notice has been sent to all interested parties (including the Governors of affected States, shippers, and newspapers in the affected areas). Among those to whom such notice should be given are any persons holding a lease, easement, license, permit or other entitlement within a right of way which is proposed to be abandoned;

(3) required the ICC, if a petition is filed, and authorized it in other cases, to conduct an investigation of not longer than 3 months with regard to any application submitted under this section (including public hearings if necessary). The burden in any such investigation was placed explicitly on the applicant for a certificate of abandonment or discontinuance in order to eliminate the presumption of the so-called "34-carload" rule established by the Interstate Commerce Commission in Ex Parte No. 274 (Sub-No. 1), Abandonment of Railroad Lines, September 22, 1972;

(4) required the ICC to issue, modify, or reject each requested certificate of discontinuance or abandonment in light of its determination of the public convenience and necessity. Once a certificate is issued, actual discontinuance or abandonment could take place within 120 days thereafter;

(5) required employee protection no less beneficial than that established under section 5(2)(f) of the Interstate Commerce Act and section 405 of the Rail Passenger Service Act but without intention to change the policy and practice of the Commission in connection with certificates involving total termination of service by a railroad company;

(6) required each railroad, within 180 days after the ICC promulgated regulations to submit to the ICC a full diagram of its transportation system, including a detailed description of each "low density line";

(7) required the ICC to publish each finding that the public convenience and necessity permit an abandonment or discontinuance, and required it, in the event that a responsible person or government entity (within 30 days after such publication) offered financial assistance to enable the rail service involved to be continued and such assistance was adequate to cover the avoidable cost of providing such service plus a reasonable rate of return or was sufficient to cover the acquisition cost of such line of railroad, to postpone the issuance of the certificate of abandonment or discontinuance for such reasonable time as is necessary for a binding agreement to be entered into for the continued operation of such line with such assistance;

(8) required the ICC to make a determination of the extent to which the avoidable cost of providing rail service plus a reasonable return exceed the revenues attributable to the line of railroad or the rail service involved, whenever it finds that an offer of financial assistance has been made under the preceding provision; and

(9) empowered the U.S. district courts to enjoin any abandonment or discontinuance which is contrary to any provision of this section, regulations thereunder, or certificate terms and conditions.

House Amendment

The House amendment was similar to the Senate bill except that (1) the ICC must give primary weight (a) to the needs of those served by the line of railroad involved, and (b) the financial effect of the continued operation of the line upon the carrier seeking abandonment; and (2) it defined "avoidable costs of providing service" as the meaning given such phrase pursuant to section 205(d)(3) of the Regional Rail Reorganization Act of 1973; and (3) it mandated the Commission to impose a fair and equitable arrangement for the protection of employees affected by any abandonment or extension of a rail line.

Conference Substitute

The conference substitute follows the Senate bill because the House amendment might be construed as going beyond elimination of the "34-carload" rule and rendering abandonment of lines by profitable railroads impossible.

Local rail service assistance

Senate Bill

The Senate bill amended the Department of Transportation Act by adding 10 new subsections. The new subsections—

(1) directed the Secretary of Transportation to provide assistance to the States for rail freight assistance programs;

(2) stated that the Federal share of such program costs was 100 percent for the first year and 90 percent for each succeeding year under standards to be formulated by the Secretary. The standards must include a method through which a State contribution can be provided through in-kind benefits;

(3) entitled each State eligible to receive rail service assistance grants to an amount equal to the percentage of the total mileage eligible for assistance located in such State;

(4) permitted use of entitlement funds for costs of establishing and implementing a State rail plan;

(5) required States to have an adequate rail plan in order to be eligible to receive rail service assistance grants;

(6) established the eligibility to projects for rail service assistance grants;

(7) required the Secretary to pay each State its entitlement funds;

(8) required recipients of funds under the section to keep records as required by the Secretary. Such records must be available to the Secretary and the Comptroller General for auditing purposes;

(9) exempted the 17-State Northeast/Midwest region as defined by the Regional Rail Reorganization Act of 1973 from provisions of this section for 2 years;

(10) contained authorizations for the program for 8 fiscal years totaling $675 million.

House Amendment

The House amendment also amended the Department of Transportation Act by adding 10 new subsections. It is similar to the Senate bill except that—

(1) it did not provide that the States could use assistance payments for the purchase of rail facilities;

(2) it provided for a 4½ year program with the Federal share at 100 percent for the first six months; 90 percent for the succeeding 12 months and then, to be reduced by 20 percent for each succeeding 12 month period; and a total authorization of $360 million; and

(3) it provided that States must be paid a lump sum equal to the amount the subsidy cost for one year for a line if the State notifies the Secretary that it intends to purchase the line.

Conference Substitute

The conference substitute follows the Senate bill, except that the program is limited to 5 years with a total authorization of $360 million. The Federal share of the cost of the program is 100 percent for the first year, 90 percent for the second year, 80 percent for the third year, and 70 percent for the fourth and fifth years. The Secretary has the authority to adjust the Federal share for the fourth and fifth years in light of the overall authorization limit of $360 million.

Northeast/Midwest regional rail service continuation assistance program termination of services and continuation of rail services

Senate Bill

The Senate bill amended section 304 of existing law. Revised section 304 provided that—

(1) service could be discontinued on all lines excluded from the final system plan on date of conveyance unless prohibited by terms of leases or agreements under section 303(b)(2);

(2) during the first year after the effective date of the final system plan, rail service on properties recommended for abandonment as part of a final system plan joint use or coordination project could be discontinued if the ICC found the service was not compensatory and if binding contracts for the implementation of such projects had been agreed upon, and if such discontinuance was not prohibited by leases and agreements protected by section 303(b)(2). The service was compensatory if the revenues attributable to the line equaled or exceeded the avoidable costs of serving the line plus a reasonable rate of return on the value of the line as determined under RSPO standards. The ICC was required to dispose of any applications under this subsection within 120 days or they were deemed to be approved;

(3) unless prohibited, rail properties on which service was discontinued could not be abandoned sooner than 120 days after the effective date of discontinuance. Rail projects designated in the final system plan as suitable for alternative public use could not be disposed of during a 240-day period after a notice of discontinuance was issued unless such properties were offered on reasonable terms and conditions for acquisition for public purposes;

(4) discontinuation or abandonment of rail properties was prohibited if (1) a rail service continuation payment, covering the difference between the revenue attributable to the line and the avoidable costs of providing service along with a reasonable return on the value of the property was offered; however, only one payment on the return of the value of the property could be made if both freight and passenger payments were made on any one line; (2) service was presently being provided under the terms and conditions of a lease or agreement with a State or local body in effect on January 2, 1974; (3) an offer pursuant to this section was made to purchase the line; or (4) if no payment was needed under this section on any line for a period of 2 consecutive years;

(5) if a rail freight service continuation payment was offered, such offer must designate the operator of the service—ConRail, any railroad connecting with the line or any responsible person. Designated operators were required to provide service unless the ICC found that in so doing the operator's ability to serve its own patrons or to meet its common carrier obligations would be impaired. Operators must receive the difference between the revenue attributable to the line and the avoidable cost of providing service plus a management fee. Owners of rail property on which such service was to be provided must permit such service and would receive a reasonable rate of return on the value of such properties. The ICC was empowered to take certain specified actions to implement the provisions of this section, including directed services. U.S. district courts were empowered to force the various parties to comply with the provisions of this section;

(6) ConRail was obligated to provide commuter service for 180 days after conveyance regardless of whether such properties were included in the final system plan. The level of service existing on date of conveyance and the level of State or local assistance provided on such date for such service was required to be maintained. If no lease was in effect on such date, ConRail must continue the existing level of service. If the existing level of financial support was not maintained, or if subsequent to the 180-day period a rail passenger service payment has not been offered, service could be discontinued. The Secretary was to reimburse ConRail for any losses incurred during the 180-day mandatory service period if no subsequent payment was offered. Provision was made for the mediation of disputes arising from the

provisions of this subsection. Nothing in the subsection altered the obligations of ConRail or the trustees to provide service as required by section 303(b)(2);

(7) if an offer to purchase a line was made, it must also contain an offer of a service continuation payment;

(8) ConRail was required to provide service on all final system plan lines for 2 years, after which ConRail was subject to normal ICC abandonment and discontinuance procedures;

(9) restated interim abandonment procedures in place during the USRA planning process now found in section 304(f) of the Regional Rail Reorganization Act.

House Amendment

The House amendment provided for several changes to the existing Section 304. Those changes were:

(1) The trustees of the bankrupt estates were required to provide service on light density lines excluded from the final system plan until date of conveyance 60 days after giving notice of discontinuance of service, whichever is later;

(2) if a rail line was being subsidized for freight and commuter service, only one payment for a return on the value of the line could be made;

(3) service on light density lines excluded from the final system plan was ensured in the cases where a subsidy was offered and the trustees of the bankrupt estates were required to make their property available for use under the subsidy program; and

(4) ConRail was required to provide commuter service for 180 days after the date of conveyance of rail properties at the level of service being provided on that date, provided that the level of State or local assistance being provided on that date was maintained. Service could be discontinued if the existing level of support was not maintained or if no subsidy was offered after the initial 180 day period expired. The Secretary was directed to reimburse ConRail for any losses incurred during the initial 180 day period if no State or local authority offered a subsidy to continue service past that 180 day period. A procedure for resolving disputes arising out of this subsection was set forth. It made clear that the subsection did not relieve ConRail or the trustees of their obligation to provide commuter service as required by section 303(b)(2) of the Act.

(5) State and local public bodies providing commuter passenger service were exempted from Interstate Commerce Commission rules and regulations except for those rules and regulations which apply to safety, collective bargaining and employment, retirement, annuity, and unemployment systems.

Conference Substitute

The changes made to section 304 by the House amendment were basically included in the Senate bill. Therefore, the conference substitute follows the Senate bill except that the section of the House amendment relating to the Interstate Commerce Commission's jurisdiction over commuter authorities is included. With respect to designations under section 304(d), a person offering a rail service continuation payment shall have broad flexibility to designate the operating railroad without ICC review when that railroad agrees to provide the service. In addition, an amendment to section 304 previously found in title VI was not changed but has been relocated in title VIII. This amendment imposes a freeze on the disposition of rail properties designated for transfer or conveyance in the final system plan, subject to certain exceptions specified in the amendment. It is not intended to interfere with the use and consumption of assets in the normal and ordinary course of railroad operations.

Continuation assistance

Senate Bill

The Senate bill amended section 402 of existing law by providing that—

(1) the Secretary of Transportation must provide financial assistance for rail service continuation payments acquisition or modernization payments and must finance rail banking and the construction and improvement of facilities needed as the result of loss of freight rail services. Federal share for the first year was 100 percent for service and projects designated in a State rail plan and 90 percent thereafter. The State share could be provided through in-kind benefits under regulations issued by the Secretary. In cooperation with the ICC, and USRA the Secretary was required to assist the States in negotiating initial operating and lease agreements, and to report to Congress on February 1, 1976, on the progress of such negotiations. The Secretary was permitted, with the concurrence of the States and for a period of 1 year, to enter directly into operating and lease agreements to provide for uninterrupted service.

(2) each State would receive assistance funds based on the percentage of total lines available for subsidy located in that State, but no State was to receive less than 3 percent of the funds appropriated. Certain facilities excluded from the final system plan were made eligible for service continuation payments if designated in a State rail plan. Neither ConRail nor any other railroad is required to operate such facilities.

(3) in order to receive financial assistance under this section, a State must establish a State rail plan. Eligible rail freight services included those lines owned or operated by a State agency for 5 years prior to enactment and lines abandoned by solvent carriers in the Region since January 2, 1974. Lines designated in a State rail plan could be acquired or modernized or "rail banked" for future use. Certain facilities were eligible for improvement or construction assistance if needed as the result loss of freight rail service. Intercity rail passenger lines that could be acquired with funds under this section were those used by Amtrak to serve routes in operation as of November 1, 1975.

(4) the Secretary of Transportation was required to issue regulations for the provision of assistance under this section and to pay eligible States funds under the entitlement section of the Act. However after notice and a hearing, the Secretary could withhold payments from a State for failure to comply with the provisions of this section.

(5) recipients of assistance were required to maintain records for up to 3 years under regulations the Secretary may prescribe. Such records must be available to the Secretary and the Comptroller General.

(6) the following amounts were authorized: $45 million for fiscal year 1976; $22.5 million for the transitional quarter; $90 million for fiscal year 1977; and $45 million for fiscal year 1978.

(7) the term "rail service continuation assistance" was stated to include expenditures made by a State during 5 years prior to January 2, 1974, or subsequent thereto on rail services which would be abandoned but for such assistance.

The Senate bill amended section 402 of the act by removing the prohibition against the use of rail service continuation payments on lines which may be acquired by a State under this section. Also removed was the need for the concurrence of the Secretary to use entitlement funds for acquisition and modernization of branch lines.

House Amendment

The House amendment amended existing law—

(1) to require the Rail Services Planning Office to issue regulations within 180 days after the effective date of the final system plan for the determination of rail passenger service continuation subsidies. Such subsidies would have covered the difference between the revenue attributable to a rail property and the avoidable cost of providing passenger service over it, plus a reasonable management fee and an allowance for depreciation of equipment. The Rail Services Planning Office would also have been required to issue regulations for computing the difference between rail passenger service continuation subsidies provided by states or transportation authorities prior to conveyance and subsidies based on Rail Services Planning Office standards, which would have been used to determine the amount of emergency rail passenger service operating assistance provided by the Urban Mass Transportation Administration;

(2) to provide that if states or transportation authorities exercised their option to purchase or lease rail passenger properties from ConRail, ConRail must have transferred the properties to the states or transportation authorities for the same value ConRail paid for them, plus the value of maintenance or improvement provided by ConRail. This was also to have applied to passenger properties purchased by states or transportation authorities from ConRail at any time during the 2½ year period following the date of conveyance. This provision was intended to encourage ConRail to maintain and improve these properties;

(3) to preclude the possibility of the bankrupt railroads discontinuing any rail service over properties excluded from the final system plan before the date of conveyance;

(4) to assure that the owner of a rail property would not receive more than one payment of a reasonable return on the value of the property in a case where rail service continuation subsidies were offered for both freight and passenger service over the same rail property.

The House provision also prevented the abandonment or discontinuance of any rail property over which rail passenger service was to have been provided during the 180-day period following the date of conveyance and as long as a state or transportation authority offered passenger service continuation subsidy consistent with Rail Services Planning Office standards.

The House provision specified that it applied only to freight service continuation agreements;

(5) to add a new subsection providing for the continuation of rail passenger service. The House provision directed ConRail to provide all rail passenger service, which was provided by the bankrupt railroads prior to conveyance, for 180 days following the date of conveyance. This would have applied to lines both included in and excluded from the final system plan. During the 180-day period, the states or transportation authorities would have continued to provide ConRail the level of financial assistance, if any, they were providing to the bankrupt railroads for passenger service prior to conveyance. If, at the end of the 180-day period, a state or transportation authority offered a rail service continuation subsidy consistent with Rail Services Planning Office standards, ConRail must have continued to provide the service. If such a subsidy was not offered by the end of the 180-day period, ConRail could have discontinued the service in accordance with the expedited procedures of the Act. However, ConRail must have been reimbursed for the losses incurred during that 180-day period. The Secretary of Transportation was authorized to make such payments. In the case of a dispute over the application of the Rail Services Planning Office standards, the parties to the dispute could have agreed to arbitration by a third party. If they failed

to agree to an arbitrator, the Director of the Rail Services Planning Office would have arbitrated the dispute. ConRail would not have been required to provide rail passenger service if a state or transportation authority contracted with an operator other than ConRail to provide the service. ConRail must have, however, provided access to its properties for such service; and

(6) to prevent ConRail from abandoning any rail property for which a state or transportation authority was willing to offer a rail service continuation subsidy.

Conference Substitute

The conference substitute follows the Senate bill which includes the basic provisions of the House bills, except that the authorization limit for the two year period following the date of conveyance is $180 million without fiscal year limitation. Nothing in this section shall be construed to authorize funds for the purposes of this section other than the $180 million explicitly authorized. The House provision with respect to assistance for a financially responsible person is also retained. With respect to the limitations on assistance specifically authorized for rail service facilities under section 402(b), the conferees wish to clarify that these limitations do not apply if such facilities are also eligible for assistance under sections 402(c)(2)–(5).

The conference substitute also provides that the Secretary of Transportation shall reallocate funds not used or obligated by a State as soon as possible among other States in accordance with the rail mileage formula in section 402(b). The conferees intend that funds shall initially be reallocated as soon as the Secretary has determined the amounts required by each State, based upon approved applications for Federal assistance. Such prompt reallocation will help assure a more equitable distribution of funds to all States which have rail service projects eligible for assistance under section 402.

Repeal of title IV of existing law

Senate Bill

The Senate bill repealed title IV of the Regional Rail Reorganization Act 2 years after the date of conveyance of rail properties under the act. At such time the region would become subject to the national assistance program provided by the act.

House Amendment

The House amendment did not contain a comparable provision. However, it authorized a separate program for the 17 state region for a 4½-year period and a similar program for the remainder of the states for an identical 4½-year period.

Conference Substitute

The conference substitute follows the Senate bill.

Rail passenger service

Senate Bill

The Senate bill set up certain procedures under which the rail passenger service continuation assistance program would operate. The Senate bill provided that—

(1) the Interstate Commerce Commission, within 180 days of the effective date of the final system plan, must issue regulations containing the standards for the computation of rail passenger service payments to be made by commuter authorities to operating railroads for commuter services. The standards must be consistent with the compensation principles established in the final system plan and must avoid cross-subsidization.

(2) section 206(d)(5) of the Regional Rail Reorganization Act was amended to allow States or commuter authorities to acquire properties for rail passenger service from ConRail at a reasonable value at any time within 900 days after conveyance of those properties to ConRail.

House Amendment

The House amendment was similar to the Senate bill except that—

(1) it gave the responsibility for setting the rail passenger subsidy standards to the Rail Services Planning Office; and

(2) it stated that the standards must provide for the return of avoidable costs, a management fee and an allowance for the depreciation of equipment, but did not provide for a reasonable return on the value of the rail property.

Conference Substitute

The conference substitute provides that:

(1) State or local commuter authorities are permitted to acquire properties for rail passenger service from ConRail at a reasonable value at any time within 90 days after conveyance of those properties to ConRail. This provision was in the Senate bill and the House amendment.

(2) As provided for in the House amendment, the Rail Services Planning Office (RSPO) is directed to set the standards for rail passenger payments, however, as provided in the Senate bill, the guidelines RSPO must follow must be consistent with the compensation principles established in the final system plan and must avoid cross-subsidization. This section has been relocated in title III of the bill and included in the section containing the other provisions relating to the duties and responsibilities of RSPO.

Emergency operating assistance

Senate Bill

The Urban Mass Transportation Act was amended by the addition of new section 17. That section would provide—

(1) that the Secretary must provide financial assistance to ConRail or other operators of rail passenger service for the provision of such service during the 180-day mandatory service period if State and local transportation bodies did not offer payments for service after that 180-day period and to states and local commuter authorities for service during that 180-day period and thereafter if a continuation payment is offered:

(2) the assistance provided in this section did not apply to Amtrak operations;

(3) the assistance was to be provided on terms and conditions as may be set by the Secretary in view of the emergency nature of this program. The Federal share for the initial 180-day mandatory period and the succeeding 180 days was 100 percent. During the next year the Federal share was to be 90 percent, and for an additional 6 months the Federal share was to be 50 percent on lines where service was guaranteed following that 180-day period; and

(4) $125 million beginning in fiscal year 1976 through fiscal year 1978.

House Amendment

The House amendment was similar to the Senate bill except that the Federal share was 100 percent for six months; 75 percent for the next 13 months and 50 percent for the following 12 months if assurance was given that service receiving such assistance would be continued when such assistance was ended.

Conference Substitute

The conference substitute follows the Senate bill.

Conversion of abandoned railroad rights-of-way and rail bank

Senate Bill

The Senate bill provided a new program for the conversion of abandoned railroad rights-of-way to public use. The Senate bill—

(1) stated that careful consideration was to be given to future public use of abandoned railroad rights-of-way and that, where appropriate, adequate funds were to be provided for their conversion to such use;

(2) directed the Secretary of Transportation, in consultation with other specified Government agencies, to prepare a study for Congress on the conversion to public use of abandoned rail rights-of-way;

(3) provided for an accelerated program for converting abandoned railroad rights-of-way to recreational and conservation uses. The Secretary of Interior, after consulting with the Secretary of Transportation, was authorized to provide financial, educational and technical assistance;

(4) required the ICC to make a finding as to whether properties approved for abandonment were suitable for alternative public uses. This requirement was not intended to alter or affect statutory rights of eminent domain; and

(5) authorized $25 million for each of fiscal years 1976, 1977, and 1978.

House Amendment

The House amendment required the Secretary of Transportation to identify abandonment railroad rights-of-way that are suitable for national parks, recreation areas, wildlife refuges, bikeways and the like. The Secretary was to provide assistance to other Federal agencies, States, local agencies and to private groups to plan, develop, and operate programs for the conversion of abandoned rights-of-way. $5 million was authorized to carry out the purposes of this section.

The House amendment also directed the Secretary of Transportation in conjunction with the Secretary of Commerce and the Secretary of Interior to complete a study of those lines excluded from the final system plan to determine which should be included in a fossil fuel or agricultural production bank.

Conference Substitute

The conference substitute follows the provisions of the Senate bill with regard to the program for the conversion of abandoned railroad rights-of-way, except that there are authorized $6 million for the fiscal year 1976 and the transitional quarter, and $7 million for each fiscal year 1977 and 1978. The conference substitute follows the provisions of the House amendment concerning fossil fuel and agricultural production banks with $6 million authorized to carry out the purposes of this section.

MISCELLANEOUS PROVISIONS

Study of rail system and of aid to rail transportation

Senate Bill

The Senate bill required the Secretary to study and formulate a national transportation program to be submitted to the Congress and the President. The report was to include the criteria, standards, and data utilized in formulating the program, and to consider all relevant factors including the need for coordinated development improvement of all modes, and the priority which should be set for the development and improvement of each mode.

The Secretary was also required to submit to Congress a report on the anticipated effect of rail abandonments in States not previously studied by the Association.

House Amendment

The Secretary was directed to conduct a study of aid to rail transportation within 1 year and submit a report to Congress.

The Association was directed to study the present condition and projected future needs of the rail system, by analyzing the physical and financial conditions of such needs, the economic, environmental and social costs received from investment in a rail system.

The evaluation by the Association was to include a study of the rationalization of such system through such means as transcontinental mergers, regulatory reform, elimination of cross-subsidies, public ownership of rights-of-way, and various types of federal funding for the rail system.

The Association was required to complete its evaluation in 120 days after the enactment of the House bill and report to Congress.

Further, the Association was directed to prepare on an annual basis a report to the Congress on the performance of ConRail, as to how it implements the goals of the Regional Rail Reorganization Act of 1973, its financial projections, and its financial needs to become a financially self-sustaining railroad.

One million dollars was authorized to be appropriated for these studies.

Conference Substitute

The conference substitute provides for the following studies:

(1) a comprehensive study of the American railway system as included in the House amendment, except that the Secertary of Transportation rather than USRA is directed to complete the study.

(2) a study of aid to rail transportation.

(3) a study of the anticipated effect, including environmental impact, of the abandonment of rail lines or discontinuance of rail service in States not previously studied by the Association.

Study of conglomerates

Senate Bill

No provision.

House Amendment

The Commission was directed to study conglomerates and other such corporate structures as are presently found in the rail transportation industry and to determine what effects, if any, such diverse structures have on effective transportation, on intermodal competition, on revenue levels, and on such other aspects of natural transportation as the Commission deemed to be legitimate subjects of study.

The Interstate Commerce Commission was required to conduct a study of rate bureaus for all modes, and make a report and recommendation to Congress within 12 months from the date of enactment of this section.

The Secretary was directed to study the potential benefits of railroad electrification for high-density rail lines and report his findings to the Congress within 6 months of the bill's enactment.

Conference Substitute

The conference substitute follows the House amendment except that the requirement that the Commission conduct a study of rate bureaus is eliminated and the electrification study has been included in the rail transportation study authorized elsewhere in title IX.

Nondiscrimination and Minority Resource Center

Senate Bill

The Senate bill required the United States Railway Association to establish a National Railroad Minority Resource Center. The Center was directed by an independent Board of Directors appointed by the Chairman of the Association. The Center was to—

(1) establish and operate a national clearing house for minority enterprises and businesses which would develop and assimilate information, conduct project feasibility studies and other business material concerning the reorganization, rehabilitation, and revitalization of the nation's railroads;

(2) develop sources of investment capital and debt financing from public and private sources to support minority firms;

(3) conduct all necessary research, analysis, studies, and planning to define the opportunities available to minority firms;

(4) contract with capable, competent minority firms to perform work;

(5) authorize the Center to conduct a liaison function in the public and private sectors to develop a cooperative institutional relationship between the minority businesses and other public and private organizations in support of minority participation programs;

(6) develop legal, corporate entities to provide venture capital, security bonds, and technical assistance services to minority firms; and

(7) participate in Federal programs designed to provide financial and other forms of support and assistance to minority firms.

The Senate bill authorized $175,000 for fiscal year 1976; $50,000 for the transitional quarter ending September 30, 1976; $500,000 for each of the fiscal years 1977 and 1978.

House Amendment

The House amendment prohibited the use of any funds under the Rail Revitalization and Regulatory Reform Act of 1975 from being used to discriminate on the ground of race, color, national origin, or sex.

If the Secretary determined that funds from this act have been used to discriminate, he was required to notify and direct the parties discriminating to comply with this section. If the party refused or failed to comply, the Secretary was prohibited from providing further financial assistance under this act, and was required to refer the matter to the Attorney General for civil litigation.

Whenever a matter was referred to the Attorney General, or whenever he believed actions taken with the use of funds pursuant to this act were being used for a discriminatory purpose, then he could bring a civil action for relief in any district court.

The Secretary was authorized to prescribe such regulations as are necessary to carry out this section.

All determinations made by the Secretary were subject to judicial review.

Conference Substitute

The conference substitute includes both the nondiscriminatory provision of the House amendment and the Minority Resource Center provision of the Senate bill. The provisions for the Minority Resource Center were modified as follows:

(1) the Center is established in the Department of Transportation instead of in the United States Railway Association;

(2) the provision authorizing appropriations directly to the Center is deleted;

(3) the provision establishing a Board of Directors was deleted. An Advisory Committee consisting of 5 individuals appointed by the Secretary was established.

Harley O. Staggers,
Fred B. Rooney,
Brock Adams,
Ralph H. Metcalfe,
W. G. Hefner,
Jim Santini,
James J. Florio,
Samuel L. Devine,
Joe Skubitz,
James T. Broyhill,
Managers on the Part of the House.

Vance Hartke,
Frank E. Moss,
John O. Pastore,
Wendell H. Ford,
Adlai E. Stevenson,
Daniel K. Inouye,
Warren G. Magnuson,
J. Glenn Beall, Jr.,
James L. Buckley,
Lowell P. Weicker, Jr.,
James B. Pearson,
Managers on the Part of the Senate.

EXTENSIONS OF REMARKS

THE PUBLIC AND THE PRESS

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, January 23, 1976

Mr. HARRY F. BYRD, JR. Mr. President, Mr. Charles Seib, the ombudsman and internal critic of the Washington Post, recently wrote an interesting and perceptive article summarizing his observations since he assumed his present duties.

Mr. Seib found that while some criticism of the press is overstated, public scrutiny is fully as healthy for the press as for any other institution in our society.

I agree, and I commend Mr. Seib's comments to my colleagues.

I ask unanimous consent that the text of Mr. Seib's article be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Wayward Press

The public is far more preceptive in its newspaper reading than many editors realize. Readers are quick to detect flaws in news handling—an out-of-context use of a quotation, a headline that sensationalizes a story or misrepresents its content, a decision on display or placement that overemphasizes a story or buries it.

Unfortunately, they are likely to assign the wrong reason to such aberrations. Often a reporter's carelessness or an editor's mistake in judgment is seen by the reader as evidence of a policy decision handed down from the top.

There are two main reasons for this. One is a traditional reluctance of newspapers to be open with readers about themselves and to admit error—or even the possibility of error. Infallibility is an institutional pose.

The news business is fascinating and complex but not infallible. Producing a totally new product every twenty-four hours has been called the daily miracle, with reason. If the public were told more about the process, it might be less inclined to accept every quirk and stumble as evidence of a conspiracy to distort the news.

The second reason for a tendency to think the worst is a pervasive distrust of the press which must be evident to every journalist who has extensive dealings with the public.

Many readers feel that the media generally, newspapers and broadcasters alike, are on a destructive rampage. They feel that the zeal that exposed Watergate is being directed toward all public institutions (except the press), and they find it frightening.

They feel further, that in concentrating on official misbehavior, much of it long past, the press is subordinating more pressing and immediate matters: the economic bind many people find themselves in, the real problem with the quality of life in today's world. And they feel that the press is imposing on them a burden of woe beyond reason.

Newspaper people react with professional indignation to the question, "Why don't you print more good news?" They say, rightly, "Our job is to present the world as it is, warts and all." But they should give some thought to the reader behind the question and the very real danger that more and more readers—and television viewers, too—will turn away from a lugubrious news diet that doesn't really interest them or concern them.

Which brings me to what I have learned about newspaper people in the past year.

Although attitudes are slowly changing, they are still resistant to responding openly and swiftly to charges of unfairness or inaccuracy.

The front page error followed by the tiny correction tucked away inside the paper is still very much with us. And the leisurely, even foot-dragging, handling of complaints contrasts strikingly with the enthusiasm with which a tip on a juicy story is explored.

Recently it took me over a month to get the editors I work with to make a decision on how to handle what I considered to be a serious complaint. It is true that they were coping with a particularly troublesome strike at the time, but even so the priority given this major complaint was much too low.

I also have come to conclude that newspeople are not sufficiently worried about the public mistrust I mentioned earlier.

Standard journalistic response is to say that distrust and even hatred are the fate of the messenger who must deliver bad news. But there is more to it than that.

The press does not need to be loved, nor should it expect to be. As a messenger, it indeed must deliver a great deal of bad news.

But trust is another matter. It is essential if the press is to fulfill its role in this society.

There is concern these days among journalists about threats to press freedom. But there is not a broad enough recognition that public mistrust, allowed to grow and fester, creates a climate favorable to such threats.

An atmosphere of public distrust encourages police officials to attempt to conceal arrest records, judges to issue gag orders, bureaucrats to withhold information, and Congress to consider restrictive legislation.

One way to reduce this distrust is for the press to examine some of its present practices and to be more responsive to its public and more open about its operations and its failings. If public scrutiny is healthy to the other institutions of society, it should be healthy for the press itself. And that brings me full circle to the reason for my job and for this column.

HOUSE OF REPRESENTATIVES—*Monday, January 26, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, offered the following prayer:

Peace I leave with you; My peace I give unto you.—John 14: 27.

O God and Father of us all, who hast so made us for Thyself that our hearts are restless until they find rest in Thee, we come to Thee for the kind of help Thou alone canst give to us.

Be Thou our light when the day is dark and we know not where to go or what to do.

Be Thou our strength when we are weak and weary and ready to give up.

Be Thou our companion through the experiences of life and death that we may receive comfort and find courage to help in time of need.

Be Thou our guide as we seek to lead our Nation in the ways of righteousness, peace, and good will for the benefit of all mankind. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 9852. An act to amend section 2 of the National Housing Act to increase the maximum loan amounts for the purchase of mobile homes, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9852) entitled "An act to amend section 2 of the National Housing Act to increase the maximum loan amounts for the purchase of mobile homes, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. SPARKMAN, Mr. WILLIAMS, Mr. CRANSTON, Mr. MCINTYRE, Mr. TOWER, Mr. BROOKE, and Mr. GARN to be the conferees on the part of the Senate.

The message also announced that the Senate having proceeded to reconsider the bill (S. 2350) entitled "An act to amend the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council," returned by the President of the United States with his objections to the Senate, in which it originated, it was resolved that the said bill pass, two-thirds of the Senators present having voted in the affirmative.

The message also announced that the Vice President, pursuant to Public Law 86-42, appointed Mr. STONE to attend, on the part of the Senate, the Canadian-United States Interparliamentary Conference, to be held in Key Biscayne, Fla., January 29 to February 2, 1976.

RESIGNATION FROM THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following resignation from the House of Representatives:

JANUARY 22, 1976.

Hon. CARL ALBERT,
Speaker, House of Representatives,
The Capitol, Washington, D.C.

DEAR MR. SPEAKER: I hereby notify you that I have tendered my resignation as a Member of the United States House of Representatives, representing the 22nd District of Texas, to the Honorable Dolph Briscoe, Governor of Texas, effective at midnight, January 22, 1976.

Sincerely,

BOB CASEY.

LEGISLATION TO REDUCE RESIDENTIAL ELECTRIC RATES

(Mr. ALLEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLEN. Mr. Speaker, last Thursday, January 22, Congressmen JOE L. EVINS, HENRY S. REUSS, ED JONES, and HAROLD FORD joined me as cosponsors of H.R. 11449, a bill to reduce residential electric rates in all 50 States. This bill would mean a great savings and reduction in electric bills to all residential users in both urban and rural areas.

The bill, entitled the "Lifeline Rate Act of 1976," would require all distributors of electricity to reduce their rates to residential users, including farmers, to a level no higher than the "lowest rate" they charge business, industries, and their most favored customers. This bill would cover both public and private utilities.

If we act promptly and affirmatively, we can put a stop to this ripoff, which has so many of our residential and farm constituents up in arms and demanding of Congress immediate action and relief.

This bill provides that a residential consumer may purchase a "subsistence quantity" of electricity at the lowest rate offered by the electricity distributor.

"Subsistence quantity" is defined in the bill as "a number of kilowatt-hours necessary to supply the minimum electric energy needs of residential electric consumers at their principal place of residence for the following end uses: heating, lighting, cooking, cooling, and food refrigeration" considering "seasonal fluctuations."

This bill would reverse the common practice of today, where the more electricity a consumer uses, the lower the rate becomes per kilowatt-hour. It seems to me that the consumer who is not wasteful in the use of electricity, but who patriotically seeks to conserve in the use of all forms of energy, should be rewarded by having to pay the least amount per kilowatt-hour. This is what this bill would accomplish.

There are many people on limited incomes and millions of others who, in keeping with the national policy of conserving energy, are very careful and frugal in their use of electricity. Yet they are the ones who today are paying the highest rate, while large industries and other big users, including those residential customers who waste and use more electricity than is really necessary, are rewarded by a lower rate, the more electricity they use. This is simply not right.

Quantity discounts to promote sales may have been justified at a time of surplus, when there apparently was an inexhaustible supply of energy, worldwide. But, at a time of shortage, it is both foolish and utterly indefensible when everyone else is being asked to save and to cut back on their use of all forms of energy.

There are those who will say that it costs more to service a number of little accounts than it does one big account. Our answer is simple and straight to the point: telephone companies are required to do as much, indeed, much more, than this bill would require of electric utilities and distributors.

In all 50 States, a straight line residential telephone costs only a fraction of what a single, straight line telephone costs even the smallest business. Let me add that telephone companies are also public utilities and are regulated in the rates they may charge by State public service commissions, as well as the FCC. So why should an electric distributor or any other public utility be made an exception?

All across the country today, citizens are protesting this kind of upside-down rate policy and ripoff by the giant utilities, and they are looking to this Congress for relief. The time has come to outlaw these confiscatory residential rates, nationwide. Americans must have electricity made available to them at rates they can afford to pay.

Surely electricity to a poor widow should be at least as cheap as it is to a giant industry.

STATEMENT ON THE ANGOLA AMENDMENT TO THE DEFENSE BILL

(Mr. MAHON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAHON. Mr. Speaker, tomorrow the House will consider the final remaining amendment in disagreement to the Defense appropriation bill, the amendment which the Senate adopted that prohibits the use of any funds in the bill for Angola.

The problem before us tomorrow is what shall we do about the Senate amendment which provides that no funds in the $90 billion plus Defense appropriation bill can be used for activities involving Angola except for an intelligence gathering nature.

Tomorrow, I shall make a motion to go to conference where we could attempt to work out this matter. However, it is known that a preferential motion will be made to concur in the Senate amendment. Under the rules of the House, the preferential motion will be voted on first. Thus an up-or-down vote will occur at that point. Indications are that the motion to concur will be adopted by a wide margin.

I make no special plea for anyone to join me in voting against the Senate amendment. It is perfectly clear that the sentiment in Congress is opposed to heavy involvement of the United States in Angola. Certainly I am opposed personally to heavy involvement of the United States in Angola. Covert aid at this time would, of course, be impractical and impossible.

But we must seek to avoid sending a signal to the Communist nations saying that we are going to withdraw from the world.

I deplore the actions of the Soviet Union in transporting and supporting in excess of 8,000 Cuban troops to Angola. This is outrageous. It clearly points out the objectives of the Soviet Union to subvert other nations of the world. This may be the wave of the future in the eyes of the Soviets, but our Nation must reject it.

NEED FOR A GOOD SYNTHETIC FUELS PROGRAM

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, what this country needs—and needs desperately—is a good synthetic fuels program. At the present rate, it is not going to get it. And that would be a tragedy.

Why? Because in a few short years half the oil America must have will come from overseas. Yes, from other countries—countries that decide how much you can have, when you can have it, and at what price. They make the terms. It is all take it or leave it. We have to take it.

Well, last year President Ford said America needed umpteen gasification plants. Today, a year later, we do not have any. Europe and South Africa do. But we do not.

We need some kind of synthetic gasoline made from nonpetroleum feed stocks. We do not have that either. The story goes on and on. Meanwhile, we are riding downhill in a handbasket.

So today I am introducing a bill. It is a very simple amendment to the Defense Production Act. It specifically includes synthetic fuels in the same manner other vital commodities are covered—commodities absolutely essential to a strong America.

But it also does something very important in addition. It gives all U.S. industries, large or small, the financial confidence—security if you like—they need to spend the vast amounts of money required for investment in producing and developing synthetic fuels.

Actually, a lot of the technology and know-how exist today. What is lacking now is some assurance—some assurance the synthetic fuels industry would not go down the drain if prices should drop. These companies are willing to take reasonable risks. But the investment required is so great their entire future and that of their workers might be endangered if the Nation does not stand behind them—at least through the first stage of development.

My hope is the Government will not have to rush to their rescue. So, in effect, what we are really talking about is an insurance policy to make certain America will always have the energy it needs and never have to bow to the demands of any foreign cartel.

ON DESTROYING ANGOLA'S CHANCES

(Mr. SIKES asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, on tomorrow we shall vote on an amendment added to the defense appropriations bill in the Senate to bar aid to the anti-Communist forces of Angola. At the time the amendment was added, there were prospects that the Russian thrust into Angola could be thwarted. The number of Cuban troops fighting for the Communist cause was much smaller. The amount of Russian military equipment had not grown to the mountainous proportions which are there now. The anti-Communist forces were fighting with reasonable skill and effectiveness.

When we vote on tomorrow, we already know the serious consequences of the Senate action. It may have destroyed Angola's chances. But we in the House have our own responsibilities.

The Senate action tied the hands of the U.S. administration so that no further monetary assistance could be given to the anti-Communists. Regardless of the motive, the effect has been to paralyze the anti-Communist forces and to give a free hand to the Russian-backed Communist element. It is shocking to realize that this action has, in large measure, doomed the former Portuguese colony to a Communist takeover and may have opened the door to the subjugation of all of south Africa by the Communist movement in a few short years. We can still vote against this invitation to aggression.

I shall vote against the Senate amendment and support the motion to send the defense appropriation bill back to conference to seek a more acceptable solution.

Mr. Speaker, we must not deceive ourselves that our refusal to participate in the resistance to Communist aggression will go unnoticed throughout the world. Those who were given reason to doubt our resolve when South Vietnam, Cambodia, and Laos fell to the Communists will increase their doubts. I am fearful that we repeat the mistakes of Munich when we fail to stop aggression when we can. The Communists will surely read our failure to take action as a further softening of American resolve. They may be tempted to initiate hostile actions which would not otherwise be taken. This is what led to the tragedy of World War II and could lead to the even greater tragedy of world war III.

CONGRESS SHOULD OVERRIDE PRESIDENT'S VETO ON H.R. 8069

(Mr. FLOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLOOD. Mr. Speaker, tomorrow the House of Representatives will vote on the override of the President's veto of H.R. 8069, the Labor-HEW appropriation bill for fiscal year 1976. This bill includes funds for hundreds of separate and distinct programs. After months of committee hearings and extensive debate the Congress approved reduction from the President's budget for various programs totalling $158 million and increases over the budget for other programs adding up to $1,074 million for a net increase over the budget request of $916 million.

The congressional increases are for programs which involve investment in human resources, such as Head Start, nutrition for the aging, rehabilitation of the handicapped, maternal and child health, prevention and treatment of drug abuse, alcoholism and mental illness, and research on cancer, heart disases, stroke, and a host of other disabling and killing diseases. Under the budget request, most of these programs would have been cut below current funding levels. The bill which the Congress approved and the President vetoed will in most cases provide little more than the amounts needed to keep pace with inflation. The $36.1 billion which the bill appropriates for fiscal year 1976 represents an increase of 2.6 percent over the 1976 budget request. Most of the increase over 1975 appropriations was requested in the budget, and is for the costs of payments under public assistance, medicaid, and supplemental security income—SSI—which are mandated by law. If these "mandatory" programs are excluded from the computation, the net increase for "controllable" programs over last year's appropriations is 7 percent, which is the current annual inflation rate.

The issue is clearly one of spending priorities rather than fiscal responsibility. To date, the Congress has approved 14 appropriation bills for fiscal year 1976, including the Labor-HEW appropriation bill. In the aggregate, these 14 appropriation bills provide appropriations which are $3.5 billion less than the President's budget requests.

Mr. Speaker, I urge Members to vote to override the President's veto of H.R. 8069.

PRESENTATION OF SLIDE AND SOUND PROGRAM ON "AMERICA, O AMERICA THE BEAUTIFUL"

(Mr. COCHRAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COCHRAN. Mr. Speaker, I am today introducing a concurrent resolution to provide for the presentation of a very special Bicentennial program utilizing slide and sound to a joint meeting of the House and Senate.

Similar resolutions have been introduced by Congressman MORGAN and Senator HUGH SCOTT. However, I take particular pride in joining in this effort, as the creator of this program is a constituent of mine, the Reverend Robert E. Wall, director of church relations at Mississippi College in Clinton, Miss. Reverend Wall is also a major in the Mississippi National Guard and serves as chaplain of the 31st Support Center—RAO—in Jackson, Miss.

The program Reverend Wall has created is titled "America, O America the Beautiful," and is a Christian-oriented patriotic message in slide and sound. The program surveys the beauty, majesty, and splendor of America and reviews the history and heritage that has made America what it is today. This program has been shown over 600 times in 24 States and the District of Columbia.

Reverend Wall has received a commendation medal from the National Guard for his work with this program, and he has also received the George Washington Honor Medal from the Freedoms Foundation at Valley Forge.

I hope my colleagues will support this resolution, as I believe we, as Members of Congress, can especially benefit from its message in this Bicentennial Year.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1976.

Hon. CARL ALBERT,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:40 a.m. on Friday, January 23, 1976 and said to contain the tenth message on budget rescissions and deferrals for fiscal year 1976.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 16]

Abzug
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Archer
Badillo
Barrett
Beard, R.I.
Bell
Biaggi
Boland
Bolling
Bonker
Bowen
Brinkley
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burke, Fla.
Byron
Chisholm
Clancy
Clay
Cleveland
Cohen
Conlan
Conyers
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Dellums
Dent
Derwinski
Diggs
Dingell
Downey, N.Y.
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Eilberg
Esch
Eshleman
Evans, Ind.
Fary
Fish
Fisher
Fithian
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Frey
Fuqua
Gaydos
Gilman
Goldwater
Gonzalez
Goodling
Hagedorn
Harkin
Harrington
Harsha
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Hefner
Heinz
Helstoski
Hillis
Hinshaw
Holt
Holtzman
Howe
Hughes
Jacobs
Jarman
Jenrette
Johnson, Pa.
Jones, N.C.
Jordan
Kastenmeier
Keys
Kindness
Koch
Landrum
Lent
Litton
McCollister
McDonald
McEwen
Macdonald
Madigan
Mann
Mathis
Matsunaga
Metcalfe
Michel
Milford
Mills
Minish
Mink
Mitchell, N.Y.
Moakley
Mosher
Moss
Mottl
Murphy, Ill.
Nix
Patten, N.J.
Pepper
Peyser
Pike
Railsback
Rees
Reuss
Richmond
Riegle
Risenhoover
Rodino
Roe
Rooney
Rosenthal
Rostenkowski
Runnels
Ryan
Santini
Sarasin
Shipley
Shuster
Snyder
Staggers
Stanton, James V.
Steelman
Steiger, Wis.
Stephens
Stratton
Stuckey
Symington
Taylor, Mo.
Teague
Thone
Traxler
Tsongas
Udall
Vander Jagt
Vigorito
Walsh
Waxman
Whitehurst
Winn
Wolff
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zeferetti

The SPEAKER. On this rollcall 266 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SIXTEEN NEW RESCISSIONS AND SIX NEW DEFERRALS UNDER CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–342)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

I herewith propose, in connection with the transmittal of my 1977 budget, actions that would reduce Federal spending by more than half a billion dollars over this fiscal year and the two following. These proposals reflect the priorities in my new budget—a reduced rate of growth in Federal spending and choices that seek fairness and balance within that restrained growth.

I am proposing—in accordance with the Impoundment Control Act of 1974—16 new rescissions that total $924 million and reporting six new deferrals of $1,858 million in budget authortity. I am also revising—by a net $14 million—the amounts for three rescission proposals now pending befor the Congress and increasing by $19 million a deferral previously reported.

The details of the proposed rescissions and deferrals are contained in the attached reports. Further information on each of the rescissions proposed by this message and others pending before the Congress is included in Part III of the appendix to the 1977 budget.

GERALD R. FORD.

THE WHITE HOUSE, *January 23, 1976.*

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–334)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Joint Economic Committee and ordered to be printed with illustrations:

To the Congress of the United States:

As we enter 1976, the American public still confronts its two greatest personal concerns: inflation and unemployment. As valid as those concerns are, we should not let them overshadow the very genuine progress we have made in the past year. The underlying fact about our economy is that it is steadily growing healthier. My policies for 1976 are intended to keep us on that upward path.

A year ago the economy was in the midst of a severe recession with no immediate end in sight. Exceptionally strong inflationary forces were just beginning to abate, and the prospects for containing unemployment were not bright.

It is now clear that we have made notable progress. The sharpest recession in the post-World War II period hit bottom last spring, and a substantial recovery is now under way. There were 85.4 million Americans at work in December, 1.3 million more than during March of 1975. While the rate of unemployment remains far too high, it is slowly moving in the right direction. There have also been appreciable advances in reducing the rate of inflation. The increase in the consumer price index was 7 percent between December 1974 and December 1975, down from a rate of more than 12 percent during the previous 12 months.

In reviewing 1975 it is also wise to remember the large number of potentially serious economic problems that did *not* materialize. The financial crisis that some predicted did not occur. The recession did not deepen into a cumulative depression. There was no collapse in international trade and investment. The price of bread never rose to a dollar, nor did the price of gasoline. We did not experience corrosive social unrest as a consequence of our economic difficulties. While I do not regard the events of 1975 as fully satisfactory by any measure, we should find it reassuring that our economic system withstood severe strains and displayed inherent strengths during the year. I am confident that with responsible and appropriate policies we can achieve sustained economic progress in the future.

Unfortunately there is no simple formula or single act that will quickly produce full economic health. It has taken many years for excessive stimulation, combined with external shocks like the quintupling of international oil prices, to create the economic difficulties of 1974 and 1975, and it will take several years of sound policies to restore sustained, noninflationary growth. I will not make promises which I know, and you know, cannot be kept. We must restore the strength of the American economy as quickly as we can; but in so doing we cannot ignore the dangers of refueling inflationary forces, because unchecked inflation makes steady growth and full employment impossible. The events of the past several years have once again convincingly demonstrated that accelerating inflation causes instability and disruptions, increases unemployment, and ultimately precludes real prosperity.

It is often said that we must choose between inflation and unemployment, and that the only way to reduce unemployment is to accept chronic inflation or rigid controls. I reject this view. Inflation and unemployment are not opposites but are related symptoms of an unhealthy economy. The latter months of 1974 illustrate the relationship between inflation and unemployment. Sharply rising prices created a climate of uncertainty and were to blame for part of the massive reduction in the purchasing power of household assets placed in savings accounts and investment securities. In turn, consumers cut back on expenditures; and consequently inventories, already swollen by speculative buying, backed up in distribution channels. By the early months of 1975 there were sharp cutbacks in production and employment. Thus inflation played a significant part in the surge of unemployment, and if we have a new round of inflation it is likely to bring still more unemployment. Chronically high unemployment is an intolerable waste of human resources and entails an unacceptable loss of material production. Clearly, we must attack inflation and unemployment at the same time; our policies must be balanced.

My economic program for 1976 has three parts: First, a long-term continuation of the effort to revive the American economy; second, implementation of the many programs necessary to provide cushions for the unemployed during the transition to a healthy economy; and third, the elimination of Government policies and institutions that interfere with price flexibility and vigorous competition.

I. My key economic goal is to create an economic environment in which sustainable, noninflationary growth can be achieved.

When private spending is depressed, Government can properly absorb private savings and provide fiscal stimulus to the economy. But in the longer run, a viable, steady increase in prosperity is only possible if we have a vigorous private sector. My policies are designed to support the long-term growth of the economy by fostering an environment in which the private sector can flourish.

Increased capital formation is essential to meeting our long-term goals of full employment and noninflationary growth. Although there is no shortage of industrial capacity at the present time, many of our current priorities—to become independent in energy, to improve the environment, to create more jobs, and to raise our living standards—require increased investment. This means that business investment in plant and equipment as a share of gross national product must increase. We must also slow the growth of Federal spending in the years immediately ahead, so that mounting claims by the Federal Government on our economic resources will not prevent an adequate flow of savings into capital investments.

Accordingly, I am recommending that budget savings be refunded to the American taxpayer by means of tax cuts. I have proposed an annual tax cut of $28 billion from 1974 levels, effective July 1, 1976. If we continue in the years ahead to pursue the kind of budgetary restraint which I am recommending, another major tax cut will be feasible by 1979. I strongly believe that the individual wage earner has the right to spend his own money on the goods and services he wants, rather than having the Government increase its control over the disposition of his income.

II. Regrettably, a full recovery of the economy will take time. Overly rapid growth could lead to a renewed increase in inflation that would ultimately be self-defeating. In the interim we must be mindful of those who have lost their jobs or who are in fear of losing the jobs they hold. While the problems of unemployment can be solved only by restoring the basic strength of our economy, the hardships of unemployment and insecure employment require immediate treatment. In December 1974 and in March 1975, I signed into law major expansions in the duration and coverage of unemployment insurance. These changes eased the financial burden of 3.6 million Americans who were unemployed for a part of last year. Programs in my fiscal 1977 budget will also provide 3.6 million Americans with opportunities for training and employment.

These cushions to unemployment should be viewed as only temporary remedies. They are not a substitute for productive jobs in the private sector. The only way that such jobs can be produced is by restoring the vitality of private industry, which today employs five out of six American workers.

III. Success in promoting healthy economic growth and a vigorous private economy depends to a large extent on our eliminating Government policies and institutions which interfere with competition. Traditionally the American system has relied on competition to organize production and to encourage economic progress. The Government, however, has attempted to correct imperfections in competition by regulating prices and the quality of services in many different industries. This attempt has been less than a complete success. Regulation has been useful in curbing the pricing power of certain monopolies and in fostering the growth of new industries, such as air transportation in the 1940's and 1950's. It has also helped to insure compliance with such publicly determined social goals as clean air and safe working conditions. But in several industries, regulation has been used to protect and support the growth of established firms rather than to promote competition.

Over the years, Government regulation has also had many other undesirable effects. Besides reducing competition in many instances, it has also imposed on complying firms enormous burdens, which raise business costs and consumer prices.

Increasing competition from world markets and the need to maintain and improve the standard of living of a growing population require constant improvement of the American market system. For this reason I have asked the Congress to legislate fundamental changes in the laws regulating our railroads, airlines, and trucking firms. The new amendments will free these companies to respond more flexibly to market conditions. I have also urged deregulation of the price of natural gas and sought essential pricing flexibility for the oil and electric utilities industries. We will continue to improve all essential protection for public health and safety, trying at the same time not to increase unnecessarily the cost to the public. My object is to achieve a better combination of market competition and responsible Government regulation. The programs I have advanced in recent months have sought such a balance, and I will continue this course in 1976.

Striking a new regulatory balance is likely to entail some economic and social costs during a period of transition, and changes must therefore be phased in carefully. In the long run, however, a revitalized market system will bring significant benefits to the public, including lower prices.

While our policies focus primarily on the economy of the United States, we recognize that the range of our interests does not stop at our shores. The other major countries of the world are also recovering from the most serious recession they have experienced since the 1930s. Their first economic priority, like ours, is to put their economies on a sustainable, noninflationary growth path. Success in this endeavor, more than anything else, will help developed and developing countries alike achieve higher standards of living.

In recent years the economies of most nations suffered from extraordinarily high inflation rates, due in large part to the quintupling of the world price for oil, and then moved into a deep recession. The simultaneity of this experience demonstrated once again the strong interdependence of the world's economies. Individual countries have become progressively more dependent on each other as a freer flow of goods, services, and capital has fostered greater prosperity throughout the world. Because of this growing interdependence, however, domestic policy objectives cannot be achieved efficiently unless we also take account of economic changes and policy goals in other countries.

In recognition of our growing interdependence, I have consulted closely with the heads of other governments, individually and jointly. At the Economic Summit at Rambouillet last November, I met with the heads of government of five other major industrial countries. There we laid the foundation for closer understanding and consultation on economic policies. During 1975 we also began discussions on international cooperation with both the developed and the less developed countries. This dialogue will assure a better mutual understanding of our problems and aspirations. Finally, I have agreed with my foreign colleagues that, in order to create the proper conditions for lasting and stable growth, we must take important, cooperative steps in monetary matters, trade, and energy. We have directed our trade officials to seek an early conclusion to the continuing negotiations on liberalization of trade. This month in Jamaica we reached significant agreements on strengthening the international monetary system and providing increased support for the developing countries. We have also begun to cooperate more closely with oil-consuming countries in the effort to become less dependent on imported energy. I intend to consolidate and build upon this progress in 1976.

Of central concern both here and abroad is U.S. energy policy. Without a vigorous and growing industry supplying domestic energy, much of our industrial development in the next 10 years will be uncertain. And unless we can reduce our dependency on Middle East oil, we will not have a sound basis for international cooperation in the development of new fossil fuel and other energy sources.

As an initial step toward greater self-sufficiency, I signed the Energy Policy and Conservation Act in December 1975. I concluded that this act, though deficient in some respects, did provide a vehicle for moving us toward our energy goals. With this mechanism the price of petroleum can be allowed to rise to promote domestic supply and to restrain consumption. At the end of 40 months, under the act, I may remove price controls altogether, and I will utilize the provisions of the act to move toward a free market in petroleum as quickly as is possible and consistent with our larger economic goals. The act offers flexibility, which I have already used to start dismantling price controls and allocation arrangements in fuel markets where no shortages exist. The legislation also establishes a national strategic petroleum reserve which will make our supply of energy secure and give other nations less inducement to impose an oil embargo.

Measures crucial to our energy future still remain to be enacted, however. Natural gas deregulation is now the most pressing of the issues on energy before the Congress: shortages grow year by year, while the country waits for more testimony on supply and demand, or waits for extremely expensive new synthetic gas plants to replace the natural gas production choked off by price controls. I urge the Congress to make deregulation of new natural gas one of its first objectives in 1976. The legislation I have proposed in order to assure adequate supplies of fuel for nuclear power plants is also critical. If we are to improve our energy situation, these measures are necessary. They will also reinforce our efforts to remove unnecessary and deleterious Government interference in economic activities where the consumer is adequately protected by market forces.

A year ago I said, "The year 1975 must be the one in which we face our economic problems and start the course toward real solutions." I am pleased with the beginning we have made. The course is a long one, but its benefits for all Americans make the journey worthwhile. The year 1976 must be one in which we will continue our progress toward a better life for all Americans.

GERALD R. FORD.

JANUARY 26, 1976.

MESSAGE FROM THE SENATE

The SPEAKER laid before the House the following message from the Senate:

JANUARY 22, 1976.

The Senate having proceeded to reconsider the bill (S. 2350) entitled "An Act to amend the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council", returned by the President of the United States with his objections to the Senate, in which it originated, it was

Resolved, That the said bill pass, two-thirds of the Senators present having voted in the affirmative.

TO AMEND NATIONAL SECURITY ACT OF 1947, AS AMENDED, TO INCLUDE SECRETARY OF THE TREASURY AS MEMBER OF NATIONAL SECURITY COUNCIL—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (S. DOC. NO. 145)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the Senate of the United States:

I return without my approval S. 2350, a bill "To amend the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council."

The National Security Council is one of the most important organizations in the Executive Office of the President. The Council's function, under the law, is to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security. The President, the Vice President, the Secretary of State, and the Secretary of Defense are the statutory members of the Council. In addition, the President may, under the law, appoint by and with the advice and consent of the Senate the Secretaries and Under Secretaries of other executive departments and of the military departments to serve at his pleasure. No President has ever exercised this latter authority.

In my judgment, enactment of S. 2350 is not necessary. From its establishment in 1947, each President has invited from time to time additional officers to participate in National Security Council deliberations when matters specifically relating to their responsibilities have been considered. In line with this practice, the President invites the Secretary of the Treasury to participate in Council affairs when issues of substantial interest to the Department of the Treasury are involved. Thus, existing arrangements provide for adequate participation of the Secretary of the Treasury in National Security Council matters.

Furthermore, additional mechanisms exist to assure that the President receives advice which takes into account the proper integration and coordination of domestic and international economic policy with foreign policy and national security objectives. Both the Economic Policy Board and the Council for International Economic Policy provide the President with high level advice on economic matters. The Secretary of the Treasury is the Chairman of these two bodies on which the Secretary of State also serves.

I believe that S. 2350 is undesirable as well as unnecessary. The proper concerns of the National Security Council extend substantially beyond the statutory responsibilities and focus of the Secretary of the Treasury. Most issues that come before the Council on a regular basis do not have significant economic and monetary implications.

Moreover, a large number of executive departments and agencies have key responsibilities for programs affecting international economic policy. From time to time these programs influence importantly our foreign policy and national security decisions. The Treasury Department does not and could not represent all those interests. Extending full statutory membership on the National Security Council to the Secretary of the Treasury would not achieve the purpose of bringing to bear on decisions the full range of international economic considerations.

For these several reasons, I am concerned that increasing the statutory membership of the Council might well diminish its flexibility and usefulness as a most important advisory mechanism for the President.

In sum, S. 2350 is unnecessary, since adequate arrangements for providing advice to the President on the integration of economic and foreign policy already exist, and it is undesirable because the proposed arrangement is inconsistent with the purposes of the National Security Council and would lessen the current and desirable flexibility of the President in arranging for advice on the broad spectrum of international and national security policy matters.

GERALD R. FORD.

THE WHITE HOUSE, *December 31, 1975.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the message, together with the accompanying bill, be referred to the Committee on Armed Services.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The message and accompanying bill referred to the Committee on Armed Services.

SPECIAL ORDER ON SELECT COMMITTEE'S RECEIVING TOP-SECRET INFORMATION

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, I merely wish to advise the Members of the House that I will be taking a special order at the conclusion of House business today for the purpose of discussing and setting forth in the RECORD the exchange of correspondence and the agreements with the executive branch which resulted in the House select committee's receiving confidential, secret, and top-secret information. In my opinion, the agreements—and the procedures adopted by the committee which resulted in our receipt of such classified material remains binding on the committee.

I want to call this to the attention of the Members of the House so that they can decide what, if any, action should be taken with respect to the proposed publication of this material. I will proceed with this special order at the conclusion of the House business today.

EXPRESSING APPRECIATION AND ADMIRATION TO CLARENCE M. MITCHELL, JR.

Mr. O'NEILL. Mr. Speaker, I offer a resolution (H. Res. 976) and ask unanimous consent for its immediate consideration.

Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 976

Whereas Clarence M. Mitchell, Jr., of Maryland, has labored tirelessly for more than four decades for the right of all Americans to share equally the blessings of the Constitution;

Whereas since becoming director of the Washington Bureau of the National Association for the Advancement of Colored People in 1950 his efforts have been instrumental in achieving passage of every major legislative act designed to guarantee equality under the law for all citizens of race;

Whereas his patience, dignity, courage, and integrity have resulted in remarkable effectiveness in his work and won the respect of his fellow Americans;

Whereas his abiding faith in the Constitutional process and rejection of racism are manifestations of the democratic system at its finest;

Whereas hundreds of his friends will gather in Washington, D.C. on January 27, 1976 to pay tribute to him: Now, therefore, be it

Resolved, That it is the sense of the House that—

(1) sincere appreciation and admiration be expressed to Clarence M. Mitchell, Jr., on behalf of the people of the United States of America; and

(2) as Clarence M. Mitchell, Jr., carries forward his work for social justice among his fellow citizens, he continues to prosper in good health.

Mr. RHODES. Mr. Speaker, it is indeed a great personal honor for me to join with my good friend, the majority leader, in sponsoring a resolution to express the appreciation and admiration which this body feels toward Clarence M. Mitchell, Jr., of the State of Maryland.

Clarence Mitchell has been a leader in the field of civil rights for many years, long before the public conscience realized fully the injustices which black Americans were fored to endure.

It was largely through the efforts of individuals such as Clarence Mitchell that Congress finally made its critically important commitment to the proposition that race has no place in American life, that full equality is more than a cliche; it is the rockbed upon which American society is built.

It is entirely appropriate that he be honored—for his courage, conviction, and dignity—in this bicentennial year when we are rediscovering and rearticulating the wide range of liberties which we hold so dear.

I salute Clarence Mitchell, Jr., for all the great work he has done in the past, as well as for the equally important work he will do in the years ahead.

Mr. BUCHANAN. Mr. Speaker, I join with the distinguished majority and minority leaders in support of this resolution.

Clarence Mitchell is one of the real statesmen of our time. For many years as a civil rights leader and more recently as a U.S. delegate to the United Nations, he has rendered distinguished service to our country. In both instances he has shown wisdom and courage in the pursuit of human rights. Recent American history is marked by our progress as a society toward equality of opportunity for all Americans. These advances bear the imprint of Clarence Mitchell's leadership.

Because of his efforts, the United States is a better place for all its citizens.

His recent service as part of the U.S. delegation has helped to advance our efforts toward the protection of human rights of all peoples throughout the world.

His remarks in the United Nations have represented reason and responsibility in a body often characterized by demagoguery. His reputation as a man of integrity and dignity added weight to those remarks, credibility to our Nation's identification with the rights and aspirations of the world's repressed, and stature to our delegation.

Since becoming director of the Washington Bureau of the National Association for the Advancement of Colored People in 1950, he has striven with seemingly tireless energy in support of the protection of the rights of all Americans. His reasoned approaches to the means by which these rights can be protected and enhanced can be found in bills passed by this body and enacted into law.

I join with my colleagues and many millions of other Americans in expressing my appreciation for the leadership and courage of Clarence Mitchell.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to revise and extend their remarks on the subject of the resolution to express appreciation and admiration to Clarence M. Mitchell, Jr.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SETTING DATE FOR SUBMISSION OF AD HOC SELECT COMMITTEE ON OUTER CONTINENTAL SHELF

Mr. O'NEILL. Mr. Speaker, I offer a resolution (H. Res. 977) and ask unanimous consent for its immediate consideration.

Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 977

Resolution setting the date by which the rest of the ad hoc Select Committee on the Outer Continental Shelf must be submitted to the House

Resolved, That notwithstanding section 4(a) of House Resolution 412 of the 94th Congress, adopted April 22, 1975, the ad hoc Select Committee on the Outer Continental Shelf is authorized and directed to transmit its findings and report to the House on such matter as may have been referred to it and on which it has acted as soon as practicable, but not later than March 31, 1976.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 17]

Abzug
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Archer
Badillo
Barrett
Beard, R.I.
Bell
Bergland
Biaggi
Boland
Bolling
Bowen
Breaux
Brinkley
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Byron
Chappell
Chisholm
Clancy
Clay
Cleveland
Cohen
Conlan
Conyers
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Dellums
Dent
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Tenn.
Early
Eckhardt
Eilberg
Esch
Eshleman
Evans, Ind.
Fary
Fenwick
Fish
Fisher
Fithian
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Frey
Fuqua
Gaydos
Gilman
Goldwater
Gonzalez
Goodling
Gude
Hagedorn
Harkin
Harrington
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Heinz
Helstoski
Hillis
Hinshaw
Holt
Holtzman
Howe
Hughes
Jacobs
Jarman
Jenrette
Johnson, Pa.
Jones, N.C.
Jordan
Kastenmeier
Keys
Kindness
Koch
Landrum
Leggett
Lehman
Lent
Litton
McDonald
McEwen
Macdonald
Madigan
Mann
Mathis
Metcalfe
Milford
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mosher
Moss
Mottl
Murphy, Ill.
Nix
Patman, Tex.
Patten, N.J.
Pepper
Peyser
Pike
Rees
Reuss
Richmond
Riegle
Risenhoover
Rodino
Roe
Rooney
Rosenthal
Rostenkowski
Ryan
Sarasin
Seiberling
Shipley
Shuster
Smith, Neb.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Steelman
Steiger, Wis.
Stratton
Stuckey
Symington
Taylor, Mo.
Teague
Thone
Traxler
Tsongas
Udall
Vander Jagt
Vigorito
Walsh
Whitehurst
Wiggins
Wilson, Bob
Winn
Wolff
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zeferetti

The SPEAKER. On this rollcall 262 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

A SERIOUS QUESTION RELATING TO THE AUTHORITY AND REPUTATION OF THE HOUSE SELECT COMMITTEE ON INTELLIGENCE AND TO THIS HOUSE OF REPRESENTATIVES AS AN INSTITUTION

The SPEAKER pro tempore (Mr. MURTHA). Under a previous order of the House, the gentleman from Illinois (Mr. MCCLORY) is recognized for 60 minutes.

Mr. McCLORY. Mr. Speaker, my reason for taking this special order is to bring to the attention of my colleagues in this Chamber and to the American public a most serious question which relates to the authority and reputation of the House Select Committee on Intelligence and to this House of Representatives as an institution.

Mr. Speaker, the charge contained in the resolution of this body, House Resolution 591, is unprecedented in its scope and application to the most sensitive activities of our Nation both here and abroad. In establishing this Select Committee To Investigate the Foreign and Domestic Intelligencie Agencies of Our Government, the select committee was directed in section 6 of the resolution to institute and carry out rules and procedures to prevent the disclosure, outside the select committee, of any information which would adversely affect the intelligence activities of the Central Intelligence Agency in foreign countries or the intelligence activities in foreign countries of any other department or agency of the Federal Government.

Mr. Speaker, the committee, after some misunderstandings and differences of opinion with the executive department, undertook to adopt procedures which formed the basis for the receipt of more classified, sensitive, secret, and top secret information than has ever heretofore been received by any committee of the House of Representatives.

Mr. Speaker, let me outline briefly the experience of our committee and committee staff which resulted in the delivery to our committee of large volumes of such classified and secret materials—information which, in my opinion, enabled our committee to substantially fulfill its mandate of investigating the strengths and weaknesses of our existing foreign intelligence agencies.

In the first instance, the committee established its own rules with respect to protecting such sensitive information as might come to the committee's possession. The committee's rules provided in part as follows:

> The chairman in consultation with the ranking minority member of the committee shall, with the approval of the committee, establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of all material and testimony received or obtained pursuant to House Resolution 591, 94th Congress.

While this provision was sufficient to protect the secret information in the committee's possession, it soon became apparent that the executive branch would not comply with our requirements for classified and other types of secret information unless we gave assurances that the committee would not unilaterally declassify or make public such classified and secret information as the intelligence agencies of the executive branch might be willing to furnish.

As the ranking Republican on the committee, I communicated with the White House and, after meeting with counsel for the President, I recommended to the chairman of the committee that we should adopt a policy giving assurances that such classified and other secret information and materials as might be received by the committee should not be declassified or otherwise released to the public until after appropriate committee action and that specific notice should be given of any meeting at which a declassification was intended to be voted upon with an opportunity for counsel to the President and representatives of the intelligence agencies to comment with respect to such proposed declassification. This recommendation was supported by all four minority members of the select committee and presented directly by me to the President.

Thereafter, on Friday, September 26, as the Speaker will recall—the chairman, Mr. PIKE; the Speaker of the House; the Director of Central Intelligence, Mr. Colby; the Secretary of State, Dr. Kissinger; the minority leader, Mr. RHODES, and I, as well as several others, met with President Ford in the White House to discuss and work out a procedure whereby classified and other secret information might be received by the committee for purposes of the committee's investigation, and would be retained in confidence.

In connection with discussing these procedures, it was understood that certain types of information would be omitted, such as names and identities of intelligence agents, diplomatic exchanges, and certain other exceptions—which, however, the committee would have the right to verify. It was further understood and agreed that in addition to the right of intelligence agencies to comment with respect to proposed declassifications of material by the committee, the President would have the right to personally certify that national security interests were involved and thereby preclude the committee from making public materials or information—subject, however, to the further exception that the committee would have the right to submit the issue to the court for final determination.

Mr. Speaker, the President gave assurances of his full cooperation with the committee on the basis of this understanding and thereafter the agreement was presented to the full committee at a formal and open meeting on October 1, 1975, and, by a vote of 9 to 3, it was agreed that these procedures would apply with respect to documents, testimony, and other materials received from the intelligence agencies which were of a classified, secret, or top secret character.

Mr. Speaker, the agreement and policy of our committee was summarized by the chairman (Mr. Pike) in these words:

> I am afraid that if we accept these documents under these conditions, we are in effect setting a policy for no other committee except this committee, but I do think we are setting a precedent and a policy for this committee.

Mr. Speaker, I am including as a part of my remarks additional portions of the transcript of the committee meeting at which this procedure was formally agreed upon. And, I should point out that information began promptly to flow to the committee in large volumes in accordance with this procedure as adopted. In this connection, the materials were accompanied by a covering letter which read in part as follows:

> This is forwarded on loan with the understanding that there will be no public disclosure of this classified material nor of testimony, depositions, or interviews concerning it without a reasonable opportunity for us to consult with respect to it. In the event of disagreement, the matter will be referred to the President. If the President then certifies in writing that the disclosure of the material would be detrimental to the national security of the United States, the matter will not be disclosed by the committee, except that the committee would reserve its right to submit the matter to judicial determination.

Mr. Speaker, the committee has adhered to this understanding and this procedure during our hearings. It now appears, however, that in connection with the preparation and filing of the committee's final report and recommendations to the House that this agreement and understanding is about to be violated and that the conditions upon which the committee received highly sensitive and classified information are about to be breached.

The Central Intelligence Agency and other intelligence agencies of our Nation have protested the proposed inclusion in our committee report of such sensitive information. Notwithstanding these protests and notwithstanding the position which I am maintaining here today on the floor of this House, a majority of the members of the committee contend that the committee's procedures and the agreement or understanding reached with the executive branch of our Government is inapplicable to the committee's report.

Mr. Speaker, I hold no brief for the executive branch, and I am not here today to advance their position. I have been as insistent and persistent as any member of the committee in our successful efforts to receive classified and other highly sensitive and secret information essential to this committee's investigation. I have supported the issuance of subpenas and I have protested when they were not fully complied with. But, Mr. Speaker, it has never been my view that the secret or sensitive information which the committee received was necessarily information which we have a unilateral right in our judgment to make public whether at a hearing or business session of the committee or in the committee report.

Mr. Speaker, I am calling this to the attention of all of the Members of the House and to the American public in the hope that the committee will realize that the honor and integrity of the committee itself and of the House of Representatives as an institution are involved in this issue.

We have heard many public protests, as well as protests of our colleagues, against the leaks and public disclosures of secret information relating to our foreign affairs and affecting our national security. Many of those complaints are well-founded and, unfortunately, many of the leaks are reprehensible and inexcusable.

Mr. Speaker, it is my feeling that the Congress of the United States and particularly committees of this House charged with an investigation of intelligence activities should be trusted to receive and guard sensitive information. In my opinion, the President and the intelligence agencies of our Nation have expressed that trust in the delivery of much or all of the classified information which we have received. To merit that trust, we must continue to abide by the conditions under which we received the materials which came into our possession. To now repudiate that understanding or to interpret it in such a way as to say that it is no longer applicable because our hearings have come to an end is, in my view, a position unworthy of our committee and of this House of Representatives.

Mr. Speaker, we do not have to lay on the public record everything that we learned in our secret sessions. We do not have to identify in such a way as to give official recognition to activities about which there have been rumors or leaks. We can fulfill our mission and make responsible and constructive recommendations for improving our intelligence community without anyone questioning our honor or our word.

Mr. Speaker, I would hope that even at this late date and in the face of adverse votes which have been taken in the committee sessions that information, materials, documents, testimony and other types of classified, secret or top secret information would be neither alluded to not contained in any disguised or other form in the face of objections of the intelligence agencies involved or in violation of the procedures adopted by this committee.

Mr. Speaker, I have no specific recommendations other than the advice that we should exclude from our report all information contained in the classified documents or testimony which we received in confidence—unless or until the intelligence agencies affected release us from our pledge of confidentiality—and until the President is given an opportunity to determine whether or not he wishes to certify that national security interests are involved.

Other members of the committee and of the House may wish to address themselves to this issue. Others may have different views—or stronger positions to express on this issue. What I am endeavoring to articulate here today is that the majority of the members of the House Select Committee have adopted a position—and are about to take action which may jeopardize for an indefinite time the ability of any committee of this House to become privy to secret information in the possession of the intelligence agencies. Of course, one other serious consequence could be damage of the most serious kind to our intelligence agencies and their dedicated and courageous men and women who serve our Nation in these vital services.

Still another consequence could be serious and permanent damage to our foreign relations with many allied and friendly nations. It is possible also that the lives or safety of some indivduals may be at stake.

I, for one, do not wish to assume responsibility for endangering any foreign intelligence agent who has cooperated with our Nation in endeavoring to promote our national interests—or to adversely affect any on-going negotiations or other relations with any foreign nation.

Yet, in my opinion, substantial portions of the report as proposed to be filed and published by a majority of the committee will do just that.

Mr. Speaker, at this point, I would like to insert a portion of the official transcript of the select committee meeting of last October 1—at which the committee voted, by a 9–3 majority, to be formally bound by the procedures which I have described. The Members should note, first, there was no mention at all in the debate that the committee felt that this procedure was not applicable to the use of classified information in the final report; and, second, that both the chairman and I stated unequivocally that the acceptance of classified materials under the conditions in the cover letter from Director Colby constituted a binding precedent and policy for the select committee.

The excerpt follows:

WEDNESDAY, OCTOBER 1, 1975

House of Representatives,
Select Committee on Intellience,
Washington, D.C.

The committee met, pursuant to recess, at 10:05 a.m., in Room 2113, Rayburn House Office Building, the Honorable Otis G. Pike (Chairman), presiding.

Present: Representatives Pike (Chairman), Giaimo, Stanton, Dellums, Aspin, Murphy, Hayes, Lehman, McClory, Treen, Kasten and Johnson.

Also Present: A. Searle Field, Staff Director, Aaron Donner and Jack Boos of the committee staff.

Chairman Pike. The committee will come to order.

We have essentially two purposes for our meeting this morning. The first is to discuss with the committee the question of whether the committee should accept the documents which were turned over to me last night as being in compliance with the subpoena which we issued under the conditions set forth.

Mr. Field, do you have the letter from Mr. Colby to me setting forth those conditions? I think they will be familiar to all of you. But I want to make it very clear what they say before we approve or disapprove of that action. I don't hesitate to just summarize them by saying that they set forth essentially the conditions which Mr. McClory and I discussed with the President the other day as to the release of any of the information constained therein.

Do you have that letter?

Would you read it to the committee?

Mr. Field. For the record, I would note that the letter is classified top secret but there is a stamp on it that says that it may be unclassified when the enclosure has been detached and the enclosure has been detached.

"Dear Mr. Chairman: With the approval of the President, I am forwarding herewith the classified material additional to the unclassified material forwarded with my letter of 29 September 1975, which is responsive to your subpoena of September 12, 1975. This is forwarded on loan with the understanding that there will be no public disclosure of this classified material nor of testimony, depositions, or interviews concerning it without a reasonable opportunity for us to consult with respect to it. In the event of disagreement, the matter will be referred to the President. If the President then certifies in writing that the disclosure of the material would be detrimental to the national security of the United States the matter will not be disclosed by the committee, except that the committee would reserve its right to submit the matter to judicial determination. In some 12 instances in the enclosed material excisions have been made of particularly sensitive matters. In ten of these instances they would pinpoint the identitfy of individuals who would be subject to exposure.

"In two cases this would violate an understanding with a foreign government that its cooperation will not be disclosed. In each such case, Mr. Chairman, I am prepared to discuss with you and the committee, if necessary, the specific basis for this exclusion due to the exceptionally high risk involved. I am sure that we can come to a mutual understanding with respect to its continued secrecy or a form in which its substance could be made available to the committee and still give it the high degree of protection it deserves. In case of disagreement, the matter will be submitted to the President under the procedure outlined above and the committee would, of course, reserve its right to undertake judicial action.

"Sincerely,

"W. E. Colby, *Director*."

Chairman Pike. Does any Member of this Committee object to our receiving those documents under those conditions?

Mr. Aspin. Mr. Chairman, I'd like to just ask a few questions. These are then the procedures which in your mind conform to what you asked.

Chairman Pike. In my mind it conforms to what I told the President that I personally would be willing to accept, but that I would not speak on behalf of the rest of this committee or the Congress. . . .

Mr. Aspin. A further question, Mr. Chairman. Is all of the information that has been provided all that we have requested?

Chairman Pike. That is a very good question. There is missing a cable which we subpoenaed. It is, I believe, the cable to which Mr. Adams referred in his testimony.

Mr. Colby and Mr. Rogovin simply say they cannot find it. I believe them. I kidded them a little bit, but I said in the final analysis I do not believe that there is an intentional withholding of a document in their possession.

Mr. Aspin. A further question, if I may. What is the Chairman's feeling about the fifty words or whatever it is that have been deleted from the material that has been presented?

Chairman Pike. I believe they have been properly deleted.

Mr. Aspin. Mr. Chairman, before we vote on this, let me be clear, this is, then the vote. We are establishing a precedent, am I correct here? . . .

Chairman Pike. I think there is no question that we are establishing the precedent for this committee. Before you vote, I want to point out that I do not see what we have gotten as any great triumph for this committee. I am not claiming any great triumph here. We have gotten precisely that on which we said we would move for contempt. We have gotten absolutely nothing else. We have gotten no additional documents which have been requested from the State Department. To the contrary, a document which we discussed at some length yesterday and which yesterday I believe we had been assured would be provided, we learned last night would not be provided. So I think that we have gotten exactly that which keeps Mr. Colby from being in contempt and nothing else.

Mr. Aspin. What, then, in the Chairman's view happens to our resolution should we vote aye to accept this material under these rules?

Chairman Pike. In my judgment, we should go forward with it simply because we have gotten nothing else. I think that it may have to be amended or modified and addressed to some other person or some other pieces of paper. But that can be done in the Rules Committee on the recommendation of this committee. I do not wish to lead the committee to believe that there has been any major breakthrough as to the access by this committee to documents.

Mr. Giaimo. Will you yield?

Mr. Aspin. Yes.

Mr. Giaimo. I am a little confused because I came in a little late. What is it, then, specifically? Why should we take any vote at this time?

Chairman Pike. The only reason we should take a vote is that I made an oral commitment, which I am going to keep, that if we do not accept the pieces of paper under these restrictions I am going to give them back.

Mr. Aspin. As I understand it, these papers would deal with the matter of information that you wanted from Mr. Colby.

Chairman Pike. That is right. That is all it deals with.

Mr. Aspin. That is all it deals with.

I am not trying to create a confrontation. I think we should avoid that wherever possible. By the same token, it seems clear that until we insist in Congress we get little if any action from the Executive Branch. So that insisting and taking a hard position is important. But what concerns me is that if we set precedents here today they are going to be binding on Congress in the future.

Chairman Pike. They will certainly be binding on this committee and I would tend to agree that they would be used as precedents throughout the Congress.

Mr. Aspin. Do we have to create a precedent here today? That is my question. Can't we just take Mr. Colby's proper testimony and not work out an arrangement formally?

Chairman Pike. I do not think we can. I think they have in good faith offered it to us under certain conditions and we are committed to accept those conditions or give it back. Mr. McClory.

Mr. McClory. Mr. Chairman, I notice that we have the second of the two bells ringing.

Would you rather we recess before I make a statement?

Chairman Pike. Yes, we will recess for fifteen minutes. I think it is important that we discuss this.

(Brief recess.)

Chairman Pike. The committee will come to order.

Mr. Lehman, you had a question?

Mr. Lehman. Yes, Mr. Chairman. I just have kind of a thing about deletions. In accepting these documents with these 50 some-odd deletions.

Chairman Pike. I don't want that to hang there. I am told it is 50 some odd words. A deletion can be very, very big.

Mr. Lehman. Yes. Now what concerns me is that if we accept these documents with deletions as stated by the Chairman, will this prevent us or preclude us, if we so decide, to go back to Mr. Colby and say that we need these particular names?

Chairman Pike. No, it will not.

Mr. Lehman. If we want these deletions filled in, it will be up to us?

Chairman Pike. No, that is not accurate, either. We are never prohibited from going back to Mr. Colby and arguing the case and taking it up to a higher level. We can take it up to the President. But I do not want to indicate to you that we will get it no matter how hard we argue.

Mr. Lehman. But it does not preclude us from trying?

Chairman Pike. No, it certainly will not.

Mr. Lehman. Thank you.

Chairman Pike. Mr. Aspin.

Mr. Aspin. There are two things I would like to talk to the Chairman a little bit about and maybe make a record on this issue. There are two aspects to this precedent setting that we are doing here, if it is precedent setting, and I believe it is. One is what kind of precedent does this establish for further information from not only the CIA, but from other intelligence agencies? Has there been any assurances or any verbal discussion with the President or anybody in the White House about what will happen in the future if we accept information on these ground rules? What about the other requests we have, not only further requests from the CIA, but also the DIA and other agencies?

Chairman Pike. I hate to say this in Mr. McClory's absence. I will say it and repeat it in his presence. Other than Mr. McClory's optimism, I have no such assurance at the present time. Would the staff agree with that? You know, you get vague hints and allusions and promises of goodies down the road, but I have no assurance either written or oral at the present time that our acceptance of these documents under these conditions is going to mean anything to other documents from other departments.

Mr. Aspin. A further question: It also does nothing about our access problem to question witnesses that we are having from the State Department.

Chairman Pike. Not one iota.

Mr. Aspin. So what we are really doing is accepting this information as presented because it covers the things in our resolution. But we have no guarantee that it is going to go beyond that to other issues that are facing this committee.

Chairman Pike. Mr. McClory, I want to repeat, Mr. Aspin asked earlier whether I have any assurances that our acceptance of these documents would mean anything as far as the flow of other documents is concerned. I said that other than your optimism I have no assurance. I have nothing either oral or written saying that other pieces of paper would be made available to the committee.

Mr. McClory. Mr. Chairman, if you will recognize me, I would like to respond.

Chairman Pike. You are recognized.

Mr. McClory. I would like to respond by saying that in my conversations with the President, and I had a conversation with him yesterday, he indicates that he is going to cooperate fully with this committee with regard to all of the information which the committee requires for its investigation and will direct the agencies of the Exective Branch to provide that kind of cooperation.

It is true that with respect to the procedures which he has outlined and which I think are implicit in the covering letter which we have, there is a mechanism for our declassifying or releasing for publication classified material which, as you indicated, Mr. Chairman, is acceptable to you personally and which I feel provides a reasonable manner in which we can handle that almost unprecedented procedure.

I would like to say further that I inquired with respect to the other subject that was raised in yesterday's executive session with Mr. Boyatt with respect to any statement by a senior officer regarding a policy matter which he had reported to the senior officer. The question was raised as to whether he would be compelled under his oral instructions to remain silent in case of a misrepresentation of his policy recommendation. The President assured me that with respect to any testimony of any junior officer that he had a perfect right and I would gather an obligation, at least there was no restraint whatever on him to correct any inaccuracy, any misrepresentation, to refute that with his independent testimony.

Accordingly, I feel that the limitations which are thus seemingly placed on junior officers are only those consistent with the law and consistent with an effective orderly operation of our international relations and the handling of them.

Chairman Pike. Are you saying that you find that that concept is implicit in our accepting thees documents and that letter? Because if they are, I am changing my vote.

Mr. McClory. No. I am reporting on two things. I don't think the subject of the testimony of a junior officer is involved in the delivery of materials which we are receiving here at all. I would say this, Mr. Chairman, that I have personally gone to the President encouraging the cooperation with this committee which we are now receiving.

All of my colleagues on this side have done the same. The Republican Leadership has done the same. I think the response is a response to this committee. I would not want to regard it as a response to a threat. It is an attitude of this President, notwithstanding one columnist's comments to the contrary, and is quite in contrast to the kind of stonewalling which we had in a totally different proceeding last year.

Chairman Pike. Mr. McClory, may I ask you a question?

Mr. McClory. You certainly may.

Chairman Pike. Why, in your judgment, have we not gotten all of the other papers which we have subpoenaed from all of the other agencies with the same covering letter?

Mr. McClory. Well, I judge that this response from Mr. Colby is a response to one request we have made. I would assume that we would have similar responses from all of the other agencies. I do not see any reason why we should not.

Chairman Pike. Why do you suppose we have not gotten them?

Mr. McClory. Frankly, Mr. Chairman, I would not be able to answer the question why we have certain materials and why we have not received others. I don't have any audit of the total materials that we require. I can assure you that I want the committee to get the information and all the materials we require similarly from other agencies as we are now receiving from the CIA. I feel confident that we will get it. I feel confident that this President will see that we get it.

Chairman Pike. Mr. Aspin.

Mr. Aspin. Let me put the situation as I see it and perhaps puting it a little in pessimistic terms. If it is too pessimistic, I hope the Chairman will say so. It seems to me we are being asked to accept certain information under certain guidelines laid down by the person who is giving the information, guidelines as to what we can do with it. If we accept that, it seems to me that we are accepting a precedent for the future for how we are going to act as far as releasing the information. On the other hand, it does not appear that they are accepting this transaction as a precedent for giving more information in the future.

I think that what we end up with is a situation where we accept a precedent on how we receive the information or establish a precedent on how we receive the information, but their giving the information is just a one-shot proposition and no guarantee that they will do it in the future.

Mr. McClory. Will you yield?

Mr. Aspin. Yes.

Mr. McClory. I do not think that is the case. The President has adopted a procedure under which the committee would release classified information. We adopted a procedure which initially provided for a review and comments by the affected intelligence agency. The procedure which is outlined in the letter now from Mr. Colby includes this additional element which Mr. Pike and I discussed with the President and others at the White House. That is that in the case of disagreement between the affected intelligence agency and the committee, then the President would have to personally certify that national security was involved in order for us to withhold the information. Even at that stage if we then insisted that we wanted to make it public, we would get to the point where we could litigate that subject.

It seems to me we may never get to the point where the President has to certify. I hope that we never get beyond that. But this is a mechanism whereby we can avoid this confrontation, avoid the litigation, avoid the contempt steps such as sending the Sergeant at Arms after Mr. Colby and things of that nature.

Chairman Pike. If the gentleman will yield to me, I would like to say I think what you have stated is absolutely correct. I also think what Mr. McClory has stated is absolutely correct. But it avoids the basic question which you pose. That is, we have had no assurance that the adoption of these limitations on us in this instance will do anything to them in the production of papers, or at least I have not received any assurance.

Mr. Aspin. That is the point, Mr. Chairman. I think that is important.

Clearly the thing we have to bargain with, and we were talking about the bargaining situation, what he wants from us is some guarantee about how the information is going to be released. What we want from him is some guarantee about our access to the information. It seems to me he is getting what he wants without us getting what we want.

Let me further probe the extent to which we are establishing a precedent, if I might, Mr. Chairman, by establishing these procedures and ground rules. I think the views of the ranking Minority Member, Mr. McClory, would be important on this. I would like to ask Mr. McClory and Mr. Pike what they view as the precedent that we are establishing. If we accept these restrictions or these procedures for releasing the information, does that apply to this group of papers only? Does it commit us to follow this procedure in releasing all other information? Does it commit just this committee to this kind of procedure during its lifetime? Does it commit other committees or establish a precedent for other committees of Congress? Would they have to follow similar procedures?

Is it going to set precedents for them? Is it going to establish precedents that will last beyond the lifetime of this Congress?

That is what worries me. If it were a one-shot proposition where we accept these papers under these conditions but it is not a precedent I would not be so concerned. At the very least, Mr. Chairman, I would like to make sure that whatever we do, that maybe we are establishing a precedent for this committee for the future, but I hope we are not establishing a precedent for other committees of the Congress and other Congresses of the future.

I hope we will reserve our right to recommend somewhere some other procedures because I think the procedure that is laid down by this is not necessarily the one that we want to establish for all time and all places.

Chairman Pike. Mr. McClory.

Mr. McClory. I suppose every time a committee adopts a procedure it will be referred to at a later date as a precedent if a committee wants to take similar action. This is, it seems to me, an initial and perhaps a unique procedure which we have adopted with regard to a very sensitive area of information and a committee is getting classified information in a way which no committee of the Congress ever has before, I don't believe.

Mr. Stanton. Would you yield?

Mr. McClory. It is, I would hope, a pattern which we might be able to follow in securing additional information. It provides a mechanism whereby we can, if in our judgment we decide we want to make public certain classified information, we can do so. If there is objection by the President on the basis of national security, we still have left open the route of litigating the subject.

I would hope we would not have to get to that. But we can get on with the work of our committee by getting this large volume of classified information and then moving on.

Chairman Pike. Mr. McClory, we cannot get on with the work of our committee if we don't get it. I have had no assurance that we are going to get it.

Mr. McClory. I though you had it.

Chairman Pike. We have that limited bit of information in response to the subpoena on Tet. We have nothing in resopnse to any of our other subpoenaes.

Mr. McClory. It would seem to me that we would proceed with the material we have, insist upon getting the additional material. I would assume that it would be forthcoming. I know that this President wants us to receive all the information that we require. This is evidence of it and I think we will have further evidence of it.

Chairman Pike. You have always had this feeling, but we have never had the papers.

Mr. Stanton. Mr. Chairman, let's be practical. If you tried to use this precedent in the Foreign Affairs Committee, they would laugh you right out of the room. The same would go in the Appropriation Committee. We are dealing with a specific instance here. We either accept it or reject it. We ought to have a vote on that question. I don't think anybody feels this is going to be binding to the Supreme Court or anybody else.

Mr. Treen. Would you yield?

Mr. Stanton. Yes.

Mr. Treen. I agree with the gentleman from Ohio. I have listened to the talk about precedent. While in a colloquial sense everything is a precedent, we are not bound by what we have done before. Indeed, if it would make other Members more comfortable, Mr. Chairman, what would be wrong in making that clear in whatever procedure we use here to accept this, that this is for this instance, this subpoena only and is not considered a precedent? Certainly it is not a precedent. I don't consider it binding to me and I don't fathom the argument that although it is a precedent of sorts it is binding on any of us. I do not find it binding on me.

Chairman Pike. The difficulty I have with your statement is that if we do not deem it to be a precedent for this committee how are we going to get any other documents?

We have said it does not represent the procedure which Mr. McClory says it does represent.

Mr. Stanton. Mr. Chairman, if I might, I would point out that we are going to have a good deal of difficulty getting information, especially information that might be particularly embarrassing to the Administration.

We know that in terms of what we are dealing with. We have this information. There is a difference between what you would say you would abide by in rules that would require a free flow of information.

Mr. McClory would abide by rules in which he would reside all his confidence in the President to disclose the information. I think we ought to vote on this issue, get it over with and go from there.

Chairman Pike. Is the committee ready to vote?

Mr. Dellums.

Mr. Dellums. Thank you, Mr. Chairman, I have a few comments. First of all, I disagree with the majority of the comments made by most of my colleagues here because I believe that this is another delaying tactic. It is a piecemeal approach to a very critical problem. I think this committee ought to stand its ground. First of all, whether we stipulate that the ranking Member is correct, that there is no precedent involved here, I would suggest, first of all, that in this covering letter the condition is that we agree in effect to the discussion draft provision with respect to public disclosure of information. I disagree with that approach. No. 2, under the title "Materials to be Supplied," we heard testimony in executive session from our own staff which convinced several Members to change their vote and the result was ten to two, to in effect reject out of hand the discussion draft laid down by the Executive Branch on the supplying of materials and the publication of materials.

It would seem to me that if we accept this material today within the framework of the covering letter we are in effect backing off the ten-to-two vote of this committee because, No. 1, identities of secret agents, sources and persons, organizations involved in operations, et cetera, is both implicit and explicit in this covering letter.

I don't have to repeat the language on public disclosure. I think that is very evident to most members of the committee here. I think we ought to stand our ground.

If the Executive Branch were operating in good faith it would seem to me they would have given all the material to us. It has always been my thought and I would clearly point out that it is simply my judgment, that the material that is most controversial and the material that has given rise to this controversy does not go to the Tet offensive nor the October War, but it goes to the information on the coup in Portugal and it goes to the information with respect to Cyprus. Both bodies of material I think are highly explosive and I think we are going to continue to be mouse-trapped further and further down the line with more delays.

I think we ought to operate in the framework of a total solution. I do not think we should operate today on a fragmented approach. We are here today on Tet. We may be here next week on something else. If the Executive Branch wanted to be forthcoming, why don't we have a clear unequivocal settlement on this issue?

I would like to ask the Chair one question for the record. Given the content of the covering letter and the content of the draft discussion that we in effect rejected in a vote of ten to two, do you see any substantial differences and if so, can you point them out to me?

Chairman Pike. I would simply say that the differences I find I suppose are in degree.

The matters which have been excised, the words which have been excised from the materials which have been delivered to this committee I believe were properly excised.

Mr. Dellums. Thank you, Mr. Chairman. I would only point out that we have had tacit agreement here that we would make those determinations as a full committee. So I find myself having to vote on the deletion of at least 50 words with no ability to determine for myself as a member of this committee whether or not they in fact represent the examples in the draft copy No. 1 under the headline "Materials to be Supplied." In that regard, I think it would be premature for us to attempt to vote without clearly understanding to what degree we are compromising in this area.

I am not prepared in any way to vote to accept this material giving these conditions.

The other day I voted with the ten. I have diligently attempted to be in support of the Chair because I think the Chair has been logical, rational and very courageous and clear-thinking in this matter.

In this particular issue today I find myself in a position where I probably will be in opposition to the Chair because I think our position is clear. I think our position is clean. I think our position can and will be sustained by the House of Representatives. In that regard I think we ought to not attempt to resolve these large questions as a special select committee. Let's find out whether the House wants to handle it for all time, one way or the other.

I think it probably premature for us to back off this situation. I think the Executive Branch knows there is some validity to our coming here with a modification to a degree in their position. I think we should not back off.

Chairman Pike. Mr. Johnson.

Mr. Johnson. I am constrained to make a statement because the last statement characterized my position as a member of the majority. I do not feel there can be any withdrawal from the premise that a Congressional committee is entitled to the information that it needs to have to conduct its investigation. But any examination of the law objectively, I think, will require one to acknowledge the publication of sensitive material and the rights as to who will declassify it is something that is a gray area of the law. It is not that clear. The submission of the material subject to the letter of 30 September 1975, signed by Mr. Colby, is in essence in agreement with the position taken by the committee earlier as to the publication of sensitive material.

I find nothing offensive about it and nothing wrong with it. I intend to continue to insist on the right of this committee or any committee of Congress to get the information it needs to have to do its work. Whether or not it will subsequently declassify those documents is something that can be worked out and should be worked out at this point with the Executive Branch because the law is not clear. I find this committee meeting degenerating into a political harangue. I don't want to have anything to do with this kind of talk.

As far as I am concerned, the resolution has been complied with. The committee subpoena has been complied with relating to September 12. The other subpoena has not been complied with. If we want to take action with respect to the subpoenas which have not been complied with, let's do it. But let's not start talking about this Administration versus some other Administrations which have occurred in the past. I personally have a great interest in various assassination attempts which have occurred in previous Administrations. Covert activities which have occurred during previous Administrations are of great interest to me. If we let this thing degenerate into a political harangue, then we are really going to miss the point which is in my judgment an opportunity to make a contribution to the intelligence gathering activities of this country and remove the nefarious, clandestine covert activities which have occurred which I personally am ashamed of. I would like to see us direct our attention to the real guts of the commission of this committee and that is to do something and not make political issues and harangues. We have the material we subpoenaed.

If you want to go on and provide in your resolution that we will enforce the obtaining of the other subpoenas which have not been complied with, I will vote for you. But if you are going from the point of view of making it a political instrument and start this name-calling process we seem to be degenerating into today. I don't want to be any part of it. I don't want my vote characterized.

Chairman Pike. Mr. McClory.

Mr. McClory. I move the committee accept the materials which the committee has received which you have explained on the conditions contained in the letter from Mr. Colby. I ask for a roll call vote.

Chairman Pike. Mr. Stanton.

Mr. Stanton. I move the previous question.

Chairman Pike. Mr. Dellums.

Mr. Dellums. I would simply like to make a brief comment in response to my distinguished colleague.

Chairman Pike. Will you withhold your motion?

Mr. Stanton. Yes.

Mr. Dellums. I am not involved in any kind of political harangue. I think it is tragic that we would even make those kinds of labels. I am not interested in campaigning against Gerald Ford. He wouldn't get many votes in my district anyway. He wouldn't get many votes in Berkeley, so I think it is absurd to make that statement. I am not doing any name calling. I am saying that Congress, one, has a right to get any material that it needs in order to pursue an investigation. I frankly believe that we ought to come down on a side that we can publicize any material that we choose to publicize if we in our judgment within the framework of a democratic process decide to do it. That has nothing to do with political harangue, it has to do with a statement of principle and a statement on judgment. You and I may disagree on those judgmental questions. It has nothing to do with politics or has nothing to do with Gerald R. Ford. It has to do with what we perceive as our rights on the committee.

Chairman Pike. It is the position of the Chair that we understand the issues.

Mr. Murphy. Mr. Chairman, I think what we are talking about here is obviously congressional intent and I think the committee is unanimous in its feeling that it does not want to be bound by a precedent.

Perhaps we can be bound by this letter in this specific instance. We are not establishing policy.

Chairman Pike. I would like to agree with the gentleman, but I don't think I can. I am afraid that if we accept these documents under these conditions, we are in effect setting a policy for no other committee except this committee, but I do think we are setting a precedent and a policy for this committee.

Mr. Aspin. Can we make it clear we do not want this to be established as a precedent anywhere else?

Chairman Pike. Let the record so stipulate. Has anyone objection to that?

Mr. McClory. Without prejudice, we are receiving it.

Mr. Stanton. I move the previous question.

Chairman Pike. The Clerk will call the roll.

The Clerk. Mr. Giaimo.

Chairman Pike. Mr. Giaimo votes "no," by proxy.

The Clerk. Mr. Stanton.

Mr. Stanton. Yes.

The CLERK. Mr. Dellums.

Mr. DELLUMS. No.

The CLERK. Mr. Murphy.

Mr. MURPHY. Aye.

The CLERK. Mr. Aspin.

Mr. ASPIN. No.

The CLERK. Mr. Milford.

Chairman PIKE. Mr. Milford has left me his proxy and I think it would be fair to state he would want me to vote it "aye."

The CLERK. Mr. Hayes.

(No response.)

The CLERK. Mr. Lehman.

Mr. LEHMAN. Aye.

The CLERK. Mr. McClory.

Mr. MCCLORY. Aye.

The CLERK. Mr. Treen.

Mr. TREEN. Aye.

The CLERK. Mr. Kasten.

Mr. KASTEN. Aye.

The CLERK. Mr. Johnson.

Mr. JOHNSON. Aye.

The CLERK. Mr. Pike.

Chairman PIKE. Aye.

The motion is agreed to by a vote of nine to three.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I am happy to yield to the gentleman from Florida.

Mr. SIKES. I thank the gentleman for yielding.

I applaud the concern of my distinguished and able colleague, the gentleman from Illinois, (Mr. MCCLORY), about disclosures of the intelligence-gathering processes of our Government, including secrets about intelligence agencies, the disclosure of which certainly is not necessary, certainly will do only harm to our Government, to the objectives of our Government, and to this beleaguered agency of the Government, which surely and certainly is being destroyed by the investigations which are taking place.

With all respect and regard to the members of the committees which are conducting the investigations, I sincerely hope that they will consider very carefully any disclosures which they seek to make, realizing that an intelligence-gathering organization is essential in any major power today. To unnecessarily disclose the work of that organization and its personnel simply cripples its effectiveness, makes other nations afraid to work with us, leaves it dead in the water and leaves us crippled in what we are trying to learn about the efforts of an enemy whose progress is becoming more pronounced every day, an enemy which now has shown they do not fail to fall back on armed conquest to further their efforts.

Surely, we realize what we are doing to our own country by denying our Government the ability to learn as much as it can about the activities of other powers not friendly to the United States.

Mr. McCLORY. Mr. Speaker, I thank the gentleman very much. It is absolutely true that it can only do harm when we have disclosures of secret information which can be beneficial to the enemy; but it was essential for us to get at the secret information. I supported our getting at the secret information, not for the purpose of publicizing it, but for the purpose of carrying on our investigation which could only be carried on if such secret information was made available to us. Therefore, I am aghast at what the committee proposes to do which is contrary to what I understood the procedures of the committee to be and which—in my view—is inconsistent with section 6 of the resolution (H. Res. 591) authorizing the creation of our Select Committee on Intelligence.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for yielding.

I congratulate the gentleman for his position.

Many of us, including this speaker, felt it probably was too great a buildup of power to the Executive. In many areas we have indicated the Congress was in some degree in partnership with the Executive in many matters; but I am afraid what we have shown here is a Congress that would like to be known as a reform Congress, that it is not a responsible Congress, because there are responsibilities to share in this area of leadership in determining policies with the Executive.

In many ways we are showing the Congress is not competent, is not responsible in this area.

Mr. Speaker, I would go one step beyond what my friend and colleague has said. I am even more concerned about the apparent leaks from the committee in violation of the rules to CBS News, to the New York Times and other media. While I agree with the gentleman 100 percent that the issue of what the committee itself ought to release is paramount, maybe even more significant at this time are leaks that proceed from committee members.

So across the board I think the committee, and I do not say this in criticism of the gentleman, because I know the gentleman's position, the committee has been like a sieve.

If we are to have a reform Congress, we must have a responsible Congress.

Mr. McCLORY. Mr. Speaker, I just want to respond and say that I do not want to charge the committee or any members of the staff of the committee with the responsibility for leaks. I do not know where these leaks of information come from. The thing I am protesting here today is that the committee by deliberate action is putting out information containing top-secret material in a formal committee report. I am protesting, furthermore, because in my opinion this violates the procedures and understandings which provided the basis for our committee receiving that information.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Connecticut, a member of the committee, and ranking member on the Democratic side (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, I want to make two points. First, I want to thank the gentleman from Illinois for clarifying the point made by the gentleman from Ohio that the leaks came from the committee. We do not know, in fact, from where the leaks have come, and it is also a fact that our report has been disseminated to many people in the executive branch. They have it in their possession as well. We just have no way of knowing at this time from where these leaks have come, whether from the committee or from people in the executive branch. Is that not so?

Mr. McCLORY. Let me respond to the gentleman by saying that the first draft of the report was given to the representative of the Central Intelligence Agency, and I guess there was some distribution of it made there. I do not believe that the final report has been delivered to the executive branch.

My main point is that the committee by filing its report would reveal and publish deliberately and officially secret information.

Mr. GIAIMO. Mr. Speaker, the other point I would like to make is that it is important, I believe, to stress in our discussion that the chairman of our committee is unable to be here because of the inclement weather preventing air travel from New York this morning. He and the gentleman from Illinois are the only members of the committee who were privy and parties to the agreement with the President as to the distribution, dissemination and release of information.

However, I do know that the chairman's interpretation of any agreement with the President is different than that which the gentleman from Illinois apparently claims, and that, in fact, there is no agreement. There is no agreement as to release and dissemination of a congressional report, as we intend to do now, and it is the chairman's feeling that the agreements which we had as to particular classified documents did not carry over to a report. To do so would give the Executive the veto power over congressional actions and congressional reports, something to which we absolutely never agreed in committee.

Mr. McCLORY. Let me respond to that by just saying that I am not tendering here and not laying out on the record any understanding or agreement which was reached in the White House as such. Following that meeting at the White House, the committee had a formal open meeting on October 1, at which we decided on our procedures, and on the basis of that meeting and on the basis of our procedures we have received covering letters from the CIA and from the other intelligence agencies with regard to all of this secret material in which accompanying letters it is set forth specifically that the materials should not be made public except in accordance with these particular procedures.

Those procedures required our committee to notify the affected intelligence agencies of an intention to declassify or make public information received in confidence—and if a disagreement arose, then submitting the information to the President of the United States prior to the time the committee proposed to publish this material. We are not following those procedures in connection with the classified information the committees report.

Mr. TREEN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Louisiana, the second ranking minority member of the committee.

Mr. TREEN. Mr. Speaker, I appreciate

the gentleman from Illinois bringing this matter to the attention of the House. I would like to speak to the issue of what the agreement provides. I think we ought to have it on the record and let this House, those Members who wish to take the time to examine the legal points, determine whether or not this committee is in violation of the agreement. I think there is no question but that it is.

I have the record before me of our session of October 1, 1975, in which the language of the agreement is set forth. I will not read all of it, but I will read the pertinent portion.

It provides that information is forwarded—

> with the understanding that there will be no public disclosure of this classified material nor of testimony, depositions of interviews concerning it without a reasonable opportunity for us to consult with respect to it. In the event of disagreement, the matter will be referred to the President. If the President then certifies in writing that the disclosure of the material would be detrimental to the national security of the United States the matter will not be disclosed by the committee, except that the committee would reserve its right to submit the matter to judicial determination.

And by a vote of 10 to 3, this agreement was accepted.

The background of this agreement was that we had a confrontation with the executive branch. Keep in mind what the issue was. They did not want to give us any information, and this committee wanted to receive it.

So this agreement was conceived and worked out in the context of this confrontation, and the executive branch said, "If you will follow these procedures, we will give you all of the classified information that you wish." And we accepted that.

The committee, on Tuesday of last week, voted 8 to 4 in open session not to delete the classified information, and not to go through the process that we had agreed to. The argument was made that there was a difference of opinion as to how this agreement should be interpreted. The argument, as was suggested by the gentleman from Connecticut, was that this agreement could not affect a congressional committee in the preparation and the filing of its final report.

I think it is true that a committee of Congress has a right to put in the report whatever it wants, except to the extent that it gives up that right, that it contracts away that right.

I am not saying that this contract could be enforced. I am not saying that the courts have jurisdiction. But we ought not to break faith with the executive branch on an agreement that is abundantly clear.

No one ever suggested that this agreement would only apply to classified information up until the time we filed our final report.

The argument is made now that, whereas we are bound by this agreement with respect to classified or secret information during our deliberations, it will not apply on January 31, when we file our committee report. How ridiculous and how preposterous can one get?

The agencies were supplying information about events occuring over many years in many different administrations. And to suggest that it was the intent of the administration to supply us with information that it considered sensitive and that we could: Release on January 31, but that we could not release at any time prior thereto, is absolutely and patently ridiculous.

Please note the final words of the agreement, the provision that permits us to go to the court. This suggests that we well knew this matter could go on beyond January 31, because there is no way in the world we could have a judicial determination prior to that time. Why would this provision be included if it was intended that we could "tell all" on January 31, 1976?

The resolution creating the select committee, and which this House debated, sets forth our obligation in section 6.

I think the committee has an obligation to live up to its agreement, and that this House has an obligation, in accordance with the mandate of House Resolution 591, which was discussed at length in this body.

Section 6 is the provision which mandates how we take care of information that we receive. Section 6(a) says that the select committee shall institute and carry out such rules and procedures as it deems necessary to prevent First, the dislosure outside the select committee of any information relating to the activities of the Central Intelligence Agency or any other department or agency of the Federal Government engaged in intelligence activities obtained by the select committee during the course of its study and investigation, not authorized by the select committee to be disclosed; and second, and this is the important point—the committee shall institute and carry out such rules and procedures necessary to prevent "the disclosure, outside of the select committee, of any information which would adversely affect the intelligence activities of the Central Intelligence Agency in foreign countries or the intelligence activities in foreign countries of any other department or agency of the Federal Government."

The issue here is not whether some of the agencies have engaged in acts which we do not condone. That is not the issue at all. The issue is: Shall this committee live up to its agreement that it undertook in good faith with the executive branch and, second, will the mandate, in House Resolution 591, for the handling of this type of information be abided by?

Mr. McCLORY. Mr. Speaker, I thank the gentleman very much for his remarks.

I think another point that should be emphasized concerning the cover letter is that it makes clear that the material is not truly the material of the committee. It was received by the committee on loan. In other words, these materials still technically and legally belong to the intelligence agencies, and we received them on loan, which is the way in which other classified and secret material has been received by at least one other committee of the House in the past.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, I thank the gentleman very much for yielding.

I would like to address the question that we have before us about what kind of an agreement we had with the President because I think that is very fundamental to what we are talking about.

I recognize that the gentleman from Louisiana (Mr. TREEN) and the gentleman from Illinois (Mr. McCLORY) have a certain understanding about what we agreed to but other Members have different interpretations. In reading over the transcript of the meeting we had on the subject one cannot make a case one way or the other.

Let me put it into context. The agreement that we entered into was taken after the information about the Middle East war relating to the four words was released.

There was a big brouhaha over the four words and the President said:

> If you are going to release information like that, I am not going to send you any more, and what is more, I want you to return all of the information that is classified that you have now.

There was an impasse. He said that we had released information in a way which was detrimental to the security of the country, and the committee said it was not detrimental, and there was an impasse. We could not get any more information, and he wanted the information we had to be turned back.

So an agreement was reached, an agreement whereby the committee got the information that it was seeking, but we agreed not to release it until we went to the President, and then, of course, we could go through the judicial procedure.

But when the matter came to a vote in our committee what all of us had in mind was the release of information pertaining to the four words. It did not enter my mind as one of the members who sat there and went through the discussion that we were also talking about the final report. At no point in the debate in the committee did anyone raise the question about whether it covered the final report. I wish I had, because if I had raised it or if any other member would have raised it, we all would have reached some agreement at that point. However, we did not reach any agreement on the final report because nobody thought to raise the issue.

So what happened was that we had a vote and the majority voted that on any intermediate report or any interim report the committee would follow the prescribed procedure. And we followed that procedure when we tried to release three reports toward the end of December. We went through the procedure, and we followed the procedure.

Everybody in the meeting—Republicans, Democrats, liberals, and conservatives—agreed that the procedure that the majority voted for did cover any intermediate report or any interim report that would be issued by the committee.

Mr. McCLORY. Mr. Speaker, let me respond to the gentleman's points.

Mr. ASPIN. Mr. Speaker, if the gentleman will allow me, I would just like to finish my statement.

There was no agreement as to whether it covered the final report. I was not under the impression it covered the final report. I certainly would have objected to it violently had I thought it covered the final report.

Mr. Speaker, I do not believe that our committee ought to set a precedent for the whole Congress by saying that a final report of a committee can be censored by the executive branch, that it must be sent to the executive branch for approval.

Congress has a right and duty to help decide what is classified. The gentleman in the well, as well as every Member here, knows that the executive department uses classifications to hide all kinds of things. The executive branch uses classifications very properly on some occasions, but on other occasions the executive branch uses the classification system to prohibit the disclosure of things which are just embarrassing.

Mr. McCLORY. Mr. Speaker, I thank the gentleman, and I do not wish to yield any further because, in the first place, I would like to respond to some of the statements the gentleman from Wisconsin (Mr. Aspin) has made. In the second place, the statement that the gentleman has made now particularly is going beyond the scope of this special order.

In other words, it might be entirely appropriate for the committee, in its recommendations, to suggest a better or an improved method of classifying and declassifying material. That is really a separate subject, and we are not talking about that here today.

It seems to me that it would have been incumbent on the part of the committee, if the committee was going to change its procedures, if it was going to distinguish between a report of proceedings or its transcript and a report we should have said so. We could have warned the intelligence agencies that "If we call it a report, we publish anything we have, no matter how highly sensitive or secret or top secret it is or whatever it consists of. Otherwise, we have to hold the material in confidence."

If there were to be two procedures, if there were to be two rules by which we were going to guard confidential information, we should have been above board and forthright. There was nothing said about that at all. As a matter of fact, in the letters which accompanied this secret information, it was stipulated that: "There will be no public disclosure"—unless the agreed-upon procedures are complied with.

It seems to me that that means no public disclosure, whether one calls it a report or whether we call it something else. It seems to me that we are the ones who have to answer as to whether or not we are violating the rules and whether we are betraying a trust. In my opinion, what we are doing is to jeopardize any oversight committee in the future. What committee of the Congress is going to be trusted with confidential information if we deliberately put in a report and give official recognition to something that we received in secret and in confidence and under a promise that there would not be any such public disclosure?

Mr. Speaker, I think this offense is as serious—or more serious than the question of the leaks, which are so egregious and for which we also must have to assume some responsibility.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I appreciate the gentleman from Illinois yielding.

As one who did not support the creation of this committee or of its predecessor, I think the gentleman has very well proven, by his excellent recitation of the facts regarding the release of this report, the grave concerns that those of us who opposed the creation of the committee originally expressed. Of course, we all want our security agencies to act within the law, but we do not want them destroyed. In the face of world communism, we must have them.

However, Mr. Speaker, I would suggest to the gentleman that he comment with respect to my feeling that perhaps the concern which he has expressed about the release of the report by the select committee is somewhat academic. It is rather a moot point, because someone, whether it is a member of the committee or a member of the staff, or, as has been suggested by the gentleman from Connecticut, someone away from this place has released the entire report even before other Members of Congress had the chance to see it.

Under our rules, Mr. Speaker, the usual procedure is that any duly constituted committee must come to the full House and have its report presented to this body as an official document for printing. That usual procedure has not been followed in this case. The rules, as the gentleman from Illinois (Mr. McClory) has indicated, have been violated.

Someone has given this information, in fact, the full report, to the New York Times and to CBS, and to others and the Congress has been denied what is our procedural right.

Mr. Speaker, I have no way of knowing when the gentleman from New York (Mr. Pike) formally presents this report to the House, whether the House might go into secret session and refuse to accept this report, might reject the committee's procedure of allowing it to be made public, or even reject parts of it, as the gentleman suggests they should.

Mr. Speaker, I feel that whoever is responsible for this release should be found; and they should be brought before the bar of this House and publicly censured and as an example, if they are Members of this House they deserve censure because they obviously have violated proper procedure and have taken it upon themselves to conduct our foreign policy to the detriment of this Nation.

If such acts destroy our intelligence community, to them it apparently does not matter. I think that, in and of itself, is a breech of faith by anyone who has sworn allegience to the Constitution.

Mr. McCLORY. Mr. Speaker, I thank the gentleman from Maryland (Mr. Bauman). I would like to respond to the gentleman's remarks.

For one thing, I did support the creation of this committee, and I have had great hopes for it. I do not want, at this point even, to express my complete disappointment with it.

However, we would not know how a committee of the House should operate if we did not have this experience. I feel a great disappointment in the action which the committee majority appears to be about to take.

Again, the sources of the leaks I do not know. I think it might be appropriate for the House or for the committee itself to engage some kind of an investigative agency to get at the bottom of where these leaks do come from because we should know if it is in the committee, if it is in the committee staff, or if it is in both of those areas. We should know about it.

I would support some kind of action of the House or committee action to engage a private agency, if necessary, to try to determine where these leaks and these breaches of faith come from.

Mr. KASTEN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Wisconsin who has done such an excellent job, I might say, in trying to keep out a lot of this secret material from the report, and I call attention, in addition, to the able work of my colleague, the gentleman from Louisiana (Mr. Treen), in this respect.

Also, at this point I would like to call attention to the formal motion presented by the gentleman from Texas (Mr. Milford), a member of the committee, in seeking to exclude from this report all classified, secret, and top secret information; unfortunately, his motion failed by an 8-to-4 vote.

Mr. KASTEN. Mr. Speaker, I thank the gentleman from Illinois for yielding to me.

Mr. Speaker, I would like to bring to the attention of the House the wording from House Resolution 591 which is the resolution under which the committee is operating, and it says:

> . . . to prevent . . . the disclosure, outside the select committee, of any information which would adversely affect the intelligence activities of the Central Intelligence Agency in foreign countries or the intelligence activities in foreign countries of any other department or agency of the Federal Government.

I would suggest to the Members that the question is no longer whether or not we have violated this resolution. It is clear that this resolution has been violated and that we have disclosed outside of the select committee information which will be damaging to our national security and to our intelligence efforts and to the intelligence efforts of our allies. The question is not whether or not it has happened, but the question is only whose fault it is. The issuance of the House select committee report would break the basic agreement between the committee and the White House. I feel that the gentleman from Illinois (Mr. McCLORY) who has been extremely eloquent in his statement, is correct and to the point. This agreement allowed the intelligence agencies to pass the most sensitive information to the committee. The intelligence agencies cooperated with the committee under the supposition that none of the classified information which was supplied would be made available to the public by the committee, without prior review by the administration.

There was never any cutoff date. A cutoff date would be absurd. For us to say that we would take the classified information, and keep it secret only until a particular date, and then release it would have been foolish. There was never any cutoff date understood or implied.

I do not think the report of the committee represents the feeling of the House, although it could well represent the feelings of the majority of the members of the committee on one particular day.

In fact, the House of Representatives has voted overwhelmingly in some similar issues. For instance, we voted just a few months ago not to publish the CIA budget. That was on a rollcall vote, and the committee in publishing this report containing so much classified data, including information on the budget of the CIA, violates the basic intent of the House, as it was expressed just a few months ago.

We could point to other specific examples. Some of the covert actions described in the report have been certified by the President as being in the national interests and, in fact, the Congress was briefed on these covert actions.

Mr. McCLORY. Mr. Speaker, I would like to suggest that we, ourselves, do not discuss the contents of the report, particularly any references to covert activities. It is my intention that we should refer to any specific contents of the report in our discussion today. It is certainly my hope that many of the parts of the report would be deleted, so that what purports to be the report as referred to in the New York Times would prove to be false, and that the Times does not, indeed have the final report of the committee.

Mr. KASTEN. Mr. Speaker, I share the hope of the gentleman from Illinois and agree with the gentleman entirely. The point I want to raise is that the Congress has been briefed on these issues, according to a recently passed law requiring that six committees be notified. In publishing this report the committee violates both the spirit and the letter of the law of this Congress.

There is no question but that the work of this committee could cause specific problems abroad in a number of areas. It could do tremendous damage, I believe, to our national security and to the work of intelligence-gathering agencies. I think that the report, whether it is officially released or not, has already done serious damage.

We have shown that a committee of the Congress cannot act in a deliberate, businesslike way when confronting these important issues but that, rather, we have been leaking classified information like a sieve. The work of the intelligence committee is working against the basic premise that was shared by many Members of this Congress and many Americans who felt that we do need additional congressional oversight. That was the strong feeling of a number of Members of the Congress, and it was certainly the feeling of the American people.

But what we have shown, in fact, is that we cannot exercise that congressional oversight in a deliberate, businesslike way. Instead the committee has released information in unauthorized ways, broken its agreements with the executive branch, and conducted itself in ways that I believe will work against the intent of those who wanted to achieve more congressional oversight.

We have not built a foundation to make our recommendations meaningful; instead, I think we have worked against our basic purpose of developing a consensus for additional congressional oversight.

Mr. McCLORY. I thank the gentleman for his comments.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

Mr. Speaker, I rise today to voice my concern over the present state of the Central Intelligence Agency and to urge my colleagues to move expeditiously to form an oversight committee, either separately or in cooperation with the Senate.

I do not feel that an election year is necessarily the proper time to attempt a full scale reorganization of the intelligence community; however a congressional oversight committee is needed to begin laying the structure for needed reform of our intelligence gathering organizations and to provide the CIA in particular with a responsible, discerning and secure review of its operations and goals.

In the past few months, what began as a healthy investigation of the abuses of the clandestine activities of the agency has turned into a circus, with the CIA becoming open game for every individual or special interest group with an axe to grind. I am seriously worried about the impact of all of this on our intelligence capabilities.

We are an open and free society in a world which is becoming increasingly crowded with demagogues and despots. An open society cannot long exist in such a world unless it comes to grips with the difficult questions which arise when the public's right to know conflicts with its right to have its business conducted in a responsible manner. This is the issue which we in the Congress must deal with in the coming months.

I think that few would disagree that we must possess the organization necessary to gather intelligence and the expertise to digest and analyse it. No society or institution can make rational decisions without adequate information. A university would not fire its faculty or burn its library; nor would a business destroy its records or alienate its contacts. Were the CIA so damaged, it would be a serious loss to our ability to function in an increasingly hostile and complicated world.

I was shocked at the abuses of the CIA and I would hope that the Congress moves to see that these so-called dirty tricks are not repeated in the future. Mr. Harry Rositzke writes in the January 1975 issue of Foreign Affairs Magazine that "Psychological warfare not only does not belong in a secret service, but is an anachronism in today's world." I agree with Mr. Rositzke, who served in both the CIA and its wartime predecessor the OSS. Still, we must not make the mistake of confusing this regretable aspect of the CIA's past with its very real mission: a mission which grows increasingly important.

Mr. David Phillips, another former CIA officer who now heads the Association of Retired Intelligence Officers, testified before the Senate Government Operations Committee about the rapid decline in the morale of the CIA's officers and their attendant difficulties in maintaining and establishing contacts overseas.

Prompt creation of an oversight committee would halt this deterioration in the operating efficiency of the CIA and place the needed scrutiny of the agency outside of the reach of foreign governments and organizations and place it before the discerning review of a group of Members of Congress, chosen by their peers to deal with the subtle and difficult issues involved.

I would ask the House Intelligence Committee to expedite the publication of their report to the House and the Government Operations Committee to immediately begin hearings on the formation of an oversight committee. Our colleagues in the other body have realized the seriousness of the situation and the need for prompt action; I would hope that we do so as well.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman from Illinois for yielding.

Mr. Speaker, I commend the gentleman from Illinois, Mr. McCLORY, for bringing this matter to the attention of the House. I want to strongly associate myself with the remarks of the gentleman from Wisconsin. I think he hit the nail very much on the head. It seems to me all of the discussions about the agreement and the lack of agreement among members of the committee as to what the plain language meant and the procedures that have gone on indicate that this discussion is more akin to trying to determine how many angels dance on the head of a pin. It is very academic. The information is already in the public domain. It would seem to me a matter of the utmost urgency that this committee make a serious inquiry into determining the source of the leak, whether it was from someone in the executive branch—which I personally doubt because I think it would be adverse to their interests—or whether some other party leaked this information.

The only good thing that comes from this whole sorry affair is proof positive that a congressional committee is probably the most inappropriate forum for oversight on matters that involve covert activity, and if we are to have any kind of a semblance of an intelligence community serving this country in a very hostile world, congressional committees that have access to highly classified material are the very least effective way to have oversight. It is a very great problem, but this is a very sorry day when the most secret information is made available to the media.

Mr. McCLORY. I thank the gentleman for his comments.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I would just like to say that I have listened with great care to what has been said here today. I want to say that I am concerned about the points that the gentleman from Illinois has raised, and I am sorry that the chairman of the committee is not here today to comment on those points.

I certainly want to reserve judgment until I know more about the background of this situation, but I would have to say this: from what I have heard today, I do not see the distinction between the release of information in some other way and in the committee's final report. I have to say that to my friend, the gentleman from Wisconsin. I simply do not understand how the committee could undertake not to release information as the price for getting that information, and then turn around and put it in its final report and say, "This is different." I fail to see the distinction.

I am very concerned about the impact on the future powers of the Congress to oversee the CIA. I think the CIA has been guilty of egregious mistakes—egregious mistakes—and I want to stress that. But I think we want to be very careful that in our work we do not impair our own capacity to conduct responsible oversight in the future.

Mr. McCLORY. I agree with the gentleman, and I will be the first one to condemn the CIA for its excesses, for its failure to abide by the mechanisms which the Congress has established—which are the legitimate ways in which this secret agency should operate in carrying on both covert and overt activities.

I think actually the mistakes probably should not be totally credited or charged against the CIA, because it generally has been against the advice of the CIA on where the mechanisms and orderly procedures have been circumvented that we have gotten into trouble.

I am anxious to bring those to the attention of the House and anxious to have those corrected. I think all the members of the committee are.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I would like to associate myself most strongly with the remarks of my distinguished colleague, the gentleman from New York (Mr. BINGHAM). That was precisely what I had in mind.

It seems to me indefensible to say we agree that these matters are secret in the interim reports; but suddenly because they are going to be in the final report that they are no longer secret.

I cannot agree that this was not a good committee. As a matter of fact, I was in favor of it. I think Congress must inform itself concerning these matters.

I cannot but hope that this very grave damage to the honor and integrity of our system will not mean that the committees cannot operate in the future. It seems to me that it is quite possible that an honorable member of the committee under the promise of secrecy might find he or she had to reveal something. I think in that case the honorable member resigns from the committee, uses his own name and stands up before the public and says, "I am breaking my word, but this is so urgent that I must tell the public about it."

It seems to me that is the honorable system. How do we defend what we read on the front pages of the paper today? Is it possible this Government cannot operate in a more responsible way than this? Who is the unknown informed person that seems to have access to the entire report, when we in the Congress have not yet seen it? If we could have one quality that needs to be added to our Government today after what we have seen in these last years, surely it is the question of honor. We do not have to get a signed and sealed agreement that is going to stand up in a court of law in an adversary proceeding when somebody has given their word. We cannot go on like this.

Mr. McCLORY. Mr. Speaker, I agree with the gentlewoman. I say that these egregious mistakes committed by the CIA and other intelligence agencies may not get the attention they should, because attention is being focused on a breach of faith, a breach of confidentiality on the part of Congress. That is the thing that is going to impair us as an institution in the future—and we are creating this problem for ourselves.

Mrs. FENWICK. Mr. Speaker, these agencies must be controlled.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, first I want to commend the gentleman for the integrity and the approach the gentleman has taken, not only in this matter, but several other very difficult ones over the past several years coming before the Committee on the Judiciary, but particularly today for bringing this to the attention of the House.

Mr. Speaker, several days ago, I introduced into the RECORD an editorial from the London Daily Telegraph which talked about the current rush to expose and publicize the activities of our intelligence-gathering operations, and headlined the whole story "Has America Gone Mad?"

I regret to say that I am very tempted to answer that rhetorical question in the affirmative, and to add that the Nation is being led in that direction by this Congress.

There actually appear to be Members among us who believe that our spy forces can be forced to operate under the philosophy of the Freedom of Information Act.

And that, Mr. Speaker, is madness. If there are Members who believe we should not have an intelligence operation, then let them stand up and say so straight out. If they think we do not need spies, let they say so. I shall disagree with them violently, but I shall certainly respect their right to their opinion.

But for heaven's sake let us not destroy the effectiveness of our intelligence forces while at the same time preserving their existence. Who—lest he be truly mad—can stand for an ineffective CIA? I believe we need a first-class agency, second to none in the world, and I will be happy to debate that point. But how does one debate with someone who, by their actions, are clearly saying that they stand foursquare for a sloppy job?

Now all of this comes clearly into focus with the incipient release—apparently—of the final report of the House Select Committee on Intelligence.

I have not seen the report, nor do I want to. I am reliably informed that it contains information gravely detrimental to the national security.

If that is true, then clearly its publication would mean that Mr. PIKE and his committee have led us to a new height in the madness of which I spoke earlier.

But is it true? How is one to know? The means to answer these questions was supplied by the committee itself when, on October 1, it established procedures, since followed, for the release of classified material.

The procedure was a simple one. If the agency involved indicated to the committee that a piece of information should not be published, and the committee disagreed, then the committee would forward the disputed material to the President, who would personally make the final decision, subject, of course, to the committee's option to seek court action.

Given the President's clear and constitutional duty to conduct the foreign policy of the United States, this procedure seems to me both wise and prudent, and I believe the committee's adoption of it was an act of statesmanship and responsibility on its part.

But now we hear that the committee is about to throw all of that into the garbage can, and with it the integrity of the Congress. Because they have refused to submit the final report to that procedure. And on what grounds? How can the shift be justified? Is the national security any less impaired by the release of a bit of information in January than it would have been in December? Or in a final report as opposed to open testimony?

Such distinctions are nonsense. The only question which matters is whether or not the publication of this information is detrimental to the national security. Period.

I consider the whole matter of the release of this report an outrage. As a Member of this Congress, I object to our reneging on a promise; for to do so blackens the name of every one of us who sits in this Chamber.

But even more importantly, as an American, I object to the blithe unconcern which is being displayed by some in this Congress for the national security—which is my security, and which I as a citizen have entrusted to this Government, and this Congress.

I wish those who are rushing headlong into such dangerous waters would pause for a moment at least to consider that it is their security too, because it is. And it is far more important than the massaging of egoes, the grabbing of headlines or even the winning of elections.

Has America gone mad? Only time will tell. But I must say that I regard this report situation as one of compound madness, and immense tragedy.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield 1 minute to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, just to respond to a couple of points which were raised here. There are a couple of distinctions which ought to be made.

First, there is a distinction between the information that is leaked to the press and the information that is in this final report. Let us not confuse those. If we are looking for whose benefit it is to leak this information it is clearly not to the benefit of anybody who wants a strong oversight committee to have this information leaked. I agree with the gentleman from Ohio and others who said that it hurts the chance of establishing a strong committee.

Second, there is a distinction between the information in the report and the procedure that we are being asked to follow. We can agree with the gentleman from New York and the gentlewoman from New Jersey that the final report should not contain information which is classified, but the question is, should the final report go through the procedure of sending it to the President and the executive branch being the only ones to decide what is classified.

A committee report is composed of the drafting by the committee members and staff. The committee report is different from releasing information. It should not contain classified information, agreed. That is not the question. The question is, should the committee report go through this procedure of being sent to the executive branch for it to exorcise any information it does not want in it? I say no, no committee of Congress can possibly look itself in the face in the morning, having agreed to that. No committee of Congress can give away its powers and rights and establish precedents which will hurt Congress in the years to come.

If the problem is one of deciding what information is classified and what is not we can work that out with the executive in other ways. We have been doing some of it this last week. It is the odious procedure of sending the report to the executive and taking their judgment as final that I object to.

Mr. McCLORY. Let me say to the gentleman that what I am talking about here is a committee report and the releasing of confidential information which was received by the committee under a pledge of secrecy without giving the opportunity to the President to decide whether or not the question of national security is involved. That is the point I am making today, and that is the mistake which our committee is about to make.

Mr. ASPIN. The gentleman in the well knows full well that the executive branch has gotten the opportunity.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California.

Mr. SISK. Mr. Speaker, I thank the gentleman for yielding to me. Let me say that I commend him for taking the floor today and discussing this matter. I would hope, though, that all my colleagues would reserve judgment until this matter has been thoroughly discussed.

I would hope too, that the gentleman from Illinois would be available at a time when the chairman of the committee, the gentleman from New York (Mr. Pike) would be here to discuss the matter further. I am somewhat inclined to agree with the statements made by the gentlewoman from New Jersey and the gentleman from New York.

If in fact information is going to hurt the country, then I do not think it makes any difference whether it is in a preliminary report, final report, or what report. Again, I would suggest we might reserve judgment.

I have one question for the gentleman from Illinois that refers to the statement by our colleague, the gentleman from Illinois (Mr. Hyde), with reference to what this may do to the future of an oversight committee.

I for one believe very strongly that we must have some kind of congressional oversight in these areas, and I would assume my colleague, the gentleman from Illinois, agrees with that. And so I am terribly desirous that we conduct ourselves in connection with this situation in such a way as to assure that we do have such oversight.

I happen to believe that possibly a joint House-Senate committee is the answer. There again, though, that may not be. I simply wanted to say, and I hope my colleague, the gentleman from Illinois (Mr. McClory), would agree, that we should have for the future some kind of congressional oversight.

Does the gentleman agree?

Mr. McCLORY. Yes, I agreed that we should have an oversight committee. I agree that we should have a restructuring of our intelligence community, that the question of covert operations should be spelled out, and we should make a number of very constructive recommendations.

It seems to me that this proposed report which would contain this secret information does a disservice to the committee and really jeopardizes the whole impact of the committee's work because it has divided the committee, it has divided the Members of the Congress here. I am sure as I stand here that the committee action about which I am protesting will create a cleavage between the Congress as a body and the executive branch and the intelligence agencies, which in my opinion, is completely unnecessary.

We do not have to spill all this material to the public and make it public in order to make these recommendations. But we are about to deliberately do just that. That is the thing that bothers me. It is an irresponsible, damaging and official leak of secret information by deliberate action of the committee, and that is the thing that I am objecting to.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Illinois (Mr. Hyde).

Mr. HYDE. I thank the gentleman for yielding.

Mr. Speaker, I want to say that I do sincerely believe that we need congressional oversight of our intelligence community. But at the same time I think this experience we have seen in the last few days indicates how very carefully we must structure our Congressional Oversight Committee so that the committee will have the integrity necessary to preserve the effectiveness of our intelligence operations. That is my point.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California (Mr. Sisk).

Mr. SISK. I thank the gentleman for yielding.

Mr. Speaker, I appreciate the comment of my colleague, the gentleman from Illinois, because I felt he was not taking a position against the committee. I recognize what has happened. The situation is such that, it seems to me, we have to be very, very careful how we proceed from here on, and to see to it that, so far as the future is concerned, we do have a legitimate oversight that is trustworthy, and that is respected in the Congress, by the people of the country and by the executive branch of the Government.

That is the reason I raised my point.

FURTHER PROTESTING THE ACTION OF THE SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. Treen), is recognized for 60 minutes.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from North Carolina (Mr. Martin).

Mr. MARTIN. I thank the gentleman for yielding, and I want to thank him and the gentleman from Illinois (Mr. McClory) for this special order protesting the actions of the Select Committee on Intelligence whereby sensitive intelligence reports have been publicly disclosed.

Despite the binding obligation upon the committee not to release information damaging to the national security and our vital intelligence operations, and despite the agreement of this committee to guard against disclosure of this information which was received only upon such an agreement, the select committee has now voted to print a report of secrets which it would not have received if it had been known that the committee would disclose it.

Mr. Speaker, I waited patiently to see just what it was that justified the publication of this controversial disclosure. It was, therefore, very enlightening to hear the gentleman from Wisconsin (Mr. Aspin) and his explanation.

His rationale is that the committee never specifically agreed not to publish the information in the committee report. He says the committee only agreed not to release the information.

Holy mackerel, Mr. Speaker. In effect that tries to suggest that the White House only objected to releasing sensitive information unless it were in the form of a committee report, and that is preposterous and absurd, to use the words of the gentleman in the well in describing it earlier.

The gentleman from New York (Mr. Bingham) has correctly burst that gas-filled balloon. The gentleman from Wisconsin (Mr. Aspin) still maintains the committee must not relinquish its right to publish information that it agreed not to disclose in order to obtain that information.

Much has been made of the dishonorable violation of the committee's rules in the premature publication of the information in this morning's newspapers. It seems to me that is small in comparison with the greater violation by which the committee majority actually voted to violate its own honor.

Mr. Speaker, I thank the gentleman for yielding.

Mr. TREEN. Mr. Speaker, I thank the gentleman from North Carolina (Mr. Martin) for his contribution.

I see that the gentleman from Wisconsin (Mr. Aspin) is off the floor at this time. I wish he were still here because I would like to respond to a couple of points he made.

I think we need to emphasize again that the principal issue here, as raised by the gentleman from Illinois (Mr. McClory) and others, is the interpretation of this agreement. It is laid out now in the Record for all Members to read tomorrow, and I think that most Members, whether they are attorneys or not, will come to the same conclusion as did the gentleman from North Carolina (Mr. Martin) and the gentleman from New York (Mr. Bingham), who says that he has come to a tentative conclusion, that obviously the intent of the agreement was to set up a procedure for the release of classified information, whether it be released during the pendency of the committee or at the time of its final report.

The agreement was entered into by the committee on October 1, 1975, less than 4 months ago. Some of the classified information that was received under that agreement, and other information received later under the terms of the same agreement, related to events that occurred many years ago, and the suggestion that the executive department was only interested in protecting this information for the next 4 months under this procedure and not thereafter is, of course, outrageous.

I am sorry that the gentleman from Wisconsin (Mr. Aspin) is not here at this moment, because there is a rather lengthy colloquy in the Record of the transcript of the meeting of October 1, 1975, which was an open session of the committee, and which, I think, will demonstrate that the members knew that the agreement was setting a precedent, at least insofar as our committee is concerned. The suggestion of the gentleman from Wisconsin (Mr. Aspin) that this might set a precedent for other committees is, of course, completely illogical and does not bear on the argument at all. No one was suggesting that the procedure we agreed to would establish any precedent insofar as information received in a different manner is concerned, nor did we ever suggest it would establish a precedent insofar as any other committee in Congress is concerned.

But it was clear in the colloquy among the gentleman from Wisconsin (Mr. Aspin) and the chairman of the committee and others that insofar as our committee was concerned, this was a precedent, although I do admit that I have not been able to find anything in the record at which the particular point was raised concerning the final report.

Again, Mr. Speaker, I want to remind the Members that in the final words of the agreement reference is made to the question of judicial determination. It is clear that after going through the procedure of referring the classified material that we wished to have released to the executive branch, and after receiving the response of the executive department, if we still wanted to release it, the matter had to go to the President. He would make a decision, and then we could resort to judicial determination. I am sure that every one of us, as we thought about and talked about judicial determination, felt that was not a very helpful part of the agreement insofar as our being able to get the information out, because judicial determination would come after the expiration of the committee, which was mandated to expire on Saturday of this week, January 31, 1976.

But, we would have had no purpose whatsoever of putting that in the agreement if we knew that we would have the right in the final report to publish it all. There would have been no purpose at all in putting the provision in the agreement about seeking judicial determination.

The gentleman from Wisconsin (Mr. (Aspin) also alluded to the fact that in December we went through this procedure of voting to release certain information and to go through the procedure set forth in the agreement. This was done shortly before we went into Christmas recess, with the knowledge that we would not return here until the 19th of January, 12 days before the expiration of this committee.

Why would we go through all of that exercise and take all of that time to go through the procedure set forth in the agreement when, obviously, we would not even be able to act on it until we came back on the 19th of January if we had the right to publish the whole works on January 31?

Mr. Speaker, I think the agreement is clear; and I hope that all Members of this House will take advantage of the remarks that have been made on both sides of this issue when they appear in the Record tomorrow, and I hope that they will come to their own decision as to what should be done.

As far as I am concerned, as a member of this committee, I will do everything in my power to see to it that this committee lives up to its agreement, not for the purpose of keeping information from the American public, not for the purpose of trying to keep it from other Members of this Congress, but for the sole purpose of protecting the integrity of agreements made by a committee of the House of Representatives.

Mr. KASTEN. Mr. Speaker, will the gentleman yield?

Mr. TREEN. I will be glad to yield to the gentleman from Wisconsin (Mr. Kasten).

Mr. KASTEN. Mr. Speaker, I thank the gentleman for yielding.

I want to commend the gentleman from Louisiana (Mr. Treen) on his fine statement. However, even more importantly, I want to commend him for the work that he has done as a member of the Select Committee on Intelligence.

The gentleman from Louisiana (Mr. Treen) has done an outstanding job and has consistently demonstrated his overriding interest with respect to the importance of the intelligence-gathering agencies as well as the national security of our country.

His concern for our Nation has been apparent throughout the deliberations and the committee meetings and also very apparent in his remarks to the House today.

Mr. Speaker, the gentleman should be congratulated for his efforts.

Mr. TREEN. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. Kasten) very much. I do appreciate the remarks, although I confess that the time necessary for any individual Member to really do this job right or, I should say, the demands on any Member to do the job right are rather overwhelming.

I know that there are many areas in which I have not been able to devote the time that is needed. Part of the problem is inherent. When we have a staff of almost 40 people, many of whom are interviewing, receiving reports, and gathering a great deal of information, a lot of which is not presented to the committee in open session, but which is available to each committee member, it is very difficult to keep up with the tremendous avalanche of material.

Mr. Speaker, although I appreciate the gentleman's statement, I do feel, unhappily, that I have not been able to devote the time that this sort of subject really requires. I think one of the problems is that the life of the committee really was too short, considering that we did not really get started until the latter part of this year because of problems of which we are all aware.

I want to thank the gentleman from Wisconsin (Mr. KASTEN) for the extra special efforts that he has made to get information. He has been one of the members of the committee who has gone beyond that which has been furnished us and gone out on his own to seek additional information from other sources. That is something that I have not been able frequently to do, but I commend him for his effort and for very forcibly calling to the attention of the committee the concerns of the executive branch with respect to a lot of material that will apparently be released in our final report unless, in some way, that report is not published.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I thank the gentleman for yielding.

I have listened to the full debate today, such as it was.

I wonder whether the gentleman would, just for the record, agree with me that the report does not reveal sources or means or methods of intelligence gathering.

Mr. TREEN. No. I am afraid that I cannot. I think some effort has been made to do this—and now we are getting into the substance of the report. However, I think that in several instances the method, let us say the gross method, by which the intelligence is gathered has been identified in such a way that there has been some disclosure.

I believe the gentleman from Colorado may be referring to the identity of a particular individual, or the location of a particular item of equipment by which we obtain information. Yes, I do not think the report reveals the specifics with respect to the identity of persons or exact locations. But I think the means by which we acquired certain information in the gross sense is shown. But I do not think that is one of the major problems with the report. That is not one of my major complaints.

Mr. JOHNSON of Colorado. I understand the argument presented by the gentleman from Louisiana, and, while I do not agree with that argument, I think it is a valid argument. But there have been so many remarks made today with respect for instance to damage to the national security of our country that I would ask does the gentleman from Louisiana really believe that the report will actually damage the national security? Or does the gentleman believe that the national security of America is in jeopardy as a result of the release of the report?

The gentleman from Louisiana has read the report. The gentleman has studied the report very carefully. Is there anything in there that the gentleman is convinced is going to damage the national security? Since it is going to be released anyway, perhaps the gentleman can identify the portions which he thinks are so damaging to the national security.

Mr. TREEN. Yes. I think it is difficult often to be able to pinpoint where the damage would occur or to know whether it is going to be short-range damage or long-range damage. And in that respect one might even make a claim that some short-range damage might do us some long-range good.

But that was not my primary purpose in asking for time today. My primary purpose was to talk about the agreement for handling security information.

Mr. JOHNSON of Colorado. The gentleman from Louisiana made his position very clear, but, in view of the participation in the debate of some of the Members who have now gone, even some who have agreed with the opinion of the gentleman from Illinois (Mr. McCLORY) I still think it must be straightened out that to a certain extent the gentleman from Louisiana is not in necessary agreement with all of the arguments that were made by those people who were opposed to the investigation originally.

Mr. TREEN. Yes; I think you are right that I do not agree entirely with them. Let me try to answer the gentleman in this way: Along with other members of the Select Committee, I received a draft of the report on Monday afternoon, a report of 339 pages. We had a session that night at which the President addressed the Congress. I think that the first time that most of us could even direct our attention to this report was Tuesday morning. We received, I believe on Wednesday, a rather voluminous response from some of the executive agencies as to what they considered might be damaging in the report. For me, to have digested all of that material and participated in a responsive way in the approval of a final report by Friday of last week was just preposterous. It was impossible, in my view, to properly consider in a period of 3 days the security aspects of that entire report, much of which was drawn from material that most of the members of the committee had never seen before, which had simply been deposited in the files.

Mr. JOHNSON of Colorado. I think it was available, and I read all of the material named, and I would also state to the gentleman that we did discuss the administration's objections and language, word by word, at the insistence of the gentleman from Wisconsin, and solved most of those problems, and I believe the gentleman from Louisiana was present, I think, when we were doing part of that work.

Mr. TREEN. I might say to the gentleman from Colorado that I acknowledge the astuteness of the gentleman, and say that sincerely; I also acknowledge the great work and effort the gentleman has put in on this matter. But the gentleman asked me a question a moment ago, and I would say that I think the average member of the committee, and, of course, I can only speak for myself, could not possibly evaluate in the context of our national security the hundreds of items set forth in that report. I am not clairvoyant enough or wise enough to simply make a decision on a security problem, posed in written form, with perhaps as much as 30 seconds or 5 minutes of debate on a particular issue, and decide whether the disclosure will or will not hurt the country. No, I do not consider myself wise enough. I think that is one of the problems. I think our committee needed a great deal more time to consider the objections of the executive branch, and I think for us to rush through them simply in order to meet the deadline set forth in House Resolution 591 is not warranted and is unwise.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. TREEN. I will be glad to yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

I think that the record should be made clear that the gentleman from Wisconsin went over with the committee and with the staff every objection that was raised. The gentleman is here, and he can correct that statement if he chooses to. But we spent 2 days, I believe, as I recall, going over page after page of the objections, and most of them were corrected or accepted by both sides.

Mr. TREEN. Let me just say that Mr. KASTEN was recognized, and perhaps generously, by the committee for about an hour and a half, and depended upon the staff to relate in large measure what the objection of the agency was. Then action was taken. I think the gentleman was under great contraint to get through the entire mass and did a selective job and did a great job. I certainly would not consider it the kind of in-depth examination of the complaints the committee should have undertaken.

Mr. KASTEN. Mr. Speaker, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Wisconsin.

Mr. KASTEN. I thank the gentleman for yielding.

I would briefly like to comment on the points raised by the gentleman from Colorado. It is a fact that within the difficult restraints of time the committee did review a number—I would say almost all—of the security questions which had been raised by the CIA and the other executive agencies. However, it is not correct to say that we solved those problems, because in many cases after the point was raised and the security violations were presented to the committee, the committee on either a rollcall or a voice vote decided not to abide by the security classifications of the administration but instead decided to override them. So, although we considered a number of these questions, and we were afforded a substantial period of time in which to consider the security problems, I do not feel that they were taken care of or solved in any way which would be satisfactory to this member of the committee or to the administration.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from North Carolina.

Mr. MARTIN. I thank the gentleman for yielding.

Let me take up one point that was made earlier. It was suggested that some Member or some staff person employed by the Select Committee may have released the document, the report of the committee. Then the countersuggestion was made that there may also have been someone in the administration with a purpose to be served in releasing that committee report. It would seem to me and I would ask the gentleman from Louisiana whether he will agree with this, that if it had been the purpose of the administration or the executive branch to release this report in order to harm the Select Committee on Intelligence, would he not have expected that there would be some criticism implied or explicit in the articles of the New York Times this morning? Would there not have been some reference to the fact that the committee had agreed not to release those secrets that had been disclosed to the committee? Certainly, if the executive branch had wished to embarrass the committee, there should be some such criticism—but there is none in any of those articles.

Mr. TREEN. I appreciate the thrust of the gentleman's remarks. I am unable to define the motives of the New York Times nor of the author of the news account. I, very frankly, feel it to be reprehensible for any news media to obtain information that it knows was not in releasable form. I know that I might get in trouble with the Fourth Estate for that remark, but I make it without reservation. The New York Times acknowledges that the report was not releasable, and yet it proceeds, ostensibly, to report at great length from the committee report.

We have seen news releases beginning immediately after the draft report became available to the committee members. There is no definite way to determine the source of the leaks; except that considering the time of the delivery of the material to the members and the time of delivery of the copy that went to the executive, in my judgment it would be very difficult for the first leak to come from the executive branch. However, I do not say that it is impossible.

Mr. MARTIN. Mr. Speaker, there are a number of instances in the articles that were printed in the paper this morning where the CIA itself was criticized, members of the administration were criticized and former members of the administration criticized; moreover various private executives, and heads of other national governments were criticized. Many various persons were criticized for the ways in which they had been involved in the Central Intelligence Agency, yet there is no explicit criticism of the select committee, nor any point made about the agreement not to release the information that the committee had. That would seem strange if indeed the administration had released the report.

Mr. TREEN. Yes.

Mr. MARTIN. The article does make a point that the report was not yet publicly disclosed, but the reporter had obtained a copy of it. It was not pointed out that it was a violation of the committee's agreement that they even published this report.

It seems to me if it had been the purpose of the administration to release this report in this morning's paper in order to harm the Select Committee on Intelligence, that the agent or the person who released that copy to the New York Times would have made a strong point to the effect that it had been obtained under an agreement that it not be disclosed.

I would say further that if the administration had felt that the report would harm the committee, all they had to do was just wait on the course of nature for the report later to be released after the end of this month.

Mr. TREEN. I think that final point is very well made. As a matter of fact, it would seem from the administration's point of view that it would be more dramatic to have it all released at one time, rather than in piecemeal fashion; so I suggest that logic does not argue for the conclusion that the material appearing in the New York Times today results from a release by the executive branch.

I believe that article, and one or more that appeared this week, refers to committee sources. That could mean committee staff or committee individuals and, of course, we cannot necessarily rely upon that, that the newspaper is correct in making its attribution; but at least within the text of some of these reports there is a suggestion as to the source of the information.

I regret very sincerely that the committee itself did not undertake measures to try to make an investigation of leaks. I am sure the chairman of this committee will respond to this if he wishes to tomorrow or in the coming days, but I raised the issue a number of times in the committee that perhaps we should seek some way to conduct this investigation. I realize there are no set proceedings by which we investigate ourselves; nevertheless, I thought it was an issue that really needed some in-depth examination by the committee itself.

Mr. RHODES. Mr. Speaker, my colleague, the gentleman from Illinois (Mr. McCLORY) has brought to our attention today a very serious matter. It involves the integrity of the House and the veracity of one of its instrumentalities. Beyond that, it involves the security of the United States.

It is a source of dismay to me that Members of the House and Senate have the attitude that anything goes, if it will create a headline or two. All of this is justified as a new spirit of truth in government. But in areas involving national security, we can easily go beyond the need of proper information, and into the realm of undermining our intelligence operations.

I do not believe that being honest with the American people mandates that Congress establish the "Right to Blab." Each Member of the House, the Senate, has the obligation to protect the interests of the United States from aggression and subversion. This involves judgment, which I regret to state, has been sadly lacking in some of the actions taken by the Select Committee majority. Heedless disclosure of vital security information is not a public service, it is a thoughtless erosion of the honor of this Congress, a failure to fulfill the moral obligations of the office, and is of inestimable value to those who wish the United States harm.

It is ironic that Congress continues to demand more and more information, while proving to have the porosity of a sieve. We cannot expect executive agencies charged with our national security, to confide in a Congress that is a direct conduit to the public press, and rushes to the media to divulge every particle of information it receives.

President Ford has rightfully resisted this rush to indiscriminate revelation. As a Member of this body for 25 years he knows that Congress is, and should be, privy to information that it should not leak for general distribution. Security, of necessity, involves activities that can only be performed in anonymity. Congress can know about these actions, but should not regard receipt of such information as an invitation to play "show and tell" with the media.

We live in a perilous world. Aggression and subversion are a constant threat. Congress has a delicate job to do in playing square with the American people, while remaining mindful of the necessities of security and intelligence operations. Exposure of abuses has its place. Mindless information peddling and headline hunting are to be abjured.

I believe our colleague Mr. McCLORY has brought up some points we all should give most serious thought. This particular conflict between Congress and the Executive is not a fitting area for stubborn insistence on the right of way. It is not a fitting area to contest competing jurisdiction. It is an area of great import to the Nation's future. Irreparable damage already has been done. CIA agents have bene jeopardized, and our surveillance system riddled by unwise disclosures. Let us not compound this folly by insisting on issuance of a report that goes far beyond the need for candor, and ventures into the field of undercutting our national security. We owe the American people more responsibility than that. I am hopeful that we can recognize the difference between rightful public information and heedless dissemination of vital American security secrets.

GENERAL LEAVE

Mr. TREEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order today.

The **SPEAKER** pro tempore (Mr. NEDZI). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

A COMPARISON OF THE JOBS CREATION ACT AND THE PRESIDENT'S NEW TAX REFORM PROPOSALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, since the President outlined in his state of the Union message a major new initiative, designed to remove a number of the major inequities in the Nation's tax laws, I have been asked by a number of Members if I have made a comparison between that initiative and the provisions of the Jobs Creation Act.

The Jobs Creation Act is a bill to accelerate the formation and accumulation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy which I first introduced in March of last year. That measure now has 106 cosponsors.

I have made a comparison between these two proposals, and I take this opportunity to bring that comparison to the attention of my colleagues.

The President's proposals help immeasurably to bring the question of how to deal effectively with the biases in our present tax laws against savings and investment into clearer focus. Increased awareness of this question and of alternative means of answering it is an essential foundation for making the right decisions. This issue was addressed to some degree in 1975 during the deliberations of the House Committee on Ways and Means on what ought to constitute the provisions of the Tax Reform Act. A large number of witnesses representing virtually every segment of American life, appeared before the committee in support of removing present disincentives to capital formation.

I testified on July 25 on the issue in general and in support of the Jobs Creation Act in particular. Secretary of the Treasury William E. Simon presented the administration's proposals for enhancing capital formation on July 31. As we are all aware, the Tax Reform Act passed the House with only a modicum of reform in this regard. That measure is now pending before the Senate Committee on Finance. It is before the Committee on Finance that most attention will be now focused.

As I indicated at the outset, I have had an opportunity to compare the provisions of the Jobs Creation Act, most recently reintroduced as H.R. 10538 and S. 2465, and the President's tax proposals. I hope this comparison will provide a more specific understanding of how they are similar and how they are dissimilar.

THE JOBS CREATION ACT

The Jobs Creation Act is designed to accelerate the formation and accumulation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy.

The Jobs Creation Act consists of 13 substantive provisions, as follows:

Tax credits for qualified savings and investments up to $1,000 per year, section 3.

Increases in the ceilings on individual retirement accounts, retirement savings, and retirement bonds, section 4.

Exclusion from gross income of amounts received by an individual as dividends from domestic corporations, thus elimination of double taxation of dividends, section 5.

Exclusion of first $1,000 capital gains, section 6.

Extension of time for payment of estate tax where estate consists largely of interest in closely held, small business, section 7.

Protection of interests in family farming operations, section 8.

Reduction of corporate normal tax from 22 to 20 percent, section 9.

Reduction of corporate surtax from 26 to 22 percent, section 10.

Increase in corporate surtax exemption from $50,000 to $100,000, section 11.

Increase in investment tax credit to 15 percent and make same permanent, section 12.

Increase in class life variances, ADR range from 20 to 40, section 13.

Provision for new alternative system of capital recovery allowances, section 14.

Provision for 1 year writeoff of pollution control equipment mandated by statute or regulation, section 15.

The Jobs Creation Act, according to a study released on November 12, 1975, and prepared by Norman B. Ture Consultants, Inc., of Washington, would generate in the first year of its enactment increases over what would otherwise occur of $151.4 billion in the gross national product, $74.6 billion in capital outlays, and $5.2 billion in Federal revenues. The study concluded, further, that if all of the increased productivity went into employment, there would be increases in employment above trend of 8.7 percent in the first year. Similar conclusions were made in the study as to the second and third years after enactment.

THE PRESIDENT'S PROPOSALS

The President's state of the Union message of January 19, 1976, outlined an economic program "designed to keep the economy on an upward path toward two central long-term objectives: sustained economic growth without inflation; jobs for all who seek work." That program is focused on both spending restraint and a balanced budget by 1979 and tax cuts.

The President's approach to the unemployment problem has embraced three sets of policies, outlined in the fact sheet accompanying the message, as follows:

1. Alleviating the economic hardship for those who are unemployed through temporarily extending unemployment insurance coverage to 12 million additional workers and temporarily extending the period of time individuals may receive unemployment insurance from 39 to 65 weeks.

2. Providing increased funds for established and proven Federal programs including Comprehensive Employment and Training Act (CETA), summer youth employment and public service employment.

3. Stimulating economic activity in the private sector through a reduction in individual and corporate income taxes and encouraging increased investment in America's economic future through a series of tax incentives.

While it can be argued that the first and second components of the job creation and employment program are counterproductive with respect to the third, because of the requirement of raising revenue from the private sector from which the private sector would have created or sustained existent jobs therein, the principal jobs creation focus has been on the third component.

The President's tax reform related jobs creation package consists of the following recommendations:

First, six basic tax cuts, three oriented toward stimulation through consumption and three oriented toward stimulation through production, as follows:

An increase in the personal exemption from $750 to $1,000.

Substitution of a single standard deduction for the existing low income allowance and percentage standard deduction.

A reduction in individual income tax rates.

A permanent 10 percent investment tax credit.

A reduction in the maximum corporate income tax rate from 48 percent to 46 percent and making permanent the current temporary tax cuts on the first $50,000 of corporate income.

A program to stimulate construction of new electric utility facilities.

Second, provision for accelerated depreciation for construction of plants and equipment in high unemployment, defined in excess of 7 percent, areas, with provisos as to qualifying location, qualifying real estate, qualifying equipment, amortization, and investment credit.

Third, authorization of broadened stock ownership plans to allow low and middle income working Americans to defer taxes on certain funds invested in common stocks.

Fourth, a stretch-out of the estate tax payment period with a reduction in interest to be paid upon such taxes.

It should be noted that the President has already proposed a phased integration of the corporate and individual income tax to eliminate the double taxation of corporate dividends. This proposal was reiterated in the fact sheet accompanying the state of the Union address.

The proposals made by the President on January 19 are expected by the administration to result in a loss of revenue. That loss is presently projected at $22.2 billion, of which $18.5 billion would be related to individual cuts and of which $3.7 billion would be related to business cuts. No figures have been released or are known to have been prepared by the administration as to the effects of the proposed reforms on either gross national product, or capital outlays, or unemployment.

To better understand the questions involved here, I think it is necessary to compare the Jobs Creation Act and the President's proposals both in general and in specific terms.

Let me deal with the general questions first.

A COMPARISON OF APPROACHES

The consideration of various alternatives for tax reform and tax reduction cannot be within a vacuum, either in terms of economics or public and congressional opinion. For this reason, consideration should be given to at least five considerations:

First, the relative capacity of the alternatives to resolve the higher inflation versus higher unemployment dilemma in public policymaking;

Second, the risks incurred in proposing recommendations for expenditure and tax reductions when tax reductions are more readily acceptable to the majority within the Congress;

Third, the way in which the reforms are proposed to the people and to the Congress;

Fourth, the intent of the proponents as to the type of taxpayer behavior sought to be modified; and

Fifth, the process and role of capital creation with respect to both jobs and productivity.

The most important distinction between the Jobs Creation Act and the President's proposals is the capacity of the Jobs Creation Act to resolve the dilemma in public policymaking between higher inflation on one hand or higher unemployment on the other. It is said that if one reduces inflation, it can be only through policies which will simultaneously increase unemployment; it is said that if one reduces unemployment, it can be only through policies which will simultaneously increase inflationary pressures.

The Jobs Creation Act, by increasing Federal revenue with which to offset inflationary deficits and borrowing and by increasing tax-paying rather than tax-consuming employment, resolves this dilemma. The President's proposals do not. In fact, by offering a tax reduction package more acceptable to the Congress than an expenditure reduction, it runs a higher risk of falling into this policymaking pitfall.

The President's proposals for tax cuts rest upon the assumption that proposals for expenditure cuts will be as acceptable. To the degree tax cuts are accepted and expenditure cuts are not accepted, the size of the deficit will increase, and the amount of borrowing by the Government will increase. A "crowding out" of capital will then result, and inflationary pressures will increase. The Jobs Creation Act avoids this potential pitfall by offering tax reforms which will have the consequence of producing additional tax revenues through increased overall business activity.

The President's State of the Union Message, the accompanying information, and the specific proposals put forth are couched in terms of "individual cuts" and "business cuts." This is an unnecessary and an unfortunate dichotomy. All taxes are paid ultimately by the people. They pay some taxes directly—for example, individual taxes on income. They pay other taxes indirectly—for example, through higher prices on goods and services because of the taxes on businesses which are treated as costs of doing business. It is preferable, realizing that people pay all taxes, to regard all taxes as either burdens on consumption or burdens on productivity. The Jobs Creation Act, in not structuring proposed reforms on the basis of individual cuts and business cuts but rather on the basis of removing burdens so as to stimulate both jobs creation and productivity, avoids this misleading dichotomy.

The President's proposals are targeted. They are designed to induce changes in conduct among taxpayers—as taxpayers, consumers and investors. The increase in the personal exemption, the substitution of a single standard deduction, and the reduction in individual income taxes are designed to stimulate consumption and rest upon Keynesian principles. The proposals with respect to businesses are similarly targeted, and no matter how praiseworthy in more than a few instances, are still not broadly based. For capital formation to be adequate and stable, it must be based on the reorientation of conduct, more away from consumption and more toward production, in a wide range of taxpayers interests. The Jobs Creation Act does this, and specific points will be developed below illustrating this principle.

It is an undeniable fact of economics that the real wage is determined by the productivity of labor. The greater the productivity of labor, the higher the real wage. The productivity of labor is determined in largest measure by the amount and quality of capital with which the work force has to work. The productivity of labor increases in large part as the quantity and quality of the capital stock increases. The demand for labor increases as labor productivity increases. Therefore, the surest way to create jobs and higher real wages—as well as a larger tax base and economic growth—is to create capital. This established principle of economics is widely respected throughout the world. It is challenged only by the contention that consumption creates jobs, a point apparently widely accepted in the President's proposal to reduce individual taxes by $18.5 billion and business taxes by only $3.7 billion, in that most of the individual tax cuts will go to consumption and most of the business cuts will go to production.

Let me now deal with the specific points of agreement and disagreement between these two sets of proposals.

A COMPARISON OF SPECIFIC PROPOSALS

First, the President has tied the proposed tax reduction to his proposed expenditure reduction, a proposal designed to reduce the size of the deficit and the amount of borrowing in the private sector. The Congress can be assumed, however, to be more inclined to reduce taxes than to reduce expenditures. The Jobs Creation Act avoids this dilemma, but there are other ways in which the President's objectives could be met.

The President could seek a tax cut at the level of the proposed expenditure cut, with a proviso in the legislation that should the expenditure cut not equal the tax cut, an automatic surtax, determined by mathamatical calculation, would be effective for the tax year, at a level commensurate with the failure of the Congress to reduce expenditures commensurately. For example, if a tax cut of $28 billion were approved, but the Congress subsequently reduced expenditures by only $18 billion, a surtax at a rate necessary to bring in the remaining $10 billion in revenue would become operative.

Second, if the President feels it necessary to reduce individual taxes at a level of $18.5 billion, in terms of both jobs creation and productivity this could be more effectively done through a $18.5 billion individual tax cut designed more specifically to help form and accumulate capital. For example, instead of the three proposals offered by the President—increase in the personal exemption, substitution of a single standard deduction, and a reduction in individual income tax rates—all of which are consumption oriented, proposals could be offered for individual tax cuts which are production and jobs creation oriented. These are measures which simultaneously reduce individual tax burdens, in terms of percentage tax borne to aggregate personal income, but generate increased total revenue to the Treasury through stimulated business activity.

Examples of such measures are found in the Jobs Creation Act, to wit: Tax credits for qualified savings and investments; increases in the ceilings on individual retirement accounts, retirement savings, and retirement bonds; exclusion from gross income of amounts received by an individual as dividends from domestic corporations; and exclusion of the first $1,000 capital gains.

Third, there are several problems associated with the President's proposal to accelerate depreciation for construction of plants and equipment in high unemployment areas.

The President's proposals would become operative for an area of high unemployment when the level of unemployment is 7 percent. That level is less than the national average for unemployment. Thus, if the intent is to specifically target into areas of high unemployment, it may be available on such a broad basis as to frustrate the intent to target capital outlays by geographical area.

In addition, areas may have high unemployment levels for reasons not associated with the national economic condition. There are many reasons not associated with the national economic condition. There are many reasons why businesses may have relocated from an area or State, leaving high unemployment. These examples include high corporate taxes, high individual taxes, inadequate industrial development bond assistance, outmoded union work rules, high wage rates, community attitude.

Furthermore, the President's proposal sets forth the time frame for eligibility for such accelerated depreciation: "Construction of such facilities must begin within 1 year of today [January 19, 1976] to be eligible." This is a mistake and, perhaps, was not intended.

Few would commence construction on any facilities of high dollar consequence on the basis of the proposal. They would start construction only on the basis of Congress having actually enacted such a proposal. This could be many months from the date of the proposal, and there is great likelihood that Congress will not act, with finality, on any provisions incorporated into the Tax Reform Act now pending before the Senate Committee on Finance until late summer or early fall. That in turn would leave inadequate time for getting many such facilities actually started by January 19, 1977.

This should be amended to provide for a 1 year period, with the front-end date being the date of enactment.

Fourth, the President's proposed Broadened Stock Ownership Plan—BSOP—appears to be a combination of the Employee Stock Ownership Plan—ESOP, section 3 of the Jobs Creation Act—qualified savings and investments, and some imaginative thinking. There are improvements, and there are problems.

The BSOP would allow individual establishment of plans, rather than establishment only through employers. There are a large number of taxpayers who would wish to avail themselves of this plan but who do not work for employers who would. This modification is desirable.

No maximum amount of annual contribution is stated in the proposal. This should be no less than $1,000 per annum to have the desired effects; $2,000 for a married couple filing a joint return.

The use of the funds is too narrowly restricted. The funds, to qualify for the deduction from taxable income, can be used only for the purpose of purchasing common stock. This is obviously designed to improve the equity position of corporations. The taxpayer ought to have a broader opportunity for investment, and section 3 of the Jobs Creation Act is preferred. That section would permit a tax credit for investments in the form of savings in a commercial or mutual savings bank, a savings and loan, building and loan, or similar association, a credit union, any company duly chartered for the purpose of issuing life insurance or annuity contracts, and any investment company; in the form of purchases of common or preferred stock in a domestic corporation; in the form of purchases of bonds or other debt instruments issued by domestic corporations; in the form of increases in the surrender value of life insurance, annuity, or mutual fund. This would permit capital to flow in directions other than toward equity in corporations, for example, construction of housing.

It is assumed that if a BSOP is established by an employer, that purchases of common stock not be restricted to the common stock of said employer.

Section 3 of the Jobs Creation Act is presently written in such a manner as to require an annual disclosure of net wealth. This is not a preferable means of tracking the funds for which a credit or deduction is allowed, for it raises some possibility that a wealth tax, such as is found in other countries, could be imposed as a new means of taxation. The BSOP plan seems to avoid this problem and, in that regard, is preferable.

Fifth, it is unclear as to whether the 7-year investment requirement—funds in a BSOP would have to remain invested for at least 7 years and are subject to tax at the time of withdrawal—mandates the initial investment being held for 7 years or if it is possible, provided the dollar amount of investment remains invested, to shift the exact investment. For example, if a taxpayer purchases $1,000 in common stock in the U.S. Widget Corp., must he continue that investment for 7 years, or can he shift than $1,000 after, for example, 2 years to the common stock of the U.S. Hockey Puck Corp.? The taxpayer should have the investment flexibility to shift the exact nature of the stocks owned, provided the investment in common stocks or other qualified investments is not withdrawn from investment purposes.

These points are summarized in the following table:

A COMPARISON OF THE PRESIDENT'S TAX REFORM AND THE JOBS CREATION ACT PROPOSALS

PRESIDENT FORD'S PROPOSALS	JOBS CREATION ACT	COMMENTS
1. Increase in the personal exemption from $750 to $1,000.	1. No provision.	
2. Substitute of a single deduction for the existing low income allowance and percentage standard deduction.	2. No provision.	
3. A reduction in individual income tax rates.	3. No provision.	
4. A per capita exemption credit of $17.50 with alternate taxable income credit equal to 1 percent of the first $1,000 of taxable income.	4. No provision.	
5. An earned income credit equal to 5 percent of earned income with a maximum of $200, phasing out at $8,000 of earned income or adjusted gross income whichever is greater.	5. No provision.	
6. A reduction in corporate rates: 20 percent for first $25,000 of taxable income, 22 percent for the second $25,000 of taxable income, and 47 percent for taxable income above $50,000.	6. §§ 9, 10, and 11: A reduction in the corporate normal tax rate from 22 to 20 percent; a reduction in the corporate surtax rate from 26 to 22 percent; and permanent increase in corporate surtax exemption from $50,000 to $100,000.	Until Tax Reduction Act of 1975, there was no concept of progressivity in corporate taxes; the President's proposals seem to encourage development of that concept in corporate taxes.
7. A program to stimulate construction of electric facilities.	7. No provision.	
8. Accelerated depreciation for construction of plants and equipment in high unemployment areas.	8. §§ 13 & 14: Deals with area of accelerated depreciation through increase in ADR range from 20 to 40 and by offering a new, alternative means of capital recovery, patterned from the Capital Recovery Allowances Act proposal.	
9. Make the investment tax credit permanent at 10 percent rate.	9. § 12, in part: would make the investment credit permanent but at rate of 15 percent.	
10. Phased integration of the corporate and individual income taxes now imposed on corporate dividends.	10. § 5, exclusion from gross income of individuals of amounts received by an individual as dividends from domestic corporations.	
11. Broadened Stock Ownership Plan, limited to common stock in corporations, but allowing both individual and employer plans.	11. § 3, tax credits for qualified savings and investments; title III of the initial version of Jobs Creation Act, H.R. 4906, Employee Stock Ownership Plan Financing—ESOP.	§ 3 of Jobs Creation Act allows tax credit for investment by individuals over a broader range of investment opportunities, including bonds, savings, insurance surrender values, common stock, mutuals; title III of H.R. 4906 was deleted from subsequent versions to conform with "phase I" format in House deliberations.

A Comparison of the President's Tax Reform and the Jobs Creation Act Proposals—Continued

President Ford's proposals—Continued	Jobs Creation Act—Continued	Comments—Continued
12. Estate tax proposals for family farms and businesses.	12. §§ 7 & 8.	§§ 7 & 8 are closely similar to President's proposals.
13. No provision.	13. § 4, increases in ceiling levels for individual retirement accounts, savings, and bonds.	
14. No provision.	14. § 6, exclusion of first $1,000 of capital gains.	§ 4 is important to continue lessening dependency on government trust funds for same purposes.
15. No provision.	15. Alternative amortization, 1-yr. write-off, for pollution control facilities.	

Mr. Speaker, I am sure that other points of comparison and quite possibly other points of disagreement will emerge once the President's proposals are reduced to specific language and transmitted to the Congress in the form of a legislative package to flesh out the proposals given to us last Monday evening.

PRINCIPAL FOCUS TO BE BEFORE SENATE COMMITTEE ON FINANCE

As I indicated a moment ago, it is before the Committee on Finance that most attention will now be focused. The committee now has before it the House-passed bill, the Tax Reform Act; the Jobs Creation Act, both in House and Senate format; the proposals of the administration made through the State of the Union Message; and the proposals of others. While the chairman of the committee, Senator Russell B. Long of Louisiana, has indicated that the Senate Committee will work principally from the House-passed bill, I am encouraged by his remarks before the Tax Foundation in New York City before the recess, to the effect that one of his areas of principal concern about the House-passed bill is its inadequate attention to the question of assuring adequate capital formation. I am also hopeful, since the President has made this a major component of his economic program, that the committee will give the fullest consideration to all proposals through which to assure adequate capital formation.

INTRODUCTION OF RESOLUTION ON ANGOLA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. Bonker) is recognized for 5 minutes.

Mr. BONKER. Mr. Speaker, I am today introducing a House resolution, now cosponsored by 203 Members, advising the President to refrain from aiding factions in Angola unless and until Congress explicitly approves. The resolution is intended to signal the administration that there is broad discontent with both the covert nature of our involvement in Angola, and, by implication, with the merits of the policy itself. In this sense, though it would lack legal standing, the resolution goes beyond the Tunney amendment, which only addresses the particular CIA funding incorporated in the fiscal year 1976 Department of Defense appropriation. The resolution is concerned with all aid, both direct and indirect, for both military and paramilitary operations.

In particular, it was formulated with an eye to the real possibility that our aid to Zaire is finding its way to neighboring Angola, or at least having the effect of freeing up Zaire's own resources for diversion to Angola. Furthermore, it is not entirely clear that further CIA funding is not available through reprograming, transfers between accounts, or in other bills or unobligated previous appropriations.

I am pleased that Senator Clark is conducting hearings into the background of our Angolan policy and trying to get the administration's reasoning more explicitly before Congress and on the public record. I am hopeful that the House, too, will address broader issues, such as the matter of our using certain countries that are recipients of regularly authorized security assistance as conduits for our sub rosa involvements in third countries. In addition, it would be helpful for Congress to set forth its own ideas on a general African policy and the ethics and practical utility of intervention as an instrument of foreign policy—especially in view of the administration's apparent default. I intend to request that the House International Relations Subcommittee on Investigations consider these matters; and my resolution may be the vehicle for their consideration by the full committee.

A copy of the resolution and a list of cosponsors follow:

H. Res. ——

Resolved by the House of Representatives of the United States of America, That it is the sense of the House that—

(1) The people of Angola should be allowed to determine their own political future without military interference from any foreign country;

(2) The Congress supports efforts by the Organization of African Unity to achieve a settlement of the conflict in Angola and calls upon all countries to terminate any military assistance such countries may be giving to any group, organization, movement, or individual in Angola;

(3) A disengagement by such countries would be a welcome reaffirmation of the spirit of détente, both throughout the world and in Africa;

(4) The President should do his utmost to seek an agreement among the various parties involved in hostilities or in the support of such hostilities in Angola to terminate such hostilities or such support; and

(5) The President should refrain from providing assistance of any kind, directly or indirectly, for military or paramilitary operation in Angola unless and until such assistance is specifically approved by Congress.

LIST OF COSPONSORS

Bella S. Abzug, New York.
Brock Adams, Washington.
Joseph P. Addabbo, New York.
Bill Alexander, Arkansas.
Clifford Allen, Tennessee.
Jerome A. Ambro, New York.
Glenn M. Anderson, California.
Les Aspin, Wisconsin.
Les AuCoin, Oregon.
Herman Badillo, New York.
Alvin Baldus, Wisconsin.
William A. Barrett, Pennsylvania.
Max Baucus, Montana.
Edward P. Beard, Rhode Island.
Berkley Bedell, Iowa.
Bob Bergland, Minnesota.
Jonathan B. Bingham, New York.
James Blanchard, Michigan.
Michael T. Blouin, Iowa.
Lindy (Mrs. Hale) Boggs, Louisiana.
Edward P. Boland, Massachusetts.
Don Bonker, Washington.
John Brademas, Indiana.
William M. Brodhead, Michigan.
George E. Brown, Jr. California.
James A. Burke, Massachusetts.
Yvonne Burke, California.
John Burton, California.
Philip Burton, California.
Charles J. Carney, Ohio.
Bob Carr, Michigan.
Shirley Chisholm, New York.
William (Bill) Clay, Missouri.
Cardiss Collins, Illinois.
John Conyers, Jr., Michigan.
James C. Corman, California.
Robert J. Cornell, Wisconsin.
William R. Cotter, Connecticut.
Norman D'Amours, New Hampshire.
Dominick V. Daniels, New Jersey.
George E. Danielson, California.
Mendel J. Davis, South Carolina.
Ronald V. Dellums, California.
John H. Dent, Pennsylvania.
Charles C. Diggs, Jr., Michigan.
Christopher J. Dodd, Connecticut.
Thomas J. Downey, New York.
Robert F. Drinan, Massachusetts.
Pierre S. (Pete) du Pont, Delaware.
Robert W. Edgar, Pennsylvania.
Don Edwards, California.
Joshua Eilberg, Pennsylvania.
David F. Emery, Maine.
David W. Evans, Indiana.
Frank E. Evans, Colorado.
Joe L. Evins, Tennessee.
Dante Fascell, Florida.
Millicent Fenwick, New Jersey.
Floyd J. Fithian, Indiana.
James J. Florio, New Jersey.
Thomas S. Foley, Washington.
Harold Ford, Tennessee.
William D. Ford, Michigan.
Edwin B. Forsythe, New Jersey.
Don Fraser, Minnesota.
Robert Giaimo, Connecticut.
Sam Gibbons, Florida.
Bo Ginn, Georgia.
William F. Goodling, Pennsylvania.
Wiliam J. Green, Pennsylvania.
Gilbert Gude, Maryland.
Tim L. Hall, Illinois.
Lee H. Hamilton, Indiana.
Jim Hanley, New York.
Michael Harrington, Massachusetts.
Tom Harkin, Iowa.
Mark W. Hannaford, California.

Herbert E. Harris II, Virginia.
Augustus F. Hawkins, California.
Philip H. Hayes, Indiana.
Ken Hechler, West Virginia.
Bill Hefner, North Dakota.
Henry Heltoski, New Jersey.
Kenneth L. Holland, South Carolina.
Elizabeth Holtzman, New York.
James Howard, New Jersey.
Allan T. Howe, Utah.
William J. Hughes, New Jersey.
William L. Hungate, Missouri.
Andrew Jacobs, Indiana.
James M. Jeffords, Vermont.
John W. Jenrette, Jr., South Carolina.
James P. Johnson, Colorado.
Ed Jones, Tennessee.
Walter B. Jones, North Carolina.
Barbara Jordan, Texas.
Joseph E. Karth, Minnesota.
Robert W. Kastenmeier, Wisconsin.
Martha Keys, Kansas.
Edward I. Koch, New York.
John Krebs, California.
John Lafalce, New York.
Robert L. Leggett, California.
William Lehman, Florida.
Elliott H. Levitas, Georgia.
Jerry Litton, Missouri.
Jim Lloyd, California.
Clarence D. Long, Maryland.
Gillis W. Long, Louisiana.
Paul N. McCloskey, Jr., California.
Mike McCormack, Washington.
Matthew F. McHugh, New York.
Stewart B. McKinney, Connecticut.
Torbert H. MacDonald, Massachusetts.
Ray Madden, Indiana.
Andrew Maguire, New Jersey.
Spark M. Matsunaga, Hawaii.
Romano L. Mazzoli, Kentucky.
Lloyd Meeds, Washington.
Ralph A. Metcalfe, Illinois.
Helen Meyner, New Jersey.
Edward Mezvinsky, Iowa.
Abner J. Mikva, Illinois.
George Miller, California.
Norman Mineta, California.
Patsy Mink, Hawaii.
Joseph G. Minish, New Jersey.
Parren J. Mitchell, Maryland.
Joe Moakley, Massachusetts.
Toby Moffett, Connecticut.
William S. Moorhead, Pennsylvania.
Charles A. Mosher, Ohio.
John E. Moss, California.
Ron Mottl, Ohio.
Morgan F. Murphy, Illinois.
Stephen Neal, North Carolina.
Robert N. C. Nix, Pennsylvania.
Richard Nolan, Minnesota.
Henry J. Nowak, New York.
James L. Oberstar, Minnesota.
David R. Obey, Wisconsin.
James G. O'Hara, Michigan.
Richard Ottinger, New York.
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Edward W. Pattison, New York.
Claude Pepper, Florida.
Otis Pike, New York.
Larry Pressler, South Dakota.
Joel Pritchard, Washington.
Charles B. Rangel, New York.
Thomas M. Rees, California.
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Fred Richmond, New York.
Donald W. Riegle, Michigan.
Peter Rodino, Jr., New Jersey.
Teno Roncalio, Wyoming.
Fred B. Rooney, Pennsylvania.
Charles Rose, North Carolina.
Benjamin S, Rosenthal, New York.
Edward R. Roybal, California.
Martin A. Russo, Illinois.
Fernand J. St Germain, Rhode Island.
Ronald A. Sarasin, Connecticut.
Paul Sarbanes, Maryland.
James Scheuer, New York.
Patricia Schroeder, Colorado.
John F. Seiberling, Ohio.
Phil Sharp, Indiana.
Paul Simon, Illinois.
Neal Smith, Iowa.
Stephen J. Solarz, New Jersey.
Gladys Noon Spellman, Maryland.
James V. Stanton, Ohio.
Fortney H. (Pete) Stark, California.
Tom Steed, Oklahoma.
Louis Stokes, Ohio.
Gerry Studds, Massachusetts.
James W. Symington, Missouri.
Frank Thompson, Jr., New Jersey.
Bob Traxler, Michigan.
Paul Tsongas, Massachusetts.
Mo Udall, Arizona.
Al Ullman, Oregon.
Lionel Van Deerlin, California.
Richard F. Vander Veen, Michigan.
Charles A. Vanik, Ohio.
Henry A. Waxman, California.
James Weaver, Oregon.
Charles W. Whalen, Jr., Ohio.
Charles H. Wilson, California.
Timothy E. Wirth, Colorado.
Lester L. Wolff, New York.
Antonio Borja Won Pat, Guam.
Jim Wright, Texas.
Sidney R. Yates, Illinois.
Gus Yatron, Pennsylvania.
Andrew Young, Georgia.
Leo Zeferetti, New York.
John Melcher, Montana.
Robert H. Mollohan, West Virginia.
J. Edward Roush, Indiana.

LAFALCE: MINUTEMEN PRODUCTION ESSENTIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 10 minutes.

Mr. LAFALCE. Mr. Speaker, among the most important issues which we will be discussing in the upcoming weeks will be America's defense posture, not only in the context of the on-going SALT talks but also in the broader context of worldwide tensions and opportunities.

Our strategic arms posture is central to this question. We should not find ourselves in a position of weakness, despite the apparent and welcome progress in arms limitation talks, for no one can maintain that world tensions generally, or tensions between the United States and the Soviet Union, are about to vanish overnight.

Yet the President's budget includes a proposal to discontinue further production of the most reliable component in our strategic arsenal, the Minuteman III ICBM. In effect, the President has said, our present stockpile of this missile will suffice for our present needs and for future testing needs, in spite of the fact that the plans for a new generation of American ICBMs are at the very earliest stages and production of a new missile could not possibly reach a meaningful level until the mid-1980's, assuming no serious problems arise between now and then.

Yet the Russians have four ICBM's on the production lines right now and there is no reliable indication that they are about to emulate our approach and stop production before, rather than after, SALT agreements which may or may not take place.

I do not say that I have all the answers or even any of them. But I do believe that these issues warrant very serious discussion. We should ask, for example, whether it is more advisable to expend scarce funds on speculative and controversial projects such as the B-1 bomber or the Trident submarine—either or both of which might, of course, ultimately never go into full production—than to keep up our production capability for the Minuteman III. Shutting down this production line, Mr. Speaker, will be easy—all we have to do is stop placing orders. But if we decide later on that it was a mistake to shut it down, we will then learn that it is a lot harder to re-start a production line than it was to shut it down in the first place.

I think that we should give the defense procurement proposals very, very careful scrutiny. And if we find that there are some proposals which are untried and of dubious value we should make our decisions on whether or not to fund them in full cognizance of the fact that we are making a decision among various priorities and that one of them is the Minuteman III, one of the most thoroughly tested and proven reliable weapons in the history of the world. I know how I come out on such a comparison and I hope that my colleagues in Congress will come to the same conclusions I have.

Our debate on these issues should, of course, center on the quantitative and qualitative judgments noted earlier. But in a more personal perspective, it is not irrelevant for me to point out that there are hundreds of workers in my congressional district—an area of the country suffering under an oppressive 15 percent unemployment rate already—whose futures will depend, at least in part, on the Minuteman decision. These expert technicians, and literally thousands like them throughout the country, are the components of the production line which, once allowed to go their separate ways, will be almost impossible to reassemble. And the personal trauma through which they may be asked to go is a real social cost which is of more than legitimate concern to those of us in Congress who will make the final decisions on the President's budget proposals.

At this point, Mr. Speaker, I would like to introduce into the RECORD an article from the January 19 edition of Aviation Week & Space Technology which bears on these issues. While I do not necessarily agree with everything contained in that article, I do believe that it focuses the problem and outlines some of the considerations we should take into account in our review of the defense budget this year. With your permission, I submit this article for printing in the RECORD:

MINUTEMAN PRODUCTION DEFENDED: CURRIE URGES CONTINUANCE OF AT LEAST ADVANCED TECHNOLOGY COMPONENTS IN WAKE OF ADMINISTRATION CANCELLATION DECISION

(By Clarence A. Robinson, Jr.)

WASHINGTON.—Elements within the Defense Dept. are making a last-ditch effort to keep the production line for the Air Force/Boeing Minuteman ICBM open for at least another year.

As the Administration's Fiscal 1977 Defense budget goes to Congress this week, the Pentagon's director of Defense research and engineering (DDR&E), Malcolm R. Currie, expects that some funding for Minuteman will be included.

Currie said he is confident that at least the major components involving advanced technology in the inertial guidance system will be funded for production.

He made a last-minute written plea to new Defense Secretary Donald Rumsfeld last week with strong reasons why Minuteman production should continue for the good of the country.

The move by Currie came after the Administration had decided to close down the Minuteman production line when Fiscal 1976 funding runs out in June (AW&ST Dec. 8, 1975, p. 13; Apr. 28, 1975, p. 99).

Currie blamed the decision not to fund continued Minuteman production on "a disconnect between the research and development community, the Defense Dept. comptroller, program analysis and evaluation and the Office of Management and Budget."

Some units within the Defense Dept. did not understand the effect that closing the Minuteman production line would have on major components of the ICBM—items that take years to develop and bring to the production stage, Currie said.

Defense Dept. officials estimate it would take about five years to get another guidance system into production for the Minuteman replacement, the MX missile system.

Continuing booster production is another possibility because it would take about three years to start up production for a new motor after development. If the propellant production line is broken, it would take about the same length of time to restart the line again, according to Defense Dept. officials.

The Minuteman missile now being produced costs the Defense Dept. $9.1 million per copy. That cost is based on research, development, test and evaluation costs as well as procurement costs—a program unit cost, and the figure is expressed in inflated dollars based on production through 1981.

The Ford Administration's decision to close the Minuteman line comes at a time when Secretary of State Henry A. Kissinger is preparing to fly to Moscow to seek a break in the strategic arms limitation talks for a SALT treaty based on the Vladivostok agreement. The action, following the congressional closing of the Army Safeguard anti-ballistic missile defense site in North Dakota, weakens the U. S. posture in negotiating with the Soviets, a number of Defense Dept. officials argue.

"The Soviets must be laughing up their sleeves at what we are doing to ourselves in the name of detente," a senior Defense Dept. official said.

If the line for major Minuteman components is kept open as Currie expects, the Air Force is considering use of the inertial guidance system, the Rockwell Autonetics NS–20, to upgrade the 450 Minuteman 2 ICBMs still deployed.

USAF sought continued production of the Minuteman in order to replace 700 Minuteman 2s with Minuteman 3s, but the Defense Dept. decided that the deployment would be limited to 450 Minuteman 2s, 550 Minuteman 3s and 54 Titan 2s.

COST EFFECTIVENESS STUDIED

If the booster production is continued along with that of the guidance package, it might prove more cost effective to continue producing the entire missile for USAF's spares inventory.

USAF has studied the effect of closing the production line for the missile and has determined that the most cost-effective approach to keeping the line open is to produce five to eight ICBMs per month.

The Air Force is procuring 56 Minuteman 3s now being assembled on the line under Fiscal 1976 funding. If the line is shut down by either the Administration or Congress, the service would have sufficient ICBMs to conduct operational tests with the missile into the 1980s without cutting into the operational inventory.

MAY NEED TRADEOFF

However, if a major problem develops with any of the Minuteman components, which would require flight testing to validate modifications, a tradeoff would be needed between operational testing of missiles and cutting into the inventory, according to a senior Defense Dept. official.

USAF already has improved the Minuteman 2's second stage to increase the missile's range about 500 naut. mi. and would like to use the NS–20 guidance system with the missile if production continuation is approved.

USAF has installed the command data buffer system, a method of electronically retargeting ICBMs to reduce targeting time from about 24 hr. to 35 min., on 200 Minuteman 3 missiles at Warren AFB, Wyo. The service expects to complete next month installing the system on the 150 Minuteman 3s at Minot AFB, N.D. The command data buffer system is compatible only with the Minuteman 3 missile.

As the retargeting system is installed, the Strategic Air Command also is improving the Minuteman silos to harden them against nuclear effects. Three prime improvements are being made.

They are:

Shock isolation of the launch facility floor to lessen nuclear blast effects.

Missile suspension system for the missile employing liquid and mechanical springs, suspension cables and foam blocks.

Debris improvement system designed to keep out or limit electromagnetic pulse debris with a system of seals, filters and a dust shroud around the launcher door. The gas generator is also more powerful in case the debris load on the blast doors is heavy.

The Air Force also is improving the reentry vehicle system for the Minuteman 2s with the Mk.11C—a single warhead in the 1–2-megaton yield category with an eight-target selection capability. The Mk.11C is like the earlier MK.11B it replaces, but is improved and hardened against nuclear effects.

Both the Mk.11B and C employ penetration aid canisters.

The Mk.12 reentry vehicle for the Minuteman 3 now deployed has three warheads in the 200-kiloton range. The system employs decoys and penetration aids in the post boost control system. It will be replaced by the Mk.12A system now in development that is expected to be completed in about two more years. The system will be propelled by a liquid-fueled propulsion system.

Mk.12A tests on the Minuteman ICBM are scheduled to begin this year with the vehicle being carried from Vandenberg piggyback on the missile in concert with other missile tests, according to Defense Dept. officials.

The Mk.12A would double the yield of each warhead in the bus to 400 kilotons. With guidance improvements to go along with other Mk.12A improvements, the Minuteman will have been improved to its maximum growth potential, and that is one reason why some Defense Dept. officials argued to close the production line, favoring the position that funding to continue turning out Minuteman missiles could better be spent on the advanced ICBM, the MX system.

USAF has completed for now its Pave Pepper warhead testing by launching two of the systems in a scaled-down configuration on Minuteman missiles from Vandenberg AFB in July (AW&ST June 2, 1975, p. 24). Pave Pepper is designed to overcome Soviet advantages in the numbers of reentry vehicles by increasing to seven the vehicles in the system with each one in the 100-kiloton category. The vehicles will have to weigh about 200 lb. each in the final configuration of the system.

USAF was forced by Congress to cancel efforts to develop a large advanced ballistic reentry vehicle (LABRV) to provide a hard target capability for the MX missile or the Navy Trident D–5 submarine-launched ballistic missile. The war-head would be in the 1-megaton range, and warhead development by the Energy Research and Development Administration is continuing even though USAF has halted its work.

Defense Dept. officials said that the MX throw weight will be about 8,000 lb., which translates to about 13 reentry vehicles in the 350-lb. category.

The Air Force expects a Defense Systems Acquisition Review Council (DSARC) in early March for the MX with another DSARC (2) for engineering development in two years.

The initial operational capability date for MX is scheduled to be late 1982 or early 1983.

A program leading to a land-mobile MX weapon system is expected to cost the Pentagon about $70 million in Fiscal 1977 and $118 million in Fiscal 1978.

The service is considering two prime methods for land mobility. One is a random-silo basing concept where the missiles would be moved from silo to silo within a large complex so USSR would not be able to determine which silos in certain geographic areas contain MX missiles and which are empty.

The prime land-mobile candidate is a buried trench concept. Under this plan the MX missiles would be located in hundreds of concrete tunnels hardened against nuclear blast. Each trench would be 10 to 12 mi. in length, and the missile would move on rails within the trench to pre-selected aim points. When fired, the missile would be cold launched within a canister and blast through the concrete trench before the booster is ignited.

The trench concept is nothing more than a silo laid on its side and not much harder to maintain.

The Soviet Union would not know the exact location of the missile inside the long, hardened trench, making precise attack difficult. Defense Dept. officials said it is estimated the trench system for launching would provide survivability for the MX force against an expected attack of 7,000 to 10,000 Soviet reentry vehicles in the 1980–85 period. To destroy the force using the buried trench concept, the Soviet Union would need many times the reentry vehicles that will be available, the officials added.

USAF stressed it has not made any determination on deployment of the MX and still considers the air-launched version a candidate. But it offers more severe challenges in developing a guidance system.

The MX is expected to be about 79 cubic meters in size, compared with 200 cubic meters for the USSR's SS–19 ICBM now being deployed.

Using large cargo type aircraft to carry the airborne MX and functioning with a mix of land-mobile and airborne missiles, the Pentagon expects the survivability factor would be 60% for the MX. That is based on deception with an airborne alert procedure and by basing airborne MX aircraft at positions away from a projected SLBM threat. The Air Force has looked at about 2,000 bases for that purpose.

While the Defense Dept. is studying and concentrating on the three basic modes—random silo, buried trench and air mobile—

the Strategic Air Command has not ruled out any MX operational mode.

USAF plans to test in July its advanced inertial reference sphere (AIRS), the guidance system for the MX. AIRS will be tested on a Minuteman 3 to determine the individual error contribution of the NS–20 guidance system during the down-range flight into the Pacific area.

Small errors in azimuth and acceleration can greatly affect the accuracy of the ICBM at its destination thousands of miles away.

A 1-fps. error in Minuteman guidance translates to a 1-naut. mi. error at the target. Minuteman has a trajectory range of 2,000 to 7,500 naut. mi., an apogee of 500 to 1,200 naut. mi. and a flight time of 30 to 35 min. Powered flight for all three stages is about 3 min. for the 296,000 lb. of thrust.

When the third stage shuts down the missile is traveling at 22,000 fps. and reentry occurs at 300,000-ft. altitude. The reentry speed of 22,500 fps. is reduced to 8,000 fps. at impact. From reentry to impact is about 30 sec. The missile performance measurement (MPMS) will be flight tested on the Minuteman in July. A simplified and hardened version of the MPMS is the AIRS guidance system for the MX ICBM.

USAF has a contract with Northrop to develop production techniques for the complex AIRS guidance system.

Northrop is operating under a $32-million contract awarded last May to design instrumentation to test system components.

Northrop is now constructing a system test isolation pier to isolate the system from any building vibration, and a precision theodolite isolation pier to provide precise azimuth alignment on the North Star for AIRS system testing.

One of the reasons offered to keep the Minuteman line open until MX can be further developed is that, in addition to the new family of Soviet ICBMs now being deployed, the USSR has expanded in recent years its missile firing for crew training and research and development.

The year the SALT I accords were signed, 1972, the Soviets test fired 61 ICBM's compared to 32 U.S. missile launches. The following year that number grew to 130 launches to 30 for the U.S., and in 1974, the Soviets fired 139 ICBMs compared to 31 for the U.S. Part of the test launches are related to developing the new ICBM family—the SS–16, SS–17, SS–18 and SS–19. The Soviets have demonstrated multiple independently targetable reentry vehicle (MIRV) technology for each of the new missiles, and each has a post boost dispensing system for MIRVs.

All four ICBMs clearly have greater accuracy and increased payload, according to the Air Force. The new missiles have technology for guidance concepts that is advanced, two different types of post boost vehicle propulsion and two types of launch techniques, the service added.

If all the new ICBMs are deployed as expected, the USSR will have almost twice its present throw weight, and the warheads would increase to about 7,000 with a yield of one or two megatons.

MINUTEMAN HALT WOULD HIT 40,000 JOBS

Washington—Closing of the Boeing Minuteman ICBM production line would mean a loss of 30,000 jobs across the nation at the system's eight associate contractors.

Unless Minuteman production continues, another 3,000 first-tier subcontractor jobs will be lost, and an additional 7,000 second-tier subcontractors jobs will be terminated.

The effect on Boeing, which assembles and tests the missiles, would not be as extensive: only about 350 people are directly involved in Minuteman 3 production. About 80% of these are located at Air Force Plant 77 in Ogden, Utah, where the missiles are assembled. The remainder are involved in manufacture of electronic test and control equipment and interstage structures at Boeing's Seattle-area facilities. Many other Boeing employees are involved in non-production Minuteman efforts, such as silo modernization, which would be continued.

Value to Boeing of the current production contract is $8–9 million per year, about 10% of the total production costs.

Deployment of the 550th Minuteman 3 last July stabilized the force at 550 Minuteman 3s and 450 Minuteman 2s. The current production rate of five per month is necessary to replace missiles used for testing and launch crewtraining.

Line shutdown/startup costs, USAF said, would mean it will be "practically impossible" to restart production once it is halted. The costs would be comparable to starting an entire new program. A major problem would be subcontractor and vendor reluctance to gear up again for what probably would be relatively few units.

JOBS AND SOCIETY

The SPEAKER. Under a previous order of the House, the gentleman from Puerto Rico (Mr. BENITEZ) is recognized for 5 minutes.

As a member of the Subcommittee on Equal Opportunities, it has been my privilege during the last 3 years to hear testimony from philosophers, educators, administrators, economists, and workers on the question: What should be the No. 1 priority in any national program aiming to advance human freedom, human equality, human dignity, and social and economic well-being?

On Thursday last, the distinguished writer-producer, actor and civil rights leader, Mr. Ossie Davis, summarized in one single sentence many of the theses previously submitted: "Jobs are the key to social peace." Mr. Davis is perfectly right. I trust the time is not far off when the goal of job opportunities for everyone will be enshrined in the minds, in the hearts, and in the programs of our policymakers.

To assume that a society, which has achieved so many noble missions deemed to be impossible elsewhere, must forego a goal so essential and so in harmony with its own ethical resourceful and democratic commitments is to underestimate the resourcefulness, the vitality, and the will to achieve social justice in the United States.

I believe the Members of this body will be stimulated by the text of Mr. Davis' statement to the Subcommittee on Equal Opportunities and I request that it be printed in full in the RECORD.

STATEMENT BEFORE HOUSE SUBCOMMITTEE ON EQUAL OPPORTUNITIES BY OSSIE DAVIS, JANUARY 22, 1976

Chairman Hawkins, members of Subcommittee on Equal Opportunities, ladies and gentlemen. I thank you for this chance to express my thoughts and opinions on the subject of employment for Minorities and Women, with special regard to Motion Pictures and Television.

In the Report of the National Advisory Commission On Civil Disorders page 252 under a paragraph entitled The Critical Significance of Employment we read the following:

"The capacity to obtain and hold a 'good job' is the traditional test of participation in American society. Steady employment with adequate compensation provides both purchasing power and social status. It develops the capabilities, confidence, and self-esteem in individual needs to be a responsible citizen and provides a basis for a stable family life. As Daniel P. Moynihan has written:

"The principal measure of progress toward equality will be that of employment. It is the primary source of individual or group identity. In America what you do is what you are: to do nothing is to be nothing; to do little is to be little. The equations are implacable and blunt, and ruthlessly public.

"For the Negro American it is already, and will continue to be the master problem. It is the measure of white bona fides. It is the measure of Negro competence, and also of the competence of American society. Most importantly, the linkage between problems of employment and the range of social pathology that afflicts the Negro community is unmistakable. Employment not only controls the present for the Negro American but, in a most profound way, it is creating the future as well."

The Kerner Report, as it was commonly called, laid heavy stress on the Media—by which it meant Motion Pictures and Television, as well as newspapers, magazines etc.—and its responsibility in helping to create the climate out of which these disturbances grew. The absence of blacks and other minorities in the new programs and in entertainment helped to perpetuate a feeling that those groups did not really matter; that they could be left out of any accounting of what was good and positive in American society. Such systematic exclusion contributed mightily to a sense of frustration and alienation that could only be vented in socially destructive fashions by people pent up too long in decaying ghettos without jobs—hence without power to help themselves; without hope and without expectation that things would ever be any better. Nobody denies that the Media played its part, but obviously, a more direct cause of the explosion that took place in our urban communities and brought our society to the verge of open racial warfare was directly related to continuing patterns of racial discrimination in Housing, in Education, and in Employment.

Equally, no one would argue that since that time, thanks in part to direct intervention of the Federal, State, and City Governments at all levels, much has been done to alter those continuing patterns, by the legislature, by the judicial and by the executive. One such has been the slow but heartening effort of the Equal Opportunities Commission, with the help and support of the courts to effect constructive change, meant to help relieve the unbearable pressures building up over the years in our cities. Change which profoundly affected employment practices in Motion Pictures and in Television as well as in other industries.

For instance, as a result of public hearings by the EEOC in Los Angeles in 1969, followed by an investigation into employment discrimination in the Motion Picture and Television industry by the Department of Justice, an agreement was reached between 13 companies and 10 unions of the industry, which, under supervision and monitoring by the EEOC, which saw the hiring of many minority persons in many job categories behind as well as in front, of the camera. Since that time, and directly as a result of that effort, more prime-time TV shows and Theatrical Motion Pictures have featured—and even starred—minority talents, and in addition have provided employment for several hundred minority persons in white collar jobs in the industry. Surely the monitoring presence of the EEOC in Hollywood has achieved much that could not have been changed without it.

This is not meant to imply that all employment problems facing minorities have been resolved—by no means. For instance, a group of critics from The United Church of Christ pointed out recently that the black and minority share of the TV industry workforce grew only 0.3% in 1975, though the entire work force gained 2%—which they call "an ominous sign of diminished concern for equal employment." And The Writers Guild of America, West has been warned of the appalling patterns of discrimination that effectively exclude meaningful participation by black writers in the industry. Between October 1974 and September 1975, out of 1,367 writers who got teleplay credits only 8 were black. And worse—of an unknown total of staff writers (estimated to be in excess of 300) only one is black. (There were an additional two for a short period of time but the series on which they worked have subsequently been cancelled.)

More than jobs and income are involved in this exclusion. Writers are crucial in the formation of the images we see and respond to on television and the movies. Obviously white writers can—and do—and should—be allowed to write about blacks, too—as long as they are fair and honest. But only black writers can deal fully and responsibly with the black life style and what it means to black people. To leave our image and our values in the hands of outsiders—even if they are friends and sympathizers is hardly natural, and certainly not fair. All this by way of showing (1) how very very much remains to be done, and (2) how necessary it is that the EEOC continues to monitor the entertainment industry.

Things have changed, and in many instances have changed for the better, but there is a need now, for even more diligence than ever. Title VII and EEOC policies were designed to accommodate a growing job market in an expanding economy. But now, we are in the midst of a recession, and the danger is that all gains by minorities can be wiped out by lay-offs and cut-backs, especially if economic retrenchment is based on the old policy of last hired—first fired. We need a policy which would guarantee that if jobs are lost the loss will be shared on some basis that will allow minority gains to be as well protected as any others. This is no time for a do-nothing attitude concerning minority employment. This is rather a time for the Federal Administration to re-read the lessons of the Kerner Report, and to draw from it the inescapable conclusion that jobs are the key to social peace. Our society could not survive the return of Civil Disorder on the scale of 1967. Jobs, jobs, and more jobs are the primary answer to our racial problems. EEOC must assume an even greater responsibility if peace between the races is to be preserved and democracy advanced. It must not only continue to monitor employment practices in all industries, as well as in Television and Motion Pictures, but also to provide the courts and industry itself with meaningful, workable, guidelines, to insure that this recession does not do to minority employment gains, what the Hayes-Tilden Compromise of 1867 did to black ex-slaves after the Civil War—which, by leaving them to the un-monitored mercies of their ex-masters, came close to reclassifying—and reassigning—the black labor force back into slavery.

Thank you.

ASSESSMENT OF EFFECTIVENESS OF TURKISH ARMS EMBARGO

The **SPEAKER**. Under a previous order of the House, the gentleman from Michigan (Mr. Riegle) is recognized for 5 minutes.

Mr. **RIEGLE**. Mr. Speaker, I believe that enough time has passed since the lifting of the arms embargo against Turkey to assess the effectiveness of our policy toward that country, as well as our relationship with our old friend and ally, Greece.

During the past two administrations, the United States has pursued a foreign policy in the eastern Mediterranean that has undermined the strength of our principal world alliance, the North Atlantic Treaty Organization. While ignoring both the Greek people and our own commitment to the United Nation's charter, the Nixon administration in 1969 openly supported the repressive Greek dictatorship. This administration's indifference toward the strategic value of the southern flank of NATO was demonstrated again when it failed to discourage Turkey's invasion of the Island of Cyprus.

The consequences of this policy have been a veritable loss of prestige and respect among the Greek people and those people living on the Island of Cyprus. The policies of the previous Repulbican administration are substantially unchanged by President Ford. We still see no progress in the territorial problems created by the Turkish armed forces or the return of tens of thousands of Greek Cypriot refugees. The policies of the Ford administration, with their intended tilt toward Turkey, have now ironically strained relations to the point where the once militantly anti-Soviet Turks have closed down or assumed control of vital U.S. security facilities in their country. Only recently they started exploring mutually beneficial relations with the Soviet Union. And in Greece we find that the United States' support for 7 years of the Greek dictatorship has left the Greek people with a growing anti-American sentiment.

There is an urgent need for the United States to take some new policy initiatives that would restore our friendships with these Eastern Mediterranean countries and to seek their cooperation in settling the thousands of displaced Cypriot refugees who continue to live without adequate food, clothing, or shelter.

There is so little diplomatic discussion going on between Greece and Turkey that we have no reason to be encouraged. The Greek-Turkish-Cypriot impasse is not near an even partial resolution, and we must expect considerable tension in both United States-Greek and United States-Turkish relations for some time.

During the debate of the congressional cutoff of arms shipments to Turkey—an action taken for solid moral, political, and legal reasons—administration and Turkish spokesmen insisted that this action was preventing the resolution of the Cyprus problem. Under tremendous administration pressure and promise of progress, Congress responded by partially lifting that embargo.

Did this concession create a more flexible Turkish negotiating position? Did it bring about a more humanitarian Turkish attitude toward the thousands of suffering Cypriot refugees? Did it restore the vital U.S. security facilities? Did it at least prompt new Turkish-Greek negotiations? The answer to all of these questions is "No."

Four months later we find that there is still no sign of Turkish willingness to negotiate; the human suffering on Cyprus goes unaltered; U.S. facilities in Turkey continue under Turkish control; Turkey is exploring closer ties with the Soviet Union; Greek-Turkish negotiations are at a standstill; and the Greek people see no reason to forget that the United States supported a nondemocratic form of government.

The Congress has expressed its convictions regarding the political and legal aspects of this controversy. The Congress has also demonstrated its concern for the suffering of the Cypriot people, as well as its willingness to wait until the Turkish people have expressed themselves at the polls. It is long overdue for the administration and the Turkish Government to match that concern with some initiative that breaks the deadlock, restores justice to the Cypriot people, and allows them to return to their rightful homes.

I believe that it is time for the administration to seriously consider reimposing the arms embargo against Turkey. The Turkish Government has done nothing to indicate that they are trying to settle the Cyprus issue peacefully and equitably. They continue their occupation of Cyprus, are still in violation of our military sales laws, continue to frustrate the intercommunal talks, and with harsh disregard for human rights, are keeping 200,000 refugees homeless. The United States has been left with no alternative but to cut off all military and economic aid to Turkey until there is some movement on the part of Turkey to let the Cypriot refugees return to their homes and to work out a settlement.

MONTHLY LIST OF GAO REPORTS

(Mr. **BROOKS** asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. **BROOKS**. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The December 1975 list includes:

Factors to be Considered in Setting Future Policy for Use of Inland Waterways. RED–76–35.

Increased Cost of Implementing Commuter Ferry Service on San Francisco Bay. RED–76–40.

Improvements Needed in Procurement and Financial Disclosure Activities of the U.S. Railway Association. RED–76–41.

Information Available on Estimated Costs to Rehabilitate the Nation's Railroad Track and a Summary of Federal Assistance to the Industry. RED–76–44.

Need for More Effective Controls over Computerized Payroll-Processing Operations, FGMSD–76–3.

Action Being Taken to Correct Weaknesses in the System of Paying Taxes on Acquired Residential Properties. FGMSD–76–24.

Coordination Needed in the Award of Financial Aid to Indian Students. MWD–76–14.

Proposed Changes in Estate Taxation. GGD–76–1.

Quality of Mail Service in New Mexico. GGD–76–6.

Exchange Stabilization Fund Expenditures for Personnel Support. ID–76–25.

The Government Can Save More Under the Composite Check Program. FGMSD–76–11.

Effective Item Entry Control in the Complex Government Supply System Can Reduce Costs. LCD–75–420.

A Case for Providing Pay-As-You-Go Privileges to Military Personnel for State Income Taxes. GGD–75–103.

Personnel Management in the Small Business Administration. FPCD–76–10.

Opportunities for Improved Management of the Research Applied to National Needs (RANN) Program. MWD–75–84.

Effectiveness of Grant Programs Aimed at Developing Health Maintenance Organizations and Community Health Networks. MWD–75–98.

Grants for Development of Health Maintenance Organizations in Region IV. MWD–76–41.

Proposed Coordination Between the Medicare and the Federal Employees Health Benefits Programs. MWD–75–99.

Information on 1976 Health Insurance Premium Rate Increases for Federal Employees Health Benefits Program. MWD–76–76.

Circumstances Surrounding Approval of Mortgage Insurance for Cedars of Lebanon Hospital. MWD–76–17.

Examination of Financial Statements of Gorgas Memorial Institute of Tropical and Preventive Medicine, Incorporated, Fiscal Year 1975. FOD–76–5.

Disincentives to Agricultural Production in Developing Countries. ID–76–2.

Status of Shipbuilders' Claims for Price Increases: Settlement Progress; Navy Claim Prevention Actions; Need for Caution. PSAD–76–24.

Equipment Shortages: A Result of Emergency Support of U.S. Allies. LCD–75–426.

The Announced Relocation of the Naval Oceanographic Office. LCD–76–315.

Management of the Civilian Health and Medical Program of the Uniformed Services Needs Improvement. MWD–76–48.

Improved Inventory Management Could Provide Substantial Economies for the Army. LCD–76–205.

Bureau of Reclamation's Procedures and Practices for Computing Authorized Cost Ceilings and Project Cost Estimates Need Improvement. RED–76–49.

The Economic and Environmental Impact of Natural Gas Curtailments During the Winter of 1975–76. RED–76–39.

Policies and Practices for Acquiring Land at Three Missouri Water Resources Projects. RED–75–386.

Control of Aircraft Noise and Air Pollution: Meetings Between FAA and the Public. RED–75–384.

Additionally, letter reports are summarized including:

Release of $16.5 million of impounded budget authority for the Community Services Administration's Emergency Energy Conservation Services Program. ACG–76–6.

Comments on deferrals of $16.2 million of budget authority. ACG–76–7.

GAO comments on ten deferrals of budget authority totaling $2.4 million. ACG–76–8.

Congressional and executive branch actions on proposed rescissions of budget authority for the Department of Transportation, Federal Highway Administration, and Department of the Treasury. ACG–76–9.

Comments on deferrals of $20.2 million of budget authority proposed by the President. ACG–76–10.

Allegations against two firms supplying AN/PRC–77 radio sets under an Army contract. PSAD–76–41.

Why the Navy underestimated the cost of the F–18 aircraft. PSAD–76–45.

Comparison of costs and times to fill orders at the Pueblo, Philadelphia, and Washington, D.C. offices of the Public Documents Department of the Government Printing Office. B–114829.

Defaulted loans under the Guaranteed Student Loan Program. B–117604(7).

Army's decision to terminate TNT production of the Joliet, Illinois, Army Ammunition Plant and to continue TNT production at the Volunteer Army Ammunition Plant, Chattanooga, Tennessee. LCD–76–413.

Cost study of the relocation of the Immigration and Naturalization Service's regional office from Richmond, Virginia to Dallas, Texas. GGD–76–27.

Cost estimate of the Navy's Harpoon missile program. PSAD–75–68.

Allegations that coal shipped to the Energy Research and Development Administration's Y–12 plant at Oak Ridge, Tennessee, has contained large amounts of dirt. RED–76–38.

Ways to improve and simplify external reporting system for costs of the Washington Metropolitan Area Transit Authority. PSAD–76–38.

Coast Guard's planned sole-source procurement of a new line of aircraft. B–179140.

Comparison of the cost of the Department of Defense's owning vs. leasing bulk milk dispensers. PSAD–76–42.

The U.S. Postal Service should encourage use of its centralized automotive parts distribution system. GGD–76–13.

Ways to improve accounting operations in the headquarters and Southeast regional office of the Immigration and Naturalization Service. FGMSD–76–22.

Savings available to the Navy through greater reliance on commercial tugboat services. LCD–76–419.

Improvements needed in the Coast Guard's supply system. LCD–76–204.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, room 4522, 441 G Street NW., Washington, D.C. 20548. Phone (202) 386–6594.

Summaries of significant legal decisions and advisory opinions of the Comptroller General issued in November, 1975 are also available as follows:

Legality of Agreement Establishing OPIC Program in Saudi Arabia. B–181343.

VA May Provide Dinner for Volunteer Workers, B–152331.

Dislocation Allowances—Divorced Military Personnel. B–183176.

Dependent Travel—Establishing a Residence. B–182440.

Interagency Set-off of Debts Owed to the United States. B–184506.

ADP Benchmark Tests Allegedly Restrict Competition. B–183182.

Grantee's Award of Contract Found Improper Under State Law. B–183444.

Attorney's Fee on Purchase of Residence. B–183160.

Relocation Allowance for Dependent Parent. B–185030.

Procurring Services under Informal Arrangement Unauthorized. B–184415.

Acceptance of Repayment Bond in Lieu of Setoff. B–167635.

If you need further information regarding these or other decisions, please call (202) 275–5028 or write to the General Counsel, U.S. General Accounting Office, Washington, D.C. 20548.

A TRIBUTE TO LAURIE BATTLE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I note with regret that our friend and former colleague, Laurie Battle, is resigning his position as chief counsel and head of staff operations of the House Committee on Rules. We shall miss his valuable services throughout Congress.

From 1947 to 1955, Laurie very ably represented the Ninth District of Alabama in Congress. He left the House of his own volition. Those of us who were privileged to work with him during those years remember well his outstanding service. He was a high-ranking member of the Foreign Affairs Committee and chairman of the Economic Affairs Subcommittee and the Subcommittee on International Organization. He contributed generously to the work of this committee and to the Congress in time and effort. He is internationally known for his authorship of the "Battle Act," an important measure concerning war materials used outside our own country.

Every Member of the House knows with appreciation of Laurie Battle's effective work and dedication to the Rules Committee for the past 10 years. He has provided invaluable assistance to my office and to all congressional offices in the frequent contacts that are necessary with that important committee on parliamentary and procedural matters.

Laurie Battle served 4 years in the Air Force during World War II where he worked his way through the ranks from private to major. He was awarded the Bronze Star and several battle stars for overseas service in New Guinea, the Philippines, Okinawa, and Japan. He retired from the military reserves on May 9, 1972.

After graduating from high school, Laurie worked his own way entirely through college and graduate study. He attended Birmingham Southern College where he received the A.B. degree. Later he was awarded an honorary doctor's degree from this institution. He earned a master's degree from Ohio State University.

I have enjoyed and appreciated his friendship. I will miss him as he leaves his present post to work in the private sector; however, I want to wish for Laurie Battle and his very fine family the very best in all future endeavors.

HON. J. PHIL CAMPBELL DESERVES ACCOLADES

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, a distinguished public servant has retired after many years of dedicated service. Leaving his position of high responsibility as Under Secretary of the Department of Agriculture, J. Phil Campbell, my close and valued friend, takes with him the congratulations and best wishes of the many Members of Congress who have come to know his outstanding contributions to agriculture and who recognize his record of achievement.

Serving since early in 1969, first as an Assistant Secretary, then as Under Secretary, he has successfully dealt with complex regional, national and international agricultural problems. His extensive knowledge, informed judgment, and wide range of personal experience directly related to his duties, have all contributed to his splendid record of public service.

Before assuming his duties in the U.S. Department of Agriculture, he served his native State of Georgia for 14 years as its elected commissioner of agriculture. While serving as commissioner, he was instrumental in setting up effective hog cholera eradication, State meat inspection and other important programs. During 4 of his 6 years' services in the Georgia General Assembly, he was chairman of the house of representatives agriculture committee. He is an honor graduate of the University of Georgia's College of Agriculture, and serves as a member of the Board of Trustees of the University of Georgia Foundation. His military service was performed as an Air Corps officer during World War II.

Although the Congress and the Nation will miss Phil Campbell's wise counsel, able leadership and dedicated service, I wish for him and his family the joys of a productive and well-earned retirement. While his Federal career has now drawn to a successful close, I am sure that his influence will be exercised for the benefit of our country and his beloved State of Georgia for many years to come.

A TRIBUTE TO ROGER L. STEVENS

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, yesterday President and Mrs. Ford, Mrs. Jacqueline Kennedy Onassis, and many other distinguished leaders in American life gathered at the John F. Kennedy Center for the Performing Arts here in Washington, D.C., to pay tribute to the person who, more than any other, is responsible for the establishment of the Kennedy Center in the Nation's Capital, Roger L. Stevens.

Many of the Nation's best known stars of the American theater joined in performing as part of this extraordinary expression of appreciation to an extraordinary American.

As one who has known Roger Stevens for 20 years and as chairman of the subcommittee of the House of Representatives with jurisdiction over the National Arts and Humanities Endowments, I know from personal observation and experience of the many contributions that Mr. Stevens has made to the cultural life of our country.

He has been chairman of the Kennedy Center for the Performing Arts since its beginning.

He was the first chairman of the National Arts Endowment.

He has been a successful producer of a remarkable number of plays.

Such a remarkable tribute to such a remarkable person was, therefore, altogether deserved.

Mr. Speaker, I should mention also the fine work of the wife of Roger Stevens, Christine, in her own continuing concern for the protection of wildlife in this country and around the world.

Mr. Speaker, a citation presented to Mr. Stevens last night called him an "unstoppable visionary." That was, Mr. Speaker, an accurate description, for few persons have had the vision and the dedication which have characterized Roger Stevens in his commitment to enriching the cultural life of our country.

I am confident that for many years to come Americans will be grateful for the contributions of Roger Stevens.

ISRAEL AND THE PALESTINE ISSUE

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, for the past week and a half the Security Council of the United Nations has been considering the troublesome Middle East situation, including the status of the Palestinians. As we know, the majority of this body caved in to the pressures and threats of a vocal, radical minority and agreed to permit the Palestine Liberation Organization to participate in the debate. Because of this development, Israel chose to boycott the Security Council's sessions, even though issues of vital concern to that valiant nation were under consideration.

Inasmuch as Israel has not participated in the Security Council's deliberations of this matter, its position may not be fully known. Recently the Embassy of Israel has furnished me with a background statement which sets forth that Government's policy in greater detail. I believe it is critical that we fully understand the position of the Government of Israel on relations with its Arab neighbors and, in particular, the Palestinians. Thus, I submit the Israeli Embassy's background statement for inclusion in the RECORD.

As this statement properly notes, Israel fully recognizes the existence and importance of the Palestinian Arab problem. It has offered a very reasonable proposal for the solution of this very troublesome and longstanding problem within the context of an Israel-Jordan peace agreement. I urge, therefore, that our colleagues carefully review this document and consider the proposal put forth by the Government of Israel.

POLICY BACKGROUND: ISRAEL'S POSITION ON THE PALESTINIAN ISSUE AND THE CURRENT SECURITY COUNCIL DEBATE

1. The year 1976 can and should be a year of progress towards a negotiated peace settlement between Israel and the Arab States. The question that must concern us is how that aim may be furthered, and how, at the same time, we may avoid courses of action that will lead us away from peace and jeopardize the gains already made.

2. The last two major wars between Israel and the Arab States (1967 and 1973), with all the bloodshed and the suffering they inflicted, have also produced, by a slow and painful process, the political instruments which both sides in this conflict have agreed to use in order to seek a peaceful settlement. There are UN Security Council Resolutions 242 and 338 and the Geneva Peace Conference, first convened in December 1973, with the express understanding that the composition of the Conference could not be altered without the consent of all the parties.

3. The key word in Resolution 338 is the word "negotiations." No international conflict has ever been resolved, eventually, without negotiations between the parties to that conflict—and that means, of course, mutual recognition. After decades of Arab refusal to recognize Israel, or to enter into direct negotiations with Israel, Geneva now represents the first step in that direction and away from the war course the Arab States have followed to date.

SOLUTION BY EDICT?

4. Nothing could be so inimical to the prospects of peace in the Middle East as the crude attempt now being made, by the Syrian-PLO coalition, backed by the Soviet Union, to move the entire issue to the UN Security Council, where free negotiation between the parties to the conflict would be replaced by an attempt to impose a solution by edict. And this by a line-up of nations that have, time and again, demonstrated both their bias and their hostility towards one of the parties to the conflict—the State of Israel. Israel will not be a party to this attempt.

5. The situation has been further exacerbated by the Council's decision to invite the so-called Palestine Liberation Organization, whose avowed aim—inscribed in its "National Covenant" and constantly reiterated by its leaders and spokesmen—is the liquidation of Israel as an independent Jewish State, and which utilizes indiscriminate terror to achieve that aim.

6. Clearly, those who recognize the PLO, or who, in one way or another, lend it their support and encouragement, as the UN General Assembly has done, and the Security Council is doing now, in effect lend support to the PLO's central aim of replacing the State of Israel with a PLO-run Arab State in which the Jews would (at best) be relegated to the status of a tolerated minority. It goes without saying that Israel will not—indeed can hardly be expected to—make itself a partner in a process designed to bring about its own liquidation, whether through an imposed solution dictated by the Council itself, or through an attempt, by the Council, to force PLO participation at Geneva, in violation of the ground rules laid down, with the consent of all the parties, in December 1973.

A CONSTRUCTIVE PROPOSAL

7. Israel's official recognition of the existence of the problem of an Arab Palestinian identity is a matter of record, having been clearly stated on a number of occasions.

8. On July 21, 1974, the Government of Israel called for "negotiations without prior conditions" for peace argeements with the Arab States, including Jordan. The peace agreement with Jordan, the statement declared, would be based on the existence of two independent States—"Israel, with united Jerusalem as its capital, and a Jordanian-Palestinian Arab State, east of Israel, within borders to be determined in negotiations between Israel and Jordan," in which "the independent identity of the Jordanian and Palestinian Arabs can find expression in peace and good-neighborliness with Israel."

9. This position was reiterated by Israel's Foreign Minister in his address before the UN General Assembly on September 30, 1975, in which he said that "it is self-evident that genuine peace in the Middle East must include a just and constructive solution of the Palestinian Arab problem," and that this problem must find its solution "in the context of a peace agreement between Israel and Jordan which constitutes the major part of the area of historic Palestine on both sides of the River Jordan—as well as being the homeland of the great majority of the Palestinian Arabs."

10. Israel's constant reiteration of the need of negotiating a solution of this problem with Jordan, and its past attempts in this direction, are based on certain fundamental facts concerning the geographical region known as Palestine:

(a) Historically, geographically and ethnically, Jordan is part of Palestine. Both the

West and the East Banks of the Jordan River are parts of the Land of Israel, or Palestine, in which—under the terms of the League of Nations Mandate assigned to Britain on July 24, 1922—a national home was to be established for the Jewish people on the basis of the League's "recognition . . . given to the historical connection of the Jewish people with Palestine and to the grounds for reconstituting their national home in that country."

(b) Most Palestinian Arabs continue to live in a Palestinian State (Jordan). The vast majority, moreover, are citizens of that Palestinian State, including the Arab population of Judea-Samaria (the West Bank), now under Israeli administration.

(c) It is, therefore, false to allege that the Palestinian Arabs have been "deprived of a State of their own," or that they have been "uprooted from their homeland."

11. Israel is convinced that this problem can and must find a just and fair solution in the context of negotiations between Israel and Jordan, which itself is part of Palestine, and which can add to its delegation certain Palestinians who live in the area. Only then will we embark on a process aimed at finding a real solution to the problem—a solution that is not based on the dismemberment of Israel.

TIME TO END THE SOCIAL SECURITY EARNINGS TEST AND OTHER INEQUITIES

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the New York Times recently printed a letter from a reader in Red Bank, N.J. describing in remarkably clear terms the great inequity that exists in our social security system with regard to the earnings test and our income tax code. The discriminatory nature of the monthly earnings test seems even more unconscionable when we consider that it applies only to income earned as wages for work performed and not to income received from investments. Thus the earnings test affects the lower-income retirees even more severely, since they have greater need to supplement their social security benefits and are unlikely to have investments.

This is by no means the only inequity that exists in our social security system. Other discriminatory features of present law include our treatment of widows and widowers, the requirement that credits must be earned during a specific period of time in order to qualify for disability, differences in determining eligibility based on sex, computation of benefits for married couples and others, to say nothing of the gross shortcomings in the SSI and medicare programs.

There has been legislation introduced during this Congress to correct many of these problems. Tragically, at a time when the elderly are suffering perhaps more than any other group from the ravages of inflation, we have not acted to remove at least some of the more glaring inequities. I would urge that as we begin the second session of the 84th Congress we reexamine these areas with a view toward making the necessary adjustments.

The administration is proposing substantial changes in social security in order to increase revenues and reduce expenditures under the program. It is obvious that most of these will create a still greater burden for the very low income beneficiary. I am particularly outraged at the proposal to eliminate dependents benefits for students aged 18 to 22 under the guise of opening up greater educational opportunities through the basic grants program. I suggest that this proposal would place undue hardships on widows attempting to provide a college education for their children.

At this time I would like to insert Mr. Schultze's letter into the RECORD for the benefit of our colleagues. I hope we can take his advice to heart and adopt measures to correct the hardships placed on senior citizens by the earnings test and our tax structure.

SOCIAL SECURITY: "THE MAJOR INEQUITY"

To the Editor:

In recent years much attention has been given to the plight of senior citizens trying to live on small incomes, but the greatest injustice to them appears to go virtually unnoticed.

I refer to the heavy penalties imposed on the recipients (under age 72) of Social Security benefits who need to earn additional income. Any earned income over $210 ($230 in 1976) results in the loss of $1 in benefits for each $2 earned in excess of the minimum per month. Thus, an individual who obtains employment at $600 per month in 1976 would lose $185 in benefits, or $2,220 annually, effectively increasing his gross income by only $4,980.

To add insult to injury, the loss of nontaxable benefits is replaced by taxable income, as he is taxed on total earnings of $7,200. Also, this amount is subject to a S. S. tax of 5.85 percent, or 7.9 percent if self-employed. While the S.S. tax will increase future benefits, it takes about five years to recover each year's tax from the increase in benefits, and if he continues to work until age 72, the chances of full recovery of all additional S.S. taxes are very small.

The total effect is that the "Government take" on a gross earned income of $6,000 is at least 40 percent, depending on the number of tax exemptions, etc. If he had earned $730 per month, thereby losing all monthly benefits of, say, $250, the "Government take" would be almost 50 percent. The percentage would increase *ad nauseam* as income and S.S. benefits increase.

Citizens aged 72 and over are not subjected to such penalties. The question arises therefore: Why the age discrimination? Answer: Since very few people work at that age and thereafter, the Federal Government gains nothing.

I have written to the chairman of the House Ways and Means Committee, recommending that the major inequity (loss of benefits) be eliminated, or alternatively that any loss of benefits be allowed as a reduction of gross income, or as a business expense if self-employed, for income tax purposes. These benefits have been purchased by many years of contributions and it is a gross injustice to reduce them. The I.R.S. would disallow any company contributions to a pension plan which contained such a provision.

G. J. SCHULTZ.

ANGOLA HIGHLIGHTS LACK OF MEANINGFUL AFRICAN POLICY

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, earlier this month our distinguished colleague from Michigan (Mr. DIGGS), a ranking and highly respected member of the House International Relations Committee, very aptly observed that the U.S. intervention in Angola "is the biggest blunder in the history of United States relations with Africa." I would concur in his assessment of the Angola fiasco and would add that this ill-conceived diplomatic blunder simply highlights the bankruptcy of our policy toward the peoples of Africa.

By actively siding with the white supremist government of the Union of South Africa in the Angola conflict, the United States may have very well alienated almost every other African nation with the exception of the similarly racist regime in Rhodesia. Not only has our globetrotting Secretary of State virtually ignored the aspirations of most African nations—particularly those which have secured their hard-fought independence in the past decade or so—but he may have succeeded in driving them into the arms of radical movements and the Soviet bloc.

Last Sunday a very timely and intelligent letter appeared in the New York Times. Written by Elliott B. Skinner, former U.S. Ambassador to the Republic of Upper Volta, this letter quite properly declares that the United States has "seldom attempted to formulate any policy toward Africa with the Africans in mind." Ambassador Skinner continues by suggesting that it would be worthwhile for the United States "to look Africa full in the face and not be alarmed if we see reflected the view of ourselves shaped by centuries of white arrogance and domination."

Mr. Speaker, Ambassador Skinner's well-written and sensible letter deserves close attention both by our so-called policymakers and our colleagues. I insert it herewith for inclusion in the RECORD:

U.S. AFRICA POLICY: THE UNHEEDED REALITY

To the Editor:

Your Jan. 6 editorial "Next Steps on Angola" prompts me to observe that we have seldom attempted to formulate any policy toward Africa with the Africans in mind. Our primary concern has been to support our European allies in their dealings with Africa.

The problem is that the African reality contradicts our European concern. Our support of France in Africa did not stop the independence of Guinea and the subsequent independence of French Africa. Our support of the Belgians in the Congo led inexorably to bringing the cold war to Africa. Our support of the Portuguese in Africa in order to keep our bases in the Azores contributed to the overthrow of the Portuguese Government itself by troops radicalized by fighting in Africa. And our failure to take a hard look at the realities of southern Africa has probably contributed more than most people are presently willing to realize to our debacle in Angola.

Does the Secretary of State really believe that he is serving the long-term interests of the people in Namibia and South Africa by talking about "Communism" or "Russian" influence in Africa? Both the Secretary and his U.N. Ambassador ought to have learned by now that, until African nationalism has run its course, other ideologies will not find fertile ground. One need only recall past predictions that Russia would dominate Ghana, Guinea, Congo (Zaire), Nigeria, Egypt, Somalia and Guinea-Bissau.

The United States itself would be better served if our people attempted to look Africa full in the face and not be alarmed if we see reflected the view of ourselves shaped by centuries of white arrogance and domination. Moynihan's rage at members of the third and fourth worlds might even be therapeutic if it convinces our people that they are dealing with a new reality.

The African states may be poor, their political cultures still inchoate (one must be careful here, noting the absolute chaos in Italy, the heir of Rome, and the present confusion among the descendants of the ancient Greek democrats), but, thanks in part to the United Nations, they do have international sovereignty.

Thus, in order to deal effectively with them, our policy-makers should recognize their existence. While our Secretary of State engages in shuttle diplomacy in the Middle East, pays ceremonial visits to the Far East, goes to Europe for working sessions with NATO and has graced Latin America by his presence, he has not taken the time to visit even such major African states as Nigeria and Zaire.

Everyone would be well served if the United States were to develop a coherent policy for Africa based upon the primacy of our relations with that continent. Our very silence has been taken for a lack of interest and, worst of all, has led to a feeling that we are still not prepared to accept Africa's independence.

ELLIOTT P. SKINNER.

ENVIRONMENTAL CONTROL MEANS JOBS

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, on December 16, 1975, I advised my colleagues of a fine New York Times editorial on the subject of jobs and environmental control regulations. During the recent recess, the Washington Post, on Tuesday, December 30, 1975, included an article based upon a study by the Environmental Protection Agency showing that 75 plants closed and 15,710 workers lost their jobs due to the first 5 years of antipollution laws. However, during that same period, and also noted in the article, some 1.1 million workers are employed in the new environmental control industry.

I commend the Washington Post article to my colleagues attention and include it herewith:

NEW ANTI-POLLUTION LAWS CALLED A BOON TO ECONOMY

(By Stuart Auerbach)

The latest study by the Environmental Protection Agency shows that 75 plants closed and 15,710 workers lost their jobs—far fewer than industry predictions—during the past five years as a result of new antipollution laws.

The EPA survey, due to be released in January, found that most of the closed plants were old, inefficient and only marginally profitable.

The survey, part of EPA's continuing effort to keep track of the economic impact of environmental controls, undercuts arguments by many American industries that antipollution laws will force many companies out of business and add to the nation's unemployment.

"The lack of adverse economic impact has been the biggest surprise in the unfolding of our programs of environmental reforms," said John R. Quarles, Jr., EPA's deputy administrator.

"Many industries had predicted widespread plant closings and employee layoffs as a result of the new laws. In fact, the closings have been few and far between and have been totally overshadowed by the emergence of environmental expenditures as a positive force in the economy."

Supporting Quarles' point, a study by the President's Council on Environmental Quality found that antipollution laws have created a burgeoning new industry employing 1.1 million workers. In 1975, the study said, government and industry spending on antipollution devices totaled $15.7 billion.

"Environmental control-related employment has been one of the relatively few areas of job strength during the recent recession," concluded the CEQ study made by two Wall Street analysts, Kenneth Leung of F. Eberstadt and Co. and Jeffrey H. Klein of Kidder Peabody and Co., Inc.

"As pollution-control programs are implemented and spending continues to rise, employment levels in this area could expand severalfold over the next decade," Leung and Klein said in their report.

They prepared the report for a CEQ-sponsored conference early this month of the more than 600 companies making antipollution devices.

CEQ Chairman Russel W. Peterson said the report "provides a forceful rebuttal to the thesis that we must choose either a healthy economy or a healthy environment. On the contrary, it suggests economic health and environmental health are interrelated."

Quarles and Peterson agreed that one reason for industrial complaints about the cost of cleaning up the environment is that the companies spending the money for pollution-control devices are not the ones making money from selling them.

"Industrial extremists typically assumed the worst," said Quarles. "The fact is (antipollution) requirements were balanced before being applied."

For example, he noted chemical companies said in 1974 they could not meet new federal standards for using vinyl chloride, a gas proved to cause cancer in workers. Yet this year they all are meeting those standards at a cost 10 percent less than last year's, he said.

The EPA's latest survey of plant closings shows that three industries have been most affected. They are iron foundries and steel mills, with 16 closings; the paper industry, 10 closings, and chemical plants, 8 closings.

SAFETY MEASURES URGED FOR LEGALLY OWNED WEAPONS

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, I would like to call attention to an aspect of the firearms issue too often ignored by both the lawmakers and the public: The problem of gun safety. The need to address this problem was dramatically illustrated by an incident in my own district in Maryland which was reported by the Washington Post on January 20.

The headline reads, "Brother Wounds Girl, 5" and the subhead, "Boy, 7, Was Playing With Loaded Gun." According to the story, the 7-year-old was "playing with his 5-year-old sister in their Wheaton home Sunday afternoon when he accidentally shot her with a .22 caliber handgun he found in their mother's bedroom." According to the children's mother the gun was in a holster near a window in her bedroom, and there were a number of guns around the house.

Fortunately, the little girl will survive her wound, but there are many others who will not be so fortunate. Each year, gun accidents around the home kill over 2,000 Americans. This is an alarming statistic. The criminal use of firearms produces enough tragedies each year without human carelessness and ignorance adding to the total. Thus I urge this House to consider, along with measures to control the illicit use of firearms, measures which might promote greater safety among citizens who legally acquire them. It is not enough that we insure that those who buy guns obtain them only for legitimate purposes; we must also make certain that buyers understand the lethal potential that their weapons hold for themselves, their friends, and their families, when they are mishandled.

The article follows:

BROTHER WOUNDS GIRL, 5—BOY, 7, WAS PLAYING WITH LOADED GUN

(By Joe Green)

Ronald Chen, 7, was playing with his 5-year-old sister in their Wheaton home Sunday afternoon when he accidentally shot her with a .22 caliber handgun he found in their mother's bedroom, Montgomery County police reported yesterday.

The bullet passed through the left hand of Lori Ann Chen, entered her chest and lodged near her liver but missed her vital organs, police said. By yesterday afternoon the bullet had been removed and Lori Ann was reported in good condition at Suburban Hospital.

Sheri Chen, 24, mother of the two children, said the pistol belongs to Richard Smith, her boyfriend, who lives with the family at their home, 4706 Randolph Rd. She said the gun was in a holster near a window in her bedroom and that there were a number of other guns around the house.

Mrs. Chen said she had been raised in a family that always kept guns around the house for protection and hunting and that she had handled guns since she was very small.

"My father is a member of the National Rifle Association," she said. "We've always had guns in our house."

But, she said in the course of a telephone interview, "all the guns are going out of the house now.

"I don't care how careful you try to be. If there are kids in the house, there is no reason to have them (guns) around. That's the way I feel about it after this incident."

Cpl. Phillip B. Caswell, a police spokesman, said the pistol that fired accidentally, wounding Lori Ann, had been legally registered. "There was no violation of the law in the incident," he said.

UKRAINIAN INDEPENDENCE DAY

(Mr. NEDZI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. NEDZI. Mr. Speaker, January 22 marks the 58th anniversary of the proclamation of independence of the Ukrainian Republic.

This fact is worthy of recognition by the U.S. Congress, despite the relatively brief life of the republic.

The public memory is frequently short. The Russian suppression of Hungary's and Poland's uprisings in 1956 and the Czechoslovakian "spring" in 1968 have, unfortunately, been virtually forgotten. It should not be so.

The bitter experiences of the Hungarians, Poles, and Czechoslovakians teach us more vividly than a thousand political sermons might regarding the basic nature of our totalitarian adversaries. The people who bravely tried to turn their nations away from a robot existence, only to be humiliated by superior military forces, are dispirited but not completely broken. Their sense of grievance is permanent, and this is a fact which some of us who have closely followed Eastern Europe pointed out before the dramatic events of 1956 and 1968. In other words, the thirst for genuine freedom remains and the search for a proper expression of that feeling continues to simmer.

It behooves us, therefore, not to ignore the Ukrainian people nor their struggle within the Ukraine for personal dignity and religious and political independence. The nearly 50 million people of the Ukraine obviously maintain a strong sense of Ukrainian identity. If the ties of family, language, customs, and ethnic history run deep in the Ukrainian-Americans I have known, and they do, then these essential traits must be even more formidable among those on the soil of the Ukraine itself.

Accordingly, we must not underestimate the nationalism of Ukrainians. For one thing, the Ukraine's inclusion in the U.S.S.R. was largely involuntary. Second, millions of Ukrainians were starved and killed in the 1920's and 1930's as a result of official Russian policy. Third, there is persistent evidence that arrests and cultural expressions continue which indicate that the children and grandchildren of those who established the republic in 1918 are daring enough to carry on the struggle.

Americans are well advised not to yield to the temptation of romanticizing the state of the world. Détente or not, there is a very dark side to the history and policies of the Soviet Union.

I, therefore, believe it is appropriate to join in this observance and to restudy some history, especially as that history attests to man's stubborn search for freedom.

IT'S TIME TO END TERRORISTS' BOMBING

(Mr. ROGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROGERS. Mr. Speaker, last week I introduced a bill (H.R. 11386) to reinstate the Federal death penalty for conviction of a bombing which results in the death of a person. The terrible incident at LaGuardia International Airport is a prime example of why such action is needed, and I understand that a bill applying to airports has been introduced. But LaGuardia by no means is an isolated case, and I believe we must act to reach all bombings within the reach of congressional power.

William A. Mullen, editor of the Pompano Beach Sun-Sentinel, has set out in a very concise editorial why we must act quickly, with particular mention of nuclear plants. At this time I would commend Mr. Mullen's editorial to my colleagues and urge that they join with me in sponsoring such legislation.

VIEWED EDITORIALLY—CONCERN FOR PUBLIC MANDATE TO CONGRESS

There's a time-worn story about the Missouri farmer who gained the attention of his mule by slugging the stubborn beast across the nose with a two by four. We hope such painful tactics won't be necessary to draw the American public's attention to a most serious threat to our way of life.

We refer to the possibility of an outburst of terrorist bombings in this country—a topic of such import that we willingly run the risk of being repetitious.

The American problem is that we are not conditioned to take bombings or bomb threats too seriously and that when bombs do kill and maim the public furor lasts for only a brief time and then it's back to business as usual.

This is largely due to the comic imagery of a cartoon anarchist holding a sphere-shaped bomb with fuse sizzling and calling for revolt. Or, extortionists throwing "pineapples" to convince their victims of the wisdom of kicking in.

Grim and uncomfortable proof of this indifference is the reaction, or lack thereof, that exists today over the bomb explosion on Dec. 29 at New York's teeming LaGuardia International Airport which killed 11 persons and maimed a large number of others.

Rep. Paul G. Rogers, D-W. Palm Beach, has introduced a bill calling for a mandatory death penalty for fatal bombings. The flurry of action in the Congress is as hectic as Huck Finn fishing in the Mississippi with a line tied to his big toe.

Something is sorely needed to shake our lawmakers—not our lawmen—out of their lethargy toward the reality that a handful of radicals can do serious damage to our country and what it represents as a lawful nation.

The urgency for such was indicated in our editions yesterday with a story about the vulnerability of atomic reactors and other nuclear installations to terrorist attack.

Congress last year ordered the study, conducted by 14 groups and the reported conclusions to be presented next week are that a newly created federal security force is not needed to protect the installations because the Defense Department can do the job with existing resources.

That Congress ordered the studies is encouraging. However, the snail's pace at which preventive measures are being considered is such that bombers likewise could take their own good time to get about their business.

There is no question that swift and positive reaction must be taken; public concern and public demand should be aroused and our lawmen should be given the latitude they need to search for terrorists and to keep them under a watchful eye in order that the LaGuardia tragedy may not be repeated.

And that's only one instance. The incidence of bombs being planted in the United States and Puerto Rico is reported to be some 200 a month; yes, a month.

These mostly are nuisance or demonstration bombs. Heaven help us if the bombers decide to go more for the heavier stuff, as was used at LaGuardia.

We don't need bomb squads to search for scraps and to clean up the after-mess. We need bomb prevention squads and that need must be fulfilled by a Congress demonstrating real concern for the public welfare.

WILLIAM A. MULLEN.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEARD of Tennessee) to revise and extend their remarks and include extraneous material:)

Mr. TREEN, for 1 hour, today.

Mr. KEMP, for 30 minutes, today.

Mr. KASTEN, for 1 hour, today.

(The following Members (at the request of Mr. HARRIS) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. FORD of Tennessee, for 5 minutes, today.

Mr. BONKER, for 5 minutes, today.

Mr. LAFALCE, for 10 minutes, today.

Mr. BENITEZ, for 5 minutes, today.

(The following Members (at the request of Mr. HALL) to revise and extend their remarks and include extraneous material:)

Mr. RIEGLE, for 5 minutes, today.

EXTENSION OF REMARKS

By unnaimous consent, permission to revise and extend remarks was granted to:

Mr. MADDEN, and to include a newspaper article.

Mr. RHODES to extend his remarks just prior to the passage of the resolution on Clarence M. Mitchell, Jr.

(The following Members (at the request of Mr. BEARD of Tennessee) and to include extraneous matter:)

Mr. SYMMS in two instances.

Mr. CARTER in three instances.

Mr. KETCHUM in two instances.

Mr. RHODES.

Mr. ANDREWS of North Dakota.

Mr. FINDLEY.

(The following Members (at the request of Mr. HARRIS) and to include extraneous matter:)

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. MOORHEAD of Pennsylvania.

Mr. WAXMAN in two instances.

Mr. CHARLES WILSON of Texas in five instances.

Mr. ANNUNZIO in six instances.

Mr. ALEXANDER.

Mr. TEAGUE in 10 instances.

Mr. RANGEL in 10 instances.

Mr. BLOUIN.

Mr. EVINS of Tennessee in two instances.

Mr. RIEGLE.

Mrs. SULLIVAN in two instances.

Mr. HARRINGTON in five instances.

Mr. ROUSH in three instances.

Mr. MILLER of California.

Mr. KARTH in two instances.

Mr. BINGHAM in 10 instances.

Mr. MAZZOLI.

Mr. RUSSO in five instances.

Mr. VANIK.

Mr. ZABLOCKI in two instances.

Mr. LEHMAN in two instances.

(The following Members (at the request of Mr. HALL) and to include extraneous matter:)

Mr. Pickle in five instances.
Mr. Drinan.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1657. An act to amend the National Portrait Gallery Act to redefine "portraiture"; and

S. 1847. An act to authorize the One Hundred and First Airborne Division Association to erect a memorial in the District of Columbia or its environs.

ENROLLED JOINT RESOLUTION SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 406. Joint resolution to provide for the presentation by the United States to Israel of a statue of Abraham Lincoln to be donated by Leon and Ruth Gildesgame, of Mount Kisco, New York.

ADJOURNMENT

Mr. HALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 31 minutes p.m.) the House adjourned until tomorrow, Tuesday, January 27, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2371. A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to authorize appropriations during the fiscal year 1977, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes; to the Committee on Armed Services.

2372. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 1–83, "To extend the time within which the Council of the District of Columbia must act to establish tax incentives for the rehabilitation of real property in the District of Columbia, according to the District of Columbia Real Property Tax Revision Act of 1974," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2373. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 1–84, "To amend the District of Columbia Employee Non-Liability Act to provide for the indemnification of medical employees in certain circumstances," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2374. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 1–85, "To establish the duties and responsibilities of Advisory Neighborhood Commissions; their internal operating structure; their relationships to other governmental and private entities; and their fiscal and administrative procedures," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2375. A letter from the Assistant Secretary of Health, Education, and Welfare, for Administration and Management, transmitting notice of proposed changes in the Department's system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2376. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations, and actions related thereto, contained in the report of the President's Labor-Management Committee entitled "Economic Initiatives," dated December 30, 1974, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

2377. A letter from the Executive Director, Emergency Loan Guarantee Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2378. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Colorado School of Mines Research Institute, Golden, Colo., for a research project entitled "Hydraulic Transportation of Oil Shale," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

2379. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 158, *the Sac and Fox Tribe of Indians of Oklahoma, et al., plaintiffs,* v. *the United States of America, defendant,* and docket No. 209, *the Iowa Tribe of the Iowa Reservation in Kansas and Nebraska, et al., plaintiffs,* v. *the United States of America, defendant,* and docket No. 231, *the Sac and Fox Tribe of Indians of Oklahoma, et al., plaintiffs,* v. *the United States of America, defendant,* pursuant to 60 Stat. 1005 [25 U.S.C. 70t]; to the Committee on Interior and Insular Affairs.

2380. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate James W. Hargrove and his family, and Ambassador-designate Albert Bel Fay and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

2381. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Anne L. Armstrong and her family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

2382. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to the Republic of China, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2383. A letter from the Acting Chairman, Federal Trade Commission, transmitting a draft of proposed legislation to amend the authorization of appropriation for the Federal Trade Commission covering fiscal years 1976 and 1977; to the Committee on Interstate and Foreign Commerce.

2384. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of October 1975, pursuant to section 308(a)(1) of the Rail Pasenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2385. A letter from the President, Legal Services Corporation, transmitting a request by the Corporation for a supplemental appropriation for the fiscal year 1976; to the Committee on Appropriations.

2386. A letter from the National Adjutant, Veterans of World War I of the U.S.A., Inc., transmitting the proceedings of the organization's 1975 national convention, its annual report, and its financial statements for the 9 months ended June 30, 1975 (H. Doc. No. 94–349); to the Committee on the Judiciary and ordered to be printed with illustrations.

2387. A letter from the Director, Federal Bureau of Investigation, Department of Justice, transmitting a report on positions in the FBI in grades GS–16, 17, and 18 during calendar year 1975, pursuant to 5 U.S.C. 5114; to the Committee on Post Office and Civil Service.

2388. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act to authorize appropriations, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

2389. A letter from the Assistant Secretary of the Treasury (Enforcement, Operations, and Tariff Affairs), transmitting a determination waiving the imposition of countervailing duties on imports of canned hams and shoulders from member states of the European Economic Community for a temporary period not to extend beyond January 3, 1979, pursuant to section 303(e) of the Tariff Act of 1930 as amended (88 Stat. 2051) (H. Doc. No. 94–350); to the Committee on Ways and Means and ordered to be printed.

2390. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to facilitate the coordination of programs for the protection, management and control of wild free-roaming horses and burros, and other resources and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

Received From the Comptroller General

2391. A letter from the Comptroller General of the United States, transmitting, a report on the audit of the Federal Crop Insurance Corporation, Department of Agriculture, for fiscal year 1975, pursuant to section 106 of the Government Corporation Control Act, as amended (H. Doc. No. 94–351); jointly, to the Committees on Government Operations, and Agriculture, and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on January 22, 1976, the following report was filed on January 23, 1976.*]

Mr. STAGGERS: Committee of conference. Conference report on S. 2718. An act to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes (Rept. No. 94–781). Ordered to be printed.

[*Submitted January 26, 1976*]

Mr. BROOKS: Committee on Government Operations. Report on irregularities in Navy contract for west coast salvage services (Rept. No. 94–782). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on the acquisition by General Services Administration of property at Laguna Niguel, Calif. (Rept. No. 94–783).

Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on safety in the Federal workplace (Rept. No. 94–784). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on management deficiencies in the Community Services Administration (Rept. No. 94–785). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on the Department of Health, Education, and Welfare (prevention and detection of fraud and program abuse) (Rept. No. 94–786). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on the use of advisory committees by the Food and Drug Administration (Rept. No. 94–787). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on the selection and training of FAA air traffic controllers (Rept. No. 94–788). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS. Committee on Interstate and Foreign Commerce. Report on the activity of the Interstate and Foreign Commerce Committee for the 1st session of the 94th Congress (Rept. No. 94–789). Referred to the Committee of the Whole House on the State of the Union.

Mr. DODD: Committee on the Judiciary. H.R. 2565. A bill for the relief of Luisa Marillac Hughes, Marco Antonio Hughes, Maria del Cisne Hughes, Maria Augusta Hughes, Miguel Vicente Hughes, Veronica del Rocio Hughes, and Ivan Hughes (Rept. No. 94–790). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 4052. A bill for the relief of Alan Sturt (Rept. No. 94–791). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 4053. A bill for the relief of Roderic Patrick Stafford (Rept. No. 94–792). Referred to the Committee of the Whole House.

Mr. RUSSO: Committee on the Judiciary. H.R. 5500. A bill for the relief of Rafael Strochlitz Wurzel; with amendment (Rept. No. 94–793). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 6817. A bill for the relief of Fidel Grosso-Padilla (Rept. No. 94–794). Referred to the Committee on the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R. 11483. A bill to amend title 18, United States Code, to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a nonprofit organization, and for other purposes; to the Committee on the Judiciary.

By Mr. BALDUS (for himself and Mr. Obey):

H.R. 11484. A bill to amend the Internal Revenue Code of 1954 to revise and improve certain provisions thereof relating to estate and gift taxes; to the Committee on Ways and Means.

By Mr. BINGHAM:

H.R. 11485. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. BURLESON of Texas (for himself, Mr. Jones of Oklahoma, Mr. Conable, and Mr. Armstrong):

H.R. 11486. A bill to amend the Internal Revenue Code of 1954 to modify the requirements regarding private operating foundations; to the Committee on Ways and Means.

By Mr. GUDE:

H.R. 11487. A bill to make shoplifting in the District of Columbia a crime; to the Committee on the District of Columbia.

By Mr. HUTCHINSON:

H.R. 11488. A bill to prohibit economic coercion based upon race, color, religion, national origin, or sex; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 11489. A bill to amend the Railroad Retirement Act of 1974 to provide that an individual who has completed 25 years of railroad service shall be deemed to have a current connection with the railroad industry for the purposes of such act; to the Committee on Interstate and Foreign Commerce.

H.R. 11490. A bill to amend title 39, United States Code, to provide that buildings constructed for use by the U.S. Postal Service shall be designed and constructed in a manner making them accessible to the physically handicapped; to the Committee on Post Office and Civil Service.

By Mr. LEHMAN (for himself, Mr. Allen, Mr. Badillo, Mr. Edgar, Mr. Hawkins, Mr. Mitchell of Maryland, Mr. St Germain, Mr. Scheuer, and Mr. Stark):

H.R. 11491. A bill to reform residential electric utility rates; to the Committee on Interstate and Foreign Commerce.

By Mr. McFALL:

H.R. 11492. A bill to amend the Internal Revenue Code of 1954 to exempt from treatment as an industrial development bond certain bond issues the proceeds of which are used for facilities for the furnishing of water and hydroelectric energy; to the Committee on Ways and Means.

By Mr. MICHEL (for himself, Mr. Broomfield, Mr. Dickinson, Mr. Cleveland, Mr. Talcott, Mr. Quillen, Mr. Martin, Mr. Cederberg, Mr. Taylor of Missouri, Mr. Andrews of North Dakota, Mr. Abdnor, and Mr. Kemp):

H.R. 11493. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; to the Committee on Appropriations.

By Mr. MOORHEAD of Pennsylvania:

H.R. 11494. A bill to amend the Defense Production Act of 1950 to include synthetic fuels which may be used as fuels under title III; to the Committee on Banking, Currency and Housing.

By Mr. MURPHY of New York:

H.R. 11495. A bill to amend section 8335 of title 5, United States Code, to reduce the mandatory retirement age for non-U.S. citizen employees of the Panama Canal Company or the Canal Zone Government employed on the Isthmus of Panama to 62 years of age; to the Committee on Post Office and Civil Service.

By Mr. OBEY (for himself and Mr. Baldus):

H.R. 11496. A bill to amend the Internal Revenue Code of 1954 to revise and improve certain provisions thereof relating to estate and gift taxes; to the Committee on Ways and Means.

By Mr. PATTERSON of California:

H.R. 11497. A bill to amend the Clayton Act to preserve and promote competition among persons engaged in the marketing of petroleum products and petrochemicals; to the Committee on the Judiciary.

By Mr. PRICE (for himself and Mr. Bob Wilson (by request)):

H.R. 11498. A bill to approve the sale of certain naval vessels, and for other purposes; to the Committe on Armed Services.

H.R. 11499. A bill to approve the sale of certain naval vessels, and for other purposes; poses; to the Committee on Armed Services.

H.R. 11500. A bill to authorize appropriations during the fiscal year 1977, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each Active Duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes; to the Committee on Armed Services.

By Mr. ROGERS:

H.R. 11501. A bill to amend the Clean Air Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STARK:

H.R. 11502. A bill to provide for annual adjustments in monthly monetary benefits administered by the Veterans' Administration, according to changes in the Consumer Price Index; to the Committee on Veterans' Affairs.

By Mrs. SULLIVAN (for herself, Mr. Hanley, Mr. Hughes, Mr. Ottinger, Mr. Florio, Mr. Eilberg, Mr. Fascell, Mr. Richmond, Mr. Dellums, Mr. Dominick V. Daniels, and Mr. Gilman):

H.R. 11503. A bill to establish an Emergency Financial Assistance Corporation to provide loans to finance urgently needed public facilities for State and local governments, to help achieve a full employment economy both in urban and rural America by providing loans for the establishment of small and medium size businesss and industries, and for the construction of low- and moderate-income housing projects, and to provide job training for unskilled unemployed and underemployed workers; to the Committee on Banking, Currency and Housing.

By Mrs. SULLIVAN (for herself, Mr. Downing of Virginia, and Mr. Ruppe):

H.R. 11504. A bill to amend section 502 (a) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

By Mrs. SULLIVAN (for herself, Mr. Mosher, Mr. Murphy of New York, Mr. Leggett, and Mr. Forsythe):

H.R. 11505. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1977; to the Committee on Merchant Marine and Fisheries.

By Mr. TEAGUE:

H.R. 11506. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974; to the Committee on Science and Technology.

By Mr. WHALEN:

H.R. 11507. A bill to amend title II of the Social Security Act, and the Internal Revenue Code of 1954, to increase to $28,500 over a 3-year period (subject to further increases based on rises in reported wage levels) the ceiling on the amount of earnings which may be counted for social security benefit and tax purposes; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 11508. A bill to provide temporary authority for the Secretary of Agriculture to sell timber from the U.S. Forest Service lands in Alaska consistent with various acts; to the Committee on Interior and Insular Affairs.

By Mr. OBERSTAR (for himself, and Mr. Grassley):

H.J. Res. 779. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. COCHRAN:

H. Con. Res. 530. Concurrent resolution providing for the presentation of the patriotic production "America, O America, the Beautiful" to a joint meeting of the Congress during the Bicentennial Year; jointly to the Committees on Rules, and Post Office and Civil Service.

By Mr. OBERSTAR:

H. Con. Res. 531. Concurrent resolution indicating the sense of Congress that every person throughout the world has the right to a nutritionally adequate diet; and that this country increase its assistance for self-help development among the world's poorest people until such assistance has reached the target of 1 percent of our total national production (GNP); jointly to the Committees on Agriculture, and International Relations.

By Mr. SCHULZE:

H. Con. Res. 532. Concurrent resolution to express the sense of the Congress with respect to assistance to the domestic mushroom industry by the Administrator of the Environmental Protection Agency in solving the waste treatment problems of such industry; to the Committee on Merchant Marine and Fisheries.

By Mr. BALDUS:

H. Res. 978. Resolution designating at the Department of the Treasury and in the Congress an expert on long-range tax simplification and tax reform for small business; jointly to the Committees on Ways and Means, and House Administration.

By Mr. DENT:

H. Res. 979. Resolution relative to the impact of garment and textile imports upon employment in the garment industry of the United States; to the Committee on Education and Labor.

By Mr. GREEN:

H. Res. 980. Resolution to authorize the President to issue a proclamation designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

By Mr. RANGEL (for himself, Ms. BURKE of California, Ms. CHISHOLM, Mr. CLAY, Ms. COLLINS of Illinois, Mr. CONYERS, Mr. DELLUMS, Mr. DIGGS, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. HAWKINS, Ms. JORDAN. Mr. METCALFE, Mr. MITCHELL of Maryland, Mr. NIX, Mr. STOKES, and Mr. YOUNG of Georgia):

H. Res. 981. Resolution expressing the sense of the House of Representatives praising the work of Clarence Mitchell, Jr; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. LLOYD of California introduced a bill (H.R. 11509) for the relief of Mr. Wing Kun Lau, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

375. The SPEAKER presented a petition of the Board of Directors of the City of Tulsa-Rogers County Port Authority, Catoosa, Okla., relative to industrial development tax-exempt financing ceilings, which was referred to the Committee on Ways and Means.

SENATE—*Monday, January 26, 1976*

The Senate met at 11 a.m. and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Creator, Sustainer and Judge, whose mercy and grace abide from generation to generation, we offer to Thee our souls, minds, and bodies in the service of this Nation. Since we know not what a week or a day or an hour may bring, we beseech Thee to keep us "steadfast, unmovable, always abounding in the work of the Lord, for we know our labor is not in vain, in the Lord." Uphold the President, the Congress, and all those in authority, to the end that justice and truth may prevail in an era of peace and plenty when Thy kingdom is being fulfilled on Earth as it is in heaven.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 26, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CLARK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, January 23, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AN INTERVIEW WITH BEN FRANKLIN

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that an "interview" with Benjamin Franklin by Creed Black, editor of the Philadelphia Inquirer, be printed at this point in the RECORD. What this "interview" points out is that Ben Franklin's wisdom of 200 years ago still holds up today. I think this article will be of interest to my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Jan. 18, 1976]

BEN FRANKLIN'S WORDS HAVE THE WISDOM OF THE AGES

(By Creed Black)

Saturday was Benjamin Franklin's birthday, an occasion celebrated here by our annual interview with that remarkable old gentleman. Since this was his 270th birthday, I trust it is understood that his answers to my questions are taken from his writings.

Q. With all respect to you, Dr. Franklin, the big excitement around here these days is not your birthday but the country's. It turns 200 this year, you know. Looking back to the time when you signed the Declaration of Independence, did you think the United States would ever last this long?

A. 'Tis easy to see, hard to foresee.

Q. Sitting there in Independence Hall, you once said you wondered whether the sun in that painting behind President Washington's chair was rising or setting. What do you think now?

A. At last, I know that it is a rising and not a setting sun.

Q. So you must feel pretty good about your part in all this, don't you?

A. If you would not be forgotten, as soon as you are dead and rotten, either write some things worth reading, or do things worth the writing.

Q. Well, Dr. Franklin, you certainly did both. You're aware, I trust, that these first 200 years haven't been all peaches and cream.

A. There are no gains without pain.

Q. We've had a lot of wars, for one thing. But since I last talked with you, we finally got out of Vietnam. What's your reaction to that?

A. At length we are in peace, God be praised, and long, very long, may it continue. All wars are follies, very expensive and very mischievous ones. When will mankind be convinced of this; and agree to settle their differences by arbitration?

Q. I wish I knew. We once had high hopes for the United Nations, but it's not working very well these days. Why do you think that is?

A. When you assemble a number of men to have the advantage of their joint wisdom, you inevitably assemble with these men all their prejudices, their passions, their errors of opinion, their local interest, and their selfish views. From such an assembly, can a perfect production be expected?

Q. I suppose not. Right now one of the threats to peace is in an African country you never heard of—Angola. Do you have any advice to us about becoming involved in a civil war there?

A. Those who in quarrels interpose must often wipe a bloody nose.

Q. Speaking of noses, we've learned the last year that the CIA and FBI have been sticking theirs into a lot of things that weren't really their business and in the process have trampled on the constitutional rights of American citizens. But this was all done in the name of national security. Does that make sense to you?

A. Those who would give up essential liberty to gain a little temporary safety deserve neither liberty nor safety.

Q. As this suggests, the government you helped create has grown a bit in the last 200 years. What do you think of it today?

A. They govern and regulate too much.

Q. But that, we're told, is for our own good. This is the age of the consumer and the government's looking out for us. Even the State Department has just named a consumer affairs coordinator to "review existing mechanisms of consumer input, thruput and output, and seek ways of improving these linkages via the consumer communications channel." What do you think of that?

A. The learned fool writes his nonsense in better language than the unlearned; but still 'tis nonsense.

Q. Well, if it is, it's expensive nonsense. A lot of Americans are beginning to wonder if we can afford all the government we're getting, especially after New York almost went broke last year. Do you think we should try to hold down some of this spending?

A. Beware of little expenses; a small leak will sink a great ship.

Q. We're expecting to hear a lot about all that this year, since we're electing a new President. But there are so many candidates that we seem to be in for a trying season of oratory. Do you think we'll survive?

A. A pair of good ears will wring dry a hundred tongues.

Q. But what if Hubert Humphrey decides to run again?

A. It is possible to talk too much on the best of subjects.

Q. One of the Democratic candidates is Pennsylvania's own Gov. Shapp, but he's having trouble getting anybody to take him seriously. How do you explain that?

A. Great estates may venture more; little boats must keep near shore.

Q. On the Republican side, President Ford is being challenged by Ronald Reagan. Do you think a former actor would make a good President?

A. There is much difference between imitating a good man and counterfeiting him.

Q. Speaking of elections, Philadelphia just put its mayor back in office for another four years. The poor fellow fell and broke his hip, but it didn't hurt his campaign because he wasn't saying anything anyhow. Did you ever hear of such a thing?

A. A slip of the foot you may soon recover, but a slip of the tongue you may never get over.

Q. But he still won't have press conferences or answer questions about the city's business. Why do you think his advisers keep telling him not to talk?

A. Kings and bears often worry their keepers.

Q. So much for politics, Dr. Franklin. I know you liked a good time, and I wouldn't want you to think we don't have our fun, too. Would you like to see the pet rock I bought my son for Christmas.

A. If your head is wax, don't walk in the sun.

Q. Oh, I knew it wasn't really a pet. It was just a joke. Here's the funny little book that came with it. Now get it?

A. Pieces of pleasantry and mirth have a secret charm in them to allay the hearts and tumults of our spirits and to make man forget his restless resentments.

Q. That's what I told my son. Anyhow, we've also become a nation of movie fans. The big attraction last year was a film about sharks chewing up unsuspecting swimmers. Don't you think you would have enjoyed that?

A. My small fund of sense for such performances was pretty well exhausted.

Q. Well, we love you anyhow, and we'll always be indebted to you for the great wisdom which still serves so well.

A. The ancients tell us what is best, but we must learn from the moderns what is fittest.

Q. That's modest of you, but don't you have some parting thought for us moderns as we enter this Bicentennial Year?

A. We may make these times better if we bestir ourselves.

Q. Thank you, Dr. Franklin and happy birthday.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina (Mr. HELMS) is recognized for not to exceed 15 minutes.

Mr. HELMS. Mr. President, I ask unanimous consent that a quorum which I am about to request not be charged to anyone.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. HELMS. Mr. President, I ask unanimous consent that a member of my staff, Dr. James McClellan, be accorded the privilege of the floor during the ensuing colloquy.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REGULATORY REFORM

Mr. HELMS. Mr. President, before I begin my statement, I should like to present for the RECORD a statement prepared by the distinguished Senator from Arizona (Mr. FANNIN), who today is necessarily absent. I think that the Senator's comments set the stage and indicate the tone of what a distinguished group of Senators will be saying later in this colloquy.

Mr. FANNIN's statement is as follows:

Regulatory reform is one of the most important and most promising developments in government today.

The White House has a special task force working on ways to improve the operations of independent agencies and increase competition in the marketplace. Several Senate and House committees are engaged in hearings and studies on regulatory matters. A number of bills have been introduced in both Houses to tackle the problems encountered by businessmen and consumers in dealing with the Federal Government.

Everyone seems to agree that Congress must take action to eliminate bureaucratic delay and inefficiency, improve Congressional oversight procedures, restore agency accountability, reduce government paperwork and redtape, and generally restore public confidence in the institutions of national government. Regulatory reform is a nonpartisan matter whose time has finally arrived.

A number of my colleagues have expressed interest in serious Floor discussion of regulatory issues. Accordingly, we have planned a series of colloquies to examine in depth different aspects of regulatory reform.

Today's colloquy will explore the effects of government regulation on civil liberties and personal freedom. Whenever we consider the HEW regulations affect how young people are to be educated or where they are to be forced to attend school, that gun controls affect a citizen's right to bear arms, that FCC "fairness doctrine" rules abridge fundamental press freedoms or how federal labor laws limit the rights of workers to hold their jobs or journalists to express their views on important issues of the day, without having to join a union—whenever we consider all such matters we are talking about how government infringes on the rights and liberties of Americans in their daily lives. This is one of the most important effects of government regulation and control which the Congress must take into serious consideration as it approaches the complex subject of regulatory reform.

I am pleased that so many Members of both parties are taking time today to discuss these important issues. Future colloquies will deal with other regulatory problems, including the effects of government regulation on consumers, the effects of regulation on business and producers, and the impact of Federal environmental and energy controls. The contributions of my colleagues in this continuing series of discussions will be most welcome.

THE CHILDREN AND YOUTH CAMP SAFETY ACT: AN EXERCISE IN RITUALISTIC LIBERALISM

Mr. HELMS. Mr. President, there was a time when any Member of this body could stand confidently on the floor of the Senate, hold up the U.S. Constitution with justifiable pride, and say to the world: "Here in my hand is the greatest instrument of government ever conceived in the history of mankind.

"This Constitution is the envy of the world. It is a model of limited government and restraint of power. It is designed, like no constitution before it, to protect the individual from government harassment and unnecessary interference with his personal liberty and private life. It is also a safeguard to the States, which are assured under its provisions that the central government will not encroach upon their reserved powers or meddle with their internal affairs. This is the law of the land, and these are the standards which guide us in our deliberations. Indeed, we have taken an oath to uphold these principles."

I question, Mr. President, whether any Senator can make this boast today with the same confidence that prevailed earlier in this century. When I see our children used as pawns by Federal judges and social engineers, forced into buses and transported long distances, away from familiar surroundings; when I see our hard-working merchants, small businessmen, and industrialists oppressed by tons of bureaucratic paperwork and Federal regulations; when I look aghast at the mountain of legislation that has been created by the U.S. Congress, often in the most slipshod fashion, casting a shadow on the liberties of the American people; when I see the constitutional authority of the States arbitrarily ignored by Members of Congress, then I wonder, Mr. President, whether it is not fatuous to speak seriously about the safeguards of our Constitution and our cherished principles of limited government. We might just as well talk about vast herds of American buffalo ranging on the prairie.

I do not say that our Constitution is dead. There is still hope for it. But I do say—as I have said again and again on this floor—that unless we begin now to rethink our constitutional responsibilities, and the nature and purposes of our political system, that we are a doomed people, destined to repeat the terrible mistakes of past civilizations which are no more.

We know this is happening to us; everybody knows it. Every Senator who reads his mail knows it. Every week of every year I receive literally hundreds of letters from Americans who are concerned about the present trend toward socialism and big government in this country. Here is a letter from Mr. Paul Cashion of the Cashion Co. in North Wilkesboro, N.C., who writes—and, I might say parenthetically, Mr. President, that North Wilkesboro is situated in Wilkes County, which was the birthplace of the distinguished assistant majority leader, the Senator from West Virginia (Mr. Robert C. Byrd). In any case, Mr. Cashion wrote to me as follows:

> Dear Senator Helms: The shackles of government on businesses of all sizes has reached an almost unbearable proportion and we urge that you look around and see what other Federal agencies you can eliminate from the ever growing list; and those who you allow to remain I encourage you to harness in such a way that the businesses of America and the individuals of America can live in a more comfortable atmosphere without having the feeling of a noose around their necks every day and at all times.
>
> America was born on the basis of free enterprise and keeping America great and strong through whatever efforts were necessary. Our forefathers have shown us the way and we want an opportunity to live up to their expectations without constant governmental agency interference. We urge that you take the government out of the role of playing "Big Daddy" to everybody, and urge that you put more business in government and less government in business.

Mr. Daniel Grimsley of Wilmington, N.C., writes:

> Dear Senator Helms: I hope you will use your influence to reduce the size and the power of the Federal bureaucracies that seem to operate as independent entities. There seems to be a race between HEW, EPA, and OSHA as to which can bankrupt the country first.

Then a very good friend of mine, Mr. Bruce Peacock of Rocky Mount, N.C., writes:

> Dear Senator Helms: I have been concerned about the encroachment of "Big Government" into the lives of private citizens and private institutions. There are too many issues to state in a letter but I will name a few that are particularly on my mind.
>
> The intervention of the bureaucracy, mainly the IRS, upon Bob Jones University is most disturbing to me and to quite a number of Bible believing Christians. Whether you agree with their dogma or not, they certainly have a right to control their private institution without a forced policy from the government. Bob Jones University has never taken Federal money and it is time somebody protected their Constitutional rights and Biblical convictions.
>
> Another problem that American citizens face is that it seems that our elected representatives have no influence or control over the bureaucracy. For example, we have the same old State Department with the same socialistic philosophy. We are now going to return to "normal relations" with Communist Fidel Castro. Again, the taxpayer is being called upon to hang himself. At best, this can only relieve the Russians in their support of Castro and I can see no value that can be gained by the U.S. We keep feeding the Communist governments all over the world, while they enslave millions. I would like to know if you will give personal attention on such matters to see if we can't do a turn-around on government policies that are bent on destroying freedom as we know it.

Mr. Thomas B. House, president of the American Frozen Food Institute, writes:

> Dear Senator Helms: While practically every citizen of the United States would support increased production of wholesome food at competitive prices, the application of this principle is running into difficulties. In the main, these difficulties manifest themselves relative to the issue of government-imposed increased costs of doing business which have occurred and are occurring through agencies such as EPA, OSHA, the Food and Drug Administration, USDA, and others, while at the same time we find the Federal Trade Commission, the Justice Department, as well as the Congress becoming increasingly concerned about "concentration in the food business." There is no question that increased regulation tends to reduce capability of the small and medium sized food operations to continue in business. This results in the awkward position for government of imposing new and increased controls each year, while at the same time decrying the demise of the number of participants in the food business.
>
> If it is not already, it should be the policy of the government of the United States to encourage and provide incentives for greater numbers of people and firms to become involved in increasing the production of food both for domestic consumption as well as world trade. Somehow the priority of this policy must be implemented in such a fashion as to reduce the regulatory constraints applicable to agriculture.

Mr. Samuel M. Hemphill, treasurer of the Century Furniture Co. in Hickory, N.C., writes:

> Dear Senator Helms: Small businesses throughout the United States, such as Century Furniture Company, are suffering enormously because of constant harassment by regulatory agencies apparently created over the past fifteen years by Congress.
>
> As everyone undoubtedly realizes, the unbelievable amount of work being required by these agencies can only result in additional cost to the consumer of products being manufactured by companies such as ours. Our particular industry is currently going through a very difficult time because of federal flammability proposals being made by one of the many agencies now in existence.

Mr. Perris S. Jensen, an attorney in Salt Lake City, writes:

> Dear Senator: When is Congress going to stop piddling around with trivialities and get down to a consideration of the basic duties, national affairs, which the Constitution provides as their responsibility? I am aware of the fact that the members of Congress are deluged with thousands of bills—so many, in fact, that they can not possibly give attention to them all. But what are these bills all about? Most of them involve trivialities, of no national importance.
>
> Of what NATIONAL importance is it if the operator of a restaurant in Cowpoke junction desires to hire waiters or waitresses? Of what NATIONAL importance is it whether my son or daughter goes to one school or another? Of what NATIONAL importance is it whether Salt Lake City has a bridge over the Jordan River? Of what NATIONAL importance is it whether the Provo River is dredged or not? Congress is so bogged down with tops of medicine bottles, performance of automobiles, marijuana, employment of minorities, even dictating who a man must hire and how much he must pay him, or to whom a man must lend his money. If these are governmental matters at all, then they are matters best left up to the States. Congress was never intended to be the personal guardian of every man, woman and child in the country. They would even seek to displace parents in the performance of their parental duties.

These letters, Mr. President, are a random sample of the thousands of letters and telegrams of protest that I receive—that we all receive—day after day. These Americans come to us for relief from the very laws that we impose upon them. They know, and they know it well, that, unless we in the Senate and in the House of Representatives change our present course, we shall become another cipher in the long list of republics that have failed.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. HELMS. I am delighted to yield to my friend from New York.

Mr. BUCKLEY. Mr. President, the letters the Senator has been citing are complete carbon copies of those I have been receiving in increasing quantities from various businesses in New York State.

The thing that interested me was that we seem to have gone beyond the business world, which was, of course, the first to be ringing the alarm as to indications of the proliferation of burdens on businesses. Every day now, ordinary citizens who are not directly involved but who are still interested in problems in their own community, talk to members of the school board and the mayor as to what HEW is doing in terms of unnecessary harassment and requirements for paperwork. They talk to their local officials, and they start hearing about problems faced on down to the smallest community level.

Ordinary citizens are trying to cope with the often arbitrary, often conflicting requirements of the Federal bureaucracy, and they are beginning to resent it. I think we may be reaching a point where the public perception of what is happening here in Washington may provide us in Congress with the guts to do something about it.

One of the things that I have noticed in my own mail is that people are beginning to believe that they are having their lives twisted, directed, pushed, shoved, squeezed by people who really exist outside our political structure.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. BUCKLEY. I thank the Senator.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Idaho (Mr. McCLURE) is recognized for not to exceed 15 minutes.

Mr. McCLURE. Mr. President, I am happy to yield to the junior Senator from North Carolina to respond.

Mr. BUCKLEY. There is a perception that we have created a new class of officials who have arbitrary, discretionary powers over other Americans. These are officials whom nobody elected and whom neither the executive branch of the Federal Government nor the Congress has the capacity to oversee.

So we see petty tyrannies here and there. We see citizens inconvenienced, enormous expenses rolled up, by people who seem to be beyond anyone's reach.

This is disturbing in two respects, it seems to me. First, it is going against the basic concept of government with the consent of the governed. Second, it is creating a situation which the Founders of the Republic sought so diligently to avoid, namely, a substitution of government through the discretionary acts of men and women for the concept of government by laws to which each citizen has equal recourse.

I thank the Senator.

Mr. HELMS. I thank the able Senator from New York for his comments.

As he has indicated, the tragedy of this situation is that it has taken so long for the effects to become obvious to so many of the American people, who have in turn failed to recognize the perils to their freedoms.

Now we have experienced ruinous inflation. We see constantly rising prices. Yet it has taken so long for so many people to understand that the cost of goods and services has been increased by a Federal action which is not only unnecessary but unwise and destructive to the stability of this Nation.

Will the Senator from Idaho yield further to me?

Mr. McCLURE. I am happy to yield.

Mr. HELMS. And how has Congress responded to this situation? By abolishing regulatory agencies and commissions or limiting their power? Can any Member of this Chamber name one agency that we have abolished in this last session of Congress? Can anyone recall a single act that we passed which reduced substantially the powers—any power—of the Federal bureaucracy? Let the record show, Mr. President, that these questions were met with a deafening silence.

In point of fact, many Members of the Senate—and most of them are part of the controlling majority—continue to propose legislation that is calculated to take away more personal freedom and put more bureaucrats on the public payroll. Some of this legislation comes to us in the guise of so-called protection. Some of it appears under the banner of "safety." Some of it purports simply to provide a "service"—a service that we did without for 200 years and, somehow, must have today if we are to thrive and prosper. But in so many instances, the words "protection," "safety", and "service" are mere euphemisms, part of the honey-tongued rhetoric of the leftists which spells "More Government and Less Freedom."

The Child and Family Services Act, which is now under consideration by the Senate Committee on Labor and Public Welfare, and the Children and Youth Camp Safety Act, which has already been reported by that free-wheeling committee and is now on the calendar, are illustrative of the awful truth that some Members of the Senate lack either the will or the desire to live under a government of limited power. When I look upon these bills in amazement, the words of Mr. Perris Jensen, the Salt Lake City attorney, echo in my ears:

> Congress was never intended to be the personal guardian of every man, woman, and child in the country. They would even seek to displace parents in the performance of their parental duties.

Indeed, they would, Mr. Jensen, if these bills are any barometer of our declining respect for the privacy and sanctity of the American family. The family is a sacred institution in America. It is the very bedrock of our civilization. Through the family, we pass along, from one generation to the next, an abiding love of country, our traditions, our culture, our religious beliefs, and our values—especially our love of liberty, justice, and constitutional government. Recognizing the importance of the family as an obstacle to tyranny, realizing that it stands in the way of totalitarianism because it renders a blind loyalty to the State almost impossible, Communist systems of the modern era have labored incessantly to weaken the family and substitute instead the communal way of life, in which the individual is more easily proselytized by the managers of the State and converted to their system of beliefs.

There is a clear and present danger that the United States is following the same disastrous course. And our unrestrained Federal judiciary is leading the way. In the past decade, the Supreme Court has created, out of whole cloth—for there are no historical or constitutional precedents—a new right called the right of privacy. Within the same period of time, the Court has invaded the private sphere of family life, telling their locally elected officials and parents what schools their children can attend, who their teachers shall be, what clothes they can wear, what discipline they deserve, what political and nonpolitical armbands they can wear, how they cut their hair, and even what kinds of prayers, readings from the Bible, and pledges of allegiance they can recite or hear. Is the Senate now placing its stamp of approval on these developments, in preparation for a complete Federal takeover of American youth?

Such is the picture that the Senate Committee on Labor ad Public Welfare has outlined for us. Senate passage of the Children and Youth Camp Safety Act—and I shall direct my remarks to this bill because it has already been reported to the floor—would, in my judgment, serve only one purpose: to show the American people that the U.S. Senate has lost all sense of moderation and restraint, and all understanding of the constitutional limitations that we have sworn to uphold.

It may come as a surprise to some supporters of this radical legislation, but the United States is not a unitary form of government—not yet, anyway. It is a federal system of government that reserves a sphere of authority to the several States. The right and the duty of the States to exercise primary responsibility for safeguarding the public health has been universally acknowledged since the founding of the Republic. In total disregard of the Constitution, the Children and Youth Camp Safety Act usurps the reserved powers of the States in the most extreme manner possible. Running roughshod over article I, section 8 of the Constitution, which provides that Congress shall have the power "to regulate commerce among the several States," the authors of this legislation brazenly assert in section 2 of the bill that one of the purposes of this act is to make Federal youth camp safety standards "applicable to intrastate as well as interstate youth camp operators." As Senators TAFT, BEALL, EAGLETON, LAXALT, and DURKIN argue in their statement of minority views, this bill constitutes a "Federal takeover of youth camps." We may appropriately add that it also constitutes a Federal takeover of the State police power. Senators who honor the spirit and letter of the Constitution will be hard put to imagine a more deliberate act of defiance toward the proper scope and meaning of the Commerce Clause than that contained in the Children and Youth Camp Safety Act.

In the absence of any hearings on this bill, in the absence of any discernible need to establish Federal regulations and controls over youth camps, the supporters of this measure have embraced the tired, outworn doctrine that all problems, whether real or imaginary, must be solved by Federal bureaucrats. The people of this Nation will be surprised to learn that we have a problem in our summer camps. And what is that "problem"? The problem-inventors on the Senate Committee on Labor and Public Welfare tell us that we have a problem of health and safety at our summer camps. Children are injured. They get sick. They need the protection of Federal HEW Camp Inspectors who, under section 9 of this act, will visit the camps to see that they are safe and healthy because the men and women who run them do not provide such conditions. What is a good safe hike through the woods without a Federal camp inspector to check the trail for bumps and snakes, and care for the little tykes when they fall down and scratch their knees? What responsible parent in this country wants his child attending a camp that is not equipped with Federal camp inspectors to check the kids for mosquito bites and insect stings? Who knows better whether the water is safe for swimming, the camp director or the omniscient Federal Camp Inspector visiting from Washington with his Government forms? The answers to these questions are clear enough. What is not clear—and we must chastise the members of the committee for this oversight—is why the act fails to provide for the free distribution of snake bite kits, bandages, poison ivy medicine, blankets, safe beds, and water wings.

Federal camp inspectors must be

equipped to protect our children at all times and at all places.

As a member of the board of directors of Camp Willow Run, in Littleton, N.C., I look forward to the first visit of the HEW Camp Inspector. Camp Willow Run is a relatively new, interdenominational Christian camp located on Lake Gaston. Without the help of Federal inspectors, Federal funds, or Federal meddling, dedicated and experienced men and women established this fine camp with the aid of faith, friends, and a few miracles. Many disadvantaged children attend this camp each year and, like the other campers, are exposed to Christian ideals and guidance as well as recreational activities. The camp's record for health and safety is unexcelled in the State of North Carolina. What the Federal camp inspector will find here, as I am sure he will find everywhere, is that camp operators are not children and, contrary to the wishes of the Senate Committee on Labor and Public Welfare, do have the ability and experience to provide helpful and safe conditions for the youngsters under their care.

To some Members of the Senate, it may seem unimportant whether this act is passed or rejected. After all, it will probably have little, if any, effect on camp conditions around the country. Likewise, some of my colleagues may scoff at the idea that this bill poses a danger to our liberty. Certainly it will not bring about an end to American liberty. But this is an important bill, Mr. President. It is important because it contains a principle of government that is inherently dangerous to liberty.

The principle to which I refer is unlimited government, the hallmark of tyrannical government. To be sure, this bill does not, in itself, establish unlimited government; but it does establish the principle. "The true danger," as Edmund Burke observed, "is when liberty is nibbled away, for expedients, and by parts."

In my view, Mr. President, the Members of the Senate will best promote the health and safety of our young children by confining themselves to their own legitimate duties. Let the Senate do this, and the fine people who operate our youth camps will do the rest. Safe and healthful camps will be made by conscientious, dedicated individuals, not by HEW bureaucrats. We should never create by law that which can be accomplished through individual effort. If we keep this thought in mind, we can avoid a lot of needless legislation and get this country moving once again in the direction of freedom and limited government.

Mr. McCLURE. Mr. President, I commend the Senator from North Carolina for the remarks he has made and I join also with the distinguished Senator from New York in the remarks that have just been made about the concern of the American people.

One of the things that has confronted me in my years of service in Congress—I am now entering on the 10th year of that service in the House and in the Senate—is that the American people are always way ahead of the Congress. If I read American public opinion at all correctly, they are demanding we do something about what is happening in the growth of the authority of the bureaucracy.

I read the statistics—as every Member in this body does, I hope—showing that the American people are being less and less involved in the political affairs of this country.

We rise on the floor here and say that they are demanding changes in regulatory reform. I think every man and woman in the Congress of the United States knows that they have been demanding that for some time, but nothing has happened.

We know that the food stamp program is a bureaucratic mess. It is a taxpayers' nightmare and it does not yield the results that we want in really meeting the legitimate needs of welfare recipients.

I do not know of a single Member of the Congress, certainly not of this body, who in many hearings in the last year has risen to his feet to say that the food stamp program is a good program that ought not be changed. He may say it is good, but always will follow that by saying it has faults that ought to be changed. Yet, where is the substantive change in the food stamp program in the last year?

The Senator from North Carolina knows, as I do, that the bureaucracy has not yielded to the demands of the people, but neither have the people's representatives.

Mr. HELMS. Will the able Senator yield?

Mr. McCLURE. Certainly.

Mr. HELMS. The thing that troubles the Senator from North Carolina, as it surely does the distinguished Senator from Idaho and the distinguished Senator from New York, is that there seems to be an inability in the bureaucracy to engage in any self-correction.

They know these things are going on and there is an almost "boys will be boys" attitude when instances of horrendous mismanagement and abuse of public trust are uncovered.

Let me give the Senator an example. In Gaston County, N.C., I recently discovered an emergency fuel program that set some sort of record in absurdity. It was a modest program, as such programs go, involving only about $21,000 of the taxpayer's money. The amount is not as important as how it was administered.

Would the Senator believe that only about $500 of the $21,000 allocation for this program actually went for the purchase of fuel; that is to say, fuel oil and coal for the needy?

That is exactly what happened; $500 went for the purposes of the program. The rest of the money went for salaries of bureaucrats to administer it.

I might say to the Senator that half of the fuel oil purchased for the program cannot be accounted for.

I ask unanimous consent that a news item in this connection, published in the January 8, 1976, edition of the Gastonia Gazette be printed in the RECORD at this point, along with a letter I directed on January 20 to the Atlanta regional director of the Community Services Administration.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FUEL MONEY RUNS OUT

(By Tom Oliver)

DALLAS.—Gaston Community Action (GCA) is out of money for Operation Heat Wave, a program designed to provide emergency coal and heating oil and temporary winter insulation for low income homes.

The program started in September with a budget of $21,025 in state and federal funds. Roughly $525 was spent on materials—coal, heating oil and plastic window insulation, program supervisor Lee Lowery said this morning.

The other $20,500 was spent on salaries for program employes, travel expenses, office supplies and janitorial services, Lowery said.

"We spent $243 for plastic and corking and stuff like that to provide temporary insulation of homes to conserve energy used for heating. We had a quota of 40 homes and we have served 16," Lowery said.

The program has spent $103 for 268 gallons of heating oil. The oil went to 14 families in the form of emergency grants of 10 gallons, Lowery said, accounting for 140 gallons of the oil.

"I don't really know where the other 128 gallons are, but I know we gave heating oil to families that needed it and all 268 gallons went to needy families," Lowery said.

The program also spent $174 on coal. That provided 30 families with emergency supplies of two bags each, Lowery said.

Operation Heat Wave's budget is exhausted, but applications are being filed for $6,208 in state funds and $5,771 in federal funds to continue the program for the remainder of the winter, GCA Director Howard Blount said.

GCA is also in line for $13,700 for labor and $16,400 for materials from the federal Economic Development Administration and two federal Community Service Administration grants.

That money must be used for permanent repairs to low income family homes to conserve heating fuels, Blount said. The funds must be used to buy and install permanent attic and wall insulation, repair heat leaks in roofs, walls and floors and buy and install storm windows, he said.

"This is permanent and there is a limit of $250 on repairs to each home. This cannot be spent on temporary winterization, like plastic for windows," Blount explained.

U.S. SENATE,
Washington, D.C., January 20, 1976.

Mr. WILLIAM SONNY WALKER,
Director, Region Four, Community Services Administration, Atlanta, Ga.

DEAR MR. WALKER: I bring the *enclosed* article to your attention, although it would seem that proper monitoring and supervision would have long ago divulged this incredible situation. In any case, dubious distinction has been earned by the Gaston Community Action for breaking a government record by achieving an all-time low .02497 cost/benefit ratio in the administration of a federally funded program.

I would appreciate an immediate and detailed response including, but not limited to, the following:

(1) The name and address of the person in charge of the Gaston Community Action.

(2) Who is that person's immediate supervisor?

(3) How often was the program monitored, inspected, and supervised?

(4) The names, addresses, pay scales, and qualifications of all employees, past and present, of Gaston Community Action.

(5) What guidelines, if any, are given to this and similar programs relative to the establishment of a proper cost/benefit ratio?

(6) When did you first learn of this situation?

(7) When you first learned of this situation, what did you do about it? To whose attention was it brought?

(8) If this is the first you heard of the situation, why did you not learn of it heretofore?

(9) How many other programs exist in North Carolina with similar abuses?

(10) What is being done about them?

(11) What do you intend to do about the present situation, including, but not limited to: (a) dismissal of personnel; (b) auditing; (c) discontinuation of funding; (d) investigations for possible embezzlement and other criminal violations?

(12) What happened to the missing 128 gallons of fuel oil?

(13) What are the names and addresses of all persons receiving welfare benefits under this program, including, but not limited to, the fourteen families who allegedly received each a ten gallon emergency allocation of fuel?

Please also send me a complete financial statement in regard to the expenditure of the $21,025 appropriated, the criteria for eligible recipients and proper expenses, and your opinion as to whether the Gaston Community Action has met these criteria.

A copy of this letter is being sent to the U.S. Attorney for the Western District of North Carolina for whatever action he deems appropriate.

Sincerely,

JESSE HELMS.

Mr. McCLURE. I thank the Senator.

The sense of frustration which I have, which is shared by the Senator just speaking and that the bureaucracy does not change, is an equal sense of frustration with the Congress itself as an institution that seems incapable of responding to the very clear demands of the American people, and the inability or unwillingness to face the tough necessity of adequate, complete oversight of the programs that the Congress of the United States has created.

We have a tendency to condemn the bureaucracy, but there is not a single one of them I am aware of that was not first authorized by Congress and there is not a single one of them that is not funded by an appropriation of an act of Congress. If, as a matter of fact, the bureaucracy is out of hand, whose fault is it, ours or theirs?

I am sure that most people know the old saying that if a person cheats me once, that is his fault, but if he cheats me twice, that is mine.

If the bureaucracy is not working and we just discovered it, that is the fault of the system. But if the bureaucracy is not working and we have known it for a long time and have not done anything about it, the American people have the right to point the finger of blame at the political institutions of this country and the occupants of the elective offices in this country for having done little or nothing to correct it.

I do not want to join in a too overbroad condemnation of the Congress, as some, I think, would. But I do believe that the need for regulatory reform is so obvious, so pressing and has been so often stated that the American people may indeed be justified in the criticisms that they level against this body as a political institution in failing to address itself to one of the very grave malaises in the American body politic today.

I am concerned when I hear, as the distinguished Senator from South Carolina (Mr. THURMOND) a moment ago made reference, of the growing tendency to move in the direction of trying to control crime by moving into the area of gun control, a matter upon which I have spoken a number of times, and a matter upon which I have very, very strong feelings.

I am concerned when I see what has happened in inaction with respect to the food stamp program, the welfare reform which must be addressed. But those are symptoms of a problem that are much more deeply rooted in our political institutions than individual programs.

The distinguished Senator from New York made reference a moment ago to the underlying idea that motivated the Founding Fathers in structuring this Government, that we were to be a government of laws and not of men; a government where every citizen could look at the written law and know what was expected of him before the action was taken and not in retrospect; that they would not have to wait upon someone to file a whole list of regulations to interpret the law that the Congress did not write but had delegated authority to someone else to write by way of regulation.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. BUCKLEY. I think first of all we should recognize that whereas it is very easy for us to talk about arrogance of bureaucrats and bureaucracy, of which the various agencies of this Government are capable, by thousands upon thousands of intelligent, able, well-intentioned individuals. I think it is very important for us to make the distinction that except in certain specific instances people who are trying to do their job run into a system which makes it possible for people in the best of faith to end up doing the wrong things in terms of the political institutions in this country.

I think it is important to make this distinction, not only in terms of fairness and justice, but also to focus attention on the fact that pure reform of procedures is not going to overcome the basic problem. Human nature is human nature. People who are protected by tenure are apt to be under fewer pressures to be responsive than people who can be dismissed. People who have devoted a lifetime in a particular agency begin to have the belief, the sincere belief, in the appropriateness of what they are doing that they become arrogant though not intending to be arrogant.

When we analyze and address the whole proliferation of agencies we have created, I think it is important for us to ask ourselves whether or not there are alternative approaches to see to it that we have safety in places of employment; that we have goods that are produced that meet the essential health and safety standards, and so forth.

Mr. McCLURE. Let me say to the Senator from New York that if men were angels perhaps we would not have the same kinds of problems we have. I use that term because, as the Senator is aware, he is the author of a book bearing that title. But even if men were angels, if we were all willing to accept the idea that all bureaucrats are well-motivated, that they are honest men and women with great personal integrity, we believe in our system of government that we have the right to make our own decisions and to govern our own lives, regardless of whether or not other people agree with all of the premises upon which our lives are regulated.

(The following proceedings, which occurred during the delivery of Mr. HELMS' speech, are printed at this point in the RECORD by unanimous consent.)

Mr. HELMS. Mr. President, I yield to the Senator from South Carolina (Mr. THURMOND).

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized.

REGULATORY ACTION AND GUN CONTROL

Mr. THURMOND. Mr. President, I take comfort in the fact that all of America is taking a good, hard look at the regulatory actions of the National Government. In this, the 200th year of our American Republic, there is a new spirit in the land which questions whether bureaucrats in Washington really can deal with issues and problems which the citizens previously settled themselves in their own localities. The American people have not become cynical; they have not concluded that most government is waste. But with respect to the National Government and its regulatory functions, they are leaning that way. The debilitating effects of the centralized administrator of the details of our daily lives is now obvious to anyone who will look. Everyone can now recognize that the regulatory bureaucracies are not only a drain on our vitality and resources, but they are also a danger to our individual freedom and privacy. Additionally, the means by which they harass our citizens is a threat to our Federal form of Government.

Take, for example, the issue of gun control. The right to keep personal firearms has been recognized in our Constitution as vital to the maintenance of individual liberty and a free society. The Founding Fathers recognized that not all men would use this fundamental right responsibly. However, they saw no need for some overreaching national government to get involved in the regulation of firearms. Our system of courts and our State and local governments would deal with specific problems as the need arose.

Unfortunately, the rise of the national bureaucracy has brought with it a different perspective on dealing with problems such as the abuse of firearms. Rather than permitting local governments to solve local problems, the bureaucratic mind conceives a universal program of regulations to be applied everywhere, whether there is a problem everywhere or not. For example, we are all alarmed at the rise in the national crime statistics. However, a rise in that national average does not mean that crime is a problem which must be dealt with in the same way everywhere. More than 20 percent of the murders committed in America are committed in New York City, and about a third of those murders are committed with firearms. But this hardly requires that we establish a national bureaucracy which will insure that the farmers and hunters of South Carolina are disarmed. Yet the centralized planner feels he must do everything himself. He must take on the responsibility himself. No one can be trusted to deal with a problem which must be solved everywhere, even if it does not exist everywhere. These administrators think that "regulation" is the proper means by which they can set things right. However, the evidence now seems to show that centralized regulation is the means by which we insure that our problem will get worse, all at great cost in tax moneys and personal freedom.

Once the national bureaucracy decides that it alone can provide direction for efforts to deal with problems like firearms abuse, the bureaucracy begins to form an entire program. New agencies or offices must be formed, either to act or to monitor those who are directed to act. New chiefs for the new offices must be selected from among the Indians in older offices who are waiting for promotions. The bureaucracies must be expanded to provide for more agents, administrators, and support staffs. Researchers, often from the pressure groups which pushed for the new regulations, must be hired to develop the actual strategy.

These strategies in all the regulatory agencies have many similarities. The most common similarity is that they all have difficulty dealing with a problem directly so they contrive a means to deal with the problem indirectly. Gun control is a good example.

The crime rate is rising and the Government feels it must act. Yet, acting against criminals is difficult. If it were easy, there would be no problem. Criminals ignore new laws just as they ignored old ones. They use every loophole in the law and every gap in our court processes to make enforcement difficult. Bureaucracies have long since learned that, in the enforcement of their vast regulations, the difficult cases are not cost effective in terms of processing a large number of cases quickly. Bureaucrats appear to be far more effective when they enforce routine regulations against law-abiding citizens. If they cannot disarm the criminals, then they disarm the citizens so that a summary of their case load will show that they are disarming somebody. I am surprised that some bureaucrat has not decided to require all Americans to wear a bulletproof vest because of the danger of being shot by criminals, who are not deterred by the ineffective actions of bureaucratic routine.

Whenever the regulatory bureaucracies fail to solve the problems they were organized to solve, they ask for more resources and more power to regulate. Gun registration is a good example. In New York City, which has a strict gun registration law, somewhat fewer than 600 people have privately owned handguns which are legally registered and are not used in some form of law enforcement. Yet New York has a gun murder rate two times that of the national average to which it so greatly contributes. The New York bureaucracy cannot control guns in New York City, so it calls upon the National Government to add more regulations. But, clearly, registration is not the answer, because only law-abiding citizens register their guns. The gun murder problem in New York City is due to factors other than the existence of handguns. The State of New York has a half a million people who own handguns, but the number of registered handguns involved in crimes is extremely small.

Now it seems the next step in helping New York with its crime problem must be a national bureaucracy, which will regulate the 200 million guns that exist in America.

The quantity of resources which will be taken from the American people, and away from efforts to control crime, in order to nationalize the efforts to reduce New York's crime problem will be unbelievable. Depending upon which of the various programs of the antigun lobby were to be enacted into law, the costs could range as high as $5 billion a year. The average cost to taxpayers to process a gun license in New York in 1968 was $72.87 a person. Applied to the estimated 50 million gun owners, that would be around $4 billion. Add to that the price of a Federal registration system and a computer complex, probably second only in size to that of the Social Security Administration, and it raises the price more. The initial costs would be great and the continuing costs would be great. The American people deserve an explanation of why it would be better to spend this much money or more on the regulation of law-abiding citizens, when the same amount of money could be put into crime prevention, the courts, and the prisons.

Perhaps the most disturbing aspect of the bureaucratic approach to gun control is not that it is expensive, not that it is ineffective, but that it inevitably leads to reduction in our individual liberty and privacy, and is a danger to our system of government.

In an effort to get around constitutional guarantees, efforts are made to conjure up excuses. For example, one group has suggested that handgun ammunition be banned in interstate commerce as a hazardous substance. Is handgun ammunition more hazardous than rifle ammunition?

Mr. President, legislation has been introduced which would provide a jail term and a fine for anyone who fails to turn in his handgun within 6 months of the effective date of the proposed law. Any way you look at it, this is an outrageous threat. Can you imagine the number of old firearms locked away in attics which would not be turned in?

Unjust regulation has always created a black market. Sometimes it aids the development of organized crime. Criminals become more efficient when they unite. Like the bootleggers of old, they begin as a popular resistance to pompous regulations, but eventually are almost completely replaced by organized criminals. A new problem will be created. This problem is a large criminal gun trade which will be fought with the resources now being used to stop crime in the streets.

It is appalling that some of those who advocate the abolishment of centralized recordkeeping of criminal records, and those who wish to keep the States from learning the official criminal records of criminals within their States, will at the same time advocate massive centralized dossiers on law-abiding citizens. We hear cries of protest about the arrest of persons involved in the so-called victimless crimes, and yet now they seek to create a new victimless crime.

The age-old question concerning Government regulation is raised again. Who benefits? The answer, as in so many cases, is that criminals benefit. Decent citizens and taxpayers, of course, pay the price in money and loss of freedom.

In the process, the overuse of regulatory agencies undermines our traditional separation of powers, and the overreliance upon the centralized Government threatens the viability of our Federal system of government.

Mr. President, I thank the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the able Senator from South Carolina for his eloquent comments and his unyielding defense of the liberties of the American people.

DEATH OF SENATOR HANSEN'S MOTHER

Mr. HELMS. Mr. President, over the weekend, one our distinguished colleagues experienced a great sadness. The distinguished Senator from Wyoming (Mr. Hansen) lost his mother. I know that all Senators join the Senator from North Carolina in extending to Senator Hansen and his dear family the deepest sympathy. Senator Hansen was scheduled to appear here this morning and participate in this colloquy. The circumstances being what they are, of course, he is not here. In his behalf, Mr. President, I ask unanimous consent that a statement prepared by Senator Hansen, which otherwise would have been presented here this morning, be printed in the Record.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

GOVERNMENT REGLATION—OSHA LEGAL PROCEEDINGS UNFAIR TO EMPLOYEES

(Statement by Senator Hansen)

It is indeed a pleasure for me to submit this statement on regulatory reform in government.

Since I have been a member of this body, the growth of authority in an increasing Federal bureaucracy has concerned me. New Federal commissions, agencies, and divisions within departments have been created at the expense of the American taxpayers, who now finds themselves "overtaxed and overregulated."

The American taxpayers have been reluctant recipients of overregulation at their own expense. Also, corporations and solely- or family-owned businesses are now subject to excessive laws and regulations. For example, the Federal Trade Commission is going to regulate practices of undertakers, thereby preempting state law. The FTC will also, by regulation, bypass state laws in enacting rules and regulations which replace state law where the Uniform Consumer Credit Code is in effect. These are just two examples.

The astronomical number of volumes of the Code of Federal Regulations is beyond comprehension.

Laws have been passed by Congress as social panaceas, when restraint and deference to state legislatures would have been the right practice.

With this in mind, I would like to discuss the Occupational Safety and Health Act, and some of its effects on the civil liberties of employers. (A recent study estimates it will cost American employers $13.5 billion to bring existing facilities into compliance with the OSHA noise standard. The noise standard is only one of many.)

If an employee fails to use a safety belt or wear a safety helmet, it is his employer the government cites and fines, even though that employer provided the necessary safety equipment and counseled employees to use it. The Regulatory Reform Act would correct this injustice by requiring employee responsibility, and by protecting employers from penalty for negligence of employees.

I believe that an employee should be afforded a safe and heathful work environment; however, the law under which OSHA was created, and the regulations by the OSHA Commission, place an unfair burden on an employer.

All of us in the Congress are concerned with the protection of the civil liberties of the American citizenry. To what extent, if any, does OSHA impinge upon the civil liberties of employers?

It is interesting to note that an OSHA inspector need not give notice to an employer when an inspection is to be made.

Although due process, as interpreted by the courts, is satisfied by such lack of notice, as a matter of civility and fairness, the employer should be given reasonable notice before such an inspection, with its disruptive effect upon the operation of the business, is conducted.

When an employer is notified of a violation, the citation contains the penalty that is going to be assessed. This action is putting the cart before the horse. The action, authorized by law, flies in the face of due process of law.

Granted, the employer is given the right to contest the citation at an administrative hearing, or he can forego the hearing process, and is given time to correct the defect; however, the penalty should not be assessed in the citation. The foundation of our system of justice is that an individual is innocent until proven guilty.

Further, if the employer decides to contest the citation, he has the right to an administrative hearing before a designated body of the Occupational Safety and Health Review Commission. If the Commission finds against the employer, a further appeal is authorized. The appeal is not authorized to the United States District Court where the alleged violation occurred. The appeal is to the Federal Circuit Court of Appeals where the alleged violation took place or to the Court of Appeals for the District of Columbia Circuit.

The Federal Circuit Court of Appeals in which Wyoming is located is the Tenth Circuit, which is headquartered in Denver, Colorado. The Court of Appeals for the District of Columbia is located in Washington, D.C. This law, in my opinion, discourages an appeal by the small businessman because of the costs and geographic distance involved.

Further, it must be noted that this procedure, to wit, appealing to a Circuit Court of Appeals, bypasses the Federal District Courts, which are trial courts.

The foregoing poses two problems for employers. Review of a final administrative order by a Federal District Court under some circumstances could include the taking of additional evidence. A trial court is better equipped to take additional evidence. Under present law, the trial courts are bypassed and the administrative order is reviewed by a Circuit Court of Appeals. An appellate court is not equipped, nor is the function of such a court, to take evidence. So, under present law, if evidence is to be taken, the appellate court must send the case back to the OSHA Commission for the taking of evidence.

The time and expense to the employer involved in this procedure is simply not fair.

Another problem presented by this appeal procedure to the employer is the tendency of courts to defer to the alleged expertise of the administrative body and find for the agency. In fact, under present law an appellate court will affirm an administrative order if there is "substantial evidence" in the record.

Federal courts are under the pressure of voluminous case loads. There is a real tendency of appellate courts to find for the administrative agency, saying there is substantial evidence in the record when supposed administrative expertise is relied upon. This tendency to affirm the administrative agency spills over into the OSHA procedure and is unfair to the employer.

There has been legislation introduced in the 94th Congress to correct this tendency of courts to affirm administrative orders under the guise of substantial evidence, which is really referring to assumed administrative expertise. This legislation would provide for a "trial de novo" in the Federal district courts. This legislation would curb arbitrary actions by administrative agencies.

The point is, the procedure for an appeal of an employer under OSHA statutes is unfair to the employer.

In sum, the point must be made that the legal procedure for contesting a citation under the Occupational Safety and Health Act is unfair to employers.

The regulations developed to carry out the Occupational Safety and Health Act are particularly representative of Federal regulatory harassment and injustice. For example, employers are held responsible when their employees fail to comply with OSHA safety standards.

The Occupational Safety and Health Act is one example of overregulation, but the point should be made that the pervasiveness of Federal overregulation affects all.

Mr. THURMOND. Will the distinguished Senator yield for just a moment?

Mr. HELMS. I am happy to yield.

DEATH OF SENATOR HANSEN'S MOTHER

Mr. THURMOND. Mr. President, I rise to express my deepest sympathy to the able Senator from Wyoming (Mr. HANSEN) upon the death of his mother. Last week, I heard she was very ill and I telephoned Mr. HANSEN in Wyoming and expressed the hope that she would soon recover. He stated then that her health was not good, that she had lived a full life, over 90 years, and that he could not express optimism as to her recovery.

Senator HANSEN is one of the finest men I have ever known. He has served in the Senate in a very able manner, representing the people of his State and his Nation. I did not have the pleasure of knowing his mother, but she must have been a wonderful woman to have produced such a distinguished and able son. I extend again my deepest regrets to Senator HANSEN and his fine family upon the passing of his devoted mother.

Mr. HELMS. I thank the Chair.

Mr. President, I commend the Senator from South Carolina on his remarks concerning the distinguished Senator from Wyoming. I know that Senator HANSEN's mother was immensely proud of her son because, as the Senator from South Carolina said, CLIFF HANSEN is one of the Nation's noblemen. My relationship with him since I have been in the Senate has been a blessing to me.

(This concludes the proceedings which occurred during the delivery of Mr. HELMS' speech, and which by unanimous consent were ordered to be printed in the RECORD at this point.)

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Nebraska (Mr. CURTIS) is recognized for not to exceed 15 minutes.

Mr. McCLURE. Will the Senator yield for just a moment?

Mr. CURTIS. I am happy to yield.

Mr. McCLURE. I thank the Senator for yielding.

REGULATORY REFORM

Mr. McCLURE. Mr. President, some time ago I spoke to a group of concerned citizens on the subject of regulatory reform. I commented at the time that Government regulation has interfered with every form of human activity at one time or another except religion. Now, I am unhappy to add, religion has also become a victim of the unquenchable urge to regulate. Thanks to our Constitution it is not supposed to be done directly, but it can be done, nevertheless. No pretense of benevolent paternalism can excuse HEW's performance in its interpretation to title IX Education Amendments Act. No exploited minority is victimized or protected. No question of health or safety is reflected in the zealous frenzy of the bureaucrats there. It is merely a case of regulation for regulation's sake.

What began as an attempt to see that women received educational opportunities equal to those of men has devolved into a systematic infringement on the civil liberties of both sexes. Federal law forbids sex discrimination in each "program or activity receiving Federal financial assistance." But HEW has issued regulations which dictate policies affecting areas of university life that have nothing to do with education and are in no way connected with a program or activity receiving Federal financial assistance. The regulations tell us that if anyone connected with the institution receives direct or indirect Federal financial assistance then the whole facility is subject to Federal regulation. Thus a single student receiving veterans' benefits can change the status of a university which accepts no other kind of Federal aid, to a position of total regulation.

It is at this point that Federal regulations can violate a citizen or group's religious standards. A university which has always had dress codes is told that it is violating regulations unless the prescribed dress is the same for both sexes. More seriously, a Christian institution can be required to look on abortion, a serious violation of Christian ethics, as a mere temporary disability. Schools cannot take into consideration whether married or unmarried students or teachers are pregnant. HEW even approves the offering of family planning services by a school to students and prohibits so-called discrimination between unmarried and married students.

The inevitable result is to diminish the reverence for human life and the role of the family which are basic to Christian life and the end product of a Christian education. To insist on these regulations is to prevent students at such institutions from practicing their religion. In all—an unconstitutional result—ending in the loss of liberty on the part of those who have elected to pay for a specific type of educatioin which they will not be allowed to receive. Civil disobedience is a term recently associated with the radicals of the 1960's. When we hear it, we are apt to think of riots and demonstrations and violence on the part of the lunatic fringe. And it is interesting to compare them with today's dissidents. Disaffection with the Government is no longer confined to the left.

Hillsdale College, a small private liberal arts college with a tendency to attract serious students, has announced its objection to the "Federal takeover of our campus" in the form of a refusal to comply with the new regulations. Brigham Young University has also challenged the legality and constitutionality of the regulations on the grounds that they exceed HEW's statutory authority and infringe on religious freedom. This institution has reluctantly become the latest entry on the roster of the alienated. Their intent to disobey is calmly and intelligently stated and speaks with more eloquence than shouted profanity or the thrown bomb:

> BYU has traditionally refused all Federal grants. We have limited our receipt of Federal funds to a few programs in which the government receives a service equal in value to its payments. While some of our students receive Federal assistance (such as Veteran's benefits), the statute does not suggest that payments to students should be a basis for regulating every educational policy and activity of the institution. We therefore believe that most of our activities are not subject to the regulations.
>
> We also believe that some of the regulations are unconstitutional because they violate the due process clause or the constitutional guarantee of the freedom of religion.
>
> Neverthless, we voluntarily choose to follow many of the regulations because we believe them to embody policies which are fair and just. But where we believe the regulations are unconstitutional or illegal and where they prohibit or interfere with the teaching or practice of high moral principles, we will not follow them.

Such is the short but touching tale of how a school with a natural propensity for good citizenship and reverence for the law has been transformed into one openly disobedient. I hope that the courts will see that this is not merely the beginning of a further invasion of the educational process. Still more dangerous is the situation which has turned parents of small school age children into dissenters. Federal invasion of the education process is doubly dangerous for it affects not only the day-to-day life of the individuals, but shapes their ideas and methods of thinking for the rest of their lives.

There is not enough time today—or perhaps in any other single day—to examine a significant number of Federal education programs. But I would like to take one of the worst, the Macos program, and show how a relatively innocent impulse of the Federal bureaucracy turned into a series of serious violations of the civil liberties of citizens. In 1963 the National Science Foundation made a grant of $91,440 to Education Services, Inc., of Newton, Mass. This was an organization originally founded in 1957 as a result of the increased interest in advanced scientific curriculums after the first Sputnik launching. In the sixties a social studies division developed and a merger with the Institute for Education Innovation occurred. The idea began with a Mr. Jerome Bruner, who devised the Macos program because of a conviction that "a more interdisciplinary approach to the study of man, based on the most recent experiments in developmental psychology, was urgently needed."

It is easy to see why these planners so scrupulously avoid logic. If they permitted its use, it would become the tool of their intellectual destruction. For instance, throughout the Macos program the children are told to question the moral, political, and religious values of their families. They are told that everything must be questioned—everything, that is, except the injunction to question. Macos, quite predictably, was not a commercial success. It was offered to 58 different commercial publishers and was rejected by all 58. Our Government then decided that since there was no market for such a course, they would provide one by forcing the taxpayer to pay for something for which there was a public demand of zero.

As if this were not enough the National Science Foundation has funded a study of Macos which will provide for revision and evaluation of the program. But the work will be done by the recipients of the taxpayers money. Mrs. Sheilah Burgers, who taught Macos in Massachusetts has characterized it adeptly. She said,

> After having read nine teachers' manuals and 31 books, after having seen the 21 course films several times, and after having worked with 75 fifth graders, I felt that Macos not only restricted academic freedom but also inhibited the development of my students by presenting a negative, one-sided and dishonest picture of man. In short, Macos is a brainwash, clever, well-executed, and lethal.

Mr. President, at the rate of expansion proposed, the civil liberties of a great many more young people will be jeopardized during the coming years. I predict if Congress does not act we will produce yet another class of civil disobeyer—not a scofflaw, a radical or an anarchist, but a parent whose right and duty to pass on his religious and philosophical values have been preempted by the State. Therein lies the greatest danger of all—those who use the regulatory process to alter the social and moral values of the people.

If I may continue for just a moment, yes, there are any number of people who run the administrative agencies, who are dedicated people and very capable. But it is natural that the area in which they work is an area which they think is most important. They have no mandate and they do not have the perspective from which they can correlate their activities with the activities of all of the rest of the agencies of Government.

So it seems to me it should not be surprising to us that their tendency is to overregulate and overinvolve rather than to find that balance which all of us want in a free society.

I thank the Senator from Nebraska for yielding.

GOVERNMENT BUREAUCRACY

Mr. CURTIS. Mr. President, I wish to commend my colleagues who have preceded me in this discussion of regulation.

It was 200 years ago that 13 weak colonies overthrew a stupid and arrogant monarchy. If we are to perpetuate the American dream we must now throw off the yoke of a stupid and arrogant bureaucracy.

Mr. President, I repeat the words which have been spoken here this morning. I make no criticism of any individual in Government. I know that great numbers of them are dedicated, conscientious, and are carrying out their tasks.

I am talking about the overall picture of the system. The facts are that very, very few things, if any, can be regulated by the Federal Government in Washington. Government that concerns the day-to-day affairs of men and women must be on the local level, not only if we are going to have liberty in this country but if we are going to have progress and growing industry providing jobs.

Government regulation out of Washington in any field usually starts in a restrictive and modest way. What were we told when medicare and medicaid were enacted?

> This is just the Government that is going to help you. We, the Government, will not get into the practice of medicine. We will not interfere with what the doctor wants to do. We are going to preserve the doctor-patient relationship.

Well, this Government medicine that we have has not only made great inroads in destroying the doctor-patient relationships but it is destroying the doctors.

It has created a scarcity. It is adding so to the cost of medicine that the average aged person now pays as much in medical expenses for his deductions, coinsurance, and other items as he paid for his entire medical bill before the Government got into it.

Furthermore, the Federal Government here in Washington is driving doctors out of the practice. On January 20, I inserted in the Record an article entitled "When Is the Government Going To Stop Promoting a Doctor Shortage?" It begins on page 320 of the Record. I wish to read a few paragraphs taken from a Nebraska newspaper:

> Madison.—The family doctor in rural Nebraska isn't disappearing. He's being buried in an avalanche of paperwork.
>
> That's what caused Dr. William Berrick to leave his family practice in Madison after 20 years.
>
> "I always wanted to be a family doctor—to have a one-to-one patient relationship so I know them and they know me," Dr. Berrick said.
>
> There is no room in a small town medical office for the doctor, the patient, the insurance company, the Medicare program and the lawyer, according to the graduate of Northwest Medical School in Chicago.

"I can never sit down with the patient when there isn't at least a third party there," he said. "They aren't really there, but their presence is overwhelming me."

SKYROCKETING COSTS

Besides crowding him out of his office, Berrick believes the proliferation of insurance policies and federal programs is responsible for skyrocketing medical costs and the erosion of time for quality patient care.

"I've been awfully busy over the years just taking care of my patients. I've always kept good patient records and tried to charge as little as possible," he said.

Until a few years ago, Berrick found he could easily do that with one woman office assistant. Now his staff of four is in a constant battle to keep up with the forms, he said.

EVENTUALLY MINIMUM

Also adding to the cost is what Berrick sees as an economic fact of life: If an insurance policy or federal program allows a maximum for each medical procedure, that will eventually become the minimum cost.

"The American people need to realize, and I think maybe they are, there is no way you can get quality medical care for less money by sending off to the government or an insurance company and having it processed—especially in a small town," he said.

I could go on and read more. It is in the Record. But the fact remains that the Government programs are making it impossible, in many communities, for the community to maintain a family doctor.

Overregulated: I think it would be interesting to turn back to the days when those programs were enacted, and read the speeches here. Oh, it was proclaimed, we are going to maintain the doctor-patient relationship. It was maintained that the Government would not have any say about the practice of medicine.

That is not true today. The Government tells you where to buy the drugs. It assumes, for instance, that for anyone who takes a formula and makes it, the results will all be alike.

That is not so. You can hand out the recipe for a cake to a hundred women, and they all would not win the prize at the State fair. It makes a difference how things are done.

There are some medicines using a formula made by some companies that certain patients can take without ill effects. There are other brands of that medicine with the same chemical ingredients which another patient can take, or sometimes their system will not assimilate it at all. What does the great Government do to help those people with their health problems? It says it all has to be alike.

That reminds me of the dress code in a Communist dictator state. The government is interfering with the practice of medicine.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. CURTIS. I am happy to yield.

Mr. McCLURE. The Senator reminds me of a case that arose in which the doctor contacted me because a Government agency had moved to outlaw combination drugs, that is, two well-known drugs that are combined for medication in one single dosage.

One of those drugs that was being outlawed under that particular Government agency directive was the one which he had found to be particularly effective in the treatment of his patient. Here was a case of a doctor in his own judgment, based on practice and on experience, saying, "Allow me to continue to prescribe this drug," and the Federal agency saying, "The combination is not more effective than the two drugs separately," and here was the doctor writing to me in frustration, saying, "Why cannot the Government allow me to practice medicine in my own way, allowing me to prescribe the combination of drugs which, according to my experience, is more effective than the alternative?"

I think the Senator is making a valid point.

Mr. CURTIS. I thank the Senator.

Mr. President, this interference is not limited to drugs by any means. Let us consider the Occupational Safety and Health Act. The Government made a big mistake. We assumed that a Washington bureau could assemble the talent to make every decision for every place of business clear across this great land on the basis of what was said. There just are not that many inspectors.

One contractor called my attention to the fact that when his concern builds a building that has several stories beneath the surface, there were just a few places he could go in the United States for competent authority on soils, formations, faults, and other things for his best engineers to build that building so it would stand and not hurt people. Yet the Government trains an inspector for a few months, gives him a book, and he is supposed to make the decisions. It just is not possible.

Within the last few months a businessman in the State of Nebraska had to pay a penalty for an alleged dangerous situation in his business operation and every employee that he had came forth and said that the inspector was wrong, that what the inspector required them to do will cause more accidents than the way it was before.

They reasoned it out and gave good reasons for it. They appealed to the great benevolent, all-wise bureacuracy in Washington. Did they get redress? No. They did not.

One of the characteristics of a bureaucracy is that they change: they always get worse. They never retreat and and say, "This is beyond our competence", or that "Our regulations will get overburdensome."

Mr. President, all these things that we are doing amounts to a lot more than just creating a situation that is irritant—

The PRESIDING OFFICER (Mr. Ford). The time of the Senator from Nebraska has expired.

The next order of business, by previous order, the Senator from Tennessee (Mr. Brock) is recognized for not to exceed 15 minutes.

Mr. CURTIS. Mr. President, will the Senator yield me 1 minute, please?

Mr. BROCK. Mr. President, I yield to the Senator from Nebraska.

Mr. CURTIS. I thank my distinguished friend, the Senator from Tennessee.

I only wish to say this: This goes far beyond just an irritation to our people. It is damaging to our economy. It is destroying jobs. When we drive a doctor out of a county seat town, what happens to the drug store? What happens to the people who were working for the doctor? Who is going to build a new house for the doctor?

Mr. President, if we could get Washington off the backs of our people, tell the people the truth that we did not have anything to give them, we would have great prosperity in this country.

I thank the distinguished Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

REGULATORY REFORM: THE INFRINGEMENT OF CIVIL LIBERTIES AND PERSONAL FREEDOM

Mr. BROCK. Mr. President, the pervasiveness of our Federal regulatory approach is perhaps best illustrated by an article which appeared in the Washington Post on Sunday, December 28, 1975.

I ask unanimous consent that this article entitled "The Family Under Fire" by Amitai Etzioni be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. BROCK. Incidentally, Mr. President, I ask unanimous consent that a member of my staff, Mr. Lyle Ryter, be permitted access to the floor during the next 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. "The American middle-class family, already stripped of most nonessential duties, now faces an attack on its last remaining bastions—the family itself."

Those remarks are the comments of Amitai Etzioni, the noted professor of sociology at Columbia University and the director of the Center for Policy Research.

The question advanced by Professor Etzioni is actually a very simple one, but one which is becoming and more important to most American citizens.

What is Government coming to? What is it doing to us?

His question is even more specific:

> Is government regulation, government laws, adding to the destruction of the American family? Are government contributions to "help" the single family, the single parent, actually adding to the disintegration of the family unit? Are we in fact encouraging the break-up of the family through government regulation?

There is before us now a measure which has caused great emotional outcry across the Nation particularly in my own State: the Child and Family Services Act. The act would provide Federal funding for new child care programs providing comprehensive services.

To state an example from Professor Etzioni:

> Day-care centers are a blessing for working women and certainly a better place for a young child than the streets. But they are also costly institutional substitutes for family, and by deemphasizing the importance of parents in children's lives they may well further contribute to the erosion of family bonds. More opportunities for half-time jobs, without loss of perquisites for both women and men may provide some parents with an alternative less costly to the public than day-care centers, less bureaucratic and more compatible with a viable family.

Professor Etzioni continues with even more examples of government infringements on personal freedoms:

The regulations governing Social Security benefits for retired persons favor the single individual. An unmarried woman is eligible to receive 100 per cent of her Social Security benefits, but receives significantly less if she is married to a man who is also receiving benefits.

Generally, income tax rates are lower for single persons than for married persons filing separate returns. (Married persons benefit from filing joint returns only if one spouse earns much more than the other.) The recent provisions allowing people to deduct the cost of child care under certain circumstances further reward the single parent over two working partners in a marriage whose joint income tends to put them above the ceiling for allowable deductions.

Certainly, Professor Etzioni has only touched the problem. We do not know the total effect of Government regulations, law, or any other binding proposition, on the family totally. But this is an excellent example of what Government may be doing to our society.

It is an example that I think we can take to heart in terms of trying to be very sure that whatever we do strengthens rather than weakens the family tie.

The Child and Family Services Act attempts to go even further. There are questions which need to be asked with regard to the extent of Government control over our daily lives and the effects of that control upon our values and our most important institutions, such as the family.

Regulatory reform has been a longstanding dream for many of us, but it can become a reality. We cannot afford to continue to pass laws and regulations which are ill conceived and ill considered—laws which ultimately act to destroy our civil liberties and personal freedoms which made our Nation the most blessed state in the history of man.

EXHIBIT 1

[From the Washington Post, Dec. 28, 1975]

THE FAMILY UNDER FIRE

(By Amitai Etzioni)

The American middle class family already stripped of most non-essential duties, now faces an attack on its last remaining bastions.

Sex is available premaritally and extramaritally; more and more Americans are living together. For the present generation of young Americans (age 18 to 25), premarital sex runs as high as 81 per cent for females and 95 per cent for males, according to a survey conducted by Research Guild, Inc. Extramarital sex is reported by about half of adult American males, and one out of five women.

Education has long ago been taken from the family and invested in special institutions—the schools. In the old days, the members of one family often worked one farm, but now very few families are also a "work" unit. The rapid rise in women who work (more than 60 per cent of all married women) or who are on welfare breaks economic dependence as a source of the family bond. Meals can be readily obtained at the mushrooming fast-food franchises, at the supermarket and at "take-homes."

Even the upbringing of young children, once considered by social scientists the family duty, is being downgraded by an increase in the number of persons who decide not to have children at all. The numbers who have children at all. The numbers who decide they do not need a family to bring up infants are also rising. The latter either delegate this duty to day care centers, as available to singles as to couples, or do the job on their own. Nine million children under 18—30 per cent of them under 6—are being raised by one parent only, mostly by women. There are about 4.2 million one-parent families compared to 29 million nuclear families. The growth rate of single-parent families has increased by 31.4 per cent in the past 10 years, almost three times the growth of two-parent families. If the present rate of increase in divorce and single households will continue to accelerlate as it did for the last 10 years, according to my calculations, no single American family will be left by mid-1990.

A slew of new arguments justify, legitimize and even welcome these developments, thereby speeding up the trend. They characterize the steady decline of the nuclear family as "progress" and provide people with addditional incentive to take to the exits to dismantle the often shaky marital bond, instead of seeking a cooling-off mechanism to cope with the occasional centrifugal forces every marriage knows. While we have not reached the stage where breaking up one's family to enjoy "all that life has to offer" has become the thing to do, in many and growing circles the stigma attached to divorce, even when young infants are involved, has palled, the laws' cooling mechanisms have weakened and reasons which "justify" divorce have grown in acceptance. Indeed, "no-fault" divorces, which require no grounds at all, are now available in most states.

Until quite recently, these trends were viewed as pathological. In the 1950s, the rising divorce rate was defined as a social problem and marriage counseling was on the rise. The attitude of marriage counselors and that of society-at-large was typified by Dr. Paul Popanoe, marriage counselor and Ladies Home Journal columnist, who asked, "Can this marriage be saved?" and month after month related case histories to prove that "yes," it almost invariably could be.

During the 1960s, however, an intellectual and, to a lesser extent, a public-opinion turn-around began to take place. The idea that spouses were morally obligated to try to hold their marriage together and that nine times out of 10 they could succeed in doing so if they were willing to work at it moved increasingly to the right of mainstream thinking. Today's popular experts on marriage and the family seldom ask first, "Can this marriage be saved" but instead, *Should it be?* More and more often the answer given is not only "no" but an optimistic, affirmative "no."

Several related lines of argument are currently being used to identify and explain "positive" aspects in the rising divorce rate. In an article entitled "Second-time Winners," Princeton demographer Leslie Aldridge Westoff writes about "blended" or "reconstituted families" rather than second marriages. (The labels are important; blended or reconstituted sounds more approving than "second time around.") Reporting on her interviews, Westoff says, "In retrospect many of the couples saw their first marriage as a kind of training school . . . Divorce was their diploma. All agreed that the second marriage was the real thing at last. With both partners older, more mature, somewhat expert at marriage, everything moves more smoothly, more meaningfully."

The implication to the reader is that the first marriage is to the second one what premarital sex is to marital sex: evidence which shows the former improves the latter. Indeed, if there were sufficient data to support a view of the first marriage as a dry run, there would be less reason for concern. But Westoff herself laments the lack of systematic research on second marriages; her insights are based on a few interviews. She also concedes that second marriages have less staying power than first marriages. Statistically, 59 per cent of second marriages, as opposed to 37 per cent of first marriages, will end in a divorce, according to Dr. Paul Blick of the U.S. Census Bureau. Nor does Westoff show that remarriages, even if they do last, have no detrimental effects on offspring.

DISPOSABLE MARRIAGES

Another increasingly common viewpoint, however, goes further and interprets the rising divorce rate as a symptom that something is radically wrong with marriage and/or the family. This school of thought rejects the view that marriage can work once you know yourself well enough and choose the "right" partner. It ends to look upon the rising divorce rate with much the same hopefulness with which a Marxist approaches a new recession: as a condition which cannot be tolerated for long and hence will force revolutionary changes in societal structures. This school tends to favor new family forms, from contractual marriages to group-marriages.

Significantly, a common feature of most of these new marital styles is that they seek to lift some of the strain from the nuclear family by deintensifying the husband-wife relationship. One way is to agree from the start to limit the duration of the relationship *a priori* to a set period of time and to define the terms of dissolution of the relationship. By these standards, divorce is no more a crisis than completing a stint in the army or delivering the goods as agreed to a supermarket.

Another alternative is to diversify one's emotions by investing them in a large number of intimate relationships, making each less intense and hence less than all-important. The new thinking is that sexual fidelity puts too much of a strain on many marriages—acceptance of one or both partners' adultery may well save some relationships, since the couple can stay together while getting the sexual variety, affection or whatever from outside persons. Better yet, it is said, group marriage assures that you'll always have a mate, even if you divorce one, two or three.

Such deemotionalization and deemphasis, however, is a two-edged sword. On the one hand, spouses who do not depend exclusively on each other and who obtain satisfaction from other persons may be able to continue living together for long periods without having to resolve their conflicts (though at the risk of bringing them to a destructive head). On the other hand, such relationsips may be too shallow to provide the needed emotional anchoring and security many people seek and need.

Those who favor contractual marriages, tend to look upon all social life as a series of exchanges. In their view, conflict is seen as more likely to arise in a relationsip, such as the traditional marriage, where the reciprocal "rights and duties" of each partner are not clearly spelled out in advance. Thus, the swinger who marries may do so with the implicit understanding that this change in legal status is not to cramp his life style, while his bride may be marrying under the illusion that her husband-to-be will transform his life style once they are wed.

Advocates of contractual marriage suggest that a greal deal of subsequent conflict and disappointment could be avoided by bringing such unspoken expectations into the open, to be discussed and agreed upon and then formalized in a marital contract akin to the contracts that govern relations between parties in a business transaction. The prospective marital partners might agree to write monogamy into the contract, or alternatively, a clause permitting sexual sidetrips or bisexual relations. But once the agreement is signed, each party would have to abide by the stated rules or face immediate unilateral termination of the contractual marriage. In addition, contractual marriage typically provides for periodic review and renewal (or nonrenewal) of the contract, say every 3 to 5 years.

The problem, however, is that contracts work in the business world primarily because the relationships involved are highly limited and specific and because financial motivations are enough to sustain them. But for two people to live together, to share wealth and ill fortune, requires a deep, encompassing, positive relationship of the kind implied in marital vows but antithetical to any contract. Contracts put people continuously on their guard: did I get my share? Did he (or she) do his job? Marriage requires more altruism, less accounting and, above all, a greater sense of commitment to a *shared* life.

GRANNY YES, HUSBAND NO

Another argument which has recently been intellectually chic is the celebration of extended family. Like contractual marriage, it claims to reduce the pressure on the nuclear family by deintensifying the emotional bonds between husband and wife, parent and child. The idea is that, if family members had a multiplicity of sources of satisfaction for their various needs, they would not become overly dependent on one single source or parent. Some of the theorists of the extended family favor a revival of older family forms in which several generations of blood relatives lived under the same roof or within close geographic proximity. Others favor the formation of "extended families of choice," e.g. communes.

Our typical middle-class suburban "nuclear" family, it is said, is emotionally unwholesome. Segregated from grandparents and other kin, it provides the child with only two warm, caring adults—both increasingly absent or harried—instead of the abundance offered by the grandparents, uncles, aunts, nieces and nephews of the extended family. In India, where extended families often run to hundreds of members, a baby is "never put down"; there is always an uncle, cousin or some one to comfort a crying child. A number of Unitarian congregations, concerned with the many stresses being placed on the small nuclear family, are forming hundreds of artificial extended families whose members vacation together or help each other with such problems as babysitting or care of elderly infirm relatives.

What does this have to do with the survival of the nuclear family? Ostensibly, by easing the burden on parents to be constantly responsive to one another and to their children, the extended family makes a breakup less likely. However, several of the extended family advocates take the next step and say that, with family security provided by a circle of grandparents, cousins and uncles, the presence of a permanent husband loses its importance. Look, they say, at how well impoverished black families have managed despite the comings and goings of common-law husbands. The mother, because she has the support of her mother and kin, is able to manage quite well, or so the theory goes.

There are several rubs: Just because an extended family might be useful does not mean that most middle-class couples can be induced to maintain one. The forces which in the past undermined the extended family pattern in the middle class, from the need to be mobile for economic success to the desire for individualism and privacy, are powerful and difficult to reverse. A middle-class granny might be available to babysit here and there if she lives nearby (which she often does not) and brothers and sisters may be good for a loan now and again—but it is a long way from such occasional aid to surrogate parenthood. In societies, even in societies with exotic extended-family arrangements, the kernel of child raising is not the mother but the husband-wife, the nuclear family. The artificial extended families do provide a nice *supplement* to the nuclear family, but are much too thin and frail to replace its vital core.

BROKEN IS BETTER

Perhaps the most sophisticated argument against the notion that husband-wife families are needed for the upbringing of young children, for their character formation and psychological well-being, grows out of studies of children from *broken* homes. Most officials assume that broken homes breed juvenile delinquents, truants, runaways, young drug addicts and, most recently, teen and preteen alcoholics. And, indeed, statistical correlations are frequently uncovered.

Now, however, the new thinkers challenge the common-sense interpretation of such results with the argument that broken homes occur much more frequently among the poor and minorities than the middle-class standard American home. Or, put differently, lower-class families produce more delinquent kids, whether those families are broken or not.

And it actually is true that, if families of the same class background are compared, most of the difference in juvenile delinquency rates between children from broken vs. unbroken homes disappears. Those familiar with these findings conclude that having both a father and a mother is not vital to character formation.

Looking at the same data, I suggest that proper economic conditions, housing, employment may well be more important for the proper upbringing of a child than a lasting positive relation between the parents and between parents and child. At the same time, I am not convinced it has been shown that family stability is irrelevant; it may just be a less important factor than social class. Less important is not the same as unimportant.

Moreover, Dr. Urie Bronfenbrenner of Cornell University suggests that poverty damages kids by disintegrating their families. Both suicide and lower scholastic achievement are particularly high among children whose families earn less than $4,000 a year and as many as 80 per cent of such families in the central cities are single-parent families.

Another finding is being cited as an argument for divorce: rotten marriages are worse than broken homes. In his research on adolescents in boys training schools and high schools, Dr. F. Ivan Nye, a Washington State University family sociologist, found that less delinquent behavior was evidenced in broken but happy homes (35 per cent) than in unbroken but unhappy homes (48 percent). The data led Nye to conclude: "The happiness of the marriage was found to be more closely related to delinquent behavior in children than whether the marriage was an original marriage or a remarriage or one in which the child was living with one parent only."

Perhaps the most widely held and destructive relationship. The incessant search for "more" is a direct descendant of American optimism and romanticism. The searcher looks for a marriage which will be harmonious, loving and full of communication, understanding, mutual respect, joy, fulfillment through children. When they discover this is as close to the reality of most families as Marcus Welby is to your M.D., a million Americans a year take to the exits.

They are not anti-family but anti-their family. Thus, 80 per cent of divorced persons will try again, and many of these will risk a third time, restlessly looking for that Hollywood made-in-heaven marriage. They date at 40, 50 and older, live together, break up, try again, keep looking for the "happily ever after" that keeps eluding them.

A number of psychotherapists are encouraging such utopian quests. Often they are trained to deal with individuals, not couples. Sometimes deliberately, often unwittingly, by trying to help each individual client achieve a full life, they encourage their patients to break up their marriages. They seem to forget that, if any person seeks to maximize his or her own happiness and freedom without considering the consequences to others and to a relationship, the result can be highly detrimental to all those involved and to the family as an institution.

WHAT COULD BE DONE

Faced with the progressive crumbling of the American family, our society does little to react. There seems to be two reasons for the surprisingly muted response to this crisis: first, the arguments that the current rate of family break-up may be a blessing in disguise raise doubts concerning the nature and extent of the crisis; and second, public officials feel that there is little the government could or should do in this intimate matter.

To my mind, we need a thoroughgoing review of the evidence on the consequences of family breakup. A presidential or congressional commission could be given the task of investigating the harmful consequences of family dissolution by bringing together and examining existing data, and where needed by carrying out studies of its own. Should the commission find that single-parent families, contractual families and re-blended families are doing as well as the declining traditional two-parent families, we can relax and enjoy the marital merry-go-round. Should it establish that the slew of "new" family rationalizations are ill-founded, the new arguments will have been deflated and the new institutions challenged in a highly visible manner.

Second, as Sen. Walter Mondale keeps reiterating, the "family impact" of various government programs should be assessed and taken into account as old programs are revised and new programs formulated. An example: day-care centers are a blessing for working women and certainly a better place for a young child than the streets. But they are also costly institutional substitutes for family, and by deemphasizing the importance of parents in childrens' lives they may well further contribute to the erosion of family bonds. More opportunities for half-time jobs, without loss of perquisites, for both women and men may provide some parents with an alternative less costly to the public than day-care centers, less bureaucratic and more compatible with a viable family.

Laws which work against the family should be altered, both because the government should not encourage the dissolution of families and because laws symbolize public attitudes. As has often been pointed out, in about half of the states an unemployed male wage earner can get his children on welfare only by divorcing his wife. There is no AFDC for unemployed fathers.

The regulations governing Social Security benefits for retired persons favor the single individual. An unmarried woman is eligible to receive 100 per cent of her Social Security benefits, but receives significantly less if she is married to a man who is also receiving benefits.

Generally, income tax rates are lower for single persons than for married persons filing separate returns. (Married persons benefit from filing joint returns only if one spouse earns much more than the other.) The recent provisions allowing people to deduct the cost of child care under certain circumstances further reward the single parent over two working partners in a marriage whose joint income tends to put them above the ceiling for allowable deductions.

Finally, divorce by mail and other reforms which have the effect of deinvesting divorce of its seriousness over-liberate divorce. The state should not imply that divorce is a trivial matter—something one can do on an impulse. Reinstituting—or beginning again to enforce—a 30-day minimum cooling-off period, with opportunities for counseling if the couple desires, would seem to be a reasonable compromise.

Despite all the experiments and all the talk, marriage remains the vital cell of our society. Preoccupied though we are with the material aspects of our societal existence, with prices and jobs, shortages and energy, we dare not neglect the institution of marriage. The disintegration of the family may do more to harm a society than running out of its favorite source of energy.

REGULATORY REFORM

Mr. BROCK. Mr. President, I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I thank our distinguished colleague, and I commend Senators BROCK, FANNIN, HELMS, CURTIS, TAFT, MCCLURE, TOWER, DOMENICI, GARN, and LAXALT for organizing this colloquy so that we can continue to place emphasis upon the need for regulatory reform.

Mr. President, I ask unanimous consent that an article by Arthur Siddon that appeared in the Wednesday, January 7, 1976, issue of the Chicago Tribune, entitled "Who Will Regulate the Regulators? Business Competition Stifled by Bureaucrats," be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. PERCY. Mr. President, I have had an encouraging response to the Regulatory Reform Act of 1976 (S. 2812) introduced by Senator ROBERT C. BYRD and myself just before the end of the last session. I am pleased to announce that the bill was introduced in the House last week by Representatives JOHN B. ANDERSON and BARBARA JORDAN—an unusual and rare combination of leadership in the House—to carry forward what Senator BYRD and I hope will become a legalized procedure and plan for reviewing and revising Federal regulation. The bill provides a discipline—not unlike last year's landmark Budget Reform Act—through which meaningful reform will be assured over the next 5 years.

I think Congress has responded magnificently to having its feet put to the fire, by having definite time schedules laid down.

We have heard industry and consumers groups crying for relief from economic regulation. The need for regulatory reform has been highlighted by legislators in both Houses and by the President. Now is the time for action, before this momentum weakens. And, I believe the main complaint of every speaker in this morning's colloquy, referred to in one way or another, is let us stop the rhetoric. Let us get down to cases and do something about it. That is exactly what Senator BYRD and I are trying to do.

The approach that Senator BYRD and I have tried to work out is one that we think can be and will be responded to favorably by the U.S. Chamber of Commerce, by enlightened members of organized labor leadership, and by consumer organizations and business.

Consumers and labor are penalized by the stifling effect of Government regulation as it exists today. The measure we have introduced does not necessarily attack the ICC or OSHA or any agency specifically, but sets up a strict timetable and discipline through an action-forcing mechanism, which would mandate Congress and the executive branch to review the Government's regulatory structure and practices. The bill divides 35 Federal agencies into 5 target groups, each with its own year of reckoning. The affected areas are: First, banking and finance, 1977; second, energy and environment, 1978; third, commerce, transportation, and communications, 1979; fourth, food, health, and safety, and unfair or deceptive trade practices, 1980; and, fifth, housing, labor-management relations, equal employment opportunity, Government procurement, and small business in 1981, because it is the most difficult and complex area.

The action-forcing mechanism works in this manner:

First, by March 31 of each year, the President must submit a plan, to be referred to relevant subject matter oversight committees and to the House and Senate Government Operations Committees.

Second, by September 15 of that year, the committees would be mandated to report a comprehensive reform bill, or the President's original proposal, which would then become the pending business of both Houses.

Third, Should the President fail to submit a plan by March 31, the relevant committees would write and report their own plan(s) in the form of a bill to become pending business of both Houses not later than September 15 of the same year.

Fourth, by December 31, if Congress fails to approve the President's plan as submitted or modified, the President's original plan would go into effect unless by a majority vote of either body the Congress adopts a resolution specifically disapproving that plan. This gives both the executive branch and the legislative branch the incentive to meet this time schedule.

Fifth, In the event of a resolution of disapproval unless Congress enacts a comprehensive regulatory plan in the designated area by June 30 of the following year, all regulatory benefits conferred by the affected agencies would be rescinded, and be of no further force or effect.

This, then, for the first time, puts the agencies—those which mouth reform—in a position whereby they will be stripped of their power to regulate unless they actually cooperate and do something about it. I think we will see some real action by them. We have had some rhetoric from them in front of the President, but we have not seen this kind of action.

Mr. President, I think it is going to be difficult for anyone who espouses reform to oppose the measures that Senator BYRD and I have introduced. It simply makes any substantive reform proposal, whether it goes to agency structure, functions, or practices and procedures, more likely to get a hearing by Congress, and more likely to be discussed and debated.

It will allow other reform bills to be considered on their own merits. An inclusive schedule, not exclusive, is our design. Neither will it impact on the Committees on Government Operations and Commerce joint study that is now underway.

The hope is that the bill will generate substantive proposals which will stand a better chance to be considered with the discipline that we intend to impose in effect.

Mr. President, the rationale for this legislation is that regulation has hurt both business and the consumer by contributing to inflation, stifling new technology, and jeopardizing America's standing in world markets. We need to remove that Government regulation which is distorting the healthy dynamics of a free and open marketplace. Some kinds of Government regulation will continue to be necessary; some may even need to be intensified. But it is incumbent upon us all to take advantage of the opportunity to realine those very commissions Congress once created and now must bring up to date with America's needs.

EXHIBIT 1

COLUMN 1—WHO WILL REGULATE THE REGULATORS?

BUSINESS COMPETITION STIFLED BY BUREAUCRATS

(By Arthur Siddon)

WASHINGTON.—Freddie Laker wanted to cut the cost of New York-to-London flights in half, but he crashed into the federal bureaucracy.

Three years ago, the British government gave Laker's Airways permission to start "Skytrain" runs between New York and London for $135, minus the usual reservation, food, and drink enroute.

Opposed by the major airlines, Laker has yet to hear from the Civil Aeronautics Board on his proposal. Instead, he has been bounced back and forth from the State Department's aviation division to the CAB, and from the White House to the CAB.

Laker's experience is similar to that of thousands of small businessmen who confront federal regulatory agencies with new ideas.

Critics charge they stifle competition by limiting the entry of new firms, suppressing beneficial new technology, and entangling everything they encounter with red tape and delays.

Take, for example, the ordeal of the Southern Railway Co.

Southern developed a "Big John" car, which it said could haul grain at rates up to one-third cheaper than conventional boxcars.

The Interstate Commerce Commission said Southern's new low rates would be unfair to other railroads and to truckers. It refused to allow the price cuts.

Four years later, after thousands of pages of testimony and millions of dollars in staff time and legal fees, Southern won its case in the courts and gave its customers the price break.

President Ford and a growing number in Congress have called for an overhaul of the regulatory system.

"Rather than regulating in the public interest, they [the agencies] have become albatrosses around the necks of American consumers and business," said Rep. Abner Mikva [D., Ill.], who has two House bills pending on the problem.

One bill would cause all federal regulatory agencies to self-destruct on July 4, 1976, unless the bureaucrats running the agencies convince Congress they deserve to live.

Mikva, of course, admits his aim is not to shut down all regulatory agencies, but rather to take a hard look at them and reform them.

Without the Food and Drug Administration, for example, chances are the dangers of numerous untested drugs would not have been detected.

The Occupational Safety and Health Administration has improved working conditions for thousands of workers, and the Equal Employment Opportunity Commission has worked hard to insure equal job opportunities.

"No one can quarrel with the motives of bureaucrats in trying to improve working conditions, promote better products, eliminate job discrimination, and eliminate pollution," said Murray Weidenbaum, director of Washington University's Center for the Study of American Business.

"All too often, however, regulators simply ignore the costs of such advances—costs that frequently outweigh the benefits," he said.

For example, a study by George Douglas and James Miller III for the Brookings Institution estimates that during 1969 alone, airline passengers paid "excess" fares estimated between $366 million and $538 million because of lack of competition.

At the same time, passengers received safety benefits and better service ordered by the government, valued between $118 and $182 million, less than half the cost in excess fares.

In urging reform of the regulatory agencies, Ford has pointed out that the agencies' decisions affect the lives and pocketbooks of all Americans.

When federal regulations are translated into higher costs of doing business, these higher prices are passed on to the consumer, as Douglas and Miller documented. It has been estimated that higher prices caused by federal regulations cost an average family of four earning $13,000 almost $1,200 last year.

"This figure does not include the family's share of the $2 billion in annual tax money paid for the salaries and benefits of the 63,000 federal regulatory employees.

The federal government entered the regulatory field in 1887 with the creation of the Interstate Commerce Commission [ICC], which was authorized to crack down on railroad barons.

A major change in regulatory agencies occurred in 1920 when Congress switched the ICC's authority from setting maximum rates for railroads to setting minimum rates.

Although the purpose was to stop cutthroat competition between railroads, some critics, such as Rep. Phil Crane (R., Ill.) say it was the beginning of the regulatory agencies' stifling of competition and protection of the businesses they regulate.

Many on Capitol Hill are skeptical any real reforms will emerge, despite Ford's plea for a national commission on regulatory reform, and dozens of bills introduced in the House and Senate.

"Businessmen will applaud the President when he calls for an end to government regulation of their businesses," said a Senate staff member who has studied the regulatory agencies for more than a decade.

"But when you ask them for help in establishing reforms or in eliminating an agency, they back down," he said. "They'd rather stay with something they know and are comfortable with than to start a new ball game. I look for them to fight to keep things as they are now."

Indeed, industries and labor unions often have close ties to the agencies whose rules protect them from competition.

The Associated Press found, for example, that 350 policy makers within federal regulatory agencies once worked for the industries they now regulate. Regulated companies commonly hire people when they leave regulatory agencies.

This tends to create a situation, the Associated Press found, in which the agencies favor the established companies in an industry, to the detriment of the small businessman.

Like Laker, who found resistance not only from CAB but from Pan American World Airways and Trans World Airlines as well, many new, small communications companies repeatedly have found themselves ruled against by the Federal Communications Commission, coincidentally after protests from the American Telephone and Telegraph Co.

"A lot of private interests are tied up with that maze of rules and compacts—regulators, lawyers, labor leaders, corporate managers, and their congressmen," said Rep. David Evans (D., Ind.).

"The people who are for change, even though they include the President and some of his principal advisers, don't seem to stand much of a chance," he said.

Another important factor is the lack of support Ford has received from some liberal Democrats in Congress. They say the President's real goal is to reduce the health, safety, and environmental regulations which protect the public, but cost utilities, factory owners, and businessmen more money.

A practical approach is contained in a bill introduced by Sen. Robert Byrd (D., W. Va.) and Sen. Percy, which would require the President to draw up separate plans for the reform of a half dozen agencies. Congress would then have to act on the President's proposal by a specific date or they would become law.

The basic idea behind the Percy approach is to force the President and Congress to stop studying and to take action on regulatory reform.

"We cannot afford to let this insidious drain on our economy and hard-earned consumer dollars, continue," Percy said. "Though immediate deregulation of every industry is clearly not the answer, Congress must take prompt and effective action to see that, where feasible, healthy competition returns to the American marketplace."

The PRESIDING OFFICER. Under the previous order, the Senator from Nevada (Mr. Laxalt) is recognized.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the time allotted to the Senator from Nevada be allotted to the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. DOMENICI. I am delighted to yield.

Mr. BROCK. I say to the Senator from Illinois that I listened with a great deal of interest to his proposals, and I am delighted with them. The Senator from Illinois and I worked for some time on the budget reform process.

I wish to make one or two other points. The Senator from Illinois knows that he and I worked on an amendment to the consumer protection bill which would require cost-benefit analysis of all regulations to be proposed. I think that falls in very nicely with the Senator's proposal, and hopefully it will be of benefit to all.

Also, I have introduced a measure which would require that all regulations be resubmitted to Congress for their implementation. I think that is an essential, if we are going to protect the American people from abuse.

Mr. DOMENICI. Mr. President, on behalf of the distinguished Senator from Nevada (Mr. Laxalt), I ask unanimous consent that his prepared remarks be printed in the Record at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

REGULATORY AUTHORITY AND THE LIVESTOCK INDUSTRY

(By Senator Laxalt)

This colloquy allows me an opportunity to bring to the attention of my colleagues a disasterous example of the abuse of Federal regulatory authority which has impacted on a very important segment of Nevada's economy; the livestock industry. That industry's freedom to remain in business, its ability to provide a stable economic existence both for itself and the communities where it exists will be seriously harmed. Specifically, I am speaking of a recent dramatic increase in grazing fees on Bureau of Land Management administered national resource lands in Nevada and their proposed range management program in Nevada.

On December 31, 1975, the BLM announced in Reno, Nevada, that it will increase grazing fees 51%. Mr. President, few businesses in our economic world are capable of absorbing a 51% increase in any significant part of their overhead expense during a single year and ranching is no exception. BLM's action in raising the fees can only result in severe economic damage to the livestock industry in Nevada and throughout the West via increased costs of operation, the elimination of small, marginal operations, and an increase in prices to consumers at a time when it is national policy to maximize available food supply while keeping costs to a minimum. The BLM did not increase the grazing fee in 1975 "because of difficult economic factors facing the western livestock industry." Those economic factors have not greatly changed at this time, and yet, the BLM in a single regulatory action has increased this overhead expense that will affect about 855 operators licensed to graze approximately 377,000 cattle and horses and 264,000 sheep on 46 million acres of national resource lands in Nevada. As a result, we can anticipate ranchers selling off portions of their herds in such a way that it may be many years before the livestock industry fully recovers from the recent recession. Again, when it is national policy to promote economic recovery!

In Nevada and throughout the West, a rural ranching ethic was developed from the settlement days and is a present-day factor in social and community relationships. This dimension of Western ranching is principally family and community related. But this action by BLM will tend to drive the small ranchers from the range. And, as you know Mr. President, it was precisely this segment of users that BLM was designed to serve.

There is general agreement within Congress about the need for regulators to take into account the views of those they regulate. Public participation is a fundamental part of democratic processes and should be promoted whenever possible. Yet, the Bureau of Land Management initiated, announced, and will soon implement this grazing fee increase with virtually no public input as to its adverse impact on the Nevada livestock industry. As such, this is yet another example of bureaucratic insensitivity to economic and political realities.

Ostensibly, grazing fees will increase in order to better fund BLM's program of range management and improvement. There has been so much biased reporting on the issue of range improvement that the facts tend to get buried beneath the rubble of the rhetoric. Yet, this argument does little but confuse the issue. According to the Bureau of Land Management, range lands in Nevada are in a seriously deteriorating state and that unless a full range managing and improvement program is implemented, the lands will soon be beyond regeneration. But, in a recent and different report by BLM, the data indicates that only 7% of the national resource lands in Nevada are declining. This compares with an average Western States figure of 16%. Ranchers have already made considerable contribution to the management and improvement efforts along with the BLM programs for better range conditions.

Independent of range conditions, however, this range improvement argument is caught in a serious contradiction. The Federal government is now set to conduct 18 environmental impact statements in Nevada at a cost of $4.5 million. Moreover, and until such time as the impact statement designed for Nevada are completed, a moratorium has been placed by BLM on any range improvements. How then are the ranchers of the State of Nevada to profit from the range improvements BLM insists must pay more for?

Finally, I must mention what I feel is the most blatant example of the ranchers' rights and freedom being disregarded, the freedom from government harassment. A briefing paper prepared by the Nevada District Office of the Bureau of Land Management estimates that approximately 80 livestock grazing operators in the State of Nevada will be forced out of business because of the BLM proposals. In addition, the proposals will cause serious economic losses to about another 40 livestock operators. I find this an unconscionable attitude for a Federal agency toward the use of their regulatory authority. The ranchers are fighting incredible odds.

The regulators are very free with their actions. When implemented, those actions can be very costly—for the national economy, the American public, and the individual consumer and businessman or woman.

FEDERAL STRINGS

Mr. DOMENICI. Mr. President, I am delighted to join other Senators today in talking about this very real problem, probably the most important problem facing the American people, their elected representatives, and those who attempt to do the will of Congress—the so-called administrators and bureaucrats of Federal programs.

As a beginning, let me suggest that inherent in all of these discussions is a very basic premise. Although many of us are looking at specific problems and specific programs that have gotten out of hand and that are not yielding the results intended in the legislation, let me suggest that the basic issue boils down to this: It is now time that we take a bona fide look at what the Federal Government should be doing for the people of the United States, the States and the cities, and what it should not be doing. Another way to say it is, perhaps it is time for the Federal Government to decide what it should be doing and do it better, and to decide unequivocally that there are areas that we are now involved in in an effort to do good which we ought not to be in at all, because of the very nature of the federation—that is, of the States and their rights and cities and their responsibilities, and last, but not least, the individual efforts of Americans. We have literally missed the boat, in assuming the hundreds of programs that we have promoted with benevolent and high ideals. When they get carried out through the bureaucracy, they turn out to work to the detriment of this great system of initiative and enterprise and, in many instances, to the detriment of individual citizens and their freedom.

As an example of good faith on the part of Congress which is turned into an utter boondoggle, I call the Senate's attention to a very profound diagram. It is a diagram prepared by the Office of Management and Budget, found at page 110 in a very excellent document that they prepared this year, called "70 Issues, Fiscal Year 1977 Budget."

Let me suggest that here is the first picture of real signficance of what Federal strings mean. This is a diagram of the Department of Health, Education, and Welfare, but only with reference to one function—the function of the Federal Government in the Office of Education. I only wish that this could be carried to every household in America so that they might see what we have done in our very good efforts to help education from the national level.

Across the top of this diagram appear some 60 boxes, mandated by Congress as various offices that the Office of Education has to establish. Right in the middle of this enormous configuration of strings sit the State educational agencies. Across the bottom are some 12 to 15 entities within our States from nonprofit schools to profitmaking organizations.

The strings that tie these together are worse than the strings that tied the telephone system in knots until we found a new way to communicate our voices, with new electronic mechanisms.

It appears to me that seeing this diagram should remind those who think it is all the fault of those administering that much of this has to do with the basic problem that we just cannot do everything from Washington. We cannot order our administrators and bureaucrats to do all of the things required here, then sit back and complain when, as a matter of fact, between the will and the way, sit thousands of lines of communication, liaison, briefings, approvals that are required, just in this one little department, in one of the efforts of the Federal Government, that of involving itself in help with education.

I conclude with just a few remarks. In the final analysis, what we are trying to do here is call to the attention of our fellow Senators and Americans that there are some of us who are concerned that the Federal Government is getting too big and that, in its bigness, it is trampling over goals, objectives, and rights. Rather than blame it on someone, it is time for us to decide as a nation what we want our Federal Government to do, what we want our States and cities to do, and what we want our individuals to do. If nothing else, with the hue and cry from Americans, saying, "We have had too much of big Government," if it brings into focus a bona fide look by the National Congress at minimizing the areas of Federal endeavor, even if we assume them on a 100-percent level, where we have been doing them 50 percent before. If we take over three or four major American programs and do them totally here and, in the process, get rid of 30 or 40 programs that have grown up like Topsy, with the attendant strings and burdens that they have brought, we might find that this federalism envisioned by Jefferson and others 200 years ago really makes eminent sense today. A shared responsibility in a so-called partnership with our States and cities must, one of these days, become a living reality and not one of these things that says, "We will do a little bit of it up here and you do some of it down there," turning out to be a Federal mandate for priorities for our cities, States, and individuals that they would not make for themselves but for the carrot that we hold out. Then, on top of the carrot sit the rules, regulations, and guidelines that kind of grow, faster than the vegetation grows in the Southland of America in the 100 degree, humid temperature that has made it so fertile.

I submit that the real issue is that it is time for us to decide that our Federal Government should do less and do it better and we should quit trying to do everything that comes along that has a good purpose and a high-sounding goal, or to solve every problem that we find in our cities and States among our people. I think that is the basic issue.

I commend those who have spoken to it this morning and those who are putting the real talent of legislators into trying to take hold of this monster and strangle out of it the role of the Federal Government and leave remaining the role of our individual citizens as unfettered as possible; create new, true power structures in our States and cities where they are making decisions that are meaningful, where they are levying some of the taxes and making decisions for their people. I think unless we move in that direction, it will indeed be rhetoric, because we will just substitute one change for another unless and until we change the basic format. We cannot have 200 or 300 thrusts that are national in origin and expect to do them right. Perhaps 10 or 15, including military, post office, money, and the like, and in others—demonstration, yes, money, yes. But the day-to-day regulations and impact on our institutions, States, and cities and our families and individuals must be diminished from the national level and returned to other centers of power, other centers of "do-ability," which will be rid of the shackles that are increasing steadily.

Mr. McCLURE. Will the Senator yield?

Mr. DOMENICI. I am delighted to yield.

Mr. McCLURE. Many years ago, one of our Nation's wisest men, Will Rogers, made a comment. He said:

> Everybody talks about the weather, but no one seems to do anything about it.

I suspect we are in somewhat the same posture today on this issue of regulatory reform. I commend the Senator from New Mexico for pointing out a very concrete way in which we can do something about it rather than just talking about it. I think the American people are ready for that kind of reform of our institution.

Mr. DOMENICI. I thank the Senator. To be more specific, I might even say that maybe it is time for us to take a look at the welfare programs of our country. While we are all critical of their ineptness and their bureaucratic redtape, maybe it is time to look at them and say they are national in origin. Maybe the AFDC is a national program, maybe food stamp management is a national program. Maybe some of the others that direct themselves at that area are national programs. Maybe we ought to stop spreading those out into 50 different sets of rules and regulations and spend more on them, perhaps even $10 billion, and do that in an equitable manner. Maybe at the same time, we can get rid of, in that kind of analysis, 30, 40, maybe even 50 grant-in-aid programs that do not equal the share that the States and cities are now paying as their portion of those kinds of programs I have just enumerated.

It seems to me it is time that we look at some sort of swap, where we take over some national programs that are truly national.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. DOMENICI. I am delighted to yield.

Mr. HELMS. I thank the Senator from New Mexico.

Mr. President, the distinguished Senator from Delaware has been a leader in trying to correct the abuses of bureaucracy and regimentation of the American people. Senator Roth had intended to be here today, at this time, to participate in this colloquy. He has been necessarily detained. On his behalf, I ask unanimous consent that the prepared statement he would have delivered be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIBERTY

REGULATORY REFORM AND INDIVIDUAL

(By Senator Roth)

The American people have worked hard and worked together for 200 years and our experiment in self-government has flourished in this spirit of industry and cooperation. The greatest incentive for hard work and rugged determination has been the promise of enjoying the fruits of our labors.

The independence of America was established by the will of the people. America's revolution was fought to throw off the tyranny of unresponsive rule. The King and his appointed Governors ruled and administered the colonies and the people as voiceless subservients. America's founders determined that our government would be different. They decided to end arbitrary power and rule without representation. A new form of Government was established to protect individual rights, provide civil liberties and insure personal freedom. It was a Government that offered any person the opportunities denied in other countries—the opportunity to educate one-self, improve one's standard of living and prosper.

Americans have never lost their love of liberty and personal freedom. The suspicion and distaste for arbitrary power remains strong as ever. But people are increasingly frustrated by the concentration of power in government and industry. The central issue of our Revolution 200 years ago was big, impersonal and distant government imposing regulations and taxes on an unrepresented people.

Today many Americans wonder how far we have progressed from the burdens of alien and arbitrary rule. Increasingly our work place and livelihoods are burdened by regulation and rule-making by government bureaucracy and agencies. Government bureaucrats are not elected by the people; they are not representative of them and frequently are unresponsive to public demands. As the size and scope of government regulation increases so does the public's frustration and anger over arbitrary power.

America must never allow government to grow so big that its dictates overburden the will of the people.

When we permit government regulation to rule our lives pervasively we witness the subtle erosion of individual liberty.

Congress must recognize its responsibilities to step in and stop the spread of arbitrary authority by government bureaucrats. Congress established independent agencies and delegated responsibility to interpret the intent of Congress. The power to interpret the laws by complicated rules and regulations however frequently equals the power of a law-making body. All too often the intent of Congress is entirely changed by the rules of the bureaucracy.

This adds to the unresponsiveness of government and feeds the loss of confidence by the people in their government. I have supported legislation to require regulations written by bureaucrats to have the consent of Congress before they would take effect. Unless Congress itself is willing to accept responsibility for designing rules to carry out its legislative intent, there must be an additional check on arbitrary rule-making power in the agencies.

In my travels throughout Delaware I have talked with citizens who are very concerned about the burdens government imposes on their daily lives. Small businessmen have been particularly overwhelmed by Federal requirements to meet special criteria for one program or certify compliance with another, or follow complicated regulations to standardize customary business practices. The number of hours wasted in filing forms and proving compliance with rules is a silent drain on the national economy.

It is small wonder that people lack confidence in government and lose patience with a system of rules that they never voted for and have little say in.

I am encouraged to note that both Congress and the administration may now be catching up with public opinion in undertaking comprehensive studies of the problems—such as administrative overlap and duplication, inflationary impact, and restraint of competition—that have, unfortunately, become associated with the regulatory process in the United States. In the course of reviewing these problems, however, we should not fail to consider how Congress can, on a continuing basis, exercise better oversight over regulatory agencies to insure that reforms, once instituted, are maintained.

Another approach to stemming the tide of Federal regulations that should be considered is a requirement that all Federal regulations have an expiration date. By forcing agencies to reevaluate regulations after a given period of time, we might at least succeed in eliminating many obviously obsolete and redundant regulations.

The PRESIDING OFFICER. Under the previous order, the Senator from New York (Mr. Buckley) is recognized for not to exceed 15 minutes.

REFEDERALIZATION

Mr. BUCKLEY. Mr. President, I compliment the Senator from New Mexico for his exposition. I notice he has spent a good deal of time examining ways in which we can forward the process of refederalization—I think that is an appropriate word. I hope that, as he contemplates the renationalization of programs such as welfare, he will also contemplate what devices may be available to make sure that we do not end up with monolithic rule in Washington, trying to set up a single set of rules to cover disparate situations across the country, and that we do not find ourselves with a worse welfare program than we have today.

Somehow or other, we need to find techniques to create incentives for improved efficiency by bureaucrats. Somehow, if we do not have the situation of localities managing their programs, with the incentives for saving the taxpayers money, we should think about some form of decentralization which at least permits flexibility, which at least recognizes the different circumstances that exist throughout this extraordinary country of ours.

Mr. DOMENICI. I thank the Senator from New York and, if he will indulge me for just one moment, I think he is right. The concept I have been addressing is called refederalization and, I believe, the issue the Senator has raised is a valid one.

I believe if these are all placed in a national kind of posture it lends itself to far more dramatic reform than to have them spread across an in-kind subsidy, and the like, and maybe we are moving in the direction of a dollar welfare program instead of the myriad of categorical type grants. If we had them all at the national level reform would occur all at one time and, perhaps, be administered by something as efficient as the Internal Revenue Service.

One last comment before we finish these weekly dialogs.

I will bring and insert for printing in the Record the present regulations that are being enforced in the State of New Mexico by our State welfare office at the direction of the Federal Government on food stamps, AFDC, and general welfare.

If the Senator is here, I am sure he will be amazed at the extent of the regulations imposed now on the agencies in an effort to administer those programs. It is rather incredible that they can even handle the person in need with 40 pages of regulations on both sides typewritten that govern AFDC. You know, all they do is spend time trying to read them and interpret who qualifies. Nobody has time to understand the equity or fair play or make any kind of judgment. It is the same on all three of those, and imagine what it is if you were to take the other hundreds of regulated programs into account.

AFFIRMATIVE ACTION

Mr. BUCKLEY. Mr. President, I think we have had an extremely useful and throughtful colloquy here. There is a problem. It is recognized, many aspects of it have been described.

I would like to take just a few minutes to comment on one phenomenon that is intolerable, and that is the degree to which certain zealots within the bureaucracy will fasten upon their own objectives, their own policies, and end up implementing them in spite of frequently going directly opposite to the clear original legislative intent.

A problem of deepening concern to all Americans is the increasing role bureaucrats have come to play in the every day life of millions of Americans. The concern is based in the willingness of Federal administrators to take reasonable laws and turn them into actual inversions of original legislative intent. What is equally disturbing is the extent to which bureaucratic zealots are undermining the principle of Government by and with the consent of the governed. Unelected, often life-tenured bureaucrats are increasingly able to control the actions of everyone from individuals to State and local government through the use and abuse of the most broadly defined discretionary powers.

There is not more clearcut example of how Federal administrators have taken a sound policy decision made by the Congress and turned the whole thing on its head than the development in HEW of affirmative action programs that in the name of antidiscrimination now mandate discrimination on the basis of race, national origin, and sex. The sad and ironic thing is that the fight against discrimination has itself become racist and discriminatory.

The political and legislative struggle of the fifties and sixties to remove race and other nonrelevant biases from the social life of the Nation has given way to government policies which require hiring quotas and preferential treatment. We have all but ignored the consequences to those discriminated against as the bureaucracy has dictated "affirmative action goals" that are the official euphemism for quotas.

To suggest that imposition of racial ratios is not discriminatory is a form of moral and practical opaqueness which will only result in greater injustice, heightened racial tensions, and a deteriorated social condition. It is a perversion of civil rights as it was understood during the great battles of the 1950's and 1960's that each individual was to be judged by his or her inherent merits, and not by such irrelevant criteria as race or sex.

The Congress has prohibited job discrimination. Further it has specifically rejected, in section 703(j) of the Civil Rights Act of 1964, resort to racial quotas as either the necessary ends or the appropriate means of ending occupational discrimination. But today bureaucrats from HEW do not hesitate to order the Buffalo, N.Y. public schools to reassign teaching personnel to schools within the district in order to establish a uniform racial composition in all of the schools. Lawyers in the Justice Department have no difficulty alleging that the racial composition of the Sheet Metal Workers Union in New York City is sufficient per se to support a finding—by a Federal district court—of illegal discrimination. What started out as a prohibition in law against discriminatory action has been perverted by bureaucrats and courts alike to require discrimination.

Mr. President, I think we are all familiar with the fact that the origins of our civil rights legislation, the fact that their whole thrust has been that we must discard forever any of the biases that are extraneous to the quality of an individual, and that each one of us will be judged by his or her abilities with any other clearly physical aspect thrown out of consideration is as it should be.

But, as I say, certain program administrators have started inserting racial quotas. This is an example of what a dedicated bureaucracy can do in subverting the will of Congress and, thereby, presumably the will of the public.

But one must ask one's self how is it possible for the bureaucrats to accomplish these ends? One of the reasons why this is possible is because an individual agency has its own legal staff. The agency has the full power, authority and resources of the Federal Government behind it. Yet the individual or the town or the school or the firm which is the subject of an interpretation of a regulation which the victim may know to be absolutely contrary to the intent of the law, nevertheless, that victim does not have the staying power, cannot afford to fight this bureaucratic imposition.

So I think as we examine the whole problem of regulatory control, or regulatory reform, we must also be fully aware of the unequal fight that is involved. We are fully aware of the fact that the average citizen, in fact the average community, the average business or labor organization, simply cannot fight back. All too often we find people agreeing to this order or that order for the simple reason that they have no alternative.

To me this is a form of tyranny and, therefore, in the seeking to rationalize our regulatory problems we must, at the same time, seek some way of addressing the balance so that people have a chance to talk back to Government.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. BUCKLEY. Gladly.

Mr. McCLURE. I think the Senator has put his finger on one of the very great difficulties our ordinary citizens confront as they are overwhelmed by the size of Government.

Some years ago, in looking at that problem, I introduced legislation which would state, in essence, that any time a citizen of our country was forced to defend himself against an action of the Federal Government or was forced to take action against the Federal Government to assert that individual citizen's rights under the law, and they were proven right in the proceedings in court, the Government would have to pay all the costs of that action, including reasonable attorney's fees.

Mr. BUCKLEY. I am glad the Senator did that because I am introducing legislation to that effect, and I would be happy to have him as a cosponsor.

Mr. McCLURE. I would be very happy to join. I hope maybe the fact that the distinguished Senator has introduced that legislation may, with the help of some of the rest of us, get it farther than I was able to push it some years ago, because there is a tendency on the part of Government to try to insulate itself from the consequences of its own misdeeds.

Mr. BUCKLEY. Is the Senator aware that there has developed a word of art in some agencies today, a phenomenon of "money-whipping" the victim. It is called "deep-pocketing" where, through a series of legal delays and harassment, you empty the pocket of the victim, and you have no choice but to capitulate.

Mr. McCLURE. Some years ago in many State legislatures, certainly in my State of Idaho, the economic imbalance between a claimant and an insurance company was recognized where the insurance company, with its economic might, could so deep-pocket their claimants so as to defeat the protection afforded in the insurance policy, and the result was that many States did enact legislation similar to what I am suggesting is to be done and what the Senator from New York is suggesting be done with citizens-Federal Government relationships and saying that the insurance company must pay reasonable attorney's fees where a claim is well-founded and a claim is brought against the company.

If there is an economic imbalance between an insurance company and an individual certainly that is much less than the economic imbaalance between the Federal Government and an individual citizen.

I commend the Senator for introducing that legislation, and I assure him I want to join as a cosponsor and do everything I can to bring it to final passage.

Mr. BUCKLEY. Mr. President, I believe the Senator from Oklahoma would like to say a few words, and I yield to him the remainder of my time.

The PRESIDING OFFICER. The Senator from Oklahoma may proceed. He has 5 minutes.

PROTECTING THE BASIC RIGHTS OF INDIVIDUALS

Mr. BARTLETT. Mr. President, I commend the Senator from New York and the Senator from Idaho, as well as the Senator from New Mexico for their remarks.

I am reminded that the Founding Fathers, at the time of the great debate over the Constitution, were concerned about creating a government that would be strong enough to survive but, at the same time, would not be so strong that the rights of individual citizens would be violated.

They could look at various countries around the world and they could see the dilemma of those nations which had a strong military, they generally deprived their citizens of basic rights.

Yet, they knew that the Confederation of Colonies was not strong enough to survive in the real world in which they lived 200 years ago. So they set out a unique kind of government, a Republic, which provided the strength of a national government and yet divided that power among three different branches—dividing up the sovereignty, so to speak. Then, in addition to that, they retained for the States and for the individual citizens basic rights.

Then it is rather interesting that the Founding Fathers saw fit to immediately attach to the Constitution the Bill of Rights. Ten amendments which were designed to protect the basic rights of individuals.

It is rather interesting to observe the form in which they occur in all cases, I believe, except two, that they deny the Federal Government the right to infringe upon the rights that are set out, preventing the Federal Government from infringing upon rights that were considered by the Founding Fathers to be the natural rights of man coming from God. They made it very cogent and understandable that these rights did not come from the Federal Government. I think this is one of the points made by the Senator from New York.

In creating this Republic, they divided up the power so that the basic rights of individuals would be protected.

I think as we look down through the history of our country, as we are doing this year in celebrating our 200th anniversary, we can see very vividly how the Federal Government has interfered with the basic opportunities of individuals.

I was looking recently at the Child and Family Services Act which is under consideration now by Congress. It is rather interesting that this sets up the regulations and the rules to be decided upon by a branch of the Federal Government, HEW, in consultation with other agencies, but it does not leave the matter of the decision of establishing the rules and regulations to the States—the States which know best what is desired, the States which know best their own priorities so that they can fit this into the total priorities that each State has.

It seems to me also important at a time when many of us are talking about fiscal stability in this Nation, of cutting back in programs and having programs which have been funded by Congress to be sound fiscally, that we should want to add another program before we have reduced the size and cost of ongoing, existing programs.

This is expanding a program of child and family services. It certainly is not that it is not important, but on the other hand, I think we need to recognize that the States have to have, in most cases, a balanced budget and that the Federal Government should contribute to this very important consideration.

The most fundamental right contained in the Constitution is freedom of expression which manifests itself through freedom of speech, press, and political assembly. While none of the rights are absolute when they conflict with the basic tenets of the Constitution, prior restraint is generally not allowed, particularly in such situations as transpired in the State of Kentucky during September of 1975.

In an attempt to silence opponents of a forced busing order, a Federal judge ordered the Louisville police to interfere with citizens band transmissions in the Louisville area. This interference or so-called "jamming" was done by the use of a 1,000 watt transmitter. This action does credit to the Soviet Union in its efforts to black out the broadcasts of Radio Free Europe and thus prevent the free dissemination of rival ideological views. This action is bad enough because of the interference with parties not involved in the aftermath of the forced busing order, but it is inexcusable because of its intended purpose to disrupt legitimate and constitutionally guaranteed free speech.

Busing itself is no longer just a problem; it is a national disaster created by the Federal Government's attempting to regulate arbitrarily racial balances. This has intefered with the rights of individuals as related to the education of their children and the expenditure of their tax dollars. It has also created a direct confrontation between black and white with violent overtones and increased racial tensions.

It is a social experiment through Federal action which has failed and has had a direct and detrimental effect upon individuals.

In 1969 as Governor of Oklahoma I opposed forced busing for racial balance by saying "Discrimination to eliminate discrimination is as sick as the disease itself."

Americans have never agreed with Machiavelli that the end justifies the means.

Our American belief is that the State does not bestow rights, nor are they created by the wants or needs of any group of people. The function of government is to protect the primary right of man to pursue his goals. The use of total government force on the side of one group or another within the society leads to the excesses we have seen in communism or fascism. The alternative that we are to be committed to is the restriction of the State to a neutral role in all areas of human activity save one, and that is the defense of individual rights.

FEDERAL REGULATIONS

Mr. LEAHY. Mr. President, there is scarcely an American who is not affected in his or her daily life by one or another of a host of Federal regulations. Too often these regulations, promulgated by an army of Federal officials, are either unresponsive to their needs; or worse, are burdensome and restrictive.

Unfortunately, the people who must eventually implement Federal rules and regulations have had little or no input in formulating them. Time after time, I have received complaints from local and State officials who are stuck with administering regulations promulgated by bureaucrats here in Washington who have little or no understanding of the real problems involved at the grassroots level. Time and time again I have had complaints from businessmen swamped with patently unnecessary paperwork requirements from Federal regulatory agencies. At times these intrusions constitute a virtual infringement of their basic rights.

We need regulations to set standards of cleanliness, safety and well-being, whether for polyvinyl chloride, or noise levels, or any of the other complex and potentially dangerous byproducts of an industrial and technological society. We need regulations to protect citizens from unscrupulous business practices. We need regulations to assure that those who administer the things which belong to all the people do so fairly and in the best national interest. But, in many instances, although the original intent of Congress has been good, the regulations have been poorly thought out and arbitrarily or inefficiently enforced.

The problem is not with the concept of regulation, but with its execution. Much of the problem in that respect can be laid to an often enormous, sluggish and unresponsive bureacracy.

Mr. President, the need for regulatory reform is only a part of the overall problem of the lack of accountability and responsiveness on the part of the Federal bureaucracy. Last June I introduced Senate Resolution 197 to create a select committee of the Senate to study and investigate this entire problem and submit recommendations for correcting it. I believe this debate today further emphasizes the need for a select committee if we are really to get to the heart of the matter.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

ADDITIONAL STATEMENTS SUBMITTED

CIVIL LIBERTIES AND THE FREE NEWS MEDIA

Mr. PROXMIRE. Mr. President, article I of the Bill of Rights—the first amendment—was in many ways the summation of all the liberties sought by the early colonists who fled the Old World. Freedom of religion, free speech, a free press, peaceful assembly, freedom to complain to the government. Today we should include freedom from unconstitutional, liberty-suppressing regulation.

All of these specified constitutional rights are stated for one reason: To protect the citizen from governmental usurpations of power.

That is at the heart of any examination of governmental regulation and civil liberties: Citizens protecting themselves from the government they authorize.

The Declaration of Independence speaks of "governments—deriving their just powers from the consent of the governed."

The Constitution put that into effect. The Constitution does not say that the organizers of the Government have condescended in their generosity to grant the people certain rights.

No. Not at all.

The Constitution's very first words are these:

> We, the People of the United States . . . do ordain and establish this Constitution for the United States of America.

The people are the source of authority.

The words of the Declaration of Independence are not merely fine words. The consent to be governed actually is granted by the people through their Constitution. The consent is not a fiction. It is truth.

That truth, I believe, was perceived by those of all political stripes that abhorred Watergate. It was that underlying perception—not always spoken, but rather felt—that forced a mid-term change in administrations, by other than death, for the first time in our history.

It is also that same perception that allowed the Government to continue without missing a beat.

That background—necessary background, I believe—brings me to the governmental infringements I wish to explore. Those are the governmental regulations of the news media, particularly broadcasting.

The speech and press freedoms granted under the first amendment to radio and television have been diminished. There really is little argument about that. There is argument, however, over whether the special nature of communicating through the electromagnetic spectrum—the airwaves—makes that lessening of first amendment rights constitutional.

A common form of the argument that Federal regulation of broadcasting content is constitutional is this: Anyone can set up a printing press, but there is not enough room in the spectrum for everyone to set up a radio or TV station.

That argument can be countered. And in past floor statements and committee testimony I believe I have countered it.

But, in doing so—in speaking about the nuts and bolts of broadcast regulation—it is easy to forget our constitutional history. It is easy to forget that the rights of free speech and of free press are protections for citizens—listeners, viewers, and readers—against a government that would control the information they receive.

In discussing the fairness doctrine and the equal time requirements for political candidates it is easy to get lost in details.

Any discussion should be within the framework of the first amendment.

When there is governmental regulation of broadcasting news programing there is someone, some group, that makes a determination about what is seen and heard. Granted, that determination is after the fact. But its very existence influences the content of what is broadcast before the broadcast. In other words, government regulation by the Federal Communications Commission, sometimes reviewed by the courts, causes self-censorship by broadcasters.

The losers are not necessarily the broadcasters. The losers are the listeners and viewers.

Listeners and viewers are deprived of full and robust reportage, interpretation, and opinion.

A concrete example to make the point. From 1941 until 1949 the FCC forbade broadcasters to editorialize. During that period, the Communications Act contained a section—and it is still there—forbidding censorship by the FCC. When it saw the fallacy in that position, and again permitted editorials to be aired, the FCC formalized the fairness doctrine. That doctrine requires programing of public issues and it also requires that when a "controversial issue of public importance" is broadcast, the broadcaster must also grant "reasonable opportunity for the presentation of opposing viewpoints."

An affirmative obligation to print a particular piece of information or opinion is, according to the courts, just as much censorship as a prohibition. But when it comes to broadcasting, the story is different.

Why?

There is no good reason why that should be.

Does it make any difference how the message is delivered? Is not the message the important element?

What is important is that the message is not dictated—by specific instruction or by threat of sanctions—by the Government.

The viewer and listener is or can be exactly the same person as the reader.

The reader is protected fairly well by our first amendment from government intervention in the message. Why not the reader when he becomes listener or viewer? And if he is not a reader, all the more reason for that protection.

That person, regardless of which of his senses is the primary receiver, ultimately must judge for himself the truth or falsity of what is communicated. That is what free speech and a free press is all about. The citizen himself must be as free to judge information as the news media that provide it .

The first amendment was not designed to guarantee truth. For if it were, then there would have to be an official or an office to determine what is truth. And there would be no guarantee of that official's competence to decide.

A ministry of truth? The book "1984" gives the answer to the mechanics of that—a bureaucracy to rewrite history daily.

The writers of the first amendment foresaw that danger. Their answer was to forbid government interference in the flow of facts, ideas, and viewpoints. They saw freedom as the best way to insure the preservation of liberty.

They determined to let truth fend for itself, relying on reason to win in the long run.

Freedom of thought was their goal. Freedom from governmental control of information was their means. History was their teacher.

Some defenders of the FCC's fairness doctrine note that all that it tells broadcasters is that if they present one side of controversy on an issue of public importance, it must present other sides. "What is wrong with that?" they ask.

There is nothing wrong with that—as long as a governmental agency is not forcing fairness. But the FCC does force it. The FCC can fine violators. Only last week it sought authority to double the maximum fine to $2,000. It can go as far as putting the broadcaster out of business.

There exists no governmental agency that can fine a newspaper or magazine or put the publisher out of business for being unfair. That is because of the first amendment. No printing licensee exists—yet—although the FCC can involve itself in deciding newspaper ownership when broadcast properties are sold, witness the Washington Star.

Are newspapers fair? Most of the time, yes. But, of course, not always.

So what protects newspaper readers? They protect themselves by reading other publications. They are protected by the diversity and the freedom of the other publications. They are protected by the competitive publications all seeking to deliver facts, thus to be credible, thus to be successful and profitable.

If a reader should be lied to by one paper, he can determine from reading others that the first did lie. That competition lessens untruthfulness; that competition enhances the reader's freedom.

The result is wide-open debate within the content of the publications. If one viewpoint should not appear in one paper, it will appear in another publication.

But there is evidence that is not always true with broadcasters.

In the current issue of the Atlantic, author David Halberstam writes of a meeting between CBS chairman William S. Paley and commentator Eric Sevareid. "Sevareid talked about how much more difficult it was to say anything, and about how much more editing there was," Halberstam writes. "But Paley was adamant—he kept talking about the fairness doctrine. Sevareid talked about the need to lead: CBS had always been a leader. Paley talked about the dangers of being licensed."

Last May, writing in the New York Times, John J. O'Connor reported in a column headlined, "Can a Documentary Be Too Fair?", that an NBC documentary on gun control was delayed and rewritten because it became controversial when word spread it was in production. O'Connor noted:

> With the postponement, a new, more balanced script was devised, one that NBC executives felt would fall within the requirements of the Fairness Doctrine.

There was no freedom for the producers of the documentary because of the fear of governmental intervention.

This chilling effect of the fairness doctrine is difficult to document. It is difficult because of the fairness doctrine itself. If broadcast newsmen admitted that they were influenced by the fairness doctrine, that they did not report various opinions for fear of governmental action to force the granting of additional air time, they could then be subject to FCC sanctions for not programing in the public interest.

They can be damned if they do and damned if they do not.

Where is the freedom in that? Where is the robust, wide-open debate of public issues?

Who actually suffers, the broadcasters or the public?

The answer is the public. The broadcaster is going to make money regardless—at least until it becomes generally known that audiences are being deprived of hearing and seeing some fact or opinion. Why continue to listen and to watch if there is self-censorship.

And the courts, even the Supreme Court, have seen the possibility of self-censorship in FCC regulations governing content. The Supreme Court did that in the leading case, Red Lion Broadcasting, in upholding the constitutionality of the fairness doctrine's personal attack and political editorializing rules.

In concentrating on governmental regulation of broadcasting, I do not mean to indicate there are no dangers of governmental action against the graphic press. There are.

The Pentagon Papers case, the New York Times and other papers were enjoined by court action from publishing the documents for a time. Although the newspapers finally won in the Supreme Court, American history got its first instance of censorship, prior restraint. That fact still hangs over the head of press freedom.

Media critic Steve Knoll noted in a 1972 Columbia Journalism Review article that television networks were offered parts of the Pentagon Papers while the injunction was in effect. Two network executives denied that governmental licensing had anything to do with their rejection of the material.

But at least two newspapers did publish portions of the Pentagon Papers during the course of the injunction, Newsday and the Christian Science Monitor.

The Pentagon Papers court actions stemmed from executive department complaints. Still, the courts themselves have been resorting to gag orders—at least 150 in the last 3 years, according to the Milwaukee Journal—in the name of fair trials. A recent series of such orders in Nebraska have gained wide publicity. Yet, public trials are deemed necessary for fairness under our system.

"Gag orders," the Journal editorialized, "imply that jurors are robots who cannot exercise judgment on evidence, as directed by a court. That premise, in the long run, could be as damaging to the concept of a fair trial as it now is to a free press."

A Virginia circuit judge on January 15 fined the Norfolk morning newspaper, the Virginian-Pilot, $500 for publishing the fact that another judge was being investigated by the State Judicial Review Commission. Do not Virginians need to know that?

The battle for free information is not confined to broadcasting. But in broadcasting the governmental regulations are acknowledged openly.

Yet the evils of governmental control are read regardless of what news medium is involved.

The problem is becoming more and more important. Newspapers, particularly in large cities, are finding the economics of survival tougher and tougher. And big newspapers with big revenues are needed to collect the news. Newsgathering is not cheap.

If we have fewer newspapers than formerly, and we certainly do, then we have less diversity in newsgathering and editorializing. We need diversity.

Broadcasting is the obvious source of greater diversity. But if broadcasters are shackled by governmental regulation, the citizens of this country will be deprived of that diversity.

It is not fear-mongering to suggest that the time could come when, because of the high costs of publishing, Americans could be dependent almost solely upon Government-controlled broadcasting for their news.

The Constitution aside, that is a good enough reason for freeing broadcasters—for the sake of Americans.

The "scarcity" of spectrum space argument can be countered by current technology. Cable, which can carry television, radio, and other communications signals, opens wide the number of voices that can be heard. But as matters stand, governmental regulation of cable content also exists.

Cable could be in competition with broadcasting just as graphic publishing is. But controls—ideas and certain business controls—limit competition. Let us face it, broadcasters like it that way. And potential diversity is being wasted.

Ideas are important to the United States and to its citizens. Our Revolution nad the documents that emerged from it showed the way to human freedom.

The Declaration of Independence and the U.S. Constitution are the most important political documents of human history.

They must be maintained as such.

They cannot be if they are ignored because some citizens want to think for other citizens through governmental regulation.

Thinking for ourselves is the fundamental principle of our American freedom.

REGULATORY REFORM

Mr. HRUSKA. Mr. President, it is fitting at the start of the Bicentennial Year that we undertake a serious exploration of regulatory issues and that we first consider the threat of regulation to liberty.

Excessive governmental regulation has come to stand in 1976 for the kinds of arbitrary and capricious exercises of power that impelled the Continental Congress in 1776 to declare our independence from the British Crown.

When Jefferson attributed to King George III in the Declaration the "repeated injuries and usurpations, all having in direct object the establishment of an absolute Tyranny over these States," he included one charge which many Americans today would consider an apt contemporary description of Federal regulatory behavior:

> He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people, and eat out their substance.

Mr. President, I have been deeply impressed by the increasing sense of harassment through Federal regulation reflected in letters and visits from my constituents, in testimony before committees of the Congress, and in representations by national associations which speak for millions of citizens.

What I sense, Mr. President, are deep frustrations with intrusions on fundamental liberties by governmental institutions, processes and officials. Citizens are beginning to perceive government not as their servant but as their master.

Nebraska is a State given to plain speaking on questions of the citizen's relation to his government. The people of Nebraska are deeply patriotic, moderate in temperament, and inclined to balance a wariness toward government with a deep respect for constitutional processes. We are not so far removed from the frontier period as to have forgotten the perils of a society without the benefits and protections of orderly government. Thus, I respond with deep concern to statements of outrage from good, hard-working Nebraskans who tell me in plain language the injuries they suffer at the hands of their government:

EXAMPLE NO. 1

I suppose certain census information is necessary, but it is available elsewhere, I believe. Many farmers are so busy trying to eke out a living. Their cost of production is rising, the prices paid for their products are lowering. Then, they are asked to fill in this form—when they have already given this information to others in the Federal Government. It seems so unjust to them.

Some statisticians will probably take the census figures from these Forms, project some more figures, feed them all into an expensive computer and come up with some more figures. Can the Federal Government afford all this duplication of effort among the various agencies?

No wonder John Q. Public has become so disenchanted with his Government. Help us all, please.

EXAMPLE NO. 2

The letter from Mr. —— is a classical example of what is happening to our government and our country. How dare I question the wisdom of a bureaucrat! I submit that rather than to accept the criticism as a government official should, he immediately went on the offensive and his letter suggests that I had no business suggesting that I had a complaint.

I suggests that tenure for civil servants is a mistake and that they should have to try their hand at making a living in the competitive world occasionally rather than spend their lives at the public trough.

EXAMPLE NO. 3

Do not bother to write me and inform me of the various surveys and publications supposedly for the farmer. I have seen most of them and can compare the data with that physically observed by me. The reports simply reinforced my belief that they are purposely misrepresented for the purpose of lowering food prices. I simply do not believe any report coming from any government agency or official from Washington.

EXAMPLE NO. 4

I would like to know why in the heck I or we, as farmers have to tell a group of government clowns just what we are doing in and on our places of private endeavor. Farming is supposed to be a private enterprise.

The writer of this letter is burnt up. Why should I have to confess to some agency just what I am doing in my endeavor to attain a livelihood not only for myself but for my family. Just why should I have to tell a group of clowns employed on a government payroll who did not have the self-confidence to go out into this great land of ours and try to make a stake for their respective selves but chose to make it with a soft government job to start with and pretty soon a civil service appointment and then finally after a time this became more binding than a marriage contract. Once they got the civil service rating the taxpayer is flat married to the job and cannot be divorced of them.

EXAMPLE NO. 5

This is one of the most abominable government forms I've ever seen—and I've seen plenty of them. In one agency or another, this information is already available to the Federal Government. Yet, you ask for still another form. I was lucky. I had to complete only a small portion of it, I think.

Such statements tell me far more than statistics and sophisticated analyses that we are now reaping the bitter fruits of an expanding Government whose growth we have nourished in war and peace for more than four decades.

The issue before us is not, of course, the elimination of governmental regulation. Regulations are necessary consequences of living under the rule of law in any society. The basic issue, as I see it, is whether laws and regulations should evolve in gradual response to needs clearly perceived by the majority of citizens or whether they should be forced upon a society by a minority, entrenched in bureaucratic power, that believes that it alone possesses the vision of the good society.

It is my view, Mr. President, that in the area of economic regulation much of our present frustration is the result of excessive power wielded in the 1930's and 1940's by public officials captivated by theories of economic planning and collectivist economic organization.

Since the 1940's, economic regulation has continued to expand. It is being imposed by such new instruments of regulatory power as the Occupational Safety and Health Administration, the Environmental Protection Agency, and the Equal Employment Opportunity Commission.

These new agencies are not dedicated to the relatively limited economic purposes of the more established economic regulators. Under the guise of consumer protection, equal opportunity and similar goals, they also contribute to expanding social regulation, and link hands with the numerous rulemaking and enforcing bureaus and offices which inhabit the labyrinthian structures of such larger organizations as the Departments of Health, Education and Welfare, and Housing and Urban Development.

These new regulatory forces are largely the offspring of the social engineering mentality which dominated the Federal Government in the 1960's. The inevitable consequence of that mentality has been the erection agency by agency, law by law, and regulation by regulation, of what Caspar Weinberger, the former Secretary of Health, Education and Welfare, accurately characterized as a massive welfare state which now intrudes deeply into the lives and personal freedoms of all Americans.

In eloquent terms Mr. Weinberger, who grappled for many months with the formidable regulatory forces of the Department, summed up the unfortunate circumstances created by unnecessary social regulation in the human resources field. Furthermore, he correctly pointed to the responsibility which Congress must bear for provoking these circumstances:

> The entire human resources field is under the lash of Federal law—doctor, hospital, teacher, college president, student, voluntary agency, city hall and State capital. All of these are subject to the steadily increasing intrusion of the Congress—which requires that drastic and often unnecessary regulations be adopted by the Executive Branch.

Similar remarks could be used to describe the circumstances surrounding environmental protection, occupational safety, highway safety, and virtually any field of human activity in our society.

Mr. President, we cannot point to any one individual or institution as the instigator of our present predicament. The Congress does bear a large but scarcely exclusive responsibility.

Perhaps, Mr. President, the liberties which we have long enjoyed led many to believe that our Nation was immune to self-imposed oppression through excessive governmental regulation. Certainly, there has been great reluctance in many quarters to concede that we have not been sufficiently alert to a steady erosion of liberty. Now, here we stand, conscious as a people of our folly but reluctant to hold ourselves accountable for it.

As a people we must blame ourselves. We have no 20th century equivalent of George III upon whom we can heap our grievances. We cannot declare independence from ourselves. The time has come to choose between drifting toward even greater restrictions in our liberties or reshaping our public institutions so that they serve rather than constrain liberty. These are the terms of public discourse in the months ahead.

This will mean, as other Senators have forcefully argued in recent months, that the Congress must begin to weigh rigorously the costs and benefits of proposed legislation. They must be weighed not only in economic terms but, more importantly, in terms of enlarging the sphere of personal liberty and of strengthening our Federal and free enterprise systems.

We are a great nation. No power on Earth can attempt to tyrannize us except at the price of its own destruction. But we have learned that we are well on the way to tyrannizing ourselves by both design and default.

We know where to start. The President is well aware of the dangers of overregulation. He has initiated a reexamination of the role of Federal regulatory agencies and has proposed specific legislation to the Congress.

The President's proposal in his state of the Union address to consolidate and decentralize to State and local government administration a myriad of Federal social programs, has powerful implications for constructive change.

The restructuring of agencies and Federal programs cannot be approached, in my judgment, simply as an exercise in the mechanics of Government administration. For too many years fundamental questions of principle about the character and scope of our liberties have been avoided in legislative debates, when such questions should have been of paramount concern. The convenience of pragmatic accommodations, the fragmentation of issues in the congressional committee system, the proliferation of interest groups in our society, and the like, have permitted us to ignore or conceal the growth of the welfare state.

Action is necessary by State and local governments as well. Federal rulemaking has stimulated a great deal of complementary regulation by State and local governments. They, too, have a large role to play in restoring our freedoms. I am pleased to note that there are signs of action. One such instance is consideration by the National Association of State Attorneys General of measures to eliminate regulatory activities that add to consumer costs by restricting competition.

Mr. President, I ask unanimous consent that there be printed at the conclusion of my remarks an article from the Omaha World-Herald of January 2, 1976, the article describes this State level initiative.

It has been a pleasure to participate in this discussion and I look forward to the series of regulatory reform discussions planned for the weeks ahead.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATES EXPECTED TO WIELD "CUTTING EDGE" IN REGULATION

(By Darwin Olofson)

WASHINGTON.—States may be in a mood and position to do more than the federal government to eliminate regulatory activities that are blamed for adding to consumer costs by restricting competition.

"I don't know whether the real changes are going to take place on a national level or begin to develop on a state-by-state basis," said Raymond Marvin, Washington representative of the National Association of Attorneys General.

"I think probably on the latter," he added.

Federal regulatory agencies have been under fire for many months, with some of the heaviest barrages coming from President Ford, who contends that government regulations are adding billions of unnecessary dollars each year to the cost of goods and services.

With considerable fanfare, Ford has sent Congress legislation to relax federal regulation of the airline, railroad, trucking and bus industries. Many of the proposals are being opposed by the regulated industries, whose clout on Capitol Hill makes deregulation prospects doubtful at best.

The furor in Washington has all but obscured the issue of regulation at the state level by state agencies.

"Anticompetitive practices fostered by state government regulation almost make the federal government look like an evangelist for economic efficiency," says Johnathan Rose, a deputy assistant attorney general in the Justice Department's antitrust division.

State restraints on competition range from occupational licensing laws to codes of ethics that prohibit advertising, from prohibitions on competitive bidding to the granting of exclusive franchises, according to Rose, who has a longer list.

Marvin said state attorneys general in about the past two years have been taking a closer look at such practices.

"A lot of things are going on, state by state," he said, adding:

"This is an area that is attracting increasing attention of state enforcement officials. It will develop at a faster pace in the next couple of years, I would imagine."

The executive committee of the National Association of Attorneys General is considering calling a conference on state regulatory activities, Marvin said.

He said state antitrust laws are the "cutting edge" against anticompetitive regulatory practices by state agencies.

State attorneys general are in a position to keep the cutting edge sharp, he added, because they are the state's chief lawyer and in most cases serve as counsel to state regulatory agencies.

brought suit against a state agency, "one of

Atty. Gen. William Brown of Ohio has

his own clients," claiming that it violated the antitrust law in imposing certain rules governing engineers and architects, according to Marvin.

He described the suit as a "landmark case" and an example "of what is going to be happening on the state level."

The Federal Trade Commission has filed a brief in the case in support of the Ohio Attorney General.

"They (the FTC) view it as a watershed case at the state level," Marvin said.

Efforts at deregulation in Washington have had a spurring effect on states with their own regulatory problems, he said, but at least some states already had begun to take corrective actions.

Earlier this month, the National Commission on Productivity and Work Quality said in its report that uneconomic regulatory activities were not a federal phenomenon.

"The commission wishes to emphasize, however, that the complexity of these issues should not cause us to lose sight of the counter-productive rules, regulations and procedures existing at all levels of government and in the private sector . . ." it said.

REGULATION, CIVIL LIBERTY, AND PERSONAL FREEDOM

Mr. **HARRY F. BYRD, JR.** Mr. President, as we reflect on the nature of our Government and the structure of our society, I believe it is imperative for each American to review his priorities with respect to his individual freedoms, his government, and the direction each will take in the years ahead.

I salute my colleagues for creating the forum today from which such a dialog of reassessment can be begun.

As I travel throughout Virginia, one common theme of concern I hear time and again is "there is too much government" and "there is too much Federal interference and control of our daily affairs."

The people of Virginia are a freedom-loving, independent-minded people. From the inception of this great Union of States, they have constantly sought to control their own destinies, without outside interference or involvement.

It is, therefore, with both amazement and indignation that the people of Virginia have seen Federal bureaucrats attempt to control Virginia's institutions of higher education by demanding that the Governor ignore his constitutional and statutory responsibilities and yield to their dictates.

These self-appointed guardians of social change have insisted that Virginia ignore the high standards of educational quality in her State-supported institutions of higher learning, implementing instead the quota-oriented programs of "affirmative action," which have been more correctly termed "the putrid backwash of all the tired social engineering schemes of the centuries."

I believe the great majority of Americans find this form of government repellent to their basic ideals of justice and decency. In its zeal to eradicate discrimination, the Federal regulators have employed the very vice they seek to eliminate.

It is saddening that the Federal Government advocates quotas; it is shocking that Federal agencies and departments demand them.

Insistence upon the same type of discredited social theory can be seen in the continued quest of the Federal Government to use forced busing to achieve an artificial racial balance in our public schools.

The people across this land have stated unequivocally their feelings on this matter:

Forced busing is wrong.

It is unjust.

It is unfair.

Yet, in the face of overwhelming opposition by people of all races and walks of life, in the face of clear evidence that forced busing is a detriment to a quality education, and in the face of the repudiation of forced busing by its principal exponent in the mid-1960's, Dr. James S. Coleman, the Government continues to demand forced busing and to oppose any responsible legislative restriction on that discriminatory practice.

Clearly, these are not examples of representative government or of government existing to insure the protection of constitutional guarantees to its beneficiaries, the people.

Rather, these are examples of government which has become estranged from the people it is supposed to represent and to serve. It has swung from the protection of individual liberties to the imposition of preferential treatment.

Where have we erred that this condition should now exist? I believe it is in the failure to observe the strictures like the one espoused by Mr. Justice Brandeis in 1928:

> Experience should teach us to be most on our guard to protect liberty when the Government's purposes are beneficient. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding.

Reasonable minds may have no quarrel with the lofty ideas which motivate Federal officials. But agreement with their aims does not mean endorsement of their means.

I cannot think of a more important function of Government than to insure the domestic peace and tranquillity for its citizens. Indeed, without internal social order and observance of the laws made for the mutual benefit of all, no society—no government—could exist for long.

But this does not mean that the Government has a free hand to protect us from all harm—real or imagined. The blatant abuses of our constitutionally protected freedoms by officers of our Government—of privacy, of freedom of association, and of religion, and of the right to be secure from unreasonable searches and seizures—which have jarred our sensibilities in recent years are a vivid reminder that liberty is not self-perpetuating.

Our liberty must be jealously guarded and constantly nurtured, lest it be stifled and smothered by the promises and policies of those regulators who would do our thinking and acting for us—in the name of "freedom."

ORDER TRANSFERRING TIME OF SENATOR ROBERT C. BYRD TO SENATOR McINTYRE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time allotted to me under the order previously entered be allotted to Mr. McINTYRE in my stead.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from New Hampshire (Mr. McINTYRE) is recognized for not to exceed 15 minutes.

THE CIA AND THE APPEARANCE OF PROBITY

Mr. McINTYRE. Mr. President, I intend to oppose the confirmation of Mr. George H. Bush as Director of the Central Intelligence Agency.

I will do this without malice toward the nominee, and with considerable reluctance, for I recognize that the separation of powers, political accountability, simple courtesy, and good will persuasively argue that a Chief Executive should have the privilege of staffing his administration with people of his choice.

In more than 13 years in the Senate, I have consented to hundreds of appointments made by two Republican Presidents. On only seven occasions over those years have I voted against the Chief Executive's nominations, doing so in each instance only because my perception of what was in the national interest so sharply differed from the President's that I could not in conscience assent to his wishes.

And now, in the nomination of Mr. Bush to direct the CIA, we have another such instance.

Let me make this clear, Mr. President: I do not oppose Mr. Bush.

To the best of my knowledge, the nominee is an honest, conscientious citizen who has served with grace and some measure of distinction in a number of responsible positions. And in another time and under different circumstances he might well bring similar distinction to the office for which he is now being considered.

But this is not "another" time nor other circumstances, and what I oppose is Mr. Bush's nomination for this office at this time and under these circumstances.

It is my firm belief that this nomination is an insensitive affront to the American people, and in a very real sense a gross disservice to Mr. Bush, who did not fashion a situation that makes his nomination so untimely and inappropriate.

A great institution, an institution most of us see as indispensible to our security, is in a shambles, brought to that sorry state by its own misdeeds, misdeeds the nominee himself has described as "outrageous and morally offensive."

But it is not my purpose to use this forum to excoriate the CIA, Mr. President. Indeed, everything considered, it would be patronizing and graceless for me to do so. For hindsight, indignation, and self-righteousness ill become those of us who—in the midst of the cold war and under the convenient rationale of security—so willingly yielded slack rein to that agency.

By defaulting in our oversight responsibilities, we not only encouraged abuses by the CIA, Mr. President, we encouraged abuses of the CIA.

It was we who chose to ignore the Agency's growing habit of citing dubious ends to justify odious means.

It was we who stood mutely by while the agency slipped its statutory bonds to engage in repugnant, bizarre, embarrassing, and counterproductive activities that not only cost us dearly in world respect and good will but flaunted the law, the Bill of Rights and the very value system of our free and open society.

But it was also we, Mr. President, who in our apathy and dereliction left the agency so vulnerable to subornation by self-serving political leaders—and it is this unhappy fact that is at the heart of the issue before us.

Upon us, it seems to me, falls a very special burden, Mr. President. Upon us—far more than upon those more recently who have come to this Chamber—falls the responsibility of rebuilding what we in our carelessness and insensitivity let collapse upon itself. And I speak not only of the Central Intelligence Agency—but of the public trust and confidence in that institution's character, integrity, and purpose.

At this crucial moment in our history—surrounded as we are with endless evidence of mass disenchantment, disillusion, cynicism, and bitterness—surely, Mr. President, restoring the appearance of probity in an institution with such demonstrated potential for abuse is every bit as important as restoring the fact of probity.

I need not remind this body that public trust and confidence in the CIA is now at its lowest level in 27 years. But let me express my own conviction that this collapse of confidence was brought on not only by exposure of CIA misdeeds, but by the painful realization that some of these misdeeds were encouraged by political leaders who sought not an intelligence advantage over a foreign adversary, but a political advantage over their domestic critics and the opposition party.

Mr. President, I am sure the public has no inclination to excuse the CIA's consent to being compromised.

But I am equally certain the public rightly holds the corrupter more accountable than those who were corrupted.

If I am right, that it was the politicizing of the CIA that cost it the most in trust and credibility then, Mr. President, the nomination of George H. Bush—the first political person ever advanced for the office of CIA Director—is, indeed, an appallingly insensitive affront to the American people!

Mr. President, the people understand that information is power.

A good many understand that the Central Intelligence Agency is the preeminent repository of information.

They understand that by this fact it can also be the preeminent dispensary of power.

And they rightly deserve every possible assurance that the information gathered by the CIA will never again be compromised or exploited to enhance the political power of those who have access to and authority over the agency and its officers.

Mr. President, I am not a cynic.

But I hope I am a realist.

Feeling as I do, it matters not that Mr. Bush would forgo partisan politics during his tenure.

It matters not that President Ford has removed him from the list of Vice Presidential possibilities. Indeed, it matters not that the nominee sincerely believes, as he apparently does, that he could forcefully and objectively present to the President and the National Security Council the findings and views of the intelligence community, that he could make his recommendations "without political tilt," that without regard to existing or future policy he could present "cold, hard and truthful" intelligence estimates, that he would demand the highest ethical standards of those wtihin the intelligence community, and that he would see to it that the CIA "stays in foreign intelligence business."

At this time and in these circumstances, all of this matters not, Mr. President. What matters is the people's perception of the necessity, the propriety and the prudence of this nomination. And can you, can I, can anyone in this Chamber look at the history of political subordination of the CIA and truly expect the American people to put the same measure of trust in an agency Director so clearly identified with politics, as you might, or I might?

This is asking too much, Mr. President, this is asking far too much of a people whose trust in their leadership, their institutions, their national purpose and direction, has been shaken so badly and so often in so compressed a period of time.

And it was not necessary to ask that of them, Mr. President. To me it is a transparent absurdity that given the sensitivity of the issue Mr. Ford could not find another nominee of equal ability—and less suspect credentials—than the former national chairman of the President's political party.

I do not believe a person with a political background should be disqualified automatically from serving as Director of a politically sensitive agency. Indeed, as Mr. Bush has pointed out, political people should—and usually do—understand and appreciate the concept of accountability to the people.

But surely this sensitivtiy is not unique to politicians, Mr. President, and surely, everything considered, this is not the time to break a 27-year precedent of nonpolitical Directors of the Central Intelligence Agency.

Some have raised the point that the wrongdoings of the CIA occurred under nonpolitical Directors seeming to imply that had these Directors been political people they might better have resisted the pressures from on high to commit the misdeeds.

Whatever the dubious merit of that argument, Mr. President, who could expect an American public so soured on political misadventures to accept it?

Still others, sensitive to this massive disenchantment with politics, have argued that refusal to confirm a political person to direct a sensitive agency further denigrates politics at a time when respect for it needs to be restored.

I, too, long to see that respect restored, Mr. President, but it occurs to me that we who practice the art of politics and hold it in personal esteem ought to be particularly chary these days of any action that would bring it under even more suspicion.

And it seems to me that in asking us to confirm his choice for CIA Director, Mr. Ford is inviting us to further defame the art we practice.

For if we do as he asks, we will in effect be telling the American people that the best way to rebuild a responsible CIA and to insulate it against future political corruption is to put a politician in charge of it.

The people will not believe that.

They will not believe it; they will hold us as accountable for offending their sensibilities as they will hold Mr. Ford; they will stay disenchanted with politics and politicians—and they will hold back their trust in the CIA.

For my part, I do not want to see a vitally necessary agency further weakened by the appointment of a Director who rightly or wrongly, will be suspect by an understandably skeptical American people, Mr. President.

It would be sadly ironic if we were to consent to an appointment that could shatter whatever remains of the appearance of CIA probity at the very time that we begin our efforts to restore the fact of probity.

Increased congressional oversight and institutional reform can and must rebuild the CIA into an effective agency—an agency that adheres to its statutory purpose and functions within the constitutional, legal, and value framework of a free and open society.

But all that effort will go for naught, Mr. President, if the American people are discouraged at the outset from believing in the sincerity of the effort and trusting the end result.

And discouraged they will be if we confirm this nominee at this time under these circumstances.

Mr. President, the strong reservations I have expressed over this nomination are shared by observers in the media who span the spectrum of political philosophies, and to illustrate this contention I ask unanimous consent that an editorial from the November 18 edition of the Washington Post, an editorial from the December 17 edition of the Washington Star, and a November 12 column by George F. Will appear in that order at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 18, 1975]

THE BUSH APPOINTMENT

"In the final analysis," the Rockefeller CIA commission reported to President Ford a few months ago, "the proper functioning of the Agency must depend in large part on the character of the Director of Central Intelligence." The report went on: "The best assurance against misuse of the Agency lies in the appointment to that position of persons with the judgment, courage, and independence to resist improper pressure and importuning, whether from the White House, within the Agency or elsewhere." That was good advice, taking into proper account the country's need—and CIA's need—to restore both the fact and the appearance of probity to an agency badly scarred by the Cold War and Watergate.

Mr. Ford, however, has rejected this advice. In nominating George Bush, a pleasant and able Republican politician currently serving as ambassador in Peking, he has selected a man who, for all of his qualities, would be on very few lists of "persons with the judgment, courage, and independence to resist improper pressure and importuning." Mr. Bush has been a loyal servant of several presidents—and of the Republican Party. He apparently would like to be Vice President, a post which is almost entirely the President's to bestow or withhold. On the basis of his record as Ambassador to the U.N., there are doubtless a great many jobs in government which he could do very well, but brief service as Director of Central Intelligence is not among them.

In fact, the next Director must do more than project an image of independence. He must join in the reshaping of the agency's mission, organization and relationship to Congress—matters of common concern to the Rockefeller Commission and to the Senate and House intelligence inquiries. If it is necessary to ask whether a "political" CIA director could be expected to give his best judgment on intelligence issues with political implications, then one must also ask if a transient director would be around long enough to help make the necessary coming reforms. The post should not be regarded as a political parking spot. There is serious work to be done.

So Mr. Ford has a problem, or several problems. No sooner had he announced his lack of confidence in William Colby, the current director, then he was forced to ask him to stay on to get the agency through the congressional investigations. Mr. Bush, meanwhile, faces a delay of some months in his confirmation hearings, and possible rejection. Granted, filling high appointive posts in the last year of an administration is always tough. Mr. Ford still would have done better to let Mr. Colby stay through the investigations, and then to have sought a non-political worthy to take the helm at least until the elections. We mean no offense to Mr. Bush. But we fail to see why the Senate would wish to confirm him—or why, for that matter, he would want the job.

[From The Washington Star, Dec. 17, 1975]

Nice Man, Wrong Job

The Senate and its relevant committees must steel themselves for the unwelcome duty of putting sound principle first as they consider Ambassador George Bush's nomination to be chief of the Central Intelligence Agency.

Mr. Bush is a very nice man, without a trace of that arrogance or abrasiveness of manner that would make it easy to deny confirmation. Further, he is a former member of the House of Representatives, a member in good standing of the old boys' club whose promotion to executive appointments is usually treated with special consideration.

But really, Mr. Bush should not become director of the Central Intelligence Agency. We are sure that he means every pledge he has given to the Armed Services Committee about checking his political hat at the door, about not actively participating in party affairs, about accepting the vice presidential nomination only if pressed.

Yet Mr. Bush, if confirmed for the CIA post, would be the first CIA director of unquestionably political provenance in its history. All his predecessors have been, in one way or another, intelligence professionals, That needn't be the rule. But there ought to be a negative rule here—as in the appointment of U.S. attorneys general—against the appointment of people with high party profiles.

All the recent studies of CIA abuses and misjudgments suggest that the single biggest threat to intelligence professionalism lies in the possibility of political manipulation. That manipulation has usually taken one of two forms. On its operational side, the intelligence agency becomes the prey of presidential whim—this or that regime, displeasing to the President, must be targeted for subversion or political sabotage. Or, on its intelligence-gathering side, the agency faces an intimidating reluctance in Presidents to receive and use information that goes against the grain of policy.

There was, for instance, no failure of evaluation by the CIA in Southeast Asia. The problem was that its sometimes gloomy assessments of the situation were not welcome to Presidents because they did not sound the expected note of optimism.

President Ford, defending the Bush appointment and others just after the so-called Sunday night massacre, made what is probably the best case against Mr. Bush. The President said he wanted people in the sensitive posts of defense secretary and CIA director with whom he felt at ease—his guys, members of his team.

On any list of 100 desirable traits in an intelligence chief, a disposition for team play would rank near the bottom. Admittedly, the CIA could benefit from a director with a feeling for public sensibilities and public relations. But it is infinitely more vital that he be a hard-bitten naysayer, a man who says the unsayable and when necessary bucks the trend of wishful thinking.

It is no insult to Mr. Bush, a fine public servant, to say that we have a great difficulty picturing him in that role in the inner councils of the Ford administration.

Just One of the Guys

(By George F. Will)

Washington.—When nominated to be director of the Central Intelligence Afiency, George Bush said he did not think that being director would forever prevent him from seeking political office. Obviously he hopes it will not, and his hope was stoked by President Ford's declaration that Bush is not excluded from consideration as his 1976 running mate.

Bush may not have to worry about a CIA atachment becoming a political handicap. The Senate may refuse to confirm him.

Like some other ex-congressmen (he served two terms), Bush is one of Ford's guys, which is fine. But at the CIA he would be the wrong kind of guy at the wrong place at the worst possible time.

The CIA is under a cloud of dark suspicion based on proven misdeeds. The suspicion is that the CIA is a threat to civil liberties, and perhaps to tranquility, because it is insubordinate or otherwise immune to proper control.

But lack of control over the CIA is no longer the gravest problem. Congress, awakened from its long sleep, is alert to its oversight duties. And the executive branch, having been reminded of the law, can keep the CIA operating this side of criminality.

Today the most pressing problem is not to prevent the CIA from doing what is forbidden, it is to see that it does what it is supposed to do, which is to gather and report accurate information.

But gathering and reporting are different operations. And it is possible to imagine situations in which the CIA would be pressured to suppress inconvenient information, or to report things convenient to the political purposes of an administration.

Imagine an administration looking to the next election and determined to celebrate détente as its finest achievements. Imagine that the administration is excessively anxious to achieve another strategic-arms agreement with the Soviet Union.

Suppose the administration triumphantly signed an agreement limiting the number of strategic vehicles—missiles and bombers—on each side. Critics might say the limit is a false ceiling. Critics might charge that the limit is as high as the Soviet Union can or wants to go during the term of the agreement. Therefore the agreement is an empty exercise, a limit that does not limit. (That is what Sen. Henry Jackson said about the 2,400-vehicle limit agreed to at Vladivostok.)

Then the administration would appreciate a CIA report arguing that the Soviet Union has the ability to surpass the limit in the near future, and would do so if there were no agreement.

Recent events have made it wise to worry about the possibility that the CIA will become compliant to political pressures in reporting intelligence information, especially information that might tarnish the image of détente.

Secretary of Defense Schlesinger, an apolitical man, was the foremost critic within the administration of Secretary of State Kissinger's policy in negotiating with the Soviet Union—sometimes called "the policy of preemptive concession." Ford wants to replace Schlesinger with Donald Rumsfeld, another vice presidenital aspirant. Thus it is all the more imperative that the CIA be run by a man not susceptible to political considerations or pressures.

The problem with Bush is less that he has a political past than that he so obviously and avidly wants a political future.

As chairman of the Republican National Committee during Watergate, Bush was very considerate about the man who appointed him. In spite of all the available evidence, he never expressed independent judgments inconvenient to Richard Nixon.

It might be rash to expect Bush to display at the CIA a capacity for politically inconvenient independence in judging intelligence. That is why the Senate may ask Ford for another nominee.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to exceed 30 minutes, with statements therein limited to 5 minutes each.

ADMINISTRATION OF OATHS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 520, H.R. 508.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 508) to amend title 5, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill (H.R. 508) which had been reported from the Committee on Post Office and Civil Service with an amendment on page 1, in line 7, strike "investigate" and insert "investigative."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ORDER FOR CONSIDERATION OF S. 700

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the morning business is disposed of, the Senate lay aside the unfinished business and at that time turn to the consideration of Calendar No. 535, S. 700, a bill to amend the Agricultural Adjustment Act of 1938, as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. JOHNSTON). Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. CLARK) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. CLARK) laid before the Senate a message from the President of the United States transmitting the Economic Report of the President, which, with the accompanying report, was referred to the Joint Economic Committee. The message is as follows:

To the Congress of the United States:

As we enter 1976, the American public still confronts its two greatest personal concerns: inflation and unemployment. As valid as those concerns are, we should not let them overshadow the very genuine progress we have made in the past year. The underlying fact about our economy is that it is steadily growing healthier. My policies for 1976 are intended to keep us on that upward path.

A year ago the economy was in the midst of a severe recession with no immediate end in sight. Exceptionally strong inflationary forces were just beginning to abate, and the prospects for containing unemployment were not bright.

It is now clear that we have made notable progress. The sharpest recession in the post-World War II period hit bottom last spring, and a substantial recovery is now under way. There were 85.4 million Americans at work in December, 1.3 million more than during March of 1975. While the rate of unemployment remains far too high, it is slowly moving in the right direction. There have also been appreciable advances in reducing the rate of inflation. The increase in the consumer price index was 7 percent between December 1974 and December 1975, down from a rate of more than 12 percent during the previous 12 months.

In reviewing 1975 it is also wise to remember the large number of potentially serious economic problems that did *not* materialize. The financial crisis that some predicted did not occur. The recession did not deepen into a cumulative depression. There was no collapse in international trade and investment. The price of bread never rose to a dollar, nor did the price of gasoline. We did not experience corrosive social unrest as a consequence of our economic difficulties. While I do not regard the events of 1975 as fully satisfactory by any measure, we should find it reassuring that our economic system withstood severe strains and displayed inherent strengths during the year. I am confident that with responsible and appropriate policies we can achieve sustained economic progress in the future.

Unfortunately there is no simple formula or single act that will quickly produce full economic health. It has taken many years for excessive stimulation, combined with external shocks like the quintupling of international oil prices, to create the economic difficulties of 1974 and 1975, and it will take several years of sound policies to restore sustained, noninflationary growth. I will not make promises which I know, and you know, cannot be kept. We must restore the strength of the American economy as quickly as we can; but in so doing we cannot ignore the dangers of refueling inflationary forces, because unchecked inflation makes steady growth and full employment impossible. The events of the past several years have once again convincingly demonstrated that accelerating inflation causes instability and disruptions, increases unemployment, and ultimately precludes real prosperity.

It is often said that we must choose betwen inflation and unemployment, and that the only way to reduce unemployment is to accept chronic inflation or rigid controls. I reject this view. Inflation and unemployment are not opposites but are related symptoms of an unhealthy economy. The latter months of 1974 illustrate the relationship between inflation and unemployment. Sharply rising prices created a climate of uncertainty and were to blame for part of the massive reduction in the purchasing power of household assets placed in savings accounts and investment securities. In turn, consumers cut back on expenditures; and consequently inventories, already swollen by speculative buying, backed up in distribution channels. By the early months of 1975 there were sharp cutbacks in production and employment. Thus inflation played a significant part in the surge of unemployment, and if we have a new round of inflation it is likely to bring still more unemployment. Chronically high unemployment is an intolerable waste of human resources and entails an unacceptable loss of material production. Clearly, we must attack inflation and unemployment at the same time; our policies must be balanced.

My economic program for 1976 has three parts: First, a long-term continuation of the effort to revive the American economy; second, implementation of the many programs necessary to provide cushions for the unemployed during the transition to a healthy economy; and third, the elimination of Government policies and institutions that interfere with price flexibility and vigorous competition.

I. My key economic goal is to create an economic environment in which sustainable, noninflationary growth can be achieved.

When private spending is depressed, Government can properly absorb private savings and provide fiscal stimulus to the economy. But in the longer run, a viable, steady increase in prosperity is only possible if we have a vigorous private sector. My policies are designed to support the long-term growth of the economy by fostering an environment in which the private sector can flourish.

Increased capital formation is essential to meeting our long-term goals of full employment and noninflationary growth. Although there is no shortage of industrial capacity at the present time, many of our current priorities—to become independent in energy, to improve the environment, to create more jobs, and to raise our living standards—require increased investment. This means that business investment in plant and equipment as a share of gross national product must increase. We must also slow the growth of Federal spending in the years immediately ahead, so that mounting claims by the Federal Government on our economic resources will not prevent an adequate flow of savings into capital investments.

Accordingly, I am recommending that budget savings be refunded to the American taxpayer by means of tax cuts. I have proposed an annual tax cut of $28 billion from 1974 levels, effective July 1, 1976. If we continue in the years ahead to pursue the kind of budgetary restraint which I am recommending, another major tax cut will be feasible by 1979. I strongly believe that the individual wage earner has the right to spend his own money on the goods and services he wants, rather than having the Government increase its control over the disposition of his income.

II. Regrettably, a full recovery of the economy will take time. Overly rapid growth could lead to a renewed increase in inflation that would ultimately be self-defeating. In the interim we must be mindful of those who have lost their jobs or who are in fear of losing the jobs they hold. While the problems of unemployment can be solved only by restoring the basic strength of our economy, the hardships of unemployment and insecure employment require immediate treatment. In December 1974 and in March 1975, I signed into law major expansions in the duration and coverage of unemployment insurance. These changes eased the financial burden of 3.6 million Americans who were unemployed for a part of last year. Programs in my fiscal 1977 budget will also provide 3.6 million Americans with opportunities for training and employment.

These cushions to unemployment should be reviewed as only temporary remedies. They are not a substitute for productive jobs in the private sector. The only way that such jobs can be produced is by restoring the vitality of private industry, which today employs five out of six American workers.

III. Success in promoting healthy economic growth and a vigorous private economy depends to a large extent on our eliminating Government policies and institutions which interfere with competition. Traditionally the American system has relied on competition to organize production and to encourage economic progress. The Government, however, has attempted to correct imperfections in competition by regulating prices and the quality of services in many different industries. This attempt has been less than a complete success. Regulation has been useful in curbing the pricing power of certain monopolies and in fostering the growth of new industries, such as air transportation in the 1940s and 1950s. It has also helped to ensure compliance with such publicly determined social goals as clean air and safe working conditions. But in several industries, regulation has been used to protect and support the growth of established firms rather than to promote competition.

Over the years, Government regulation has also had many other undesirable effects. Besides reducing competition in many instances, it has also imposed on complying firms enormous burdens, which raise business costs and consumer prices.

Increasing competition from world markets and the need to maintain and improve the standard of living of a growing population require constant improvement of the American market system. For this reason I have asked the Congress to legislate fundamental changes in the laws regulating our railroads, airlines, and trucking firms. The new amendments will free these companies to respond more flexibly to market conditions. I have also urged deregulation of the price of natural gas and sought essential pricing flexibility for the oil and electric utilities industries. We will continue to improve all essential protection for public health and safety, trying at the same time not to increase unnecessarily the cost to the public. My object is to achieve a better combination of market competition and responsible Government regulation. The programs I have advanced in recent months have sought such a balance, and I will continue this course in 1976.

Striking a new regulatory balance is likely to entail some economic and social costs during a period of transition, and changes must therefore be phased in carefully. In the long run, however, a revitalized market system will bring significant benefits to the public, including lower prices.

While our policies focus primarily on the economy of the United States, we recognize that the range of our interests does not stop at our shores. The other major countries of the world are also recovering from the most serious recession they have experienced since the 1930s. Their first economic priority, like ours, is to put their economies on a sustainable, noninflationary growth path. Success in this endeavor, more than anything else, will help developed and developing countries alike achieve higher standards of living.

In recent years the economies of most nations suffered from extraordinarily high inflation rates, due in large part to the quintupling of the world price for oil, and then moved into a deep recession. The simultaneity of this experience demonstrated once again the strong interdependence of the world's economies. Individual countries have become progressively more dependent on each other as a freer flow of goods, services, and capital has fostered greater prosperity throughout the world. Because of this growing interdependence, however, domestic policy objectives cannot be achieved efficiently unless we also take account of economic changes and policy goals in other countries.

In recognition of our growing interdependence, I have consulted closely with the heads of other governments, individually and jointly. At the economic summit at Rambouillet last November, I met with the heads of government of five other major industrial countries. There we laid the foundation for closer understanding and consultation on economic policies. During 1975 we also began discussions on international cooperation with both the developed and the less developed countries. This dialogue will assure a better mutual understanding of our problems and aspirations. Finally, I have agreed with my foreign colleagues that, in order to create the proper conditions for lasting and stable growth, we must take important, cooperative steps in monetary matters, trade, and energy. We have directed our trade officials to seek an early conclusion to the continuing negotiations on liberalization of trade. This month in Jamaica we reached significant agreements on strengthening the international monetary system and providing increased support for the developing countries. We have also begun to cooperate more closely with oil-consuming countries in the effort to become less dependent on imported energy. I intend to consolidate and build upon this progress in 1976.

Of central concern both here and abroad is U.S. energy policy. Without a vigorous and growing industry supplying domestic energy, much of our industrial development in the next 10 years will be uncertain. And unless we can reduce our dependency on Middle East oil, we will not have a sound basis for international cooperation in the development of new fossil fuel and other energy sources.

As an initial step toward greater self-sufficiency, I signed the Energy Policy and Conservation Act in December 1975. I concluded that this act, though deficient in some respects, did provide a vehicle for moving us toward our energy goals. With this mechanism the price of petroleum can be allowed to rise to promote domestic supply and to restrain consumption. At the end of 40 months, under the act, I may remove price controls altogether, and I will utilize the provisions of the act to move toward a free market in petroleum as quickly as is possible and consistent with our larger economic goals. The act offers flexibility, which I have already used to start dismantling price controls and allocation arrangements in fuel markets where no shortages exist. The legislation also establishes a national strategic petroleum reserve which will make our supply of energy more secure and give other nations less inducement to impose an oil embargo.

Measures crucial to our energy future still remain to be enacted, however. Natural gas deregulation is now the most pressing of the issues on energy before the Congress: shortages grow year by year, while the country waits for more testimony on supply and demand, or waits for extremely expensive new synthetic gas plants to replace the natural gas production choked off by price controls. I urge the Congress to make deregulation of new natural gas one of its first objectives in 1976. The legislation I have proposed in order to assure adequate supplies of fuel for nuclear power plants is also critical. If we are to improve our energy situation, these measures are necessary. They will also reinforce our efforts to remove unnecessary and deleterious Government interference in economic activities where the consumer is adequately protected by market forces.

A year ago I said, "The year 1975 must be the one in which we face our economic problems and start the course toward real solutions." I am pleased with the beginning we have made. The course is a long one, but its benefits for all Americans make the journey worthwhile. The year 1976 must be one in which we will continue our progress toward a better life for all Americans.

GERALD R. FORD.

JANUARY 26, 1976.

MESSAGE FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 12:30 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bils and joint resolution:

S. 1657. An act to amend the National Portrait Gallery Act to redefine "portraiture."

S. 1847. An act to authorize the One Hundred and First Airborne Division Association to erect a memorial in the District of Columbia or its environs.

H.J. Res. 406. A joint resolution to provide for the presentation by the United States to Israel of a statue of Abraham Lincoln to be donated by Leon and Ruth Gildesgame, of Mount Kisco, N.Y.

The enrolled bills and joint resolution were subsequently signed by the ACTING PRESIDENT pro tempore (Mr. CLARK).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, INC.

The ACTING PRESIDENT pro tempore (Mr. CLARK) laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting a secret report entitled "The F–15 Is an Example of How Weapon Systems Support Cost Can Be Reduced" (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE ASSISTANT SECRETARY OF DEFENSE

A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a report of the design and construction supervision, inspection, and overhead fees charged by the construction agents for the military construction projects (with accompanying report); to the Committee on Armed Services.

REPORT OF THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report relating to the recommendations contained in the report entitled "Economic Initiatives" (with an accompanying report); to the Committee on Finance.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Audit of Federal Crop Insurance Corporation Fiscal Year 1975" (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE FEDERAL BUREAU OF INVESTIGATION

A letter from the Director of the Federal Bureau of Investigation transmitting, pursuant to law, a report with respect to positions in the FBI in grades 16, 17, and 18 (with an accompanying report); to the Committee on Post Office and Civil Service.

PROPOSED LEGISLATION OF THE GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to authorize appropriations during the fiscal year 1977 for procurement (with accompanying papers); to the Committee on Armed Services.

PROPOSED LEGISLATION OF THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act (with accompanying papers); to the Committee on Commerce.

PROPOSED ACTS OF THE COUNCIL OF THE DISTRICT OF COLUMBIA

Three letters from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, proposed acts adopted by the Council (with accompanying papers); to the Committee on the District of Columbia.

PROPOSED LEGISLATION OF THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation relating to the control of wild free-roaming horses and burros (with accompanying papers); to the Committee on Interior and Insular Affairs.

PUBLISHED NOTICE OF THE BUREAU OF RECLAMATION

A letter from the Acting Commissioner of the Bureau of Reclamation transmitting, pursuant to law, a copy of a proposed notice of the Bureau of Reclamation (with accompanying papers); to the Committee on Interior and Insular Affairs.

PUBLISHED NOTICES OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Assistant Secretary of Health, Education, and Welfare transmitting copies of published documents in the Federal Register relating to systems of records (with accompanying papers); to the Committee on Government Operations.

REPORT OF THE SMITHSONIAN INSTITUTION

A letter from the Secretary of the Smithsonian Institution transmitting, pursuant to law, a report of the Institution for the fiscal year 1975 (with an accompanying report); to the Committee on Rules and Administration.

REPORT OF THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

A letter from the chairman of the Committee on Banking, Housing and Urban Affairs transmitting the Second Report on the Conduct of Monetary Policy relating to House Concurrent Resolution No. 133; ordered to lie on the table.

PROSPECTUS OF THE GENERAL SERVICES ADMINISTRATION

A letter from the Administrator of General Services transmitting, pursuant to law, a prospectus relating to the construction of a border station at Haines, Alaska (with accompanying papers); to the Committee on Public Works.

CORRECTION IN PROPOSED REGULATION OF THE FEDERAL ELECTION COMMISSION

A letter from the Vice Chairman of the Federal Election Commission transmitting a correction in a proposed regulation of the Commission pertaining to allocation of candidate and committee expenditures; to the Committee on Rules and Administration.

PROPOSED REGULATION OF THE FEDERAL ELECTION COMMISSION

A letter from a member of the Federal Election Commission transmitting a proposed regulation relating to disclosure and reporting by candidates (with accompanying explanation and justification); to the Committee on Rules and Administration.

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. CLARK) laid before the Senate the following petitions which were referred as indicated:

A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on the Judiciary:

"STATE OF INDIANA—CONCURRENT RESOLUTION

"A concurrent resolution directing the United States Congress to call a constitutional convention for the purpose of proposing an amendment to the Constitution of the United States concerning federal expenditures and revenues

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate Concurring:

"Section 1. That the Congress of the United States is hereby requested to call a constitutional convention for the purpose of proposing the following amendment to the Constitution of the United States:

" 'Article —

" 'SECTION 1. Expenditures shall not exceed revenues in any fiscal year, except in time of national emergency as declared by a two-thirds vote of both Houses of Congress.

" 'SEC. 2. The Congress shall have the power to enforce this article by appropriate legislation.'

"Section 2. The Principal Clerk of the House is directed to transmit immediately copies of this resolution to the Secretary of the Senate of the United States and the Clerk of the House of Representatives of the United States and to each member of the Congress from this state."

House Resolution 472 adopted by the House of Representatives of the State of Illinois; to the Committee on Finance:

"STATE OF ILLINOIS—HOUSE RESOLUTION 472

"Whereas, Many thousands of American men and women have given part of their lives to the defense of their Country in time of war and national emergency; and

"Whereas, Of the thousands of persons serving in the uniformed services of our country, many endured hardship and privation which have had a lasting effect upon their lives; still others have received injuries or wounds which have resulted in disability; and

"Whereas, This Country and her People, who have benefited from the efforts and sacrifices of those who are now veterans, have given precious little in return and have been guilty of ingratitude on a massive scale; and

"Whereas, The pitifully small veterans' pensions paid to those who have been unfortunate enough to be disabled in service of Country are inadequate to discharge the debt owed by the United States to these brave men and women; and

"Whereas, Congess, in the act of the grossest ingratitude and most callous indifference to the sacrifice and sufferings of the People, has proposed to tax the already inadequate veterans' pensions being paid to those who gave so much for all of us; and

"Whereas, This action is being taken in a year in which the Congress is terminating tax deductions for honest citizens and making new ones for themselves; therefore, be it

"*Resolved*, By the House of Representatives of the Seventy-ninth General Assembly of the State of Illinois, that we deplore any action by the Congress which will in any way reduce the amounts of the already tiny pensions paid to our veterans; and, be it further

"*Resolved*, That we call upon the Congress of the United States to take action to kill and legislation which would place any tax burden upon the monies paid to veterans for disabilities or other benefits for old age and all other types of veterans' pensions; and, be it further

"*Resolved*, That a copy of this preamble and resolution be transmitted by the Illinois Secretary of State to the Speaker of the United States House of Representatives, to the Vice President of the United States, and to each Member of the Illinois delegation to the Congress of the United States."

A resolution adopted by the Commission

of the City of Stuart, Florida, relating to the widening of the St. Lucie Canal; to the Committee on Public Works.

A resolution adopted by the Board of Commissioners of Wayne County, Michigan, relating to the assassination of Dr. Martin Luther King, Jr.; to the Committee on the Judiciary.

A resolution adopted by the Board of Directors of the California Asparagus Growers Association, relating to laws regulating the hiring of illegal aliens; to the Committee on the Judiciary.

A resolution adopted by the Arizona Federation of Republican Women, relating to enactment of the National Food Stamp Reform Act; to the Committee on Agriculture and Forestry.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, with an amendment and an amendment to the title:

H.R. 9803. An act to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards (for children between 6 weeks and 6 years old) in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no lower than those in effect in September 1975 (together with minority and additional views) (Rept. No. 94–592).

By Mr. MOSS, from the Committee on Commerce, with an amendment:

H.R. 5512. An act to amend the National Wildlife Refuge System Administration Act of 1966, and for other purposes (Rept. No. 94–593).

H.R. 5608. An act to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, to increase the maximum amount of such authorization, and for other purposes (Rept. No. 94–594).

By Mr. TALMADGE, from the Committee on Agriculture and Forestry:

S. Res. 352. An original resolution authorizing additional expenditures by the Committee on Agriculture and Forestry for inquiries and investigations. Referred to the Committee on Rules and Administration.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, January 26, 1976, he presented to the President of the United States the following enrolled bills:

S. 1657. An act to amend the National Portrait Gallery Act to redefine "portraiture."

S. 1847. An act to authorize the One Hundred and First Airborne Division Association to erect a memorial in the District of Columbia or its environs.

JOINT REFERRAL OF A BILL

Mr. BROCK. Mr. President, I ask unanimous consent that my bill S. 2865, to establish a Senate Committee on Intelligence Oversight, which I introduced on January 22, 1976, be referred jointly to the Committee on Rules and Administration and the Committee on Government Operations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ATTENDANCE OF SENATORS

Hon. GALE W. McGEE, a Senator from the State of Wyoming; Hon. PAUL LAXALT, a Senator from the State of Nevada; Hon. DANIEL K. INOUYE, a Senator from the State of Hawaii; Hon. JOHN C. STENNIS, a Senator from the State of Mississippi; and Hon. JAMES ABOUREZK, a Senator from the State of South Dakota, attended the session of the Senate today.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BUCKLEY (for himself and Mr. McCLURE):

S. 2871. A bill to provide for equal access to courts in lawsuits involving the Federal Government, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. PERCY (by request):

S. 2872. A bill to amend the Federal Energy Administration Act of 1974 to extend the expiration date of such law until September 30, 1979, and for other purposes. Referred to the Committee on Government Operations.

By Mr. DOMENICI:

S.J. Res. 160. A joint resolution to designate the stone commonly known as turquoise as the national gemstone of the United States. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUCKLEY (for himself and Mr. McCLURE):

S. 2871. A bill to provide for equal access to courts in lawsuits involving the Federal Government, and for other purposes. Referred to the Committee on the Judiciary.

Mr. BUCKLEY. Mr. President, I have today introduced a bill which would, if passed, grant successful litigants in civil cases or agency hearings against the Federal Government, and acquitted criminal defendants, the right to an award of legal fees and other expenses incurred in preparing and pursuing the litigation or the defense against prosecution for a Federal crime.

It is my feeling that this legislation is necessary in order to combat the growing tendency of escalating legal costs to deter Americans from enforcing and defending their legal rights against the U.S. Government in the Federal district courts.

There is no question but that the Federal Government today possesses an institutional power comparable to no other in our society. It spends more than $370 billion annually, which constitutes more than one-quarter of the Nation's total annual expenditures. The Federal Government employs millions of persons, among whom are thousands of lawyers assigned to enforce and defend the often lengthy arbitrary regulations and rulings of hundreds of Federal departments and agencies.

The annotated laws of the United States take up dozens of thick volumes. Furthermore, the Federal Government's departments, agencies, and bureaus profound regulations which are counted in the hundreds of thousands, mandating such disparate requirements as product safety standards, affirmative action programs, sewage plant specifications, marketing practices, and so forth. These thousands of regulations are too often subject to arbitrary interpretation and application by Federal functionaries who are now vested with very broad discretionary powers.

As a result, there are few elements of life, commercial or otherwise, where the Federal Government does not—at least potentially—have some role to play, a role which often leads the regulator to take the regulated to court on issues whose merits are highly questionable.

Concurrent with the growth of Government, there has grown up a feeling of helplessness among a large portion of the population. People do not know how to cope with an institution the size and complexity of which is so great that, literally, no one can come to terms with it. Whether one is involved with a question regarding social security entitlement or a highly technical income tax regulation, or complex antitrust practices, or welfare regulations, or the withholding of categorical grant formula funds, or Government contract disputes many of which have nothing to do with the commercial terms of the contract—there is literally almost no limit to how, where, and why a private party, State or local government, a labor organization, or a business corporation might find itself confronted with the realization that the only practical way to protect one's rights under the law is to go to court. The consequences of such a dilemma are that in the usual case, an aggrieved party has to weigh the high cost of litigation against the value of the rights to be protected. In far too many cases, a party will knuckle under a Federal order he knows to be wrong because he cannot afford the cost of taking the matter to court. In the case of a private citizen it is only the most wealthy who could even begin to contemplate the possible costs. State and local government, and therefore taxpayers, normally operate on tight budgets, as do labor organizations and business corporations. However, the Federal Government is not under similar constraints. Normally, the agency or bureau is funded to bring suits, to enforce the laws, to implement social policies. The imbalance is clear.

The problem is not just the fact that a taxpayer is required by law to support through his taxes the legal expenses of the adversary which wrongs him, and that the law therefore requires him to bear the financial burden of both sides of the litigation or criminal prosecution.

This problem is exacerbated by the fact that the income and assets of the private litigant or defendant are generally extremely limited, and therefore can be subject to a war of attrition on the part of a determined Federal bureaucracy. Justice for the citizen requires that the cost of securing justice not outweigh the value of the right asserted by the citizen against the Government. It is important, also, that the expense of correcting error on the part of the Government—a task which could have wide-ranging beneficial implications for other Americans—not rest wholly on the party whose willingness to go to court has helped define the limits of Federal authority.

CIVIL AND ADMINISTRATIVE ACTIONS

Recently, the Supreme Court has considerably expanded what it deems to be the constitutional rights of private citizens attempting to combat deprivations of liberty or property by Government. A finding that such rights exist, however, is an empty victory for all but the most affluent Americans.

It can scarcely be any surprise that, when a government is capable of expanding its powers by exercising each novel imposition on the person or property of a citizen financially incapable of pursuing his legal rights in a court of law, the power of that government is going to continue to expand, irrespective of the niceties of legal or constitutional theory.

In the field of criminal law, the courts have consistently held that society collectively has a strong interest in the fair and impartial operation of the criminal justice system. Therefore, the Supreme Court has mandated that, as a constitutional matter, the indigent criminal defendant must be provided with a variety of free legal services, including a court-appointed attorney and a transcript of the proceedings.

Because of the cost of court litigation, many issues of great importance—of importance in defining the relative rights of government and the governed in a free society are never tested. Surely, if society has a sufficient interest in an issue to channel thousands of dollars into the Government's case, it has an equal interest in insuring that the lawsuit is decided pursuant to a fair presentation of the issues to the court.

Like air, government will expand to fill its container. Under our constitutional system, which has been evolving over a period of more than 180 years the parameters of this container are outlined by the litigation in the Federal court system. To the extent that the Federal court system is allowed to become a captive of the branch which it is counted on to limit, then we cannot reasonably expect that expansion will be halted.

This point is underscored by the fact that many wrongs perpetrated by the Government harm large numbers of individuals in sums which, individually, are insufficient to insure that the issue will ever be litigated. This is particularly true because of the recent retrenchment of Federal and State courts concerning class actions on behalf of the rights of large groups of individuals.

Since the beginning of my involvement in the area of legal costs, I have received letters from people all over the country complaining of long and discouraging disputes with the Federal Government which eventually consumed more time and energy than the stake justified—each telling how the Government has been able to prevent—not on the merits—but through its ability to outspend or outlast its victim. I have read the account of 10 years of litigation with the Government by a Pittsburgh personnel clerk, a 17-year struggle between a disabled Alabama veteran and the Veterans' Administration, and a North Carolina company which acceded to agency pressure after being advised that its meritorious claim would involve it in more than 2 years of litigation. In every case, government has been able to overrule legitimate rights or interests because of its ability to prolong litigation which under ordinary circumstances would either have been dropped as without merit or allowed to come to an early conclusion.

It it now stands, Federal bureaucracies have, in effect, the rabid power to money whip too many individuals, firms, and municipalities into submission, even when those agencies are in the wrong. The balance can be redressed to a degree if a person knows that if he is proven in the right, he will be reimbursed the full cost of litigation.

It was for the purpose of ending the injustice of requiring successful parties in such actions to bear their legal expenses without reimbursement that I introduced the Equal Access to Courts Act of 1975 last year. That bill dealt only with reimbursement of legal fees in civil actions involving the Government and private parties. The principle behind that bill is embodied now in the Equal Access to Courts Act of 1976, and extended to criminal actions instituted by the Federal Government and administrative proceedings initiated by a Federal agency.

My proposal for awarding legal fees and costs in civil actions applies to all actions in which the United States or an agency or official is a party, including tort claims and judicial reviews of agency actions. Awards of fees and costs are required to be made by courts in favor of parties prevailing over the Government in actions instituted or defended by the Government. If the private party prevails partially, he must be awarded an amount for fees and costs incurred by him in the action commensurate with his success. In cases in which the private party fails, he may be awarded fees and costs when it is in the interest of justice. No provision is made for a maximum limit on awards, or for denying or decreasing awards to prevailing parties. The costs subject to an award are elaborated in the act and the criteria for fees are delimited; fees and costs are subject to the overriding consideration of reasonableness.

The provision regarding fees and costs of parties in agency proceedings is intended to provide for reimbursement to persons who initiate such proceedings in order to compel recognition of a right which is denied to them by the agency either directly or indirectly. Also benefitted are those parties who must participate in a proceeding in order to defend a vested right against either direct or indirect agency infringement. Only those parties who are placed in the situation of being an adversary of an agency are eligible for awards of fees and costs. The fees and costs of intraagency reviews and appeals of decisions are to be awarded if those proceedings culminate in a holding in favor of a private party, along with fees and costs of proceedings prior to review or appeal. Again, awards of fees and costs are governed by the criterion of reasonableness. Items to be included in awards are elaborated in the bill. All awards are to be made by the agency conducting the proceeding, and are to be paid out of the appropriation for that agency.

The awarding of legal fees to successful private litigants will not in any way deter Government attorneys from pursuing meritorious claims. Similarly, it can hardly be regarded as an incentive to spurious litigation, as the nonprevailing party will be awarded legal fees only when the interests of justice manifestly dictate.

What it will do is to deter the governmental tendency to dispute meritorious claims in the expectation of outlasting an adversary. This is a practice which should be discouraged.

CRIMINAL ACTIONS

A substantial number of criminal defendants already receive, as a sixth amendment matter, the services of a Government-subsidized attorney, irrespective of the strength of the case or the actual outcome on the merits. It can only be viewed as ironic that a middle-income acquitted defendant in a misdemeanor case may be required to expend virtually all of his assets in order to finance a defense in his case, whereas an indigent convicted minor felon will be furnished his legal fees, and will frequently be released on probation with only a small fine.

My bill provides for awards of fees and costs for defendants who plead not guilty and are acquitted at trial or on appeal or who have the cases against them dismissed. The award of fees and costs would cover both trials and appeals if the defendant ultimately prevails. No provision is made for awarding fees to defendants pleading no contest, or who are found guilty. No maximum limit is placed on awards other than the award must stand to the test of reasonableness. There are no conditions under which awards to successful defendants would be denied or decreased, as, for example, when they succeed on a technicality of the law rather than on the merits.

The Equal Access to Courts Act of 1976 makes a valuable contribution toward securing justice to our citizens in their dealings with the Federal Government—the most powerful adversary our citizens have ever faced.

Mr. President, I send my bill to the desk and ask that it be appropriately referred. I also ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Access to Courts Act of 1976".

SEC. 2. The Congress finds that serious inequities and inequalities exist between—

(1) the Federal Government; and

(2) individuals, companies, unions, other organizations and state and local governments in terms of the relative ease with which each is able, without economic hardship, to prevail or secure vindication in civil and criminal actions in the courts and in administrative proceedings. It is the purpose of the Congress

in this Act to diminish these inequities and inequalities by providing for the payment by the United States of attorney fees, expert witness fees and other costs in specified situations.

SEC. 3. (a) Section 2412 of Title 28, United States Code, is amended to read as follows:

"§ 2412. Attorney and witness fees and costs

"(a) Except as otherwise provided by subsections (b) and (c) of this section and in section 2678 of this title, a judgment for costs, as specified in section 1920 of this title (but not including the fees and expenses of attorneys), may be awarded to the prevailing party in any civil action brought by or against the United States in any court having jurisdiction of such action.

"(b) A judgment for costs as specified in section 1920 of this title, for the reasonable expenses of any witnesses or expert witnesses, for the reasonable cost of any studies, analyses, engineering reports, tests or projects which the court finds necessary to litigation of the action and for a reasonable attorney fee, based upon the actual time expended by any attorney of a party and his or her staff in advising and representing a party (at prevailing rates for such services, including any reasonable risk factor component), shall be awarded to any party, other than the United States or any agency or official thereof, who prevails in any civil action including an action for judicial review of agency action brought by or against the United States or any agency or official thereof in any court having jurisdiction of such action.

"(c) In actions, including actions for judicial review of agency action, instituted by or against the United States or any agency or official thereof, in which a party other than the United States or any agency or official thereof—

"(1) prevails partially, such party shall be awarded a judgment for costs and fees, as specified in subsection (b), to the extent to which he prevails.

"(2) does not prevail, such party may be awarded a judgment for costs and fees, as specified in subsection (b), in any case in which such an award would be in the interests of justice.

"(d) Any amount awarded for costs and fees shall be in addition to the compensation, if any, awarded in any judgment.

"(e) A judgment for costs and fees shall be paid in the form and manner provided, in sections 2414 and 2517 of this title, for the payment of judgments against the United States."

(b) The analysis of Chapter 161 of Ttitle 28 of the United States Code is amended by amending the item relating to section 2412 of said title to read as follows: '2412. Attorney and witness fees and costs.".

SEC. 4. Subsection (a) of section 2517 of title 28, United States Code, is amended to read as follows:

"(a) Any final judgment and any final judgment for costs and fees which is rendered by the Court of Claims against the United States shall be paid out of any general appropriation therefor, on presentation to the General Accounting Office of a certification of such judgment, by the clerk and the chief judge of such court."

SEC. 5. Section 2678 of Title 28, United States Code, is amended to read as follows:

"(a) If any judgment is rendered, or if any settlement, award, compromise or recommendation in favor of any party other than the United States is made, after the United States or a Federal Agency has received notice that a party has retained a specified attorney, such party shall be awarded a reasonable attorney's fee, based upon the actual time expended by such attorney and his or her staff in advising and representing such party (at prevailing rates for such services, including any reasonable risk factor component) and all costs (including witness fees, studies, analyses, engineering reports, tests and projects) necessary to litigation. In any other case, the court may award such costs and fees as are, in its discretion, in the interests of justice.

"(b) Any amount awarded under this section for costs and fees shall be in addition to the compensation awarded in any judgment, settlement, award, compromise, of recommendation."

SEC. 6. (a) Subchapter I of Chapter 5 of Title 5 of the United States Code is amended by adding at the end thereof the following new section:

"§ 504. Costs and fees of parties

"(a) A party other than the United States or any agency or official thereof participating in an agency proceeding shall be granted by the agency conducting the proceeding, and said agency shall pay, an award for fees and costs incurred in order to participate in the proceeding if:

"(1) said party is successful in his defense against imposition of a sanction;

"(2) in a proceeding in which the agency is a moving party, he is successful in opposing issuance of an order, or in proposing an amendment to an order, which

"(A) affects the freedom of said party;

"(B) withholds relief from said party;

"(C) imposes a penalty or fine on said party;

"(D) requires the destruction, taking, seizure or withholding of property of said party;

"(E) assesses damages, reimbursement, restitution, compensation, costs, charges, or fees against said party;

"(F) requires, revokes, or suspends a license of said party; or

"(G) otherwise compels or restricts said party; or

"(3) a review or appeal is determined substantially in favor of the party which appeals a decision or which is subject to the decision reviewed.

"(b) As used in subsection (a) of this section, an 'award for fees and costs' shall include the reasonable expenses of witnesses and expert witnesses and the reasonable cost of an studies, analyses, engineering reports, tests, or projects necessary to determination of any studies, analyses, engineering reports, attorney's or agent's fee based upon the actual time expended by such attorney or agent and his or her staff in advising or representing a party (at prevailing rates for such services, including any reasonable risk factor component)."

(b) The analysis of subchapter I of Chapter 5 of Title 5, United States Code, is amended by adding at the end thereof the following new item:

"504. Costs and fees of parties."

SEC. 7. (a) Chapter 201 of Title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3013. Fees and costs of defendants

"(a) A defendant in a criminal case shall be granted by the court having jurisdiction of the case and the United States shall pay, an award to compensate said defendant for the reasonable attorney fees and costs incurred by him in his defense against a charge at trial and on any appeals if:

"(1) said defendant pleads not guilty to said charge and

"(A) said defendant is found not guilty, or

"(B) the charge against said defendant is dismissed; or

"(2) said defendant is found guilty at trial and said finding is set aside on appeal.

"(b) No award shall be made pursuant to paragraph (2) of subsection (a) of this section unless the prosecution certifies to the court that no further appeal will be made or unless the time for further appeal has expired.

"(C) No award shall be made except on motion of the defendant with notice to the prosecution."

(b) The analysis of chapter 201 of Title 18, United States Code is amended by adding at the end thereof the following new item:

"3013. Fees and costs of defendants."

By Mr. PERCY (by request):

S. 2872. A bill to amend the Federal Energy Administration Act of 1974 to extend the expiration date of such law until September 30, 1979, and for other purposes. Referred to the Committee on Government Operations.

EXTENSION OF THE FEDERAL ENERGY ADMINISTRATION

Mr. PERCY. Mr. President, today I am introducing a bill to extend the expiration date of the Federal Energy Administration Act of 1974 from June 30, 1976, to September 30, 1979, and to further amend certain provisions so as to permit the Agency to carry out its functions more effectively.

These functions have been increased recently by the numerous new responsibilities for FEA contained in the recently enacted Energy Policy and Conservation Act of 1975—Public Law 94-163. For example, FEA will be responsible for administering the decontrol of domestic oil prices through April 1979. Therefore, the act must be extended at least this long to enable FEA to carry out these responsibilities. An expiration date of September 30, 1979, will permit the Agency about 6 months to wind down its operations in an orderly fashion and terminate at the end of fiscal year 1979.

The problem of bureaucracies that have outlived their usefulness is an issue of increasing concern to me, as it is to many others.

It is my fervent hope that FEA will expire on September 30, 1979, and not be extended again. It could become the first known exception to the rule that "nothing is more permanent than a temporary agency," and set a much needed precedent for future Government agencies.

The FEA Act, Public Law 93-275, was signed into law on May 7, 1974. The Agency's original charter was to manage the oil shortage by allocating scarce petroleum products and to collect sufficient information from the energy industry so that rational government policies could be made.

The Energy Policy and Conservation Act of 1975 gives FEA certain additional responsibilities including:

Continuing to control oil prices;

Setting new tiers of pricing for various types of high-cost crude oil production;

Reporting to Congress every 3 months on the pace of the phased oil price escalation program;

Establishing a massive strategic oil reserve;

Preparing standby authorities in case of another embargo. Extending the FEA Act will permit FEA to fulfill these responsibilities.

This bill also makes several other amendments to the FEA Act of 1974:

Section 1 of the proposed extension bill allows FEA employees to hold diversified mutual funds without violating the strict conflict-of-interest requirements of the act. This amendment in no way affects the continued applicability to FEA and its employees of the conflict of interest provisions contained in 18 U.S.C. 208 which are generally applicable to Government employees.

Section 2 allows FEA to review and comment upon EPA-proposed regulations affecting energy, just as EPA is presently allowed to review and comment upon FEA-proposed regulations affecting the environment.

Section 3 clarified the scope of FEA's information gathering authority in requiring that foreign affiliates of U.S. oil companies and foreign oil companies operating in the United States are subject to FEA's data collection authority.

Section 4 provides civil and criminal penalties for violation of the information gathering provisions.

Section 5 allows FEA to submit its economic impact report annually instead of semiannually.

Section 6 requires FEA to keep only a random sample of files on petroleum and coal exports rather than a comprehensive file of all energy exports.

Finally, section 7 changes FEA authorization of appropriations to such sums as may be necessary to carry out the purposes of the FEA Act.

Mr. President, the extension of the FEA Act to September 30, 1979, is a necessary step in order to insure the effective implementation of the provisions in the Energy Policy and Conservation Act of 1975.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 4(i) of the Federal Energy Administration Act of 1974 is amended by inserting a new paragraph (3) to read as follows:

(3) The requirements imposed by subparagraphs (A) and (B) of paragraph (1) of this section shall not apply to exemptions issued pursuant to section 208(b) of title 18, United States Code, for holdings in diversified mutual funds determined by the Administrator as being too remote or too inconsequential to affect the integrity of the Government officer's or employee's services.

SEC. 2. Section 7 of the Federal Energy Administration Act of 1974 is amended by adding a new subsection (k) to read as follows:

(k) The Administrator of the Environmental Protection Agency shall, before promulgating proposed rules, regulations, or policies affecting the exploration, development, or production of energy supplies and resources, provide a period of not less than five days from receipt of notice of the proposed action during which the Administrator may provide written comments concerning the impact of such rules, regulations, or policies on the exploration, development, or production of energy supplies and resources. Such comments shall be published along with public notice of the proposed action. The review required by this subsection may be waived for a period of fourteen days if there is an emergency situation which, in the judgment of the Administrator of the Environmental Protection Agency, requires immediate action.

SEC. 3. Section 13(b) of the Federal Energy Administration Act of 1974 is amended by inserting after the words "who are engaged in any phase of energy supply or major energy consumption" the words "including, but not limited to, (i) United States firms and their foreign affiliates and (ii) foreign firms but only with respect to such business in the United States,".

SEC. 4. Section 13 of the Federal Energy Administration Act of 1974 is amended by redesignating subsection (f) as (h) and adding the following new subsections:

(f) It shall be unlawful for any person to violate any provision of this section or to violate any rule, regulation, or order issued pursuant to any such provision.

(g)(1) Whoever violates any provision of subsection (f) shall be subject to a civil penalty of not more than $2,500 for each violation.

(2) Whoever willfully violates any provision of subsection (f) shall be subject to a criminal fine of not more than $5,000 for each violation.

(3) Whenever it appears to the Administrator that any individual or organization is engaged in or is about to engage in acts or practices constituting a violation of subsection (f), the Administrator may request the Attorney General to bring a civil action to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. In such action, the court may also issue mandatory injunctions commanding any person to comply with any provision, the violation of which is prohibited by subsection (f).

SEC. 5. Section 18(d) of the Federal Energy Administration Act of 1974 is amended by deleting the words "a report every six months" and inserting in lieu thereof "an annual report."

SEC. 6. Section 25(a) of the Federal Energy Administration Act of 1974 is amended by (1) deleting the words "and directed"; (2) deleting the words "shall contain" and inserting in lieu thereof "may contain"; (3) inserting after the words "exchange or shipment" the words ", or representative samples thereof"; (4) deleting the words "shall include" and inserting in lieu thereof "may include"; and (5) deleting the words "but shall not" and inserting in lieu thereof "but need not".

SEC. 7. Section 29 of the Federal Energy Administration Act of 1974 is amended by deleting the words "annually for each of fiscal years 1975 and 1976" and inserting in lieu thereof "for fiscal year 1975, and commencing with fiscal year 1976 such sums as may be necessary".

SEC. 8. Section 30 of the Federal Energy Administration Act of 1974 is amended by deleting the date "June 30, 1976" and inserting in lieu thereof "September 30, 1979".

By Mr. DOMENICI:

S.J. Res. 160. A joint resolution to designate the stone commonly known as turquoise as the national gemstone of the United States. Referred to the Committee on the Judiciary.

Mr. DOMENICI. Mr. President, I take great pleasure in introducing a joint resolution in the Senate similiar to a bill introduced in the House of Representatives by Congress MANUEL LUJAN. This is legislation that is most appropriate in this Bicentennial Year.

The measure is one which will make turquoise the official national gemstone of the United States. In addition to making turquoise the national gemstone, I think it most appropriate that the gemstone be designated the official gem of our National Bicentennial of 1976.

There are numerous reason for selecting turquoise as our national gemstone. According to the Library of Congress, turquoise was the first stone in the recorded history of man to be used as a gem. And, in our own Nation, turquoise is the gemstone most prized by the native American.

For hundreds of years the Indian culture of this country has included turquoise. The god of gambling, Noholipi, according to Indian lengend, owed his remarkable luck to a piece of turquoise. Turquoise has been used to ward off evil and bring good luck. In general, there was hardly any phase of Indian life which did not include turquoise in some way or another. Not only do today's American Indians make exquisite jewelry, the focal point of which is turquoise, but in the earliest years, they used this precious stone as money.

Turquoise is the most prevalent gemstone found in the United States. It is found in such widespread places as New Jersey, Alabama, Virginia, Texas, Nevada, Colorado, Arizona, California, and New Mexico. Turquoise is the only gemstone in our Nation which is found in great quantity in so many of our States.

The United States should have a national gemstone—a stone which is of this country, a stone which is truly a representative of our great heritage and history, a stone which is symbolic of the greatest democracy in the history of the world. We need a stone which shows the strength and character of this land and its people and yet which is gentle and graceful.

We have this stone—turquoise. It is the only stone that meets these high standards. Mr. President I am proud to introduce this legislation and I urge this body's favorable consideration.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1736

At the request of Mr. MCINTYRE, the Senator from Califorinia (Mr. TUNNEY) was added as a cosponsor of S. 1736, a bill to grant the National Ski Patrol Systems, Inc., a Federal charter.

S. 2108

At the request of Mr. HUGH SCOTT, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 2108 a bill to provide survivors annuities for certain veterans.

S. 2442

At the request of Mr. MONDALE, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 2442, a bill to establish a program for the prevention and control of Dutch elm disease.

S. 2510

At the request of Mr. GRAVEL, the Senator from Ohio (Mr. TAFT) was added as a cosponsor of S. 2510, a bill relating to construction of natural gas pipelines for transporting Alaskan natural gas to the lower 48 States.

S. 2715

At the request of Mr. KENNEDY, the Senator from Rhode Island (Mr. PELL), the Senator from Minnesota (Mr. Mondale), and the Senator from New Hampshire (Mr. Durkin) were added as cosponsors of S. 2715, a bill to provide for awards of attorneys' fees and other costs of participation in proceedings in Federal agencies, and for other purposes.

S. 2767

At the request of Mr. Domenici, the Senator from Oklahoma (Mr. Bartlett) was added as a cosponsor of S. 2767, a bill to provide for a 1-year moratorium on the sale or other disposition from stockpiles of strategic and critical materials.

S. 2802

At the request of Mr. Culver, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 2802, a bill to require the Federal Trade Commission, the Department of Justice, and the Department of Agriculture to compile information and annually report to the Congress with respect to antitrust enforcement, market structure, and state of competition in the food industry, and for other purposes.

S. 2813

At the request of Mr. Robert C. Byrd, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 2813, a bill to amend section 1362, United States Code, relating to injury or destruction of communication lines, stations, or systems.

S. 2845

At the request of Mr. Mansfield (for Mr. McIntyre), the Senator from Michigan (Mr. Philip A. Hart) and the Senator from California (Mr. Cranston) were added as cosponsors of S. 2845, a bill to organize the activities of the executive department of the Federal Government.

S. 2854

At the request of Mr. Pearson, the Senator from Kansas (Mr. Dole) was added as a cosponsor of S. 2854, a bill to provide that production from stripper wells be exempt from price controls.

S. 2863

At the request of Mr. Hugh Scott, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 2863, a bill to designate the "Herman T. Schneebeli Federal Building."

SENATE RESOLUTION 352—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON AGRICULTURE AND FORESTRY

(Referred to the Committee on Rules and Administration.)

Mr. TALMADGE, from the Committee on Agriculture and Forestry, reported the following original resolution:

S. Res. 352

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Agriculture and Forestry, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel; and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $330,000, of which amount (1) not to exceed $12,455 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE CONCURRENT RESOLUTION 87—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE DOMESTIC MUSHROOM INDUSTRY

(Referred to the Committee on Public Works.)

Mr. HUGH SCOTT (for himself and Mr. Schweiker) submitted the following concurrent resolution:

SENATE CONCURRENT RESOLUTION 87

Resolved by the Senate (the House of Representatives concurring), That in view of the serious economic difficulties of mushroom industry in the United States, particularly as a result of lower priced imports, it is the sense of the Congress that the Administrator of the Environmental Protection Agency should give the highest priority to providing such assistance to such industry as may be possible in solving the cost and other problems involved in the treatment of waste from such industry required under environmental protection laws.

Mr. HUGH SCOTT. Mr. President, as the mushroom capital of America, Pennsylvania accounts for more than one-half of the mushrooms produced in the United States. Mushrooms are Pennsylvania's largest cash crop.

While the overriding concern of the struggling mushroom industry is the continued plague of imported mushrooms, there exists another problem which calls for sympathetic treatment by the Federal Government.

In order to comply with requirements of the Pennsylvania Clean Streams Act and provisions of Public Law 92-500, the mushroom industry must identify and implement economically feasible waste treatment and/or reuse procedures which attain the requirements of State and Federal stream quality and effluent guidelines.

The mushroom industry wants to be an environmental plus, but it needs our help.

It is urgent that the mushroom industry secure assistance from the Environmental Protection Agency in researching solutions and resolving their environmental problems as economically as possible.

In view of my long-term interest in the health and viability of the mushroom industry, I am submitting a resolution to instruct the EPA to assist this industry in solving the waste treatment problems of the mushroom community.

To quote a member of a traditional mushroom family, "we need action, not words." I urge my colleagues to join me in translating the words of this resolution into prompt action.

AMENDMENTS SUBMITTED FOR PRINTING

FOOD STAMP REFORM ACT—S. 2451

AMENDMENTS NOS. 1333 THROUGH 1346

(Ordered to be printed and referred to the Committee on Agriculture and Forestry.)

Mr. PERCY. Mr. President, I am today submitting a series of 14 amendments to S. 2451, the Dole-McGovern Food Stamp Reform Act.

My purpose is simple: Using the Dole-McGovern bill as the basic framework for the effort to reform the food stamp program, I am suggesting ways of improving and strengthening that bill by deleting its weaker or more imperfect sections and adding to it what I consider to be valuable provisions from alternative reform proposals.

We can all agree that a reform bill must be passed during the present session of Congress. I have carefully examined all the major reform bills which are pending before the Senate Agriculture and Forestry Committee.

None of the alternative proposals is perfect. Each one contains worthwhile provisions and some provisions are common to all four proposals. The amendments I am submitting today seek to shape S. 2451 into a bill which embodies the following principles:

Simplification of the structure and administration of the food stamp program. This goal can be achieved most readily by replacing the present series of itemized deductions with a standard deduction. The deduction should be flexible enough to account for variations in living costs throughout the country. Simplification will not be achieved, however, if we begin to clutter the program with such new requirements as photo ID's and countersigning of coupons.

Equity in providing benefits to eligible participants. This can be accomplished by tying allotments to actual net income and by requiring all participants to pay 30 percent of their net income for stamps. Also we must reject a variety of provisions aimed at establishing criteria other than income, resources, and work registration as eligibility requirements.

Retention of the traditional goal of the Food Stamp Act of providing the means for low-income households to purchase nutritionally adequate diets. This principle requires retaining the purchase requirement. This means that a family's stamp allotment would still be equal to the amount necessary for the family to buy a modest, but nutritionally adequate diet. This principle mandates also that we continue to determine eligibility on the basis of anticipated monthly income and not on the basis of income received during the 90 days prior

to application. Income earned in the past does not necessarily reflect a family's ability to buy food at the time of application or in the future. Finally, the principle means retaining the present standard for defining low-income families rather than switching to the use of the poverty line as the standard. The present system is based on the assumption that a family should not pay more than 30 percent of its net income for food. Income dollar limits for participation should remain at 3.3 times the cost of a nutritionally adequate diet.

Imposition of an income ceiling for participation. This provision follows logically from the other provisions suggested. Gross income limits would be equal to the dollar limits for a family plus the standard deduction.

My amendments are also aimed at a bill which will incorporate various provisions to improve State and local administration of the food stamp program. Finally I believe the program should be transferred from the Department of Agriculture to the Department of Health, Education, and Welfare as the first step in a thorough-going reform of the welfare system. Our long-term goal should be to abolish the food stamp program in favor of an all-cash income maintenance program.

I want now to spell out the substance of my amendments more precisely.

The first amendment substitutes the provisions of S. 2537 relating to the definition of household as well as the eligibility of residents of certain treatment and rehabilitation facilities for related language in S. 2451.

The second deletes provisions of S. 2451 which would complicate rather than simplify calculation of gross income as well as the implementation of a standard deduction. It deletes also section 9 of S. 2451 which provided for the elimination of the purchase requirement.

The third substitutes the provisions of S. 2369 authorizing USDA to undertake various experimental, demonstration, and pilot projects for similar, but more limited language in S. 2451.

The fourth adds to S. 2451 the provisions of S. 2537 establishing USDA's thrifty food plan as the standard for determining coupon allotments.

The fifth adds to S. 2451 the definition of gross income contained in S. 2537.

The sixth adds language from S. 2537 strengthening work registration requirements to the section of S. 2451 dealing with this subject.

The seventh adds to S. 2451 provisions of S. 2537 authorizing suspension of food stamp recipients who provide false information or who will not submit information requested by State agencies, restricting the eligibility of minors, and disqualifying households which deliberately transfer assets in order to establish eligibility for food stamps.

The eighth adds to S. 2451 the language of S. 2537 relating to the value of the coupon allotment and the amount of the purchase requirement.

The ninth adds to S. 2451 provisions of S. 2537 aimed at improving State administration of the food stamp program except for the provision relating to direct cash payment of retroactive benefits.

The 10th adds to S. 2451 the language of S. 2537 relating to rules for claims against recipients for overissuance.

The 11th adds to S. 2451 the provision of S. 2537 authorizing the Secretary to pay State agencies 75 percent of the cost of food stamp program investigations, prosecutions, and recovery of losses.

The 12th adds to S. 2451 the provisions of S. 2537 authorizing the Secretary to use civil remedies against food stamp program violators.

The 13th adds to S. 2451 language from S. 1993 which directs the Secretary to establish a system for determining if benefits are being received in two States as well as language authorizing the use of post offices as issuance points.

The last amendment adds to S. 2451 language from S. 1993 which transfers the food stamp program from the Department of Agriculture to the Department of Health, Education, and Welfare.

I ask unanimous consent that the text of the 14 amendments I am submitting be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1333

On page 3, strike out lines 6 through 10 and insert in lieu thereof the following:

SEC. 3. (a) Section 3(e) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(e) The term 'household' shall mean a group of individuals who are sharing common living quarters, but who are not residents of an institution or boardinghouse, and who have access to cooking facilities and for whom food is customarily purchased in common: *Provided*, That residents of federally subsidized housing for the elderly, built under either section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) or section 236 of the National Housing Act (12 U.S.C. 1715z–1) shall not be considered residents of an institution or boardinghouse. The term 'household' shall also mean (1) a single individual living alone who has cooking facilities and who purchases food for home consumption, or (2) an elderly person who meets the requirements of section 10(h) of this Act.".

(b) The second sentence of section 3(f) of such Act is amended to read as follows: "It shall also mean a political subdivision or a private nonprofit organization or institution that meets the requirements of section 10(h) of this Act.".

AMENDMENT NO. 1334

On page 5, beginning with line 1, strike out all down through line 11 on page 5.

On page 5, beginning with line 19, strike everything after "deduction" and before "of" on line 21.

On page 6, beginning with line 6, strike out all down through line 20 on page 8.

Renumber sections 8 through 17 as sections 7 through 15 respectively.

AMENDMENT NO. 1335

On page 11, strike out lines 11 through 21 and insert in lieu thereof the following:

EXPERIMENTAL PROJECTS AND MISCELLANEOUS

SEC. 17. The Food Stamp Act of 1964, as amended, is amended by adding at the end thereof the following new sections:

"EXPERIMENTAL PROJECTS

"SEC. 18. (a) In carrying out the provisions of this Act, the Secretary is authorized and directed to carry out on an experimental basis, in one or more areas of the United States, simplified eligibility certification procedures, new eligibility requirements, extensive outreach programs, and program evaluation procedures different from those applicable on a nationwide basis.

"(b) As a part of his annual report to the Congress required by section 21, the Secretary shall include the results of the measures carried out in the previous year pursuant to the provisions of subsection (a). He shall include in such report a discussion of the program innovations carried out, the degree of success or failure of such innovations, and the need for further study before such innovations are adopted or rejected for use on a nationwide basis.

"QUALITY CONTROL AND ADMINISTRATIVE EFFICIENCY

"SEC. 19. (a) The Secretary shall establish a realistic set of goals to improve quality control and administrative efficiency under this Act. Separate goals shall be established for achievement at the end of one year, two years, and five years following the date of enactment of this section. The Secretary shall also establish separate tolerance levels for eligibility errors.

"(b)(1) Each State shall be required to develop and submit to the Secretary for approval a State quality control plan which shall specify the actions such State proposes to take in order to meet the error tolerance goals established by the Secretary. The State quality control plan for any State shall specify the anticipated caseload work for the coming year and the manpower requirements needed and the specific administrative mechanisms proposed to be used to carry out the food stamp program in such State and to meet the error tolerance goals established by the Secretary for such State.

"(2) The Secretary shall approve any State quality control plan submitted by any State if he determines such plan will achieve the goals established by him for such State under subsection (a) of this section.

"(3) If any State fails substantially to carry out the State quality control plan approved by the Secretary for such State for such year, he shall withhold from the State an amount equal to 10 per centum of the funds which would otherwise be payable to such State under section 15(b) for such fiscal year for administrative expenses.

"(4) The State quality control program for any State shall also be required to include plans for a comprehensive program of training for all certification workers who will be engaged in implementing the new certification regulations provided for under section 5(b) of this Act.

"(5) Any training program approved by the Secretary as part of a State quality control program for any State shall be maintained on a continuing basis to insure a satisfactory performance level for all new workers engaged in carrying out the food stamp program in such State.

"(6) As used in this section, the term 'quality control' means monitoring and correcting the rate of errors committed in determining the eligibility of applicant households for benefits under this Act and in determining the correct level of benefits to be provided households upon certification of their eligibility.

"ANNUAL EVALUATION PLAN

"SEC. 20. (a) The Secretary shall prepare and submit to the Congress, at the same time the President submits his budget to the Congress each year, an annual evaluation plan setting forth the Department of Agriculture's plans for evaluating the major objectives of the food stamp program, the extent to which such objectives are being achieved, and the cost and time requirements for carrying out such plans.

"(b) The Secretary shall indicate in his annual evaluation plan the issues and objectives to be evaluated. Such issues and objectives shall specifically include—

"(1) the nutritional intake of the individuals participating in the food stamp program;

"(2) the relative fairness of the food stamp program between different income levels and age groups;

"(3) the relative fairness of the food stamp program as between different regions of the United States;

"(4) an evaluation of the success of the outreach programs; and

"(5) an evaluation of any other issues and objectives specified by the Secretary.".

"ANNUAL REPORT TO CONGRESS

"SEC. 21. The Secretary shall prepare and submit to the Congress, at the same time the President submits his budget to the Congress each year, a report entitled 'Annual Report on the Food Stamp Program'. The Secretary shall include in such report—

"(1) a summary of the achievements, failures, and problems of the States in meeting the quality control goals established under section 19 of this Act;

"(2) recommendations for an analysis of quality control goals for the next one-, two-, and five-year periods;

"(3) a summary of all evaluation activities conducted by the Department of Agriculture in accordance with the Annual Evaluation Plan provided for in section 20 of this Act;

"(4) recommendations for program modifications based upon an analysis of quality control and evaluation information;

"(5) recommendations for any additional issues for evaluation; and

"(6) such other recommendations for legislative or administrative action as the Secretary may deem appropriate.".

AMENDMENT No. 1336

On page 3, between lines 19 and 20, insert the following:

NUTRITIONALLY ADEQUATE DIET

SEC. 5. Section 3 (n) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(n) The term 'nutritionally adequate diet' means a diet costing no more than the value of the food required to feed a family of four persons consisting of a man and a woman twenty through fifty-four; a child six through eight; and a child nine through eleven years of age, determined in accordance with the thrifty food plan developed in 1975 by the Secretary. The cost of such diet shall be the basis for uniform coupon allotments for all households, regardless of composition, except for household size adjustments and adjustments to reflect economies of scale set forth in the thrifty food plan.".

Renumber sections 5 through 17 as sections 6 through 18, respectively.

AMENDMENT No. 1337

On page 3, beginning with line 20, strike out all down through line 4 on page 4, and insert in lieu thereof the following:

PAYMENTS IN KIND AND STUDENTS

SEC. 5. Section 5 (b) of the Food Stamp Act of 1964, as amended, is amended by striking out the second proviso in the second sentence, including the colon immediately preceding such proviso, by striking out the third sentence, and by inserting in lieu thereof a period and the following: "Gross income, for the purposes of the food stamp program, shall include, but shall not be limited to, all money payments, except those for medical costs, made on behalf of the household: *Provided,* That the term shall not include payments in kind received by the household and the cost of producing self-employed income; and any moneys which other Federal legislation specifically excludes from consideration as income for the purpose of determining eligibility for the food stamp program.".

AMENDMENT No. 1338

On page 4, line 24, strike out the period and insert in lieu thereof a semicolon and the following: "by inserting 'under the age of six years' immediately after 'dependent children' "; and by striking out the period at the end of the first sentence and inserting in lieu thereof a comma and the following: "or (c) fails to inquire regularly about employment with prospective employers or otherwise fails to engage regularly in activities directly related to securing employment, as required by regulations issued by the secretary.".

AMENDMENT No. 1339

On page 3, strike out line 20, and insert in lieu thereof the following:

"STUDENTS, MINORS, INFORMATION REQUIREMENTS"

On page 4, between lines 20 and 21, insert the following:

(c) Section 5 of the Food Stamp Act of 1964, as amended, is further amended by adding at the end thereof the following new subsections:

"(f) No household shall be eligible to participate, or to continue to participate, in the food stamp program if it refuses to submit to the State agency information which will permit a determination as to its eligibility to participate or its level of participation in the program. The State agency shall disqualify from participation in the program any household which is found to have fraudulently obtained coupons: *Provided,* That such period of disqualification shall not exceed one year. The Secretary shall prescribe regulations setting forth the conditions under which households receiving benefits under this Act may be required to report changes in households circumstances, including but not limited to, income, household size, and resources, once each month.

"(g) No individual who is a minor in the State where application is made shall be considered a household member for the food stamp program if such minor resides in a household in which no other member has a legal duty to support such minor, unless (1) the individual who has a duty to support such minor cannot be located or is financially unable to perform that duty; or (2) no individual with such duty exists.

"(h) No household that knowingly transfers liquid or nonliquid assets for the purpose of qualifying or attempting to qualify for the food stamp program shall be eligible to participate in the program for such period of time as may be determined in accordance with regulations issued pursuant to this Act, but in no event shall such period of time be less than thirty days from the date of discovery of the transfer.".

AMENDMENT No. 1340

On page 6, beginning with line 6, strike out all down through line 20 on page 8, and insert in lieu thereof the following:

COUPON ALLOTMENTS

SEC. 9. Subsections (a) and (b) of section 7 of the Food Stamp Act of 1964, as amended, are amended to read as follows:

"(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be in such amount as will provide such households a coupon allotment sufficient to allow them to purchase a nutritionally adequate diet as defined in section 3(n) of this Act: *Provided,* That in no event shall the face value of the coupon allotments so used in Puerto Rico, the Virgin Islands, and Guam exceed those in the fifty States. The face value of the coupon allotment shall be adjusted semiannually by the nearest dollar increment that is a multiple of two to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor. Such changes shall be made in January and July of each year based upon the cost of food in the preceding August and February, respectively. In no event shall such adjustments be made for households of a given size unless the increase in the face value of the coupon allotment for such households, as calculated above, is a minimum of $2.

"(b) Notwithstanding any other provision of law, households shall be charged for the coupon allotment issued to them, and the amount of such charge shall be 30 per centum of the household's income, as determined in accordance with section 5(b): *Provided, however,* That each househod shall receive a minimum food stamp benefit of $10.".

AMENDMENT No. 1341

On page 9, between lines 12 and 13, insert the following:

ADMINISTRATION

SEC. 11. (a) Section 10(b) of the Food Stamp Act of 1964, as amended, is amended by inserting "and the control and accountability thereof" immediately after "the issuance of coupons".

(b) Clause 5 of section 10(e) of such Act is amended to read as follows: "(5) that the State agency shall carry out a reasonable program, including the use of services provided by other federally funded agencies and organizations to inform low-income households concerning the availability and benefits of the food stamp program.".

(c) Section 10(e) of such Act is further amended by inserting in clause (7), after the word "law", the following: ", and at the option of the State agency,"; by deleting "and" preceding clause (8) and striking the period at the end of clause (8) and inserting in lieu thereof a semicolon and the following: "and (9) the establishment of an earnings clearance system (which system shall be consistent with the Privacy Act of 1974 (5 U.S.C. 552a), insofar as it provides for the use of information from records of Federal agencies, and with any other applicable privacy law insofar as it provides for the use of information from non-Federal records) for the purpose of checking the actual income and assets of a household against those reported by such household, except that the Secretary may exempt any State from the requirement of this clause if the Secretary determines that it would be impracticable or impossible for such State to comply with it.".

(d) Section 10(f) of such Act is amended to read as follows:

"(f) If the Secretary determines that in the administration of the program there is a failure by a State agency to comply with the provisions of this Act, or with the regulations issued pursuant to this Act, or with the State plan of operation, he shall inform such State agency of such failure and shall allow the State agency a designated period of time for the correction of such failure. If the State agency does not correct such failure within such specified period of time, the Secretary may alternatively or concurrently: (1) refer the matter to the Attorney General with a request that an injunction be sought to require compliance by the State agency and, at the suit of the Attorney General in an appropriate United States District Court the State agency may be so enjoined, or (2) direct that there be no further issuance of coupons in the political subdivisions where such failure has occurred until such time as satisfactory corrective action has been taken.".

(e) Section 10(g) of such Act is amended by striking the word "gross" in the first sentence thereof.

(f) Section 10(i) of such Act is repealed.

Amendment No. 1342

On page 10, between lines 21 and 22, insert the following:

CLAIMS

SEC. 15. Section 12 of the Food Stamp Act of 1964, as amended, is amended by adding at the end of such section a new sentence as follows: "Such claims shall include, but shall not be limited to, claims arising from fraudulent and nonfraudulent overissuance to recipients.".

Renumber sections 15, 16, and 17 as sections 16, 17, and 18, respectively.

Amendment No. 1343

On page 10, after line 25, add the following:

EXPENSES FOR RECOVERING LOSSES

SEC. 16. Section 15 of the Food Stamp Act of 1964, as amended, is amended by adding at the end thereof a new subsection as follows:

"(c) Notwithstanding any other provision of this Act, the Secretary is authorized to pay to each State agency an amount equal to 75 per centum of all direct costs of State food stamp program investigations, prosecutions, and State activities related to recovering losses sustained in the food stamp program, except for the costs of such activities with respect to households in which all members are receiving assistance under federally aided public assistance programs.".

Renumber sections 16 and 17 as sections 17 and 18, respectively.

Amendment No. 1344

On page 10, strike out "CRIMINAL PENALTIES" and insert in lieu thereof:

"CRIMINAL AND CIVIL PENALTIES".

On page 10, line 23, insert "(a)" immediately after "SEC. 15.".

On page 10, after line 25, add the following:

(b) Section 14 of the Food Stamp Act of 1964, as amended, is further amended by adding at the end thereof a new subsection as follows:

"(e)(1) Any person, including any State agency, other than a member of a household eligible to participate in the program or a retail food store authorized to accept or redeem food coupons for food or meals, who violates any provision of this Act or the regulations issued pursuant to this Act may be assessed a civil money penalty. The penalty shall not exceed $10,000 for each violation. The penalty shall be assessed by the Secretary, or his delegate, by written notice.

"(2) In determining the amount of the penalty, the Secretary shall take into account the gravity of the violation, degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.

"(3) The person assessed shall be afforded an opportunity for an agency hearing, upon request made within thirty days after issuance of the notice of assessment. In such hearing, all issues shall be determined upon the record pursuant to section 554 of title 5. The agency determination shall be made by final order which may be reviewed only as provided in subsection (d). If no hearing is requested as provided herein, the assessment shall constitute a final and unappealable order.

"(4) Any person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may obtain review by the United States Court of Appeals for the circuit in which the person resides or does business by filing a written notice of appeal in such court within sixty days from the date of such order and simultaneously sending a copy of such notice by registered or certified mail to the Secretary. The Secretary shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28. The findings of the Secretary shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2)(e) of title 5. Where the court upholds the Secretary's order, it shall enter judgment in favor of the United States in the amount of the penalty, which judgment may be registered in any United States District Court in accordance with the provisions of section 1963 of title 28, United States Code.

"(5) If any person fails to pay an assessment after it has become a final and unappealable order, the Secretary shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States District Court. In such action the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

"(6) The Secretary may, in his discretion, compromise, modify, or remit any civil penalty which is subject to imposition or has been imposed under this section.

"(7) The Secretary shall promulgate regulations establishing procedures necessary to implement this section.".

Amendment No. 1345

On page 10, line 15, strike out "PROGRAM NOTIFICATION" and insert in lieu thereof "ADMINISTRATION".

On page 10, line 16, insert "(a)" immediately after "SEC. 14.".

On page 10, between lines 21 and 22, insert the following:

(b) Section 10 of the Food Stamp Act of 1964, as amended, is amended by adding at the end thereof the following new subsections:

"(j) The Secretary shall establish a system operated at the national level for the purpose of providing information to State agencies in order to assist such agencies in preventing households from receiving benefits under this Act in more than one State or in more than one political subdivision within a State.

"(k) Notwithstanding any other provision of law, the United States Postal Service shall serve as a food stamp issuing agency upon request of the State agency. In the event of such a request, the Postal Service will be held accountable for cash and coupons over which only it has control as an issuing agent. Transaction fees paid to the Postal Service under this subsection shall be set at a reasonable rate so as not to exceed by more than 10 per centum the actual add-on costs to the Postal Service resulting from providing this service.".

Amendment No. 1346

At the end of the bill add the following:

TRANSFER OF ADMINISTRATIVE RESPONSIBILITY TO DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 18. (a) For purposes of this section—

(1) the term "function" includes power and duty; and

(2) the term "Secretary of Agriculture" includes all officers and organizational units of the Department of Agriculture.

(b)(1) All functions of the Secretary of Agriculture under the Food Stamp Act of 1964 are transferred to the Secretary of Health, Education, and Welfare.

(2) The Secretary of Health, Education, and Welfare may delegate any functions transferred to him by paragraph (1) to such officers and employees of the Department of Health, Education, and Welfare as he may designate, and may authorize successive redelegations of such functions.

(c)(1) The transfer made by this section shall be implemented in accordance with such procedures and regulations as the Director of the Office of Management and Budget shall prescribe.

(2) So much of the personnel, personnel positions, assets, liabilities, contracts, property, records, and authorizations, allocations, and other funds as the Director of the Office of Management and Budget shall determine pertain to the functions transferred by this section shall be transferred to the Secretary of Health, Education, and Welfare.

(d)(1) All orders, determinations, rules, regulations, contracts, certificates, and privileges—

(A) which have been issued, made, granted, or allowed to become effective in the exercise of any function transferred by this section, and

(B) which are in effect at the time this section takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Health, Education, and Welfare, by any court of competent jurisdiction, or by operation of law.

(2) Except as provided in paragraph (3), this section shall not affect any proceedings pending before the Secretary of Agriculture on the effective date of this section.

(3) To the extent that such proceedings involve functions transferred by this section, such proceedings shall, upon the transfer of functions under this section, be continued before the Secretary of Health, Education, and Welfare. In any proceeding so continued, orders shall be issued, appeals shall be taken, and payments shall be made, as if this section had not been enacted; and orders issued in any proceeding so continued shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Health, Education, and Welfare, by a court of competent jurisdiction, or by operation of law.

(e)(1) Except as provided in paragraph (2), the provisions of this section shall not affect suits or other proceedings commenced by or against the Secretary of Agriculture in his official capacity prior to the effective date of this section.

(2) All such suits or other proceedings pending on the effective date of this section shall, to the extent that they involve functions transferred to the Secretary of Health, Education, and Welfare by this section, be continued after such date by or against such Secretary. In any litigation pending on the effective date of this section, the court may, at any time, on its own motion or that of any party, enter such order as the court determines necessary to give effect to the provisions of this subsection.

(f) With respect to any function transferred by this section and exercised after the effective date of this section, reference in any other Federal law to the Secretary of Agriculture shall be deemed to mean the Secretary of Health, Education, and Welfare.

(g)(1) The Food Stamp Act of 1964 is amended—

(A) by striking out in section 3(a) "Secretary of Agriculture" and by inserting in lieu thereof "Secretary of Health, Education, and Welfare"; and

(B) by striking out the fourth sentence of section 3(e) of such Act.

(2) Section 409 of the Disaster Relief Act of 1974 (authorizing distribution of food stamp coupons in areas affected by a major disaster) is amended—

(A) by striking out in subsection (a), "Secretary of Agriculture" and inserting in lieu thereof "Secretary of Health, Education, and Welfare"; and

(B) by striking out in subsection (b) ", through the Secretary of Agriculture or other appropriate agencies,".

BOSTON HARBOR NATIONAL RECREATION AREA—S. 399

AMENDMENT NO. 1347

(Ordered to be printed and referred to the Committee on Interior and Insular Affairs.)

Mr. KENNEDY. Mr. President, I am submitting today, for myself and Senator BROOKE, an amendment in the form of a substitute to S. 399, legislation to establish the Boston Harbor National Recreation Area.

Boston Harbor includes 47 square miles of water, 180 miles of irregular tidal shoreline, and 30 islands. Three million people live within 25 miles of the Harbor; and since 1965 a concerted effort at all levels of government has attempted to restore Boston Harbor Islands to these citizens for their use and enjoyment. Congressman JOE MOAKLEY, who is introducing identical legislation today in the House of Representatives, began the struggle to preserve and protect these Harbor Islands in the Massachusetts legislature by securing passage of State legislation to acquire the islands.

Since that time, the Massachusetts Area Planning Council completed its comprehensive report on the recreational potential of the islands and proposed plans on how to achieve the revitalization of the Harbor. Efforts to clean up the Harbor and its waters are being accelerated.

The Environmental Protection Agency and the Commonwealth recently announced agreement on a 10-year, $800 million construction program to improve water pollution control facilities, representing the largest single water pollution control effort ever undertaken in the New England area. I wish to quote at this point a part of that announcement which describes the goals of that program:

> The program announced by EPA Regional Administrator John A. S. McGlennon, and Massachusetts Environmental Affairs Secretary Evelyn Murphy is designed to improve Boston Harbor and the Neponset and Charles Rivers, so that these waterways will be fishable and swimmable at the end of the construction period. The program will coincide with plans to develop the Boston Harbor Islands for greater public use. Once completed, the project would make Boston Harbor one of the cleanest metropolitan waters in the eastern part of the country."

I am very pleased that the Army Corps of Engineers has resumed work on the Boston Harbor debris study and expects its work to be completed by 1977. In 1966, I sponsored the resolution which authorized the corps to begin the study of debris sources which are both hazardous and detrimental to the development of the recreational potential of the islands. I ask unaminous consent to have printed in the RECORD at this point the Corps' letter to Mayor White and their description of the program.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
NEW ENGLAND DIVISION,
CORPS OF ENGINEERS,
Waltham, Mass., November 7, 1975.

Hon. KEVIN H. WHITE,
Mayor of Boston, City Hall Square, Boston, Mass.

DEAR MAYOR WHITE: We are pleased to inform you that Federal funds have been allocated to resume work on the Boston Harbor Debris Study, which was terminated in 1973 by the Office of Management and Budget because it considered debris cleanup programs to be entirely a non-Federal responsibility. Congress has since authorized Federal participation in a massive debris removal and disposal program for New York Harbor in the Water Resources Development Act of 1974, thereby firmly establishing a Federal role in debris cleanup program.

Therefore, we have already resumed work on the study with a view to completing all study features and submitting a report on the findings and recommendations by the fall of 1977. We look forward to coordinating with you and your representatives through workshops and public meetings.

Similar letters are being sent to the governmental heads of the following communities: Hull, Hingham, Weymouth, Braintree, Quincy, Cambridge, Sonerville, Everett, Chelsea, Revere, and Winthrop and also, the State's Executive Office of Environmental Affairs.

To inform you briefly on what has been accomplished and on what remains to be done, we are inclosing a "Debris Study History—Boston Harbor."

Sincerely yours,
JOHN H. MASON,
Colonel, Corps of Engineers,
Division Engineer.

Inclosure.

DEBRIS STUDY HISTORY—BOSTON HARBOR

The study is being made under authority of a Resolution by the Committee on Public Works of the United States Senate adopted 18 March 1966. The resolution was sponsored by Senator Edward M. Kennedy.

The purpose of the study is to determine the engineering feasibility; economic justification; and the environmental, social, and cultural acceptability for Federal participation in removal and disposal of floatable debris sources that are potentially hazardous to navigation, are a suppressant of land values, and are aesthetically unpleasant. A contingent purpose is to determine the adequacy or inadequacy of existing governmental laws to maintain the harbor in a cleaned up condition.

The study area comprises a tidewater area of approximately 47 square miles lying landward of a line from Point Allerton at Hull to the tip of Deer Island, Boston. The study area also includes the following waters tributary to the harbor: Weir River, Weymouth Back River, Weymouth Fore River to lower dam, Town River, Neponset River to lower dam, Reserved channel, Fort Point, Channel, Charles River to lower dam. Little Myatic River, Mystic River to lower dam, and Chelsea River. In addition, it includes the shorefront tidal area of each island within the harbor.

Twelve communities abut Boston Harbor. Proceeding clockwise from the south, they are: the towns of Hull, Hingham, Weymouth, and Braintree; the cities of Quincy, Boston, Cambridge, Somerville, Everett, Chelsea, and Revere; and the town of Winthrop.

The debris sources under investigation are dilapidated waterfront structures including those with portions dilapidated (primarily timber pile supported wharves and bulkheads), derelict (wrecked) vessels, shorefront dumps, and loose floatable debris lying on dilapidated structures and on shore. An extensive examination of all these debris sources was completed by this office in 1971. This major effort produced an invaluable debris source inventory which involved the type, volume, number, and location of each debris source along approximately 100 miles of shorefront within the study area. Significantly, the Commonwealth of Massachusetts received authority in 1971 to clean up State waterways. Furthermore, State funds, we understand, would largely be concerned with the removal and disposal of sources of debris within the Port of Boston. Over four years have passed, consequently the validity of the information contained in our inventory is now questionable. Therefore, one of the first steps in study resumption will be to coordinate our debris study effort with State cleanup plans, and to update our debris inventory, probably in early spring 1976.

A specific plan of improvement with attendant detailed cost estimates, was never fully developed. However, an effective one time cleanup plan was studied which would provide for (a) floatable debris—remove, incinerate at sea, and dispose of the burnt residue in an approved mainland dump; and (b) non-floatable debris—remove, take to sea, and sink in an approved area. The total quantity of material from all debris sources was estimated (1971) at almost 4 million cubic feet. At that time, nearly ⅔ of the total volume was found to be on shore within the boundaries of the City of Boston. A range in cost for the above mentioned plan was estimated, in 1973, at 8–10 million dollars. Because of changes in shorefront conditions, inflation, and environmental laws and regulations during the last few years, there is a need to reconsider the plan in its entirety. We will be looking for the least costly methods to rid the area of debris sources.

Therefore, our study efforts for the next two years will involve:

A. Updating the debris source inventory.

B. Studying all possible methods for removal and disposal of sources of debris.

C. Preparing estimates of costs for all viable alternatives.

D. Evaluating all project benefits, such as reduced boat-drift collisions, land enhancement, and aesthetics.

E. Reviewing all legal aspects.

F. Preparing an environmental impact statement.

G. Ascertaining the cultural, historical, archeological, and social aspects.

H. Preparing a report on all findings.

The debris removal and disposal project for New York Harbor was Congressionally authorized with a ⅔ Federal—⅓ non-Federal cost apportionment. Therefore, this apportionment will be used for the Boston Harbor improvement project proposal for that work which is subject to cost sharing. Work considered to be solely in local responsibility is as follows: repair of waterfront structures; new construction (optional); maintenance of waterfront land and facilities; and enforcement of existing legislation and the enactment of necessary new laws for keeping the area in a cleaned up condition.

Mr. KENNEDY. Mr. President, the resources of the Boston Harbor Islands have been cataloged and their potential evaluated; elected officials at all levels of government have demonstrated their commitment to the preservation of these islands as a source of recreational activity; the people of Boston and all the communities bordering the harbor have participated in the movement to restore the Boston Harbor Islands. Governor Dukakis has made the development of the Boston Harbor Islands as a recreation area a high priority for the Commonwealth, and secretary of environmental affairs, Evelyn Murphy and her staff, particularly Michael Ventresca, have encouraged the development of this amendment and shared with us their expertise and imagination in shaping this approach to fit the unique Boston Harbor Islands. Mayor Kevin White and his coordinator for environmental affairs, Eugenie Beal, have given us an enormous amount of their time and their helpful suggestions in drafting the legislation we introduce today. And Congressman JOE MOAKLEY more than any other person has dedicated much of his life in government service to fulfilling the dream of making Boston Harbor a vital part of our families' lives.

Only two additional items are needed to make the Boston Harbor National Park a reality—a coordinated commission with sufficient authority to develop a comprehensive plan for the recreation area and adequate funding to implement such a plan.

At the present time, at least 17 agencies of Federal, State, and local government have jurisdiction over aspects of the harbor or the islands. While all of these agencies are anxious to assist in restoring the harbor, a unified and coordinated authority is critical to avoid a piecemeal approach to the problems of the harbor. The legislation we introduce today establishes a commission which will be responsible for harmonizing these programs and developing a comprehensive plan.

As our distinguished colleagues in the Senate will recognize, there is a national interest in providing funding to establish the Boston Harbor National Recreation Area because of its location in the densely populated area of the east coast where the opportunities for the Federal Government to assist in developing recreational facilities is so limited by lack of available space.

The legislation we submit today is a blueprint on which we hope all the elected officials, Government agencies, and citizens neighboring the harbor will sketch their hopes and their plans. We look forward to working closely with all of these concerned groups and individuals to refine and perfect this amendment. We have drawn from provisions in the Nantucket Sound Islands Trust bill which was overwhelmingly approved by the Senate in December and tailored those imaginative provisions to fit the Boston Harbor Islands. Only after all the citizens who love the Boston Harbor Islands have responded with their suggestions and ideas will we have the best possible bill to establish the Boston Harbor National Recreation Area.

At the turn of this century, Boston families often spent Sunday afternoon walking and picnicking on the Boston Harbor Islands. Fifty years of delay and decay have made a return to that vision an enormous challenge; but the same energy and determination of the people of Massachusetts who formed this Nation will shape the destiny of the Boston Harbor Islands as our children's most precious memory.

I ask unanimous consent that the resolution of the Massachusetts Legislature reminding us of the history of the Boston Harbor Islands be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution Memorializing Congress To Take Such Steps as May Be Necessary To Establish and Designate Boston Harbor as a National Historic Site

Whereas, Boston Harbor is of such great historical significance as it is so closely associated with the early heroic struggle of the inhabitants of the Commonwealth of Massachusetts and of the colonists for their independence; and

Whereas, These waterways, foreshores and islands are an irreplaceable natural resource of the Commonwealth, are of great historic, ecological, economic and aesthetic value to the state, and to the nation which recognizes and appreciates this area as America's Heritage; therefore be it

Resolved, That the Massachusetts House of Representatives respectfully requests the Congress of the United States to take such steps as may be necessary to establish and designate Boston Harbor and more particularly the area referred to begins at the upper limits of the foreshores at East Point, Nahant, Massachusetts at position 42°25'12'' north latitude and 70°54'09'' west longitude, then drawing a line to the northeast Grave of the Garves at position 42°22'43'' north latitude and 70°51'39'' west longitude, then continuing to the upper limits of the foreshores at Point Allerton, Hull, Massachusetts, to position 42°18'42'' north latitude and 70°52'56'' west longitude; thence: westerly following the contours of the mainland to the first bridge seaward over every river, stream and creek, to iclude all foreshores, that part which lies between the high and low water marks, as a National Recreational and Historic Site in commemoration of the Bicentennial Observance of the founding of our Country; and be it further

Resolved, That a copy of these resolutions be sent by the Clerk of the House of Representatives to the President of the United States, the Secretary of the Interior, the presiding officer of each Branch of Congress and to each member thereof from this Commonwealth.

Mr. KENNEDY. I also ask unanimous consent that the amendment in the form of a substitute be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1347

Strike out all after the enacting clause and insert the following:

FINDINGS AND STATEMENTS OF POLICY

Section 1. The Congress finds and declares—

(a) that the Boston Harbor area including the Boston Harbor Islands, in the Commonwealth of Massachusetts, possesses unique scenic, natural, cultural, historic, and recreational values and resources;

(b) that there is a national interest in preserving and enhancing these unique values and resources for the present and future well-being of the Nation and for present and future generations;

(c) that the present, State, regional, and local authority and funding capabilities are inadequate to insure the preservation and enhancement of the values and resources of said islands, and it is in the national interest to establish a new system to assist the Commonwealth of Massachusetts, regional agencies and local governments to preserve and manage the values and resources of the Boston Harbor area and the Boston Harbor Islands;

(d) that the key to more effective preservation and conservation of the unique resources and values of the Boston Harbor area and the Boston Harbor Islands is a program encouraging coordinated action by the Federal and State Governments to assist local governments to administer sound management policies regulating and guiding development in the Boston Harbor area and on the Boston Harbor Islands;

(e) that such a new system for the protection and management of the values and resources of the islands requires the establishment by the Commonwealth of Massachusetts of a Boston Harbor Commission to give effect to the trust relationship;

(f) that because expanded access to the Boston Harbor Islands is crucial to the development of the Boston Harbor area as a recreational area for the Nation, any plan for the development of the Boston Harbor National Recreation Area must include provisions for expanded access to and between the Boston Harbor Islands; including such shoreline, island, and water facilities as are needed to encourage public visitation of the islands.

Sec. 2. The purposes of this Act are (1) to provide for the preservation of the outstanding natural features and the land and water resources of the Boston Harbor Area including the Boston Harbor Islands, and (2) to provide adequate recreation facilities and opportunities for the people of the Boston Metropolitan area and the Nation.

Sec. 3. There is hereby established the Boston Harbor National Recreation Area (hereinafter referred to as the "recreation area"). The boundaries of the recreation area shall be Boston Harbor, from Winthrop to Hull, Massachusetts, its shores and its islands.

PLANNING COMMISSION

Sec. 4. Within one year of enactment of this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall establish a planning commission for the recreation area (hereinafter referred to as the "Commission").

Sec. 5. The Commission shall be composed of not more than 25 members appointed by the Secretary from recommendations submitted to him by the Governor of the Commonwealth of Massachusetts and the chief executive officers of such local units of government, including counties and municipalities, which have jurisdiction over the recreation area: *Provided*, That the Secretary shall insure in representation, a balance of members who will be responsive to the natural, historical, aesthetic, cultural, and recreational needs of the Boston Harbor area. The Secretary shall designate a member of the Commission to serve as Chairman.

Sec. 6. The Governor of the Commonwealth of Massachusetts may recommend for membership on the Commission, the members of any commission established under state law whose purposes are the same as those outlined in Section 2 of this Act, in lieu of the commission otherwise to be established pursuant to Section 5 of this Act.

Sec. 7. The function of the Commission shall be to develop a plan for the development of the Boston Harbor National Recreation Area.

Sec. 8. The plan shall include, but need not be limited to—

(a) recommendations for the development of public recreational facilities, including but not limited to visitor centers, picnic, swimming, and camping facilities;

(b) provision for the preservation and conservation of significant natural resource areas;

(c) provision for expanded access to and between the Boston Harbor Islands for the public, including plans for such shoreline, island, and water facilities as may be necessary to provide frequent and inexpensive access to the islands;

(d) identification of the units of State or local government which will be responsible for implementing the Plan: *Provided*, That the plan may not propose an expenditure of Federal funds greater than $20,000,000 exclusive of funds available under existing federal programs.

Sec. 9. The Secretary and the heads of other Federal agencies shall cooperate with the Commission in the formulation of the plan upon the request of the Commission and to the extent of available funds.

Sec. 10. (a) Members of the commission who are employees of a State or local government shall serve without additional compensation as such. All other members, may, if a commission so votes, receive $50 per diem when actually engaged in the performance of the duties of the commission.

(b) The Secretary shall reimburse all commission members for necessary travel and subsistence expenses incurred by them in the performance of the duties of the commission.

(c) Financial and administrative services (including those related to payment of compensation, budgeting, accounting, financial reporting, personnel, and procurement) shall be provided by the Secretary from the funds appropriated to carry out the provisions of this Act.

(d) The commission shall have the power to appoint and fix the compensation of such additional personnel, including experts and professionals, and for such temporary and intermittent services as may be necessary to carry out their duties, without regard to the provisions of the civil service laws and the Classification Act of 1949, and they shall have the power to hold hearings and administer oaths.

(e) The commission shall act by affirmative vote of a majority thereof. Vacancies shall be filled in the same manner as the original appointment.

Sec. 11. (a) The commission within six months of being established, shall submit its plan to the Secretary who shall, within one hundred and twenty days of the way it is received by him, either approve or disapprove it.

(b) The Secretary shall approve the plan if he finds that (1) the commission has afforded adequate opportunity for public comment on the plan, and such comment was received and considered in the plan or revision as presented to him; (2) State and local units of government identified in the plan as responsible for implementing any portion of its provisions have the necessary legislative authority to do so, and the chief executive officers of the State and local units of government have indicated their commitment to utilize such authority in accordance with the program established by the commission; (3) the plan will preserve the unique scenic, natural, cultural, historic and recreational values of the Boston Harbor area including the Boston Harbor Islands; and (5) the plan includes adequate provisions for expanded and sufficient public access to and between the Boston Harbor Islands to insure expanded public use of the Boston Harbor area and the Boston Harbor Islands.

(c) If the Secretary disapproves the plan, he shall advise the commission of the reasons therefor and convey his recommendations for revision. The revision may be resubmitted to the Secretary for his approval.

(d) Upon approval of the plan, the Secretary shall publish a notice thereof in the Federal Register and shall transmit copies of the plan together with his comments to the President of the Senate and the Speaker of the House of Representatives.

(e) No substantial revision to the plan may be made without the approval of the Secretary.

Sec. 12. Upon approval of the plan, the Secretary shall make grants in the total amount of $20,000,000 to the State or local units of government identified in the approved plan for the recreation area as having responsibility for implementing its provisions. Such grants shall be made upon application of such State or local units of government, shall be supplemental to any other Federal financial assistance for any purpose, and shall be subject to such reasonable terms and conditions as the Secretary deems necessary to effectuate the purposes of this Act.

Sec. 13. There is hereby established a special account in the Treasury of the United States for the purpose of holding moneys to be used for grants, pursuant to section 12 of this Act, to the State or local units of government. There shall be covered into such special acount, $20,000,000 from revenues due and payable to the United States under the Outer Continental Shelf Lands Act (67 Stat. 462) as amended and/or under the Act of June 4, 1920 (41 Stat. 813) as amended, which would be otherwise credited to miscellaneous receipts of the Treasury. Moneys covered into the account shall be used only for grants made pursuant to Section 12 of this Act and shall be available for expenditure only when appropriated therefor.

APPROPRIATIONS

Sec. 14. There are authorized to be appropriated to defray the expenses of the Commission established pursuant to Section 3, including salaries and other expenses incident to the preparation of the plan, such sums annually as may be necessary, and for grants to the State and local units of government to implement a recreation area program approved pursuant to Section 11 of this Act, $20,000,000 from the special account created in Section 13 of this Act.

OMNIBUS DISTRICT JUDGESHIP ACT—S. 287

AMENDMENT NO. 1348

(Ordered to be printed and to lie on the table.)

Mr. DOLE. Mr. President, I am today submitting an amendment to S. 287, the 1975 omnibus district judgeship bill. This amendment is cosponsored by the senior Senator from Kansas (Mr. Pearson).

At present, the bill authorizes the addition of 45 new Federal district judgeships in 43 judicial districts. Our amendment would provide for an additional judge for the Kansas district, raising the number of judges in that district from four to five.

This additional judgeship was recommended by the Judicial Conference of the United States based upon its projection of future needs. The Committee on the Judiciary, however, declined to follow these recommendations, preferring instead to establish three statistical criteria applicable to fiscal year 1975 data only: First, bench time averaging 110 days or more per judge year; second, annual case terminations in excess of 358 per judge; and third, yearly case filings equal to or in excess of 400 per judge.

Twenty-six districts met all three criteria and were recommended for one or more additional judgeships. Seventeen districts met only 2 of the 3 criteria, yet 15 of the 17 were recommended for an additional judge. Only two districts, one of them the State of Kansas, which met two of the three criteria, were excluded. One district, meeting only one criteria was authorized an additional judgeship and one district meeting none of the three criteria was also authorized—although the latter district is located in Oklahoma and unique in its characteristics.

The single criterion which data for the Kansas district failed to meet was filings per judge per year. As the report itself points out in discussions of other districts, filings may fluctuate from year to year. Specifically, in the Kansas district over the last 5 years, filings rose from 350 in 1970, to 418 in 1971, dropped to 369 in 1972, rose to 444 in 1973, and dropped to 386 and 384 in 1974 and 1975, respectively. However, filings for the first 5 months of fiscal year 1976—July–November 1975—projected over the entire year, indicate a very large increase to 446 filings per judge, substantially above the qualifying figure of 400 set by the committee.

The increased load, moreover, is a substantive one representing civil and criminal cases anticipated to require the attention of a District judge; the figures are definitely not inflated by an influx of prisoner petitions which the committee reports suggest are amenable to disposition by district magistrates. The percentage of prisoner petitions filed relative to total civil filings has remained steady in the Kansas district over the last 3 fiscal years.

The history of per judge filings in the Kansas district is subject, certainly, to yearly variation but gives no indication of a decline or leveling off of the demand on the courts. This increased demand on court resources is confirmed by the present Kansas district judges with particular reference to the growing complexity of cases and increasing frequently of multilitigation cases.

In summary, we feel that in all fairness, the Kansas district judgeship should be authorized. Other districts which met two of the three criteria based on 1975 data, as did Kansas, were approved. Further, using the 1976 figures on filings to date which were not available to the committee, the Kansas district easily meets the third criterion.

Mr. President, it would be my hope that members of the committee, and in fact all my Senate colleagues, might be able to support this amendment based on the new data I have presented. To assist them with that consideration, I ask the text of the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1348

On page, 3 line 14, after the phrase "district of Indiana," insert the following: "one additional district judge for the district of Kansas,";

On page 7, between lines 29 and 30, insert the following: "Kansas______________ 5".

MEDICALLY UNDERSERVED AREAS—S. 1357

AMENDMENT NO. 1349

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

MEDICALLY UNDERSERVED AREAS

Mr. DOMENICI. Mr. President, increasingly, we have become aware of the crisis in rural health services that besets the country. In fact, 22 percent of our Nation's population live in rural areas, and as much as 70 percent of this rural population is elderly, the very people who as a group require more health care. At the same time, our doctors and other health care personnel are nowhere near being equally distributed to serve this population.

The problem is not new, but unfortunately it is becoming much worse as time goes on. While certain parts of the country have an abundant supply of physicians, many areas have none at all. For example, there is one physician for every 500 persons in New York, but there is only one active doctor for every 1,340 persons in Mississippi, only one for every 1,200 individuals in North Dakota, and in my own State of New Mexico, only one physician serves each 1,051 people.

The geographic maldistribution we see is severe, entrenched and growing. It is also a longstanding problem we have to face very soon. Almost 25 years ago President Truman established the President's Commission on the Health Needs of the Nation charged with making a critical study of the country's total health requirements. The Commission's conclusions read as if written today.

Time has run out. For that reason, I have cosponsored legislation, S. 1357, introduced by Senator Beall in an effort to correct the inherent problems in our health care delivery system. This legislation would amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions. In an effort to correct the maldistribution problem, the bill would also revise the National Health Service Corps program and the National Health Services Corps Scholarship training program as well. It is intended that a medical student, in return for educational benefits, will later serve in designated medically underserved areas.

Today, I have submitted an amendment to S. 1357 to further identify medically underserved areas. There is no question about the statistics indicating rural area deficiencies. However, I believe many of our State and Federal institutions should also be designated as "underserved." This amendment would add Federal and State-operated facilities as a viable option that National Health Service Corps Scholarship recipients could use to fulfill their obligated services.

Our State institutions deserve this much needed boost. After all, our States support medical college education. They collectively provided, about 17 percent of the medical school financial support in 1972–3, the latest year for such statistics. I understand that State operated health care facilities are desperately in need of physicians. This is especially important if the role of the foreign medical school graduates is to be changed, as it appears it will be.

Just recently, I received a letter on this issue from Dr. Walter W. Winslow who serves in the dual roles as chairman of the Department of Psychiatry, University of New Mexico, and as the director of the Bernalillo County Mental Health/Mental Retardation Center, Albuquerque, N.M. Dr. Winslow outlines the current national needs for State and county mental hospitals, as well as the needs for New Mexico's institutions. I ask unanimous consent that Dr. Winslow's letter be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. The figures given by Dr. Winslow clearly indicates that public mental hospitals should qualify as understaffed "areas." I believe we should also look carefully at our juvenile detention centers, prisons, and other public institutions which, in many instances, should also qualify as underserved areas. Perhaps physicians and psychiatrists prefer private practice to serving this neglected segment of our population, but surely each citizen of this country should be considered as we try to determine how to provide adequate health care for all.

Mr. President, something has to be done—and soon. Medical costs are rising and we all worry about that. Now let us consider the people that cannot receive medical care, no matter the cost. They should be our first concern.

Exhibit 1 follows:

Exhibit 1

The University of New Mexico,
Albuquerque, N. Mex., December 11, 1975.

Hon. Peter V. Domenici,
U.S. Senate, Senate Office Building, Washington, D.C.

Dear Senator Domenici: As you requested at your recent meeting with some of the faculty of the School of Medicine on November 24, I have obtained some data concerning the need for physicians in our public institutions. I will comment on national as well as local needs. The New Mexico State Hospital at Las Vegas has manpower needs in most professional areas, but my comments will be limited to physicians only, including psychiatrists.

At the present time, the New Mexico State Hospital, a 400 psychiatric bed facility, has 6.0 funded positions, 5.0 of which are filled, and needs 10.8 positions to meet national averages.

The national average for state and county mental hospitals is 1.8 psychiatrists and 0.9 physicians per 100 resident patients, with Colorado the highest with 10.6 psychiatrists and 3.8 physicians, and Minnesota and Mississippi the lowest with 2.0 psychiatrists and 0.8 physicians.

The national statistics do indeed show that public mental hospitals are certainly underserviced areas and it would seem reasonable that they be considered as a priority for physician placement through a National Health Service Corps or similar system. Very few states in this country have the number of physicians in federal, state and county mental hospitals that are required to meet minimal standards of care. Most are so deficient in number of physicians as to constitute a national disgrace; in fact, "class action" right to treatment suits could probably be won against most public mental hospitals in this country. Alabama with its *Wyatt* v. *Stickney* case is an example of what could, and perhaps will, occur in many states across the country unless some national effort is mounted to significantly upgrade public mental health care. Many other health care disciplines are also scarce in the public mental health sector, particularly trained psychiatric nurses.

One other area of concern that could potentially be addressed by a system like the National Health Service Corps is the staffing of community mental health centers. Many centers throughout the country have been unable to get physicians, either with or without psychiatric specialty training, and as a result the centers are deficient in the care they are able to deliver. The community mental health centers, because of their inability to get good physician/psychiatrists, have shifted away from the medical model of care. This leads to a dual system of mental health care, one with a medical/psychiatric component and one with no interface with medicine whatsoever. In my opinion, this is not an effective approach to mental health care, is not coordinated with other health systems, and was not the original intention of the Congress when the Community Mental Health Centers Act was passed in 1963 and variously amended from time to time.

I am pleased to have been able to provide this information for your use. If I can be of any further asssitance in this matter, please let me know.

Yours sincerely,

Walter W. Winslow, M.D.,
Professor and Chairman, Department of Psychiatry, Director, Bernalillo County Mental Health/Mental Retardation Center.

Statistical data obtained from:

Department of Health, Education and Welfare, Public Health Service;

Alcohol, Drug Abuse and Mental Health Administration, National Institute of Mental Health;

Division of Biometry and Epidemiology, Survey and Reports Branch—Statistical Note No. 122 entitled: "Staffing of State and County Mental Hospitals: United States, 1974."

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1330

At the request of Mr. Robert C. Byrd, the Senator from Colorado (Mr. Gary Hart) was added as a cosponsor of amendment No. 1330, intended to be proposed to the joint resolution (H.J. Res. 549) relating to the establishment of a Commonwealth of the Northern Mariana Islands.

NOTICE OF HEARINGS

Mr. KENNEDY. Mr. President, the Judiciary Subcommittee on Administrative Practice and Procedure will be holding 2 days of hearings on S. 2715, a bill sponsored by Senator Mathias and myself. This bill would authorize Federal agencies to award attorneys' fees and other costs of participation in agency proceedings to those who, in the agencies' judgment, make a substantial contribution to a full and fair determination of the issues involved in the proceedings.

The hearings will be held on Friday, January 30, at 9:30 a.m. in room 4200 of the Dirksen Senate Office Building, and on Friday, February 6, at 9:30 a.m. in room 2228 of the Dirksen Senate Office Building.

NOTICE OF HEARINGS

Mr. FANNIN. Mr. President, in accordance with the rules of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

JANUARY 28

Full committee: 10 a.m., room 3110, business meeting; pending committee business.

JANUARY 29

Minerals, Materials, and Fuels Subcommittee: 10 a.m., room 3110, business meeting; markup of S. 713, seabed mining bill.

FEBRUARY 5

Parks and Recreation Subcommittee: 10 a.m., room 3110, hearing S. 885, to designate certain lands in Shenandoah National Park as wilderness.

FEBRUARY 9, 10, 11

Full committee: 8:30 a.m., Hawaiian Village Hilton, Honolulu; 9:30 a.m., Kauai Public Library, Kauai; 9:30 a.m., Kawananahoa Hall, Hilo, regarding Senate Joint Resolution 155, Hawaiian Native claims bill.

ADDITIONAL STATEMENTS

IN SUPPORT OF THE CONCORDE

Mr. GOLDWATER. Mr. President, recently, during the hearings held by Transportation Secretary William Coleman, I had the pleasure of testifying before his meeting in support of the Concorde making flights into the United States. I might say as I cast my eye around that large audience that day I saw many faces that I have seen objecting to almost every new device, new invention or new step of progress in this country. We seem to have a breed of people these days who are opposed to any progress regardless of what field it is in, and they do not hesitate to speak out, they do not hesitate to use half-truths or even falsehoods. I ask unanimous consent that the remarks I made before that hearing be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT OF U.S. SENATOR BARRY M. GOLDWATER

Mr. Secretary: I am glad you are holding this hearing. None can claim that he or she did not have a fair opportunity to be heard before you make a decision on whether or not to approve Concorde service to the United States.

First, a word about my experience: I have been flying as a licensed pilot for 45 years, have logged over 12,000 hours in 159 different types of aircraft and have piloted the SR–71 at Mach 3.1. Also, I am a member of the Senate Committees on Armed Services and Aeronautical and Space Sciences, each of which consider many subjects relevant to this hearing.

Mr. Secretary, in all of that experience, I have never known of so much misinformation being put out on any one subject as the supersonic transport plane. The SST is charged with doing everything but causing ingrown toenails and I will be surprised if the misinformers do not find a way to do that.

Noise? There always has been noise as long as mankind has made progress. Mules were scared by automobiles. The noise of the first railroads frightened women and children. Today we have hysteria about supersonic flight.

Sure, the Concorde will make noise. But it is broadly comparable with the 707's, the standard long-range commercial aircraft in operation in the mid-1960's, when the Concorde was being designed. There were no binding regulations on aircraft noise at that time. If the United States should reject the Concorde on the ground that the aircraft does not meet noise standards which were unknown and unforeseen at the time it was designed—and I should add which 2000 existing U.S. jetliners also cannot meet—I believe this would be an unfair and discriminatory act against foreign-built aircraft.

The noise data on the Concorde is debatable. For example, it would have required more than half a dozen simultaneous Concorde landings and takeoffs to cause the contour measurements recently released by the EPA. Moreover, noise will not be continuous, but will only last for some thirty seconds to two minutes during each takeoff or landing.

Even if the worst noise figures offered were correct, the FAA final environmental impact statement makes it clear that the Concorde poses no dangers.[1] There will be people who may be annoyed by these few Concorde flights, but I can assure them that as soon as a bypass engine is developed for the Concorde—and great progress is being made in this area—the noise problem will be overcome. Some people invariably build houses near airports, and unless the Federal or local governments prohibit future construction close to runways this will continue to be a source of complaint as to subsonic, as well as to supersonic, aircraft.

The next issue is the ozone.[2] This has been a long study of mine and I am convinced we have never had any proof, no proof at all, that supersonic flight is causing trouble to the ozone. I once talked to James McDonald, a professor at the University of Arizona, before his death about his theory that high-flying jets could destroy the ozone layer and cause skin cancer. He admitted to me that as many as 500 SST's would never do it.

Yet there are only 16 Concordes committed to production. In the words of Dr. Paul Campbell, a prominent flight surgeon who has spent a career in research aspects of aviation and space medicine, "one Concorde will have about as much environmental impact as a speck of dust in the ocean. Sixteen Concordes like 16 specks."[3]

Mr. Secretary, I would remind you that several hundred military jets have been flying for the past ten years even faster than the Concorde. In fact, there have been about one million cumulative military supersonic flights over the United States, almost all of which have been above 30,000 feet and many of which have been in the stratosphere. These flights have not caused any measurable ozone depletion.[4] Actually, there has been an increase of ozone recorded between 1957 and 1968 at seven measuring stations around the world.[5] If trouble comes, it will not be from a few more supersonic flights.

Another fact to remember is that whether we like it or not, there will be commercial supersonic service. If not into the United States, then to other destinations, such as are already scheduled. And these operations will affect the United States just as much as if the flights had operated to or from this country. This is because emissions put into the stratosphere are rapidly dispersed worldwide and do not remain solely at the spot of origin.[6] In other words, we cannot stop the effect, if there is any, of commercial supersonic flights unless we can pass a law that would say they cannot take off from an airport in France or England, or Russia, which we cannot do.

Mr. Secretary, the misfacts being offered about the Concorde are similar to the hackneyed arguments that the Senate went through when it foolishly stopped financing for the American SST.[7] I believe this is the biggest economic mistake the Congress has ever made because our aircraft industry since we took that negative action, has not kept pace with the aircraft industries abroad.

Foreign leaders of industry, aviation and engineering are now convinced that America no longer looks to the future, but only wants to stay where it is and become an isolated, inward looking country. If America compounds this error by blocking commercial supersonic service to our airports, we will give further reason for Europe's impression that the United States is rapidly becoming a has-been world power.

An impression that the United States is keeping a sack over its head thinking we can avoid participation and competition in the great advancements being made in aviation development can but further weaken the position of our own manufacturers and airlines. An impression that the United States has lost its awareness of the key role which aviation plays in the affairs of the world can only undermine the strength of our foreign policy around the globe. *And* the impression that the United States has unfairly discriminated against foreign built aircraft just because it is not made in the United States will likely incite serious retaliation against our commerce.[8]

Mr. Secretary, I believe the threats offered against the Concorde are so ill-founded on theoretical uncertainties and unsupported by facts that the Europeans could justly interpret a decision against Concorde as being based upon nothing more than economic protectionism. They could believe that if we had our own SST, we would not deny operating rights to theirs. They could view a negative decision as being made to isolate our airlines from foreign competition in our own market. They already perceive us as moving toward protectionism as a result of the numerous anti-dumping and countervailing duty cases that have been instituted here under the new Trade Reform Act of 1974.

Retaliation could take the form of developing a common general aviation aircraft industry within the nine member European Community, to which both Britain and France belong. It could be a decision to boycott or limit purchases of U.S. manufactured aviation equipment. In this context, we might note that the General Aviation Manufacturers Association estimates that 95% of the aircraft in operation worldwide is U.S. made.[9]

We might also see a delay in certification by European government of the U.S. made 747–SP's. And with our action being perceived as a non-tariff barrier, we can expect to see a toughened stance by the European Community at the GATT trade negotiations now going on at Geneva, where the United States has had high hopes of winning trade concessions valuable to our domestic industries.

In conclusion, Mr. Secretary, we must recognize that we are no longer living in an isolated world where our actions will not generate counter reactions; nor are we living in the kind of world where we can dictate what other nations can do. Nearly all Americans know this and nearly all want us to share in the benefits of a modern transportation system. I urge you to make your decision based upon the facts and the welfare of the broad general public, and not upon misfacts and the whims of a few people.

FOOTNOTES

[1] Chapter VI–71, 78, 98, 101; Chapter VII–1; Chapter X–34, Comment 21, *U.S. Department of Transportation, Federal Aviation Administration,* Final Environmental Impact Statement on Concorde Supersonic Transport Airport, Volume 1 (Sept. 1975), hereafter cited as FAA.

[2] My presentation does not discuss the sonic boom because this is really *not* an issue. The Concorde will not operate at supersonic speed over the United States. It will cease supersonic flight a good 100 miles off the coast in order to let down and, similarly, at takeoff, it will be 100 miles out to sea before it goes at supersonic speed.

[3] Testimony of Paul A. Campbell, M.D., before the FAA hearings with respect to the draft environmental impact statement on the Concorde, Washington, D.C. (April 1975); reprinted at Cong. Rec. S 10465–66 (daily ed. June 12, 1975).

[4] Chapter X–57, Comment 5, FAA.

[5] Chapter VI–113, FAA; The Washington Post, Dec. 11, 1975, quoting Dr. James Angeli of the National Oceanic and Atmospheric Administration.

[6] Chapter V–2; Chapter VI–107, FAA.

[7] Although environmental issues were

among the matters discussed during Senate consideration of Federal assistance for the development of commercial supersonic aircraft by American manufacturers, we did not disapprove of anything but the Federal Government financing a SST. We did not say anything through our action about the environment or noise levels, but simply made a decision that the Senate did not want the Federal Government participating in the financing of it.

[8] A negative decision on Concorde would give Europe both reason and *legal* grounds to retaliate against important United States interests. The Chicago Convention on International Civil Aviation and the Bermuda and Paris bi-lateral Air Services Agreements with Britain and France grant to the British and French the rights to operate commercial flights to the United States without discrimination. According to these treaties, certificates of airworthiness issued by one government shall be recognized as valid by the other. No exception is specified for treating noise or emission rules differently from other criteria of airworthiness and saying that we can recognize a foreign certification for one purpose but not for others. (ICAO Convention of Dec. 7, 1944, Articles 9, 11, 15 (TIAS 944); Air Transport Services Agreement between United Kingdom and United States of Feb. 11, 1946, Articles 1, 4, 5 (TIAS 1507); Air Transport Services Agreement between the Government of the United States and the French Republic, Articles I, IV, V (TIAS 1679)).

[9] This represents more than $13 billion worth of U.S. civil jet transports sold to other countries, including Britain and France.

GAO COMPLETING GRAIN INSPECTION STUDY

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an article by William Robbins in the January 23 issue of the New York Times regarding the study of the grain inspection system in this country by the General Accounting Office.

This study was initiated at the request of Representative FOLEY, chairman of the House Committee on Agriculture, and myself in order to develop a sound basis for considering changes in the existing grain inspection legislation.

The two committees have held extensive hearings in this area, and we are anxiously anticipating the results of this study.

The article indicates that the study will recommend a system largely based on Federal inspection. Except for allowing inspection by State or private agencies in remote interior points, the basic thrust of the recommendation, according to Mr. Robbins, would be that a largely Federal system would be developed.

We have scheduled a hearing on February 20 to examine the conclusions of this study, and we will obviously look carefully at its conclusions as we move toward revising the present legislation.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

G.A.O. IS EXPECTED TO ASK FEDERAL GRAIN INSPECTION

(By William Robbins)

WASHINGTON, Jan. 22.—The General Accounting Office, in an investigative report to Congress, will urge creation of an all-Federal grain inspection system, saying that nothing short of complete reform can prevent scandals of the kind exposed in a broad investigation of corruption in the industry.

This is the major recommendation resulting from a month-long study, which has taken 40 agents of the G.A.O., the investigative arm of Congress, throughout the country and to most major foreign countries that buy American grain, according to sources familiar with the study.

The report is now in the form of a draft, which is being circulated to government offices for comment.

A system like that proposed by the agency, if enacted, would replace the present system under which grain is inspected either by privately employed inspectors licensed by the Agriculture Department or by inspectors working for state agencies, with their work spot-checked by Federal supervisors.

The report describes the Federal supervision system as a failure.

Among 60 indictments returned in the Federal investigation, many have involved inspectors working for private agencies. The most recent indictments, returned last Monday, charged three inspectors working for a Louisiana state agency with misgrading and bribery. Other indictments have charged thefts.

Some of the largest international grain companies are under investigation, and two companies have been indicted in theft conspiracies.

The G.A.O., which conducts independent studies of Government operations when Congress directs it to, undertook this investigation in response to a bipartisan request from members of the Senate Agriculture Committee. Its report is scheduled for public disclosure Feb. 15.

Sentiment favoring an all-Federal agency like that recommended by the G.A.O. is known to be widespread among career professional officials in the Agriculture Department. Such a system has also been proposed by Congressional critics of the present system, such as Senator Dick Clark, Democrat of Iowa.

The Ford Administration, however, opposes such a system and has offered a plan for strengthened Federal supervision of private and state inspectors. Strong political pressures have also developed for preserving the present system.

Such a system, according to the G.A.O.'s findings, is doomed to failure. To prevent misgrading where corruption is intended would require 100 percent Federal supervision—one Federal employee to watch each licensed private inspector, the report is said to find.

ONE VESTIGE RETAINED

Under the system proposed by the G.A.O., Federal inspectors would be placed at all interior terminal grain elevators. The only vestige of the present system that would be retained would be a provision allowing the Agriculture Department to let Federal contracts for private or state inspection services at isolated country elevators.

Among other recommendations, the report is said to urge combining in a single agency responsibility for grading grain and for monitoring the weighing of grain. Those duties are now divided between the Agriculture Department's Grain Division and the department's Transportation and Warehouse Division.

The G.A.O. is said to have found widespread shortweighing practices, including systematic shortweighing of railroad-car loads of grain.

The study is said to detail complaints from foreign buyers over many years that they often fail to get in American shipments either the quantity or the quality of grain they pay for.

The report is also said to be highly critical of the Department of Agriculture for its failure for many years to develop a system for effective response to the foreign buyers' complaints.

John A. Knebel, the new Under Secretary of Agriculture, declined in an interview to discuss the contents of the study, which he described as a "tough report."

But he said that the department was acting immediately "with all our resources" on some of the findings.

"The situation should never have gotten to the point" described in the report, he told a reporter earlier. "We're going to use every resource at our command. I'm not satisfied that we have the luxury to wait for legislation."

Mr. Knebel was interviewed after exhibiting in his office samples of off-grade grain and debris found loaded aboard a tanker upriver from New Orleans after inspectors had certified it as being loaded with No. 3 corn, an average grade.

Spread out on this table in transparent pouches were grains of corn embedded in what appeared to be congealed trash. Other pouches contained rocks found in some of the grain. Much of the corn on the ship was also found to contain high ratios of broken kernels and foreign matter, conditions that sharply lower its quality.

Color slides of photographs taken on the ship and projected on a screen in Mr. Knebel's office showed piles of corn so broken up that it looked like meal. Others showed corn so deteriorated that it was sprouting. And one slide showed in closeup a section of a pile of dust with grains of corn embedded in it.

Mr. Knebel said that an investigation of the grading and loading of the grain going aboard the ship, a Polish supertanker named the Rysy Z, could lead to a question whether the responsible inspection agency, the Destrehan Board of Trade Inc., "has been so impaired" that it would be necessary to withdraw its authorization to do business.

The grain aboard the ship is to be regarded by Federal officials and supervisors when it is unloaded in Poland.

A spokesman for Cook Industries, Inc., the company shipping the grain, which has contended that samples taken when Federal supervisors made a surprise visit were not representative of the entire cargo, said that he would reserve comment on Mr. Knebel's exhibits until the company could review all the findings.

"When you have an aberration like this, you know something pervasive is wrong," Mr. Knebel said. "It looks like some people are still not convinced that we mean business."

He said that surprise visits to loaded ships would be stepped up and added, "We're going to put every son of a gun in jail we can get our hands on."

A CONCURRENT RESOLUTION ADOPTED BY THE SOUTH CAROLINA GENERAL ASSEMBLY

Mr. THURMOND. Mr. President, on January 15, 1976, the South Carolina General Assembly passed a concurrent resolution memorializing Congress to reconsider all federally imposed mandates on automobiles.

On behalf of the junior Senator from South Carolina (Mr. HOLLINGS) and myself, I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CALENDAR NO. S. 590

A concurrent resolution memorializing Congress to reconsider all federally-imposed mandates on automobiles.

Whereas, the automobile and dependent industries deeply affect every American citizen and are directly responsible for more than thirty percent of the economy of South Carolina and a relatively high proportionate share of our entire nation's economic well-being; and

Whereas, the automobile and its use are indispensable to meet the essential transportation needs of commerce and of all our citizens, and the imposition of governmental mandates on the automobile industry has so increased their prices as to severely reduce sales, thus creating mass unemployment and drastically reducing revenues to all levels of government at a time of dramatically increased need for public revenues for essential humane requirements. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That Congress is strongly urged to review and reconsider all federally-imposed mandates, including those adopted by authorized government departments or agencies as they pertain to or govern the manufacture and use of automobiles.

Be it further resolved that wherever it is found that the cost or effect of such mandates are unreasonable in relation to the environmental, safety and social benefits intended, Congress in its own right and in accord with its own wisdom is hereby requested forthwith take action to promptly modify or rescind all mandates imposed on the automotive industry which are counter-productive, notwithstanding the unproven and detrimental theories commonly advanced by bureacratic zealots.

Be it further resolved that copies of this resolution be forwarded to each member of Congress from South Carolina and to the Clerks of the United States Senate and the House of Representatives.

CHILD AND FAMILY SERVICES

Mr. MONDALE. Mr. President, as many of my colleagues are aware, the Child and Family Services Act is being subjected to an outrageous and totally dishonest propaganda attack. Completely false allegations are being made that this legislation would somehow give children the legal right to disobey their parents; somehow prohibit parents from providing religious training to their children; somehow give the Government authority over child rearing; and somehow give children the right to complain about their parents and teachers "without fear of reprisal."

These charges are absolutely and completley false. There is not a shred of truth in any one of them. If there were, neither I nor any Member of Congress would be sponsoring this legislation.

Mr. President, today I would like to bring to the attention of my colleagues and the public a letter I received from Archbishop Roach of the Archdiocese of St. Paul and Minneapolis.

Speaking for the bishops of Minnesota, Archbishop Roach denounces this attack on the Child and Family Services Act and specifically endorses the bill's protection of the rights of parents.

I ask unanimous consent that this letter be printed in the RECORD, and I commend it to the attention of my colleagues and the public.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ARCHDIOCESE OF ST. PAUL AND MINNEAPOLIS,
St. Paul, Minn., December 15, 1975.

Hon. WALTER F. MONDALE,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR MONDALE: The Board of Directors of the Minnesota Catholic Conference met on December 10 and one of our items for discussion was an informational item concerning your Child and Family Services Bill.

The attacks on that bill are dishonest and we, as the Bishops of Minnesota, deplore them.

The bill would fill an urgent need and, at least as we read it, is very careful in providing proper protection for the rights of parents.

If this letter of support for your bill can be used to its advantage, we want to raise our voices in support of it.

Sincerly yours,
MOST REV. JOHN R. ROACH, D.D.,
Archbishop of St. Paul and Minneapolis.

THE TRIAD CONCEPT

Mr. GOLDWATER. Mr. President, the American Fighter Aces Association is made up of American aces of all services in all wars in which the U.S. Air Forces have been involved, and while their numbers are few, their spirit is strong and their love of America remains uppermost.

At their meeting in Carefree, Ariz., this past summer they passed a resolution which was sent to President Ford, and I ask unanimous consent that this resolution concerning the TRIAD concept be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION TO PRESIDENT FORD

The following is a copy of the resolution sent to President Ford from the American Fighter Aces Association National Convention.

RESOLUTION I

Subject: "TRIAD Concept"

Whereas, the Salt I agreement was based on approximate strategic parity between the Soviet Union and the United States with Soviet quantitative advantages being balanced by American qualitative advantages; and

Whereas, American technology advantages tend to decrease if the Soviets deploy multiple independently targetable re-entry vehicles (MIRVs), obtain better accuracy and improve warheads; and

Whereas, the Soviets are presently demonstrating some of these advances in a rapidly-paced ICBM test program involving new strategic missiles, and

Whereas, the TRIAD concept is deemed vital to the security of our Nation in providing insurance against technological breakthroughs that might neutralize any one of our offensive systems, imposing a major defense problem to an aggressor, and in offering a great variety of options and unique capabilities for response; and

Whereas, to remain a viable and creditable deterrent the TRIAD must continually be updated with the latest technology and equipment; and

Whereas, the Trident submarine system, the land-based Minuteman missile system, and the B-1 bomber programs have all been endorsed by our President and defense leaders of our country as necessities for our security; now, therefore, be it

Resolved, by the American Fighter Aces Association at their Annual Meeting in Carefree, Arizona on May 15, 16, 17, 18, 1975, that they support the administration and urge the Congress to approve and support the TRIAD concept with continued modernization of the based Minuteman system, and the rapid development and procurement of the B-1 bomber and the Trident submarine by providing adequate authorization and appropriations therefore in current and future fiscal years for these vital elements of the TRIAD.

THE UNITED NATIONS AND THE CHALLENGE BEFORE US

Mr. HUMPHREY. Mr. President, last fall the annual United Nations Women's Rally in St. Paul hosted a very distinguished speaker, Dr. Peter Jankowitsch, the Representative of Austria to the United Nations. I want to share Dr. Jankowitsch's remarks with my colleagues, because he has succeeded in presenting a most timely topic—the state of the world as reflected by the state of the United Nations—in proper perspective.

The American media has been glutted of late with talk of the United Nations. We are constantly reminded of what the United Nations has not been able to accomplish. Present conditions in the U.N. suggest that it is no longer "our ballpark," and this seems to stimulate American disillusionment and dissatisfaction with the activities of that organization.

In contrast, Dr. Jankowitsch sees the United Nations for what it is—not a panacea for all the world's problems, but as our most vital international forum where all nations can convene, where a spirit of cooperation and understanding among nations is encouraged if not always realized and which, in turn, is essential in any effort to deal with global issues.

Dr. Jankowitsch has spoken eloquently of the indispensable role which the United Nations played in the transition from the colonial era; of its important contributions to the settlement of violent conflicts in many parts of the world through its emergency peacekeeping forces; of its ambitious economic initiatives to encourage development and an improved quality of life for all the world's people; and of what he terms the "world problematique," or the host of global dilemmas confronting us today which emphasize international interdependence and the need for continued participation in a strong United Nations.

Mr. President, I ask unanimous consent that Dr. Jankowitsch's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY DR. PETER JANKOWITSCH

Madame President, Mayor Gohan, distinguished members of the United Nations Rally Committee, ladies and gentlemen: Let me address a warm word of gratitude to my hosts today for inviting me to be your speaker at this year's United Nations Rally in St. Paul.

I am deeply impressed not only by the now legendary success of this meeting and the strong support it has again attracted from people and organizations all over Minnesota but also by the genuine and open hospitality you have provided.

Believe me that for us at the United Nations it is a deep source of comfort to see in your presence and in your response the kind of enthusiasm for an idea which can only live with your full support. In this as in many other aspects Minnesota stands out as a model to your own country and to the world.

We in Austria know that some of the most precious resources this state gives to the world—besides wheat and iron ore—is political talent and political leadership. From this state comes one of the finest congressional delegations in the land and I feel privileged to enjoy the acquaintance and friendship of some of its members personally.

Thus it is more than fitting that one of the representatives of a state so deeply committed to ideas of the United Nations should be a member of this year's United Nations General Assembly: Congressman Don Fraser of Minneapolis.

We are also greatly indebted to the inspired leadership which the elder statesman from Minnesota, Senator Hubert Humphrey, has never failed to provide for the United Nations.

Thirty years ago, on the 24th of October 1945, the Charter of the United Nations entered into force. October 1945 must have been a time of great hope: only a short while ago one of the longest and most costly wars in human history had come to an end and peace seemed to have come to most of the world. Although many countries lay in ruins and tens of millions of people had lost their lives, it seemed that the foundations for a new world had now been laid.

The reason for such optimism and hope was the new international structure which a conference of plenipotentiaries had elaborated between April and June of 1945 in San Francisco. It included the representatives of all the 50 powers of the mighty coalition directed against Nazi-Germany and Japan whose defeat at that time was imminent although not consummated.

In October of 1975, only a few weeks ago, a large international gathering, the General Assembly, in its general debate marked the Thirtieth Anniversary of the Organization. One emperor, a king, a prince, an archbishop, a dozen presidents, prime-ministers and deputy prime-ministers and 96 foreign ministers came to New York in order to participate in this event and give to the annual autumn assembly of the United Nations its unmistakable flavor as the largest political clearinghouse of the world.

In these 30 years the United Nations has come a long way. Now it is only fitting to ask how it has performed over this long period and what mark it has left on the world around it. Has the United Nations changed the world or has the world brought the original idea of the United Nations down to reality?

In order to answer this question it is important to understand on the one hand the changes, the immense and profound changes which the world has undergone during the past 30 years, and only against these crises and upheavals can the real performance of the organization be *fairly* measured. And these were indeed 30 eventful and dramatic years:

The coalition between the great democratic powers of the West and the Soviet Union did not last long into the 1940s. An Iron Curtain began to divide the nations of Europe and a new and dangerous confrontation began: the Cold War. These were the days of the blockade of Berlin in 1948, followed in 1950 by the outbreak of War in Korea.

The eventful year of 1948 saw another two events of far-reaching consequence: In Eastern Europe the Yugoslavia of Josip Broz TITO defied STALIN and left the Communist Block. Thus started the movement of polycentrism within world communism.

After the General Assembly of the United Nations had decided on the partition of Palestine, the independent State of Israel was founded in May, 1948.

A first turn in the Cold War became visible after the death of Stalin in 1953. The new Soviet leadership made efforts to show its willingness to come to a better understanding with the powers of the West, principally the United States. This new mood in the Kremlin was also an undisputable success of the policy of containment derived by George Kennan.

The conclusion of the Austrian State Treaty in the spring of 1955 was the first major agreement between the East and the West and was considered by many as the beginning of the end of the Cold War and a clear sign of a new era of détente in Europe. Austria contributed to this new policy by declaring freely that she would in future pursue a foreign policy similar to that of neighboring Switzerland, a policy of permanent neutrality.

Year 1955 was not only the year in which the Cold War came to an end. 1955 also marks the origin of a new and powerful movement in world history. While in Vienna, John Foster Dulles of the United States, Harold Macmillan of Great Britain, Antoine Pinay of France and Vjaldeslav Molotov of the USSR signed the Austrian State Treaty in the Belvedere Castle, leaders from Africa and Asia converged on a small mountain resort in Indonesia. For the first time they wished to demonstrate a new kind of solidarity, the solidarity of the new nations and to proclaim their relentless hostility to the old system of imperialism and colonialism.

The revolution that began in Bandung has since found many names: it is known as the movement of non-aligned nations in the political field or the group of the "77" in the economic field, but it indicates the creation of new centers of power in parts of the world which had long been considered a mere periphery.

Only a few years after Bandung great movements for national independence succeeded in Africa, in Asia, in the Caribbean and in the Pacific. While at Bandung (1955) most of Africa was still under colonial rule, Ghana became the first nation to win independence in 1957, followed by Guinea in 1958 and a large number of French speaking countries in 1960.

And, finally, this brief survey of world history in the last 30 years would not be complete without two other seismic events which have profoundly shaken the post-war era: The wars in the Middle East and the wars of Indochina, both of which tested the international community to the limits of its endurance.

Today, therefore, the comparatively simple patterns of world politics which 50 confident partners found when starting out in 1945 have changed beyond recognition.

There are large and sometimes confusing patterns of power and countervailing power with no easy interpretation. Today, in a world of more than 150 sovereign nations, no single power can claim individually or in union with others to be the dominating force in the world.

It is clearly a measure of the success of the United Nations to have survived these years of crises and turmoil. Whereas the effective life of its predecessor, the Geneva League of Nations, was barely 20 years, it has reached its 30th year as a strong organization showing unmistakable signs of vitality.

One such sign of vitality is the fact that the United Nations has become the first truly universal organization in world history. 30 years after its creation it includes not only all the major powers of today but also nearly every sovereign nation in the world which has expressed willingness to acquire membership and to accept the obligations of the Charter. Countries which have remained outside have either encountered constitutional difficulties in joining the United Nations, such as the last European country outside the United Nations (Switzerland), or are still marked by post-world-war era divisions such as is the case of the two Vietnams, the two Koreas and Taiwan.

A small group of sovereign countries have remained outside because of their tiny size, such as a few European principalities and a few island states in the Pacific. But it remains true on the other hand that so far no country has of its own will left the organization. Also, the principle of universality has been upheld against efforts to punish certain member countries by measures of expulsion or suspension. Certainly, in a controversial decision last year, the General Assembly decided to suspend South Africa—whose racial policies are repulsive to a vast majority of members—from participation in the 29th Assembly. This decision, however, has not affected all the other rights South Africa holds as a member.

There is no doubt, therefore, that South Africa, if she so decides, could send a delegation to the 30th Assembly of the United Nations. If South Africa has so far not chosen to do so the decision is made by the Government of South Africa and not by the United Nations or a majority of its members.

But many of these achievements can be regarded as self-evident and of little merit. Let us discuss, therefore, some of the unmistakable successes the organization can credit for itself over the past 30 years. And no less an authority than the Secretary of State of the United States, Henry Kissinger, speaking before the Institute of World Affairs of the University of Wisconsin in Milwaukee on the 14th of July of this year, has said and I quote, "30 years after the founding of the United Nations its achievements have been substantial and its promises great". This favorable judgment of the Secretary of State corresponds to opinions expressed during the series of hearings before the Committee on Foreign Relations of the United States Senate in May and June of this year when many eminent political figures testified. They included Harold E. Stassen, a member of the United States Delegation to the United Nations Conference on International Organizations in San Francisco and a former Governor of your state, and prominent former United States Ambassador to the United Nations, such as Henry Cabot Lodge, Arthur Goldberg and Charles Yost. Governor Stassen, together with Senators Tom Connally and Arthur Vandenberg, signed the Charter and is now the only survivor. He said and I quote, "The United Nations organization as now established is inadequate but it nevertheless represents humanity's best hope for future world peace with the many far-reaching events of the past three decades. It is probable that if there had not been any United Nations organization there would have been a catastrophic Third World War before this state". And Governor Stassen is right: Indeed the most important input by far into the world system has been made by the United Nations in the area of peace.

Testifying before the United States Senate, Ambassador Henry Cabot Lodge mentioned amongst important contributions the United Nations has made in this respect some of the following:

Withdrawal of Soviet troops from Iran in 1947;

Resisting aggression in Korea in 1950;

The cease-fires and withdrawals in the Middle East in 1949, 1956, 1967 and again in 1973;

Cease-fires or truces in Indonesia in 1949, Kashmir in 1966 and 1965 in Cyprus;

Ending outside interference in Lebanon's internal affairs in 1958;

Preventing the Congo becoming a cause of confrontation between the great powers in the 1960's.

Ladies and Gentlemen, although it would be difficult to claim that the "Thirty Year's Peace" which has followed the end of the Second World War can be attributed exclusively to action by the United Nations, the organization has made a number of highly significant contributions to the maintenance of peace in various parts of the world.

While the United Nations is certainly far from being the center of a system of collective security and while the political and constitutional laws by which its member states are governed would make them powerless in the case of confrontation between the major powers, it has played a decisive role in a great number of conflicts which—although involving small or medium powers alone—held the potential for spilling over into wider areas.

Furthermore, in performing its role for peace-keeping the United Nations has developed a great number of innovative new techniques such as the new institutions of "peace-keeping forces," "peace observers" and similar international devices which showed high effectiveness.

Apart from its successful and ongoing role in peace-keeping—of which most recent cases are to be found in Cyprus and the Middle East—the United Nations has developed techniques in crisis management which often helped to avoid armed or political conflicts between nations.

It is also true to say that the organization has performed its task with a remarkable degree of economy: For all its peacekeeping activities in the past 30 years the United Nations has spent only a little less than $1 billion.

Thus, the first UNEF peace-keeping force in the Sinai, which provided peace and disengagement between Israel and Egypt for more than 10 years, cost only $219 million to maintain.

Peace-keeping operations in the Congo cost a mere $400 million.

UNEF II and UNDOF have so far been run at a cost of less than $100 million. And, finally United Nations peace-keeping operations in Cyprus, which have time and again helped to avoid fratricidal war between the ethnic communities of the island, have cost a little less than $160 million.

The last figure especially compares favorably with the cost of modern armaments. If we can believe the *Wall Street Journal*, the cost of a single heavyweight F-15 fighter is in the area of $14.4 million. Thus, 10 years presence of the United Nations peace-keeping force on the island is less expensive than the cost of 12 fighters of this type. (If I do not quote the cost of a modern Soviet MIG-fighter, say a MIG-23 or 25, it is not because of any anti-American bias but rather because of the discreetness of our Soviet friends on the cost of their weapon arsenals.)

It can thus be said that in a certain and still recurrent type of conflict outside the area of direct superpower confrontation the United Nations continues to perform an indispensable role which no other institution could perform.

Whereas so far the United Nations has been most successful in the area of political and military peace-keeping, a new type of this activity could rapidly become necessary:

To an increasing degree conflicts between nations are being fostered by economic reasons. Thus the United Nations could be encouraged to develop new models of economic peace-keeping between nations in order to eliminate some of the most serious reasons for friction between nations in recent times.

In the post war world the organization has assumed a growing stature as one of the main agents in the process of international economic and social development.

It is a fact, not always fully appreciated, that today the main thrust of the work of the organization and the majority of the specialized agencies (within the UN system) is directed at peaceful economic and social change.

The impact of the UN system on the process of development is a two fold one.

In the first place the United Nations and its specialized agencies, have become one of the most important sources of technical assistance to developing countries. They are the focal point of multilateral aid in all its forms which, for a great variety of reasons, most of all their higher degree of liberty from political ties, is often preferred by recipient countries.

Although it is difficult to assess the contributions of UN aid to the development of the Third World in material terms, it can certainly be said that it furnishes an indispensable component to the overall aid effort.

The second main contribution of the UN system to development, however, whose importance might well surpass the first one, lies in the fields of ideas and standards.

The original ideas for development aid came from enlightened statesmen of the post war era, such as President Truman's Point 4 Program. Today the United Nations has assumed the guiding role in providing concepts for the economic and social advancement of poor nations.

The United Nations has thus provided direction for a process whose dynamics has shown a growing impact on world politics: no other organization would have been able to provide the international community with a set of rules and directives, based on consensus and near consensus of a vast majority of developed and developing countries, designed to channel a world effort towards one specific goal. If, as Pope Paul VI once remarked, development is indeed a new world for peace, the UN has undoubtedly assumed a capital role in this process.

In his opening address to the 7th Special Session of the General Assembly, the Secretary-General remarked that the United Nations has "since its inception been intimately involved in the development process. A mere glance across these 30 years of the Organization's history provides a clear picture of the great changes that have taken place, of the progress that has been made, of the tremendous and increasingly urgent task that still lies ahead, as well as of the role of the United Nations as a crucible for ideas and a catalyst for progress.

"The history of the United Nations contains numerous efforts the results of which, although disappointing when compared with ultimate objectives, appear in retrospect as having provided the foundation upon which our current efforts can be more solidly built.

"The designation of the 1960s as the First Development Decade, the first UNSTAD in 1964, the adoption of the International Development Strategy for the Second Development Decade, the Declaration and Program of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States represent important stepping stones . . .".

THE WORLD PROBLEMATIQUE

There is, in the modern world, a great variety of issues other than the always present and always pressing problems of political or economic peace, which are of global nature. The highly sophisticated and far advanced group of scientists assembled in the "Club of Rome" has come to call this phenomenon the "world problematique". These are problems troubling men of all nations: poverty in the midst of plenty; degradation of the environment; loss of faith in institutions; uncontrolled urban spread; insecurity of employment; alienation of youth; rejection of traditional values; and inflation and other monetary and economic disruptions." They have characteristics in common such as that "they occur to some degree in all societies; they contain technical, social, economic, and political elements; and, most important of all, they interact."

Out of this "world problematique" comes, again in the words of the "Club of Rome", a "global challenge" that will, hopefully, "lead thoughtful men and women in all fields of endeavour to consider the need for concerted action now if we are to preserve the habitability of this planet for ourselves and our children."

It is in the face of such a world problematique that a world organization as the United Nations becomes indispensable.

In this respect, as Carl Friedrich von Weizsaecker, a leading voice for peace, has recently pointed out: "Some central world political organization, a world government, however federative and limited in its rights, seems to be absolutely essential. Every plan that seeks to make do without it seems to be unrealistic and wishful thinking. The most important short-term step towards such an organization is to create worldwide awareness of its necessity.

As, however, there is not the slightest chance, in the short-term, of realizing this world organization, a short-term and medium-term change in the structure of society and awareness is necessary.

"As such, the United Nations will have to perform the functions of a more comprehensive, more authoritative, more effective world organization to deal with problems of peace and the world problematique, but also to begin to orient men and women of good will to a new world consciousness."

Ladies and Gentlemen, to speak of the achievements of the United Nations without looking also at critical voices leveled at its performance over the past thirty years might be unfair.

The Charter of the United Nations has now served for a generation as the political constitution of mankind but one has only to glance through the Preamble to the Charter to be startled by the gap between promise and performance, between the hopes and pledges of 1945 as of 1919 and the frustrations of 1975. We have not yet made a reality of our determination to "save succeeding generations from the scourge of war", to "unite our strength to maintain international peace and security" and to "practice tolerance and live together in peace with one another as good neighbors," and have achieved only qualified success in our endeavors to "reaffirm faith in fundamental human rights and in the dignity and worth of the human person," to "establish conditions under which justice and respect for the obligations of treaties and other sources of international law can be maintained," and to promote "social progress and better conditions of life in larger freedom." With these fundamentals still precarious, we cannot rest content with lesser achievements.

In 1951, 43 percent of the American people, according to the Gallup poll, were satisfied with the progress of the United Nations. In 1959, the Gallup poll showed that an alltime high of 87 percent thought the United Nations was doing a good job. But in 1971 this had fallen to a low of 35 percent.

In 1973 a poll indicated that only 34 percent of the American people thought the United Nations was doing an effective job.

A recent poll of the new 94th Congress by the United Nations Association shows that only 15 percent of our Congressmen thought that the United Nations was helpful to our international relations.

This critical attitude of people in the world's biggest and most powerful country is a deadly serious threat to the United Nations—and to our hope for peace.

A great deal of the criticism voiced against the United Nations seems to result from the nature of the debates to be heard at Turtle Bay, the contents of which, of course, are not always wholly complimentary, especially to powerful nations.

Senator Kennedy, in a recent address at the United Nations, has addressed himself to this question and I should like to quote him: "There are some who are offended by loud demands; who prefer that the United Nations place decorum and civility above honest debate and a clear expression of national views; who prefer a counter-offensive in style without meeting the needs of substance.

"I do not agree with that view. I believe that the world's developing countries are right in using the United Nations to express their interests and demands. This is consistent with the highest purpose which delegates sought to achieve when they gathered in San Francisco to create a United Nations just three decades ago.

"For it is only in the clash of ideas, in full and free debate, that nations assembled in this great institution can begin to understand one another—can begin to work together on shaping their common destiny. This need not be a threat to the U.N. system; nor a tyranny of the majority—provided we use the U.N. system as the Charter provides, as an instrument 'to harmonize the actions of nations' . . . provided that we not only air differences, but also seek agreed solutions in common. For rhetoric, however valuable, is no substitute for hard thought and concrete action—action that respects the standards of justice and equality that have been the hallmark of this institution.

"Most important, the United Nations gives us a chance—our only chance—for rich and poor to meet together in a common forum."

And indeed, the recently concluded successful 7th Special Session of the United Nations has justified the optimism expressed by Senator Kennedy in a candid dialogue of a rich and poor country. This had even to be acknowledged by an authority as severely minded against the United Nations as the Wall Street Journal, which wrote in its September 18th edition that there was now "a bit more realism" at the United Nations. This achievement by the United Nations was described by the Wall Street Journal as follows: "For 16 days of a special session, the 138 member countries have discussed the most basic issues dividing the world today. They did it with a minimum of name-calling, no walkouts and virtually no ideological diatribes. What's more, they came up with a consensus resolution that, if implemented, might even accomplish something by laying guidelines for more fundamental changes in the world's economic structure than probably even the weary delegates themselves realize.

"The nonaligned countries chose, instead, to recognize that only 5% of their trade is with the Communist block while 75% of their business is done with the free market countries. They approached the special session much more like serious labor leaders out to bargain a better deal for their people than as revolutionaries bent on destroying the old order.

"The industrial powers, made up of the nine-member European Common Market countries, the United States and Japan, showed up equally determined to begin seeking solutions to the legitimate grievances of the developing nations. The result was a session carried on in an atmosphere of harmony that even a month ago hardly seemed possible."

There is, of course, a danger that votes as they occurred at the end of last week might destruct the new spirit of optimism and cooperation which is rebounded in the organization. But I believe that this is only a temporary phenomenon with which the good will of all can be overcome.

But it would certainly be wrong to infer from this or other votes a basic hostility of the organization against anyone of its members, including Israel. No one else than Golda Meir speaking as Prime Minister of Israel has recognized this when speaking in a debate of the United Nations in 1970:

"The United Nations will always be linked in the mind of our people with its role in the emergence of Israel. Israel cannot forget that the Organization put the seal of international recognition upon its historical process of return, in-gathering, liberation and development."

There has also been some disenchantment with voting procedures at the United Nations, but as Harland Cleveland, an Assistant Secretary of State and the United States Ambassador to NATO in the Kennedy and Johnson administrations and now a Director of the Aspen Institute's Program of International Affairs at Princeton, reminded us in a recent article in the New York Times:

"The Americans and other Westerners who wrote the United Nations Charter were programmed by Magna Charta, Montesquieu, Jefferson, the United States Constitution and General Robert's Rules of Order.

Majority rule and parliamentary procedure were their narrow, procedure-oriented definition of democracy; the carry-over from one-man-one-vote to one-nation-one-vote was a natural. In setting up the World Bank and the International Monetary Fund as affiliated United Nations agencies, the affluent voters weighted the voting according to affluence; even Jefferson limited the application of his philosophy when it came to money matters. In the Security Council they reserved the right of veto, blaming it on the Russians. But in the General Assembly and the specialized and functional agencies that radiate from it, they nailed down the principle of the juridical equality of nations. The number of juridically equal units in the world has tripled since then."

And David Holden writing in a recent issue of the Sunday Times had this to say:

"The United Nations, like any other democratic organization, is bound to be manipulated, filibustered and abused as well as used—but unlike most other democratic organizations, the big battalions in it still enjoy the protective privilege of being more equal than others.

"The Security Council still controls most of what really happens and the Big Five (US, UK, USSR, France and China) with their vetoes still have a final check at the heart of things. What has changed with the years, largely in response to the United Nations' own founding principles, is that there are simply more of the small fry. In 1945 there were only 51 members, dominated by white and Western countries. Now, there are 135, mostly black, brown, olive and yellow and they are understandably eager to call more of the tune.

"For democrats—especially those who preach democracy to the non-democratic states of the Third World—it is hard to argue that there is anything wrong with this in principle, unless it be that the Security Council should be disbanded and the veto abolished. Just as individual democratic governments have to learn to cope with new power groups in their own communities, including trade unions and employers, so the United Nations is bound to be confronted by demands from the new global power blocs that have emerged from the process of self-determination. The task of diplomacy, as of politics, is to reconcile or overcome these challenges, this side of violence, if possible."

When Olof Palme, Prime Minister of Sweden, was speaking at the Commemorative Session of the General Assembly in October 1970 to mark the occasion of the 25th Anniversary of the United Nations, he said that the great task of the United Nations was "to transform fear into a constructive partnership of international co-operation and solidarity."

President Kenneth Kaunda of Zambia, one of the great architects of peace and détente among peoples, reminded us recently that "the absence of war does not necessarily mean peace. Peace as you know, dear brothers and sisters, is something much deeper, much deeper than that."

The United Nations has understood that the principle of peace is not equivalent to status quo, that it must embrace procedures for peaceful change whether by special commissions or mediators or through the expanded role of the Secretary-General within his broad responsibilities. Its greatest successes have been achieved when it has made itself an agent of peaceful change, when it helped to realize the aspirations of men and women all over the world.

The United Nations has failed where it has been held responsible for maintaining status quo, when it hurt itself against the frustrations and sufferings of great majorities.

Many lessons can be drawn from the first 30 years of the United Nations.

One lesson is that it is possible to realize a universal world organization encompassing all peoples and nations and thus providing the unique meeting point in history that is today the United Nations.

The other lesson is that from such a meeting point immense benefits can be drawn for all concerned, for nations large and small, the most precious benefit being, of course, peace.

THE POSTAL SERVICE

Mr. McGEE. Mr. President, the Postal Service—working to fulfill its statutory obligation to provide prompt, reliable, and efficient services to patrons in all areas of the Nation—is struggling under an inflationary financial burden which threatens its existence.

As chairman of the Post Office and Civil Service Committee, I have closely watched the progress of the new Postal Service since its inception in 1971—hopeful that the grand design of the Reorganization Act would be successful. Unfortunately, there has been no fair and true test of the Postal Service as a newly independent Federal agency; no fair test of the proposition that, given time and good management, the Postal Service could achieve self-sufficiency. For inflation has intervened, inflation in such dimensions that it could not have been anticipated in 1969 and 1970 when the Reorganization Act was drafted, considered, and enacted. It has wrecked all estimates of what could reasonably have been expected and has virtually wiped out whatever Postal Service management could do to bring revenues and expenditures into consonance.

Thus, today we find that financial self-sufficiency for the Postal Service must remain a goal for the future—the somewhat remote future, for the service has accumulated formidable deficits which must be overcome before progress toward the break-even point can be resumed.

The Postal Service reports to me that inflation has struck with greatest impact in three areas: the costs of labor and energy and the length of time required by the Postal Rate Commission to recommend increased rates. Whatever the cause, these deficits must be dealt with if the Postal Service is to remain a viable entity. Through fiscal year 1975, the Postal Service deficit, beginning in fiscal year 1972, totaled $1.6 billion. The loss for fiscal year 1976 is estimated at $1.4 billion. Thus at the end of the current fiscal year, the total Postal Service deficit is expected to amount to $3 billion.

It is clear that a way must be found to augment the funds that now constitute postal revenues. Three avenues are clearly open.

We can arrange for more frequent postal rate increases.

We can allow the Postmaster General to make drastic cuts in service.

Or we can increase the appropriation authorized by law to compensate the Postal Service for operating an enterprise parts of which, by their nature, can never be self-sustaining.

It may be helpful, I think, to examine each of these alternatives. First, rate increases.

The first-class rate has been increased approximately 63 percent since postal reorganization: in 1971 from 6 to 8 cents; in 1974, from 8 to 10 cents; and, in 1975, from 10 to 13 cents.

We all know that a postage increase is unpopular, no matter how needed it may be, no matter how steeply other prices may be rising. But over the long term—and this is more serious—such increases erode the financial structure of the Postal Service by causing decreases in volume. The Postmaster General has noted with some dismay recent volume losses. The rate of volume increase for first class rose at a diminishing rate until 1974. Volume fell in 1975. Airmail dropped 15 percent in 1975, and total mail volume decline reached almost 1 percent in 1975.

This means that mailers are seeking and finding other means of communication. Managers of some of the major national magazines have made no secret of the fact that they are exploring alternative means of delivery; and the development of new technology presages the day when bank checks and other messages may be transmitted electronically. Postal rates will surely increase over the years, but it behooves postal management to make sure that increases occur as infrequently as possible lest the USPS price itself out of the market.

The conclusion is clear: Postal rate increases cannot, in themselves, resolve the problem of today's postal deficit.

Second, let us consider decreasing service levels. History attests that this recourse can be disastrous. In 1972, the Postal Service embarked upon an unusual program to reduce its operating costs by cutting service. The result was something resembling chaos. Citizens' complaints poured at an unprecedented rate into congressional offices. Businessmen complained of lost documents and agreements wrecked by late deliveries. More than 3,000 sacks of mail were laid by, unworked, in West Virginia. Trainloads of massed immobile mail were reported in Philadelphia. And mail trucks were said to be jammed up and unworkable in the New York truck terminal. Christmas mail delivery in 1972 was a fiasco.

The Senate passed a resolution authorizing the Post Office and Civil Service Committee to hold hearings and to conduct an investigation to determine why service was so poor. In March of 1973, the Postmaster General, perhaps acknowledging that service cuts had been too deep and their results too calamitous, testified at hearing that—

> We were so hellbent on costs that we did not pay enough attention perhaps to service . . . We made some damn bad mistakes.

Thus, the cost-cutting steps taken were discontinued and good service was restored.

When you consider that labor costs constitute 86 percent of postal expenditures and when you weigh the magnitude of the current deficit, it is easy to see why reducing the number of manhours worked is a logical way to cut expenditures. Consequently, the Postmaster General's recently announced decision to close some small post offices if service can be provided by other less costly means and to consider reducing the number of delivery days comes as no surprise. He is aware, I am confident, that if the cuts he makes are too sharp and too deep, he will face again the kind of aroused and vigorous protest both within the Congress and elsewhere that the Postal Service encountered early in 1973.

To me, the conclusion is clear that the service reductions contemplated by the Postmaster General will not nearly offset the deficits he faces; and that more substantial service cuts will not be tolerated.

Our third option is to increase the public-service allowance authorized under the Postal Reorganization Act. This is the option that I urge you to consider seriously. Accordingly, I invite Members' attention to S. 2844, my bill now pending before the Post Office and Civil Service Committee which would authorize an increase in the public-service allowance to the Postal Service for fiscal years 1977, 1978, and 1979. The bill authorizes an appropriation, for each of those years, of an amount which does not exceed 10 percent of the total estimated operating expenses for the appropriate fiscal year.

The estimated expenses of the Postal Service for fiscal year 1977 amount to $15 billion. Thus, for the first year, the bill authorizes an allowance to the Postal Service of an amount not to exceed $1.5 billion. The allowances for 1978 and 1979 presumably will be somewhat higher.

Mr. President, the amounts authorized to be appropriated by S. 2844 are in addition to the public-service allowance authorized by the Postal Reorganization Act. Many Members will recall that in 1970 the Congress believed the new Postal Service should be reimbursed for operating an enterprise which, by its nature, cannot be managed as though profit were its reason for existing. The law characterizes the present public-service allowance as reimbursement for public-service costs incurred by the Postal Service in providing a maximum degree of effective and regular service nationwide, in communities where post offices may not be deemed self-sustaining. In other words, the Postal Service is compensated for being what it is—a nationwide institution, serving all the people, maintaining facilities even when a profit-motivated organization would lop them off.

In drafting the Postal Reorganization Act in 1969 and 1970, we struggled to arrive at a suitable figure to defray what is, in some of its aspects, an imponderable cost. In the end, a compromise was reached. Postal Service representatives wanted no public-service allowance at all. Then Postmaster General Blount's confidence in the new system's ability to break even without congressional support appeared boundless. Many Members of Congress, fearful that service would deteriorate without tangible evidence of congressional insistence upon the maintenance of a nationwide postal organization serving all the people, favored a substantial subsidy.

The compromise provided that, for public service costs, there would be appropriated from 1972 and 1979, 10 percent of operating costs for fiscal year 1971. After 1979, the percentage amount diminishes. Thus the current public-service allowance is $920 million, 10 percent of the 1971 budget.

In my view, the amounts authorized by S. 2844 should be regarded as emergency additions to the annual $920 million now authorized—emergency because, without an infusion of new funds in substantial amounts, I fear the Postal Service may not survive financially beyond the fall of this year. That is the primary concern. Further, I believe we must find a way to reduce the frequency of rate increases. We cannot tolerate a 63 percent increase in first-class rates over a period of 4 years.

Yet, vital though the proposed new authorizations are, their approval by the Congress will still leave unresolved the question of what amount constitutes a fair and equitable public service allowance to the Postal Service. The Postal Policy Act of 1958 attempted to identify the public service functions, but the provisions of that act, 18 years later, provide little guidance for those deliberating the question today. The 1970 act prescribes a compromise which in no way takes into account the realities that have intruded themselves since 1970.

Accordingly, S. 2844 provides for the establishment of a Commission on Postal Service, studying the public service functions of the Postal Service, assessing costs, and making reasonable estimates. The Commission would report the results of its study to the Congress after 2 years' time. With these findings serving as a guideline, the Congress would then be able to enact a measure which would go a long way toward deciding the yet unanswered question of the extent to which tax money should provide institutional support to the Postal Service.

Mr. President, I believe it imperative that any major Postal Service legislation should carry a clear signal to the Postal

Service that the Congress strongly opposes erosions in the quality of service. A current Postal Service regulation, of which I strongly disapprove, prohibits door-to-door delivery in new residential subdivisions and in mobile home settlements. The options available for residents of these homes are curbline or clusterbox delivery. In the case of some mobile homes, only one delivery is made to a central point; individual delivery is made, not by a Postal Service employee, but by a resident. No one has explained satisfactorily to me why those living in new residences and mobile homes should be discriminated against in this way—a discrimination which will continue and grow as the Nation expands in population.

S. 2844 requires door or curbline delivery to all permanent residential addresses, new or otherwise, and it specifically requires door delivery if local zoning ordinances prohibit boxes along the curb. Cluster boxes may be used only when approved by the local jurisdiction.

Mr. President, accountability by the Postal Service to the Congress was undeniably diminished by the Postal Reorganization Act. It is my view that some of that accountability must be restored, that Congress must under law, be kept fully apprised of what the Postal Service is doing to assure that the policies governing the operation of the Postal Service are being complied with. S. 2844 requires a comprehensive and affirmative statement of plans, policies, procedures, and financial status by the Postal Service to the Congress when the appropriations authorized by this measure are requested.

Following are other major provisions of S. 2844:

It provides that parcel post rates may not be reduced by more than 10 percent than the rates would have been if public service funds were not appropriated.

It requires the Postal Rate Commission to issue a recommended decision 10 months after the submission of a rate request by the Postal Service.

It changes the appointment procedure for the Postal Rate Commissioners from direct Presidential appointment to Presidential nomination with Senate confirmation.

Mr. President, the amounts authorized by this bill, I realize, are substantial ones. Yet it is my firm conviction that without this financial aid the Postal Service as we know it will cease to exist; without it, the Postal Service is headed toward fragmentation or dissolution. Obstacles in the path of remedying this condition are formidable. For example, the attitude in the executive branch toward the problems of the Postal Service is not a friendly one. Indeed, it is almost hostile. The President's budget message, for example, conveys this assessment of postal problems:

> The Postal Service continues to face serious difficulties in achieving a balance between its cost and revenues. It will continue to explore ways to control its costs through such steps as closing marginal post offices, reducing overtime, and transferring employees from overstaffed operations to fill vacancies elsewhere.

Well, as we have seen, that just will not work. The savings realized through the means described will amount to a drop in the bucket when the Postal Service needs a full pail.

An insight into the President's view of this pressing national problem is conveyed in this statement to a number of business mailers who recently talked to him about postal problems. The following quotation of the President comes to me from a letter to him written by the chairman of the board of Time, Inc. The President said:

> I just don't accept that they (the postal system) are doing as well as they should be doing. We have to prod them, just like we are prodding New York City, to improve their efficiency productivity . . . if we don't keep the pressure on them . . . you know how things operate in government . . . that's one of the basic problems in New York City. No one really put the screws on them until this year and now they are faced with reality. I think the post office department—management and labor—has to face up to that reality—here as well as in New York.

This statement bears out our understanding that the President and, through him, the Office of Management and Budget, strongly oppose any financial aid for the Postal Service. The current budget allows not one penny of additional funding for the Postal Service. Indeed, certain revenue foregone appropriations for the Postal Service authorized by law are not even requested. If the quotation of the President is an accurate one, I regret the general view it expresses that somehow, if the Postal Service will just buckle down, it can overcome its disastrous fiscal problems. It seems clear to me that the Postmaster General has done all he can. He has no options left. His only recourse is to the Congress.

Finally, let me apprise the Senate of ominous signs I see on the horizon. For several months now we have heard rumors that various influential and highly placed members of the Ford administration have advocated repeal of the Private Express Statutes. These are the laws that give the Postal Service a monopoly in the delivery of first-class letter mail. They constitute the very bedrock upon which our universal Postal Service is founded. Without their guarantees, private delivery organizations would compete with the Postal Service in profitable areas, leaving only the unprofitable ones to the national institution. Private firms would "skim the cream," competing under the prod of the profit motive, in cities, leaving long distance delivery and delivery to remote areas to anyone else who would take the unprofitable job. Rates for transcontinental delivery and rural delivery would be astronomical. The national postal institution would founder and die.

Now the push to repeal the Private Express Statutes emerges. We find the Council on Wage and Price Stability, a part of the Executive Office of the President, urging the Postal Rate Commission to consider recommending that Congress abolish the Private Express Statutes.

It is my strong hope that the Postal Rate Commission will do no such thing. Certainly, I would oppose consideration of such a recommendation which, if adopted, would destroy the Postal Service and prevent it from complying with the mandate of Congress which obliges it "to bind the Nation together through the personal, educational, literary, and business correspondence of the people."

Yet, with the Postal Service in disarray, such attacks upon it will continue. We can, I believe, go a long way, through the enactment of this bill, toward restoring the Postal Service's financial health. Hearings are underway and progress is being made. I urge your serious and affirmative consideration of S. 2844.

THE CONCORDE

Mr. GOLDWATER. Mr. President, in the January 19 issue of Aviation Week & Space Technology, Mr. Robert Hotz has written very succinctly on the whole subject of the Concorde. I have often felt that one of the real steps backwards that this Congress has taken was when we failed to vote funds to support our own SST. Now for the first time in the history of air transportation we are looking at something made in foreign countries that we do not have in this country, and yet we were the very first people to penetrate the speed of sound. As I have indicated in my testimony which I have just put in the Record, we have had hundreds of thousands, probably well over a million supersonic flights over the United States without changing the atmosphere, without causing any problems or even causing any undue consternation to people who live near airports. Mr. Holtz's editorial should be read by members of this body and by others who read the Congressional Record, so I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Concorde Deserves Its Chance

Never in the history of aviation has such a mass of political vituperation, mass hysteria and technical baloney engulfed a new aircraft as that which has surrounded the Anglo-French Concorde supersonic transport and its proposed operations to U.S. port of entry airports. Transportation Secretary William Coleman's attempt to provide a judicial atmosphere for his forthcoming decision on this matter did little to dispel the gaseous vapors of the anti-Concorde hysteria nor did it add any new technical facts.

Opposition to allowing the Concorde to operate six flights a day into U.S. peripheral airports is based on three factors, none of which is supported by any factual evidence and in fact fly directly in the face of all available evidence.

These are:

POLLUTION

For several years there has been a group of laboratory scientists, politicians and environmental extremists who have promoted the theory (demonstrated in controlled laboratory experiments) that additions of nitrous oxide can reduce the ozone content of the atmosphere. The laboratory demonstrations were then extrapolated to the stratosphere where the dilution of the ozone layer would allow increased ultraviolet radiation to penetrate to inhabitants of the earth's surface, stimulating an epidemic of skin cancer. The "Concorde causes cancer" war cry has been the most hysterical and flagrantly false premise of the anti-Concorde mob. The fact that natural pollution from volcanoes has poured large, concentrated quantities of nitrous oxides into the stratosphere for thousands of years, with no measurable diminution of the ozone layer or increase in skin cancer, is completely ignored by the Concorde opposition. Nor does the fact that supersonic aircraft have been emitting nitrous oxides into the stratosphere for at least 20 years without any measurable effects blunt their hysteria. Nor does the fact that all the meticulous measurements of the stratosphere made since the question was first raised show no changes suggest to them that there is a dynamic purging process that keeps the stratospheric layer functioning properly. The most recent scientific body to confirm this fact is the World Meteorological Organization (AW&ST Jan. 12, p. 15).

The idea that 16 supersonic Concordes plying the stratospheric airways of the world will upset the ecological balance of this planet is so preposterous it does not merit consideration in the U.S. Concorde decision.

NOISE

The current-generation Concorde is a noisy aircraft, as are all of the transports now flying with engines of that vintage technology. But all the contrived mumbo jumbo of perceived noise decibels, so garbled in translation that it connotes Concorde producing noise "beyond the threshold of pain," as one ancient Anglican clergyman bleated to Secretary Coleman, is demonstrably false. The Concorde has operated out of 10 U.S. airports for a total of 35 landings and takeoffs and has proved to be indistinguishable from current airport noise levels. Nor was there a single serious complaint about its noise in the areas from which it operated. The Concorde noise issue, like the environmental issue, is provably false.

FUEL CONSUMPTION

This is another irrelevant issue. The fuel consumed by the Concorde is the property of British and French airline operators. Barring Concorde will divert no fuel into U.S. stocks, nor will it stop the British and French airlines from operating to other continents. The only valid measure of fuel economy is whether Concorde will produce revenues in excess of its operating costs. It is also extremely hypocritical to demand fuel conservation from British and French airlines when neither the U.S. government nor its citizens will support any domestic program of fuel conservation.

The fuel economy issue, like all the others involved in Concorde operations, will be resolved soon enough by actual operations of the supersonic transport in airline service. Concorde faces many problems before its future as a commercial airliner can be determined. Much of the responsibility for its current political operational predicament can be laid to its developers and their governments, whose excruciatingly slow development cycle has delayed the Concorde's operational debut by about five years, This projected it into a financial climate and political atmosphere that dampened earlier enthusiasm.

There are many valid questions about supersonic airline operations that need to be answered. They can only be answered by the practical experience of Concorde in regular airline service, as opposed to the intricately constructed, techno-political theories now being hypothesized. There is no question that Concorde is a thoroughly proved aircraft, as safe as any that has ever been introduced into airline service. It meets all of the U.S. technical and safety standards. There is no valid reason to bar it from U.S. peripheral airports on the basis of vague and hypothetical environmental theories.

Concorde deserves its chance to rise or fall on its operational record, not on the hysterical keenings of Anglican clerics and New York politicians.

ROY WILKINS TO RETIRE

Mr. MONDALE. Mr. President, in the crusade for racial justice in this country there have been many champions. I would like to recognize at this time one of the giants in this crusade—Mr. Roy Wilkins—for his remarkable contributions to the cause of civil rights.

For the last 21 years, Mr. Wilkins has served as executive secretary of the National Association for the Advancement of Colored People, the Nation's largest civil rights organization. Under his leadership the organization nearly doubled its membership and has extended its chapters into every section of the country. The NAACP has touched and influenced the life of nearly every young leader in the black American community today. Mr. Wilkins himself became active in the black community as a young man. After a childhood in St. Paul and graduating from the University of Minnesota, he became managing editor of a black newspaper where his racial awareness was raised and sharpened by his many experiences with injustice and intolerance toward the black community. These experiences led him to join the NAACP where he worked himself into the position of executive secretary in 1955.

Under his leadership the NAACP proved itself a bulwark to the black movement in some turbulent years in American history. After the historic 1954 Supreme Court school desegregation decision, NAACP lawyers pressed forward with cases and legislation at every opportunity including the difficult 1960's.

Through his patience, tolerance, and quiet perseverance Mr. Wilkins has demonstrated a faith in the American system, through which he has worked to move toward freedom and equality for all people. His is a faith which some do not share.

Mr. Wilkins has announced his retirement from the NAACP at the end of this year. He steps down to make way for a younger leader. All Americans have benefited and live in a better country because of his careful work and his devotion to civil rights.

As we approach our Bicentennial Year we must work to assure that everyone's faith is restored in the American system—that the goals of the NAACP will be attained—for the business of democracy is not yet finished.

Mr. President, I ask unanimous consent that an editorial entitled "Roy Wilkins to Retire" appearing in the St. Paul Pioneer Press on January 15, 1976 which pays a deserved tribute to this remarkable man, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Paul (Minn.) Pioneer Press, Jan. 15, 1976]

ROY WILKINS TO RETIRE

Roy Wilkins, for 21 years executive secretary of the National Association for the Advancement of Colored People, has announced he will step down at the end of this year.

He has directed this largest of the nation's civil rights organizations through momentous and turbulent times, times of enormous progress and brimming optimism, but times as well of disappointed hopes and "subtle and overt resistance" to change.

Through it all, Roy Wilkins has been unfailing in patience, dignity and faith in the essential goodness of men and women of all races. He is a quiet man. Some have said he has been too quiet, too tolerant of others' prejudices, too much an evolutionist and too little a revolutionist. His friends and co-workers, however, know that under the calm, behind the polished manners, is a crusader as dedicated as any among this country's many distinguished champions of racial justice. If he does not have the charisma of a Martin Luther King, he has the equally indispensable characteristics of perseverance, diligence and administrative ability.

Roy Wilkins was born in St. Louis, but he was raised in St. Paul and educated at the University of Minnesota. It was in Kansas City, however, where he was managing editor of a Negro newspaper, that his racial awareness was raised and sharpened by the intolerances and humiliations he experienced and saw visited upon the black population.

He joined the NAACP staff in 1932, and in 1955 succeeded Walter White as executive secretary. Under his direction the organization has nearly doubled in membership and number of chapters.

Successful and honored as he has been, Roy Wilkins will not step down from his post a satisfied man. He has been saddened the last few years by what seems a slowing down, if not in some instances a reversal, of the movement to full equality for blacks.

In 1955, Wilkins and the NAACP were optimistic. By 1963, its literature was saying, all traces of blacks' "second-class citizenship" can be removed and "this unfinished business of democracy" can be finished.

In his latest annual report he takes note of a melancholy trend toward erosion of some of the gains so spectacularly made since he took office.

"Whether black Americans were (in 1975) facing the school desegregation questions, or hiring, job seniority and layoffs, housing, college and university admission practices," he writes, "they confronted the stark specter of official capitulation to both subtle and overt resistance."

The unfinished business of democracy is not yet finished, and will not have been finished when Roy Wilkins steps down as executive secretary of the NAACP. But he has furthered its completion mightily, and all Americans are the better citizens for having been the beneficiaries of his devotion and his work.

PRESIDENT FORD: HAS HE CHANGED?

Mr. GRIFFIN. Mr. President, because I have known him for nearly a quarter-century, reporters sometimes confront me with the question: How has Gerald Ford changed since becoming President?

Such reporters usually are incredulous when I respond that, although Gerald Ford has grown into his job, as a person he has not changed a bit.

Accordingly, I was pleased yesterday to note that Jack Anderson, the syndicated columnist, finds himself in agreement with that assessment. I ask that his column, as it appeared in the January 25 issue of the Washington Post, be printed in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

MR. FORD, BACKSTAGE

(By Jack Anderson)

The experience of ascending the pinnacle of power can change a man.

At the President's beck, civilian and military leaders gather to listen to his counsel. Assistants materialize at the press of a buzzer; military aides attend him; servants cater to his whims. It is enough to turn the head of a saint.

We consulted our backstairs White House sources, therefore, to find out what effect his heady experience has had on Gerald Ford. He is still the same plodding, unpretentious guy.

There is an average-American quality about him, an easiness of manner, an engaging sincerity. He hulks through the White House corridors, full of friendliness, taking a personal interest in the lowliest secretaries and domestics.

In the backrooms, he has an easy, locker-room camaraderie with men, a courteous graciousness toward women. During the social hour, he often mixes drinks for his guests rather than wait for a White House steward to serve them.

Ford's favorite pet is a golden retriever named Liberty. On Christmas Day, 1974, Liberty had an accident on the presidential rug. Stewards rushed to clean up her mess, but Ford waved them away. He got up from his Christmas dinner and cleared the rug himself. "No one should have to clean up after someone else's dog," he said.

White House workers like to take Liberty out for walks, but the President doesn't feel dog-walking is part of their job. When other family members don't walk Liberty, Ford tries to do it himself.

Once, in the middle of the night, the President of the United States, with a massive staff at his call, quietly slipped out of bed, put on a bathrobe and led Liberty outside to answer nature's call.

Ford's worst two days in the White House began on the dark, rainy Friday that his wife went into the hospital for a cancer operation. Out of a sense of duty, the President sat through an economic conference he could have avoided.

He also kept a commitment to speak at the closing session the following morning while his wife underwent surgery. His only concession to his personal feelings was to cut the speech short. Between visits to the hospital, he also kept appointments with important foreign dignitaries.

Our sources remember it was a gloomy, depressing time, with the President scarcely hiding his anxiety. At the end of his most arduous hours, he was escorted to the White House elevator by Richard Keiser, his Secret Service look-alike, and Major Robert Barrett, the military aide. Both men shared the same grim mood.

Still, just before the elevator door shut to take the President upstairs to the living quarters, he interrupted his personal thoughts and spoke quietly to his two escorts. "Thank you, Bob. Thank you, Dick," murmured Gerald Ford.

At the end of a presidential flight, he makes it a point to poke his head into the cockpit and thank his pilots. On a trip back from Detroit, it was raining too heavily at Andrews Air Force base for the President to take the customary helicopter hop to the White House. He headed for the backup limousine for the drive to the White House.

Suddenly, he noticed the helicopter, which had been standing by. He turned abruptly, walked through the rain to the helicopter and thrust his head inside to thank the astonished crew for waiting.

Those who know Ford intimately say he is a most considerate and compassionate person. On a visit to Los Angeles, he stayed in an upper floor of the Century Plaza hotel. During a ride downstairs to a press conference, the elevator began to malfunction, shuttling up and down. The President's aides grew nervous, and the elevator operator was terrified. Ford calmed him down, saying quietly: "Don't worry, it will work. You'll get us there."

When Sen. Ted Kennedy's son went to the hospital for a bone cancer operation, the President placed a private call to Kennedy to inquire about the outcome and to express his personal good wishes.

When Jordan's King Hussein visited the White House on April 29, 1975, Ford invited Sen. George McGovern, D-S-D., to the formal state dinner. McGovern, a pariah to previous White House occupants was deeply moved by Ford's gesture.

During the dinner, the Republican President went to McGovern and told the 1972 Democratic standard bearer: "No matter what, this house belongs to everyone, now more than ever."

During the Greek-Turkish crisis, the President visited Chicago to speak to the Veterans of Foreign Wars. Greek-Americans who disagreed with his foreign policy gathered outside his Chicago hotel to chant their disapproval. Upstairs in the presidential suite, an associate remarked to Ford: "That must really bug you."

"No," replied the President as he watched the protesters, "they're good people. I can understand their feelings. They are my friends."

There is nothing suave or subtle about Gerald Ford—none of those sophisticated mannerisms which Americans are inclined to distrust. One of the first pictures the White House released of him showed the new President working with one foot propped on his desk. Most of his predecessors took themselves much too seriously to permit a picture of such relaxed informality. But Ford has brought a warmth to an office which in less than a decade had gone from the chicness of Camelot to the deviousness of Byzantium.

DIABETES RESEARCH

Mr. McGEE. Mr. President, in the area of diabetes research, the new year has begun with a bang, not a whimper. Two very promising reports on major breakthroughs in the study of diabetes prevention and detection have been published across the Nation last month.

One finding shows that a blood test could serve as an early warning signal of potential diabetes. The other report tells of a link between diabetes and factors of heredity and viral infection. This could lead to immunization of children of diabetic parents.

Mr. President, I ask unanimous consent that two articles, one from the Washington Post and one from the Washington Star, be printed in the RECORD. One is a story by Victor Cohn on the viral link to diabetes and the other a story by Christine Russell on a blood test for potential diabetics.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

EARLY WARNING SYSTEM—TEST MAY DETERMINE POTENTIAL FOR DIABETES

(By Christine Russell)

Researchers at Georgetown University Medical Center have developed a blood test which could serve as an early warning signal of potential diabetes in individuals long before symptoms of the disease show up.

Dr. Melvin Blecher, professor of biochemistry, suggests that the new predictive device could be effectively used in cases in which a strong family history of diabetes exists.

"To predict early on that this man or woman could become a diabetic means that they are alerted to have checkups, watch their diet and avoid obesity in an effort to control the disease if it develops and to prevent serious complications," he said.

Diabetes affects some 10 million Americans at present, according to a report presented to Congress last month by the National Commission on Diabetes. The panel found that diabetes has become the third-ranking cause of death in the United States, with the disease and its complications responsible for more than 300,000 deaths annually.

Although treatment is available, scientists have had difficulty unraveling the causes, let alone cure, for the metabolic disorder in which improper breakdown of sugars in the body results in sugar buildup in the blood.

Normally, sugar metabolism is regulated by the balancing action of two hormones: Insulin seems to lower and glucagon to raise blood sugar levels.

The Georgetown research focused on the adult type of diabetes, in which insulin is produced by the pancreas, but an individual somehow remains "resistant" to it (as opposed to the juvenile variety, where no insulin is produced).

The findings, said Blecher, supported a newly developed theory that "the genetic defect in late-onset diabetes is defective hormone receptor activity on the surface of cells." In other words, even though hormores may be circulating in the blood, they fail to function because they do not properly become attached to target cells.

Blecher and a postdoctoral researcher in his lab, Dr. Steven Goldstein, tested normal individuals, known diabetics and individuals with a family history of diabetes to determine the effectiveness of hormone receptors for insulin and glucagon on their white blood cells.

The 11 normal controls, ages 21 to 28, had normal receptor activity. But five of the six individuals of similar age with a family history but no symptoms of diabetes had greatly diminished receptor activity for both insulin and glucagon. Significantly, said Blecher, their defective receptor activity was present in the same degreee found in nine older known diabetics, in the 41- to 50-year age bracket.

At present, "there is no way to correct that defect. About all we can now offer someone with the predisposition for diabetes is increased awareness," said Blecher. But they can start watching their diet at an earlier age. The national diabetes commission reported that the chance of developing diabetes doubles when an individual gains 20 percent in excess weight.

At the moment, the predictive test is available only in medical school laboratories, but Blecher said it could potentially be set up on a practical clinical basis.

His research, coauthored by Goldstein and Dr. Richard Binder of Georgetown, and Drs. Pasqual V. Perrino and Lillian Recant of the Veterans Administration Hospital here, was published in the December issue of Endocrine Research Communications.

TRACKING WHATEVER TRIGGERS DIABETES

(By Victor Cohn)

Scientists have triggered diabetes in mice by infecting them with a virus.

And the scientists speculate that if the same virus also triggers diabetes in man—for which there is some evidence—it might well be possible to make an anti-diabetes vaccine that would work much like polio vaccine.

In fact, the virus that is under study is a cousin of polio virus.

This "intriguing research lead"—it was so characterized by Dr. Sidney Kibrick of Boston University yesterday—was reported to the American Federation for Clinical Research in Boston last week. The work was done by Drs. Roger Loria and Stanley Webb at the Medical College of Virginia in Richmond and Drs. Kilbrick and Gordon Madge in Boston.

They are not the first to suggest that diabetes—a growing health problem—may be triggered by a virus infection.

In fact, said Science magazine last year, both epidemiologists (students of disease outbreaks) and virologists have been developing a growing body of evidence to that effect. "None of these developments have yet met with any significant clinical (human medical) application," Science added, "but they offer much promise for further use."

Diabetes is a disease in which the pancreas either fails to make enough insulin to burn up body sugar or fails to use its insulin (and another hormone called glucagon) properly.

Scientists in several countries have produced either diabetes or damage to the pancreas by infecting laboratory animals with various viruses: Other scientists have shown that juvenile-onset diabetes—the most severe form—tends to occur seasonally, with the peak onset in fall or winter.

At a British public health laboratory, Robert Gamble and K.W. Taylor examined the blood of both new young diabetics and healthy youths for disease-fighting antibodies triggered by viruses. The diabetics showed a significantly higher concentration of antibodies to one virus, called "Coxsackie" after its discovery in the late 1940s in Coxsackie, N.Y.

For a time Coxsackie virus was an "orphan," a "virus in search of a disease" in scientists' wry description. Later they found that it caused both upper respiratory infections and a set of symptoms much like polio, but without paralysis. In fact, some of the "nonparalytic polio" of the polio years may in fact have been Coxsackie disease.

What the Richmond and Boston scientists have done is produce diabetes in a strain of genetically susceptible mice by infecting them with Coxsackie B4 virus. This, too, had been done to some degree by Gamble and Taylor, but until now no one had been able to repeat it.

The American workers evidently did it by using the right highly susceptible, inbred strain of mice. Human diabetes victims too are highly susceptible, inbred individuals who carry and concentrate the genes that predispose them to get this disease.

"There is much work ahead," Kilbrick said. "But if we find that this virus is really an important precipitating factor in man, it should not be hard to make a vaccine that could be given to susceptible young people"—those in whose families diabetes is a common scourge.

Mr. McGEE. Mr. President, at a news conference held by the Senator from Pennsylvania (Mr. Schweiker) with whom I sponsored the legislation creating the National Commission on Diabetes, optimism was expressed that major breakthroughs toward a cure for diabetes were within reach. We are seeing that dream come through, but can only reach the ultimate goal of curing diabetes through continued research programs such as the ones mentioned in the articles I submit. It is, therefore, imperative on the Congress to fund future research in this area. With that funding, we will whip diabetes.

THE CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM ACT—S. 2470

Mr. PEARSON. Mr. President, every year millions of American families are struck by the personal tragedy and extraordinary expense of catastrophic illness. As a result, they must mortgage their future through no fault of their own. Today, cancer, kidney disease, or an automobile accident could virtually wipe out the savings and assets of a moderate-income American family.

Although slightly more than one-half of the population under 65 is covered under a major medical or comprehensive health plan, many of these plans contain limits on benefits which prove inadequate in the case of catastrophic illness. And further, 30 million Americans of moderate income have no protection against a major health catastrophe which could strike them or members of their families at any time. I believe this problem cannot be ignored, and I encourage the adoption of S. 2470, the Catastrophic Health Insurance and Medical Assistance Reform Act. S. 2470 would assure all Americans that they will not be bankrupt as a result of catastrophic illness or disease. Additionally, it would eliminate the medicaid program and replace it with a uniform national program of medical benefits to all low-income Americans. Finally, it would establish a voluntary certification program for private basic health insurance to encourage the availability of adequate private health insurance as a supplement to the catastrophic program.

Today, health care costs have risen to unprecedented levels. Annual health expenditures for fiscal year 1975 amounted to $118.5 billion or 8.3 percent of the gross national product. Between April 1974—the termination date of the economic stabilization program—and September 1975, the annual rate of increase in medical care prices was 35 percent higher than the annual rate of increase in the consumer price index. In 1969, the average cost of a hospital room was $64.26. In 1974, that figure had risen to $113.55. This represents a 77-percent increase over a 5-year period. The seriousness and economic burdens resulting from these costs, and public concern with the present status of the country's health care system have focused consideration in Congress on the adoption of some form of national health insurance program.

Although the debate continues, the complexity of our health care problems, uncertainty over the proper role of the Federal Government in reform of our health delivery system, the Nation's present economic ills, and the large budget deficit have made enactment of national health insurance legislation in the 94th Congress a remote possibility. In short, Congress is at a standstill, unable to respond to a critical need of society.

I believe, Mr. President, that further delay cannot be tolerated. A significant step must be taken toward the resolution of our present and long-range health care problems. The problems and costs of catastrophic illness are the most troubling and most difficult to guard against. Families who need the assistance of a Federal plan of catastrophic health insurance cannot afford to wait while debate on a national health insurance plan drags on. Therefore, I believe Congress must enact and enact promptly S. 2470, authorizing Federal assistance to assure all Americans that they need not fear that necessary but expensive treatment for a catastrophic illness will cause irreparable harm to their financial condition.

BRAILLE CALCULATOR INVENTION

Mr. MATHIAS. Mr. President, a 29-year-old electrical engineer at the Army's Aberdeen Proving Ground, in Harford County, Md., has been selected as one of America's 10 Outstanding Young Men for 1976 by the U.S. Jaycees.

He is Deane B. Blazie, a computer resources coordinator with the Human Engineering Laboratory at Aberdeen. He was cited for his invention of a braille calculator, a device which is expected to open a variety of previously restricted career fields for the blind.

Mr. Blazie was honored at the Jaycees annual convention that was held recently in Baltimore. The Aberdeen Enterprise-Harford Democrat, in its issue of January 21, reported Mr. Blaze's achievement in a news article and commented on it in an editorial. I ask unanimous consent that these be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Aberdeen Enterprise, Jan. 21, 1976]

Blazie's Invention Is Breakthrough In Research For Blind

Deane Blazie's invention, the Audio Tactile Display (ATD), is the off-shoot of a relatively new concept of communication for the blind called "audio-tactile," or simply, sound-touch.

In essence, the Audio Tactile Display marries a metal braille numbers chart with a manually-operated electronic calculator. Through the senses of sound and touch, it permits a blind person to "read" answers appearing on the calculator.

A 5x7-inch metallic braille plate covers a small wooden framed box housing an intricate miniature electronics network that is the key to the system.

The cover plate has eight columns of braille digits ranging from "0" to "9" in each column with decimal points. The columns correspond to the eight digits on the viewer of the electronic calculator.

The calculator and the braille box are wired together, so that when a problem is worked out on the calculator, and the answer appears on its viewer, electronic impulses are sent over to the box and automatically matched up with the corresponding braille digits.

Since the blind person obviously cannot see the answer on the viewer of the calculator, he "reads" the answer by gently running his fingers over the braille digits in each column.

For example, he starts at the extreme left hand column and runs his finger over each braille digit in each column until he hears a "beep". The beep is the signal that the braille digit is the number corresponding with the first digit on the calculator. He then continues through the remainder of the columns to get the remainder of the answer.

The ATD system has a number of special features built in, according to Blazie.

Like the calculator, it can read out any answer to any problem solved by addition, subtraction, multiplication and division. A single beep tells the blind person that the digit is a positive number, such as a +7. However, a continuous series of beeps indicates the digit is a negative number, such a −8. A different tone indicates a decimal point.

Should the blind operator make an error while solving the problem on the calculator, the braille box will emit a constant "tone" without the operator touching any of the braille digits.

Blazie said prototype models of the system have cost in excess of $2,000 to construct. However, he estimates that mass-produced commercial models can be sold for less than $200.

Working prototypes are currently under analysis at the University of Kentucky, where they are receiving extensive use by blind students.

Commercial production is expected in the near future.

[From the Aberdeen Enterprise (Port of Harford Democrat), Jan. 21, 1976]

He Deserves It

Dean Blazie is now in elite company.

No one is more deserving.

Honored last weekend as one of America's Ten Outstanding Young Men for 1976 by the United States Jaycees, Blazie was inducted into a distinguished fraternity. It includes the likes of John F. Kennedy, Gerald Ford, Dr. Henry Kissinger, Ralph Nader and Nelson Rockefeller. Men who have exemplified the highest qualities of leadership and accomplishment.

The Jaycees' awards have been presented each year since 1938. The honor is one of the most prestigious of many national and international humanitarian awards. Winners are chosen not only because of exceptional achievements in their chosen career fields, but also because of outstanding contributions to humanity.

It may be years before the world realizes the impact of Deane Blazie's volunteer work for the blind. He is a humble man, from what would be called an average socio-economic background, who is gifted with a brilliant mind for electronics.

He has put his mind to good use on his job at the U.S. Army Human Engineering Laboratory and his accomplishments there are more than noteworthy.

But, unlike many of us who turn our talents off at the 4:30 p.m. whistle, Blazie is one of those select few who recognize the value of sharing knowledge and achievement with others. Others who are not as gifted.

For many long hours since he was a teenager, Deane Blazie has dedicated his private life to advancing the welfare of the blind.

Inspired and encouraged by Tim Cranmer, a 50-year old Frankfort, Ky., native who has been blind since birth, Blazie is credited with inventing and developing a variety of devices for the blind, ranging from electronic stopwatches to electronic page markers. His latest, a braille calculater, has been hailed as a major breakthrough in research that will open a variety of previously restricted career fields to the blind.

Deane Blazie is not a blind man. He is not handicapped. Other than a close friendship with a blind man, Blazie has had no personal motive to make the contributions he has. He has adamantly refused personal monetary gain for his inventions, opting instead that any gains be channeled back into research for the blind.

Deane Blazie is the epitome of what man is capable of doing for fellow man. He is the caliber of individual the Jaycees have developed a reputation for honoring.

All of Aberdeen Proving Ground is proud of him.

If Deane Blazie does no more, he has done enough.

Thank you, Deane.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, at a time when many of us in the United States are continuing to reappraise America's proper role in world affairs, we must not let the excesses of our recent past blur our interpretation of the Genocide Convention.

One of the objections which leveled against ratification of the convention is that it will mandate our Nation to seek out actively, punish, and prevent genocide whenever and wherever it may occur. The fear that we will embark upon a program to police the world is entirely unwarranted—the Genocide Convention commits us to no such course of action. The United States will have no more and no less of an obligation than any other signator to fight genocide.

Article VI of the convention clearly places the burden of responsibility for combating genocide on the state inhabited by the group against which genocide is perpetrated. Since no international penal tribunal exists presently, persons charged with genocide or any of the other acts enumerated in article III shall be tried by a competent tribunal of the State in the territory of which the act was committed.

This provision is proper, since the nation in question would logically have the greatest interest in the welfare of its citizenry. If other nations question the sincerity of any state in the "interpretation, application, or fulfilment of the present convention," then these "disputes shall be submitted to the International Court of Justice," in accordance with article IX. Only the nation in which the crime occurs is obligated to take action under the convention.

The Genocide Convention will not necessitate American interventionism in the foreign arena. It would be a grave error to allow imaginary fears to distract us from the real intent of the Genocide Convention. We still have a moral obligation to defend human rights worldwide. Ratification of the convention is an essential step in the fulfilment of that obligation.

TOWARD A REAL DEFENSE DEBATE

Mr. TAFT. Mr. President, the Washington Post of January 20 contained an article by Mr. R. James Woolsey, "Igniting the Defense Debate," which I strongly urge my colleagues to read thoughtfully.

Mr. Woolsey's excellent and thought-provoking essay offers useful criticism of both the Congress and the Department of Defense. He notes in particular the need for new thinking in both bodies—a need that has become painfully obvious to me in the time since I joined the Armed Services Committee.

One example Mr. Woolsey offers of thinking that is not new is particularly pertinent to the fiscal year 1977 defense budget: the strike cruiser. He states that, "Organizations and individuals whose careers are built on the successes of the past can have the same deadening effect on combat improvements that battleship admirals and cavalry generals had a half-century ago." For example, last summer, over the objections of his now-fired Secretary of Defense Schlesinger, the President worked together with parts of the Navy and some in Congress to obtain funding for a strike cruiser, the latest in a line of large nuclear-powered surface vessels.

A Navy composed of such expensive ships would necessarily be small, raising serious problems of overall force vulnerability. Recent technological advances do make conceivable a Navy less vulnerable and more effective, if greater emphasis were placed on such items as tactical cruise missiles and vertical take-off aircraft, on a larger role for nuclear submarines, and on a force of more numerous, smaller, and faster ships, including air cushion and hydrofoil concepts.

In sum, this article is one of the best I have read from any source on the whole defense issue we face today. It is primarily, in my opinion, an issue of ideas; the Soviets have not so much outspent us as they have, in too many areas, outthought us. Mr. Woolsey focuses on that central problem, and I hope my colleagues will take the time to read what he has written on it. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Igniting the Defense Debate

(By R. James Woolsey)

The lull in the defense debate is about to end. Both sides have been gathering strength for the year's extravaganza, which will begin with the President's budget submission tomorrow. It will feature fifteen rounds or so between the executive and the Congress in six committees and on the floor of each house, and will include around thirty secondary events in the form of presidential primaries.

Ever since the Safeguard ABM fights of 1969–70, the defense debate has been presented to the public as a lengthy annual duel between "defense critics" and "Pentagon defenders." Each year the critics thrash the defenders about the head and shoulders because of cost overruns and the failure to reorder priorities to serve domestic needs. The defenders raise alarums and stress the need to support whatever particular ship, bomber, or tank is currently at issue. This annual Punch and Judy show unfortunately lends itself to simplified and superficial reporting by the media, since most of the performers willingly divide into two battling groups, thus permititng strife, victory, and defeat to be chronicled in a few column inches or a few broadcast seconds, and the objects of dispute can be entertainingly sailed, flown, driven or fired across the evening news screen.

But as each year's debate winds down, the more conscientious participants, on both sides, feel a certain uneasiness. In private, many of the defenders will shake their heads about waste in the defense budget and regret the need to circle the wagons every year against the criticis. In turn, many of the critics will quietly admit that they did have doubts about the wisdom of some cuts they supported and that there were areas where more, not less defense effort was probably needed. Still, each group feels that its side is generally right, and that either blanket support of Pentagon spending or undifferentiated pressure for reductions is the only way to check the crazies on the other side.

Both are wrong. The defense debate over the last seven years has lumbered into two sets of ever-deepening and misdirected ruts. Instead of reaching for last year's speeches to rewrite, the next time around both sides owe it to all of us to start over.

Since 1969 the critics have staged a number of "mini-Safeguard debates" on various weapons and have recently advocated ceilings on the weapons portion (less than a third) of the defense budget. The funds available for weapons have been cut proportionately more than the rest of the defense budget—in real terms they have been reduced by over 25 per cent in the last decade.

It is true that some of the weapons programs that have come in for special Congressional scrutiny have deserved special attention because they affected major policy issues (e.g. counterforce warheads for ICBMS), and some cost improvements have resulted from joint efforts by Congress and the Defense Department—several egregiously expensive weapons have been cancelled, and the next generation of fighter aircraft will be somewhat cheaper than the last. But because the unit cost of weapons is still very high, and since fewer real dollars are available for them, we are coming to the point where we can afford to buy far fewer than we need. A new nuclear carrier and its planes will cost about $15 billion by the end of the century.

Congress has not tried to force basic changes in the weapons development process or to eradicate incentives within it which are responsible for this phenomenon of "gold-plated unilateral disarmament." For example, instead of our having independent operational testing of weapons before procurement—recommended five years ago by the Blue Ribbon Panel—Pentagon developers continue to be the judge and jury of the weapons they sponsor. The critics have also largely ignored the difficult structural reforms concerning personnel (now commanding sixty per cent of the defense budget) which alone can achieve significant long-run savings and still allow us to maintain fighting capability—e.g., base closings, cutbacks of civilian support manpower, changes in promotion and retirement policies, reductions in fringe benefits, and reform of the reserves and national guard. The disproportionate focus on the weapons portion of the budget, together with cost overruns on older weapons, has severely limited innovation and modernization.

Recently Congress has also begun to try to cut defense costs by the use of dollar ceilings on the annual defense budget as a whole. Unfortunately such ceilings, because of their one-year focus, encourage the Defense Department to cut back primarily on operations, training, and maintenance as distinct from making structural reforms. Thus the attempt to make short-run savings by overall budget ceilings produces rutsy ships and rusty pilots, not cheaper and hardier tanks or a better ratio of colonels to lieutenants.

But if critics have often gone off on frolics and detours, the Pentagon's defenders have frequently gotten locked into protecting the status quo of a defense establishment badly in need of innovation to improve its fighting ability. Organizations and individuals whose careers are built on the successes of the past can have the same deadening effect on combat improvements that battleship admirals and cavalry generals had a half-century ago.

For example, last summer, over the objections of his nowfired-Secretary of Defense Schlesinger, the President worked together with parts of the Navy and some in Congress to obtain funding for a strike cruiser the latest in a line of large nuclear-powered surface vessels. A Navy composed of such expensive ships will necessarily be small, raising serious problems of overall force vulnerability. Recent technological advances do make conceivable a Navy less vulnerable and more effective, if greater emphasis were placed on tactical cruise missiles and Vertical-Take-Off Aircraft, on a larger role for nuclear submarines, and on a force of more numerous, smaller, and faster ships (some, perhaps, of hydrofoil or other radical design). But there is simply not enough money to build two new navies. In sum, the military services and many of their friends have been too reluctant to innovate and too ready to ask for more of the same. This is one major reason why their expressions of concern about the very real Soviet military buildup meet with skepticism.

Nineteen seventy-six could well be a less than vintage year in defense debates due to the above legacy and the influence of the presidential primaries Left-wing Democrats and right-wing Republicans are commonly thought to be both the most influential in the primary process and the most inclined to demand tribal exhortations, not reasoned discourse from political candidates.

Yet the military badly needs the best of what both its critics and its defenders have to offer. The objectives of the two groups, properly understood, are not hostile but complementary, even largely overlapping. Both efficiency and effectiveness are necessary and are far from being mutually inconsistent. In the aftermatth of seven years of divisive jousting, those critics who admit that our military must be strong, and those supporters who admit that it must be lean, should come out of their respective closets—and say what they are thinking.

My own hunch is that opinion in both parties and in the nation as a whole on such defense issues is much less ideological and more open to sets of views previously thought to be politically incompatibe than the current custodians of the Conventional Wisdom perceive. Certainly on domestic issues the once-rigid theoretical line between "liberals" and "conservatives" has been bent into suprising shapes by several new and popular Democratic governors. The defense debate is long overdue for a similar shaking up.

No one can guarantee that candidates who try to forge a new coalition on defense issues, who embrace both the need for sharp improvements in America's military power and for teeth-rattling reform of the defense establishment will succeed in 1976. But they will deserve to.

CETA PUBLIC SERVICE JOB PROGRAM

Mr. KENNEDY. Mr. President, on December 10, 1975, Senator Magnuson of Washington and I urged supplemental funding to meet the emergency needs of many prime sponsors of the CETA public service job program.

Metropolitan Nashville / Davidson County of Tennessee was inadvertently excluded from the list of sponsors reported to be in danger of exhausting title VI funds prior to June 1976. Already 308 public service and work experience employees of their metropolitan government have been laid off to avoid total exhaustion of funds, and continued layoffs are anticipated.

Supplemental funding is necessary to assure maintenance of job level slots and to halt further rising unemployment here and in other regions of the United States.

I ask unanimous consent that the letter from Mayor Richard H. Fulton be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Metropolitan Government of
Nashville and Davidson County,
Nashville, Tenn., January 7, 1976.

Hon. Edward M. Kennedy,
Senate Office Building,
Washington, D.C.

Dear Senator Kennedy: This letter is to inform you that metropolitan Nashville/ Davidson County was inadvertently excluded from the list of Prime Sponsors who would exhaust CETA Title VI funds between December 1975, and February 1976. This list was published in December 10th's Congressional Record, page S21693.

On December 15, 1975, 308 Public Service and Work Experience Employees of the Metropolitan Government were laid off to avoid exhausting Title VI funds. This reduction in the work force will be continued through January, 1976, and will permit the use of Title VI monies until May, 1976.

Your assistance in correcting this error will be appreciated.

Sincerely,

Richard H. Fulton, *Mayor*.

IS AMERICA GOING MAD?

Mr. DOMENICI. Mr. President, although I do not sit on any committee with oversight or investigative authority into intelligence operations of this Nation, and although I did not sit on the Watergate Committee, I have been deeply concerned with the operations of these bodies.

All would agree that abuses have been ferreted out, legitimate twistings of governmental authority straightened, and dangerous misuses of agencies slowed and halted. I commend my colleagues for their diligence in this work.

But, has the time not come for an end to the self-flagellation, the indulgence in self-guilt that seems to plague America? Is it not time to step back from the turmoil of the past 2 years and take a new perspective on the entire trauma?

It is difficult for those of us in this body and in this Nation to, in effect, step outside ourselves and see us as others do. Therefore, I wish to have printed in the Record at this time a look from a friendly outsider, the Daily Telegraph of London, England. I believe this overseas perspective may be helpful to us all as we enter our third century.

Mr. President, I ask unanimous consent that an editorial from the Daily Telegraph entitled "Is America Going Mad?" be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the London Daily Telegraph,
Jan. 3, 1976]

Is America Going Mad?

It is time America's friends spoke out, with some nasty questions to the so-called "liberal" east-coast establishment. By that we mean sections of the Press, sections of Congress, television commentators and comedians, university pundits and a lot of other people who may think there is a dollar to be made out of denigrating their country's institutions and leaders. We all know about the "trauma" of Vietnam and Watergate, but it's getting a bit boring. How long has the rest of the free world got to put up with these tender-minded people recovering from their "trauma"? Indefinitely?

America is accustomed to, and has merited, a good deal of deference from her allies. But deference can be a disservice. The United States should know that her European cousins and allies are appalled and disgusted by the present open disarray of her public life. The self-criticism and self-destructive tendencies are running mad, with no countervailing force in sight. She has no foreign policy any more, because Congress will not allow it. Her intelligence arm, the CIA, is being gutted and rendered inoperative, the names of its staff being published so that they can be murdered. Her President and Secretary of State are being hounded, not for what they do but simply because they are people there, to be pulled down for the fun of it.

We hope and believe that the vicious antics of the liberal east-coast establishment, which are doing all this untold harm, do not reflect the feelings of the mass of the country. But it is a matter for wonder. Is the country as a whole becoming deranged? Surely not. Perhaps the Presidential election later this year will clear the air. Yet that is still 11 months away, and in the meantime there is all the campaigning to be gone through. Please, America, for God's sake pull yourself together.

THE IOWA CAUCUSES

Mr. HASKELL. Mr. President, following the recent Iowa caucuses, the pundits of the press pontificated; candidates for the highest office claimed and exclaimed. My friend Joe Dolan, director of the Colorado Department of Revenue, on the other hand, went to the heart of the matter, and I would like to share with you his sagacity. Accordingly, I ask unanimous consent that his press release dated January 20, 1976, be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

DOLAN HAILS UNCOMMITTED'S WIN

Joe Dolan, Colorado Manager of the "Uncommitted for President" campaign, today expressed his "deep satisfaction" over Uncommitted's victory in the Iowa caucuses Monday night.

"They told us we were spread too thin," Dolan said, "but we showed them. Uncommitted is the only Candidate with significant support in all 50 states. We'll be in every primary; we're not just picking our spots."

Dolan said that Uncommitted "would be in there battling right down to the Democratic Convention July 12. In past years, we got off to a fast start with a lot of early support, but didn't hang in there. This year we're going all the way.

"We even showed some support among Republicans in Iowa—but let's face it. Uncommitted's real strength lies with the Democrats," Dolan added.

"Florida looks especially promising. Last Sunday there were 80,000 people at the Orange Bowl in Miami, and an unbiased reresearch poll we took showed that 66,000 of them were Uncommitted supporters."

Dolan denied rumors that Uncommitted would accept the Vice Presidency. "We agree with the late Vice President Garner's evaluation of the Vice Presidency," he said, but refused to elaborate.

AMERICAN FOOD PRODUCERS NEED INCENTIVES

Mr. BELLMON. Mr. President, recent testimony before the Foreign Agricultural Policy Subcommittee of the Senate Agriculture Committee merits some comment. Last week, the subcommittee heard testimony by U.S. Department of Agriculture officials and representatives of the State Department in connection with the decisionmaking process which led to the establishment of the 1974–75 grain embargoes. This testimony, Mr. President, revealed an appalling lack of concern about the effects of these actions upon both American producers and consumers. In fact, throughout the testimony, there was no mention by the State Department witness that any thought was given to any factors except those relating to international affairs.

To many—myself included—this is a shocking confirmation of what has long been suspected; namely, that the State Department frequently works outside and sometimes contrary to the economic interests of our country.

Undoubtedly, there is and always will be reason for a nation as large and powerful as the United States to place major emphasis on international considerations. However, there is no reason that domestic concerns should not receive at least equal concern, if not top priority.

Consumers may believe that they were helped by the capitulation of President Ford to George Meany on the grain embargo and to the pressures generated within his own administration by those who share the State Department's view.

The fact is, however, that the only assurance of continued food abundance for citizens of this country and for our customers abroad is the maintenance of a high level of incentive for American food producers. Also, these farmers and ranchers must continue to have available adequate funds to pay the high costs of fuel, equipment, fertilizer, pesticides, and other production inputs.

Action by the government which destroys either the will to produce or the means of production is decidedly contrary to the American consumers and national interests. Already, in many nations of the world, political pressures and unwise decisions by governments have reduced food production to levels far below previous levels of output. In other countries, political decisions have made it impossible for food producers to fully develop the productive potential of the land.

This has placed a major responsibility for world food supplies upon American agriculture. Unless State Department officials somehow gain an understanding of the effects of their ill-advised actions, unless future Presidents can withstand misdirected consumer pressures and are able to withstand urgings of future Secretaries of State, America's dominance in the world food economy may be short-lived.

Hopefully, Congress will soon produce guidelines which will limit or prohibit the State Department's meddling in agricultural matters about which it presently has a woefully inadequate understanding. Our present Secretary of Agriculture apparently has lost the power—or willingness—to stand up to the State Department in foreign agricultural matters. Perhaps proper congressional guidelines could restore true Cabinet status to the Secretary of Agriculture. For the sake of the American farmer—and consumer—it is worth our best effort.

In closing, Mr. President, I point to a letter I recently received from Mr. William B. Saxbe, U.S. Ambassador to India. I ask unanimous consent that a portion of this letter, pertaining to control of domestic agricultural policies, be printed in the RECORD.

There being no objection, the excerpt from the letter was ordered to be printed in the RECORD, as follows:

There is no doubt that constraints placed by governments serve as a disincentive to farm production. The agricultural policy of the Government of India is influenced by consumer interests. This is because the bulk of farm products which move in domestic markets is consumed in the large urban centers where there is a heavy concentration of population. Urbanites are better organized through their labor unions than the farmers and consequently, represent a cogent political interest in both the states and national governments in this country.

There are a number of actions that have been taken by the national or central government which affect prices of farm products. They are not limited to foodgrains but include commercial cash crops as well. For example, with respect to the latter, sugar mills are required to turn over 65 percent of their sugar production to the government; only 35 percent is allowed to be marketed freely. Interstate shipment of rice and wheat is prohibited. This means that rice and wheat farmers in areas of surplus production are at the mercy of the government and wholesale buyers within their state. When there is a good harvest of these crops, prices inevitably come down (as they have this year) to the procurement price established by the government. This then acts as a floor price which farmers feel is too low.

The procurement price of the 1975 wheat crop was held at the same level as for the 1974 crop. That is the equivalent of around $3.18 a bushel or about $117 per metric ton.

Even though the government procures a relatively low percentage of the total grain production—around 8 percent—its policies of restriction on movement of grains, and a fixed procurement price, have a strong influence on the open market price. When the government, in the past, has been unable to procure its target, it has turned to imports to meet its obligation to supply the areas which normally are deficient in production. Privately owned fair price ration shops, estimated to number 200,000, serve as outlets for the government's distribution of foodgrains. The volume of distribution usually is in the area of one million metric tons per month. During FY 1975, the government imported 5.8 million metric tons because it had difficulty in procuring enough grain for the distribution system. The import of grains, in addition to helping fulfill the distribution requirement, also tends to hold prices from rising to levels which would be experienced if there were no imports.

WORLD FOOD: RENEWING OUR SENSE OF URGENCY

Mr. KENNEDY. Mr. President, much of the spirit and enthusiasm which characterized the international commitment to help alleviate global hunger just 2 years ago has wanted in recent months. The pledges given by over 100 nations at the World Food Conference—which were instrumental in creating a new sense of urgency within our own government toward the plight of hungry nations—have yet to be fulfilled.

The great food deficits which plagued much of the developing worlds just a short time ago have given way; to more selected and isolated instances of famine—and they are in every way as severe as they have been in the past. Although we no longer hear constant forecasts of famine, reports of starvation and hunger persist, and it is time to take a new look at what has and what has not been done to meet international food requirements.

There are many reasons why some have lost interest in world hunger problems. In part, this is because rehabilitation and longer term recovery programs from famine are not as dramatic as emergency programs to meet food needs. But throughout much of the developing world today, food still remains a daily obsession. Each new day brings a painful search for food. Tragically, millions of hungry people have not benefited from any greater world food availability.

This year's harvest in many developing nations has registered a modest improvement over previous years. But one good year's harvest cannot alone turn the tide of hunger. More agricultural assistance from food-producing nations such as the United States will be needed in the months and years to come, to ensure that the commitments made at the World Food Conference become a reality.

Congress has taken a vital first step in this direction by enacting the International Development and Food Assistance Act of 1975. This far-reaching foreign assistance legislation incorporates the best of the food-for-peace program, and other forms of innovative agricultural aid, providing a new humanitarian food assistance policy to help alleviate world hunger. I fully supported this legslation and intend to carefully monitor our Government's use of this new congressional mandate to insure that this new legislation fulfills its purpose.

This right to food is a fundamental right of all people, no matter the political ideology of their governments. Together with the international community it is up to the food-producing nations to help the developing world reach food self-sufficiency. As we enter the Bicentennial Year, let us renew our commitment to share our agricultural success with hungry nations.

Mr. President, yesterday's New York Times contained two articles concerning the world food situation and the drought in the African Sahel. Both articles address the important food policy issues which will face Congress this year, and I ask unanimous consent that they be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, Jan. 25, 1976]

WORLD HUNGER: RESPONSE LOSES ITS URGENCY

(By Lawrence van Gelder)

Food. Like the weather, which affects it so much, everybody talks about it. Some people, who lack it, agonize over it and die from its absence. Starvation and malnutrition still kill millions each year. Others, who may possess it in abundance but foresee its absence on an immense scale, perhaps within a decade, theorize about it.

And in 1975, amid the customary reports of surpluses and failures and efforts to redress imbalances that typify the world food picture, some theorists continued to address themselves wholeheartedly to the problems of scarcity.

But even as one-third of the world's population suffered from malnutrition and as hundreds of thousands starved, others gave evidence of having misplaced the sense of urgency that characterized the response only a year earlier to the long-range problem of feeding a global population approaching 4 billion.

So, while some scientists did indeed press forward in pondering the technology of providing more for all; and while some domestic planners focused on the narrower question of providing more for some; and while some nations addressed themselevs to the problem of obtaining more now, the awareness and immediacy generated, by the United Nations World Food Conference held in 1974 in Rome gave evidence of degenerating an atmosphere of hostile politics.

True, the nascent World Food Council of 36 nations began operations by taking steps toward a fund for agricultural development and a three-year plan of aid for hungry nations.

But in late November, a three-week conference of the Food and Agricultural Organization of the United Nations closed in Rome amid political conflict.

Said one delegate: "It looks like this organization is becoming more and more politicized. There were too many attempts in the last three weeks to make this more like the United Nations General Assembly than an organization devoted to helping feed hungry people."

Some analysts, nevertheless, would contradict the view that the world faces a Malthusian crisis in which population growth outstrips the ability of nations to provide enough food. Despite the depletion of world food reserves between 1972 and 1974, they maintain that the real problem is poor distribution and management of the available food. And, they point out, there is plenty of land for farming—about twice as much as is now being used.

But the problem of climate remains. Only a few days after the F.A.O. meeting ended in Rome, the effect of drought on the Soviet harvest became widely apparent.

Reports indicated that the grain yield would be some 80 million tons below the target of 215 million tons, a figure that on a per capita basis worked out to a yield comparable to that of the mediocre Czarist year 1913. Drought also affected the sugar beet harvest.

And the crop failures, which had already prompted the Soviet Union to shop heavily abroad—with major purchases in the United States—also had other repercussions. An immediate one was the slaughter of livestock for lack of fodder. On a longer range basis, the failure raised the question: Could the Soviet Union feed itself?

Increased domestic production was the main advice of experts in the aftermath of the 1974 World Food Conference. Scientists continued to look for ways to increase crop yields and for sources of cheap protein as an ingredient of the basic life-sustaining diet.

In many countries—among them Britain, India and Canada—the approach was more direct: incentives to farmers. In Britain, for example, where both the Government and the farmers agreed that the best fertilizer for increased production is money, the Labor Government says that farm supports must be sufficiently high to enable farmers to "plan ahead with confidence."

India provided incentives through assurances of minimum prices and thus an assured return for crops. Canada sought to relieve farmers of the fear of investing in expanded output. The Government authorized price supports and exemptions under the prices and incomes controls introduced in 1975.

In France, however, farmers voiced objections to the 1976 budget, which allows almost no credits for the purchase of new equipment. In France, and to a large extent in other Common Market countries, about 80 percent of farm production is controlled by about 15 percent of the producers.

But there are various incentives, in the form of state improvement grants and loans, for small farmers to work their lands. And for 1976, although the Common Market has earmarked $6 billion for price supports, only $350 million has been allocated for farm modernization.

In Italy, although some experts are wary of facile explanations for the country's decline from its position in the past as the "Garden of Europe," they do place much blame on the Government's policy of favoring industrial development over agriculture. One result was to encourage peasants to abandon the fields and to work in factories.

The Japanese are making some of the most serious and determined efforts in the world to cope with the problem of developing the food self-sufficiency of a population of 110 million confined to a small land area in an industralized country that is heavily dependent upon imports.

Japan's self-sufficiency rates of all food items but rice have been slipping downward as a result of shrinking acreage and growing demand.

Shocked by soaring grain prices in the aftermath of the huge Soviet purchases from the United States in 1972 and then by American restrictions in 1973 on soybean exports, the Japanese Government began a program to increase domestic food production, add to stockpiles, and diversify overseas suppliers.

Incentives were provided to farmers for growing wheat, soybeans for feed instead of adding to the stockpile of rice, of which it already has a 20-year supply. In the fiscal year ended last March, wheat and soybean production showed their first upward trends. But stockpiles remained the same, leaving Japan the least advanced among the advanced nations in terms of self-sufficiency.

The National Food Council, an advisory organ to Prime Minister Takeo Miki of Japan, has repeatedly advised on the necessity of inducing the sons of farmers and fishermenn to succeed their fathers. Among the proposed incentives are a stable, prosperous income and medical and leisure facilities.

And in another effort to increase the food supply, the Government next April begins a seven-year project to raise fish in the open sea. Also under study is a project involving another protein source, the shrimp-like plankton called krill.

Whatever may be the case in the rest of the world, Japan, at least, has not lost sight of the urgency of its food-supply problem. Despite all efforts undertaken or proposed, Shintaro Abe, Japan's Minister of Agriculture and Forestry, did not hesitate to warn a gathering of Japanese and foreign businessmen that there is "no room for optimism in the future for Japan, the world's largest food importer."

The greatest progress toward increasing food production has been achieved by China in recent years. Not only have its more than 800 million people eliminated hunger, but they have also increased food production to the point of building surpluses against poor crops.

Peking's leaders accomplished this by assuring more equitable distribution of foodstuffs, using available funds to import grains rather than consumer luxuries and better utilizing of arable land.

Another important factor has been to keep 80 percent of the population intensively working the 15 percent of the land that is arable, instead of permitting China's cities to swell further with food consumers.

However, the increasing industrialization of China will in time expand urban populations. Whether the widening use of irrigation systems, fertilizers and mass labor will keep pace with the urban growth remains to be seen.

[From the New York Times, Jan. 25, 1976]

Sahel, Striving To Recover, Adapts After Killing Drought

(By Brendan Jones)

Dakar, Senegal.—"Without any flocks, the nomad has no reason to roam." With this remark, an American relief official here recently summed up a lasting effect of the great drought that ravaged West Africa's Sahel region three years ago—a sharp decline in the region's traditional nomadic life.

In addition to the heavy toll in human life—at least 100,000—the drought wiped out entire herds of goats, sheep and cattle that were the mainstay of the Tauregs, Moors, Fulani and other nomadic peoples of the Sahel.

The Sahel—an Arabic word meaning "corridor"—is a sub-Saharan savannah land where grass and shrubs flourish briefly after scant seasonal rains. Averaging 100 miles in depth, it extends from Senegal and Mauritania through Mali, Upper Volta, Niger and Chad.

After two successive years of nearly normal rainfall—25 inches a year—the Sahel's grasslands and croplands are green again, especially those near the region's main river, the Niger. Many of the organizations that joined in the multinational supply of food and medicines in 1973 and 1974—the United States Agency for International Development; the United Nations Food and Agricultural Agency and others—are helping the Sahel's long-term rehabilitation.

Governments of the Sahelian countries have established new ministries to increase food production, to restore drought-damaged areas and to develop irrigation, new wells and water-storage facilities.

There is wide recognition that the Sahel is still vulnerable to drought and that fundamental changes are needed. These would include the establishment of permanent cattle ranges and a restriction of nomadic grazing. Extensive reforestation is also under way to replace trees that were hacked down to feed starving herds.

One striking example of change was cited by an A.I.D. official, a senior member of the agency's mission that is helping drought recovery programs. He was telling of a recent visit to Nouakchott, the capital of Mauritania, north of here. The city was built from scratch in 1958 to provide a capital for the newly independent former French colony.

Situated in a semi-arid area on the seacoast, Nouakchott depends on a desalination plant for drinking water. In addition to open spaces and white-plastered buildings, the city has palm-shaded gardens that produce dates, sweet potatoes, beans and peanuts that are cultivated with stored rainwater.

Before the drought, the A.I.D. official noted, Nouakchott had a population of 30,000. By late 1973, nearly 100,000 of the country's nomadic Moors were camped in the refugee center on the edge of the city.

More than 60 percent of Mauritania's livestock perished in the drought. With no herds, about half of the refugees gradually began building cinder-block houses, then gardens. Soon afterward, schools and a medical center were added, and in effect, the official commented, a refugee camp has turned into a suburb.

He added that visitors had observed that the former nomads, even though they now have houses, still seem to prefer to spend most of their time out of doors "and many have kept their tents, even though they may not have immediate use for them."

Another after effect of the drought has been a shortage of meat, but another A.I.D. official here felt that this was not entirely a matter for regret. Almost cheerfully, he added, "It's a sign that the overgrazing problem has been ended for a time, at least."

For centuries, groups of nomadic families drove their flocks back and forth through the corridor in endless pursuit of pasturage. The overgrazing and several years of diminishing rainfall made the Sahel ripe for disaster when the rains failed entirely in late 1972.

"The people were nomads of necessity," commented the A.I.D. official. "And now," he added, "with the closing of refugee centers, many of the nomadic families find themselves with maybe one or two goats left. Some have none. They don't need to be on the move anymore, and while it is difficult for them to adjust, many have been learning to farm and settle down.

"Of course, some families that had a remnant of herds left have gone back to the nomadic life, but it will be a long time before they have the hundreds of animals they once had."

THE "COMPROMISE" ENERGY BILL

Mr. BARTLETT. Mr. President, I ask unanimous consent to have printed in the Record an editorial by Mrs. Ruth Sheldon Knowles. The article, which appeared in the Los Angeles Times on December 31, 1975, is representative of many reactions to the "compromise" energy bill. Mrs. Knowles has served as an adviser on oil policy to the United States, Mexico, and Venezuela; her statement is sound, justifiable and credible.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Los Angeles Times, Dec. 31, 1975]

Another Oil Victory for the Arabs

(By Ruth Sheldon Knowles)

When President Ford signed the compromise energy bill a little more than a week ago, he ended a two-year battle between Congress and the Administration over exactly what constitutes a sound national energy policy. But while America's intramural feuding may be over—at least for the moment—the only real winners to emerge are the Arab oil-producing nations.

Since those countries control 90% of the world's petroleum exports and three-quarters of its proven oil reserves, no decision by the American government would have been likely to loosen their hold on international oil traffic. They are more than gratified, however, to see the United States become increasingly dependent on foreign oil—meaning, in the main, *their* oil.

The so-called compromise energy bill will not only increase America's dependence but will also allow the Organization of Petroleum Exporting Countries to continue setting arbitrarily high prices. Thus, the United States will become even more vulnerable to an oil boycott than it was in 1973.

In fact, since the boycott, the Arabs who dominate OPEC have consistently followed the realities of the American energy crisis more closely than has the U.S. Congress or the public. As a result, they have capitalized on our energy non-policy, and will continue to do so. After all, the staffs of their governments and national oil companies are filled with young Arab graduates of American, European and Middle Eastern universities.

Since 1970, Arab governments have wrested physical control of their oil resources from the international oil companies, increased their share of profits to a virtual takeover point and quadrupled world prices. At the same time, the United States has allowed its oil consumption to zoom, while domestic exploration, hampered by environmental restrictions and price controls, has declined.

Thus, when the Arabs elected to use their oil as a political weapon in late 1973, it was a carefully calculated step. They knew that since the United States, which is dependent on oil and gas for 75% of its energy, imports one out of every three barrels it uses, the impact would be severe. It was—temporarily. But the nation was lulled back into a false sense of security by the availability of higher-priced petroleum and the superficial success of energy conservation programs.

However, as students of American politics, the Arabs have enjoyed watching the leaders of the world's greatest industrialized nation jawboning over energy "self-sufficiency" for two years, but doing very little to achieve it. To their ears, Ford's assertions that the new energy bill is a "first step in efforts to reduce U.S. dependence on foreign oil" and "an advance toward the goal of energy independence by 1985" are nothing more than political rhetoric designed for domestic consumption during an election year.

The reality is somewhat different. The Arabs are familiar with reports which predict that without increased domestic exploration, imported oil, which now supplies 37% of America's needs, will account for 55% of our consumption by 1985. They are also aware of the many U.S. Government and industry studies which indicate that for the next 15 years America will continue to be dependent on oil and gas for the bulk of its energy.

The Arabs, of course, have not been the only parties to grasp the significance of these trends. America's major oil companies and 10,000 independent oil producers were among the first to "get the message." Unfortunately, they were unable to convey it to Congress or Ford.

As a result, new domestic oil and gas exploration, which has only recently increased after years of neglect, has suffered a crippling blow from the compromise energy bill. Independent oil producers, who have traditionally discovered more than three-fourths of America's new oil, have been particularly hard hit.

For the independents, oil exploration is an extraordinarily risky business: Only one out of nine "wildcat" drilling operations ever leads to oil. By 1973, however, price controls and imports had so depressed the domestic industry that a mere 27,602 wells were drilled as compared to 58,160 in 1958, a record year. But when the embargo forced Congress to increase the controlled price of domestic oil by $1 a barrel and freed new discoveries from price controls altogether, exploration and development activities quickly increased.

In 1974, 32,893 wells were drilled; in 1975, 38,860. Approximately 85% of all these new wells were drilled by independents.

Now, by rolling back oil prices and extending controls to oil previously exempt, Congress and the President have acted to reduce the petroleum industry's income by $3 billion. Half that loss will come from the pockets of the independents. They stand to suffer in this fashion because 40% of the oil they produce was previously exempt from controls, as opposed to 30% of major companies' output.

This decline in the independents' revenues will also have a long-term effect on domestic supply by reducing exploration budgets and production incentives. As a result, the very controls which Congress hopes will hold down the price of petroleum products will, in the end, push them up dramatically.

Another facet of the compromise bill in which the Arabs can take satisfaction is the continued regulation of natural gas at artificially low prices. This, of course, assured more imports from the politically unstable Middle East, since domestic gas reserves are being exhausted three times faster than they are being replaced by new discoveries. Because natural gas provides roughly one-third of America's total energy requirements, it will have to be replaced by oil. This means even more imports.

Supporters of the compromise bill cannot even claim that it will bring relief to the average consumer. The hard reality is that all an additional 40 months of price controls—which is what the bill provides—will accomplish is to perpetuate petroleum scarcity and ultimately increase prices.

Despite Ford's protestations to the contrary, there is nothing in the compromise bill to promote self-sufficiency in energy. Indeed, had the bill been drafted in Riyad rather than in Washington, it is difficult to see how Arab interests could have been better served.

ESTATE TAX REVISIONS

Mr. HUGH SCOTT. Mr. President, in the President's state of the Union address, he proposed estate tax changes so that family businesses and family farms do not have to be sold to pay Federal estate taxes.

For this, the President should be applauded. Small businesses and family farms play a vital part in our Nation's economy, and I, too, have long wanted to save these family enterprises for the families. After all, we build our businesses more for our families than for ourselves. Our businesses are the heritage that many of us hope to leave to our children. We should be allowed to do so.

The best way for us to do that is to insure that Federal estate taxes are not so onerous as to be almost confiscatory. In the first session of Congress, I introduced legislation to help the family keep the inherited farm or business by attacking the problems creating the loss of the farm, such as inflation.

Look around us. Inflation has driven the cost of everything skyward. The rate of inflation has increased the cost of our food, cars, and most of all our property. Additionally, with a growing population, land is being gobbled up by urban development. How can we help the small businessman and farmer combat these problems?

First, we must take into account the effect of inflation on land. When the estate tax laws were enacted they allowed a $60,000 exemption. Inflation has eroded the value of this exemption substantially. It is time to recognize the effects of inflation and increase the Federal estate tax exemption to a value which will give some meaning to the term, "exemption." An estate tax exemption increased from $60,000 to $100,000 should help alleviate the problems created by inflation.

Second, we must change the law on evaluating farm property. Currently, farmland must be valued at its "best" or most lucrative use. In many cases, this most lucrative use would be for urban development. Land for shopping centers is far more valuable than farmland. With speculators and developers running the value of land up, the family cannot afford to pay the taxes on this artificially priced property.

To be just, farmland must be valued at its present use. It is a farm and used as a farm. Let us value it as a farm and allow the land to remain in the family the way the owner intended.

To insure that the family farm or business remains in the family we must act now to raise the estate tax exemption and value the land for its original purpose. Any other tax relief not directed to reducing the estate tax will fall short of our goal to keep the family farm and/or business in the family.

TROLLEYS FOR WASHINGTON

Mr. TAFT. Mr. President, I bring to the attention of my colleagues an article in the Potomac magazine of Sunday, January 18, by Mr. Nicholas Von Hoffman, entitled, "The Mighty Metromess."

As the article notes, Washington's Metro subway project has become a local Penn Central. In fact, it is likely that it will cost more Federal dollars to build 96 miles of Metro than it will to rehabilitate the whole Penn Central, which serves the entire Northeast and much of the Midwest of the United States. This is an incredible subsidy on the part of the taxpayers of Ohio and most of the rest of the United States for transportation for one city.

Mr. Von Hoffman proposes what I have long believed to be a workable and economical alternative to the Metromess: Light rail. Light Rail is the modern version of the streetcar. It provides the same high-quality, fast, reliable transportation on steel rails with electric power that Metro provides. The difference is cost: whereas 96 miles of Metro is now expected to cost $4.5 billion at the least, 13 miles of Light Rail in a system proposed for Dayton, Ohio will cost less than $60 million, including right-of-way, tracks, electrification, cars, everything. At that cost per mile, a Light Rail Metro for Washington would cost about $430 million, not $4.5 billion—a reduction to less than one-tenth the present projected cost.

I think Congress owes it to the American people who do not live in Washington, D.C. area to see that a Light Rail alternative to Metro is fully and objectively considered. Mr. Von Hoffman has done a great service in bringing the Light Rail possibility to our attention. There are, I think, a couple of points on which his proposal could be clarified. A Light Rail system for Washington would probably avoid mixed operation with automobiles. Although the streetcars do serve as an effective inducement to automobile drivers to use public transit, the streetcars not only block the automobiles but unfortunately, the automobiles block the streetcars. This was one of the great problems with earlier streetcar systems, and it is one of the principles of modern Light Rail that mixed operation is to be avoided. Streets on which Light Rail would be operated should have medians reserved exclusively for Light Rail, or, better still for all concerned, they should become pedestrian malls with Light Rail running down the center.

Another point that needs to be made in relation to Mr. Von Hoffman's article is that buses are not really a workable alternative to a rail system. There are two reasons for this. The first is that the quality of service provided by buses cannot be sufficiently high to appeal to riders-from-choice as effectively as can a rail system. Bus service tends to be unreliable, uncomfortable, and unmarketable compared to rail service. Since our main task in all public transportation is to convince persons with automobiles to leave the car in the garage and use mass transit, these factors are of great importance.

The other reason Light Rail is better than bus is that the key element in operating costs, manpower cost, can be lower. A bus system has a fixed ratio of drivers to seating capacity; in order to meet rush hour demand, it must hire bus drivers who are only needed during the peak periods. A Light Rail system, on the other hand, has a multiple unit capability; it can couple cars together for the rush hour with only one motorman required in the lead car. Thus, system capacity can be increased or decreased without impact on costly manpower requirements.

I hope both the local authorities and the Congress will take the idea of Light Rail for Washington seriously. It seems a bit much to ask the taxpayers of Ohio to pay more for the Washington Metro than they will have to pay for rebuilding the Penn Central. It certainly seems too much to ask if a practical, comparatively inexpensive alternative—Light Rail—has not even been considered.

Mr. President, I ask unanimous consent that the article "The Mighty Metromess" be printed at this point in the RECORD, for the information of my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MIGHTY METROMESS

(By Nicholas Von Hoffman)

Every working day for years thousands of men have climbed down ladders into holes dug into the streets of Washington. They say they are building a subway called Metro but for all we know they're down there playing poker. Better they should keep a poker game going than finish the job, for with each turn of the shovel the costs mount even higher for a system that will never break even but will break the backs of the taxpayers who'll have to pay for it. Metro is going to make expressways popular again. What the ABM and C–5A did for military cost-efficiency Metro is going to do for urban rapid transit.

Promised at a cost of $3.5 billion, the politicians in charge of it now admit it will cost $4.5 billion even as they're dropping hints that it's going to go over the $5 billion mark, but the final price tag, if they ever complete it, which they will not, is more likely to be in the $7 to $8 billion range. It would have been cheaper and more useful to build pyramids or run the present bus system on a free-fare basis for 200 years. At those prices we could give every family in the Washington metropolitan area its own private bus.

That's just the construction cost. We haven't even talked about operating deficits which are projected at $20 million a year if they *only* run this underground version of the Penn Central five days a week. If the politicians are already conceding an operating deficit of that size, you can imagine what the real one is going to be. One Metro board member suggested that they save money by not running it at all for two years.

They keep telling us that once the system is all built there'll be enough passengers for the thing to pay for itself. There won't.

New York City, where people live in high rise apartment buildings and work in 100-story skyscrapers, has enough population density to have a subway system which comes fairly close to paying its expenses. Because Washington is the only major city in America with an absolute height limitation on its buildings, not enough people exist who go downtown every morning to the same place.

Metro is the most expensive monument to the automobile that we have yet built. Its only visible function is to save two lanes of traffic for cars to smoke, stall, and snarl on. If you want to get cars off the streets the last thing you want is a subway.

The first thing you want are trolley cars. Even without limiting lanes to their exclusive use, trolleys are unsurpassed discouragers. Buses are very good but a clever driver can sometimes wiggle around them and make time. Trolleys, with their lack of maneuverability and their fixed rail inevitability, are apoplectically infuriating.

They're not as cheap as buses but trolleys are so much cheaper than subways that you could have them running all over the city where they might be of some service to the inhabitants. Metro is chiefly a worker-moved plush conveyance by which the higher paid suburbanites are taken to their offices. It's another middle class subsidy disproportionately paid for by low-wage workers who won't have any need for it.

The modern trolley has been rechristened with space age initials. It's called an LRV, or light railed vehicle, and a subsidiary of Boeing makes them. The new ones are said to be silent, smooth and altogether comfortable, but in addition to a weirdo electronic horror they come with the traditional bell. Ah, Washington could have had the merry clang return to its streets.

Your modern trolley isn't a trolley, of course. It lacks the one thing your classic trolley had which is a trolley, that is the pole on the roof going up to the wire. The contemporary trolley gets its power from a third rail buried in the ground so pedestrians need not worry about electrocuting their toes. Unhappily today's trolleys, or streets cars as they ought to be called, have fallen into the hands of the industrial designers. They look like fast-moving pieces of modern furniture which is too bad for the kids who used to be able to leap on the backs of old-time trolleys and hitch free rides. By grabbing hold of the guide line that came down from the trolley pole one kid, or two or three or even sometimes four really crazy kids could cadge their free ride on the back of the trolley and save a nickel that might be more enjoyably spent at the pitcher show, as they used to say.

The motormen were always stopping the trolley to yell, "Get offa dere, ya crazy kids!" Between him stopping the car and getting out to yell and the kids accidentally yanking the trolley from its wire by pulling too hard on the guideline, it was possible to have a slow, enjoyable ride. In many places in the summer time they had trolleys without windows so that you could poke your head out and smell bakeries, breweries, dairies, stables, and lots of other things pleasant and unpleasant, for trolleys belonged to a time when people ate food and not industrial products.

Mothers on trolley cars made their boys and girls give their seats to women, older people and other mothers with babies. Courtesy to strangers wasn't regarded as weakness in the race to the top and going eyeball-to-eyeball wasn't a test of character because it was impolite to stare at people and make them feel uncomfortable.

In some cities, even until quite late in the onward march of progress, street cars had coal stoves in the winter and a conductor to take fares, give transfers, provide information and enforce public decorum. The motorman's job was to drive the trolley safely and attentively. The economists call that labor intensive which is bad and backward. The new subways are designed to have nobody or next to nobody on the trains. They are equipped with sensing mechanisms which will pick up the existence of your dead and bleeding body after a gang of adolescents rises not to give you their seats but to smash your head senseless against them.

At night the trolleys used to sleep in a place called the car barn. The car barns were often red brick structures with much cast iron machinery painted red. They would sometimes be presided over by a foreman with a name like McGinty. The McGintys are but distantly remembered now as stern but fair, a trifle fast with their tempers but not given to holding grudges nor indifferent to those they referred to in a fine and grand way as "the men." Here and there along the old trolley lines, usually at switching points, there might be small sheds with tar paper roofs out of which grew stove chimneys. On winter nights the lights from their windows shone yellow and men in dark work clothes could sometimes be seen smoking and reading the papers. Maybe none of it ever existed but the myth of it does and that had to come from somewhere.

Buses are the cheapest and, if correctly managed the most convenient kind of metropolitan transport, because the roads for them to run on have already been built and in some instances actually even paid for. Americans love anything that rides on rails, though, and in Washington much of the trackage for a good trolley system is already laid but covered over with macadam. Except in Georgetown where the tracks on Wisconsin Avenue are still exposed and ready to use.

By conservative estimates a subway is ten times more expensive to build per mile than a trolley line. Maybe it's worth spending the money for national prestige. London, Mexico City, Paris and Moscow have subways so, although it's a little lame, you can argue Washington ought to have one. The truth is that Metro is the last, most expensive mishegas of that awful marriage between engineers, bankers, contractors and thoughtless social visionaries who do, who really do in their heart of hearts believe money can solve any problem.

In Washington's case the pouring out of these billions has delayed solution of the problem. With reliance on buses the metropolitan area could have taken care of its transportation, traffic and auto pollution problems in six or eight months. Trolleys would have cost more and taken a couple of years, but they're fun and with an imaginative set of people running them we might have had some of the delightful, antique trolleys back on the streets . . . the ones with the cow catchers, the different shaped roofs and the noisy compressors under the floors. People probably would have paid a premium to ride them as they dawdled to work fantasizing about 5-cent beer, Griffith Park and the era when we were first in war, first in peace and last in American league. Now last in war, last in peace and outta the league, drowning in a $7 billion hole in the ground.

Setting up a better than adequate bus service in six months may sound miraculous. It isn't. We would have to buy some more buses and hire some more drivers but the rest is simple: The major bus arteries are then prohibited to all other vehicles except trucks and taxis. This forces commuter traffic back on to secondary streets all of which are meticulously converted back to two-way thoroughfares; the traffic light system is adjusted to favor the buses and in a trice, for practically no money, the people in the buses are getting in and around town in a quarter of the time it used to take them. The people in the cars will find out it takes them four times as long so they will quit using them, thereby reducing the air pollution and driving up the volume of business on the buses.

Better than a subway system which won't be finished and which will only run week days during working hours? The bright ray in the Metromess is that it can be paid for without raising taxes again. We should have a multibillion dollar lottery with the top prize going to the first victim of a Washington subway mugging.

CHILD CARE PROVISIONS IN H.R. 9803

Mr. MONDALE. Mr. President, I rise to comment briefly on H.R. 9803, which the Committee on Finance ordered reported last week. That report has just been filed by the chairman of the committee, the Senator from Louisiana (Mr. LONG).

Let me take this opportunity to commend the chairman for his creative and resourceful leadership on this legislation.

BACKGROUND

I believe all my colleagues will recall how the need for this legislation arose. Under the provisions of legislation we enacted last fall creating title XX of the Social Security Act, an effective enforcement mechanism was created to assure that federally assisted child care programs under that act comply with the Federal interagency day care requirements—FIDCR. These FIDCR requirements have been in effect since 1968, but in too many cases they simply never were enforced. For that reason, the Congress, in its consideration of title XX, modified the FIDCR requirements substantially with respect to school-age children, and educational services; provided that funds would be terminated for any programs not in compliance with these modified FIDCR requirements by October 1, 1975; and ordered HEW to conduct a thorough and indepth "appropriateness" study of the FIDCR requirements and report its findings and recommendations to the Congress in the early months of 1977. The amendment assuring that these modified Federal standards would apply, which Senator BUCKLEY and I sponsored, was adopted by a vote of 67 to 20.

The prospect that these FIDCR requirements would be enforced as modified beginning October 1 of last year created growing concern on the part of many child care providers and many States which administer these programs. It was clear that many existing programs simply did not meet these requirements, and that strict enforcement would require closing many programs, reducing the number of children served so the adult-child ratio would improve, or substantially increasing the costs of operating them. Yet, since no funds were provided to help meet the costs of the additional staff needed, the result in almost all cases would have been that fewer children could be served.

MONDALE, BUCKLEY, RIBICOFF LETTER

At this time, several Members of Congress were urging HEW Secretary Mathews to postpone implementation of or provide statewide exemptions from the FIDCR standards. Senator BUCKLEY, Senator RIBICOFF, and I wrote Secretary Mathews urging him to "deny any such requests and to implement and enforce these standards as planned." Our letter said, in part, that—

> These standards provide a minimal level of protection for children in day care, and must not be weakened or delayed.

I ask unanimous consent that a copy of this letter appear at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

HOUSE ACTION

Mr. MONDALE. The House of Representatives passed legislation last September which postponed for 6 months the requirement that child care centers meet the staffing standards for children between 6 weeks and 6 months.

Yet, postponing these requirements did nothing to assure that the children we are concerned about would be in healthy and safe environments. It did nothing to encourage and make it possible for programs to come into compliance. It simply put off for 6 months the problems we were facing, with no hope of remedying the problems in the interim, and no reason to believe that we would be in any better position to deal with them then than we are now.

S. 2425

The distinguished chairman of the Finance Committee, Mr. LONG, proposed a far more thoughtful approach to that problem. Rather than simply proposing that we postpone enforcement of the standards, he introduced on September 29, 1975, legislation (S. 2425), which I cosponsored, designed to provide the funds necessary to bring programs into compliance over the short term.

That legislation would have made available to States an additional $250 million for child care for the remainder of this fiscal year—and an additional $500 million for succeeding years—on top of the $2.5 billion currently available for social services.

Those additional funds for child care would have been allocated among the States on the basis of State population in the same way as the $2.5 billion for social services is now allocated. And, the Federal matching rate would have been raised from 75 to 80 percent for child care paid out of this new funding.

In order to provide additional help to programs which need to add staff in order to meet these standards, and to keep the fees down this bill provided a 20-percent tax credit on the first $5,000 of wages paid to welfare recipients employed in child care centers under this funding. And, very importantly, the bill provided a payment equivalent to this 20-percent tax credit for the same purpose to public and nonprofit providers of day care who have no tax liability against which to apply a credit. This tax credit or the payment equivalent to it would be available only to programs in which at least 30 percent of the children cared for have all or part of their care funded through the title XX program.

Finally, the bill provided a 3-month delay—until December 30, 1975—in the imposition of any penalties for violation of the child care standards. This modest delay was provided in order to give child care programs an opportunity to come into compliance by using the additional funds the bill provides—rather than taking action in October which would have forced them to close down or cut back on the number of children they serve before the necessary funds become available.

SENATE ACTION

The Finance Committee concluded that it had not had sufficient time to consider that legislation prior to the October 1 deadline, and passed legislation simply providing a 1-month delay in enforcement of the staffing standards in order to allow sufficient time for consideration of proposals for dealing with the situation in a more substantive way. The Finance Committee then scheduled a hearing on S. 2425 and other proposals, for October 8, 1975.

CONFERENCE REPORT

The House conferees insisted that the House would need more time to complete action on this matter even if the Senate could send them a bill within a month. The conferees, therefore, agreed to provide a delay of 4 months in enforcing the standards.

The Senate conferees were very reluctant to agree to this long a postponement, but the House conferees saw no possibility that they could complete consideration of a more substantive proposal much quicker than this. They did, however, assure us that if the Senate can send them legislation dealing with the matter, they will act on it prior to the expiration of the 4-month postponement period provided for in the conference agreement.

FINANCE COMMITTEE HEARING

On October 8, the Senate Finance Committee held a hearing on the proposal, and I am pleased to report that witnesses representing a broad range of States and children's organizations indicated their support for this measure.

Individuals or organizations testifying in favor of S. 2425 included the American Academy of Child Psychiatry, the Black Child Development Institute, the Child Welfare League of America, the National Association of Social Workers, and a panel of State welfare administrators including Herschel Saucier, director of Division of Social Services, Georgia Department of Human Resources; Frank Newgent, administrator, Division of Family Services, Wisconsin Department of Health and Social Services; Ewing Gourlen, director, Division of Family Services, Missouri Department of Social Services; and Dr. Robert M. Casse, Jr., director, office of Policy Planning and Evaluation, Louisiana Health and Human Resources Administration. I should add that almost all of these individuals or organizations recommended amending S. 2425 to permit 6 months after enactment rather than 3 months as proposed for States to use the additional funds to hire and train staff before the FIDCR requirements were enforced.

Before the hearing, I received letters from Andrew J. Biemiller, director of the Department of Legislation of the AFL-CIO and from the late Jack Beidler, legislative director of the United Auto Workers, indicating that the AFL-CIO and the UAW support this measure, and I ask unanimous consent that those letters be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MONDALE. At this hearing, it became clear that HEW did not have any reliable estimates of how much money the States would need to come into compliance. Therefore, the Senate Finance Committee contacted every Governor's office requesting this information. The results of the Finance Committee survey indicated that a total of $206.3 million would be required. On the basis of these statistics, the Finance Committee reduced the funding authorized in the bill from $500 million per year as originally proposed to $250 million per year in the bill reported (H.R. 9803).

H.R. 9803

While the committee report provides a thorough discussion of the provisions of the bill, along with useful tables, I want to briefly summarize the key points of the bill at this time.

First, our bill provides $250 million to the States, on an 80-percent matching basis; $200 million would be allocated among the States by population, and $50 million would be allocated with priority to those whose added costs to meet the standards are not met by the basic allocation. After 2 years, this $50 million would be folded into the amount allocated among the States by population. These funds would be available to meet costs of day care, including the cost of complying with the Standards.

Second, our bill provides a 20-percent rebatable tax credit—up to $1,000—for the cost of hiring a welfare recipient to serve on the staff of a day care center. Nonprofit centers, which do not pay taxes, would receive an equivalent cash payments. Eligibility for the credit would be restricted to centers serving 30 percent or more title XX children. By combining the tax credit or payment with the 80-percent cash payment, a center can secure 100 percent Federal payment for the first $5,000 in salary for persons hired from the welfare rolls. This would be refundable to private as well as nonprofit public providers.

I want to emphasize that this funding is provided for within the budget resolution adopted by the Senate. As a member of the Senate Budget Committee, I can assure my colleagues that the funding called for in this bill can be provided without breaking the budget ceiling we have adopted.

In addition, I would stress that the net cost of this bill will be below the amount actually provided, because these expenditures will permit reduction in federally assisted programs such as welfare, unemployment compensation, food stamps, and others. While a precise estimate about the amount of these reductions is difficult to obtain, we have received letters from the State officials in Georgia and New Jersey illustrating the reduction they anticipate, and I ask unanimous consent that they appear at the end of my remarks. While all States may not realize the substantial offset these two States anticipate, I believe it is a conservative estimate to anticipate that the net cost of this program to the Federal Government will be about 75 to 85 percent of the funds actually spent.

Third, the bill provides that child care programs funded by title XX shall comply with the Federal interagency day care requirements. But, the bill permits 5 months, until June 30, 1976, for the States and providers to come into compliance. And, very importantly, the bill contains two significant waivers or modifications in the application of these standards.

The first modification is designed to provide a realistic and pragmatic response to those programs, including many in rural areas, in which only a few of the children being served are receiving title XX assistance. The FIDCR requirements pose very real problems for programs like these in which most children are fee-paying, and only a handful are receiving title XX support. Without some kind of waiver or modification, these programs would be faced with either of two problems: First, to refuse to continue serving the title XX assisted children so they would not have to meet the FIDCR requirements, or second, to continue serving them and begin meeting the FIDCR requirement—a solution that would require substantial increases in the fees charged to fee-paying families.

H.R. 9803, therefore, waives the FIDCR staffing requirements for day care centers which serve predominantly nontitle XX children—title XX children number no more than 5 or, if greater, 20 percent of the total number of children served; and for which the State agency determines that it is infeasible to provide the child care in a facility which does meet the Federal standards.

The other modification concerns family day care homes. HEW now requires that a family day care mother's own children up to age 14 must be counted as part of the number of preschool children for which she is licensed to provide care. These children must be counted whether they are at home or attending school. A number of States have indicated to the committee that, although there may be no objection to including the mother's own children under age 6 in meeting the staffing requirement, family day care home providers have raised strong objections to counting the older children who are normally attending school. Many mothers begin to provide care for other children in their homes after their own children have started school. The requirement that their school age children must be counted means in some cases that the number of children they may care for is unreasonably small, and this makes their work unprofitable.

For these reasons, H.R. 9803 contains provisions which exempt the school aged children of family day care mothers from counting as part of the children for which she is licensed to care.

Mr. President, I believe it is important that we understand not only what this bill requires, but also what this bill does not require. Apparently, some individuals or organizations believe that the FIDCR requirements in this bill will require States to establish State standards which must meet minimal Federal standards. That is completely untrue. While some pieces of Federal legislation include requirements of that kind, this bill does not.

This bill permits States to set whatever standards they believe are appropriate for State and private programs, including some programs serving federally assisted children if they constitute five or fewer or less than 20 percent of the children served. The bill simply requires programs in which more than 20 percent of the children are assisted to meet the FIDCR requirements, and it at the same time provides all the additional money States say they need to come into compliance.

Mr. President, during the markup of this legislation in the Finance Committee, an amendment was offered to eliminate the FIDCR requirements from all child care programs receiving title XX funding. Fortunately, that amendment was defeated in committee. If it is offered on the floor, I would urge my colleagues to oppose it. If it is adopted, I want to indicate that I will oppose final passage of this bill. While I very much favor increased funding for child care programs, I will not support a bill that provides additional funding at the expense of eliminating the FIDCR requirements.

The major purpose of this legislation is to provide the funds necessary to help States comply with the FIDCR requirements. Should these requirements be eliminated, the basic need for this legislation itself is also eliminated, and I would oppose it on final passage.

Mr. President, this FIDCR issue is not just an academic debate. It concerns the health, safety and care of thousands of young children. No one will claim that the FIDCR requirements are perfect in every respect. That is why, for example, we modified them when the title XX was passed, and have provided further modifications and waivers in the bill before us. Indeed, that is why the Congress, in passing title XX, required HEW to conduct a thorough study of the standards, and report back to us its findings and recommendations in early 1977.

Yet, these standards represent the best thinking available to us.

They must be sustained. If they are not, we will be responsible for exposing children to risks that I am sure none of us want to condone. But, they are serious risks, and we must face them as we debate this bill.

These risks were eloquently stated by Dr. Myron Belfer, assistant professor of child psychiatry, when he presented testimony on behalf of the American Academy of Child Psychiatry to the Finance Committee hearings on S. 2425. His complete statement appears on pages 81 through 85 of the hearing record, and I commend it to the attention of my colleagues. Let me close with just several excerpts of his remarks:

> Mr. Chairman, day care for infants and young children calls for the provision of a complex and demanding form of care for a population that in many instances is at great risk for the development of later psychiatric and social disability. The failure to provide adequate care to infants with the proper degree of attentiveness, consistency, and warmth has been shown repeatedly to produce a withdrawn, affectless, alienated child for whom society later pays through a lack of productivity, psychological morbidity, or criminality . . .

Dr. Belfer continued:

> There are no short cuts in the provision of the adequate care that will avoid distorted cognitive and emotional development . . .

And, in conclusion, Dr. Belfer states:

> Child psychiatrists as consultants to day care centers, as members of planning boards, and as therapists for children and families, have observed the very positive effects of good day care services but have also witnessed the possible detrimental influence of the unscrutinized warehousing of children. Standards of care incorporating at least the ratios currently provided for in the regulations are essential and thought should be given to specifically mandating the application of these staff ratios in relation to direct work with children.
>
> To delay the implementation of standards is to place in jeopardy a population of children already at risk . . .

I ask unanimous consent that selected correspondence and material concerning this legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OCTOBER 29, 1975.

Senator WALTER F. MONDALE,
Senate Finance Committee,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MONDALE: On behalf of the Board of the Child Welfare League of America, I would like to reaffirm our support for prompt enactment of S. 2425. We believe this legislation is needed for two reasons. First, it will enable States to come into compliance with the critically important day care requirements in Title XX. Second, it will make it possible for complying States to remain so by providing funding for staffing to offset cuts that would otherwise occur due to inflation.

Sincerely,

JOSEPH H. REID,
Executive Director.

NOVEMBER 3, 1975.

Hon. WALTER F. MONDALE,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR MONDALE: Please find attached a copy of a letter with regard to S. 2425 which has been sent to you personally today.

Given the critical nature of this legislation and its potential benefit to the States and development of child care programs in the Nation, the Department of Institutions and Agencies has telecopied the attached letter and asked that it be hand delivered from the Washington Office of Governor Brendan T. Byrne.

Sincerely,

MARILYN A. BERRY THOMPSON,
Director.

S. 2425

NOVEMBER 3, 1975.

Hon. WALTER MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: This supplements my letter dated October 6 in strong support of S. 2425 to make an important point, which is that states substantially in compliance with the Federal Inter-Agency Day Care Requirements (FIDCR) can face precisely the same financial strains to remain in compliance as are faced by states attempting to achieve compliance for the first time. Certainly New Jersey finds itself in this position for the following reasons:

(1) Mandated Cost Increases to Stay in Compliance With FIDCR and State Licensing Requirements. Our $37 million day care program will need approximately $2.13 million for a modest cost-of-living adjustment in personnel and non-personnel costs. Without additional funding we will be forced to cut back some 800 presently filled spaces.

(2) Recurring Non-Personnel and Facility Repair Costs. Although the FIDCR standards focus most of their attention on staff/child ratios as they should, the costs of equipping, supplying and providing shelter for some 250 centers in our state is significant, some $6 million annually. Beyond the ever-increasing inflationary problems mentioned above, equipment loss through depreciation, constant renewing of inventories of supplies for children and the unexpected problems with facilities like leaky roofs, boiler and plumbing breaks require us to maintain a $.8 million contingency fund. To finance this fund will, without additional financial support, mean a cut back of some 300 presently filled spaces.

(3) Avoiding Sometimes Counterproductive Dependence on Volunteers and the Battle for Matching Funds. While New Jersey is indeed substantially in compliance with FIDCR and its own state licensing requirements, there are 92 of our 240 affiliated contract centers who achieve this standard only by using volunteer staff and by holding "cake sales" to raise funds to keep going. We set aside some $1.4 million this year to bring the budgets of some of these centers up to standard. This will have the salutory effect of releasing the incredibly time consuming and counterproductive use of center staff to continuously find and train volunteers and raise should be "above the line", that is we should look to volunteers and fund raising not for the purpose of meeting the federal and state standards, but to bring about program enhancement. Our contracts should support the basic program, which in too many cases they fail to do. We are in need of $1.2 million to achieve the goal of not having to live from hand to mouth.

Thus, New Jersey's day care program needs some $4.13 million ($3.1 million of which would be federal at the 75/25 matching rate) to achieve but one of the goals of S. 2425. These costs will recur in substantially the same amounts each year. I must return to the thrust of my last letter to you (copy attached) with regard to the expansion of day care services. If S. 2425 did not pass, or was reduced, it would seem that New Jersey and other states are to be penalized for having achieved a major growth in publicly funded day care programs within FIDCR standards. In other words, had we grown at lower program standards (and costs) we would not now be at our ceiling and would have funds for the three critical purposes listed above and for expansion. Given the success we are having in making it possible for former AFDC parents to work and in hiring former AFDC recipients on staff, it is imperative that day care continue to grow. New Jersey needs the kind of federal support S. 2425 proposes to achieve that growth.

Thank you.

Sincerely,

ANN KLEIN,
Commissioner.

OCTOBER 6, 1975.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: I write to record New Jersey's enthusiastic support for S. 2425. In an atmosphere where there is talk of reducing the percentage of federal financial participation for social services or of reducing state allocations, your and Senator Long's proposed amendment to Title XX of the Social Security Act is extremely welcome news.

Under Governor Byrne's direction and leadership, my Department has given its highest priority to an expansion of social services eligible for federal financial participation and the New Jersey Legislature has appropriated additional state funds where necessary to help finance the local share. New Jersey's expansion program has already progressed to the point where, in but a few months, it will hit the current federal ceiling for New Jersey of $87.7 million ruling out further expansion and requiring the backward step of funding inflation out of current budgets. This would mean a drop in services. Over one-third of our effort is for child day care, and it has been in this program sector where New Jersey has registered its most dramatic gains. In barely four years since its inception, federally subsidized day care in New Jersey now reaches over 27,000 children. Both the Federal Interagency Day Care Requirements and our own stringent state licensing standards have been adhered to along the way.

But as proud as we are of our record to date, we must face the recognition that we meet far less than 10 percent of the need for child day care services. Right now over 300,000 children, eligible for federally subsidized day care, cannot receive it. Clearly, therefore, a bill such as yours which would earmark additional federal funds for child day care is precisely what is needed.

With respect to those New Jersey residents who are fortunate enough to be enrolled in federally subsidized pre-school day care, our studies have shown that 68.2 percent of the families have all adult members either working or in education or training for employment. Of the balance (31.8 percent) the vast majority of families have severe problem situations in their homes prominent among which are alcoholism, mental retardation, child abuse or neglect, severe physical or mental illness or major family conflict necessitating day care services for the children. Accordingly, it is clear that the Congressional intent for the Titles IV-A and XX programs has been met by New Jersey's employment of its federal funds.

Thus, New Jersey is able with its existing federal allocation to reach barely 10 percent of its population in need for day care services and, secondly, the federally subsidized services it does provide are directed at precisely the priority populations set by the Congress. I want to make a third point as well, which is that day care has extremely positive and calculable economic consequences to society. For example, because of New Jersey's program to date—

(1) 12,680 heads of household were freed for employment estimated at $65.9 million per annum, without taking into account associated multiplier effects of direct employment dollars being spent and taxes being paid;

(2) 5,540 persons (a large number of paraprofessionals) have been employed as teachers, teachers' aides, trainees and technicians in day care centers earning $22.8 million per annum; and

(3) 10,764 families formerly on AFDC are now employed, thereby reducing welfare payments by $19.4 million per annum. (I note that the salutary effect of S. 2425 would be to provide employment at day care centers for the AFDC population.)

All this has been possible for a federal investment in day care in New Jersey of less than $30 million per annum. It is an investment which has paid off handsomely.

We shall watch the progress of S. 2425 with great interest and if I or James G. Kagen, the Director of the Department's Division of Youth and Family Services, can assist with backup material or testimony or in any other way, please do not hesitate to call upon us.

Once again, we in New Jersey are very grateful for your support of day care.

Sincerely,

ANN KLEIN,
Commissioner.

SEPTEMBER 26, 1975.

DEAR SENATOR: The undersigned organizations are deeply concerned that because of the request of certain States and individuals the Congress might consider enacting legislation that would change the standards for federally supported day care currently contained in Title XX of the Social Security Act.

The standards represent a minimal level of protection of children and must not be weakened or abandoned. The regulations were made available for public review and comment and modifications were made by the Department of Health, Education and Welfare in response to those comments.

In view of the fact that the standards are somewhat relaxed from those which are now in place and have been in place since 1968 and the Congressional mandate that HEW conduct an appropriatness study to be completed before June 30, 1977, any change in the standards now would be unwise and premature.

Sincerely yours,

MARILYN MARCOSSON,
American Parents Committee, Inc.
WILLIAM PIERCE,
Child Welfare League of America, Inc.
JUDITH S. HELMS,
National Council of Organizations for Children and Youth.
JUDITH ASSMUS RIGGS,
Washington Research Project Action Council.

October 31, 1975.

Hon. Herman E. Talmadge,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: As you know, Herschel Saucier was one of several state welfare administrators who testified before the Senate Finance Committee in support of S. 2425 on October 8. For your convenience, I am attaching a copy of his testimony. I would like to give you additional information on how AFDC expenditures can be reduced by passage of S. 2425.

Since the hearings, we have been able to calculate how much AFDC costs can be reduced by employing AFDC mothers in day care centers with funds made available under S. 2425. We believe we can recruit from 80% to 100% of the staff needed to meet the required child/staff ratios from the ranks of AFDC mothers. The following chart shows the estimated reduced expenditures in AFDC grants, food stamps, and medicaid based on an average family size and average grants.

Reduced Costs through Employment of AFDC Mothers:

Percent of AFDC mothers employed	Number of AFDC mothers	AFDC grants	Food stamps	Medicaid	Total
100	600	$885, 600	$705, 600	$345, 600	$1, 936, 800
90	540	797, 040	635, 040	311, 040	1, 743, 120
80	480	708, 480	564, 480	276, 480	1, 549, 400

We believe we can approach 100% employment of AFDC mothers with reduction in expenditures related to AFDC. If other states realize similar savings, the $500,000,000 provided in S. 2425 will not reflect a net increase in day care funding. While financing the day care staff required under Title XX, it will significantly reduce AFDC and related expenditures.

I will appreciate your support for favorable actions on S. 2425 by the Finance Commitee and the Congress. If I can provide additional information, please call on me.

Sincerely,

T. M. Jim Parham,
Commissioner.

November 7, 1975.

Hon. Russell B. Long,
U.S. Senate,
Russell Building,
Washington, D.C.

Dear Senator Long: I heartily support your bill, S 2425, on day care and urge you to take whatever action is necessary to assure its passage.

There is heavy public outcry in California for increased child day care services but the State of California does not have the financial resources to meet the demands of welfare and low-income parents. Under Title XX funding, it has been necessary to limit eligibility to 84 percent of the median gross annual income and to establish fees for parents who previously had and needed free services. The 49.1 million dollars which California will receive under S 2425 will be of considerable assistance in better meeting the needs of our low-income parents.

We appreciate and support your continuing concern that children receive care in a safe and healthy environment. California requires a permit from the Commissioner for Teacher Preparation and Licensing when involved with supervision and instruction in children's centers. We believe the total well-being of children is of prime concern and agree with the many parents who desire an educational component in day care.

To augment day care staff through employment of welfare parents through tax incentives is an excellent idea and will undoubtedly bring good results.

If this Department can be of assistance to you by providing further information I would welcome the opportunity.

Sincerely,

Jerome A. Lackner, M.D.,
Director of Health.

November 24, 1975.

Hon. Walter F. Mondale,
U.S. Senate,
Washington, D.C.

Dear Senator Mondale: The Young Women's Christian Association of the U.S.A. has for many years supported the Federal Interagency Day Care Standards because we believe they are needed to assure a high quality of day care for the protection of the nation's children. We know that quality day care is costly, especially in times of economic stress, but equally in such times day care is more than ever needed for the multitudes of women, especially low income, who most need it. For this reason we would like to support the principles incorporated in S. 2425, introduced by Senators Long and Mondale to provide additional money to meet day care standards and expand services.

We believe this measure would provide important assistance to children and families and to community day care programs because it would—

Maintain high quality federal standards in programs receiving federal funds.

Assure the additional money without which many programs will be unable to meet the standards, and be forced to close.

Encourage meaningful employment and training for many welfare recipients and other low income women while standards are being met.

Provide both employment and day care services for many mothers and their children currently on welfare.

Provide flexibility for Title XX funds to be utilized for expansion.

The Federal Government and the Congress as stewards of citizen tax money have the critical responsibility of assuring that *all* the nation's children have equal access to quality child care. In the period while HEW is doing its "appropriateness study," we believe the provision of additional funds plus enforcement of the present standards are essential.

Sincerely yours,

Mrs. Elizabeth S. Genne,
President.

January 22, 1976.

Hon. Walter F. Mondale,
Senate Finance Committee, Dirksen Office Building, Washington, D.C.

Dear Senator Mondale: Your attention is directed to the upcoming Senate consideration of S2425, a Bill which would provide federal funds to bring the States into compliance with the Federal Interagency Day Care Requirements for Title XX funded day care.

Since the introduction of S2425, discussion throughout the country has centered on such issues as the total amount of federal money to be appropriated in this legislation, the amount of time required for States to comply with the Federal Interagency Day Care Requirements for staffing child care centers, and the appropriateness of certain staff-child ratios for specific child care settings. At this writing, the Department of Health, Education and Welfare has begun the study of the appropriateness of FIDCR as mandated in the original Title XX legislation.

Inherent in the above considerations has been the assumption that federal funds for child care should be accompanied by federal standards to insure safe, healthy and nurturing environments for children. This same assumption has been expressed repeatedly by the membership of NAEYC—now totaling 26,000 individuals working with children in a variety of settings. Most recently, the NAEYC membership in conference in November, 1975, ratified a resolution endorsing S2425 and its attendant standards for federally funded child care. A letter to that effect was sent to each member of Congress on December 8, 1975.

On behalf of the membership of NAEYC, I take this occasion to reiterate the Association's support of standards to accompany federal funding of child care, and to encourage the Senate's careful consideration of the positive and protective aspects of the standards attendant to S2425.

Sincerely yours,

Marilyn M. Smith,
Executive Director.

Pennsylvania Women's
Political Caucus,
Warrington, Pa., January 20, 1976.

Senator Walter Mondale,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Mondale: I urge your support of Senate Bill S2425. I cannot impress upon you sufficiently the critical nature of the unmet child care needs in our state and community. The problems of neglected children and child care abuse, are matched by the problems that must be faced by women—who are working to help support the family—who have no major personal dilemma. However, in either event it is the children who are continually being put up to be sacrificed at the altar of necessary cutbacks.

The character of a country is determined by the way it treats its children.

Sincerely,

Elsa Puder Suplee,
State Chairwoman.

January 23, 1976.

To All Members of the U.S. Senate.

Dear Senator: The American Federation of Teachers, AFL–CIO, strongly urges your opposition to the Packwood Amendment which will be offered to H.R. 9803, when that bill is considered by the Senate.

H.R. 9803 is a bill to provide funds to the states to help them meet the Federal child/staff ratios required under Title XX of the Social Security Act. The ratios as they now exist are minimal protections for children receiving child care services under Title XX. The Packwood Amendment proposes to eliminate all Federal Child/staff ratios and eliminate Federal concerns as to the quality of these services.

The program as it now stands provides child care that enables mothers to seek employment and reduce their dependency on welfare. A crucial component of this program must be quality care for the children in such programs. Such care can be an important step up for a child whose parent must work. The Packwood Amendment would encourage the states to seek false economies that would lower the cost of Title XX programs by neglecting the care that the children of the poor are as entitled to as any other children. A welfare program that requires mothers to accept work must assure that their children will be cared for.

We urge you to reject the Packwood and any other weakening amendments and to vote to pass H.R. 9803.

Sincerely,

Albert Shanker,
President.

January 22, 1976.

Sen. Walter F. Mondale,
Washington, D.C.

Dear Senator: We are deeply appreciative of your efforts during the meeting of the Senate Finance Committee on behalf of Federal day care requirements. Speaking out for the needs of children, for their basic protection continues to characterize your service in the Senate.

You have, of course, our testimony on S. 2425, endorsing this legislation. Because of the expiration of the postponement we hope that the Congress will speedily approve legislation keeping Federal standards—and real enforcement of Federal standards—a part of Title XX. No one wishes to unnecessarily complicate the delivery of needed social services and we count ourselves in that company. But for those social services to meet the legislative intent of effectively preventing dependence, they must be of a quality that will service the needs of the child and the parent. Services below a certain quality floor will damage children and recycle them back into the dependency category when they are adults. Services of poor quality often displease parents. Services that endanger or subtly neglect their children are not acceptable, and cause parents to withdraw their children from care—and, usually, to leave the workforce for welfare.

The purpose of the expenditures under Title XX, as you recognize so clearly, can only be met if the expenditures go for quality services. The only real measure of quality—the only real accountability, we have learned after years of non-compliance and non-enforcement—is a Federal minimum. We hope that Federal minimum remains in effect for this lsgislation.

Sincerely.

Joseph H. Reid.

January 23, 1976.

Dear Senator: Last October 8, this Association testified in support of S2425 (copy enclosed) before the Committee on Finance. We were concerned then, as we are now with the need for adequate standards of child care.

Federal Interagency Day Care requirements must not be abandoned. We urge that you support retention and enforcement of these standards, as reported out by the Finance Committee, and as presently contained in HR 9803 which will shortly come to a vote before the full Senate.

Sincerely yours,

Maryann Mahaffey, ACSW,
President.

January 22, 1976.

Hon. Walter F. Mondale,
U.S. Senate,
Washington, D.C.

Dear Senator Mondale: The American Academy of Pediatrics commends your efforts on behalf of children under S. 2425. We are particularly pleased that you share our concern in quality day care programs.

As day care of children is sought increasingly by parents for a variety of reasons, consideration must be given to the quality of that care and the services provided. Until research further evaluates present standards and programs, the 1968 FIDCR should be used as minimal standards. By so doing, at least a minimum, measurable level of care or service will be assured. Without minimal federal standards, the quality of child care would be threatened. The provision of simple custodial care for children or of programs which do not meet the child's needs but force him into routinized group programs with little variation cannot be sanctioned.

In summary, the Academy strongly supports the continuation of federal standards for day care and would urge that these standards be monitored and enforced. The care and guidance given children in their early years are of critical importance for their optimal development and our country cannot afford to abandon its children at this time.

Sincerely yours,

Rowland L. Mindlin, M.D.,
Chairman, Committee on Infant and Preschool Child.

September 15, 1975.

Hon. David Matthews,
Secretary, Health, Education, and Welfare,
HEW North Building,
Washington, D.C.

Dear Mr. Secretary: It has come to our attention that you are receiving requests to postpone implementation of or provide statewide exemptions from the Title XX regulations regarding day care standards.

We urge you in the strongest possible manner to deny any such requests and to implement and enforce these standards as planned. These standards provide a minimum level of protection for children in day care, and must not be weakened or delayed. As you know they were made available for public review and comment in the form of proposed regulations several months ago, and the final regulations were modified as a result of this process. Any further modification at this point—before HEW completes the "appropriateness study" of day care standards required by Title XX—would be premature and unwise.

Sincerely,

Walter F. Mondale,
Abraham A. Ribicoff.
James L. Buckley.

AFL–CIO,
Washington, D.C., October 6, 1975.

Hon. Walter F. Mondale,
Russell Office Building,
Washington, D.C.

Dear Senator Mondale: I'm writing to convey the support of the AFL–CIO for S. 2425 introduced by you and Senator Long. We have already indicated to you our serious concern over the possible delay or weakening of the minimal level of child-staff ratios required in day care centers funded under Title XX of the Social Security Act.

The AFL–CIO believes that S. 2425 will do much to facilitate and encourage the implementation by the states of the standards necessary for the protection of children.

We commend you and Senator Long for taking the lead in working toward the solution of this long-standing problem.

Sincerely yours,

Andrew J. Biemiller,
Director, Department of Legislation.

UAW,
Washington, D.C., October 7, 1975.

Dear Senator: The Finance Committee now has before it a bill designed to help bring federally-supported day care programs into compliance with the Federal Interagency Day Care Requirements. Enactment of this legislation, S. 2425, would help to improve and expand child care services; the UAW urges your support during Finance Committee consideration.

Among other provisions, S. 2425 would make available an additional $250 million in the remainder of the current fiscal year and $500 million in following years to help federally-assisted child care programs meet federal standards. The additional money would be available on an 80 percent matching basis.

The UAW believes S. 2425 is totally justified; it should be enacted without undue delay. We urge that you vote for the bill and against any efforts to weaken it. Your consideration of the UAW position on this important measure will be appreciated.

Sincerely yours,

Jack Beidler,
Legislative Director.

AGRICULTURAL HIGHLIGHTS IN PRESIDENT FORD'S PROPOSED PROGRAMS FOR FISCAL YEAR 1977

Mr. THURMOND. Mr. President, in both his state of the Union message and in his budget proposals for fiscal year 1977, President Ford has paid particular attention to the problems and needs of the American farmer. Naturally, I am pleased with this emphasis, for I believe that the economic strength and well-being of the United States is directly tied to the productivity and economic health of the agricultural sector.

Insofar as the specifics of agricultural policy are concerned, I have not always agreed with Secretary of Agriculture Butz and the Ford administration. No doubt we will disagree on specific farm programs in the future. However, I believe President Ford and his agricultural advisers should be given credit for helping to move American agriculture forward, for expanding foreign markets for American agricultural products, and for enhancing farm income. The agricultural proposals recently enunciated by President Ford will help insure that the American tradition of leading the world in agricultural progress and productivity continues. For the benefit of my colleagues in Congress, and other interested persons, I would like to briefly highlight some of these proposals.

ESTATE TAX RELIEF

Most of us are becoming aware that the death of an owner of a family farm can create major financial problems for the heirs, particularly if they wish the business to remain in the family. Unless sufficient liquid assets are readily available—or become available upon the death of the owner—to pay the Federal estate tax liability, heirs may be compelled to sell the farm.

To correct this unfortunate situation, President Ford has stated that he will seek legislation permitting heirs of owners of family farms to defer the first payment of Federal estate taxes for 5 years and amortize the balance over 20 years at 4 percent simple interest. This will ease significantly the current problem faced by heirs of being forced to sell farms that may have been in a family for years in order to pay estate taxes.

I am extremely pleased that President Ford has taken this constructive step to amend Federal inheritance tax laws. Congress should promptly enact such changes, to help insure the survival of the family farm in America. At the same time, I hope we can go a step further and substantially increase the Federal estate tax exemption from the present $60,000 level, which has been in effect since 1942. Furthermore, insofar as computing the value of farm estates, I believe it would be wise to modify existing law to provide for property and land valuation according to use rather than highest market value. A number of bills to accomplish these purposes have been introduced in both the House and Senate, and I am cosponsoring several of the best of these. I hope the committees of jurisdiction will carefully consider these additional needed changes when reviewing the President's proposals.

PRODUCTION EFFICIENCY RESEARCH

I am also pleased that the President's agricultural budget proposes a $21 million increase for new, fundamental research efforts in the agricultural sciences, 5.5 percent above research outlays in fiscal year 1976.

This work is aimed at improving the efficiency of our agricultural production by reducing the amount of petroleum-based fertilizer or other inputs, or increasing output by breeding for greater resistance. Much of the research beginning in fiscal year 1977 will be of the most basic nature, in an attempt to further an understanding of biological processes. Subjects receiving special attention will be: First, increasing understanding of the process by which plants convert light to energy; second, increasing understanding of the process by which plants convert and use nitrogen as a nutrient; and third, broadening the genetic base of plants to maintain high yields with greater resistance to pests, diseases, and weather.

This type of basic research effort is crucial if our farmers are to further increase yields at a time when key production inputs are becoming scarce and expensive. Bolstered by a strong research effort, the American farmer can further enhance his productivity, grow an abundance of food for the American people, and provide the leadership in helping to feed a hungry, populous world.

TRIAL BOLL WEEVIL ERADICATION AND PEST MANAGEMENT PROGRAM

One of the most important items in the President's proposed budget, from the standpoint of cotton farmers, is funding for the Federal share of a trial boll weevil eradication and pest management program.

The sum of $4.3 million of Federal funds will be used in fiscal year 1977 to begin a 3-year trial program: First, to eradicate the boll weevil from Virginia, North Carolina, and South Carolina; and second, to operate a concurrent program in another part of the South, as yet undetermined, to reduce the boll weevil to economically manageable proportions. The strategies of eradication and pest management form the two major alternatives for insect control. During and at the conclusion of the 3-year program, evaluations will be made to determine comparative cost/benefit relationships, the efficacy of regulatory measures, the willingness of affected growers to cooperate, and other factors. The President and the Secretary of Agriculture will then determine the best strategy for dealing with the boll weevil throughout the entire South.

The boll weevil is our Nation's worst agricultural insect, causing approximately $300 million worth of damage each year in lost cotton, as well as requiring over one-third of the pesticides applied to our crops nationwide each year — $75 million worth. A sustained effort needs to be made to reduce both economic damage and environmental costs. Furthermore, such an effort must be made if cotton production is to continue as a viable agricultural enterprise in the Southeast.

OTHER AGRICULTURE PROGRAMS

The above-mentioned proposals are of particular importance to the agricultural community. However, the President's program for agriculture continues many other extremely worthwhile programs, which provide income protection for farmers, research and technical assistance, and valuable, timely market information. In order to briefly describe the President's broad range of agricultural proposals I ask unanimous consent that a summary of the fiscal year 1977 budget programs for agriculture be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. I deeply appreciate the commitment of the Ford administration to maintaining America's agricultural might. As President Ford told the farmer members of the American Farm Bureau Federation in St. Louis recently—

> It is no exaggeration to say that the fate of America in our third century and of all civilization depends on you.

Truly, all of us in the United States and millions of others throughout the world are greatly dependent on the American farmer. Therefore, it is both fitting and necessary that U.S. Government programs for agriculture reflect this dependence and provide appropriate assistance to our invaluable farmers.

EXHIBIT I

AGRICULTURE

Agriculture programs provide income protection for farmers; research and technical, economic and market information services to farmers, processors, distributors, and consumers; and inspection services to assure the quality of farm products. Outlays for these programs are estimated at $1.7 billion for 1977, and are projected at $2.6 billion in 1978.

Program highlights

Continue successful market-oriented commodity programs with their reduced reliance on Federal controls.

Strengthen grain inspection services.

Increase crop and livestock production efficiency through expanded production research efforts.

Begin trial boll weevil eradication program.

Propose tax relief for heirs of small farm owners.

AGRICULTURE

[In millions of dollars]

Program or agency	Outlays: 1975 actual	Outlays: 1976 estimate	Outlays: TQ estimate	Outlays: 1977 estimate	Recommended budget authority for 1977 [1]
Farm income stabilization:					
Price support and related programs	575	1,441	446	829	899
Long-term land retirement programs	41	42	0	21	0
National Wool Act	19	44	1	36	45
Sugar Act	77	12	0	0	0
Federal Crop Insurance Corporation	30	8	5	16	12
Agriculture credit insurance fund	−133	192	2	−344	141
Other	176	157	38	159	162
Subtotal, farm income stabilization	785	1,896	492	717	1,259
Agriculture research and services:					
Research programs	329	382	100	407	396
Extension programs	219	227	58	221	219
Consumer protection, marketing, and regulatory programs	240	267	66	276	280
Economic intelligence	85	97	24	104	102
Other	50	56	14	57	59
Offsetting receipts	−46	−48	−12	−51	− 1
Subtotal, agricultural research and services	877	981	250	1,014	1,005
Deductions for offsetting receipts	−2	−2		−2	−2
Total agriculture	1,660	2,875	742	1,729	2,262

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[1] Information on budget authority for 1975, 1976, and the transition quarter is shown in table 4 of pt. 8.

Farm income stabilization.—The Administration's policy is to avoid Government restrictions on crop production, permit market forces to work, but provide producers protection against severe price declines. Problems continue to exist where this policy is not followed. For example, rice, peanuts, and tobacco are controlled through cumbersome mandatory programs that often result in a buildup of surpluses and higher prices at considerable cost to the Federal Government and consumers.

Outlay estimates for stabilization programs are based on the following assumptions: (1) normal weather during the 1976 growing season; (2) continued economic recovery; (3) continued strong overseas demand for U.S. farm products; (4) reduced acreage allotments for rice and tobacco to bring supplies into better balance with demand; (5) acreage allotment for peanuts at the legal minimum; and (6) short-term export credit of $450 million. The 1977 outlay estimates resulting from these actions and assumptions are $717 million for farm income stabilization.

Further major reductions in farm income stabilization from the amounts in this budget are contingent on substituting an expanded crop insurance program for disaster payments—such a proposal has been sent to the Congress—and on changing the price support program for peanuts. Absent such reforms, outlays for disaster payments and peanut price supports (included in price support and related programs) are projected at over $500 million in 1977.

Actual outlays for his subfunction are subject to wide swings because weather and foreign demand are difficult to predict.

COMMODITY CREDIT CORPORATION OUTLAYS

[In millions of dollars]

Program or agency	1975 actual	1976 estimate	TQ estimate	1977 estimate
Agriculture:				
Price support operations:				
Disaster payments	556	270	47	378
Commodity loans	829	1, 304	340	1, 209
Commodity purchases	720	510	125	579
Short-term export credit sales	249	900	125	450
Other price support operation	481	388	157	317
Receipts and adjustments	−2, 260	−1, 931	−347	−2, 104
Subtotal price support operations	575	1, 441	446	829
Other activities	10	70	−24	36
Subtotal	585	1, 511	422	865

Program or agency	1975 actual	1976 estimate	TQ estimate	1977 estimate
International affairs:				
Food for Peace:				
Gross outlays	1, 228	1, 480	225	1, 286
Receipts and reimbursements	−294	−269	−62	−290
Subtotal	934	1, 211	163	996
Total CCC outlays	1, 519	2, 723	586	1, 861

Federal tax expenditures for agriculture arise principally from two provisions in the income tax law that enable farmers, including corporate farms, to treat certain capital outlays as current expenses and certain types of farm income as capital gains. Reductions in farmers' taxes attributable to these provisions will total an estimated $1 billion in 1977.

The Administration will ask Congress for legislation permitting heirs of owners of small farms to defer the first payment of estate taxes for five years and amortize the balance over 20 years at 4 percent simple interest.

Agricultural research and services.—Overall outlays for research, extension, consumer protection, marketing, regulatory, and economic information programs are being held near to 1976 levels, $1 billion. However, within such totals, funds for research to increase production efficiency will be $21 million higher and outlays for animal disease eradication will be increased by $11.5 million. The only new program for 1977 will be a feasibility trial of a program for eradition of the boll weevil. Outlays in 1977 for this program are estimated at about $4 million. This will be a cooperative trial with Virginia, North Carolina, and South Carolina. Depending on results achieved, the trial may lead to nationwide improvements in pest control as well as the eradication of the boll weevil through further cost-sharing programs.

The Administration has also proposed legislation to strengthen the national grain inspection system. The proposal provides for additional Federal authority over inspection activities to deal with conflicts of interest, provide protection against abuses and increase penalties for violation.

It is estimated that the Farmers Home Administration will provide new loan commitments of about $1.4 billion in guaranteed and direct agricultural loans to family farmers in 1977, down from $2.3 billion in 1976, due largely to expiration of the emergency livestock credit program. About one-third of the loans are subsidized; the balance are at market rates.

CREDIT PROGRAMS—AGRICULTURE

[In millions of dollars]

Program or agency	1975 actual	1976 estimate	TQ estimate	1977 estimate
Farm income stabilization:				
Commodity Credit Corporation:				
Direct loan disbursements	1, 101	2, 264	480	1, 719
Direct loan repayments	−1, 546	−1, 656	−245	−1, 638
Direct loans outstanding, end of period	1, 262	1, 870	2, 104	2, 033

Program or agency	1975 actual	1976 estimate	TQ estimate	1977 estimate
Agricultural and emergency credit programs:				
Direct loan disbursements	1, 995	1, 454	432	1, 343
Direct loan repayments	−394	−557	−139	−656
Direct loans outstanding, end of period	750	825	786	463
Guaranteed loans outstanding, end of period	4, 597	5, 761	6, 079	6, 832

NUCLEAR SPREAD—THREAT AND REACTION

Mr. GLENN. Mr. President, yesterday the New York Times ran as their lead editorial a commentary on the dangers of nuclear proliferation from the export throughout the world of nuclear power-producing technology. The editorial quotes from testimony of David Lilienthal, the first Chairman of the Atomic Energy Commission, which was delivered to the Senate Committee on Government Operations last week and which presents perhaps more forcefully than any statement I have heard the dimensions of the crisis which confronts us. Mr. Lilienthal concludes that the situation demands nothing less than a total and immediate American embargo on the export of nuclear equipment, fuel, and technology.

While I cannot support Mr. Lilienthal's recommendations, I feel that, coming from a man of his stature and experience, it deserves to be taken seriously. Accordingly, as administration and other witnesses come before the committee this week when the hearings continue, I plan to ask each of them to address themselves to Mr. Lilienthal's proposal as well as others and to evaluate them thoroughly. I would also urge my colleagues to examine his proposal with an eye toward determining the best possible solution to an extremely serious problem.

Mr. President. I ask unanimous consent that the Times editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 25, 1976]

NUCLEAR SPREAD—THREAT AND REACTION

"I'm glad I'm not a young man and I'm sorry for my grandchildren," the first chairman of the Atomic Energy Commission said last week in commenting on the rapid and "terrifying" spread of nuclear explosives around the globe. To avoid "impending disaster," David Lilienthal called for an immediate, unilateral American embargo on exports of nuclear reactors, technology and fissionable materials until effective international controls are achieved to impede proliferation of atomic weapons.

It is a dramatic, even shocking proposal that would repudiate, even if temporarily American commitments to supply dozens of countries with the fuel on which their nuclear reactors depend, fuel that cannot be replaced now from other sources. It is the failure of lesser measures to bring about responsible policies, particularly by such nuclear supplier countries as West Germany and France, that makes this proposal worthy of consideration.

The nuclear power reactors and other technology that West Germany, France and other non-Communist nuclear supplier nations are selling abroad were originally obtained in large part from the United States and commitments were made to their use exclusively for peaceful purposes. The re-export of this technology for commercial gain now threatens to pervert the Atoms for Peace program into Atoms for War. In that sense, the re-export of American technology without effective safeguards against its use to make nuclear weapons violates the spirit of the bilateral Atoms for Peace agreements—and the Nuclear Nonproliferation Treaty—even if the agreements failed to lay down precise re-export conditions.

The chief danger is not in the sale of giant billion-dollar nuclear power reactors to produce electricity; weapons grade fissionable material is never present in most of these reactors. It lies in the German-Brazilian and French-Korean sales of pilot reprocessing plants to extract weapons-grade plutonium from spent reactor fuel rods.

The United States for thirty years has refused to export plutonium reprocessing plants, which have no commercial use at present. But France has now sold one to South Korea and is negotiating with Pakistan. West Germany's deal with Brazil promises technology for uranium enrichment that ultimately might provide a second way to make nuclear explosives.

These developments, following on the heels of India's diversion of Canadian-supplied "peaceful atoms" to make and explode a nuclear device, have stimulated several Congressional initiatives including an export control bill and legislation to bar Export-Import Bank credits for nuclear sales to countries that have not adhered to the Nonproliferation Treaty. A resolution passed by the Senate calls on President Ford to make a summit-level approach to the leaders of West Germany, France and other nuclear supplier nations to halt the sale of technology for atomic explosives. And resolutions introduced in both House and Senate call most importantly for internationalization of uranium enrichment facilities.

Congressional concern has helped to stimulate Administration proposals for multinational nuclear fuel centers, and the negotiation of a seven-nation nuclear suppliers agreement to tighten up safeguards. There now are indications that both France and West Germany are having second thoughts about their policies.

However, unless the Administration can quickly obtain the agreement of the other main supplier nations to halt the spread of national plutonium reprocessing and uranium enrichment capabiltities—and to move toward internationalization of nuclear fuel facilities—Congressional enactment of the Lilienthal embargo may be the only practical alternative left.

PROPOSED RESCISSION OF RURAL HOUSING FUNDS

Mr. MATHIAS. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Indiana (Mr. Bayh), and the material attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Bayh

On January 16, forty-four of my colleagues in the Senate joined me in a letter to James Lynn, Director of the Office of Management and Budget. The letter concerned a $500 million increase in the obligational authority for the Farmers Home Administration which was provided for in the First Supplemental Appropriations bill, signed into law on December 18.

On November 19, 1975, I wrote to Chairman McGee of the Agriculture Appropriations Subcommittee recommending a $500 million increase because the demand for FmHA housing and rental assistance loans had, in many states exhausted available funds. My amendment was referred without prejudice to the full Appropriations Committee.

With the able assistance of the senior Senator from Maryland (Mr. Mathias) and the junior Senator from South Carolina (Mr. Hollings), who joined me in sponsoring this amendment before the full Committee, it was accepted.

It was enthusiastically endorsed on the Floor of both Houses of Congress, and was retained in full by the Conference Committee.

It came to my attention, however, that the Administration was contemplating a rescission of the $500 million increase. Therefore I initiated the letter of January 16 to Director Lynn. The text of the letter is self-explanatory, and I have attached that together with a complete list of co-signers.

The material ordered to be printed in the Record is as follows:

U.S. Senate,
Washington, D.C., January 16, 1976.

Hon. James T. Lynn,
Director, Office of Management and Budget, Executive Office Building, Washington, D.C.

Dear Mr. Director: The First Supplemental Appropriations bill for fiscal 1976, H.R. 10647, which became law on December 18, 1975, (P.L. 94–157), provided for an increase of $500 million in the obligational authority of the Rural Housing Insurance Fund of the Farmers Home Administration.

The tremendous participation in the FmHA programs is indicative of both the need and the success of these programs. The annual agricultural appropriations bill for fiscal 1976 empowered FmHA to extend $2.7 billion in homeownership and rental assistance loans, but the volume of applications was so high that FmHA was forced to ration funds by setting monthly quotas. Even the rationing of loans proved inadequate to cope with the demand, and FmHA was forced, in effect, to call a halt to the Section 502 homeownership program for lack of funds.

Another indication of the success of the rural homeownership and rental assistance programs is the extremely low foreclosure rate. As of December 31, 1974, the most recent date for which figures are available, the foreclosure rate for the rental housing program (section 515) was 4.0 percent. The foreclosure rate in the rural homeownership program (section 502) was 0.8 percent. This figure compares favorably with the foreclosure rate in the HUD section 235 program of 15.3 percent (as of June 30, 1975).

We urge you to authorize the immediate release of the additional $500 million in obligational authority; any delay in making these funds available will increase uncertainty and confusion surrounding FmHA policy, making it difficult for rural developers to project costs and efficiently develop units. The end result is not only hardship for the more than 9 million rural families living in substandard units, but inefficiency and increased costs.

In addition, we urge that the funds which were provided in the fiscal year 1976 Agriculture Appropriations bill (P.L. 94–122) for the hiring of additional FmHA personnel be used without delay to maximize the number of staff available to process loan applications. We believe it is inappropriate for OMB to limit new hiring at FmHA in view of the fact that severe understaffing has affected the agency's capacity to service its various programs.

Sincerely,

Cosigners were Senators Abourezk (D–SD), Bayh (D–IN), Bellmon (R–OK), Biden (D–DE), Cannon (D–NV), Church (D–ID), Clark (D–IA), Cranston (D–CA), Culver (D–IA), Domenici (R–NM), Durkin (D–NH), Eagleton (D–MO), Eastland (D–MS), Ford (D–KY), Gravel (D–AK), Hart (D–CO), Hart (D–MI), Hartke (D–IN), Haskell (D–CO), Johnston (D–LA), Hathaway (D–ME), Hollings (D–SC), Huddleston (D–KY), Humphrey (D–MN), Inouye (D–HI), Jackson (D–WA), Javits (R–NY), Hatfield (R–OR), Kennedy (D–MA), Leahy (D–VT), Magnuson (D–WA), Mathias (R–MD), McGee (D–WY), McGovern (D–SD), Mondale (D–MN), Montoya (D–NM), Muskie (D–ME), Packwood (R–OR), Randolph (D–WV), H. Scott (R–PA), Stennis (D–MS), Symington (D–MO), Tunney (D–CA), Thurmond (R–SC), Williams (D–NJ).

I would like to point out that the co-signers represent every region of the country, and both parties. It was our expectation that this clear expression of support for retention of the $500 million increase would show the Administration that a rescission proposal could not succeed in gaining Congressional approval.

Yet a rescission message has been sent to Congress. I am convinced that my colleagues will not agree to it, and I am further convinced that the Administration is well aware of this fact.

Thus the only possible consequence of the Administration's latest action is a 45-day delay in disbursement of these funds. Such a delay will not only work a further hardship on those states and regions which have already run out of FmHA funds for fiscal year 1976, but will, in the long run, increase the costs to homebuilders, homebuyers and renters.

Among the justifications put forward for the recommended rescissions are the following:

"(5) The Farmers Home Administration could not properly disburse the additional $500 million loan level in the last half of the year. . . .

"(6) The additional housing funding will adversely impact on the agency's ability to deliver other important programs such as community facility and farmer programs to rural America."

The issue of FmHA personnel is one which the Congress foresaw early in 1975, and took steps to remedy.

In the fiscal year 1976 annual Agriculture Appropriations Bill, the House of Representatives added $6.2 million to the budget request for FmHA personnel and $2 million for travel funds. The Committee report accompanying the bill specifically recommended an increase of 750 new positions.

The Senate further increased the FmHA appropriation for salaries and expenses by $5 million compared to the House bill. The report accompanying the bill devoted several paragraphs to Congress' concern about understaffing at FmHA, and made it clear that it was the intent of the Congress to remedy this problem with additional appropriations.

While the final Agriculture Appropriations bill provided sufficient funds for the hiring of 1,000 additional FmHA personnel to cope with increasing loan demands, the Office of Management and Budget has authorized the hiring of only 400 new full time personnel.

It is ironic, at best, that the Administration should now claim as a reason for rescinding FmHA's increased obligational authority the lack of adequate personnel.

I am deeply concerned about the Administration's response to a very clear expression of Congressional intent. I know that many of my colleagues share this concern. I am also concerned about the impact of the 45-day delay engendered by the rescission proposal on the FmHA housing assistance in many states.

I attach a breakdown of how the additional $500 million in Farmers Home Administration Section 502 homeownership and Section 515 rental funds might be distributed among all 50 states and Puerto Rico and the Virgin Islands. These figures are based on the allocation pattern for fiscal year 1976 for Sections 502 and 515.

It should be understood, however, that this pattern would not necessarily be strictly applied to an allocation of new funds. Those states with shortages, either because they have already spent a large portion of their allocation or because they received too small an allocation initially, would undoubtedly receive more than shown on the attached chart.

The figures ordered to be printed in the Record are as follows:

ESTIMATED ALLOCATION OF $500,000,000 SUPPLEMENTAL OBLIGATIONAL INCREASE FOR FmHA

[In millions of dollars]

	502 Home-ownership	515 rental	Total
Alabama	7.08	0.88	7.96
Alaska	1.49	[1] 2.22	(6)
Arizona	7.08	.51	7.59
Arkansas	7.65	.61	8.26
California	12.10	[2] 2.68	(6)
Colorado	5.60	1.20	6.80
Connecticut	3.19	[3] 3.24	(6)
Delaware	1.88	[4] 1.76	(6)
Florida	11.19	1.02	12.21
Georgia	5.03	.83	5.86
Hawaii	2.23	[2] 2.68	(6)
Idaho	11.79	1.20	12.39
Illinois	10.62	2.28	12.90
Indiana	12.68	2.13	14.81
Iowa	10.84	2.32	13.16
Kansas	7.47	.55	8.02
Kentucky	12.12	.56	12.68
Louisiana	6.71	.65	7.36
Maine	19.58	2.04	21.62
Maryland	8.39	[4] 1.76	(6)
Massachusetts	3.73	[3] 3.24	(6)
Michigan	14.90	2.78	17.68
Minnesota	8.39	1.87	10.26
Mississippi	11.19	1.02	12.21
Missouri	9.33	2.04	11.37
Montana	4.10	.74	4.84
Nebraska	6.15	.24	6.39
Nevada	1.14	[2] 2.69	(6)
New Hampshire	2.05	[3] 3.24	(6)
New Jersey	9.33	[4] 1.76	(6)
New Mexico	3.73	.41	4.14
New York	14.90	1.39	16.29
North Carolina	19.58	1.02	20.60
North Dakota	2.80	.92	3.72
Ohio	8.04	3.33	11.37
Oklahoma	10.26	1.89	12.15
Oregon	9.70	[1] 2.22	(6)
Pennsylvania	9.33	1.85	11.18
Puerto Rico	6.51	[5] 1.85	(6)
Rhode Island	1.12	[3] 3.24	(6)
South Carolina	5.97	1.35	7.32
South Dakota	4.11	1.44	5.55
Tennessee	16.21	1.48	17.69
Texas	8.39	2.32	10.71
Utah	8.96	.50	9.46
Vermont	4.67	[3] 3.24	(6)
Virgin Islands	.39	[5] 1.85	(6)
Virginia	19.58	1.11	20.69
Washington	8.39	1.82	10.21
West Virginia	9.89	.65	10.54
Wisconsin	8.58	2.60	11.18
Wyoming	2.42	.41	2.83
Reserve	19.01	1.30	20.31
Total	436.97	63.02	499.99

[1] $2,220,000 would be distributed between Alaska and Oregon.

[2] $2,680,000 would be distributed among California, Hawaii, and Nevada.

[3] $3,240,000 would be distributed among Connecticut, Massachusetts, New Hampshire, Rhode Island, and Vermont.

[4] $1,760,000 would be distributed among Delaware, Maryland, and New Jersey.

[5] $1,850,000 would be distributed between Puerto Rico and the Virgin Islands.

[6] Totals cannot be determined because 515 amount for this State is not broken out.

FEDERAL SPENDING

Mr. PACKWOOD. Mr. President, the biggest underlying dilemma the Congress faces this year is what to do about spending. This dilemma transcends all major issues, because at the heart of all programs is the question of funding. As good and as well-thought-out as the programs are that Congress wants to fund, we must recognize that we have real needs to be funded with limited financial resources.

This dilemma is particularly acute during an election year because an attitude toward spending has always been a distinctive label to pin on a candidate. Those characterized as "liberal" are often pictured as more concerned about programs than funding; anytime a nice sounding program appears, they run after it. Those characterized as "conservative" are stereotyped as more concerned about money than people. The criticism of them is that they do not recognize real needs. We must recognize real needs, but we must also recognize real limitations.

The task of Congress then is not to fund every program that appears, nor conversely, refuse to fund any programs, but to order and arrange our priorities. The financial pie is limited. We cannot continue to throw money into programs with the hope that more money will "make the problem go away." More often than not, more money means more abuses and more mismanagement and more waste. The food stamp program is a good example. At the same time we cannot ignore real needs. There are many Americans who need assistance, and we cannot turn our backs on them.

As we begin to examine the budget for fiscal year 1977, which begins in October of this year and ends next October, the confrontation sharpens between those who want to hold the line on spending and those who want to create more programs. Hopefully, under the provisions of the Congressional Budget Act, Congress will act more responsibly in separating real needs from unneeded wants. Once we have arranged priorities, the question of funding is made easier, but still not neatly solved.

A year ago, President Ford proposed a budget of $349 billion with a deficit of $51.9. The administration's supplemental requests and congressional excess pushed that budget figure up to $374.9 billion with a deficit of $74.1 billion. This year, President Ford proposed a budget of $395 billion and a deficit of around $43 billion. It will be interesting to see how disciplined Congress is regarding these figures in the upcoming little battles over program funding. Each little battle we lose, each bill which is in excess of budget requests, means that we will lose the war. The war is excess spending. It is increasing, and it is increasing at a rate we cannot afford.

Included in President Ford's state of the Union message were numerous tax reform proposals, including a tax cut, a social security rate reform, deferral of estate taxes for family owned businesses and farms, tax incentives to develop jobs in the private sector, and tax incentives to encourage the purchases of common stock. In addition to these specific tax measures, he proposed a renewal of the revenue sharing program, medicaid/medicare reform, and a "catastrophic health insurance." All of these measures as well as the tax reform proposals come under the jurisdiction of the Senate Finance Committee. As a member of that committee, I will be dealing directly with these issues. I am looking forward to attacking the dilemma head on; using our limited financial resources to fund our priorities, the real needs.

NATIONAL DAY OF THE REPUBLIC OF INDIA JANUARY 26, 1976

Mr. HARTKE. Mr. President, the giant of the Asian subcontinent, India, celebrates her national day, January 26, 1976. With a total land area of 1,211,000 square miles and an estimated human population of 650 million, India is one of the most densely populated lands in the world.

Continuous civilization has been known in India since 2500 B.C. India, a union of states is a sovereign democratic republic with a parlimentary system of government. The Republic is governed in terms of the Constitution. Since independence in 1947, India has played an important role in world affairs. It has been active in the United Nations as a leader of the Afro-Asian group and has made important contributions to U.N. peacekeeping operations in Korea, the Gaza Strip, the Congo, and Cyprus. In addition, India served as Chairman of the International Control Commissions that were established in Laos, Vietnam, and Cambodia under the 1954 and 1962 Geneva agreements.

India's role in world affairs has derived from its size and population, the prestige and influence attained as a result of its successful independence struggle, and the personal influence of Jawaharlal Nehru, the architect of "nonalinement."

In addition to belonging to the Commonwealth and the United Nations and its specialized agencies, India is a member of the Colombo Plan, the Asian Development Bank, and the International Atomic Energy Agency.

The Government of India has evolved several scholarship schemes to promote friendly relations between India and foreign countries. The most important components of this project are the general cultural scholarships and facilities of technical cooperation under the Colombo Plan. Nearly 2,000 foreign students are now in India, studying such subjects as engineering, dentistry, medicine, veterinary science, and agriculture. Sixty odd countries are now participating in educational scholarship programs.

India still continues to strive for self-sufficiency and hopes to solve her food problems in the very near future.

I ask my colleagues to join with me in saluting the Republic of India on this national day.

ARTICLE 7 AMENDMENT

Mr. GRAVEL. Mr. President, I have joined with a number of my colleagues in offering an amendment that will make a fundamental improvement in S. 961, the Magnuson Fisheries Management and Conservation Act.

Senators have expressed two major concerns during consideration of fishery management legislation: First, they want to institute conservation practices that will preserve our fisheries; and second, they want to avoid jeopardizing an early agreement on the Law of the Sea.

S. 961 fully meets the first of these two criteria. There seems to be universal agreement that the management sections of the bill will provide the mechanisms we need to restore our fisheries to desirable levels and maintain them for the future. It does not, however, institute these management provisions in a manner which will assure international consent. On the contrary, by unilaterally declaring exclusive fisheries jurisdiction over a 200-mile zone, S. 961 threatens to destroy any opportunity of achieving a comprehensive Law of the Sea agreement anytime in the foreseeable future.

The amendment we have offered resolves this dilemma. It does not force us to choose between international cooperation and proper management of our fisheries. While preserving completely intact the management provisions of S. 961, it substitutes for the claim to a 200-mile fishery conservation zone the procedures for fishery conservation set forth in article 7 of the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas. This Convention is accepted throughout the world as customery international law, and application of its fishery conservation procedures will not sabotage our chances for agreement at the Law of the Sea.

Specifically, article 7 of the Geneva Convention works this way:

A coastal nation such as the United States makes a finding that certain of its fish stocks are in immediate need of conservation.

The United States notifies other nations which fish for these stocks of its intent to adopt unilateral measures of conservation pursuant to article 7 of the Geneva Convention.

The United States enters into negotiation with these other nations.

If these negotiations have not resulted in agreement within 6 months, the United States promulgates regulations to unilaterally put into effect appropriate conservation measures.

Under the terms of the convention, these unilaterally adopted regulations "shall be valid as to other States, nations, if the following requirements are fulfilled":

First, there is a need for urgent application of conservation measures;

Second, the measures adopted are based on appropriate scientific findings; and

Third, the measures do not discriminate in form or in fact against foreign fishermen.

These conservation measures will remain in force unless challenged, and if challenged will remain in force until a decision on their validity is reached by a special commission of five members, who will be appointed by agreement between the nations in dispute.

Any special commission arbitrating a dispute will award its judgment to a coastal nation which adopts conservation measures if it has properly applied the criteria set out above.

The Geneva Convention approach to fisheries conservation not only avoids antagonizing other nations and destroying the law of the sea, but also results in more immediate conservation of U.S. coastal fish stocks. S. 961 will not be enforceable against foreign and U.S. fishermen until January of 1977. Under our amendment enforcement could proceed in just half that time. Moreover, the Geneva Convention approach would be valid under international law and hence much more easily enforced.

CONSERVATION NEED

In debate on S. 961, the managers of the bill agreed that the real problem to which the bill addresses itself is the condition of 16 U.S. coastal fish stocks which are currently endangered by either U.S. or foreign fishing, or a combination of both—see Congressional Record for Wednesday, January 21, 1976, pages 440 and 441. Both the propenents and the opponents of S. 961 agree that immediate action is needed to protect these stocks. The question in controversy is simply: Do we claim a 200-mile zone, or do we claim only the right to conserve fish stocks? Article 7 of the 1958 Geneva Convention provides us with the tool to do the latter, and to do it without the international friction sure to be generated by a unilateral 200-mile claim.

The Geneva Convention approach, coupled with the management provisions of S. 961, will harmoniously place in motion the necessary mechanisms for the management of a 200-mile zone, which will soon be adopted at the Law of the Sea Conference if hasty unilateral claims to ocean space do not preempt such agreement.

CONSERVATION UNDER THE LAW

International legal scholars are nearly unanimous in agreeing that S. 961's unilateral assertion of U.S. exclusive fisheries jurisdiction over 200 miles violates customary international law and fisheries treaties to which the United States is party. This view has been affirmed by both the Senate Foreign Relations Committee and the House Committee on International Relations.

The Geneva Convention on the Conservation of the Living Resources of the High Seas, on the other hand, is not merely in accord with international law: it is the very basis for international law on ocean fisheries. Therefore, application of Article 7, as called for in our amendment, would clearly constitute conservation under law.

ENFORCEMENT

Under the Geneva Convention approach to fisheries conservation, the United States would have full enforcement rights. The management councils set up under this act would have as their first order of business the drawing up and promulgation of those regulations necessary for a proper management and enforcement scheme. The councils would bear the responsibility for: first, establishing the urgent need for conservation measures: 2, assembling the scientific data to support the adoption of conservation practices, and 3, assuring that conservation measures are evenhanded in their treatment of U.S. and foreign fishermen.

INTERNATIONAL PRECEDENT

By implementing article 7 of the Geneva Convention, the United States would set an example for the rest of the world to conserve ocean fishery resources, and to do so within the framework of international law. This would avoid the great danger of triggering other unilateral claims based solely on national laws. Only in this way can the United States preserve its bargaining position at the Law of the Sea Conference, which must rest upon a foundation of mutual restraint if other nations are to be persuaded to forego unilateral claims that are in their particular national interests, but which in many cases will be in conflict with the U.S. interest. Guarantees on free transit of vessels, dispute settlement, deepsea mining, pollution control, and other ocean issues can be assured only if we foreswear unilateral assertions of authority in all areas.

JAPAN AND THE SOVIET UNION

Some may question the authority of the United States to enforce the provisions of article 7 of the Geneva Convention against nonsignatory nations, the most important of which are Japan and the Soviet Union.

But this criticism of an article 7 approach to the conservation of our fishery resources represents a misunderstanding of the status of international law on this matter. The proponents of S. 961 have claimed again and again that a coastal nation has the right under international law to adopt conservation measures. The International Court of Justice in the Icelandic fisheries case has confirmed this right.

Although international law does not allow for the unilateral claim of 200 miles over all fishery resources, it does allow for emergency conservation measures to protect endangered fisheries. International legal opinion on this matter is clear.

Arthur H. Dean, the chief U.S. negotiator at the 1958 and 1960 Geneva Conventions, and considered by many to be the father of modern day ocean law, has written to me on this matter as follows:

> I believe the implementation of Article 7 of the Geneva Convention on Fisheries and the Conservation of the Living Resources of the High Seas, as adopted April 29, 1958, would be consistent with the U.S.A.'s international legal obligations. While Japan and Russia did not sign this treaty, it is my understanding that they have agreed to it in practice, and in view of the development in state practice, it largely reflects customary international law. The proviso clause in paragraph one of Article 7 expressly contemplates such implementation or negotiations.

Prof. Louis Henkin, professor of international law and diplomacy at Columbia University, has also written me on this matter. He concludes:

> A strong argument can be made . . . that in its essential respects the 1958 Convention, including Article 7, merely declared customary law; or that, in any event, the Convention together with developments before and since, have established its essential principles as customary law.

On the other hand, Professor Henkin notes:

> Any unilateral action beyond the territorial sea is *prima facie* suspect. In my view, however, an impartial tribunal might well hold that, unlike assertions of exclusive fishing rights, bona-fide conservation measures applied to all (including the coastal fishing state) is now within the authority of the coastal state under customary law. A con-

servation regulation applicable to all fishing (including our own), moreover, accords with the policies pursued by the United States since the Truman Proclamation of 1945; a large, exclusive fishing zone, on the other hand, would be wholly contrary to the policies and the view of international law, which the United States has consistently and repeatedly asserted. (The United States, you will recall, has repeatedly and vehemently protested assertions of 200-mile fishing zones by other states.)

The president of the American Society of International Law, R. R. Baxter, has described the Geneva Convention Approach to conservation as follows:

(1) It is a limited claim under existing international law.

(2) It is undertaken under an arrangement which is multilateral rather than unilateral in character.

(3) It asks others to join in conservation measures on a non-discriminatory basis.

(4) It is consistent with the International Court of Justice decision in the recent Icelandic Case.

In addition, Prof. Louis Sohn, perhaps the most knowledgeable individual in the field of international oceans law, has told me that implementation of article 7 of the Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas would be entirely consistent with U.S. obligations under international law. Such action would be taken within the context of a unilateral agreement. It has long been considered customary international law and would be so found by the International Court of Justice if a case were brought before it on this matter.

Finally, the very fact that the Soviet Union and Japan agreed at the September 1975 ICNAF meeting to reduce their fishing of U.S. coastal stocks to levels consistent with maximum sustainable yield and conservation is strong proof of their recognition of the right of coastal states to implement conservation measures. Japan and the Soviet Union are also party to other bilateral and multilateral treaties which contain explicit acknowledgements of their responsibility to promote fishery conservation.

RECOMMENDATIONS ON DRIVING SAFETY

Mr. HASKELL. Mr. President, I would like to bring to my colleagues' attention some very valuable recommendations on driving safety that have come to me from the Colorado Youth Traffic Safety Council.

This council had only 15 members when it was formed in April 1974 by the Governor's Youth Traffic Safety Advisory Committee. Now it has about 700 members representing 65 high schools throughout the State.

Among the areas on which the council has focused its attention are driver education, elementary, and secondary safety programs, community safety programs, and the young drinking driver.

At its most recent meeting the council adopted several resolutions that it hopes the State will act upon in order to increase traffic safety.

Among the recommendations are:

That no one under 18 be given a driver's license without completing a State-approved driver education course, and that schools be reimbursed for each student completing such a course;

That elementary schools include more traffic safety programs;

That schools also include alcohol and drug education as part of the safety programs;

That the 55-mile-per-hour speed limit be strictly enforced;

And that a coordination testing device which would prevent drivers from operating their cars while under the influence of alcohol or drugs be installed in all vehicles.

I believe these recommendations are worth the consideration of other States as well as Colorado. I commend the council, especially its president, Gerard Fernandez of Trinidad High School, and sponsor, William W. Kennedy of the Colorado Department of Education, for their responsibility and concern.

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I wish to report that as this country swept into its Bicentennial New Year, our population had just slipped past the 215,000,000 level. According to current U.S. census approximations, the total population of the United States as of February 1, 1976, is 215,102,839. This represents an increase of 1,762,347 since February 1 of last year. It also represents an increase of 95,776 since January 1 of this year, that is, in just 1 short month.

Thus, in this last year, Mr. President, we have added enough additional people to fill Detroit, Mich., and Austin, Tex., combined.

NUCLEAR WEAPONS

Mr. PERCY. Mr. President, the Senate Committee on Government Operations is in the midst of a second round of hearings on the vitally important issue of the worldwide proliferation of nuclear weapons. Specifically, the committee is considering S. 1439—the Export Reorganization Act of 1976—with an eye toward strengthening existing Federal controls over U.S. nuclear exports. In addition, the committee is receiving testimony on a wide range of other proposals as to how the United States, as a nation and as a member of the international community, can exert effective leadership in this area.

Senator Glenn, whom our distinguished chairman, Senator Ribicoff, has appointed as ad hoc chairman for these hearings, placed a series of very useful materials in the Congressional Record on Friday, January 23. In addition to that information, I would like to draw the attention of my colleagues to an editorial which appeared in the New York Times this past Sunday. I ask unanimous consent that the editorial be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Nuclear Spread—Threat and Reaction

"I'm glad I'm not a young man and I'm sorry for my grandchildren," the first chairman of the Atomic Energy Commission said last week in commenting on the rapid and "terrifying" spread of nuclear explosives around the globe. To avoid "impending disaster," David Lilienthal called for an immediate, unilateral American embargo on exports of nuclear reactors, technology and fissionable materials until effective international controls are achieved to impede proliferation of atomic weapons.

It is a dramatic, even shocking proposal that would repudiate, even if temporarily, American commitments to supply dozens of countries with the fuel on which their nuclear reactors depend, fuel that cannot be replaced now from other sources. It is the failure of lesser measures to bring about responsible policies, particularly by such nuclear supplier countries as West Germany and France, that makes this proposal worthy of consideration.

The nuclear power reactors and other technology that West Germany, France and other non-Communist nuclear supplier nations are selling abroad were originally obtained in large part from the United States and commitments were made to their use exclusively for peaceful purposes. The re-export of this technology for commercial gain now threatens to pervert the Atoms for Peace program into Atoms for War. In that sense, the re-export of American technology without effective safeguards against its use to make nuclear weapons violates the spirit of the bilateral Atoms for Peace agreements—and the Nuclear Nonproliferation Treaty—even if the agreements failed to lay down precise re-export conditions.

The chief danger is not in the sale of giant billion-dollar nuclear power reactors to produce electricity; weapons grade fissionable material is never present in most of these reactors. It lies in the German-Brazilian and French-Korean sales of pilot reprocessing plants to extract weapons-grade plutonium from spent reactor fuel rods.

The United States for thirty years has refused to export plutonium reprocessing plants, which have no commercial use at present. But France has now sold one to South Korea and is negotiating with Pakistan. West Germany's deal with Brazil promises technology for uranium enrichment that ultimately might provide a second way to make nuclear explosives.

These developments, following on the heels of India's diversion of Canadian-supplied "peaceful atoms" to make and explode a nuclear device, have stimulated several Congressional initiatives including an export control bill and legislation to bar Export-Import Bank credits for nuclear sales to countries that have not adhered to the Nonproliferation Treaty. A resolution passed by the Senate calls on President Ford to make a summit-level approach to the leaders of West Germany, France and other nuclear supplier nations to halt the sale of technology for atomic explosives. And resolutions introduced in both House and Senate call most importantly for internationalization of uranium enrichment facilities.

Congressional concern has helped to stimulate Administration proposals for multinational nuclear fuel centers, and the negotiation of a seven-nation nuclear suppliers agreement to tighten up safeguards. There now are indications that both France and West Germany are having second thoughts about their policies.

However, unless the Administration can

quickly obtain the agreement of the other main supplier nations to halt the spread of national plutonium reprocessing and uranium enrichment capabilities—and to move toward internationalization of nuclear fuel facilities—Congressional enactment of the Lilienthal embargo may be the only practical alternative left.

Mr. PERCY. Mr. President, this editorial underscores the urgent need for responsible action, not by the United States alone, but by all the nuclear suppliers, especially France and West Germany, to halt the spread of national plutonium reprocessing and uranium enrichment capabilities—two facets of the nuclear fuel cycle which are extremely dangerous from the proliferation standpoint. Indeed, the Times suggests that unless we achieve strong international cooperation, there may be no alternative but to impose an immediate, unilateral embargo on all U.S. nuclear exports as proposed by David Lilienthal, the first Chairman of the Atomic Energy Commission.

Such an embargo would be a truly drastic measure; I am hopeful that we can arrest the current trend toward proliferation without repudiating American commitments abroad. Yet this issue requires attention from the highest levels of our Government. Secretary of State Kissinger has touched briefly on this subject, particularly the possibility of establishing multinational fuel cycle facilities, in various speeches before the United Nations and other forums. But the administration's overall policies on this crucial problem are not clear. I strongly urge Secretary Kissinger to accept the committee's invitation to appear as a witness during these hearings, and to take that opportunity to state the administration's position on the proliferation issue.

AUSTRALIA NATIONAL DAY

Mr. HARTKE. Mr. President, Australia, the smallest continent but on of the largest nations boasts of a population in excess of 12 million people.

This island continent in the Pacific-Indian Ocean has a land area of 2,974,581 square miles. Two-thirds of the total population is concentrated in the Southeast. The Commonwealth Government was created by a constitution patterned in part on the U.S. Constitution. Australia is a fully independent nation within the Commonwealth of Nations.

Little was known of the land down under before the 17th century. It was the intrepid explorer, James Cook, who claimed the island continent for Great Britain.

Essentially, Australia has a three-party system, which draw their strength from trade unions and the labor movement, business interests and agricultural interests. On most international issues, Australians and Americans are in broad agreement and cooperate closely in pursuit of mutual objectives. Both the Government and the opposition fully realize that Australia's security depends on firm ties with the United States. The ANZUS Treaty and SEATO have had, in effect, bipartisan support. From the inception of the United Nations, Australia has been a firm supporter of that organization and, whether under labor or liberal governments has sided with the United States on major controversies in the United Nations.

U.S. relations with Australia, because of the World War II experience as well as similarities in culture and historical background, are exceptionally close and friendly. Minor frictions sometimes arise in trade relations, and the Australians in recent years have protested against what they consider U.S. protectionist barriers against their exports such as wool, meat, dairy products, lead, and zinc. They have also been perturbed at U.S. balance-of-payments measures curbing investment in Australia and have expressed apprehension that U.S. disposals of agricultural surpluses abroad would injure their position in world markets.

Australia is a land rich in basic natural resources and capable, through modern technology and large amounts of capital, of supporting a population many times its present 13 million. Its standard of living, with a per capita income of approximately U.S. $2,700, is among the highest in the world. Although mineral exports are rising rapidily, agriculture continues to be the principal source of Australia's essential overseas income. Australian agriculture resembles that of the United States in being largely mechanized and highly efficient but differs in being based largely on pastures and winter grains, with a limited acreage of row crops. Both Australia and the United States export grains, dairy products, fruit, and certain livestock products. Marketing these commodities is, therefore, a matter of common concern. Also a matter of concern is the economic impact on Australia of the British entry into the European Economic Community—Common Market—which will end the present favorable marketing arrangements for Australia in the United Kingdom under the system of Commonwealth preference. Britain's preferential treatment in Australia was terminated as of February 1973.

The future strength of the Australian economy will be based in large part on the country's huge mineral potential. Iron ore replaced wool as Australia's single leading export in 1970–71. In figure years minerals will constitute a larger component of Australia's exports. Iron ore and bauxite have been in the forefront of the new boom in minerals, although traditional natural resources such as lead, zinc, and copper are still important elements on the Australian mining scene.

Let us pause today to salute a constant and fast friend on their national day.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FLUE-CURED TOBACCO ALLOTMENT LEASING

The PRESIDING OFFICER (Mr. JOHNSTON). Under the previous order, the Senate will now proceed to the consideration of S. 700, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 700) to amend the Agricultural Adjustment Act of 1938, as amended.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert the following:

That subsection (a) of section 316 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1314b(a)), is amended—

(1) by striking out the comma after "price support program" and inserting in lieu thereof "(1)"; and

(2) by striking out the period at the end of such subsection and inserting in lieu thereof a comma and the following: "and (2) may permit the owner and operator of any farm in any State for which a flue-cured tobacco acreage allotment or quota is established under this Act to lease all or any part of such allotment or quota to any other owner or operator of a farm in any other county in that State for use in such county on a farm having a current flue-cured tobacco allotment or quota, but no allotment or quota for flue-cured tobacco in any county in any State may be leased for transfer to a farm in another county of such State unless a majority of the flue-cured tobacco growers of such State voting in a referendum conducted by the Secretary have approved cross-county leasing.".

Mr. HUDDLESTON. Mr. President, S. 700 is a bill that permits, within the States that raise flue-cured tobacco, that after a referendum is taken, if the producers so vote, the quotas be permitted to be transferred across county lines to other farms for the purpose of growing such tobacco.

The bill does not affect the total amount of tobacco authorized to be grown; it merely permits the leasing of quotas across county lines. Present legislation restricts the leasing of quotas to within a county.

I yield at this time to the distinguished Senator from South Carolina (Mr. THURMOND) for his comments.

Mr. THURMOND. Mr. President as the author of the original bill, S. 700, I hope both Houses of Congress will promptly enact this legislation, so as to allow Flue-cured tobacco farmers to decide for themselves whether or not they desire to lease tobacco quotas across county lines within their respective States.

I introduced this bill almost a year ago to allow producers of type 13 flue-cured tobacco, grown primarily in South Carolina, to have the additional flexibility of cross-county leasing. Later, after hearings were held on the bill, I introduced an amendment in the nature of a substitute, providing for cross-county leasing of flue-cured tobacco in South Carolina upon approval by a majority of the Flue-cured allotment holders in the State voting in a referendum. The Senate Committee on Agriculture and Forestry reported S. 700 with an amendment allowing intrastate cross-county leasing of flue-cured tobacco in all States in which a majority of the tobacco producers voting in a referendum approve.

I am in full agreement with the changes made by the Senate Agriculture Committee. Furthermore, I would point out to my Senate colleagues that there are a number of legislative precedents for treating individual tobacco-growing areas separately with respect to the operation of the USDA tobacco stabilization program. Thus, I am advised that there will be an amendment offered to exclude flue-cured growers in North Carolina from the provisions of this bill. If this is the will of North Carolina, I think the Congress should abide by it. The entire thrust of this bill is to promote greater efficiency in tobacco production and, within the bounds of responsibility and reason, to allow tobacco farmers to decide for themselves the details of their tobacco stabilization program.

I would further point out to my colleagues that this bill in no way modifies the tobacco price support program. The cost of carrying out the provisions of the bill; that is, the cost of the grower referendum, will be negligible. The U.S. Department of Agriculture has stated that they have no objection to the bill. It moves in the direction of greater efficiency in tobacco production, as advocated by USDA.

Mr. President, this bill is needed, because of the vast changes in tobacco production that have occurred since tobacco producers voted to impose allotment-quota controls upon themselves several decades ago. At that time, tobacco production units were very small. With the coming of mechanization to tobacco production, farmers have looked for ways to increase the size of their production operations to fully use new machines and techniques. Tobacco-allotment land is very expensive; thus, there has been little consolidation of production units through land purchases.

Therefore, the primary means of developing efficient tobacco-operating units have become, first, leasing tobacco-allotment land from other farmers, and second, lease and transfer of quotas from one farm to another. The latter now accounts for some 40 percent of all rented tobacco, and approximately 70 percent of all tobacco quota in production in recent years has been rented. Up until now, Flue-cured quotas could only be leased within county boundaries. The purpose of this bill is to allow Flue-cured growers to extend this flexibility to State boundaries, if they so decide through the referendums in each State.

Frankly, we expect this matter of cross-county leasing to be somewhat controversial. There will be both gainers and losers if the farmers approve cross-county leasing. However, the weight of the evidence gathered through years of agricultural economic research clearly suggests that there will be substantial net gains to tobacco farmers and the agricultural economy in States which approve cross-county leasing. Furthermore, these gains can be expected to increase over the years. I am convinced the time has come to let the farmers make this change in the tobacco program in States where they so desire. Therefore, I urge the Senate to enact this bill.

Mr. MORGAN. Mr. President, I submit an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. MORGAN. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN's amendment is as follows:

On page 2, line 8, insert after "State" the following: "(except North Carolina)".

Mr. MORGAN. Mr. President, I am offering an amendment to S. 700, the exclude North Carolina from this plan to allow transfer of Flue-cured tobacco allotment leases across county lines.

The fact is, that in South Carolina, the tobacco farming economy is geographically quite different from that of my own State. It may very well be the case that in South Carolina this bill would prove to be beneficial.

In my own State, however, we would most certainly suffer, in my opinion, extreme dislocation in tobacco farming, and perhaps the death of tobacco producing family farms, which over the years have produced such good quality tobacco.

North Carolina has specialized in good quality leaf, and that kind of quality, the cornerstone of our tobacco export market, has depended on the careful attention through the years of the small farmer.

In my distinguished colleague's State of South Carolina, the flue-cured tobacco belt is a relatively small, contiguous area in the northeast corner of the State. Ninety-five percent of South Carolina's tobacco is grown in this one district. This means that there would be less economic effect in permitting people to lease a tobacco allotment in one county and plant the crop in another county.

But in North Carolina, we have a multitude of small allotments scattered over a broad section of North Carolina. We fear the result of the bill for us would be to end the small tobacco farm in most of our State. It could possibly become economically advantageous for a few huge corporate farms to buy up leases from across the State and move them all to a few counties, which would then be farmed from corner to corner. No small grower or few small growers would be able to survive.

Mr. President, I ask my distinguished colleagues to consider the scope of the economic dislocation. Fully two-thirds of the entire Flue-cured crop is grown in North Carolina.

What this means in terms of people is that of the 600,000 tobacco-producing farm families in the six tobacco-producing States, 400,000 are in North Carolina. That is a lot of small farmers, and it would be a shame to see any of them replaced by a few vast corporate farms.

I point out, too, that the opposition to cross-county transfers among knowledgeable people in my State in fairly strong. Our commissioner of agriculture is opposed to it, the North Carolina Grange is opposed to it, and the North Carolina Farm Bureau is opposed to it. In fact, when the House Committee on Agriculture held hearings in Pitt County, one of the larger tobacco growing counties, on a similar bill, 10 of the 12 local witnesses, all drawn from the farming community, were opposed. I point out that Pitt County is the largest tobacco producer in the United States.

For this reason, I cannot support the idea of holding a referendum in my State. The opposition is overwhelming and the results of allowing transfers across county lines are all too obvious. As a result, a referendum in North Carolina would be nothing more than a costly and, I think, a useless act.

Mr. President, I have discussed this with my distinguished colleague, who is on the Committee on Agriculture and Forestry, and I think he will have some thoughts on the idea.

Mr. HELMS. Mr. President, my distinguished colleague (Mr. MORGAN) has stated quite clearly the situation in North Carolina as he understands it to be. There is some confusion, I would say, among the tobacco growers of North Carolina, judging by the mail we have received. There has not been a great deal of it. It seems to be one of those 50–50 propositions.

A distinguished farm leader of my State told me over the weekend that he regards this legislation as a sort of Hobson's choice. On the one hand, there are many growers who are apprehensive about the leasing proposal contained in this bill, but also a substantial number who favor it. It may well be that the matter has not been explored fully enough. But, as my friend put it, "Senator, I don't like the idea of denying our tobacco growers the opportunity to vote on this proposition, one way or another."

But, in any case, Mr. President, the amendment offered by my distinguished colleague may serve the useful purpose of creating somewhat more dialog on this question. If it is later decided that the tobacco growers in North Carolina wish to conduct a referendum on this question, we can always send forward legislation to restore North Carolina to the bill under consideration now.

I support the Senator in his amendment.

Mr. HUDDLESTON. Mr. President, as has been indicated by the remarks of the distinguished Senators from North Carolina, the legislation merely permits a referendum whereby the growers themselves would have an opportunity to determine whether they wanted to enter into a cross-county leasing program. However, in view of the position stated by the Senators from North Carolina, I am certainly willing to accept the amendment that would exclude North Carolina from this legislation and move the adoption of the amendment.

Mr. THURMOND. Mr. President, I wish to associate myself with the remarks of the distinguished Senator from Kentucky, the manager of the bill, on this point.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 700

An act to amend the Agricultural Adjustment Act of 1938, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
That subsection (a) of section 316 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1314b(a)), is amended—

(1) by striking out the comma after "price support program" and inserting in lieu thereof "(1)"; and

(2) by striking out the period at the end of such subsection and inserting in lieu thereof a comma and the following: "and (2) may permit the owner and operator of any farm in any State (except North Carolina) for which a flue-cured tobacco acreage allotment or quota is established under this Act to lease all or any part of such allotment or quota to any other owner or operator of a farm in any other county in that State for use in such county on a farm having a current flue-cured tobacco allotment or quota, but no allotment or quota for flue-cured tobacco in any county in any State may be leased for transfer to a farm in another county of such State unless a majority of the flue-cured tobacco growers of such State voting in a referendum conducted by the Secretary have approved cross-county leasing.".

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPAIR OF HIGHWAYS IN ALASKA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 564, S. 2071.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2071) to authorize appropriations for the repair of highways in the State of Alaska, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Public Works with amendments.

RECESS UNTIL 1:45 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:45 p.m. today.

There being no objection, the Senate, at 1:17 p.m., recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Johnston).

RECESS UNTIL 2:15 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2:15 p.m.

There being no objection, the Senate, at 1:45 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Buckley).

REPAIR OF HIGHWAYS IN ALASKA

The Senate continued with the consideration of the bill (S. 2071) to authorize appropriations for the repair of highways in the State of Alaska, and for other purposes.

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 2071.

Mr. MANSFIELD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Until the committee amendment has been acted upon, a floor amendment would not be in order.

The clerk will state the first committee amendment.

The legislative clerk read as follows:

On page 1, in line 3, strike out "Section 1.".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the second committee amendment.

The legislative clerk read as follows:

On page 2, beginning with line 3, strike out:

Sec. 2. (a) The Secretary of Transportation is authorized to undertake an investigation and study to determine the cost of repairing the damage to Alaska highways that has been or will be caused by heavy truck traffic during construction of the trans-Alaska pipeline and to restore them to proper standards when construction is complete. The Secretary of Transportation shall report his initial findings to the Congress on or before June 30, 1976, and his final conclusions on rebuilding costs no later than three months after completion of pipeline construction.

(b) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $200,000 for the purpose of making the study authorized by subsection (a) of this section.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. GRAVEL. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislativle clerk read as follows:

The Senator from Alaska (Mr. Gravel), for himself, Mr. Mansfield, and Mr. Huddleston, proposes an amendment on page 1, line 3—

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Gravel's amendment is as follows:

On page 1, line 3, immediately before "There" insert "Section 1.".

On page 2, at the end of the bill, insert the following new section:

"Sec. 2. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for repair of highways in the Commonwealth of Kentucky, the sum of $30,000,000 to be available until expended, and in addition to sums otherwise made available to the Commonwealth of Kentucky under title 23, United States Code.

"(b) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for repair of highways in the State of Montana, the sum of $38,000,000 to be available until expended, and in addition to sums otherwise made available to the State of Montana under title 23, United States Code."

Mr. GRAVEL. Mr. President, this merely does for certain other States the same thing as in the Alaska situation. I will explain it when we get to colloquy. I move the adoption of the amendment.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STAFFORD). Is there objection? Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, what did we just agree to?

The PRESIDING OFFICER. Calling off the determination of a quorum.

Mr. GRAVEL. Mr. President, I ask unanimous consent to have present in the Chamber two members of my staff, Mr. Bill Hoffman and Mr. Don Argetsinger, during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I regret having to rise in opposition to this amendment.

I am familiar with the circumstances that led to the agreement that it was entirely appropriate for the State of Alaska to have special assistance outside of the normal workings of the highway legislation, for the simple reason that its roads are being chewed up by the work going on on the Alaskan pipeline. It is, I think, generally agreed that the construction of the Alaskan pipeline is something that is being conducted because of an urgent national interest: the need to secure petroleum, to open up the resources on the North Slope for the benefit of the entire Nation.

The Subcommittee on Highways and the Committee of Public Works, as a whole, agreed at that time with the Senator from Alaska (Mr. GRAVEL) that we would support the legislation that we have here before us.

But there is nothing in the rationale of working outside our regular highway legislation that could conceivably support the subject matter of the amendment offered by the distinguished majority leader and the distinguished Senator from Kentucky (Mr. HUDDLESTON). This amendment would add $30 million for the Commonwealth of Kentucky and $38 million for the State of Montana.

If the normal distribution formula and regular legislation is inappropriate, let us address it at that time when the legislation comes before us. I am afraid that this comes into the classic category of pork barrel legislation. It is special interest legislation outside the scope of our normal statutory standards and programs for the Nation as a whole.

I would be very happy at this time to amend this amendment to add in $100 million for the State of New York. I think it is a nice, round figure.

Mr. GRIFFIN. Mr. President, if the Senator would not mind, if he does do that, could we add $75 million for the State of Michigan?

Mr. BUCKLEY. I feel kindly toward the State of Michigan. That is a nice, round figure. Why do we not get everyone in and start adding in these kinds of figures?

So, I very much urge that this amendment not be adopted; certainly, if it is going to be pressed, I will ask for the yeas and nays.

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. BUCKLEY. Yes.

Mr. BUMPERS. The Senator opposes this amendment. Does he also oppose the bill on the same grounds?

Mr. BUCKLEY. No. As I tried to point out, the underlying bill was in pursuit of a specific objective that had been studied by the Subcommittee on Highways and by the Committee on Public Works, as a whole, and because of the unique situation in which the State of Alaska finds itself, as a result of the extraordinary construction, the heavy machinery that is going over the Alaskan Highway, in support of the construction of the Alaskan pipeline.

Mr. BUMPERS. I thank the Senator.

Mr. GRAVEL. Let me only add that there is no question that, from my perspective, we have a unique problem that obviously was discussed at great length. I shall go further into the Alaskan matter with the Senator from Arkansas when we get into our colloquy on this. I hope the Senator from New York will join in this because he did express his views in committee, and I think the import of what the colloquy will be is that we have no rapid answer, and I think we are going more into the direction of investigation. It is true that these amendments have not received the attention of the committee and certainly for that reason may be suspect.

In theory, they do suffer from the same national decision and that is, as I was explaining privately, that what we have done in the Nation with respect to the energy crisis is to give the order of damn the torpedoes, we want to get certain things done in the energy area.

I cannot speak to the impact of that decision in other States because I am not knowledgeable about them. I can only speak to the impact that took place, is taking place, and will continue to take place in the State of Alaska and the uniqueness of our highway system, as it started out as a very frail highway system.

Mr. BUCKLEY. Mr. President, will the Senator yield at this point?

Mr. GRAVEL. Yes.

Mr. BUCKLEY. Is it not correct that the Senator during the markup session on the highway bill for this current year offered an amendment that would have increased funding for the State of Alaska as a result of the special situation in which the State of Alaska finds itself? Was it not the conclusion of the committee, at that time, that rather than incorporate special legislation for a special State in that legislation that we should allow it to move on? Also we recognized that the problem of Alaska was the direct result of the implementation of a national project, and that the Alaskan pipeline was something that was being done, not for the primary benefit of the people of Alaska, but for the primary benefit of the country as a whole.

Mr. GRAVEL. Exactly. The Senator from New York is correct in his perception of it. We even added to that, if the Senator recalls, that we now have authorized a study that passed with the highway bill to make a more technical judgment as to what happened, how it happened, what will be the solution, and how we shall effect the solution. The authorization for that study was included in the highway bill. But because this authorization was so unique, the committee felt it should be held separate because of its uniqueness and so as not to set a precedent in this regard.

From my point of view, I recognize this is just an authorization, and I think it is very important to me that the most key element of all is not the authorization but the study that will take place. This is the statement I made privately to the Senator from Arkansas. I do not know what the solution for this problem is. I feel that it is a national problem; yet it is so unique a national problem that we have to figure out ways and means to solve it from a financial point of view. I do not know if the solution of this problem is clearly going to be only to appropriate for it from the general fund. I should hope that the study that we would have would give us some guidance. I think our colleagues know that this problem will not receive the proper attention unless Congress does act through an authorization vehicle, which is what this is, concurrent with the study, and then the whole issue will come back, first, to the Committee on Appropriations, which will handle the dollars and, second, will come back to the Committee on Public Works, so we can really understand what is the problem and how we want to solve it. That was my view in the Committee on Public Works.

Mr. BUCKLEY. That accords with the recollection of the Senator from New York.

Mr. GRAVEL. Very good.

Mr. STAFFORD. Mr. President, will the Senator yield very briefly?

Mr. GRAVEL. I am happy to yield.

Mr. STAFFORD. I appreciate the Senator's yielding.

Since this Senator has been the ranking minority member of the Subcommittee on Transportation, I wanted an opportunity to say that my understanding of the situation in the subcommittee is the same as that of the Senator from New York and the Senator from Alaska. This Senator, therefore, must very reluctantly oppose the amendment to S. 2071 which has been offered because it has not been a matter that the subcommittee or the full committee has had a chance to study.

It may be that some action should be taken, but it seems to this Senator that the appropriate way to proceed would be to adopt this bill, as it has been reported out of our committee, and then make an effort in the transportation subcommittee, if the sponsors of the bill desire it, to hold some hearings, study the matter, and see what appropriate remedy there might be. That is the method of proceeding that this Senator would like to see followed.

Mr. GRAVEL. I wish to yield to the Senator from Kentucky.

Mr. HUDDLESTON. I thank the distinguished Senator from Alaska.

I shall comment, first, about the suggestion made by the distinguished Senator from New York that the purpose of the original bill is to address a problem that has developed in Alaska and is indeed a matter of national urgency. I suggest that there also exists a matter of national urgency insofar as the production of coal in this country is concerned.

It is because of the energy problem that has descended upon this Nation that our Government has called for not a doubling but a tripling of coal production. It happens that Kentucky is the leading coal-producing State in the Nation. It happens that Montana, the State represented by the cosponsor of this amendment, is perhaps soon to become the leading coal-producing State in the Nation because of its vast reserves that need to be tapped.

During the period of time we are waiting for the oil to come down from Alaska, while we are waiting to achieve other production capabilities, while we are waiting for alternate sources of fuel and energy, the utilization of coal has to be stimulated and is clearly a matter of national urgency.

I take it that the suggestion by the distinguished Senator from New York and the distinguished Senator from Michigan that their States be added was offered in a facetious way, because the situation in their States is not at all analogous to the problem being discussed here.

The State of Kentucky has conducted a survey about the needs for coal haul roads in the State if we are to be able to come anywhere close to complying with the national mandate to increase substantially the production of coal. More than just getting the coal out of the ground, you have to be able to get it to the place where it is going to be used. In order to do that, you have to utilize highways. The survey taken by the State of Kentucky shows that we will require $1 billion over the next 10 years in order to maintain and repair our coal haul roads, so that this great resource that we have—and the only resource we have right now at our fingertips which can solve this energy problem—will be available to us.

When the highway construction bill was on the floor of the Senate, we were able to have included in the bill a requirement that the Secretary of Transportation conduct a study to see what the needs are in this entire area. When we are talking about $30 million now for Kentucky and $38 million for Montana, we are talking about just a minute stopgap solution so that this great supply of coal can continue. It is not a pork-barrel suggestion. It is an appropriation that would be in the national interest. As the Senator from New York described it, it would meet a matter of national urgency. I think it is important. It would be an improvement to this bill.

I certainly am aware of the situation in Alaska. I know that problem has to be addressed. But I say that Montana and Kentucky, the coal producing States that are right now at the forefront of supplying our energy needs, also should receive some consideration.

Mr. STAFFORD. Mr. President, will the Senator yield?

Mr. GRAVEL. I yield.

Mr. STAFFORD. Mr. President, I say to the distinguished Senator from Kentucky that this Senator does not disagree with what he has been saying about the problems of highways and extricating coal in his State and in Kentucky. But I am sure the Senator will agree that the utilization of our committee system in Congress, so that we, as a body, know what we are doing, also is important.

I say to the distinguished Senator from Kentucky and to the majority leader that if their amendment is not pressed this afternoon, while this Senator cannot speak for anybody but himself on the Subcommittee on Transportation of the Committee on Public Works, this Senator would be willing to arrange, so far as he could, for an immediate hearing on the amendments which could be a new bill sought by the Senators from Kentucky and Montana.

Mr. GRAVEL. Mr. President, I yield to the Senator from New York.

Mr. BUCKLEY. Mr. President, I endorse what the Senator from Vermont has said.

The Senator from Kentucky has described a problem that may be one that the Federal Government should address, but it is a problem for Kentucky and a problem for Montana, as it is a problem for West Virginia, Tennessee, Pennsylvania, Wyoming, and for a dozen more States that have huge coal resources either in production or potentially in production.

I think it merely underscores the need for the orderly addressing of the problem in the manner suggested by the ranking minority member of the Subcommittee on Transportation.

Mr. GRAVEL. Mr. President, I share the views of the Senator from Vermont and the Senator from New York. Not only do I share the view of the Senator from Kentucky, but also, I empathize and feel that I probably understand it, even though I have not been there to see what is being wrought in this highway system. Our problem is an extreme of what is happening in his State.

The committee did consider this. We had photographs to show the committee what is happening in Alaska. We had our proof all laid out and had a hearing at which the Commissioner from Alaska came forward. They had a video tape of the highway system in Alaska. So we made quite a technical case.

I can understand the concern of my colleagues that this document, amounting to the same money, does not have the same background, and that because I come from an energy State, all they have to do is tell me and I will do something about it.

I am also on the Subcommittee on Highways. Not only will I press for a hearing, but also, I will be one of their strong advocates in the committee. I think this is part of a national policy.

As I said earlier, it is great to say, "Let us go out and do something. Damn the torpedoes! Let us get it done in a hurry." In the process, we might burn out the engine. Who is going to replace the engine that is burned out?

The problem is that I do not have a ready way of doing it. We have not initiated a study. I think there would be great value to have hearings, to address ourselves not only to the immediacy of the problems of these Senators but also to the problems of Senators from other States, in varying degrees, as to the impact of this national "order" to move ahead with all alacrity in energy, without concern as to what the economic impact is in certain communities.

Mr. HUDDLESTON. Mr. President, I think it is important that we do pursue this course. I recognize the parliamentary situation that we are in. I appreciate the fact that those Senators in the Chamber who are members of the various committees of jurisdiction are willing to take a look at this problem.

The problem is that we cannot increase by 100 percent or 50 percent or 300 percent the production and utilization of coal in this country just by Government decree. We must have the methods, No. 1, of getting it out of the ground in environmentally accepted ways. Also, we have to be able to move it to the places where it is going to be used, where it can be transported and marketed. Right now, the rails and the highway system over which the majority of this coal has to move are deteriorating at a rapid rate, deteriorating faster than the current highway program will permit repair and maintenance. We are faced with a situation in which we have to come to grips with the problem, and that is whether or not we can provide the routes and highways over which to move the coal that is desperately needed and will be needed for years.

So, with the understanding that these committees will be receptive to proposals relating to this problem and will conduct hearings immediately, looking toward coming back with some recommendation to the full Senate, I am willing to withdraw this amendment, if the majority leader, Senator MANSFIELD, is agreeable—and I understand that he is—at this time. We do this in order not to delay the solution to the very serious problem that prevails in Alaska, so that their system will not deteriorate beyond recovery. With that understanding from the Senator from Alaska, the Senator from New York, and the Senator from Vermont, who just expressed such an opinion, I am agreeable to withdrawing this amendment at the present time.

Mr. GRAVEL. I appreciate the views and the decisions of the Senator from Kentucky. I reaffirm that I will be working very hard to help solve his problem, because I think that solving his problem will solve some of our own problems. I appreciate his accommodation today.

Mr. President, I ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER (Mr. THURMOND). The amendment is withdrawn.

Mr. GRAVEL. Mr. President, I have met privately with the Senator from Arkansas on this subject. He has expressed concerns to me in this area. I wonder if he will express those same concerns publicly so that we may engage in a colloquy on this subject.

Mr. BUMPERS. Mr. President, I thank the Senator from Alaska. He has been very cooperative in discussing with me my primary objections to the bill. It is not easy to oppose a bill for a State, and I do so with considerable reservation; but I think that this bill sets a precedent which this body may live to regret and Congress may live to regret. I must oppose it for a number of reasons, and I should like to cite some of them, at least for the record.

In the first place, I feel that Alaska is a recipient of very generous benefits in many areas that Congress has already bestowed on it.

Second, in my own home county, and I can identify with the Senator from Kentucky, my home county is one of three counties in my State that produce coal. The coal companies and the county have cooperated in maintaining those roads. We have not received any additional State money or any additional Federal money, but the coal companies themselves, in recognition of what they are doing to county roads that are rather poor to begin with, have helped to keep those roads maintained. Quite frankly, I think the oil companies ought to be doing the same thing in Alaska.

In addition, I do not know what that pipeline is going to be appraised at, but I assume that the individual school districts, or whatever other governmental entity exists in Alaska that the pipeline goes through, will have a very substantial asset. It is my understanding that the pipeline is going to cost somewhere between $5 and $7 billion. I do not know what the appraised value will be, but assume that we take the appraised value at $5 billion. That is a considerable asset. I daresay that that probably represents roughly half of the total assessed evaluation of the entire State of Arkansas for property tax purposes.

Let me cite some examples of the largess Alaska has been enjoying. First of all, it receives a 90-to-10 split on all rentals and royalties on minerals, especially oil, on Federal lands in the State. That is more favorable than for the coal that is taken from Federal lands, in the Federal domain, in Kentucky or Wyoming or Montana. Those States receive 37.5 percent.

I might add that I resisted the amendment in this body to raise that to 60 percent. It is my understanding that on the amendments to the Coal Leasing Act, the House-Senate conference committee has settled on a 50-percent rate, which I think is still excessive, because it is a Federal asset and should be used as one.

A few years ago, Congress allowed the Alaska State Ferry System to be defined as a marine highway, and thus a part of the national highway system. That adds to their participation in the Federal-aid highway formula. This money may be used for the construction of docks and ramps at the ferry terminals, and even for the construction of ferries. The 1973 Federal Aid Highway Act authorized spending $73 million to reconstruct that part of the Alaska Highway that passes through Canada.

Finally, Alaska is the only State in the Nation that enjoys a 95 to 5 ratio on its Federal aid to highways. In my own State and the other 48 States besides mine, the ratio is 90 to 10.

There are other considerations that I think are persuasive. During the last few years, when almost every State in the Nation has been forced to tighten its belt, the Federal deficit has continued to soar to record levels. During this time, Alaska has been enjoying an unprecedented economic boom. In 1970, Alaska received $940 million in one lump sum for the lease-sale known as the Prudhoe Bay auction. It subsequently held other lease-sales which were also successful, if less spectacular.

The State benefits directly from such sales. It benefits directly from the vast economic growth it has enjoyed, as well as having some admitted problems that the pipeline has caused.

Between 1965 and 1973, Alaska's gross product rose from a little over $800 million to more than $1.4 billion in constant dollars. The mining category, which includes petroleum, increased almost six times, from $50 million to $281 million. The Alaska gross product was doubling while the gross product of the rest of the Nation was increasing by about one-third.

When oil begins to flow through the pipeline next year, the State will reap even greater benefits. In 1971, a report was prepared by the Department of the Interior which estimated that when the pipeline is operating at full capacity, or 2 million barrels a day, the State will collect about a million dollars a day in royalties and production taxes. This estimate was made long before the price of oil tripled and quadrupled, so we can probably triple or quadruple that figure.

As I pointed out, I rise with some reservation, and certainly not to penalize Alaska, but I do see a precedent that we are setting here which has absolutely no end, from the county roads of Franklin County to all the coal-haul roads in Kentucky.

The Committee on Public Works has stated that Alaska should not be asked to assume the cost of benefits primarily accruing to the rest of the Nation. I could accept that statement but for the fact that Alaska will receive much greater benefits from construction of the pipeline than will any other State.

For those reasons, Mr. President, I oppose the bill.

Mr. GRAVEL. Mr. President, I appreciate the opportunity that my colleague has afforded me to talk about some of the largess that we in Alaska supposedly receive. This is, really, the conventional wisdom that exists in the United States today, that we have the world by the tail, so to speak, and a downhill drag. This is an opportunity to set the record straight, because if my colleague—and I hope he has the opportunity sometime, and I extend the invitation to him right now to come to our State——

Mr. BUMPERS. I look forward to it.

Mr. GRAVEL. As is the case so often when one sees it firsthand, sometimes perceptions are altered.

Let me talk to the first point raised. That was that we enjoy a 90-to-10 split, as opposed to 37.5 percent which other States receive, with respect to the sale of oil and gas. The Senator from Arkansas is entirely correct. It is interesting that we in Alaska did not want that. This was given to us by the Federal Government—this was before statehood—when Members of the States that had representation in Congress did not want Alaska, as a territory, to share in the water conservation fund moneys because the formula would have provided us with some money. This was a way to push us behind the door and we had no official representation in Congress, so we just took what crumbs were thrown at us. The crumbs they threw at us were 90 to 10.

That was part of the movement at the time to give us statehood. The reason why many did not want to give us statehood was that we could not afford to have statehood. We were a bankrupt community. We essentially had a political appetite larger than our economic ability to sustain it.

Then, when gas was discovered in the Swanson River field in 1957, Congress said, "Oh, now, we can give them statehood and, we hope, finance it through their oil discoveries. What we will do is give them this special formula and we will not let them partake of the water resources funds." We in Alaska have been prepared at any time to correct the law that every other State enjoys if they want to give us equal access to the water conservation resources fund. There would be a hue and cry from the Western delegations in this country if there were an indication on our part that would look like we will have equity and be judged as any other State.

So often we come to the floor and plead that Alaska is so large—and it is—that it is so unique, and it is. It is not a State, it is a subcontinent, one of the wealthiest subcontinents in the world. We paid just $7.2 million for Alaska. There is more pumped out of the Swanson River oilfield; there is more that was raped out of Alaska in our gold; raped from Alaska in our fisheries. This is all absentee ownership.

I am fond of telling the story that the great Bernard Baruch, a statesman from the State of New York, got his start in Alaska in the A.J. Mine, which is at Juneau, Alaska. That is what propelled him to this illustrious career that he later enjoyed.

He was propelled into this illustrious career nationally on the backs of the wealth he was able to rip out of the State of Alaska. But, of course, the only thing we have in Alaska that is left of that beneficence that is spoken of is a scar on the hillside in Juneau, just a hacked out area that is no longer economic. But the beneficence that was there is now enjoyed on Fifth Avenue, in the property values of Fifth Avenue, of New York City and other cities throughout the world.

I could go from resource to resource and show you that the great wealth that is representative in the city of San Francisco, on Nob Hill, if you would look down deep into the wealth of Nob Hill, you will find a lot of it does not come from San Francisco. It comes from the State of Alaska where it was ripped from when Alaska was a territory and was unable to help itself.

Let us look at the highway system. We enjoy the great benefits of it. We get 95 to 5. That is what my colleague says.

I will tell you what, I would be happy to stand right here and say take it away from us, and I would be glad to vote for it, but give us the same highway formula that the State of Arkansas gets, and I would be happy with that. I would take that any day.

And if my colleague from Arkansas says that we got too good a deal from the highway formula, fine, I am prepared at any time, and so is any other citizen of Alaska, to turn around and say, "Let us have the highway formula the same way you have the highway formula."

Unfortunately, it was Congress which decided not to treat us properly and equally. We have never had an interstate system in Alaska. We never have gotten those moneys, so we have always been a dollar short and a day late.

What they did during territorial status was just to throw a few dollars at us to build a highway that is turning to gravel now.

If our highways were worth a darn, with the pressures we are putting on them we probably would have a problem, but not the problem where you have a macadam road that overnight becomes a dirt road, and that is our main highway.

So if it is so good we would be glad to give it up. In many cases, we have received special treatment not just because we have sought it. It is because Congress gave it to us because we did not have the political muscle to get equal treatment, and we have only had equal treatment for the last 15 years, since we have had statehood. That was the reason why so many in Alaska pressed for statehood.

We look to the revenues we will get from the Alaska pipeline, and the fact we sold some bonus moneys and got $900 million. We do not have anything left of that $900 million.

A person can say, "What have you done with this $900 million? Have you been profligate?"

No; what we did was unfortunately we had to spend this $900 million, not as a nestegg to throw off some revenue to us; we had to use the $900 million to pay our daily bills, to match the 5 percent to build our highway, to match HEW appropriations where they had to be matched to provide something for our citizens.

I think you can only judge the beneficence that a State receives as to other States by asking what is the level of their education? What is the level of the wellbeing of their citizens? What is their tax effort? I think when you look at Alaska from that perspective, from a statistical perspective, and ask how are things up there, you can see we rank, and we have ranked, on the bottom of many of these areas, on the very bottom.

When I first went into public life in Alaska, the life expectancy of a child in Bethel, Alaska, was the same as it was in Calcutta, India. Now, true, you can say—I can cite more cases of beneficence. We had the native land claims, and they got $1 billion. This is a tremendous amount of money to some. But when you disperse that money over the community in Alaska, and you recognize what it costs to live in Alaska, it is not all that much.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. GRAVEL. I would be happy to.

Mr. CRANSTON. Would the Senator mind if I put in a request for a quorum call so that I can confer with him on another matter?

Mr. GRAVEL. If I did not lose the attention of the Senator from Arkansas.

Mr. BUMPERS. The Senator will not only lose my attention but my attendance.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistance legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. As was suggested, I did lose my audience, Mr. President. I want to thank the Senator from California for helping me in this legislation.

Mr. CRANSTON. I will go find the Senator from Arkansas.

Mr. GRAVEL. Mr. President, I have a fine audience in the Chair, and that is one I appreciate.

If I can put forth some of these facts, I am sure in committee and certainly on the floor, recognizing the community of two States, some people lose sight of the fact of how close New York is. New York is a breaking cargo point for Alaska because many times we fly nonstop from New York to Fairbanks or Anchorage, and that capital market is very important to us.

Well, to sum up, Mr. President, the point I was making is there are a lot of apparent benefits that are tied to conventional wisdom. But when you go beyond this veil of apparent benefits, you see it is not all that great.

One example used by my colleague was on the 90-to-10. The formula sounds great. It amounts to about $1 million a year we have received on this great 90-to-10 formula. I hope there is more oil on Federal lands so we can get more than $1 billion a year, but I think it can be generally appreciated that you cannot do all that much in the State of Alaska with $1 million a year. What is the benefit of the 90-to-10 formula? The only thing I might add is that the authorization for the Alcan Highway was an authorization for $58 million.

We just happen to be the only State that is tied to Canada, contiguous to another country, not to the United States, and coming through Canada we have a dirt road. That is our main highway to Alaska, which is a dirt road.

For the benefit of the Senator from Arkansas, I was talking about the $58 million authorization for the paving of the Alcan Highway. What that highway does is it goes from Haines, Alaska, to the Alcan Highway, and then into Alaska, and so it is all in Canada, but it is all a dirt road, and so we are the only State that is tied to its main highway system, which is a dirt road, and that was never corrected. This was a road originally built by the United States during the Second World War. It has been upgraded by Canada. So, in order to tie the State into macadam, which every other State in the United States has, its main road is a macadam road, we are the only State that does not have it. So that is why the need was felt to such a degree.

Again the reason why the need was there is because it was not attended to when we had territorial status because we did not have the muscle to partake of the Federal highway program when it was first initiated back in the early fifties.

The ferry system, if I could just correct my colleague, most respectfully, did not add a dime, a sou, to the money owing to Alaska. What was decided was that since southeastern Alaska has no road system, and since the automobiles and the people, go from community to community, and they pay their taxes like anybody else, a ferry system which the State had initiated all by itself, had paid the initial capital costs on all by itself, was carrying this burden by itself, and this became the highway system of southeast Alaska. So many of us said if there is no highway system, and we have ferries that are the highway system, and this is no different from a Federal highway system, then why not use Federal highway moneys for the ferries? So that is what happened.

There was no increase in moneys. We just broadened the definition as to what a highway system is, and for southeastern Alaska there is no highway system. It has the ferry system. The people drive their cars on, the ferry goes to another community, they take their cars off, and it opened up, caused the total burgeoning of the economy of southeastern Alaska because they have this new transportation system. So certainly that did not add any funds.

The funds that came in that year were highway funds that I authored that came out of the trust fund. But this was special moneys that Ernest Gruening had secured and Bob Bartlett had secured back in 1966, and a special fund of $70 million to help the Alaskan Highway System to catch up to Federal standards. But again it was a unique system because it was never funded.

It was not until I was able to get that special fund transferred to the trust fund that Alaska was able to receive $20 million a year from 1971 forward to help play catchup.

Now we are on our way through this device, but lo and behold, the law just wiped out the highway system.

So it is not a question of catchup. What we are trying to do is keep our roads passable.

We are not talking about secondary roads out in the rural area of Alaska. All Alaska is a rural area. There is not that much of a road system. One goes from Anchorage and Fairbanks to Seward to Valdez, and outside of Alaska and down to the Kenai Peninsula, that is it. No road goes on to Nome, you can go to Nome only by airplane.

There is not a road that goes down the Aleutian chain as far as Adak. There is no road system. So the main highway system, which is all we have other than in the communities, and these communities have, except for the major ones, essentially no road system, now is being destroyed.

That is what this bill does. It does not solve the problem, only attends to the problem. The study is where we hope to solve the problem. As I stated earlier, I do not have the ready answer to it. I will state this publicly, I do not think the Appropriations Committee will appropriate all of this money. It will depend on how many of them become knowledgeable about the State of Alaska.

I do not think we can get their attention, to show video tapes, to get their attention, that it has gone to macadam to gravel roads. But I think if we can get this authorization, to get the committee to begin to focus its attention, we might receive some succor.

I do not know the nature of that succor because we are caught in a philosophical dilemma as to who should bear the cost.

But when my colleague says that when it is completed we will get a million dollars a day, that is $365 million, let me say that the State of Alaska has a greater budget deficit than that this year. So that revenue, which is the great beneficence, will permit us to balance our State's budget. If we did not have this, we would have a problem considerably more horrendous than New York ever thought of having.

This would be tolerable if we could say we are living high on the hog, but that is not the case. We can look at the statistical comparison of your State with my State on educational, health, and every other level, on community services, and we will not see a dichotomy between our two peoples.

If that is the case, maybe there is something unusual up there, why there has to be this extra effort. There is the fact that it is 5,000 miles from here, from the normal marketplace, the fact that everything has to be imported makes it more costly to live and a greater burden for the citizens to sustain.

So if one wants to equate on an even basis, fine. But if one wants to equate it on a human basis, then that is another thing. The Congress has been acting somewhat—I say, somewhat—under human terms, not entirely.

But let me just say that the investment the Federal Government made in Alaska over the years is today probably the only thing that will save this Nation in its energy difficulties in juxtaposition with the total world economy. I might say, that is a very fine investment. I think if one took a survey of the American people, they are happy to have had the ability to pay for than investment.

The problem is that those difficulties are not over.

I hope that these facts have helped enlighten my colleague about my great State. I would be the last person to try to rip something off—and I use that colloquial word, that happens so often. We just want to be treated equally. Unfortunately, that has not been the track record of the Congress toward us.

So when these anomalies occur, we have to then get a different exception in order to correct the anomaly. But whenever possible, I think it is in our best interests as a State to arrive at a consistent, normal approach, that we are treated in the same way as other States. But unfortunately, the first special treatment occurred to Alaska and we have been trying to correct that for the last 15 years to the best of our abilities.

I can understand at times it taxes the patience of some Members to see these efforts made and to use up the time of Congress to try to rectify those historical inadequacies that have occurred. I hope I have been able to respond to some of the points made by my colleague. I would be happy to respond to further questions.

I did state something privately and I would like to state it publicly now, if we can devise as a product of the study that will take place and at future hearings in the House, if we can devise a method of funding the cost of rehabilitation, and maintaining these roads and rehabilitating them, I would say that the Federal Government be reimbursed for these moneys if they are brought forth by the Appropriations Committee.

I think once we see how we are going to solve the problem, that will have such uniformity that we can back up the money, if the Appropriations Committee does move forward before we get a chance to solve this problem, or figure out how to solve the problem.

The problem with us is that in the operation of our highway system today, we do not have a long period of time. The Alaska pipeline is going to be completed in the summer of 1977.

So time is a critical element and that is the reason why I have pressed for passage of this bill to just handle the maintenance and move to a study. We will handle the problem more permanently when we complete the study.

Mr. BUMPERS. If I may make one comment.

The million dollars a day I referred to which the State of Alaska would get when the oil started flowing through the pipeline was based on a Department of Interior study. In 1971, it was based on oil at a cost of $3.40 a barrel.

I would anticipate that the oil from Alaska would probably in 1977 be bringing around $12 a barrel, and one could multiply that. I would say Alaska's income——

Mr. GRAVEL. Will the Senator yield on that?

Mr. BUMPERS. If I may just finish the statement. This is all I really have to say in the way of rejoinder to what the Senator said.

I would say Alaska's income just from oil royalties alone in 1977 and the years after that would be a minimum of a billion dollars a year.

Mr. GRAVEL. Using those figures, that is probably correct. But unfortunately, when we recompute something on the basis of inflation, one has to recompute other things.

When they were making those estimates as to the cost of what oil would be selling for, they were also expecting the Alaska pipeline would only cost a billion dollars.

The Alaska pipeline is going to cost close to $7 billion now.

So the price increase we have talked about in oil is trebling the increase and the pipeline increased sevenfold.

The revenues the State receives are based upon a net after we compute the value of the oil sold, less the cost of transportation, then our tax applies at the wellhead. So we can see, we are not sure what our revenues will be, one, for the very simple reason that until the full determination is made on the cost of transportation and as to what is involved, we do not know what those revenues are.

Let me just say to my colleague, if I may have his attention on this because this is, to me, a very strong statement for a representative of Alaska to make, it will not be hard in the future to figure out what the State of Alaska will be getting.

I think it is very hard right now to prospectively say what they will get. We do not know. These figures are all mishmashed, times are changing, and we have inflation. I would say this: If the State of Alaska is getting so wealthy, it will be perceived. I mean, maybe we will not pay any taxes and have all this wealth coming in.

If that day occurs when our tax effort is not equal to the tax effort of the Senator and his people, and I am standing here asking for appropriations for the State of Alaska equal to the State of the Senator, then I will say to the Senator from Arkansas to stand up and oppose me and filibuster.

I, in good conscience, will never get up and say that my people in Alaska are any better than other people from an economic point of view and their relationship to the Federal budget than are the people from Arkansas, and if they are different, if I would permit them to enjoy a windfall. We are one Nation. We do have one taxing authority in the Federal establishment. We do have a lot of Federal programs.

I think Members should restrain themselves as they look to the problem and do arithmetic when those are not the facts that exist today.

The fact that exists today is that we are still a very poor State. I cannot wait to become a wealthy State, but until I have gone from poverty to wealth, do not treat me as if I am wealthy because I am still poor. Alaska is still a poor State. I would hope that my colleague, recognizing that, in the future would take me at my word.

If we do get wealthy, and my people are enjoying a benefit disproportionate to the people of Arkansas with respect to the Federal Treasury, and with respect to the benefits that are accruing to us through our resources that exist in Alaska, then I believe my colleague would have a point in upbraiding and calling into question my efforts. But the efforts I put forth here are not to give Alaska a special treatment. We are just trying to say that when an Alaskan gets into his car, be it a Chevrolet, a Thunderbird, a Cadillac, or Lincoln, and comes out of his driveway and goes from a main city in his State to the next main city, it is not as though a person goes from Frankfurt to another main city in Arkansas. That citizen drives on a macadam road and it is a good road. But in Alaska, regardless of the rhetoric anyone wants to put foward, he is driving on a dirt road. I do not think that is equity by any standard.

Mr. BUMPERS. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the appropriate place in the bill, add the following language:

The Secretary of Transportation is directed, after consultation with the State of Alaska, to report to the Congress on or before January 7, 1977, as to the feasibility of repayment by the State of Alaska, out of mineral revenues to be received by it in the future, of any sums paid to it pursuant to appropriations authorized by this Act.

Mr. BUMPERS. Mr. President, this is an amendment that is, I believe essentially in keeping with an offer which the Senator from Alaska has previously made, that after the study is completed on the cost of this repairing of the highways the State of Alaska consider repaying the Federal Treasury. May I ask the Senator from Alaska, is that essentially correct?

Mr. GRAVEL. Yes. I would like to have the amendment read again, if I may.

The PRESIDING OFFICER. The amendment will be stated a second time.

The assistant legislative clerk read the amendment.

Mr. BUMPERS. Mr. President, if I may just explain briefly in case any part of it was misunderstood or confused, that would simply authorize the Secretary to do the study and report back to the Congress, and not only do a study but in consultation with the State of Alaska, on the feasibility of Alaska's repaying the Federal Treasury any amount that is appropriated subsequent to this authorization for this purpose.

Mr. GRAVEL. I have a little problem with that. Could I ask the clerk to read it again, please?

The PRESIDING OFFICER. The amendment will again be stated.

The assistant legislative clerk read the amendment.

Mr. GRAVEL. Could I suggest the absence of a quorum to study this?

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CURTIS). Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I think my colleague and I are in essential agreement. I think the amendment is proper, in view of the fact that we do not know, or I do not know, how this will resolve itself. In trying to define the nature of the problem, I might say with respect to the word "feasibility" that, for guidance to the Executive, I interpret the word "feasible" to mean not just the positive term, that we have gone from, say, receiving x number of dollars to receiving a higher number of dollars, y number of dollars, from oil revenues, and that that, all by itself, is the criterion for determining it.

I would think the obvious criterion is the well-being of the State government, and I would say that the State government of Alaska is probably larger, in comparative terms, than that of any other State in the Union; so obviously the Highway Administration would have to take that into consideration, and also the level of taxation, whether the people of Alaska are assessing themselves equally to other States in carrying the burden of their responsibilities.

So feasibility means something much broader than just the mineral revenues, as they relate to the State's total economic viability, accruing to the State government.

Mr. BUMPERS. Mr. President, let me say I agree essentially with the Senator for Alaska. In doing a feasibility study, the State officials of Alaska ought not to be under any limitations in determining what is feasible. It might be that the economic conditions of the State at that time and what they are likely to be in the future would be a factor. It might be the amount of the revenue they are receiving in relation to their economic condition, their tax efforts, and all of those things.

Mr. GRAVEL. Fine. I am willing to accept the amendment. We do not have the yeas and nays ordered, so I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. BUMPERS. I thank the Senator.

Mr. GRAVEL. Let me just say to the Senator from Arkansas that I appreciate the colloquy. This is a very difficult problem, and he has given me an opportunity to correct, I hope, some of the criticisms that exist with relation to Alaska.

I can assure the Senator that he is going to be deluged with data about Alaska, because we want to make a case. Since the Senator from Arkansas has demonstrated his interest and attention, he is going to get more information about our problem, not only to avoid misunderstandings, but also in the hope of getting his succor on the floor when we are discriminated against, as has been the patterns in the past.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. BUMPERS. I trust the Senator will not mind getting some comparable data from a State that is about 46th in per capita income in the country.

Mr. GRAVEL. I might say that according to the last figures I saw, my State was lower than his State. Not in per capita income; that is not the total measure. The total measure is quality of life.

Mr. BUMPERS. We are first in that category, of course.

Mr. GRAVEL. I would be happy to trade the Senator's per capita income for my cost of living.

I thank my colleague.

Mr. President, I move the passage of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2071

An act to authorize appropriations for the repair of highways in the State of Alaska, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, for repair of highways in the State of Alaska, the sum of $70,000,000 to be available until expended, and in addition to sums otherwise made available to the State of Alaska under title 23, United States Code, and under section 7(b) of the Federal-Aid Highway Act of 1966. The Secretary of Transportation is directed, after consultation with the State of Alaska, to report to the Congress on or before January 1, 1977, as to the feasibility of repayment by the State of Alaska, out of mineral revenues to be received by it in the future, of any sums paid to it pursuant to appropriations authorized by this Act.

Mr. GRAVEL. Mr. President, I yield the floor.

Mr. GARY HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR MORGAN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders or their designees have been recognized tomorrow under the standing order, Mr. MORGAN be recognized for not to exceed 15 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ACTIVE DUTY OF SELECTED RESERVISTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 2115.

The **PRESIDING OFFICER.** The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2115) to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected Reservists, for a limited period, whether or not a declaration of war or national emergency has been declared.

The **PRESIDING OFFICER.** Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. NUNN. Mr. President, we have before us today S. 2115, a bill granting the President the authority to call to active duty up to 50,000 selected reservists for a limited period of time without a declaration of war or a national emergency. The authority in this bill would permit more effective use of the Reserve components and would make the selected Reserve a much more credible part of the total Armed Forces.

S. 2115 would enable the President to authorize the involuntary call to active duty of selected Reserve units for operational missions for not more than 90 days. This callup would not require a declaration of war or national emergency, and the number of reservists called up under this legislation would be limited to 50,000. The bill specifically prohibits the callup of Reserves to perform functions relating to insurrection or enforcement of law within the States. It requires the President to notify Congress within 24 hours of the exercise of the authority granted in the bill.

Mr. President, this bill evolved from congressional interest in the improved and increased reliance on Reserve Forces. In the fiscal year 1975 request for defense manpower, the Air Force requested over 10,000 additional active duty military and civilian personnel increases to take care of the described need to increase the aircrew-to-aircraft ratio for strategic transport aircraft. During hearings on the fiscal year 1975 military authorization bill the Senate Committee on Armed Services found that the requested personnel would be needed primarily for emergency mobilization or for a full-scale conventional mobilization, and in such circumstances the Air National Guard or the Air Force Reserve or a combination of the two, could be used to supplement the peacetime aircrews.

This substitution was later mandated by the Committee on Armed Services, approved by the Senate and later by the conference. This substitution of Reserve for active duty personnel resulted in an annual savings of $88 million per year.

Further, in the fiscal year 1975 Military Authorization Act, the Secretary of Defense was directed to assess the desirability of new statutory authority "for the limited selective mobilization of members of the Air National Guard under circumstances not leading to a declaration of a national emergency by the Congress or the President." S. 2115 is a direct response from the Department of Defense to this statutory directive.

This legislation is needed for two principal reasons: to enhance the credibility of the Reserve Forces and to improve the efficiency of the total force concept. Under existing national emergency declarations the President already has far greater authority to order Reserve Forces to active duty than that provided in this bill. But there has been reluctance to use this authority because of the broad implications of a declaration of national emergency. Reluctance to use Reserve Forces reduces the credibility of Reserve capability in the eyes of potential adversaries, in the eyes of our allies, and also as perceived by the active duty and Reserve establishments and the general public.

This reluctance tends to create Reserve Forces that are designed as a carbon copy supplement to the Active Forces, rather than a carefully tailored complement to Active Force missions and capabilities. As a result, at present the total Active and Reserve Forces is less efficiently designed and realistic missions are less likely to be assigned the Reserve Forces because of this perception.

Mr. President, for more than a decade we have seen increased reliance on Reserve Forces. Active duty military strength has been reduced 22 percent from 1964 pre-Vietnam levels. Part of this reduction was accomplished through increased reliance on Reserve Forces, despite the fact that there has been a 6-percent reduction in Selected Reserve strength in the same period. At present, Selected Reserve members make up about 31 percent of the total of active duty plus Selected Reserve strength. We have almost 1 million paid reservists in the Selected Reserves who have not been called to active duty involuntarily since well before the Vietnam war. As long as we are increasing reliance on the Reserves and paying for that Reserve capability, we should insure that it is in fact ready and usable. S. 2115 is a major step in that direction.

At the same time we have increased reliance on the Reserves, we have ended relying on the draft. In fact I understand the fiscal year 1977 budget will contain only about $6 million for the entire operation of the standby selective service system. There are doubts that this is adequate for a meaningful standby draft. Thus, as a matter of both policy and resources, the country no longer can rely on the draft for very rapid augmentation of active duty strength. In the past, with month-to-month use of induction authority the President could quickly augment active forces by simply drafting more people. Since that is no longer possible, it is necessary to provide the limited and selected callup authority that would be provided by S. 2115.

Funding for reserve component forces have also been increasing from fiscal year 1972 to 1976 the annual Reserve component budget has increased 57 percent from $3.5 to $5.5 billion. This includes a $475 million increase in procurement for new weapon systems. This substantial sum of money remains simply that—a substantial sum of money—unless action such as the passage of this legislation is taken to make more credible the reliance on the Reserve Forces.

There are two major ways in which the authority in this bill could be used: First, there may be minor situations requiring short-term use of capabilities which are unique to the Reserve components or which only exist in the active forces in small numbers. Examples of these are minesweeping, and certain Air Force air defense and reconnaissance activities. This legislation would permit a more efficient design of the total active and Reserve component force by increasing the confidence that special purpose capabilities of the Reserve components could be used from time to time. It could lead to other mission capabilities being assigned to the Reserve components.

The second use of this legislation would be to get certain reserve component units in place during a period of international tension but before a major confrontation and declaration of national emergency. For instance, this legislation would permit the President to call up certain Reserve component units needed for operating the deployment system to Europe, or needed for mobilizing other Reserve component units for a NATO contingency. However, with this legislation the President could hold off the declaration of a national emergency until such time as a major mobilization became inevitable. This would tend to reduce the appearance of major escalation while at the same time permitting the activation of selected units needed to carry out an effective and timely deployment to Europe.

The Armed Services Committee expressly intended that the callup authority be available for use in calling up small units such as companies, platoons, and detachments, whether or not they are elements of larger size organizations. Providing flexibility in the size of the unit allows the Reserve units and members to be carefully tailored to complement the Active Forces.

Mr. President, the Armed Services Subcommittee on Manpower and Personnel thoroughly explored the questions and problems which could accompany this important legislation. One of the subcommittee's first considerations was the authority of the executive branch to use the Reserves and the role of the Congress in the use of this authority. This was discussed at length in the subcommittee's hearing on the bill. As chairman of the Subcommittee on Manpower and Personnel, I sent a letter to each Member of the Senate asking for his comments on this issue.

After extensive discussion of this question the subcommittee amended the bill to require the President to notify the Congress within 24 hours of the exercise of the authority granted in the bill. The subcommittee felt, and the full committee concurs, that this notification requirement will insure that the Congress is immediately aware of a callup under this legislation. However, the requirement would not inhibit the flexibility needed for a timely Reserve callup.

I understand that Senator HART, who is a member of the committee, will have certain amendments in this area, which we will consider in a few minutes. In his view, they would strengthen this congressional participation.

Another major area of concern was the relationship of S. 2115 to the Water Powers Act. This bill would not alter or circumvent the provisions of the War Powers Act. I wanted to make certain that this was the case, and we have had considerable research done on the War Powers Act and its relation to S. 2115. In addition, I have contacted personally the Senators who sponsored the War Powers Act, to make sure that we had their comments.

Senators JAVITS and STENNIS, who both played an active role in the War Powers Act, responded that S. 2115 does not in any way affect the War Powers Act. The War Powers Act limits the power of the President, acting alone, to introduce U.S. Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances. This Reserve callup legislation would only provide limited authority for the President to order units and members of the Selected Reserve to active duty. Once on active duty such Reserve members and units would be subject to the War Powers Act in the same manner as any other active duty military units and members.

A third question raised by some is the relation of S. 2115 to the current national emergency declarations and the National Emergencies Act currently pending before the Senate Government Operations Committee. By previous declarations, a state of national emergency is currently in effect. Under this state of national emergency the President today has the power to order to active duty for 24 months up to 1 million reservists. The pending National Emergencies Act would provide a method for the termination of existing national emergency authorities. It would not limit the power of the President to declare a national emergency or call up reservists under a declaration of national emergency.

The Reserve callup bill before us today is separate and distinct from both existing national emergency legislation and the proposed legislation for the termination of emergencies. It provides limited callup authority that is not dependent upon a declaration of war or national emergency. S. 2115 does not conflict with national emergencies legislation.

In sum, Mr. President, the committee gave serious consideration to the vital issues surrounding the legislation before us today. It found that the bill was not in conflict with the War Powers Act or with existing or proposed national emergencies legislation. The committee amendment requiring notification of Congress insures that the Congress would be immediately aware of any Presidential exercise of the authority in the bill.

This Reserve callup bill is not an end in itself. It is but one step in an ongoing process in the Department of Defense to strengthen the Reserve Forces and thus the total Armed Forces and our national security. By improving the possibility that the Reserves would be called upon when needed and by making this abundantly clear, more active force missions can be tailored for the Reserves. I believe they will be tailored for the Reserves. This will allow a more efficient use of our dollar and manpower resources. Passage of S. 2115 can only strengthen the country's Armed Forces. The passage of S. 2115, in my view, will strengthen the country's Armed Forces and our national security.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. NUNN. I am glad to yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator. I may have to leave the floor in a few minutes; that is why I ask him to yield now.

I thank the Senator from Georgia and his subcommittee for the very fine work they did on this bill, their careful hearings, preparation and report. Lacking one vote only, this bill was reported out favorably by the Committee on Armed Services.

I am certainly supporting the bill, Mr. President, and think that, after all, it is a relatively small number, a very small number of men that can be affected under the provision of this bill—50,000. I think, and this is just my personal opinion, that failure to call in the Reserve components near the beginning of the actual war, our part of the war, in Vietnam was a grave mistake. That mistake generated other mistakes. If there had been a callup of some then, I believe things would have taken a different course. But at that time, the reason given was that they had to declare an emergency in order to have the authority and there would be other grave consequences set in motion by calling it a national emergency. I remember quite well being told that at the White House.

Certainly, this measure shows that the committee, almost unanimously, thought that they had this many men and, we think, many more than this. But it offsets totally any idea that these units are not ready or that they are not prepared. They include some of the best-prepared men in the military services, I think—I mean of any unit.

I hope that this bill will be understood and passed and let us get on with the business of working the Reserves more into the military picture, those who are subject to call and will be called. The bill is mounting each year on the cost of the Reserves, and the possibility of their being called up will add something to the present law.

Mr. NUNN. I thank the Senator from Mississippi. As the Senator will recall, this bill really grew out of the request of the Committee on Armed Services to the Pentagon to come up with some legislation to eliminate the sort of psychological barrier all of us have found exists, which has precluded, in many cases, the active duty people from feeling that the Reserves will be called. By having that kind of psychological blockage, the Reserves consequently will not be given the kinds of missions and the kind of equipment to carry out those missions that we think they are capable of. This legislation did originate in our committee in terms of the request made to the Department of Defense.

Mr. GARY HART. Mr. President, I have an amendment to S. 2115 that I send to the desk and request its immediate consideration.

The PRESIDING OFFICER. The Chair states that until the committee amendments have been disposed of, amendments from the floor are not in order.

The first committee amendment will be stated.

Mr. THURMOND. Mr. President, I wish to say a few words after the committee amendment is read.

Mr. WILLIAM L. SCOTT. Mr. President, could the clerk withhold on the committee amendments until those on this side of the aisle have an opportunity to speak on the bill?

The PRESIDING OFFICER. The Chair will follow the Senator's desire in that regard.

Mr. WILLIAM L. SCOTT. I am glad to yield to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of S. 2115, a bill to authorize the involuntary call to active duty of Reservists and members of the National Guard by the President whether or not a national emergency or declaration of war has been declared.

This authority is designed to give more credibility to our Reserve and Guard forces which are supported by $5.5 billion in the current defense budget.

A 50,000 90-DAY CALLUP

It permits the President to call up to 50,000 Reservists or members of the National Guard, or a combination of both, for a period of 90 days on active duty.

This authority is designed to allow a more effective use of reservists to augment active duty forces in peacetime. It will serve to make our Reserve forces more credible and has the full support of those organizations which represent the Reserve and Guard.

LONG OVERDUE

Mr. President, this authority is long overdue. President Truman called up several Guard divisions and a number of Reserve units during the Korean war. However, during the Vietnam conflict only small numbers of reservists and Guard units were called.

While more were called in Vietnam than most realize, it was nevertheless only a token force compared to those available. These were the first reservists to be ordered to active duty since the Berlin callup in 1961 and the Cuba callup in 1962.

Those called in 1968 for Vietnam, however, responded quickly and performed well. The total 1968 Vietnam callup amounted to 115 units, consisting of 34 Army National Guard units, 42 Army Reserve units, 8 Naval Reserve units, 17 Air National Guard units, and 14 Air Reserve units for a total of 36,972 military personnel. About 1,700 of those called were individual reservists.

UNITS PERFORMED WELL

About half of these units served in Vietnam, and I recall that the now Chairman of the Joint Chiefs, Gen. George S. Brown, praised their performance in Vietnam before the Armed Services Committee. He stated that most of the air units were more efficient than regular units, because of the continuity of the personnel in those units.

Thus, Mr. President, it is clear the Reserve and Guard can effectively augment our regular forces and that is especially necessary today as billions have been spent on reserve force modernization. This is an efficient means to keep prepared as reserve units can be maintained at about one-fifth the cost of active duty forces.

INTEGRATED TRAINING

Further, through the enlightened policies of our Defense Department leadership the total force policy has been strengthened recently. This is evidenced by the various Air Force associate units and Army Guard and Reserve affiliated units which are training with regular forces and achieving a high state of readiness. The Air Force associate units were a key element in the success of the emergency airlift to Israel during the Yom Kippur war, and in general all Reserve units have performed well in various emergencies.

S. 2115 ANOTHER FORWARD STEP

This legislation will further integrate the Reserve and active duty forces by providing the President with a limited authority for callup in circumstances short of a national emergency. It prohibits any callup under this authority for domestic purposes.

Of importance, it should be noted that reemployment rights are preserved under this legislation as callups of Reserve or Guard members will be disruptive to their civilian employment careers.

AVOID CAPRICIOUS CALLUPS

Before closing, Mr. President, it should be added that it is the intention of Congress that this callup authority not be used in a capricious manner. There are many ways for a President to flex the Nation's muscles without disrupting the lives of our citizen soldiers.

However, this authority should be used without hesitation whenever the President feels it necessary to call individuals or units of any size to augment our active duty forces to meet a viable contingency situation.

It is my hope the Senate will give prompt and overwhelming approval to S. 2115, a long overdue authority, which should give added meaning to the total force policy of the present administration.

I thank the distinguished Senator from Virginia.

Mr. **WILLIAM L. SCOTT.** Mr. President, I join with the chairman of the committee, Mr. NUNN, the distinguished ranking member of the full committee, and the chairman of the full committee, in urging support for this bill.

It could well be considered minor legislation, and yet what it does could have an effect upon other countries around the world.

If the United States should call up troops under a national emergency, it could cause other nations around the world to become a little jittery. However, under this bill the President would have authority to call up to 50,000 members of the Reserves for a limited period of time, for 90 days, without using his authority under national emergency legislation.

As the distinguished Senator from Georgia has indicated, this does not do away with the power of the President to call up to 1 million men during a national emergency. It does not give any authority or take away any authority under existing legislation, but merely permits calling up 50,000 members of the selected reserve for a period of 90 days, without using national emergency power.

It is a bill that was supported by the then Secretary of Defense, Mr. Schlesinger. He personally appeared before our committee. The Deputy Secretary of Defense and the head of the Reserve forces also appeared as witnesses. It apparently is a matter that our Defense believes is important.

I hope the bill will be enacted into law. I believe it will tend to strengthen the Reserves. It is a bill that will have a beneficial psychological effect to the country in permitting the callup for limited periods of time of members of our Reserves without causing other nations to be concerned about the reason for the callup.

Mr. President, I believe we all should understand that this does not mean that 50,000 Reserves will be called up. That is the ceiling on the number that can be called up. The President could call up any lesser number as he sees fit, to perform a specific function.

It is not a scatter-gun approach. I believe it is a good bill. I believe it should be enacted.

Let me add, however, as the ranking member of the subcommittee, that we held several days of hearings in which we did confer together, and we did hear testimony. We also considered various alternatives.

This little bill has received considerable attention by the Subcommittee on Manpower and Personnel of the Senate Armed Services Committee. I hope its passage will not in any way be delayed.

The **PRESIDING OFFICER** (Mr. STAFFORD). The clerk will report the first committee amendment.

The legislative clerk read as follows:

On page 1, in line 4, strike out "673(a)" and insert "673a".

The **PRESIDING OFFICER.** The question is on agreeing to the first committee amendment.

The committee amendment was agreed to.

Mr. **NUNN.** Mr. President, I ask unanimous consent that the remaining committee amendments be considered en bloc.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered. The committee amendments will be considered en bloc.

Does the Senator ask that they may be considered original text for the purpose of further amendment?

Mr. **NUNN.** Mr. President, I ask unanimous consent that the committee amendments may be considered original text.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the committee amendments en bloc.

The committee amendments were agreed to en bloc.

The committee amendments are as follows:

On page 2, in line 1, strike out "673(b)" and insert "673b".

On page 2, in line 4, strike out "any other law," and insert "the provisions of section 673(a) or any other provision of law".

On page 2, in line 13, strike out "as defined in section 268 of this title," and insert "(as defined in section 268(b) of this title),".

On page 2, in line 15, after "duty", insert "(other than for training)".

On page 2, in line 16, after "90", strike out "days whether or not the Congress has declared war or Congress or the President has declared a national emergency" and insert "days".

On page 3, beginning with line 3, strike out "(d) Units and individual members on active duty under this section may be assigned outside the United States and its territories and possessions."

On page 3, in line 6, strike out "(e)" and insert "(d)".

On page 3, in line 10, strike out "(f)" and insert "(e)".

On page 3, at the end of line 13, strike out section.". and insert "section".

On page 3, beginning with line 14, insert: "(f) Whenever the President authorizes the Secretary of Defense or the Secretary of Transportation to order any unit or member of the Selected Reserve to active duty, under the authority of subsection (a), he shall, within 24 hours after exercising such authority, notify both Houses of Congress of such action.".

On page 3, in line 25, strike out "673(b)" and insert "673b".

On page 4, in line 3, strike out "paragraph (3) of this subsection" and insert "subsection (c) of this section".

On page 4, in line 7, strike out "paragraphs (1) and (2)(A) of this subsection" and insert "subsections (a) and (b)(1) of this section".

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oklahoma is recognized.

Mr. BARTLETT. Mr. President, I rise in support of S. 2115, a bill referred to as the "emergency callup bill." This legislation would give the President of the United States the authority to order to active duty up to 50,000 selected Reservists for a period of time not to exceed 90 days, whether or not a national emergency or declaration of war has been invoked.

As a member of the Manpower and Personnel Subcommittee, I participated in the hearings on this legislation. The subcommittee members deliberated at length on the complexities of the legislation itself, as well as the concerns of granting the authority called for in the bill; and I have concluded that this is worthwhile and necessary legislation.

There are certainly contingencies in which the President, as the Commander in Chief of the Armed Forces, would want to augment the Regular Military Forces with Reservists short of a declaration of a national emergency or by a congressional declaration of war. In the latter instance there is little question that the entire Reserve structure would be activated and for an unlimited period of time.

But there are times when a show of military strength may be necessary for physical and psychological purposes without wanting to declare a national emergency or without there being the need.

Because the total force concept of our military forces depends on the highest degree of readiness and capability of our resources, the military might of the United States is heavily dependent on its reserve strength. In some operational circumstances the Reserves are depended upon to provide 50 percent of the manpower for an operational mission. This bill would be influential in keeping the reservists on their toes.

The President should have the flexibility this legislation affords; I pray that no President will ever have to use it, but he should not be precluded from having this limited option, which is not available to him now.

Opponents of this bill have suggested that Congress is surrendering its authority to the President in the important war powers area. What this implies is that a President will act irresponsibly in exercising his duties and authority as the Commander in Chief.

I submit that Presidents are subject to political pressure, and, as far as a broad constituency, more than Members of Congress. The Congress itself has, on occasion, acted irresponsibly, but that is no reason to take away its lawmaking obligations; nor should Congress tie the hands of the President in his role as Commander in Chief.

I think most of us can see there could very well be in the future a number of instances where the President would like to have his options broadened to be in a position to call up Reserves on a selected basis, but not to declare an emergency and to trigger the reactions to that that would echo around the world.

This legislation is good and it is needed. I hope my colleagues will join me in voting for S. 2115 as it has been introduced to the Senate.

Mr. GARY HART. Mr. President, I previously sent an amendment to the desk and I request its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Colorado (Mr. GARY HART) proposes an amendment:

On page 3, beginning with the word "notify" in line 18, strike out all down through line 19 and insert in lieu thereof—

Mr. GARY HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed in the Record.

Mr. WILLIAM L. SCOTT. Mr. President, I object. The full amendment should be read.

The PRESIDING OFFICER. Objection is heard. The clerk will state the amendment.

The legislative clerk read as follows:

On page 3, beginning with the word "notify" in line 18, strike out all down through line 19 and insert in lieu thereof the following: "submit to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, setting forth the circumstances necessitating the action taken under this subsection and describing the anticipated use of these units or members.

"'(g) Whenever any unit of the Selected Reserve or any member of the Selected Reserve not assigned to a unit organized to serve as a unit is ordered to active duty under authority of subsection (a), the service of all such units or members so ordered to active duty may be terminated by—

"'(1) order of the President, or

"'(2) a concurrent resolution of the Congress.'."

Mr. GARY HART. Mr. President, I opposed this bill in the committee for reasons explained in my minority views in the report. The objections I raised would be removed by passage of the amendment submitted here today.

This amendment would first require the President to tell the Congress why he has activated reservists. This provision would go beyond the simple 24-hour notice to Congress that is contained in the bill. It would require that the President go further than mere notice and explain the reasons for the callup. This provision is parallel to similar language in the War Powers Act.

Second, this amendment provides that Congress could cancel a callup by concurrent resolution, language similar to which is in the pending emergency termination bill.

I agree with the distinguished sponsor of this bill, the Senator from Georgia, as to the necessity for expanding the role of the reservists in our total military posture, to implement the total force concept.

I think we have gone on too long in this country without giving the Reserve components the kind of responsibility that they deserve, and they require, to meet the need that they may be called upon to fill.

So in terms of the basic, fundamental philosophy of this bill, I certainly support it. But the reason for this amendment, Mr. President, is that we have over the past 20 or 30 years in this country seen too many instances of the erosion of the Congress constitutional responsibility in the area of foreign policy and strategic policy. We have seen Presidents of both parties over several decades commit this country to a variety of ventures, because of the latitude that national emergency provided them. It is a fact that Congress does not pay enough attention to its responsibilities under the Constitution, and in particular under article 1, section 8 of it, to raise and support armies.

To justify my interpretation that this bill, if it went into effect without amendment, would expand this Presidential authority to the detriment of the Congress' constitutional responsibilities, we have asked for opinion and interpretation of this provision by the experts in the Library of Congress. They have stated my position better than I can.

Mr. President, let me quote one long passage from their interpretation of this bill:

> The power of Congress to raise and support armed forces is one of the strongest potential sources of Congressional control over the President's authority to involve the U.S. in war. Since the President's induction authority has been terminated, he must rely solely on the Reserve Components for manpower to augment quickly the active force. And, since the active forces are considered to be too small to fight a prolonged, major conventional war, the President's authority to order Reserves to active duty without specific authorization is critical to his conventional

war-making capacity. In short, control of Reserves by the Congress is tantamount to control of the President's capacity to wage a major conventional war. Consequently, a grant of authority over the use of Reserves by Congress to the President represents a significant shift in the executive-legislative conventional war-power balance. Whether a shift is wise or not, depends upon one's view of the necessity for quick reacting Reserve augmentation.

Mr. President, the conclusion of the Library of Congress was that "S. 2115, if enacted, would not conflict with the terms of the War Powers Resolution. It would, however, represent a significant grant of the Congress' war power to the President."

It is that final conclusion that I am here today to call to the attention of my colleagues, because we have been considering one of the larger policy questions before this country, not only in 1976, but for the next 20 or 30 years of this Nation's history. That is whether the various branches, the checks and balance systems, and the three branches of Government, would actually live up to the responsibilities we have.

Well, if we have given away too much, it is because Congress has delegated too much of its warpower responsibility to the President of the United States.

Mr. President, this amendment permits the President to go ahead with the callup authority given in the bill as proposed by its manager, the distinguished Senator from Georgia.

But it also says, in keeping with the terms of the emergency termination bill and with the War Powers Act itself, that a concurrent resolution of Congress is required if that callup is to be negated.

We are not saying Congress must approve it. We are merely saying, if Congress disapproves, it may do so by concurrent resolution.

As I say, that approach parallels other legislation which we are presently considering.

Mr. purpose here is not to defeat this bill. My purpose is to approach a fundamental, philosophical, constitutional problem in our country. We cannot sweep it under the rug.

If we enact this bill as it is presently written and without amendment, Congress, in my opinion and in the opinion of the experts I have cited, will be delegating a primary constitutional responsibility to the President of the United States.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I did not speak earlier on this bill, because I wanted to address myself to this particular amendment.

It may be that the amendment will have to be taken in order to allow the bill to pass this body and probably pass the House. I will not quarrel with that.

But I do quarrel with the idea that many Members of this body have, that Congress is endowed by the Constitution with war powers.

We passed legislation last year that supposedly gave the Congress war powers. I feel that is unconstitutional, and it may be tested in the courts before long.

The Congress is given the power to raise and support armies, and we would include in that the navies, air forces, and so forth, although the Air Force is not mentioned.

That is about as far as our powers go.

We do have the power to declare war. But in the past 200 years of our Nation's history, the President has called out the troops about 202 times. That has not meant we have gone to war. It has meant police action here and police action there, all the Indian wars; there were very many of those where the President called the troops up, and Congress has no power at all to call up the troops.

We can declare war. We could declare war every 5 minutes, but not one man is going to march off to war under the orders of Congress. We just do not have it. That power rests entirely with the Commander in Chief, who is the President.

I do not like us to do anything that is going to prevent the President from acting in his own best judgment.

Mr. President, I would much rather trust one man who has to live with that decision all of his life than trust the political vagaries of 535 Members who are influenced by people whose ancestors came from various countries around this world that might become embroiled in war.

The concept of this body, the Congress, having powers in war is totally wrong.

I argued against the War Powers Act and, of course, I was badly defeated. But I think as time goes on, more and more Members are going to realize we did act in an unconstitutional way and we have not changed one iota of the meaning of the Commander in Chief.

I recall, as was mentioned earlier, during the recent airlift to Israel, that a good portion of that was accomplished by Reserve Air Forces.

I also recall not too long ago when a Russian threat was made to transport paratroops into the Middle East and our President answered by calling up Reserve Forces and the Russians backed off immediately.

So without the President having this power, or without the President having the power to act without having to consult with the Congress, I think it will weaken his hand.

I can understand how some Members of this body, many of them, would like to have a say-so in the callup of troops.

But on the other hand, if the enemy knows that within a certain time the Congress has the power to say, "No," to the President's callup, that is another little ace in the hand held by the enemy. I argued that point in the War Powers Act. When we give the President 90 days to act and then he has to come to Congress for approval of further action, if I were a commander of an enemy force or the king or dictator of an enemy country I would feel that is a certain way to get victory; namely, wait 90 days and during those 90 days hire a good Madison Avenue firm to tell the American people how terrible our Government is in going to war. At the end of 90 days the political pressures brought on this body would cause us to say we did not want the war and we would lose it not through the will of the people but through bad legislation that has been passed by this body.

As I say, I think this amendment probably will be accepted and probably should be accepted, but I hope we do not continue to try to amend legislation coming to this Chamber with the idea that we are going to give Congress powers they never had under the Constitution.

I might say in closing, Mr. President, there is a very good reason why the framers of the Constitution did not leave war powers to the Congress.

In the Continental Congress it was found that meddling with the troops of Washington had become so bad that Washington nearly lost the Revolutionary War through Senators and others actually going into the field and trying to assume command or give directions, actually taking over the purchase of equipment, actually directing the way some parts of the war should be fought, in their estimation. When the Constitution was written, our Founding Fathers, remembering the havoc that the Continental Congress played in the Revolutionary War, purposely did not give the Congress any more rights in war than the responsibility to raise and support forces.

The Commander in Chief has, as his major function, the formulation and the operation of foreign policy. Without the power to back up his formulation of these policies, it actually does not amount to much. As the Congress continues to whittle away this power, or attempts to whittle it away, I think the people who constitute our friends around this world are wondering just what is the problem to which we address ourselves.

While I would not oppose this amendment being accepted, nevertheless, I wanted to be heard on the main thrust of it, which is the idea that we do have inherent in our constitutional charges and rights, the right to control wars. We have no other control than the control of the purse.

Mr. WILLIAM L. SCOTT. Mr. President, I do think this amendment is unwise, and I am opposed to the amendment.

The committee approved the bill as reported with the committee amendments and they have been agreed to. It is quite a limited bill, restricting the number that can be called up to not more than 50,000, and requiring a report of the President that the service shall not exceed 90 days.

The distinguished Senator from Colorado referred to a memorandum and spoke of waging war. I do not believe we can wage war with 50,000 Reservists, or not more than 50,000 Reservists.

I share his concern about the President not taking any action without consultation with Congress that would involve us in any way. I hope that within my own lifetime this Nation will not be involved in another war.

We do have to remember, however, as the distinguished Senator from Nevada mentioned, that the President is Commander in Chief of our armed services. When the President calls up a limited number of people—not necessarily 50,000 but maybe 1,000—when he calls any number up to 50,000 into active service, if he has to send a report in writing setting forth the circumstances necessitating the action taken under this subsection and describing the anticipated use of these units or members, I do not see a whole lot of difference in doing that and declaring a national emergency. He has the authority to call up an almost unlimited number under existing law.

I think of this as something that will not alarm other nations of the world. When he calls up a few reservists, I do not think we should make any big thing of it.

It just seems to me that this is an unwise amendment. I would hope that the distinguished Senator from Colorado would reconsider the amendment. It is not a big thing that the committee has asked for and that the administration favors, but I believe we are doing a disservice to the bill if we adopt this amendment.

So, Mr. President, I shall vote against the amendment.

Mr. GARY HART. Mr. President, if I might respond briefly to the observations made by the distinguished Senator from Arizona, and with deference to his great experience in this body and in the general area of armed service and foreign affairs. It is my strong feeling from my reading of interpretations of the Constitution that the warmaking power is a shared one; that when the Founding Fathers gave the Congress the authority and the responsibility to declare war, the responsibility and the authority to raise and support the armies and navies, they certainly did not intend for one member of our Government, the head of the executive branch, to be able to raise and support the armies and navies and put this Nation at war with other nations.

On the other hand—and I think the Senator from Arizona rightly points out—535 Members of both of these houses cannot wage war, they cannot make executive decisions, they cannot and should not command troops in the field.

Mr. President, we have seen in the last 30 years under a series of so-called emergencies that the power of the Presidency is expanding, and the balance of powers between the two branches in the entire area of warmaking capability has shifted too far toward the President's ability so that he not only commands the troops in the field, he not only is the Commander in Chief, as he should be, but then very gradually and very subtly he gets into the whole business of committing this country to some foreign involvement. It may not be called war. We did not call Korea war, and we did not call Vietnam war. But they were both military commitments that cost many, many Amercan lives and the tremendous amount of our taxpayers' dollars. The Congress did not declare either one of those events wars.

I know the Senator from Arizona has strong feelings about both of those activities. The point here is that Congress does have responsibility to declare war and to raise and support the armies and the navies. It is in that light, and strictly in that capacity, that I think we have, or should have under a bill of this sort, the responsibility and the authority, concurrently in both Houses, to declare that the circumstances that the President has sent to us under the other terms of this amendment, explaining why he done this, do not justify calling up 50,000 people.

I do not think the numbers here are significant. It is not because it is 50,000. I would have the same amendment if it were 5,000, because I think it encroaches the whole area of getting into and invading Congress constitutional responsibilities to raise and support the Army.

Mr. GOLDWATER. Mr. President, will the Senator yield for a comment?

Mr. GARY HART. I yield.

Mr. GOLDWATER. I am in essential agreement with the intent of the Senator from Colorado. My argument is that we have never had this specific power under the Constitution, and that the Constitution has specifically limited our activities to raising and supporting.

These are powers we do not have to use. We did not have to appropriate money for the execution of the Vietnam war. We do not have to approprite funds for any war. We can cut the Armed Forces to no people at all, and reduce that great power.

But I remind my friend from Colorado of one thing: In the 200 times the President has called out the troops, there have been only five declarations of war by Congress in the history of our Nation; and two of those were in the same war, World War II, against two different foreign powers.

Maybe we have been lax in not declaring war. Usually the President, when he wants a declaration, will come up with it, and Congress will act upon it promptly.

But I reemphasize that our power to declare war really does not mean anything except to tell an enemy that the President has the backing of Congress in what he is attempting to do. And assuming that we represent 220 million people, I think the foreign power, with a declaration of war, would have to assume that the people of the United States were standing behind the President.

As I say, I have no great objection to this amendment. I would like to see the legislation passed clean, as it came out of the committee. I compliment the Senator from Georgia (Mr. NUNN) for the great work he has done, not only on this bill but in the whole field of personnel. I can say that in all my years on the Armed Services Committee, this is the first young gentleman on the committee who has given us an insight into personnel matters. I believe we had had only one hearing, before his coming here, since 1958 on the subject of personnel.

Lord knows there is nothing more important to the Armed Forces, to the people who are in that group to do the things the President wants them to do. So once again I salute the Senator from Georgia for his exceptional talent in this field.

Mr. NUNN. I thank my friend and colleague from Arizona. I might add that the Senator from Arizona was very instrumental and one of the leaders in the legislation that passed both the Senate and the House of Representatives regarding the freeze on added employees in the Air Force when the Senator from Arizona, the Senator from Georgia, and others felt that that mission of additional crew ratios could be carried out by the Reserve and the Guard.

This bill came out of the hearing that we had over the conclusion that there was a grave psychological block in the Pentagon. They felt there would not be in Congress and in the executive branch the courage, in an emergency, to call up the Reserves. That, as I say, led to this bill; it came from that experience.

So I appreciate the remarks of the Senator from Arizona.

I would like to ask the Senator from Colorado a couple of questions about his amendment. As I understand, the first part of the amendment would require that the President, if he exercised this authority under S. 2115, would submit to the Speaker of the House of Representatives and the President of the Senate a report in writing setting forth the circumstances that required the action to be taken, and then he would also have to describe what use he intended to make of the callup; is that correct?

Mr. GARY HART. The Senator is correct. This is to prevent a situation where this House and the other House would merely get a one-sentence letter from the President saying "I have today called up 50,000 troops."

I do not think that kind of pro forma notification tells us anything. The bill as written does not require the President to explain his actions, so that we could be left in the dark, and if asked to explain to our constituents why the President had called up the Guard, we would have to say "We do not know." That makes us look rather silly.

Mr. NUNN. As a practical matter, I think the President would notify Congress and the American people in considerable detail if he exercised this authority. But as a theoretical matter, I think the proposed addition strengthens the bill, and I would think the President would be not only willing but anxious to explain why he did feel it necessary to call up this contingent.

The second part of the amendment I would also like to ask one or two questions about.

As I understand it, the Senator's intention is that when the President exercises any authority under S. 2115, if he calls up 50,000 or 100,000 men in a particular unit for some particular purpose, he would have the right, under this proposal, to terminate that callup short of the 90 days. In other words, the Senator is spelling out under provision (1) that the President himself could keep these people on active duty for a month, 2 weeks or 30 days, and when the reason for the contingency has abated, he could terminate it himself?

Mr. GARY HART. The Senator is correct. The second part of the amendment is worded in the alternative, and spells out what I think is implicit anyway: That the President can terminate the circumstances or the declaration any time he chooses.

Mr. NUNN. And in the second part of the termination authority, the Senator provides that a concurrent resolution of Congress could terminate the particular callup.

I believe the Senator has spelled out very particularly, as I read it, that the service of all such units or members of the Reserve forces may be terminated by either the order of the President or a concurrent resolution of Congress.

Is it the Senator's intention that if the President calls, let us say, 17 different Air National Guard or Air Reserve units in scattered units throughout the country, that Congress, under its authority, if the Hart amendment becomes a part of this bill, would have to terminate by concurrent resolution the entire contingency, and could not do it in a piecemeal fashion?

In other words, if there was an Air National Guard unit in Colorado or Georgia or Arizona that had considerable political muscle, they could not come to Congress and say, "We want you to exempt us, but keep these other people on active duty"? Is that the Senator's intention, that it would have to be a rejection of either all the President's authority in terms of what he had called up, or in terms of none of it?

Mr. GARY HART. The Senator from Georgia is correct. In keeping with the colloquy with the Senator from Arizona, it is not the intention to get the Congress or the Senate of the United States into the Commander in Chief business. I think if we permitted ourselves the authority to release one unit, or even one individual, we all know what kind of political pressure could be brought on that behalf, and we would be in exactly the kind of problem the Senator from Arizona has described, where Congress is trying to act as Commander in Chief.

As sponsor of this amendment, I intend that all those called up by the President would be under the concurrent resolution, and Congress would not get itself into the position of denial of the President's authority.

Mr. NUNN. I think that is quite clear by the terms here, but I wanted to make certain that Congress would be dealing with the broad issue of the President's justification for declaring the contingency, and not with whether a particular unit in Georgia, Arizona, or Colorado would be the proper unit to call up.

Mr. GARY HART. The Senator is exactly correct. We are not in a position to know which unit to call up.

Mr. NUNN. Mr. President, I have discussed this amendment at length with the Senator from Colorado. We discussed it when the bill was before the committee. He has expressed very sincere concern about some of the broader constitutional implications of this legislation.

The legislation itself originated on perhaps the most pragmatic of all considerations, which was to try to make an effective, efficient Reserve force out of the force we have now. We did not address this legislation to any time or to any kind of theoretical vesting of power from Congress to the executive branch. It does have some implications in that direction, but I am trying to make it clear that the point of the legislation was the very practical point of trying to increase the effectiveness and efficiency of the Reserve forces.

I understand the Senator's concern about Congress playing a role in the important decisionmaking process concerning foreign policy and certainly concerning defense matters. For that reason, I believe that the approach the Senator has taken is a reasonable approach. He is saying that the President can go ahead and call up this contingency of troops, that Congress does not have to pass a resolution prior to the exercise of this authority. But after the President has done that, if Congress thinks the reasons he did it are not valid reasons or if there is some big foreign policy debate, then both bodies of Congress could act; they would both have to act by majority vote and by concurrent resolution, and they could negate the President's action.

I think that this is a reasonable kind of approach to try to carry out the practical considerations that the committee is struggling with and at the same time provide the safeguards that the Senator from Colorado feels are necessary to insure that Congress plays its legitimate role under the Constitution.

For that reason, Mr. President, I will support the amendment of the Senator from Colorado, and I believe that it will not weaken this proposal but will perhaps eliminate some of the concern that people have expressed, particularly Senators have expressed about the shift of power from the congressional branch to the executive branch. I will support the amendment.

Mr. GARY HART. I thank the Senator from Georgia for his insight into my intents here and his acceptance of them, and I hope that with his support the amendment will be accepted.

As I have indicated, the Senator from Georgia is the principal sponsor. With this amendment on the bill, I will certainly support final passage of the bill.

The **PRESIDING OFFICER.** Does the Senator from Virginia seek recognition?

Mr. WILLIAM L. SCOTT. Mr. President, I am not going to ask for a rollcall vote on this. I do believe that it gives rise to some publicity, and I believe it is a bad amendment as I explained by my reasons previously. But the distinguished chairman of the subcommittee feels that it is a good amendment and others who have spoken have not seemed to find any great fault with it. So I shall not "no," but not ask for a rollcall.

The **PRESIDING OFFICER.** The Senator from South Carolina.

Mr. THURMOND. Mr. President, the bill as it came from the committee is a good bill. The amendment of the Senator from Colorado tends to compromise the power of the President and take away from him a certain advantage he would have if this amendment did not pass. After all in this Republic the President's power is diluted enough already. When we try to compromise the power he does have, he loses strength in dealing with foreign nations.

We must remember that the President is the Commander in Chief and he is the only one who can call up troops.

In this amendment of the distinguished Senator from Colorado, the first part:

> On page 3, beginning with the word "notify" in line 18, strike out all down through 19 and insert in lieu thereof the following:

That whole sentence would read this way if it is amended.

> He shall within 24 hours after exercising such authority—

And the way that is now, the way it is brought out from the committee:

> Notify both Houses of Congress of such action.

Is that not sufficient? Does not that give the opportunity to Congress to act if they are not pleased with that?

Instead of that the Senator from Coloradio, though, would have it read this way:

> He shall within 24 hours after exercising such authority submit to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, setting forth the circumstances necessitating the action taken under this subsection and describing the anticipated use of these units or members.

Suppose we accept that amendment. Then is that not sufficient?

He does not stop with that. Then he goes on and provides that whenever any unit or any individual is called up such callup may be terminated not only by order of the President, but a concurrent resolution of Congress.

Congress, under the first portion of his amendment, is informed in writing the circumstances necessitating the action and the anticipated use of the units or individuals as the case may be.

Mr. President, we are, as I said, diluting the power of the President. If we are not going to give him the power to call up for 90 days these troops, it seems to me that it casts a doubt on the faith we have in our President, and that makes no difference whether he is a Democrat or a Republican.

I remember back during the Roosevelt days, if I heard it one time I heard it

10,000 times, partisanship stops at the water's edge. But I am wondering if that is the case today? I am wondering, since we have a Republican President, if partisanship is stopping at the water's edge?

Mr. President, do Senators not think if the President makes a callup then there are not going to be questions that come from the reservists and guardsmen? They will call Senators and House Members and say:

> Is this really necessary? Should you interfere with our lives this way? Is it really necessary?

Someone has to have the power to act. Under the Constitution of the United States the President, the Commander in Chief, has the power to act. Congress has the right to raise and support armies and they have a right to declare war. But it is the President who has to direct the activities. We only make the law. Our business in Congress is to make the law. It is the business of the executive branch, headed by the President, to administer that law, to execute the law, and the Commander in Chief is the man to execute these laws.

Mr. President, is this amendment not going to put the callup back in the political arena? Are not questions going to be raised:

> Why call us up? Why do we need the Guard? Why do we need the Reserve?

And is that not going to put pressure on Senators and House Members then to try to justify or not justify the actions?

Then we are going to have a great debate in this country as to whether the Guard should have been called up and as to whether the Reserves should have been called up.

Mr. President, that has not been done in previous times, and it seems to me that we are trying to take away more and more power from the President to deal with foreign nations and keep this country prepared.

Already Congress has cut down $6 or $7 billion from what the President said this country needed to keep it prepared.

If anyone knows what it needs to keep this country prepared, it ought to be the man who is dealing with the Soviets, the greatest enemy of America and the greatest enemy of freedom.

Mr. President, it seems to me that this is no time, when we are trying to achieve agreements throughout the world and to negotiate with other nations, to tell the world that we do not even trust the President of the United States to call up as few as 50,000 Reserves or National Guardsmen, when he cannot keep them over 90 days, and Congress can step in and undo it all.

Mr. President, it simply does not make sense.

Mr. NUNN. Mr. President, will the Senator yield for a moment?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from Georgia.

Mr. NUNN. I share some of the apprehension of the Senator from South Carolina about this amendment.

As the Senator knows, I do feel this bill is very, very important. However, when one starts considering the alternative, if this amendment does not pass, then the situation is this: The President could exercise his authority under S. 2115 and then, by repealing the legislation itself, Congress could, in effect, terminate the callup by the repeal.

Of course, if there were a bill to terminate the callup, as opposed to a concurrent resolution, or if there were a joint resolution, as opposed to a concurrent resolution, this would require the President's signature. It would then be vetoed, and it would require a vote of two-thirds of both bodies to override the veto and thereby terminate the President's authority.

The concurrent resolution does require a majority of both the House and the Senate.

The Senator from Colorado and I have talked about this. I would oppose vigorously either a requirement that would require Congress to approve this in advance—because if that were done, this bill would have no value—or a requirement that would give either the House or the Senate a right to terminate this authority. But if a majority of both the House and the Senate, on a concurrent resolution, decided to terminate the President's authority under a callup, then I think the President, himself, would be very ill-advised to call up in any way under this provision. We have now a national emergency provision. This does not in any way do away with the President's right to declare a national emergency and to call up as many as 1 million men for 2 years.

So I believe that this is a reasonable compromise and a reasonable balance between those who say that the President should have this authority without any congressional authority to stop it and those, on the other hand, who propose that Congress has to approve it in advance, before it is exercised.

I share some of the Senator from South Carolina's apprehension about the amendment. But when we think about having to get a majority in both the House and the Senate, I think the President would be ill-advised to proceed with the Reserve callup if a majority of both bodies expressed by concurrent resolution their disapproval of that. For that reason, I believe that the amendment does strike a balance in the interest of congressional and Executive relations on this particular subject.

Mr. THURMOND. I ask the distinguished Senator from Georgia whether he feels that if the President calls up troops, there would be any doubt that he feels it is important to call them up.

Mr. NUNN. I think that no President would take lightly his authority that exists on the books right now—and which will exist after this bill is passed—to call up Reserve Forces. That is a very significant act.

I believe that this bill, including the Hart amendment, if it is agreed to, will be a vehicle through which the President can take certain steps without alerting or alarming the world and without escalating the conflict into a much larger conflict.

I believe it is good legislation, but I do not believe the Hart amendment does harm to the original intent of the legislation.

Mr. THURMOND. If the President can only call up the troops for 90 days, and that is all he can do under the bill, then is it not going to raise questions in the minds of other nations as to whether it is going to stick, if Congress can undo it? It is going to raise questions in the minds of the reservists and the guards themselves. Are they not going to begin to question whether it is really necessary? It is only for 90 days. If we cannot trust the President for 90 days with regard to the handling of the Guard and the Reserve, then I think something is badly wrong in this country.

Mr. NUNN. I agree with the Senator on that. I believe that Congress will trust the President with that authority. I believe that he will use it with discretion and only when it is needed. I do not foresee that a concurrent resolution disapproving of that act would pass this body. I think that that likelihood is very slight.

This is not the President's sole authority to call up the Reserves. He has nine different provisions under which he can act now to call up the Reserves. As a matter of fact, a national emergency exists today. Tomorrow morning, the President, without doing anything else, could declare that he wanted 1 million men for 2 years, and that would not require any congressional approval. But that also is being reviewed, and I think we must assume our proper role. Unless the President acted very irresponsibly, I do not believe Congress would pass a concurrent resolution. So I think this does provide a safeguard.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. WILLIAM L. SCOTT. Mr. President, I should like to pose a further question to the distinguished chairman of the subcommittee.

In view the President's authority under existing law to call up troops during a national emergency, why would the President exercise the authority under this bill, with the Hart amendment, if he has to set forth in writing the circumstances necessitating the action taken under this subsection and describing the anticipated use of these units or members? Why not use existing law? It seems to me that he has to make more of an explanation under this measure than he does under existing law.

Therefore, I do find fault with the Hart amendment, a fault that apparently is not shared by the distinguished chairman. Why would the President use this authority if we pass this bill with the Hart amendment?

Mr. NUNN. Mr. President, the Senator from Virginia has worked long and hard on the proposed legislation, and I know that without him, we would not have it here today. I certainly respect his views.

In answer to the question, the President would use this authority because he would not want to declare a national emergency. The declaration of a national emergency, as a political matter, would require an explanation to the American people and to the world. The proposed legislation requires that he explain the calling up and using of this limited authority.

Frankly, I cannot imagine or foresee any President of the United States calling Reserve units to active duty, under this or any other legislation, on an involuntary basis, without explaining it to Congress and to the American people. So the requirement under the Hart amendment for explanation to Congress as to why he is calling up does not bother me at all. That would be stated, anyway.

In fact, the bill which came out of committee requires that he notify Congress within 24 hours. I think the President would be very foolish, indeed, if he sent a simple notice up here, even without the Hart amendment, which said, "I have called up 50,000 reservists," with no explanation. That would be a very shortsighted step.

In answer to the Senator's question, the President would use this legislation if he felt that declaring a national emergency would have possible grave implications and could become, indeed, self-fulfilling to other countries, including our potential adversaries. He might not use this legislation, but I can think of many contingencies under which he would use it. I do not think that the Hart amendment would destroy that original intent.

Mr. THURMOND. I see no objection to the first part of the Hart amendment with respect to making the report to Congress as to the reasons for the callup, the necessity for the callup, and so forth. But then to turn around and provide that the President can only call up these 50,000 men for 3 months and to say that Congress can undo that, I think is unreasonable. It is merely saying to the world that the President might not have the support for even calling out the Guard and the Reserve—and they are the only force we have, except the Active Forces—for 3 months.

What power can the President have to deal with other nations? What strength is he going to have in talking to the heads of other nations and negotiating with the enemy?

Mr. President, it just does not make sense. I am going to vote against the amendment. This bill was brought from the Committee on Armed Forces with one vote against it, and that is the vote of the distinguished Senator from Colorado. I do not know why he did not raise the amendment in the committee. He could have raised the amendment there, but he did not do it. He brought it to the floor. It would have been better if the amendment had been considered in the committee and the whole committee acted on it. I think they would have voted it down, and the vote probably would have been the same or nearly the same.

It has come to the point today, with respect to anything about defense, that you have to compromise, you have to placate, and you have to appease. I become completely frustrated in seeing Congress act as it has in cutting down defense, weakening the hand and strength of our President in dealing with other nations and keeping this country strong. I think we are making a mistake, and we are going to regret it, when we take such actions as we have been taking and may take today on this amendment.

Mr. GARY HART. Mr. President, this bill would grant new authority to the President which he does not have presently. It does not strike me as appeasement to require Congress to fulfill its constitutional responsibility.

Mr. President, I ask for the approval of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 3, line 19, after the word "action." delete the quotation mark and period and add the following subsection:
>
> "(g) Nothing contained in this section shall be construed as amending or limiting the application of the provisions of the war powers resolution."

Mr. KENNEDY. Mr. President, I was not on the floor when one of my colleagues commented on the commendable work that has been done by the distinguished Senator from Georgia in the manpower area. This issue, of course, is of enormous importance to the security of the Nation and to the American people as Congress attempts to allocate the financial resources of this country.

As we have seen in recent years, the manpower program of our national defense budget has been sharply increasing. It probably has increased most dramatically with the enactment of the Volunteer Army.

The distinguished Senator from Georgia has been enormously active in attempting to make recommendations to this body on what is necessary for our national security domestically. He has also made recommendations to us as to what we ought to be supporting overseas. Therefore, I want to join in commending the Senator from Georgia for these recommendations and for the very extensive, valuable, and worthwhile effort in the manpower area generally.

Also, the Senator has given very important attention to the whole question of the Reserve Force and how it can be better utilized and made more effective in its relationship with our general military manpower program. This, too, is an area of important consequence, both with regard to our security interests and also in terms of the allocation of resources.

I acknowledge the work that has been done by the Senator from Georgia and the Committee on Armed Services.

The amendment which I propose, Mr. President, serves basically to make the legislation and the statute conform with what has been printed in the committee report by stating in the statute that there will be nothing in this legislation that will alter any of the requirements of the War Powers Act. I have seen the report and it certainly is clear to me that the intention of the Committee on Armed Services was to insure that there would be no variation in the development of this additional power by the President which, in any way, would alter the effect of the War Powers Act. It seems to me it will be useful and valuable to include this amendment, whose purpose has been so well expressed in the report, actually in the statute itself. That is the purpose of the amendment, and that is what the amendment would achieve were it to be accepted I have talked to the distinguished Senator from Georgia about it and also informed the distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT) about my purpose and intention. I am very hopeful that we can have this amendment accepted into the legislation.

Mr. NUNN. Mr. President, I thank my colleague from Massachusetts for his kind remarks about my work and the subcommittee's work and the work of the Committee on Armed Services in the field of personnel. I know the Senator has been very interested in that field and has sponsored several constructive amendments that were accepted last year in that area.

I share the Senator's concern that this legislation be absolutely clear that it does not in any way affect, dilute or add to the war powers resolution. When we first got this bill in committee, we did get in touch with the Library of Congress and ask for their opinion on this particular point. I also wrote each person who had been a prime sponsor, at least, of the War Powers Act in Congress, to be sure they did not think it in any way affected the war powers resolution. I shall read very briefly the Library of Congress conclusion, which is rather clear:

> S. 2115, if enacted, would not conflict with the terms of the war powers resolution.

That makes it very clear.

I have not found anybody, including the Department of Defense—we have them on record on that point, and we have other Senators on record on that point—who think it does in any way infringe on the war powers resolution. But I think the Senator's amendment will make that abundantely clear. I certainly would have no objection and would support the Senator's amendment.

Mr. WILLIAM L. SCOTT. Mr. President, I have no objection on behalf of the minority.

Mr. KENNEDY. I move the amendment, Mr. President.

The PRESIDING OFFICER (Mr.

Leahy). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Florida (Mr. Chiles), the Senator from Iowa (Mr. Clark), the Senator from Mississippi (Mr. Eastland), the Senator from South Carolina (Mr. Hollings), the Senator from Washington (Mr. Jackson), the Senator from Washington (Mr. Magnuson), the Senator from Arkansas (Mr. McClellan), the Senator from Rhode Island (Mr. Pastore), the Senator from West Virginia (Mr. Randolph), the Senator from Missouri (Mr. Symington), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Idaho (Mr. Church), and the Senator from Rhode Island (Mr. Pell) are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson), the Senator from Washington (Mr. Magnuson), the Senator from Rhode Island (Mr. Pastore), the Senator from Rhode Island (Mr. Pell), and the Senator from West Virginia (Mr. Randolph) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Arizona (Mr. Fannin), the Senator from Oregon (Mr. Hatfield), the Senator from New York (Mr. Javits), the Senator from Delaware (Mr. Roth), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. Fong) is absent due to illness in the family.

I further announce that the Senator from Wyoming (Mr. Hansen) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 77, nays 0, as follows:

[Rollcall Vote No. 9 Leg.]

YEAS—77

Abourezk
Allen
Bartlett
Beall
Bellmon
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hruska
Huddleston
Humphrey
Inouye
Johnston
Kennedy
Laxalt
Leahy
Long
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Williams

NAYS—0

NOT VOTING—23

Baker
Bayh
Bentsen
Chiles
Church
Clark
Eastland
Fannin
Fong
Hansen
Hatfield
Hollings
Jackson
Javits
Magnuson
McClellan
Pastore
Pell
Randolph
Roth
Symington
Tunney
Young

So the bill (S. 2115) was passed, as follows:

S. 2115

An act to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected Reservists, for a limited period, whether or not a declaration of war or national emergency has been declared

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 39 of title 10, United States Code, is amended by inserting the following new section after section 673a and inserting a corresponding item in the chapter analysis:

"§ 673b. Selected Reserve; order to active duty other than during war or national emergency

"(a) Notwithstanding the provisions of section 673(a) or any other provision of law, when the President determines that it is necessary to augment the active forces for any operational mission, he may authorize the Secretary of Defense and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, without the consent of the members concerned, to order any unit, and any member not assigned to a unit organized to serve as a unit, of the Selected Reserve (as defined in section 268(b) of this title), under their respective jurisdictions, to active duty (other than for training) for not more than 90 days.

"(b) No unit or member of a Reserve component may be ordered to active duty under this section to perform any of the functions authorized by chapter 15 or section 3500 or 8500 of this title, or to provide assistance to either the Federal Government or a State in time of a serious natural or manmade disaster, accident, or catastrophe.

"(c) Not more than 50,000 members of the Selected Reserve may be on active duty under this section at any one time.

"(d) Members ordered to active duty under this section shall not be counted in computing authorized strength in members on active duty or members in grade under this title or any other law.

"(e) The Secretary of Defense and the Secretary of Transportation shall prescribe such policies and procedures for the armed forces under their respective jurisdictions as they consider necessary to carry out this section.

"(f) Whenever the President authorizes the Secretary of Defense or the Secretary of Transportation to order any unit or member of the Selected Reserve to active duty, under the authority of subsection (a), he shall, within 24 hours after exercising such authority, submit to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, setting forth the circumstances necessitating the action taken under this section and describing the anticipated use of these units or members.

"(g) Whenever any unit of the Selected Reserve or any member of the Selected Reserve not assigned to a unit organized to serve as a unit is ordered to active duty under authority of subsection (a), the service of all units or members so ordered to actived uty may be terminated by—

"(1) order of the President, or

"(2) a concurrent resolution of the Congress.

"(h) nothing contained in this section shall be construed as amending or limiting the application of the provisions of the war powers resolution."

Sec. 2. Section 2024 of title 38, United States Code, is amended by adding the following new subsection after subsection (f):

"(g) Any member of a Reserve component of the armed forces of the United States who is ordered to active duty for not more than 90 days under section 673b of title 10, United States Code, whether or not voluntarily, shall be entitled to all reemployment rights and benefits provided under subsection (c) of this section for persons ordered to an initial period of active duty for training of not less than three consecutive months; and shall have the service limitation governing eligibility for reemployment rights under subsections (a) and (b)(1) of this section extended by his period of such active duty.".

Mr. NUNN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the bill just passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

HONORING THE HONORABLE CLARENCE M. MITCHELL, JR., AND EXPRESSING GRATITUDE FOR HIS CONTRIBUTIONS TO THE ENHANCEMENT OF LIFE IN AMERICA

Mr. HUMPHREY. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Leahy). The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 353) honoring the Honorable Clarence M. Mitchell, Jr., and expressing gratitude for his contributions to the enhancement of life in America.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MATHIAS. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MATHIAS. Will the Senator include me as a cosponsor?

Mr. HUMPHREY. Yes. If the Senator is not a cosponsor, I ask unanimous consent that he be included.

Mr. President, I ask also that the resolution lie at the desk for the remainder of the day for any other Senator who would like to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. The Senator from West Virginia, I believe, is included. If not, he should be added.

Mr. BROOKE. I would like to be added as a cosponsor.

Mr. HUMPHREY. I may say the Senator is a cosponsor.

Mr. ABOUREZK. What resolution is this?

Mr. HUMPHREY. It is a resolution honoring Clarence M. Mitchell, Jr., our Ambassador to the U.N. and a great leader in the civil rights movement.

Mr. GRAVEL. I ask unanimous consent to be added as a cosponsor.

Mr. HUMPHREY. We will ask that any Senator who wishes to be added may be added as a cosponsor.

Mr. HUMPHREY. Mr. President, this resolution seeks to honor Clarence M. Mitchell, Jr., known by many of his friends and admirers in the Senate as the "101st Senator," and to express gratitude for his contributions to the enhancement of life in America.

As many of my colleageus are aware, Clarence is being honored by a luncheon and reception tomorrow. I believe it is most appropriate that we commemorate these events by acknowledging and honoring the role he has played in the enactment of major legislation by this body and by the House of Representatives.

Clarence M. Mitchell, Jr., was born in Baltimore, Md., on March 8, 1911. He received an undergraduate degree from Lincoln University, a law degree from the University of Maryland and performed post-graduate work at the University of Minnesota, and Atlanta University. He has been married, since 1938, to the former Juanita Elizabeth Jackson, a lawyer, and herself the daughter of a Baltimore family credited to a great degree with bringing racial justice to the city of Baltimore. The Mitchells are more than law partners; for all of their married life they have been partners in the struggle for civil rights and justice for all Americans under the law.

Mr. President, it is difficult in this brief space to capture fully the spirit and character of Clarence Mitchell. He is a man of great warmth and humanity—with a deep and abiding devotion to religious principles. Yet he has a fierce hatred of ignorance and discrimination. He is a powerful advocate of democratic principles.

As director of the Washington bureau of the NAACP, and legislative chairman of the leadership conference on civil rights, Clarence has been in the forefront of the battle on every major piece of civil rights legislation since 1957. He has won the respect and admiration of Presidents and Members of Congress, as well as those in whose behalf he has spoken so eloquently. He is a man of compassion and insight—one who has identified the wrongs which have existed in our legal and economic structures and pinpointed, in very concise fashion, the most direct route to eradication of the barriers which have existed.

Clarence Mitchell, Roy Wilkins, and others in the leadership of the NAACP have been the backbone of leadership in the struggle for human rights. They have pricked the conscience of America. Firm in their faith in the brotherhood of man and in the ability of Americans to solve our problems, the NAACP has never once retreated from the struggle or thrown in the towel. Because they knew what they fought for was right, they have not faltered in their determination to see a better day in America. Their efforts—represented in the passage of historic civil rights legislation—have been in behalf not only of minority-group citizens, but for all Americans who are powerless to speak for themselves—for those Americans who have struggled in the face of injustice, bigotry, and poverty to find a new day. With this unstinting leadership we have been able to give people hope.

Success in legislative battle has not always come easily. Far from it. In his determination to help bring about a new day, Clarence has been met by some in Congress with recalcitrance, reluctance, and, at times, downright bitterness. Looking back to these uneasy times of the mid-1960's, one might wonder what kept him going, what gave him the strength to carry on. But a biblical passage from II Kings, one of his favorites, reveals the source of his strength. In it, a servant expresses to his master, Elisha the prophet, his concern about being outnumbered in battle. Elisha replies:

> Fear not: for they that be with us are more than they that be with them.

I believe that somehow, even when it was not so easy to discern, Clarence always knew that the heart of America was good and just. This knowledge has provided the perseverance and commitment which have marked his career and brought him success. He has always had the conviction that men and institutions are subject to a higher authority. He has said:

> I like to think that the Power that runs this world and the universe is really greater and more potent than anyone who gets elected to office or is in control of anything. If that Power gets into the picture it is bound to come out the right way.

And Clarence has always made sure this Power was ably represented. He has served our country with dedication and ability, as a member of the U.S. Delegation to the United Nations. His presence in the U.N., his actions in behalf of our Government, have been a powerful influence for reason and peace.

Mr. President, I would like to share with my colleagues a short statement I prepared in connection with the activities planned for tomorrow. I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Clarence Mitchell, Jr.—Great American

It is altogether fitting that Clarence Mitchell is being honored for his contributions to the enhancement of life in America, for I know of no one who has given more selflessly of himself than has my good friend Clarence.

His role in the passage of the historic civil rights legislation of the 1960s was crucial. He was an integral part of that great coalition which fought for and won enactment of the Civil Rights Act of 1964, the 1965 Voting Rights Act and its extensions, and the other vital legislative protections which now are so thoroughly woven into the fabric of our statutory law.

As a member of the NAACP leadership, he has pricked the conscience of the Nation. He has helped to define the wrongs and, even more importantly—because of his keen understanding of the legislative process—he has shown us in the clearest fashion how to correct the injustices which have impeded our progress toward equality in America.

Clarence Mitchell is a man of unswerving principle whose devotion to justice is matched only by his great wisdom and capacity for understanding. Firm in his faith in the Almighty and in the brotherhood of man, Clarence has always sought to bring out the best that is in human nature. And he has succeeded in taming the hearts of many in Congress and elsewhere whose opposition to the progress we sought to achieve was indeed formidable. The result has been the enactment of the most comprehensive and far-reaching human rights legislation in the history of our Nation.

Clarence has devoted his life to combatting ignorance, which is the breeding ground of racism. And discrimination and racism, wherever they exist, have been his constant enemies. His presence in the United Nations General Assembly, as a member of the U.S. delegation in 1975, was of special significance, as it came during the debate on an infamous resolution equating Zionism with racism. No one in this country would have been better able to denounce this action than one who has spent his life fighting racism. For this, and for the commitment and dedication he has so freely given to our country, the Nation owes Clarence a debt of gratitude.

Looking back on the last 40 years, it is difficult to remember a time when Clarence was not by my side. His friendship and counsel have been a constant source of strength to me. He is a man of integrity, honor, and compassion—a cherished friend and a trusted comrade in battle. What more can be said of a man than that he has gained the respect of his opponents and the admiration and loyal friendship of his colleagues. To Clarence and his wonderful wife and partner Juanita, I wish the very best of life's blessings.—Hubert H. Humphrey.

Mr. HUGH SCOTT. Mr. President, over the years, I have had the pleasure of working closely with Clarence M. Mitchell, Jr., a man whom history will laud as one of the great civil rights leaders of our century.

Today, I am proud to join my colleagues of the Senate in honoring Clarence Mitchell for his invaluable contribution to the cause of justice and equality for all Americans.

Mr. Mitchell has served his fellow man with untiring dedication, steadfast in his commitment to insure that the fruits of democracy flourish for all peoples, in all corners of our land.

He played an integral role in the long and epic battle to pass the Civil Rights Act of 1964 and the Voting Rights Act of 1965. Later, as executive director of the Washington office of the NAACP, he served his country with the devotion and zeal which have always been a hallmark of his work.

We truly owe Mr. Mitchell a deep debt of gratitude for helping this Nation come closer to the true meaning of the principles of freedom and equality espoused in our Constitution.

It is most fitting that we of the U.S. Senate adopt this resolution before us today. We owe so much to Clarence Mitchell, who has directed his life's work toward providing a better America for us all.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 353) was agreed to.

The preamble was agreed to.

The resolution by Mr. HUMPHREY (Mr. BROOKE, Mr. GRIFFIN, Mr. ABOUREZK, Mr. BAYH, Mr. BENTSEN, Mr. BUMPERS, Mr. ROBERT C. BYRD, Mr. GLENN, Mr. PHILIP HART, Mr. HARTKE, Mr. HATFIELD, Mr. HUDDLESTON, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY, Mr. MANSFIELD, Mr. MCGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METCALF, Mr. MONDALE, Mr. MUSKIE, Mr. NELSON, Mr. PASTORE, Mr. PERCY, Mr. PROXMIRE, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. HUGH SCOTT, Mr. STONE, Mr. SYMINGTON, Mr. TUNNEY, Mr. WILLIAMS, Mr. MATHIAS, and Mr. LEAHY) reads as follows:

S. RES. 353

Whereas Clarence M. Mitchell, Jr., has improved the quality of life for all Americans by faithful service as Director of the Washington Bureau of the NAACP, Legislative Chairman of the Leadership Conference on Civil Rights, and various government posts;

Whereas he played an integral role in the enactment of the Civil Rights Act of 1964, the Voting Rights Act of 1965 and its extensions, and other vital legislative protections which are woven into the fabric of statutory law;

Whereas he served with great distinction as an advocate of international cooperation, understanding, and justice as U.S. Representative to the Seventh Special Session of the United Nations and the Thirtieth Session of the General Assembly of the United Nations;

Whereas he has demonstrated deep devotion to justice and equality for all under the law by dedicated service to his fellow human beings in the cause of civil rights; and

Whereas his commitment to fundamental religious principles and love of country and fellow man exemplify the highest form of American citizenship: Now, therefore, be it

Resolved, That the Senate of the United States honors Clarence M. Mitchell, Jr., for his contributions to the establishment of justice and equality in America and expresses gratitude for his efforts to improve the quality of life for all Americans.

APPOINTMENTS ON BEHALF OF THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the following Senators to attend the Third United Nations Law of the Sea Conference, to be held in New York, N.Y., March 15–May 7, 1976: the Senator from Washington (Mr. MAGNUSON), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from New Jersey (Mr. CASE), the Senator from Alaska (Mr. STEVENS), and the Senator from New York (Mr. BUCKLEY).

ORDER FOR RECOGNITION OF SENATOR MATHIAS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two orders for the recognition of other Senators on tomorrow whose orders may have been entered previously, Mr. MATHIAS be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BARTLETT ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. BARTLETT be recognized for not to exceed 15 minutes on Wednesday, after the two leaders or their designees have been recognized under the standing order and any other orders that have been previously entered are consummated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, Mr. MORGAN and Mr. MATHIAS will be recognized, each for not to exceed 15 minutes and in that order, after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m., with statements limited therein to 5 minutes.

At the conclusion of routine morning business the Senate will resume consideration of the unfinished business, S. 961, the fisheries bill, and rollcall votes may occur on amendments or motions relating to the same.

At the hour of 1 p.m. the Senate will go into executive session to consider the nomination of Mr. George Bush to be Director of Central Intelligence. After 2 hours of debate, or at 3 p.m., the Senate will vote by rollcall on that nomination.

Upon the disposition of the nomination, the Senate will resume the consideration of the unfinished business, S. 961, the fisheries bill, with rollcall votes possible on amendments or motions relating to the same.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 5:39 p.m., the Senate adjourned until Tuesday, January 27, 1976, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate January 26, 1976:

FEDERAL COUNCIL ON THE AGING

The following-named persons to be members of the Federal Council on the Aging for terms expiring June 5, 1978:

Bertha S. Adkins, of Maryland (reappointment).

Mrs. John William Devereux, of Hawaii (reappointment).

John B. Martin, of Maryland (reappointment).

Harry Holland, of Arizona, vice Charles J. Fahey, term expired.

Nat T. Winston, Jr., of Tennessee, vice Carl Eisdorfer, term expired.

U.S. COAST GUARD

The following rear admiral of the U.S. Coast Guard to be Commander, Pacific Area, U.S. Coast Guard with the grade of vice admiral while so serving:

Rear Adm. Austin C. Wagner, Commander, Pacific Area.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. Grover J. Isbell, [redacted]FG, Air National Guard.

Brig. Gen. Raymond A. Matera, [redacted]FG, Air National Guard.

To be brigadier general

Col. Rudolph D. Bartholomew, [redacted]FG, Air National Guard.

Col. Charles R. Campbell, Jr., [redacted] FG, Air National Guard.

Col. John L. France [redacted] FG, Air National Guard.

Col. David B. Hoff, [redacted] FG, Air National Guard.

Col. William H. O'Bryan, Jr., [redacted] FG, Air National Guard.

Col. Ben L. Patterson, Jr. [redacted] FG, Air National Guard.

Col. Oscar T. Ridley, [redacted] FG, Air National Guard.

Col. Paul N. Rogers, [redacted] FG, Air National Guard.

Col. Carl L. Trippi, [redacted] FG, Air Na-Guard.

In the Army

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Donn Albert Starry, [redacted], Army of the United States (brigadier general, U.S. Army).

In the Navy

Lt. Cmdr. Ned E. Muffley, U.S. Navy, for appointment to the grade of commander while serving as leader of the U.S. Navy Band, in accordance with article II, section 2, clause 2 of the Constitution.

In the Army

The following-named officers for promotion in the Army of the United States, under the provisions of Public Law 92-129:

To be colonel

Green, Alford W., [redacted].

To be lieutenant colonel

Brewer, Thomas E., [redacted].
Neuberger, Laurence M., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Hamilton, John C., [redacted].
Jackson, Johnnie R., [redacted].
Leimonas, Romualdas J., [redacted].
LePage, Robert M., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Jarotzky, Vladimir, [redacted].
Ramirez, Archimedes, [redacted].
Vitikainen, Karl J., [redacted].

VETERINARY CORPS

To be lieutenant colonel

Kugel, Gerald J., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3303 and 3305:

To be colonel

Abood, Edmond P., [redacted].
Adair, Thomas W., [redacted].
Adams, William A., [redacted].
Akers, Albert B., [redacted].
Albrecht, Jack R., [redacted].
Allee, Robert J., [redacted].
Alverson, Willard G., [redacted].
Anderson, David J., [redacted].
Arculis, Sherwin, [redacted].
Arnet, Robert A., [redacted].
Ashhurst, James H., [redacted].
Atkeson, Edward B., [redacted].
Bachinski, Stephen, [redacted].
Bailey, Broadus, Jr., [redacted].
Bailey, Harry R., [redacted].
Bakarich, Michael N., [redacted].
Baker, Theodore A., [redacted].
Barber, Ransom E., [redacted].
Barnes, William D., [redacted].
Barrens, Clarence G., [redacted].
Barrett, Otrie B., [redacted].
Barron, James T., [redacted].
Bass, Sampson H., [redacted].
Battenfield, Kenneth, [redacted].
Bauer, Charles J., [redacted].
Bayless, Robert M., [redacted].
Beckwith, William J., [redacted].
Bednar, Richard J., [redacted].
Bennett, Hal C., [redacted].
Bergeron, Noel L., [redacted].
Best, Frederick W., [redacted].
Bicher, George A., [redacted].
Birch, Harold B., [redacted].
Bishop, James M., [redacted].
Black, John R., [redacted].
Blair, Arthur H., [redacted].
Blair, John S., [redacted].
Blazina, Joseph J., [redacted].
Boatner, James G., [redacted].
Bonifacio, Robert A., [redacted].
Bowers, Emmett W., [redacted].
Bradley, James T., [redacted].
Brady, Morris J., [redacted].
Brandenburg, John N., [redacted].
Bretz, Robert D., [redacted].
Brindel, Charles L., [redacted].
Brockman, Harry J., [redacted].
Brooks, Harry W., [redacted].
Brooks, Standish O., [redacted].
Browder, John M., [redacted].
Brown, Dewey E., [redacted].
Brown, Richard W., [redacted].
Burchert, James F., [redacted].
Burke, John P., [redacted].
Burt, Donald L., [redacted].
Burton, Kenneth J., [redacted].
Butler, Jack R., [redacted].
Callahan, Joseph J., [redacted].
Callaway, Jack G., [redacted].
Calvert, Charles L., [redacted].
Cardinalli, Guy F., [redacted].
Carlson, Gerald J., [redacted].
Carlson, William E., [redacted].
Carmichael, Donald, [redacted].
Carpenter, Archie E., [redacted].
Carpinteri, Paul S., [redacted].
Casey, John H., [redacted].
Casner, Earl L., [redacted].
Castro, Joseph F., [redacted].
Cavaleri, Edwin F., [redacted].
Cavazos, Richard E., [redacted].
Chappell, James H., [redacted].
Charles, Carlye H., [redacted].
Chastain, John D., [redacted].
Chesak, Kenneth L., [redacted].
Chrisco, Robert H., [redacted].
Christensen, Douglas, [redacted].
Clark, Walter B., [redacted].
Clarke, Robert B., [redacted].
Clemons, Joseph G., [redacted].
Coley, James P., [redacted].
Conn, Jack L., [redacted].
Cooper, John P., [redacted].
Cooper, William E., [redacted].
Corbett, Charles D., [redacted].
Cortner, Sanders A., [redacted].
Costanzo, Albert C., [redacted].
Coughlin, Paul A., [redacted].
Cousins, John H., [redacted].
Craig, Francis W., [redacted].
Crittenden, Forest, [redacted].
Crouch, William E., [redacted].
Crowe, Charles A., [redacted].
Cummings, Eldon L., [redacted].
Cuta, Weston W., [redacted].
Dall, Burt, [redacted].
Daly, Earl E., [redacted].
Davaz, Carl G., [redacted].
Davis, Francis J., [redacted].
Davis, William E., [redacted].
Deadwyler, Earnest., [redacted].
Decker, Oscar C., [redacted].
Depew, William L., [redacted].
Deramus, Thomas B., [redacted].
Deskis, Anthony J., [redacted].
Doerflinger, Otto C., [redacted].
Donaldson, John E., [redacted].
Donnan, Joseph A., [redacted].
Dooley, Michael J., [redacted].
Downing, Earl D., [redacted].
Driscoll, Vedder B., [redacted].
Dufresne, Ernest J., [redacted].
Dyer, Robert A., [redacted].
Eicher, William E., [redacted].
Elliott, Joe F., [redacted].
Ellis, George V., [redacted].
England, Marion F., [redacted].
Esper, Donald, [redacted].
Evans, Arthur B., [redacted].
Evans, Henry C., [redacted].
Evers, Richard E., [redacted].
Fahey, James P., [redacted].
Fairey, John M., [redacted].
Fant, Joseph L., [redacted].
Finch, Edward B., [redacted].
Fitts, William H., [redacted].
Fitzgerald, Leo J., [redacted].
Fleck, Herbert A., [redacted].
Fleigh, Raymond L., [redacted].
Fleming, James M., [redacted].
Foldberg, John D., [redacted].
Forman, Robert H., [redacted].
Forrester, Redmond, [redacted].
Foster, Thomas G., [redacted].
Frydendall, Jerry D., [redacted].
Fucci, Michael A., [redacted].
Gallagher, George M., [redacted].
Galligan, Hugh S., [redacted].
Garrison, Frank L., [redacted].
Gauger, Daniel M., [redacted].
Gendron, Alvin J., [redacted].
German, Robert L., [redacted].
Gillis, Charles A., [redacted].
Glisson, William C., [redacted].
Goettel, Donald J., [redacted].
Goodnow, Chandler, [redacted].
Goodson, Allen M., [redacted].
Goodwin, Warner S., [redacted].
Gooler, Darrel L., [redacted].
Gorden, Charles F., [redacted].
Gould, Jack W., [redacted].
Graham, William R., [redacted].
Granger, Clinton E., [redacted].
Gray, Daniel P., [redacted].
Green, Gordon, [redacted].
Grugin, William E., [redacted].
Haas, Richard J., [redacted].
Haggerty, John P., [redacted].
Hamilton, Frank E., [redacted].
Hampton, David R., [redacted].
Hampton, Robert W., [redacted].
Hanby, John B., [redacted].
Harrell, George W., [redacted].
Harris, James E., [redacted].
Harris, Richard L., [redacted].
Harris, Richard L., [redacted].
Harrison, Benjamin, [redacted].
Harrison, Hugh B., [redacted].
Harrold, Thomas U., [redacted].
Hartigen, David E., [redacted].
Haun, Philip D., [redacted].
Hauser, Ferdinand H. [redacted].
Hawkins, Algin S., [redacted].
Hayden, Robert T., [redacted].
Haydon, Christopher, [redacted].
Hecht, Donald J., [redacted].
Hein, Elwood J., [redacted].
Hemler, John V., [redacted].
Hemphill, John A., [redacted].
Henchman, John [redacted].
Hendrix, Jamie R., [redacted].
Hennessy, Bruce L., [redacted].
Herring, Kenneth G., [redacted].
Holloman, Robert A., [redacted].
Holman, Jonathan L., [redacted].
Hook, John R., [redacted].
Hudson, James L., [redacted].
Humphrys, James G., [redacted].
Hunter, Horace L., [redacted].
Hunter, Thomas C., [redacted].
Huntzinger, Robert, [redacted].
Hunzeker, William K., [redacted].
Hyatt, Robert A., [redacted].
Ireland, Merrit, [redacted].
Irizarrytoro, Enrique, [redacted].
James, Herman H., [redacted].
Johns, Harvey B., [redacted].
Johns, John H., [redacted].

Johnson, Alfred H., [redacted].
Johnson, Harlan W., [redacted].
Johnson, Harvey W., [redacted].
Johnson, Russell L., [redacted].
Johnson, Walter H., [redacted].
Jordan Pendleton A., [redacted].
Jorstad, Norman D., [redacted].
Julian, Ralph W., [redacted].
Kelley, Edward A., [redacted].
Kelly, Arthur L., [redacted].
Kelly, Donald P., [redacted].
Kelly, Lloyd R., [redacted].
Kennedy, Clinton R., [redacted].
Kimman, John W., [redacted].
King, Jimmie, [redacted].
Knotts, Noel D., [redacted].
Koenig, Richard H., [redacted].
Komar, George, [redacted].
Kotite, Richard S., [redacted].
Kovach, James H., [redacted].
Kovalsky, Michael, [redacted].
Kozlowski, Stanley, [redacted].
Kulik, Frank M., [redacted].
Kurek, Robert A., [redacted].
Lawrence, David L., [redacted].
Lawton, Willie O., [redacted].
Lazzell, Rufus C., [redacted].
Lennon, James J., [redacted].
Lennon, Lynwood B., [redacted].
Leslie James M., [redacted].
Lester, Rufus E., [redacted].
Lewis, Vernon B., [redacted].
Littlejohn, James J., [redacted].
Lloyd, Elwood A., [redacted].
Lobodinski, Stanley, [redacted].
Locke, Donald K., [redacted].
Lodge, Warren J., [redacted].
Lombard, Harry, [redacted].
Longo, Domenic F., [redacted].
Louisell, William C., [redacted].
Lowden, John W., [redacted].
Lubold, Guy M., [redacted].
Luck, Robert H., [redacted].
Lukert, Edward P., [redacted].
Lynch, Patrick H., [redacted].
MacMillan, William, [redacted].
Malouche, William A., [redacted].
Manion, Richard A., [redacted].
Mann, Clarence C., [redacted].
Mansinne, Andrew, [redacted].
Mapp, James H., [redacted].
Marsh, Todd S., [redacted].
Marshall, Billy E., [redacted].
Martin, John W., [redacted].
Martin, Louis B., [redacted].
Matney, Edward E., [redacted].
McCracken, John R., [redacted].
McDaniel, Albert W., [redacted].
McHugh, Daniel T., [redacted].
McIlwain, George W., [redacted].
McMahon, Walter L., [redacted].
Meader, Glenn S., [redacted].
Meeken, Stanley R., [redacted].
Merrill, William K., [redacted].
Meyer, Edward C., [redacted].
Miller, Wayne D., [redacted].
Miller, William H., [redacted].
Millican, William W., [redacted].
Mjoseth, John H., [redacted].
Moreland, Arthur D., [redacted].
Morgan, Newton B., [redacted].
Morse, Gerald E., [redacted].
Movsesian, Anthony, [redacted].
Mundy, Angus M., [redacted].
Murphy, Joseph B., [redacted].
Murray, Lynn O., [redacted].
Nelson, Robert W., [redacted].
Norris, Awbrey G., [redacted].
Norton, Charles W., [redacted].
Obrien, George F., [redacted].
Oder, Lowell E., [redacted].
Omps, Avon R., [redacted].
Orr, Robert C., [redacted].
Orton, George W., [redacted].
Osborn, George K., [redacted].
Osteen, Ernest C., [redacted].
Palmer, George E., [redacted].
Partain, Edward A., [redacted].
Patterson, Bruce E., [redacted].
Pattilo, Hugh H., [redacted].
Pearson, Paul F., [redacted].
Peel, Wesley E., [redacted].
Peixotto, Ernest D., [redacted].
Peloquin, Edouard A., [redacted].
Pendleton, Elmer D., [redacted].
Pennington, James C., [redacted].
Perri, Angelo, [redacted].
Peter, Edward C., [redacted].
Petty, Carlisle R., [redacted].
Petty, William C., [redacted].
Phillips, Charles D., [redacted].
Phillips, James H., [redacted].
Phillips, Walter C., [redacted].
Piercefield, Fremon, [redacted].
Pinkerton, Bobby J., [redacted].
Pittman, Castel L., [redacted].
Polson, Harold A., [redacted].
Porter, Edward J., [redacted].
Porter, Robert D., [redacted].
Prehn, Robert A., [redacted].
Price, George B., [redacted].
Rackley, Everett W., [redacted].
Rainer, Hewlett E., [redacted].
Ray, Herbert H., [redacted].
Redmond, Delyle G., [redacted].
Reed, James B., [redacted].
Reeder, Claire J., [redacted].
Reish, Richard D., [redacted].
Remson, Andrew C., [redacted].
Rennebaum, Raymond, [redacted].
Reuter, Robert M., [redacted].
Rice, Joseph P., [redacted].
Richardson, John H., [redacted].
Richardson, William, [redacted].
Rife, William T., [redacted].
Riggs, Theodore S., [redacted].
Rizor, George A., [redacted].
Roberge, Ronald A., [redacted].
Robinson, Roscoe J., [redacted].
Rockwell, Frederick, [redacted].
Rockwell, James M., [redacted].
Rogers, Charles C., [redacted].
Rogers, R. Joe, [redacted].
Rolya, William I., [redacted].
Rooth, Richard A., [redacted].
Roseman, Frederick, [redacted].
Rosenblum, Donald E., [redacted].
Rowe, James W., [redacted].
Rutherford, Andrew, [redacted].
Salucci, Ralph, [redacted].
Scheider, Max B., [redacted].
Schleusing, Frederick, [redacted].
Schultz, James D., [redacted].
Schweizer, John E., [redacted].
Sears, Leslie R., [redacted].
Sennewald, Robert W., [redacted].
Serio, Frank E., [redacted].
Sehaha, James H., [redacted].
Sharp, Daniel G., [redacted].
Sharp, Earl W., [redacted].
Shay, Charles J., [redacted].
Shea, John M., [redacted].
Sheets, Phil K., [redacted].
Shelton, Henry R., [redacted].
Sheridan, Stan R., [redacted].
Shillingburg, John, [redacted].
Sites, Joseph L., [redacted].
Smith, Athol M., [redacted].
Smith, Charles L., [redacted].
Smith, Frank H., [redacted].
Smith, John A., [redacted].
Smith, Joseph S., [redacted].
Smith, Tommie G., [redacted].
Snyder, Howard W., [redacted].
Soberick, Thomas, [redacted].
Souser, David H., [redacted].
Specker, Robert W., [redacted].
Stamper, Archie L., [redacted].
Standley, Robert J., [redacted].
Starr, Merle D., [redacted].
Steele, Howard M., [redacted].
Stephens, William C., [redacted].
Stephenson, Floyd G., [redacted].
Stevens, Chris W., [redacted].
Stevens, Story C., [redacted].
Stockdale, William, [redacted].
Stoner, John K., [redacted].
Stoverink, Robert I., [redacted].
Strobridge, William, [redacted].
Stubbs, Duane H., [redacted].
Sutton, Harry L., [redacted].
Swan, Charles H., [redacted].
Sweet, Richard S., [redacted].
Szymczyk, Richard A., [redacted].
Tague, Duane R., [redacted].
Tanner, William T., [redacted].
Tart, Robert W., [redacted].
Taylor, James R., [redacted].
Taylor, Porcher L., [redacted].
Taylor, William W., [redacted].
Teague, Jerry L., [redacted].
Tenore, Jacob A., [redacted].
Tharp, Charles B., [redacted].
Thomas, William N., [redacted].
Thompson, Nathaniel, [redacted].
Thompson, Richard H., [redacted].
Thompson, Thomas E., [redacted].
Thomson, Francis A., [redacted].
Thorsen, Peter L., [redacted].
Toole, Raymond L., [redacted].
Tousley, Horace W., [redacted].
Trapp, Turner J., [redacted].
Treat, Charles J., [redacted].
Tuggey, Howard J., [redacted].
Tyler, William H., [redacted].
Ulmen, Patrick A., [redacted].
Utegaard, Rolf W., [redacted].
Uttinger, Joe W., [redacted].
Vandenberg, William, [redacted].
Vellella, Frank P., [redacted].
Vetort, Herman J., [redacted].
Wagers, Robert W., [redacted].
Waldman, Francis J., [redacted].
Waldron, Edward E., [redacted].
Walker, William O., [redacted].
Wallace, Robert J., [redacted].
Walsh, Daniel J., [redacted].
Wardrop, Daniel H., [redacted].
Watt, Gus H., [redacted].
Weaver, Gene A., [redacted].
Weeks, Charles R., [redacted].
Weidner, Earl R., [redacted].
Welch, James S., [redacted].
Wells, Obel H., [redacted].
Wells, Richard M., [redacted].
Weyand, Alexander M., [redacted].
Wheeler, Bernard D., [redacted].
White, Herbert L., [redacted].
White, Loren J., [redacted].
Whitted, Jack G., [redacted].
Wilkinson, Don A., [redacted].
Williams, Davant T., [redacted].
Williams, Harvey D., [redacted].
Williams, Paul S., [redacted].
Williams, William F., [redacted].
Willis, Edward M., [redacted].
Wilson, Franklin L., [redacted].
Winn, Arthur C., [redacted].
Wirth, Herman L., [redacted].
Womack, Richard J., [redacted].
Woods, Chester A., [redacted].
Wooldridge, William, [redacted].
Wright, Dean E., [redacted].
Wright, Gilbert P., [redacted].
Wroth, James M., [redacted].
Wyllie, Clement A., [redacted].
Yerks, Robert G., [redacted].
Yoder, Donald A., [redacted].
Young, Robert S., [redacted].
Zamparelli, Alfred, [redacted].
Zastrow, Richard E., [redacted].
Zeigler, William A., [redacted].

CHAPLAIN CORPS

To be colonel

Ammerman, Elmer H., [redacted].
Anderson, Robert T., [redacted].
Keys, Clifford E., [redacted].
Lightcap, Thomas K., [redacted].
Siege, John C., [redacted].
Treuer, Warren L., [redacted].

WOMENS ARMY CORPS

To be colonel

Gannon, Frances C., [redacted].
Grimes, Mary J., [redacted].
Heinze, Shirley R., [redacted].
Hopfenspirger, N., [redacted].
Smith, Elizabeth R., [redacted].

VETERINARY CORPS

To be colonel

Baker, Roger F., [redacted].
Eckermann, Edgar H., [redacted].
Fowler, James L., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Barr, Virginia M., [redacted].
Hammill, Janet A., [redacted].

DENTAL CORP

To be colonel

Adams, John C., [redacted].
Bleicher, Philip A., [redacted].
Brown, Allen W., [redacted].
Clifford, Arthur G., [redacted].
Cote, Robert R., [redacted].
Gasior, Edwin J., [redacted].
Holt, John E., [redacted].
Jacobson, Sheldon E., [redacted].
Jacoway, John R., [redacted].
Maddox, Belman C., [redacted].
Nichols, Wharton A., [redacted].
Obermeier, Bernard, [redacted].
Peppe, Isadore O., [redacted].
Radentz, William H., [redacted].
Valkavich, Eugene S., [redacted].
Vinall, William H., [redacted].
Wagner, Allyn G., [redacted].

MEDICAL CORPS

To be colonel

Arbiter, David, [redacted].
Augerson, William S., [redacted].
Bensen, Jack O., [redacted].
Bruager, Archie M., [redacted].
Conklin, Harvey B., [redacted].
Cutting, Robert T., [redacted].
Decastro, Carlos M., [redacted].
Dirks, Kenneth R., [redacted].
Freeman, Mahlon V., [redacted].
Gauld, John R., [redacted].
George, Richard E., [redacted].
Green, David C., [redacted].
Hefner, James D., [redacted].
Lau, Bennett M., [redacted].
Nelson, Harold S., [redacted].
Otterson, Warren N., [redacted].
Parsons, Robert W., [redacted].
Plunkett, Guy D., [redacted].
Schane, William P., [redacted].
Stanek, Robert G., [redacted].
Stromberg, LaWayne, [redacted].
Tilson, Donald H., [redacted].
Vazquez, Angel M., [redacted].
Waugh, David E., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Angel, Charles R., [redacted].
Arnold, John W., [redacted].
Becknell, George P., [redacted].
Carmick, Edward J., [redacted].
Funk, John C., [redacted].
Hall, Ellis F., [redacted].
Hamm, Charles R., [redacted].
Henley, Stephen, [redacted].
Kneessy, Alfred D., [redacted].
Lask, Alphonse F., [redacted].
Leven, Fred J., [redacted].
Marshall, John D., [redacted].
McDonald, Neil J., [redacted].
McSwain, Earl C., [redacted].
Patch, Charles E., [redacted].
Peterson, Merrill C., [redacted].
Rogers, John E., [redacted].
Wilson, Kenneth R., [redacted].

ARMY NURSE CORPS

To be colonel

Brantly, Ruth S., [redacted].
Costello, Barabara R., [redacted].
Fritz, Mildred C., [redacted].
Hill, Nellie M., [redacted].
McLean, Mary F., [redacted].
Nuttall, Edith M., [redacted].
Parks, Madelyn N., [redacted].
Wengenmair, Norma A., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, 3284 and 3299:

To be major

Calhoun, William R., [redacted].
Campbell, David B., [redacted].
Davis, Myron D., [redacted].
Fellers, Donald P., [redacted].
Foster, Edward S., [redacted].
Gooden, William J., [redacted].
Haselgrove, Leighton O., [redacted].
Kelly, Gerald L., [redacted].
Neves, Eugene E., [redacted].
Newman, William F., [redacted].
Nicholson, Thomas L., [redacted].
Ollie, Louis W., [redacted].
Piper, Paul K., [redacted].
Price James W., [redacted].
Riggs, Clyde Jr., [redacted].
Sabino, Anthony P., [redacted].
Saiki, Owen H., [redacted].
Sinkler, Paul F., [redacted].
Smith, Randolph L., [redacted].
Stevens, Jackson C., [redacted].
Wolf, Thomas R., [redacted].

CHAPLAIN CORPS

To be major

Gardai, Lavern W., [redacted].

MEDICAL SERVICE CORPS

To be major

Johnson, Michael L., [redacted].

To be captain

Baxendale, John R., [redacted].
Bolz, Farrell P., [redacted].
Borgen, Mack W., [redacted].
Brownback, Peter E., [redacted].
Campbell Larry J., [redacted].
Carter, Victor S., [redacted].
Chwalibog, Andrew J., [redacted].
Donnelly, Terrence, [redacted].
Dooley, Joseph M., [redacted].
Englehardt, Joseph P., [redacted].
Feighney, Michael L., [redacted].
Fess, Kenneth E., [redacted].
Fichtner, James M., [redacted].
Finlayson, Robert M., [redacted].
Foster Michael V., [redacted].
Godwin, Fitzhugh L., [redacted].
Grace, John P., [redacted].
Gregg, Robert E., [redacted].
Hagan, William R., [redacted].
Hagewood, Eugene G., [redacted].
Hamilton, John R., [redacted].
Hill, Roger D., [redacted].
Hopkins, Frank E., [redacted].
Hopkins, Gary L., [redacted].
Horbaly Jan., [redacted].
Huffman, Walter B., [redacted].
Kain, Harold R., [redacted].
Kirby, Robert B., [redacted].
Kittel, Robert N., [redacted].
Knight, Sammy S., [redacted].
LaGrade, Michael J., [redacted].
Lancaster, Steven F., [redacted].
Lane, Thomas C., [redacted].
Lewis, Robert E., [redacted].
Lieteau James N., [redacted].
Limbaugh, Daniel B., [redacted].
Mackey, Richard J., [redacted].
Meires, William D., [redacted].
Meyer, John J., III, [redacted].
Miller, Ralph I., [redacted].
Mueller, Patrick A., [redacted].
Northrop, John K., [redacted].
Page, Stevenson W., [redacted].
Pine, Louis F., [redacted].
Polley James D., [redacted].
Ruppert, Raymond C., [redacted].
Schwender, Craig S., [redacted].
Searle, Paul M., [redacted].
Smith, Brian K., [redacted].
Sommers, Lawrence E., [redacted].
Taylor, Vaughan E., [redacted].
Taylor, William S., [redacted].
Thompson, Jeffrey B., [redacted].
Tobin, Edward J., Jr., [redacted].
Vickery Arnold A., [redacted].
Walczak, Alexander M., [redacted].
Waple, Mark L., [redacted].
Whatley, Charles J., [redacted].
Wilson, Johnnie E., [redacted].
Willson, Michael P., [redacted].
Wzorek, Lawrence E., [redacted].
Yustas, Vincent P., [redacted].

EXTENSIONS OF REMARKS

UKRAINIAN INDEPENDENCE DAY: A TIME FOR REFLECTION

HON. PAUL S. SARBANES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. SARBANES. Mr. Speaker, two score and 18 years ago the brave Ukrainian people issued their declaration of independence which, though short lived, reverberates through the corridors of history as another fervent gesture of the yearnings of a people to be free. In this our Bicentennial Year it is fitting that we pay homage to the Ukrainians and to all peoples who have sacrificed in the quest for liberty.

The millions of Ukrainian people who died for the right to decide their own destiny, and those who endure today without freedom, are very much in our minds and in our hearts as we observe the 58th anniversary of Ukrainian Independence Day. For the Ukrainian revolution sought as its overriding objective a free and independent state of the Ukrainian people, just as the American Revolution sought freedom for the Thirteen Colonies.

Today the steadfast Ukrainian people still seek their freedom and we are deeply aware of the magnitude of their deprivation. We are also deeply aware of the outstanding contribution which the Ukrainian immigrants have made to America's economic and cultural development. As a citizen the Ukrainian immigrant stood out not only by his hard work and intelligence but also by his honesty and sense of justice. Ukrainian Americans have contributed to the material and cultural development of America through the scientific knowledge and artistic talents of their many gifted individuals and by introducing into the

American cultural pattern the basic values of their native land.

We in Maryland are very fortunate to have a large and active Ukrainian-American community; a community which through its cultural, social, and religious activities has greatly enriched the life of our State. More important, however, is the contribution which Ukrainian Americans make every day through their stable family life, their commitment to their church, and their sense of individual and community responsibility. I have had the great honor of working closely with the Ukrainian-American community and know firsthand of its dedication to a strong and just America. Maryland and our Nation are greatly strengthened by the contributions which Ukrainian Americans have made to our society.

As we look back upon the rich and diverse contributions of the Ukrainian people we are seized with a sense of pride in their accomplishments and also with a deep sense of concern for those who remain behind, subject to a government which denies basic freedoms. It is therefore, essential for us, as citizens of a great nation founded on the conviction that every individual has the right to life, liberty, and the pursuit of happiness, to speak out on behalf of those Ukrainians whose life in a totalitarian state makes it difficult for them to speak out for themselves.

MOTHER NATURE AND CONGRESS TEAM TO CREATE SURPLUS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. FINDLEY. Mr. Speaker, the following article from the Wall Street Journal is an important addition to the dialog on the dairy price support issue. Supply and demand—not the Congress—should determine the amount of milk produced in this country. Greener pastures and increased corn production will stimulate Bessie and provide an adequate supply of milk for the consumer. The article suggests, as I have contended, that an increase in the price support will result in a troublesome surplus of product. But the extra production will not cause a reduction in price to consumers. Price supports will keep consumer prices up and require a costly government subsidy for surplus production.

The article follows:

[From the Wall Street Journal, Jan. 23, 1976]

COSTLY U.S. MILK SURPLUS IS POSSIBLE IF NATURE, LAWMAKERS BOTH PREVAIL

(By Norman H. Fischer)

Mother Nature is moving in the direction of lower prices for milk, butter and cheese, but Congress has passed a bill that could raise prices eventually. If both nature and Congress prevail, the U.S. might wind up with an expensive milk surplus.

Nature's role is twofold. First, last year's big corn crop and the forthcoming lush spring pastures have lowered the cost of feeding cows. Partly because of lower feed costs, gross profitability for dairy farmers is the highest in nearly four years, which is encouraging farmers to spur production.

Second, cows' reproductive cycles normally slow and quicken the flow of milk; output usually hits its annual low point in November and reaches its high in May or early June. Milk output rose 25% from November 1974 to May 1975, and a similar increase is expected this year.

Because of these factors milk production in the first half of 1976 could be up 1% or more from the year-earlier period, says James J. Miller, a government dairy specialist. That would amount to nearly 600 million pounds of milk—equal to more than one quart for every person in the U.S.

That's good news for consumers, who watched butter and cheese prices shoot up to record levels last month (they've since declined a bit) and who still are paying record prices for fluid milk. One expert thinks the increased milk flow could result in a retail price decline of five cents to 10 cents a gallon by the second quarter. Butter and cheese prices could decline as much as 10 cents a pound from current levels by spring.

But these declines could be limited by a bill that is awaiting action by President Ford. It is a bill that would increase the federal support price for milk; one dairy economist calculates the increase would be about 50 cents a hundredweight, raising the support to around $8.20. The price support for cheese could be raised about five cents a pound, he figures.

Farmers currently receive more than $10 a hundredweight for their milk, and wholesale prices of butter and cheese are still well above the higher price supports indicated in the bill. But if it became law, the bill would put a higher floor under these prices, which in turn could cushion any future price weakness.

The Agriculture Department estimates the bill could raise consumer dairy-product costs as much as $1.4 billion over its two-year life. Dairy cooperatives respond that consumers would have to pay even higher prices if something isn't done to expand and maintain milk output.

"It cannot be charged that this legislation will increase consumer prices unless one is willing to tell farmers that milk prices will be sharply reduced in the months ahead," the National Milk Producers Federation says.

Terry Francl, agricultural economist at the Federal Reserve Bank of Chicago, says the question is whether the higher price supports in the bill would significantly distort supply-demand signals between producers and consumers. The bill would lead to increased milk production, it is agreed, but if the higher prices accelerate the long-term trend of decreasing per-capita milk consumption, a costly surplus of dairy products would result, Mr. Francl says.

GIFTED ST. PAUL GIRL 1976 "MISS AMERICAN TEEN-AGER"

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. KARTH. Mr. Speaker, St. Paul and, indeed, the entire State of Minnesota are proud of Miss Cindy Lee, 17, of St. Paul, who was chosen Miss American Teen-Ager in the recent Miss American Teen-Ager Pageant held at Miami Beach, Fla.

We are proud of Miss Lee because she won her coveted prize from among 250,000 contestants not merely on the basis of pulchritude but because of her personality, outstanding scholastic record, numerous academic activities, and participation in diversified community and civic programs.

Miss Lee, to cite first things first, has achieved a B-plus scholastic average at Johnson Senior High School in St. Paul where she is completing her senior year. She is now making plans to attend college.

That Miss Lee has diversified and well-rounded interests and activities is proved by the fact that she is a winner of four Presidential Physicial Fitness Awards and is a member of the girls' track team and cheerleading squad. In addition to being a member of the student council and senior class council, she is also active with the drama group and serves on the yearbook staff. She is a national teen-crusader of the American Cancer Society and works with organizations helping the ill and underprivileged. With all this, she still holds down a part-time job as cashier in a local supermarket and is a member of the Retail Clerks International Union AFL–CIO.

Miss Lee's talents and versatility will be displayed on a TV network show, part of the "Happy Day" series, on January 27. She has appeared on the cover of two national magazines and is given laudatory attention by the current newsletter of the President's Council on Physicial Fitness and Sports.

Our pride in Miss Lee is increased by the fact that she is the first Minnesotan to win the Miss Teen-Ager competition. I believe her father may be known to Members of this House who are baseball fans. He is Eugene "Mickey" Lee, the former Los Angeles and Brooklyn Dodger pitcher.

I am sure that Members of the House will join me in wishing Miss Cindy Lee the greatest possible success both in her college education and in whatever subsequent career she selects.

We are confident that Miss Lee will carry her present honors and future successes with dignity and with credit not only to St. Paul but to Minnesota and the country.

LETTER FROM HEW SECRETARY OPPOSING H.R. 8069

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. RHODES. Mr. Speaker, tomorrow afternoon, Tuesday, January 27, the House is scheduled to vote on the President's veto of H.R. 8069, the Labor-HEW appropriation for fiscal year 1976. For the benefit of my colleagues, I am inserting the text of a letter I received from HEW Secretary Mathews indicating his opposition to the bill.

Secretary Mathews also indicates his support for the Michel compromise. I have also been assured by the White House that the Michel proposal is acceptable to the President. I urge all my colleagues to consider this matter carefully, to sustain the veto, and support the Michel compromise.

The letter follows:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., January 22, 1976.

Hon. JOHN J. RHODES,
House of Representatives,
Washington, D.C.

DEAR MR. RHODES: I wanted personally to add my voice to those who are counseling the Congress to sustain the President's veto of H.R. 8069, the 1976 appropriations for the Departments of Labor and Health, Education, and Welfare. I was one of those with whom the President consulted, and I recommended that the bill be vetoed.

No one should interpret this advice to represent a lack of concern for the health and welfare programs of the Federal Government or for the recipients of our funds and services. I vigorously support the objectives toward which those programs are directed, and I intend to continue my efforts to see that these objectives are met.

However, H.R. 8069 would appropriate nearly $1 billion more in spending authority than the President requested, and it would significantly increase the Federal deficit in both FY 1976 and 1977.

It is my view that unless we do a better job in holding down Federal spending, the impact of that spending on this Department's beneficiaries would do greater harm than the benefits that would accrue from the Congressional add-ons to the budget.

For example, we are already asking for more than $1.6 billion for NIH research. The bill would add more than $400 million to that. I do not suggest that these research programs are in any sense unworthy, but we believe the level of funding requested in the President's budget is adequate and appropriate in light of competing demands for scarce Federal dollars. Throughout our budget, I think the same thing can be said. The President has asked for a sufficient level of funding to maintain a strong and viable Federal base for health and welfare.

I, therefore, urge the Congress to give the President its support and sustain his efforts to hold down Federal spending.

We will be glad to work with the Congress in an effort to develop a new bill directed toward these ends.

Cordially,

DAVID MATHEWS,
Secretary.

A DISTINGUISHED PUBLIC SERVANT—VICTOR W. SAUER

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. MILLER of California. Mr. Speaker, I know that all the Members of the House of Representatives will join me in saluting the distinguished public career of one of my constituents, Mr. Victor W. Sauer. I am proud to count this respected local official among my close friends.

Mr. Sauer is retiring as public works director of Contra Costa County, Calif., after a career in local government which has spanned some 40 years.

Following his graduation from the University of California at Berkeley in 1935, Mr. Sauer worked for the city of Oakland and participated in the construction of the Caldecott Tunnel. During World War II he supervised engineering projects in New Guinea and was discharged as a major.

After the war he returned to the city of Oakland, later moving to Contra Costa County where he was appointed the county's first road commissioner in 1952. In 1955, he was named the county's first public works director.

Under his able leadership the public works department expanded its scope to include such areas of responsibility as transportation planning and environmental control. During the course of his career, Mr. Sauer has served on over 30 statewide committees dealing with social and engineering issues, chairing several of them. But his contributions have not been limited to service within California. He has participated also on national committees of such organizations as the National Association of County Engineers and the American Society for Civil Engineers.

Mr. Sauer's numerous achievements have earned him citations and awards from several prestigious organizations. In 1964, he was selected one of the top 10 public works men of the year by the American Public Works Association and Kiwanis International after an international screening process. He also has been appointed to the board of trustees of the Public Works Historical Society.

All Members of this body can appreciate, I believe, Mr. Sauer's long dedication to high quality public service. His long and distinguished public career will serve as a standard to which all others engaged in government can aspire.

ADDITIONAL SPONSORS OF EMERGENCY FINANCIAL ASSISTANCE CORPORATION ACT

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mrs. SULLIVAN. Mr. Speaker, I have today reintroduced with additional cosponsors the legislation I first introduced on October 30, 1975, to establish a Federal loan agency patterned on the old Reconstruction Finance Corporation. The proposed agency, the Emergency Financial Assistance Corporation, would be authorized to extend long term credit at reasonable interest rates to State and local governments and to business and industry when these borrowers could not obtain loans at acceptable terms from any other source.

Congress has provided massive assistance to rescue New York City, but many other local governments throughout the country are being squeezed out of a tight municipal bond market and are having difficulty raising funds for necessary purposes. H.R. 10452 was introduced to provide a time-tested Federal framework for meeting the priority credit needs of our governmental bodies and the economy generally. For 30 years, from the Hoover to the Truman administrations, the RFC played a major role in pulling our economy out of the Great Depression and in financing much of the industrial mobilization requirements of World War II.

And the RFC, I might add, ended in the black.

Mr. Speaker, the new bill introduced today is cosponsored by Representatives HUGHES, OTTINGER, FLORIO, EILBERG, FASCELL, RICHMOND, DELLUMS, DANIELS of New Jersey, and GILMAN. They join the cosponsors of H.R. 10452 in support of this approach to solving our credit crisis: Representatives PATMAN, MILLS, MADDEN, PRICE, BARRETT, BOLLING, BURKE of Massachusetts, RANDALL, PEPPER, MINISH, ANNUNZIO, MEEDS, BIAGGI, MURPHY of Illinois, NIX, and ZEFERETTI.

Mr. Speaker, if additional Members wish to sponsor this legislation, they should call my office on extension 52673.

THE NATURAL GAS SWINDLE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. HARRINGTON. Mr. Speaker, in an article in the January 24 issue of The Nation, Robert Sherrill enumerates the countless illegal and quasi-legal steps taken by natural gas producers and industrialists, with the willing collaboration of Members of the Congress and the national media, to convince the American public by fair means or foul that deregulation of natural gas prices is not just extremely desirable for gas companies but is actually in the interests of all Americans. Sherrill illustrates how, when a policy of restrained force proved unsuccessful in convincing the skeptical public of the truth of this giant lie, the industry quickly moved on to a policy of outright blackmail.

Then last December, House Speaker CARL ALBERT and the Rules Committee made their own not insignificant contributions to the deception scheme, taking unprecedented and highly questionable action blatantly in favor of advocates of decontrol who are rallying to gain passage of legislation now being considered in the Subcommittee on Energy and Power. With a quick sleight of hand, the Congress and the Nation has been placed in the greedy hands of the oil and gas industry on an issue whose complexity has discouraged many from seriously scrutinizing the clever, even subtle, propaganda being disseminated by the industry, the administration, and now Members of the Congress.

I am submitting for publication in today's Record Mr. Sherrill's important article, "The Natural Gas Swindle," at this critical time when the House is soon to face the issue of deregulation on the floor. A thorough understanding of the lie being perpetrated, and of the manner in which House rules have been subverted to push the cause of deregulation, is vital if we hope to protect ourselves and the public from the massive and self-serving power of the industry behind all this.

The text of the article follows:

THE NATURAL GAS SWINDLE

(By Robert Sherrill)

Washington.—It looks as if the 40 million households and 3 million business establishments that consume natural gas will wind up betrayed by just about everyone in Washington—by the Ford administration, by the Federal Power Commission, by most members of Congress, including such velveteen liberals as Sen. John Tunney of California, and by the press.

If the oil and gas lobby can get over one last hurdle—the House of Representatives, where Speaker Carl Albert is now clearing the way for the industry—then natural gas is destined to be deregulated. The House vote is expected soon, now that members have returned. If deregulation occurs, experts say it will take an extra $7 billion to $11 billion out of consumers' pockets the first year. Within five years, the expected additional cost to consumers from deregulation could be as high as $30 billion a year.

Indeed, deregulation will affect everyone, not just those who heat and cook with natural gas, for it is also used as fertilizer, for irrigation, and for crop drying; this will be written into all food costs. Most clothing today is woven of synthetic fibers, which are made from natural gas, as are many plastics, paper products and detergents. Deregulation will pump inflation into all these products. President Ford and the Democratic Congress have been claiming great generosity for giving the public a $10-billion tax cut this year. If they now let natural gas prices rise as high as a noncompetitive market will bear, the blessings of tax cuts will be wiped out immediately.

For twenty-one years the industry has sought to free interstate gas sales from the regulation of the Federal Power Commission (FPC), but not until 1975 did it work up an efficient scheme to bring this about. The strategy is worth reviewing because it shows once again the power of the big lie.

During most of the years that natural gas has been regulated, supply was obviously far greater than demand and the petroleum industry could hardly argue that the FPC was preventing it from enjoying free-market profits. In fact, for most of those years the petroleum industry was lucky if it could give away all the natural gas it produced. It voluntarily held prices low in order to lure more customers. To get rid of its surplus natural gas, the oil men teated this sideline commodity like a supermarket "loss leader." Heavy industries that could waste natural gas in impressive volume were given especially low prices.

But by the mid-1960s the market for natural gas had grown to the point that the oilmen knew they could demand, and get, much higher prices if the FPC would allow them. But that was pre-Nixon, in an era when government officials took the law a little more seriously. And the Natural Gas Act, under which the FPC operated, clearly stated that pricing could not be done according to free-market principles of supply and demand, but only according to the cost of production plus a reasonable profit.

So in the late 1960s the industry began pretending that the law was unfair because the known reserves of natural gas were dropping fast and unless prices were allowed to rise enough to restrict its use, the nation would soon run out of the stuff. Since 1968 the oil companies have been claiming that they were finding less natural gas than America was using; they argued that only if the Natural Gas Act were junked and gas prices were deregulated completely would industry feel that it was worthwhile to look for more.

Many expert observers believed the oil and gas men were lying about the supply situation, but there was no way to prove it because industry refused to show anyone its production records. The Federal Trade Commission (FTC) subpoenaed natural gas supply data from eleven companies—Continental, Gulf, Union, Exxon, Mobil, Pennzoil, Shell, Standard of California, Standard of Indiana, Superior and Texaco—but seven of the companies refused to produce the information and took their case to court, where legal complications will doubtless protect them from disclosure for several years.

Nevertheless, although the FTC staff had only the incomplete and hedgy data divulged by four of the companies (Continental, Gulf, Union and Pennzoil) to work with, it concluded that "The American Gas Association [the trade organization for the producers] reserve-reporting procedures are tantamount to collusive price rigging."

On June 10, last year, the FTC staff urged the Justice Department to sue the AGA and eleven major oil companies for consistently underreporting the nation's natural gas reserves. But, as usual, the Justice Department immediately came down with a case of paralysis.

On June 13, Rep. John Moss, chairman of the Interstate Commerce Committee's Oversight and Investigations Subcommittee, brought forward evidence that some industry witnesses had been obstructing his committee's attempts to uncover the truth about natural gas supplies and had committed perjury. The Justice Department allowed as now he was possibly right, but still it took no action.

Despite these developing scandals and despite the fact that FPC Chairman John N. Nassikas acknowledged "gross deficiencies" in the gas supply data that industry had submitted to his agency, the FPC regularly capitulated to the natural gas industry's demands and allowed prices to rise. Between 1972 and 1974 the FPC permitted prices for new natural gas to go up 100 percent—with no reference to the law's restrictions.

But before getting down to the details of the FPC's malfeasance and nonfeasance, a word about the Interior Department's collusion with the oil industry. As Joseph C. Swidler (former chairman of the Federal Power Commission) pointed out recently, "under present laws the federal government cannot force a faster pace of exploration and development on private or state-owned lands. The same is not true, however, for federal leases. It is something of a mystery why these federal leases do not contain provisions requiring prompt and systematic exploration in the manner common to oil and gas concessions in other countries."

He's absolutely right. You won't find an Arab country giving an oil company a lease that it can just sit on, without production. The U.S. Government is more generous with its land. In its entire twenty-one-year history of leasing federal lands offshore, the Interior Department has yet to cancel a lease for the failure of an oil company to develop the tract during the five-year contract period. Today, more than 52 percent of the federal leases in the Gulf of Mexico, or a total of 838,000 acres, are shut in—the companies are waiting for higher prices. Meanwhile, on the basis of the shortage created by their own actions, the companies demand higher prices to encourage them to "look" for gas that they have already found.

And now back to the FPC, which all during the post-Nixon years has happily based its rate-making decisions on false and perjurious evidence from industry, and consistently violated federal law in order to help the natural gas corporations gouge the consumer.

In 1971 Jack Anderson reported seeing documents from the FPC's files that proved the producers had greatly underestimated the amount of natural gas available from the Louisiana fields (which, along with the Texas and Oklahoma fields, hold most of the nation's natural gas). He accused Chairman Nassikas of suppressing this information, and Nassikas did not rebut the charge. In 1973 Sen. Philip Hart, who said he thought the claimed shortage of gas "might be a hoax," disclosed that FPC officials had ordered underlings to tear up and burn documents that would have thrown significant light on the the matter. (They weren't burned because the incinerator was out of order.)

For four years the FPC knew that the major natural gas producers were failing to deliver gas to their pipeline customers in the quantities they had contracted for—but the FPC did nothing about it. The FPC was aware, according to Senator Hart, that in some instances producers' books showed that they had 1,000 times more natural gas available than they reported to the government—but the agency did nothing about it. The FPC was also aware that the AGA had understated reserves in the Gulf of Mexico by 54 per cent—but again the FPC did nothing. The FPC allowed this kind of misconduct despite the fact that the Natural Gas Act empowers it to get injunctions to stop industry violations. But as Congressman Moss has pointed out, "To our knowledge, the FPC has never applied for such an injunction in the more than twenty years that it has had the power to do so."

The malfeasance of the FPC reached even more destructive plateaus in its setting of prices. Bear in mind that the very existence of the FPC is justified by Congress's intent to save the public from being exploited by the petroleum industry. The Natural Gas Act of 1938 clearly instructs the FPC to set the lowest reasonable rates and to establish a permanent and effective bulwark against excessive corporate greed.

The most important part of this bulwark was then, and remains today, the Congressional mandate (supported repeatedly by rulings of circuit courts and of the Supreme Court) that the FPC must establish prices according to the cost of exploration, production and transportation. That is not to say that the FPC was to be stingy with producers: it was instructed to take into consideration all costs, including the cost of drilling dry holes, and then on top of that to give the companies a reasonable return on their equity investment—which has usually been in the neighborhood of 15 per cent or higher.

This mandate to the FPC, both by Congress and the courts, is well understood by commission officials. Last summer Chairman Nassikas acknowledged in testimony before Moss's subcommittee that "the Natural Gas Act of 1938 does not empower us to go higher than cost-based prices. Now, sure, the courts talk about noncost factors and the courts have a very sophisticated way of expressing that we can consider other commodities and the supply-eliciting effect, but when it gets down to each time the commission attempts to depart in any way from an energy model, or a cost model not directly based on cost, we get reversed. That is the reason we cannot allow commodity value, we cannot set prices on the basis of economic factors. . . . We are not empowered to deregulate, we cannot set prices except on cost-based factors and this is what I intend to do as long as I am chairman of this commission."

That was grossly inaccurate testimony. Throughout his term as chairman, Nassikas, with the wholehearted support of other commission members, found ways to side-step the cost-plus regulation. Many times they permitted gas producers to sell their commodity on an "emergency" basis, or "public interest" basis, lasting six months and longer, at rates as high as the market would bear. These were sometimes five times higher than the normal rate. Usually the FPC made no attempt even to pretend that the rate was based on the cost of production. Almost always the courts would slap the FPC down for such actions, but as Sen. James Abourezk, one of the few consistently pro-consumer members of the Senate, once said, "No sooner is one high-priced commission program set aside by the courts than the commission cooks up a new, higher priced program." This routine was very clever, for as long as the illegal FPC directives were being fought over in court, the companies could charge the higher prices and, when they eventually lost, they did not have to reimburse the consumer.

The General Accounting Office investigated the FPC in the fall of 1974 and uncovered some of its illegalities, including those mentioned above. It found that between 1970 and 1973 the FPC had found ways to let the gas companies reap an extra and unjustified $3.3 billion. The GAO also discovered one of the reasons why the FPC was so cozy with industry—nineteen key officials at FPC owned stock they were not permitted to own in petroleum companies.

After observing that kind of government-industry collusion for several years, informed segments of the American public were understandably dubious about all claims of a natural gas shortage and of the need for higher prices to relieve it. Skepticism was so deep that mere public relations programs—of the sort that have become commonplace: full-page ads in The New York Times, The Washington Post and other national journals, defending the petroleum industry—no longer were having much impact.

So the industry got tough. In the fall of 1974 it began to close the natural gas valve. No longer did it rely on threats; now it was actually lessening the supply. If the public wouldn't accept higher prices happily and if Congress wouldn't consider total deregulation of prices, then industry was ready for a slowdown.

Typical of the action at the time was Transcontinental Gas Pipe Line Corporation's brutal squeeze play on the East Coast. Transco is a major interstate pipeline system that purchases, transports and sells natural gas to distributors in eleven states from the Gulf Coast to New York. It serves the residential needs of some 25 million people and of industries employing more than 1.25 million workers.

Many of Transco's customers literally depended on it for economic life. They became desperate when, in September 1974, Transco announced that during the winter months it would curtail deliveries by 20 per cent. They became hysterical the next month when Transco notified its customers of an additional system-wide curtailment of 33 per cent. In southern New Jersey, for one example, unemployment was already hovering around 14 per cent—double the national average—and these curtailments promised to wipe out 25,000 jobs at eighteen factories in that area. At Danville, Va., the curtailments threatened to idle 9,800 people out of a population of 47,000.

New Jersey Rep. William Hughes observed that "one of the great mysteries" was why Transco, the sole supplier of natural gas to Hughes's district, had to cut down on delivery even while sitting on 2.23 trillion cubic feet of available natural gas. But irony no longer had an effect on the producers, nor were they much bothered when Congressman Moss disclosed what seemed to be calculated efforts to keep some of the crucial wells out of commission and "under repairs" during the winter months. No longer did the producers seem to mind a reputation for crookedness; what they wanted was more money, and never mind the public's opinion.

After the frightening experiences of the winter of 1974–75, the people who depended on natural gas for their jobs became panicky when the industry announced in the summer of 1975 that prospects for the coming winter were worse than ever. The panic was compounded in August when the Federal Energy Administration issued a report which predicted that the coming winter would see curtailments 45 per cent greater than in the previous winter. It predicted a shortage equal to about 15 per cent of demand, and since by law the household consumer must be served before the industrial customer this meant that many industries would be hit doubly hard and many thousands of people would be out of a job.

At that point, pressure on Congress became tremendous. Just about every member seemed willing to capitulate to industry's blackmail; the only dispute was over whether gas prices should be freed from regulation partially and temporarily, or whether they should be freed permanently.

The Senate moved faster than the House. With men like Sens. Russell Long and John Tunney leading the way, it passed a bill deregulating prices permanently. The House lumbered along at its customarily slower pace, and by the time Chairman Harley Staggers's Interstate Commerce Committee was ready, in December, to vote on a piece of emergency legislation, the emergency had begun to disappear. Whereas the Federal Energy Administration had once warned dolefully that at least fourteen states would be short of gas, now it was conceding that no more than three states might experience a slight pinch. Mild weather—if not the government—had sided with the people, and gas supplies were, in fact, in surplus. The economic slowdown had also helped the energy supply. In August, President Ford had told Governors along the East Coast that 1.3 trillion cubic feet of the 9 trillion cubic feet needed in their states would not be available; in December the White House acknowledged that "the shortage has not materialized"—partly because producers were selling gas they hadn't told anybody they had.

Consequently, Chairman Staggers and other members of his committee, recognizing that the issue of natural gas pricing was enormously complex and controversial, decided to put off any consideration of a long-term solution to the problem and simply whip out some commonsense remedy to get the nation through this winter and perhaps next. It was also obvious, as Staggers told one reporter, that plenty of gas was available—for a price. So the problem was not an actual shortage of gas; it was how to meet the producer-hijacker's demands at a level sufficiently high to dissuade them from destroying the country—but to make the payoff on a temporary basis.

On December 2, Stagger's committee voted out just such a bill: it provided emergency methods for, allowing job-stricken areas to buy gas at partly decontrolled prices. But it was a short-term bill. Staggers wrote to House Speaker Albert, an Oklahoman who has always been friendly to the oil and gas industry, asking that the bill be placed on the "suspension" calendar on December 15 or 16. A bill placed on the suspension-of-the-rules calendar can be voted only up or down; it cannot be amended. Staggers wanted it that way because, if the bill were amendable, the oil and gas industry, through their many friendly members, would obviously have a chance to amend it to death. The industry wanted the Senate's total deregulation bill, not Stagger's temporary deregulation bill. Albert refused Staggers' request, ordering him to go instead through the Rules Committee and get the standard ruling to bring the bill to the floor. This would have meant his bill could be amended, so Staggers refused.

At that point, the Rules Committee—which is run by men whom Albert appoints—took two drastic and highly unusual steps, both of them serious breaches of House protocol. In the first place, the existing rules of the Rules Committee provided that no bill would be taken up that late in the session, or even be considered by the Rules Committee, unless it was submitted by the chairman of the jurisdictional committee (in this case, Staggers) as an emergency matter. Staggers not only refused to submit the bill as an emergency; he refused to submit it at all through the Rules Committee. Nevertheless, the Rules Committee went ahead and scheduled the legislation for floor action on instructions from Albert.

In the second place, it is standard procedure for the chairman of the subcommittee where the legislation originated to handle a bill on the floor. In this case, that would mean Rep. John Dingell, who is opposed to total deregulation. The Rules Committee ignored this tradition and adopted instead a rule with an extraordinary provision authorizing Speaker Albert to recognize *any* member of the committee—even a member who wanted to kill the bill—to bring the bill up for debate.

And as a final insult, the Rules Committee allotted two-thirds of the debate time to advocates of *decontrol*. Thus the Rules Committee has made sure that when this issue reaches the floor the oil lobby's spokesmen will be in a dominant position to destroy the committee's short-term legislation with an amendment to make decontrol of natural gas prices a permanent load on consumers' backs.

Rep. Bob Eckhardt, chairman of the Democratic Study Group and a member of the Interstate Commerce Committee, was an inside spectator of this debacle. Although representing a district in Houston where petroleum is the big industry, Eckhardt has been one of the most stalwart opponents of decontrol. Albert's betrayal of the committee's work was, says Eckhardt, a rare performance of bad faith in an institution that holds tradition to be sacred.

"Members are usually very courteous to each other," he says, "and committees are punctilious in their interrelations. When customs of restraint and deferrence are flouted in so cavalier a fashion, one seeks an explanation."

Eckhardt's own explanation is that Albert's betrayal was merely the last act in "the stratagem of the oil and gas lobby"—a stratagem that moved expertly through several stages: from the panic raised by the industry and by the Ford administration with false warnings of a natural gas shortage this winter, to a hurried manipulation of the Senate into passing a total decontrol bill, to the perversion of the House's rules. When many billions of dollars are at stake, the oil lobby is willing to neglect some of the niceties.

The only possible hope for defeat of the lobby's stratagem would come from a massive outpouring of angry opposition from the people who are going to be gouged. It may sound old-fashioned, but letters from constituents still do carry great weight around Congress. Unfortunately, it is probably much too late to get the public stirred up. When the topic is something as complicated as petroleum prices, the education program has to be spread over a long period and the press has to give it a great deal of space.

For the most part the press has been silent about the natural gas robbery, or has given it the most cursory attention. Eckhardt tried to get *The Washington Star* to write something about Albert's misuse of the House rules, but the *Star's* management turned him down. Over at *The Washington Post* things were even worse: the paper has for years sided with industry in favor of higher prices. The *Post* reached a new low in editorial ethics a few months ago when it acknowledged that the FPC was breaking the law—the *Post* called it "an elegant evasion of the regulatory principle"—but then cheered the agency on to do more lawless acts with the observation, "But since the principle is a bum one and is creating serious trouble for industry in this part of the country, the evasion is useful and welcome." As for *The New York Times*, there is some question as to whether anyone on its staff knows how to spell natural gas. In this fight—as in most consumer fights—the public is strictly on its own.

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911 HOT LINE FOR EMERGENCIES

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. ROUSH. Mr. Speaker, for many years now I have been an active supporter of the "911" single, emergency number. Increasingly this simple, three-digit number is being adopted throughout the United States. The figures for last year are not as yet available, but at least 33,000,000 Americans now have "911". Invariably when the number is adopted newspaper articles attest to its value through the comments of local citizens. I would like to include at this time a short article from the South Bend Tribune which is published in South Bend, Ind., not far from my own congressional district in Indiana. South Bend just adopted "911" last year:

CALLED 911

A tragedy hit my house last week. My baby tripped on a cord and was badly burned by hot grease. For the first time I used South Bend's emergency number—911. I'm only writing to thank everyone involved.

They were very calm and gave me instructions as to how to treat her until an ambulance arrived. They never got off of the phone for a minute until she was ready to go to the hospital. I don't think people realize what a wonderful thing those three little numbers can do.

Mrs. JOSEPH JUD.
South Bend, Ind.

FORD'S TOUGH APPROACH TO CRIME MERITS SUPPORT

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. CARTER. Mr. Speaker, while we in the Congress attempt to deal with the many sources of concern to our citizens, there is an insidious area of concern toward which we should be devoting greater effort. That area is crime, and fear of crime, which seriously impinges on the quality of life for our citizens.

With the most recent FBI statistics chronicling a 20-percent rise in the incidence of crime in our rural areas alone, this is a matter that increasingly effects more of our people, especially our elder citizens who feel most threatened by, and vulnerable to lawless persons in a society so different from the one in which they were reared.

President Ford dealt with the problem of crime in his state of the Union message last week. While much focus has been brought to some portions of that address, a greater spotlight should be put on his proposals as they relate to crime and how to combat it.

In the January 24 edition of the Washington Star, columnist James Kilpatrick discussed the President's comments on crime control and the need for mandatory sentences. I believe his remarks bear close scrutiny, and I enclose for the RECORD a copy of Mr. Kilpatrick's column:

FORD'S TOUGH APPROACH TO CRIME MERITS SUPPORT

(By James J. Kilpatrick)

In his State of the Union message last Monday, the President devoted only a few paragraphs to the unyielding problem of crime in the United States. Understandably, because other parts of the speech had more pizzazz, his comments on crime claimed little notice. They merit your thought.

Ford hammered anew at the same hard themes he developed last summer in a special message on crime. Congress made little response in its first session. If the ideal of domestic tranquility is to be taken seriously, Congress owes it to the people to make some response now.

Here and there, it is true, the situation improves, but the improvement is only here and there, and it is a poor kind of improvement: the rate of increase declines. That is the best that can be said. Otherwise the picture is bleak.

The most recent figures we have are for 1974, and these admittedly are incomplete. From one third to one half of all serious crime never is reported to the police or to the FBI. The figures long ago ceased to shock—we are numb to crime statistics—but they cry out for legislative action.

Serious crime in 1974 was 18 per cent greater than in 1973. The stunning increase was from 8.6 million such crimes in 1973 to 10.2 million in 1974. The increase was bad enough in major cities—up 12 per cent—but the increase in suburbs and rural areas was still worse: up 20 per cent. The pattern is sickening. Since 1969, the number of persons under 18 arrested for crime has grown by 16 per cent. Ten per cent of those arrested in 1974 for violent crime were female, and a fourth of these were girls of 17 or younger.

Enough. Our country is plagued by crime, infested with crime, and in some neighborhoods terrorized by crime. The problem is overwhelmingly a problem for the states and localities to deal with, but they have dealt with it poorly. Ford's recommendations necessarily deal with federal offenses and federal law enforcement, but his tough approach should provide a model for all jurisdictions.

The President starts with the grim truth that most crime goes unpunished. Fewer than half the crimes of violence, and only 18 per cent of the crimes against property, are cleared by arrest. Those who are arrested seldom are tried or convicted on the charges originally brought against them; those found guilty seldom stay behind bars for long. At every point there is a watering down: plea bargaining, probation, early parole, suspended sentences.

The machinery of justice simply is inadequate to cope with the volume of crime. Ford recommends more judges, more prosecutors, more marshals. He proposes four new federal prisons. On Monday he returned to the concept of mandatory prison sentences for certain offenses. This is an idea whose time most surely has come.

Specifically, the President asked mandatory sentences in federal cases involving the use of a gun. He urges a punishment that could not be bargained away in some cozy little meeting among the defendant's lawyer, the prosecutor and the judge. He wants mandatory sentences for dealers in hard drugs. Where these criminals are concerned, Ford would take off the kid gloves. Lock 'em up! His aim is to get the repeaters off the streets, and to keep them off the streets.

The merits of sheer incarceration seldom are sufficiently acclaimed. Most serious crime is the work of criminals who have been around the track once or twice before. They are cold-blooded professionals, and they are virtually beyond redemption. In all but a tiny fraction of such cases, efforts at rehabilitation are a wastes of time and money. Law-abiding people have a right to demand that these vicious misfits be put away until time turns them into old men.

The Ford program, extended to the states, would require major outlays to expand the machinery of justice. State legislators, pressed from every quarter, may be reluctant to provide the courtrooms, judges, prosecutors and new prisons that will be needed if the incidence of crime is to be effectively reduced. But the President's approach is basically sound. It ought to be pursued.

URGING RETENTION OF J. EDGAR HOOVER'S NAME ON FBI BUILDING IN WASHINGTON, D.C.

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. MAZZOLI. Mr. Speaker, the Louisville Chapter of the Society of Former

FBI Agents passed the following resolution urging the retention of the late J. Edgar Hoover's name on the new FBI building in Washington.

I would like to bring this resolution—adopted by the men and women who served under the directorship of Mr. Hoover—to the attention of my colleagues.

The resolution is as follows:

> The membership of the Louisville Chapter of the Society of Former Agents of the Federal Bureau of Investigation officially go on record as supporting the retention of the name of the honorable J. Edgar Hoover, former director of the FBI, as the official name of the new headquarters of this great organization.
>
> Further, this local chapter recommends that a similar resolution be circulated for approval by the several other local chapters comprising the entire society of former agents of the Federal Bureau of Investigation.

No human is perfect. Mr. Hoover's performance as head of the FBI, in retrospect, could have been bettered.

But, once we require that structures can only be named after the faultless, we could name not a single new building—and all structures would have to be "rededicated."

In naming the FBI building after Mr. Hoover, we honor his good and loyal service. We do not honor, thereby, his mistakes and excesses.

I think the building should not be renamed.

SOUTH KOREAN OFFICIALS EXPRESS OPTIMISM ON ECONOMY ALTHOUGH PROBLEMS PERSIST

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. KETCHUM. Mr. Speaker, at this time I would like to share with my colleagues an article which recently appeared in the Wall Street Journal. As one who was privileged to view Korea's economic growth firsthand, I find this statement both interesting and timely.

The article follows:

[From the Wall Street Journal, Dec. 16, 1975]

SOUTH KOREAN OFFICIALS EXPRESS OPTIMISM ON ECONOMY, ALTHOUGH PROBLEMS PERSIST

(By Norman Pearlstine)

SEOUL, SOUTH KOREA.—Most of the world's nations that don't produce oil would just as soon forget about 1975. But South Korea's economic planners—having weathered a rocky start—are viewing the year as a qualified success.

This resource-poor, developing nation is about to report substantial increases in exports and gross national product. Nam Duck Woo, deputy prime minister and head of South Korea's economic planning board, says that exports will grow by more than 10% this year and that real GNP will increase by almost 8%. One foreign economist with direct access to internal government working figures is even more optimistic. He thinks the real GNP will rise by 10%, giving South Korea one of the highest growth rates in the world.

South Korea has had to pay a price, however, for its strong economic performance. And while the present trends are encouraging, the future is still clouded by some nagging problems. The government achieved economic growth, but it didn't curb inflation. Wholesale prices, which rose about 45% in 1974, will rise another 20% this year.

There is also the question of South Korea's long-term external debt, which is expected to rise to $5.83 billion by the end of this year, up 34% from the end of 1974. The increased borrowing was to help South Korea pay for the higher cost of imported oil and to help finance its ambitious growth plans.

A CHANGING PICTURE

South Korea has indicated it expects foreign borrowings to continue to increase sharply through the decade as its economy continues to expand. The government, along with many foreign bankers who visit Seoul frequently or who are based here, says that it is managing its debt well and that it should remain a good credit risk in the future. But some bank executive in New York, already awash in red ink from U.S. corporate and real-estate loans, have been questioning the wisdom of advancing big new loans to South Korea or any other high-debt developing nation. These bankers were further jolted by two adverse reports on Korea in the past few weeks.

Nonetheless, the general economic picture in South Korea today contrasts sharply with the image earlier in the year. For the government's planners, April was the cruelest month. The recession was dragging on longer than anyone had anticipated, and no one seemed to know when the economy would begin its revival.

In an effort to stimulate the economy, the government had relaxed its credit controls last December. The relaxation prompted a flood of imported raw materials but did nothing to spur exports to the biggest purchasers of South Korean manufactured goods—Japan and the U.S.

Statistics for the first quarter of 1975 showed the trade deficit running at an annual level of $2.88 billion, or about 50% wider than the record $1.94 billion deficit for 1974. Other economic indicators were equally depressing. Foreign-exchange holdings, which are one gauge of a country's ability to service its external debt, were falling, and industrial production, which had risen briefly in March, was again stagnant.

STRONG ACTION AND GOOD LUCK

Moreover, indications that North Korea—hoping to duplicate the Communist takeover in Indochina—was considering an invasion added a measure of political instability to the uncertain economic climate. In such an atmosphere, the foreign bankers, who had just completed a syndicated $200 million balance-of-payments loan to South Korea, were unwilling to advance additional funds on a long-term basis. As a result, South Korea had to increase its short-term borrowings and rely more heavily on public lending facilities, such as the World Bank and the International Monetary Fund.

But strong government action and some good luck helped turn the economy around. "South Korea can move very quickly once it decides to change its economic policy," an admiring banker here says. "And they decided to move during the spring."

Political tensions calmed after the U.S. renewed its commitment to defend South Korea from attack and after North Korean President Kim Il-sung returned from a trip to Peking without a public promise of Chinese support for a "war of liberation" against the South.

At the same time, South Korea reestablished strict import controls. And, finally, manufacturers' exports began to increase under severe prodding from the government. South Korea reported a small trade surplus in May—its first since the end of 1973. Small surpluses have continued most months since then. The recent 10% price increase for oil from the Organization of Petroleum Exporting Countries was more than offset by a record rice crop, which enabled the South Koreans to eliminate most rice imports. There will still be a substantial trade deficit for the year, but government officials now say it won't exceed $1.4 billion.

As a result, planners say South Korea's current balance-of-payments deficit for 1975 will be below $1.7 billion. While still high, that is well under last year's deficit of $2 billion and significantly below the $2.5 billion deficit that some foreign economists were projecting only a few months ago.

REDUCING SHORT-TERM DEBT

South Korea has also been reducing its short-term debts in the past few months and increasing its foreign-exchange holdings. During the first six months of this year, short-term debt rose by $843 million, or almost as much as it rose in all 1974. But Mr. Nam, the deputy prime minister, now predicts that the increase for the year will be $621 million, far narrower than last year's $960 million gain. At the same time, Mr. Nam says foreign-exchange holdings will be a record $1.5 billion, almost 50% above year-earlier levels.

Commenting on the economic prospects for next year, Mr. Nam says he sees GNP rising another 8% in real terms. He says next year's increase would be even higher "except we have to moderate growth" to help curb inflation. Mr. Nam says he thinks that wholesale-price increases can be kept to "around 10%" next year and says he hopes reduced inflation will prompt an increase in domestic savings.

The Korean official declined to forecast exports for next year, but other government officials are privately predicting increases of 20% to 30%. Those predictions assume that the U.S. and Japanese economies will perform much better in 1976 than they did in 1975 and that South Korean textiles, which were largely responsible for the recent surge in exports, will continue to sell well abroad.

RENEWED BANKER INTEREST

Reflecting the turnaround in South Korea's economy, some foreign bankers are beginning to show renewed interest in financing some of the country's planned industrial projects. "Our reading is that banker confidence is on the rise," one Western-embassy official says. "All the mice smell cheese and are coming out of their holes."

A group of U.S. banks now is discussing a $100 million syndication to finance South Korean construction activities in the Mideast. And Kim Woun Gie, governor of the state-controlled Korea Development Bank, adds that "foreign bankers now are approaching us on several other loans for projects in South Korea."

Nonetheless, many bank executives remain cautious about South Korea and are easily frazzled by adverse reports about South Korea. For example, the top management of several New York banks ordered thorough reviews of their loan commitments to South Korea last month after The New York Times carried a story about the sharp increase in South Korea's debt.

The pace of international telephone calls and Teletype messages between branch offices here and home offices abroad picked up again last week after the private, Washington-based Institute for International Policy published a study saying that South Korea is headed for default on its debts abroad and for economic chaos at home.

TALKING WITH BANKERS

South Korean government officials are convinced that the report is based on false assumptions and that it won't be taken seriously by the banking community. Nonetheless, several South Korean government officials took time to meet with more than 50 international bankers in New York last Wednesday to explain their balance-of-payments position and to try to refute the report.

Mr. Nam says South Korea can deal with the concern in New York. He says the country doesn't need "any additional balance-of-payments financing from banks at this time," in part because he thinks South Korea can get additional financing from public lending facilities. And while he concedes it may be "understandable that people are concerned about us," he suggests that concern would vanish if South Korea's present economic situation were better understood. He says, for example, that many persons don't realize that South Korea's revenues from exports have been growing about as fast as its long-term debt, thus providing sufficient funds to meet the debt obligations.

"Everybody knows the non-oil-producing countries are having balance-of-payments problems," he says. "That's not new. The real issue now is that we have managed our debt, and we have gotten through the oil crisis."

Philip Sherman, head of First National City Bank's Seoul branch, agrees with much of Mr. Nam's analysis. "There is always some vulnerability when a nation has high debt, but the debt can also be a sign of dynamism. Korea's debt is related to development and it is making good use of the funds brought in," he says. "In that respect, the situation is somewhat similar to what Japan went through several years ago."

NASA REPORT CITES POTENTIAL OF MHD RESEARCH—TENNESSEE SPACE INSTITUTE IS PIONEERING IN THIS RESEARCH

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. EVINS of Tennessee. Mr. Speaker, some of the most important research in this Nation is currently underway at the University of Tennessee Space Institute and the Arnold Engineering Center, both at Tullahoma, Tenn., into a more efficient method of generating electricity by burning coal, called magnetohydrodynamics—MHD.

Certainly we want this research in Tennessee to be continued and accelerated in view of a recent report commissioned by the National Aeronautics and Space Administration which concluded that MHD offers the most potential for successful development and implementation as an alternative source of energy.

A recent article in the Manchester Times concerning the NASA report is placed in the RECORD herewith, because of the interest of my colleagues and the American people in energy research and development.

The article follows:

[The Manchester Times, Jan. 15, 1976]

MHD BEST OF 10 ENERGY ALTERNATIVES, NASA FINDINGS SHOW

STUDIED AT UTSI, AEDC

Magnetohydrodynamics (MHD)—an alternative way for generating electric power being investigated at the University of Tennessee Space Institute and Arnold Center—is the best bet for the future, a recent government energy study shows.

The study, which covered 10 proposed alternative ways for generating power in the future, was commissioned by the National Aeronautics and Space Administration and was done by the General Electric Co. and Westinghouse Corp.

The MHD process on which the Space Institute has been working for a decade has decidedly the best showing on cost of producing electricity in term of both construction and operating expenses, the report shows.

"The results of this study are quite important," said Dr. John B. Dicks, head of energy conversion studies at UTSI. "It is going to make an impact on the U.S. Energy Research and Development Administration as to what programs get funded and what don't."

Dr. Dicks says he has learned that the 1976–77 fiscal year budget will seek $36 million for MHD research programs nationwide, nearly a three-fold increase over the $13 million which were budgeted for the current fiscal year.

But he says it apparently will take another strong fight to get a meaningful share of the funds for Tennessee because he has been told that Montana interests will try to get it all.

Sen. Mike Mansfield of Montana, the Senate majority leader, has been instrumental in getting a big share of Federal MHD money for colleges and universities in his state, which is also a big coal producer.

One of the big attractions of MHD is its potential for getting about 50 percent more electric power production from a ton of coal than present conventional steam plants do. The MHD process also removes sulphur dioxide, which causes air pollution associated with steam plants.

In conventional steam plants—such as Widows Creek in North Alabama or Kingston in East Tennessee—coal is burned to heat water and produce steam, which turns power turbines.

But in MHD, a super-hot, flowing gas produced by coal or some other fuel is channeled through a magnetic field between the poles of a giant magnet and produces electricity directly. Scientists have known for more than a century that power could be generated this way, but only recently have serious attempts been made to do it.

UTSI is the only place in the world using coal for MHD power generation, utilizing a 100-kilowatt generator in its laboratory. It has awarded design and fabrication contracts for a 3000-kilowatt plant it will erect on the UTSI campus with funds from an $8.1 million contract.

At Arnold Center, an existing MHD generator is being modified for studies also financed by the Federal government.

Arnold's project will use toluene, a solid-propellant fuel with heat properties much like coal, to study techniques for extracting electric power from a hot, flowing gas while the goal at UTSI is to develop longer generator runs utilizing coal.

The recent NASA study done by G.E. and Westinghouse concluded that a power plant using the open-cycle MHD process (in which the hot gas used either is exhausted into the air or shunted into a regular steam plant) in 1982 would cost about 2.7 cents per kilowatt hour for construction and around seven-tenths of a cent per kilowatt hour for fuel, operation and maintenance.

In other words, the estimated cost expressed in costs of electric power production totals about 3.4 cents for each kilowatt hour. This is considerably higher than the present cost, which ranges from about 25-hundredths of a cent per KWH in the Tennessee Valley Authority region to about half a cent per KWH nationwide.

Dr. Dicks said costs may very well not run this high, but that the researchers obviously have assumed a great escalation in the cost of coal (which has tripled in the past few years) as well as the expense of materials, borrowed money and labor.

But for the other alternatives that were considered, estimated costs go even higher. Generating power with a gas turbine powered by coal gas, for example, is estimated to cost about 4.2 cents per KWH while a combination of a gas turbine with a conventional steam plant comes to about 3.5 cents.

For even more seemingly far-out proposals that have been advanced—such as generating power by MHD in a closed-cycle system that uses a gas in somewhat the same fashion as a heat pump or refrigerator—the cost is on the order of 3.5 cents per KWH.

It's about the same for a proposed system that would use carbon dioxide gas at ultra high pressures in a circulating system or a closed-cycle MHD generator which uses a liquid metal for heating rather than coal.

Also in the high-cost category are some other proposed methods that include fuel cells that combine hydrogen and oxygen to generate direct current (power most commonly used now is alternating current).

The study showed that an MHD plant like the one UTSI is trying to develop would have an overall efficiency of 48 to 54 percent, as compared with a top efficiency of 40 percent for present steam plants.

Dr. Dicks said conventional steam plants usually run at about 36 to 38 percent efficiency and that pollution control equipment cuts it down even more. MDH plants he pointed out, won't need any special pollution-control gadgets.

In its study, Westinghouse estimated that the cost of a one-million-kilowatt MHD plant by 1982 would be $596,200,000, a figure Dr. Dicks says is about in the ball park with what he and his colleagues estimate.

On the other hand, G.E. concluded the cost would be something over $1.1 billion, which Dr. Dicks calls "ridiculous." He said that if G.E. had any direct experience with open-cycle MHD devices, it would have come up with a more realistic estimate.

Nuclear power plants, he said, will have an even higher price tag in the years to come, a factor which he expects to make MHD more attractive as the years go by.

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911 HOT LINE FOR EMERGENCIES

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. ROUSH. Mr. Speaker, once again I would like to take up my effort to introduce into the pages of the CONGRESSIONAL RECORD a complete listing by State of the communities which now have the "911" single emergency number, or which plan on adopting the same in the near future.

Systems location	Date: In service		Date: Scheduled	Population served (thousands)
American Telephone & Telegraph:				
Louisiana:				
Alexandria	April	1970		110.0
Baton Rouge	September	1970		302.0
Bunkie	January	1972		10.0
Lake Providence	July	1973		13.0
Leesville	December	1974		25.0
Oakdale	March	1973		10.0
Rayne	July	1971		17.0
Ruston	July	1972		44.0
Tullulah	January	1971		14.0
Vidalia	March	1973		10.0
Maine:				
Boothbay Harbor	April	1972		3.1
Camden	October	1969		3.5
Waterville	February	1973		35.0
Maryland:				
Charles County	July	1974		47.0
Montgomery County	October	1974		523.0
Prince Georges County.	October	1973		750.0
Independent telephone Company, Maine:				
Hampden	December	1975		4.0

DISCLOSURE OF ASSETS AND TAX RETURNS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. LEHMAN. Mr. Speaker, it has been my practice since my first campaign for Congress in 1972 to make a full disclosure of my assets and tax returns.

I had been advised earlier last year that new formal procedures would be established for making such disclosures. Since these procedures were still not established by the end of the first session, I am now inserting into the RECORD complete financial disclosure information in keeping with my past practice.

The information includes the financial disclosure statement which I filed earlier this year with the State of Florida's Commission on Ethics. The statement includes my complete income tax returns for 1974:

PERSONAL FINANCIAL STATEMENT

(Suggested by Federal Reserve Bank of Atlanta)

Name: Mr. & Mrs. William Lehman, Sr.

To: Southeast First National Bank of Miami.

I make the following statement of all my assets and liabilities as of the 28th day of February, 1975, and other material information for the purpose of obtaining credit with you on notes and bills bearing my signature, endorsement, or guarantee, and agree to notify you promptly of any change affecting my ability to pay.

ASSETS

1. Cash, on hand, and unrestricted in banks, $13,564.

2. U.S. Government Securities (Guaranteed) US T Notes, $10,000.

5. Notes Receivable, Not Discounted, $215,000.

8. Stock and Securities Other Than Guaranteed U.S. Gov't and Gov't Agencies, $306,489.

9. Real Estate, Registered in own name, $105,900.

1. Other Assets (Itemize), Israel Bonds, $1,500.

7. Total assets, $652,453.

LIABILITIES AND NET WORTH

18. Notes Payable to Banks, Unsecured. Direct borrowings only, $32,000.

21. Notes Payable to Others, Unsecured, $225,701.

27. Mortgage Payable on Real Estate, $52,291.

33. Net worth (From line no. 15) $342,461.

34. Total liabilities and net worth (Line 21 plus line 33) $652,453.

SOURCE OF INCOME

Salary, U.S. Congressman, $42,500.

Dividends, P Stock W. L. Buick, $4,200.

PERSONAL INFORMATION

Business or occupation, U.S. Congressman.

Married, X.

Dependent Children, 0.

SUPPLEMENTARY SCHEDULES

No. 1 Banking Relations. (A list of all my bank accounts, including savings, and loans).

Name and Location of Bank:

First National Bank Miami, Cash balance, $2,000. Amount of loan, $32,000.

First State Bank Miami, Cash balance, $1,919.

Comm Bank, $498.

Comm Bank, Sav, $2,000.

Comm Bank, Sav, $7,147.

No. 2. Accounts, loans and Notes Receivable. (A list of the largest amounts owing to me.)

Address of Debtor:

William Lehman Leasing Corp., Amount owing, $50,000. Description of nature of debt, loan.

William Lehman, Jr., Amount owing, $165,000. Description of nature of debt, Purchase Stock WLB.

No. 3. Life Insurance.

Name of Person Insured: William Lehman.

Name of Beneficiary, Joan Lehman.

Name of Insurance Co., Mass, MUT. & MONY.

Type of Policy, OL.

Face amount of policy, $205,000.

Total cash surrender value, ?.

Total loans against policy, ?.

Amount of yearly premium, $6,909.

No. 4. Stocks and Securities Other Than Guaranteed U.S. Government Securities and Government Agencies.

Face value (bonds) No. of shares (stocks), 1050 Prf. Description of Security, William Lehman Buick. Registered in Name of Wm. & Joan Lehman. Present market value, $105,000. Income received last year, $4,200.

Face value (bonds) No. of shares (stocks), 225 C. Description of Security, William Lehman Buick. Registered in Name of Wm. & Joan Lehman. Present market value, $156,350.

Face value (bonds) No. of shares (stocks), 44.5 C. Description of Security, William Lehman Used Car. Registered in Name of Wm. & Joan Lehman. Present market value, $41,639.

Description of Security, JC Penny & Bromar. Registered in Name of Joan Lehman. Present market value, $3,500

No. 5. Real Estate. The legal and equitable title to all the real estate listed in this statement is solely in the name of the undersigned, except as follows:

Description or Street No. 172 Riverwood. Dimensions or acres, Condo Dkylake E. Mortgages or liens, $44,720. Present market value, $55,900.

Description or Street No. Duplex, Selma, Ala. Present market value, $25,000.

Description or Street No. Studio Mem. Hwy. Mortgage or lien, $7,571. Present market value, $25,000.

U.S. INDIVIDUAL INCOME TAX RETURN, 1974

KK [redacted]. [redacted] D59 3.

William & Joan Lehman.

2269 NE 163rd St.

North Miami Beach, Fl., 33162.

County of residence, Dade.

Your social security number. [redacted].

Spouse's social security no. [redacted].

Occupation:

Yours, Congressman.

Spouse's, Self-Employed.

2. Married filing joint return (even if only one had income).

Exemptions: Regular, 2.

7. Total exemptions claimed, 2.

8. Presidential Election Campaign Fund:

Do you wish to designate $1 of your taxes for this fund? Yes.

If joint return, does your spouse wish to designate $1? Yes.

INCOME

9. Wages, salaries, tips, and other employee compensation, $42,500.

10a. Dividends, $4,964, 10b Less exclusion $200, Balance, $4,764.

11. Interest income, $27,640.

12. Income other than wages, dividends, and interest (from line 38), $(4,384).

13. Total (add lines 9, 10c, 11, and 12), $70,520.

14. Adjustments to income (such as "sick pay," moving expenses, etc. from line 43), $(3,709).

15. Subtract line 14 from line 13 (adjusted gross income), $66,811.

TAX, PAYMENTS AND CREDITS

16. Tax, check if from: Tax Rate Schedule X, Y, or Z, $18,321.

18. Income tax (subtract line 17 from line 16), $18,321.

20. Total (add lines 18 and 19), $18,321.

21a. Total Federal income tax withheld (attach Forms W-2 or W-2P to front), $11,060.

22. Total (add lines 21a, b, c, and d), $11,060.

BALANCE DUE OR REFUND

23. If line 20 is larger than line 22, enter balance due IRS, $7,261.

PART 1. INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

28. Business income or (loss) (attach Schedule C), ($4,625).

29. Net gain or (loss) from sale or exchange of capital assets (attach Schedule D), ($1,000).

31. Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E), $1,241.

38. Total (add lines 28, 29, 30, 31, 32, 33, 34, 35, 36, and 37). Enter here and on line 12, ($4,384).

PART II. ADJUSTMENTS TO INCOME

41. Employee business expense (attach Form 2106 or statement). Schedule attached, ($3,709).

43. Total adjustments (add lines 39, 40, 41, and 42). Enter here and on line 14, ($3,709).

PART III. TAX COMPUTATION

(Do not use this part if you use Tax Tables 1–12 to find your tax.)

44. Adjusted gross income (from line 15), $66,811.

45. (a) If you itemize deductions, check here and enter total from Schedule A, line 41 and attach Schedule A, $12,819.

46. Subtract line 45 from line 44, $53,992.

47. Multiply total number of exemptions claimed on line 7, by $750, $1,500.

48. Taxable income. Subtract line 47 from line 46, $52,492.

COSTLY GOOFS TYPIFY VA HOSPITAL CONSTRUCTION

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. RUSSO. Mr. Speaker, the third part of the Chicago Tribune series on the Veterans Administration, which I am placing in the RECORD in its entirety, deals with VA hospital construction. I think my colleagues will find it most interesting.

The article follows:

Costly Goofs Typify VA Hospital Construction

The Veterans Administration wanted to build a hospital in Loma Linda, Cal. It told Congress the project would cost $46 million.

The final tab to the VA and the taxpayer came to $64 million—$18 million more than the agency first said.

Did the VA know how many floors the hospital would have when it asked Congress for the initial authorization? The Tribune asked.

"No," Marvin Spatz, director of the VA Estimating Service, said in an interview.

Did the VA know the shape of the building?

"No."

Did the VA know how many rooms it would have?

"No," was the answer again.

The VA did know how many patients the hospital expected to handle, Spatz explained. Lack of further planning meant that 36,000 square feet of space had to be added to the building's final specifications to make room for all the rooms the hospital was supposed to have, VA records show.

The $18-million cost overrun at the Loma Linda hospital is just one in a long string of blunders in the VA's planning and construction program, which wastes millions of tax dollars every year.

Here is what The Tribune found out about the VA's spending habits:

Cost overruns on just three hospital projects last year, including Loma Linda, totaled $68 million. So reguarly does the VA seek extra money for its construction projects that Congress soon may require the agency to file special quarterly reports, a Senate committee aide told The Tribune.

The VA awards and develops construction contracts under a method that practically guarantees its outside architect-engineers won't be held responsible for costly mistakes.

The VA spends millions on sophisticated but unneeded medical equipment. One audit by the federal General Accounting Office found that many specially installed surgical units costing as much as $500,000 each are used so infrequently that doctors don't get enough experience to maintain their proficiency in delicate techniques.

Following an earthquake that destroyed a VA hospital in California five years ago, the VA began a multimillion-dollar series of "earthquake studies" at sites around the country, many of which are virtually earthquake-free.

Recently charged with running the national cemetery system, the VA has embarked on a plan to add millions of new grave sites—at a cost of $331.6 million—though the agency's own evidence indicates that 93 per cent of America's veterans prefer to be buried in private family plots.

The VA's construction budget of $400 million a year is one of the largest in the federal government—even before the cost overruns.

In trying to explain the overruns to an angry Sen. William Proxmire [D., Wis.] at Senate Appropriations Committee hearings last year, VA Administrator Richard Roudebush and other officials admitted, "We have not been realistic about inflation."

An overrun on a hospital project in Columbia, S. C., last year, for example, raised the cost from $21 million to $41 million—almost double. The VA said it assumed an inflation rate of 3.5 per cent. "As it worked out, inflation is running about 12 per cent a year," said Viggo Miller, head of all VA construction.

Also boosting the cost of the project were changes in the VA's hospital plans made to accommodate a new state medical school in Columbia.

Told of the 95 per cent cost overrun, Proxmire complained:

"It is like building another hospital."

An oversight on a hospital project in the Bronx—not listing parking lots and research areas in the first cost estimates—added $30 million in the final bill.

VA officials admitted at the hearings that the agency has omitted provisions for certain key facilities when it has given cost estimates to Congress, though it knew these facilities eventually would be included.

"A flat misstatement, a deception of Congress," Proxmire called it. "When we were told that this would complete the hospital in the Bronx and it did not include parking and research facilities . . . when we were told we would pay for the hospital in the Bronx if we spent $72,644,000 for 1975, that was simply and absolutely a false statement."

Roudebush responded: "I do not think it was done in deception, but it was in error, no question."

What never came out in those hearings, The Tribune learned, is that the VA, unlike other big contracting agencies such as the Defense Department, estimates its construction costs without any detailed working plans and specifications.

"As a rule of thumb," construction chief Miller told The Tribune, the VA goes to Congress for money long before it knows what a hospital will look like. He says its staff of 300 architects and engineers does not have the money to prepare a set of working drawings on which to base probable costs and cost increases.

"We would get a hell of a sight closer," Miller said, if the VA had money for such planning, like the Defense Department. A spokesman at the Pentagon confirmed the department's policy of providing Congress with detailed working drawings when seeking construction money.

Roudebush told The Tribune during an interview, "I have recommended that a planning fund be brought about . . . but we have never been given permission to establish one." He said the request was made to the Office of Management and Budget.

The VA argues that part of the problem at Loma Linda was that the hospital was a rush project intended to replace the San Fernando VA hospital destroyed by an earthquake in 1971. And part of the $18-million cost increase was the result of new rules passed by Congress that increased the outpatient load for VA hospitals.

But about $5.6 million of the extra cost was incurred because the outside architect-engineering firm made what Proxmire called an "elementary mistake"—rooms were included that the VA didn't ask for, and some were designed larger or smaller than intended.

Yet when outside designers make mistakes that cost millions, the VA does not go after them, according to the General Accounting Office.

"The cozy relationship between the Veterans Administration and a large number of its architectural-engineering contractors . . . has resulted in the failure of the VA to sue the firms to recover the losses," said Proxmire, who commissioned the GAO study.

The GAO explains that legally, the VA is virtually barred from recovering anything from architect-engineering firms because its own staff works closely with the contractors on every step of the design and execution of a major project.

"We, generally speaking are implicated with the architect-engineer," Miller said. He said the problem is not unique to just this one government agency.

Because contractors know the VA cannot sue them—the VA says it has won only two suits in recent years—the VA has little protection against shoddy work, Proxmire said.

"We would have to have a blatant incompetent before we could even think of recovering funds," Miller said.

While the VA isn't adequately studying hospitals it plans to put up, the agency is conducting a study of the hospitals already standing—an earthquake study.

VA hospitals at 68 locations from Boise to Buffalo, from Seattle to Salt Lake, are undergoing "seismic evaluations"—at a cost of more than $3.8 million.

The U.S. Geological Survey (USGS) says no other agency is making such studies, which were begun after the 1971 California earthquake. The VA drew new maps that duplicate existing USGS maps and spent money on elementary "ground motion" studies.

The studies did find some soft spots in the event of earthquakes. They also identified 25 sites that are so stable that no work need be done on hospitals there. These include such historically quake-free cities as Indianapolis, Phoenix, and Wichita.

Even so, the VA is plowing ahead with more studies at the 25 stable sites, the VA told The Tribune.

When The Tribune questioned the VA's James Lefter, director of civil engineering, about the continuation of the studies at the 25 stable sites, he said, "We are not overreacting."

But later, when asked by The Tribune, Administrator Roudebush said the agency indeed may have gone overboard.

Another key area where planning has gone awry, GAO studies reveal, is the installation of special medical facilities.

As open-heart surgery techniques advance the VA began installing special surgery centers for the procedure at many of its hospitals around the country in 1965.

The VA itself and other competent medical opinion say it is essential for open-heart surgery teams of doctors, nurses, and technicians to perform frequent operations in order "to attain and retain the high degree of technical skill that is required for this type of surgery."

The experts recommend that surgical teams perform a minimum of two and preferably four operations a week. One VA center performed only seven operations in 1971, the GAO found, and only five of the 23 VA surgical centers performed operations often enough to meet the VA's less-rigid standard of one operation a week.

The VA frequently subcontracts surgery to other hospitals that have better equipment or staffing for certain procedures.

But the VA is taking on open-heart surgery itself. Despite the infrequent use of the centers already established, the agency doubled its number of open-heart surgery centers to 50. In 1974, only 19 of them were used more than once a week.

Dr. John Chase, the VA's chief medical director, said the agency installs the special medical units to better serve the veteran and to save money. "Traditionally," he said, "we find it is less expensive for us to give treatment in our own hospitals than to give that same treatment on a fee basis."

And he denies there is a lack of planning: "We find from time to time that even our best planning does not work out. . . . We may discover while we are doing this kind of planning that another hospital is doing the same thing and for some reason we don't know another hospital is doing it."

Government reports have documented other cases of problems in planning, including:

Kidney transplant centers. The facilities, which cost up to $500,000 to install, also must be fully utilized for the surgical teams to remain proficient, medical authorities say. Yet, after three years and $465,000, the Manhattan VA hospital had performed only two transplants. In one year, only six of the 27 VA centers performed more than the VA minimum of 20 to 25 transplants annually; 18 of the centers performed less than one transplant a month.

Electron microscopes. The VA had planned, over the next two years, to acquire 69 electron microscopes for $27 million with an annual operating cost of $1.7 million. Yet the GAO found that the 40 instruments the VA already had were being used only 20 percent of the time. The VA then cut back its request to less than 56. Even so, the GAO said, each of the sophisticated instruments could be expected to look at less than one specimen a day.

In 1973 the Veterans Administration took over from the Army 105 cemeteries of the national system, which range in size from a few dozen acres to more than 200,000 acres. The Army had decided to phase out the system.

Figures from the American Cemetery Association indicate there is no need for more federal cemeteries. Private cemetery space currently available around the country is sufficent to bury the entire U.S. population for the next 140 years, the group says.

And experience has shown that a bare 7 per cent of the veterans eligible use their rights to be buried in a national cemetery, the VA admits. Surveys show that most veterans prefer to be buried in family plots, close to their homes, and often in a religious setting.

Still, the VA is moving ahead with a plan for 10 regional cemeteries, with 3.5 million graves for veterans and their dependents, which will cost $331.6 million to develop and nearly $20 million a year to maintain.

The irony is that the VA provides an alternative for the veteran—a $150 burial payment, an option which, coupled with the Social Security benefit of $255, is sufficient to cover the cost of a private plot, interment, and perpetual care.

The Tribune has calculated that if the VA encouraged use of the $150 allotment and adopted a caretaker role over the cemetery system, U.S. taxpayers, including the 29 million living veterans, would be saved $2.55 billion over the next 50 years.

"I envision more than a series of cemeteries," John Mahan, director of the national cemetery system, said in his "VA Pledge on Cemeteries."

"I believe Congress has pointed the way to development of a network of national shrines embodying the life of our nation over the past 200 years. Each can include visitors or learning centers that will recreate great American moments."

And Mahan is not alone in his vision for the cemetery system. Says Thomas "Pete" Walker, commander of the Veterans of Foreign Wars: "There are a lot of military men who just live to be buried in a national cemetery."

Tomorrow: Avalanche of forms and papers overshadows the VA's real job.

TOM WICKER ENDORSES FULL EMPLOYMENT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. RANGEL. Mr. Speaker, New York Times columnist Tom Wicker recently considered what he would demand of a Presidential candidate in 1976. He called for three promises. The first would be exhaustive investigations into the circumstances under which Gerald Ford became President and pardoned Richard Nixon and into the assassination of John F. Kennedy. The second promise would be an end to American covert intelligence operations abroad.

His final promise would be implementation of a full employment program for all our people willing and able to work.

As Tom Wicker wrote—

> The third promise would be to undertake to provide the American people with full employment—not 4 or 6 or 7 percent unemployment—but a job for everyone willing and able to work, in private enterprise to the extent possible, in public employment to the extent necessary. This would not be offered as a panacea for all economic ills, but as a positive step to reduce poverty, welfare dependence and possibly street crime, accomplish certain public purposes (for example, the reconstruction of railroad lines), and hold down inflation by increasing both supply and demand.

It is time for action on the Hawkins-Humphrey full employment legislation, H.R. 50.

POLITICAL RECYCLING

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. HARRINGTON. Mr. Speaker, the congressional debate over national economic policy is focusing now on President Ford's state of the Union message and his proposed budget for fiscal year 1977. If we really want to restore some commonsense to the way we set our priorities, however, we will do far better to heed the advice of John Kenneth Galbraith as it appeared in the December 22 issue of New York Magazine. I commend this article to all of my colleagues, and especially to Members of my own party:

[From the New York Magazine, Dec. 22, 1975]

THE CONSERVATIVE-MAJORITY FALLACY

(By John Kenneth Galbraith)

I would like to identify and comment in a scientific way on one of the notable political phenomena of our time. That is the powerful and wonderfully persistent devices by which recurrently we are persuaded that conservatism is the wave of the future. These instruments of persuasion are brought to bear at all times and with much success on the Congress. And once every four years, at about this time in relation to the election, they are directed at the Democratic party and the nation at large.

The purpose is always the same. It is to persuade all susceptible citizens—particularly Democrats, their legislators, and the candidates—that the country has, at long last, moved sharply to the right. Specifically, the object is to persuade them that, politically speaking, there are no poor, no aged, no sick, no black, no other unemployed is a major issue, no one whatever whose health, education, food, shelter, protection from economic abuse or exploitation, or even survival itself depends on the services of government. Instead there are in this republic only indignant taxpayers deeply angry about the willful idleness of the unemployed. The only sophisticated policy is their appeasement. The prime enemy of the people is the state, save only as it involves itself in the exigent needs of national defense and bankrupt corporations. The ultimate tendency (and hope) of our politics is to two equally conservative parties competing for the great conservative majority.

We should have a name for this phenomenon; I propose that it be called "The Conservative-Majority Syndrome." In an earlier time it would have been called "The Dayton Housewife Discovery"; that was its last manifestation. That excellent woman, you will recall, was also unblack, unpoor, definitely uninterested in anything as unrefined as women's rights, and, you can be sure, deeply concerned about taxes. I have always thought that both she and Dayton were greatly libeled.

The success of the conservative syndrome depends on four motivating factors, all powerful in our time. The first is the susceptibility of much of our political comment and many of our political commentators and sages to the rediscovery of the wheel. Its special manifestation is the recurrent discovery, offered each time as a breathtaking revelation of only slightly less than scriptural impact, that people of means would rather not pay taxes. This is not combined, unfortunately, with the companion revelation that people of means are indefinitely more articulate than anyone else, their spokesmen and intellectual sycophants alone excluded. So it is not noticed that, by its sheer volume, the voice of the relatively affluent in our land gets mistaken for the voice of the masses. If you are in doubt on this point, recall how many welfare recipients you have heard on the question of the profligacy of New York City. Compare this with the volume of expression emanating from Chase Manhattan, Lazard Frères, and Secretary of the Treasury William Simon. The Westchester County budget, it was announced in mid-November, will rise by 25 per cent in 1976. That, in those mostly pleasant precincts, was the result of changing population structure, inflation, and recession. In New York it would be caused by the idle and the unions. And, of course, John Lindsay and Abe Beame.

The second support to the conservative syndrome is related: it resides in the deep desire of politicians, Democrats in particular, for respectability. All seek to inspire confidence, convey an aspect of sound judgment. And what is the test of sound, confidence-inspiring judgment? It is, broadly, whether speech and action are consistent with the comfort and well-being of the affluent, including, needless to say, the people who lead the great financial institutions and man the large corporations. A radical is anyone who causes discomfort or otherwise offends such interests. Thus, in our politics, we test even liberals by their conservatism. Alfred Marshall, the great founder of neoclassical (and now conservative) economics, once said that there is nothing an economist should so fear as applause. Certainly nothing should be so damaging to a Democrat as an approving editorial in The Wall Street Journal or the most primitive nod from Evans and Novak.

The self-reinforcing character of our conservatism works with particular force in Washington. There some public official to whom Andrew Mellon would seem advanced identifies an action as likely to cause pain to the privileged. He forthrightly communicates his alarm to Messrs. Evans and Novak. These scholars tell of the intended action, note that it is a potential cause for popular indignation, maybe even mass anguish. The original progenitor reads their story and is affirmed in his fears. So are others. It is, I believe, the only successful closed-circuit system for recycling garbage that has yet been devised.

The third strength of the conservative syndrome lies in the superb tactical position of the Republicans when they are in power—as now. For they can attack government for indifference, callousness, or incompetence and then justify the attack by making it so. This is the history of the last seven years. When Republicans attack government, let us be sure as many as possible know that the government of Richard Nixon or that of Gerald Ford or—let me be nonpartisan—that of George Wallace in Alabama is not our model. Government was not thought callous or indifferent or even incompetent in the days of Roosevelt or, for that matter, Lyndon Johnson.

Let us not, above all, allow anyone to believe that we take the economic management of William Simon and Alan Greenspan—men, as I've often said, who see progress as escape to the eighteenth century—as our model of what intelligent macroeconomic management of the economy can accomplish.

I must add a special note here. Even those, and I am one, who are celebrated for their patience, their kindly tolerance of human frailty, must be discouraged at the reception which the prophets of the respectable view accord the Simon-Greenspan achievement. These statesmen have, we know, only one remedy for inflation. That is unemployment and recession. Having achieved a recession, they are then allowed to attribute the recession to natural cyclical causes, and they are further forgiven for its not preventing the inflation. Had men of similar competence been in charge of the space program, we would now be digging the boys out of the Grand Canyon. And had the same standards of judgment been brought to bear, the failure would have been accepted as a natural manifestation of the law of gravity.

We must never minimize the importance of good public management and administration. This is a dull but important business, one that must always be part of our claim to govern. It has not had the attention from Democrats that it deserves. But let us not join in the currently fashionable tendency to defame either government or those who work for government. The civil service of the United States is as honest, effective, and perhaps even as innovative as that of any other country. It was stubbornly honest people in the Department of Justice, the FBI, the IRS, and elsewhere who frustrated the tax evasion, obstruction of justice, subornation of perjury, and constitutional subversion of Richard Nixon and the less imaginative felonies of Spiro Agnew. Had our public servants not been honest, our case would have been hopeless.

The final buttress to the conservative syndrome is those whom we may perhaps call the liberal-Establishment economists. Here I must proceed tactfully; I am speaking of the work of conscientious and intelligent men, excellent citizens, good friends. But, alas, time, in its ineluctable march, has made them also pillars of the conservative edifice. This is because some inevitably yearn for the Establishment's applause and test their performance by its volume. Alfred Marshall's warning has been forgotten even here. Some inevitably are confined by the institutions they serve. This is a subtle but powerful influence in our time. Most economists serve within an institutional framework; some additionally are sustained visibly and directly by the banks and corporations they assist or advise. Out of this comes a largely innocent and natural desire to avoid embarrassing one's colleagues and institutions by urging policies that are at odds with the respectable view. And out of the service to corporations comes the rather less innocent desire to protect one's income. Much of what was once called liberal economics has become very conservative in our time.

The conservatism of contemporary economics manifests itself in two major matters, both vital for the Democratic position.

The established economics can, in principle, treat unemployment. It cannot in its accepted form deal with such part of the inflation problem as is caused by the wage/price spiral in the industrial sector of the economy. No one, or not many, doubt the importance of this spiral. Not having a cure for inflation, the accepted economics minimizes it as a problem, asserts that at any given time the real economic need is for more growth, more jobs. The result, so far as this guidance is accepted, is to divide our political life between conservatives who prefer unemployment to inflation but do not say so and liberals who prefer inflation to unemployment but do not say so.

There is no political future for Democrats in such a debate. Unemployment hurts a smaller number of people a lot; inflation hurts a larger number of people a little. We cannot defend either. It is not possible to persuade people—as some economists would—that inflation is an overrated evil. For the person wondering how to stretch limited income or savings over urgent needs, who is in anguish that on the next trip to the supermarket there will not be enough in her pocket, inflation is not an overrated evil. In any case, we must take people's dislikes as they are. We know they dislike inflation.

This leads to the unsurprising conclusion that there must be direct intervention on incomes and prices in the organized sector of the economy. Next time it must be done seriously; it cannot be again, as it was in 1971, for the purpose of getting a Republican president by an election. And you will notice that I use the word *incomes*. We have a labor movement in the United States, which on this issue, is quite possibly more reasonable, modern, and nontheological than any other in the world. It will, as George Meany has reiterated, accept such a policy as long as it is fair and general—as long as it applies equitably to all incomes. It must also keep living costs effectively stable or otherwise protect real wages. Any trade-union leader is right to insist on these conditions. The problem for Democrats is not whether to have such controls; this the circumstances of economic power in the economy have already decided for us. The question is how to meet the required conditions of their equitable application and effective administration. For so long as the established economics ignores the problem of controls, and its counsel is followed, Democrats are left with no viable alternative to the present conservative mismanagement of the economy.

The second support to conservatism from the established economics, a very urgent matter, lies in its formula for expanding the economy, for curing unemployment. In recent years its remedy has become the reduction of federal taxes. It is offered all but automatically whenever the economy is operating at less than full capacity, which of late has been all the time. *This remedy is a liberal and Democratic disaster*. Nothing in recent times has so played into the hands of conservatives.

There was always the danger that tax reduction would be seized upon by conservatives as the excuse for limiting public expenditures—always excluding defense and those in which business has a prime interest. That danger Gerald Ford has now made explicit. He has made acceptance of tax reduction conditional on expenditure reduction, promised the requisite vetoes if the spending reduction is not made good. Those of us who had feared this result must be grateful to him for clarifying a difficult point. We should also be grateful to my friend Professor Milton Friedman, a man of great if inconvenient honesty, who also has made the conservative position wonderfully clear. In a *Newsweek* column on October 27, he could not have been more forthright: "I am in favor of a Federal tax cut at all times—as the only way to exert effective pressure on Congress to keep down Federal spending." The reduction in spending inevitably affects the services and support of the poor, for defense and business needs are always exempt. And if it succeeds, it also means—much more than incidentally—that there is no expansive effect at all from the tax reduction. There would be contractive effect, in fact, for the tax savings are not as reliably spent as the proceeds of the outlays so curtailed.

It is federal taxes that are reduced. These, in substantial though not exclusive part, are on middle- and upper-income brackets of the personal income tax and on corporations. This reduction comes at a time when states and cities, in consequence of the recession the tax reduction is to cure, are being forced to raise their taxes, and these invariably are taxes on the poor. While the House Ways and Means Committee was discussing the extension of the cut in income taxes this autumn—now, I agree, inevitable—Secretary Simon, in one of his typically compassionate moods, was urging New York City to raise its sales tax to 10 percent. Highly regressive taxes were raised. And the services of a city already deep in public squalor have been ruthlessly curtailed. In the same week that the committee reported out the tax-cut bill, the Commonwealth of Massachusetts agreed on a tax increase of $364 million, all of it in relatively regressive taxes, for no others were available. (Two hundred and eighteen million dollars would be from taxes on sales and on meals.) The Boston Globe, noting the juxtaposition of these events, said they made no sense. How right. And again there is no economic stimulation in a shift from progressive federal to regressive state and local taxes. If anything, the reverse. There is only joy for the affluent.

We are learning, finally, that federal tax reduction, taken by itself, is an inefficient form of stimulation. In the second quarter of this year there was a big bulge in private savings. Its source was the tax reduction and refunds. People who didn't need the money were not using it. This would not have been the case if the money had gone instead to employ people on useful work, maintain or improve public services, provide help to the large cities, prevent layoffs, ease the burden of state and local welfare costs. That money would have been spent. In buying tax reduction as the magic of the Establishment economists, Democrats have bought a slightly modified version of the Hoover trickle-down doctrine. And the trickle is as unreliable a recovery instrument now as it was then. As I've said, next year's tax policy is over the dam. Thereafter let us spend instead for needed services as a substitute for regressive taxes.

Thus the lesson: liberals can become conservatives, Democrats can become Republicans, we can have not one conservative party but two. We have only to test our policies by the affluent applause, seek respectability before all else, assume that government must be as bad as under Nixon and Ford, and be guided on controls and taxation by the established economics. We are, I venture, well on the way. The only problem is that if Democrats continue on course they will have deserted their natural constituency. They won't be worth electing. Nor will they be elected. For, as Harry Truman once observed, given the choice between two conservative parties, people will always choose the one that is honestly and deliberately so.

CHILD AND FAMILY SERVICES ACT OF 1975

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. FORD of Tennessee. Mr. Speaker, I rise today to express my concern about the confusion many of the people in my district feel in regard to the Child and Family Services Act of 1975. It has come to my attention that a leaflet is circulating in Memphis, and, as I gather from my distinguished colleagues, in other communities across the Nation. This leaflet contains false information which has misled many people. It claims that the Child and Family Services Act would allow the Government to take over responsibility for childrearing. Those who support the bill know that there is no such provision in it. The Child and Family Services Act would in no way interfere in family life.

As a result of this confusion, I released a statement to the local press in my district which point by point denounces the claims of the leaflet and which also attempts to clarify some of the bill's major provisions. I would like to share this statement with you:

Statement of Congressman Harold Ford

THE CHILD AND FAMILY SERVICES ACT OF 1975, H.R. 2966/S. 626

In recent weeks leaflets have been distributed in Memphis and in other cities around the country which attempt to discredit "The Child and Family Services Act of 1975."

The leaflet purports to cite passages and quotes from the Congressional Record in describing the provisions of the bill. These leaflets are totally false and misleading. They bear absolutely no resemblance to this legislation. For example: one leaflet indicates that there is a Child Advocacy Clause in the bill which would allow the government to come into a home and take over the responsibility of a child. There is no such clause in the bill. Indeed, the bill specifically states in Section 504 that "nothing in this Act shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, physical, or other development of their children".

The leaflet also indicates that there is a "Charter of Child's Rights" in the bill which would allow children to disobey their parents. The leaflet cites the Congressional Record in listing the child's rights. The Charter of Child's Rights did appear in the Congressional Record. On December 2, 1971, the Senate was debating a Conference Report on the Office of Economic Opportunity Act. This Act contained child care provisions. In the course of the debate Senator Carl T. Curtis of Nebraska stated, "In England, child development advocates have gone so far as to draft a Charter of Children's Rights". Curtis continued by reading from something he called "The Charter of Children's Rights" of the "British Advisory Center of Education and the National Council for Civil Liberties". By misleading citation the leaflet implies that this material appeared in the Congressional Record this year and that it represents the contents of the bill. There is no such Charter contained in this bill. I had never even heard of the Charter or this British group until I saw the leaflet and investigated the source of the Congressional Record statement.

This legislation is designed to provide the following services:

Proper prenatal care for mothers and health care for children to insure that they are not subject to handicapping conditions that could put them on welfare as adults;

Proper care for the children of working mothers who are desperately trying to stay off welfare;

Food programs to fight malnutrition which so quickly can ruin a child's body and mind.

In every instance, the Child and Family Services Act requires not only the parent's request for any service, but their participation in as many activities as possible.

As with any piece of legislation, this bill has supporters and opponents in the Congress. There is the question of whether the government should spend the amount of money this bill authorizes. There is the question of what services should be offered, and how they can be administered effectively and efficiently. These are the kinds of questions that must be debated and resolved by the Congress and the American people. They are precisely the issues which will be addressed by the Committee on Education and Labor when it considers this legislation.

The debate about this bill or any bill must be based on facts. This legislation provides needed services to help:

The over 200,000 children who are struck each year by handicaps because their mothers had not received early health care;

The 65 percent of all handicapped preschool children who do not receive special services to help them overcome their handicap;

The 40 percent of all young children of this country who are not fully immunized against childhood diseases;

The working mothers of the five million children for which there are no spaces in licensed day care centers (statistics furnished by the U.S. Senate Subcommittee on Children and Youth).

I want the people of Memphis to know the facts about this legislation. The person or persons who have prepared these leaflets—anonymously, I might add—are using scare tactics and outright lies in a campaign to deceive the people of Memphis.

There are really two issues here. One is the bill itself, whether or not I should support it based on the facts. The other issue is this smear campaign against the bill.

The first issue I can handle. I am always ready to hear opposing views from my constituents on any piece of legislation. My job is to inform my constituents to the best of my ability, to solicit their views, and to insure that when I cast my vote, it is a vote for Memphis.

The second issue, the distribution of these leaflets, is one that I cannot handle alone. For that reason I want to call upon the members of the press to investigate these leaflets. Take a hard look at these leaflets and compare to it the bill itself. The people of Memphis deserve to know the facts.

Thank you.

After I made this statement, the press did indeed examine the bill against the claims of the leaflet. The following editorial appeared in the Commercial Appeal in Memphis on January 26, 1976:

Smear on Child Care

An anonymous, unfounded campaign is being conducted across the country against a bill that would provide comprehensive day-care services for children. Claiming that the bill would take away the authority of parents over their own children, the campaign has tried to arouse anger and fear with fabrications and malicious implications contained in a widely circulated unsigned flyer.

The flyer quotes from statements in the Congressional Record, implying both that the opinions expressed are facts and that the information is current. But the quotes seem to have been pieced together from various statements made on Dec. 2, 1971, during a debate on an earlier child-care bill.

For one thing, the Record is a ponderous work of fiction. Although its essential purpose is to report everything that is said and done in congressional sessions, it also includes just about anything the congressmen choose to insert. Speeches, excerpts from books, newspaper stories and editorials and a host of other miscellaneous matter choke the Record like Amazonian undergrowth. The rhetoric is grandiose and occasionaly impressive, but any assumption of accuracy or factualness is ridiculous.

The bill in question, which is titled the Child and Family Services Act of 1975, has many reasonable, responsible critics. It has been challenged on grounds of cost, duplication and possible psychological harm to children caused by institutional care and day-long separation from a parent. Supporters argue that the bill would strengthen low-income families by providing the children with the care and experiences they need for normal development and by giving mothers a greater opportunity to raise their families' standards of living through work. The immediate issue, however, is the smear campaign. Until that is thoroughly discredited, it will be difficult for Congress to deal with the merits of the bill. One indication of the highly emotional controversy stirred up by the flyer is the fact that the bill's Senator sponsor, Democrat Walter Mondale of Minnesota, has received about 2,000 letters a week about it.

The flyer states, "The Charter of Children's Rights of the National Council of Civil Liberties is becoming part of the Child Development Act." That's a flat lie, unless the "act" referred to is not the Mondale bill. Such a possibility can't be discounted because of the flyer's deviousness. The national council is a British lobbying group. The flyer continues, "Following are four of the several items proposed in this charter (as taken from the Congressional Record 44138 . . .)" They include assertions that children should be protected from inadequacies in their homes, from religious or political indoctrination (presumably by parents) and from "excessive claims made on them," which the flyer construes as encompassing household chores.

A grim prospect, indeed. But Mondale's office says no such charter or statement of rights has been proposed for the bill, nor would he approve of it. The Record quote comes from the 1971 debate, in which Sen. Carl Curtis (R-Neb.) cited the national council's charter during an attack on what he called the "child development" school of thought. He warned about the possibility of day-care centers becoming "child warehouses" as a "logical extension of that kind of rhetoric." The word "rhetoric" referred grammatically to the charter not the bill.

Curtis did not say that the charter was becoming a part of any Child Development Act. Curtis told The Commercial Appeal that, while he opposes Mondale's bill on grounds of excessive federal regulation, he has not seen the flyer and could not comment on its contents. Other critics of the bill have specifically denounced the flyer. Onalee McGraw of the National Coalition for Children, which argues that the bill's approach to child development favors special-interest education groups, called the smear tactics counterproductive and a barrier to "true debate."

The flyer also attributes to the Record a statement that child advocates appointed by the government would be able to take over the education of children, "even within the home." In a careful reading of the 1971 debate, we could not find the quote. But there were pages of inserted comment, some of which had nothing to do with the earlier bill itself. Some, for instance, dealt with child-care programs in other countries. Be that as it may, Mondale's office says his bill does not contain the words "child advocate" or propose such a position.

In fact, the bill bans any infringement on the "moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, physical or other development of their children." The proposed child-care services would be designed, set up and supervised by local councils, of which half the members would be parents with children in the program. The children would receive only those services that parents requested.

The Child and Family Services Act deserves an open, honest debate. The flyer is an underhanded, spurious attempt to play on the emotions of uninformed parents. It deserves nothing but ridicule. This is one more example of the danger of accepting as fact the material printed in the Congressional Record—material that can even be amended by congressmen if they have second thoughts about what they've said or inserted.

Although this editorial calls into question the credibility of articles appearing in the Record, I would like to note that the statement I have just made is an accurate account of the events which have transpired in regard to this bill.

I sincerely appreciate this opportunity to speak to you today.

CLOSING OF RURAL POST OFFICES BY THE U.S. POSTAL SERVICE

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. CHARLES WILSON of Texas. Mr. Speaker, the following article was taken from a recent issue of The Texas Farmer-Stockman and was sent to me by Newton County Judge, Lee Roy Fillyaw. It expresses perfectly my feelings on the closing of rural post offices by the U.S. Postal Service:

"Down through the years, those of us who work on The Farmer-Stockman have held on to a special kind of neighborly feeling about rural post offices. That plus the fact we also felt the post offices are logical and worthwhile community centers. Rural carriers leave from the back door every morning, tying a collection of folks together as they stop at boxes along the route.

I know ranchers who have met their neighbors in the post office lobby at the same time every morning for the past 40 years. They are careful to allow 15 minutes of each day there for a check on cattle markets and what kind of shape pastures are in.

For many folks, the local post office is the nearest contact they have to the federal government. It is a place to get information, a place to establish contact with a Washingon, D.C. that too often is separated from the reality of what rural America actually is...

A Flag flies out in front of the building and a sign located somewhere on it establishes the fact that a town is located there. You know the community exists because that sign says it does. In fact, more than one Texas community got into an argument with postal authorities right back at its beginning because the government people didn't like the name the citizens had picked out for it. And in every case I know of, the post office won. The name had to be changed because some other town had already claimed it, or because it didn't sound quite dignified enough to be written on the front of a letter.

Now, in the name of efficiency, the Postal Service has set out to closse thousands of these offices around the country. They claim that the offices aren't big enough to pay for themselves. What's needed, say the postal authorities, is a bigger, more centralized office located in a bigger town nearby. That way the new office can handle a larger volume of mail and come closer to paying for itself.

Generally speaking, I've always been in favor of more government efficiency. But this time I'm doubtful that building bigger post offices is likely to save all that much money, cut postal rates or serve anyone better. If you follow that "big is better" type of reasoning out to its logical conclusion, you'd wind up with the impression that New York City must be lots more efficient than say Cuero, Texas. But somehow I doubt the truth in that. It shouldn't take an efficiency expert to see that there must be an error in this reasoning somewhere along the way.

And I can't help but take exception to something else. The post office higher ups have been very careful to explain that no one will lose their jobs when the smaller post offices are closed. I know that's good news to lots of postal clerks. And I don't want to slight the feelings of any of our postal friends out through the country, but it doesn't seem to me as if that should be the first consideration. Post offices are intended to serve the public. It seems to me as if that's why they were established in the first place.

Service is the whole idea behind what most of us one knew as Rural Free Delivery. I'm sure that name is long gone by now, but I'll bet that the service itself still isn't a paying proposition. Nor should it be. After all, it seems to me as if mail delivery has to stack up as one of the prime reasons we have a government in the first place. Goodness knows I can't think of any other governmental agency that's a paying proposition.

And it will take a powerful amount of solid evidence to convince me that what could come out of all these proposed changes would be either cheaper or better postal service for anyone. We've heard that story before. I'm for holding on to the small post offices. We need them.

CHINA HINTS AT A MANNED SPACE PROGRAM

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. TEAGUE. Mr. Speaker, at a time when many of the critics of our space program call for continued reduction in NASA's budget, I believe it is important to examine the space activities of other countries. The countries of Western Europe and the U.S.S.R. are increasingly adding emphasis to their space programs. More recently China has indicated that it may have plans for a manned space program.

I include an article by John Noble Wilford that was published recently in the New York Times for the information of my colleagues:

CHINA HINTS AT A MANNED SPACE PROGRAM

(By John Noble Wilford)

China published yesterday the first clear hint that it might have plans for a manned space program.

An article in the Peking Daily Kwangning Jih Pao said that a recent unmanned space flight, which apparently demonstrated the capability not only to orbit a spacecraft but also to bring the capsule back to earth, constituted an "important aspect in the development of the technology of manned artificial satellites."

American space observers said that the newspaper article was the first public acknowledgement by the Chinese of what some Western experts had grown to suspect in recent weeks.

China has put five satellites into earth orbit since 1970. The fourth, launched last Nov. 26, "returned to earth as scheduled after functioning normally," the Peking article said.

It was this successful recovery that led Prof. Heinz Kaminski, a West German space expert, among other observers, to suggest that the day of China's first manned space mission was not far away.

RECOVERY DESCRIBED

The writer of the Chinese article, Hsien Chu, said:

"The recovery of a satellite constitutes an important aspect in space technique. It has a positive significance for increasing the value of the artificial satellite, and developing space technology and sending men into space."

Excerpts from the article were reported by the Peking correspondent of Agence France Presse.

The following description of the recovery—presumably on land—was given:

"After overcoming the difficulty of heat, the satellite, having come down to a determined altitude, opens its landing parachute to reduce further its speed and lands slowly in the prescribed zone.

"Landing in the sea also exists: The satellite in the water will be refloated by helicopter and boat. There also exists air recovery: A plane recovers the vessel and the parachute, to which it is suspended, in its hold."

Space experts in Washington said that it was unclear whether the Chinese meant that they had tested sea and air recovery of spacecraft. Most American spacecraft are recovered at sea, though the Air Force has used an air recovery method for some of its secret reconnaissance satellites.

The American experts also said that they knew of no immediate Chinese plans for a manned space mission. But the recent tests, they said, indicated an accerelated effort and the probable development of a launching rocket more powerful than the ones used in the first Chinese space flights.

CUT THE PROMISES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. SYMMS. Mr. Speaker, numerous articles have appeared over the past months analyzing the problems in the Social Security Administration and the fact that social security programs have been promising too much to too many.

The following article, taken from the Wall Street Journal, puts several of these problems into a nutshell and calls for some hard answers to this serious financial problem. Many of my constituents have written to me and stated that they know that there will be nothing left in the social security trust fund when they retire. This leads me to believe that today's workers are willing to face the serious questions connected with social security and accept some hard solutions.

It would be a shame if the worst expectations of these workers—that there will be nothing left for them in the social security till—are realized because politicians were too afraid to cut the political promises and get down to the hard business of restoring the fiscal soundness of social security.

The article follows:

HALFWAY ON SOCIAL SECURITY

No doubt President Ford believes he is being responsible in asking Congress to increase the payroll for Social Security. Even though the increase would not take effect until next January, after the elections, it is still not easy to ask that employes and employers each be made to pay another 0.3% of wages, bringing the combined payroll tax to a lofty 12.3% of covered wages.

But those who have been following our observations on the problems of Social Security should not be surprised to learn that the tax boost is no solution to the big problem, which is that incredibly high future benefits have been built into the system and will ultimately wreck it. Our impression is that Mr. Ford to this day has not been carefully briefed on the subject.

For an idea of how little Mr. Ford's proposals touch the big issue consider the following: As of last June 30, the Social Security system recorded an actuarial deficit of $2.1 trillion. That's trillion! Mr. Ford's tax increase will trim the deficit to about $1.85 trillion. A separate proposal, ending the inadvertent "super index" that increases benefits to future retirees at approximately twice the inflation rate, would reduce this by roughly half. That leaves a deficit of nearly $1 trillion.

A word about these numbers: The actuarial deficit is the amount of money the government would need to have on hand today, earning interest, to cover the shortfalls present tax and benefit rates would generate over the next 75 years. The above numbers reflect special actuarial methods Congress mandated for the Social Security system; under the concepts applied to private pensions the numbers would be even larger. These numbers put aside the question of whether present economic policies can generate the capital formation needed to meet the growth and inflation rates assumed in the actuarial calculations.

Even if the President's proposals are adopted, in short, Washington's current politicians will be wishing on their heirs a problem that by generous calculations amounts to $1 trillion. This is precisely what Mayor Lindsay did to New York City, coping with current problems by running up future liabilities in the pension system for his successors to deal with.

At least President Ford is willing to go halfway toward solving the problem, instead of making it worse. His liberal critics in Congress talk of replacing his tax rate increase by jumping the Social Security wage base to $24,000 from the current $15,300. But since benefits are calculated on the wage base, every increase in the base is an increase in future benefits; the liberal "solution" actually expands the actuarial deficit by leaps and bounds.

The size of the problem also makes it painfully clear that it is nonsense to talk of "dipping into general revenues" to pay Social Security benefits. For one thing, there are no general revenues to dip into, which means either income taxes have to be raised or government borrowings increased. How can anyone seriously propose raising income taxes by $1 trillion—70% of gross national product to close the actuarial deficit, or postpone the problem and have future politicians raise $1 trillion plus interest?

The long and short of these numbers is that more benefits have been promised than can reasonably be expected to be paid. The only solution is to reduce the promises—which we hasten to add does not mean reducing present benefits. Nor do we think the public would find this reduction unacceptable, or even unattractive, compared with the alternative, which is a remorseless rise in tax rates.

The trick is to find the least painful way to reduce the promises. Almost all of the remaining deficit could be closed if future benefits were tied to prices instead of wages—guaranteeing the purchasing power of future retirees but not guaranteeing them a share of future economic growth. Or benefits could gradually be subjected to some kind of tax. Or Congress could pass legislation today specifying gradual increases in the retirement age in the future—economically some such step will be almost mandatory when "baby boom" workers start to retire, and in any event anyone who wants to retire at 65 is given warning to prepare on his own for the first two or three years.

Facing these issues now strikes us as good common sense, since the American people seem receptive to confronting new realities. The Social Security problem can't be wished away, but neither is it so hideous that candidates for national office should fear to discuss it. President Ford has tackled the easy half. A presidential election year is the proper time to debate the hard half.

"MISS STELLA" GLIDDON: JOURNALIST, AND PUBLIC SERVANT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. PICKLE. Mr. Speaker, Mrs. Stella Gliddon has recently sold her interest in the Johnson City Record Courier and will relinquish her position as full-time editor. "Miss Stella," as she is affectionately known by all, is the epitome of the country newspaper editor. For more than a half-century she has reported the news of her friends and neighbors, faithfully and factually.

Her most famous subscriber was the 36th President of the United States, Lyndon B. Johnson, whom she had known since he was a young boy. In their stays in Blanco County during Mr. Johnson's 6 years, the national press corps and thousands of Americans became acquainted with "Miss Stella." These visitors to the hill country of Texas soon regarded her with the same fondness that her life-long friends did. Many of those who have passed through Johnson City over the years have enjoyed Miss Stella's column, "Folks We Know," so much, that they still subscribe to her paper.

Although she will no longer work with the Courier on a full-time basis, I join her many fans in hoping that she will still favor us with an occasional column.

I am enclosing a copy of her widely read column which appeared in the January 8, 1976 issue of the Courier:

FOLKS WE KNOW

(By Mrs. Stella Gliddon)

After doing newspaper work for over 60 years, there are both joys and regrets in our heart this week as we turn over the editorship of the Record-Courier to someone else—Last week we sold the paper to George and Joan Puckett from Austin, who also own two papers in that city and The Burnet County Bulletin in Burnet.

Our joy comes from now being able to retire and do a few of the things we would have liked to have done long ago, but for which there just wasn't time.

The regrets are manifold—We will miss recording the weddings of the Susies and Jims, the arrival of new babies, the many reunions, meeting the new preachers and others who come here to live, but most of all the happy conversations it has been our privilege to enjoy with the folks here—Their joys were our joys and their sorrows we shared.

In retrospect, we rejoice in that never during our long career as editor did we ever print gossipy news or news that was better left unsaid—in a small town newspaper, at least.

For the past seven years we had two of the finest gentlemen as partners, Art Kowert and Marcus Wehmey, both of Fredericksburg—This business relationship was kin to heaven so harmoniously was it carried on—Both are connected with the Fredericksburg Standard, Art as editor and Marcus as foreman in the mechanical department.

These are the things we will miss and yet we know that our retirement will be just as full of happenings as it has been when sitting in the editor's chair—For our successors, Mr. and Mrs. Puckett, hope for a bright future and we wish them every success possible.

To you, dear readers, we give many thoughts and recall how "we walked together" arm in arm for more than half a century and a sincere "thank you" awaits every one of you.

Our retirement does not necessarily mean a goodbye, for we hope to meet again with you at various times in "Folks We Know," to tell about you and your loved ones, to boost Johnson City, and to write about some remote beauty spot, or the big oak trees, or the birds, and the love of the folks around us that will forever make them the best folks we ever know—Auf Wiedersehn.

NOTICE OF HEARINGS ON NATIONAL PARK SERVICE PERSONNEL AND BUDGETARY SHORTAGES

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the Conservation, Energy, and Natural Resources Subcommittee of the Committee on Government Operations will continue its investigation of personnel and budgetary restrictions imposed upon the National Park Service at a hearing on January 30. Interior Department Secretary Thomas Kleppe will be the primary witness.

The subcommittee began its investigation of the impacts of Park Service personnel and budgetary restrictions on the National Park System during the last session of Congress. At a December 4, 1975, hearing witnesses from the National Parks and Conservation Association, a panel of park superintendents and Park Service Director Gary Everhardt agreed that the natural resources and facilities in the National Park System will continue to deteriorate unless present restrictions on manpower and budget for park operations are lifted. The subcommittee has asked Secretary Kleppe to explain the Interior Department's role in developing the budget and personnel requests for the Park Service.

I am extremely grateful that the ranking minority member of the subcommittee, Representative GILBERT GUDE from Maryland, has played an active role in this examination of the problems confronting the preservation of our national parks. His invaluable expertise and keen interest in outdoor recreation has certainly been of great benefit to the subcommittee.

The hearing will begin at 10 a.m. in room 2203, Rayburn House Office building.

Following is the text of an article on the investigation which appeared in the Philadelphia Inquirer, December 7, 1975:

[From the Philadelphia Inquirer, Dec. 7, 1975]

NATIONAL PARKS ARE FALLING

(By David Hess)

WASHINGTON.—Some of the nation's most priceless assets—its national parks and historic sites—are falling into disrepair and will continue to deteriorate unless current budget handcuffs are removed, a group of park superintendens has told Congress.

Four superintendents and the spokesman for a national conservation group all drew a bleak picture of the seedy condition of most of the nation's parks in testimony last week before a House Government Operations subcommittee.

Their portrayals were affirmed by National Park Service Director Gary Everhardt, who said "a sort of domino effect has set in."

Stingy budgets over the past several years, Everhardt said, have led to a steady decline of park services and facilities.

"Neglect of maintenance leads to rehabilitation," he said. "A lack of rehabilitation leads to reconstruction, so that in the long run the cost is even greater than if we'd attended to the repairs in the first place."

Subcommittee Chairman William S. Moorhead (D., Pa.) said a preliminary investigation by his staff shows that manning levels for park operations have remained essentially the same as they were 10 years ago, despite a doubling in the number of park visitors and the addition of hundreds of thousands of new acres.

Everhardt said there has been an increase in Park Service spending over the past decade.

MONEY DIVERTED

But new additions to the park system, along with "new responsibilities"—such as administration of Job Corps Centers—have diverted money from basic park operations and management.

Some park roads and bridges are approaching "a state of disrepair that if left untended will require total reconstruction," Everhardt said, "and many historical (structures) are in jeopardy of being lost forever."

Among those most in danger, he said, is historic Fort Jefferson in the Dry Tortugas off the Florida Keys. The fort is being slowly consumed by the sea.

The superintendents chronicled a long list of deteriorating assets in their parks.

Roads, hiking trails, buildings, campsites, historical structures, patrolling and policing services, wildlife management and protection, and natural wonders all are going to pot, they said.

Meanwhile, vandalism, mindless destruction of plants, animals and natural monuments, they said, continue apace as the ranks of forest rangers are thinned by budget shrinkage.

William R. Failor, superintendent of the C&O National Historical Park on the Potomac River, said he needs at least 20 rangers to protect park property and ensure public safety. His budget allows him to employ only eight.

In a dramatic plea for congressional help, Boyd Evision, superintendent of the Great Smoky Mountains National Park, said:

"In parks, the medium most assuredly is the message. Rotting historic structures, rutted trails and littered roadsides tell the public that America doesn't care enough to husband its most distinctive natural and historic resources.

"The results are costly. The costs are not only in terms of dollars, or of manpower. Perhaps the most serious costs are in terms of resources irretrievably impaired and of experiences forever lost."

Anthony Wayne Smith, head of the privately supported National Parks and Conservation Association (NCPA), delivered a detailed inventory of the deteriorated facilities and services in each of the major parks.

The superintendents said Smith's survey was "essentially accurate."

As examples of deteriorated facilities and curtailed services, the NCPA survey showed the following "deficiencies":

In Everglades National Park: Inadequate law enforcement; the halting of back-country campsite construction; rampant destruction of fragile ecological areas due to a shortage of rangers and other personnel; no maintenance at all of most permanent buildings and other structures.

Crater Lake National Park: Suffered a "near catastrophe" last summer when the water supply became contaminated because of budget cuts in construction of sewer and water systems.

Great Smoky Mountains National Park: Under the onslaught of the largest influx of visitors to any park, facilities are run-down, vandalized and overused: the Appalachian Trail is rutted and badly eroded, miles of roads are unsafe in wet weather; law enforcement is inadequate; wild boars are destroying vast tracts of forest land—all because of budget restraints that have caused a severe manpower shortage.

Shenandoah National Park: Deteriorating buildings and other facilities; eroded trails and campgrounds, substandard water and sewerage systems, uncontrolled poaching of game.

National Capital Parks in the District of Columbia: With as many as 3 million tourists anticipated in the bicentennial year, Superintendent Manus Fish said the Capital Parks system could be overwhelmed.

Yosemite National Park: Camp grounds in a "major state of disrepair"; the bridge on the John Muir Trail over the Dana Fork of the Tuolumne River is "in an extremely dangerous condition of disrepair;" inadequate patrolling of back-country camping sites.

Everhardt said $57 million was slashed last year from the Park Service budget.

Everhardt said most park services and maintenance efforts are now "substandard."

THE 100TH ANNIVERSARY OF IVES CO.

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. GIAIMO. Mr. Speaker, as we celebrate our Bicentennial year, the people of the United States should take appropriate note of the social, political and economic forces which shaped the character and history of the Nation. Among those dynamic forces was the industrial revolution of the 19th century.

Central to the development and growth of that impressive phenomenon was the contributions made by the industries of New Haven, Conn., for many years a major manufacturing center, as well as those in other parts of New England. New Haven residents take pride in the fact that Eli Whitney established the principle of interchangeable parts in a local factory and that Charles Goodyear discovered a method of vulcanizing rubber while at work in our city.

Through the years, other, though less spectacular, breakthroughs in manufacturing marked the work of energetic and talented men in various local industries. Such a man was Hobart B. Ives—1840–1926—a retired prosperous farmer who obtained a patent for a mortise door bolt and founded the H. B. Ives Co. in 1876 in a small New Haven barn. For the next 100 years the H. B. Ives Co. prospered and became well known for the production and distribution of quality hardware. To this day the security lock, as well as a window sash lock invented and patented by Mr. Ives a few years after the company's founding, remain in the company's present line of more than 300 builders hardware products.

Upon Mr. Ives' death, ownership of the firm passed to his widow, three daughters and five business associates. One, Lauren Humiston, succeeded to the presidency, and he in turn was succeeded by Hobart J. Hendrick and John B. Morse, grandsons of the founder. In 1968, the company became the Ives Division of Leigh Products, Inc. of Grand Rapids, Mich., also a manufacturer and marketer of building products. Frank H. Woodman, Jr., has been president since 1971.

This year the H. B. Ives Co. is commemorating the centennial of the company's founding with the presentation of an appreciative Centennial Award to the top 100 of its longest and leading active customers.

Among the celebrants, as well, will be approximately 200 employees of the H. B. Ives Co., which continues to be a major source of employment for New Haven's skilled labor force and a valuable citizen and taxpayer of that community.

The Ives name, however, is appreciated beyond the borders of Connecticut. Widely known and recognized for leadership in quality products and customer service, the Ives name is prominent both in the consumer and new building construction markets. Its residential products include not only property protection hardware, but also door closers, cabinet hard-

ware, casement operators and hydraulic door closers. In the commercial, institutional and multiple dwelling building field, the company holds patents for several types of automatic flush bolts for the operating control of fire doors, and produces other items of essential convenient hardware. The company occupies a modern and recently enlarged facility built in 1965.

Mr. Speaker, I am confident that Ives' second century will be as exciting and innovating as was it first century. My congratulations go both to the company managers and its employees for a job well done.

ON ECONOMIC PLANNING

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. HARRINGTON. Mr. Speaker, this Sunday an article by Robert Heilbroner entitled "The American Plan" appeared in the New York Times magazine. Mr. Heilbroner, who is Norman Thomas professor of economics at the New School for Social Research in New York City, clearly and knowledgeably introduces the main concepts of national economic planning. In his article, Mr. Heilbroner raises and discusses the major questions and concerns surrounding the frequently misconceived proposal for economic planning.

Mr. Heilbroner's article is a comprehensive summary of the key elements involved in undertaking economic planning at the Federal level, and it is the most thorough discussion of the central issues that I have seen to date. The first part of the article covers such concerns as who and what gets planned in a planned economy, how planning gets done and by whom, and how planning and the market interact. The text of the first section follows for the benefit of my colleagues:

The American Plan

(By Robert L. Heilbroner)

America is drifting into economic planning. One may deplore the fact—Herbert Stein, chairman of the Council of Economic Advisers under President Nixon, tells us that planning will make the economy "more inflationary, less free, and less efficient." One may denounce it—Thomas Murphy, chairman of General Motors, predicts that national planning will be a "prescription for national chaos, or, at best, national stagnation." One may dread it—Walter Wriston, chairman of First National City Bank, warns us that planning will destroy our personal liberties.

But I do not think one can any longer deny it. Senators Hubert Humphrey and Jacob Javits have joined forces to introduce a bill (called by Humphrey his "single most important piece of legislation") establishing a national planning agency. A roster of eminent economists led by John Kenneth Galbraith and Nobel Prize winner Wassily Leontief have endorsed the bill. So have many labor leaders, following the lead of Leonard Woodcock of the United Automobile Workers. Most surprising of all, a small but growing number of influential businessmen, such as Felix Rohatyn of Lazard Frères and Henry Ford, have spoken out for the establishment of some form of national economic planning.

Thus, for better or worse, whether we welcome it or not, under the Humphrey-Javits bill, or another, I expect that within five years, perhaps much sooner, we will be officially embarked on something called National Economic Planning.

What will that planning be like? What changes would it bring to the American economy? In what follows I shall try to give plausible and realistic answers to some of the main questions that planning will force us to confront.

Quite properly, the first question that people ask is how national economic planning will affect their lives.

This is not an easy question to answer, because the impact of planning may be large or small, depending on what our planning effort is trying to achieve. National planning may mean an attempt to reach ambitious but narrowly defined goals—for example, converting the economy entirely to solar energy in, say, 20 years, Such a plan would have an immense impact on a limited number of people. It would do away with jobs in oil refining or coal mining, it might bring bankruptcy to innumerable businesses hitched to coal or oil and unable to find another berth. On the other side, of course, it would mean a bonanza for everyone connected with the development of solar energy. So far as the majority of households is concerned, however, it would probably mean little, until it came time to change over from gasoline-powered to electric-powered automobiles or from home furnaces to heat pumps.

But not all national planning will be narrowly targeted, and the wider and more general its goals, the larger the number of individuals who will be affected. Planning to limit inflation, for example, is likely to exert its impact on nearly everyone—perhaps only mildly, if the anti-inflation plan is limited to taxes; probably much more sharply if it incudes controls over wages and salaries and profits and prices. So, too, planning to avoid dangerous economic growth might brush lightly over our lives if it required no more than slight curtailments in our use of energy (smaller cars, or higher electricity charges), or it might interfere with life very significantly if a plan sought to bring industrial growth to a virtual halt because of the actions of a world-wide cartel such as OPEC or because of a very serious danger of atmospheric pollution.

Thus, one cannot give bland assurances that planning will be painless, any more than one is warranted in issuing pronouncements that it will be traumatic. What determines the extent of planning is the need for it, but that selfsame need may diminish the psychological impact of planning. For example, we are not likely to impose wage, price and profit controls unless inflation continues its ravages, in which case we are apt to welcome intrusive planning, not object to it. We will certainly not plan for a low rate of economic growth unless considerations of national survival are involved. In that case, too, planning will more likely be felt as a form of collective guidance than as an invasion of our freedom.

WHAT GETS PLANNED IN A PLANNED ECONOMY?

It must already be clear that there is no preordained size or shape to the activity we call "national planning." It is possible to plan for very clearly defined objectives. But we can also plan on a much broader scale. A national economic plan will probably be a coordinated set of *general* economic targets; say, a 50 percent reduction in unemployment, plus a reduction of the rate of inflation to 5 percent, plus an expansion of economic growth to 6 percent. Needless to say, these economic targets are not picked at random. In fact, one of the main purposes of planning is to discover what combinations of such general goals are compatible.

It follows that planning is by no means a wholly foreign kind of economic activity. Every deliberate effort to bring about an outcome of the economic process different from that which would emerge spontaneously from the market system is a form of planning. Unemployment compensation, Social Security and Medicare are forms of planning just as much as wage and price controls. The anti-inflationary actions of the Federal Reserve Board are efforts to plan the outcome of the economic process just as much as the designation of a national target of, say, 4 percent growth. What we mean by national economic planning, in its broadest sense, is thus an effort to coordinate existing plans, quite as much as an effort to extend the reach of our control over the economy.

HOW IS THE PLANNING DONE?

This brings us to a consideration of the planning mechanism itself. Here a basic misconception must first be put down. It is the idea that planning means the creation of an enormous blueprint of production, specifying the size and number and quality of buttons on every shirt.

There have been efforts at such total planning, notably in the Soviet Union, and they have been largely adjudged as failures. Useful for mobilizing an economy on a war basis (and the early Soviet planning efforts were a kind of war mobilization for economic growth), they have proved cumbersome and harmful once an economy has attained the complexity of a fully industrial system.

Only the advent of another conventional war or an environmental threat of warlike proportions would cause national economic planning in the United States to assume this kind of exacting specification. Rather, planning would almost certainly take the form of a series of steps of a very different nature.

The initial step in planning would necessarily be an effort to expand the amount and accuracy of the economic information at our disposal. Although we possess the largest and probably the best statistical service in the world, we are still woefully ignorant of many of the essential facts about our economy. When the Arab oil embargo struck, for example, we did not possess information about the size of our stocks of gasoline. Although we pretend that we have 8 percent unemployment, it is common knowledge that the unemployment "count" is extremely inaccurate, especially for the black and Puerto Rican minorities, and to this very day we do not possess an inventory of the numbers or kinds of job openings in the economy. Our estimates for many important economic magnitudes—our stock of money, our balance of payments, our Gross National Product—are all much too unreliable.

The first step in national planning must, therefore, be an expansion and improvement of our fund of economic information. The next step is to use this information to create a bigger and better flow-chart for the economy. We call such a flow-chart an input-output matrix. An input-output matrix is a kind of recipe book for production. Developed by Wassily Leontief, it enables us to ascertain (albeit only very roughly) how much steel, rubber, copper, cloth, etc., it takes to "cook" an automobile, a steel girder, or a billion dollars' worth of G.N.P. of a given kind. This is a much more complicated calculation than it might at first appear, because the ingredients for a given menu of output are larger in number and more diverse in kind than one could divine by looking at the final products. Input-output may show us that an attractive looking menu of output cannot be produced without expanding our facilities for production, or it may reveal an unexpected bottleneck that would abort a seemingly feasible plan for expansion.

Nevertheless, input-output, indispensable though it may be, is not planning itself. The act of planning consists of the selection and realization of goals for the economy. These may be narrow, specific "micro" targets, such as an energy program, or broad "macro" goals, such as a reduction of unemployment, or both. (Needless to say, this brings up the question of who selects our goals, but I will defer this problem momentarily.)

Goal-setting, as it is envisaged in the Humphrey-Javits bill or in any variant of this bill that is likely to become law, does not consist of the designation by a planning agency of one set of targets known as "the national plan." Rather, the procedure in goal-setting is to work up a number of alternative planning possibilities. These may be a series of specific microprograms—housing, urban rehabilitation, mass transit—any one of which could be undertaken singly, but all of which could not be mounted simultaneously because of the strain on our labor or material capacities. Or the alternative plans might consist of different combinations of macrotargets. Plan A might suggest 5 percent inflation and 6 percent unemployment. Plan B might suggest 8 percent inflation. Plan C might offer 4 percent inflation and 3 percent unemployment—a more attractive combination, but one that would require much stiffer controls than Plans A and B.

The job of the planning agency, working with its statistical information and input-output "recipes," is to concoct a number of such feasible alternative plans or scenarios.

But a number of feasible plans having been hatched, the full-fledged public debate now begins. This debate may be limited to Congress, or might possibly be extended to the public, especially if Plan A were endorsed by one party and Plan C by another. Eventually one or another set of plans is decided on—housing is given preference to mass transit, or vice versa; Plan D is arrived at by a process of compromise. The final plans are given the approval of Congress and the President and become the official economic goals of the nation.

How are the various goals to be reached? Written into each plan is a series of stimuli and sanctions designed to bring the objective into actuality. These may be nothing more than an appropriation of funds, comparable to the plans that once built the Union Pacific Railway or the Panama Canal. Or the necessary measures may be of a broader kind, such as a general injunction to use "all monetary and fiscal means" to achieve such and such a level of inflation and employment. It is also entirely possible that a given plan will include tax changes as part of its means-ends machinery: tax incentives for industries to invest in ways that are congenial to the plan; tax penalties for industries that do not; tax inducements for consumers to use their purchasing power in consonance with the objective of speeding up economic expansion, or slowing it down, or changing the composition of output.

If the plan is of the highest importance for national survival, it will surely contain coercive measures of various kinds. Materials may have to be allocated to industries deemed to be of the highest priority; crash programs of investment may have to be mounted, perhaps by the creation of a Government effort such as the Manhattan Project; very stringent controls or prohibitions might have to be imposed on industry and household alike if we had to execute an abrupt aboutface in our economic direction as a consequence of a very serious external threat.

WHO MAKES THE PLANS IN A PLANNED ECONOMY?

A vast amount of alarm and confusion surrounds the problem of decision-making. Conservatives warn us of faceless experts who will substitute their judgment for the "democracy" of the market. Business fears a paralyzing bureaucracy. The left is suspicious of a corporate take-over of the planning apparatus.

None of these warnings are to be lightly disregarded, and I shall return to them. But I think it is best to begin with a more positive approach. I envisage the planning process as closely resembling the legislative process. This means that at every stage of planning—informating gathering (what information?), input-output model-building (under what assumptions?), alternative planning goals (for what ends?)—there will be a struggle to insinuate many views. Corporate elites, charismatic individuals, powerful politicians, labor unions, regional and other lobbies, public groups of many sorts will be writing letters, taking people out to lunch or trying to pull strings to get some portion of the plan to represent their interests or points of view.

Hence I suspect that the goals presented for debate and deliberation will already reflect the untidy, adversary, influence-peddling ways by which a democratic system runs. I also suspect the final plans will be as good and as bad, as outrageous and as sensible, as reactionary or as radical as the mass of legislation that today emerges in roughly the same way. In a word, if one has faith that a democracy can govern itself, there is no reason to believe that it cannot plan for itself.

Of course, it is possible to harbor severe doubts about the self-governing abilities of a democracy; and for the same reason it is possible to harbor serious doubts about planning. There is a danger that the planning options may be usurped by faceless experts who will try to apply to the national economy the same masterminding that they applied to the conduct of the Vietnam War. It is certainly possible that the planning agency will become bureaucratic.

And I would assuredly not dismiss the fears of the left that planning may become an instrument of corporate capitalism. Indeed, it seems very plain that the main purpose of planning will be to shore up and underpin, not to weaken or undo, the business system. Nevertheless I do not think that business interests must dominate planning even though the business interest is served by it. Labor and consumer groups will probably have more power and influence under a planning arrangement than they have today.

HOW MUCH MARKET WILL BE LEFT IN A PLANNED ECONOMY?

The great hue and cry of those who oppose planning is that it will replace the market—that vast, flexible, democratic instrument by which a "free" economy makes its collective decisions about the kinds of goods it will produce.

I have no desire to deprecate the usefulness of the market, whose capabilities have been reluctantly recognized even within the Soviet bloc. But it is necessary to view the market with the same degree of skeptical criticism that we apply to planning. First, we should recognize that what we call "the market" is not a single great current of economic activity against which no institution can assert its independent will. This may be true for the individual farmer, retailer, or small businessman, but it is emphatically not the case with large companies that dominate their fields and that can assert their wills to a very considerable extent. As American Telephone and Telegraph states in a series of recent advertisements. "The telephone system didn't just happen. It was planned, right from the start."

In fact, the big corporations in all industrial areas act like private planning agencies, a point eloquently expounded by Galbraith. To a very great degree, the big companies hold the market at bay, raising or lowering prices when they want to, not when an oceanic flood of competition forces them to. So, too, they expand (or contract) their enterprises according to long-range forecasts that ignore the immediate press of business conditions.

Second, we must realize that the market is far from the democratic institution that is popularly projected. The market is a kind of continually recurring economic election, in which households vote with their dollars for the kinds of goods they want. That would be democratic indeed, if all households had equal votes. But of course they do not. The top 20 percent of households have 40 percent of the economic "voting" power; the bottom 20 percent only 5 percent of the purchasing power. A family like the Rockefellers casts as many votes as ten thousand families at the poverty line. Is this democracy?

Last, the market surely serves very well to express the collective, albeit lopsided, appetities of its constituency for commodities, but it has no means of giving voice to objectives that are not themselves given the status of commodities. For example, the market brings forth an assemblage of cars—big cars for big pocketbooks, small cars for small pocketbooks. Even if we accept this distribution of output as "right," we must not forget that in addition to automobiles, the market process has also brought forth traffic congestion, pollution, risk to life and limb. But the market place is blind to these "externalities"—that is, to these side-effects of production.

Perhaps the planning-market controversy can best be summed up by saying that the market is a poor goal-setting mechanism. The "goals" it establishes reflect the buying power of the rich far more than that of poor, are distorted by powerful aggregates of massed corporate wealth, and are without recognition of any end-result of economic activity that bears no price tag. Planning is an effort to remedy this distorted or missing goal-setting ability along the messy but workable ways we have described.

On the other hand, the market is a remarkable administrative mechanism, even in those areas where private power is most evident. Far better than any corps of planning inspectors, it oversees the quick adaptation of new techniques; it provides factories and stores with opportunities to deal with efficient suppliers; and it offers customers the ultimate weapon of choice. Planning does all these things badly, if at all. Therefore, any national economic plan, save one designed to implement a crash program of vital importance, would lean heavily on the market system. The flow of goods from plant to plant or from plant to customer; the entry of labor and capital into industries or their exit from those industries; the organization of production, will all be largely entrusted to the profit-seeking, competitive ways of the accustomed market mechanism. Planning may have to intervene in nonmarket ways, such as by control over prices and wages or by direct materials allocations, but only if milder techniques for influencing inflation or output are ineffective. The preferred ways of making a plan work will be by techniques that work through the market, rather than against it.

NMC: A LIFE SAVING PRIVATE BUSINESS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. DRINAN. Mr. Speaker, the very distressing recommendations made by the administration to cut back on Federal funding for all types of medical research and health care programs prompt me to share with my colleagues a very moving account of a very valuable health program made possible by the 92d Congress. Public Law 92-603 provides medicare payment for dialysis treatments. The law results in the Federal Government paying 80 percent of the typical $120 per visit cost for persons afflicted with kidney disease—as described in the attached article.

The Boston Sunday Herald Advertiser on October 26, 1975, printed an article written by Ed Francis on National Medical Care, Inc., a life-saving private business. This story demonstrates the magnificent help which citizens can receive when the Federal Government collaborates with private agencies specializing in the delivery of advanced health care.

The article follows:

NMC: A LIFE SAVING PRIVATE BUSINESS

(By Ed Francis)

There's a bronze-tone glass and concrete building on Commonwealth Avenue called The Kidney Center. Some 250 persons enter its doors three or four times a week and stay 4 to 6 hours on each visit. For each individual the visit is a matter of life. They are on dialysis, the life-giving artificial kidney machines.

But there's a story behind that story. It's National Medical Care, Inc., headquartered at 77 Pond Avenue, Brookline.

Founded in 1968 on a unique concept which aims at providing highly efficient, advanced health care delivery systems. National Medical Care has grown into a major New York Stock Exchange listed company with assets over $55 million serving a specialized market estimated at over $200 million and growing.

The Kidney Center is a unit of National Medical Care. So is Erika, Inc., headquartered at Englewood, N.J. with manufacturing plants in Dallas, Texas.

At The Kidney Center patients occupy some 44 stations around the clock. Each station has a comfortable lounge which serves as a bed or recliner, a TV set, reading lights and a dialyser, (artificial kidney). Typically, each patient is connected to the artificial kidney for a period of 4 to 6 hours three days a week. And while on the machine, they read, watch TV or sleep. That's how far the technology has advanced.

Following the procedure, the patient is detached from the equipment and can return home or go back to work. Patients with no kidney function at all now can lead near normal lives for prolonged periods. A few years ago, a patient with kidney failure was lucky to stay alive.

National Medical Care, Inc. now does all of the outpatient dialysis treatments for Massachusetts General; Tufts New England Medical Center, Peter Bent Brigham and St. Elizabeth. In other cities across the country, the same type of operation exists with the same relationship to major hospitals and medical schools.

The staff of The Kidney Center includes 15 doctors who specialize in nephrology and some 200 employees including registered nurses and technicians who work one of three shifts. Nationwide, National Medical Care centers employ over 2600 doctors, nurses and technicians.

In addition, National Medical Care's subsidiary, Erika, manufactures the filters used in the dialysis machines. This is a $66 million per market currently dominated by Baxter Laboratories but National Medical Care is aiming at getting a share of it, say 10 percent this year.

The company's revenues increased from $30.6 million in 1973 to $49.5 million in 1974. Next year it is looking at $100 million revenues as it opens new health delivery systems centers across the country. It has a capital expansion budget of about $15 million for the year and it expects to create about 1000 new jobs.

Public Law 92-603 provides Medicare payment for dialysis treatments. The law, in effect, results in the Federal government paying 80 percent of the typical $122 per visit cost. This law was a major factor in the development and growth of the modern kidney machine centers now being built, and development and application of the technology that permits people to use the treatment in a dignified, comfortable manner, and in a highly sophisticated, safe environment provided by a new form of privately financed, health care service.

PROFITS AND DÉTENTE

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. MADDEN. Mr. Speaker, on last Monday evening millions of people who were listening to the President's annual state of the Union message were amazed that there were no reasons given for the fabulous billions of dollars that have been sent to about 45 nations over the globe during the last 5 or 6 years. Most of the listeners remembered the President's nationwide broadcast in late November wherein he devoted most of his time to calling the 94th Congress a spendthrift Congress.

In the second day after that broadcast at a news conference the President announced the granting of approximately $4 billion to 28 nations in sums ranging from $50 million to $300 million. Many of these nations were in far better economic status than the United States.

The President devoted considerable time to the budget and the problem of our tax income in order to wipe out any possible deficit for 1976-77. He had several suggestions about raising taxes primarily on programs which would throw a further burden on the wage and salary taxpayers but in no way indicated that there might be an increase in taxes on the fabulous profits enjoyed by corporate conglomerates during his short term in office and that of his immediate predecessor.

Many Members of the House regretted this omission and as evidence of their apprehensions, I am herewith incorporating with my statement a short résumé on corporate profits which was contained in one of our weekly publications recently:

THIRD QUARTER PROFIT JUMP EXCEEDS EARLY ESTIMATE

Corporate profits in the third quarter of 1975 rose even more than initially reported, the Commerce Dept. announced.

Revised government figures show after-tax earnings, in the July to September period increased to a seasonally adjusted annual rate of $82.6 billion—up 17.5 percent from the $70.3 billion rate of the previous quarter, the sharpest jump since 1950.

Earlier government estimates had put earnings in the September quarter at an $82.2 billion adjusted annual rate, or 17 percent over the second-quarter level.

About 75 percent of the profits rise in the July-September period was accounted for by manufacturing industries, especially durable producers such as automakers, the Commerce Dept. reported. Utilities, railroads, communications and trade concerns also posted large gains.

Stockholders' equity in manufacturing concerns increased in the third quarter to 12.4 percent from 11.8 percent in the second quarter, the government said.

Mr. Speaker, I also wish to incorporate with my remarks a few paragraphs from the editorial page of an outstanding Republican newspaper from Indiana, the Indianapolis Star of Friday, January 23, to wit:

DÉTENTE DIPLOMACY HAS LOST MEANING

That we no longer possess a coherent foreign policy has been amply demonstrated by the Ford administration's contradictory responses to the Angolan situation. American foreign policy is conceptually bankrupt.

As originally formulated, the idea of "detente" had a number of features, but absolutely central was the concept of "linkage." Secretary of State Henry Kissinger claimed to view all aspects of U.S.-Soviet relations as interconnected. Thus, a Soviet power play in Angola or elsewhere might not be met with military force, but it would cost the Soviets commensurately in terms of credits, or grain, or technology, and presumably other weapons, diplomatic and economic, could be brought to bear.

All of this now looks like a gossamer fantasy. Linkage was not applied to the Soviet-backed conquest of South Vietnam, nor to the attempted pro-Soviet coup in Portugal. It has not been applied to Angola, and indeed the Ford administration has explicitly disavowed it as a weapon.

To be sure, in his talk to the American Farm Bureau Federation in St. Louis, the President warned that continued Soviet intervention in Angola will harm Moscow's "broader relations" with the United States. But the President removed all substance from the threat when he added immediately that American grain sales to the Russians would be in no way affected.

We were to reach limited agreements with the Soviets on strategic hardware. We would conclude trade agreements beneficial to the Soviets but available to us as leverage. Under the "Nixon Doctrine," we would supply military and economic aid to those who were willing to "help themselves" when threatened with Communist takeover. It was a paradoxical combination of agreement plus leverage plus tough competition. Nixon himself was an important part of the equation: His 1972 bombing and mining showed that the U.S. had an impressive repertoire of responses, and that the risks of aggression could be high.

As detente is now being pursued, however, the vital elements of leverage, tough competition, and helping those who help themselves have all dropped out of the equation. That is why Ford and Kissinger received blunt lectures on the hollowness of detente on their recent visit to Peking, and, strangely enough, it may explain the effusively warm reception given by the Chinese leadership to David and Julie Eisenhower, nee Nixon.

Kissinger no longer has a credible foreign policy vis a vis the Soviet Union.

AMERICAN COLLEGE OF NUCLEAR PHYSICIANS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. LEHMAN. Mr. Speaker, I would like to bring to the attention of my colleagues the official recognition of a relatively new discipline of medicine—nuclear medicine—and the establishment of the American College of Nuclear Medicine, which has been of considerable assistance to the Congress in its efforts to insure the safe and speedy delivery of this sophisticated type of health care.

Nuclear medicine is the clinical field concerned with the diagnostic and therapeutic use of radiactive materials, called radiopharmaceuticals. It is a vigorous, dynamic field that has had phenomenal growth over the past few years and will continue to grow rapidly in the future, given the proper conditions.

Not only is nuclear medicine an infant compared to the basic practice of medicine, but the fearful images sparked by thoughts of nuclear reaction make it more difficult to deliver the benefits of this discipline to our Nation.

The newness of the discipline was underlined recently in the action of the American Medical Association, which, despite the long-time existence of other special sessions, voted on in November of last year to establish a special section on nuclear medicine.

Dr. Gerald DeNardo, president of the American College of Nuclear Physicians, spoke to this issue at the annual convention of the AMA in Atlantic City last year, and noted:

> The College respectfully urges the establishment of a Section on Nuclear Medicine. There is a special urgency for action at this time.
>
> The pressures of current social crises, while affecting all medical practice, are especially pressing in the area of nuclear medicine. The air transportation of radiopharmaceuticals is just one area in which we have been active recently. This, and the resolution of other matters, would be more effectively enhanced by the establishment of a section.
>
> Until such a section exists, the practitioners of nuclear medicine cannot properly contribute to organized medicine and the health care delivery system.

This is the principal purpose of the college. It grew out of the Society of Nuclear Medicine, which is devoted principally to the scientific progression of the discipline. The founders of the college felt that an organization was needed to deal with problems of a more ordinary nature which were hampering or threatened to hamper the safe and economical delivery of this health care service.

The college listed among the problems encountered in the field the following:

Public fear, lack of understanding, and misinformation about nuclear medicine;

Unnecessary and costly regulations and restrictions;

Complex State and Federal regulations;

Transportation difficulties involving nuclear medicine supplies; and

The previous lack of a cohesive effort to attack such problems.

The thrust of the new organization's efforts has been in the direction of fostering activities which will help practitioners deliver this health care to the public, safely and at minimal cost.

For instance, the college has been in close contact with the Subcommittee on Government Activities and Transportation, particularly regarding its recent oversight hearings on the implementation of the Hazardous Transportation Act by the Department of Transportation and the Federal Aviation Administration. The college found itself in agreement with the members of the subcommittee on the necessity of safe transportation of hazardous materials—including nuclear supplies—without the disruption of speedy delivery of medical supplies.

Both the subcommittee staff and the Air Line Pilots' Association reaffirmed the necessity of fast and efficient air shipment of radiopharmaceuticals, subject to proper packaging and quantity safeguards.

The organization is also vitally interested in the proposed amendments to the Public Health Service Act, and has made its input to the Senate and House Subcommittees on Health in this area of health care.

The college was one of the organizations filing comments on proposed Federal Aviation Administration regulations on the monitoring of radioactive materials by aircraft operators. A number of organizations felt that the emphasis in the regulations was wrong, and the college felt that the proposed rules could hamper the speedy delivery of medical supplies. As a result of comments, the Department of Transportation revoked the rules and proposed new ones.

The college is also working with the Food and Drug Administration and other Government organizations in promoting programs which will benefit the Nation in the field of nuclear medicine.

The activities in this area are too numerous to recount at this time. My purpose is simply to draw attention to some of the many efforts being made to cooperate with the Federal Government to facilitate the delivery of health care to our citizens. It might also be worth noting that the college is active in encouraging State organizations of nuclear medicine to work with the States for more consistent nationwide programs.

The college is closing its second year of existence with a convention in Miami beginning January 28. During the convention, members of the college will discuss ways of building on cooperative efforts to foster the safe and economical delivery of nuclear medicine. Recognizing the vital importance of progress in preventing and treating diseases with the best methods and technologies that are available, I hope my colleagues join with me in wishing them well.

AMERICAN-TRAINED COMMUNITY PLANNER REVISITS CHILDHOOD HOME

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. ALEXANDER. Mr. Speaker, in 1923 J. Anton Hagios came to the United States from his home in Germany to study at Brown University, and stayed to make our Nation his home and to build a career in community planning and transportation. Last summer he visited Germany for the first time in 52 years.

Mr. Hagios is now executive director of the New Jersey Citizens Highway Committee. In response to a request from a friend who is a journalist, Mr. Hagios set down his observations from his first trip to Germany in half a century. In view of Mr. Hagios' experience in planning and transportation and our own concern for learning from the experiences other peoples have with transportation systems, I believe his comments on transportation planning and systems operations in Germany would be of interest to my colleagues. Therefore, I would like to make a part of the RECORD some excerpts from Mr. Hagios' "Notes on Trip to Europe."

Excerpts from "Notes on Trip to Europe" follow:

NOTES ON TRIP TO EUROPE

The trip was strictly personal, being my first visit "back home" since I came to America in 1923 to complete my education at Brown University. It had no business connotations.

During the Hitler era I would not visit Germany, and after World War II, I had no desire to see my old home town, heavily damaged at it was from bombing.

Now it is rebuilt except for a half dozen houses. One of these turned out to be my family home. A temporary brick wall has been built over and around a lone foundation stone—the last remaining relic of what I had known as home.

GENERAL IMPRESSIONS

Having been deeply involved in post-war planning of Newark and of the North Jersey Metro Area, and later, as Washington Representative of the National Good Roads Association, in the development of the expanded Federal-aid Interstate Highway Program, I could not help but make some specific observations in these two areas without, however, giving them in-depth study.

CURRENT UNEMPLOYMENT

The German construction industry would seem to be crying wolf. If there was one project, there were at least fifty of major proportions going on in Freiburg alone, and a half dozen in the little village of Gottenheim where even for small homes, cranes are used for hoisting building materials. I found one dilapidated house in all of Gottenheim, and upon inquiry, I was informed it is scheduled for the bulldozer for a highway widening next year. The leading Stuttgart newspaper was reporting in July that Germany and France are jointly planning to prime the pump for construction employment relief this fall at the rate of $2-billion in Germany and $5-billion in France—most of it to go to transportation—highways, rails, canals, bridges and, most important, for projects authorized and ready to go. Once Bonn and Paris vote the funding, a government official told me, construction will proceed full speed ahead to meet or beat a set completion date. He added that environment considerations are built-in features of their construction programs. The only environmental opposition I encountered was at Whyl on the Rhine, close to the famed Kaiserstuhl vineyards. The objection was to the building of an atomic plant to supply additional electricity needed for further economic growth.

TRANSPORTATION OBSERVATIONS

It is apparent to a transportation observer that the people over there "practice" balance among modes. They choose rail for longer trips, and rail and bus for commuting. Car ownership continues to grow, and its increasing use, particularly for weekend recreational and vacation travel, has obviously reduced rail use to that extent. For example, the local Freiburg-Breisach rail line has fairly frequent service during the non-commuting hours but I counted few riders. Here, too, the car, and the bus even more, have cut deeply into rail patronage. The fact that this line used to run into Colmar, France, but now terminates at the border, might also have contributed to the loss of passengers.

Highways, roads and streets are generally in better shape than in New Jersey, I'm sorry to state. The autobahns in Germany are good, somewhat dated in view of constantly growing volumes. They are well maintained, and travelers enjoy excellent road service when it comes to such things as tire changing, through constantly patrolling service vehicles operated by an international automobile club whose labor charges are nominal or free. The new autobahn now being completed in Switzerland between Basel and Zurich, is up to our standards in America. Alsace has fairly good secondary roads but from what I saw, remains behind the freeway parade of France and other parts of Europe. In Germany, well paved country roads, though heavily travelled, still go through rather than around numerous villages, with drawbacks to both the village and the through traffic. The cities have protective safety devices, but the villages do not.

Railroad trains are superb

Frequent service, clean, on time, comfortable, the conductors are pleasant and jovial, and did the fellow-passengers in my compartment know America and make me feel welcome. Even locals, comparable to the Dinghy, leave the moment the second hand strikes departure time. The train master blows his whistle exactly five seconds before. Since the end of World War II, all railroads in Germany have been gradually electrified, with the stanchions carrying the power lines only about half as high as those of the Pennsy, with a minimum of disturbance of the country scenery.

Bus lines

I didn't notice any long distance bus lines except chartered ones. Commuter lines, state and privately owned, are so scheduled as to not compete with each other, or with trains if they parallel a rail line. These buses are comfortable though not air conditioned. Entrance is at the front, exit at right center, with baby carriage space at left center and the driver gets out of his seat to help the mother put the carriage on and off the bus. Baby and carriage ride free within city limits.

Streetcars—double and triple units are modern, excellent, a trifle slow, but always filled. The conductor sells you the ticket but you have to cancel it by inserting it in the machine. They operate much the same as the bus. Tickets are transferable within city. Bus and streetcar fares are as high or higher in Freiburg than the new subway rates in New York. Nothing sacrosanct over there about the user of public transit.

CENTER CITY TRAFFIC

An objective of good urban highway planning is the separation of through traffic from locally destined traffic, with adequate ingress and egress points around the perimeter. In the early Fifties we had such a dream for Newark, N.J. but its realization would have necessitated knocking down valuable ratables, business and residential, besides raising a host of other community relations problems. In Freiburg, and presumably in other German cities, they have had these problems solved for them by World War II bombings. When rebuilding began, virtually from scratch, the planners concurrently provided long range traffic flow facilities, inner loops and outer loops, ingress and egress properly located, and parking, under and multi-deck, etc. They had the opportunity to go ultra modern in rebuilding their cities through proper coordination of land use and traffic management—and in Freiburg, they did.

Parking facilities are numerous, strategically located, adequate in location and size of each, some underground and some above, well managed, reasonably priced, designed with a view to internal safety for cars and people, meticulously clean, with multiple elevator banks.

No vehicular traffic is allowed in the center city except for deliveries in early morning and late evening and, of course, street cars because they run on tracks. Pedestrians use the traffic pattern to full advantage. In mid-July I saw the volume of shopper traffic that compares favorably with ours in mid-December. Hardly a week goes by that Freiburg does not stage a crowd-attracting event. If it isn't music week, it's a costumes festival, or a winefest week. Bands from the nearby villages are brought to town to keep the crowds entertained all week. The inns, and there are many of them, put up their tables in the streets, to the dismay of streetcar operators.

In Freiburg, one would cross a loop expressway at his own peril. To do so almost surely would be lethal. That's why the inner loop system expressway has under- and overpasses at high volume points, and properly timed traffic lights for crossing at grade at other points. The inner loop traffic moves efficiently, smoothly and speedily.

Abutting sidewalks have sturdy iron rails for pedestrian protection. Underpasses and overpasses were built to be used, with special consideration for the aged, the infants and the handicapped. One center city underpass had both steps and smoothly functioning escalators. Way over on one side are special steps about one and one-half feet in width flanked by two one-foot wide concrete ramps, with one ramp containing a U-shaped steel track with a three-inch gutter to guide the wheels of postmen's carts, baby carriages and wheelchairs. To help pay for these underpasses, their walls provide merchandise display windows a la Gimbels in New York between the Avenue of the Americas and Penn Station.

EUROPE BENEFITS FROM AUTOMOBILE USE

Industrially employed Europeans go on vacation in shifts. On Sunday, July 20, I found myself on the German autobahn from Basel to Frankfurt, while the first shift of these vacationers was northbound, going home, and the second shift was southbound, starting their vacations in Switzerland or Italy. German cars were outnumbered about two-to-one by those of Holland, Belgian, French and Scandinavian registry. A week before at Lake Titisee, high up in the Black Forest, a full parking lot was about equally occupied by French and German cars. And it was amusing to me to hear Germans try their best French and vice versa. . . .

In America, it has become fashionable to blame the automobile for many of the evils that beset us. In Europe, they have learned to blend the automobile into its proper niche within the framework of all modes of transportation. In fact, in Europe, the automobile appears to be accomplishing a goal that still eludes its politicians. It is bringing people of various nationalities together as never before.

THE WHEAT REBELLION

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. ANDREWS of North Dakota. Mr. Speaker, I know that my colleagues representing inner city and urban areas have their share of answering the many and complex problems facing their constituents and the problems of farmers often seem far removed and unrelated to their own people. But, believe me, they are not.

It is farmers who produce food—and food is the one item in everyone's lives we must have—the poor and the rich alike.

The production of food abundance can no longer be taken for granted. Less than 2 million commercial farmers are now being asked to continue all-out production to feed a Nation of 215 million people and to export another $22 billion more to other nations so we, in turn, can buy the crude oil to run our factories, keep the electric turbines running, and heat our homes.

Farmers, today, do not accomplish this with a mule and a plow. Today's farmers require massive amounts of capital. When farmers have been asked to plant fence to fence to meet the demands for food here at home and abroad—they have done just that, at great expense of labor and capital. They did not, I might add, do like so many other industries and operate at 50 to 75 percent of capacity and create unemployment figures of 8 and 9 percent.

And may I submit, Mr. Speaker, that had we not been able to export some $22 billion in food to help pay for our massive imports of oil, many more factories would be running at much less capacity or would have been forced to shut down entirely. Had this happened we would not only have double-digit inflation, we would now have double-digit unemployment.

Mr. Speaker, my good friend, F. W. Denison, editor of the Towner County Record Herald, has spelled all this out in a most thoughtful editorial which I suggest is required reading for every Member of the House.

The article follows:

The Wheat Rebellion

"Good Evening folks: There is wonderful news tonight for the American Economy and the American Consumer. The Teamsters Union has been ordered to take a 25 percent cut in their incomes. They will continue to load ships and drive trucks and work in the factories the same number of hours as before. They don't know how they will pay their bills with 25 percent less income, but for the good of the country and the American consumer, they will patriotically continue to give 100 percent efficiency as before. This means the battle against inflation is being won, though prices on products influenced by teamsters salaries will continue to rise. However, this is a real victory for America and the American consumers and your Labor Department is proud and happy that this has been accomplished".

Sounds Impossible. You bet your life it is impossible. If the United States Labor Department handed the above release to the evening newscasters as a statement on the well being of the economy, every Union worker in the nation would walk off his job in rightous indigation.

However, that is exactly what the American farmer and the small businessman who depends on the rural economy hears day after day in pronouncements from the Eastern economists, the State Department, the politicians and even the Department of Agriculture, about their incomes. "There is good news tonight folks—in figures just released, farm prices have plunged again, and though food costs continue to rise, this means the battle against inflation is being won".

We hear no concern about how payments are to be made on skyrocketing costs in machinery, fertilizer or mortgages. We hear no concern from the Teamsters Union, whose intervention at the docks caused the embargo and loss of substantial sales overseas, as well as a sagging market. They just think they saved 1 cent on the cost of a loaf of bread.

If Mr. Meany knew of what he spoke he would be pushing all the exports possible, not only to keep the Teamsters working, but to fight unemployment of his members. Every one billion dollars of exports means 50,000 new jobs for industry, as well as the 19 percent industrial output in cars, machinery and oil consumed by American Agriculture.

If a farmer feels he is being treated like a "second class citizen" he has every right. So does every business or professional person or skilled worker in rural America who is part of the rural economy. Mr. Meany seemed to think as he made his demands, that rural America is made up of some sort of "peons" that each spring can be ordered to efficiently keep producing food for the world, mortgage their future with soaring expenses and then listen to the rest of the nation "rejoice" as the price of wheat he raises drops 25 percent.

If machinery manufacturers would accept a 25 percent cut and their employees would accept a 25 percent cut we might get somewhere. That would be news. However, they patiently point out that this is impossible because the product would cost more than they would be paid. So what is new? The farmers have been doing that for years.

There is no question Rural America is very angry. The only way they can show their indigation is to gather and draw attention to a situation they consider grossly unfair. For many years they have taken care of their soil, put in their year's labor and scraped together enough for another mortgage payment or gave up and took a job in the city when they couldn't make it.

Suddenly the price depressing government surplus stock was sold and could no longer be dumped to keep the price down. Farmers found how it felt to produce a good crop at parity price. The paid their mortgages, ordered new machinery and cars and mom got some of the furniture she had waited for. Even the government was elated that the American dollar was being propped with grain exports which were paying for oil exports and holding down inflation.

Now respect for the skills of those who grow the food is on the back burner again & pronouncements are pouring forth from the "experts." Meany, in a foreign policy speech, demands we "refuse to sell wheat to Russia to punish them." Congressman Jackson demands we use wheat to make the Russians change their immigration policies and Candidate Reagan feels we should "withhold our wheat" and bring the hungry into line."

The Russians have been listening and have turned to Canada which has now disposed of most of this year's crop at $5 and $6 a bushel and committed part of next years. Russians are pleased they do not have to pay the extra $16 a ton to the Teamsters Union for loading their grain. Australia is bringing in the biggest wheat crop in history and want to sell it. So is Argentina. Still the politicians babble on, with so little knowledge of the stamina of the Russian people that they do not realize they are used to hardship and their leadership will let them go without before they get pushed around.

Farmers are beginning to gather and shout that it is their wheat that is being discussed and if they don't care to sell it, they won't. When nearly 10 percent of the farmers in North Dakota turn up at a meeting in Carrington and much larger percentages are gathering in dozens of community sessions, they certainly mean business. For the first time in our memory in Cando the Farmers Union, the Farm Bureau and the NFO were under one roof and managed to keep their silence about their own particular philosophy long enough to be willing to discuss what is best for the "wheat producer" regardless of his politics. This alone is a miracle.

However, it is going to take some very cool heads, if farmers feeling their power, do not cut off their noses to spite their faces. Groups such as the Wheat Commission have labored for a decade to build up export markets and are concerned that farmers must be ready to fulfill these commitments or lose the market. Price should be no problem if they accept the $5 a bushel as parity which has tentatively been set as a reasonable cost-plus goal, for it has been paid to other exporters. Our food is a weapon for Peace but the battle for Peace must be fought and paid for by more than one segment of the economy. No price cutting in the weapons factories is noticed.

There will be a meeting January 26–27 at Jamestown and we hope every farmer who can will be there. North Dakota is the top Durum, and hard wheat, barley and flax producer in the nation. An impressive number of concerned people might make the Washington politicians and economists sit up and take notice that the "peasants" who grow their food are just as intelligent, just as informed and just as patriotic as they are.

They may also become aware that what they are talking about is still the farmers wheat and it is still in the farmers granaries. They may also realize that it will be the farmers decision alone how much wheat will be planted next year. If they feel this price uncertainty and manipulation will continue, there will certainly be less acreage risked.

This nation depends on the farmers know-how, their land and their equipment as does the hungry world. This time farmers are not begging the government for a support floor to squeeze through another year, and subsidize the consumer of food. They are demanding that they be considered first class citizens—just like anyone else.

TRANSPORTATION IS PRIME CONCERN OF OLDER AMERICANS

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. BLOUIN. Mr. Speaker, last Thursday I had the distinct privilege to testify before the Subcommittee on Federal, State, and Community Services of the House Select Committee on Aging. As you may know, the subcommittee has opened a series of hearings on the very critical problem of transportation for older Americans.

Because of my work on the Retirement Income Subcommittee of the Select Committee and the conclusions of a recent Intergovernmental Conference on Transportation for the Elderly which I sponsored in Iowa, I was able to share with the subcommittee some suggestions and ideas which I think deserve our closest attention.

Because I know many of my colleagues in the House are also very concerned about the problem of elderly transportation, I would like to share those remarks with them in the hope that we may stimulate a serious and concerned discussion within the Congress on this issue and the legislation which we need to solve the problem.

Mr. Speaker, the text of my testimony to the subcommittee follows:

As many of you know from our work together on the Aging Committee, I am especially concerned, as I know you are, with the problems of older Americans. And it is clear that older Americans have no greater problem than adequate transportation. It is a problem which overwhelms all other problems (and that list of problems is lengthy). It is a problem which necessarily supersedes all those other problems.

We are particularly aware of that problem in Iowa because ours is a predominantly rural State and a State with an unusually high percentage of elderly citizens, many of whom live in rural areas and small towns. According to the latest census statistics, there are an estimated 372,000 Iowans over age 65. Out of a total State population of about 2.9 million, the number of elderly citizens over age 65 is about 12½ percent which ranks Iowa third among all the States in per capita population over age 65.

In Iowa, as in most predominantly rural States, we have witnessed the deterioration or discontinuation of traditional modes of transportation which elderly residents could once depend upon.

On the one hand, we face a general but deliberate decline in rail service. On the other, we are left with a rural road and highway network that is at best unmodern and at worst outright unsafe. The discontinuation of other forms of public transportation have deprived rural Iowans—especially elderly citizens—of vible and reliable forms of transportation above and beyond the private car.

Automobiles are a form of transportation which is becoming increasingly more expensive and, for that reason, increasingly less viable for elderly people. To give you some idea of the problem which elderly people face in a rural State like Iowa, an analysis of the latest census figures reveals that 54 of the State's 99 counties report that over ten percent of households have no car at all. In effect, in these rural counties a significant portion of the population has virtually no immediate access to transportation of any kind. In addition, the statistics show that 70 percent of Iowa's households have access to no more than one car. In a rural area, with no access to public transportation, the limitation of one car is often a severe transportation handicap.

I cite these figures because I suspect that Iowa is no more and certainly no less typical of many States where transportation services for elderly citizens are practically nonexistent.

It was no surprise to me that, when the Select Committee's Retirement Income Subcommittee held hearings in Iowa last August, we heard from witness after witness who testified to the fact that there is no problem more serious or more critical than transportation for senior Americans. The record of these hearings, which is now available in printed form, is a clear indication of the problem and the challenge we face in designing, developing and implementing an effective, efficient, workable transportation network for older Americans.

More recently, my office sponsored and coordinated a statewide Inter-Governmental Conference on Transportation for the Elderly in Iowa. This conference of Federal, State, and local government officials, representatives of major social services agencies and senior citizens' organizations, and individual senior citizens themselves discussed the problems of transportation for two days and developed a series of policy recommendations which they think will most effectively address a solution to the problem.

I am here today not only to express my own deep, personal concern about the problems of transportation for senior citizens, but also to submit for your consideration the recommendations and suggestions made by our Iowa conference. While I personally have reservations about some aspects of the recommendations, I think you will find them perceptive, informative and helpful in considering not only the problem, but even more importantly, in developing solutions to the problem.

I am submitting a copy of the conference recommendations for the record. Let me note, in passing, that the recommendations speak to some of the most obvious and most serious problems which I think we encounter in current and future efforts to remedy the elderly transportation problem.

To the best of my knowledge there are some 28 different Federal programs which provide funding for transportation systems for elderly and handicapped people. The programs are authorized by a variety of laws, are administered by a variety of agencies and are designed to cope with a variety of very specific, very specialized situations—all of which leads to a wide variety of individual programs, all necessarily small, specialized targeted for specific populations and poorly funded. As a result of legislative or regulatory constraints, these programs are either unable or reluctant to pool resources and coordinate services. Consequently, it's not surprising that they are unable to provide more efficient and more effective transportation services for senior citizens. The Iowa conference recommends, as a primary goal, that we pool funding sources under one agency, such as the Department of Transportation.

Secondly, the conference recognized that a major problem, in addition to the duplication of funding resources, is the lack of on-going operating funds. Current legislation almost exclusively underwrites initial capital expenditures but provides little on-going monies. This is crucial, as the conference points out, because almost 80 percent of total expenditures for special transportation systems are earmarked for operating expenses.

Let me underscore the significance of this problem with an example from my own district:

Local governments in a seven-county area around Cedar Rapids, Iowa, developed a coordinated and, it seemed to me, a highly sophisticated transportation program called "S.E.A.T.S.," with funding from title 3 of the Older Americans Act. The initial funding was for a start-up and a 6-month pilot program. It proved just enough to get things going—to give elderly residents in this part of the State a taste of what kind of transportation services could be provided if local governments worked together and had the money to do the job.

Unfortunately, this program was forced to shut down entirely last summer because its initial funding ran out and additional, ongoing support was not available.

Local governments have been struggling since August to patch up the program, or substitute local efforts, but they face almost insurmountable problems of a logistic and financial nature. And even if they are able to develop local alternatives, they will lack the coordination and the sophistication of the original, multi-county program. It is easy for us here to look on the situation as an unfortunate shame, but for the 30,000-plus elderly residents who used this program, its collapse was nothing short of a very real tragedy.

This is the type of problem we face, nationwide, because of inadequate funding and an obvious reason why the Iowa conference recommended that funding programs be expanded to include operating expenses.

The conference makes a number of other recommendations. It includes a suggestion that we should not overlook the potential and possibilities of including private transportation systems in any broad-range special transportation programs; and it recommends that we not overlook the possibilities of school bus systems. On this point, I think it is important to note that we might all learn some very important lessons from school districts which have developed an expertise in special transportation. They do the job and they do it quickly and efficiently twice each day.

I am hopeful then, that the recommendations from our Iowa conference will be helpful to you. For my part, I found them very constructive, and I am working now on legislation which will embody their suggestions and which will deal with the critical problem of transportation programs for elderly Americans. I am hopeful that at some point in the near future I will have the opportunity to meet with you again to discuss this legislation and to work with you and the full committee, as well as the other appropriate committees of the House.

Transportation is a critical problem for older Americans. We all know that.

It is the number one problem of elderly people.

Without adequate transportation, older Americans cannot take advantage of the health services or the variety of social services which are available to them. Without adequate transportation, they are left literally isolated in their homes, deprived and denied a full participation in the social, political, and economic affairs of their communities.

It becomes imperative that we move with as much speed and dispatch as the legislative process allows to liberate elderly citizens from the loneliness and the isolation which their immobility imposes.

AN OVERVIEW OF THE ECONOMY OF THE DISTRICT OF COLUMBIA

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. SISK. Mr. Speaker, we have all struggled with the question of how to revitalize our cities. The Federal Government has poured billions of dollars into the cities to arrest decay and deterioration.

Too often, however, we have fallen short in our efforts, and urban areas have developed sores for which we have come to believe there are no cures. The success or failure of our urban efforts depend in large measure, of course, on the attitudes of local businessmen and officials.

I was pleased, therefore, to have the opportunity a few days ago to read a report on the economy of the District of Columbia and, more importantly, on what can be done to revitalize the Nation's Capital.

This was a talk by Knox Banner of the National Capital Downtown Committee before the members of the Voice of Informed Community Expression—VOICE. As a former subcommittee chairman of the Committee on the District of Columbia, I have known Knox for a number of years and have come to admire his determination to make the District a model city.

What is important about the report Knox made, I think, is that he and the National Capital Downtown Committee acknowledge there are serious problems, but they have the will to overcome them in cooperation with the Mayor and the Council of the District of Columbia.

I believe it would be useful, therefore, to have the report printed in the CONGRESSIONAL RECORD so that all my colleagues may have the opportunity to review it.

AN OVERVIEW OF THE ECONOMY OF THE DISTRICT OF COLUMBIA AT VOICE, MEMBERSHIP MEETING (VOICE OF INFORMED COMMUNITY EXPRESSION)

As in all other cities in the nation, the District of Columbia and its people are experiencing economic difficulties which stem from the problems of the national economy. Inflation and unemployment are major concerns across the country. Washington has felt the sting of inflation, particularly in terms of the greater cost of housing. And there is increased unemployment, especially among young blacks. But while these problems are a great concern to all, it must be noted that Washington has not experienced the same depth of difficulties as most other major central cities due largely to the insulated nature of the local economy, still dominated as it is by government employment. (Please note that this observation is not very meaningful to the individual who is unemployed.) Many feel that the overall economic picture is not bright, despite the pronouncements by various national leaders. This affects all aspects of the local economy, of course, and it is not much comfort that the depth of our difficulties is not so great as in other major cities.

The District of Columbia continues to lose population. This is consistent with national trends wherein population continues to be concentrated in greater and greater numbers in metropolitan areas but at the same time is decentralizing (suburbanizing) within those major population centers. From 1973 to 1974, the District's population declined by 9,000 persons and now totals approximately 723,000. But interestingly and significantly, during the same time period, the number of households in the city rose by 5,000 to a total of 277,000. It is this rise in number of households and their generally upper income nature which provides cause for judicious optimism regarding the city's economic future. Average household income in the District was $15,686 after taxes in 1974. This is more than 14% above the national average.

Coupled with this is the beginning of a trend back to the city and specifically back to in and near downtown among predominantly young individuals and families plus so-called "empty nesters." The trend is aided, in part, by no-growth policies in the suburbs and by the environmental and energy situation. The increase in the number of households and the back-to-downtown movement create a base for the construction of new housing, rehabilitation of existing housing, improved business opportunities, and greater tax revenues for the city. But these good things for the local economy are related to positive and prompt actions which must be taken by the District Government and others to strengthen the trends and take full advantage of them.

For example, there is a need for an approach to solving some of our financial problems and municipal services on a metropolitan basis. One example could be a regional sales tax to help finance METRO.

For example, long-range positive rather than negative answers must be developed and used intelligently and intensively to increase and improve the housing supply. The city's rent control regulations, its ban on condominium conversion, and its intentions to strictly control rehabilitation resale have produced a virtual end to new residential construction, and prospects for abandonment are increasing. The result is a growing housing shortage at the very time that demand is mounting due to the growing number of households and the back-to-the-city movement.

There may be little question that these latter negative actions on the part of the District Government have merit—at least on a short range basis—from a non-economic point of view, but in terms of economics, they are largely self-defeating. The physical, social, and economic health and vitality of the city are intertwined. There should be much cause for concern if a balanced approach considering economics is not taken on a long range basis in dealing with housing and business enterprise.

A positive trend for the District which pertains to this overview is Washington's growing dominance as the center for association activities in the nation—Washington now surpasses New York and Chicago. In 1972, approximately 40,000 persons were employed in association work here with about three-fourths of these being located in the District. Associations, along with professionals, account for much of the office space demand in the city.

In turn, the creation of office space produces revenues for the District and helps assure an increasing employee population which supports retail and service uses, thus having a multiplier effect. Various sources on the subject of office space have projected a short term excess of office space supply over demand, resulting in a higher than normal vacancy rate for office space in the District of Columbia in the immediate future. While this is of concern, a vacancy rate of 8% or 9%—up from less than 2%—is still favorable by comparison to other major cities. Again our insulated economy has come to our aid.

Moving now to specific actions being taken and to be taken to advance the local economy, here is a synopsis:

METRO—while further delayed—should begin operating shortly. Projected to return three dollars for each dollar spent on its construction, METRO will surely—whatever the benefit figures turn out to be—greatly enhances development potential, business activity, and public tax revenues.

The Bicentennial—At the price of some inconvenience, congestion, and environmental difficulties, the city should benefit to a considerable extent economically from the additional millions of people coming to Washington in 1976. The magnitude of the benefits as well as of the difficulties relates closely to the quality of the preparations now underway, of course.

Pennsylvania Avenue Redevelopment—With the plan now approved by Congress and the White House apparently looking favorably upon the revitalization proposals contained in it, the District should enjoy an economic stimulus because of Pennsylvania Avenue redevelopment.

Civic Center—with new awareness of the need to identify and develop additional sources of revenue for the city, fresh interest is being expressed in development of a civic center in Downtown. And the economic spin-off will be substantial. The city's business community has staunchly supported development of a civic center as the single most important remaining public facility needed to help spark the local economy and assist in Downtown revitalization.

Let me summarize and emphasize.

Over the past two decades throughout the United States, there has been increasing cooperation between the public and the private sectors in working to solve urban problems. In the older downtown of the District of Columbia between the White House and The Capitol, this has been exemplified by the work of Downtown Progress and of other business and civic organizations with all levels and branches of government here. Business leaders have contributed both time and supporting funds to these organizations to help improve the economic vitality and the quality of life in this part of the District of Columbia.

Substantial progress has been made, but much remains to be done. From the doldrums of the forties and fifties, the old downtown since 1960 has nearly a billion dollars in private and public development completed, underway, or scheduled to begin. This totals nearly 20 million gross square feet. The new opportunities afforded by Home Rule can increase the effectiveness of this public-private effort *if* both government and business work even harder at it.

Business generally is re-examining its role and its responsibilities, and the District of Columbia government is doing the same. Together, we must achieve:

A sound tax program.

A balanced budget as responsive as possible to local needs.

Essential public services.

Improved housing supply.

Increased employment and business opportunities.

An improved educational system at all levels.

Safety and security in the street, home, and place of business.

While these goals may be defined somewhat differently depending on who is doing the defining, it seems to me that we need to be aware of a number of potential obstacles to achieving these goals, including:

For example, tax programs which tend to drive out business rather than to attract additional business which would bring increased revenues and increased employment;

For example, the lack of positive encouragement of private development which will enhance the tax base;

For example, rent control and a freeze on condominium conversions which continue past an emergency period during which positive rather than negative solutions should be developed;

For example, a criminal justice system that fails to function more effectively in both preventive and rehabilitative aspects;

For example, a public review process in which a vocal few can stop any development—public or private—no matter how useful it may be to achieving community goals.

We must overcome these obstacles. The opportunities are here for accomplishment and success by the combined effort of the public and private sectors to make a better city for all of us.

As the national economy improves, the District of Columbia—we—all of us—must be ready to make the most of the opportunities for our city.

MR. FORD, BACKSTAGE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. CARTER. Mr. Speaker. Our Nation is fortunate to have as its President a man who, as an adopted son of middle-class origins, achieved the offices and honors he has been accorded through hard and diligent work while retaining his humaneness.

I myself have known Jerry Ford for many years, and I have known him to be an honest, intelligent, and good-hearted human being. For those of us who have served with him here in the House it is little surprising, perhaps, to read of examples of his decency and considerateness as President. However, there are those who have not had the pleasure of working side-by-side with him, and to those I commend an article by columnist Jack Anderson which appeared in the January 25 edition of the Washington Post.

Article follows:

Mr. Ford, Backstage

(By Jack Anderson)

The experience of ascending the pinnacle of power can change a man.

At the President's beck, civilian and military leaders gather to listen to his counsel. Assistants materialize at the press of a buzzer; military aides attend him; servants cater to his whims. It is enough to turn the head of a saint.

We consulted our backstairs White House sources, therefore, to find out what effect his heady experience has had on Gerald Ford. He is still the same plodding, unpretentious guy.

There is an average-American quality about him, an easiness of manner, an engaging sincerity. He hulks through the White House corridors, full of friendliness, taking a personal interest in the lowliest secretaries and domestics.

In the backrooms, he has an easy, locker-room camaraderie with men, a courteous graciousness toward women. During the social hour, he often mixes drinks for his guests rather than wait for a White House steward to serve them.

Ford's favorite pet is a golden retriever named Liberty. On Christmas Day, 1974, Liberty had an accident on the presidential rug. Stewards rushed to clean up her mess, but Ford waved them away. He got up from his Christmas dinner and cleaned the rug himself. "No one should have to clean up after someone else's dog," he said.

White House workers like to take Liberty out for walks, but the President doesn't feel dog-walking is part of their job. When other family members don't walk Liberty, Ford tries to do it himself.

Once, in the middle of the night, the President of the United States, with a massive staff at his call, quietly slipped out of bed, put on a bathrobe and led Liberty outside to answer nature's call.

Ford's worst two days in the White House began on the dark, rainy Friday that his wife went into the hospital for a cancer operation. Out of a sense of duty, the President sat through an economic conference he could have avoided.

He also kept a commitment to speak at the closing session the following morning while his wife underwent surgery. His only concession to his personal feelings was to cut the speech short. Between visits to the hospital, he also kept appointments with important foreign dignitaries.

Our sources remember it was a gloomy, depressing time, with the President scarcely hiding his anxiety. At the end of his most arduous hours, he was escorted to the White House elevator by Richard Keiser, his Secret Service look-alike, and Major Robert Barrett, the military aide. Both men shared the same grim mood.

Still, just before the elevator door shut to take the President upstairs to the living quarters, he interrupted his personal thoughts and spoke quietly to his two escorts. "Thank you, Bob. Thank you, Dick," murmured Gerald Ford.

At the end of a presidential flight, he makes it a point to poke his head into the cockpit and thank his pilots. On a trip back from Detroit, it was raining too heavily at Andrews Air Force base for the President to take the customary helicopter hop to the White House. He headed for the backup limousine for the drive to the White House.

Suddenly, he noticed the helicopter, which had been standing by. He turned abruptly, walked through the rain to the helicopter and thrust his head inside to thank the astonished crew for waiting.

Those who know Ford intimately say he is a most considerate and compassionate person. On a visit to Los Angeles, he stayed in an upper floor of the Century Plaza hotel. During a ride downstairs to a press conference, the elevator began to malfunction, shuttling up and down. The President's aides grew nervous, and the elevator operator was terrified. Ford calmed him down, saying quietly: "Don't worry, it will work. You'll get us there."

When Sen. Ted Kennedy's son went to the hospital for a bone cancer operation, the President placed a private call to Kennedy to inquire about the outcome and to express his personal good wishes.

When Jordan's King Hussein visited the White House on April 29, 1975, Ford invited Sen. George McGovern, D-S.D., to the formal state dinner. McGovern, a pariah to previous White House occupants was deeply moved by Ford's gesture.

During the dinner, the Republican President went to McGovern and told the 1972 Democratic standard bearer: "No matter what, this house belongs to everyone, now more than ever."

During the Greek-Turkish crisis, the President visited Chicago to speak to the Veterans of Foreign Wars. Greek-Americans who disagreed with his foreign policy gathered outside his Chicago hotel to chant their disapproval. Upstairs in the presidential suite, an associate remarked to Ford: "That must really bug you."

"No," replied the President as he watched the protesters, "they're good people. I can understand their feelings. They are my friends."

There is nothing suave or subtle about Gerald Ford—none of those sophisticated mannerisms which Americans are inclined to distrust. One of the first pictures the White House released of him showed the new President working with one foot propped on his desk. Most of his predecessors took themselves much too seriously to permit a picture of such relaxed informality. But Ford has brought a warmth to an office which in less than a decade had gone from the chicness of Camelot to the deviousness of Byzantium.

UNITED STATES SHOULD STAY CLEAR OF THE WAR IN ANGOLA

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. EVINS of Tennessee. Mr. Speaker, the Nashville Tennessean in a recent editorial entitled "United States Should Stay Clear of the War in Angola" pointed out that much the same rationale is being used by the administration for involvement in Angola as was used for involvement in Vietnam.

Mr. Speaker, we do not need any more Vietnams—we should not expend priceless manpower and vital military supplies in another fruitless foreign adventure.

The Tennessean drew this conclusion: "The proper course for this country is to keep pressing for an end to all foreign intervention and all foreign arms aid."

Because of the interest of my colleagues and the American people in this most important matter, I place the editorial from the Tennessean in the Record herewith.

The editorial follows:

[From the Nashville Tennessean,
Jan. 11, 1976]

United States Should Stay Clear of the War in Angola

The experiment called detente, which was begun with such high hopes in 1969, may be coming apart as a result of disagreements and the war in Angola.

Moscow and Washington are given to sharp comments these days about each other and are at odds on every major issue from strategic arms to Africa.

The Angolan crisis, with continued Soviet arms shipments and Cuban military intervention, is hot and it could explode into a major regional conflict. It is already complicated and confused, with three separate Angolan groups fighting each other.

The United States was covertly helping the groups fighting the Soviet-backed Popular Movement until the U.S. Senate voted to end such aid once the $8.2 million left in the pipeline was used up.

The rationale for U.S. aid was that it might be possible to counter the Popular Movement and thus bring a military stalemate which would force a negotiated settlement among the fighting Angolan factions. Not to do so, officials warned privately, would be to let the Russians win control over Angola and with it a potentially dominant voice in determining the future of Southern Africa.

If one goes back in time, much the same rationale was used in the early stages of Vietnam. But that conflict turned out to be a quagmire that, as the U.S. pushed farther into it, only engulfed the nation more.

The Ford administration may have forgotten, but the Senate had not. And its action presented the administration with a dilemma and provoked some awkward explanations.

To charges that the U.S. was training foreign mercenaries to fight in Angola, President Ford said it wasn't, but he would not deny that the government is providing money for such training. He said that "We are working with other countries that feel they have an interest in giving the Angolans an opportunity to make the decision for themselves. . . ."

The problem for the U.S. is that, even if it could turn the tide, it would not gain much. In the first place, it ended up on the same side as South Africa in opposing the Marxist-oriented Popular Movement. That is anathema to most African leaders.

In the second place, all three Angolan groups which had fought for independence from Portugal for 14 years, recall only too vividly that the U.S. turned a deaf ear to them in the past while it actively supported the Salazar-Caetano regimes.

It is easy enough to see why white-ruled South Africa and Rhodesia have the jitters about the Angolan war and the prospects that the Soviet might become the activist bridgehead to all sorts of future difficulties. But for the U.S. to become partners in adventure with these nations almost surely would shrivel what influence this country has with the African nations.

The proper course for this country is to keep pressing for an end to all foreign intervention and all foreign arms aid. It should not get caught in a quagmire that could ultimately be far deeper than Vietnam, and involve Zaire, the Congo Republic, Zambia and South Africa.

It is not in Africa's best interests to have its political problems solved by foreigners, or its wars decided by foreign arms. That should be Mr. Ford's message to Africa, and his message to the Soviet should be for it to leave Angola alone.

He has already made the point that continued Soviet intervention there would damage its "broader relations" with this country. He should reiterate that. If that further chills detente, then the object lesson must be that the Soviet didn't place too much value on it anyway.

THE PRESS: REPORTER OR MAKER OF HISTORY?

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. KETCHUM. Mr. Speaker, recently a young constituent of mine delivered a most moving speech at the Bicentennial Americanism Forum in Bakersfield, Calif. Ramona Cappello, my constituent, has indeed made a good case for a free press. I am most proud of Ramona for her statement, and know that my colleagues will enjoy being able to share her thoughts. Perhaps before we criticize the press, we should think twice about her statement.

The article follows:

THE PRESS: REPORTER OR MAKER OF HISTORY?

(By Ramona Cappello)

Extra! Extra! Read All About It! (pause) Read all about it. No longer is the statesman, the doctor, the lawyer, or even the Indian chief clothed with the protection of office or special education, for every reading man is now his own judge. And how do we come by this powerful knowledge? What gunpowder did for war, the printing press did for our mind!

Yes, the insatiable thirst of the American people has cried out for information and communication. But our press has become mislabeled by the opinion that it makes the news rather than reports it. It is fact that every great writer is a writer of history; history has its foreground and its background, and in managing its perspective, artists will differ from one another. Press writers differ too, but we must not confuse them with the historians, nor with the role of making tomorrow's history happen!

News media does not make history—people make history! People create a free press, a free press creates the writer, the writer records history—but the three (the people, the press and the historian), are not one and the same!

Permit me please to trace our role of the free press so that you might hopefully agree with me that the press does indeed report, not make history!

We are not unlike our forefathers who desired the written word as a part of their daily lives. Starting with the "Bay Psalm Book", colonial publishing flourished in 1640 when chronicles, histories, and travel accounts were printed.

It took half a century after the first printing press for newspapers to appear. The public was avid for news, but government officials were extremely touchy and reacted violently to criticism. Printers who ventured, and very much wanted to tell the truth, faced loss of business, revocation of their licenses and even jail sentences. Benjamin Harris had been imprisoned in Britain for criticizing the King. Harris' "Publick Occurrences" was suppressed four days after its initial appearance in 1690 for daring to report that the English armed forces had allied themselves with "miserable savages".

But then the press rose to new heights of power as Congress became more complex in the early 1800s, thriving on the public's growing appetite for political news.

Something new was added at the turn of the 19th century . . . a method of reproducing pictures from stone. Political handbills began to show up across the nation and by 1830, the cartoon became a deadly weapon of political warfare.

One cartoon stands out in my mind. It was called "Joshua Commanding the Sun to Stand Still". Joshua was the 1828 Vice Presidential candidate John C. Calhoun, and the sun was the printing press, whom he tried to halt unsuccessfully. Later he had the opportunity to regret the power of the press in the ultimate struggles over slavery which Calhoun favored when he fought to allow Carolina to remain a slave state.

As we trace the development of the powerful new illustrated press, we become aware that newspapers developed a vested interest in catastrophe. If they could spot a fight, they would play up that fight. If they could uncover a tragedy, they would headline that tragedy. Again, we are reminded that the press did not create the tragedy, nor the event publicized, but rather had the freedom to transmit it to the readers. Let it be impressed upon our minds, that the liberty of the press is the palladium of all the civil, political and religious rights. Whether it was reporting news, or creating a furor by doing this, there was always blame to expect. And such was the effect of the event recorded at Harper's Ferry:

An old man named John Brown led a one-man battle against slavery . . . at Harper's Ferry in 1859. It was a bloody senseless slaughter, and John, the lone survivor, lived only long enough to attend his trial in a hospital cot, followed by his public execution at the gallows. He was a renegade who cold-bloodedly presided over the butchering of five innocent men . . . and so history has reported it in spite of the fact that the Union chose to make John Brown the symbol of their fight against human bondage. They had help too: from Ralph Waldo Emerson who wrote, "That new saint will make the gallows glorious like the Cross". Not long after, Northern soldiers marched off to war to the tune of "John Brown's body lies a-mouldering in the grave, but his soul goes marching on." Glory, glory, halleluia . . . what greater case in the young history of the American press did there exist but the creating of a saint by famous Northern artists and writers (such as Horace Greeley) who were not even present! Yet, history books clearly report that then, as now, the truth of John Brown's incident at Harper's Ferry was an historical event truthfully reported, NOT CREATED by the press. If the criminal John Brown emerged a saint, the Northern people created it because they needed a crutch to further their anti-slavery cause.

Next, let's look to the Watergate scandal . . . and at last, the truth has come out. Mr. terHorst was the White House press secretary for a short time under President Ford. When asked why the Washington press corps drove Nixon out of office, Mr. terHorst replied that it was not the media but his own miserable White House tapes! The press did not invent the Watergate burglary, the hush money or the cover-up lies that former Nixon aides now admit telling.

When asked why the press reports so much bad news, terHorst answered that almost by definition, news concerns things that go wrong in our lives. A housewife chatting with her neighbor wouldn't expound on the magnificent breakfast she fixed. No, it is more likely to be a report on the toaster that broke, or the washer that leaked, or about the school bus that came too early.

Naturally, some events do get more attention, because they warrant it. . . . I'm sure Bob Woodward and Carl Bernstein pursued their splendid Watergate coverage with more zeal than they would have unraveling the Bobby Baker affair in Lyndon Johnson's era, or the Ted Kennedy scandal (which didn't concern a change of Presidents). The media did not pick and choose "history-making news" . . . they chose to report that which was larger and more important to vaster numbers of people.

It is not new to admit that the public eyes the media with unhealthy suspicion. This is truly often based on a misconception of the role of the press.

Under the First Amendment, the press was institutionalized "as a part of the private sector that has a 'governmental' role to play". It has a duty to inform the people of governmental actions and thinking on public issues. Wouldn't it help if this idea of a free press were accepted, or at least understood by everyone is affects!

It's really beyond the reporting-function of the press to consider whether the information is good or bad news.

Debating of the merits of decisions is within the editorial province of the free press. We must not confuse the role of the reporter with that of the editor or commentator, nor blame a newspaper for creating a situation when it is in reality reporting it, or editorializing on it.

We must also realize that a truly free press has no obligation to support government policy. To be fair, it has an obligation to do the opposite: to refrain from support! Otherwise, what have we got but another Nazi propaganda machine in our American government! Bill Moyers, who preceeded Mr. terHorst, used to say that the press's role is that of scrutinizing, debating and giving the public a chance to decide for itself whether the government made the right decision or not.

In all fairness to the press, mention should be made here pertaining to the time limit devoted to covering a crucial, complicated subject.

We are spoiled with the availability of up-to-the-minute news, and have come to expect, yes, demand it! Well, when we get it, we also are endangering the reliability and accurateness of it because some subjects cannot be fairly reported in 30 second news flashes! This approach is fine for eruptive news, such as a death of a leader such as Spain's Generalissimo Franco, or the vast forest fires in San Bernardino County, or the results of the Rose Bowl game, but it cannot lead to an understanding of complex events!

We Americans are up to our necks in domestic and world problems, but we are fortunate in having a constant flow of accurate information which can produce a genuine understanding of issues. This has been the legacy of a free press in an open society . . . a benefit from the "reporters" of history. (pause)

In closing permit me to reflect for a moment on the words of English statesman Benjamin Disraeli: "The press is not only free, it is powerful"; he added, "That power is ours. It is the proudest that man can enjoy. It was not granted by monarchs; it was not gained for us by aristocracies; but it sprang from the people, and with an immortal instinct, it has always worked for the people."

AID TO CHILE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. HARRINGTON. Mr. Speaker, despite repeated attempts by Congress in the post-Allende era to reduce the level of U.S. assistance to the Chilean junta, Chile continues to rank as a major Latin American recipient of U.S. economic and military aid.

By circumventing the initial 1974 ceiling amendment of $25 million on economic aid to Chile, the administration in 1975 managed to funnel aid through several bilateral aid programs not specifically subject to congressional control. The $91 million in total bilateral economic assistance dispensed to Chile in 1975 was over twice that furnished to the next largest recipient of U.S. aid and almost three times the amount allocated to the majority of Latin American countries, including those presently designated by the United States as being "most severely affected"—MSA. And with the adoption of the Kennedy ceiling amendment in this year's foreign economic aid bill, the level of total economic aid to Chile for 1976 will still exceed $90 million, leaving unaltered Chile's status as the prime recipient of U.S. economic aid in the hemisphere.

Not included in these figures, moreover, is the loan support provided by multilateral lending institutions totaling $111 million in 1974 and $90 million in 1975. Nor do they indicate the massive indirect aid that has been provided through the rarely used mechanism of debt rescheduling. In 1974 and 1975, the United States signed bilateral agreements rescheduling the Chilean international debt for $136 million and $95 million, respectively. One should also bear in mind, moreover, that these aid figures are exclusive of contracts signed for military assistance yet to be delivered. Finally, as if all of the above were insufficient, the administration has also quietly offered to guarantee a $55 million housing loan to Chile from the Federal Home Loan Bank of New York.

The magnitude of our current Chilean aid program stands in stark contrast to the aid aggregate provided the Allende regime, at which time it was the administration's intent to "make the economy scream." In 1973, the level of total economic aid to Chile dwindled to a low of $3.8 million while military aid was maintained at $15 million.

Given such a massive infusion of aid in clear contradiction of the intent of congressional aid limitations and recent human rights amendments, through the administration's almost total reliance upon aid channels not subject to congressional scrutiny, one is led to the conclusion that present policy toward Chile is as calculated and deceptive in character as the covert "destabilization" policies of the past. And, I might add, these specific aid programs are utilized not necessarily because of Chile's overwhelming need for, say, 350 million tons of agricultural commodities, but rather because they provide a means for implementing a policy of support that has to be neither justified to nor debated by the Congress. In this way the administration can pursue its policy of unwavering support of the junta as if the legislative mandates on the issue were nonexistent.

Of the aid mechanisms presently employed by the administration that are currently beyond congressional control, Food for Peace is the most familiar. This past year, in an effort analogous to last year's blatantly political use of Food for Peace in which 50 percent of all U.S. food aid was diverted to just two countries, Cambodia and Vietnam, in a last minute subsidy of the war effort, the administration allocated to Chile—a non-MSA—83 percent—$57.8 million—of the total title I Food for Peace assistance for all of Latin America. For 1976, Chile has been allocated 85 percent—$55.1 million—of the total, of which $45.7 million has already been delivered. Honduras and Haiti, both MSA's, received 10 and 5 percent, respectively. Since Food for Peace commodities are sold in the host country—rather than donated—and thus rarely reach the poorest sectors in the recipient country, the aid is generally regarded as provided for political rather than humanitarian purposes. And, even more to the point, the sale of the commodities within the host country provides that government with local currency, thereby allowing them to conserve scarce foreign exchange for the purchase of other priority items on the international market, such as defense articles.

Not surprisingly, Chile in 1974 became the major customer in Latin America for U.S. weapons by ordering $75 million in defense articles, in excess of Brazil's orders by $6 million. In the same year, Chile's arms purchases from other countries exceeded $105 million. Included in this figure was $40 million for T–25 fighters from Brazil, $400,000 for antitank rockets from France, $66 million for two coastal submarines from West Germany, and $1 million in aerial bombs from Spain. Thus, in 1974 alone, Chile's international arms purchases exceeded $170 million and partially contributed to the 300 percent increase in the junta's military budget.

All of the 1974 U.S. orders, and more, is scheduled to flow into Chile either in the current fiscal year or beyond, for the State Department has been interpreting the ban on military aid enacted December 30, 1974, to mean that orders or agreements made prior to this date—or "already in the pipeline"—will be allowed to stand and deliveries of pipeline assistance will continue on schedule. In the first half of 1975, for example, despite the ban on military aid, Chile received about $14 million in defense articles under the foreign military sales program and $650,000 in military training under the military assistance program. In addition, the Chilean Government purchased almost $2 million in defense articles from private U.S. firms under the commercial sales program, purchases not prohibited by present legislation. Consequently, in the absence of any legislative action this year, all military aid already in the pipeline will be delivered in 1976 and beyond, commercial sales will continue, and cash sales under the FMS will resume.

According to the Department of Defense, the amount of military aid still in the pipeline as of September 30, 1975, totaled $102,754,000 in foreign military sales items and $14,000 under the military assistance program. More specifically, scheduled for delivery this spring are 18 Northrop F–5E Tiger II fighters—about $60 million in arms. With this on-schedule delivery alone, Chile will again rank, along with Brazil, as a major Latin American recipient of U.S. arms in 1976.

In addition, arms for cash in all probability will resume as soon as the mechanics of signing new contracts can be ironed out by the administration. The State Department's latest position on the issue holds that the ban on cash sales came to an end at the close of the fiscal year—June 30, 1975—and thus the sales could resume since no congressional authorization would be required for the transaction. Clearly, we are led to the rather obvious conclusion that, as they now stand, present legislative restrictions will have virtually no impact whatsoever on the flow of arms to Chile in the current fiscal year.

During the markup of the 1976 international security assistance bill therefore, it is my intention to offer an amendment that would, to a degree, bring under congressional control the level of aid currently contemplated for Chile. It seems to me that there exists a critical distinction between policies designed to provide a modicum of support to developing countries as an expression of humanitarian concern, and those devised to funnel virtually every available means of aid to prop up a dictatorial regime, the latter, a policy erroneously perceived as enhancing our own national security. Is it toward the former policy that my amendment is geared.

As it now stands, my amendment reduces the total amount of economic assistance for fiscal year 1976 to $70.7 million and allows $25 million in total economic assistance for 1977. It bans all forms of military aid: military assistance under MAP, cash and credit sales under FMS and commercial sales. It bans all military aid, FMS sales—cash or credit—and other economic aid in the pipeline. It prohibits contracts with Chile for title I Food for Peace assistance, housing loan guarantees and requires that the amount of debt rescheduled in the future must fall within the limits of the aid ceilings imposed by this amendment. The amendment follows:

Amendment offered by Mr. Harrington:

Add the following new section at the end of the bill:

BAN ON ASSISTANCE TO CHILE

Sec. —. (a) Section 620 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(y) (1) No military assistance or security supporting assistance may be furnished to Chile under this Act; no sales of defense articles or services (whether for cash or by credit, guaranty, or any other means) may be made to Chile under the Foreign Military Sales Act; no agreements may be entered into with Chile under title I of the Agricultural Trade Development and Assistance Act of 1954; no housing guaranty may be issued under title III of chapter 2 of part I of this Act with respect to Chile; and no license for the export to Chile of any arms, ammunition, or implements of war (or technical data relating thereto) may be issued under section 414 of the Mutual Security Act of 1954.

"(2) All deliveries of any such assistance previously obligated, all deliveries of any such defense articles or services previously sold, all deliveries of agricultural commodities pursuant to any such agreement previously entered into, all such housing guaranties previously issued, and all such licenses previously issued, shall be suspended immediately upon the enactment of this subsection.

"(3) The provisions of this subsection may not be waived under the authority contained in any other provision of law.".

(b) Section 320 of the International Development and Food Assistance Act of 1975 (Public Law 94–161) is amended to read as follows:

"LIMITATION ON ASSISTANCE TO CHILE

"Sec. 320. The total amount of assistance which may be made available to Chile may not exceed $70,700,000 for fiscal year 1976 and may not exceed $25,000,000 for fiscal year

1977, including for each such year the amount of any indebtedness of Chile to the United States which, on the date of enactment of the International Security Assistance Act of 1975, is scheduled for payment during such fiscal year and which, after such date of enactment, is rescheduled for later payment, but excluding assistance furnished under title II of the Agricultural Trade Development and Assistance Act of 1954. This section shall not be construed to authorize the furnishing of any assistance for Chile which is prohibited by section 620(y) of the Foreign Assistance Act of 1961.".

HOUSE OF REPRESENTATIVES—*Tuesday, January 27, 1976*

The House met at 12 o'clock noon.

Chaplain A. Purnell Bailey, associate general secretary, division of chaplains, United Methodist Church, Washington, D.C., offered the following prayer:

As the hart panteth after the water brooks, so panteth my soul after Thee, O God!—Psalms 42: 1.

Almighty God, our Heavenly Father, help us to be still and know that You are God. From Thy hand we have been given this day, and from Thy mercy new life and freedom.

Comfort those who have experienced sorrow, grant Thy healing to our many hurts, and open our eyes to Your love and beauty.

Guide our leaders in the paths of righteousness for Thy name's sake and grant them renewed vigor to defend the rights of our people that peace may permeate our society.

Deliver our people from the bondage of poor vision, the lack of unity, and the neglect of vital causes.

Enter our willing hearts today and forgive our sins. Teach us to forgive and live. Grant us strength for the tasks at hand, and keep us in Thy holy name. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 508. An act to amend title 5, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 700. An act to amend the Agricultural Adjustment Act of 1938, as amended;

S. 2071. An act to authorize appropriations for the repair of highways in the State of Alaska, and for other purposes; and

S. 2115. An act to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected Reservists, for a limited period, whether or not a declaration of war or national emergency has been declared.

REV. A. PURNELL BAILEY

(Mr. FISHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISHER. Mr. Speaker, I am very pleased to note that today's invocation was delivered by the Reverend A. Purnell Bailey, who is associate general secretary of the Board of Higher Education and Ministry of the United Methodist Church and also one of my constituents from McLean, Va. I wish to thank Mr. Bailey for the inspiring prayer he has offered on our behalf.

Mr. Bailey is an ordained minister in the Virginia Conference of the United Methodist Church. He is a graduate of Randolph-Macon College—B.A., D.D.; Duke Divinity School—B.D.; and Union Theological Seminary—Th. M. He served as an Army chaplain in World War II before becoming pastor of Virginia churches, including Centenary and Reveille in Richmond. He was superintendent of the Richmond district for 6 years; member of general conferences and southeastern jurisdictional conferences; and chairman of the Veterans' Administration Chaplain Service Advisory Council.

Some may recognize him as the Protestant Radio Hour speaker in 1962 and 1971 and author of a column for the Los Angeles Times Syndicate, "Bread of Life."

Dr. Bailey is married to the former Ruth Martin Hill and they have four daughters, Carol, Anne, Beth, and Jeanne. I welcome into this Chamber the Reverend Bailey and his family and friends.

REQUEST FOR PERMISSION FOR SELECT COMMITTEE ON INTELLIGENCE TO HAVE UNTIL MIDNIGHT, FRIDAY, JANUARY 30, 1976, TO FILE A REPORT, AND TO HAVE UNTIL MIDNIGHT, WEDNESDAY, FEBRUARY 11, 1976, TO FILE RECOMMENDATIONS

Mr. PIKE. Mr. Speaker, I ask unanimous consent that the Select Committee on Intelligence have until midnight, Friday, January 30, 1976, to file its report and to have until midnight, Wednesday, February 11, 1976, to file its recommendations.

The **SPEAKER**. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I know that yesterday the gentleman from New York (Mr. PIKE) was unfortunately detained because of the weather and was not able to be here during the more than 1½ hours of debate that took place on the floor of the House regarding the report which he now seeks permission to file. But during that time, Mr. Speaker, substantial question was raised as to why this report has been leaked or given to the press and to various other persons. A question was raised as to whether or not the gentleman's committee is making any investigation to determine which committee member or staff member, may have leaked the report, if indeed anyone did.

Of course, I might add for the gentleman's benefit—and I am sure he has probably read the RECORD—that it was also the sense of the discussion that certain parts of this report should not be included or released to the public since they may damage national security.

My question to the gentleman, since he is asking for permission to file this report, is this: Is the gentleman's committee making any effort to find out who violated the rules of the House, at least as this gentleman from Maryland reads them? And I would ask whether or not in granting this permission to file we are also acceding to the publication of those parts of the report that have been objected to?

Mr. PIKE. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. PIKE. First of all, Mr. Speaker, I would like to say that as to the report itself the only reason that the unanimous-consent request was necessary is that the House will not be in session on this Friday. The report itself is completed. The time which is being asked for right now is only for the purpose of the filing of minority or additional views by the Members.

As to the question of leaks, I do not believe that any Member abhors leaks more than I do. Obviously they do hurt the credibility of the committee, and I may well have made one basic mistake which makes it impossible to trace the leaks. The basic mistake may well have been that on the day that the draft report was made available to the members of the committee it was also, out of what I deemed to be a sense of justice and fair play, given to the CIA.

I am aware that many copies of the report have been circulated through the Department of Defense and through the State Department, and I simply say to the gentleman that with our limited staff and our limited time there is no way on Earth that we can track down where the leaks came from.

Mr. BAUMAN. The gentleman is then suggesting the possibility that the leaks did not occur through members of his committee but perhaps through members of the staff of the CIA itself?

Mr. PIKE. Mr. Speaker, I think that is

possible. I am not making the allegation because, as is usually the case with leaks, one does not know where they came from. I am simply saying that the CIA had possession of the draft at the same time and on the same day that the members had possession of the draft, and that many copies of the report have been made and circulated throughout the executive branch of the Government.

Mr. BAUMAN. Mr. Speaker, in response, I would say to the gentleman that if the history of the conduct of some of the members of this committee had been somewhat different, I might be able to believe the gentleman is possibly correct in his estimation of what may have happened to cause these leaks. However, the history of this committee gives me no reason to share the gentleman's optimistic opinion of the members of that committee.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I would like to point one thing out, not with respect to the subject of the leaks, because I do not propose to dwell on that subject at this point. However, with respect to the unanimous-consent request, it is true that this gives time to the minority members and to all members of the committee until Friday for the purpose of filing their additional and minority views, assuming that the House will not be in session on Friday.

So this would be an advantage primarily to the minority members. This was agreed to in our committee meeting this morning.

I also suggested in the committee meeting—and this was also unanimously agreed to by Republicans and Democrats—that we have until February 11 to file our recommendations. These do not relate to the substance of the entire subject matter but only to the recommendations of such bodies as possibly the House Oversight Committee with respect to suggestions for the restructuring of the intelligence community and other related subjects. This relates to a relatively nonpartisan and more objective part of the subject than the committee report itself.

So, Mr. Speaker, I would ask that the gentleman from Maryland not voice an objection to this request, because it would be inconsistent with what all of the members of the committee want.

Mr. BAUMAN. Mr. Speaker, I will say to the gentleman from Illinois (Mr. McCLORY) that he spent a full hour yesterday objecting to the publication of this report by any means because it contained portions which he felt would be detrimental to the intelligence community and the security of this country, and the pending request is to publish this same report. I find that somewhat inconsistent.

Mr. McCLORY. Mr. Speaker, if the gentleman will yield further on his reservation, I am not suggesting the publication or nonpublication of the report or any parts of the report. I think that parts of the report should not be made public, and I do not know what action, if any, the House may wish to take with respect to the discussion that we did have here on the floor yesterday. However, this unanimous-consent request does not relate to the publication or nonpublication. It merely relates to the filing, the date of filing of the report, and is with respect to the recommendations. The recommendations, of course, would not relate to any sensitive materials whatever.

Mr. BAUMAN. Mr. Speaker, I would say that I have a great deal of respect for the gentleman from New York (Mr. PIKE) and for the gentleman from Illinois (Mr. McCLORY); but some of us had hoped, when this report was formally presented to the House, to have a chance to consider some parliamentary method so that those portions of the report which might be detrimental to the interests of this country could be excluded from publication.

Mr. Speaker, if we grant this permission to file, there will be no such occasion.

Therefore, Mr. Speaker, I object.

The SPEAKER. Objection is heard.

OIL PROFITS NOT DEPLETED

(Mr. VANIK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, today's news reports indicate that four major oil companies—Exxon, Shell, Union Oil of California, and Sun Oil—reported substantially lower profits in 1975.

Substantially lower than what? Than the unconscionable and exorbitant windfall profits of 1974.

The present high plateau of oil profits can be seen by comparing the latest figures with the recent history of oil profits as compiled by the Library of Congress and as reported by the companies:

[In millions]

	1972	1973	1974	1975
Exxon	$1,531	$2,443	$3,030	$2,500
Shell Oil	260	333	620	514
Union Oil of California	121	180	288	233
Sun Oil	155	230	378	220

In today's reports, each of the companies complains of declines in profit and available capital. But compare these latest profits to those of 1972, before the major, contrived increases in oil profits began.

In 1975, Exxon's profits were up 63 percent over 1972 net income—a rate of increase in profits far exceeding the increase in inflation.

In 1975, Shell's reported net income is up 97.6 percent over 1972's net income.

In 1975, Union Oil of California's profits are 92.6 percent higher than 1972.

In 1975, Sun Oil net income was 42 percent above the 1972 figures.

Oil profits for 1975 may be indeed lower than they were in 1974—but it was a year in which oil profits were at a sinful and inordinate level—a year in which the consumers of America were grossly ripped off.

An objective study of the industry will prove little depletion of oil profits.

TRIBUTE TO EMORY CUNNINGHAM, RECEIVER OF THE 1975 HENRY JOHNSON FISHER AWARD

Mr. BUCHANAN. Mr. Speaker, my distinguished constituent, Emory Cunningham, the president and publisher of the Progressive Farmer Co. of Birmingham, has received well-deserved recognition in being named the 1975 Henry Johnson Fisher Award winner as "U.S. Magazine Publisher of the Year."

This award is given annually by the U.S. Magazine Publishers Association. It is the first time that a southerner has won the award. It coincided with the 10th anniversary of the Southern Living magazine, which Mr. Cunningham helped to launch.

Under his leadership, Southern Living has grown from a circulation of 200,000 to more than 1.25 million in 15 Southern and Southwestern States.

Progressive Farmer, which was founded in North Carolina in 1886 with a 6,000 circulation, today has a circulation of 1 million.

Since Mr. Cunningham became president, the company has launched a book publishing and marketing division, which published "Jerico, the South Beheld," in 1974, setting a world record for an art book first edition print order with 150,000 copies printed and sold in a 5-month period.

Emory Cunningham is one of the finest and most intelligent citizens and civic leaders, it is my privilege to represent. He merits and has fully earned this recognition. I commend the United States Magazine Publishers Association for their good judgment, and Emory Cunningham for the excellence of his achievements.

APPOINTMENTS OF MEMBERS OF U.S. DELEGATION OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. The Chair lays before the House the following announcement which the Clerk will read.

The Clerk read as follows:

Pursuant to the provisions of section 1, Public Law 86–42, the Chair appoints as members of the United States delegation of the Canada-United States Interparliamentary Group the following members on the part of the House:

The gentleman from Pennsylvania, Mr. MORGAN, Chairman, the gentleman from California, Mr. JOHNSON, the gentleman from Missouri, Mr. RANDALL, the gentleman from Washington, Mr. MEEDS, the gentleman from Florida, Mr. FASCELL, the gentleman from Florida, Mr. GIBBONS, the gentleman from New York, Mr. LAFALCE, the gentleman from New York, Mr. MCEWEN, the gentleman from Michigan, Mr. RUPPE, the gentleman from Kansas, Mr. WINN, the gentleman from Delaware, Mr. DU PONT, and the gentleman from New York, Mr. KEMP.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that tomorrow when the Houses meet in joint meeting to hear an address by the Prime Minister of the State of Israel, only the doors immediately opposite the Speaker and those on his left and right will be open.

No one will be allowed on the floor of the House who does not have the privileges of the floor of the House.

Due to the large attendance which is anticipated, the Chair feels that the rule regarding the privilege of the floor must be strictly adhered to.

Children of Members will not be permitted on the floor and the cooperation of all the Members is requested.

LABOR-HEW APPROPRIATIONS, 1976, VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER**. The unfinished business is the further consideration of the veto message of the President of the United States on the bill H.R. 8069, an act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976, and for other purposes.

CALL OF THE HOUSE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 18]

Andrews, N.C.
Andrews, N. Dak.
Badillo
Beard, R.I.
Bolling
Conlan
Conyers
Cornell
Diggs
Dingell
Edwards, Calif.
Erlenborn
Fish
Fraser
Frey
Goldwater
Gude
Harsha
Hawkins
Hébert
Hinshaw
Jarman
Johnson, Colo.
Kastenmeier
Kindness
McEwen
McKinney
Maguire
Mikva
Mills
Mink
Mitchell, Md.
Mitchell, N.Y.
Moss
Nichols
Patman, Tex.
Patterson, Calif.
Rangel
Rees
Rosenthal
Santini
Scheuer
Seiberling
Stokes
Teague
Thompson
Udall
Young, Tex.

The SPEAKER. On this rollcall 384 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LABOR-HEW APPROPRIATIONS, 1976 —VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The question is: Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Pennsylvania (Mr. FLOOD).

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this veto message of the President prior to the vote on this question.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, the issue before the Members today is really a rather simple one. The question is, do you believe that Congress was right in providing a modest increase in appropriations for programs like cancer research, maternal and child health, mental health, alcoholism, Head Start, drug abuse, nutrition for the aged, and vocational rehabilitation? Or, do you think that Federal support for these programs should be reduced below the current levels?

Now, let me tell the Members, let us be clear about the facts. First, take a look at the comparison between the amounts in this bill and the amounts appropriated for last year. Now, the appropriations in this bill for fiscal year 1976 add up to about $36 billion. This is an increase of $3.6 billion over the fiscal year 1975 appropriation for the same programs.

The increase over the 1975 appropriation is broken down as follows: 82 percent of that figure, almost $3 billion, was requested in the President's budget.

That $3 billion increase is for payments under medicaid, public assistance, supplemental security income, and similar programs which are mandated by law, and are not subject to control through the annual appropriation process.

The remaining increase is only $632 million over the 1975 appropriation, not the great billions of dollars that the Members have been hearing about. Not at all; $632 million.

Mr. Speaker, what is it for? It is for such programs as nutrition for the aging, rehabilitation of the handicapped, and maternal and child health care that the Members have been writing about and that the Members have told me so much about.

It is for treatment for and prevention of alcohol and drug abuse, and mental illness.

And what else? For research. Research on cancer, on heart disease, on stroke, and all of those other killing and disabling diseases.

Mr. Speaker, this budget request would cut many of these so-called controllable items below the current fiscal level.

The Congress simply would not agree to those cutbacks.

The Labor-HEW bill which is before us today provides an overall net increase of 7 percent for those programs. That barely provides for the inflation in costs, just barely meets the inflation cost.

Let us take a look at the bill and compare it to the budget request. The bill is $915 million over the budget request, but if we examine that budget request, I think we will find that we exceeded that budget for very, very good reasons, and the Members have heard them.

No one can say today, "Oh, you are a big spender," if you support this appropriation bill.

The issue before us is how much the Members want to spend for medical research, for maternal and child health care and for vocational rehabilitation. All of the Members were after us about that, and the Members' mail says so.

The budget proposed to cutback or terminate many of these programs. We examined this budget over a period of many, many months. We listened to a lot of testimony from all sources. The committee will tell the Members that. We listened, by the way, to a majority of the Congress from both sides of the aisle, and the concensus was that the budget was inadequate to carry out these necessary programs.

Mr. Speaker, the largest increase here is for medical research at the National Institutes of Health. Medical research.

The bill provides $447 million more than the President requested. The budget proposed reductions way below last year's level for research on cancer, heart and lung diseases, arthritis, and many of these other dreaded health problems. Research. The bill just restores these cutbacks—that is what this bill does—and provides a modest expansion to continue efforts to conquer these terrible diseases.

The point, Mr. Speaker, that I am trying to make is this: that this bill provides a minimum level of funding, the minimum amount required to maintain Federal support for Labor-Health, Education, and Welfare programs. It provides only cost-of-living increases for several of the programs, and no more.

This bill reflects the consensus of a majority of the people who feel it is necessary to continue these human service programs. If ever I saw a bill that received a great deal of attention from the Congress, this is it.

This is the result of months and months of hearings. As the Members know, this is the result of extensive debates that took place in both Houses. This, Mr. Speaker, is a matter of spending priorities, not a question of fiscal responsibility.

Wait until you hear this: I wonder if the Members know this: To date the Congress has approved 14 appropriation bills for fiscal year 1976. We have approved 14 appropriation bills, and this is one of them. In the aggregate, these 14 bills approved by Congress provided appropriations amounting to $3½ billion less than the Presidents' budget requests. Did you know that? That is $3½ billion less than the President's budget requests. That is what we have done so far with 14 appropriation bills, including this one.

As I have already indicated, this bill provides the funds required to continue ongoing programs at today's prices for goods and services. The cost of living rose 7 percent in 1975, and that is exactly the rate of increase allowed in this bill for these very important programs. It is exactly at 7 percent, and that is it. There is no baloney here, not a single sign of it. This bill merely allows the existing programs to keep pace with inflaiton, that is all, no more and no less.

It is simply not correct, by the way, to say that we do not need to appropriate additional funds because we are now in the third quarter of the fiscal year. The grant and contract programs funded in this bill are not on a funding cycle which coincides with the fiscal year. That is not it at all. The obligations for these programs are normally made in the third and fourth quarters of the year, and they normally cover activities for a 12-month project period, which may very well start after the end of the fiscal year.

Mr. Speaker, I wonder if the Members remember this: I wonder if we all remember that this Labor-HEW appropriation bill met with our approval overwhelmingly. Let me tell you the vote by which this bill passed the House last June. The vote was 368 to 39. The Members voted for this bill by a vote of 368 to 39. Then we worked the details out in conference very, very carefully and we came out of that conference, as we always do, protecting the position of the House.

This bill should have been enacted months and months ago. If this veto is not overridden, then we will have a further delay for the Labor-HEW bill since it may require several months to enact a new bill. It must go through the House, it must go through the Senate, and then it must go through the conference because we know the Senate will not agree completely. They never do. That could go on for months and months. If this happens, maybe the busing issue will be raised again, and perhaps there may be other extraneous matters. We do not want this to happen.

It is extremely important to settle the 1976 funding question so that we can begin to consider the 1977 budget estimates. We have already, by the way, begun hearings on the 1977 estimates, and we are going to be hard pressed, severely pressed, to meet the deadlines under the new Budget Control Act. It is going to be a tough job.

Mr. Speaker, for the purpose of emphasis, I would just like again tell the Members about the medical research in this bill. That is what this bill is about. I believe the United States of America has the greatest medical research institutions in the world, thanks to you, thanks to this House. Yet we continue to have a very high incidence of many diseases, especially cancer.

The cost of medical care continues to rise at an unacceptable rate.

The answer to those two problems, the widespread incidence of these killer diseases and the rising costs of medical care, must lie in medical research, through which we will find new and more effective methods of prevention and treatment.

Our medical research cannot be beaten any place on the face of this Earth, thanks to our Congress. Let us keep it that way.

Mr. Speaker, for these reasons, I urge that the Members vote to override this veto.

The SPEAKER. Does the gentleman from Pennsylvania (Mr. FLOOD) desire to yield time?

Mr. FLOOD. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois (Mr. MICHEL).

CALL OF THE HOUSE

Mr. SNYDER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. JOHNSON of California. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 19]

Andrews, N.C.
Ashley
Baldus
Beard, Tenn.
Bonker
Burton, John
Cochran
Conyers
Diggs
Dingell
Drinan
Erlenborn
Eshleman
Goldwater
Harsha
Hawkins
Hébert
Hinshaw
Jarman
Johnson, Colo.
Kastenmeier
LaFalce
McCollister
McEwen
McKinney
Mathis
Mink
Mitchell, Md.
Nichols
O'Neill
Patterson, Calif.
Rangel
Rees
Rhodes
Satterfield
Scheuer
Seiberling
Steiger, Ariz.
Stokes
Symington
Teague
Udall

The SPEAKER pro tempore (Mr. McFALL). On this rollcall, 390 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LABOR-HEW APPROPRIATIONS, 1976—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore. The gentleman from Illinois (Mr. MICHEL) is recognized for 10 minutes.

Mr. MICHEL. Mr. Speaker, it is nice to have these 390 Members present here for what I believe to be some pretty pertinent remarks as to why I believe we ought to sustain the veto of the President on the Labor-HEW appropriation bill.

I should emphasize that this HEW bill is minus education. There are no education items in this bill, for, as Members know, earlier in the year we passed an education appropriation bill. It was $1,345,000,000 over the budget, and the veto was overridden.

One of the principal reasons for my opposing this bill is that it is $915 million over the budget. Add that to the $1.3 billion in the education bill and the $300 million over the budget in the supplemental, and we find that for HEW in fiscal year 1976, the current fiscal year, if this veto is overridden, we will have $2.5 billion over the President's budget. I submit that is far in excess of what we can stomach.

Why am I concerned about our overriding this bill?

Here we are at the end of January, 7 months of the fiscal year behind us, and we have only 5 months in the fiscal year still remaining. To compress into this remaining 5 months all this additional Federal spending in my opinion would simply be a ballooning in excess of what we can very judiciously accommodate as we move not only into the transition period but also as we go into the new Budget Control Act.

Mr. Speaker, as I said, I think it is just impractical to try to compress in 5 months all this additional spending, for it causes a ballooning which cannot be accommodated in that transition period of 3 months before we go into any fiscal mechanism under budget control and into the new fiscal year.

Moreover, just 6 days after the President presents his new budget to us with a planned $43 billion deficit, overriding of this veto builds into the whole proposition here additional spending for the fiscal year 1977 of $1.2 billion, or an additional $1.2 billion to the deficit of $43 billion.

I would hope really for some support from Members of the Budget Committee who I would like to think would prefer to have a little bit more flexibility as we go into this new fiscal year 1977 for keeps under the new budget control mechanism.

I would like to point out to the Members that the latest figures available to us from the Budget Committee, from the Office of Budget and Management and from the Congressional Budget Office, indicate that revenues from the latest figures available to us will have a shortfall of $1.8 billion, $1.5 billion of that in offshore oil leases that were overestimated and $300 million less than what we were expecting to realize from sales of agricultural commodities abroad.

The net result is a $1.8 billion increase in outlays. According to the Senate Budget Committee's January 19 scorekeeping report, there is just $1.3 billion available in unobligated outlays. Consequently, we can see that the congressional budget ceiling would be busted by a half billion dollars, if the vetoed Labor-HEW appropriations bill becomes law.

Clearly at a time when we are trying to limit excessive spending and dampen the fires of inflation, we cannot sanction increases of this magnitude. This being the first money bill before us this session, it is important to keep in mind we are in effect adding a spending total for the remainder of the session. If we override this veto, we will be opening the gates and saying the sky is the limit, that we are really not serious about holding to our spending limitations as prescribed by the Budget Committee.

Mr. Speaker, for all these reasons, I think it is extremely important to sustain this veto. At the same time, however, I realize that a vote to sustain the veto does not mean that Members so voting necessarily want to go all the way over to the President's budgetary figures. Many Members are concerned about the degree to which the bill "busts the budget"; but at the same time they would like to insure that many important programs contained in this bill, particularly in the health bill, not be cut back, and I happen to be numbered among those, but to continue to operate at least at their current levels.

As most of us know, I have developed

a substitute bill to do just that, introduced yesterday with a number of cosponsors and I invite all to join. The bill as introduced provides us with a sound alternative should we sustain the veto. It would save us $425 million from the levels provided for in this bill, but at the same time is $490 million above the budget. It thus goes more than half way in the direction of the congressional position. Basically, what I did was to take each one of the controllable HEW items, reduce them by 10 percent, providing further that there be a floor, that in no way would any item be below the 1975 level of spending or the 1976 budget figure presented by the President, whichever is the higher. The resultant savings in HEW are $329 million. I would point out that in the Department of Labor we make no reduction, so those who are concerned about OSHA and those particular items would not be affected.

The bill which I propose also restores the Community Services Administration to the original level provided by the Committee on Appropriations, and I can read back to the Members some of the good arguments of the chairman, the gentleman from Pennsylvania (Mr. FLOOD) that it is a good sound figure and ought not to be increased on the floor as it was. So that is what I go back to with good justification from Democratic Members, as well as Republican Members. When we add that together, we get this package of $425 million.

Then looking at the overall subcategories, my proposal actually results in funding above the current level in health services. It should be remembered that comprehensive health planning, community health centers, and family planning, were all treated in the supplemental and are not involved in this proposition.

Additionally, for public health hospitals they would remain at the level provided in the bill. For preventive health service, we provide $8 million over last year. For occupational health, where several of our Members have expressed an interest, we have an increase of $3.6 million.

In NIH, my proposal would be $51 million over the budget and over last year's level of spending. But, the important thing to remember here is that when my chairman makes the point about how important research is—and all of us agree—at NIH the level of spending in 1975 was 17 percent over what it was in 1974, nearly double what we needed to accommodate inflation.

The important thing to remember at NIH, however, is what is happening to overhead. In these research grants just a few years ago we had a limitation which restricted that overhead to 10 percent. Some of us thought that maybe at times there ought to be flexibility, that it ought to go to 15 percent. Do the Members know what it was this last year? Overhead for research grants was 26 percent.

What does that mean? We think we are getting research for heart, cancer, stroke, and what not. Instead, it is going to pay salaries of people in these institutions, 26 percent of it, and I think the Members ought to be aware of this. This trend ought to be turned around, and we are not going to do it by piling on $1 billion after another. As our budget director said this morning, a billion here and a billion there, after all, in time it adds up to money.

That is what we ought to be concerning ourselves with today. However noble the purposes, the good and laudable purposes we have at NIH, let us not just give them an overabundance, more than that which they can fruitfully accommodate.

I must confess that if the Members think that research is hurting for money, out my way I have got to be critical of a a grant to a southern Illinois university trying to equate sexual arousal to the use of marihuana for $121,000. That kind of thing they are going to do offends the sensibilities of any common, decent person. I have another outside my district for $315,000 for taxi stamps which could go to anybody 5 years or older to subsidize taxi fares. They only have 37 taxis in the community, and that means $8,500 apiece, and we are talking about how strapped we are for research money.

We ought to get hold of ourselves, friends. We do not need to keep piling it on. Sure, there are going to be those special interest groups out there charging in here and saying, "You have got to give it to us, you have got to give it to us. How can you cut this back?"

Why? It is in salaries, in the main, the additional people they put in there to support their efforts. That is where it is going.

For alcohol, drug abuse, and mental health, my bill is just $9.9 million under the vetoed measure, and that bill itself is under the 1975 level, though additions in the supplemental push total funding over that level. Judging from some of the research projects Alcohol, Drug, and Mental Health Administration is funding, such as the so-called sex-pot study, they appear to have more funds than they can effectively use, and thus a reduction is certainly in order. In fact, it conceivably ought to be larger than the $9.9 million, particularly in the research field.

For health resources, my bill is $27 million over last year, and includes $81 million to launch the new health planning program. Some Members have inquired as to the impact on medical and nursing schools. Because of the lack of authorizing legislation, the vetoed bill did not include funding for institutional assistance and construction.

The level of funding for nutritional assistance for the elderly in the compromise would be kept at the $187.5 million provided for in H.R. 8069.

The one area below last year's level in my bill is the Community Services Administration, where our original committee figures are used. This reflects the fact that last year's level of funding was sharply higher than the previous year and the requirement of the law that the Federal share for community action agencies be reduced. Additionally, with the recent revelations by the Government Operations Committee of bad management within the agency, now does not seem the time to pour in large sums of money.

In conclusion, my bill represents a good faith effort to provide a compromise between the congressional and administration funding positions. For Members unhappy with the two extremities, and 156 of you indicated unhappiness with H.R. 8069 when you voted to recommit the conference report, this approach represents in my opinion a good, sound alternative. Remember, too, if you vote to sustain the veto and join in support of my bill, you are not voting against health and in favor of the lower administration funding levels, but are voting for program continuation and growth at the more moderate, fiscally responsible pace provided in my bill.

I submit, Mr. Speaker, that there are good, solid grounds for sustaining this veto and then coming back and adopting our substitute proposal which gives those adequate increases in these very vital fields.

Mr. FLOOD. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. McHUGH).

Mr. McHUGH. Mr. Speaker, I rise in support of the Labor-HEW appropriations bill and to urge my colleagues to join me in voting to override the President's veto. I think that these funds are necessary if we are to continue to provide minimally adequate support for health care services for so many people in this country.

There is no question in my mind that we are still very much in the midst of economically troublesome times. We still suffer from inflation, as well as recession. I believe, therefore, that we must exercise fiscal restraint and responsibility in many of our programs and that we must be concerned with excessive Federal spending in all areas. However, this measure we are again considering today is not excessive and, I would like to take issue with the President's description of the bill as being "a classic example of unchecked spending."

Actually, the Labor-HEW bill will provide little more than the amounts needed to keep pace with inflation. In fact, most programs throughout the bill would be funded at last year's level or slightly above. The bill is about $915 million—or 2 percent—over the President's budget request. About $283 million is needed simply to restore proposed cuts below the 1975 level for ongoing programs. The remaining congressional increase of $632 million represents selected increases for important programs like maternal and child health, vocational rehabilitation, nutrition for the aging, Head Start, and research on cancer, heart, stroke, mental retardation, and a number of other crippling and killing diseases. This is not a fiscally unsound measure, but instead it reflects the differing priorities of the Congress and the President.

On the question of priorities, it is revealing to note what increases the President is objecting to in this bill. He objects to an additional $500 million that we have provided for health research. This is for research in such areas as cancer, heart, and lung diseases. How can we calculate precisely the costs that would be saved, in terms of dollars and human suffering, by the expenditure of these funds for basic biomedical research? In economic terms, it has been estimated that for every dollar spent by the National Institute of Health society gains $20 in terms of reduced medical costs and increased human productivity. Is this a classic example of the unchecked spending the President refers to?

The President objects because this measure appropriates an additional $100 million over his budget request for maternal and child health programs. Actually, this amounts to only $30 million over the current funding level. Of the many programs in this bill, the maternal and child health programs have proven to be cost effective. In the main, these programs are preventative in nature and, therefore, represent a long-term investment in the health care of the mothers and children of this Nation. Is it fiscally responsible to make cuts in areas where the benefits far outweigh the costs?

The President further objects to our appropriation of $125 million for the elderly nutrition program. He requested $100 million for this program which represented a $25 million reduction in the funds appropriated in 1975. The funds in our bill would only continue the nutrition program at the current level, which now provides some 52 million nutritious meals a year. Approximately 62 percent of those served in 1975 were at or below the poverty line. Actually, the current program, which the President finds so excessive, meets only about 2 percent of the estimated need in this country. If we were to appropriate enough funds to serve just 50 percent of our eligible senior citizens, we would need almost $5 billion for this fiscal year alone. Are we to sustain the President's view that the limited expenditures called for in this bill are a "classic example of unchecked spending"? I sincerely hope not.

The issue then, Mr. Speaker, is not excessive spending. It is the priorities which our Government is going to set for our people. I hope that my colleagues on both sides of the aisle will demonstrate that the immediate health care needs of our people are important and will join me in voting to override the President's veto of this Labor-HEW appropriations bill.

Mr. FLOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Speaker, I thank the chairman for yielding to me.

I would say to my friends in the House today that I hope they will vote to override this veto, and I hope that they will do this to maintain the budget process. I want to point out to the Members the specific facts of where we are with regard to the budget ceiling, where we are with regard to what the House adopted as amounts to be spent in this category, and the fact that the budget process is now working.

In this conference report—and I want to compliment the chairman of this subcommittee and the full Committee on Appropriations for their action in bringing to the floor a bill with budget authority $25 million under the second concurrent resolution that we adopted as part of the budget process. We are also $70 million under the target in outlays for the appropriate functional categories.

In the budget we are below the total budget ceiling by approximately $11 billion in budget authority and we are below the budget outlay amounts by approximately $4.5 billion.

What the gentleman from Illinois (Mr. MICHEL) says about dangers to the budget ceiling has truth in it. Many of the Members have heard me say it before. They will hear me say it again.

We are approaching this budget ceiling that we have placed on Federal spending. The budget ceiling will be affected by whether or not we receive sufficient receipts from offshore oil; it will be affected by whether or not food stamp entitlement spending amounts go up; it will be affected by the changes in the economy.

But looking at the budget today, the conference report that is before us, I think we should uphold the budget process that we have established, which is to establish a set of congressional spending limits and priorities and then live with them. We have done that in this bill. Therefore, I think we should live with this bill.

The conference report on the defense budget will be coming back soon also; and it also is within the second budget resolution figure.

Mr. Speaker, what was stated by the chairman of the subcommittee is correct, the Committee on Appropriations has reduced the President's budget requests by $3½ billion.

The Members may ask me the question: Will that be enough to cover increases that may occur in the so-called mandatory programs, veteran's benefits, unemployment compensation, food stamps, and others?

As of today, it will.

We will be filing with the Parliamentarian and the Speaker a series of updated estimates on all Federal programs which we put together with OMB, with the Congressional Budget Office, and with the House and the Senate Budget Committees, which will be tracking spending as closely as we can as we go through these next few months.

It is a critical time, but I would state to the Members that this bill does not break that budget item and, therefore, we should override this veto.

If we arrive at the end of the fiscal year 1976 process and we find that revenues have in fact dropped or we find that the recession has not moved far enough toward recovery to reduce outlays, do not blame it on the Committee on Appropriations or on yourselves as Members of the House for the specific bills that have come up during this session. They have been carefully packaged within the resolution. We are right now starting to package the new bills for the next resolution. Every Member of this House for the next fiscal year will have the opportunity to look at each of the spending items and decide where they want their money spent. But once the House has done that, what we are saying to the House as members of the Budget Committee is: Live with those targets. If we are within them, then for goodness sakes do not overrule the budget resolution by in effect wiping out the fact that the good work has been done to stay within the target.

Mr. Speaker, I will be here, as the Members have heard me here on other bills, saying that if the target is being exceeded, I want to see that bill defeated. But that is not the case here. So I am hopeful that the Members of the House today will override this veto.

Mr. Speaker, I will report to the Members as we go along on behalf of the House Budget Committee where we are with the targets.

Mr. Speaker, there is one final note: There are outstanding two remaining appropriation bills, and we are very concerned about those. One, the portions of the foreign aid function that have not been adopted, and the other is the District of Columbia appropriation bill which, however, has a very small overall impact. We know when these bills come before the House we will then be right at the ceiling figure. If we get the upturn that the President indicates he thinks will occur during the first quarter of this year, as we did during the last quarter of last year, our expenses will drop and our revenues will rise, and we will be within the ceiling.

If we do not, we will have trouble.

Mr. Speaker, I hope the House will override the veto. It is within the concurrent resolution target.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, it is my hope that the House will sustain the veto of the President of the United States on this bill. I certainly have no illusions about the sensitivity of the vote which we will be having. This is a very important bill. It has some very important programs in it. But I think equally important is the necessity that this House rise to the point that I think the American people are making to us, and that is to get within sight of a balanced budget.

I recognize we cannot do it this year, but I do think that we can do it in 3 years and that we should set our sights toward that objective. This is the goal which the President of the United States laid out for the country in his state of the Union message. It is the goal which the Republicans of the House set forth in their legislative agenda.

Mr. Speaker, the situation now is that the gentleman from Illinois (Mr. MICHEL) has put together a substitute bill which, if the veto is sustained, will then be available for consideration by the Committee on Appropriations. It is a forward-looking document. It provides that no activity will receive less money than it did in 1975, and it also provides that there will be special treatment given to programs which might otherwise suffer, because of the formula which is imposed.

So it is a bill which we can live with, and it is a bill that works toward what I think the American taxpayer is hoping for and praying will come out of this

House. The American taxpayer is looking for some indication that he is not forgotten, that he is not the forgotten man, and that the Members he has elected to the House still remember him—indeed remember him fondly—and want to do something to help him.

In my opinion, it will be incumbent upon the Members of the House, as is always the case, to be very sure that the programs which are vital will be funded. It is my understanding that under the Michel substitute that the vital programs that the people of the United States want continued can be continued. That would be the plan under the Michel program.

Mr. Speaker, the best vote, I believe, that we can possibly make today, not only for today but for tomorrow and in the best interests of all the people of our country, is to vote to sustain the President's veto and then to instruct the Committee on Appropriations to bring back the Michel substitute, as I am sure they would do.

Mr. FLOOD. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. YOUNG).

Mr. YOUNG of Georgia. Mr. Speaker, when faced with making the decision as to whether to vote to override this veto of a bill containing the so-called Byrd amendment, whose purpose it is to restrain the powers of the Federal Government to order districts to end racial segregation in their schools, or to vote to sustain the veto, and thus to kill this pernicious provision, I had to think a long time. But, finally, I made the choice in favor of overriding the veto and I did so for the following reasons.

The funds appropriated in this bill are neither unreasonable violations of fiscal responsibility nor are they inflationary. The people-related programs for which these dollars are earmarked are sorely needed by the citizens of this county for the ordinary sustenance of their lives. Health care, social services, unemployment compensation—how can we allow a veto of this bill to reduce expenditures in these areas by 20 percent in a time when so many people are unemployed or employed at poverty-level wages? The amounts appropriated in H.R. 8069 are $25 million below the House Budget Committee targets for human resources programs, so we cannot be accused of violating the congressional budget process. Nor are the amounts appropriated in H.R. 8069 much more than is needed to keep the programs it funds from sinking in the pool of inflation flooding our land.

The Byrd amendment will not prevent the courts from ordering school districts to desegregate using the best and most effective means possible, which will in some cases involve busing. The Byrd amendment is not permanent. It will live only as long as this appropriation bill—through fiscal year 1976 and the few transition months that follow. It is possible, then, to continue with school desegregation efforts in spite of Byrd. But if this bill is not passed into law, the programs covered by it will sustain severe financial losses, for the chances of another appropriation bill for Labor and HEW are slim. The law reads that if an appropriation bill is not adopted, the programs will be funded at the level of the previous year's appropriation, or the budget request, whichever is lower. The previous year's appropriation is lower than this bill, but the President's fiscal year 1976 budget request is even lower still. Let us keep these desperately needed programs operating at current levels. I urge you to vote with me to override this veto.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I am really very fond of the gentleman from Illinois (Mr. MICHEL). I think he is one of the more constructive Members of the House, but I really think he is putting us on with this one.

I just cannot help but have that feeling when I recall the gentleman's words, both in the Committee on Appropriations and on the floor, when the bill was up for a vote earlier in the year, because the bill that he is now suggesting as a compromise if we turn down this bill would in effect be $223 million below the bill which the gentleman from Illinois himself supported in committee when it came out of committee, and that is the bill which he himself supported on the floor.

I give the gentleman credit for his effort and for his diligence, but I really honestly do not take him all that seriously, because I heard him defend that original bill which came out of the committee, and that bill was significantly higher than the bill he is suggesting we support now. I do not define compromise as going five degrees further than the original position of one's opponent, and that in effect would be what we would be doing if we accept the Michel "compromise" today.

I do not know how many of the Members saw it, but the recent Caddell poll, I thought, was most instructive on this whole question, because that poll showed that while the public is mighty fed up with a good deal of the spending that goes on on the part of Government, the one area in which they are willing to support more than the Government is spending today is the area of health care.

Mr. Speaker, this bill tries to meet that public mood in a responsible way. This bill is minimally responsive to the needs of this country in the field of health care. It is only 2.6 percent above the level requested by the President. It is a very reasonable bill, there is no reason not to support the veto override, and I would urge the Members to do so.

Mr. FLOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. O'NEILL), our distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, I rise in strong support of H.R. 8069; and because this bill is of such primary importance to every community of the United States, I urge all my colleagues on both sides to vote to override.

This is a nonpartisan bill. It is a bill that is responsible in every manner and shape. It has bipartisan support, we know. The House adopted the conference report by a vote of 321 to 91. The Senate adopted it by a voice vote. The House passed the original bill by a vote of 363 to 39.

In part, it is a jobs bill; but it is also a health bill, and it is a people-oriented bill. It means 47,000 new public service jobs. It means the difference in investments in human resources such as Headstart; nutrition for the aging; rehabilitation of the handicapped, maternal and child care; prevention and treatment of drug abuse, alcoholism, and mental illness; research in cancer and heart diseases; or no investment in these programs whatsoever.

That is what is at stake in this vote. This bill provides programs vital to the economic, social, and healthy well-being of America. It is a modest effort to meet the needs of a nation and the people in the area of health, and in the area of welfare.

The gentleman from Washington (Mr. ADAMS), the chairman of the Committee on the Budget, has already spoken. He told us that it has already been included in our overall figure.

The conference report is not a budget-breaking bill. The House and Senate, in setting up the conference agreement, lowered some areas and raised others to come up with a figure of $36.1 billion, which is $70 million in outlays and $25 million in budget authority under the amount provided for in the second budget resolution. The final appropriation figure provides little more than the amounts needed to keep pace with inflation.

Contrary to President Ford's veto allegation, this bill is not an example of unchecked spending. It is within the framework of our new budget, which is $375 billion, and it is within the funding ceiling of this budget resolution which has been adopted both by the House and the Senate.

Mr. Speaker, on the merits alone, as well as on the fiscal restraints, this bill represents a careful weighing of Federal spending priorities, in my opinion, against anticipated revenues and the need to hold down the Federal deficit.

I appreciate the fact that the minority whip has an amendment which he would like to offer. It means that we would have to go over the entire road again if we do not override the veto. How long it will take us before we get a bill, I do not know. From where are the $450 million cuts going to come? Are they going to come out of nutrition for the aged? Are they going to come out of funds for cancer research? Are they going to come out of social service programs? Where is the $450 million in cuts going to come from? This I do not know.

Mr. Speaker, let us vote; let us vote with our mind; let us vote with our heart. Let us vote, for the best interests and concerns of America, resoundingly to override and demonstrate again that our budget procedures work, that they are sound, and that they are responsible. Let us show that we can live within our budget. Let us show that we intend to do it not only this year but next year. By doing so, we will be giving our utmost for America at this time.

Mr. Speaker, I hope and urge that we vote to override the President's veto.

Mr. MICHEL. Mr. Speaker, will the gentleman yield 1 additional minute to me?

Mr. FLOOD. Yes, Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, in answer to my friend, the gentleman from Wisconsin (Mr. OBEY), I just want to make the record clear here that I was not an enthusiastic supporter of this bill when it came out of our committee. The gentleman knows that.

I vigorously opposed it here on the floor when it was loaded down by amendment. I had the motion to recommit when the measure came back as the conference report. It was my motion that got 156 supporters in favor of recommitting the conference report.

The gentleman also knows how I fought these increases in the committee. Of course, on individual amendments, when the package was brought out, I did my best to defend the committee's position against those who would like to have the increases.

I just do not want the record to show here that this is the first time I have expressed any opposition to this measure or the level of spending in it.

Mr. FLOOD. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, let me just make clear what I said. I did not suggest at all that the gentleman from Illinois voted for the bill as it left the House. What I said is that the ostensible compromise which the gentleman is asking us to buy if this bill goes down is in effect $200 million below the bill which the gentleman from Illinois originally supported in the Committee on Appropriations.

Mr. MICHEL. If the gentleman will yield, I did that only to get it out on the floor as the gentleman from Wisconsin well knows.

Mr. OBEY. Mr. Speaker, I remember the speech which the gentleman from Illinois gave in the committee at that time, and he said the following. He looked at the Republican members on the committee and he said, "Fellows, I know that this is substantially above the President's budget, but," he said, "I certainly recognize that the budget that was sent down here originally did not represent the priorities of our new President. So I do not feel that I have to apologize for the size of this bill today."

I am paraphrasing the gentleman from Illinois, but that is virtually exactly what he said in the committee. Now the gentleman is asking us to support something that is $200 million lower than he was willing to support then. And we all know the gentleman is not exactly a big spender.

Mr. MICHEL. Mr. Speaker, if I might just respond very briefly, if the gentleman will yield further, there were these large ups and downs and what we do in this one is to make absolutely sure that no item gets cut over less than 10 percent, that is all it is going to do on the aggregate, it will possibly vary a little bit on each item. Then, sure, it may be at odds with programs with which I have very little support and would wish to cut them much more deeply, 50 or 60, but really it did not cut as we do here across the board.

Mr. ROUSSELOT. Mr. Speaker, I rise in support of the President's veto of H.R. 8069, the Labor/HEW Appropriations Act for fiscal year 1976.

This legislation is nearly $1 billion over the administrations budget level. Such excessive spending adds to the fires of inflation because we are, quite literally, spending money which we do not have. Federal deficit spending is absorbing available capital in the private money markets and depriving industry of the financial resources needed to stimulate investment and productivity. This deficit spending must be brought under control if this Congress truly expects to control inflation and speed the recovery from the worst recession since World War II. The country cannot wait for Congress to find an "easy way to trim the bloated Federal budget. Our constituents demand action now, not merely rhetoric about the need to "tighten our belts" while continuing to let that belt out a notch or two.

The Congress has increased funding in area after area—where is the fiscal discipline we have been hearing so much about? We can no longer approve legislation such as H.R. 8069 that grossly exceeds the money actually available to be spent on these programs. I do not dispute the worth of many of the programs funded by this legislation in the area of health. However, the Secretary of Health, Education, and Welfare, in a letter to the minority leader of the House, stated that the level of funding requested in the President's budget is both adequate and appropriate "in light of competing demands for scarce Federal dollars" and the need to control Federal overspending and overpromising.

The President addressed this need in his state of the Union address in this Chamber last Monday night:

> For many Americans the way to a healthy non-inflationary economy has become increasingly apparent; the government must stop spending so much and borrowing so much of our money; more money must remain in private hands where it will do the most good. To hold down the cost of living, we must hold down the cost of government.

I urge my colleagues to join with me in supporting President Ford's veto of H.R. 8069 with the hope that we can bring Federal spending in line with Federal revenues and show the American taxpayer that we are sincere in our campaign promises to reduce the size of the Federal budget and the huge national deficit.

Mr. ASHBROOK. Mr. Speaker, I will vote to sustain the veto of H.R. 8069, the Labor-HEW appropriations for fiscal year 1976. It would be fiscally irresponsible for the House to approve the excessive funding levels provided in this legislation.

H.R. 8069 is another of a long line of budget-busting bills that have gotten us into our current economic mess. It appropriates more than $45 billion. I repeat, $45 billion, $36 billion of which is for fiscal year 1976 and $9 billion for the transition quarter.

This is almost a billion dollars over the budget. When coupled with the budget overruns in the education appropriation bill and supplemental increases, the 1976 HEW appropriation exceeds the budget figure by $2.5 billion.

Although there are some very worthwhile programs funded under this bill, our Nation cannot afford such excessive overall spending. It will just fuel the fires of inflation, further eroding the value of everyone's dollar. As HEW Secretary David Mathews has stated in urging the Congress to sustain this veto:

> It is my view that unless we do a better job in holding down Federal spending, the impact of that spending on this Department's beneficiaries would do greater harm than the benefits that would accrue from the Congressional add-ons to the budget.

The Congress must act now to bring Federal spending under control. It must come to grips with the fact that we can no longer continue to spend as if there were no tomorrow. Unless the Members of this body are willing to make the spending reductions that are necessary, our entire Nation could go the way of New York City—and no one will be around to bail us out.

In addition, the President has pointed out in his veto message that this bill would increase permanent Federal employment by 8,000 people. It is ridiculous to add thousands more to the Federal payroll. It is time to reduce the number of Washington, D.C., bureaucrats, not increase that number.

I urge the House to not recklessly add to an already staggering budget deficit and an overblown Federal bureaucracy. This veto should be sustained.

Mr. BOLAND. Mr. Speaker, today we are considering the veto of the Labor-HEW appropriations bill. The President has labelled this bill "a classic example of unchecked spending."

The amount appropriated by this bill is 2.6 percent over the President's request. I would hardly label a 2.6-percent increase "unchecked spending." It is also important to emphasize that this amount is $25 million below the amount determined by the House Budget Committee. We all recognize the burden inflation has placed on this Nation's citizens. This bill insures that inflation does not gut existing programs. It adds little new program spending. It is not "classic" spending for spending's sake.

There is a reason other than economics why I support this bill. As we balance Federal spending against the needs of the people, we must constantly keep before us the knowledge that the vast number of programs funded by this bill are human service programs. Every American is affected by this bill, a whole range of needs are met by it. We cannot shirk those needs. The President has used economics as a justification for his veto. We can use both economics and need as justifications for an override.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise to urge my colleagues to join me in voting for the override of the President's veto of H.R. 8069, the Labor-

HEW appropriations bill for fiscal year 1976.

All of my colleagues who have studied the conference report need no further delineation by me on the importance of the health and social welfare programs funded by the vetoed legislation.

The positive results of these programs speak for themselves; they are their own most eloquent justification.

Who can possibly disparage programs such as Head Start; nutrition for the aging; rehabilitation of the handicapped; and maternal and child health?

Who can possibly claim that we need less funding emphasis for programs designed to combat drug abuse, alcoholism, and to relieve the untold human suffering of mental illness?

Who can possibly argue that funding cuts should be made in vital research efforts to discover the root cause of cancer and other disease killers?

Is the administration so in need of a philosophical budget victory that it is willing to ignore the sick, the old, the helpless, and those whose very labor imperils their lives?

If this is so, we have indeed come to a very sad state of affairs.

I, for one, cannot allow some mythical ledger book in the Office of Management and Budget to take precedence over the quality and longevity of American lives.

Mr. Speaker, I know that many of my colleagues share my sentiments, and each of them has special sections of the legislation in which they are personally interested.

I will not try to outdo the eloquence of those who will rise to defend the legislation as a whole and special programs in particular.

What I would like to do is to address one portion of the legislation that has very special meaning to me—programs of research to discover the root cause of the Great American tragedy—occupational disease.

Mr. Speaker, I have devoted much of my life as a public servant to improving the lot of America's working men and women. I consider the Occupational Safety and Health Act one of the greatest legislative achievements of my life.

Like any landmark legislation, OSHA has had its problems. But despite the chorus of criticism that greeted the act and its subsequent implementation, I believe that we are making positive gains to insure America's working men and women a safe and healthful working place.

In adopting this legislation, Congress recognized that a compelling need had to be addressed. Wholesale slaughter in the workplace could no longer be excused or condoned. Slowly but surely, the American collective conscience has begun to awaken.

We no longer accept the trade-off between lives and jobs. In adopting OSHA, Congress said it was possible to have both.

I have maintained for many years that occupational health was not the exclusive cause of labor-oriented legislators or socially responsive liberals.

On the contrary, I have said on many occasions that occupational health concerned everyone in this country.

Health hazards are not confined by factory fences.

They have escaped—into the air we breathe, and into the water we drink.

Anyone familiar with the recent discoveries on environmental contamination by polychlorinated biphenyls and the pesticide kepone knows this to be the case.

Workers are the first to be affected—but they are not the last. And unless we manage to come to grips with the health hazards they face on the job, we may discover that our own lives and those of our innocent children are in jeopardy.

Mr. Speaker, the legislation we are considering takes small but important steps toward a resolution of this monumental problem. I say monumental because it is estimated that 100,000 workers die each year from diseases they contracted on the job.

In taking these small steps to help American workers, we also help ourselves.

When we lessen the workplace exposure levels of toxic chemicals and materials, we also lessen the likelihood of environmental contamination and resultant health problems for the general public.

Mr. Speaker, H.R. 8069 appropriates funds for vital research on chemical exposures by both the National Institute of Environmental Health Sciences and the National Institute of Occupational Safety and Health.

Up to now, both of these Agencies' research efforts have been hampered by inadequate budgets and staffs, as well as inadequate facilities to house their research operations.

The National Institute of Environmental Health Sciences—NIEHS—is primarily involved in the development of more effective means of testing chemicals to determine their long-term effects on human health.

Despite the obvious importance of this type of research, the administration proposed to cut the budget of NIEHS $3.8 million below the amount Congress appropriated and $11 million below the amount the Agency had requested for fiscal year 1976.

The National Institute of Occupational Safety and Health—NIOSH—is responsible for research work related to workplace health hazards and the recommendation of standards to protect workers exposed to toxic chemicals and other agents.

The President's request for NIOSH was $32 million—the same amount appropriated by Congress in fiscal year 1975 and $12 million or 29 percent below what the Agency had requested for fiscal year 1976.

The major item eliminated from the Agency's budget request was the occupational carcinogenesis program for research on chemicals already linked to cancer for which there are no Federal standards.

NIOSH has set a goal for itself in its forward health plan of a 10 percent reduction in the incidence of occupational cancer by 1980. However, the failure to provide adequate funding for this vital work will probably mean an actual increase in the occupational cancer rate by that year.

A successful override of the President's veto will insure that this much-needed research will go on, and that the goal of reduction of occupational cancer will be achieved. Additionally, overriding the veto will mean that NIOSH can continue its manpower training program which is aimed at dealing with the critical shortage of qualified personnel in the field of occupational health.

Mr. Speaker, there is an incredible gap between the number of qualified medical personnel available in the field and the number required by the magnitude and importance of this work.

We have 500 occupational physicians; we need an additional 1,200 who are board qualified or certified.

We have 2,700 industrial physicians; we need 4,300 more with special short-term training.

We have 3,700 certified industrial hygienists and safety specialists; we need 8,530 more.

We have 1,000 occupational health nurses; we need 8,400 more to fill the needs we have right now.

Of course, H.R. 8069 will not close the occupational health manpower gap, but it will help prevent it from widening even further.

Mr. Speaker, my colleagues are probably aware that a substitute to H.R. 8069 has been proposed—a substitute that would cut controllable HEW line items 10 percent across the board. In this cut would be included the vital work of NIOSH and NIEHS.

This would be the cruelest cut of all.

It has been substantiated that 70 to 90 percent of all cancer is the result of environmental factors—and the risk faced by American workers exposed to hazardous substances and toxic chemicals is incalculable. I daresay that if we knew the actual extent of the problem, we would be horrified and no doubt propelled into immediate corrective action.

Must tragedy always precede enlightenment?

Are we so crisis-oriented that apathy has conquered logic and the commonsense of preventive medicine?

Does foresight always have to be myopic and hindsight 20/20?

I think not, and I would hope that the majority of my colleagues would agree with me.

Mr. Speaker, H.R. 8069 and the funding it provides for so many worthy programs is needed legislation.

It was not drafted in haste, nor passed with imprudence.

It received the approval of the House and the Senate because it was a good bill.

It is too good a piece of legislation to be chalked up on the tally board of the President's veto successes.

It is too vital to be carted off as a budgetary war trophy by the overzealous legions of the OMB.

It is a bill the American people need and deserve, and I hope that all of my colleagues will join with me in voting to override the President's veto, and to reject any attempt to offer a weakened substitute for further House consideration.

Mr. KASTENMEIER. Mr. Speaker, once again we are forced to stand up and argue for human needs. Once again we must rise to defend the level of spending for such programs as nutrition for the aging, maternal and child health, research on cancer and heart disease, rehabilitation for the handicapped, and innumerable other programs aimed at helping to make life a little better for the people of this country.

The President vetoed the Labor-HEW appropriations bill because he said it was fiscally irresponsible. It provided too much money for these programs. I wish the President would be concerned with Federal spending when he looks at funding for the Pentagon. I wish he would be concerned with Federal spending when he approves secret funding for factions involved in a civil war in Angola.

Mr. Speaker, we are all concerned with our economic problems. We all agree that Federal spending can be cut. The difference between how the President approaches that issue and how the Congress has chosen to approach the issue, is that the President would start with cuts in programs designed to meet human needs. The Congress, on the other hand, has tried to ferret out true waste in the budget, believing that our people and their needs deserve top priority. The fact is that, if all 14 appropriations bills approved thus far for fiscal 1976 by the Congress are taken into account, we have provided appropriations which are $3.5 billion less than the President's budget requests. And, this includes the bill before us today.

The increase over last year's appropriations provided in this bill is barely enough to keep pace with the current inflation rate. Had we followed the President's priorities and adopted his budget request, however, programs funded by this bill would have been cut below current funding levels.

What that would have meant, Mr. Speaker, is that someone, somewhere would have to tell some handicapped child that "Rehabilitation funds have been cut and you can no longer receive assistance." Someone, somewhere would have to tell some senior citizen, "Sorry, we no longer can include you in the nutrition program. We do not have the money." Someone, somewhere would have to tell some disadvantaged pregnant woman, "Our budget has been cut and we cannot provide you with the prenatal care you have been receiving."

That is the meaning of priorities, Mr. Speaker. People versus guns. People versus bomber planes that are not neeedd. People versus aid to dictatorships. Our people and their needs is what we are talking about today. Our people and their needs is what we must provide for. I urge this House to override the President's veto of the Labor-HEW appropriations bill.

Mr. BADILLO. Mr. Speaker, I rise in firm support of overriding the President's veto on the Labor-HEW appropriation. This override can be a victory in the battle to establish meaningful priorities in the allocation of Federal funds. The President has stated that this is a "classic example of unchecked spending." Mr. Speaker, I maintain that the President's veto is a classic example of unchecked callousness toward the needs of the American people.

What does this bill do? Very little when you come right down to it. In this era of belt-tightening and economy, there is no money to innovate, to expand successful programs, to really continue the beginnings of care we have given to the poor, the elderly, the sick, and to our students and our workers. What this appropriation does is only allow the maintenance of programs at their former levels. We are in inflationary times and dealing with higher costs for the same services—and that is all this appropriation really permits.

What the President does not like, and what is perhaps one of the most forward-looking aspects of this appropriation, is that most of the money used to increase the allocations has come from the defense budget. That is a beginning on the road to reordering our priorities. It is only a baby step, but we are finally beginning to say that the people must come first.

As a member of the Small Business Committee, I was pleased that appropriations for onsite OSHA consultation services had been increased, a change badly wanted and needed by small businessmen. But, more important, as a Representative from a district where people depend on HEW programs for their very lives, I am adamant in my view that any further cuts would be disastrous.

If the President of the United States continues to believe that weapons are more important than people, it is up to the Congress to set him straight. An override of this veto is one way to do it.

Mr. MINETA. Mr. Speaker, I rise in support of H.R. 8069, making appropriations for the Departments of Labor and Health, Education, and Welfare, and in opposition of sustaining the President's veto of this measure. There are two reasons why I firmly believe that sustaining this veto would be an irresponsible act by Congress.

First of all, such an action would clearly jeopardize those programs funded under this act. To cut the level of appropriations this late in the funding cycle could have catastrophic effects on State and local agencies as well as on private organizations and groups which anticipated the receipt of these Federal dollars.

While I recognize the need to evaluate programs in terms of their cost-effectiveness, particularly with Congress enactment of the Federal Budget Impoundment and Control Act, indiscriminately cutting the funding is tantamount to "throwing out the baby with the bath water."

Second, sustaining the veto will disrupt the budgetary process the Congress endorsed in the summer of 1974 with the passage of the Budget Impoundment and Control Act. I am sure that I do not need to remind my colleagues that in passing the second budget resolution, we established a ceiling for the Federal expenditures for fiscal year 1976. H.R. 8069, the Labor/HEW Appropriations Act clearly falls within the limits set by this ceiling.

Already the House Budget Committee has scheduled hearings to establish budgetary ceilings for fiscal year 1977. Furthermore, the committee has created task forces to evaluate specific areas of Federal programing. The Human Resources Task Force will be holding meetings in February and March of this year to study programs under both the Departments of Labor and Health, Education, and Welfare.

It is for these reasons, Mr. Speaker, that I firmly believe we must override the President's veto. Sustaining this veto will only serve to disrupt the budgetary process Congress has established for itself.

Mr. FORD of Michigan. Mr. Speaker, I rise to urge my colleagues to support our efforts to override the President's veto of the bill containing the funds for the Department of Labor and the Department of HEW programs for fiscal year 1976. The funds contained in this bill, along with those in the education appropriations bill—which we enacted earlier, despite the President's veto—represent the backbone of the Federal Government's domestic programs—programs which directly benefit people.

This legislation contains funds for job training and unemployment assistance to help our Nation's unemployed—which incidentally now total more than 7 million persons.

It contains funds to enforce Federal labor laws designed to protect working Americans—laws such as the Occupational Safety and Health Act, the Fair Labor Standards Act, and the National Labor Relations Act. And, as chairman of the House Subcommittee on Agricultural Labor, I may add it contains the badly needed funds requested by the Department of Labor to enforce the amendments which our subcommittee wrote in 1974 to the Farm Labor Contractor Registration Act.

The Labor-HEW appropriations bill also contains badly needed funds for programs for our senior citizens, such as the community service employment for older Americans program and supplementary medical insurance under the medicare program.

Mr. Speaker, I could continue on and on, reciting the important programs which will be jeopardized if we do not override this veto—programs such as maternal child and health care, emergency medical services, alcohol, drug abuse, and mental health programs, and funds for cancer research and heart and lung disease research.

But the primary question before us today is the question of spending priorities—the question of whether we are going to spend our precious tax dollars on the people from whom we collect them or waste them away on new military hardware and new foreign adventures.

In his veto message, the President dismissed the Labor-HEW appropriations bill as "a classic example of unchecked spending." This statement is totally inaccurate and unjustified. The bill now before us represents a careful weighing of Federal spending priorities matched with anticipated revenues and the need to hold down our Federal deficit. The funds in this appropriation are actually an increase of only 2.6 percent over the President's original request. This is not even enough to keep pace with inflation, and it represents less real purchasing power than it did last year. Furthermore, the total funds appropriated in this bill represent $25 million less than the House Budget Committee assumptions.

Mr. Speaker, the President's real problem with this measure is not that it is "unchecked spending," the real problem is that it simply does not fit in with the President's priorities as he describes them.

We can easily afford the funds in this bill today without increasing the Federal deficit. We can do so by refusing to allow the President and his advisers to commit us to spending untold millions and billions of our precious tax dollars on foreign escapades such as Angola, and on experimental military hardware systems which provide huge profits for corporations, but very little in the way of efficient protection for the American citizen.

Let us just compare the President's attitude on people programs, such as the ones funded by the bill before us, and to his attitude on the defense expenditures, which eat up the bulk of our spendable tax dollars.

Less than 1 month after he vetoed the bill now before us, he sent to the Congress a budget which proposed major decreases—totaling approximately $1.8 billion—in virtually every program funded by the Department of Labor and the Department of Health, Education, and Welfare. The same budget included a $14 billion increase for defense spending—a 14-percent increase over the current fiscal year.

Mr. Speaker, I can hardly believe that the cost of meeting a foreign threat to our national security has increased by 14 percent from last year—and if it has, perhaps we had better have another Cabinet shakeup real soon. I can tell you that unemployment has increased by more than 14 percent during the past year—from 7.2 percent in December 1974, to 8.3 percent in December 1975.

The question before us now is: Do we want to endorse a policy ignoring the needs of the average American, the unemployed and our senior citizen, which is what the President's veto position amounts to—or do we want to send our people a message and tell them that America can still afford to maintain our strength by helping our own people here at home?

I hope my colleagues from both sides of the aisle will join me in voting to override this veto.

Mr. OTTINGER. Mr. Speaker, the appropriations bill we have before us today passed the House last June 25 by the astonishingly strong margin of 368 yeas to 39 nays. The conference report passed with a similarly strong showing of 321 to 91 in December. Surely the President, at the time he vetoed this measure, must have been aware of the fact that these votes indicate a serious intent on the part of the House to continue the programs supported through the Labor/HEW appropriation bill.

In his veto message the President has called this measure "a classic example of unchecked spending." In fact, the proposal is only 2.6 percent above the President's 1976 budget request and is some $25 million below House Budget Committee figures for fiscal 1976 spending.

Many of the programs funded through this appropriation—programs such as Head Start, the nutrition program for the elderly, income maintenance programs, a variety of health programs—are especially designed to help low-income people. At a time when these groups are suffering the effects of combined high unemployment and rampant inflation, how can we justify cutting back on the programs which mean their very survival?

Funds for Federal research which support research into the causes of and cures for many crippling and life-threatening diseases are also contained in this measure. It is only through such Federal support that we can ever hope to conquer heart disease and cancer, the two major killers in this country. The bill also contains money for aiding the victims of certain diseases and birth defects in their struggle to become productive, tax-paying citizens through vocational rehabilitation programs.

Approximately one-third of the $915 million above budget request that we seek to appropriate under H.R. 8069 would go simply toward restoring cuts in ongoing programs. The remainder represents carefully selected increases over the fiscal 1975 level for some of the more important programs such as those I have already enumerated. The Appropriations Committee has taken great care to match Federal spending priorities against anticipated revenues and to stay within the Budget Committee's guidelines. As a whole, the bill will do little more than allow these programs to keep pace with inflation. The veto should be overridden.

Ms. ABZUG. Mr. Speaker, I urge the Members of the House to override the President's veto of H.R. 8069, the appropriations for the Departments of Labor and Health, Education, and Welfare in fiscal 1976.

In this period of rising unemployment and rising prices, President Ford's veto of these programs shows a callous disregard of a large segment of our society—the aged, the poor, the unemployed, the sick, and the disabled. Yet these are the groups that have been hit hardest by the recession, who have no place else to turn for subsistence but to government programs. Many of these people want to work, but there are no jobs for them; they have been forced onto the rolls of our food stamp and welfare programs. Moreover, if we do not override this veto thousands of persons working in the health and education fields could face loss of their jobs and recipients would lose these vital services.

If the President is really concerned with limiting Federal spending, he should begin by cutting the defense budget, instead of raising it as he stated in his recent budget message. So long as this administration continues to waste millions of dollars on military machinery, little credence can be given to the President's stated purpose in vetoing this bill which is to reduce spending.

H.R. 8069 involves far more than dollars and cents. The funds it contains are essential for the continued existence of our basic social programs which alone allow our elderly, poor, handicapped, and unemployed to retain some sense of human dignity. Therefore, we must vote to override the President's veto.

Mr. HAWKINS. Mr. Speaker, it gives me great pleasure to stand up and voice my support for an override of H.R. 8069. One particular facet of that bill should be singled out for special praise. This feature relates to the elderly feeding program and the appropriations directive in the conference report.

Most Members are probably well aware of the fine success that this program has had in its short history. Under the program, disabled senior citizens are provided with "meals-on-wheels" so that nutritious food services are brought right into their homes. By doing this, the program makes sure that elderly people will not become malnourished solely as a result of their inability to purchase and prepare food.

The elderly feeding program reaches most senior citizens with food benefits, however, at congregate eating locations. At these places, food is provided; recreational services are ordered; and counseling is given. Transportation is provided to elderly people so that they can attend these congregate eating locations. In short, the elderly feeding program is a comprehensive program that is designed to foster health, happiness, and dignity to our country's aged.

Despite the short time in which this program has had a chance to develop, it already has become very popular. Many vulnerable senior citizens now receive at least one hot, nutritious meal a day. Moreover, they have enjoyed the chance to eat these meals with other elderly men and women, from whom they had been physically isolated. Unfortunately, we are only serving a small percentage of those seniors in need. We have heard reports of many centers unable to receive funding, and other centers turning away needy and eligible elderly because of insufficient funding. Waiting lists are the rule at many senior centers across the land.

It is this situation that the appropriations bill seeks to correct. The bill appropriates $125 million for the program in fiscal year 1976 and directs that the program's "level of operation" be $187.5 million. By accepting the Senate's language on this point, we have tried to make sure that HEW and the States will spend $187.5 million for the program's operation within fiscal year 1976. HEW and the States are to take $62.5 million in funds caried over from fiscal year 1975 and to spend that amount in addition to the $125 million appropriated in this bill.

Unlike last year, HEW should act quickly to implement this spending mandate. Immediately upon enactment, the annualized rate of expenditure should be increased to the amount necessary so that the entire $187.5 million is spent by local programs by June 30, 1976. During the duration of the fiscal year, funds should be reapportioned between the States and the annualized rate of expenditure further adjusted so that HEW and the States fulfill our expenditure requirement.

I am sure that this requirement will successfully extend the benefits of the nutrition program for the elderly to many of the elderly people who have been frustrated in their attempts to participate in the program. It is truly justified and I am pleased to recommend it to this body as we vote to override the President's veto of this appropriations bill.

Mr. RANGEL. I rise to add my support for overriding the veto of the appropriations bill now pending. One facet of this bill is of special concern to me insofar as it permits critical, albeit modest, expansion of the nutrition program for the elderly. Such expansion is important for my district and State, as it is for most States around the country, because many elderly people are seeking—but are not getting—program aid. Despite the gains we have made in better meeting the nutritional needs of senior citizens through title VII programs, too many elderly people are suffering because programs cannot expand to meet the unmet need.

Our appropriations would correct this situation. Although we appropriated only $125 million for this fiscal year, we require HEW and the States to spend $187.5 million for the program in this fiscal year—ending June 30, 1976. This mandate is to be accomplished by reducing the amount of funds that have been carried over from previous fiscal years by $62.5 million. In sum, the $125 million from this year's appropriations, and the $62.5 million from previous years' appropriations, are to be used to fulfill our statutory directive that $187.5 million be spent by local programs this fiscal year.

By accepting the Senate's requirement that the "level of operations" for this fiscal year be established at the $187.5 million level, we mean to make it clear that HEW and the States should actually spend that amount during the course of fiscal 1976. The annualized rate of expenditures must be increased immediately upon enactment of this bill to the amount necessary so that the $18. million is expended for additional program services. We also expect that HEW will adjust the annualized rate of expenditure later on in the year if this is necessary to meet the $187.5 million expenditure mandate.

This action by the Conference Committee strengthens the need to enact this appropriations bill. The nutrition program for the elderly has proven itself as a most useful program for our Nation's aged. Throughout the country, elderly people are in need of food aid because they are poor or are physically unable to prepare their meals. They also need to find ways to get out of their physical and psychological isolation that does so much to demean their dignity.

The nutrition program for the elderly does much to remedy these problems of old age. Therefore, it is important that we permit the program to expand so that more elderly people can be reached with the benefits under title VII. I commend the members of the conference committee for their wisdom in establishing the appropriations expansion mandate. I hope my colleagues join me in voting to override the veto of the bill now before us.

Mr. MINISH. Mr. Speaker, I rise in support of the override of the President's veto of H.R. 8069, the Labor-Health, Education, and Welfare appropriations for fiscal year 1976.

First, Mr. Speaker, let us put to rest the argument that this bill is too expensive and would rekindle the fires of inflation. In fact, the bill is only 2.6 percent over the administration's own fiscal 1976 budget request, far below the inflation rate.

The most substantial increases contained in H.R. 8069 are in the health field, and even here the funds provided exceed last year's spending level by only 6 percent—less than is necessary to keep pace with the higher cost of living.

Failure to nullify the veto would result in drastically lowered funding for child health services, heart and lung diseases research, rehabilitation for the disabled, mental health training, arthritis research, neurology and stroke research, health planning, and drug abuse services.

With regard to cancer research, an area in which I have long had a special interest, the program would fall $105 million below last year's spending level—a cut which would emasculate this most vital program.

Presently the National Cancer Institute is expanding its funding of research into the environmental causes of cancer. This area has grown fivefold in recent years and it is vital to continue this research in order to firmly establish why States like New Jersey have such high cancer rates.

Cancer is the second greatest cause of death in the United States and it is surely the most terrifying disease facing us today. Furthermore, recent alarming reports indicate that people died of cancer at a higher rate in the first 7 months of 1975 than at any time since the Government began gathering nationwide mortality data 42 years ago.

The Federal anticancer effort is one area that must not be permitted to fall victim to shortsighted budgetary restriction. The effort we began with the enactment of the National Cancer Act of 1971 must be permitted to expand until we have finally conquered this most dreaded of all diseases.

At this point, Mr. Speaker, I shall insert in the RECORD a fact sheet from the Coalition for Health Funding entitled "Cancer Control Programs That Would Be Affected if the Veto of H.R. 8069 Is Sustained":

CANCER CONTROL PROGRAMS THAT WOULD BE AFFECTED IF THE VETO OF H.R. 8069 IS SUSTAINED

1. Many on-going control programs would be curtailed including programs in breast cancer, head and neck cancer, and cervical cancer.

2. No initiation of programs in environmental carcinogenesis to screen workers exposed to known cancer causing agents.

3. No initiation of programs to provide information to allow reimbursement for cancer control activities initiated at the community level through third-party carriers.

4. No initiation of studies to determine the optimum frequency of screening for breast cancer.

5. No projects to determine cancer screening in high-risk populations.

6. No new programs to disseminate new information on treatment advances in childhood cancer.

7. No programs to initiate dissemination of information on new programs for treatment of rectal cancer.

8. No initiation of new programs modelled after Hospice, a new concept in rehabilitation and terminal care of cancer patients.

9. No new projects for demonstration of pain control for cancer patients.

10. No new studies to study the psychological impact of cancer on the patient and his or her family.

11. Curtailment of the communication network which is to disseminate cancer information to the public through toll-free numbers.

12. No implementation of the community-based cancer control program which is directed toward health professionals and the public.

13. No planning money for communities to develop cancer control activities on a community-wide basis.

14. No implementation of programs directed at continuing education for physicians on new advances of the treatment of cancer.

Mr. ROYBAL. Mr. Speaker, I rise in support of the motion to override the veto of H.R. 8069, the Labor-HEW appropriations bill.

This bill is a prudent, fiscally-responsible measure that merely maintains existing programs at last year's level of services. Yet, as in the past, the bill is being denounced in terms best described as a hyperbole which cannot withstand critical analysis.

First, the President charged that this bill is a "classic example of unchecked spending" that would add $382 million to this year's deficit. Yet the bill provides for only a 2.6-percent increase over the amount requested in the President's budget. This minimal increase will provide the resources necessary for the programs to keep pace with inflation. On the other hand, the President's budget made no allowance for inflation, and in some cases, such as maternal and child care, it made drastic cuts.

Second, the President claims that the bill will increase permanent Federal employment by 8,000. Yet he failed to mention that 6,000 of these positions are requested in his own budget. Further, these positions have already been filled, since the 6,000 people are already on the rolls of the Social Security Administration as term employees.

Finally, the President totally ignored the benefits that would accrue to our citizens from these increases. The programs that are funded in this bill represent an investment in the health and well-being of all Americans. For instance, we have increased funds for Head Start, nutrition for the aging, rehabilitation of the handicapped, maternal and child health, prevention and treatment of drug abuse, alcoholism and mental illness, and also research on cancer and heart disease.

Mr. Speaker, by overriding this veto, we can insure that a wide variety of critical services will continue to be supplied to millions of American. In a time of recession and inflation, we must realize that if the Federal Government does not provide these services, there will be no one to step in and fill the breach. This is not the time to cut essential services. Therefore, I urge that all of my colleagues vote to override the veto of H.R. 8069.

Mr. FLOOD. Mr. Speaker, I have no further requests for time and I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 310, nays 113, not voting 9, as follows:

[Roll No. 20]

YEAS—310

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Chappell
Chisholm
Clay
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Grassley
Green
Gude
Guyer
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Railsback
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Zablocki
Zeferetti

NAYS—113

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Broomfield
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Butler
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Edwards, Ala.
English
Erlenborn
Eshleman
Findley
Fish
Flynt
Forsythe
Frenzel
Frey
Gradison
Hagedorn
Haley
Hansen
Hightower
Holt
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lent
McClory
McCollister
McDonald
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
O'Brien
Pettis
Poage
Quie
Quillen
Regula
Rhodes
Robinson
Rousselot
Satterfield
Schneebeli
Sebelius
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Teague
Thone
Treen
Vander Jagt
Waggonner
Whitehurst
Wiggins
Wilson, Bob
Wydler
Young, Fla.

NOT VOTING—9

Diggs
Goldwater
Hinshaw
Levitas
McEwen
Nichols
Seiberling
Udall
Young, Tex.

The Clerk announced the following pairs on this vote:

Mr. Udall and Mr. Diggs for, with Mr. Levitas against.

Until further notice:

Mr. Nichols with Mr. McEwen.

Mr. Seiberling with Mr. Goldwater.

Mr. Young of Texas with Mr. Hinshaw..

Mr. GILMAN changed his vote from "nay" to "yea."

So, two-thirds having voted in favor thereof, the bill was passed, the objections of the President to the contrary notwithstanding.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the veto vote just taken.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TO PROVIDE FOR STARLING AND BLACKBIRD CONTROL IN KENTUCKY AND TENNESSEE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries be discharged from the further consideration of the bill (H.R. 11510) to provide for starling and blackbird control in Kentucky and Tennessee, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 11510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress finds that in Kentucky and Tennessee large concentrations of starlings, grackles, blackbirds, and other birds found in "blackbird roosts" pose a hazard to human health and safety, livestock and agriculture, that the roosts are reestablished each winter, that dispersal techniques have been unsuccessful, that control is most effective when birds are concentrated in winter roosts, and that an emergency does exist which requires immediate action with insufficient time to comply with the National Environmental Policy Act.

SEC. 2. (a) Upon certification by the Governor of Kentucky and/or Tennessee to the Secretary of the Interior that "blackbird roosts" are a significant hazard to human health, safety or property in his state, the Secretary of the Interior shall provide for roosts determined through normal survey practices of the Department of the Interior to contain in excess of 500 thousand birds to be treated with chemicals registered for bird control purposes, unless the Secretary determines that treatment of a particular roost would pose a hazard to human health, safety or property.

(b) The provisions of the National Environmental Policy Act of 1969 (83 Stat. 852), the Federal Environmental Pesticide Control Act (86 Stat. 975), or any other provision of law shall not apply to any such blackbird control activities undertaken, on or before April 15, 1976, by the States of Kentucky or Tennessee or the Federal Government within the States of Kentucky or Tennessee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 9861, DEPARTMENT OF DEFENSE APPROPRIATIONS, FISCAL YEAR 1976

Mr. MAHON. Mr. Speaker, I move to take from the Speaker's table the bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes, together with the Senate amendment to the House amendment to the Senate amendment No. 75 thereto, disagree to the Senate amendment to the House amendment to Senate amendment No. 75, and request a conference with the Senate thereon.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment to Senate amendment No. 75 as follows:

> Strike out "$205,600,000" and insert: "$205,600,000, none of which, nor any other funds appropriated in this Act may be used for any activities involving Angola other than intelligence gathering, and which funds are".

PREFERENTIAL MOTION OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Speaker, on behalf of the gentleman from New York (Mr. Addabbo) and myself, I offer a preferential motion.

The Clerk read as follows:

> Mr. Giaimo moves that the House concur with the Senate amendment to the House amendment to Senate amendment numbered 75.

The SPEAKER. The gentleman from Texas (Mr. Mahon) is recognized for 1 hour.

Mr. MAHON. Mr. Speaker, the Chair has just recognized me, as manager of the defense appropriations bill, for 1 hour. There are many requests for time, and it is not going to be possible for everyone to speak at length in regard to the issue before us. I will yield to as many Members as time permits.

This is one of the major votes of the Bicentennial Year.

Mr. Speaker, today the House will consider the final remaining amendment in disagreement to the $90 billion plus defense appropriation bill, the amendment which the Senate adopted that prohibits the use of any funds in the defense bill for Angola.

Mr. Speaker, the problem before us is what shall we do about the Senate amendment which provides that no funds in this $90 billion defense appropriation bill can be used for activities involving Angola except for those activities of an intelligence gathering nature.

Of course, we must recognize that time has more or less passed this issue by. In narrow context, the issue is moot.

I have made a motion to go to conference, where we could attempt to work out this matter. However, a preferential motion, as expected, has been made to concur in the Senate amendment. Under the rules of the House, of course, the preferential motion will be voted on first. Thus, an up or down vote will occur at that point.

We recognize, of course, that the motion to concur will be adopted perhaps by a very wide margin. I make no special plea for those who decide to vote against the motion which I have made.

It is perfectly clear, of course, that the Senate and the House are opposed to the heavy involvement of the United States in Angola at this late hour. Certainly, I am personally opposed to heavy involvement in Angola. Covert aid at this time would, of course, be impractical and impossible. So that is really not the big issue before us today.

But, Mr. Speaker, we must seek to avoid sending a signal to the Communist nations that are on the march today, saying that we are going to withdraw from the world, that we no longer will attempt to exert any influence on international matters, that we will take no note of Communist actions to undertake to take over governments by force and subversion. This great power should not assume that position.

Mr. Speaker, we must hope that neither friend nor foe will conclude that we are withdrawing from the real world or that we have forsaken our resolve to take whatever steps that may be necessary to serve our own best interest in international matters.

The problems before us are very troublesome. I think in some instances we in Congress have gone too far in projecting ourselves into certain foreign policy matters, yet we all must concede that we do have an important and vital role to play and we certainly have the right to specify how funds we appropriate are to be used.

Still, a dynamic foreign policy cannot be conducted by 535 independent people. Important decisions cannot be made in a timely way in all instances. Timely response is very often essential to a favorable solution and the enactment of legislation is time consuming.

As I have said, the technical issue is a very narrow one today. But the basic issue is broad and tremendously significant and important.

I deplore and strongly condemn the actions of the Soviet Union in expending $200 million to finance and support in excess of 10,000 Cuban troops and to support military activities in Angola. This is an outrage of the first magnitude, Mr. Speaker. It clearly points out the objective of the Soviet Union to subvert other nations of the world. This may be the wave of the future in the eyes of the Soviets, but our Nation must reject it; and the vote today, however it may go, must not be interpreted by the remainder of the world or by our own people as a backward step, as a timid step, as an indefensible step by the greatest nation in the world.

Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Addabbo).

Mr. ADDABBO. Mr. Speaker, the motion which we have pending before the House is a simple and easily understood proposal. What it would do would be to accept the Senate language, the Tunney amendment, which states that not one penny of the more than $90 billion in this bill can be used in any way whatsoever by the administration to involve the United States in the Angolan conflict.

We hear from the administration that there is no question of introducing U.S. troops in Angola. We hear that because the Russians are involved in Angola we ought to provide a counterforce. We hear that the money will be used only for intelligence purposes, as if that were so innocent an occupation that no reasonable man ought to object to that.

Well, the Congress has been burned before and I have no desire to be burned again. This Congress has the right to give military aid if the Nation wants to intervene in the Angolan conflict but it should be done, if at all, directly, not through the back door.

I feel no need to involve the United States into the internal affairs of an African nation simply because the Russians are supporting one side against the other. The national security of the United States will be secure whoever rules over Angola, be they friendly to the Soviet Union or not.

I will not buy the argument of intelligence either. The networks and the rest of the news media are providing daily comprehensive summaries of what is happening in that ravaged land. We need send no agents, covert or not, to Angola to keep abreast of what is happening there on a daily basis; Walter Cronkite will let us know each night at 7 p.m.

What we face here in the House today is an administration that wants blanket authority from the Congress to do whatever it is able to do in Angola as a means of stemming what appears to be a successful Russian-supported coup. The State Department, the Pentagon, the White House, and the intelligence services probably could not tell you exactly what they would do to reverse the trend in Angola, but we will hurt their pride if we tell them they are not allowed to do something. Well, that is what the motion would do.

I strenuously oppose the concept of permitting U.S. involvement in Angola by use of the back-door appropriation. How many times during the years of the Vietnam war did we fight these oblique battles where innocent-sounding programs were actually designed for war? Too many times, I remind you.

Why do we not just speak plainly to the American people? There is no great need for U.S. intervention in Angola unless we are prepared to hire mercenaries and arms. We know that.

What we are really talking about is approval for the spy agencies to get their fingers into the Angolan pot and salvage whatever is left to salvage. I do not believe it is in the national interest of the American people to do that. I do not believe the American people think it is in their interest for us to allow that.

Let me say this to those of you who might feel obligated to support the administration on this issue. If you vote with us to ban U.S. funds for Angola, and you still want a separate vote on the question of what the United States ought to do about Angola, I will support your attempt to bring the bill to the floor for debate.

Let the bill come before the House and be debated. Let it either be defeated or approved. I do not fear such an up-or-down vote, nor should those of you who believe we ought to be involved in Angola, fear letting the American people know, in a straightforward manner, what your intentions are.

Let me be very clear on what the issues are in this vote. If the motion is not adopted, the House will have decided to let a few Members decide for all of us what our course will be in Angola, and how millions of taxpayer dollars will be used.

If the motion is not agreed to, the Defense Appropriations Subcommittee, which has appropriation authority over the CIA, will have tacit approval to provide whatever reprograming of Defense funds as are required for use in Angola. That certainly could be done and because the information is classified, the question would never come before the House of Representatives for an open vote. If you believe that all Members of the House are entitled to vote on such an important issue, then support the pending motion. If you are satisfied that such decisions are better left in the hands of a few, then you should oppose the motion.

For myself, I like the bright sunlight. I am opposed to meshing this country into a bitter and confused war in Africa just to establish a bargaining position for diplomats. We can do little good and the chance for mischief is overwhelming. I urge your support for the pending motion.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Speaker, there is no question that the Congress can adopt what the Senate has done. There is no question that we can agree with the Tunney amendment and that will be that, and Congress will have had its say on the question of Angola, so that further funds will be prohibited.

It is rather hard to stand here and argue against the logic of the very able gentleman from New York (Mr. ADDABBO), that Congress ought to have its say. Yet, the thing that troubles me greatly as we consider this issue, and the issue is much greater than just the Tunney amendment, is where do we really go from here?

It is fine to argue that we ought not to operate in secrecy, that we ought to be able to lay it all out on the table as to what we do; and I certainly would have to go along with that theory.

However, Mr. Speaker, there are times when our country has to have a tool that will allow it to somehow get into a position where it can bring the other side to the table and talk it out.

Once we lay it all out in the open, then we start to shut the doors to the options that are available to the parties. The thing we desperately need in this country, I believe, is the ability to find ways to sit down with the other side and try to bring some peace and harmony to the world. That, of necessity, in my opinion, calls out for the need to operate in such a way that the whole world does not know what is going on every minute of the day.

We have to remember, Mr. Speaker, that we are dealing basically with another side that has absolutely no rules of openness about it. If we start to shut the door on this one tool that allows us to effectively find a way to deal with them, then we will go into the proverbial ring with one hand tied behind our backs, and we never again will be able to operate in a way that will offset some of the advantages they have with that peculiar and dastardly system that they have.

Again, it is fine to say that we ought to be a free and open society, and everybody ought to know everything. All I can say is that I wish it were that way. There comes a time, however, when we have to somehow put a little faith and a little trust in some of those who have been designated to try to work these things out. Hopefully, we will be able to come up with the right answers.

I do not know how to argue this case. I do not know how to say that Congress ought not to know what is going on, or that we should not go along with the Tunney amendment. But, Mr. Speaker, my gut feeling tells me that if we do not have this kind of tool, then we are going to put our foreign policy and our foreign intelligence and everything else that we do in dealing with foreign countries and Communist nations in jeopardy.

Mr. Speaker, I think that is what it boils down to; and I hope that the Members will vote down the Giaimo-Addabbo motion.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Speaker, I strongly support the motion of the gentleman from Texas to send the defense appropriations bill back to conference in the Senate in an effort to work out an acceptable solution on the question of financial aid to Angola. Remember, we are talking about weapons, not personnel. No American personnel are involved.

Mr. Speaker, I must remind the Members just what the situation is in Angola. Angola had been a colony of Portugal for many decades. Last year, Portugal decided to withdraw from its African colonies and grant them independence. Last year was a year of extreme political unrest in Portugal. A Communist attempt to dominate Portugal required the complete attention of the Portugese people. Under these circumstances, the African colonies could not be given a smooth transition into an independent status.

Long before the date of the Portugese withdrawal, three major factions based on tribal associations were vying for control of Angola. In keeping with their practice of seeking to create unrest and to take over territory and people wherever possible, the Soviet was supporting one of these factions, the Popular Movement for the Liberation of Angola, known as the MPLA. Personnel, including the present leader of MPLA, were trained in Russia. Soviet support of this group was massive.

In response to the Soviet attempt to control the new Government of Angola, the United States and other countries, including African nations, began to give modest assistance to tribes and political factions which opposed the Communist-backed group. At no time did the American aid approach in size or in kind the much larger Soviet effort. In spite of their large expenditures, the Soviet Union-backed group faltered and the Soviet Union sponsored the introduction of Cuban troops into Angola.

An amendment was approved in the Senate which specified that no further American military assistance could be given to the anti-Communist forces in Angola. This is an amazing development, one which I simply cannot comprehend. American aid has been limited; it has not involved personnel. Our military assistance has been no secret from the committees of Congress with oversight of such funds. Eight separate committees of Congress were briefed on the matter; each understood the gravity of the Communist threat to the future of the free Angola.

Our effort has been to bring about a coalition government, even including representatives of the Communist faction. The Soviets have refused to cooperate; have continued their tactics of aggression, which are spearheaded by 10,500 trained Cuban troops and massive stocks of weapons. They mean to take over all of Angola.

A takeover of Angola by Soviet-backed factions means control of the best harbor on Africa's southwest coast and domination over the shipping lanes to and around the southern tip of Africa. It means control of the railroad which has great impact on the economic life of Zaire and Zambia. They must use it to ship their copper and other products to world markets. It means an opportunity for Communist policies and tactics to spread into these countries, into South-West Africa, into South Africa, and into Rhodesia.

We already know the serious consequences of the Senate action. Because of a lack of equipment, the forces opposing Soviet-backed forces are speedily being overcome. When the Senate action tied the hands of the U.S. administration so that no further assistance could be given to the anti-Communists, the effect was to paralyze the anti-Communist forces and to give a free hand to the Russian-backed element. Regardless of the motive, it is shocking to realize that this measure may have already doomed the former Portugese colony to a Communist takeover and may be opening the door to the subjugation of all of the south of Africa by the Communists within a few short years.

Irrespective of the present situation, we in the House have a responsibility. We can still vote against this invitation to aggression. We can refuse to tie our Government's hands on the conduct of foreign affairs.

Mr. Speaker, we must not deceive ourselves that our refusal to participate in the resistance to Communist aggression will go unnoticed throughout the world. Those who were given reason to doubt our resolve when South Vietnam, Cambodia, and Laos fell to the Communists will increase their doubts. I am fearful that we repeat the mistakes of Munich when we fail to stop aggression where we can. This does not mean the use of U.S. troops. The Communists will surely read our failure even to be willing to take action as a further softening of American resolve. They will be tempted to initiate hostile actions which would not otherwise be taken all over the world. This is what led to the tragedy of World War II and it could lead to the far greater tragedy of World War III. We must vote against tying our own Government's hands on this issue and the consequences which may follow.

Mr. BELL. Mr. Speaker, will the gentleman yield

Mr. SIKES. I yield to the gentleman from California.

Mr. BELL. Mr. Speaker, I want to commend the gentleman from Florida (Mr.

Sikes) and I wish to associate myself with the remarks he has made.

I would ask the gentleman from Florida, are we not really by the Tunney amendment overreacting to Vietnam? Of course no one wants to go in Angola all the way with U.S. troops. No one has that idea. The other concept of this, of course, is that there is a whole big area in between whereby we can help our allies who are willing to stand up against the Russian-dominated MPLA.

I think that it is an absurdity for us to now turn our backs and operate our international affairs through fear politics. The Senate amendment is isolationism in its worst form.

Further than this we are telegraphing to Russians that they can do as they see fit in militant action throughout the world, we will not oppose them in anyway.

But more importantly we are telling other potential allies throughout the world that we are not going to oppose aggression on the part of Soviets. Therefore, upon seeing this, our potential allies will start capitulating to the wishes of Russia, everywhere in the world.

This could eventually render us truly isolated.

Mr. SIKES. Mr. Speaker, of course, my distinguished colleague, the gentleman from California (Mr. Bell) is correct in his assumption. If we want to seek out the real truth it is there, and the Soviets progress is rampant.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Kemp).

Mr. KEMP. I appreciate my chairman's yielding.

I would like to support the point, Mr. Speaker, that was made briefly by my friend, the gentleman from California (Mr. Bell), that is, that the United States—the people and this body—should understand clearly that getting into war in Vietnam and supplying arms to our friends in Angola are not one and the same thing. No one is asking America to send in troops, and I believe none should be sent in. However, some shipment of arms will be required if the pro-Western forces are to stand any chance at all in the field against an enemy who is being heavily armed by the other power in today's war.

I want to commend the chairman for his remarks in condemning Soviet involvement in Africa. He called it an international outrage and I agree, further it is an affront to everything that détente is supposed to mean.

I think that in the face of the increased Soviet military buildup from the Mediterranean to the Indian Ocean, in the face of the Soviet attempts in Portugal, and in the face of Soviet violation of the spirit, if not the letter, of SALT, the Soviet intervention in Angola raises hard questions about détente.

I am especially concerned, Mr. Speaker, how our response is going to be perceived by the Soviets, because how they perceive our actions is the test of what is going on today. Angola in and of itself is not the only question that is being decided.

What my friend, the gentleman from Alabama (Mr. Edwards) talked about, and that is giving a foreign policy tool to the administration so that they might help prevent the conquest of Angola by the Soviet-backed minority, is important. We should make it possible for the majority factions to hold out against the heavily Soviet-armed Cuban troops until our diplomacy can help bring about a settlement. Whether we can get a settlement from Moscow is the test of whether détente is working for us. If this Congress cuts off aid to Angola, it is in fact undermining détente by turning it into accommodation to Soviet expansion.

The answer to the Angola question will be found in Moscow. The Russians will not resist exploiting a perceived weakness. At this time when the Politburo is facing the problem of a successor to Brezhnev, in the interest of world peace we should be doing everything possible to influence the succession of leadership in favor of the faction that believes in a genuine relaxation of tensions in order to relax the burden of armaments on their standard of living. This faction is willing to live and let because it believes the United States is doomed by the working of the laws of history and that war is not necessary to our demise.

Another Politburo faction has a different interpretation of détente. To this faction détente is an internationally accepted term which seems to permit the most irresponsible Soviet adventures without serious adverse world reaction. As long as they can claim and maintain that this "détente" is working, events such as Angola can be explained away as minor. This faction also supports détente, but as a means to lull the adversary and to exploit the adversary's hope, fears, and domestic politics. This faction discounts the risk of serious confrontation with the United States because they see our strength on the wain.

A third faction is placed somewhere in between, believing in expanding as much as possible, but this faction sees us still as unpredictable. This faction believes in exploiting détente as we see it, but without taking risks.

In place of our political primaries, the Politburo conducts experiments. They test the different points of view of the competing factions. Angola is one such test. In its response to this test the U.S. Congress is participating in deciding the succession of the leadership in the Soviet Union. It will be a leadership with which we may have to live for years to come. This Congress is missing the real chance for world peace by not doing everything possible to create a succession of leadership by the Politburo faction that sincerely believes in the relaxation of tension.

The faction which sees détente as a guise behind which to carry out adventures will argue that a response on our part that imposes no real cost to the Soviet Union for its intervention in Angola should be perceived as supportive of its position. That faction is the last faction that this Congress should help accede to leadership.

In this decision which we are debating we must remember that we are deciding not just whether the Angolan people will have self-determination but also participating in an experiment that will help decide which faction will attain leadership in the Soviet Union.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Illinois.

Mr. FINDLEY. I thank the gentleman for yielding.

Can the gentleman shed any light on this question of what is the real effect of this amendment? Does it deny the President any funds that he can use in Angola? Or does it simply deny him the use of funds in this appropriation bill? Does he have any other financial resource to which he can look? It is a very important question, in my opinion.

Mr. KEMP. I will let the chairman answer that. I would ask for the chairman's counsel on this, but my understanding of this amendment is, that it would shut off all assistance under the terms of this bill for any military aid to Angola.

Mr. FINDLEY. If the gentleman will yield further, does he have other means appropriated that he can look to?

Mr. KEMP. No, the aid in the pipeline is just about over, and if the House accepts the Senate position, it will in effect say to our friends in Angola that there is no more assistance.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. Burlison).

Mr. BURLISON of Missouri. Mr. Speaker, on December 30, 1974, the Foreign Assistance Act of 1974 became law. One of the provisions of that bill provides as follows:

> Sec. 662. Limitation on Intelligence Activities.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress . . .

Shortly thereafter in January 1975, I was assigned to the Subcommittee on Defense of the Committee on Appropriations. Also, at that time appropriations oversight responsibilities for the CIA was given to the full Subcommittee on Defense.

During this past calendar year 1975 the Director of the CIA made several appearances before the subcommittee in order to report "in a timely fashion a description and scope of" the Angolan operation. On each of those appearances of the Director, Mr. Colby, before the subcommittee, I gave him a monologue that went more or less like this.

I reviewed the disillusionment, despair, and disgust of the American people with the unpopular Vietnam war just concluded. I alluded to the plethora of Watergate crimes which monopolized the attention of the public mind for months on end. The Director was reminded that these crimes included numerous abuses of the CIA and the FBI by the executive branch of Government, including the plans of assassination of foreign leaders. It seems so clear to me that with all of this as a backdrop with its attendant backlash of public opinion that the American people would never approve our support of a secret war in Africa. I also made a point of the highly visible investigation of the CIA by the ad hoc Church committee on the Senate side and Pike committee on the House side. I pointed out that I could not understand how a national leader could fail to clearly recognize that the CIA could not keep secrets while it was being picked to pieces by these congressional investigating committees.

My position was not one of unalterable opposition to covert activities of the past, nor perhaps further utilization of them at some time in the future. In the world environment in which we existed, and must now exist, a strong case can be made in our national security interest for covert intelligence operations. The point was simply that the climate of public opinion in the year 1975 as a result of all of these things that I have mentioned could not permit a successful covert operation on our part; and therefore it should not be attempted. My voice was among a small minority on the subcommittee and clearly was not the prevailing view. Certainly Mr. Colby and the President gave the view no weight.

So what happened? Precisely what Mr. Colby had been advised that any reasonable mind should expect, that is, the previously closely held information would be leaked by the investigation committees and staffs and that when the American people thereby learned of the Angola operation they would strongly disapprove of it. This is lucidly illustrated by the overwhelming action of the Senate in adopting the amendment now being debated. I predict that similar action will now be taken by the House and I intend to so vote.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, I rise in opposition to the preferential motion and in favor of the motion offered by the gentleman from Texas (Mr. MAHON).

I certainly support the position of the gentleman from Texas that this is perhaps one of the most important votes we will cast in the Bicentennial Year of 1976. And I am worried that we are going to be casting it without recognizing its full implications for the next 100 years of this country, and casting it also largely on emotion and on a deep fixation, in the basic Freudian sense, with Vietnam.

Some of our generals have been accused of planning to win the last war, instead of the next one. In this case I am afraid many of our colleagues in the other body have been concentrating too hard on trying to prevent the last war, rather than on trying to prevent the next one.

This amendment and the question before us addresses really two distinct facets: First of all, whether we ought to have in this great democracy of ours any covert operations or whether all our business has to be conducted out in the open, discussed fully and completely by all 535 Members of the Congress and published fully on the front pages of the Washington Post and the New York Times.

I just do not believe that in today's modern world we can conduct all of the Nation's business, including all of its more delicate operations, in that kind of fashion. We need secrecy in certain cases. A covert operation can move much more swiftly, for example. So if we now deny ourselves this ability, we might find that the fire engines had arrived after the house had already burned down.

In addition, a covert operation can proceed without officially committing the prestige of the country. And we may not always want to do that at the outset, and yet we can still accomplish some important things.

For example, consider what happened in Portugal. According to the press, that country got some kind of confidential assistance at a time when the Socialist Parties were attempting to prevent a full-scale Communist takeover. There was never any public discussion about such aid, and yet it turns out that the Communists were knocked out of the predominant position in Portugal. Are we going to deny that that kind of result is in the true interests of this country?

We do not require that all of the business of a family be conducted with the shades up and all the lights on. So why do we insist that all the business of the world's greatest democracy has to be conducted in that way?

The second issue involved in this vote today is whether it makes sense for us to help Angola. Is Angola of any significant importance to our national interest?

Well, there are several important points involved in Angola, the first of which has already been mentioned here. If we announce publicly by our votes today that America is not involved in the rest of the world and that we are willing to turn much of the world over to the Communists for whatever schemes they may have in mind, then we are certainly going to see a dangerous and significant shift in the balance of world power against us in the very near future.

Angola may not be the most important strategic area in the world, but certainly our own national interest will be affected if the Russians, with Cuban troops, can provide the arms and the soldiers to permit a small minority to take over the entire country, without negotiations, without any effort at achieving a political solution, and without any resistance from the only world power big and powerful enough to challenge them.

This is what we are going to be underwriting today if we deny the President any further funds for immediate, confidential aid to Angola. If we do that we send a clear-cut signal to Russia and to the world that henceforth the Russians have carte blanche to fish in any other troubled waters they want to with complete impunity. For us to do that would significantly decrease American influence and effectiveness in the world contest, and everybody would recognize it as such. Make no mistake about it.

Of course we seek no war in Angola; we seek only to achieve a balance, a stalemate between the three competing local factions so that the dispute there can be moved away from the battlefield and onto the conference table. Is this so wrong for us to do?

Finally, Mr. Speaker, much has been made of the point that South Africa is also supporting the anti-Communist forces, and therefore the United States is opposing the black nations of Africa. This charge is complete nonsense. The fact is that at the recent OAU conference the black nations of Africa split precisely down the middle on the issue of Angola—22 black African nations in favor of the Communist-backed Popular Front, and 22 black African nations supporting the non-Communist coalition which is also supported by the United States. So who is more truly on the side of black Africa?

Actually our assistance in Angola was taken in response to urgent appeals from both Zaire and Zambia. In fact the whole economy of Zaire depends on the use of a railway running through Angola. If the communists gain full control of Angola they can also begin to put pressure back on Zaire, a country that threw the Russians out of the old Belgian Congo originally some 20 years ago.

So Angola does have a bearing on the future status and success of the United States, whether we like it or not, in this limited, one world of ours. Last July I led a House subcommittee to Africa to see with our own eyes on the East Coast of Africa in Somalia the largest Soviet naval support facility outside the Soviet Union itself. From Berbera, Somalia the Soviets are now in a position to interdict the petroleum lifeline of the free world out of the Persian Gulf. If they are now allowed to establish a naval support base in Angola they will have a second opportunity to harrass and interdict this vital petroleum lifeline in the South Atlantic from the west coast of Africa. What more do we need to demonstrate the extent to which Angola does have an impact on our own national interests which we can only ignore at our peril?

So let us vote today with an appreciation of the realities of our status as a world power, and let us do nothing we will have occasion bitterly to regret in the years to come.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. BOWEN).

Mr. BOWEN. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of the position of the gentleman from Texas and in opposition to the motion of the gentleman from Connecticut.

I have recently returned from 2 weeks in central and southern Africa, where I had an opportunity to examine the Angola problem very closely.

Like many others, I was and am concerned that we not repeat the mistakes of Vietnam and that we not be drawn into a conflict where the outcome does not have a significant impact on our national interests or where a civil war should be resolved without American intervention.

I was able to talk with the leaders of two of the liberation groups involved in Angola, Dr. Jonas Savimbi, of UNITA, and Dr. Holden Roberto, of the FNLA, and with leaders of the African nations geographically closest to Angola, including Zaire, South Africa, Malawi, Rhodesia, and Zambia. I also had an opportunity to visit hospitals treating the war wounded and talk with the victims about the nature of the war and their reasons for fighting.

What I discovered was that there is no longer a conventional civil war under way in Angola, but an international struggle between an invasion force of Cubans and Russians, using vastly more sophisticated weapons against a relatively poorly armed but numerically superior force of Africans.

These African armies, UNITA and FNLA, represent a large majority of the people of Angola and would like, by a democratic process, to establish a unified government for the country, but who cannot compete with the voting power of 122-millimeter Stalin rockets, T-54 tanks, helicopter gunships, and a well-stocked arsenal of modern weaponry.

What we all want, I believe, is Angola for the Angolans, regardless of who forms a government, left, right, or center, with all foreign forces withdrawing. The South Africans, who intervened in face of the Russo-Cuban putsch, are already doing so, but the Soviets have indicated that they have no intention of withdrawing.

The Russian position has, of course, been immeasurably hardened by the recent Senate action in voting against any American support for the anti-Soviet forces in Angola. The Russians do not have a bottomless well of resources for Angola, any more than we do, and the prospect of American support might well bring a greater willingness on their part to negotiate. With no disposition on our part, however, to provide any assistance to their opponents, there is hardly any reason for those in Moscow who want conciliation and compromise to negotiate on Angola or anywhere else. It is clearly too easy to win by force.

The questions we are all asking are, is a Soviet victory contrary to the national interests of our country, and is that victory inevitable? In the first instance, without dealing with the mineral and other natural resources of Angola, of Zaire and Zambia, and of other areas of Central and Southern Africa which may be controlled or lost if Angola is conquered, or in the domination of the sealanes around Africa, which is already underway, I believe the interests of our country are not served by bowing gracefully from the waist and welcoming the Soviets to take what they would like of Africa, or Latin America, or any place else.

If they believe we are so immobilized by Vietnam that we are incapable of offering any opposition to Soviet intervention around the world, even in the form of financial and logistical assistance, then Vietnam will surely become, if it is not already, the most tragic war in our history.

As to whether the Angola war is already lost, I believe the answer is no. The $30 million or so that we infused into Angola last year brought about a major shift in the war, and the best military intelligence I have been able to locate indicates that the $28 million that we are now dealing with in the House will go far to help stabilize the war and bring about conditions for a negotiated settlement.

It is not necessary to match the Soviets dollar for dollar. If that were possible, then the UNITA-FNLA coalition would win the war outright, given their 2 to 1 numerical superiority. Rather, it is necessary only to provide enough assistance to enable them to obtain the weapons they need to offset enough of the psychological and military advantage that the Soviet-Cuban forces enjoy to check that offensive and help compensate for the withdrawal of South African forces, in short, to provide some incentive for the Soviet-MPLA forces to consider a negotiated settlement and a coalition government.

Our goal, in other words, is not to win a military victory but to deny the enemy a victory so that he must negotiate. With the MPLA holding the loyalties of less than a third of Angola's population, we have every reason to believe that a coalition government would not turn into a hostile government.

Financial assistance is, in any event, a low-risk investment on our part and would go far to strengthen our influence with the 23 African nations who want a negotiated Angolan settlement, who believe the future of Africa does not lie with the Soviet Union but with the Africans, as well as our standing with people everywhere who fear that we have decided to withdraw into fortress America and leave the rest of the world to whatever fate the Soviet Union might determine for them.

The Soviets, on the other hand, have committed much more in Angola and consequently stand to lose much more. Angola could become a Russian Vietnam if we are able to achieve a military stalemate and a negotiated settlement, given the anti-Soviet disposition of most of Angola's population.

It would be nice to think that because the domino theory may not—we hope—work in Asia that it cannot work anywhere, and that anticolonialism and nationalism will always generate pressures adequate to prevent the Russians or the Chinese or anyone else from dominating and controlling nations and their resources in ways that are contrary to our own national need for survival and prosperity.

If that is the case, then we can indeed retire behind our own borders, cut our defense budget, and presume that all will work out for the best in this best of all possible worlds.

In fact, the precarious economic, political and military condition of many African States and the lack of countervailing internal power to that of their narrowly based governments, make it far more likely that a Soviet victory in Angola, achieved solely because of Russian and Cuban intervention rather than MPLA military strength, would produce a Soviet puppet state. The present political geography of the area, based upon the Russian strategy of dominating the peripheries of Africa, makes the outlook for the rest of Central and Southern Africa a dismal one, and especially grim for our friends in Zaire and Zambia.

No one advocates the presence of American troops in Africa, and with the War Powers Act we in the Congress will determine whether or not American troops participate in another war. This modest request for assistance, however, to a liberation movement which is willing and determined to fight for its survival against a foreign invasion is worthy of our support.

What is happening in Angola represents an appalling new approach in Soviet expansionism, with a satellite army trained, armed, and supervised by Russians, transported thousands of miles beyond the Soviet's national security area, and thrust into a civil war. Regardless of what we think about the past mistakes of American foreign policy, including Vietnam, this kind of Soviet intervention should not be encouraged. It is an approach which deserves at least the opposition reflected in the limited financial support we are considering.

I am, of course, not suggesting that we are witnessing a rerun of the 1930's, although some have suggested that, when a relatively limited effort on the part of the Western democracies could have prevented a far greater sacrifice of lives and resources, where a nation bent on expansion relied quite accurately on the fact that a people who were weary of war and economically distressed would take no action in the face of aggression.

Many of you, perhaps a majority, take the view that this situation is not worthy of any outlay of American funds, that it really makes no difference who wins in Angola. I sincerely hope that you are right. Unfortunately, only the penetrating vision of hindsight can tell us where the turning points and watersheds of history occur. Let us hope that this is not one of them.

I take the position that the danger in Angola is great enough that we can afford this very limited investment in the future of Africa, a continent which has been neglected far too long. The risk in acting if we are wrong is negligible. The risk in not acting if we are right is incalculable.

All of us have reasons to be irritated, disturbed, or even outraged at certain areas of executive-legislative relations in the foreign affairs field, but I hope that we will pass judgment on this issue based on its own merits and not on other considerations.

I urge you to support the Appropriations Committee recommendation that the House disagree with the Senate amendment to the conference report on defense appropriations and vote against this motion to recede and concur in the Senate amendment.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, the gentleman makes the vital point that already Zaire has made some statements that they are now leaning toward the MPLA, whereas at one time they were clearly on the side of UNITA and FNLA, the pro-Western forces.

Mr. BOWEN. The gentleman is right. Twenty-three of those nations are on our side. They want us to speak up in opposition. I urge that we oppose the motion of the gentleman from Connecticut.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, yesterday I introduced a resolution, which now has 203 cosponsors, calling upon the President to refrain from aiding any faction in Angola unless and until Congress has given its express approval. I think the extraordinary support for this resolution demonstrates widespread discontent in the Congress, not only with the covert nature of our aid to Angola, but, by implication, with the merits of our involvement itself. The resolution is intended to help establish a sound policy with respect not only to Angola, but the entire African continent as well.

Mr. Speaker, the Senate spoke overwhelmingly against our misguided involvement in Angola, and I have little doubt that the House will do the same. In preventing further involvement in Angola, we are doing both what is right and what is in the best interests of the American public. We never had any business in Angola. We never had any prospect of victory in Angola. Our only prospects were defeat, division at home, and the undermining of our popularity in Africa.

The real question before us, Mr. Speaker, is, why are we involved in Angola? The administration has repeatedly stated that we have absolutely no national security interests in Angola. So, it is not for that purpose. It is not because we have any particular affinity for the various factions that we are backing there. Indeed, the State Department has stated that regardless who survives the civil war, they are going to be African nationalists first. They are not going to be puppets or satellites or client states of any superpower.

Secretary of State Kissinger has said that we can live with the MPLA. That leaves us with only one line of defense for our commitment in Angola—that is, to block Russian aggression. If that is our policy, then it should be open and made very clear. If that is our policy, we should also establish what the limits are. How far are we willing to go if the Russians increase their aid to the MPLA, as they have now, to $200 million? Are we willing to match that?

If Russia commits advisers and then troops, are we willing to? This is clearly a policy decision which we should make. If we are prepared to go that far, then we should prepare ourselves for a long and costly war, not unlike our experience in Vietnam.

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. MAHON. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. PHILLIP BURTON. Mr Speaker, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I would like to commend the gentleman in the well, the gentleman from Washington (Mr. BONKER), for his leadership in this effort, and add my voice in support of the Giaimo-Addabbo proposed amendment.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Speaker, I thank the chairman for yielding to me. I would say that I do not think this is a signal to the Communists, because, after all, we are supporting the same side as the Chinese Communists are supporting.

I do think it is a signal to the administration that we will not, as the elected Representatives of the American people, stand by and watch $50, $60, $70, $80, or $100 million of the American taxpayers' money being spent without adhering to the congressional process of authorization and appropriation; without adhering to the Constitution which sets forth in article I, section 9, paragraph 7, that—

> No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

I agree with my good friend from the State of Mississippi that every nation should determine its own fate, and that is all we are talking about. Let the American people, through their elected representatives, have their fate determined, not by a committee of 40 where not one person was elected to office, but by full and open debate in Congress.

I do not know how many people would stand up here and vote for a $50 million appropriation bill to Angola. I would not. I represent some country people, and $50 million is a lot of money. They want to know where it went and why. More than $50 million has been spent there already. What we are talking about is the process whereby if we are going to go in Angola and support the same side the Chinese Communists are supporting, let us do it through the Foreign Assistance Act that is coming along, let us do it through appropriations, let us have an up-and-down vote, and those Members who want to give assistance and U.S. tax dollars to a civil war in Angola and on the side supported by the Chinese Communists should get ready to draw retirement.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Speaker, we are being asked, as we begin our Bicentennial, to make yet another modest beginning—this time, in Angola. And with all due respect to the gentleman from New York (Mr. STRATTON), I think the analogy to other adventures of ours is a very apt and accurate one.

Mr. Speaker, there was a high Government official named Vandenberg, who, in attempting to convince the Congress of the American people that they should support unreasonable ventures and unreasonably high defense expenditures, said that we should scare the daylights out of them. Beat the drums of superpower politics, and the Congress will come across. Do not bother with the merits, do not bother with the fact that once again we are supporting what may be the most corrupt and certainly the least popular faction, do not bother with the fact that once again we may be supporting a faction least likely to win.

What will all of us say if we embark on a course of assistance and in fact aid that losing faction? What will all of us say after the Secretary of State, if he is still around, makes a hasty foreign policy repair, adjusts sights, and in fact recognizes the MPLA in Angola, after our taxpayers' money has been expended?

Mr. Speaker it amazes me how much wisdom we attribute to the Russians in their choices. They have been banging their heads against the wall in Angola for years. They are going to continue to bang their heads against the wall. And I think it will not be decided on a Communist versus non-Communist basis.

It will be decided on the basis of other factors, and we should stay out of it, as our people have urged us to do in more and more numbers.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. YOUNG).

Mr. YOUNG of Georgia. Mr. Speaker, it seems to me that we are really dragging cold war politics into a tribal situation in Africa. This situation is one that I have been really looking at for a long, long time, for my Sunday school used to send Sunday school money to missionary stations in Angola. It is not a place that I have just heard about a few years ago. For many, many years, three major tribes have made up this nation, and these three tribes happen to have all been backed for the last 15 years by Communist sources. They have been backed by Chinese Communists, by Russian Communists, by Eastern European Communists. Any government that emerges in Angola will be an African socialist state. But in June of this year, members of all three of those forces came to the Congress and talked to anybody who would care to talk to them. And then members of the Communist side faction said, "Please do not force us into the Soviet camp as you did Cuba. We want to be a nonalined nation. We have worked out an agreement with the oil companies through a trust fund; we are pumping oil into Gulf to the tune of $100 million. We are happy with our relationship with Gulf. Do not get involved, and do not force us into the Russian camp."

The Russians have been in Nigeria, they have been in Mozambique, they have been all over. They have been in Egypt. They cannot stay anywhere, because Russians are worse racists than Americans. As soon as they are no longer needed, the Africans will put them out because the Russians do not get along with colored people. The same thing will happen in Angola.

The only thing we are doing is putting more weapons in to kill more people, to perpetuate a tribal problem that we have no business being involved in.

I do not know why we would want to put our country's tax money in an effort to help General Mobutu get his brother-in-law to be the president of a neighboring country. That does not make any kind of sense whatsoever, and I hope we will support the preferential motion.

Angola is not an isolated or unique situation of covert U.S. involvement. It has gained unusual attention because it exposes CIA activities in a new geopolitical sphere, the African continent.

What must be opposed is the secret role and authority of U.S. intelligence institutions to intervene globally on behalf of America's client states.

Angola, as I stated in the RECORD of December 16, should be left alone to coordinate its own prospects of nationhood. There is no basis, as the administration has publicly admitted, for the United States to wield its vast power within the confines of the fragile new State of Angola.

For more than 20 years now, we have witnessed the growing power of CIA intervention in what have been usually poorer, weaker, developing countries. Angola stands in this long tradition: Guatemala, Dominican Republic, Chile, Laos, Vietnam, and now Angola. How we forget so soon the national agony of Vietnam where CIA adventurism led us?

If we who hold public responsibility forget the past, who will lead into a better future. I believe that we must stop this outmoded and irresponsible method of conducting foreign affairs, this corrupt process of covert intervention which inevitably leads to prolonged U.S. commitments and then embarrassing revelations.

African states by and large are poor and developing nations anxious to deal with their internal problems and fulfill their peoples' needs. The United States should be helping them to do so through better trade and economic arrangements, not by diverting precious attention away to a big power "game" play on African territory. If the United States and Russia had not escalated their involvement in Angola then South Africa would have had no excuse for its outrageous aggression and incursion. Africa is united in its condemnation of South Africa's role as is the national black community here in the United States.

Not only must the CIA be denied its funding for such covert operations in this case, but also other moneys which could be channeled to prolong this struggle must be halted. The collection of intelligence of course is an important instrument of national statecraft. But it should not be the breeding ground for unsavory and misguided expeditions to overthrow legitimate sovereign powers or to establish our "own friendly" governments. This Nation is 200 years old and should act accordingly.

Mr. DELLUMS. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Georgia. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Speaker, I think the gentleman for yielding, and I applaud the statment the gentleman has made.

Mr. Speaker, U.S. covert involvement in Angola is deplorable adventurism which proves that the Ford-Nixon Administration learned nothing from our tragic two decades of intervention in Indochina. Any attempts to indulge in paramilitary activities which so blatently smack of protracted war must not remain hidden from the American people.

The conflict in Angola is confusing. The Popular Movement for the Liberation of Angola—MPLA—is allegedly supported by the Soviet Union. It [illegible] fighting against the Union for the Total Independence of Angola—UNITA—a former MPLA ally, which joined forces with the National Front for the Liberation of Angola—FLNA. UNITA and FLNA are allegedly covertly supported by the United States, Zaire, West European countries and until recently, China. The racist Vorster regime in South Africa has allegedly given financial and personnel support to UNITA and has invaded Southern Angola on the pretext of protecting hydro-electric facilities termed vital to South Africa's well-being. Claims that more Angolans have died in this civil war than died in all of Angola's battles against the Portuguese are a grim reality to face when beginning the process of nationbuilding. In order to stop these escalations and to block CIA intervention in Angola. I am backing an amendment to the Foreign Assistance Act stipulating that the United States cannot provide Zaire with first, security supporting assistance; or second, sales of defense articles or services until the President reports to Congress that Zaire is in no way furnishing military assistance to any faction in Angola. The amendment would also halt assistance of any kind by an agency of the U.S. Government—directly or through any third party—to any faction associated with the fighting in Angola.

Here are my major areas of concern over America's involvement in this conflict:

First, the policymakers or the CIA could be leading us into another Vietnam situation if allowed to continue in Angola. Can we afford this type involvement in a country where we have no established vital interest? Some supporters of U.S. intervention argue that American sea lanes and allies in Africa and South America would be threatened by a Soviet presence in Angola. This assertion has little basis in reality: Past history of Soviet heavy-handedness in Africa should preclude any lean to one side when the conflict is over. In fact, our pursuit of war in Angola and the giving of arms and aid can serve only to force the MPLA to seek more assistance from the Soviet Union. The likelihood of this reaction is a lesson we should have learned from our involvement in Southeast Asia. It is highly unlikely that after 500 years of Portuguese colonial rule that Angola would accept the imperialism of yet another great power. I also doubt that the American people will support another expensive, exausting ideological war.

Second, The Organization of African Unity—OAU—has called for no extranational involvement in the Angolan war. This country should respect that request. Secretary of State Kissinger has expressed a desire that Africa "be free of great power rivalry or conflict." If we continue our present policy, many other nations will express restraint in accepting economic assistance from us and whatever positive relationships we have in Africa will diminish. Further strengthening of ties will be impossible. It is most distressing that one of those "extra-continental" powers that Secretary Kissinger spoke of is, in fact, ourselves.

Third, A damaging blow to U.S. diplomacy could come if we support South African intervention. The State Department has called an apparent collusion with the Vorster regime "purely coincidental." But for the majority of black African countries it is the same as active support for apartheid and minority rule in Southern Africa. Already the Vorster regime's acknowledgment of South African troops on Angolan territory has pushed previously neutral Nigeria into recognizing the MPLA as Angola's sole leigitimate government and it appears that Ethiopia will soon do the same. If African movements can be severely chastized for cooperating with Pretoria, the implications for the United States are obvious. The conflict in Angola is an Angola problem that requires an Angolan solution. The sooner we get out of Angola, the better for the Americans and the Angolans.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Georgia. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I thank the gentleman from Georgia (Mr. YOUNG) for yielding. His discussion of the Angolan situation was very illuminating. I join in support of Mr. GIAIMO's amendment to the defense appropriations conference report, which would cut off all funds for covert activities in Angola.

For several weeks I have considered the administration's position on this matter and I find it unconvincing. We are pursuing a dangerous course in Angola; a course that once again could embroil us in war. And for what reason? Not in defense of the right of self-determination, as the Secretary of State would have us believe; rather, to maintain the status quo in Southern Africa. If we are to put an end to the tragedy in Angola, we must understand the historical context of our present involvement and the assumptions of our foreign policy.

American foreign policy is based for the most part on a narrow great power view of the world. This world view, espoused by the Secretary of State, literally compels us to take an interventionist stance anywhere and everywhere in the world. Every crisis and struggle in the world becomes an instrument of asserting America's global power, narrowly conceived, in relation to the Soviet Union. The legitimate interests of other nations, the great aspirations of other peoples, become subordinated to Machiavellian schemes conjured up by the National Security Council or Committee of Forty. To put it in Dr. Kissinger's own words:

> It must be clear that when one great power attempts to obtain a special position of influence based on military intervention and irrespective of original motives, the other power will sooner or later act to offset this advantage.

This type of policy will inevitably lead to greater and greater intervention and to heightened international crisis.

The roots of our present involvement go back to 1969 when a National Security Study Memorandum, No. 39, recommended that less pressure be put on the white regimes of Southern Africa. This policy meant, in effect, let us not rock the boat in Southern Africa. As a result, funds to aid the independence movement in Angola were cut drastically. However, in November 1975 when Angola won its independence we reversed ourselves and launched a large-scale effort to gain influence in the factional struggle that ensued. With the collapse of the Portuguese regime in Angola we were clearly concerned that the arc of buffer states surrounding South Africa might be pierced. In the spring of 1975 President Ford decided without consultation with Congress to provide funds to two independence movements. Whereas at the beginning of last year we spent only several thousand dollars in Angola, by the beginning of this year we will have spent more than $30 million.

The administration urges that we must react to Soviet intervention in Angola. It is true that the Soviet Union has sent massive aid to one of the factions. Yet sources in the administration and State Department concede that a large part of Soviet assistance was a reaction to our own intervention. Soviet aid increased significantly last fall, several months after the President's decision to support large-scale covert operations. Behind this argument lies our frenzied preoccupation with the credibility of American power in the world.

As a matter of fact, our credibility has suffered greatly among our allies and particularly among black African states. The characteristic behavior of the administration to conduct foreign policy secretly, understandably, raises questions about the actual extent of public support for our activities, and whether the administration can sustain its commitments when the truth is known. The lessons of Vietnam apparently have not sunk in.

Black African States cannot fail to notice that the United States began to provide significant aid to the Angolan independence movement only after Portugal relinquished its colonial power. In fact, during the last stages of the anticolonialist struggle in Angola our Government was providing Portugal with hundreds of millions of dollars, a good part of which we knew, was used to suppress Angolan independence. Once again, third world nations view us as intervening in their affairs only when our global—myopically, anti-Communist—interests are at stake. Furthermore, our credibility as a champion of human freedom is strained, to say the least, as a result of our alinement with South Africa.

Our credibility as a world power is not, and should not be, the issue in Angola. The real issue is, how to end the brutal war in which more than 100,000 Angolans have lost their lives. Those who argue that more American aid will help produce a military stalemate, and thereby boost the prospect of a negotiated settlement, should only consider the history of the Vietnam war. If anything, further aid would protract the war and deepen the devastation. Nor should we be seduced by the argument that, without further American involvement, Angola will become a Soviet satellite. This did not happen in Mozambique whose independence movement the Soviet Union heavily supported, nor has this happened in other black African nations. The Angolan people have not struggled for their freedom all these years in order to fall prey to Soviet domination. Nationalism in Africa has proved in every major instance to be the great ideological force, not communism.

The Angolan people ultimately will be the masters over their own lives. Let us help them constructively. Supporters of American intervention in Angola talk about our military aid there as "an investment in Africa's future." What strange logic this is that a policy that contributes to the devastation of a country is an investment in its future. Let us withdraw. Let us use all means at our disposal to persuade other outside powers to withdraw, And then let us contribute to the rebuilding of Angola, to economic development in Africa, with food shipments, with technology, not machines of war and mercenaries.

Mr. YOUNG of Georgia. Mr. Speaker, I thank the gentleman very much.

Let me say this again: Let us please support this preferential motion and allow the people of Angola to settle their business and allow them to sell their goods to us, because that is what they want to do.

The Russians do not need anything they produce, the cocoa, the bauxite, or the oil, and the Russians are not supporting their economic effort. Any government that emerges is going to have to establish economic relations with us, and as soon as we get out of the military business and into the economic business we will get into something we can win. We cannot win in these no-win, covert, military struggles in Africa and other places that we know nothing about.

Mr. MAHON. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Speaker, the Angolan civil war, in which the United States, South Africa, the Soviet Union, and Cuba have intervened, is a war in which white powers again send arms and troops to exploit a black African dispute for their own political purpose. Foreign troops have no business in Angola, whether they be pro-Soviet Cubans or openly racist South Africans. The long history of Africa is a record of centuries of foreign invasion and exploitation, broken only in the past decades by African self-determination and African independence. It is in the highest American interest to oppose foreign military intervention in Africa, and ourselves to refrain from making Africa a battleground for the great-power confrontations of our time.

We did not begin our military assistance to factions in the Angolan war by the will of the Congress or of the American people. Our military intervention was the secret creation of the Ford administration, a decision made behind closed doors. Without informing or consulting the Congress, without discussing the decision in public forums, or in the public press, the Ford administration more than 6 months ago began sending arms to FNLA and Unita factions to fight against the Soviet backed MPLA faction in a civil war in Angola. We still do not know the full extent of American military involvement, nor the accurate valuation of the arms we sent to Angola. We do not know whether Holden Roberto, or Jonas Savimbi, or any other Angolan leader was on the payroll of the CIA during the past decade. We do not know the full story of American involvement in the factional fighting in Angola before the Alvor accords of 1975. The fact that the administration still has not supplied the Congress with this basic information is very disturbing. We know from our Indochina experience that questions left unanswered are frequently those questions whose answers the administration fears to let us know.

The Ford administration secretly intervened in Angola less than 90 days after the disastrous defeat of American arms in Indochina and when the opposition of the American people to our Indochina involvement was so strong and so vocal. The Ford administration, and Secretary of State Kissinger, in their rush to get involved in the Angolan war, ignored the advice of those members of the Department of State who urged the full use of American diplomatic power in pursuit of peace. The resignations of Assistant Secretary of State Davis and others in the State Department are testimony to the Ford administration's deliberate choice to help escalate the fighting in Angola, when peace and negotiations would have been a possible course for this Nation to follow.

The other body, voicing the spirit of a people aroused against any outside intervention in an African nation, passed the Tunney amendment to the defense appropriations conference report by a vote of 74 to 22 on December 19. That amendment would cut off funds for covert activities in Angola. This amendment, introduced by Representatives GIAIMO, and ADDABBO, is before us now, and it must be passed. We must also resolve that our work is not completed by the passage of this amendment. The Ford administration has done everything within its power to thwart the will of the Congress and of the American people with the respect to Angola. During the month since the Tunney amendment passed the Senate, the Ford administration did not deescalate U.S. involvement in Angola. Rather, it stepped up arms deliveries. We must keep on passing new laws and resolutions that keep the United States out of Angola. The resolution introduced by Representative BONKER, and of which I am a cosponsor, expresses the sense of the House against further Angola involvement. It should be passed. The fact that this resolution has already been signed by more than 200 Members of the House indicates the depth of concern in this body on this issue. We must see to it that after this amendment does become law, congressional oversight is fully exercised, and that the CIA, the Department of Defense, the Department of State, and the entire Ford administration really do obey the will of the American people. We must continue to be vigilant to see that this Nation does not again conduct a secret war against the will of the American people, or without its knowledge.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Speaker, I deplore the involvement of the Soviet Union in Angola, but I do not believe that simply because the Russians are gratuitously involved in some remote area of the world we necessarily have to be engaged there as well.

The real issue is not whether we withdraw from the world but whether we choose to involve ourselves in what is in essence a tribally based struggle, the outcome of which is ultimately unrelated to our own national security.

We are told that, if the MPLA is triumphant in Angola, it will result in the establishment of a Soviet satellite in that area, but the fact is that the tides of nationalism run far stronger in Africa than the imperatives of ideology. Having just managed to extricate themselves from the clutches of the Portuguese, the Angolans are most unlikely to submit themselves to the domination of the Soviets. Even if the MPLA is triumphant—and that is something nobody can be sure of—the Russians are unlikely to have any more influence in Angola than they now have in Mozambique, in Algeria, or in Egypt. And these are countries where they spent substantially more money than they are now spending in Angola.

I believe there are areas in the world in which we have a legitimate interest in curbing the spreading of Soviet influence, but I do not believe Angola is among them.

Mr. Speaker, we are also told that a triumph by the MPLA would result in the establishment of a Soviet naval base in South West Africa. According to these diplomatic Dr. Strangeloves, the establishment of such a naval facility in Angola or South West Africa would give the Russians the capacity effectively to interdict any shipping emanating from the Persian Gulf and destined for the east coast of the United States or for Western Europe. But the fact is that the place to establish such a blockade is at the exit of the Persian Gulf, in the Indian Ocean, rather than in the wide-open sea lanes of the Atlantic Ocean.

Mr. Speaker, the time to end our involvement in Angola is now rather than later.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. GIAIMO), a member of the committee.

Mr. GIAIMO. Mr. Speaker, I rise in support of the preferential motion.

We have heard debate as to whether we should be in Angola and as to whether we should not be in Angola. I think that debate is healthy, and that is the way American foreign policy should be established. The President initiates foreign policy efforts, the Congress ratifies or rejects them through its power of the purse; then the American people approve or disapprove, but only with their knowledge of what has been initiated.

However, when we have a situation such as the one in Angola, when we have secret, hidden money for Angola resulting in a major foreign policy initiative and that fact is kept in secret from the American people and from almost every Member in Congress except a small handful of men and women, then we do not have the awareness of foreign policy initiatives necessary to approve or disapprove.

We then have government in secrecy, government where the people cannot affirm or disavow the actions of their own government.

We have gone through this in the past. We have been hurt badly by it, as witness our involvement in Vietnam, Cambodia, Laos and our involvement in many other areas of the world where we have had covert actions.

The time to stop this is now, and in this bill. It is time to say that we will not tolerate a situation where two or three men in the National Security Council, or in the State Department or in the Pentagon, speaking in behalf of the President, initiate covert actions in a foreign country; actions that the American people and their representatives know nothing about.

How else can we approve or disapprove a major action of this kind on its merits without knowing about it in Congress? Where in our Constitution does it say we must have secret government? Secret from whom, I will ask the Members? Our possible opponents who are involved over there, such as the Soviet Union, know what the American involvement is. The people in Angola know. Only the American people and their representatives in Congress do not know.

We hear the argument that the Russians are doing it, so we have to do it. My friends and colleagues, if our policies and our Government are going to totally ignore the morality of what we should do in the world, as I submit we have done on some occasions in the recent past, then we truly are not the great Nation that we all want the United States to continue to be or to once again be.

Mr. Speaker, now is the time to start. Let us stand up for the moral imperative of doing the right thing.

We speak of our friends in Angola. Who are our friends and who are our enemies? I defy anyone in the House or in the executive branch to spell it out for us. We do not know who they are.

This is a civil war. The fact of the matter is that the administration knows that its policy in Angola cannot stand the light of day. It knows that once the American people and their representatives find out about this involvement, they will disapprove that policy, as we must do today.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. CHAPPELL).

Mr. CHAPPELL. Mr. Speaker, I do not know that any of us has a clear answer with respect to the problems which we face on this issue today. However, I do know this, and I think the Members will agree, that what we say here today is the word we put out to the world as to what our policies are going to be.

What we do here on this measure is going to determine whether we say to the Russians that beyond some point we will not go. Furthermore, we will be saying to the Cubans, on the other hand, that beyond some point we will not go.

I think it is time for us to stop for a moment and consider the best way to pass the message on to those who would be our adversaries in the world.

I think that the request the chairman has made here is a reasonable request, and that is simply that we send this matter back to conference. That will give us an opportunity there to see whether or not there is a better way to speak to the Cubans and to speak to the Soviets on the policy of the United States. It seems to me that that is a reasonable solution to the problem.

I think this issue is too big for us to resolve as we are attempting to resolve it here. Why not take another day or two? Why not take a little time? Let us go back to conference and see if there is a better way to say to the world what we really ought to say. Let us see if there is not a better way to help our own Government in the matter of establishing foreign policy to do the job we have assigned to the Department of State and the President.

Therefore, Mr. Speaker, I urge the defeat of the preferential motion and urge the Members to send this matter back, on the chairman's motion, to the conference committee.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, by this language we are passing judgment on U.S. policy in Angola on yesterday and today. If the effect were limited to yesterday and today, I would rejoice in the opportunity to vote for this language. However, what we are really doing by this language is passing judgment on unknown events of tomorrow, as well as events of yesterday and today, and that causes me concern.

Personally, based on what I believe to be the facts in Angola, I am inclined to think we should not have had any resources in there in the first place. I am inclined to think that Angola will prove to be a quagmire for the Soviet Union and that the Soviets will eventually regret being involved there.

It embarrasses me to realize that we have been perceived as being on the side of the white mercenaries in that conflict up to the present time. That distresses me greatly.

Based on what I believe to be the prospect for tomorrow, I cannot see circumstances which would justify any further input of U.S. funds. But, who can see with clarity into tomorrow's circumstances? Who can really have the wisdom to know what challenges may face the President of the United States in Angola tomorrow?

I do not believe this body is wise in passing judgment on what may happen tomorrow. The effect of this language is not just to say: Mr. President, you have made a mistake up to now. It goes further by saying: Mr. President, you cannot have the use of this fund tomorrow for purposes in Angola. Can the President in an emergency turn to other resources?

The truth of the matter is that this amendment shuts the faucet off tight.

There is no other resource to which the President can turn.

I beg of the Members to reflect very carefully. We should not shut off all options of the President of the United States tomorrow.

Finally, it seems strange indeed that so little is said today of the Soviet involvement in Angola. U.S. resources would not have been involved there at all had the Soviets not been there first and substantially.

The Soviet move into Angola cannot be reconciled with any reasonable interpretation of détente. Nor can it be reconciled with the high humanitarian ideals of noninterference to which the Soviet Union is pledged as a signator of the United Nations Charter. Nor can it be reconciled with the spirit of the Helsinki conference pronouncements issued by the Soviet Union.

Like it or not, the United States shoulders heavy responsibility in world affairs. The Congress is unwise to block the President of our country from responding to difficulties which may arise tomorrow in Angola, and whose form, intensity and menace no one can foretell.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. Mr. Speaker and my colleagues, the gentleman from Geogia, JACK BRINLEY, just mentioned to me that this is not a test of our will; it is a test of our judgment, and that is right.

I support this motion.

I think that we have an historic opportunity to show Africa, not just Angola, but all of Africa, what Abraham Lincoln referred to as "the better angels of our nature."

I would not mind sending a fleet of ships and planes over there but I would like them to carry not arms, but food and medical supplies in order to help the refugees there regardless from what part of Angola they come.

No one knows, really, as our colleagues, the gentleman from Georgia (Mr. YOUNG) has pointed out, what government will result in Angola, or how long it will last. Whatever it may be, it will be to the advantage of the United States to have shown the healing side of our nature. Let Russia and Cuba show Africa technology that kills. They have done it very well. Cubans have even testified that they had to shoot their own allies in order to get them to fight. I remember that concept, destroy in order to save. It dies hard. Instead of that, let us show the side of civilization that heals and saves. That is the American way. And Africa will thank us.

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. KOCH).

Mr. KOCH. Mr. Speaker, I rise in support of the Giaimo-Addabbo (Tunney) amendment to the Department of Defense Appropriations bill which would ban the use of CIA funds in Angola. The question here is whether or not we have learned the right lessons from our tragic involvement in the Vietnam War. Sadly, the administration has not. The Ford administration insists on dueling with the Soviet Union wherever and however the latter chooses.

The administration often appears as if it does not have a foreign policy. Instead, it has an involuntary reflex to the Soviet Union. Now, I am as wary of the Soviet Union's foreign policy initiatives as any Member in this house. If the United States had a vital strategic national interest in Angola, I would be willing to support operations to resist Soviet efforts there. However, the administration has admitted that we have no such vital strategic national interest in Angola. Or, if there were democratic forces in Angola struggling for some sort of constitutional order against Soviet-backed external aggression, I would be among the first to advocate support for the democratic forces. But the three forces in the civil war are indistinguishable in this regard. In fact, the three groups simply evince different shades of African nationalism and tribalism with its rivalrys is also involved.

What then are we doing there? Or to paraphase Norman Mailer "Why are we in Angola"? What principles, what standards do we apply as our Nation approaches a situation such as Angola? Our involvement in Angola, as in Vietnam, stems from machismo. The administration is not discerning in its attitude toward foreign involvement, but simply responds to an apparent need to show the Soviets how strong we are and that we will resist them everywhere without regard to what else is involved. I am confident that the Congress is wiser than to submit to this impulse of machismo.

I want to emphasize that neither I nor the majority of the Congress have become isolationist because of the Vietnam experience. There is a national position between isolationism and knee-jerk interventionism. We do need to protect our vital national interests around the world. But unless we create some sensible criteria for U.S. involvement in foreign disputes, the American people will rightly be disillusioned by our random interventionism and, in reaction, demand an isolationist foreign policy. This Congress should not allow that to happen. We can begin to bring sense to our foreign policy by voting for the Giaimo-Addabbo amendment.

Mr. Speaker, what is so galling about the administration's point-of-view is that while the administration denounces the Soviet Union's intervention into Angola, and I concur in that denouncement, it refuses to cutoff the shipment of more than 10 million bushels of grain now scheduled to be delivered to the Soviet Union. If the administration were serious in its desire to stop the Soviet Union, indeed in a nonmilitary way, it could do so in my judgment by embargoing those pending shipments of grain. But, it refuses to do that because President Ford is locked in battle with Ronald Reagan on the playing fields of Angola with the prize being the Republican nomination for President. I suggest, indeed urge, that the President place the national interest ahead of his personal re-election interests, and end the shipment of grain to the U.S.S.R. We ought to at least see whether the prospect of not having American grain to supplement the poor Russian harvest will bring the Soviet Union to its senses and end its outrageous intervention in Angola.

Mr. MAHON. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, I rise in strong support of this motion which would bar American funds to any of the warring factions in Angola.

In the first place, the choice of the CIA to funnel undisclosed amounts of funds, to unknown parties for unspecified purposes in Angola is a most irresponsible exercise of foreign policy. If the administration seeks to provide military assistance to Angola, it should do so openly, under the full scrutiny of Congress and the American people. Certainly the disclosures of the past year should have taught us that CIA covert operations are the most untrustworthy and least productive way of carrying out national policy.

Even more importantly, it is contrary to the best interests of the United States to become involved in the Angolan conflict. What is taking place in Angola is little more than a civil war conducted among three tribes with modern weapons. The only justification offered by the administration for American involvement in this tribal warfare is that the Russians are there. But the Russians cannot remain in Angola over the long run. White colonialism is dead in Africa. The factions at war in Angola were fighting long before the Russians came, and unless they resolve their own differences, they will be fighting long after the Russians leave. That the Soviets have foolishly chosen to become involved as a colonial power in Angola, is no reason for the United States to imitate their mistake.

In addition, the United States will make no friends, in the long run, in Africa by being on the same side of a war as South Africa. Whatever conceivable gain there might be for U.S. African policy in preventing a Soviet-supported regime from coming to power in Angola is likely to be wiped out by black African resentment at our choice of allies.

American interests in that continent will be far better served if we make the wise decision not to fight the cold war with the Soviets over the bodies of Africans.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Speaker, I rise in support of the preferential motion offered by Congressman GIAIMO. Passage of the motion will prohibit the use of any funds in the fiscal year 1976 Department of Defense appropriations by the CIA or other agencies funded under the bill for paramilitary or other military aid, either directly or indirectly, in support of any of the factions involved in the civil conflict in Angola.

During the past few months, innumerable commentators, analysts, and elected officials have described American actions in Angola as a demonstration of how little the Nation has learned from the Vietnam experience. Fortunately, the

Senate—by agreeing to the Tunney amendment—has indicated that the lesson of Vietnam has been learned. I am confident that the House of Representatives will today show that it has also been wisened from the tragic Vietnam situation.

However, even if the United States had never been involved in Vietnam, our presence in Angola would be unjustifiable. It is not in the best interests of the United States to permit Angola or any other country to come under the domination of the Soviet Union, but I can think of no better proof of the false logic which holds that armed intervention, direct or indirect, is the natural byproduct of concern over the U.S. interests than the recent political history of Africa and the third world. Russian attempts to bring third world countries in line with Soviet policy have failed in Ghana, Indonesia, Algeria, and Egypt. More importantly, these failures were not the result of armed American intervention but were due to the instinctive distrust that newly independent third world countries feel toward any outside domination. Angola, like many of her African neighbors, has waited too long to free herself from foreign control to weakly submit to the Soviet Union.

We could not help but further sour the existing attitude toward the United States by lining up on the side of South Africa in an intra-African dispute. Many Africans choose up sides on that issue alone. In any event, the volatility of newly formed nations lends considerable doubt to the staying power of any governments, whether supported by the Soviets, South Africa, or by the United States. Surely we can best further our own interests by refraining from military involvement and instead, attempting to provide assistance for a conciliation and peace initiative.

The President of Zaire, who has been the conduit for supplying American aid to the National Front and to UNITA, is reported to be seeking an accommodation with the Popular Movement. We could well end up the sole support of a faction or factions swimming upstream against the opposition of most of the Third World.

A vote for this motion is not only a vote for a wise foreign policy, but it reasserts to the world that our cause is peace, not power; accommodation, not domination. That posture in the long run will serve us far better than any military victories by a temporal faction in a nation yet to be formed.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, today we face the responsibility of resolving an issue with overwhelming implications for American policy in Africa. We must decide whether we are going to allow our Government, through the Central Intelligence Agency, to continue its involvement in the conflict of opposing political movements for control of the newly independent State of Angola—an involvement which the administration supports as our duty to counter the Soviet challenge.

The administration maintains that it wants an Angolan settlement to Angolan problems, but in the interest of democracy and capitalism we have been forced to bring in our arms to defeat a move of Soviet dominance. However, there are many reports which clearly suggest that the real issues surrounding our involvement have been distorted. We must sort out the issues, determine the truth, and decide whether or not we have any moral justification for maintaining our involvement in this distant war.

Is the true reason for American involvement a reaction to Soviet intervention? Sources report that President Ford personally authorized the CIA to provide covert money and arms to The National Front for the Liberation of Angola—FNLA—and the National Union for the Total Independence of Angola—UNITA—two anti-Soviet African independent groups, at about the same time the Indochina war was finally ending last Spring. The Washington Office on African Affairs reports that:

> Sources close to policy making levels in the Administration believe that a decision by President Ford and Secretary Kissinger last June set the stage for the growing super power rivalry in the former Portuguese colony.

Even if "meeting the Soviet challenge" really is our motive for involvement in the Angolan conflict, U.S. involvement may be paving the way for Soviet dominance. American involvement forces The Popular Movement for the Liberation of Angola—MPLA—to rely more and more heavily on the Soviets for aid, which in turn increases the chance of the very domination we say we fear.

Another point we must keep in mind is that the intervention of foreign powers in the Angolan conflict seriously threatens international peace. U.S. involvement may appear modest, but if you will remember, this is the same pattern our involvement in Vietnam followed. Official sources report that the CIA is currently spending $50 million on the Angolan war, and has sent five artillery spotter planes, piloted I might add by Americans, into the Angolan battle zone—facts of which I am sure we are all aware. Soviet involvement is reported to be in the area of $200 million. Where will this escalation stop? The administration says that as long as the Communists are in the game we too will remain active. This conflict represents a typical example of the "action-reaction" theory, the same theory which proved so disastrous in Vietnam.

U.S. alinement with the white minority regime of South Africa is yet another reason we should view American involvement with alarm. This alinement poses a serious threat to the good relations we maintain with many of the African countries. These countries regard the prospects of South African dominance as more abhorrent than domination by the Soviet Union. South Africa's involvement is purely an effort to insure its own survival.

Finally, we must consider what I believe should be our greatest concern—that is that the people of Angola must be allowed to determine their own political future without interference by any foreign power. The history of Africa has been characterized by foreign intervention, beginning with exploitation by the colonial powers in pursuit of their vested interests. Those vested interests were and are motivated by a selfish expansionist design, without any regard for the self-determination of the indigenous population. This is a mistake we cannot afford to perpetuate by the vote we are about to take today. This Member cannot and will not stand idly by and see this Nation resume a disastrous "policeman for the world" policy. I am convinced that I stand with the majority of my colleagues when I say, "No involvement in Angola."

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I will support the preferential motion, but I just want to say this: I do not find this as easy an issue to resolve as some of my colleagues appear to. One reason I am concerned about it is that the action of the Congress in supporting this amendment—and I expect it will be supported—may be misinterpreted in Africa and elsewhere in the world.

The point I want to make is that the significance of this amendment should not be overrated. It will reflect a disagreement with the procedure that was followed here and with the methods of the administration. It certainly does not mean that we have lost interest in Africa, and it certainly does not mean that we will take no interest in the problems of nations that are being pushed around by any major foreign power.

Mr. MAHON. Mr. Speaker, I yield 30 seconds to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, all this hand-wringing about evil America is sickening. To hear one after another of my colleagues stand before us and proclaim the sins of our Nation like some desperate act of confession is positively revolting. Some of us act as if we were the invaders, as if we were the Nation refueling the planes and refitting the uniforms of the Communist troops in Angola. This would all be so laughable were it not so tragic—tragic for our country, tragic for what the failure of Vietnam and the illusion of détente have done to narrow our vision and soften our will.

Have we forgotten who we are or how much is really at stake? We are no longer the same Nation we were in 1945. Since the Second World War America has changed economically beyond recognition from what we once were. Instead of being a net exporter of minerals, metals, and energy; we are now a net importer of minerals, metals, and energy. These items are the lifeblood of our economy, not merely accepting our way of life but sustaining our way of life.

Our energy supplies come from the Persian Gulf, from Nigeria, and Angola. Our metals and minerals, from Canada, Australia, and South Africa. The Atlantic Ocean is an organ of vital arteries through which these items are transported to the nations of the world, a veritable roadbed for 70 percent of the energy of Europe, 40 percent of our Nation's shipping and 30 percent of the world's food supply. Annually, 25,000 ships of all nations pass around the Cape of Good Hope, rounding the southern tip of the continent which controls the seas. Control Angola and you could control that continent. Cut off this strategic link of the hemispheres, and you condemn the majority of Angolans to an unwitting slavery and commit our economy to an unwitting peril.

At this moment, Angola's survival hinges on the fate of its free forces. By every indication, they represent the majority of native Angolans fighting for their survival against a smaller, alien but more generously equipped armed insurgency of Cubans and indigenous Marxist elements. Deny the free Angolans the limited funds they request, and we merely postpone the day when we may have to commit our own troops in some place far closer to our home shores. For now, they are not asking for our military forces and every Member in this Chamber realizes that we will not provide them. The overwhelming majority of Africans want the Soviets and their small force of rent-a-Cuban to go home. Zaire has denounced them, and the Organization of African Unity has refused to recognize them. But large or small, armed invaders are not dissuaded by words. It requires a show of force. It requires a show of determination far more ferocious than the wrinkling of the brow of some of our liberal colleagues.

The coalition of free Angolans want to demonstrate that show of force. They want to send a message to Moscow that Angola is not for sale. They want to prove that wars like Vietnam can be avoided by preventing entanglements like Angola, by convincing Communist insurgents that they will not be able to attack with impunity. They can do none of these things without the funds only we can provide.

Conscience compels me to vote against this motion, against this exclusion of funds for the only hope Angola and perhaps free Africa may have. No one can seriously believe that once the Cuban-led forces capture Angola and set up shop in Luanda, that they will satisfy themselves growing sugarcane, making cigars and decide to leave the rest of Africa and the world alone. Ban the little financial aid which the Angolans request, and we do little to guarantee the peace.

Finally, Mr. Speaker, let there be no doubt about what it is we do if we vote for the Tunney amendment. By a simple House vote, we will have reversed in final form what has been the central theme of our foreign policy through these many uneven decades. We will have replaced a general policy of resisting the forcible imposition of totalitarian power with a new habit of pulling down the shade. We are not merely assuring the imposition of Communist states along the west coast of Africa from Angola to Dar-es-Salaam; dividing Africa and perhaps the world. We are not merely doing this. We are also denying our role as de facto leader of the free world, denying any real significance of a bicenntennial celebration on our journey back to colonial status in a slave world ruled under a Soviet tyranny. It would certainly be one of the crueler ironies of history for a nation to celebrate 200 years of its past by compromising the next 200 years of its future. We can costume ourselves in colonial garb, cook in our rustic fireplaces and crochet American flags—but it all becomes such a sham if one after another, free nations lose their newly acquired freedom because we refused to help where it counts.

In urging my colleagues to consider the gravity of this matter, asking them to vote down this unfortunate amendment, I would like to place in the Record an article from National Review magazine by James Burnham.

The article follows:

ANGOLA: THE NATIONAL DISINTEREST

(By James Burnham)

Tom Wicker, Mary McGrory, Anthony Lewis, a majority of the U.S. Senate, Jane Fonda, Daniel Ellsberg, and many another are telling us that the "national interest" is not involved in the current Angolan troubles and that we therefore should not get ourselves mixed up in the squabble—should not "intervene." Ronald Reagan, Henry Kissinger, Drew Middleton, Elmo Zumwalt, Daniel Moynihan, and a few others are insisting, contrariwise, that the national interest is unavoidably at stake in Angola and that therefore—though the specifics are herein blurred—we ought to do something about it. Either one side or the other is wrong about the facts in the Angolan case, or the two have differing meanings for "national interest."

Nothing could be more familiar than the form of this debate over Angola. Vietnam, Chile, Hungary, Cuba, Israel, Panama, Taiwan, Czechoslovakia, Portugal, Russia: is it any of our nation's business what happens in foreign parts? Do we have the duty or need or right to intervene? This is the classic debate that has set the framework for the discussion of American foreign policy: the dream of New World innocence preserved inviolate by "the jealousy of a free people constantly awake" (I use Washington's terminology) confronting the nightmare of Old World "entanglements" and "insidious wiles" beyond the sea.

ARGUMENTUM AD IGNORANTIAM

"National interest" is a phrase easier to use than to define. It is hard to separate the nation's interest from the interests of this or that subgroup of its people or even from my own particular interest. It is, however, agreed that the minimal content of "national interest" is the nation's security: the defense of the integrity of its territory and the lives of its citizens. This much at least must be included in the "national interest" because without security in that elementary sense the nation could not exist. It follows that anything that constitutes a genuine threat to security—whatever might be said about it from some other point of view—is counter to the national interest in one degree or another.

Everybody recognizes that an armed invasion by non-nationals across the national border is a threat to security. Unfortunately, it is not easy for an average citizen to figure out whether an event short of outright invasion—this Angolan affair, for example, or the late lamented incidents in Indochina—is in truth a genuine threat to security or just someone crying Wolf again. The problem of security is intimately connected with what is sometimes called "geopolitics," with geography, military history and strategy, global economics, weapons technology—fields meagerly represented in our educational system or in the journals and books with which most Americans become acquainted. These are difficult subjects; it takes a lot of study—and continuing study—to know anything much about them. Because so many of us are ignorant concerning them, most of our discussion of such matters—in Congress and the national media as in the local bar—is merely an exchange of clichés and prejudices.

Everyone with even the most modest expertise in geopolitics and strategy understands that the present struggle in Angola closely affects U.S. security (and therefore the U.S. national interest); for professional strategists, that proposition is too obvious for debate. They know about the relation of Angolan ports and airfields to the critical supply lines of the NATO allies and control of the South Atlantic. They know the wider significance of southern Africa, not merely because of its strategic location but because of the presence within its confines of the non-Communist world's largest reserves of such essential resources as gold, uranium, and chromium, and they see the integral connection between what happens in Angola in 1976 and what will happen in southern Africa at large in 1978 or 1980. They are aware of the lines along which Soviet Grand Strategy is transforming its navy, air, and missile arms from their traditional role into a true global force, and how Africa must be related to that perspective. They know that the Soviets' Angolan thrust confirms and reinforces the offensive Communist momentum in relation to the cumulative defensive fallback of the Western side.

Although security is the minimal and unquestioned ingredient of the national interest, there is, of course, a good deal more to it than that. The nation and its citizens have, obviously, an inescapable interest in access to the physical resources that are necessary to their subsistence and well-being, and more generally in the active foreign trade that is inseparable from the life of modern nations. They have an interest, too—or at any rate our sort of nation does—in the human, intellectual, and cultural mobility and exchange that got a platonic pat on the back from Basket III of the Helsinki accord.

NOTHING ALIEN

It follows that it is to our national interest that other nations should be so governed as to favor, or at least not negate, our needs of security, access to resources, trade, and the freedom of movement of persons and ideas. Since these things are to our nation's interest, it is only reasonable that we try to promote them in other nations of the world, which, for a nation as large and intricate as ours, means all other nations. This is why we have diplomatic and other representatives in almost all nations.

But doesn't this mean that our national interest is involved in practically everything that happens anywhere? Yes, it does, but much of the time it is not very critically involved: not enough to justify doing anything about it, except maybe a polite hint by a diplomat at a cocktail party. It is, as in so many matters, a question of costs, of calculating what counter-effort it is worth expending, given the degree of damage or threat to our interest. The answer can range from nothing to all-out war.

Such calculations can be discouragingly complex. In the Angolan case, it might be useful to start by noting how much of an effort the Soviet side figures the game to be worth.

Mr. MAHON. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. Bell).

Mr. BELL. Mr. Speaker, I rise in opposition to the motion to recede and concur in the Senate amendment.

Those that favor this amendment are overreacting to our Vietnam experience. They are reacting out of fear. They say there are only two options in Angola:

First, We are going to get "sucked into" another Vietnam war and will end up sending troops, equipment, et al. Second, Therefore, because of this we should turn our back on the whole problem and embark on a program of isolationism.

I heartily disagree that those are our only two options.

Let us face it— the FNLA and UNITA are not fighting just the little enemy constituted by the MPLA. They are up against the MPLA in league with, and supplied by, Castro's forces, and the Russians. Anything less on the part of this Congress facing up to that fact is dangerously irresponsible and would hold untold, threatening implications for the entire free world.

The serious argument we are engaged in—over whether to deny the President the option of supplying American aid to Angola—is really just part of a much larger question which involves major foreign policy decisions for this country. If the United States backs away and becomes isolationist as Tunney amendment suggests, we are telegraphing to other nations that we are a nation that can no longer be counted on to oppose Soviet aggression.

And I do not believe that a DOD appropriation bill is the proper vehicle for making major foreign policy decisions.

The proponents of the Senate amendment would have us rush into this vote—but such actions, with such grave and far-reaching implications should only be taken by this Congress after extensive hearings by the appropriate committee and careful analysis of the potential ramifications of our actions.

I believe generally that the Congress has been intruding too much into the conduct of American foreign policy—often hastily, often simplistically—just as the proponents of the amendment would have us do in this instance.

I believe, in particular, that the President and the State Department should not be hampered during the extremely delicate negotiations now underway in West Africa.

I agree with the proponents of the amendment when they say we should pressure the U.S.S.R. into withdrawal, rather than increasing U.S. participation—but the realities of international diplomacy are such that we can never hope to realistically achieve that goal while our President and Secretary of State have one hand tied behind their backs. This is the net effect of the amendment, as I see it. It means we are playing with fewer cards than the Russians, who have no such restraints.

As my colleagues here know, I am not one who uncritically supports the administration in their conduct of this Nation's foreign policy—I am on record as questioning the directions the policy of détente has taken, for example—but I do believe that we must allow our President and our State Department the power to negotiate on even terms with the Russians.

And I believe that, short of sending in American troops, the options of the President to deal with this critical situation in West Africa should not be limited.

I agree with the administration that the provisions of this amendment unduly interfere with and inhibit the flexibility of this Nation to adequately respond to a situation very much affecting our national interest.

I urge you not to concur in the Senate amendment.

Mr. MAHON. Mr. Speaker, I yield 30 seconds to the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Speaker, I rise in support of the Giaimo-Addabbo preferential motion to concur in the Senate amendment. Mr. Speaker, I hope that this Nation has learned something from our recent and tragic debacle in Vietnam. We spent billions of American dollars in a civil war in Vietnam—a nation that is more than 12,000 miles away from our shores. It is tragic Mr. Speaker that we did not learn anything from the death of more than 50,000 American men in a foreign land.

Once again we find our Nation interfering in the internal affairs of a nation thousands of miles from our shores. Mr. Speaker, it is absurd to tell the American people that the anticommunism domino theory applies to Africa. Mr. Speaker, the civil war in Angola is between three political parties, all of whom are indigenous to that nation. It is arrogant and paternalistic for America to pick one African political party over another and covertly supply our choice with Federal funds with which to wage war against the other faction or factions. The American people know very little about Angola, Mr. Speaker, indeed, this Nation itself knows very little about Africa. As a matter of fact in August, Secretary Kissinger admitted to the Congressional Black Caucus that America does not even have a foreign policy toward Africa. Mr. Speaker, how do we suddenly become so interested in a nation which neither the President nor Mr. Kissinger have ever been concerned enough to visit. In fact, Mr. Speaker up until last year when Angola achieved independence from Portugal we supported Portugal. Where, Mr. Speaker, was America during the 500 years that our new Angolan friends were subjugated under the colonialism of Portugal. We were on the wrong side then, too. We opposed the fight for freedom, dignity, and independence when the Angolans through their liberation movements were struggling to liberate Angola. When then, Mr. Speaker, did America acquire this friendship with Angola? And which Angolans does Mr. Ford refer to when he says our friends, the Angolans? Perhaps, Mr. Speaker, the better question for me to ask is who are our enemies in Angola? Or, better yet, Mr. Ford should tell the American people why we supply money to our friends the Angolans to kill our enemies the Angolans.

Mr. Speaker, while it is convenient for both America and the Soviet Union to fight their ideological and psychological war in Angola, the tragedy is that they do so at the expense of African lives.

The excuse that we have to fight communism in Africa is absolutely absurd and fallacious. Mr. Speaker, there are 49 countries in Africa and not a single African nation has succumbed to communism. Why would Angola be an exception? But even if it were, what business would it be of ours? Vietnam proved that we have absolutely no business whatsoever of trying to control the political destiny of people all over the world. Anybody with any commonsense or any knowledge of Africa knows that it is neither capitalism, imperialism, or communism that permeates Africa today. The greatest thrust in Africa today is African nationalism. Additionally, I have not heard any comments today about America being involved in Angola on the same side as South Africa. How do we justify America's fighting on the side of the most racist nation in the world? Once again America has alined itself along with this nation which practices apartheid. Our involvement here once again adds to the ill will toward America caused by our corporate practices in South Africa, our Byrd amendment relative to Rhodesian chrome, and our constant refusal in the United Nations to vote against the seating of South Africa. Mr. Speaker, the President's request that the American people finance this country's secret war in Angola is an untenable position. America must learn that we have neither the resources nor the personnel to police the world. Mr. Speaker, no American lives are being threatened in Angola. Indeed, very few Americans even live there. I am sure that the American people do not want their tax dollars spent in a war there. I intend to vote for this amendment to cut off these funds. I urge all of my colleagues to join me in voting "aye" on this preferential motion.

Mr. MAHON. Mr. Speaker, I yield 30 seconds to the gentleman from Illinois (Mr. MCCLORY).

Mr. McCLORY. Mr. Speaker, it seems to me consistent with our traditional national policy to aid people struggling for freedom and independence. The people of Angola are seeking to establish both freedom and independence in their land.

Those for whom the President and the Secretary of State urge support—are anti-Communist elements—who are struggling and fighting to establish an independent nation of Angola with which we expect to have cordial relations in the future.

Mr. Speaker, the leaders in the adjoining friendly nations of Zaire and Zambia are urging our continued support of the freedom-fighting elements in Angola who are opposed to the MPLA—or Communist supported forces which are backed by the Soviet Union and manned by some 10,000 Cuban mercenaries.

Mr. Speaker, our own national interests, pride, and long-range foreign policy requires that we reject the so-called Tunney amendment to cut off all aid to Angola.

Mr. MAHON. Mr. Speaker, I yield 30 seconds to the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, in supporting a move that has the practical effect of denying further U.S. assistance—overt or covert—to the warring parties in Angola, I would like to emphasize that I am opposed more to the form than to the principle of such a request. I am not convinced, and I do not believe many of my colleagues in the House of Representatives are convinced, that $28 million will have much practical effect in terms of influencing the outcome of the Angola civil war.

If Angola is vital to American security interests—and I have yet to be convinced that this is the case—then I believe the administration owes it to Congress and to the American people to explain precisely what we hope to achieve in Angola and to come up with a comprehensive proposal for realizing our objectives. I have no categoric objection to American aid for factions in Angola intended to counter obvious and effective Soviet assistance; I question, however, whether we are really being asked for the tools to do the job.

The tragedy of Angola, as far as I am concerned, is not necessarily that the MPLA seems destined to prevail in the hostilities. It is rather the fact that the Soviet Union, our ostensible partner in détente, has once again sought to exploit a regional conflict to its own advantage. Soviet actions in Angola raise serious questions about the future of détente and the purported desire of the United States and the Soviet Union to replace an era of confrontation with a search for areas of accommodation; to avoid rather than to manufacture situations of conflict.

I have stated on previous occasions, and I will reiterate today, that if détente is to succeed it must be a two-way street. If we cannot credit Soviet intentions in Angola, where the interests of the major powers are marginal, how can we credit them in the SALT talks or in regard to other pressing international problems?

Mr. MAHON. Mr. Speaker, at this time there is really no effective way to reverse the military situation in Angola without massive intervention which no one contemplates or recommends.

However, it seems to me that one way to show our opposition to the actions of Russia and Cuba in sending 10,000 troops to Angola and substantial numbers of troops to other nations of Africa for subversive purposes is to vote against the preferential motion. Certainly it would have that value.

In voting against the preferential motion, I have in mind our seeking to rebuke the Soviet Union for its indefensible action in supporting with money and arms the Cuban expeditionary forces from the Western Hemisphere for the purpose of subversion. It is a major affront to the United States.

Mr. OTTINGER. Mr. Speaker, one of the most glaring and devastating diplomatic and military blunders committed by the United States in recent years has been our policy in Africa and, most particularly, the ill-considered intervention into the internal dispute in Angola.

By engaging in a tacit alliance with the Union of South Africa, which stands along with Rhodesia as a symbol of racism, white supremacy, and colonialism, the United States has alienated most of sub-Saharan nations. Many African nations fear South African hegemony far more than any possible intrusions from other nations, and our active participation on its side has needlessly exacerbated tensions and misunderstandings which exist between the United States and many African nations.

An especially distasteful aspect of this whole sad episode in our African policy is the fact that the U.S. Government has acted in total secrecy. The administration completely failed to meet its obligation of keeping the Congress informed of—much less seeking any congressional input into—the action it had taken in Angola. In fact, the aministration flaunted the law—the Hughes-Ryan amendment to the Foreign Assistance Act—which prohibits the expenditure of any funds for any covert action prospect until such time as the President declares that such an operation is important to the country's national security. This 1974 statute further requires the President to report the details of any covert action "in a timely fashion" to six congressional committees.

It was not until November 6, in testimony before the Senate Foreign Relations Committee, that the administration admitted that the United States had been covertly supporting the FNLA and UNITA. We still do not know the exact amount of American aid which has been made available to these two factions in Angola and it is very possible that the figure is much higher than the $31 million figure which the administration has admitted to date.

Mr. Speaker, the CIA Director, William Colby, has reportedly testified that the United States has no strategic interests in Angola, a statement supported by an earlier National Security Council analysis. Thus, pursuing our present course in Angola will only serve to further disrupt our relations with other African states. Also, by eschewing any meaningful consultation with the Congress, the administration will continue to stand in violation of the law.

Unfortunately, the administration has indicated that it plans to carry forward the present disastrous policy and to continue supplying arms and material to two of the warring factions in Angola without coming to Congress to justify this policy. In view of the administration's failure to cease covert military assistance and to take positive steps to seek a peaceful solution, the Congress must take the initiative. The legislation before us this afternoon provides such an opportunity. The Congress must make clear that we desire no further military misadventures overseas and we must effectively prohibit the use of any funds by the CIA or any other agency funded by the DOD appropriations to support paramilitary operations in Angola or to provide additional military aid. I urge, therefore, that we support the Tunney amendment and vote in favor of the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

Mr. RIEGLE. Mr. Speaker, I am strongly opposed to military aid for Angola. I believe that our recent experience in Vietnam amply demonstrated the limits of military power.

The war in Angola is primarily a political struggle among three rival liberation movements. There are no foreseeable military answers to the political differences of these groups and the administration offers none.

We should change our foreign policy toward Angola and concentrate on economic and humanitarian aid. Vietnam taught us that we must use our political power more creatively and begin working with other international groups such as the OAU and other third world countries to help Angola solve its problems.

Furthermore, we cannot afford to get involved in another civil war. We have yet to solve the economic and social problems created by Vietnam and we must begin to change our post-Vietnam image.

For these reasons I fully supported the amendment to the Defense Department appropriations bill, which cut off all funds for military involvement of the United States in Angola.

Mr. PREYER. Mr. Speaker, I recently had the opportunity to travel in Africa in the area surrounding Angola, although not in Angola itself. Anyone traveling in Africa must be impressed by the extent of Russian and Chinese involvement in that continent. Angola is the most dramatic instance, where Russia with its Cuban satellite is seeking to impose a minority regime upon the more than 70 percent of the country which opposes it. Angola is the latest but it will not be the last instance of Soviet military aggressiveness in Africa.

When traveling out of the country, one is equally struck by the increasing doubts expressed about the judgment and resolution of the United States as a world power. The foreign press refers to a "cold war Munich" in black Africa. Friendly black parliamentarians, with whom we met in Kenya, expressed alarm over the United States withdrawing from the world. Although they agree we were right to withdraw from Vietnam, they urged the United States to "keep on trying."

My conviction is that a policy of neo-isolationism, of total withdrawal from Africa, would be a disaster. If Vietnam has convinced us that any foreign intervention for any reason is wrong, it will have proved much more than a military disaster. To paraphrase Mr. Moynihan, Vietnam taught us the lesson of unwise intervention, Africa may teach us the lesson of failing to intervene.

I am equally convinced that the manner in which we assist Africa is all important. We cannot simply buy good will in Africa. Our limited resources will not permit it; our taxpayers will not stand for it; and it does not work.

The basic problem we face in Africa is how to bring home the dangers of Russian imperialism to the uncommitted African nations without appearing to act like an imperialist power. Our credibility in Africa depends on our image as a friendly and disinterested power. We avoid any appearance of imperialism and any appearance of racism.

In my judgment, the present United States approach in Angola is the wrong way to do this, while Kenya points toward the right way to do it.

The black parliamentarians in Kenya who urged against the United States withdrawal from the world also urged that we withdraw totally from Angola. It indicates that the way we are presently aiding Angola fails the tests of avoiding the appearance if imperialism and racism.

Our entrance in the Angola situation was flawed at the outset because most black Africans are bitter at us for our support of the Portuguese regime, the hated colonial rules of Angola for 500 years. It is difficult for Africans to understand that as a great power the United States does not have the freedom of action of a lesser power. At the time of the revolutionary uprisings against Portugal's colonial rule, for example, we were attempting to maintain stability in the Middle East, and Portugal's Azores bases were critical to our assistance to Israel. But in the eyes of black Africans, we were supporting an oppressive colonial master.

The covert manner in which we made the decision to intervene and the way in which we initially furnished aid has further flawed the entire endeavor. It conveys the aura of "imperialism" and power politics to Africans. It fuels the widely-accepted myth in the rest of the world that the CIA is responsible for all of their problems, personal and political. This is wrong but it is pervasive.

The presence of South Africa as a supporter of Unita, one of the two pro-Western factions, is an acute embarrassment to us with other black African nations and gives the Cubans and Russia an excuse for intervention in the eyes of black Africa. We are convinced that the U.S. Government has scrupulously avoided any sort of joint action or consultation with South Africa on Angola. In fact, the South Africans complain strenuously that the presence of their troops is the only thing that has prevented an immediate sweep of the country by MPLA, and that they should at least receive recognition of this and some moral support from the West.

If the purpose of our present form of aid to Angola is primarily to conduct a test of wills with the Soviet Union, then we are there with too little too late. We can never hope to match Soviet aid in dollar terms, and will not—and should not—match the Soviet-Cuban contribution in troops on the ground in Angola. We will surely lose that kind of contest. One of our partners—the FLNA under Holden Roberto—is widely regarded as ineffective, probably corrupt, and without a popular base of support. The other partner, Unita under Dr. Savimbi, is popularly based and effective, but is compromised to some degree by South African support. Furthermore, if the test of wills theory is our reason for being there, a more effective approach would be to condition detente in some way, such as cutting off grain sales to Russia.

Our primary reason for aiding Angola should not be to conduct a test of wills with the Soviet Union, however, but to bring home the dangers of Russian imperialism to the uncommitted African nations, and to bring about an equalizing of forces, a stalemate, so that the Angolans themselves or the Organization of African Unity can work a settlement under a coalition government or by a partition of the country.

I do not think this can be done by covert aid through Zaire. It can be accomplished if these conditions obtain:

First. If South Africa withdraws its forces from Angola, and we are seen to urge and desire this;

Second. If other nations of the West join the United States in furnishing overt multilateral aid to the majority factions in Angola; and

Third. It would be very helpful, if not absolutely essential, for some black African nations to invite us to assist.

The recent deadlocked OAU meeting was a negative victory for the United States. The absence of the expected tirades against South Africa was also noteworthy. It indicates a substantial number of black African states are seeking a compromise solution. The United States could be of material assistance in bringing about such a compromise if something close to the above condition could be brought about.

The Angolan situation caught the American people unaware—"Where's Angola?". We are late in improvising a policy there. We should not be caught like this again. We need to form a consensus among the people, between the legislature and the executive, and between our political parties as to what our role should be in Africa.

The next unpleasant shock we receive in Africa will probably be a confrontation between Kenya and Somalia. We should be more prepared for this one and begin thinking about it now.

KENYA

Kenya is the most democratic of all the African states.

Its democracy is new and raw and hardly a textbook model. When Parliament strongly asserted itself in the past against the Government, the two leaders of Parliament with strong popular support were mysteriously murdered—Tom Mboya in 1969 and J. M. Kuriuku in the spring of 1975. A select committee report by Parliament on the Kuriuku murder was sharply critical of the Government. President Kenyatta responded by reducing the role of Parliament and putting several members of the select committee in jail, including the deputy speaker. President Kenyatta announced that: "The hawk is in the sky, ready to swoop on the chickens." Parliament as a result is now in eclipse, but it is expected to regain its former role. It is still an institution for the expression of dissent and is a body in which the common man feels he has a voice.

In addition, the press is substantially free in its criticism of the Government.

Although Kenya has a one party system, there is wide freedom of choice within that system. There were as many as 12 candidates for 1 seat in the last election. The seats are vigorously contested. Members of Parliament are well paid and well respected. They are far from figureheads. We met with a number of them, many of whom had been educated in the United States, and were strongly impressed with their dedication and ability.

In addition to being the most democratic of African States, Kenya has an economic system that is closest to our own free enterprise system. It has prospered in relation to its Marxist neighbors. For example, Kenya and its neighbor, Tanzania, had almost exactly the same per capita income 10 years ago. Today, Kenya's per capita income is 50 percent higher. Each received the same amount of foreign aid. The difference is largely accounted for by foreign investment. There are 135 American firms in Kenya, and they have been good citizens. Kenyans hold many of the top managerial positions in these firms. There are no minerals or oil—as yet—in Kenya, and there have been no charges about any unfair exploitation of the country's natural resources, as in some African countries.

There remain problems of more equitable distribution of income in Kenya. There is some problem of corruption, which is endemic in the under-developed world. But on the whole it is a model to other African nations of what a western-style democracy can accomplish in terms of freedom and economic well-being as compared to the competing Marxist model. It's neighbor, Tanzania, for example, is a drab Iron Curtain-style country, with communes in the countryside and forced collectivized farming.

Kenya seems to be one country where we have done it right. When we hear of the abuses of foreign aid in Ethiopia and other countries, it is good to have an example that we can take pride in. We have helped, we have not imposed. We have worked jointly with other countries, especially the British and West Germany.

There are over 300 Peace Corpsmen in Kenya, respected and wanted by the people.

We have medical teams, working to eliminate such things as the tsetse fly.

The Ford Foundation and Rockefeller Foundations have offices in Kenya, and assist the substantial effort of our Government in improving agricultural conditions—85 percent of Kenyans are farmers. East coast fever destroys up to 90 percent of the calf crop each year in certain areas of Kenya. A successful vaccine has been developed by our laboratories.

We have a space program, jointly with the British and Italians which has had eight launchings. The United States in January launched the "Landsat" satellite which surveys for freshwater sources, geological structures likely to bear undiscovered minerals, and so forth.

We have health clinic teams, with especial emphasis on family planning programs—Kenya has one of the highest birth rates in the world.

The faculty of veterinary medicine at the University of Nairobi has six American professors while Kenyans are being trained in the United States to replace them. Each year the U.S. Government sends 25 to 30 Kenyans to the United States for post-graduate study. The number of student visas issued to Kenyans has more than doubled—436 in the past year.

In addition, the Kenyan port of Mombassa is open to our ships. Since we do not allow our ships to enter Capetown, South Africa, Mombassa is one of the few ports available to our Navy on the

Indian Ocean. It is one of the few ports in that part of the world that offers friendly, interesting R and R for the men on our ships. It obviously has security value to the United States, although we have not attempted to develop it as a base.

It is very much in the U.S. interest to keep Kenya alive, not because of any valuable resources we get from it—we get none—and not for security reasons—Kenya has concentrated almost solely on economic development to the exclusion of military development—but as a model for the rest of Africa. It offers the Africans an alternative to the Socialist systems so prominent in the rest of Africa. It shows the decent, friendly, disinterested side of America in contrast to the "Imperialist" or militarist face we showed in Vietnam.

All of this is threatened by Somali aggressiveness. The potential for conflict is higher here than anywhere in Africa except Angola. Kenya may well face us with our next Angola.

The threat comes from Somali Irredentism. Somalia is seeking to create a "greater Somalia" which would include all ethnic Somali who live in Ethiopia and Kenya. This would take in a large part of Kenya—including an area in which there is promise of striking oil. Somalia has received massive Soviet aid. Its population is three times that of Kenya. It has a large air force, including Mig 21 fighters as well as bombers. Kenya has only a few subsonic aircraft—the 20-year-old British Hawker Hunters. Somali pilots have been trained in Russia and North Korea. Cubans and Russians are training guerrilla fighters for Somalia.

Somalia has 200 tanks, Kenya has none. Somalia has 22,000 armed forces; Kenya has 8,000.

Kenya has gone to the United Kingdom to strengthen their armed forces, but the United Kingdom is simply financially unable to do it. They will now turn to us.

Should we continue to confine our aid to nonmilitary aid only? In my judgment, we should begin to furnish a moderate amount of armaments to Kenya. The United States, West Germany, and other countries are interested in Kenya and will do their share. The United States need not and should not be the major supplier or get overinvolved. There is no need to give Kenya any great offensive capability, but there needs to be enough to deter Somali aggression. For example, they badly need F-5 fighters to counter the Mig-21.

We would not be providing arms to bolster a military regime. We would be supporting an elected democratic government against potential aggression.

The general approach of Congress toward Africa seems to be this: There is a large reservoir of good will among black Africans toward the United States. Many of its leaders were educated in the United States, and our missionaries have had a profound impact on the people. We should stand clear and avoid any interpretation of imperialism or colonialism. Let the Russians win the battle and take over governments temporarily; in the long run we will win the war, when the independent spirit of the black Africans will assert itself and throw out the Russians. Let the Russians be the only blue-eyed imperialists found on African soil. Let Angola be the Russian Vietnam.

In the long run, this may be right. But as Lord Keynes said, "In the long run we will all be dead." Something more is needed in the short run.

The "something more" should certainly not include sending our Armed Forces into Africa under any circumstances. It should not include military aggressiveness. Rather, it should be a program of preventive maintenance. We should concentrate our efforts and limited resources on strengthening and aiding the development of a few potentially strong and sympathetic countries so that they can be regional leaders, and serve as models of the Kenya type. A widespread diffusion of our aid will accomplish nothing, but concentrating it on countries such as Kenya, Gabon, Senegal, the Ivory Coast, and Nigeria can have real impact and offset the enormous effort being made by the Russians and the Chinese. We should give them a sense of support, nor should we hesitate to arm them, as long as we can be sure the arms will not be used to kill their fellow countrymen, as has happened in Ethiopia. Nigeria is included in the list, although our relations with that country are presently decidedly cool. But Nigeria has 80 million people. It is the ninth largest country in the world. We have extensive economic interests there; the United States imports more oil from Nigeria than it does from any other country in the world. We must keep trying for better relations.

We should furnish humanitarian aid to all countries, in the event of catastrophes such as drought, but otherwise cannot hope to be all things to all people.

This would help restore the United States to the proper role it should play in Africa and the world. The present course of U.S. neoisolationism in Africa is disastrous, but our present approach in Angola is not the way to reverse it. The outer world cannot safely be ignored. The United States must play a greater role than it perhaps wishes in the world. The role is not that of military aggressiveness. It is a role of allowing models of alternatives to the Marxist system to develop freely. It is a role of preventive maintenance. We must never fight another war to save a tyranny because it was our ally, as in Vietnam.

In this Bicentennial Year, it may be well to recall that this Republic was born to observe a dual pledge: To attest that men could wisely govern themselves in freedom, and it was commissioned to summon other people to try to do the same for themselves. We must form a consensus among the people, between the legislature and the executive, and between the parties as to what our world role is. At the moment, as Emmett Hughes says, "The world wonders whether American life and action reflect a Republic nobly inspired or merely intoxicated."

Vietnam and Watergate have made us self-doubters. But in the long run we have every reason for confidence in our ultimate triumph.

The United States is achieving at least 80 percent of the major pure science in the world. We are the world leader by an enormous margin. Some envy it; everyone admires it. And we have harnessed this to the advancement of technology. As Joseph Schumpeter pointed out in defense of industrial capitalism, the beneficiaries of technological advance have been the great mass of the world's population. But there is no necessary connection between technology and liberty, as the Nazis demonstrated. It can be used to crush the human spirit. Today, as in the past, the United States continues to be the last best hope of mankind for making technology serve human needs. If we fail, no one will take our place. As the brilliant Frenchman, Raymond Aron, said in a recent interview with Jean-Jacques Servan-Schrieber:

> The liberal industrial civilization that we represent has no other possible defender than the American republic. After all, industrial civilization can last under a despotic regime. But what the industrial civilization of the West has represented is the combination of science, technical efficiency, and political liberalism. The Soviet regime has tried to borrow the technical efficiency and industry while eliminating what is . . . the justification of the West: political liberty.

Mr. SYMMS. Mr. Speaker, I would like to ask the following questions:

Why is it that Mr. Kissinger is so willing to confront the Communists in Angola, but he goes hat-in-hand to Moscow to negotiate another SALT agreement? Why not confront the Russians at SALT where U.S. security really is at stake?

If stopping the Communists in Angola is so important then why do we not adopt a policy that would really stop Cuban and Soviet intervention in Africa? Why not get tough with Russia on SALT and blockade Cuba?

Why is it that we have money for Angola, but we are told that this is not sufficient funds to keep the Minuteman missile production line open?

As long as we have a foreign policy based on compromise and conciliation, this type of Communist intervention and takeover will continue. Example, Korea, Vietnam, now Angola.

Mr. Speaker, it is not my wish to ever vote to compromise the security of the United States. To date I would say no one has made a case to answer any of the above questions.

Mr. BIESTER. Mr. Speaker, I rise in opposition to the motion to recede and concur to the Senate amendment to H.R. 9861 which bans the use of any funds for American involvement in Angola.

After many years of receiving too little attention and too few resources, American policy in Africa has arrived at a critical crossroads. The tragic civil war in Angola has come to preoccupy our attention with dizzying speed, leaving many Members torn by conflicting analyses of a complicated and fast-changing situation.

When the last vestiges of Portugese administration departed from Luanda last November, turning sovereignty over to the "people of Angola" after 500 years of colonial rule, three movements were already struggling to establish their legitimacy as the most authentic spokesman for Angolans. The MPLA, led by Dr. Agostinho Neto, was founded in the late fifties with the help of the Portugese Communist Party. Based in Luanda, the MPLA receives little popular support outside the members of the Mbundu tribe, an ethnic group representing nearly one-quarter of the Angolan population. Having received Soviet assistance dating from the early period of the Neto presidency, the MPLA has, in the past year alone, received an estimated $200 million in Soviet military assistance.

Also, several thousand Cuban troops have recently served as the spearhead of their military offensives. UNITA, led by Dr. Jonas Savimbi, enjoys the support of the largest ethnic grouping in Angola, the Ovimdundus, who comprise one-third of the Angolan population. An African socialist, but not an inflexible ideologue, Savimbi is unique among the contending groups in that UNITA has, since its inception, fought with little outside support from bases within Angolan territory.

The third movement, the FNLA of Holden Roberto, has been largely supported by the Bakongo tribe which represents nearly one-fifth of the Angolan population. While the United States does not seek to be the arbiter of Angola's political destiny, it is clear that the MPLA cannot claim to represent the political aspirations of the Angolan people to the exclusion of the FNLA/UNITA coalition which, taken together, have received the support of a majority of the Angolan population.

As we now regard the Angolan situation, we witness, on the one hand, massive and unprecedented Soviet and Cuban intervention taking place thousands of miles from their shores. Whatever may be their motivation, it should be clear that if Soviet adventurism gains an easy success at very low cost in terms of international resistance, then surely the Soviet estimates of the feasibility of such forays—and of our determination to play a role in resisting them—will be different in the aftermath.

On the other hand, the United States has provided a measure of covert assistance to the FNLA and UNITA forces. The Organization of African Unity has reached a deadlock on the issues of recognition and the condemnation of all foreign intervention, apparently agreeing only that South African intervention—which hopefully will soon be terminated—must be denounced.

Faced with this situation, American policy must seek to create the conditions for an Angolan and a political solution to this civil war within the traditional African context of compromise. Twenty-two African states supported efforts for such a compromise at the recent OAU summit, and preferred to accept a disappointing deadlock at this first extraordinary summit rather than accept calls for the recognition of the MPLA and singling out South Africa in condemning extra-Angolan intervention.

This leads to the crux of our policy dilemma: If this House supports a total ban on aid to Angola, it will insure a military solution, a resolution by force imposed by extracontinental powers on the majority of the peoples of a newly-independent African state. There will be no political solution within an African framework—an outcome which would certainly earn the nearly unanimous support of African states.

Such a military solution could lead to permanent divisiveness on the African continent, a consequence which could only encourage future great power intervention in African affairs. And let us have no illusions about the implications of such intervention. It will lead to a weakening of African voices of moderation working for nonviolent change in South Africa, Rhodesia, and Namibia. It will prejudice the reduction of tensions between the Soviet Union and the United States. Ultimately, if such intervention continues, it might lead to disruptions in supplies of vital raw materials to the OECD countries and Japan.

Voting to reject this motion does not constitute an uncritical endorsement of past American actions in Angola. Neither does it signify a willingness to approve further administration requests for funds for use in Angola. Nor does it represent support for the general concept of covert operations, for the veil of secrecy has long been lifted from the essential elements of this operation and cannot descend once again at this late date.

However, allowing the funds in question to remain H.R. 9861 will afford the 22 African nations who refused to acquiesce in any one-sided OAU decision a modest, but nonetheless important, lever to promote a political settlement among the contending factions. The United States can serve to further an African solution to this civil war.

Mr. BURKE of Florida. Mr. Speaker, today we have an opportunity to serve notice on the Communists, especially the Soviet Union and Cuba, that our will to resist their aggressive designs has not slackened. We can reject the unwise Senate amendment to the Defense Department appropriations bill, H.R. 9861, that prohibits the use of any American money in Angola except for "intelligence gathering."

I agree with the administration that the Senate amendment unduly inhibits our flexibility in dealing with a clear-cut threat to our national interest.

Mr. Speaker, no one, to my knowledge, is suggesting that we send troops to Angola as we did in Vietnam. No one wants another Vietnam if it can possibly be avoided. Besides, I think we can all agree that the War Powers Act of 1973 rather effectively prevents another Vietnam-type situation from being imposed on us.

Just what has been our involvement in Angola, involvement which Senator Tunney and others seem to find so dangerous and objectionable? The available evidence indicates that approximately $32 million in military aid was allocated during 1975 and that about $25 million was actually spent. The Department of State claims that half of the expended funds were used to transport such items as light weapons and communications equipment. Despite newspaper accounts of mercenary recruitment, State denies that any funds were used to finance mercenaries.

By contrast, the Soviet Union had increased its aid to the Communist popular movement for the liberation of Angola, MPLA, to $200 million by the end of 1975. In addition, while Communist China withdrew its personnel who were helping train the anti-Soviet forces of the national front for the liberation of Angola, FNLA, the Soviets recruited mercenaries from their client state, Communist Cuba. It is estimated that the Soviets had sent in approximately 8,000 Cuban troops by the middle of December 1975.

The Soviet Union recognizes, even if certain Members of the U.S. Congress do not, that Angola has considerable strategic value in terms of Western interests. Angola occupies a vital geographic position on the African continent, in addition to being rich in mineral resources. The northern region of Cabinda is rich in oil, for example, and it has been speculated that control of the sea corridor by any hostile power could block the flow of oil to the United States from the Persian Gulf.

It is clear to me that any argument which says the United States has no legitimate interests in Angola is specious at best. We do possess very legitimate interests in Angola, as we do throughout the entire African continent. Africa is part of what political analysts call the "Third World," and the Third World is a prime target of Communist strategy as the Soviet Union maneuvers to encircle the United States.

We should not allow ourselves to be lulled by so-called détente so that we adopt a posture of weakness in dealing with the Communists. I have seen enough official Communist propaganda to know that, while we regard détente as a relaxation of tensions with the Communist world, the Communists perceive it very, very differently.

We seem to regard détente almost as an end in itself, but to the Communists, especially the Soviet Union, détente represents a means to an end—and this is a vital distinction. To the Soviets, détente represents a weakening of the so-called "imperialist" forces—meaning primarily the United States—in relation to the so-called progressive forces—meaning, of course, the Soviet Union and its allies and puppets.

Also, we should bear in mind at all times and in all circumstances that the Communist threat is a global one. The Soviets, like the Communist Chinese, think in global terms. Thus, Angola represents but one chip in the mosaic of the Soviet Union's grand strategy of constantly probing to determine where our weak spots lie.

However, for reasons indicated above, Angola is an important chip indeed. If the Soviets are successful in using Cuban mercenaries and other means to turn Angola into a virtual Soviet satellite in Africa, the United States will be in an extremely precarious position, not just in Africa but in the eyes of the whole non-Communist world. This is a loss we simply cannot afford.

Mr. Speaker, I urge my colleagues to reject the Senate amendment so that the administration can have the flexibility it needs to pursue a prudent and effective policy against Communist aggression in Angola.

Mr. LAGOMARSINO. Mr. Speaker, I support inclusion of the Tunney amendment to this bill. The House International Relations Committee in December accepted an addition to the security assistance bill which requires congressional approval of any future use of U.S. funds in the Angola conflict, and I supported that language. I believe the committee's posture is in accord wtih the perceived role of Congress in this area of international relations. Therefore, I feel the Tunney amendment is an appropriate addition to this particular bill.

It may well be the Congress will decide it wants to provide some assistance in Angola in the near future. However this should be done within the scope of the language the committee adopted. We are not attempting to tie the administration's hands with this vote; we simply want to be consulted in advance, and given a chance to participate in the decision as a coequal branch of Government.

Mr. BOLAND. Mr. Speaker, I rise in support of the motion of the gentleman from Connecticut, Mr. GIAIMO to recede and concur with the amendment added in the Senate by Senator TUNNEY of California. I think all of us who remember what Vietnam did to this country will also support amending the conference report. We cannot place the Nation in a situation akin to Vietnam ever again.

The amendment before us, simply stated, prohibits military aid to Angola unless and until such assistance is authorized by the Congress. Mr. Speaker, the prospects for a peaceful settlement in Angola will not be enhanced by military aid from any source. If the civil strife that now rages throughout this new nation is to cease, I for one do not see how further military assistance from this nation can possibly promote peace. You do not put out the fire by heaping on more fuel.

I have said that our involvement in Angola's civil war cannot bring peace there. At the same time, the Angolan situation carries with it the potential for serious international repercussions. I opposed our involvement in Vietnam when I saw what it was doing to this country and to our stature in the world. I oppose military aid to Angola for the same reasons. I believe further U.S. involvement would only lead to another divisive split in this society and would jeopardize, not enhance, our position as a world leader. This Nation does not need that now or ever.

Mr. Speaker, I cannot express too strongly my opposition to military aid to Angola. I think the analogy to Vietnam is all too apt. We must not be led down the path as we were 15 years ago. We are playing with fire here and must be very careful that a conflagration does not engulf those that tend the fire. We can stop the chance of that happening by stopping military aid to Angola. I support this amendment and I urge all my fellow Members to do likewise.

Mr. MEZVINSKY. Mr. Speaker, we have already sent millions of our tax dollars to warring factions in the Angolan civil war. Will we be sending our marines to protect that investment?

We address a more fundamental question today. Will we allow a handful of men, behind closed doors, to decide whether this country will become further entangled in a distant foreign war—or will we exercise our constitutional right and fulfill our duty to the electorate to demand congressional review of expenditures for foreign interventions? Secretary Kissinger must come to understand that the foreign policy of this Nation is not to be determined solely by a few decisionmakers in the executive branch. If we learn nothing else from the tragic experience of intervention in Vietnam, we must learn that this country will not and can not tolerate another reckless military adventure launched on the whim of a few officials.

There is nothing covert about the American role in Angola's war. Any conceivable advantage of secrecy was eliminated with public disclosure of our expenditures and manipulations in that country. If some of our leaders seek to retain covert authority there, we can only interpret that goal as an effort to conceal their intentions from the American public. Secretary Kissinger has insisted that the United States is a great power and that great powers must act as such. It has been argued that greatness in world affairs demands a military response to the military initiatives of Cuba and the Soviet Union in Angola. But the American people are rightly more comfortable with a less belligerent and more constructive definition of greatness. The armed interventions of Moscow and Havana in Angola's internal dispute is plainly wrong, but our response to that aggression should not imitate it.

Our protests against Soviet manipulations has a hollow ring when coupled with CIA disruptions of Angola's society and secret support for our own favored faction. We should be working diplomatically to check the excesses of our rivals. But if there is to be another Vietnam in Angola, let it be a problem for Moscow and Havana.

Mr. MARTIN. Mr. Speaker, it seems to me that the best solution in Angola would be for everyone else to let Angolans decide. No one else is justified in sending foreign soldiers there to do the fighting for them. And yet the dominant military force there is the 7,000 or more Cuban troops brought there and armed by the Soviet Union to fight on behalf of one political group that represents a minority of Angolans. The other factions have troops from South Africa and Zaire, but in much smaller numbers.

Our first objective in Congress should be the same as that of President Ford: To get foreign forces out of Angola and let Angolans resolve it however they choose. That will take the cooperation of Russia and Cuba, and if we unilaterally cut off weapons aid to the factions resisting the Communist-backed group, as the Senate has done, the Cubans will probably sweep Angola in short order while we debate the niceties of congressional prerogatives in foreign policy.

I do not want the United States to send troops to fight in Angola. At the same time, if the Russians and Cubans continue their activity there, I do not want the United States to abandon the other side and leave them unarmed and at the mercy of the Communist-backed minority.

I continue to believe that we should provide weapons for any free people to defend themselves if they choose to resist having communism imposed on them against the will of their majority—regardless of race, creed or color, by the way.

If we turn from that responsibility, no country in Africa, Asia, South America, and perhaps even Europe will rely on us in a showdown. If we let our yearning for isolationism turn us away from the world's troubles, we will find little comfort in sitting here watching the parade of falling dominoes crash in succession, closer and closer to our own—the last domino.

Some say a loss in Angola would not give communism a foothold there. Some said the same thing about Castro's agrarian reformers in Cuba in 1958.

Mr. BADILLO. Mr. Speaker, I rise in support of the Giaimo-Addabbo resolution which will enable the House to recede from disagreement on the Tunney amendment and will end our present misadventure in Angola.

I would like to address myself to what happens to Angola when all the strife had ended. What of that country's future? We cannot overlook the results of our actions there. The FLNA, the side that we support, from all available reports, will be an unpopular government, and one can clearly imagine, from reading them, a repetition of the horrendous results of our intervention in Chile, or even more relevant, our disastrous role in the Congo which has cost us at least $400 million to date, and gained us nothing.

The MLPA, on the other hand, favors a form of socialism like that in Mozambique and Guinea-Bissau, countries with which we are now seeking to establish relations. It is a form of socialism that does not threaten American security. In fact, the MLPA has publicly stated that it seeks to normalize relations with the West if it gains control of the government. It is our intervention on the weak and losing side that will do more than anything else to drive the new Angolan government to the U.S.S.R. for assistance.

Angola is a classic example of an emerging, undeveloped nation, and what that means, simply, is that no one—not the Russians, not the Cubans, not the Americans—will have anything to say once the war has ended. We will all be invited to leave. And the untold resources of the country will be developed by its own government, and it will begin its struggle for independence and nationhood on its own. Holden Roberto, head of the FLNA—whose policies I generally disagree with—has said:

> If we have received arms and subsidies during the long years of our fight for liberation from brother countries, and from the friendly countries outside Africa, not one of them has placed conditions or bargaining terms on any assistance. Our freedom of action has always been and remains total. It is not for sale.

We would do well to further explore what kind of investment we think we are making. I have spoken with Portuguese officials who only reinforce this point—Angola will be independent—and nothing we do or do not do will change that now.

The questions involved in this issue are enormous. We are dealing with an administration that is not only depriving the Congress of its powers over where and with whom we may go to war, but even treats its own State Department and CIA contemptuously enough to act against their advice. The Congress has abrogated its day-to-day decisionmaking powers in foreign policy for too long. Angola, serious enough as it is, serves also as a frightening example of where we have let ourselves drift. I hope today's vote will provide an impetus for radical change.

Mr. SCHEUER. Mr. Speaker, today the House decides whether the United States will continue covert assistance to two of the three contending groups in the Angolan civil war. This very complicated question bears not only on the currently deteriorating situation in Angola, but also on the complex question of the congressional role in the formulation of foreign policy.

Just prior to the Christmas recess, the Senate overwhelmingly voted an amendment to the Defense Appropriations Act to cut off funds for covert operations in Angola. I urge my colleagues to concur in the basic Senate action when they cast their votes later today, and I ask their support for the bill I have sponsored which would require congressional approval for any future civilian paramilitary activities in a foreign country engaged in hostilities.

The basic outlines of U.S. involvement in Angola have been made public—how, beginning in January 1975, the United States began funneling CIA funds to two of the Angolan factions, primarily via Zaire, how this funding escalated and may have reached as much as $60 million, and how when this administration policy was finally made public in the press, the Senate voted to end such covert actions.

My bill would amend the war powers resolution by closing the loophole which still permits civilian agents or employees of the United States to engage in hostilities in a foreign country or to advise military forces engaged in hostilities. Unless we remove this loophole, Angola may become a prototype for our involvement in other foreign conflicts since the President will be tempted to use this type of action rather than go to Congress for approval of purely military actions.

What are the origins of the Angolan war, which has prevented the emergence of a unified nation and claimed between 20,000 and 30,000 lives in 1975? What are U.S. interests in this area? Why did the United States become involved?

Ethnic, racial, class, regional, and ideological differences divide the three Angolan nationalist movements—the Popular Movement for the Liberation of Angola, MPLA, under Agostino Neto, the National Front for the Liberation of Angola, FNLA, under Holden Roberto, and the National Union for the Total Independence of Angola, UNITA, under Jonas Savimbi. In addition, an intense distrust and personal animosity exists among the movements' leaders.

Angolan nationalists were never able to form a common front during the 14 years of armed struggle against Portuguese colonialism. The MPLA's strongest appeal has been to urban Africans, mulattos, and intellectuals of all races. It is also supported by most of the 1.3 million Kimbundu tribal group in the north-central part of the country around the capital of Luanda. By contrast, the MPLA's rivals, the FNLA and UNITA, draw most of their support from rural African peasants—the FNLA from the approximately 700,000 KiKongo speaking peoples of the northwest, while UNITA is firmly based among the more than 2 million Ovimbundu in central Angola.

For the vast majority of Angolans, the ethnic and social dimensions of the conflict are infinitely more important than ideological considerations. The division of Angolans into Communist and anti-Communist factions, therefore, is an oversimplification which inhibits rather than enhances understanding of the real issues in the conflict. After five centuries of Portuguese colonialism, most Angolans continue to orient themselves within their own historical, cultural, and geographical context.

When the government of Portuguese Premier Marcello Caetano fell to the Armed Forces Movement in April 1974, no Angolan group had yet achieved the sort of clear cut preeminence that FRELIMO insurgents had won in Mozambique. Under pressure from Portugal's new military government and African leaders, the Angolan nationalists did agree to form a triparte coalition, pending general elections in the fall of 1975. However, the coalition collapsed, fighting broke out among the three groups; and by the time the Portuguese withdrew on November 11, 1975, the country was militarily split into three regions with the FNLA controlling the north, MPLA controlling the central region, including Luanda, and UNITA controlling the South.

The MPLA declared itself the People's Republic of Angola and has been recognized by over 30 nations. The FNLA and UNITA formed a coalition and declared the independence of the Popular and Democratic Republic of Angola. The Angolan civil war has raged most of this year with each movement being supplied with arms and ammunition from different foreign nations. The Soviet Union, Cuba, and Eastern European nations emerged as the prime supporters of the MPLA, while Zaire, South Africa, France and the United States began supporting the FNLA-UNITA coalition.

While there are many differences among the contending parties, Washington seems attuned to only one—Soviet support of the MPLA. The Soviet Union has been the principal external patron of the MPLA since the party's founding in 1956. U.S. aid for the FNLA–UNITA coalition appears aimed at preventing the MPLA from exercising power in Angola in the belief that the party's advocacy of a Marxist-Socialist style of government and its heavy dependence on the Soviet Union for arms and financial support imply that it is a danger to U.S. interests. But what are American interests in the area: Economic? Strategic? Diplomatic?

The total value of fixed U.S. investment in Angola is very small—under $70 million, the overwhelming majority of which comes from one company, Gulf Oil. Ironically, Gulf Oil did not apparently perceive the MPLA to constitute a greater threat to its operations than the FNLA or UNITA and had good relations with the MPLA until the State Department required Gulf to end its operations last December.

Does the United States have strategic interests in Angola? In a 1970 National Security Council study—NSSM 39—Secretary of State Kissinger argued that the United States had no strategic interests there. CIA Director Colby made it clear in recent testimony before the Senate Foreign Relations Committee that the United States still perceives no strategic interests at stake in Angola.

Is the United States then interested in scoring diplomatic victories through its Angolan involvement? If so, it could be convincingly argued that rather than bolstering our American diplomatic efforts in Africa, we are alienating a number of African nations by our perceived identification with South Africa on this issue.

If no solid case can be made to support American intervention to protect economic, strategic, or diplomatic interests in Angola, why has the United States become involved in the Angolan tragedy? "To stop Soviet domination," administration officials argue in an accent which has a decidedly cold war, rather than a détente ring to it.

Unquestionably, an MPLA-dominated Angola might be more sympathetic to the Soviet Union than to the United States. After all, the Russians gave them the means to resist Portuguese colonialism, whereas the United States is perceived of as having at least tacitly supported Portugal. Moreover, some MPLA leaders consider themselves Marxists, which places them closer to Soviet, not American, perceptions of the world. But does this really spell Soviet domination? Does this really justify putting millions of dollars worth of American weapons into the hands of other Angolans and white mercenaries?

I am not persuaded, clearly, the MPLA has demonstrated its desire to trade with whomever desires Angola's valuable natural resources. One need only remember that while the United States was arming the FNLA and UNITA, the MPLA was more than willing to sell oil to the Gulf Oil Co. Such actions do not portend an ideological approach to foreign affairs, but rather a predictably nationalist approach to such questions.

Similar concerns were recently expressed about Soviet aid and Marxist rhetoric in Guinea-Bissau and Mozambique, but neither country has shown signs of Russian domination. In fact, FRELIMO already has demonstrated its independence from the Soviet Union on at least two important issues in recent months. It is a dangerous trap to measure the politics of African leaders by the source of their arms.

No American official has suggested

that Chinese arms to the FNLA made them Maoists. Neither can it be argued that U.S. support to FNLA and UNITA will guarantee that they will be friends of the United States in the future or will support democratic government. Both UNITA's Savimbi and FNLA's Roberto have strongly attacked the United States in the past.

Rather than emulating the familiar course of intervention and escalation in Vietnam, the United States should take a second look at Angola.

The best route open to the United States on Angola is to bring home concretely to Soviet leaders—in respect to increased trade, availability of our high technology—especially our advanced computers, long term assurances of grain shipments and other benefits of détente—the perils of persisting with their African intervention as well as their other destabilizing interventions in Portugal, Libya, and elsewhere in the Middle East and around the world. For too long we have failed to use the economic resources we possess which the Russians need, as legitimate instruments of foreign policy. If OPEC and the third world countries can use their natural resources to hold up the United States, I see no reason why we should not and cannot act in the same manner when our interests are threatened.

I fail to understand why State Department diplomats, when dealing with their hard-nosed professional counterparts in the Soviet Union, categorically refuse to utilize whatever weapons they have at their disposal. Mr. Speaker, it is clear that we must lay our cards on the table—we must tie our abundant sales of grain and our generous transfers of modern technology to hard core concessions from the Soviet Union. Any alternative course dooms us to countless Angolas in the future.

By its action, the Senate has produced a consensus that it would be disastrous for this country's relations with black Africa if Washington collaborated with the white rulers of South Africa in the effort to check by force the Soviet-backed MPLA. Congress should not accept administration rhetoric that seems to imply almost a global obligation for the United States to block any Soviet probe outside the Soviet world, whether or not major American interests are threatened.

My bill would amend the war powers resolution by making it applicable in cases where agents or employees of the United States are engaged in hostilities in a foreign country or are advising foreign military forces engaged in hostilities. We've seen such paramilitary intervention in the past—when President Eisenhower used civilian pilots in 1958 to bomb anti-Sukarno rebels in Indonesia; when President Kennedy, in 1961, allowed the CIA to lead an army of Cuban refugees into combat during the invasion of Cuba at the Bay of Pigs; and when Presidents Johnson and Nixon authorized the CIA to conduct a secret war in Laos without congressional approval. My legislation assures that the President will not embark on a foreign paramilitary activity without the approval of the Congress and the American people.

I am happy that Congressman ROBERT GIAIMO gave us the opportunity to debate the issue of aid to Angola, and I hope that you will support my bill, H.R. 11476, which would prevent civilian paramilitary participation in military conflicts in other nations without congressional approval.

Mr. DERWINSKI. Mr. Speaker, the vote in the House, following similar action in the Senate, on the amendment affecting military hardware to be made available in Angola is a sad case of a majority voting without enough knowledge and understanding of the issue. It is also an obvious expression of short-range thinking based, I am convinced, on a lack of knowledge or a deliberate disregard of facts.

The situation in Angola is not at all similar to Vietnam. There has been no intent, and there is no intent, that any U.S. personnel be involved. All that is involved is whether the United States in coordination with responsible African governments would provide military equipment which would permit the majority of the people of Angola to overcome a Cuban and Soviet military operation.

The votes in the House and Senate might politely be interpreted as a resurgence of neoisolationism. They might be interpreted in many capitals of the world, however, as a decision by the Congress to permit the Soviet Union, utilizing Castro's Cuban troops, to establish a totalitarian regime in Angola.

While those voting in the majority might deny such an interpretation is correct, that is certainly the impression it will have created abroad

Mr. FORD of Michigan. Mr. Speaker, yesterday I joined with over 200 of my colleagues to cosponsor a resolution prohibiting the President from spending American tax dollars on military activity in Angola without explicit congressional approval.

Today I rise in favor of the Giaimo motion to recede from disagreement and concur in the Tunney amendment to the Defense Department appropriations bill which provides that no funds in the bill be used by the Central Intelligence Agency or other agencies for paramilitary or military aid in Angola.

Let us remember that our involvement in Vietnam began as a secret war run by the CIA, with the President making the key decisions. Now it seems that, just about the time the Vietnam war was finally ending last spring, President Ford personally authorized the CIA to provide covert money and arms to one of the competing groups in Angola.

Although the Ford administration has repeatedly stated that the United States will not become militarily involved in Angola, the President apparently has authorized the CIA to spend some $60 million on the Angolan conflict.

Mr. Speaker, I do not think it is too much to ask that the administration adhere to the constitutional process of congressional committee authorization and appropriation. If there is any national interest that requires our involvement in Angola, the President should give us the facts and let the American people, through their elected representatives, make the decision.

What's more, at a time when our President is vetoing congressional plans for education, jobs, and other domestic programs, it seems ridiculous that he would secretly authorize the spending of $60 million on a civil war 6,000 miles away. The administration's spokesmen concede that Angola itself is of no strategic importance to the United States.

I would think that our unfortunate experience in Southeast Asia would serve as an example of what can happen when we intervene in the domestic problems of other nations. Vietnam cost us over 50,000 American lives and 150 billion in American dollars for no apparent purpose.

If Angola is to be an African Vietnam, the American people and the Congress should know what we are doing, and why. I think we have had enough under the table dealings and secret agreements.

Mr. EDWARDS of California. Mr. Speaker, the very fact that we are debating the question of adding to this conference report explicit language prohibiting the use of U.S. funds for covert operations in Angola reflects that this administration does not yet understand the priorities of the American people or the best interests of our country internationally or domestically.

Just last week we received President Ford's fiscal year 1977 budget, an awesome document proposing major shifts of domestic programs from Federal to State agencies. What such shifts will mean to the American people, what effect they will have on our national economy—and on the budgets of every business and every family to whom we are responsible—is entirely unclear. Yet at this very important time of year, when our attention ought to be focused on our domestic well being, it is diverted by the secret and misguided actions of our Government in someone else's civil war.

Mr. Speaker, I am not going to reiterate the facts of U.S. involvement in the political situation in Angola. They have been amply and expertly discussed by many of my colleagues here in the House over the last few weeks, and I can add no more to what has been said.

However, to me the real question is, why is it necessary for the Congress continually to prohibit secret initiatives by the administration in foreign countries, initiatives of questionable judgment in the eyes of the American people and of the world?

I hope my colleagues will join me in supporting the adoption of the Senate's language to this Department of Defense appropriations conference report. It will not solve our overall problems with this administration's foreign policy tactics, but it will clarify for the world and for the American people that we expect debate and discussion to precede action.

Mr. ROYBAL. Mr. Speaker, I rise in support of the preferential motion which prohibits funds appropriated in H.R. 9861, the Defense appropriations bill, from being used to involve the United States in the Angolan conflict.

There are numerous reasons why the interests of the United States would be best served by our nonintervention in the fighting in Angola. First, there is the very obvious parallel between Vietnam and our early involvement in Angola. The administration has already acknowledged that we do not have any national security interests in Angola. Yet they want to establish a network of covert intelligence-gathering units there. We can then expect the inevitable reports concerning the deteriorating situation of the forces we back and a request for further economic and military aid. I do not believe the people of America want to be entrapped in another morass of interminable war. We should establish now, at the outset, that we do not favor such a policy and that we want the United States to stay out of Angola.

Second, it should be clear that a vote in favor of this motion will insure that Congress will be able to determine in open debate whether the United States is to be involved in South Africa. The prohibition embodied in this motion merely means that the administration cannot covertly decide to spend money for Angola from a vast $90 billion appropriations bill. If the administration really wants to pursue funds for Angola, it should send a separate bill to the Congress along with its rationale. Then the Congress can assess the situation with all the facts before it rather than being told by the administration that the money is needed, but we cannot tell you all of the reasons for the request.

Third, in the debate over Angola, we have been so caught up in the symbolism of the struggle between the superpowers that we have lost sight of the fact that the fighting in Angola is little more than a tribal confrontation. The three tribes of Angola have been fighting a sporadic war for many years. The current fighting is merely a continuation of that long war. Unfortunately, the administration seems transfixed by the idea that since the Soviet Union is giving aid to one side, we must give aid to the other. But there is no reason to escalate a simple tribal war into a national crisis. Angola was not vital to our national interest before, and it did not become so because Russia decided to give aid to the MPLA.

Next, we must consider the impact of our actions on the rest of Africa. Black Africa is going through a period of intense national feeling. Our intervention will be seen as a threat to this nationalism, and can only lead to antagonism. Also, we would be seen as cooperating and siding with the racist Vorster government against black Africans. This would lead to a lasting distrust of the United States through the rest of Africa.

Finally, whoever the final victor turns out to be, they are likely to adopt an independent stance. Angola has just thrown off the yoke of 500 years of Portuguese rule. It seems highly unlikely that they would voluntarily put themselves under the sphere of influence of another outside power.

Mr. Speaker, the motion before us is needed to insure that the administration does not lead us into another conflict by accident. I urge all of my colleagues to support this motion.

Mr. DRINAN. Mr. Speaker, I rise in support of the motion that the House do recede and concur in the Senate amendment to halt the U.S. involvement in the Angolan civil war. The approval of this amendment will serve notice that Congress will not acquiesce in the conduct of American foreign policy through secret executive fiat. Moreover, such action will suspend a policy which is contradictory to America's national interest before that policy irrevocably damages our relations with the nations of Africa and further lowers our stature throughout the world.

The Constitution delegates to Congress the authority to provide for the common defense and the power to appropriate funds for that and all other public purposes. The Founders of our Republic clearly did not intend for the President to conduct undeclared wars and provide covert aid to foreign factions without prior congressional approval, relying on a secret slush fund to finance his schemes. In a dictatorial regime, an individual or small group of leaders makes such crucial decisions unilaterally. But in a democracy, such as our own, the elected representatives of the people bear that responsibility. That, in essence, is the issue we are facing during this debate.

Last spring, President Ford decided to provide substantial military assistance to two of the three factions engaged in civil war in Angola. That decision was arrived at and implemented in total secrecy. Although administration officials briefed a select few in Congress on the nature of our involvement in Angola, neither I nor most of the other Members of the House and Senate were even informed, let alone given an opportunity to approve or disapprove this expenditure of public funds. It was only through the diligence of the press that the fact of American intervention in Angola ever became known to the Congress and the public. The administration has at least followed democratic or egalitarian principles in this one respect. Whether Senator, Representative, or ordinary citizen, we are all to be kept equally in the dark regarding the expenditure of more than $50 million in public funds to affect the outcome of a foreign civil war.

Incredibly, the administration has not expressed penitence over its secret adventure in Angola. On the contrary, its sole regret seems to be that the facts were publicly disclosed. President Ford has defended both his policy in Angola and the covert method by which that policy was carried out. If American intervention in Angola were justified, the President should have been eager to take his case to the American people. At any time, the President could have submitted a request for funds to aid one or more of the rival factions in Angola to Congress. Such a request would have been duly considered and decided openly on its merits. Yet the President apparently decided that his plans could not survive public debate or that the Congress could simply not be trusted to make the right decision. Both of these motives are completely inimical to democratic government which rests upon an informed citizenry and its elected representatives acting together to assert the will of the majority.

Since the issue before us is largely a procedural one, I will not describe the mass of factual evidence which demonstrates the folly of our intervention in Angola. The three factions involved in the fighting are traditional rivals composed primarily of feuding native tribes. As far as the State Department can determine, there is no substantive ideological difference among the three groups. To characterize this civil war as a conflict between the forces of democratic self-government and the forces of Marxist socialism is to indulge in complete fabrication. The preponderance of the Kimbundu, Bakongo, and Ovimbundu peoples care little for politics; they seek only an end to the bloodshed.

The administration apparently had little difficulty deciding which faction to support in Angola despite their basic ideological similarity. The CIA found out which group was being supported by the Soviets; we helped their opponents. This sort of knee-jerk response rejects the type of misguided policy which led us into the quagmire in Vietnam. I deplore the intervention of all outside powers in the Angolan civil war including Cuba, the Soviet Union, and South Africa, as well as the United States. We should take all possible steps, diplomatic and commercial, to encourage those other nations to let the Angolans resolve this internal dispute without outside interference. To date, the Administration has rejected all such proposed steps, preferring to join in the orgy of intervention. If our objective is now to emulate the policies of the Soviet Union, we have already lost far more than we could ever hope to accomplish in the jungles of Angola.

The approval of the Tunney amendment by the House this afternoon does not mean that Congress has rejected American involvement in Angola. Rather, it simply asserts that if the President wants the authority and funds to intervene, he will have to come to Congress to get them in the manner prescribed by the Constitution. Let the President make his request, let him justify it, and let him fight to gain the approval of Congress. Unless new revelations are forthcoming, he should not count on my vote of support. But regardless of the merits of American intervention in Angola, the issue should be resolved openly and democratically, not behind the locked doors of the Executive Office Building and the CIA. Our policymakers should seek out the light of public awareness and debate rather than fleeing from it. I am hopeful that the approval of the motion before us will help to restore our Government to that proper path.

Mr. MAHON. Mr. Speaker, I move the previous question on the preferential motion.

The previous question was ordered.

The SPEAKER. The question is on the preferential motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. GIAIMO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 323, nays 99, not voting 10, as follows:

[Roll No. 21]

YEAS—323

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cohen
Collins, Ill.
Collins, Tex.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Edgar
Edwards, Calif.
Eilberg
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Gonzalez
Goodling
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hightower
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McCloskey
McCormack
McDade
McDonald
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Stokes
Stuckey
Studds
Sullivan
Symington
Talcott
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Whitten
Wilson, C. H.
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NAYS—99

Armstrong
Ashbrook
Bauman
Beard, Tenn.
Bell
Biester
Bowen
Breckinridge
Brown, Mich.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Chappell
Clawson, Del
Cleveland
Cochran
Conable
Conlan
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
Erlenborn
Eshleman
Findley
Flowers
Flynt
Frey
Gilman
Gradison
Hansen
Hébert
Hicks
Hillis
Hyde
Ichord
Jarman
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
Latta
Lent
Lujan
McClory
McCollister
Mahon
Mann
Martin
Mathis
Michel
Milford
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Murphy, N.Y.
Murtha
Myers, Ind.
Passman
Poage
Quillen
Randall
Rhodes
Roberts
Robinson
Ruppe
Satterfield
Schneebeli
Schulze
Sikes
Sisk
Spence
Steed
Steiger, Ariz.
Steiger, Wis.
Stratton
Symms
Taylor, Mo.
Teague
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wydler
Young, Alaska

NOT VOTING—10

Diggs
Eckhardt
Fraser
Goldwater
Hinshaw
McEwen
Nichols
Stephens
Taylor, N.C.
Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Diggs for, with Mr. Nichols against.

Until further notice:

Mr. Fraser with Mr. Taylor of North Carolina.

Mr. Stephens with Mr. Young of Texas.

Mr. Eckhardt with Mr. McEwen.

Mr. Goldwater with Mr. Hinshaw.

Mr. BROYHILL changed his vote from "nay" to "yea."

So the preferential motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in regard to the the legislation just passed by the House, on consideration of the conference report on H.R. 9861.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ELECTION OF MEMBERS TO COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE AND COMMITTEE ON THE BUDGET

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 992) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 992

Resolved, That W. Henson Moore, of Louisiana be, and is hereby, elected a member of the Committee on Interstate and Foreign Commerce; and,

That Marjorie S. Holt, of Maryland be, and is hereby, elected a member of the Committee on the Budget.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONGRESS SHOULD TAKE A LONG LOOK AT PROPOSED REDUCTION IN TRIDENT PROGRAM

(Mr. SCHULZE asked and was given permission to extend his remarks at this point in the Record.)

Mr. SCHULZE. Mr. Speaker, as we all know, the President has delivered his budget for fiscal 1977 to the Congress. In conjunction with this, the Armed Services Committee has been holding hearings on the defense budget, and this morning we heard from the Secretary of Defense. At that time a grave inconsistency came to my attention. An inconsistency involving our Trident force.

In his testimony, Secretary Rumsfeld outlined the need for a strong U.S. deterrent force as the best means of insuring international peace and stability. He stressed that there is no "inconsistency between détente and a strong national defense." We were reminded that the two depend on each other.

The committee was also reminded of greatly increased Soviet military capabilities at a time when U.S. force levels and defense expenditures in real terms have been decreasing. The Secretary warned that—

> There has been a gradual shift in the power balance over the past 15 years.

He outlined further the increase in Soviet ICBM's, new ballistic missile submarines, and large MIRV's with high-yield warheads. Specifically, it was noted by the Secretary that the situation will "presumably grow more precarious as the capabilities of Soviet nuclear attack submarines increase." He stated further that—

> The Trident program is necessary. . . to replace the aging SLBM forces in the mid-1980s. We are also concerned with possible Soviet advances in anti-submarine warfare capabilities, and the quieter Trident boat with its longer range missiles hedges against any significant Soviet ASW gains.

Then how do we explain that the budget for fiscal 1977 calls for a reduction in the Trident program? It had previously been planned that two Tridents would be financed in 1977. Certainly the Secretary has made an eloquent case for the scheduled completion of two additional Trident submarines.

At a time when we are all concerned over the rate of Federal spending, I am concerned about delaying this most cost-effective of weapons systems. We have been assured that we will make this cutback up at a later date, but I call this shortsighted and wasteful. In procurement, the stretching-out of production and the postponement of production decisions can bring about relatively small short-term savings, and in the long-run they can increase the costs considerably. The longer they delay, with single item construction and advancing inflation, the greater the unit price in the end.

It is with deep concern that I call this matter to the attention of my colleagues. The need for the Trident program has been acknowledged, and I suggest that we take a long look at this situation.

PROPOSED INCREASE OF 21 PERCENT IN ENVIRONMENTAL PROGRAMS

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, there is a significant aspect of the President's fiscal year 1977 budget which has thus far escaped public attention, and which I think deserves our unanimous commendation.

In a year when most Federal programs are being cut back, with an overall 5½ percent increase which is less than this past year's inflation of 7 percent, the President has asked for an increase of 21 percent in environmental programs. The largest single portion of this, $3.8 billion, is slated for the EPA sewage treatment grant program, making it the fastest-growing construction program in the Federal budget.

Ten Federal agencies are expected to spend a total of $1.3 billion to enhance the quality of our environment through the development of parks, the management of sport fish and wildlife refuges and the preservation of historical sites. This is a 7-percent increase over 1976.

Another 14 agencies will spend more than $1.5 billion to assess the physical characteristics of the environment as it exists today so we can better anticipate the effect of proposed changes in the future.

While it is important to bear in mind that money alone cannot guarantee a clean environment, we are beginning to see some encouraging indications that our programs are having some positive effects and seem to be on the right track:

In 1974 for the first year in recent history, all of Pennsylvania's beaches on Lake Erie remained open all summer.

Fish production and the types of fish found in San Diego Bay are increasing. Approximately 80 percent of the surface area of the bay is now acceptable to fish and wildlife. Furthermore, for the first time in 20 years, sardines have been found in the bay.

The first large salmon run in the Penobscot River near Bangor, Me., occurred in 1974. In 1975, more than 1,000 salmon were caught from the spring run in the Penobscot.

In 1968, the entire Buffalo River in New York was devoid of oxygen all summer and fall. In 1972, for the first time this century, sheepshead, carp, and other fish were caught by fishermen.

We have made comparable improvements in air quality. Since 1970:

Particulate matter—dust, smoke, and soot—have dropped some 29 percent nationwide;

Sulfur dioxide concentrations declined some 25 percent;

There has been a nationwide decline in auto-related carbon monoxide concentrations;

Exidants, a principal component of photochemical smog, are decreasing in Los Angeles and San Francisco Bay as a result of pollution controls on automobiles.

Clearly we have made some progress and achieved some momentum. We cannot afford to let up. But at the same time, we must bear in mind that public support for environmental programs in the long run will inevitably depend on whether they deliver greater benefits than they cost. President Ford's proposals reflect his awareness of this necessity and provide a sound framework for continued progress.

THE PRESIDENT SUPPORTS THE LAND AND WATER CONSERVATION FUND

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, the President's budget for 1977 fully funds the Land and Water Conservation Fund at $300 million. This will provide $175.5 million for matching grants to States and $117.8 million to the four Federal agencies that use the fund.

With this level of funding, we estimate that State and local governments will initiate about 2,500 projects for acquisition as well as developing others already in existence. These will be in addition to the more than 16,000 projects which have been approved since the fund started—involving the acquisition of 1.5 million acres of recreation lands and $720 million for the development of recreation facilities across the country.

This funding level will also enable the National Park Service to purchase lands in areas such as Big Cypress, Florida, and Big Thicket, Texas, national preserves and in other important national historical and recreation areas. The Forest Service will continue to acquire recreation lands and scenic rivers, national recreation areas, and national scenic trails. The Fish and Wildlife Service will acquire habitat essential to the preservation of endangered species such as the Mississippi sandhill crane and Hawaiian water birds. The Bureau of Land Management will also acquire lands for wild and scenic rivers and other recreational purposes.

Thus, significant accomplishments have been made in providing outdoor recreation opportunities to the American people and more will be made in 1977 with $300 million. While the demands on the fund are great, further substantial accomplishments will be made with $300 million—progress which can be achieved without unduly increasing Federal expenditures at a time when it is critical to slow their growth.

TRIBUTE TO CAROL KIMMEL

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, many have worked for good education and the welfare of children. One who has especially distinguished herself in these areas is Carol (Mrs. Walter G.) Kimmel from my district in Illinois. Mrs. Kimmel has been an active member of the PTA for 29 years and is currently serving a 2-year term as the national president of this fine organization. I can think of no person more qualified for this position. Prior to her election, Mrs. Kimmel held various offices including national legislative chairman, and Illinois State PTA president. Besides the enormous task as national president, she currently serves as a member of the Board of Higher Education Task Force, the National Task Force for Responsible Decisions about Alcohol, the Illinois Advisory Committee on Media Services, and was awarded the Presidential Award for outstanding services by the Illinois Association of School Administrators. All of her efforts have benefited many schools and children not only in Illinois, but throughout the Nation. I feel this distinguished woman deserves recognition for her excellent work and I just wanted to take a moment today to thank her for her efforts.

A CALL FOR INVESTIGATION OF FOREIGN INTELLIGENCE ACTIVITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, the Washington Post of January 8 reports that anti-Americanism in the Greek press has become so strident in recent months that editors of Greek newspapers make deliberate use of innuendo and outright falsification. The Post's article reports that—

> Responsible Greek officials acknowledge the influx of Communist funds into the non-Communist Greek press, a fact that may suggest economic motives for the press attacks on America.
>
> Senior Greek officials and foreign diplomats here say that the U.S. congressional investigation of the CIA and a steady flow of revelations about the agency's abuses of power have contributed significantly to the growing anti-U.S. tone in the Athens press.
>
> A comparison of the Greek newspapers over the past three months to those earlier

this year suggest that the congressional inquiry did in fact contribute to the intensity of the press attacks.

Mr. Speaker, we all know the great temptation to politicians of posturing on issues. However, I believe the sensationalism and hysteria over the CIA that political posturing has generated would have been kept in more acceptable bounds if the congressional select committees on intelligence were also looking into the illegal actions of the KGB. If the KGB were being investigated also, there would be a balance and a perspective that would let us correct the shortcomings of the CIA, without lending the weight of the congressional inquiry to the propaganda and public disinformation about the CIA which is spread by the KGB in other countries, such as Greece. If the KGB were under investigation, their agents would be less successful in bribing Greek newspaper editors into the strident anti-Americanism which, according to the Washington Post, U.S. diplomats believe is "likely to damage relations between the two countries for some time to come." It was not necessary to tarnish our image abroad, damage our relations with Greece, and play into the hands of KGB disinformation campaigns in order to straighten out the CIA. It was not necessary to whip up the kind of atmosphere which may have led to the assassination of Richard Welch.

If the KGB were also under investigation, revelations of their incredible activities would have put the activities of the CIA in a different and realistic perspective and focused attention on the failure to provide proper cover for CIA personnel. Mr. Speaker, I do not believe in moralizing at the expense of blackening by association the public image of many fine people who work for the CIA. Even less do I believe in contributing to the kind of hysteria that is conducive to the murder of a CIA official. If the CIA has damaged the reputation of any innocent people, that cannot be put right by damaging the reputation of innocent people who work for the CIA.

If the KGB were also under investigation, it would help dispel the rumors of KGB influence on Capitol Hill, rumors which have led one Senator to charge KGB infiltration of congressional staffs. One rumor has it that the KGB operates under diplomatic cover as a subtle and unofficial lobby group on Capitol Hill.

It looks as if increasingly the Congress is going to have to make tough calls such as how much we bail out the Soviet economy and whether or not to resist Soviet expansion, as in Angola. Rumors of KGB influence on Capitol Hill are not conducive to an atmosphere in which the public can have confidence in the tough calls the Congress is going to have to make. A congressional investigation of the KGB would help to clear the air.

It is a known fact that there are a large number of KGB operatives in the United States as well as in other countries. It is certainly a legitimate concern of the Congress who these agents are and what they are doing. It is not clear to me why the CIA should be exposed to public scrutiny but the KGB protected from public scrutiny, especially when it is the KGB that is massively spying on Americans. It is foolish for Americans to learn to fear the activities of the CIA but not the activities of the KGB. It is foolish for congressional select committees on intelligence to limit an inquiry to the extent of imbalancing public attitudes around the world. There is no reason we have to provide fuel for KGB disinformation campaigns in order to get the CIA straightened out.

At this time I want to read into the Record an article from the St. Petersburg Times so that Members and their aides can see what kind of man CIA official Richard Welch, who was murdered in Greece, was:

Lessons in Death of Richard Welch

(By Mike Ackerman)

(Mike Ackerman resigned from the CIA last May after 11 years as a clandestine agent. He explained the reasons for his resignation in a series published exclusively in The Miami Herald. He now lives in Miami.)

Richard S. Welch came home yesterday. Home to the country he served 22 years as an intelligence officer. Home to the country for which he worked deep into many nights, and for which he endured countless hardships, and for which he accepted continual risks. Home to the country for which, last Tuesday night on the Athens street, he gave his life. Home to the United States of America, which has at best been indifferent to the quality and the value of his service.

Dick Welch was among the closest of my friends, among the brightest of my former colleagues. A classic scholar at Harvard, he spoke both formal and colloquial Greek, and came as close as anyone I know to epitomizing the Greek ideal of the "whole man." His sport was predictably the marathon, and his game was chess, but his passion was intelligence, And in an activity which, Hollywood stereotypes notwithstanding, is intensely cerebral, he was one of the most brilliant.

Dick Welch was no goon. He had been blinded in one eye in a childhood accident. He never bothered with weapons of any kind. He abhorred violence.

In his personal relationships he was, above all, decent. It is characteristic of Dick Welch that it was he and not his chauffeur who emerged from the car last Tuesday night to open the gate of his home. If he had stayed in the automobile, he might be alive today.

In the practice of his profession he was shrewd and meticulous and correct. He was not of the genus or the generation that had plotted with the Mafia. He was outraged as any of the rest of us by their misdeeds. But he was equally disturbed by the spate of exposure that accompanied the investigation into those misdeeds, the public disclosures that were making it next to impossible for him to do his job.

My last chat with him was in May, when he was on his way to Athens and I was in the process of resigning from the CIA to protest the public investigation.

"Go out and give them hell," he told me. I tried, Dick, I tried. But it was too little and—for you—too late.

The three terrorists who gunned down Dick Welch had many, many accomplices. Counterspy magazine comes immediately to mind, for fingering him. So do Victor Marchetti and John Marks and Fletcher Prouty, for their campaign to identify CIA personnel. And Philip Agee, for his call to "neutralize" CIA operatives.

But they are not the only guilty ones. There are others, many others. There are the journalists who have feasted on and profited by the exposure of the CIA, who have laid open intelligence methodology, who have drummed up criticism of the agency to the point of hysteria.

There are the congressional select committees, that have carried out a public investigation of the CIA for a year but have yet to get down to the gut issues of agency reform and reorganization. They have yet to say a single word about the absurdly transparent cover that most agency operatives carry overseas.

There is the Administration, which has failed to provide proper cover for CIA personnel—the Department of State, which insists on identifying its own officers as an elite within embassies. It categorizes CIA officers separately in its departmental directories, and thus simplifies the task of fingering them.

The terrorists had many accomplices. None of us is guiltless—neither those who held their silence nor those who spoke out but were not persuasive enough.

We sent Dick Welch out to do a job for us—to obtain intelligence on adversaries real and potential—and then withheld the support he needed to do his job, or even to survive.

Maybe, just maybe, his death will have some meaning. Maybe it will at last turn the debate on the future of American intelligence into a constructive dialog.

Maybe it will lead to a much-needed reorganization of the CIA. To improvement of cover. To protection of information dealing with intelligence methodology.

Dick Welch was a holder of the CIA's highest accolade, the intelligence medal. He was a first-rate public servant. Americans can take pride in the way he lived his life and learn some lessons from the way he met his death.

HONORING OUR AMERICAN INDIAN HERITAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. Shriver) is recognized for 5 minutes.

Mr. SHRIVER. Mr. Speaker, today I introduced a bill to provide for the striking of a commemorative medal honoring the American Indian heritage. It seems most appropriate to me during this Bicentennial Year to recognize the important historical, cultural and social contributions which have been made to our Nation by these native Americans.

The commemorative medals, which would be struck by the mint, would be delivered to the Mid-America All-Indian Center, Inc., of Wichita, Kans., in time for its grand opening week, May 23–28, 1976. The design for this national medal will be done by Blackbear Bosin, a well-known Kiowa/Comanche artist-in-residence at the Center.

Mr. Speaker, the Mid-America All-Indian Center, Inc., directed by Jay Hunter in Wichita, has been designated as a national Bicentennial activity by the American Revolution Bicentennial Administration.

It also has great significance to the people of Kansas and to the native Americans it serves.

Located at the confluence of the Big and Little Arkansas Rivers in a prime location in downtown Wichita, the impressive and new structure housing the Center was financed with a $2 bond issue by the city of Wichita.

One of the primary goals of the Center is to stimulate the educational and economic advancement of American Indian people. It has implemented programs in the areas of manpower training, health related services, social services, and special programs for Indian arts and crafts.

These programs, which will be expanded as time goes by, are intended to meet the needs of the Indian people, locally and nationally, and provide a two-way bridge for education and understanding between Indian and non-Indian cultures for the present and future.

Many people have been involved in working hard to achieve the creation and operation of this Center, and I am pleased to sponsor this bill which not only will recognize the contributions of American Indians to our national heritage, but will help further the work of the Mid-America All-Indian Center in Wichita.

CONTINUED REGULATION OF NATURAL GAS PRICES IS NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, the House will soon consider natural gas legislation. Efforts are being made to substitute permanent deregulation for emergency legislation, which was designed to deal only with shortages through the winter of 1976–77.

The House Commerce Subcommittee on Energy and Power is now engaged in an exhaustive examination of solutions to our long-range natural gas problems. It is wrong to bypass the committee process and bring deregulation legislation to the floor prematurely. The Commerce Committee should have the opportunity through the record of its current hearings to estalbish a case for legislation dealing in a comprehensive fashion with natural gas prices and supply. Only in this way can we hope to get reasoned and sound legislation on an exceedingly complex issues.

I have urged the Energy and Power Subcommittee to make needed changes in the present system of natural gas regulation. I believe that the Nation's natural gas problems can best be solved by improving and extending Federal regulation in such a way as to reinforce the primary aim of the 1938 Natural Gas Act, namely: "to protect consumers against exploitation at the hands of natural gas companies."

There seem to me to be three possibilities as far as natural gas policy is concerned:

One, we go on as we have been, with uncertainty of future prices keeping new onshore gas from flowing into interstate pipelines and discouraging full development of offshore resources.

Two, we deregulate as the administration, the oil and gas industry, my colleague from Texas (Mr. KRUEGER) and my colleague from Ohio (Mr. BROWN) propose.

Or three, we establish a climate of certainty under continued regulation, which we would extend to the intrastate market in order to close the wide gap in prices that presently exists between the inter- and intrastate markets.

A the moment we have the worst of these three possible alternatives as far as the flow of gas supplies is concerned—although residential consumers remain better off than they would be under deregulation.

A great effort is being made to show that deregulation is the only solution to the natural gas problem. This claim—that the natural gas supply problem would be solved by letting the marketplace determine price levels—rests on the premise that workable competition exists within the natural gas producing industry.

This is simply not the case. Sales by natural gas producers to pipeline companies are noncompetitive in both a structural and functional sense.

It needs to be said in discussing the natural gas industry that we are in fact discusing the oil indutry. The leading companies in both industries are one and the same, and gas and oil-producing operations cannot be reasonably separated for purposes of analysis.

In 1974, sales by the top eight natural gas producers made up 60 to 99 percent of new contract sales to interstate pipelines. Even more significant is the fact that in an industry in which production is regionalized, a very few producers as a rule dominate a given region.

The fact that power is concentrated in this industry, that 85 percent of gas produced is controlled by about 25 major companies, that the number of major interstate pipeline companies is few—34 to 40, I believe—is important, but less important than the fact that the gas market is not functionally competitive.

Producers naturally want the highest wellhead price they can get. That is how a free market system works. But the customers of the producers—the pipeline companies—have no incentive to bargain for as low a price as they can get. If pipeline companies were as interested in getting lower prices as producers are in getting higher ones, then perhaps a free marketplace could protect consumers from prices higher than are needed, just, or reasonable.

But the pipeline companies pass through the entire cost of the gas they purchase to their customers, who for the most part are captive customers. The pipelines are acutely aware of dwindling nature of the commodity which they sell. They essentially make their profit on the use of their facilities and not on markup of gas. These facilities—the pipelines themselves—represent a tremendous investment and make up the largest part of consumer gas bills. So it is in the interest of the pipeline company to pay whatever price is asked in order to get commitment of gas to its system.

Moreover, the big interstate pipelines more and more are acquiring producing subsidiaries in order to assure themselves supplies. This gives them another incentive to pay high prices at the wellhead.

Distributors too—private gas utility companies—have begun to acquire producing assets. Washington Gas & Light, for example, and the New York City metropolitan distributors, who have banded together for this purpose, are investing in producing wells.

Natural gas, then, is a resource which because of its mode of delivery to consumers, because of the fixed nature of its assets, and because of the structure of the natural gas industry itself, cannot be priced on a free market basis.

Given this set of circumstances, a free market, or deregulation, would not give us a competitive price.

If regulation then is necessary, and I firmly believe that in the natural gas industry it is, ideal regulation would be that which would stimulate competitive market conditions. That is what regulation of rates based on cost plus a fair rate of return is. The aim of good price commodity at the lowest level which will bring forth adequate supplies of that commodity. That is what the FPC has been doing for the last 20 years, but it has been doing so incompletely—that is, only for interstate supplies—and therefore ineffectively. It has been doing so against a background of resource constraints—constraints on supply which price cannot influence. And perhaps most important of all, it has been regulating in an atmosphere of expectation of imminent deregulation.

Gas producers at present would have more than adequate incentive to bring on new supplies were they not holding out for incomparably larger gains under deregulation. The current system guarantees producers a 15- to 18-percent return on investment, a guarantee given to no other American industry. Regulated gas prices, with the FPC stretching its price-expanding authority to the utmost, have risen at an average rate of 30 percent a year since the beginning of the decade. For those same 5 years, unregulated gas prices rose roughly 600 percent.

Published data—in the Federal Power Commission News, November 14, 1975, page 43—show that while the number of successful exploratory gas wells declined slightly from 1955 to 1972 and then picked up somewhat through 1974, the number of developmental wells—that is, holes punched in the ground in areas where producers know there is gas—dropped sharply after 1960.

The inference is clear. It is only reasonable to assume from these figures that producers have probably been accumulating supplies which can be brought on tap once deregulation and a fourfold increase in prices are in the offing.

It is easy to find evidence of withholding of supplies in expectation of bigger profits upon deregulation. After all, that is merely good business practice. It is difficult, however, if not impossible, to estimate the extent of such withholding.

At an FPC hearing in July 1973, for example, the Okmar Oil Co. asked for a price ceiling twice as high as the existing ceiling. In response to an FPC query as to what the company would do if it were denied its request, a company official replied:

> The first thing we would do is look again at the intrastate market, because that is the obvious and quickest move. The second alternative would be not to market the gas at all . . . And then we have a third alter-

native . . . Uncommitted gas reserves now are apparently among the finest assets that a company can have . . . We are being contacted by other gas producing companies, independents and majors who . . . have expressed their willingness to bid on the come, so to speak, to take the gamble that the reserves would appreciate in the ground

Another company, Belco Petroleum Corp., also asked the FPC in 1973 for a rate increase in the south Louisiana area from 26 cents per thousand cubic feet to 45 cents per thousand cubic feet. The company president testified that if the request were turned down—

> Then we expect that both ourselves and their exploratory drilling until they find out what happens in 1977 "[the year in which the area rate for South Louisiana was due to expire].

In seeking a solution to natural gas problems, we must find a mechanism to and the ability of the gas-producing companies to withhold production in the short term from the market.

We must also recognize the fact that demand will continue to outdistance supply no matter what we do, and that therefore we need to apportion end-use The free market system—price rationing—cannot do the job of priority allocation. At present, in intrastate use of gas, the largest part goes for boiler use.

H.R. 8892, the Natural Gas Production and Conservation Act, which my colleague from Wisconsin (Mr. OBEY) and I, along with 26 other Members have introduced, would remove disincentives for production of natural gas and would at the same time assure adequate supplies of gas at reasonable prices to residential consumers and other high-priority users.

Our bill would achieve these goals by:

First, setting a national ceiling on new wellhead prices based on prospective costs and capital-attraction needs;

Second, drawing new onshore supplies back to the interstate market by establishing parity of price between intrastate and interstate new gas prices, and

Third, severely restricting industrial boiler use of natural gas.

When my colleague from Wisconsin (Mr. OBEY) and I introduced H.R. 8892 last July, we realized that the House Commerce Energy and Power Subcommittee would be considering long-range solutions to natural gas supply problems as soon as it had completed work on the Energy Conservation and Oil Policy Act. But we felt that it was important at that time to have a rallying point for those who believe that deregulation would be a serious mistake.

I wish to emphasize that we consider our bill a point of departure, that we earnestly hope that the subcommittee will go on to draft legislation extending and improving regulation of natural gas, and that the House will permit them to do so.

I cannot urge strongly enough that Members reject any premature efforts at this time to push through permanent deregulation of natural gas.

THE GAO CAN TELL US WHAT IS, AND WHAT IS NOT, HAPPENING TO BANK REGULATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, I have today requested the General Accounting Office to conduct an immediate and full-scale audit of the bank regulatory activities of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Federal Reserve System.

It is important that the air be cleared and that the public and the Congress be fully informed about all the ramifications of the "problem" banks which have been reported in the national press in recent days. We need to know what is and what is not happening on bank regulation if we are to maintain the confidence of the American people in the banking industry.

These recent disclosures have ended whatever thin rationale the banking agencies had for maintaining secrecy. What we need now is a full-scale review and an independent evaluation of the situation—with particular emphasis on the regulatory structure at the Federal level.

I am aware that there are various administrative and statutory roadblocks to gaining GAO access to documents and records relating to this evaluation, but I hope that the banking agencies will voluntarily cooperate. This is a national problem and it is in the public interest that the questions which have been raised about the banking system be answered fully and I am convinced that the bank regulators will want to cooperate with the GAO audit.

Mr. Speaker, I have written to each of the agencies requesting that they make their records available to the GAO. I am not asking that the GAO disclose individual transactions but that they provide the Congress and the public with an evaluation of the performance of the bank regulatory agencies. Mr. Speaker, at this point I would like to enter this correspondence in the RECORD.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., January 24, 1976.

Hon. ELMER STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR ELMER: This is to request that you conduct a full-scale audit of the bank regulatory functions of the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Federal Reserve System over the past five years.

I have today written these three agencies requesting that you have access to all the books, records, documents and other material necessary to carry out such audits. I realize that your office has encountered certain statutory and administrative roadblocks to such audits in the past, but I am hopeful that these agencies—in the public interest—will voluntarily submit to this audit.

As a result of the revelations which have poured forth concerning the banking industry and its Federal regulators in recent weeks, I feel that this audit is vitally needed to clear the air. We need to determine fully what is and what is not being done on bank regulation at the Federal level and only in this manner can public confidence be maintained in the banking system.

I know that you will give this high priority and I thank you in advance for your cooperation.

With best regards, I am
Sincerely,
WRIGHT PATMAN, *Chairman.*

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., January 24, 1976.

Hon. ARTHUR BURNS,
Chairman, Board of Governors, Federal Reserve System, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, there have been almost daily revelations about "problem" banks over the past two weeks and as a result, there is growing concern about the supervisory responsibilities of our three Federal banking agencies. There have been many comments—most of them emanating from the banking agencies—that these disclosures will erode confidence in the financial system.

While there is obviously room for debate on that point, it is apparent that many questions have been raised about bank regulation at the Federal level as a result of the disclosures in the news media. The ongoing secrecy and the dribbling out of piece-meal information has added to the public confusion and concern about the manner in which the bank supervisory functions are carried out in your agency as well as in the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation.

The only way that this confusion can be cleared up and the public's confidence fully restored is for a full-scale review of the supervisory responsibilities of these three offices to be instituted. I think such a review would be in the interest of the Federal Reserve as well as the American public.

Therefore, Dr. Burns, I am requesting that you voluntarily allow the auditors of the General Accounting Office to review and evaluate the supervisory responsibilities relating to banks and bank holding companies under the jurisdiction of the Federal Reserve. It will be necessary to make available to the General Accounting Office all of the records, books and documents and other material relating to bank examination and supervisory functions of the Federal Reserve.

In making this request, I am fully aware that the General Accounting Office at the present lacks statutory authority to audit any part of the Federal Reserve but I am asking that you voluntarily submit to such a review because of the possibility of a crisis of confidence developing if the secrecy remains. Much has already been revealed in the press and it is now important that all of it be placed in context and that the public and the Congress be fully assured by an independent audit that regulatory functions are being carried out in an efficient manner and in keeping with the various statutory requirements.

Once again, Dr. Burns, I realize your aversion to auditors, but I hope that you will modify your opposition sufficiently to help alleviate what is rapidly becoming a national problem.

We definitely need to clear the air with an independent evaluation. I ask your cooperation.

Sincerely,
WRIGHT PATMAN, *Chairman.*

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., January 24, 1976.

Hon. JAMES SMITH,
Comptroller of the Currency,
U.S. Department of Treasury,
Washington, D.C.

DEAR MR. SMITH: As you know, there have been almost daily revelations about "problem" banks over the past two weeks and as a result, there is growing concern about the supervisory responsibilities of our three Federal banking agencies. There have been many comments—most of them emanating from the banking agencies—that these disclosures will erode confidence in the financial system.

While there is obviously room for debate on that point, it is apparent that many questions have been raised about bank regulation at the Federal level as a result of the disclosures in the news media. The ongoing secrecy and the dribbling out of piecemeal information has added to the public confusion and concern about the manner in which the bank supervisory functions are carried out in your agency as well as in the Federal Reserve System and the Federal Deposit Insurance Corporation.

The only way that this confusion can be cleared up and the public's confidence fully restored is for a full-scale review of the supervisory responsibilities of these three offices to be instituted. I think such a review would be in the interest of the Comptroller of the Currency's office as well as the American public.

Therefore, I am requesting that you voluntarily allow the auditors of the General Accounting Office to review and evaluate the supervisory responsibilities relating to banks under the jurisdiction of the Comptroller of the Currency's office. It will be necessary to make available to the General Accounting Office all of the records, books and documents and other material relating to bank examination and supervisory functions of your agency.

In making this request, I am aware that the General Accounting Office does not audit the Comptroller of the Currency's office, but I am asking that you voluntarily submit to such a review because of the possibility of a crisis of confidence developing if the secrecy remains. Much has already been revealed in the press and it is now important that all of it be placed in context and that the public and the Congress be fully assured by an independent audit that the regulatory functions are being carried out in an efficient manner and in keeping with the various statutory requirements.

Once again, I hope you will lend your assistance and help us alleviate what is rapidly becoming a national problem. We definitely need to clear the air with an independent evaluation.

Sincerely,

WRIGHT PATMAN, *Chairman*.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., January 24, 1976.

Hon. FRANK WILLE,
Chairman, Federal Deposit Insurance Corporation, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, the disclosure about "problem" banks is creating a great deal of public discussions and there have been concerns expressed that the public's confidence in the financial system may be eroding. In any event, it is obvious that the disclosures have raised many questions about bank regulation and the responsibilities of the three Federal bank supervisory agencies. In my opinion, it is important that these questions be cleared up and that the public know fully what is and what is not being done on bank supervision.

This, in my opinion, can only be accomplished through a full-scale review of the bank supervisory agencies and their bank examination and related functions. Therefore, I am requesting that the General Accounting Office make such a review and submit appropriate reports to the Congress. This will provide an independent review and evaluation and should do much to answer the questions which have been raised.

In making this request, I realize that there has been a long-standing dispute between the F.D.I.C. and the G.A.O. concerning what portion of the bank supervisory functions are to be audited from year to year. This dispute over bank examination records precedes your service, but I am requesting that in this instance you forego the F.D.I.C.'s long-held reluctance and cooperate fully with a G.A.O. audit. I think this is very important in the public interest so that the air may be cleared and so that all the facts may be laid on the table. Among all the bank regulators, you have been the most forthright on disclosure and, in my opinion, you have been most cooperative with the Congress and therefore I am hopeful that you will voluntarily agree to this G.A.O. review.

Obviously, to make such a G.A.O. audit successful, it would be necessary that all records, books, documents and other material relating to your supervisory and bank examination functions be made available. The same request is going forward to the Federal Reserve and the Comptroller of the Currency.

With very best regards, I am

Sincerely yours,

WRIGHT PATMAN, *Chairman*.

HEARING OF SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW OF THE COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, ON FEBRUARY 10, 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker the Subcommittee on Monopolies and Commerical Law of the Committee on the Judiciary, of which I am chairman, announces that it will hold a hearing on the general antitrust implications of joint ventures between competitors, on Tuesday, February 10, 1976, at 10 a.m. in committee room 2141 of the Rayburn House Office Building.

PANAMA CANAL: AMERICAN LEGION SUPPORTS H.R. 7425 PROVIDING FOR A NONVOTING DELEGATE IN THE CONGRESS FROM THE CANAL ZONE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in an address to the House of Representatives in the CONGRESSIONAL RECORD of January 19, 1976, I quoted a most perceptive item in the January 15 "American Legion National Security-Foreign Relations Bulletin" that exposes the program of the Department of State to bring about the surrender to Panama of U.S. sovereign control over the U.S. owned Canal Zone. Also quoted in that address was the resolution by the 1975 Annual Convention of The American Legion calling for the major modernization of the existing Panama Canal.

Another resolution of the 1975 American Legion Convention concerning the Panama Canal was one supporting H.R. 7425 to provide for the election by U.S. citizens in the Canal Zone of a nonvoting delegate in the House of Representatives from that U.S. territorial possession.

As the nonvoting delegate resolution will be of interest to the Congress and the Nation at large, I quote it as part of my remarks:

THE 57TH NATIONAL CONVENTION OF THE AMERICAN LEGION HELD IN MINNEAPOLIS, MINNESOTA, AUGUST 19, 20, 21, 1975

THE PANAMA CANAL

Resolution No. 344

Whereas, H.R. 7425 authorizing the election of a nonvoting delegate at large from the Canal Zone to the U.S. House of Representatives, has recently been introduced in the U.S. Congress; and

Whereas, Four other U.S. territorial possessions, Puerto Rico, Washington, D.C., Guam and the Virgin Islands, are represented in the U.S. Congress, but the Canal Zone, with a land area of 327 square miles, many times larger than any of the other territories and with a population of 44,198—including 39,200 U.S. Citizens—is not represented; and

Whereas, Since the opening of the Panama Canal the U.S. Congress has served as the legislature for the Canal Zone and has enacted an extensive Canal Zone Code; the Canal Zone government is called upon to perform many functions of State, city and county governments; the executive branch of tha govertnment is headed by a Governor of the Canal Zone, appointed by the President, the judicial branch by a U.S. District Judge, but the legislative branch, the U.S. Congress, has no permanent representative in it from the Canal Zone; and

Whereas, The Canal Zone has a strategic importance much greater and more vital than either Alaska or Hawaii, which for many years before statehood had nonvoting delegates in the Congress; now, therefore, be it

Resolved, by the American Legion in National Convention assembled in Minneapolis, Minnesota, August 19, 20, 21, 1975 that The American Legion endorse and support H.R. No. 7425 and urge the members of the U.S. Congress to take prompt action in order to enact this bill into law so that the Canal Zone may be provided with a duly elected delegate to assist the Congress in arriving at decisions of the many problems in that region that require legislative supervision; and be it further

Resolved, that the National Adjutant forward a copy of this resolution to each member of the U.S. Congress.

THE "CATCH 22" OF ENVIRONMENTAL LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of California. Mr. Speaker, the environmental programs of the past several years have made progress toward protecting us from the various forms of pollution that threaten our health, and our entire ecosystem. This progress has been threatened, as we all know, by the change in the economy, and the decisions by many decisionmakers that we cannot afford a healthy environment. While the public clearly does not support reversals in environmental policies, the polluters who fought the original laws have not yet accepted the responsibility for their actions, and have continued to delay and deter environmental protections. This effort is going on today with the attempts to weaken, or even "gut" the Clean Air Act, with attempts to prevent strip mining controls, and with attemps to block the enactment of a meaningful Toxic Substances Act. Meanwhile, we see new reports of new pollutants and new dangers every day, and we know that our responsibility to protect the public health and welfare is not yet fulfilled.

Environmental regulations are clearly a category of governmental regulation that cannot be reduced or eliminated. Too much is at stake, and while local regulations are preferable to national regulations in many circumstances, what chance would a local government or even a State have in standing up to a major automobile company, or a major chemical company? And what knowledge base does a local government have that would enable it to counter a major corporation in court, which is where environmental regulations seem to end up once any enforcement action is taken? Under existing law, the weakest part of our present program of environmental protection is our knowledge base.

President Ford's fiscal year 1977 budget continues the recent trend by the administration in cutting out funds for this important governmental function. This is the "Catch 22" of environmental programs. The Government must prove a pollutant is harmful, yet it is given inadequate funds and personnel to do so. As chairman of the Subcommittee on Environment and the Atmosphere of the Committee on Science and Technology, it is my intention to attempt to reverse this dangerous trend.

In the meantime, I would hope that we will follow the prudent course of action of erring on the side of public health and safety in our environmental regulations. I trust that my colleagues will support this approach to environmental regulation and management.

Mr. Speaker, at this time I would like to insert into the Record an article describing this trend in the Federal environmental research program, which appeared in the January 21 issue of the Environment Report.

The article follows:

January 21, 1976.

Environmental Funding: No Growth

Federal environmental spending would increase less than anticipated inflation rates for Fiscal 1977, while officials are proposing legislation which would provide a major retreat from existing wastewater treatment and other "clean water" goals.

No precise total figure is available for Federal environmental program efforts because of widely-differing definitions employed by various agencies, and the jumbled bookkeeping techniques which often mask program changes.

According to the President's Budget analysis, overall outlays would actually rise 21 percent this year to $8.7 billion. However, $4 billion of the total represents construction grant funds, which the Administration had previously refused to release.

Outlays for all other categories, in either current or "real" dollars, will decline. Research, development and demonstration outlays, at $743 million for FY 1977, are up only a fraction from Fiscal 1976 expenditures.

Budget authorizations for environmental programs are set at $5 billion, a 5 percent increase from last year's figures. Overall environmental R&D authority will rise from $1.3 to $1.5 billion.

Whatever figures are used, 1977 is expected to increasingly involve environmentalists with programs aimed at speeding-up the development of domestic energy resources. The environmental impacts of the production of offshore oil and natural gas, nuclear, geothermal, and other resources will be highlighted in a number of programs in the coming year. Also important will be field investigations of the effects of various pollutants on the health of man.

The Environmental Protection Agency, focal point for many of these issues, will receive a cut in R&D authority, down almost $11 million to a Fiscal 1977 level of $256 million. Much of the decrease is attributed to what the Ford Administration considers to be a particularly large program level in Fiscal 1976, and to the transfer to other agencies of programs related to energy R&D.

EPA's operating budget for 1977 could also decline, as proposed authorizations slip $53 million to $718 million. Most of that decrease would come from the Water Quality program, with $38 million taken from grants to areawide and State water pollution planning efforts, and proposed elimination of a $15 million Congressional "add-on" to the Clean Lakes program. A $3.1 million academic training fund would also be dropped. Expenditures for inspection and enforcement, however, will rise $4 million.

The biggest increase comes in the Water Supply program, where an additional $10.6 million is requested to assist States to assume the primary role in assuring the safety of their drinking water. That represents a 30 percent boost in the total program.

The second largest EPA budget increase will be $7 million for "management and support," to $135 million.

Although the cut in Water Quality grants was criticized by environmentalists, EPA officials said a "generally adequate" level of funding would be maintained with funds carried-over from last year.

Equally important, the EPA budget calls for amendments to the Federal Water Pollution Control Act which would focus Federal funding on wastewater treatment plants designed to treat current levels of waste.

That portion of local sewer projects and treatment plants designed to accommodate future growth would receive little or no funding. In most cases, Federal money would be limited to providing secondary treatment.

The July 1, 1977 deadline for compliance with those treatment standards would, in addition, be extended on a "case-by-case basis" for up to six years. The amendments also cut U.S. funding of "combined" conduits, that carry storm water along with sewage, from a 75 to a 60 percent share.

No new funding authorization for treatment facilities is necessary, EPA says, because of $10 billion in unobligated funds still available from the Act. Outlays for FY 1977 are projected at $3.8 billion, compared to $2.35 billion in FY 1976.

EPA Administrator Russell Train said that the budget changes were part of "redirecting resources to provide for priority Agency requirements." The shift of funds, and of over 100 positions from EPA headquarters to the regions, he said, reflects a continuing "policy of decentralization."

ENERGY R&D

EPA's energy expenditures will decline $2.5 million as a result of transfer of program responsibilities to ERDA. Much of that money only "flowed through" EPA to other agencies, officials say, but they concede that they opposed the change. Work on flue gas desulfurization programs, as part of research on health and ecological effects of energy development, is getting priority treatment. Conservation, extraction, and processing technology and assessment are also receiving major R&D funds. Radiation research programs will lose 20 positions and $800,000; abatement efforts will drop by $500,000 and 10 positions. Two million dollars for jointly-funded energy-related R&D in Poland comes under a separate EPA funding category.

AIR POLLUTION

Much of a $2 million decline is justified as elimination of Congressional "add-ons" not requested in FY 1976, including $3.2 million in control grants and $2 million R&D. Mobile source enforcement and certification programs will gain $1.3 million. The regions will also gain $1.3 million for addition of 40 air pollution control personnel.

WATER QUALITY

Despite program cuts of $53 million, detailed above, research is scheduled to be expanded on viral problems related to land application of wastewater and sludges; the ecological impacts of ocean outfalls, ocean dumping, and dredging operations; and on ecosystem disturbances caused by heavy metals, persistent organics, and petroleum hydrocarbons. Research on monitoring methods will also be expanded.

SOLID WASTES

Efforts will be concentrated toward development of improved disposal and resource technology to enable local agencies to "effectively and economically" handle their solid waste problems. Appropriations request is up $51,000, to $15.7 million.

PESTICIDES

Most of the $4.4 million reduction is attributed to a "phase out" of a joint Applicator Training program with the Agriculture Department. States will "be expected to be able to carry on the training with their own resources." EPA expects to complete this year the initial round of pesticide product reregistrations, required under 1972 legislation. There will be a $1 million increase in grants to states for cooperative pesticides enforcement efforts.

Pesticide research will focus on strengthening the data base for classification, in order to support standards and the formulation of a national monitoring plan.

NOISE

The noise control program will drop $288,000, to $10.3 million, reflecting "one-time costs" for a noise reduction facility in Sandusky, OH.

INTERDISCIPLINARY RESEARCH

EPA will request $36 million in FY 1977, down $1 million, for research on air and water-borne toxic pollutants, and for environmental impact statement (EIS) activities. Quality assurance/monitoring will lose funds. Additional funds will be requested for the preparation of an EIS for waste treatment facilities applying for New Source Discharge Permits.

TOXIC SUBSTANCES

EPA officials say a reduction of $800,000 comes from one-time contract activities. EPA still strongly supports toxic substances control legislation, they say, and will ask for a supplemental appropriation, if it is enacted.

PERSONAL ANNOUNCEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. Udall) is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, unfortunately, ground fog we are experiencing here today was even thicker in New Hampshire this morning. Due to the fog and 80 miles per hour headwinds, I missed the opportunity to vote to override the President's veto of the Labor-HEW appropriations bill by 30 minutes.

I am pleased that my vote was not needed and that the House soundly rejected this misguided and shortsighted veto by the President.

REPORT ON THE COMMISSION ON THE HUMANE TREATMENT OF ANIMALS

Mr. KOCH. Mr. Speaker, on Decem-mission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on December 11, 1975, Congressman EDWARD W. PATTISON and I introduced legislation to create a Commission on the Humane Treatment of Animals. During the recent congressional recess beginning December 19, each day of the week I stood at subway and bus stops handing out my CONGRESSIONAL RECORD statement of December 11 describing the nature of the Commission and reasons it was required. That statement pointed out that the mistreatment of animals spans a variety of areas. But, most often, the animals, birds, fish, and wildlife that are inhumanely treated are those raised on our farms for consumption—those used for biomedical research and scientific experiments in our laboratories—those raised for showing, wagering, exhibition, racing, and other recreational sports—those raised for pets, and those shipped in commerce. In addition, wildlife face extinction from human and other animal predators and from environmental conditions often caused by humans.

The areas that readily come to mind which should be the subject of hearings by a commission are:

Experiments on primates which appear to cause pain and appear to have no beneficial scientific purpose;

The use of purse seine nets to catch tuna which also unintentionally catch porpoises who die and are not used for food;

The use of leghold steel traps to catch animals with marketable furs;

The clubbing of baby seals;

The soring of Tennessee walking horses;

The massive killing of whales;

The inadequate care provided animals in zoos;

The use of toxic substances in the control of wild predator animals;

Poor conditions in the interstate shipment of pets;

The blinding of rabbits by putting bubble baths, detergents, mascara, nail polish, deodorants, and zipper oil in their eyes;

And many, many more.

This 11-member Commission on the Humane Treatment of Animals would study the treatment of animals including—

First, whether current farming practices cause needless infliction of pain on animals;

Second, whether laboratory research experimentation—including biomedical and military research—causes needless infliction of pain or unnecessary suffering of animals;

Third, whether there exists any adequate substitute for the use of animals with respect to laboratory research experimentation;

Fourth, the treatment of animals in the domestic pet industry;

Fifth, domestic pet growth rates, especially in urban areas, and whether such growth results in dangers to the public health;

Sixth, the treatment of animals while being transported in interstate commerce;

Seventh, the treatment of animals in zoos, wildlife preserves, and other similar establishments;

Eighth, the need for wildlife preservation programs;

Ninth, whether methods which cause unnecessary pain are being used in the trapping and slaughter of animals; and

Tenth, the effectiveness of existing law with respect to the treatment of animals.

There have been several interesting reactions to the proposed legislation. On the one hand there are those who are opposed to the Commission because it is their opinion that no commission is needed and that all that has to be done is to end the slaughtering of animals for any purpose whatsoever including food, have us all become vegetarians and end all scientific investigation using animals in laboratories for any laudable purpose no matter that there be no substitutes available for experimentation helpful to extending and bettering the lives of humans and animals. This group considers any discussion of bettering conditions to be a sellout position. It was best summed up by a young woman who said to me, "You want to stop the destruction of porpoises unintentionally caught by nets used to catch tuna when you really should stop catching tuna as well and eat lettuce instead."

There is a second, equally polarized group that says, "Why worry about animals when there are so many human problems?" Indeed, this was best typified by an incident at the subway where one young woman, who after reading the flyer while descending the subway stairs, rushed back to say to me, "Why are you wasting your time on animals when there are so many other important issues?" When I said to her, "Is it not possible in the 50 issues in which I am involved, that one of them concerns animal welfare?" And I continued, "You will be surprised to know that while it is not one of your priorities, the subject of animal welfare gets more mail throughout the year than any other issue. Not only in my office but in almost every congressional office in the country." She responded, "I am a higher animal and I do not like the way you are treating me." And off she strode into the subway.

Then there is the larger group of individuals who want to be pragmatic and idealistic and achieve some betterment of human and animal conditions; and that group overwhelmingly supports the legislation. I know that subcommittee Chairman POAGE of the Subcommittee on Livestock and Grains has received dozens of letters urging that there be hearings on the bill. And, regrettably, his office has responded to those who have written with a letter which I am appending stating that there is little likelihood of holding hearings on this bill this year. I believe that if subcommittee Chairman POAGE is convinced that the people of this country want such a bill, he will find the opportunity to schedule hearings before the magical date of May 15.

I also want to make it very clear, Mr. Speaker, that this bill can surely be improved, and I hope it will be, when it it the subject of committee hearings. It is important to set forth some of the comments I have received from persons knowledgeable in this area. There are those who want to make certain that the Commission's possible areas of scrutiny, as set forth in the bill, are only intended to be illustrative and not mandatory. I agree with that position. The Commission will have to set its own agenda, taking up in its 2-year tenure, those issues which the Commission believes require immediate study. It is obvious that no commission could adequately address every concern relating to the humane treatment of animals within such a short period. There are those who would restructure the Commission so it could deal separately with domestic animals and wildlife. Most importantly, these people want to make sure that no pending animal legislation, in areas where the facts are already known, is deferred as a result of the creation of the Commission. I concur with these points of view.

The legislation is not embedded in stone; it is not intended to be an inviolate Ten Commandments. It is a structure upon which to build; it will be, hopefully, improved before it becomes law. Those Members of the House and the public supporting this legislation are supporting the concept of the Koch-Pattison bill, they are not wedded to its specific language. We are all in accord, however, that a Commission on the Humane Treatment of Animals is necessary.

Mr. Speaker, I am pleased to say that the Koch-Pattison bill is supported by 30 additional cosponsors. The cosponsors are: BELLA ABZUG, Democrat, of New York; HERMAN BADILLO, Democrat, of New York; JONATHAN BINGHAM, Democrat, of New York; JAMES BLANCHARD, Democrat, of Michigan; EDWARD BOLAND, Democrat, of Massachusetts; DON BONKER, Democrat, of Washington; DOMINICK DANIELS, Democrat, of New Jersey, RONALD DELLUMS, Democrat, of California; CHRISTOPHER DODD, Democrat, of Connecticut; THOMAS DOWNEY, Democrat, of New York; ROBERT EDGAR, Democrat, of Pennsylvania; DANTE FASCELL, Democrat, of Florida; JAMES FLORIO, Democrat, of New Jersey; BENJAMIN GILMAN, Republican, of New York; MICHAEL HARRINGTON, Democrat, of Massachusetts; HENRY HELSTOSKI, Democrat, of New Jersey; JAMES HOWARD, Democrat, of New Jersey; ANDREW JACOBS, Democrat, of Indiana; ROMANO MAZZOLI, Democrat, of Kentucky; PARREN MITCHELL, Democrat, of Maryland; MORGAN MURPHY, Democrat, of Illinois; CLAUDE PEPPER, Democrat, of Florida; OTIS PIKE, Democrat of New York; PETER RODINO, Democrat, of New Jersey; BENJAMIN ROSENTHAL, Democrat, of New York; JAMES SYMINGTON, Democrat, of Missouri; HENRY WAXMAN, Democrat, of California; G. WILLIAM WHITEHURST, Republican, of Virginia; CHARLES WILSON, Democrat, of Texas; and TIMOTHY WIRTH, Democrat, of Colorado.

The letter from the Agriculture Subcommittee on Livestock and Grains follows:

HOUSE AGRICULTURE COMMITTEE,
Washington, D.C.

DEAR ———: Thank you very much for your letter to Chairman Poage urging him to hold hearings on a bill introduced by Representatives Edward Koch and Edward Pattison which would set up a Commission on the Humane Treatment of Animals.

The new Congressional Budget Act requires that all legislation authorizing new federal spending must be passed out of the full Committee and be pending in the House before May 15 to be considered in the following year's budget. Since the Koch-Pattison bill does authorize an annual expenditure of up to $750,000, I doubt that the Subcommittee will be able to hold hearings and take any action on this legislation before May 15. There are several other very important matters pending before the Subcommittee and these must be considered prior to taking action on H.R. 11112.

Therefore, I doubt seriously that the Koch-Pattison bill will be passed during the 94th Congress, but your letter will be maintained in the files for use by the Subcommittee Members when this legislation is taken up.

With kindest regards in Chairman Poage's behalf, I am

Sincerely yours,

JOHN C. BAIZE,
Staff Consultant.

ADM. HYMAN G. RICKOVER

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, Adm. Hyman G. Rickover, a truly great American, is 76 years old today. He was born on January 27, 1900. I am pleased to report to the House that the admiral remains active at his post and is hard at work, as usual. The years do not slow him down nor detract from his determination to make our nuclear Navy the strong arm of the free world defense and the best guarantor of peace in the world.

Mr. Speaker, we are truly fortunate that Admiral Rickover had the courage and foresight to press forward with nuclear development when many scoffed or were scornful. Often he was a thorn in the Navy's side, but he was also the Navys' salvation. Several of us in the Congress were privileged to work with, and to support, the admiral in his endeavors to build the nuclear Navy. As a member of the Joint Committee on Atomic Energy since 1946, and as chairman of the Committee on Armed Services, I can testify to the wise counsel we in the Congress received from Admiral Rickover. In the main, we followed his advice, and this Nation today is the beneficiary in having the nuclear Navy, and particularly the nuclear submarine forces, as the key deterrent against war.

So, let us salute Adm. Hyman G. Rickover on his 76th birthday in the real spirit of '76, as one who loves his country and works for it in the finest tradition of dedicated military service, way beyond the call of duty, and way beyond the time when most men would call it quits. Retirement was mandatory for Admiral Rickover many years ago, but that requirement was waived for successive periods by Presidential order in recognition of Admiral Rickover's monumental achievements and continuing contributions to nuclear progress. We rejoice that he remains at work and we wish him the best.

JOBS FOR YOUTH

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, every year as the summer approaches we hear more and more about creating "summer jobs" for youth. Only rarely, however, do we hear serious proposals for creating permanent and meaningful employment for America's young people. For better than 50 percent of ghetto youths, unemployment is a way of life and all too often, these youngsters are driven to crime as the only means to survival. The answer to juvenile delinquency does not start with juvenile court; it starts, rather, in giving our youth a productive role to play in our society.

In yesterday's New York Times, Peter B. Edelman, director of the New York State Division for Youth, outlines not only the need for employing our young people but the importance of providing them with meaningful jobs, as well. "Let no one talk of leaf raking," admonishes Edelman. "There is real work to be done."

Indeed, in the social services, education, the criminal justice and parole systems, in community development, mental health, construction work, and the professions there is a place for the Nation's young men and women. America's most valuable resource is our youth. We must exploit that resource by providing our children with a reason to take part in the work we have to do. Young people do not want to sit on the bench; they want to get into the game.

The method of providing employment for our youth can be disputed, but the need certainly cannot. One way or the other, through the private sector, the public sector, or a combination of both, our young people must be assured jobs—rewarding jobs. It is essential for them, for society, for the economy, and for the future of the Nation.

For the benefit of my colleagues, I am inserting Mr. Edelman's article in the RECORD:

[From the New York Times, Jan. 27, 1976]

REAL JOBS FOR YOUTH

(By Peter B. Edelman)

ALBANY.—Thinking about delinquency prevention is a bit like being thrust onto a roller coaster just as it is beginning its deepest plunge.

America is facing its greatest economic crisis since the Depression, and unemployment is a way of life for more than half the young people in our inner-city neighborhoods. The high hopes of the 1960's have come and gone, leaving hopelessness and desperation, made all the more intense by the memories of hope that still persist. And where there are no jobs, there will be more crime. For still more youth, a profound cynicism born of the Vietnam war and the removal of a President from office have neutralized the spirit of public service of the '60s.

We simply must respond to the needs of these unemployed and disaffected youth. While we can act individually, in our localities, and as states, we need most of all a national response. Challenged in World War II, we assembled our greatest scientists and unlocked the atom. When we proposed to reach the moon, science fiction became the Space Age.

Now we are challenged again, with the safety of our communities and the life possibilities of millions of young people at stake. A response worthy of our communities and our youth can be forged on three basic premises.

First, there is real work to be done. Some of it is in caring for others. Literally millions of people in America cannot care for themselves—old people, for instance, shut in homes for the aged and nursing homes, and retarded people, especially children, kept in institutions. We must also rebuild the vast abandoned areas of our inner cities and restore the scarred forests and often muddy hollows of our rural areas. So let no one talk of leaf raking; there is real work to be done.

A second premise is that the worlds of education and work should cohere as one life opportunity. We have in the past assumed that so many years of continuous schooling should and would be followed by a life of work. But we have learned from the 1960's that there can be no clear line between the worlds of schooling and work.

A third premise is that young people grow up and mature faster in this electronic age. In the last century, with college reserved for the smallest elite, youth began as farmers and apprentices early in life.

For a variety of reasons, partly humanitarian, we gradually extended schooling to where it has for many young people come to be a period of marking time. Now the pendulum is swinging back, and properly so, for young people are chafing, ready to assume productive effort sooner than we have been willing to provide it.

To respond to this challenge we should gather all the funds now in small receptacles labeled Neighborhood Youth Corps, Vista, University Year for Action, College Work Study, and all the rest; combine them into a new significantly enlarged program of work, public service, and educational opportunity; and make it widely available to young people.

One national agency might be given a large appropriation to distribute on a formula basis to states and localities, which would in turn allocate funds on a competitive basis to public agencies, private nonprofit agencies and private businesses, and sometimes to groups of young people directly, so long as each project combined work with education.

A state department of mental health might apply for funds to employ young people in programs for the mentally retarded. Or a local social-service agency might use young workers to extend the effectiveness of drug- and alcohol-abuse counselors, early-childhood teachers, parole and after-care workers, and others whose case loads are so large they cannot adequately serve all in need.

Such programs would provide high school equivalency to those who lack it and arrangements for simultaneous college enrollment for those who wish it, so that youths entering them would be assured not dead-end jobs as ward attendants or aides but rather careers as professionals if educational opportunities are pursued and competencies demonstrated.

A local housing agency or private community development corporation might apply, indicating a vacant area of a city to be rebuilt, housing to be restored, or a rural area needing a road, school or community center. Local trade unions should be involved in the training and supervision of the young workers, with provision made for funds for building materials and other capital necessities, and for career opportunities thereafter.

We could also use the private sector, not on a last-in first-out basis, but as a vehicle through which government might subsidize the employment of young people as they acquire needed further education, in return for a commitment to continue a just percentage of them as a part of the permanent labor force.

Guidelines for the overall program would be needed to insure that those most in need are the majority of those served, but it should be emphasized that young people of all backgrounds can work side by side in jobs that begin productive careers for themselves and serve society at the same time.

BREAKING UP THE OIL INDUSTRY

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, this Congress has heard a great deal recently about the pros and cons of breaking up the oil industry. I believe, as do many of my colleagues, that concentration in the energy industry is costing the American people billions of oil-inflated dollars.

Furthermore, domination of critical energy resources, refining and distribution, and abuses of excessive power by the giant energy companies seriously threatens our free enterprise system. These abuses lead inevitably to pushes for ever-greater Government controls.

One of our most articulate colleagues in the Senate, South Dakota's JAMES ABOUREZK, authored an Op-Ed piece in Sunday's New York Times on this important subject. As he points out so well, divestiture will in time mean "prices in line with efficient costs, and a mix of fuels that is cheapest and best suited to the needs of the country." Until the Congress acts to restore competition in the oil business, our energy situation will continue to be dictated by a handful of companies whose only major allegiances are to profit and the OPEC cartel, and not to the best interests of the United States and the American people.

For the benefit of my colleagues, I am inserting Senator ABOUREZK's article in the RECORD.

[From the New York Times, Jan. 25, 1976]

BREAKING UP THE OIL INDUSTRY

(By James Abourezk)

WASHINGTON.—This country does not have an energy policy. The President wants a noncompetitive private sector to make basic energy decisions. The Congress supports Government regulation. Neither side has the power to impose its will. The result is the confused energy bill that passed Congress last year.

This bill sets no coherent policy. Government price controls create as many problems as they solve, but without Government regulation we open the door to control of supply and price by a handful of giant companies whose concern for profit and expansion far exceeds their concern for the public.

There is another way—a way that can bring market forces back into the energy industry, limit the need for Government intrusion, and serve the public far better than our present nonpolicy.

What I am talking about is simple competition and some new antitrust legislation to bring about that competition.

Last fall, 46 Senators voted to break up the largest oil companies (verticle divestiture). Thirty-nine Senators voted to stop oil firms from buying up alternative fuels (horizontal divestiture). Divestiture is a real possibility, and desperately needed.

Real competition does not exist in the energy industry. Twenty big oil companies control 94 percent of our domestic oil reserves. The fact that none of these companies controls more than 10 percent of the market misleads some people into believing that the industry is competitive. People do not realize that these oil companies operate through a complex web of crisscrossing business deals that tie them together at dozens of points.

Groups of companies join together to produce oil on leases they share. These "joint ventures" are common throughout the industry. Most companies participate in dozens of such groupings. They are likely to be partners of every other company in the business—in joint production or in joint ownership of pipelines.

The big companies have agreements to refine oil for one another, and no money changes hands. Their directors sit next to one another on the boards of the banks that finance the various joint ventures. Instead of the invisible hand of the competitive market, we have the gloved handshake of the gentleman's agreement. When one company does not know where its interests end and another's begin, real competition does not exist.

In addition to this, each of the biggest oil companies has producing, transporting, refining and retailing operations. They use this "integrated" structure to keep the price of crude oil high, by selling to their own refineries. Control over pipelines enables the companies to manipulate distribution. It is not the level of concentration, but ownership of crude oil, shared business deals, and vertical integration that permits monopoly control in the industry.

As if this "shared monopoly" in the oil industry is not reason enough to call forth antitrust action, we now find the integrated oil giants acting systematically to acquire their competition.

In the last twelve years, the major oil concerns have moved into all current and potential alternative fuels. The 18 largest oil companies produce 60 percent of our natural-gas supply. Sixteen of the 18 own oil-shale interests; 11 possess huge coal reserves; 16 have bought into uranium and many own uranium processes; three own solar-energy companies; and the only producing geothermal lands in the United States are held by an oil company.

Even without these indications, basic economic principles demand that, in a competitive market, fuels that substitute for one another not be controlled by one company. But eight oil companies already have across-the-board positions in every other fuel.

As "energy conglomerates," the oil companies can protect their investment in declining oil reserves by limiting competttion from coal, or uranium, or geothermal steam.

The price of coal will depend on development decisions made by Exxon, Conoco, Mobil, etc. Oil companies already have over 44 percent of the country's privately held reserves. Since these acquisitions, coal revenues have risen by over 300 percent while output has risen around 13 percent. Island Creek Coal Company, as a division of Occidental Petroleum, increased its profits from 11 cents per ton in 1972 to $12.95 per ton in 1975—12,000 percent.

The process by which the oil companies control our energy picture is not hard to see. So we turn to governmental pricing despite its drawbacks. And with no guarantee that competition will keep the market working in the public interest we will continue to adopt regulations in a vain effort to treat the symptoms rather than the cause of the problem.

We can deal with the cause of the problem through antitrust legislation. Bills to end vertical integration and get the oil industry out of alternate fuels are pending before the Senate Judiciary Committee. When these bills appeared in the Senate as amendments to a natural-gas decontrol bill, they received substantial support.

Separating production from other functions will create a competitive market for crude oil. Competition among producers and refiners will be on the basis of price and efficiency rather than market power.

At the same time, we must prevent the oil companies from taking over our other fuels. We need separate and independent companies competing for our energy dollars, not a web of "energy conglomerates" controlling a whole spectrum of fuels. An energy conglomerate will not encourage its coal or geothermal subsidiary to undersell its oil unit.

Breaking up the oil industry into independently competing companies will cause some immediate shuffling. It may increase the value of stock in the new companies. Over a period of time, it will mean prices in line with efficient costs, and a mix of fuels that is cheapest and best suited to the needs of the country. Without competition or public control, all we have is self-interested planning by a few corporate managers whose job is to expand size and profits.

In the matter of energy, we are dealing with companies so large as to be beyond the reach of any fluctuations in behavior by energy consumers, so their decisions often do not fit our needs and we find ourselves in a constant argument over energy policy goals.

GENERAL LEAVE

Mr. BEARD of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks immediately prior to the passage of H.R. 11510.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Tennessee?

There was on objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MCEWEN (at the request of Mr. RHODES), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEARD of Tennessee) to revise and extend their remarks and include extraneous matter:)

Mr. RAILSBACK, for 5 minutes, today.

Mr. KEMP, for 30 minutes, today.

Mr. STEIGER of Wisconsin, for 60 minutes, on February 2.

Mr. SHRIVER, for 5 minutes, today.

(The following Members (at the request of Mr. HUBBARD) to revise and extend their remarks and include extraneous material:)

Mr. Conyers, for 60 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Fraser, for 5 minutes, today.

Mr. Patman, for 20 minutes, today.

Mr. Rodino, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Aspin, for 5 minutes, today.

Mr. Brown of California, for 5 minutes, today.

Mr. Ford of Michigan, for 5 minutes, today.

Mr. Udall, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Beard of Tennessee) and to include extraneous matter:)

Mr. Ashbrook in three instances.

Mr. Findley.

Mr. Gude.

Mr. Broomfield.

Mr. Ketchum.

Mr. Wiggins in three instances.

Mr. Kasten in two instances.

Mr. Forsythe.

Mr. Kindness.

Mr. Schulze.

Mr. Martin in two instances.

Mr. Coughlin.

Mr. Burke of Florida.

Mr. Steiger of Arizona.

Mr. Pressler in three instances.

Mr. Emery.

Mr. Shriver in two instances.

(The following Members (at the request of Mr. Hubbard) and to include extraneous matter:)

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Traxler in two instances.

Mr. Ryan.

Mr. Natcher.

Mr. Gaydos.

Mr. Patman.

Mr. Moakley.

Mr. Scheuer in five instances.

Mr. Young of Georgia.

Mr. Waxman.

Mr. Nowak.

Mr. James V. Stanton.

Mr. Richmond.

Ms. Abzug.

Mr. Stark.

Mr. McDonald of Georgia in five instances.

Mr. Solarz.

Mr. Brown of California in 10 instances.

Mr. Minish.

Mr. Hungate.

Mr. Fauntroy.

Mrs. Burke of California in three instances.

Mr. Florio.

Mr. Brademas in six instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table, and, under the rule, referred as follows:

S. 700. An act to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

S. 2071. An act to authorize appropriations for the repair of highways in the State of Alaska, and for other purposes; to the Committee on Public Works and Transportation.

S. 2115. An act to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected Reservists for a limited period, whether or not a declaration of war or national emergency has been declared; to the Committee on Armed Forces.

ADJOURNMENT

Mr. HUBBARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 26 minutes p.m.), the House adjourned until tomorrow, Wednesday, January 28, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2392. A letter from the Secretary, Smithsonian Institution, transmitting, the annual report of the Smithsonian for fiscal year 1975, pursuant to section 3 of the act of August 10, 1846 [20 U.S.C. 57]; to the Committee on House Administration.

2393. A letter from the Assistant Secretary of the Interior, transmitting a report on the study of the suitability for park purposes of the Tuckup Point, Slide Mountain, and Jensen Tank areas of the Grand Canyon National Park, pursuant to section 3(c) of Public Law 93-620; to the Committee on Interior and Insular Affairs.

2394. A letter from the Administrator of General Services, transmitting a prospectus proposing construction of a Border Station at Haines, Alaska, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2395. A letter from the Director, National Science Foundation, transmitting a draft of proposed legislation to authorize appropriations for the National Science Foundation for fiscal year 1977; to the Committee on Science and Technology.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEARD of Tennessee (for himself, Mr. Jones of Tennessee, Mr. Allen, Mr. Evins of Tennessee, Mr. Perkins, Mr. Natcher, Mr. Hubbard, Mr. Breckinridge, Mr. Carter, Mr. Quillen, Mrs. Lloyd of Tennessee, Mr. Duncan of Tennessee, Mr. Ford of Tennessee, Mr. Mazzoli, and Mr. Snyder):

H.R. 11510. A bill to provide for starling and blackbird control in Kentucky and Tennessee; to the Committee on Merchant Marine and Fisheries; committee discharged; considered and passed.

By Mr. CRANE (for himself, Mr. Grassley, Mr. McDonald of Georgia, Mr. Davis, Mr. Derwinski, Mr. Kelly, Mr. Martin, Mr. Ketchum, and Mr. Carter):

H.R. 11511. A bill to provide for the confidentiality of medical and/or dental records of patients not receiving assistance from the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. D'AMOURS (for himself, Mr. Harrington, and Ms. Keys):

H.R. 11512. A bill to amend Public Law 874, 81st Congress, to provide that children of parents employed on Federal property who attend school in a State contiguous to the State in which such property is situated may be counted for purposes of determining the aid entitlement of the local educational agency having jurisdiction over such school, and for other purposes; to the Committee on Education and Labor.

By Mr. D'AMOURS (for himself, Mr. LaFalce, Mr. Cleveland, and Mr. Ford of Tennessee):

H.R. 11513. A bill to amend title 38 of the United States Code in order to exempt tax-supported public educational institutions which offer vocational courses from placement record requirements as a prerequisite to approval by the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. FLYNT:

H.R. 11514. A bill to amend the Tariff Schedules of the United States; to the Committee on Ways and Means.

By Mr. GUDE:

H.R. 11515. A bill to provide for payment of the pension and other retirement benefits for policemen, firemen, judges, and teachers of the District of Columbia for fiscal year 1977 and to provide for a study to determine the amount of the District of Columbia unfunded pension obligations and to identify actuarially sound methods to finance such obligations for future years; to the Committee on the District of Columbia.

By Mr. HANNAFORD:

H.R. 11516. A bill to establish the National Trust for the Preservation of Historic Ships; to the Committee on House Administration.

By Mr. HEINZ (for himself and Mr. Preyer):

H.R. 11517. A bill to amend the Internal Revenue Code of 1954 to extend and liberalize the amortization provisions for pollution control facilities; to the Committee on Ways and Means.

By Mr. JOHNSON of Pennsylvania:

H.R. 11518. A bill to provide that the first sale of crude oil produced from stripper wells be exempt from price controls; to the Committee on Interstate and Foreign Commerce.

By Mr. KETCHUM (for himself, Mr. Duncan of Oregon, Mr. Steed, and Mr. Andrews of North Dakota):

H.R. 11519. A bill to amend the Voting Rights Act of 1965 to limit certain aspects of its coverage for other than racial groups; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Ms. Abzug, Mr. Badillo, Mr. Bingham, Mr. Blanchard, Mr. Boland, Mr. Bonker, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Dodd, Mr. Downey of New York, Mr. Edgar, Mr. Fascell, Mr. Florio, Mr. Gilman, and Mr. Harrington):

H.R. 11520. A bill to establish a Commission on the Humane Treatment of Animals; to the Committee on Agriculture.

By Mr KOCH (for himself, Mr. Helstoski, Mr. Howard, Mr. Jacobs, Mr. Mazzoli, Mr. Mitchell of Maryland, Mr. Murphy of Illinois, Mr. Pattison of New York, Mr. Pepper, Mr. Pike, Mr. Rodino, Mr. Rosenthal, Mr. Symington, Mr. Waxman, Mr. Whitehurst, Mr. Charles Wilson of Texas, and Mr. Wirth):

H.R. 11521. A bill to establish a Commission on the Humane Treatment of Animals; to the Committee on Agriculture.

By Mr. LEHMAN (for himself and Mr. Symington):

H.R. 11522. A bill to amend title 39, United States Code, to provide that buildings constructed for use by the U.S. Postal Service shall be designed and constructed in a manner making them accessible to the physically handicapped; to the Committee on Post Office and Civil Service.

By Mr. LITTON (for himself, Mr. Koch, Mr. Duncan of Oregon, and Mr. Maguire):

H.R. 11523. A bill to require the President to transmit to Congress copies of each Presidential proclamation and Executive order; to the Committee on Government Operations.

By Mr. LITTON (for himself, Mr. Roe, Mr. Patterson of California, Mr. D'Amours, Mr. Henderson, Mr. Sarasin, and Mr. Mann):

H.R. 11524. A bill to reduce the payments by the United States to the United Nations, and for other purposes; to the Committee on International Relations.

By Mr. LITTON (for himself and Mr. Conte):

H.R. 11525. A bill to amend the Internal Revenue Code of 1954 to require the establishment of formal procedures and criteria for the selection of individual income tax returns for audit, to inform individuals of the reasons why their returns were selected for audit, and for other purposes; to the Committee on Ways and Means.

By Mr. MICHEL (for himself, Mr. Andrews of North Dakota, Mr. Bevill, Mr. Johnson of Pennsylvania, Mr. Kemp, Mr. Mann, Mr. Myers of Indiana, Mr. Skubitz, Mr. Treen, Mr. Waggonner, and Mr. Bob Wilson):

H.R. 11526. A bill to provide for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States; to the Committee on the Judiciary.

By Mr. MOAKLEY:

H.R. 11527. A bill to authorize the Secretary of the Interior to study the feasibility and desirability of a Boston Harbor National Recreation Area in the Commonwealth of Massachusetts; to the Committee on Interior and Insular Affairs.

By Mr. NATCHER:

H.R. 11528. A bill to make the provisions of section 1331(e) of title 10 of the United States Code retroactive to November 1, 1953; to the Committee on Armed Services.

By Mr. OBERSTAR:

H.R. 11529. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; to the Committee on Ways and Means.

By Mrs. PETTIS:

H.R. 11530. A bill to permit the Soboba Band of Mission Indians to participate in the Indian sanitation facilities and services program on the same basis as other federally recognized Indian groups; to the Committee on Interior and Insular Affairs.

By Mr. SHRIVER:

H.R. 11531. A bill to provide for the striking of medals commemorating the American Indian heritage; to the Committee on Banking, Currency and Housing.

By Mr. SOLARZ:

H.R. 11532. A bill to require certain actions by the Overseas Private Investment Corporation; to the Committee on International Relations.

H.R. 11533. A bill to amend title 13, United States Code, to assure that current rather than decennial census data on total population are used in determining benefits under any Federal grant-in-aid program only if all data on other population characteristics used in determining such benefits are derived from current rather than decennial census data, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SOLARZ (for himself, Mr. Koch, and Mr. Rosenthal):

H.R. 11534. A bill to amend the Securities Act of 1933 and the Securities and Exchange Act of 1934 to require the Securities and Exchange Commission to regulate the issuance and trading of municipal bonds and similar securities; to the Committee on Interstate and Foreign Commerce.

By Mrs. SPELLMAN:

H.R. 11535. A bill to amend title 10 of the United States Code in order to provide for a continuation of Junior Reserve Training Corps units, in order to allow course completion by those currently enrolled, regardless of unit size; to the Committee on Armed Services.

H.R. 11536. A bill to amend the Internal Revenue Code of 1954 with respect to exemption from income taxation of certain mutual deposit guaranty funds; to the Committee on Ways and Means.

H.R. 11537. A bill to amend title II of the Social Security Act to permit a State, under its section 218 agreement, to terminate social security coverage for State or local policemen or firemen without affecting the coverage of other public employees who may be members of the same coverage group (and to permit the reinstatement of coverage for such other employees in certain cases where the group's coverage has previously been terminated); to the Committee on Ways and Means.

H.R. 11538. A bill to authorize advance disapproval by Congress of any increase in rates charged under health benefits plans authorized under sections 8902 and 8903 of title 5, United States Code; jointly, to the Committees on Post Office and Civil Service, and Rules.

By Mr. WHITEHURST:

H.R. 11539. A bill to facilitate the coordination of programs for the protection, management, and control of wild free-roaming horses and burros and other resources, and for other purposes; jointly to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. CORMAN:

H.R. 11540. A bill to amend section 407 of the Social Security Act to eliminate the present statutory requirement that aid to families with dependent children be denied when there is an unemployed father receiving compensation under a State or Federal unemployment compensation law; to the Committee on Ways and Means.

By Mr. MICHEL (for himself, Mr. Gradison, Mr. Rhodes, Mr. Anderson of Illinois, Mrs. Pettis, Mr. Edwards of Alabama, Mr. Conable, Mr. Moorhead of California, Mr. Eshleman, Mr. Forsythe, Mr. Kasten, Mr. McEwen, Mr. Hyde, Mr. Don H. Clausen, and Mr. O'Brien):

H.R. 11541. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; to the Committee on Appropriations.

By Mr. PATTEN:

H.R. 11542. A bill to amend title 39, United States Code, to provide for the mailing of correspondence to Members of the Congress free of postage, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RISENHOOVER:

H.R. 11543. A bill to amend title 18 of the United States Code to provide the death penalty for certain destructive acts to airports, airplanes, and related things and places; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.J. Res. 780. Joint resolution to restore posthumously full rights of citizenship to Eugene Victor Debs; to the Committee on the Judiciary.

By Mr. PEYSER:

H.J. Res. 781. Joint resolution to establish a Joint Congressional Committee on Welfare Reform; to the Committee on Rules.

By Mr. STEELMAN (for himself and Mr. Lott):

H.J. Res. 782. Joint resolution authorizing the President to proclaim the week beginning on November 7, 1976, as National Respiratory Therapy Week; to the Committee on Post Office and Civil Service.

By Mr. PIKE:

H. Res. 982. Resolution authorizing the Select Committee on Intelligence to file its report by midnight January 30, 1976, and for other purposes; to the Committee on Rules.

By Mr. BONKER (for himself, Ms. Abzug, Mr. Adams, Mr. Addabbo, Mr. Alexander, Mr. Allen, Mr. Ambro, Mr. Anderson of California, Mr. Aspin, Mr. AuCoin, Mr. Badillo, Mr. Baldus, Mr. Barrett, Mr. Baucus, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Bergland, Mr. Bingham, Mr. Blanchard, Mr. Blouin, Mrs. Boggs, Mr. Boland, Mr. Brademas, Mr. Brodhead, and Mr. Brown of California):

H. Res. 983. Resolution expressing the sense of the House that further aid to Angola should be withheld until approved by Congress; to the Committee on International Relations.

By Mr. BONKER (for himself, Mr. Hannaford, Mr. Harkin, Mr. Harrington, Mr. Harris, Mr. Hawkins, Mr. Hayes of Indiana, Mr. Hechler of West Virginia, Mr. Hefner, Mr. Helstoski, Mr. Holland, Ms. Holtzman, Mr. Howard, Mr. Howe, Mr. Hughes, Mr. Hungate, Mr. Jacobs, Mr. Jeffords, Mr. Jenrette, Mr. Johnson of Colorado, Mr. Jones of Tennessee, Mr. Jones of North Carolina, Ms. Jordan, Mr. Karth, and Mr. Kastenmeier):

H. Res. 984. Resolution expressing the sense of the House that further aid to Angola should be withheld until approved by Congress; to the Committee on International Relations.

By Mr. BONKER (for himself, Mr. Edwards of California, Mr. Eilberg, Mr. Emery, Mr. Evans of Indiana, Mr. Evans of Colorado, Mr. Evins of Tennessee, Mr. Fascell, Mrs. Fenwick, Mr. Fithian, Mr. Florio, Mr. Foley, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Forsythe, Mr. Fraser, Mr. Giaimo, Mr. Gibbons, Mr. Ginn, Mr. Goodling, Mr. Green, Mr. Gude, Mr. Hall, Mr. Hamilton, and Mr. Hanley):

H. Res. 985. Resolution expressing the sense of the House that further aid to Angola should be withheld until approved by Congress; to the Committee on International Relations.

By Mr. BONKER for himself, Mr. Koch, Mr. Krebs, Mr. LaFalce, Mr. Leggett, Mr. Lehman, Mr. Levitas, Mr. Litton, Mr. Lloyd of California, Mr. Long of Maryland, Mr. Long of Louisiana, Mr. McCloskey, Mr. McCormack, Mr. McHugh, Mr. McKinney, Mr. Macdonald of Massachusetts, Mr. Madden, Mr. Maguire, Mr. Matsunaga, Mr. Mazzoli, Mr. Meeds, Mr. Metcalf, Mrs. Meyner, Mr. Mezvinsky, and Mr. Mikva):

H. Res. 986. Resolution expressing the sense of the House that further aid to Angola should be withheld until approved by Congress; to the Committee on International Relations.

By Mr. BONKER (for himself, Mr. Burke of Massachusetts, Mrs. Burke of California, Mr. John L. Burton, Mr. Philip Burton, Mr. Carney, Mr. Carr, Mrs. Chisholm, Mr. Clay, Mrs. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Cornell, Mr. Cotter, Mr. D'Amours, Mr. Dominick V. Daniels, Mr. Danielson, Mr. Davis, Mr. Dellums, Mr. Dent, Mr. Diggs, Mr. Dodd, Mr. Downey of New York, Mr. Drinan, and Mr. Du Pont):

H. Res. 987. Resolution expressing the sense of the House that further aid to Angola be withheld until approved by Congress; to the Committee on International Relations.

By Mr. BONKER (for himself, Mr. Mineta, Mrs. Mink, Mr. Minish, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Moorhead of Pennsylvania, Mr. Mosher, Mr. Moss, Mr. Mottl, Mr. Murphy of Illinois, Mr. Neal, Mr. Nix, Mr. Nolan, Mr. Nowak, Mr. Oberstar, Mr. Obey, Mr. O'Hara, Mr. Ottinger, Mr. Patterson of California, Mr. Pattison of New York, Mr. Pepper, Mr. Pike, and Mr. Pressler):

H. Res. 988. Resolution expressing the sense of the House that further aid to Angola should be withheld until approved by Congress; to the Committee on International Relations.

By Mr. BONKER (for himself, Mr. Pritchard, Mr. Rangel, Mr. Rees, Mr. Reuss, Mr. Richmond, Mr. Riegle, Mr. Rodino, Mr. Roncalio, Mr. Rooney, Mr. Rose, Mr. Rosenthal, Mr. Roybal, Mr. Russo, Mr. St Germain, Mr. Sarasin, Mr. Sarbanes, Mr. Scheuer, Mrs. Schroeder, Mr. Seiberling, Mr. Sharp, Mr. Simon, Mr. Smith of Iowa, Mr. Solarz, and Mrs. Spellman):

H. Res. 989. Resolution expressing the sense of the House that further aid to Angola should be withheld until approved by Congress; to the Committee on International Relations.

By Mr. BONKER (for himself, Mr. Stark, Mr. Steed, Mr. Stokes, Mr. Studds, Mr. Symington, Mr. Thompson, Mr. Traxler, Mr. Tsongas, Mr. Udall, Mr. Ullman, Mr. Van Deerlin, Mr. Vander Veen, Mr. Vanik, Mr. Waxman, Mr. Weaver, Mr. Whalen, Mr. Charles H. Wilson of California, Mr. Wirth, Mr. Wolff, Mr. Won Pat, Mr. Wright, Mr. Yates, Mr. Yatron, and Mr. Young of Georgia):

H. Res. 990. Resolution expressing the sense of the House that further aid to Angola should be withheld until approved by Congress; to the Committee on International Relations.

By Mr. BONKER (for himself, Mr. Melcher, Mr. Mollohan, Mr. Roush, Ms. Keys, Mr. Miller of California, Mr. Edgar, Mr. James V. Stanton, and Mr. Zeferetti):

H. Res. 991. Resolution expressing the sense of the House that further aid to Angola should be withheld until approved by Congress; to the Committee on International Relations.

By Mr. HEINZ:

H. Res. 993. Resolution expressing the sense of the House of Representatives that the United States should not furnish less assistance to Israel in fiscal year 1977 than it provided in fiscal year 1976; to the Committee on International Relations.

By Mrs. LLOYD of Tennessee:

H. Res. 994. Resolution designating January 29, 1976, as Chattanooga Area Manufacturers Day; to the Committee on Post Office and Civil Service.

By Mr. ROBERTS:

H. Res. 995. Resolution providing for funds for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HICKS:

H.R. 11544. A bill for the relief of Carlos Gregorio Hoff and Jean Hoff Mape; to the Committee on the Judiciary.

By Mr. JARMAN:

H.R. 11545. A bill for the relief of Richard A. S. Moore; to the Committee on the Judiciary.

By Ms. KEYS:

H.R. 11546. A bill for the relief of David P. Swartz; to the Committee on the Judiciary.

By Mr. MORGAN:

H.R. 11547. A bill for the relief of Guy and Diane Langlois; to the Committee on the Judiciary.

By Mr. RAILSBACK:

H.R. 11548. A bill for the relief of Mr. Jae Won Park; to the Committee on the Judiciary.

By Mr. ROGERS (by request):

H.R. 11549. A bill for the relief of Lt. Col. Donald E. Weurz, U.S. Army; to the Committee on the Judiciary.

H.R. 11550. A bill for the relief of Olga Lucia Calad de Correa; to the Committee on the Judiciary.

By Mr. STEIGER of Arizona:

H.R. 11551. A bill for the relief of Juan Martinez Rodriguez; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

376. The SPEAKER presented a petition of the Grand Voiture du Oklahoma, La Societe des 40 hommes et 8 Chevaux, Lawton, Okla., relative to the publication of the names of intelligence agents; to the Committee on Armed Services.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 9464

By Mr. FRASER:

(Amendment in the Nature of a Substitute to the Krueger amendment.)

In lieu of the matter proposed to be inserted by the amendment offered by Mr. Krueger, insert the following: That this Act may be cited as the "Natural Gas Production and Conservation Act of 1975".

Sec. 2. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by striking out section 24 thereof (15 U.S.C. 717w) in its entirety and by inserting immediately after the enacting clause thereof and before section 1 thereof (15 U.S.C. 717) the following: "That this Act may be cited as the 'Natural Gas Act'.

TITLE I—GENERAL PROVISIONS

Sec. 3. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by adding at the end thereof the following new title:

"TITLE II—PRODUCTION AND CONSERVATION INCENTIVES

"SHORT TITLE

"Sec. 201. This title may be cited as the 'Natural Gas Production and Conservation Act'.

"DEFINITIONS

"Sec. 202. As used in this title:

"(1) The term 'affiliate' means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person as determined by the Commission by rule. In promulgating rules under this paragraph to specify when one person is an affiliate of another person, the Commission shall consider direct or indirect legal or beneficial interest in another person or any direct or indirect legal power or influence over another person, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements or leasing arrangements.

"(2) The term 'boiler fuel use of natural gas' means the use of natural gas or synthetic natural gas as the source of fuel for the purpose of generating steam or electricity in amounts in excess of 50 Mcf on a peak day.

"(3) The term 'Federal lands' means any land or subsurface area within the United States which is owned or controlled by the Federal Government or with respect to which the Federal Government has authority, directly or indirectly, to explore for, develop, and produce natural gas, except that nothing in this Act shall amend or change in any way any grant of land or right in land created by the Alaska Native Claims Settlement Act (18 U.S.C. 437) or any Act granting statehood to a State. The term includes the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)). The term excludes lands which the Federal Government acquired by mortgage foreclosure and continues to hold mineral interests.

"(4) The term 'intrastate commerce means commerce between points within the same State, unless such commerce passes through any place outside such State; except that all sales of new natural gas produced from Federal lands within a State and consumed within the same State shall be treated as sales of natural gas in interstate commerce.

"(5) The term 'joint venture' means any undertaking by two or more persons who have a community of interest in the purposes of the undertaking, and who share the right to control or direct the conduct of the undertaking."

"(7) The term 'major integrated petroleum company' means any company that, together with all affiliates, (A) owns or controls total assets that exceed $1,000,000,000 in value, (B) which is engaged in the production of crude oil, and (C) which is engaged in (i) the refining of crude oil, (ii) transporting of crude oil or refined petroleum products by major pipeline, or (iii) marketing of refined petroleum products;

"(7) The term 'Mcf' means one thousand cubic feet of natural gas at 60 degrees Fahrenheit and 14.73 pounds per square inch pressure;

"(8) The term 'new natural gas' means natural gas that is dedicated to interstate or intrastate commerce which the Commission in its discretion determines was not dedicated to interstate or intrastate commerce prior to January 1, 1976: *Provided*, That all such natural gas must be dedicated for a term of not less than 20 years, or until earlier depleted, to be eligible for sale at a price that does not exceed the applicable price pursuant to section 203; if such dedication is for a term of more than 10 years but less than 20 years, then a producer or small producer may sell such natural gas at a price not to exceed 75 percent of the price that would otherwise be applicable pursuant to section 203. No dedications of new natural gas after January 1, 1976, may be for a term of less than 10 years (unless earlier depleted).

"(9) The term 'old natural gas' means natural gas that, prior to January 1, 1976, was dedicated to interstate commerce on the date of the first delivery of such natural gas as determined by the Commission in its discretion.

"(10) The term 'pipeline' means a person engaged in the transportation by pipeline of natural gas in interstate commerce except that the term does not include persons who are exempt from the Commission's jurisdiction pursuant to sections 1(b) or 1(c) of this Act.

"(11) The term 'producer' means a person who (A) produces and sells more than 10 million Mcf of natural gas per year or (B) produces and sells natural gas and does not otherwise qualify as a small producer.

"(12) The term 'purchaser' means a person who purchases or acquires natural gas from a producer or small producer.

"(13) The term 'residential user' means a person who uses natural gas for personal, family, or household purposes.

"(14) The term 'small user' means a person or governmental entity that used not more than 50 Mcf of natural gas on its peak day of natural gas usage in the preceding calendar year.

"(15) The term 'small producer' means a person as determined by the Commission (A) who is not an affiliate of a person who produces and sells more than 10 million Mcf of natural gas; (B) who is not an affiliate of a person engaged in, or who is not himself engaged in, the transportation by pipeline of natural gas in interstate or intrastate commerce; and (C) who, together with all of his affiliates, if any, has not produced and sold more than 10 million Mcf of natural gas in any calendar year (subsequent to 1973) preceding the year in which he seeks to qualify for small producer pricing under section 203 (k): *Provided*, That the provisions of section 203(k) shall be applicable only to the first 10 million Mcf of natural gas production in any year following such qualification.

"(16) The term 'user' means a person or governmental entity using any natural gas after it is delivered in interstate or intrastate commerce. The term includes a producer or small producer who consumes natural gas (except for transporting or processing natural gas) in facilities owned or controlled or under common control by such producer or small producer.

"NEW NATURAL GAS

"SEC. 203. (a) GENERAL.—Notwithstanding the provisions of sections 4 and 5 of this Act and except as provided in subsection (1), new natural gas may be sold or transferred in interstate commerce or may be sold or transferred in intrastate commerce on or after the date of enactment of this title, by a producer only if its price does not exceed the sum of—

"(1) a base price at the wellhead as determined in accordance with subsection (g);

"(2) any applicable adjustment in accordance with subsection (b) or (c); and

"(3) an additional or lesser amount, if any, authorized or required to be charged under subsection (d) or (f).

"(b) BASE PRICE ADJUSTMENT.—Commencing January 1, 1977, and at annual intervals thereafter, the national base price enumerated in subsection (g) shall be adjusted by the Commission for any inflation or deflation by multiplying it by a number whose numerator is the annual implicit price deflator for gross national product as of the date of computation and whose demoninator is the implicit price deflator for gross national product for the base year 1975 as compiled by the Bureau of Economic Analysis as initially published by the Department of Commerce. The adjusted base price shall only be applicable to new natural gas first delivered during the year for which such adjusted base price is applicable.

"(c) ADDITIONAL PRICE INCREASE.—A producer may, at the time of dedication of new natural gas, provide by contract for an automatic annual increase in the price of such natural gas which is delivered in a particular year. The amount of such increase may not exceed 2 percent per year of the adjusted base price of such natural gas at the time of such dedication, except the Commission may authorize an increase in the price that may be charged by a particular producer or small producer for flowing new natural gas by an additional amount if, at any time during the contract period, such an additional increase is shown to be necessary to cover the cost of production of such new natural gas and to provide a reasonable rate of return on investment to such producer or small producer.

"(d) SPECIAL PRICE.—(1) The Commission may authorize a person to charge for new natural gas an amount in excess of the price authorized in subsection (a) in any high-cost production area or at any vertical drilling depth as designated by the Commission. The Commission shall consider the establishment of such special prices simultaneously with the establishment of a national base price pursuant to subsection (g) of this section. The cost data for any such high-cost production or vertical drilling shall not be considered in establishing or reviewing the national base price. The Commission may designate one or more high-cost production areas or depths, and, pursuant to subsection (g), it may establish one or more high-cost rates if the Commission finds that—

"(A) the current and prospective costs of production over the next 5-year period in any such high-cost production area or depths as designated by the Commission are substantially above the current and prospective real costs of production upon which the national base price authorized under subsection (g) is based; and

"(B) the production of new natural gas in such designated high-cost production areas or depths promotes the public convenience and necessity.

"(2) The Commission shall authorize a person to charge a special price for new liquefied, regasified, or synthetic natural gas. Such special price may exceed the price authorized under subsection (a) if such person establishes to the satisfaction of the Commission that (A) such liquefied or synthetic natural gas production or regasification promotes the public convenience and necessity; and (B) such special price is just and reasonable.

"(3) (A) Any person receiving Commission authorization to produce, or to acquire from an affiliate, such synthetic natural gas, may include in its cost of service reasonable interest expenses on borrowed funds and a reasonable return on equity expended in connection therewith during the construction period of any plant constructed and operated for the purpose of manufacturing synthetic natural gas for sale.

"(B) Any such plant, any sales or transportation of such synthetic natural gas, and any person owning and/or operating such plant shall be subject to—

"(1) the jurisdiction and authority of the Commission under title I of this Act to the same extent as if it were a natural-gas company; and

"(ii) the provisions of this title,

except that such jurisdiction shall not include the feedstock of such plant.

"(e) EXCEPTION.—(1) The Commission shall prohibit a producer of new natural gas from selling such natural gas at a price authorized in this section if—

"(A) such producer had discovered such natural gas on Federal lands 2 years or more prior to the date of enactment of this title; and

"(B) such producer does not establish to the satisfaction of the Commission that it was reasonable for him to have failed to dedicate such natural gas to interstate commerce prior to the date of enactment of this title.

"(2) A producer of new natural gas who is prohibited by paragraph (1) from selling such natural gas at a price authorized under this section shall only be permitted to sell such natural gas in interstate commerce as if it were old natural gas, and as if it had been dedicated to interstate commerce as of the date of enactment of this title. Such a producer shall also be subject to the production requirements of section 207(d).

"(f) ADDITIONAL ADJUSTMENTS.—A producer or small producer shall increase or reduce the price at which he sells natural gas to a purchaser by the following factors:

"(1) a gathering allowance as specified by the Commission for any gathering actually performed by the producer or small producer;

"(2) the actual costs of removing carbon dioxide, water, sulfur, or other impurities incurred by the producer or small producer to deliver pipeline quality natural gas;

(3) any amount actually paid by a producer or small producer for State or Federal production, severance, or similar taxes;

(4) a proportional adjustment for British thermal unit (Btu) content from a base of one thousand Btu's per cubic foot of natural gas at 60 degrees Fahrenheit and 14.73 pounds per square inch pressure; and

(5) an amount equal to the uncompensated value of any advance payments or any other form of compensation paid to the producer or small producer.

(g) COMMISSION BASE PRICE DETERMINATION.—(1) Within 180 days after the date of enactment of this title, the Commission shall establish an initial national base price (to be retroactive to January 1, 1976) for new natural gas. The Commission shall review and reestablish the national base price and any high-cost production base price at 5-year intervals after the date of such initial establishment pursuant to paragraphs (2) and (3). Any subsequent price so established shall apply only to new natural gas first delivered during that 5-year period.

"(2) In establishing the initial national base price of new natural gas and initial high-cost production base prices, if any, and in establishing subsequent national and subsequent high-cost production base prices, the Commission shall consider with respect to new natural gas in the relevant area current and prospective real costs of production over the next 5-year period, plus a reasonable rate of return on investment which is conducive to attracting the capital necessary to discover and produce such natural gas.

"(3) In establishing any base price for new natural gas, the Commission shall proceed in accordance with the provisions of section 553 of title 5, United States Code. In addition the Commission shall afford interested persons an opportunity to present testimony in oral hearings, and it shall permit limited cross-examination by representative parties on any issue of fact which the Commission, in its discretion, determines is material if such cross-examination is necessary and appropriate in light of the time constraint under paragraph (1).

"(h) CONTRACT SANCTITY.—The Commission shall not order a decrease in the price of new natural gas with respect to any sale thereof which is made pursuant to the applicable base price, or special prices, if any, for new natural gas and which were in effect at the time such new natural gas is first delivered to the purchaser.

"(i) COST PASSTHROUGH.—The Commission shall permit the passthrough, on a dollar-for-dollar basis, of the cost of all new natural gas incurred by any pipeline unless such costs exceed the applicable base price together with any adjustments or special prices, if any, for new natural gas in which case the Commission shall not permit such passthrough the amount that exceeds the amount permitted under this title.

"(j) TREATMENT OF OTHER GAS.—(1) the date of enactment of this title, all sales of natural gas in interstate commerce that are not sales of old natural gas shall comply with the provisions of this title concerning new natural gas.

"(2) After the date of enactment of this title, all dedications of natural gas in intrastate commerce shall comply with the provisions of this Act concerning new natural gas.

"(3) Notwithstanding the provisions of paragraphs (1) and (2) and section 202(10), of this title, any Federal agency, State, political subdivision of a State, Indian tribes, bands, or Alaska Natives may, with respect to new natural gas that they are entitled to taken as a royalty (not to exceed a combined and cumulative total of one-eighth interest within any State), withdraw such gas from interstate commerce after deliveries are commenced and may use or resell such gas in intrastate commerce as new natural gas. Nothing in this paragraph shall restrict the amount of royalties that may be taken by any landowner.

"(k) Small Producer Pricing.—Notwithstanding the provisions of sections 4 and 5 of this Act, a small producer may sell new natural gas in interstate or intrastate commerce at a price that exceeds the price authorized to be charged by a producer pursuant to subsection (a) so long as such price does not exceed the applicable authorized price by more than 50 percent except that a small producer may not sell new natural gas in interstate or intrastate commerce at a price that exceeds the price authorized to be charged by a producer pursuant to subsection (a) if such new natural gas was discovered by a producer, as determined by the Commission.

"FILING REQUIREMENT

"Sec. 204. All purchasers shall file with the Commission all new natural gas sales contracts, transfer agreements, or any other transfer arrangements.

"OLD NATURAL GAS

"Sec. 205. The Commission, notwithstanding any other provision of law, shall not authorize an increase in the price charged by a producer or small producer of old natural gas unless such an increase is necessary—

"(1) to cover the cost of production (including deeper drilling or reworking operations) of such old natural gas and to provide a reasonable rate of return on investment to such producer or small producer; or

"(2) to afford (A) such a producer a price which is equal to a cost-based price which the Commission has authorized a similarly situated producer of old natural gas; or (B) such a small producer a price that is equal to a cost-based price which the Commission has authorized a similarly situated small producer to charge for old natural gas.

"RESIDENTIAL AND OTHER SMALL USERS

"Sec. 206. (a) General.—The Commission shall—

"(1) require all pipelines to file separate tariffs with respect to (A) old natural gas, (B) new natural gas, and (C) synthetic or liquefied natural gas in such form and manner as to reflect the price and average annual volumes of each which enter each such pipeline;

"(2) require all pipelines to give first priority for sales or transfers under the applicable tariff for old natural gas to local distribution companies, to the extent such old natural gas is available, to meet the requirements of each such company's residential users and small users; and

"(3) promulgate rules to govern sales, exchanges, or transfers among pipelines and sales, exchanges, or transfers to local distribution companies served by multiple pipelines, to the extent necessary to achieve the purpose of this section.

"(b) Enforcement.—It shall be unlawful for local distribution companies to charge residential users and small users rates which do not reflect the lesser cost of old natural gas for such users.

"INCREASING NATURAL GAS SUPPLIES

"Sec. 207. (a) (1) Prompt Certification.—All applications, except where two or more natural gas companies file competing and mutually exclusive applications under section 7(c) of this Act, for the construction of pipeline facilities subject to the jurisdiction of the Commission shall be decided by the Commission in accordance with paragraph (2).

(2) The Commission shall grant (with or without conditions) or deny such applications within 120 days of the filing of an application, or within 120 days after the date of enactment of this title in the case of applications pending before the Commission on such date. The 120-day period shall commence on the date on which such applications contain all of the information required by the Commission. If the Commission fails to grant or deny any such application within the applicable 120-day period, the Commission shall be deemed to have approved such application as last submitted.

"(b) Exemption.—Notwithstanding any other provision of law, sales of new natural gas (except synthetic or liquefied natural gas) by producers or by small producers may be made without any application for a certificate of public convenience and necessity under section 7(c) of this Act and such sale shall be made at a price pursuant to the applicable provisions of section 203.

"(c) Common Carrier.—After date of enactment of this title the Commission shall, as a prerequisite to granting any certificate of public convenience and necessity for facilities for transporting or gathering natural gas on Federal lands, require such transportation and gathering facilities to be common carriers for use by any pipeline to transport natural gas upon payment of a reasonable transportation fee. The Commission shall require other natural gas gathering and transportation systems to operate on such a common-carrier basis for use by any pipeline to the extent that surplus capacity is available.

"(d) Resource Evaluation.—In estimating the value of natural gas on Federal lands for the purpose of determining the sufficiency of any bid, the Secretary of the Interior shall utilize the appropriate applicable price ceiling established by the Commission as adjusted pursuant to section 203.

"(e) Dedication Requirements.—After the date of enactment of this title, all production of new natural gas from Federal lands shall be sold or transferred to a pipeline.

"(f) Reserve Information.—(1) The Commission is further authorized and directed to conduct studies of the production, gathering, storage, transportation, distribution, and sale of natural, artificial, or synthetic gas, however produced, throughout the United States and its possessions whether or not otherwise subject to the jurisdiction of the Commission, including the production, gathering, storage, transportation, distribution, and sale of natural, artificial or synthetic gas by any agency, authority, or instrumentality of the United States, or of any State or municipality or political subdivision of a State. It shall, insofar as practicable, secure and keep current information regarding the ownership, operation, management, and control of all facilities for production, gathering, storage, transportation, distribution, and sale; the total estimated natural gas reserves of fields or reservoirs and the current utilization of natural gas and the relationship between the two; the cost of production, gathering, storage, transportation, distribution, and sale; the rates, charges, and contracts in respect to the sale of natural gas and its service to residential, rural, commercial and industrial consumers, and other purchasers by private and public agencies; and the relation of any and all such facts to the development of conservation, industry, commerce, and the national defense. The Commission shall report to the Congress and may publish and make available the results of studies made under the authority of this subsection.

"(2) In making studies, investigations, and reports under this section, the Commission shall utilize, insofar as practicable, the services, studies, reports, information, and programs of existing departments, bureaus, offices, agencies, and other entities of the United States, of the several States, and of the natural-gas industry. Nothing in this section shall be construed as modifying, reassigning, or otherwise affecting the investigative and reporting activities, duties, powers, and functions of any other department, bureau, office, or agency in the Federal Government.

"NATURAL GAS CONSERVATION

"Sec. 208. (a) General.—The Commission shall by rule prohibit all boiler fuel use of natural gas in interstate and intrastate commerce if such use is not initially contracted for prior to January 1, 1976, by users other than residential or small user unless, upon petition by a user, the Commission determines that—

"(1) alternative energy supplies, other than crude oil or products refined therefrom or propane, produced in any State are not available to such user; or

"(2) it is not feasible to utilize such alternative fuels at the time of such Commission determination.

"(b) Existing Contracts.—The Commission shall promulgate, by rule, a national plan to prohibit as soon as practicable boiler fuel use of natural gas initially contracted for prior to January 1, by users other than residential or small users. In determining practicability, the Commission shall consider all relevant factors, including the availability of alternative energy supplies produced in any State, other than crude oil or products refined therefrom or propane, the ability to satisfy applicable pollution prevention standards when using such alternative fuels, and the need to avoid imposing unreasonable economic hardships. The Commission shall coordinate its activities with other Federal agencies to assure that boiler fuel use of natural gas by users other than residential or small users is ended to the maximum practicable extent 10 years after the date of enactment of this title. The Commission shall also encourage conservation and more efficient use of natural gas by all other users.

"(c) Procedure.—In implementing the provisions of this section with respect to intrastate commerce, the Commission shall apply the provisions of section 17 of this Act.

"(d) Effect on Other Laws.—Nothing in this title shall impair any requirement in any State or Federal law pertaining to safety or environmental protection. The Commission, in determining feasibility or practicability, where required by this section, shall not assume that there will be any lessening in any safety or environmental requirement established pursuant to State or Federal law.

"NATURAL GAS CURTAILMENT

"Sec. 209. (a) Essential Agricultural Purposes.—(1) Except to the extent that natural gas supplies are required to maintain natural gas service to residential users, small users, hospitals, and similar services and products vital to public health and safety, and notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, prohibit any interruption or curtailment of natural gas and take such other steps as are necessary to assure as soon as practicable the availability in interstate commerce of sufficient quantities of natural gas for use for any essential agricultural, food processing, or packaging purpose for which natural gas is essential, including but not limited to irrigation pumping, crop drying, use as a raw material feedstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants. The Secretary of Agriculture shall determine by rule the essential agricultural, food processing, or packaging purposes (other than boiler fuel use of natural gas) for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet requirements for full domestic food production.

"(2) Notwithstanding any other provision of law, any regulation promulgated by the Commission to implement paragraph (1) shall also apply with respect to the availability of natural gas sold in intrastate commerce in any State which the Commission determines has not, within 180 days after the date of enactment of this title, taken action substantially consistent with the purposes of this subsection.

"(b) Facility Interconnections.—Notwithstanding the provisions of section 7 of this Act, the Commission may, by order in accordance with this subsection, direct any pipeline to establish a physical interconnection between any specified facility of such pipeline and any specified facility of any other such pipeline. The Commission shall apportion equitably the costs of any such interconnection to the pipeline or piplines initially benefiting therefrom. The Commission may issue such an order upon petition of any natural-gas company, producer, small producer, or user, or appropriate State agency, or on its own motion, after (1) publishing a notice thereof in the Federal Register; (2) allowing interested persons an opportunity to submit written data, views, and arguments and providing an opportunity for a hearing; and (3) finding (and publishing such finding together with the reasons therefor) that the establishment of such interconnection is in the public interest for the purpose of facilitating the transportation or sale of natural gas in the event that a natural-gas supply emergency develops within the service area of any pipeline affected by such order.

"(c) Natural-Gas Supply Emergency.—The Commission may declare that a natural-gas supply emergency, as ascertained by the Commission, exists along the transmission routes or within the service area of a pipeline which is unable or may be unable to supply its residential users, small users, hospitals, and other services and products vital to public health and safety, and other users using natural gas as a raw material in uses other than boiler fuel for which there is no substitute, with the amounts of natural gas determined by the Commission to be necessary after all possible conservation measures are taken to preserve public health or safety or to avoid extreme economic hardship. Any such declaration shall state the nature and extent of such supply emergency, its likely duration, and the remedial steps proposed or ordered by the Commission to deal with such emergency. Whenever such an emergency is declared, the Commission may, by order, direct any pipeline or pipelines which is not itself experiencing such an emergency to make specified deliveries of natural gas, directly or indirectly, to the pipeline which is experiencing such emergency. The amount of natural gas specified to be delivered pursuant to such order may not exceed the amount which such pipeline can deliver without creating a comparable emergency or significant unemployment along its own transmission routes or within its own service area. A pipeline delivering natural gas pursuant to such an order shall be compensated for such gas at a rate equal to the highest rate at which natural gas is sold for resale by such pipeline.".

Sec. 4. Section 2 of the Natural Gas Act (15 U.S.C. 717a) is amended (1) by inserting in paragraph (7) thereof after "thereof," and before "but only insofar" the following: "or between a point upon Federal lands within a State and any other point,"; (2) by inserting in paragraph (5) thereof (A) after "gas" and before "unmixed" the following: "produced from a gas well or an oil well" and (B) by inserting after "natural" and before "and" the following: "synthetic"; and (3) by inserting the following new paragraph:

"(10) 'synthetic natural gas' means gas entering a pipeline or intrastate pipeline or local distribution company produced from any source other than a gas well or an oil well. As used in this paragraph 'intrastate pipeline' means a person engaged in the transportation by pipeline of natural gas in intrastate commerce.".

Sec. 5. Section 20 of the Natural Gas Act (15 U.S.C. 717s) is amended by adding at the end thereof the following new subsection:

"(d)(1) Any district court of the United States in which venue is appropriate under section 1391 of title 28, United States Code, shall have jurisdiction, without regard to the citizenship of the parties or the amount in controversy, with respect to any civil action involving any alleged violation of—

(A) this Act, the Federal Power Act, or any other Federal law under which Congress directs the Commission to exercise any independent regulatory function;

(B) any duly authorized rule, regulation, or license issued under any such law; or

(C) any condition of any certificate of public convenience and necessity issued by the Commission under any such law.

(2) The Court shall have the power to grant such equitable relief as is necessary to prevent, restrain, or remedy the effect of such violation, including declaratory judgment, mandatory or prohibitive injunction relief, and interim equitable relief, and the court shall further have the power to award (A) compensatory damages to any injured person or class of persons, (B) costs of litigation including reasonable attorney and expert witness fees, and (C) whenever and to the extent deemed necessary or appropriate to deter future violations, punitive damages. Any court of appeals of the United States in which venue is appropriate under section 1391 of title 28, United States Code, shall have jurisdiction, upon petition by the Commission, to grant appropriate mandatory or prohibitive injunctive relief, and, at any time interim equitable relief.".

Sec. 6. The Bureau of Economic Analysis shall continue to compile, and the Department of Commerce shall continue to publish, the implicit price deflator for gross national product, in accordance with procedures consistent with those in effect on January 1, 1976, in order to carry out the purposes of this Act.

FACTUAL DESCRIPTIONS OF BILL AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of December 8, 1975, page 39156:

H.R. 10600. November 6, 1975. Education and Labor. Directs the Secretary of the Interior and the Secretary of Agriculture to extend the Youth Conservation Corps program to provide year-round employment for young adults between the ages of 19 and 24.

H.R. 10601. November 6, 1975. Education and Labor. Directs the Secretary of the Interior and the Secretary of Agriculture to extend the Youth Conservation Corps program to provide year-round employment for young adults between the ages of 19 and 24.

H.R. 10602. November 6, 1975. Education and Labor. Directs the Secretary of the Interior and the Secretary of Agriculture to extend the Youth Conservation Corps program to provide year-round employment for young adults between the ages of 19 and 24.

H.R. 10603. November 6, 1975. Agriculture. Authorizes the Secretary of Agriculture to incur expenses for emergency medical services for persons seriously ill or injured within the National Forest System in addition to existing authority for the transportation of such persons.

H.R. 10604. November 6, 1975. Ways and Means. Amends the Social Security Act to redefine the amount of income spent by a parent for the support of a child which may be excluded from such parent's income in determining his or her eligibility for supplemental security income benefits.

H.R. 10605. November 6, 1975. Education and Labor. Requires recipients of Federal aid to higher education to provide for the registration of qualified senior citizens, as defined in this act, without charge or tuition, for scheduled classes and programs on a space-available basis.

H.R. 10606. November 6, 1975. Interstate and Foreign Commerce. Amends the Securities Act of 1933 and the Securities Exchange Act of 1934 to require the Securities and Exchange Commission to regulate the issuance and trading of municipal bonds and similar securities.

H.R. 10607. November 6, 1975. Ways and Means. Amends the Internal Revenue Code to prohibit a deduction by any electric or gas public utility for any amount paid or incurred by such utility to advertise or promote the sale or use of electrical energy or gas.

H.R. 10608. November 6, 1975. Ways and Means. Amends the Internal Revenue Code to prohibit a deduction by any electric or gas public utility for any amount paid or incurred in such utility to advertise or promote the sale or use of electrical energy or gas.

H.R. 10609. November 6, 1975. Ways and Means. Amends the Internal Revenue Code to prohibit a deduction by any electric or gas public utility for any amount paid or incurred by such utility to advertise or promote the sale or use of electrical energy or gas.

H.R. 10610. November 6, 1975. Interstate and Foreign Commerce. Directs the Interstate Commerce Commission and the Federal Maritime Commission to establish nondiscriminatory rates for the transportation of recycled materials in commerce. Grants the Administrator of the Environmental Protection Agency standing to intervene in such administrative proceedings.

Requires the establishment of a national transportation rate policy for recycled materials. Establishes a transportation research program coordinated by the Secretary of Transportation to develop improved methods of transporting recycled materials.

H.R. 10611. November 6, 1975. Ways and Means. Amends the Internal Revenue Code to provide a limited income tax deduction for the performance of volunteer public service in fields having particular importance to the welfare of the community.

H.R. 10612. November 6, 1975. Ways and Means. Amends the Internal Revenue Code to provide for revisions of the tax laws. Extends the current year individual income tax reductions. Continues the present rates for the corporate normal tax and the corporate surtax exemption.

H.R. 10613. November 6, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to sell all rights to phosphate deposits in certain lands in Florida.

H.R. 10614. November 6, 1975. District of Columbia. Extends the authority of the Secretary of Health, Education, and Welfare to make grants to the Commissioner of the District of Columbia, under the District of Columbia Medical and Dental Manpower Act of 1970, for one additional year.

H.R. 10615. November 6, 1975. Agriculture. Prohibits the importation of any dairy product into the United States unless it has been inspected and found to be wholesome and unless the foreign farms and plants in which such products were produced comply with all inspection, grading and other standards prescribed by the Secretary of Agriculture.

H.R. 10616. November 6, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to prohibit the Federal Power Commission from regulating certain transactions involving new natural gas. Directs the Commission to establish a ceiling price on new natural gas produced from offshore Federal lands to remain in effect through December 31, 1980.

Amends the Energy Supply and Environmental Coordination Act of 1974 to authorize the Administrator of the Environmental Protection Agency to prohibit the use of natural gas as boiler fuel by major fuel burning installations if adequate alternatives are available.

Grants standby authority to the President to allocate propane during natural gas shortages.

H.R. 10617. November 6, 1975. Rules; Interstate and Foreign Commerce. Establishes an Office of Consumer Protection within the legislative branch to represent the interests of consumers before Federal agencies and the courts, to encourage and support research on consumer products, to receive and act upon consumer complaints, and to gather and disseminate information on matters of consumer interest.

Requires Federal agencies considering actions which may substantially affect the interests of consumers to notify the Office, and to consider the interests of consumers.

Permits Congressional committees to order the Director of such office to intervene, representing consumer interests, in proceedings of Federal agencies which may substantially affect consumers.

H.R. 10618. November 6, 1975. Interior and Insular Affairs. Directs the Secretary of Agriculture to study certain lands in the Angeles and San Bernardino National Forests in California as to their suitability for designation as wilderness.

H.R. 10619. November 6, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to authorize and direct the Secretary of Transportation to pay overdue State and local taxes on behalf of railroads in reorganization.

H.R. 10620. November 6, 1975. Interstate and Foreign Commerce. Increases the penalty, under the Communications Act of 1934, for certain violations of rules and regulations promulgated under the Act.

H.R. 10621. November 6, 1975. Banking, Currency and Housing. Amends the National Housing Act with respect to recertification of the income of individuals receiving certain mortgage benefits.

H.R. 10622. November 6, 1975. Post Office and Civil Service. Provides for the restoration to the surviving spouse of a Federal service annuitant, of Federal health benefits coverage, at the same time that the survivor's annuity is restored upon the dissolution of the remarriage of the surviving spouse.

H.R. 10623. November 6, 1975. Judiciary. Specifies the tax treatment of a certain individual under the Internal Revenue Code.

H.R. 10624. November 7, 1975. Judiciary. Amends the Bankruptcy Act to set forth procedures for the adjustment of debts of political subdivisions, public agencies and instrumentalities.

H.R. 10625. November 7, 1975. Public Works and Transportation. Stipulates that in any case where the Secretary of Transportation has approved any project for construction of a highway on the Interstate System such approval shall constitute a contractual obligation of the United States to be paid from the Highway Trust Fund.

Sets forth criteria for such approval.

H.R. 10626. November 7, 1975. Interior and Insular Affairs. Defines the Menominee Indian Tribe of Wisconsin, under the Menominee Restoration Act, as the Indians for which hospital and medical care was being provided, by or at the expense of the Public Health Service, on the date of August 16, 1957.

H.R. 10627. November 7, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire certain privately held property within the boundaries of national battlefields in order to prevent the establishment of commercial enterprises within the boundaries of such battlefields.

H.R. 10628 November 7, 1975. Small Business; Banking, Currency and Housing. Amends the Small Business Act by authorizing the Small Business Administration to make loans to individuals and home-builders for the purchase and installation of qualified solar heating or solar heating and cooling equipment procured from small business concerns.

Directs the Energy Research and Development Administration to (1) establish procedures for inspecting and evaluating solar heating and cooling equipment; (2) review new equipment as developed; (3) periodically review certifications of such equipment for validity; and (4) transmit pertinent data to the Small Business Administration for its use in certifying equipment for purposes of the loan program created by this Act.

H.R. 10629. November 7, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to study the feasibility of establishing the Florida Trail as a national scenic trail.

H.R. 10630. November 7, 1975. Judiciary. Increases the maximum penalty for persons convicted of conspiring to commit any offense against the United States or to defraud the United States. Establishes a separate, larger maximum penalty in the case of a corporation convicted of such an offense.

H.R. 10631. November 7, 1975. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to direct the Secretary of Transportation to provide financial assistance to States and local agencies in order to (1) reimburse the Consolidated Rail Corporation for the provision of passenger service, and (2) to defray additional costs of such service incurred by States and local agencies.

H.R. 10632. November 7, 1975. Interstate and Foreign Commerce; Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to direct the Secretary of Transportation to provide financial assistance to States and local agencies in order to: (1) reimburse the Consolidated Rail Corporation for the provision of passenger service, and (2) to defray additional costs of such service incurred by States and local agencies.

Amends the Regional Rail Reorganization Act with respect to: (1) passenger service assistance standards, (2) property transfers under the final system plan, (3) appropriations, (4) termination of rail service, and (5) passenger agreements.

H.R. 10633. November 7, 1975. Small Business. Amends the Small Business Act to revise the eligibility requirements for small business home-building firms for assistance under the Act. Stipulates that determinations by the Small Business Administration of the reasonable assurance of repayment of prospective loans shall be made on a case-by-case basis.

H.R. 10634. November 7, 1975. Ways and Means. Amends the Internal Revenue Code to deduct certain amounts paid during the taxable year as expenses for the education of the taxpayer, his spouse, or any dependents, for whom he is entitled to claim an exemption, at an institution of higher education or a trade or vocational school.

H.R. 10635. November 7, 1975. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer, who has incurred qualified educational expenses for the taxable year, to elect to defer payment of part or all of so much of the income tax imposed as does not exceed such taxpayer's qualified educational expenses for such year.

Establishes deferred installment payment procedures for taxpayers making such election.

H.R. 10636. November 7, 1975. Interstate and Foreign Commerce. Extends appropriations for emergency medical services systems, under the Public Health Service Act.

Authorizes the Secretary of Health, Education, and Welfare to make certain additional grants for emergency medical service projects and to make grants and enter into contracts with eligible schools and training centers for training programs in the techniques and methods of providing emergency medical services.

H.R. 10637. November 7, 1975. Interstate and Foreign Commerce. Amends the Securities Exchange Act of 1934 to prohibit foreign persons from controlling any American company which is engaged in the energy or defense industries.

H.R. 10638. November 7, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlord.

H.R. 10639. November 7, 1975. Interstate and Foreign Commerce. Grants standby authority to the President to allocate propane during natural gas shortages.

H.R. 10640. November 7, 1975. International Relations. Amends the Mutual Security Act of 1954 to require the Office of Munitions Controls to submit quarterly reports to certain Congressional committees with respect to the licensing and dollar amount of commercial arms exports.

H.R. 10641. November 7, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by allowing State Medicare and Medicaid plans to require: (1) that physicians be paid in full according to a uniform fee schedule; and (2) that any coinsurance or deductibles be paid by the patient to the State rather than to the physician.

H.R. 10642. November 7, 1975. Agriculture. Authorizes the Secretary of Agriculture to make loans through the Agricultural Credit Insurance Fund to agriculture producers in the United States who have sustained losses as a direct result of their food crops, animal feedcrops, livestock, or livestock products having been quarantined or condemned by a Federal or State official because such crops or livestock contained quantities of toxic chemicals dangerous to the public health.

H.R. 10643. November 7, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for certain losses sustained as the result of preparing for a permanent change of station as a member of the United States Air Force.

H.R. 10644. November 7, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10645. November 7, 1975. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 10646. November 7, 1975. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10647. November 7, 1975. Appropriations. Makes supplemental appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976.

H.R. 10648. November 10, 1975. Judiciary. Increases the penalties for use of a firearm in the commission of a felony.

H.R. 10649. November 10, 1975. Interstate and Foreign Commerce; Public Works and Transportation; Merchant Marine and Fisheries. Directs the Interstate Commerce Commission and the Federal Maritime Commission to establish nondiscriminatory rates for the transportation of recycled materials in commerce.

H.R. 10650. November 10, 1975. Interstate and Foreign Commerce. Amends the Securities Exchange Act of 1934 to require persons intending to file certain tender offers to disclose to the Securities and Exchange Commission such information and documents as the Commission may specify.

H.R. 10651. November 10, 1975. District of Columbia. Extends the authority of the Secretary of Health, Education, and Welfare to make grants to the Commissioner of the District of Columbia, under the District of Columbia Medical and Dental Manpower Act of 1970, for one additional year.

H.R. 10652. November 10, 1975. Merchant Marine and Fisheries. Directs the Secretary of the Interior to regulate the trapping and capture of mammals and birds on Federal lands. Establishes an advisory commission to recommend to the Secretary acceptable methods for trapping and capture of mammals and birds.

Prohibits use of unacceptable traps in interstate or foreign commerce. Prescribes regulations to prohibit the interstate shipment of hide, skin, feathers, or resulting products of the use of unacceptable traps.

H.R. 10653. November 10, 1975. Ways and Means. Revises the eligibility requirements for Disability Insurance benefits for blind persons under the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under the Social Security Act.

H.R. 10654. November 10, 1975. International Relations. Repeals the embargo on United States trade with North and South Vietnam under the Trading with the Enemy Act.

H.R. 10655. November 10, 1975. Government Operations; Rules. Abolishes certain Federal regulatory agencies unless, within the next three years: (1) the President recommends to Congress that any agency or agencies should not be abolishd; (2) the relevant committee investigates and publishes a report on such agency; and (3) the Congress adopts a concurrent resolution disapproving the abolition of such agency or agencies.

Requires three year automatic abolition of existing agencies unless similar positive approval is given by the President and Congress.

Allows for the transfer of agency functions to the President or a successor agency with the continuation of the present rules and proceedings.

H.R. 10656. November 10, 1975. Ways and Means. Amends the Internal Revenue Code to allow for the payment of interest at the rate of 5 percent upon the excess portion by which an individual's tax prepayments exceed the individual's liability for the income tax.

H.R. 10657. November 10, 1975. Merchant Marine and Fisheries. Authorizes appropriations to the Department of the Interior in order to provide additional financial assistance for consumer education and market development programs relating to United States fisheries. Establishes criteria for utilization of such funds by the Secretary of Commerce, acting through the National Marine Fisheries Service.

H.R. 10658. November 10, 1975. Public Works and Transportation. Authorizes participation by the Secretary of the Army, acting through the Chief of Engineers, in the modification of the Upper Baker project in Washington.

H.R. 10659. November 10, 1975. Armed Services. Authorizes cost-of-living increases in annuities payable under the Retired Serviceman's Family Protection Plan. Entitles widows and widowers who remarry at age 60 or thereafter to continued benefits under the Plan.

Permits the widow of a person who was entitled to retired or retainer pay at the time of his death, who is eligible for an annuity, to elect to receive either the annuity or an amount equal to 55 percent of the amount of the retired or retainer pay to which her spouse would have been entitled as of September 21, 1972.

H.R. 10660. November 10, 1975. Armed Services. Stipulates that civilian personnel engaged in industrially funded activities shall be excluded from the computation of the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

H.R. 10661. November 10, 1975. Ways and Means. Amends the Internal Revenue Code to exempt certain articles sold to any nonprofit volunteer firefighting or rescue organization for its exclusive use from the taxes on special fuels, automotive and related items, petroleum products, or communication services.

H.R. 10662. November 10, 1975. International Relations. Amends the United Nations Participation Act of 1945 to suspend United States participation in the activities of the United Nations General Assembly until the Congress approves renewal of such participation.

H.R. 10663. November 10, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for the expenses of education above the twelfth grade paid by the taxpayer for providing an education for himself or any other individual.

H.R. 10664. November 10, 1975. Judiciary. Specifies the tax treatment of a certain church under the Internal Revenue Code.

H.R. 10665. November 10, 1975. Judiciary. Directs the United States Postal Service to release and discharge the entire liability of a certain corporation for postage for specified mailings.

H.R. 10666. November 10, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10667. November 11, 1975. International Relations. Limits the authorization of appropriations and payments to the United Nations or any affiliated agency to the amount arrived at by the division of the total assessment of such organization by the number of states that are members of the United Nations General Assembly.

H.R. 10668. November 11, 1975. Ways and Means. Amends the Social Security Act by increasing the amount of outside income which an individual may earn without a reduction in Old-Age, Survivors, and Disability Insurance benefits.

H.R. 10669. November 11, 1975. Interior and Insular Affairs; Government Operations. Authorizes Federal assistance for the establishment of the Roberto Clemente Sports City Recreation Center in Puerto Rico.

H.R. 10670. November 11, 1975. Public Works and Transportation. Amends the Flood Control Act of 1950 to authorize the establishment of an emergency works improvement fund for use by the Secretary of the Army.

H.R. 10671. November 11, 1975. Judiciary. Amends the Immigration and Nationality Act to revise the immigration formula applicable to certain immigrants from colonies of foreign states.

H.R. 10672. November 11, 1975. House Administration. Authorizes and establishes procedures for public financing of primary and general election campaigns of candidates for election to Congress.

H.R. 10673. November 11, 1975. Ways and Means. Amends the Social Security Act to direct the Secretary of Health, Education, and Welfare to obtain and process certain data contained in information returns filed with and held by the Secretary of the Treasury. Revises the method for determining administrative costs of the Old-Age, Survivors, and Disability Insurance, Supplemental Security Income, and Medicare programs and for allocating such costs among the appropriate trust funds and the general fund of the Treasury.

Amends the Internal Revenue Code to authorize the Secretary of the Treasury to make information returns available to the Secretary of Health, Education, and Welfare.

H.R. 10674. November 11, 1975. Banking, Currency and Housing. Amends the Renegotiation Act of 1951 to revise the requirements for terms of office and political obligation of members of the Renegotiation Board.

Imposes penalties for the filing of false or misleading information.

H.R. 10675. November 11, 1975. Post Office and Civil Service. Requires the President to transmit a report of the Federal employee pay adjustment to Congress on or before September 1.

Eliminates the authority of the President to submit to Congress any pay plan which is an alternate to the plan prepared by his agent for achieving a rate of pay for Federal employees comparable to that of employees in private enterprise.

H.R. 10676. November 11, 1975. Post Office and Civil Service. Fixes the annual rate of pay for Members of Congress at the rate in effect on September 30, 1975.

H.R. 10677. November 11, 1975. Ways and Means. Amends the Internal Revenue Code to exempt certain articles sold to any nonprofit volunteer firefighting or rescue organization for its exclusive use from the taxes on special fuels, automotive and related items, petroleum products, or communication services.

H.H. 10678. November 11 1975. Post Office and Civil Service. Provides for the reinstatement of the civil service annuity: (1) of a surviving spouse of an employee of the Congress when such annuity was terminated because of the remarriage of such spouse before July 18, 1966; and (2) of a surviving spouse of a Member of Congress who died before January 18, 1971, when such annuity was terminated because of the remarriage of such spouse.

H.R. 10679. November 11, 1975. Armed Services. Stipulates that civilian personnel engaged in industrially funded activities shall be excluded from the computation of the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

H.R. 10680. November 11, 1975. Banking, Currency and Housing. Amends the Renegotiation Act of 1951 to revise the requirements for terms of office and political affiliation of members of the Renegotiation Board. Revises procedures for presentation and resolution of renegotiation issues by the Board.

Eliminates exemptions for certain contracts from the requirements of the Act. Imposes penalties for the filing of false or misleading information.

H.R.10681. November 11, 1975. Ways and Means. Amends the Internal Revenue Code to exclude the definition of the term "capital asset" from a publication of the United States Government which is received from such Government or any agency thereof other than by purchase at the price for which it is offered for sale to the public.

H.R. 10682. November 11, 1975. Judiciary. Amends the Bankruptcy Act to permit political subdivisions which are creditors of a railroad to seize real estate of the railroad under certain conditions.

H.R. 10683. November 11, 1975. Government Operations. Requires, with certain exceptions, that meetings of Government agencies be open to the public.

H.R. 10684. November 11, 1975. Agriculture. Directs the Secretary of Agriculture to establish a program for the protection and conservation of shelterbelt areas. Permits landowners and operators of such areas to agree to a conservation plan in return for annual payments by the Secretary for participation in the program.

H.R. 10685. November 11, 1975. Ways and Means. Amends the Internal Revenue Code to permit an additional exemption for a taxpayer who is a qualified member of service organization which is operated to provide firefighting, ambulance, or rescue services to a community which otherwise would have no such services.

H.R. 10686. November 11, 1975. Post Office and Civil Service. Requires the Secretary of Commerce to transfer population census records to the Administrator of General Services for deposit with the National Archives within 50 years after a census, and that such records be made available after 75 years to persons conducting research for genealogical or other purposes.

H.R. 10687. November 11, 1975, Interstate and Foreign Commerce. Amends the Natural Gas Act to prohibit the Federal Power Commission from regulating certain transactions involving new natural gas. Directs the Commission to establish a ceiling price on new natural gas produced from offshore Federal lands to remain in effect through December 31, 1980.

Amends the Energy Supply and Environmental Coordination Act of 1974 to authorize the Administration of the Environmental Protection Agency to prohibit the use of natural gas as boiler fuel by major fuel burning installations if adequate alternatives are available.

Grants standby authority to the Presidency to allocate propane during natural gas shortages.

H.R. 10688. November 11, 1975. Armed Services. Forbids characterization of separation from the armed forces on any discharge certificate. Describes conditions under which an other than honorable discharge may be issued. Sets forth procedures for issuing an other than honorable discharge.

H.R. 10689. November 11, 1975. Ways and Means. Amends the Tariff Schedules of the United States to permit duty-free importation of jewelry to be distributed free to spectators by participants in parades, carnivals, and similar events.

H.R. 10690. November 11, 1975. Rules. Repeals titles I through IX of the Congressional Budget and Impoundment Control Act of 1974.

H.R. 10691.—November 11, 1975. Judiciary. Increases the maximum penalty for persons convicted of conspiracy to commit any offense against the United States or to defraud the United States. Establishes a separate, larger maximum penalty in the case of a corporation convicted of such an offense.

H.R. 10692. November 11, 1975. Judiciary. Increases the maximum penalty for persons convicted of conspiracy to commit any offense against the United States or to defraud the United States. Establishes a separate, larger maximum penalty in the case of a corporation convicted of such an offense.

H.R. 10693. November 11, 1975. Armed Services. Requires the Chief of Naval Operations and the Chiefs of Staff of the Army and Air Force to keep the Secretaries of their respective services fully and currently informed on all matters considered and matters acted upon by the Joint Chiefs of Staff.

H.R. 10694. November 11, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to authorize and direct the Secretary of Transportation to pay overdue State and local taxes on behalf of railroads in reorganization.

H.R. 10695. November 11, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to make loans to certain cities and counties for the establishment of nonprofit clinics for the spaying and neutering of dogs and cats.

Requires the use of professional and paraprofessional personnel by the clinics. Authorizes the Secretary of Health, Education, and Welfare to make grants for the purpose of training paraprofessionals.

H.R. 10696. November 11, 1975. Interstate and Foreign Commerce. Creates a fossil fuel rail bank to consist of recommended rail trackage and other rail properties selected from those presently existing in areas of the United States in which fossil fuel natural resources are located.

H.R. 10697. November 11, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act to empower the United States Railway Association to purchase Consolidated Rail Corporation securities.

Limits court powers regarding judgment against the Corporation.

Permits transfer of rail properties to or from the Corporation subesquent to the effective date of the Final System Plan.

Alters composition and duties of the Board of Directors of the Corporation. Authorizes the Secretary of Transportation to subsidize local rail service continuation.

Authorizes the analysis of lines of a railroad in reorganization by the Interstate Commerce Commission. Authorizes the Association to transfer analyzed rail properties to the Corporation or another railroad.

H.R. 10698. November 11, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to authorize and regulate the purchase of securities of the United States Railway Association.

Authorizes the Secretary of Transportation to make loans to such Corporation for "supplementary transactions".

Modifies procedures with respect to (1) composition of the Board of Directors of such Corporation, (2) transfers involving profitable railroads, (3) court proceedings, (4) securities, (5) designations to the National Railroad Passenger Corporation outside the Northeast corridor, and (6) transfers to subsidiaries or affiliates of the Consolidated Rail Corporation.

Eliminates the previously existing limitation on appropriations for the administrative functions of the Association.

H.R. 10699. November 11, 1975. Interstate and Foreign Commerce; Ways and Means. Prohibits any person from performing psychosurgery in any federally connected health care facility or such facility from allowing any person to perform psychosurgery.

Imposes penalties for violations of such prohibition.

Establishes the Psychosurgery Commission which shall be empowered to issue subpenas requiring the attendance and testimony of witnesses, to assess civil penalties, and to bring civil action to restrain violations of such Act.

Authorizes individuals upon whom psychosurgery was performed to bring a civil action for damages against the person performing or the facility in which such psychosurgery was performed.

H.R. 10700. November 11, 1975. Judiciary. Declares a certain individual eligible for naturalization under the Immigration and Nationality Act.

H.R. 10701. November 12, 1975. Education and Labor. Establishes the National Professions Foundation in the Executive Branch for the purpose of assessing the current status of, and encouraging the future development of, the public professions where necessary for the solution of national problems.

H.R. 10702. November 12, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to direct the Federal Power Commission to establish controls on the price of new natural gas. Allows small producers and producers of new, liquefied or synthetic natural gas to charge rates in excess of price control levels.

Establishes minimum production requirements for natural gas. Directs the Federal Power Commission to prohibit boiler fuel use of natural gas and propane.

Sets forth procedures for allocation of natural gas for emergencies and for essential agricultural purposes.

H.R. 10703. November 12, 1975. Judiciary; Standards of Official Conduct. Requires candidates for Federal office, Members of Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 10704. November 12, 1975. Post Office and Civil Service. Requires that buildings constructed for use by the United States Postal Service be designed and constructed so as to be accessible to the physically handicapped.

H.R. 10705. November 12, 1975. Post Office and Civil Service. Requires that buildings constructed for use by the United States Postal Service be designed and constructed so as to be accessible to the physically handicapped.

H.R. 10706. November 12, 1975. Post Office and Civil Service. Requires that buildings constructed for use by the United States Postal Service be designed and constructed so as to be accessible to the physically handicapped.

H.R. 10707. November 12, 1975. Post Office and Civil Service. Requires that buildings constructed for use by the United States Postal Service be designed and constructed so as to be accessible to the physically handicapped.

H.R. 10708. November 12, 1975. Post Office and Civil Service. Requires that buildings constructed for use by the United States Postal Service be designed and constructed so as to be accessible to the physically handicapped.

H.R. 10709. November 12, 1975. Education and Labor. Directs the Secretary of Labor, under the Employee Retirement Income Security Act, to prescribe for pension plans with fewer than 100 participants simplified plan description and criminal report requirements, and a simplified disclosure of accrued benefits statement to participants.

H.R. 10710. November 12, 1975. Education and Labor. Amends the Higher Education Act of 1965 to establish penalties for the furnishing of fraudulent information and for the misuse of funds connected with Federal student aid programs.

H.R. 10711. November 12, 1975. Veterans' Affairs. Redefines the term "discharge or release" to include a discharge or release from active military, naval, or air service given an individual on the condition that such individual immediately reenter such service, where the service so reentered is terminated by a discharge or release which would disqualify the individual for veterans' benefits.

H.R. 10712. November 12, 1975. Veterans' Affairs. Increases the non-service-connected disability pension paid by the Administrator of veterans' Affairs to veterans in need of regular aid and attendance.

H.R. 10713. November 12, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to assign and pay the applicable rate of compensation for full service-connected disability to a veteran who has suffered the loss or loss of use of one limb as a result of a service-connected disability, and has suffered the loss or loss of use of the other limb such as to cause total disability, as a result of a non-service-connected disability not the result of his own willful conduct.

H.R. 10714. November 12, 1975. Education and Labor. Establishes procedures and guidelines for the establishment of equal educational opportunity for students in elementary and secondary schools. Requires that states submit equal educational opportunities plans to the Secretary of Health, Education and Welfare for his approval. Establishes criteria for approval of plans and eligibility for Federal assistance.

H.R. 10715. November 12, 1975. House Administration. Establishes a Voter Registration Administration within the General Accounting Office for the purpose of administering a voter registration program.

H.R. 10716. November 12, 1975. Ways and Means. Amends the Social Security Act to authorize Federal payments to States for programs providing certain social services to certain groups of individuals without requiring a determination of each participant's eligibility.

H.R. 10717. November 12, 1975. Rules. Requires the report accompanying each bill or joint resolution of a public character reported by any committee of the Senate or the House of Representatives, excluding the Committees on Appropriations, to contain a statement estimating the number, complexity, and costs of reports which would be required to be made or kept by private business enterprises, as a result of the enactment of such bill or resolution.

H.R. 10718. November 12, 1975. Interstate and Foreign Commerce; Ways and Means. Guarantees every patient or resident in a federally assisted long-term care facility, prior to his or her involuntary removal from such facility, (1) written notice of such removal, and (2) an opportunity for a fair administrative hearing to inform such individual of the reasons for such removal, of any alternative forms of care which are reasonably obtainable, and of any legal or administrative remedies which may be available if such individual feels such removal is improper.

H.R. 10719. November 12, 1975. International Relations. Amends the United States Participation Act of 1945 to limit contributions of the United States to the United Nations to an amount proportional to the United States vote in the United Nations General Assembly.

H.R. 10720. November 12, 1975. Interior and Insular Affairs. Defines the Menominee Indian Tribe of Wisconsin, under the Menominee Restoration Act, as the Institute for which hospital and medical care was being provided, by or at the expense of the Public Health Service, on the date of August 16, 1957.

H.R. 10721. November 12, 1975. Public Works and Transportation. Modifies the flood control project for west Tennessee tributaries to authorize additional construction by the Secretary of the Army, acting through the Chief of Engineers.

H.R. 10722. November 12, 1975. Interior and Insular Affairs; Government Operations. Authorizes Federal assistance for the establishment of the Roberto Clemente Sports City Recreation Center in Puerto Rico.

H.R. 10723. November 12, 1975. International Relations. Suspends United States participation in the activities of the United Nations General Assembly pending congressional approval of renewal of such participation.

Directs the President to reduce any payments made by the United States to the United Nations by the amount he determines would be used to support activities of the General Assembly.

H.R. 10724. November 12, 1975. Judiciary. Authorizes the admission of a certain individual to the United States for permanent residence.

H.R. 10725. November 12, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10726. November 12, 1975. Judiciary. Relieves a certain Army retiree of all liability to the United States for specified overpayments of retired pay.

H.R. 10727. November 13, 1975. Ways and Means. Amends the Social Security Act to revise certain procedures governing the conduct of hearings and review of decisions with respect to the eligibility of individuals for supplemental security income benefits.

H.R. 10728. November 13, 1975. Judiciary. Authorizes garnishment of the wages of active and retired Federal employees.

H.R. 10729. November 13, 1975. Ways and Means. Amends the Internal Revenue Code to tax unmarried individuals at the same rate as married individuals filing jointly, and to apply the same requirements for requiring a declaration of estimated income tax and for withholding income tax from wages.

H.R. 10730. November 13, 1975. Interstate and Foreign Commerce. Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970 by establishing minimum mandatory sentences for persons convicted of offenses involving narcotic drugs. Details procedures to be used in determining whether to grant pretrial and posttrial release of persons charged with offenses involving certain narcotic drugs.

Makes all moneys used, or intended for use in illegally manufacturing, distributing, dispensing or acquiring any controlled substances subject to forfeiture to the United States.

H.R. 10731. November 13, 1975. Ways and Means. Amends the Internal Revenue Code to exclude limited amounts received as dividends or interest on deposits in a savings institution.

H.R. 10732. November 13, 1975. Interstate and Foreign Commerce; Ways and Means. Directs the President to establish a maximum price ceiling for domestically produced crude oil at $11.50 per barrel. Removes oil import tariffs and provides for refunds of any such duties collected after October 1, 1975 to the ultimate consumers of such petroleum products.

Stipulates that the President shall not have the authority to adjust imports of petroleum and petroleum products.

H.R. 10733. November 13, 1975. Post Office and Civil Service. Requires that buildings constructed for use by the United States Postal Service be designed and constructed so as to be accessible to the physically handicapped.

H.R. 10734. November 13, 1975. Armed Services: Merchant Marine and Fisheries. Revises the method of filling appointments to the Military Academy, the Naval Academy, the Air Force Academy, and to the Merchant Marine Academy in order to base such appointments on competitive examinations and eliminate the appointment of individuals by Members of Congress.

H.R. 10735. November 13, 1975. Agriculture. Amends the Food Stamp Act of 1964 by revising (1) eligibility standards; (2) the method of determining the coupon allotment; and (3) administration of the program by State agencies.

H.R. 10736. November 13, 1975. Education and Labor. Amends the Domestic Volunteer Service Act of 1973 to stipulate that developmentally disabled children receiving services under the foster grandparent program may continue to receive such services without regard to age.

H.R. 10737. November 13, 1975. Education and Labor. Amends the Domestic Volunteer Service Act of 1973 to stipulate that developmentally disabled children receiving services under the foster grandparent program may continue to receive such services without regard to age.

H.R. 10738. November 13, 1975. International Relations. Limits contributions of the United States to the United Nations to an amount which bears the same ratio to the total budget of the United Nations as the total population of the United States bears to the total population of all the member states of the United Nations.

H.R. 10739. November 13, 1975. International Relations. Amends the United Nations Participation Act of 1945 to suspend United States participation in the activities of the United Nations General Assembly until the Congress approves renewal of such participation.

H.R. 10740. November 13, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that the appropriate congressional committees conduct a comprehensive review of all Federal programs every two years. Specifies the review method to be followed.

H.R. 10741. November 13, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to authorize and direct the Secretary of Transportation to pay overdue State and local taxes on behalf of railroads in reorganization.

H.R. 10742. November 13, 1975. Ways and Means. Amends the Social Security Act to include New Jersey in the list of States which may establish a divided retirement system in order to provide social security coverage of State and local employees under an agreement between the State and the Secretary of Health, Education, and Welfare.

H.R. 10743. November 13, 1975. Banking, Currency and Housing. Extends the provisions of the Renegotiation Act of 1951 until December 31, 1976.

H.R. 10744. November 13, 1975. Public Works and Transportation. Directs each State to require the use of safety belts in light-duty motor vehicles as part of the highway safety program of each State.

H.R. 10745. November 13, 1975. Armed Services. Establishes the position of Special Assistant to the President for National Security Affairs.

H.R. 10746. November 13, 1975. Interstate and Foreign Commerce. Directs the Federal Energy Administrator to establish a program for the allocation of propane. Establishes criteria to provide for the equitable distribution of supplies of propane during natural gas shortages.

H.R. 10747. November 13, 1975. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a segment of the Flathead River in Montana as a component of the National Wild and Scenic Rivers System.

H.R. 10748. November 13, 1975. Interstate and Foreign Commerce; Public Works and Transportation; Ways and Means. Revises the warning label on cigarette packages and requires the inclusion on such packages of a label bearing a statement of the tar and nicotine content.

Prohibits smoking in any enclosed area open to the public in any Federal facility or interstate passenger carrier facility.

Requires the separation of smokers and nonsmokers in any restaurant, other dining facility, recreation room, or lounge in any Federal facility or interstate passenger carrier facility. Recommends, whenever possible, the separation of smoking and nonsmoking Federal employees.

Imposes an increased tax on cigarettes and authorizes the use of such revenues for cigarette-related disease research.

H.R. 10749. November 13, 1975. Ways and Means. Amends the Social Security Act by revising the eligibility requirements for divorced women for wife's or widow's Old-Age, Survivors and Disability Insurance benefits.

H.R. 10750. November 13, 1975. Ways and Means. Amends the Social Security Act by entitling individuals who perform homemaker service, not for remuneration, to Old-Age, Survivors, and Disability Insurance coverage.

Amends the Internal Revenue Code of 1954 by redefining self-employment for the purpose of social security taxation to include performing homemaker service.

H.R. 10751. November 13, 1975. Ways and Means. Amends the Internal Revenue Code to require the Secretary of the Treasury to report to the Joint Committee on Internal Revenue Taxation the specific criteria and procedures used to audit returns and to report certain information regarding audits completed in the previous twelve months.

H.R. 10752. November 13, 1975. Public Works and Transportation. Grants permanent easements for the construction of docks on certain property of the United States which is under the jurisdiction of the Secretary of the Army.

H.R. 10753. November 13, 1975. Interior and Insular Affairs. Prohibits mining activities within any area of the National Park System. Repeals certain existing provisions which permit mining and specified national parks, monuments, and memorials.

H.R. 10754. November 13, 1975. Interior and Insular Affairs. Prohibits mining activities within any area of the National Park System. Repeals certain existing provisions which permit mining in specified national parks, monuments, and memorials.

H.R. 10755. November 13, 1975. Interstate and Foreign Commerce. Extends the Emergency Petroleum Allocation Act of 1973 until December 15, 1975.

H.R. 10756. November 13, 1975. Public Works and Transportation; Merchant Marine and Fisheries. Establishes strict liability for damages caused by oil spills. Creates within the Department of Transportation an agency to settle claims arising from oil spills and to assist in providing compensation for oil spill damage.

H.R. 10757. November 13, 1975. Judiciary. Deems a certain individual the immediate relative of a citizen of the United States for purposes of the Immigration and Nationality Act.

H.R. 10758. November 14, 1975. Education and Labor. Includes as an unlawful employment practice under the Civil Rights Act of 1964, discrimination against an individual for prior drug abuse by any employer, employment agency, labor organization, training program, or the Federal Government, or the printing or publishing of notice advertisements indicated prohibited preferences.

H.R. 10759. November 14, 1975. Agriculture. Directs the Secretary of Agriculture to establish under the Agricultural Adjustment of 1938 a national acreage allotment for rice to maintain adequate supplies and to prevent excessive carryover stocks. Imposes an established price for rice under the Agricultural Act of 1949.

H.R. 10760. November 14, 1975. Education and Labor. Amends the Federal Coal Mine Health and Safety Act to revise the black lung benefits program established under such Act. Promulgates new standards for eligibility for such benefits.

Creates the Black Lung Disability Insurance Fund to be administered by coal mine operators for the payment of claims.

H.R. 10761. November 14, 1975. International Relations. Limits the authorization of appropriations and payments to the United Nations or any affiliated agency to the amount arrived at by the division of the total assessment of such organization by the number of states that are members of the United Nations General Assembly.

H.R. 10762. November 14, 1975. International Relations. Establishes a Commission on Security and Cooperation in Europe to monitor the acts of the signatories which reflect compliance with the Final Act of the Conference on Security and Cooperation in Europe.

H.R. 10763. November 14, 1975. Interior and Insular Affairs; Merchant Marine and Fisheries; Judiciary. Amends the Coastal Zone Management Act to grant the consent of Congress to certain interstate compacts between coastal States for the purpose of coordination, planning, and management of the land and water resources of the affected States. Authorizes Federal grants to appropriate interstate compact agencies.

Amends the Outer Continental Shelf Lands Act to establish requirements for leasing and development plans to be developed by compact agencies. Establishes a special fund in the Treasury for return of a share of Federal revenues from Outer Continental Shelf leases to the States.

H.R. 10764. November 14, 1975. International Relations. Declares that no debt owed to the United States by any foreign country may be settled in an amount less than the full value of the debt except by concurrent resolution of the Congress.

H.R. 10765. November 14, 1975. International Relations. Declares that no debt owed to the United States by any foreign country may be settled in an amount less than the full value of the debt except by concurrent resolution of the Congress.

H.R. 10766. November 14, 1975. International Relations. Declares that no debt owed to the United States by any foreign country may be settled in an amount less than the full value of the debt except by concurrent resolution of the Congress.

H.R. 10767. November 14, 1975. Judiciary. Incorporates the National Ski Patrol System, Incorporated.

H.R. 10768. November 14, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals for automobile expenses incurred in pursuant of a trade or business or in the course of employment and as a condition for such employment except that the expense incurred in travel from home to the first point of business and from the last place of business to home may be deemed to be nondeductible commuting expenses.

H.R. 10769. November 14, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Transportation to assist in financing improvements to rail facilities and equipment on the mainline passenger route between Boston, Massachusetts and Washington, District of Columbia, via, New London, Connecticut and the Hell Gate Bridge.

H.R. 10770. November 14, 1975. Merchant Marine and Fisheries. Directs the Secretary of the Interior to regulate the trapping and capture of mammals and birds on Federal lands. Establishes an advisory commission to recommend to the Secretary acceptable methods for trapping and capture of mammals and birds.

Prohibits the use of unacceptable traps in interstate shipment of hide, skin, feathers, or resulting products of the use of unacceptable traps.

H.R. 10771. November 14, 1975. Government Operations. Requires the Administrator of General Services, where specific amount of land is Federal real property within a State or local governmental unit, to pay to such unit amounts equivalent to the property taxes which would have been collected had the property been privately owned.

H.R. 10772. November 14, 1975. Banking, Currency and Housing. Amends the Real Estate Settlement Procedures Act of 1974 (1) to redefine "federally related mortgage loan", and (2) to repeal requirements for uniform settlement statements, advance disclosure of settlement costs, and disclosure of previous selling price.

Amends such Act with respect to (1) information booklets prepared by the Secretary of Housing and Urban Development, (2) prohibitions against kickbacks and unearned fees, and (3) regulation of borrower escrow accounts.

Permits the Secretary to exempt lenders of such loans from compliance with State settlement laws.

H.R. 10773. November 14, 1975. Ways and Means. Amends the Internal Revenue Code to increase the personal exemption to $1,000 and to provide additional exemptions for a taxpayer who has attained age 65 or a taxpayer who is blind.

H.R. 10774. November 14, 1975. Interstate and Foreign Commerce. Prohibits the U.S. Consumer Product Safety Commission from making any ruling that restricts the manufacture or sale of firearms or firearm ammunition.

H.R. 10775. November 14, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make repayable emergency rent payments on behalf of certain tenants who are, or will be, subject to eviction proceedings as a result of unemployment or underemployment.

H.R. 10776. November 14, 1975. Agriculture. Establishes the Task Force on Bee-Grading Standards, within the Department of Agriculture, to make recommendations with respect to prescribing regulations establishing new bee-grading standards to replace existing standards.

Directs the Secretary of Agriculture (1) to publish the new standards in the Federal Register; (2) to prepare notices for display, at no cost, in all retail stores selling beef, which describe the new standards; and (3) to establish and maintain a program for educating consumers with regard to the new standards.

H.R. 10777. November 14, 1975. Judiciary. Authorizes the admission of a certain individual to the United States for permanent residence.

H.R. 10778. November 14, 1975. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 10779. November 17, 1975. Education and Labor. Amends the Labor-Management Reporting and Disclosure Act of 1959 to stipulate that elections of officers of intermediate bodies of labor organizations may be by officers representative of the members in good standing only if any officer representative of less than fifty members is entitled to one vote and any officer representative of more than fifty members is entitled to one additional vote for every additional fifty members.

H.R. 10780. November 17, 1975. Education and Labor. Amends the Labor-Management Reporting and Disclosure Act of 1959 to prohibit consolidation of local labor organizations unless such consolidation has been approved by a majority vote of the members of each local labor organization to be consolidated.

H.R. 10781. November 17, 1975. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 10782. November 17, 1975. Agriculture. Stipulates that applicants for emergency loans, under the Consolidated Farm and Rural Development Act, must be unable to obtain sufficient credit elsewhere at reasonable rates for all losses suffered after the 1974 year.

H.R. 10783. November 17, 1975. Post Office and Civil Service. Requires that buildings constructed for use by the U.S. Postal Service be designed and constructed so as to be accessible to the physically handicapped.

H.R. 10784. November 17, 1975. Banking, Currency and Housing. Amends the National Housing Act to increase mortgage limits under homeownership assistance programs administered by the Secretary of Housing and Urban Development.

H.R. 10785. November 17, 1975. Public Works and Transportation. Directs heads of various Federal agencies which have jurisdiction over flood control projects to eliminate nonenvironmental procedural requirements in order to accelerate construction of such projects.

H.R. 10786. November 17, 1975. Post Office and Civil Service. Authorizes payment of overtime pay to certain employees of the Department of Agriculture, Animal and Plant Health Inspection Service.

H.R. 10787. November 17, 1975. Education and Labor. Requires recipients of Federal aid to higher education to provide for the registration of qualified senior citizens, as defined in this act, without charge or tuition, for scheduled classes and programs on a space available basis.

H.R. 10788. November 17, 1975. Post Office and Civil Service. Prohibits any reduction of health benefits, increase of premium payment charges, or exclusion of any type of provider of health service under a plan offered to Federal employees unless notice of proposed modifications has been published and a hearing concerning such modifications has been held.

H.R. 10789. November 17, 1975. Ways and Means. Amends the Social Security Act to maintain the inpatient hospital deductible under the medicare program at its 1975 level.

H.R. 10790. November 17, 1975. Armed Services. Authorizes the President of the United States to present a Medal of Honor to a certain individual.

H.R. 10791. November 17, 1975. Judiciary. Relieves a certain individual of all liability to the United States with respect to a specified veteran's mortgage guaranteed by the United States.

H.R. 10792. November 17, 1975. Judiciary. Declares a certain individual eligible for naturalization under the Immigration and Nationality Act.

H.R. 10793. November 17, 1975. Judiciary. Deems certain individuals to have a specified priority date on a certain foreign state limitation, for purposes of the Immigration and Nationality Act.

H.R. 10794. November 18, 1975. International Relations. Repeals the embargo on United States trade with North and South Vietnam under the Trading with the Enemy Act.

H.R. 10795. November 18, 1975. Rules. Directs the President to develop a long-term balanced economic growth plan, to be prepared by the Council of Economic Advisers. Establishes procedures for Congressional review of the plan and implementation by the Executive Branch.

H.R. 10796. November 18, 1975. Public Works and Transportation. Authorizes appropriations for the construction of certain highway projects under the Federal-Aid Highway Act of 1956, the National System of Interstate and Defense Highways, and the Highway Trust Fund. Authorizes specific projects under the Federal-Aid Highway Act and revises certain projects previously authorized under the Act.

H.R. 10797. November 18, 1975. Education and Labor; Veterans' Affairs. Amends the Higher Education Act of 1965 to extend for three years, until September 30, 1978, the veterans cost-of-instruction payments program, under which institutions of higher education may receive payments on behalf of veterans attending such institutions.

Requires institutions receiving such funds to place special emphasis on assisting educationally disadvantaged veterans.

H.R. 10798. November 18, 1975. District of Columbia. Extends the authority of the Secretary of Health, Education, and Welfare to make grants to the Commissioner of the District of Columbia, under the District of Columbia Medical and Dental Manpower Act of 1970, for one additional year.

H.R. 10799. November 18, 1975. Education and Labor. Amends the Legal Services Corporation Act of 1975 to authorize participation of the Corporation in legal research projects through grants or contracts. Stipulates that such activity shall not exceed ten percent of the Corporation's annual appropriation in any fiscal year.

H.R. 10800. November 18, 1975. Judiciary. Prohibits employees of the United States from engaging in specified national security crimes. Imposes penalties for the commission of such crimes.

Establishes an independent office to be known as the Legal Office of National Security Affairs to be directed by the National Security Solicitor for the purpose of enforcing the prohibitions specified in this Act.

H.R. 10801. November 18, 1975. Interstate and Foreign Commerce. Amends the Controlled Substances Act to make the possession of specified amounts of marihuana for private use and the distribution, transfer or sale of marihuana, lawfully possessed, to any person for private use if such distribution, transfer or sale is not for profit, an offense for which a person may be subject to a civil fine of not more than $100.

H.R. 10802. November 18, 1975. Ways and Means. Amends the Social Security Act to authorize States to provide day treatment and in-home services to any child or family experiencing problems which such services would assist in solving, and to any other child or family where parental difficulties may jeopardize the physical, emotional, or psychological condition of the child.

H.R. 10803. November 18, 1975. Ways and Means. Amends the Social Security Act to authorize States to provide day treatment and in-home services to any child or family experiencing problems which such services would assist in solving, and to any other child or family where parental difficulties may jeopardize the physical, emotional, or psychological condition of the child.

H.R. 10804. November 18, 1975. Government Operations; Rules. Abolishes certain Federal regulatory agencies unless, within the next three years, (1) the President recommends to Congress that any agency or agencies should not be abolished; (2) the relevant committee investigates and publishes a report on such agency; and (3) the Congress adopts a concurrent resolution disapproving the abolition of such agency or agencies.

Requires three year automatic abolition of existing agencies unless similar positive approval is given by the President and Congress.

Allows for the transfer of agency functions to the President or a successor agency with the continuation of the present agency's rules and proceedings.

H.R. 10805. November 18, 1975. Judiciary. Amends the Bankruptcy Act to permit political subdivisions which are creditors of a railroad to seize real estate of the railroad under certain conditions.

H.R. 10806. November 18, 1975. Public Works and Transportation; Banking, Currency and Housing. Amends the Flood Disaster Protection Act of 1973 to establish limitations on the amount of flood insurance required as a condition for receiving Federal financial assistance for flood damage to buildings and mobile homes.

H.R. 10807. November 18, 1975. Interstate and Foreign Commerce. Extends appropriations, under the Motor Vehicle Information and Cost Savings Act, for the promulgation and enforcement of automobile bumper standards, for automobile consumer information studies, and for diagnostic inspection demonstration projects.

Imposes civil and criminal penalties for violations of the prohibition against tampering with automobile odometers.

Authorizes the Secretary of Transportation to conduct any investigation or inspection or to require automobile dealers and distributors to keep such records as are necessary to enforce such prohibition.

H.R. 10808. November 18, 1975. Ways and Means. Amends the Social Security Act to authorize the appropriation of such funds as may be necessary for conducting a program of international research and demonstration projects in social welfare in cooperation with other nations, and for initiating a program for the exchange of experts and technical assistance with other nations in the same field.

H.R. 10809. November 18, 1975. International Relations. Reduces the amount of United States contribution to the United Nations.

H.R. 10810. November 18, 1975. Post Office and Civil Service. Requires the Postal Service to provide for the collection of mail from any permanent residential address receiving door delivery whether or not the mail carrier involved has any mail for delivery to such address.

H.R. 10811. November 18, 1975. Public Works and Transportation. Renames a certain reservoir on the Alabama River in Alabama the R. E. "Bob" Woodruff Reservoir.

H.R. 10812. November 18, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10813. November 19, 1975. Ways and Means. Amends the Internal Revenue Code to impose an unjust enrichment tax with respect to any license fee on the importation of petroleum or petroleum products if the Supreme Court has held such fee to be invalid and the person who is entitled to a refund of such fee or who was liable for but did not pay such fee establishes that such person bore the burden of such fee and did not pass the burden on to any other person.

H.R. 10814. November 19, 1975. Ways and Means. Amends the Internal Revenue Code to continue in effect the reductions in the individual income tax rates and the corporate tax rates, and the increase in the corporate surtax exemption made by the Tax Reduction Act of 1975.

H.R. 10815. November 19, 1975. Interstate and Foreign Commerce. Prohibits the introduction or delivery for introduction into commerce of the chemical compounds known as polychlorinated biphenyls by deeming such compounds to be "banned hazardous substances" under the Federal Hazardous Substances Act.

H.R. 10816. November 19, 1975. Public Works and Transportation. Terminates the Airlines Mutual Aid Agreement.

H.R. 10817. November 19, 1975. Ways and Means. Amends the Internal Revenue Code to extend and to increase the maximum and minimum aggregate amounts of the deduction for depreciation of expenditures to rehabilitate low-income rental housing.

H.R. 10818. November 19, 1975. Agriculture. Directs the Secretary of Agriculture to establish under the Agricultural Adjustment Act of 1938 a national acreage allotment for rice to maintain adequate supplies and to prevent excessive carryover stocks. Imposes an established price for rice under the Agricultural Act of 1949.

H.R. 10819. November 19, 1975. Education and Labor. Directs the Secretary of Health, Education, and Welfare to establish multipurpose service programs for displaced homemakers designed to assist them in obtaining employment and educational opportunities.

Authorizes a study of existing Federal programs to determine the feasibility of participation by displaced homemakers.

H.R. 10820. November 19, 1975. Education and Labor. Directs the Secretary of Health, Education, and Welfare to establish multipurpose service programs for displaced homemakers designed to assist them in obtaining employment and educational opportunities.

Authorizes a study of existing Federal programs to determine the feasibility of participation by displaced homemakers.

H.R. 10821. November 19, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments and reports to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 10822. November 19, 1975. Post Office and Civil Service. Prohibits collective bargaining agreements between the Postal Service employee labor organizations from containing any provision which would preclude Postal Service employees from being represented in grievance and adverse actions arising under the agreement by representatives of their own choosing. Entitles such representatives to be present during any proceeding upon such grievances or adverse action.

H.R. 10823. November 19, 1975. Ways and Means. Amends the Old-Age, Survivors, and

Disability Insurance program of the Social Security Act to permit the computation of the benefits payable to a married couple, or to the surviving widow or widower, to be made on the basis of their combined earnings.

H.R. 10824. November 19, 1975. Ways and Means; Judiciary. Directs the Federal Energy Administration to retain all fees collected under the oil import fee program for eventual distribution to consumers.

H.R. 10825. November 19, 1975. Ways and Means; Judiciary. Directs the Federal Energy Administration to retain all fees collected under the oil import fee program for eventual distribution to consumers.

H.R. 10826. November 19, 1975. District of Columbia. Imposes criminal penalties in the District of Columbia for failure to return a motor vehicle rented or leased under a written agreement providing for the return of the vehicle to a particular place at a particular time, where such return is not made within eighteen days after written demand is made for its return.

H.R. 10827. November 19, 1975. Interstate and Foreign Commerce. Establishes the Office of Mental Health and Disability Advocacy Services, under the Community Mental Health Centers Act, to enter into contracts with States to assist them in meeting the costs of establishing and maintaining a program of mental health advocacy services for patients in mental health facilities.

H.R. 10828. November 19, 1975. Veterans' Affairs. Entitles veterans of the Mexican border period or of World War I and their widows to pensions on the same basis as veterans of the Spanish-American War and their widows.

H.R. 10829. November 19, 1975. Judiciary. Specifies that any person, including officers or employees of the Federal Government or elected officials thereof, who makes false statements in matters within the jurisdiction of a department or agency of the United States shall be guilty of a Federal offense.

H.R. 10830. November 19, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to authorize the Federal Communications Commission to grant licenses and license renewals for 5 year terms.

Revises the Act to allow certain appeals from orders or decisions of the Commission to be brought in the United States Court of Appeals for the circuit in which the broadcast facility is, or is proposed to be located.

Requires the Commission to examine its broadcast license renewal process to determine how the process can be simplified.

H.R. 10831. November 19, 1975. Ways and Means. Amends the Tariff Schedules of the United States to abolish the import duty on softwood veneers for use in making plywood.

H.R. 10832. November 19, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to make scholarship grants to individuals who are medical students or who are accepted at an approved medical school and who agree to practice at a Veterans' Administration facility after the completion of their professional training.

H.R. 10833. November 19, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to maintain the medicare inpatient hospital deductibles, supplementary medical insurance premiums, and hospital insurance premiums at their 1975 levels during calendar year 1976.

H.R. 10834. November 19, 1975. Post Office and Civil Service. Requires that buildings constructed for use by the United States Postal Service be designed and constructed so as to be accessible to the physically handicapped.

H.R. 10835. November 19, 1975. Judiciary. Requires the Federal Trade Commission, the Department of Justice, and the Department of Agriculture to compile information and annually report to Congress with respect to antitrust enforcement, market structure, and competition in the food industry.

H.R. 10836. November 19, 1975. Interstate and Foreign Commerce; Public Works and Transportation; Agriculture; Banking, Currency and Housing; Merchant Marine and Fisheries; Atomic Energy. Establishes the Federal Regulatory Agency Nominating Board, as an independent agency of the Federal Government, which shall submit to the President names of individuals found to be qualified by the Board to serve as the commissioner of a regulatory agency. Requires Nominating Board members to file a financial disclosure report with the Comptroller General. Prohibits the reappointment of the commissioner of a regulatory agency. Restricts such former commissioner, for a period of two years, from representing any person before such agency or from accepting employment with any industry directly affected by such agency.

H.R. 10837. November 19, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to authorize and direct the Secretary of Transportation to pay certain State and local taxes on behalf of railroads in reorganization.

H.R. 10838. November 19, 1975. Government Operations; Rules. Establishes as an executive department of the United States Government a Department of Peace, to develop and carry out plans, programs, and policies designed to promote peace. Transfers to the Department certain functions performed by other Federal agencies. Establishes within the Department a National Peace Academy, to train United States citizens for service in positions or programs designed to provide international understanding.

Creates a Congressional Joint Committee on Peace and International Cooperation.

H.R. 10839. November 19, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 10840. November 19, 1975. Interstate and Foreign Commerce. Prohibits distributors and refiners of petroleum products from cancelling franchises without cause and without prior notice.

H.R. 10841. November 19, 1975. Merchant Marine and Fisheries. Amends the Intercoastal Shipping Act of 1933 to allow proposed increases in rates by interstate carriers to take effect immediately pending action by the Federal Maritime Commission.

Directs the Federal Maritime Commission to establish guidelines in defining a reasonable rate of return for such common carriers.

H.R. 10842. November 19, 1975. Agriculture. Requires, under the Federal Meat Inspection Act, that imported meat and meat food products made in whole or in part of imported meat must be labeled "imported" or "imported in part" at all stages of distribution until reaching the ultimate consumer.

Prohibits the importation of any dairy product into the United States unless it has been inspected and found to be wholesome and unless the foreign farms and plants in which such products were produced comply with all inspection, grading and other standards prescribed by the Secretary of Agriculture.

H.R. 10843. November 19, 1975. Post Office and Civil Service. Authorizes the postage-free mailing by an election official of any State or political subdivision thereof, of voter registration application forms, voter registration certificates, absentee ballots, instructions therefor, and free mail covers for the return of such material, when such mailing is made as a means of complying with those provisions of the Voting Rights Act which prohibit the use of tests or devices in determining eligibility to vote.

H.R. 10844. November 19, 1975. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10845. November 20, 1975. Agriculture. Establishes the Federal Farm Assistance Corporation, within the Department of Agriculture, and authorizes the Corporation to negotiate for and purchase farmland or units which may come on the market.

Allows lease of such farm units to eligible applicants, and directs the Corporation's Board of Directors to approve the sale to the lessee of such farm units upon a determination that the lessee can successfully manage and operate such farm unit.

H.R. 10846. November 20, 1975. International Relations. Limits contributions of the United States to the United Nations to an amount which bears the same ratio to the total budget of the United Nations as the total population of the United States bears to the total population of all the member states of the United Nations.

H.R. 10847. November 20, 1975. International Relations. Limits the authorization of appropriations and payments to the United Nations or any affiliated agency to the amount arrived at by the division of the total assessment of such organization by the number of states that are members of the United Nations General Assembly.

H.R. 10848. November 20, 1975. Judiciary. Grants jurisdiction to Federal district courts in the case of tort suits brought against the Consumer Product Safety Commission based upon any misrepresentation, deceit, or the exercise or performance or failure to exercise or perform a discretionary function or duty on the part of the Commision, or any employee thereof, if such exercise, performance, or faiure is determined, as a matter of law, to be unreasonable with respect to such discretionary function or duty.

H.R. 10849. November 20, 1975. Agriculture. Authorizes the Secretary of Agriculture to make loans through the Agricultural Credit Insurance Fund to agriculture products in the United States who have sustained losses as a direct result of their food crops, animal feedcrops, livestock, or livestock products having been quarantined or condemned by a Federal or State official because such crops or livestock contained quantities of toxic chemicals dangerous to the public health.

H.R. 10850. November 20, 1975. Judiciary. Revises the Federal Criminal Code. Revises the Federal Rules of Criminal Procedure. Establishes a Criminal Victim Compensation Fund to compensate the victims of criminal offenses for financial loss.

H.R. 10851. November 20, 1975. Ways and Means. Amends the Social Security Act to exclude from the classification of unearned income with respect to the supplemental security income benefits program the support and maintenance provided by a mentally retarded individual's family to such individual. Specifies the treatment of other forms of income to mentally retarded individuals.

Requires action on applications for supplemental security benefits within a maximum of 60 days.

H.R. 10852. November 20, 1975. Ways and Means. Amends the Internal Revenue Code to create an allowance for basic living expenses.

Amends the Social Security Act with respect to the supplemental security income program and to require supplemental payments by States for certain families with dependent children.

Repeals the Food Stamp Act of 1964.

H.R. 10853. November 30, 1975. Armed Services; Merchant Marine and Fisheries. Revises the method of appointing individuals to the service academies. Requires the boards of vistors of the academies to examine the admission policies and procedures of the respective academies. Restricts the appointment of members of the Navy and Marine Corps, Army, and Air Force reserves by the respective Secretaries of those services to such appointments necessary to fill the authorized number of vacancies in newly formed classes forming at the academies.

H.R. 10854. November 20, 1975. Ways and Means. Amends the Social Security Act to require reimbursement, through the Federal Disability Insurance Trust Fund, of private physicians for services in supplying medical evidence of record needed to evaluate claims for disability payments under the Old-Age, Survivors, and Disability Insurance program of the Act.

H.R. 10855. November 20, 1975. Government Operations. Requires the Secretary of the Treasury to prepare and make public, each fiscal year, a consolidated financial statement for the United States based on accrual accounting procedures which includes the programs of all departments, agencies, and commissions of the United States, including those which may require future taxes for present liabilities.

H.R. 10856. November 20, 1975. Government Operations. Requires the Secretary of the Treasury to prepare and make public, each fiscal year, a consolidated financial statement for the United States based on accrual accounting procedures which includes the programs of all departments, agencies, and commissions of the United States, including those which may require future taxes for present liabilities.

H.R. 10857. November 20, 1975. Government Operations. Requires the Secretary of the Treasury to prepare and make public, each fiscal year, a consolidated financial statement for the United States based on accrual accounting procedures which includes the programs of all departments, agencies, and commissions of the United States, including those which may require future taxes for present liabilities.

H.R. 10858. November 20, 1975. Interstate and Foreign Commerce. Establishes a Federal Energy Commission to regulate electric utilities. Transfers the powers, functions, and duties of the Federal Power Commission to the new commission.

Requires that differences in electric utility rates which favor consumption of large amounts of electric energy be shown to reflect differences in actual costs at an evidentiary hearing. Establishes requirements for the planning and siting of new electric power facilities.

Establishes criteria for Federal financial assistance to utilities and State regulatory agencies.

H.R. 10859. November 20, 1975. Interstate and Foreign Commerce. Establishes a Federal Energy Commission to regulate electric utilities. Transfers the powers, functions, and duties of the Federal Power Commission to the new commission.

Requires that differences in electric utility rates which favor consumption of large amounts of electric energy be shown to reflect differences in actual costs at an evidentiary hearing. Establishes requirements for the planning and siting of new electric power facilities.

Establishes criteria for Federal financial assistance to utilities and State regulatory agencies.

H.R. 10860. November 20, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to recognize representatives of the Polish Legion of American Veterans of the United States of America in the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration.

H.R. 10861. November 20, 1975. Education and Labor. Amends the Education Amendments of 1972 to permit the participation in education programs or activities receiving Federal financial assistance of an individual who has received an award or other recognition of merit in any competition in which such recognition is based on the personal achievements or attributes of the individual and in which participation is limited to individuals of one sex only.

H.R. 10862. November 20, 1975. Government Operations; Rules. Abolishes certain Federal regulatory agencies unless, prior to the termination date, the Congress adopts a concurrent resolution postponing such abolition for a period not to exceed 7 years. Allows for the transfer of agency functions to the President or a successor agency with the continuation of the present agency's rules and proceedings.

H.R. 10863. November 20, 1975. Banking, Currency and Housing. Creates an Emergency Public Finance Corporation to guarantee obligations of political subdivisions of States.

H.R. 10864. November 20, 1975. Education and Labor. Extends for 2 years the authorization for emergency public service jobs under the Comprehensive Employment and Training Act of 1973. Revises criteria for allocation of Federal funds under the Act. Imposes additional conditions on hiring of individuals under approved programs.

H.R. 10865. November 20, 1975. Agriculture. Amends the Food Stamp Act of 1964 by revising (1) eligibility standards: (2) the method of determining the amount of the coupon allotment; (3) administration of the program by State agencies; and (4) the nutrition education program.

H.R. 10866. November 20, 1975. Ways and Means. Amends the Social Security Act to establish minimum staffing standards for States to follow in establishing outside-the-home child day care centers with Federal assistance, and to require the Secretary of Health, Education, and Welfare, in evaluating the appropriateness of such standards, to consider the practical problems faced by the States in establishing day care programs. Requires participating States to financially assist organizations conducting such programs to encourage the hiring of low income persons and welfare recipients.

H.R. 10867. November 20, 1975. Interior and Insular Affairs. Terminates phosphate leasing rights issued for certain lands in the Los Padres National Forest in California and returns all right to such lands to the United States.

H.R. 10868. November 20, 1975. Ways and Means. Amends the Internal Revenue Code to stipulate that the amount to be withheld from any wages paid as a lump-sum accumulated leave payment to Federal employees or members of the uniformed services for accumulated leave shall be determined as if such payment were on the basis of an annual payroll period.

H.R. 10869. November 20, 1975. Interstate and Foreign Commerce. Requires that electrict utility rate subsistence quantity of electrict energy provided to residential consumers not exceed the lowest rate charged any other electric consumers.

H.R. 10870. November 20, 1975. Education and Labor. Amends the Higher Education Act of 1965 to direct the Commissioner of Education to institute a system of reduced-interest loans to students in institutions of higher education, and to provide for a system of income-contingent repayment thereof.

H.R. 10871. November 20, 1975. Ways and Means. Directs the Secretary of the Treasury to make a $50 payment to each individual who was not eligible for a $50 payment under the applicable provision of the Tax Reduction Act of 1975 and who failed to receive a monthly insurance benefit, under the Social Security Act, for the month of March 1975, solely by reason of deductions for excess earnings charged to such month.

H.R. 10872. November 20, 1975. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90 days notice, with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason, fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for a violation of this Act by a franchisor.

H.R. 10873. November 20, 1975. Banking, Currency and Housing. Creates the National Consumer Cooperative Bank, the Self-Help Development Fund, and the Cooperative Bank and Assistance Administration to assist the formation and growth of consumer and other types of self-help cooperatives.

H.R. 10874. November 20, 1975. Post Office and Civil Service. Prohibits collective-bargaining agreements between the Postal Service and Postal Service employee labor organizations from continuing any provision which would preclude Postal Service employees from being represented in grievance and adverse actions arising under the agreement by representatives of their own choosing. Entitles such representatives to be present during any proceedings upon such grievance or adverse action.

H.R. 10875. November 20, 1975. Armed Services. Stipulates that civilian personnel engaged in industrially funded activities shall be excluded from the computation of the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

H.R. 10876. November 20, 1975. Interstate and Foreign Commerce. Amends the Uniform Time Act of 1966 to establish permanent year-round daylight savings time.

H.R. 10877. November 20, 1975. Education and Labor. Authorizes the Commissioner of Education to make payments to State and local educational agencies for the education of Indochina refugee children. Specifies the uses to which funds provided pursuant to this act may be put, including (1) English language instruction; (2) expansion of staff and physical facilities; and (3) special teacher training.

H.R. 10878. November 20, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants to designated State agencies to assist in planning, establishing, maintaining, coordinating, and evaluating programs for comprehensive services and health care for school-age girls, their infants, and children.

H.R. 10879. November 20, 1975. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to provide assistance to projects designed to develop plans for delivery of human services within a State or interstate area. Establishes criteria for the development of allied human services plans by States and localities.

H.R. 10880. November 20, 1975. Government Operations. Requires the Secretary of the Treasury to prepare and make public, each fiscal year, a consolidated financial statement for the United States based on accrued accounting procedures which includes the programs of all departments, agencies, and commissions of the United States, including those which may require future taxes for present liabilities.

H.R. 10881. November 20, 1975. Banking, Currency and Housing. Creates the National Consumer Cooperative Bank, the Self-Help Development Fund, and the Cooperative Bank and Assistance Administration to assist the formation and growth of consumer and other types of self-help cooperatives.

H.R. 10882. November 20, 1975. International Relations. Amends the Export Administration Act of 1969 to direct the Secretary of Commerce (1) to require certain information from any domestic concern with respect to foreign boycotts; and (2) to prohibit cooperation with such boycotts. Impose civil penalties for violation of such regulations.

H.R. 10883. November 20, 1975. Merchant

Marine and Fisheries. Amends the Commercial Fisheries Research and Development Act of 1964 to permit unexpended funds which are obligated for one State to be appointed to another State at the close of the succeeding fiscal year.

H.R. 10884. November 20, 1975. Education and Labor. Establishes procedures and guidelines for the establishment of equal educational opportunity for students in elementary and secondary schools. Requires that States submit equal educational opportunities plans to the Secretary of Health, Education, and Welfare for his approval. Establishes criteria for approval of plans and eligibility for Federal assistance.

H.R. 10885. November 20, 1975. International Relations. Suspends United States participation in the activities of the United Nations General Assembly pending Congressional approval of renewal of such participation.

Directs the President to reduce any payments made by the United States to the United Nations by the amount he determines be used to support activities of the General Assembly.

H.R. 10886. November 20, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to authorize the awarding of Federal funds to certain small treatment works through a single grant rather than by multiple grants.

H.R. 10887. November 20, 1975. Judiciary. Divides the eastern judicial district of New York into the City Division and the Long Island Division.

H.R. 10888. November 20, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by replacing Medicare with a national health care program under which the cost of covered medical services provided to all United States residents and certain non-resident aliens shall be paid by the Federal government. Establishes an independent Social Security Administration to administer this program, Old-Age, Survivors, and Disability Insurance, Supplemental Security Income, and the health standards provisions of the Federal Coal Mine Health and Safety Act.

Amends the Internal Revenue Code to impose a tax on wages, self-employment income, and certain unearned income for purposes of the national health care program.

H.R. 10889. November 20, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10890. December 1, 1975. Agriculture. Directs the Secretary of Agriculture to establish under the Agricultural Adjustment Act of 1938 a national acreage allotment for rice to maintain adequate supplies and to prevent excessive carryover stocks. Imposes an established price for rice under the Agricultural Act of 1949.

H.R. 10891. December 1, 1975. Armed Services. Directs the Secretaries of the Military departments to continue the station per diem allowance of members of the uniformed services through the period of captivity of any such member as a prisoner of war.

H.R. 10892. December 1, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 10893. December 1, 1975. International Relations. Limits contributions of the United States to the United Nations to an amount which bears the same ratio to the total budget of the United Nations as the total population of the United States bears to the total population of all the member states of the United Nations.

H.R. 10894. December 1, 1975. Judiciary. Requires the United States to pay to any defendant who prevails in a civil action in which the United States is a plaintiff a reasonable attorney's fee and other reasonable litigation costs.

H.R. 10895. December 1, 1975. Post Office and Civil Service. Repeals certain restrictions on the private carriage of letters.

H.R. 10896. December 1, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that the first concurrent resolution on the budget shall set a limit on total budget outlays with respect to the surplus or deficit that is appropriate in light f economic conditions, as well as the recommended level of Federal revenues and the appropriate level of the public debt for each of the three following fiscal years.

H.R. 10897. December 1, 1975. Education and Labor. Revises the Federal Metal and Nonmetallic Mine Safety Act to authorize additional standards to protect the health and safety of miners. Includes provisions to authorize inspections by Federal officials, to require reporting of major accidents, and to establish procedures for enforcement of standards and emergency relief.

Establishes the Office of Assistant Secretary for Metal and Nonmetallic Mine Safety in the Department of Labor. Transfers regulatory and enforcement authority from the Secretary of the Interior to the Assistant Secretary, to the Secretary of Health, Education, and Welfare, and to the newly-established Federal Metal and Nonmetallic Mine Safety Commission.

H.R. 10898. December 1, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to recognize representatives of the Polish Legion of American Veterans of the United States of America in the preparation, presentation, asd prosecution of claims under laws administered by the Veterans' Administration.

H.R. 10899. December 1, 1975. Post Office and Civil Service. Establishes the rate of postage for any postal card mailed to any Member of Congress from such Member's Congressional district at an amount equivalent to the cost of manufacture, printing and delivery of such postal card.

H.R. 10900. December 1, 1975. Merchant Marine and Fisheries. Revises the boundaries of the Tinicum National Environmental Center in Pennsylvania.

H.R. 10901. December 1, 1975. Interstate and Foreign Commerce. Amends the Uniform Time Act of 1966 to extend daylight savings time to the first Sunday after election day in November.

H.R. 10902. December 1, 1975. Ways and Means. Amends the Internal Revenue Code to require a taxpayer who acquires a security which is not to be considered a capital asset for the purposes of such taxpayer to so notify the Secretary of the Treasury before the expiration of the 30th day after the date of acquisition of such security, in order for any loss on the sale or exchange of such security to be treated as an ordinary loss.

H.R. 10903. December 1, 1975. Ways and Means. Amends the Internal Revenue Code to repeal the percentage depletion allowance for oil and gas royalties.

H.R. 10904. December 1, 1975. Government Operations. Directs the Administrator of the Office of Federal Procurement Policy, under the Federal Procurement Policy Act, to promulgate regulations requiring the payment of interest at the rate of 12 percent on the amount of any payment which is overdue by more than two weeks on a contract with any small business concern.

H.R. 10905. December 1, 1975. Public Works and Transportation. Amends the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act to change the name of the "J. Edgar Hoover F.B.I. Building" to "F.B.I. Building".

H.R. 10906. December 1, 1975 Education and Labor. Extends for two years the authorization for emergency public service jobs under the Comprehensive Employment and Training Act of 1973. Revises the criteria for allocation of Federal funds under the Act. Imposes additional conditions on hiring of individuals under approved programs.

H.R. 10907. December 1, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited deduction for amounts paid by an individual during the taxable year to any qualified handicapped child trust which was established by such individual.

Exempts such qualified handicapped child trust from taxation or the benefits from such trust from inclusion in the gross income of the beneficiary.

H.R. 10908. December 1, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to establish a program to provide long-term care benefits for aged and disabled individuals under the Medicare program.

Stipulates that the benefits provided under the program shall consist of home health services, homemaker services, nutrition services, long-term institutional care services, day care services, foster home, and community mental health outpatient services.

Creates the Federal Advisory Council on Long-Term Care to advise the Secretary of Health, Education, and Welfare on the administration of the program.

H.R. 10909. December 1, 1975. Public Works and Transportation. Amends the Interstate Commerce Act with respect to (1) rate bureaus; (2) aircraft exemption; (3) private and contract carriers; (4) commercial zones; (5) new plants; (6) private carrier leases to common carriers; (7) entry; (8) dual operation; (9) suspension of common carrier motor rates; (10) common carrier compensatory rates; (11) commodity and route restrictions; (12) discrimination; (13) back hauls; (14) state filing requirements; (15) motor carrier safety; and (16) mergers.

H.R. 10910. December 1, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that the appropriate congressional committees conduct a comprehensive review of all Federal programs every two years. Specifies the review method to be followed.

H.R. 10911. December 1, 1975. Public Works and Transportation. Terminates the Airlines Mutual Aid Agreement.

H.R. 10912. December 1. 1975. Judiciary; Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 10913. December 1, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit for qualified savings and investments, and excludes from gross income certain capital gains.

Removes the undue hardship requirement for granting an estate tax extension. Allows a limited deduction from a gross estate for the decedents interest in a family farming operation.

Revises the corporate normal tax rates, increases the investment tax credit, and increases the corporate surtax exemption.

H.R. 10914. December 1, 1975. Ways and Means. Revises the eligibility requirements for Disability Insurance benefits for blind persons under the Social Security Act. Revises the method of computing the primary insurance amount from blind persons under the Social Security Act.

H.R. 10915. December 1, 1975. Post Office and Civil Service. Authorizes Federal mine inspectors to retire with an annuity upon reaching the age of 50 and completing 20 years of service.

H.R. 10916. December 1, 1975. Public Works and Transportation. Amends the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act to change the name of the "J. Edgar Hoover Building" to "F.B.I. Building".

H.R. 10917. December 1, 1975. Ways and Means. Amends the Internal Revenue Code to prohibit a deduction by any electric or gas public utility for any amount paid or incurred by such utility to advertise or promote the sale or use, or the seller or furnisher of electrical energy or gas.

Prohibits increases in rates charged by an electric or gas public utility where such increase would reflect the additional tax imposed by the nondeductibility of advertising or promotional expenses.

H.R. 10918. December 1, 1975. Public works and Transportation. Amends the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act to change the name of the "J. Edgar Hoover Building" to "F.B.I. Building".

H.R. 10919. December 1, 1975. Public Works and Transportation. Prohibits the designation of Federal buildings by the names of persons who are living.

H.R. 10918. December 1, 1975. Public Works and Transportation: Merchant Marine and Fisheries. Establishes strict liability for damages caused by oil spills. Creates within the Department of Transportation an agency to settle claims arising from oil spills and to assist in providing compensation for oil spill damage.

H.R. 10921. December 1, 1975. Government Operations. Requires that every law and regulation of the United States be adopted, interpreted, and administered so that the cost to consumers resulting from such law or regulation shall not be unreasonable or excessive and shall bear a reasonable relationship to and be commensurate with the benefits derived therefrom. Requires every agency of the Federal Government or any Committee of Congress to prepare, in conjunction with every present proposal it makes and certain past proposals it has made for legislation or a regulation that may have a significant impact on costs to the consumer, a draft consumer cost assessment.

H.R. 10922. December 1, 1975. Post Office and Civil Service. Requires that certain financial information be included in any mailed solicitation for charitable contributions. Requires that the Postal Service be furnished by the solicitors with the necessary documents to verify the information enclosed with charitable solicitations.

H.R. 10923. December 1, 1975. Merchant Marine and Fisheries. Directs the Secretary of the Interior to make a comprehensive study of the wolf for the purpose of developing adequate conservation measures.

H.R. 10924. December 1, 1975. Ways and Means. Amends the Social Security Act to maintain the inpatient hospital deductible under the medicare program at its 1975 level.

H.R. 10925. December 1, 1975. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 10926. December 2, 1975. Ways and Means. Amends the Internal Revenue Code to stipulate that face-amount certificates shall not be covered by the section on bonds and other evidences of indebtedness, but instead shall be covered by the section on annuities and proceeds of endowment and life insurance contracts.

H.R. 10927. December 2, 1975. Government Operations; Rules. Abolishes certain Federal regulatory agencies unless, within the next three years (1) the President recommends to Congress that any agency or agencies should not be abolished; (2) the relevant committee investigates and publishes a report on such agency; and (3) the Congress adopts a concurrent resolution disapproving the abolition of such agency or agencies.

Requires three year automatic abolition of existing agencies unless similar positive approval is given by the President and Congress.

Allows for the transfer of agency functions to the President or a successor agency with the continuation of the present rules and proceedings.

H.R. 10928. December 2, 1975. Rules. Requires a surplus in the congressional budget for the United States Government for any fiscal year in which the projected national unemployment rate is less than 4½ percent, under the Congressional Budget Act of 1974.

H.R. 10929. December 2, 1975. Rules. Directs the President to develop a long-term balanced economic plan, to be prepared by the Council of Economic Advisors. Establishes procedures for Congressional review of the plan and implementation by the Executive Branch.

H.R. 10930. December 2, 1975. Agriculture. Amends the Cotton Research and Promotion Act to direct the producer or other person for whom cotton is being handled pursuant to an order issued by the Secretary of Agriculture and administered by the Cotton Board to pay for administrative costs incurred by the Secretary for certain supervisory work following an order. Directs the Secretary to provide for yearly supplements to the per bale assessment of costs by amendment to the appropriate order.

Repeals the requirement for the Commodity Credit Corporation to conduct cotton marketing research.

H.R. 10931. December 2, 1975. Interstate and Foreign Commerce; Ways and Means. Guarantees every patient or resident in a federally assisted long-term care facility, prior to his or her involuntary removal from such facility, (1) written notice of such removal; and (2) an opportunity for a fair administrative hearing to inform such individual of the reasons for such removal, of any alternative forms of care which are reasonably obtainable, and of any legal or administrative remedies which may be available if such individual feels such removal is improper.

H.R. 10932. December 2, 1975. Ways and Means. Amends the Internal Revenue Code to prohibit, for the purposes of determining the tax on the income of estates, the offset against the sale price for the determination of gain or loss, of any expenses, indebtedness, taxes, or losses, which are otherwise deductible under the applicable estate tax provisions, unless there is filed (1) a statement that such offsets have not been taken under the estate tax provisions; and (2) a waiver of such right.

H.R. 10933. December 2, 1975. Veterans' Affairs. Exempts courses approved by a State approving agency and offered by a tax supported public educational institution from the placement record requirements which are otherwise a prerequisite to approval by the Administrator of Veterans' Affairs.

H.R. 10934. December 2, 1975, Post Office and Civil Service. Stipulates that cost-of-living adjustments in the pay of officers and employees of the United States Postal Service and Postal Rate Commission provided under collective bargaining agreements shall be considered part of the basic pay of such officers and employees for civil service retirement purposes.

H.R. 10935. December 2, 1975. Education and Labor. Amends the Juvenile Justice and Delinquency Prevention Act of 1974 to authorize financial assistance to States and local educational agencies for alternative education programs and projects designed to reduce delinquency and crime and increase the safety and security of the students, employees and facilities of elementary and secondary schools.

H.R. 10936. December 2, 1975. Ways and Means. Amends the Internal Revenue Code to stipulate that at the time of sale of certain depreciable property any deductions taken for the purchase price of such property since December 31, 1961, shall be treated as depreciation for the purpose of calculating gain on the sale.

H.R. 10937. December 2, 1975. Ways and Means. Amends the Internal Revenue Code to allow an individual or corporate taxpayer to be excepted from the addition to the tax computed on the basis of underpayment of estimated income tax, if, in the prior year, such taxpayer's income exceeded the prescribed amount.

H.R. 10938. December 2, 1975. Judiciary. Prohibits certain forms of economic coercion based on religion, race, national origin, sex, support for any foreign government or dealing with or in any foreign country.

H.R. 10939. December 2 1975. Banking, Currency and Housing. Extends the moratorium or State taxation of federally insured depository institutions to January 1, 1978.

H.R. 10940. December 2, 1975. Government Operations. Directs the head of any department, agency, or independent establishment of the United States, in awarding any contract for the acquisition of goods or services for public use, to use a combined price-employment preference rather than price alone where price is one of two or more criteria upon which the award of a contract is based.

H.R. 10941. December 2, 1975. Agriculture. Revises the eligibility requirements for food coupons under the Food Stamp Act of 1964 to exclude individuals who receive one-half of their income from an individual who is not eligible for food coupons.

H.R. 10942. December 2, 1975. House Administration. Designates the apple blossom as the national flower of the United States.

H.R. 10943. December 2, 1975. Education and Labor. Amends the Domestic Volunteer Service Act of 1973 to stipulate that developmentally disabled children receiving services under the foster grandparent program may continue to receive such services without regard to age.

H.R. 10944. December 2, 1975. Veterans' Affairs. Continues the direct loan revolving fund out of which the Administrator of Veterans' Affairs makes direct loans to veterans.

H.R. 10945. December 2 1975. Judiciary. Increases the penalties for use of a firearm in the commission of a felony.

H.R. 10946. December 2, 1975. Merchant Marine and Fisheries. Directs the Secretary of the Interior to regulate the trapping and capture of mammals and birds on Federal lands. Establishes an advisory commission to recommend to the Secretary acceptable methods for trapping and capture of mammals and birds.

Prohibits use of unacceptable traps in interstate or foreign commerce. Prescribes regulations to prohibit the interstate shipment of hide, skin, feathers, or resulting products of the use of unacceptable traps.

H.R. 10947. December 2, 1975. Judiciary. Guarantees the right to counsel to all witnesses subpenaed to appear before a grand jury in Federal criminal cases.

H.R. 10948. December 2, 1975. Public Works and Transportation. Directs the Secretary of the Army to grant permanent easements for the use of certain boating facilities within the jurisdiction of the Army Corps of Engineers.

H.R. 10949. December 2, 1975. Education and Labor. Directs the Secretary of Health, Education, and Welfare to establish multipurpose service programs for displaced homemakers designed to assist them in obtaining employment and educational opportunities.

Authorizes a study of existing Federal programs to determine the feasibility of participation by displaced homemakers.

H.R. 10950. December 2, 1975. House Administration. Makes it unlawful (1) to engage in election campaign espionage; (2) to use campaign funds to aid in commission of any offense against the United States or any State; and (3) for any campaign employee to withhold information concerning violations of this Act or the Federal Election Campaign Act from the political candidate or political committee chairman for whom he works.

H.R. 10951. December 2, 1975. Banking, Currency and Housing. Prohibits maintenance of any account which conceals the identity of the owner by national banks, State banks which are members of the Federal Reserve System, banks insured by the Federal Deposit Insurance Corporation, and savings and loan institutions regulated by the Home Owners Loan Act.

H.R. 10952. December 2, 1975. Interstate and Foreign Commerce. Creates a fossil fuel rail bank to consist of recommended rail trackage and other rail properties selected from those presently existing in areas of the United States in which fossil fuel natural resources are located.

H.R. 10953. December 2, 1975. Armed Services; Judiciary. Amends the National Security Act of 1947, and the Omnibus Crime Control and Safe Streets Act of 1968 to limit the terms of the Director of the Central Intelligence Agency, and the Director of the Federal Bureau of Investigation, respectively, to 10 years, and to subject each Director to removal by the President.

H.R. 10954. December 2, 1975. Interstate and Foreign Commerce. Creates a fossil fuel rail bank to consist of recommended rail trackage and other rail properties selected from those presently existing in areas of the United States in which fossil fuel natural resources are located.

H.R. 10955. December 2, 1975. Armed Services. Allocates specified number of Navy, Army, and Air Force Reserve Officers' Training Corps scholarships to designated military colleges and to State-supported colleges having mandatory four-year Reserve Officer Training Corps programs.

H.R. 10956. December 2, 1975. Agriculture. Amends the Food Stamp Act of 1964 by revising (1) eligibility standards; (2) the method of determining the coupon allotment; and (3) administration of the program by State agencies.

H.R. 10957. December 2, 1975. Education and Labor. Establishes procedures and guidelines for the establishment of equal educational opportunity for students in elementary and secondary schools. Requires that States submit equal educational opportunities plans to the Secretary of Health, Education, and Welfare for his approval. Establishes criteria for approval of plans and eligibility for Federal assistance.

H.R. 10958. December 2, 1975. Post Office and Civil Service. Directs the Postal Rate Commission to include all related cost factors in determining the rate which should be charged for each class of mail.

H.R. 10959. December 2, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a limited deduction from gross income certain losses from shoreline erosion.

H.R. 10960. December 2, 1975. Ways and Means. Amends the Internal Revenue Code to direct the Secretary of the Treasury to set forth procedures for tax claims and the rights and obligations of a taxpayer during an audit.

Establishes an Office of Taxpayer Services within the Internal Revenue Service to assist taxpayers in the filing of returns.

Restricts access to tax returns filed by taxpayers.

H.R. 10961. December 2, 1975. Judiciary. Declares a certain individual eligible for naturalization under the Immigration and Nationality Act.

H.R. 10962. December 2, 1975. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10963. December 2, 1975. Judiciary. Confers jurisdiction upon the Superior Court of the District of Columbia to hear, determine, and render judgment on a certain individual's personal injury claim against the government of the District of Columbia.

H.R. 10964. December 2, 1975. Judiciary. Directs the Secretary of the Treasury to receive and consider any claim filed by a certain retired member of the United States Marine Corps for certain unreceived retirement pay.

H.R. 10965. December 3, 1975. Education and Labor. Amends the Higher Education Act of 1965 to establish a program of Federal Assistance for lifetime learning programs.

H.R. 10966. December 3, 1975. Interior and Insular Affairs. Amends the National Trails Act to include the Dominquez-Escalante Trail among the routes to be studied for possible designation as national scenic trails.

H.R. 10967. December 3, 1975. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate the Dolores River in Utah as a potential addition to the National Wild and Scenic Rivers System.

H.R. 10968. December 3, 1975. Public Works and Transportation. Modifies the flood control project for Lauderdale County in Tennessee to authorize the Secretary of the Army to construct an additional levee.

H.R. 10969. December 3, 1975. Public Works and Transportation; Merchant Marine and Fisheries; International Relations. Establishes strict liability for damages caused by oil spills. Establishes procedures for the settlement of claims arising from oil spill incidents in United States waters. Creates a fund in the Department of the Treasury to assist in providing compensation for oil spill damage. Requires proof of financial responsibility by vessels to protect against potential spills.

Implements certain international agreements with respect to liability and compensation for oil pollution damage resulting from incidents on the territorial sea.

H.R. 10970. December 3, 1975. Post Office and Civil Service. Requires that buildings constructed for use by the United States Postal Service be designed and constructed so as to be accessible to the physically handicapped.

H.R. 10971. December 3, 1975. Ways and Means. Amends the Internal Revenue Code to direct the payment of interest at the rate of 5 percent upon the excess portion of each income tax prepayment made by an individual in a taxable year where such income tax prepayments exceed the individual's liability for the income tax.

H.R. 10972. December 3, 1975. Agriculture. Increases the amount of forest receipts payable to States and counties from twenty-five percent to seventy-five percent of such gross receipts.

H.R. 10973. December 3, 1975. Rules. Repeals titles I through IX of the Congressional Budget and Impoundment Control Act of 1974.

H.R. 10974. December 3, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments and reports to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 10975. December 3, 1975. Banking, Currency and Housing. Amends the Flood Disaster Protection Act of 1973 to reduce to a maximum of $10,000 the amount of flood insurance required to obtain Federal financial assistance for acquisition or construction of buildings and mobile homes in areas having special flood hazards.

H.R. 10976. December 3, 1975. Veterans' Affairs. Designates the cemetery at Otis, Massachusetts as the Camp Edwards National Cemetery.

H.R. 10977. December 3, 1975. Judiciary. Declares that any decree or other order of the court of any State or the District of Columbia respecting the custody of children of divorced or separated parents shall be enforced in every State and the District of Columbia by the appropriate authority.

H.R. 10978. December 3, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that the appropriate congressional committees conduct a comprehensive review of all Federal programs every two years. Specifies the review method to be followed.

H.R. 10979. December 3, 1975. Interstate and Foreign Commerce. Amends Interstate Commerce Commission procedures regarding the Rail Services Planning Office. Alters procedures with respect to (1) railroad ratemaking, (2) abandonment, service continuation, and administration under the Regional Rail Reorganization Act of 1973, and (3) mergers and consolidations.

Prohibits discriminatory State taxation and sets forth employee protection procedures under the Interstate Commerce Act.

Establishes the Rail Transportation Fund to assist railroads employment. Authorizes grants to stabilize railroad employment.

Amends the Regional Rail Reorganization Act of 1973 and mandates certain studies with respect to rail transportation.

H.R. 10980. December 3, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

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H.R. 10982. December 3, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10983. December 3, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10984. December 3 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10985. December 3, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10986. December 3, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for certain emergency medical expenses filed as a claim with the Veterans' Administration.

H.R. 10987. December 4, 1975. Banking, Currency and Housing. Amends the National Housing Act to increase mortgage limits under certain homeownership assistance programs.

H.R. 10988. December 4, 1975. Agriculture. Includes frozen potato products in the definition of "perishable agricultural commodity," under the Perishable Agricultural Commodities Act. Prohibits any commission merchant, dealer, or broker from extending any unreasonable preference to or subjecting to any unreasonable burden on any grower under such Act.

Authorizes the Secretary of Agriculture to require any commission merchant, dealer or broker determined to be guilty of unfair conduct to furnish or maintain a surety bond as assurance that reparation awards could be paid.

H.R. 10989. December 4, 1975. Ways and Means. Amends the Internal Revenue Code to disallow any credit for taxes paid to a foreign country in respect of income from sources within an international territory administered by that foreign country where such administration has been held to be illegal by the International Court of Justice and the United States Government has accepted such conclusion of the Court.

H.R. 10990. December 4, 1975. Education and Labor. Establishes an Employment Statistics Commission to review current methods of collection and analysis of present and prospective national and local employment and unemployment information.

H.R. 10991. December 4, 1975. Armed Services. Extends from 1 to 3 years the period that a member of the uniformed services has following his retirement or other honorable separation after at least 8 years of continuous duty to select his home for purposes of travel and transportation allowances.

H.R. 10992. December 4, 1975. Judiciary. Authorizes and directs the payment of attorneys' fees and other costs to any defendant who prevails in a civil action in which the United States is a plaintiff.

H.R. 10993. December 4, 1975. Judiciary. Amends the Immigration and Naturalization Act to redefine "child".

H.R. 10994. December 4, 1975. Banking, Currency and Housing. Amends the Federal Reserve Act and Federal Deposit Insurance Act to require commercial banks to pay interest to the Treasury Department on United States funds in excess of an amount specified by the Treasury. Authorizes the Secretary of the Treasury to pay commercial banks for fiscal services performed for the Treasury by such banks.

H.R. 10995. December 4, 1975. Ways and Means. Amends the Internal Revenue Code to tax married and unmarried individuals at the same rate as married individuals filing jointly.

H.R. 10996. December 4, 1975. Agriculture. Authorizes and directs the Secretary of Agriculture, under the Agricultural Adjustment Act of 1938, upon a finding that a decrease is necessary in the national acreage allotment or marketing quota for a crop of any kind of tobacco, to proclaim a decrease in such allotment or quota. Stipulates that no such decrease shall be made after the normal planting time of the crop.

H.R. 10997. December 4, 1975. Judiciary. Amends the Voting Rights Act of 1965 to repeal the prohibition against exclusively English language elections as a means to abridge the right to vote of members of a language minority group.

H.R. 10998. December 4, 1975. Ways and Means. Amends the Internal Revenue Code by increasing the amount of the Federal estate tax exemption.

H.R. 10999. December 4, 1975. Education and Labor. Authorizes the appropriation of funds to the Secretary of Health, Education, and Welfare for distribution to Recording for the Blind, Incorporated.

H.R. 11000. December 4, 1975. Public Works and Transportation. Declares that the James Madison Memorial Building shall be an additional office building for the House of Representatives.

Authorizes the Librarian of Congress to select and acquire a site for an additional building for the Library of Congress.

H.R. 11001. December 4, 1975. Banking, Currency and Housing. Authorizes the Secretary of the Interior to make grants to States and localities or to certain persons to assist in the restoration of historical cemeteries or burial plots.

H.R. 11002. December 4, 1975. Banking, Currency and Housing. Amends the Flood Disaster Protection Act of 1973 by eliminating the requirement that communities and individuals in flood prone areas participate in the national flood insurance program in order to be eligible for Federal financial assistance. Stipulates that participation in the flood insurance program shall be encouraged. Revises the method of determining the nature and extent of a flood hazard in an area.

S.R. 11003. December 4, 1975. Judiciary. Authorizes the United States District Court for the Eastern District of Louisiana, Baton Rouge Division, to be held at Houma, Louisiana.

H.R. 11004. December 4, 1975. Ways and Means. Amends the Social Security Act to extend from February 1, 1976, to October 1, 1977, the period during which payment may be made for specified child day care services as described in the Act, without regard to new staffing requirements imposed by the Act.

H.R. 11005. December 4, 1975. Ways and Means. Amends the Social Security Act to maintain the inpatient hospital deductible under the medicare program at its 1975 level.

H.R. 11006. December 4, 1975. Ways and Means. Amends the Internal Revenue Code to allow limited deferral of the excise tax imposed on manufacturers of fishing tackle.

H.R. 11007. December 4, 1975. Government Operations. Requires that meetings of Federal agencies be open to the public except as stipulated in this Act. Requires agencies to make a public announcement, at least one week before the meetings, of the date, place, and subject matter of the meeting, and whether it is to be open or closed to the public. Requires that edited transcripts of all meetings be made available to the public. Prohibits ex parte communications during on-the-record proceedings.

H.R. 11008. December 4, 1975. Interior and Insular Affairs. Allows States or localities to elect to receive payments from the Secretary of the Interior based on the amount of certain public lands within the boundaries of such governmental units in lieu of the sum of amounts made available to the States and localities under various provisions of law governing such public lands.

H.R. 11009. December 4, 1975. District of Columbia. Directs the selection of an independent certified public accountant to carry out a comprehensive audit to certify that the statements of financial condition and changes in condition of all funds managed by the District of Columbia fairly present the financial condition of such funds.

H.R. 11010. December 4, 1975. Judiciary. Authorizes the awarding of attorney fees and other litigation costs in certain actions or proceedings to review an agency action where the party seeking the judicial review substantially prevails.

H.R. 11011. December 4, 1975. Judiciary. Amends the Civil Rights Act of 1964 to allow the court to grant attorney's fees as part of the costs to the prevailing party in specified civil actions under the Act. Stipulates that governmental entities are liable for such fees the same as a private person.

H.R. 11012. December 4, 1975. Judiciary. Amends the Immigration and Nationality Act to direct the Secretary of State to determine which countries discriminate in the issuance of nonimmigrant visas to United States citizens on the basis of race, color, religion, sex, or national origin. Directs that upon determination of such discrimination, no nonimmigrant visas shall be issued by the United States to citizens of such countries, with specified exceptions.

H.R. 11013. December 4, 1975. Judiciary. Incorporates the Gold Star Wives of America.

H.R. 11014. December 4, 1975. House Administration: Ways and Means. Limits the applicability of criminal sanctions imposed by the Federal Campaign Act on the acceptance of excessive honorariums by Federal employees and officials by allowing such officials to donate or otherwise avoid receipt of such honorariums.

Amends the Internal Revenue Code to stipulate that such honorariums offered to officers or employees which are not accepted are not includable in the gross income of such employee or official.

H.R. 11015. December 4, 1975. Veterans' Affairs. Authorizes and directs the Administrator of Veterans' Affairs to construct a Veterans' Administration outpatient clinic in Fairfield County, Connecticut.

H.R. 11016. December 4, 1975. Banking, Currency and Housing. Extends the Renegotiation Act of 1951 for six months, from December 31, 1975, to June 30, 1976.

H.R. 11017. December 4, 1975. Public Works and Transportation. Authorizes additional funds for the construction of the James Madison Memorial Building as an addition to the present Library of Congress.

H.R. 11018. December 4, 1975. Interior and Insular Affairs. Reinstates the Modoc, the Wyandotte, Peoria, and Ottowa Indian Tribes of Oklahoma as federally supervised and recognized Indian tribes with entitlement to all rights and privileges accorded to federally recognized Indian tribes under any Federal statute or treaty.

H.R. 11019. December 4, 1975. Judiciary. Amends the Bankruptcy Act to prevent the discharge in bankruptcy of debts becoming due on the date of filing or within the five years previous, on educational loans provided under Federal loan programs.

H.R. 11020. December 4, 1975. Ways and Means. Amends the Internal Revenue Code to extend the credit allowed for the purchase of a new principal residence for an additional year.

H.R. 11021. December 4, 1975. Ways and Means. Amends the Internal Revenue Code to allow limited credit for the amount of the expenses incurred by a taxpayer in providing eligible employees with an organized training program.

H.R. 11022. December 4, 1975. Public Works and Transportation. Authorizes the Secretary of Transportation to carry out a demonstration project for eliminating rail-highway crossings in Orange, Texas.

H.R. 11023. December 4, 1975. Education and Labor. Authorizes Federal financial assistance to the States for programs of career education in elementary and secondary State schools. Sets forth the requirements of State career education plans necessary to qualify for Federal aid.

H.R. 11024. December 4, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain company in full settlement of such company's claims against the United States for losses incurred as a result of certain delays in the performance of a specified Government contract.

H.R. 11025. December 4, 1975. Judiciary. Directs that a certain individual be admitted to the United States for permanent residence.

H.R. 11026. December 8, 1975. Judiciary. Requires Federal regulatory agencies to submit all proposed rules or regulations to Congress with statements that the economic benefits to be derived from such rules or regulations exceed the costs thereof, and requires Congress to approve such proposals by concurrent resolution. Establishes procedures to expedite action on administrative procedures relating to agency proceedings, and requires the agencies to reimburse license applicants or parties seeking agency determination for the expenses incurred in seeking agency action when a final determination is not reached within six months.

H.R. 11027. December 8, 1975. Banking, Currency and Housing. Changes the effective date of the Defense Production Act Amendments of 1975 from the date of enactment of such Act to the close of November 30, 1975.

H.R. 11028. December 8, 1975. Merchant Marine and Fisheries. Directs the Secretary of Commerce to carry out a national aquaculture development program. Defines aquaculture as the culture and husbandry of aquatic organisms.

H.R. 11029. December 8, 1975. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer who makes a charitable contribution of certain property which relates to the donee's exempt function to deduct a larger portion of the fair market value of such property provided that the taxpayer receives a written statement from the donee representing that the property will be used in accordance with the donee's exempt function solely to provide for the care of the ill, the needy, or infants.

H.R. 11030. December 8, 1975. Ways and

Means; Interstate and Foreign Commerce. Requires the head of a Federal department or agency to give 60 days notice to the relevant committees of Congress prior to the initial publication of any regulation of general application and future effect relating to costs or expenditures of, or reimbursements to, individuals or providers of health care, or the fixing of any rate or charge for health care.

H.R. 11031. December 8, 1975. Interstate and Foreign Commerce. Amends the War Claims Act of 1948 to authorize payments to individuals under that Act in specified circumstances.

H.R. 11032. December 8, 1975. Ways and Means. Amends the Social Security Act by including the services of optometrists under the Medicare supplementary medical insurance program.

H.R. 11033. December 8, 1975. Ways and Means. Amends the Internal Revenue Code to exempt aircraft used primarily for agricultural operation from the tax imposed on the use of civil aircraft.

Provides for the refund of the tax on gasoline where fuel has been used for farming purposes in an aircraft and by an aerial applicator who was the ultimate purchaser thereof, and the owner, tenant, or operator of the farm has waived the right to any payment, credit, or refund on such fuel.

H.R. 11034. December 8, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to stipulate that special assessments by a special purpose authority for public purposes and services shall be considered as an allocation factor in making grants under such Act.

H.R. 11035. December 8, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to stipulate that special assessments by a special purpose authority for public purposes and services shall be considered as an allocation factor in making grants under such Act.

H.R. 11036. December 8, 1975. Interior and Insular Affairs. Amends the Land and Water Conservation Fund Act of 1965 to direct the Secretary of the Interior and the Secretary of Agriculture to establish procedures for the issuance to certain disabled individuals of free lifetime admission permits for use at designated park and recreation areas.

H.R. 11037. December 8, 1975. Small Business. Amends the Small Business Act to revise the eligibility requirements for small business home-building firms for assistance under the act. Stipulates that determinations by the Small Business Administration of the reasonable assurance of repayment of prospective loans shall be made on a case-by-case basis.

H.R. 11038. December 8, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlord.

H.R. 11039. December 8, 1975. Ways and Means. Amends the Internal Revenue Code to increase the exemption from industrial development bond treatment for certain small issues of such bonds.

H.R. 11040. December 8, 1975. Post Office and Civil Service. Requires the Postal Service to provide for the collection of mail from any permanent residential address receiving door delivery whether or not the mail carrier involved has any mail for delivery to such address.

H.R. 11041. December 8, 1975. Government Operations. Authorizes appropriations to the State and Local Government Fiscal Assistance Trust Fund for revenue sharing purposes through fiscal year 1982.

Stipulates that payments under the State and Local Government Fiscal Assistance Act which are waived by the Indian Tribe or Alaskan Native Village entitled to receive them shall become part of the entitlement of the county government in which such Tribe or Village is located.

H.R. 11042. December 8, 1975. Public Works and Transportation. Prohibits the Secretary of Transportation from approving certain highway construction projects in any State which does not permit motor vehicles to turn right at steady red traffic lights.

H.R. 11043. December 8, 1975. Education and Labor. Requires recipients of Federal aid to higher education to provide for the registration of qualified senior citizens, as defined in this Act, without charge or tuition, for scheduled classes and programs on a space available basis.

H.R. 11044. December 8, 1975. Interstate and Foreign Commerce. Amends the Securities Act of 1933 and the Securities and Exchange Act of 1934 to require the Securities and Exchange Commission to regulate the issuance and trading of municipal bonds and similar securities.

H.R. 11045. December 8, 1975. Education and Labor. Amends the Rehabilitation Act of 1973 to extend the authorization of appropriations in that Act through fiscal year 1978, and by extending the periods of availability of money appropriated for specified programs.

H.R. 11046. December 8, 1975. Education and Labor. Amends the Rehabilitation Act of 1973 to extend the authorization of appropriations in that Act through fiscal year 1978, and by extending the periods of availability of money appropriated for specified programs.

H.R. 11047. December 8, 1975. Interstate and Foreign Commerce. Directs the Federal Power Commission to exempt sales of new natural gas to designated distressed pipelines from price regulation on a temporary basis.

H.R. 11048. December 8, 1975. Post Office and Civil Service. Directs the Secretary of Commerce, in making agricultural censuses, to use the statistical method known as sampling.

H.R. 11049. December 8, 1975. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90 days notice, with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason, fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for violation of this Act by a franchisor.

H.R. 11050. December 8, 1975. Ways and Means. Amends the Tariff Schedules of the United States to set forth the duty on unmounted underwater lenses.

H.R. 11051. December 8, 1975. Judiciary. Authorizes the admission of a certain individual to the United States for permanent residence.

H.R. 11052. December 8, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11053. December 9, 1975. Veterans' Affairs. Sets forth the amount of reimbursement which the Administrator of Veterans' Affairs shall pay to the States for furnishing domiciliary, hospital, or nursing home care to eligible veterans who receive such care in State facilities.

H.R. 11054. December 9, 1975. Judiciary. Requires the United States to pay to any defendant who prevails in a civil action in which the United States is a plaintiff a reasonable attorney's fee and other reasonable litigation costs.

H.R. 11055. December 9, 1975. Banking, Currency and Housing. Amends the National Housing Act to require the Secretary of Housing and Urban Development to make expenditures to correct or compensate for substantial defects in certain mortgaged home. Extends the time period during which a homeowner may apply for assistance under this Act. Requires the Secretary to notify homeowners of such relief.

H.R. 11056. December 9, 1975. Veterans' Affairs. Exempts courses approved by a State approving agency and offered by a tax supported public educational institution from the placement record requirements which are otherwise a prerequisite to approval by the Administrator of Veterans' Affairs.

H.R. 11057. December 9, 1975. Agriculture. Authorizes the Secretary of Arigcultural to sell timber from United States Forest Service lands through fiscal year 1977.

H.R. 11058. December 9, 1975. Interior and Insular Affairs. Modifies the boundaries of the Bristol Cliffs Wilderness in Vermont to exclude certain lands from the wilderness area. Authorizes the Secretary of Agriculture to acquire additional lands for inclusion as wilderness.

H.R. 11059. December 9, 1975. Post Office and Civil Service. Includes officers and members of the police forces of Washington National Airport and Dulles International Airport within the definition of the term "law enforcement officer" for purposes of Civil Service retirement.

H.R. 11060. December 9, 1975. International Relations. Declares that no debt owed to the United States by any foreign country may be settled in an amount less than the full value of the debt except by concurrent resolution of the Congress.

H.R. 11061. December 9, 1975. Interior and Insular Affairs. Amends the Land and Water Conservation Fund Act of 1965 to establish special entrance permits as an alternative to existing "Golden Eagle" annual permits and special single visit permits which shall entitle the purchaser and his party to enter a designated park or recreation area for a period not to exceed fifteen consecutive days.

H.R. 11062. December 9, 1975. Veterans' Affairs. Extends War Orphans' and Widows Educational Assistance to the child of a veteran who has a service-connected disability permanent in nature rated at not less than 50 percent but less than total, or who died while a disability so evaluated was in existence.

Authorizes the payment of special restorative training allowance to the parents or guardian of an eligible person who is in need of such training.

H.R. 11063. December 9, 1975. Education and Labor. Amends the Older Americans Comprehensive Service Amendments of 1973 to exempt retired Federal employees serving on the Federal Council on the Aging from regulations governing the annuity and pay of civil service annuitants upon the reemployment of such annuitants.

H.R. 11064. December 9, 1975. Ways and Means. Amends the Internal Revenue Code to reduce the rates of excise taxes imposed on transportation by air and on fuels used in noncommercial aviation.

Exempts air ambulances from the excise tax on transportation of persons by air.

H.R. 11065. December 9, 1975. Ways and Means. Amends the Internal Revenue Code to allow a credit against the income tax in an amount equal to the sum of employment taxes paid by the taxpayer in connection with wages paid by such taxpayer to no more than seven reemployed or newly employed individuals, so long as such eligibile employees have not displaced any other individual from employment by the taxpayer.

H.R. 11066. December 9, 1975. Education and Labor. Amends the Rehabilitation Act of 1973 to extend the authorization of appropriations in that Act through fiscal year 1978, and by extending the periods of availability of money appropriated for specified programs.

H.R. 11067. December 9, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction for State and local occupancy taxes imposed on the rental of a dwelling unit for residential purposes.

H.R. 11068. December 9, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlord.

H.R. 11069. December 9, 1975. Public Works and Transportation. Permits States issuing bonds for construction of the Federal-aid primary system or the Interstate System to utilize Federal apportionments for such construction to retire the interest as well as the principal of such bonds.

H.R. 11070. December 9, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to establish separate rules for broadcasting of postseason championship playoff games of professional baseball, basketball and hockey clubs which prohibit blackouts of such postseason games in local areas only where all tickets of admission available to the general public have been purchased twenty-four hours or more before the game, rather than the general seventy-two hour limitation.

H.R. 11071. December 9, 1975. Judiciary. Incorporated the National Ski Patrol System, Incorporated.

H.R. 11072. December 9, 1975. Ways and Means. Directs the Secretary of Labor to make unemployment compensation payments to States for individuals who become unemployed as a result of the inability of the employer to obtain adequate supplies of natural gas.

H.R. 11073. December 9, 1975. Government Operations. Requires that meetings of Federal agencies be open to the public except as stipulated in this Act. Requires that edited transcripts of all meetings be made available to the public. Prohibits ex parte communications during on-the-record agency meetings.

H.R. 11074. December 9, 1975. Post Office and Civil Service. Restores the eligibility for Civil Service Commission health benefits plans to surviving spouses whose eligibility for a Civil Service annuity was terminated by remarriage and later restored.

H.R. 11075. December 9, 1975. International Relations. Amends the Agricultural Trade Development and Assistance Act of 1954 to redefine "agricultural commodity" with respect to alcoholic beverage.

H.R. 11076. December 9, 1975. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 11077. December 10, 1975. Ways and Means. Amends the Airport and Airway Revenue Act of 1970 with respect to limitations upon the purposes for which expenditures may be made from the Airport and Airway Trust Fund. Prohibits the expenditure of such funds for certain terminal development.

H.R. 11078. December 10, 1975. Post Office and Civil Service. Declares that persons living in rural areas who do not receive postal delivery service shall be provided with the use of a rent-free postal lock box.

H.R. 11079. December 10, 1975. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to stipulate that no pay adjustments for Members of Congress may take effect earlier than the beginning of the Congress next following the Congress in which they are approved.

H.R. 11080. December 10, 1975. Government Operations. Requires the Secretary of the Treasury to prepare and make public, each fiscal year, a consolidated financial statement for the United States based on accrual accounting procedures which includes the programs of all departments, agencies, and commissions of the United States, including those which may require future taxes for present liabilities.

H.R. 11081. December 10, 1975. Interstate and Foreign Commerce; Public Works and Transportation; Ways and Means. Revises the warning label on cigarette packages and requires the inclusion on such packages of a label bearing a statement of the tar and nicotine content.

Prohibits smoking in any enclosed area open to the public in any Federal facility or interstate passenger carriers facility.

Requires the separation of smokers and nonsmokers in any restaurant, other dining facility, recreation room, or lounge in any Federal facility or interstate passenger carrier facility. Recommends whenever possible, the separation of smoking and nonsmoking Federal employees.

Imposes an increased tax on cigarettes and authorizes the use of such revenues for cigarette—related disease research.

H.R. 11082. December 10, 1975. Interstate and Foreign Commerce. Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970 by establishing minimum mandatory sentences for persons convicted of offenses involving narcotic drugs. Details procedures to be used in determing whether to grant pretrial and posttrial release of persons charged with offenses involving certain narcotic drugs.

Makes all moneys used, or intended for use in illegally manufacturing, distributing, dispensing or acquiring any controlled substances subject to forfeiture to the United States.

H.R. 11083. December 10, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to authorize the Federal Communications Commission to grant licenses and license renewals for 5 year terms.

Revises the Act to allow certain appeals from orders or decisions of the Commission to be brought in the United States court of appeals for the circuit in which the broadcast facility is, or is proposed to be located.

Requires the Commission to examine its broadcast license renewal process to determine how the process can be simplified.

H.R. 11084. December 10, 1975. Ways and Means. Amends the Internal Revenue Code to exempt certain members of reserve components of the armed forces from the denial of the deduction from gross income of such member's contributions into a retirement account.

H.R. 11085. December 10, 1975. Public Works and Transportation. Establishes within the General Services Administration a police force to be known as the Federal Protective Service, to enforce laws and regulations in public buildings and other areas under the Jurisdiction of the General Services Administration.

H.R. 11086. December 10, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction for an amount equal to the sum of the amounts paid to an adoption agency as payment for expenses incurred by such adoption agency for the medical care of a child adopted by the taxpayer.

H.R. 11087. December 10, 1975. Agriculture. Authorizes the Secretary of Agriculture to sell timber from the United States Forest Service lands through fiscal year 1977.

H.R. 11088. December 10, 1975. Armed Services. Amends the Central Intelligence Agency Retirement Act of 1964 for certain employees to redefine the terms "widower", and "adopted child" for benefit eligibility purposes, to establish regulations governing the payment of annuities to certain individuals, and to insure that existing areas of conformity between the Civil Service Retirement System and the Central Intelligence Agency System are maintained when such conformity is determined by the President to be appropriate.

H.R. 11089. December 10, 1975. Ways and Means. Amends the Tariff Act of 1930 to specify civil penalties for the fraudulent introduction of goods into the United States.

H.R. 11090. December 10, 1975. Ways and Means. Amends the Internal Revenue Code to provide for the confidentiality of income tax returns.

Prohibits the disclosure of such returns except as provided by this Act.

Imposes penalties on the unlawful disclosure of returns or return information.

H.R. 11091. December 10, 1975. Science and Technology. Establishes an Energy Extension Service in the Energy Research and Development Administration to develop a program of technical assistance and practical demonstration of energy-conserving technologies for agricultural and commercial purposes.

H.R. 11092. December 10, 1975. Interior and Insular Affairs. Prohibits mining activities within any area of the National Park System. Repeals certain existing provisions which permit mining in specified national parks, monuments, and memorials.

H.R. 11093. December 10, 1975. International Relations. Suspends payments by the United States to the United Nations until rescission of the United Nations resolution equating Zionism with racism.

H.R. 11094. December 10, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to require the Secretary of Labor to review the standards promulgated under that Act to insure that such standards are effective and capable of being implemented; to authorize the Attorney General to enforce such standards, and to permit consultative inspections of work sites by the Secretary.

H.R. 11095. December 10, 1975. Ways and Means. Amends the Internal Revenue Code to reduce the rates of excise taxes imposed on transportation by air and on fuels used in noncommercial aviation.

Exempts air ambulances from the excise tax on transportation of persons by air.

H.R. 11096. December 10, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for the expenses of education above the twelfth grade paid by the taxpayer for providing an education for himself or any other individual.

H.R. 11097. December 10, 1975. Armed Services. Directs the Secretary of Defense to establish discharge review boards to conduct administrative reviews of discharges and dismissals of former members of the Armed Forces granted under less than fully honorable conditions, excluding such releases resulting from General courts martial.

Authorizes the review boards to issue an "honorable discharge (limited)" if the review indicates that the original discharge as inequitable in light of the conditions prevailing at the time of such discharge, and the conduct of the discharge proceedings.

Prescribes procedures and criteria to be utilized in determining whether issuance of the original discharge was equitable.

H.R. 11098. December 10, 1975. Ways and Means. Amends the Social Security Act to include, as a home health service in the Medicare program, nutritional counseling provided by or under the supervision of a registered dietitian.

H.R. 11099. December 10, 1975. Ways and Means; Government Operations. Amends the Internal Revenue Code to impose an unjust enrichment tax with respect to any license fee on the importation of oil or petroleum products which has been invalidated by the Supreme Court and the cost of which has not been borne by the individual liable for payment.

Stipulates that the tax imposed, which is to be 100 percent of the amount of the license fee, shall be deposited in the State and Local Government Fiscal Assistance Trust Fund for distribution to units of local government.

H.R. 11100. December 10, 1975. Ways and Means; Government Operations. Amends the Internal Revenue Code to impose an unjust enrichment tax with respect to any license fee on the importation of oil or petroleum products which has been invalidated by the Supreme Court and the cost of which has not been borne by the individual liable for payment.

Stipulates that the tax imposed, which is to be 100 percent of the amount of the license fee, shall be deposited in the State and Local Government Fiscal Assistance Trust Fund for distribution to units of local government.

H.R. 11101. December 10, 1975. Post Office and Civil Service. Stipulates that the rate of postage for letters of private individuals shall not exceed ten cents per ounce per letter.

H.R. 11102. December 10, 1975. Interior and Insular Affairs. Modifies the boundaries of the Bristol Cliffs Wilderness in Vermont to exclude certain lands from the wilderness area. Authorizes the Secretary of Agriculture to acquire additional lands for inclusions as wilderness.

H.R. 11103. December 10, 1975. Banking, Currency and Housing. Creates an Emergency Financial Assistance Corporation (1) to make direct loans to, or guarantee the payment of obligations of, State and local governments when such borrowers are unable to obtain funds on reasonable terms for public works and facilities; (2) to make loans for business and industrial development in depressed urban and rural areas; and (3) to make loans for the construction of low and moderate-income housing.

H.R. 11104. December 10, 1975. Post Office and Civil Service. Requires the observance of Memorial Day on May 30 of each year.

H.R. 11105. December 11, 1975. Interstate and Foreign Commerce. Prohibits any officer, employee, or agent of the United States, or any agency or department thereof, from inspecting, acquiring, or otherwise requiring for any reason whatever, any part of medical or dental records of patients whose medical or dental care has not been is provided by or paid for by the Federal Government or any Federal program or any program receiving Federal financial assistance, unless such patient has specifically authorized such disclosure in accordance with this Act.

H.R. 11106. December 11, 1975. Judiciary. Authorizes and sets forth procedures for the use of unsworn declarations under penalty of perjury in Federal proceedings, in lieu of such declarations made under oath.

H.R. 11107. December 11, 1975. Education and Labor; Judiciary. Amends the Walsh-Healey Act to exempt certain transportation employees of private carriers of property by motor vehicle from provisions of such Act.

H.R. 11108. December 11, 1975. Government Operations. Directs the Administrator of the Office of Federal Procurement Policy, under the Federal Procurement Policy Act, to promulgate regulations requiring the payment of interest at the rate of 12 percent on the amount of any payment which is overdue by more than two weeks on a contract with any small-business concern.

H.R. 11109. December 11, 1975. Post Office and Civil Service. Prohibits certain modifications of health insurance benefits under a plan offered to Federal employees unless notice of proposed modifications has been published and a hearing concerning such modifications has been held.

H.R. 11110. December 11, 1975. Judiciary. Prohibits certain corporate management interlocking relationship under the Clayton Act.

H.R. 11111. December 11, 1975. Science and Technology. Directs the Secretary of Commerce to establish a national climate program designed to improve monitoring, assessment, and evaluation of future climate impacts. Provides for coordination of related programs within Federal agencies by the Secretary of Commerce.

H.R. 11112. December 11, 1975. Agriculture. Establishes a Commission on the Humane Treatment of Animals to study the treatment of animals.

H.R. 11113. December 11, 1975. Ways and Means. Suspends temporarily the duty on menadine dimethylpyrimidinol bisulphite (MPB), under the Tariff Schedules of the United States.

H.R. 11114. December 11, 1975. Ways and Means. Amends the Internal Revenue Code to increase the investment tax credit with respect to certified development property in Appalachia and other designated economic development regions.

H.R. 11115. December 11, 1975. Public Works and Transportation; Merchant Marine and Fisheries. Establishes strict liability for damages caused by oil spills. Creates within the Department of Transportation an agency to settle claims arising from oil spills and to assist in providing compensation for oil spill damage.

H.R. 11116. December 11, 1975. Public Works and Transportation. Authorizes additional funds for the construction of the James Madison Memorial Building as an addition to the present Library of Congress.

H.R. 11117. December 11, 1975. Ways and Means. Amends the Internal Revenue Code to allow an additional personal and withholding tax exemption for a taxpayer, his spouse, or a dependent who is disabled.

H.R. 11118. December 11, 1975. Ways and Means. Amends the Internal Revenue Code to exempt until January 1, 1977, certain sales, exchanges, or other dispositions of property by a private foundation to a disqualified person from the 5 percent tax on self-dealing.

H.R. 11119. December 11, 1975. Interstate and Foreign Commerce. Revises the Public Health Service Act to extend appropriations that the Secretary of Health, Education, and Welfare may make for programs to assist in the construction of teaching facilities for the training of health personnel, to assist in meeting such facilities' costs for special projects, to fund the health service scholarship program, and to contribute to the loan funds of such facilities.

Establishes the National Advisory Council on Health Professions Education.

H.R. 11120. December 11, 1975. Judiciary. Increases the penalties for use of a firearm in the commission of a felony.

H.R. 11121. December 11, 1975. Public Works and Transportation. Directs the Secretary of the Army to study certain hazardous conditions to boating safety on the Mission Bay Harbor Entrance Channel near San Diego, California.

H.R. 11122. December 11, 1975. Judiciary. Divides the district court for the eastern district of New York into two districts.

H.R. 11123. December 11, 1975. Armed Services. Stipulates that civilian personnel engaged in industrially funded activities shall be excluded from the computation of the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

H.R. 11124. December 11, 1975. Interstate and Foreign Commerce. Requires the Secretary of Health, Education, and Welfare, under the Federal Food, Drug, and Cosmetic Act, to appoint and organize separate classification panels of experts to review and classify medical devices intended for human use into appropriate categories based on the safety and effectiveness of such devices. Authorizes the Secretary to establish performance standards to assure effectiveness and to eliminate unreasonable risk of injury. Requires the registration of all manufacturers of such medical devices.

H.R. 11125. December 11, 1975. International Relations. Permits agricultural commodities purchased by foreign countries, with approval of the Secretary of Agriculture, to be stored in the United States for export free of Government restraints imposed subsequent to such approval.

Requires that fungible agricultural commodities be stored for a minimum of 12 months.

H.R. 11126. December 11, 1975. Agriculture. Increases, under the Agricultural Adjustment Act of 1938, the maximum downward adjustment which the Secretary of Agriculture may make in the national marketing quota of burley tobacco to effect an orderly reduction of supplies to the reserve supply level.

H.R. 11127. December 11, 1975. Public Works and Transportation. Requires that plans and specifications for Federal-aid highway projects include provisions for the control of vehicles hauling gravel, sand, or similar material which is likely to escape onto the highway.

H.R. 11128. December 11, 1975. Post Office and Civil Service. Entitles any Federal employee retiring with accrued sick leave to a lump-sum payment for one-third of such days, and to limit the amount of sick leave such an employee is entitled to have included in years of service for the computation of the retirement annuity to one-third of such leave.

H.R. 11129. December 11, 1975. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to extend for three months the authority of the National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance. Deletes the definition of "electronic, mechanical, or other devices" as it relates to the scope of the Commission's activities.

H.R. 11130. December 11 1975. Agriculture. Establishes new loan levels, under the Agricultural Act of 1949 and the Agriculture and Consumer Protection Act of 1973, for the 1975, 1976, 1977 corps of corn, wheat, cotton, and soybeans.

Adopts certain standards to govern the Commodity Credit Corporation in its buying and selling of commodities for which loan levels are established.

H.R. 11131. December 11, 1975. District of Columbia. Amends the District of Columbia Police and Firemen's Salary Act of 1958 to establish a salary adjustment schedule for officers and members of the United States Park Police and the Executive Protective Service.

Directs the Secretary of the Interior to establish the United States Park Police Retirement and Relief Board to administer retirement and disability determinations of officers and members of the Park Police.

H.R. 11132. December 11, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11133. December 11, 1975. Judiciary. Authorizes the grant of United States citizenship to a certain individual.

H.R. 11134. December 12, 1975. Ways and Means. Amends the Internal Revenue Code to stipulate that the excise tax on certain vehicles shall be determined on the constructive sales price of such articles as established by the Secretary of the Treasury based on a percentage of the highest price for which such articles are sold to wholesale distributors by manufacturers and producers in the ordinary course of trade.

H.R. 11135. December 12, 1975. Veterans' Affairs. Sets forth the amount of reimbursement which the Administrator of Veterans' Affairs shall pay to the States for furnishing domiciliary, hospital, or nursing home care to eligible veterans who receive such care in State facilities.

H.R. 11136. December 12, 1975. Agriculture. Directs the Secretary of Agriculture to set the loan level for a commodity at 100 percent of the parity price of the commodity whenever the President of the United States or any other member of the Federal Government suspends or causes to be suspended the export sales of any grain commodity to any country or area with which the United States continues commercial trade.

H.R. 11137. December 12, 1975. Public Works and Transportation. Amends the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act to change the name of the "J. Edgar Hoover F.B.I. Building" to "F.B.I. Building."

H.R. 11138. December 12, 1975. Public Works and Transportation. Amends the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act to change the name of the "J. Edgar Hoover F.B.I. Building" to "F.B.I. Building."

H.R. 11139. December 12, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to stipulate that, in a civil action brought against Professional Standards Review Organizations, no organization, individual, or person shall be held for the negligent performance of such an organization or for defamation in connection with the performance of any function of such an organization, unless there is malice or gross negligence on the part of such organization, individual or person.

Directs the Secretary of Health, Education, and Welfare to pay the expenses of legal counsel in such suits.

H.R. 11140. December 12, 1975. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to establish a national cemetery at the Marine Corps Base, Quantico, Virginia.

H.R. 11141. December 12, 1975. Government Operations. Establishes a Department of Education to be administered by a Secretary of Education. Transfers specified education functions of the Department of Health, Education and Welfare, the Secretary of Agriculture, the Secretary of Defense, the Secretary of Health, Education and Welfare, the Secretary of the Interior, the Secretary of Labor and the National Science Foundation to the Department of Education.

Establishes a Federal Interagency Committee on Education and a National Advisory Commission on Education.

H.R. 11142. December 12, 1975. Judiciary. Amends the Clayton Act to prohibit persons with nonfarming business assets in excess of $3,000,000 from engaging in the production of agricultural products. Directs the Secretary of Agriculture to acquire, under certain circumstances, any property or interest of which a person must divest himself by virtue of this prohibition.

H.R. 11143. December 12, 1975. Interior and Insular Affairs. Directs the Secretary of Agriculture to study certain lands in the Angeles and San Bernardino National Forests in California as to their suitability for designation as wilderness.

H.R. 11144. December 12, 1975. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress.

H.R. 11145. December 12, 1975. Agriculture. Prohibits the importation of any dairy product into the United States unless it has been inspected and found to be wholesome and unless the foreign farms and plants in which such products were produced comply with all inspection, grading and other standards prescribed by the Secretary of Agriculture.

H.R. 11146. December 12, 1975. Ways and Means. Amends the Social Security Act to extend from February 1, 1976, to October 1, 1977, the period during which payment may be made for specified child day care services as described in the Act, without regard to new staffing requirements imposed by the Act.

H.R. 11147. December 12, 1975. Ways and Means. Amends the Social Security Act to maintain the inpatient hospital deductible under the medicare program at its 1975 level.

H.R. 11148. December 12, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to revise the Federal matching rate for purposes of reimbursement to States under the programs of aid to needy families with children and medical assistance.

H.R. 11149. December 12, 1975. Judiciary. Removes the limitation on the amount of property which may be lawfully held or acquired by the National Society of the Daughters of the American Revolution.

Grants sole and exclusive right to the Society for the use of its name and such emblems, seals, and badges as it has adopted.

H.R. 11150. December 12, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11151. December 12, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11152. December 15, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to require the Secretary of Labor to review the standards promulgated under that Act to insure that such standards are effective and capable of being implemented; to authorize the Attorney General to enforce such standards, and to permit consultative inspections of work sites by the Secretary.

H.R. 11153. December 15, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that the appropriate congressional committees conduct a comprehensive review of all Federal programs every two years. Specifies the review method to be followed.

H.R. 11154. December 15, 1975. Interstate and Foreign Commerce; Science and Technology. Amends the Solid Waste Disposal Act to expand research and development programs and to authorize the Administrator of the Environmental Protection Agency to make grants and guarantee loans for energy and resource recovery pilot plant and demonstration programs.

Includes provisions for grants and assistance to State, local, and interstate solid waste management and resource recovery programs.

H.R. 11155. December 15, 1975. Ways and Means; Judiciary. Directs the Federal Energy Administration to retain all fees collected under the oil import fee program for eventual distribution to consumers.

H.R. 11156. December 15, 1975. Banking, Currency and Housing. Authorizes a State or political subdivision to levy a tax with respect to a federally assisted housing project which under Federal law is otherwise exempt from State and local taxes but required to make payments in lieu of taxes where such payments are less than the amount of the taxes from which it is so exempt.

H.R. 11157. December 15, 1975. Judiciary. Amends the Immigration and Nationality Act to exempt alien crewmen, aliens accepting unauthorized employment, and aliens in transit without visa from procedures to obtain permanent resident status. Redefines "immigrant" with respect to temporarily employed aliens.

H.R. 11158. December 15, 1975. Public Works and Transportation. Directs the Administrator of General Services to utilize space in buildings of historical or architectural significance for Federal offices. Directs the Administrator to encourage development of commercial, educational, and cultural activities in areas surrounding Federal office buildings.

H.R. 11159. December 15, 1975. Atomic Energy. Directs the Nuclear Regulatory Commission to cease the granting of licenses or construction authorizations for certain nuclear powerplants pending the outcome of a comprehensive study by the Office of Technology Assessment. Requires a five-year independent study of the nuclear fuel circle by the Office of Technology Assessment with final reports and recommendations to be made to the Congress.

H.R. 11160. December 15, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to direct the Federal Power Commission to establish controls on the price of new natural gas. Allows small producers and producers of new, liquefied or synthetic natural gas to charge rates in excess of price control levels.

Establishes minimum production requirements for natural gas. Directs the Federal Power Commission to prohibit boiler fuel use of natural gas and propane.

Sets forth procedures for allocation of natural gas for emergencies and for essential agricultural purposes.

H.R. 11161. December 15, 1975. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 11162. December 15, 1975. Judiciary. Requires payment of witnesses in Federal courts and before United States commissioners in an amount equivalent to earned income lost by reason of the witness' appearance in court.

H.R. 11163. December 15, 1975. Interior and Insular Affairs. Amends the Mineral Leasing Act to authorize the Secretary of the Interior to grant additional leases to certain existing leaseholders for purposes other than the actual mining of oil shale. Requires that such purposes be related to the mining activities of the oil shale lessee and that the Secretary determine that issuance of such additional lease is in the public interest.

H.R. 11164. December 15, 1975. Government Operations. Establishes a Department of Education to be administered by a Secretary of Education. Transfers specified education functions of the Department of Health, Education, and Welfare, the Secretary of Agriculture, the Secretary of Defense, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, the Secretary of Labor and the National Science Foundation to the Department of Education.

Establishes a Federal Interagency Committee on Education and a National Advisory Commission on Education.

H.R. 11165. December 15, 1975. Government Operations; Rules. Abolishes certain Federal regulatory agencies unless, within the next three years, (1) the President recommends to Congress that any agency or agencies should not be abolished; (2) the relevant committee investigates and publishes a report on such agency; and (3) the Congress adopts a concurrent resolution disapproving the abolition of such agency or agencies.

Requires three-year automatic abolition of existing agencies unless similar positive approval is given by the President and Congress.

Allows for the transfer of agency functions to the President or a successor agency with the continuation of the present rules and proceedings.

H.R. 11166. December 15, 1975. House Administration. Requires, under the Federal Voting Assistance Act of 1955, that any ballot executed by any person to whom such Act is applicable shall be delivered to the addressee by the Postal Service, whether or not such ballot is mailed with sufficient postage.

H.R. 11167. December 15, 1975. Government Operations. Limits the amount of funds received by a local government, under the State and Local Assistance Act of 1972, which may be used in any one of the priority expenditure categories.

Authorizes the Secretary of the Treasury to reserve up to 10 percent of the total entitlement payment to insure that there will be sufficient funds available to pay adjustments due after the final allocation of funds.

Directs the Secretary to reserve 5 percent of the total funds appropriated and to allocate these funds to low-income communities.

Prohibits discriminatory denial of benefits by State or local governments.

H.R. 11168. December 15, 1975. Post Office and Civil Service. Stipulates that the rate of postage for letters of private individuals shall not exceed 10 cents per ounce per letter.

H.R. 11169. December 15, 1975. International Relations. Establishes a Commission Security and Cooperation in Europe to monitor the acts of the signatories which reflect compliance with the Final Act of the Conference on Security and Cooperation in Europe.

H.R. 11170. December 15, 1975. Judiciary. Allows individuals who, while they were members of the Armed Forces, were given or administered a drug as part of an experiment, to bring an action for damages against the United States.

H.R. 11171. December 15, 1975. Ways and Means. Amends the Emergency Unemployment Compensation Act to authorize the use of area triggers by States in order to determine eligibility periods for emergency unemployment benefits. Establishes criteria for the determination of emergency periods based upon the unemployment rate over a 13-week period.

H.R. 11172. December 15, 1975. Post Office and Civil Service; Judiciary. Stipulates that the compensation of the Commission of the Federal Maritime Commission who is appointed to fill the vacancy created by the resignation of a specified Commissioner shall be at the level of compensation in effect on January 1, 1975, increases under the Executive Salary Cost-of-Living Adjustment Act notwithstanding.

H.R. 11173. December 15, 1975. Ways and Means. Amends the Internal Revenue Code to define the term "wholesale price" and to change the manner of taxation on large cigars to apply an ad valorem tax based on their wholesale price.

Authorizes the Internal Revenue Service to inspect the records kept by manufacturers of tobacco products.

H.R. 11174. December 15, 1975. Appropriations. Rescinds, under the Impoundment Control Act of 1974, certain budget authority contained in the messages of the President of November 18, 1975, and November 29, 1975.

H.R. 11175. December 15, 1975. Ways and Means. Amends the Internal Revenue Code to allow handicapped individuals a deduction for employment-related expenses.

H.R. 11176. December 15, 1975. Ways and Means. Amends the Internal Revenue Code to permit a deduction from gross income of medical expenses for certain dependents who have physical or mental impairments without reducing those expenses by the percentage exclusions.

H.R. 11177. December 15, 1975. Interior and Insular Affairs. Grants the consent of Congress to an amendment to the Sabine River Compact between the States of Louisiana and Texas.

H.R. 11178. December 15, 1975. Ways and Means. Amends the Tariff Schedules of the United States to set forth the rate of duty on ceramic insulators for spark plugs.

H.R. 11179. December 15, 1975. Government Operations. Requires the President or his designee to transmit a copy of any Presidential proclamation or Executive order to the Speaker of the House of Representatives and to the President of the Senate for referral to appropriate committees.

H.R. 11180. December 15, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to study the feasibility of designating certain lands in Hawaii as a part of the National Park System. Establishes a Kalaupapa National Historical Parks Advisory Commission.

Prohibits certain activities within the proposed park area pending the results of such studies.

H.R. 11181. December 15, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11182. December 15, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11183. December 15, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for the loss of certain cattle impounded and sold by the National Forest Service.

H.R. 11184. December 16, 1975. Public Works and Transportation. Directs the Executive Protective Service to provide for the protection of foreign diplomatic missions located in certain metropolitan areas in the United States upon the basis of extraordinary protective need.

Increases the maximum size of the Executive Protective Service.

Authorizes the Secretary of the Treasury, pursuant to the protection of foreign diplomatic missions, to utilize, on a reimbursable basis, the services, personnel, equipment, and facilities of State and local governments subject to their consent.

H.R. 11185. December 16, 1975. Education and Labor; Ways and Means. Establishes a national program of child adoption and care services.

Directs the Secretary of Health, Education, and Welfare (1) to establish a National Registry of Adoptable Children; and (2) to establish a National Data Bank of Adoption Information and Resources for the purpose of disseminating information on sources of funding for prospective adoptive parents and on adoption agencies.

Sets forth requirements for all State child welfare organizations which receive Federal assistance.

H.R. 11186. December 16, 1975. Judiciary; Rules. Declares that certain rules proposed by Federal agencies shall take effect only if, after a certain period of time, either House of Congress does not pass a resolution disapproving such proposed rule. Establishes procedures for exercising Congressional disapproval of such proposed rules.

H.R. 11187. December 16, 1975. Education and Labor. Authorizes appropriations for fiscal years 1976 and 1977 for manpower and employment programs under the Comprehensive Employment and Training Act of 1973. Revises eligibility criteria for such employment programs.

Increases the maximum salary for certain public service jobs under such Act from $10,000 per year to $12,000 per year. Sets forth additional criteria for allocation of emergency employment funds.

H.R. 11188. December 16, 1975. Government Operations. Limits the period of authorization of new budget authority enacted by Congress. Stipulates that budget authorizations for an unspecified number of years or for more than 4 years that are in effect on the effective date of this Act shall cease to be effective after specified intervals. Requires a comprehensive review and study of existing programs for which continued budget authority is proposed to be authorized by committees of Congress.

H.R. 11189. December 16, 1975. Public works and Transportation. Authorizes additional funds for the construction of the James Madison Memorial Building as an addition to the present Library of Congress.

H.R. 11190. December 16, 1975. Post Office and Civil Service. Directs the Secretary of Commerce to produce and publish current data on total population for State, county, and local units of government on an annual or biennial basis depending on the population of such unit. Requires the use of such population date in the administration of any law of the United States in which population is used to determine the amount of benefit received by State and local governments.

H.R. 11191. December 16, 1975. Interior and Insular Affairs. Allows States or localities to elect to receive payments from the Secretary of the Interior based on the amount of certain public lands within the boundaries of such governmental units in lieu of the sum of amounts made available to the States and localities under various provisions of law governing such public lands.

H.R. 11192. December 16, 1975. Public Works and Transportation. Amends the Tennessee Valley Authority Act of 1933 to authorize the Board of Directors to recognize recreational and additional public uses in the construction and operation of dams and reservoirs within its jurisdiction.

H.R. 11193. December 16, 1975. Judiciary. Amends the Gun Control Act of 1968 to revise various licensing requirements for sale of firearms and ammunition under such act. Repeals provisions of the Omnibus Crime Control and Safe Streets Act of 1968 relating to unlawful possession or receipt of firearms.

Imposes additional requirements upon purchasers of handguns. Establishes a National Handgun in the apprehension of illegal users of handguns.

H.R. 11194. December 16, 1975. Judiciary. Amends the Omnibus Crime Control and Safe Street Act of 1968 to require that the comprehensive State plan required under the Act include provisions for the prevention of crimes against the elderly.

H.R. 11195. December 16, 1975. Education and Labor. Amends the Age Discrimination in Employment Act of 1967 to apply it prohibitions to all individuals over age 40.

H.R. 11196. December 16, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11197. December 16, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States with respect to an injury received in a collision with a motor bike driven by a member of the United States Air Force.

H.R. 11198. December 16, 1975. Judiciary. Authorizes classifications of certain individuals as children for purposes of the Immigration and Nationality Act.

H.R. 11199. December 12, 1975. Judiciary. Authorizes the admission of a certain individual to the United States for permanent residence.

H.R. 11200. December 17, 1975. Interior and Insular Affairs. Sets forth and approves the Compact of Permanent Union Between Puerto Rico and the United States.

H.R. 11201. December 17, 1975. Interior and Insular Affairs. Sets forth and approves the Compact of Permanent Union between Puerto Rico and the United States.

H.R. 11202. December 17, 1975. Government Operation. Requires the Secretary of the Treasury to prepare and make public, each fiscal year, a consolidated financial statement for the United States based in accrual accounting procedures which includes the programs of all departments, agencies, and commissions of the United States, including those which may require future taxes for present liabilities.

H.R. 11203. December 17, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish the Old Ninety-six and Star Fort National Historical Park in South Carolina.

H.R. 11204. December 17, 1975. International Relations. Establishes a Commission on Security and Cooperation in Europe to monitor the acts of the signatories which reflect compliance with the Final Act of the Conference on Security and Cooperation in Europe.

H.R. 11205. December 17, 1975. Post Office and Civil Service. Stipulates that the rate of postage for letters of private individuals shall not exceed ten cents per ounce per letter.

H.R. 11206. December 17, 1975. Ways and Means. Amends the Social Security Act to authorize payment of wife's, husband's, widow's, and widower's insurance benefits under the old-age, survivors, and disability insurance program without regard to age in cases of disability of wives, husbands, widows, and widowers.

H.R. 11207. December 17, 1975. Ways and Means. Amends the Internal Revenue Code to permit a taxpayer who has attained the age of sixty-five or one who is handicapped to take a tax credit against the income tax for real property taxes paid, or for the amount of rent constituting such taxes paid by the taxpayer.

H.R. 11208. December 17, 1975. Post Office and Civil Service. Stipulates that civilian air traffic controllers employed in Executive agencies shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement.

H.R. 11209. December 17, 1975. Education and Labor. Amends the Age Discrimination in Employment Act of 1967 to prohibit employers, employment agencies, and labor organizations from requiring evidence of age of an applicant for a job, or as a condition for referral for employment, or as a condition for membership.

H.R. 11210. December 17, 1975. Judiciary. Imposes mandatory minimum prison sentences for certain offenses. Requires increased sentences for certain repeat offenders.

H.R. 11211. December 17, 1975. Judiciary. Revises the penalties for use of a firearm in the commission of a felony.

H.R. 11212. December 17, 1975. Banking, Currency and Housing. Creates the National Consumer Cooperative Bank, the Self-Help Development Fund, and the Cooperative Bank and Assistance Administration to assist the formation and growth of consumer and other types of self-help cooperatives.

H.R. 11213. December 17, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make repayable emergency rent payments in behalf of certain tenants who are, or will be, subject to eviction proceedings as a result of unemployment or underemployment.

H.R. 11214. December 17, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make interest subsidy payments to State and local governments with respect to bond issues of such governments.

Establishes a Municipal Technical Assistance Office to assist State and local governments with municipal capital market management and budget planning.

H.R. 11215. December 17, 1975. Science and Technology. Makes the National Bureau of Standards an independent agency of the Executive Branch.

H.R. 11216. December 17, 1975. Post Office and Civil Service. Stipulates that certain law enforcement officers of the Naval Investigative Services or the Air Force Office of Special Investigations, who also worked under the Defense Investigative Service, and who, by reason of an agency reorganization, lost retirement coverage as Federal law enforcement officers, shall be entitled to have such coverage restored.

H.R. 11217. December 17, 1975. Judiciary. Authorizes and sets forth procedures for the use of unsworn declarations under penalty of perjury in Federal proceedings, in lieu of such declarations made under oath.

H.R. 11218. December 17, 1975. Judiciary. Establishes a seven-member National Court of Appeals to be located in the District of Columbia. Authorizes the appointment of a clerk of the Court, law clerks, a librarian, and other employees.

States that the Court shall have jurisdiction over cases referred to it by the Supreme Court and those transferred from other Federal courts of appeals.

H.R. 11219. December 17, 1975. Judiciary. Amends specified regulations governing the administration and operations of Federal courts of appeals (1) to limit the term of a circuit judge as a chief judge to seven years; (2) to define a court en banc as consisting of the chief judge of the circuit and eight other circuit judges; (3) to permit judges to retire at age 60 after ten years of continuous service; (4) and to authorize the courts of appeals to appoint legal assistants for duties as specified in the Act.

Establishes a 16 member Commission on the Federal Judiciary System to study the structure and internal procedures of the system.

H.R. 11220. December 17, 1975. Education and Labor. Authorizes the Secretary of the Interior to make grants to Indian controlled community colleges to be used for the planning and development of educational programs, basic operational costs, employment of instructional and administrative personnel, curriculum development, student services, and community service programs.

H.R. 11221. December 17, 1975. Interior and Insular Affairs. Repeals the Act terminating Federal supervision over the property and members of the confederated tribes of Sitely Indians of Oregon. Extends Federal recognition as a sovereign Indian tribe to such tribe. Reinstates all rights and privileges of the tribe and its members, except for certain hunting, fishing, and trapping rights.

H.R. 11222. December 17, 1975. Veterans' Affairs. Repeals the time limit within which a veteran must use his education benefits.

H.R. 11223. December 17, 1975. Agriculture. Amends the Food Stamp Act of 1964 by revising (1) eligibility standards; (2) the method of determining the amount of the coupon allotment; (3) administration of the program by State agencies; and (4) the nutrition education program.

H.R. 11224. December 17, 1975. International Relations. Amends the United Nations Participation Act of 1945 to limit appropriations for such participation to one-sixth of the total assessment of the United Nations for that year, with certain exceptions.

Declares it the sense of Congress that the President direct the Ambassador of the United States to the United Nations to assure that the United Nations, in making assessments, consider the wealth of oil producing member states. Repeals certain appropriations for contributions to international organizations.

H.R. 11225. December 17, 1975. Armed Services; Judiciary. Amends the National Security Act of 1947, and the Omnibus Crime Control and Safe Streets Act of 1968 to limit the terms of the Director of the Central Intelligence Agency, and the Director of the Federal Bureau of Investigation, respectively, to 10 years, and to subject each Director to removal by the President.

H.R. 11226. December 17, 1975. Interior and Insular Affairs. Dedicates the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas.

H.R. 11227. December 17, 1975. Ways and Means. Amends the Internal Revenue Code to provide that the current wage withholding rates will remain in effect until March 15, 1976.

H.R. 11228. December 17, 1975. Public Works and Transportation. Directs the Administrator of General Services to establish and enforce standards to insure that buildings financed with Federal funds be constructed so as to be accessible to the physically handicapped. Includes structures which are leased by the Government for subsidized housing programs within the scope of such requirements.

H.R. 11229. December 17, 1975. Judiciary. Declares a certain individual to be the unmarried natural-born alien daughter of aliens lawfully admitted for permanent residence in the United States, for purposes of the Immigration and Nationality Act.

H.R. 11230. December 17, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11231. December 18, 1975. Ways and Means; Budget. Amends the Internal Revenue Code (1) to increase the low income allowance, (2) to increase the percentage standard deduction, (3) to continue the earned income credit, (4) to increase and continue the taxable income credit, (5) to extend the current corporation tax rates and surtax exemption, (6) to continue in effect the current withholding rates with respect to wages, and (7) to establish a maximum budget outlay of $405,000,000,000 for fiscal year 1977.

H.R. 11232. December 18, 1975. Appropriations. Declares that all import license fees collected for oil imports into Puerto Rico shall be transferred to the Treasury of Puerto Rico.

H.R. 11233. December 18, 1975. Education and Labor. Amends the Library Services and Construction Act to extend through fiscal year 1981 the authorization of appropriations for the purpose of making grants to States (1) for the extension of library services; (2) for public library construction; (3) for interlibrary cooperation programs; and (4) for public library services for older persons.

H.R. 11234. December 18, 1975. Education and Labor. Amends the Library Services and Construction Act to extend through fiscal year 1981 the authorization of appropriations for the purpose of making grants to States (1) for the extension of library services; (2) for public library construction; (3) for interlibrary cooperation programs; and (4) for public library services for older persons.

H.R. 11235. December 18, 1975. Veterans' Affairs. Directs the Secretary of each military department to extend to veterans receiving compensation for service-connected disabilities rated at 30 percent or more the same commissary, post exchange, and medical care privileges as are extended to former members of uniformed services who served in the Vietnam conflict and who are retired for disabilities rated at 30 percent or more.

H.R. 11236. December 18, 1975. Ways and Means. Amends the Internal Revenue Code to deny the deduction as an ordinary and necessary business expense of any amount paid or incurred during the taxable year in connection with communications of meetings with the committees, individual Members of Congress, the legislative body of any State, a possession of the United States, or a political subdivision of any of the foregoing with respect to legislation or proposed legislation.

H.R. 11237. December 18, 1975. Interior and Insular Affairs. Designates certain lands in the Umatilla National Forest in Oregon and Washington as the Wenaha-Tucannon Wilderness.

H.R. 11238. December 18, 1975. Veterans' Affairs. Eliminates the time limitation for the use of educational assistance benefits by any eligible veteran who served on active duty at any time after August 4, 1964.

H.R. 11239. December 18, 1975. Interior and

Insular Affairs. Increases the limitations on appropriations for specified units of the National Parks System.

H.R. 11240. December 18, 1975. Education and Labor. Amends the Age Discrimination in Employment Act by extending the coverage of the Act to individuals 40 years of age or over.

H.R. 11241. December 18, 1975. Interior and Insular Affairs. Amends the Land and Water Conservation Fund Act of 1965 to authorize additional appropriations for preservation of outdoor recreation resources. Revises procedures for providing financial assistance to States.

Amends the National Historic Preservation fund from revenues collected from mining leases and leases on the Outer Continental Shelf.

H.R. 11242. December 18, 1975. Interstate and Foreign Commerce. Amends the Motor Vehicle Information and Cost Savings Act (1) to authorize the enforcement by the Secretary of Transportation of prohibitions against motor vehicle odometer tampering; (2) to make unlawful the sale of odometer tampering devices; and (3) to authorize appropriations for such enforcement.

H.R. 11243. December 18, 1975. Judiciary. Amends the Immigration and Nationality Act to exempt alien crewmen, aliens accepting unauthorized employment and aliens in transit without visa from procedures to obtain permanent resident status.

Sets forth civil penalties for employers who refer for unauthorized employment aliens not admitted for permanent residence. Prescribes certain conditions under which relations of United States citizens of permanent residents may be admitted to permanent resident status.

Amends the Immigration and Nationality Act with respect to the deportation of an alien who becomes a public charge.

H.R. 11244. December 18, 1975. Government Operations. Sets forth guidelines to be followed in the classification of material as "Defense Data" for purposes of determining whether its dissemination must be limited in the interest of national defense.

H.R. 11245. December 19, 1975. Post Office and Civil Service. Authorizes payment overtime pay to certain employees of the Department of Agriculture, Animal and Plant Health Inspection Service.

H.R. 11246. December 18, 1975. Ways and Means. Amends the Social Security Act to extend from February 1, 1976, to October 1, 1977, the period during which payment may be made for specified child day care services as described in the Act, without regard to new staffing requirements imposed by the Act.

H.R. 11247. December 18, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a credit against the income tax the amount of the employment placement fees paid or incurred by the taxpayer during the taxable year to an employment agency.

H.R. 11248. December 18, 1975. Interior and Insular Affairs. Authorizes Federal payments to counties as reimbursement for property tax revenues lost as a result of the establishment of the Big Cypress National Preserve in Florida.

H.R. 11249. December 18, 1975. International Relations; Ways and Means. Requires the President to consult Congress before imposing any trade embargo on any country.

Imposes a 60-day limit on any trade embargo unless approved by Congress for a longer period.

Permits Congress to terminate any trade embargo by concurrent resolution.

H.R. 11250. December 18, 1975. Interstate and Foreign Commerce. Amends the Controlled Substances Act and the Controlled Substances Import and Export Act by establishing minimum mandatory sentences for persons convicted of offenses involving narcotic drugs. Details procedures to be used in determining whether to grant pretrial and posttrial release of persons charged with offenses involving certain narcotic drugs.

Makes all moneys used, or intended for use in illegally manufacturing, distributing, dispensing or acquiring any controlled substances subject to forfeiture to the United States.

H.R. 11251. December 18, 1975. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to authorize Federal grants to States to assist in meeting time standards for the disposition of criminal cases which are consistent with standard set forth for Federal courts under the Speedy Trial Act of 1974.

H.R. 11252. December 18, 1975. Judiciary. Increases the penalties for the use of a firearm in the commission of a felony in the case of a second or subsequent offense.

H.R. 11253. December 18, 1975. Judiciary. Requires the establishment of a system for the redress of law enforcement officers' grievances and acceptance of a law enforcement officers' bill of rights by the States and local government units as a condition to receiving grants under the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 11254. December 18, 1975. Judiciary. Prescribes denial of postconviction bail for persons convicted of violent crimes except in cases where it is determined that such person will not pose a danger to the community and where a substantial question has been raised which is likely to result in a reversal of the conviction.

H.R. 11255. December 18, 1975. Judiciary. Establishes a program of grants to States for the payment of compensation to persons injured by certain violent criminal acts. Establishes the Violent Crimes Compensation Commission to carry out the purposes of this Act.

H.R. 11256. December 18, 1975. Judiciary. Prohibits the sale of certain handguns by licensed manufacturers or importers.

H.R. 11257. December 18, 1975. Education and Labor. Amends the Service Contract Act of 1965 by requiring every contract entered into by any of the armed forces to include a provision which permits termination of such contract if the contractor or subcontractor replaces, or attempts to replace, any service employee participating in a strike which relates to certain matters.

H.R. 11258. December 18, 1975. Interior and Insular Affairs. Creates the position of Assistant Secretary for Indian Affairs within the Department of the Interior.

Authorizes the Secretary of the Interior to delegate functions relating to Indian Affairs to the Assistant Secretary. Transfers various functions and duties of the Commissioner of Indian Affairs to the Secretary and the Assistant Secretary.

H.R. 11259. December 18, 1975. Ways and Means. Amends the Tariff Schedules of the United States with respect to the duty on levulose.

H.R. 11260. December 18, 1975. Education and Labor. Establishes an Employment Statistics Commission to review current methods of collection and analysis of present and prospective national and local employment and unemployment information.

H.R. 11261. December 18, 1975. Judiciary. Establishes a Virgin Islands Immigration Commission to review the status of nonimmigrant aliens residing in the Virgin Islands.

H.R. 11262. December 18, 1975. Government Operations. Directs the Administrator of the Office of Federal Procurement Policy, under the Federal Procurement Policy Act, to promulgate regulations requiring the payment of interest at the rate of 12 percent on the amount of any payment which is overdue by more than two weeks on a contract with any small-business concern.

H.R. 11263. December 18, 1975. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to redefine the purpose of the Act to emphasize the establishment of maximum opportunity for employment in the private sector in employment or training programs not authorized by the Act. Requires that a certain percentage of veterans be hired for public service jobs under the provisions of the Act. Establishes additional restrictions on the use of funds authorized by the Act.

H.R. 11264. December 18, 1975. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to authorize Federal reimbursement to certain private employers participating in manpower programs in amounts not to exceed 50 percent of salaries paid to low-income persons under such programs.

H.R. 11265. December 18, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to prohibit the Federal Power Commission from regulating certain transactions involving new natural gas. Directs the Commission to establish a ceiling price on new natural gas produced from offshore Federal lands to remain in effect through December 31, 1980.

Amends the Energy Supply and Environmental Coordination Act of 1974 to authorize the Administrator of the Environmental Protection Agency to prohibit the use of natural gas as boiler fuel by major fuel burning installations if adequate alternatives are available.

Grants standby authority to the President to allocate propane during natural gas shortages.

H.R. 11266. December 18, 1975. Ways and Means. Amends the Internal Revenue Code to extend the current withholding tables until March 15, 1976.

H.R. 11267. December 18, 1975. Ways and Means. Amends the Internal Revenue Code to direct the payment of interest at the rate of 5 percent upon the excess portion of each income tax prepayment made by an individual in a taxable year where such income tax prepayments exceed the individual's liability for the income tax.

H.R. 11268. December 18, 1975. Interior and Insular Affairs; Post Office and Civil Service. Authorizes the Secretary of the Interior to make grants and loans for the establishment of a Polynesian culture exhibition as part of the American Revolution Bicentennial celebration in Philadelphia.

H.R. 11269. December 18, 1975. Interstate and Foreign Commerce. Grants authority to the Administrator of the Environmental Protection Agency to (1) establish test standards for any drug that may present an unreasonable risk to health or the environment; (2) require 90 days notice when any manufacturer is planning to manufacture or import a new drug; (3) prescribe rules for the distribution or use of a chemical substance deemed an unreasonable risk to human health or the environment; and (4) require the revision of inadequate quality control procedures. Exempts pesticides and certain other chemical substances from this Act.

H.R. 11270. December 18, 1975. Post Office and Civil Service. Directs the Secretary of Commerce to use the statistical method known as "Sampling" in taking any census of agriculture.

H.R. 11271. December 18, 1975. Post Office and Civil Service. Directs the Secretary of Commerce to use the statistical method known as "sampling" in taking any census of agriculture.

H.R. 11272. December 18, 1975. Government Operations. Requires the Director of the Office of Management and Budget, prior to the expenditure of any funds for the production of any institutional or informational film, to certify that such film is necessary to the purposes of such agency and is not redundant with films previously produced by other Federal agencies.

H.R. 11273. December 18, 1975. Interstate and Foreign Commerce; Interior and Insular Affairs; Public Works and Transportation. Directs the Secretary of the Interior to issue and take all necessary actions to administer and enforce all rights-of-way, permits, leases and other authorizations necessary for or related to the construction, operation and maintenance of an Alaskan natural gas pipeline in accordance with applications for such construction now on file with the Federal Power Commission.

Limits administrative or judicial review of construction operations with respect to right-of-way and environmental considerations related to such operations.

H.R. 11274. December 18, 1975. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to require that the comprehensive State plan required under the Act include provisions for the prevention of crimes against the elderly.

H.R. 11275. December 18, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act to allow comprehensive planning and full and timely citizen participation in the allocating of funds as priority expenditures.

Extends appropriations for the State and Local Government Fiscal Assistance Trust Fund through 1978.

Revises the method for allocation of such appropriations among the States.

Authorizes additional entitlements for modernizing and revitalizing State and local government.

H.R. 11276. December 18, 1975. International Relations. Prohibits assistance to Angola under the Foreign Military Sales Act, and the Agricultural Trade Development and Assistance Act of 1954.

Suspends all defense sales to Angola under the Foreign Military Sales Act and licenses for arms exports for Angola under the Mutual Security Act of 1954.

Requires the President to report to Congress on steps taken to insure that the United States does not contribute to the conflict in Angola.

H.R. 11277. December 18, 1975. Government Operations. Requires the President or his designee to transmit a copy of any Presidential proclamation or Executive order to the Speaker of the House of Representatives and to the President of the Senate for referral to appropriate committees.

H.R. 11278. December 18, 1975. Government Operations; Rules. Abolishes specified Federal regulatory agencies on July 4, 1976, unless Congress and the President approve their continuation. Sets limits on the continued existence of Federal regulatory agencies. Sets forth the procedures to be followed by the President to transfer the functions, powers, and duties of terminated agencies to himself or to a successor agency.

H.R. 11279. December 18, 1975. Interstate and Foreign Commerce; Public Works and Transportation; Agriculture; Banking, Currency and Housing; Merchant Marine and Fisheries; Atomic Energy. Establishes, as an independent agency of the Federal Government, the Federal Regulatory Agency Nominating Board which shall submit to the President names of individuals found to be qualified by the Board to serve as the commissioner of a regulatory agency.

Requires members of the Nominating Board to file a yearly financial disclosure report with the Comptroller General.

H.R. 11280. December 18, 1975. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90 days notice, with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason, fails to renew the franchise. Sets forth the judicial remedies available to a franchise for a violation of this Act by a franchisor.

H.R. 11281. December 18, 1975. Agriculture. Directs the Secretary of Agriculture to establish a program for the protection and conservation of shelter belt areas. Permits landowners and operators of such areas to agree to a conservation plan in return for annual payments by the Secretary for participation in the program.

H.R. 11282. December 19, 1975. Judiciary. Prohibits the denial or abridgment of a certain individual's rights to vote, notwithstanding a specified criminal conviction.

H.R. 11283. December 18, 1975. Judiciary. Authorizes the naturalization of a certain individual, under the Immigration and Nationality Act.

H.R. 11284. December 18, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11285. December 19, 1975. International Relations. Authorizes the Secretary of Agriculture to allow agricultural commodities or the products thereof which have been purchased by foreign countries, agencies, or companies, to remain in the United States for export at a later date free of any Government controls or restraints on exports that may be imposed subsequent to such approval. Prohibits resale of such commodities in the United States.

H.R. 11286. December 19, 1975. House Administration. Authorizes a one-year extension for the preparation of the report of the National Study Commission on Records and Documents of Federal Officials.

H.R. 11287. December 19, 1975. Interstate and Foreign Commerce. Prohibits persons who are not citizens of the United States from acquiring more than 5 percent of the voting securities of certain domestic producers of materials used in the production of fertilizers.

H.R. 11288. December 19, 1975. Ways and Means. Amends the Social Security Act to include in the medicare program coverage for services which may be performed by a dentist on the same basis as presently allowed for physicians under the medicare program, and to authorize payment under such program for all inpatient hospital services furnished in connection with dental procedures requiring hospitalization.

H.R. 11289. December 19, 1975. Ways and Means. Amends the Social Security Act by including the services of clinical psychologists under the Medicare supplementary medical insurance program.

H.R. 11290. December 19, 1975. Ways and Means. Amends the Social Security Act to authorize payment under the medicare program for specified services performed by chiropractors including x-ray, and physical examination and related routine laboratory tests.

H.R. 11291. December 19, 1975. Ways and Means. Amends the Social Security Act by including the services of optometrists under the Medicare supplementary medical insurance program.

H.R. 11292. December 19, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to extend the United States Railway Association must submit the final system plan to the special court established for such review by the judicial panel on multidistrict litigation.

H.R. 11293. December 19, 1975. Post Office and Civil Service. Requires the reduction in the number of individuals in the civil service employed by the United States within each agency to the number so employed on July 1, 1975.

H.R. 11294. December 19, 1975. Public Works and Transportation. Prohibits certain civil supersonic aircraft from landing at, or taking off from, Dulles International Airport or Washington National Airport, except in emergencies.

H.R. 11295. December 19, 1975. Post Office and Civil Service. Extends eligibility for veterans' preference for civil service employment to the parents and spouses of any individual who is a prisoner of war or missing in action.

H.R. 11296. December 19, 1975. Post Office and Civil Service. Requires the Postal Service to notify the local office of each State employment service of employment vacancies in the Postal Service.

H.R. 11297. December 19, 1975. Judiciary. Increases the maximum penalty for persons convicted of conspiring to commit any offense against the United States or to defraud the United States. Establishes a separate, larger maximum penalty in the case of a corporation convicted of such an offense.

H.R. 11298. December 19, 1975. Judiciary. Establishes a National Commission on Victimless Crimes.

H.R. 11299. December 19, 1975. Post Office and Civil Service. Bars civil service annuity payments during periods an annuitant is entitled to receive a salary as a justice or judge of the United States.

H.R. 11300. December 19, 1975. Judiciary. Amends the Immigration and Nationality Act to exclude from admission into, and to depart from, the United States all aliens who persecuted others on the basis of religion, race, or national origin under the direction of the Nazi Government of Germany.

H.R. 11301. December 19, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction for the tax on self-employment income, for the social security tax, and for the tax on railroad employees and employee representatives.

H.R. 11302. December 19, 1975. Judiciary. Amends the Voting Rights Act of 1965 to repeal the prohibition against exclusively English language elections as a means to abridge the right to vote of members of a language minority group.

H.R. 11303. December 19, 1975. Public Works and Transportation. Renames the Federal Building in Williamsport, Pennsylvania, as the Herman T. Schneebeli Federal Building.

H.R. 11304. December 19, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act by requiring, under certain circumstances, those who engage the services of sales representatives to provide indemnification to those sales representatives who have been terminated.

H.R. 11305. December 19, 1975. Judiciary; Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists. Repeals the Federal Regulation of Lobbying Act.

H.R. 11306. December 19, 1975. Post Office and Civil Service. Stipulates that the rate of postage for letters of private individuals shall not exceed ten cents per ounce per letter.

H.R. 11307. December 19, 1975. Ways and Means. Amends the Internal Revenue Code to declare the confidentiality of all tax returns and information included therein.

Authorizes certain inspections of tax returns by certain officers and employees of the Government, subject to conditions imposed by the Commissioner of the Internal Revenue Service.

H.R. 11308. December 19, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to conduct a detailed study to scientifically determine if there is a causal relationship between the amputation of an extremity and cardio-vascular disorders that are subsequently incurred by service-connected amputee veterans.

H.R. 11309. December 19, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to conduct a study to determine if the adverse effects of the aging process upon service-connected disabilities should be a factor in determining disability evaluations or disability compensation payments.

H.R. 11310. December 19, 1975. Veterans' Affairs. Authorizes a person who has been released from active service and who suffers an increase in a service-connected disability to 30 percent or more to apply for National Service Life Insurance anytime within two years from the date that the increase in the service-connected disability is determined by the Veterans' Administration.

H.R. 11311. December 19, 1975. Veterans' Affairs. Grants to veterans whose disability is rated not less than 50 percent additional compensation in the form of an aid and attendance allowance for dependents for each spouse or child who is a patient in a nursing home or who is totally or nearly helpless or blind so as to need or require the regular aid and attendance of another person.

H.R. 11312. December 19, 1975. Veterans' Affairs. Increases the rates of wartime disability compensation and survivors dependency and indemnity compensation payable by the Administrator of Veterans' Affairs to disabled veterans and their dependents, or to the widows of veterans.

H.R. 11313. December 19, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to provide automobile adaptive equipment to any veteran receiving compensation for the permanent incomplete use of an arm or leg, which resulted from an injury incurred or disease contracted in or aggravated by active military, naval, or air service during World War II or thereafter.

H.R. 11314. December 19, 1975. Veterans' Affairs. Classifies an death from natural causes, in the case of a veteran who had a service-connected disability rated permanent and total for at least one year immediately preceding death, as a service-connected death for death compensation and dependency and indemnity compensation purposes.

H.R. 11315. December 19, 1975. Judiciary. Defines the jurisdiction of United States courts in suits against foreign states, the circumstances in which such states are immune from suit, and the exception to such immunity.

H.R. 11316. December 19, 1975. Interstate and Foreign Commerce. Extends for three years assistance programs for health services research and statistics and program for assistance to medical libraries, under the Public Health Services Act.

H.R. 11317. December 19, 1975. Interstate and Foreign Commerce. Extends appropriations for three fiscal years for programs of assistance under the Comprehensive Alcohol Prevention, Treatment, and Rehabilitation Act of 1970.

H.R. 11318. December 19, 1975. Ways and Means. Revises the eligibility requirements for Disability Insurance benefits for blind persons under the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under the Social Security Act.

H.R. 11319. December 19, 1975. Government Operations. Requires, with certain exceptions, that meetings of Government agencies be open to the public.

H.R. 11320. December 19, 1975. Judiciary. Establishes a voluntary membership annuity plan for Federal judges and certain judicial officials, the purpose of which is the payment of an annuity to the survivors of such judges and officials.

Establishes, within the United States Treasury, the Judicial Survivors Annuity Fund. Stipulates that the fund shall be maintained by withholding a percentage of each member's salary, and by matching appropriate funds.

H.R. 11321. December 19, 1975. Ways and Means. Amends the Tariff Schedules of the United States to suspend temporarily the duty on certain elbow protheses.

H.R. 11322. December 19, 1975. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers a credit in an amount equal to the aggregate amount of all electrical energy fuel surcharges paid by the taxpayer.

H.R. 11323. December 19, 1975. Interior and Insular Affairs; Merchant Marine and Fisheries. Directs the Secretary of the Interior to establish the Minnesota Valley National Wildlife Recreation Area and the Minnesota Valley National Wildlife Refuge in Minnesota.

H.R. 11324. December 19, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by allowing State Medicare and Medicaid plans to require (1) that physicians be paid in full according to a uniform fee schedule; and (2) that any coinsurance or deductibles be paid by the patient to the State rather than to the physician.

H.R. 11325. December 19, 1975. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate the Myakka River in Florida as a potential addition to the National Wild and Scenic Rivers System.

H.R. 11326. December 19, 1975. Ways and Means. Amends the Internal Revenue Code to establish an independent establishment in the executive branch to be known as the Internal Revenue Administration to administer and enforce the Internal Revenue Code.

H.R. 11327. December 19, 1975. Interstate and Foreign Commerce. Extends appropriations for emergency medical services systems, under the Public Health Service Act.

Authorizes the Secretary of Health, Education, and Welfare to make certain additional grants for emergency medical service projects.

H.R. 11328. December 19, 1975. Interstate and Foreign Commerce. Establishes the Office of Mental Health and Disability Advocacy Services, under the Community Mental Health Centers Act, to enter into contracts with States to assist them in meeting the costs of establishing and maintaining a program of mental health advocacy services for patients in mental health facilities.

H.R. 11329. December 19, 1975. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90 days notice, with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason, fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for a violation of this act by a franchisor.

H.R. 11330. December 19, 1975. Interstate and Foreign Commerce. Amends the Federal Power Act to prohibit certain interlocking relationships between public utilities and financial organizations and suppliers. Requiries that residential consumers of electricity be represented on the board of directors of each public utility.

H.R. 11331. December 19, 1975. Ways and Means. Amends the Internal Revenue Code to stipulate that, in the case of employees' trusts which are exempt from tax, the balance to the credit of an employee does not include any amount not paid or distributed to a particular employee by reason of any potential liability of the trust or plan arising from any court action which is pending.

Allows certain subsequent distributions or payments occurring after the completion of such court action to be treated as a lump sum distribution if the recipient originally elected lump sum distribution treatment.

H.R. 11332. December 19, 1975. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 11333. December 19, 1975. Science and Technology; Interior and Insular Affairs. Directs the Secretary of the Interior to establish a program of energy research and development and resource assessment for the exploration of oil and gas on the Outer Continental Shelf. Establishes additional programs of research, development, and demonstration within various Federal agencies to be conducted in cooperation with the Secretary of the Interior.

H.R. 11334. December 19, 1975. Ways and Means. Amends the Social Security Act to require the referral of disabled children under the age of 16 who are receiving supplemental security income benefits to State vocational rehabilitation services agencies.

Directs the Secretary of Health, Education, and Welfare to prescribe criteria for State plans for the offering of such services to such children.

H.R. 11335. December 19, 1975. Veterans' Affairs. Repeals the time limit within which a veteran must use his education benefits.

H.R. 11336. December 19, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that the appropriate congressional committees conduct a comprehensive review of all Federal programs every six years. Specifies the review method to be followed.

H.R. 11337. December 19, 1975. Post Office and Civil Service. Directs the Secretary of Commerce to take a mid-decade sample population survey in 1985 and every ten years thereafter in addition to the decennial census.

Requires the Secretary to submit for congressional approval the questionnaires to be used in the decennial census and mid-decade surveys.

Authorizes the Secretary to conduct special censuses as requested by State and other local governmental units.

Increases the penalties for unlawful disclosure of census information.

H.R. 11338. December 19, 1975. Atomic Energy. Amends the Arms Control and Disarmament Act to require the Director of the Arms Control and Disarmament Agency to prepare arms control impact reports prior to transfers of nuclear materials or technology to foreign nations.

H.R. 11339. December 19, 1975. Agriculture. Establishes the National Agricultural Research Policy Committee as a permanent committee within the United States Department of Agriculture to coordinate the nation's programs of agricultural research.

Authorizes the Secretary of Agriculture to make grants for certain mission-oriented basic agricultural research and for agricultural and food research.

H.R. 11340. December 19, 1975. Judiciary. Declares that certain rules proposed by Federal agencies shall take effect only if, after a certain period of time, either House of Congress does not pass a resolution disapproving such proposed rule.

H.R. 11341. December 19, 1975. Interstate and Foreign Commerce. Requires the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to establish standards for the issuance of licenses to clinical laboratories.

Directs the Secretary to conduct a study of existing voluntary certification standards and State licensure laws for technical laboratory personnel.

H.R. 11342. December 19, 1975. Armed Services. Establishes the position of Special Assistants to the President for National Security Affairs.

H.R. 11343. December 19, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for certain moving expenses incurred while an employee of the Department of Labor.

H.R. 11344. December 19, 1975. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11345. December 19, 1975. Judiciary. Allows credit to a certain individual for specified government service for purposes of civil service annuities and sick leave.

H.R. 11346. December 19, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11347. December 19, 1975. Government Operations. Directs the Administrator of General Services to convey certain lands in Utah to Shriners' Hospitals for Crippled Children, a Colorado corporation.

H.R. 11348. December 19, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to convey certain lands in Kansas to a certain individual.

H.R. 11349. December 19, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for certain dental work.

H.R. 11350. December 19, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for expenses incurred in connection with services performed as a referee in bankruptcy.

H.R. 11351. December 19, 1975. Judiciary. Relieves a certain corporation of liability to the United States for compensation claimed for the use by such corporation of certain plumbing equipment owned by the United States.

H.J. Res. 703. October 20, 1975. Agriculture. Amends the Agricultural Act of 1949 to require quarterly adjustments in the support price for milk.

H.J. Res. 704. October 21, 1975. Post Office and Civil Service. Designates the month of November of each year as "National Epilepsy Month."

H.J. Res. 705. October 21, 1975. Post Office and Civil Service. Designates the week beginning with the 3rd Monday in February of each year as "National Patriotism Week."

H.J. Res. 706. October 22, 1975. Judiciary. Proposes an amendment to the Constitution to limit the amount of money which may be drawn from the Treasury in consequence of Congressional appropriations to the revenues of the United States during any fiscal accounting period.

H.J. Res. 707. October 22, 1975. Post Office and Civil Service. Authorizes the President to designate November 10, 1975, as a national day of celebration in commemoration of the 200th anniversary of the United States Marine Corps.

H.J. Res. 708. October 23, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit a public school student from being assigned to, or required to attend, a particular school.

H.J. Res. 709. October 23, 1975. Judiciary. Proposes an amendment to the Constitution to limit the number of consecutive terms that Representatives and Senators may serve.

H.J. Res. 710. October 29, 1975. Interior and Insular Affairs. Directs the Indian Claims Commission to determine the amount of a claim of the Seminole Nation of Oklahoma and to render a final judgment therein.

H.J. Res. 711. October 30, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit assignment or transportation of school children beyond the area of the neighborhood school, except while such assignment or transportation is voluntary.

H.J. Res. 712. October 30, 1975. Government Operations. Declares it the general policy of the United States Government to rely upon private commercial sources for goods and services to meet Government needs except in certain circumstances.

H.J. Res. 713. November 4, 1975. International Relations. Declares it the policy of the United States not to threaten to use or to make first use of nuclear weapons against any non-nuclear-weapon State which is a party to the Treaty on the Non-Proliferation of Nuclear Weapons unless such State is engaged in aggression in concert with a nuclear-weapon State.

H.J. Res. 714. November 4, 1975. International Relations. Declares it the policy of the United States to renounce the first use of nuclear weapons.

H.J. Res. 715. November 4, 1975. Post Office and Civil Service. Designates "The Stars and Stripes Forever" as the national march.

H.J. Res. 716. November 4, 1975. Judiciary. Proposes an amendment to the Constitution limiting appropriations to the amount of revenues, except during a national emergency. Imposes a plan for the repayment of the national debt.

H.J. Res. 717. November 4, 1975. International Relations. Directs the President to seek an agreement with Canada calling for a moratorium on the killing of eastern timber wolves.

H.J. Res. 718. November 5, 1975. Judiciary. Proposes an amendment to the Constitution which authorizes the President or the Speaker of the House to determine a surtax rate to be applied to the income tax at times when estimates of Federal expenditures exceed estimates of Federal receipts.

H.J. Res. 719. November 5, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning on the first Saturday after the first Tuesday in January of each year as "National Ski Week".

H.J. Res. 720. November 5, 1975. International Relations. Directs the President to seek an agreement with Canada calling for a moratorium on the killing of eastern timber wolves.

H.J. Res. 721. November 7, 1975. Post Office and Civil Service. Authorizes the President to designate November 10, 1975, as a national day of celebration in commemoration of the 200th anniversary of the United States Marine Corps.

H.J. Res. 722. November 7, 1975. Judiciary. Directs the Attorney General of the United States to investigate the finances of New York City to determine whether any violations of Federal law contributed to that city's financial crises.

H.J. Res. 723. November 10, 1975. International Relations. Declares it the policy of the United States not to threaten to use or to make first use of nuclear weapons against any non-nuclear-weapon State which is a party to the Treaty on the Non-Proliferation of Nuclear Weapons unless such State is engaged in aggression in concert with a nuclear-weapon State.

H.J. Res. 724. November 12, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning on the first Saturday after the first Tuesday in January of each year as "National Ski Week".

H.J. Res. 725. November 12, 1975. Judiciary. Directs the Attorney General of the United States to investigate the finances of New York City to determine whether any violations of Federal law contributed to that city's financial crisis.

H.J. Res. 726. November 14, 1975. Post Office and Civil Service. Authorizes the President to designate 1976 as "National Bicentennial Highway Safety Year".

H.J. Res. 727. November 14, 1975. Post Office and Civil Service. Authorizes the President to designate 1976 as "National Bicentennial Highway Safety Year".

H.J. Res. 728. November 14, 1975. Judiciary. Confers honorary United States citizenship upon Christopher Columbus.

H.J. Res. 729. November 18, 1975. Government Operations. Declares it the general policy of the United States Government to rely upon private commercial sources for goods and services to meet Government needs except in certain circumstances.

H.J. Res. 730. November 18, 1975. Post Office and Civil Service. Authorizes the President to designate September 8 of each year as "National Cancer Day."

H.J. Res. 731. November 19, 1975. Post Office and Civil Service. Designates February 8 to 14, 1976, as "National Vocational Education and National Vocational Industrial Clubs of America (VICA) Week."

H.J. Res. 732. November 20, 1975. Post Office and Civil Cervice. Authorizes the President to designate the week beginning on the first Saturday after the first Tuesday in January of each year as "National Ski Week."

H.J. Res. 733. December 1, 1975. Appropriations. Extends the availability of appropriations and funds for certain governmental agencies and departments to March 31, 1976.

H.J. Res. 734. December 1, 1975. International Relations. Calls for public hearings by the Senate Foreign Relations Committee and the House of Representatives International Relations Committee on the Portuguese Crisis. Calls upon the Union of Soviet Socialist Republics to terminate its active support of Portuguese Communists. Calls upon the Department of States to proclaim the right of the Portuguese people to free elections.

H.J. Res. 735. December 1, 1975. House Administration. Authorizes the erection of a Memorial in the District of Columbia, or its environs, in honor and commemoration of members of the Armed Forces of the United States who served in the Vietnam war.

H.J. Res. 736. December 1, 1975. International Relations. Directs the President to seek an agreement with Canada calling for a moratorium on the killing of eastern timber wolves.

H.J. Res. 737. December 1, 1975. Post Office and Civil Service. Requests the President to designate the 2nd week in May of each year as "Municipal Clerks' Week".

H.J. Res. 738. December 2, 1975. Merchant Marine and Fisheries. Authorizes (1) the establishment of the Tule Elk National Wildlife Refuge and (2) the establishment of a Federal-State management program for the conservation, protection, and enhancement of the tule elk and other species.

H.J. Res. 739. December 2, 1975. Post Office and Civil Service. Designates the week beginning on April 30th of each year as "National Beta Sigma Phi Week".

H.J. Res. 740. December 2, 1975. Post Office and Civil Service. Designates the week beginning on April 30th of each year as "National Beta Sigma Phi Week".

H.J. Res. 741. December 4, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 742. December 4, 1975. Post Office and Civil Service. Authorizes the President to designate January 11 through 17, 1976, as "Bicentennial Printing Week".

H.J. Res. 743. December 4, 1975. Agriculture. Authorizes the Secretary of Agriculture to make certain payments to any farmowner or operator who has in storage certain grain products whenever the President or some other executive official suspends or causes a suspension of export sales of such grain products.

H.J. Res. 744. December 9, 1975. Post Office and Civil Service. Requests the President to designate May 16 through 22, 1976, as "National Car Care Week".

H.J. Res. 745. December 11, 1975. Judiciary. Directs the Attorney General of the United States to investigate the finances of New York City to determine whether any violations of Federal law contributed to that city's financial crisis.

H.J. Res. 746. December 12, 1975. Appropriations. Rescinds certain budget authority under salaries and expenses of the Consumer Product Safety Commission, as recommended by the President on November 29, 1975.

H.J. Res. 747. December 15, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 748. December 15, 1975. Rules. Establishes a Joint Committee on Aging to plan and conduct a Congressional conference on aging.

H.J. Res. 749. December 16, 1975. Specifies that the second session of the 94th Congress shall begin at noon, January 19, 1976.

H.J. Res. 750. December 16, 1975. Judiciary. Proposes an amendment to the Constitution to require the popular election of the President and Vice President.

H.J. Res. 751. December 16, 1975. International Relations. Prohibits assistance for military or paramilitary operations, police training, assistance, or advice to Angola or any individual, group, organization or movement therein, unless specifically authorized by the Foreign Assistance Act of 1961.

H.J. Res. 752. December 17, 1975. Post Office and Civil Service. Authorizes the President to designate September 8 of each year as "National Cancer Day".

H.J. Res. 753. December 17, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 754. December 17, 1975. Post Office and Civil Service. Designates the week beginning April 4, 1976, as "National Drafting Week".

H.J. Res. 755. December 17, 1975. International Relations. Amends the Foreign Assistance Act of 1961 to declare it the sense of Congress that the people of Angola be allowed to determine their political future without military interference from any foreign country. Limits certain assistance and activities by the United States in Angola.

H.J. Res. 756. December 18, 1975. Government Operations. Declares it the general policy of the United States Government to rely upon private commercial sources for goods and services to meet Government needs except in certain circumstances.

H.J. Res. 757. December 18, 1975. Judiciary. Proposes an amendment to the Constitution requiring representation of the District of Columbia in the Congress.

H.J. Res. 758. December 18, 1975. Government Operations. Declares it the general policy of the United States Government to rely upon private commercial sources for goods and services to meet Government needs except in certain circumstances.

H.J. Res. 759. December 18, 1975. Post Office and Civil Service. Designates a "National Day of Atonement".

H.J. Res. 760. December 18, 1975. Post Office and Civil Service. Designates the week beginning on April 30 of each year as "National Beta Sigma Phi Week".

H.J. Res. 761. December 19, 1975. Post Office and Civil Service. Authorizes the President to proclaim February of each year "American History Month".

H.J. Res. 762. December 19, 1975. Post Office and Civil Service. Designates the week of the third Wednesday in March of each year as "National Community Health Week".

H.J. Res. 763. December 19, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning on the first Saturday after the first Tuesday in January of each year as "National Ski Week".

H.J. Res. 764. December 19, 1975. Government Operations. Declares it the policy of the United States to encourage, develop and implement policies to stabilize the population of the United States.

H.J. Res. 765. December 19, 1975. Post Office and Civil Service. Designates the fourth Monday in March of each year as "National Agriculture Day".

H. Con. Res. 443. October 20, 1975. International Relations. Declares Congressional opposition to the agreement of the European Security Conference. Rejects such agreement as an expression of United States policy.

H. Con. Res. 444. October 20, 1975. Science and Technology; Merchant Marine and Fisheries. Declares it the sense of the Congress that the Federal Government should accelerate investigation, development, and demonstration of commercial sailing ships.

H. Con. Res. 445. October 20, 1975. Science and Technology; Public Works and Transportation. Declares it the sense of Congress that (1) the Federal Government accelerate research of lighter than air transportation systems, and (2) the budgets of certain Federal agencies include adequate funds to prove the commercial viability of such systems.

H. Con. Res. 446. October 20, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 447. October 20, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 448. October 20, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 449. October 20, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet; and that the United States increase its assistance for self-help assistance among the world's poorest people until such assistance reaches one percent of our total national production.

H. Con. Res. 450. October 20, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet; and that the United States increase its assistance for self-help assistance among the world's poorest people until such assistance reaches one percent of our total national production.

H. Con. Res. 451. October 20, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 452. October 21, 1975. International Relations. Expresses Congressional disapproval of the sale of Sidewinder air-to-air missiles to Kuwait, as proposed by the President on October 10, 1975.

H. Con. Res. 453. October 21, 1975. International Relations. Expresses Congressional disapproval of the sale of Sidewinder air-to-air missiles to Kuwait, as proposed by the President on October 10, 1975.

H. Con. Res. 454. October 21, 1975. Judiciary. Declares it the sense of Congress that the President should appoint a Special Prosecutor and have a grand jury empaneled to investigate possible violations of the Sherman and Clayton Antitrust Acts by certain oil and gas companies.

H. Con. Res. 455. October 21, 1975. Ways and Means. Declares it the sense of Congress that Federal income tax forms be simplified and that State and local income tax forms be modeled on the Federal forms.

H. Con. Res. 456. October 21, 1975. Interstate and Foreign Commerce. Declares it the sense of the Congress that the Federal Communications Commission take action to protect American young people and children from harmful effects as a result of the television broadcast of a certain motorcycle stunt.

H. Con. Res. 457. October 21, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet, and that the United States increase its assistance for self-help assistance among the world's poorest people until such assistance reaches 1 percent of our total national production.

H. Con. Res. 458. October 22, 1975. Expresses the gratitude of the United States Congress to Her Majesty the Queen, the Parliament, and the people of the United Kingdom for their loan of the Magna Carta to the United States.

Authorizes the display of such document in the rotunda of the United States Capitol.

H. Con. Res. 459. October 23, 1975. Adjourns the House of Representatives from October 23 to October 28, 1975.

H. Con. Res. 460. October 23, 1975. Public Works and Transportation. Declares it the sense of Congress (1) that certain public buildings be surveyed for architectural barriers to the handicapped, (2) that such barriers be removed, and (3) that other governmental units be urged to take like action.

H. Con. Res. 461. October 28, 1975. International Relations. Declares it the sense of Congress that (1) the Irish people ought to be permitted to exercise the right of self-determination, and (2) the Government of the United Kingdom ought to set a date for the removal of troops from Northern Ireland.

H. Con. Res. 462. October 28, 1975. International Relations. Requests the President to bring the Baltic States question before the United Nations.

Urges the United States Information Agency and other propaganda agencies to bring this issue to world attention.

Declares it the sense of Congress that the United States delegation to the European Security Conference shall not recognize the Soviet Union's annexation of Estonia, Latvia, and Lithuania.

H. Con. Res. 463. October 29, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 464. October 30, 1975. Budget. Limits the total budget outlays of the United States Government for the fiscal year 1977.

H. Con. Res. 465. October 30, 1975. International Relations. Declares it the sense of Congress that the President seek an international convention to develop a multilateral treaty denying sanctuary to international terrorists.

H. Con. Res. 466. October 31, 1975. Budget. Declares the recommended levels of Federal revenues, new budget authority, total budget outlays, budget deficit, and public debt for fiscal year 1975.

H. Con. Res. 467. October 31, 1975. International Relations. Declares Congressional objection to the management of the construction of a Saudi Arabia National Guard Headquarters complex by the United States Army Corps of Engineers proposed by the President on October 23, 1975.

H. Con. Res. 468. November 4, 1975. Banking, Currency and Housing. Declares it the sense of Congress that the Federal Reserve Act authorizes the Federal Reserve System to purchase short term obligations of New York City.

H. Con. Res. 469. November 6, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 470. November 6, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 471. November 7, 1975. Judiciary. Declares it the sense of the Congress that each person held on slavery from the founding of the Republic to the ratification of the 14th Amendment be considered a citizen of the United States.

H. Con. Res. 472. November 10, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 473. November 10, 1975. Post Office and Civil Service. Recognizes the Second Canadian Regiment formed on November 10, 1775 as "Congress' Own Regiment".

Commends those who engage in the recreation of such regiment.

H. Con. Res. 474. November 10, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 475. November 11, 1975. International Relations; Rules. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Con. Res. 476. November 11, 1975. Education and Labor; Veterans' Affairs. Declares it the sense of Congress that vocational education be treated equally with other forms of education by the Congress and executive agencies.

H. Con. Res. 477. November 11, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Con. Res. 478. November 11, 1975. Budget. Declares the recommended levels of Federal revenues, new budget authority, total budget outlays, budget deficit, and public debt for fiscal year 1975.

H. Con. Res. 479. November 13, 1975. House Administration. Declares it the will of Congress that an art bank be established to serve as a depository for recent works of art created and lent by United States citizens for display in the House and Senate Office Buildings.

H. Con. Res. 480. November 14, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 481. November 17, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet, and that the United States increase its assistance for self-help assistance among the world's poorest people until such assistance reaches 1 percent of our total national production.

H. Con. Res. 482. November 17, 1975. International Relations. Declares it the sense of Congress that the President seek an international convention to develop a multilateral treaty denying sanctuary to international terrorists.

H. Con. Res. 483. November 18, 1975. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States or their political subdivisions.

H. Con. Res. 484. November 18, 1975. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States or their political subdivisions.

H. Con. Res. 485. November 19, 1975. Declares that the House of Representatives shall stand adjourned from November 20 to December 1, 1975.

H. Con. Res. 486. November 19, 1975. Interior and Insular Affairs. Declares that certain routes used by American and French forces to accomplish the victory at Yorktown should be known as "The Washington-Rochambeau National Historic Route."

H. Con. Res. 487. November 19, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 488. November 19, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 489. November 20, 1975. International Relations. Declares it the sense of Congress that the President and the Secretary of State should take all necessary steps to bring the Baltic States question before the United Nations.

Declares it the sense of Congress that the Secretary of State should utilize communications media to bring this matter to the attention of all nations.

Declares it the sense of Congress that free elections should be conducted under the auspices of the United Nations in Estonia, Latvia, Lithuania, and all peoples involuntarily subjugated to Soviet communism.

H. Con. Res. 490. November 20, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet; and that the United States increase its assistance for self-help assistance among the world's poorest people until such assistance reaches 1 percent of our total national production.

H. Con. Res. 491. November 20, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 492. November 20, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 493. November 20, 1975. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States or their political subdivisions.

H. Con. Res. 494. December 1, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Con. Res. 495. December 1, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 496. December 2, 1975. International Relations. Requests the President to instruct the United States Ambassador to the United Nations to bring certain aspects of the Baltic States question before the United Nations.

H. Con. Res. 497. December 2, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet; and that the United States increase its assistance for self-help assistance among the world's poorest people until such assistance reaches 1 percent of our total national production.

H. Con. Res. 498. December 2, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet; and that the United States increase its assistance for self-help assistance among the world's poorest people until such assistance reaches 1 percent of our total national production.

H. Con. Res. 499. December 2, 1975. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States or their political subdivisions.

H. Con. Res. 500. December 4, 1975. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States or their political subdivisions.

H. Con. Res. 501. December 4, 1975. Rules. Directs the Speaker of the House of Representatives and the President pro tempore of the Senate to make arrangements for the presentation of the multimedia production, "America, O America, the Beautiful", at a joint meeting of Congress.

H. Con. Res. 502. December 4, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet, and that the United States increase its assistance for self-help assistance among the world's poorest people until such assistance reaches 1 percent of our total national production.

H. Con. Res. 503. December 8, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet, and that the United States increase its assistance for self-help assistance among the world's poorest people until such assistance reaches 1 percent of our total national production.

H. Con. Res. 504. December 8, 1975. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States or their political subdivisions.

H. Con. Res. 505. December 10, 1975. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States or their political subdivisions.

H. Con. Res. 506. December 10, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet, and that the United States increase its assistance for self-help assistance among the world's poorest people until such assistance reaches 1 percent of our total national production.

H. Con. Res. 507. December 10, 1975. International Relations. Expresses Congressional disapproval of the proposed sale of certain defense services to Saudi Arabia submitted by the President on December 9, 1975.

H. Con. Res. 508. December 11, 1975. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States or their political subdivisions.

H. Con. Res. 509. December 11, 1975. International Relations. Requests the President to review foreign assistance programs involving governments which receive military and economic aid from the United States and which have supported actions in the United Nations contrary to the principles and interests of the United States.

H. Con. Res. 510. December 15, 1975. Post Office and Civil Service. Declares it the sense of the Congress that certain steps be taken by Governors, students, teachers, parents, and associates of our nation's schools to carry out a Community Cleanup Day in the spring of 1976.

H. Con. Res. 511. December 15, 1975. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States or their political subdivisions.

H. Con. Res. 512. December 16, 1975. International Relations. Declares it the sense of Congress that no significant U.S. financial, material, or human resources for covert military operations abroad should be committed without prior consultation with the appropriate congressional committees.

H. Con. Res. 513. December 16, 1975. House Administration. Directs the printing, as a House document, of a compilation of materials commemorating the years of service of Justice William O. Douglas.

H. Con. Res. 514. December 16, 1975. International Relations. Declares it the sense of Congress that the President (1) seek an agreement to end intervention in Angola, and (2) terminate all U.S. military and military-related assistance.

H. Con. Res. 515. December 16, 1975. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States or their political subdivisions.

H. Con. Res. 516. December 17, 1975. International Relations; Agriculture. Declares it the sense of Congress that the United States recognizes its duty to share its food and technological resources with foreign nations.

H. Con. Res. 517. December 17, 1975. International Relations. Expresses the disapproval of Congress to a proposed sale to Israel of F-15 aircraft, related equipment, and training, as proposed by the President on December 9, 1975.

H. Con. Res. 518. December 19, 1975. Declares that Congress shall stand adjourned sine die or until certain notification, after December 19, 1975.

H. Con. Res. 519. December 19, 1975. International Relations. Declares it the sense of Congress that no significant United States financial, material, or human resources for covert military operations abroad should be committed without prior consultation with the appropriate congressional committees.

H. Con. Res. 520. December 19, 1975. Agriculture; International Relations. Declares it the sense of Congress that every person has the right to a nutritionally adequate diet, and that the United States increase its assistance for self-help assistance among the world's poorest people until such assistance reaches 1 percent of our total national production.

H. Con. Res. 521. December 19, 1975. International Relations. Declares that Congress would support a Presidential declaration of policy against further manufacture or possession of lethal chemical weapons by the United States.

Urges an international treaty to ban the manufacture and possession of lethal chemical weapons by all nations.

H. Con. Res. 522. December 19, 1975. Banking, Currency and Housing. Declares it the sense of Congress that gold released from the International Monetary Fund be offered at the official price to member nations in proportion to their cumulative subscriptions to the Fund.

Declares the sense of Congress with respect to U.S. policy toward the Fund.

H. Con. Res. 523. December 19, 1975. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States or their political subdivisions.

H. Res. 787. October 20, 1975. Interstate and Foreign Commerce; Ways and Means. Declares it the sense of the House of Representatives (1) that any legislation for medical assistance programs include optometric services, and (2) that the States seek to continue such services whether or not they are included in any primary group of health care services.

H. Res. 788. October 20, 1975. Ways and Means. Declares that the Senate intends that the individual income tax rebate of the Tax Reduction Act of 1975 (1) is not subject to State income tax; (2) does not reduce the taxpayer's Federal income tax liability for 1974; and (3) does not constitute income to the taxpayer.

H. Res. 789. October 20, 1975. Interstate and Foreign Commerce. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 790. October 20, 1975. House Administration. Restricts the stationary allowance of Members of the House of Representatives to expenditures for office supplies and similar expenses related to the operation of any official office of such Member.

Requires that any amount of such allowance not expended at the time a Member ceases to hold office shall be paid to the contingent fund of the House of Representatives.

H. Res. 791. October 20, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 792. October 21, 1975. Interstate and Foreign Commerce: Ways and Means. Declares it the sense of the House of Representatives (1) that any legislation for medical assistance programs include optometric services, and (2) that the States seek to continue such services whether or not they are included in any primary group of health care services.

H. Res. 793. October 21, 1975. International Relations. Expresses the disapproval of the United States of the attempts to expel Israel from the United Nations. Declares that in the event that Israel is expelled the Senate will consider implications of continuing United States membership in the United Nations.

H. Res. 794. October 21, 1975. International Relations. Declares it the sense of the House of Representatives that the United States support the efforts in Portugal to secure democracy.

Directs the Administration to submit to Congress recommendations for providing support to a democratic Portugal.

H. Res. 795. October 21, 1975. International Relations. Directs the President to provide the House of Representatives with information regarding the experiences of certain citizens of the United States while in the Republic of Mexico.

H. Res. 796. Ocober 21, 1975. Sets forth the rule for consideration of H.R. 1753.

H. Res. 797. October 21, 1975. Sets forth the rule for consideration of H.R. 5512.

H. Res. 798. October 21, 1975. Sets forth the rule for consideration of H.R. 7575.

H. Res. 799. October 21, 1975. Sets forth the rule for consideration of H.J. Res. 92.

H. Res. 800. October 21, 1975. Sets forth the rule for consideration of H. Res. 780.

H. Res. 801. October 22, 1975. Education and Labor. Directs the House of Representatives Committees on Education and Labor and Armed Services to make certain inquiries into the acquisition by Societe Imetal of Copperweld Corporation.

Directs the House of Representatives (1) to intervene in litigation pending to enjoin the culmination of such acquisition, and (2) to seek an injunction barring such acquisition until the Committees of Education and Labor and Armed Services have completed the directed inquiries.

H. Res. 802. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 803. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 804. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 805. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 806. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 807. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 808. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 809. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 810. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 811. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 812. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 813. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 814. October 22, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 815. October 22, 1975. International Relations. Declares it the sense of the House of Representatives that, upon visiting the People's Republic of China, the President should request Chinese officials to use their good offices to obtain an accounting of United States military personnel missing in action in Southeast Asia.

H. Res. 816. October 22, 1975. Rules. Sets forth the rule for consideration of H.R. 8835.

H. Res. 817. October 22, 1975. Rules. Sets forth the rule for consideration of H.R. 9721.

H. Res. 818. October 22, 1975. Rules. Sets forth the rule for consideration of S. 2195.

R. Res. 819. October 23, 1975. Authorizes the Clerk of the House of Representatives to respond to a subpoena duces tecum in a certain grand jury investigation.

H. Res. 820. October 23, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 821. October 23, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 822. October 23, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 823. October 23, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 824. October 23, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 825. October 23, 1975. Rules. Amends the Rules of the House of Representatives to establish a Select Committee on Energy to conduct studies on the development, application, use, and control of all forms of energy.

H. Res. 826. October 23, 1975. International Relations. Declares it the sense of the House of Representatives that the United States should retain sovereignty and jurisdiction over the Panama Canal Zone.

H. Res. 827. October 28 1975. Sets forth the rule for consideration of H.R. 10024.

H. Res. 828. October 28, 1975. Sets forth the rule for consideration of H.R. 10049.

H. Res. 829. October 29, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferrals of budget authority numbered D76-58, D76-59, D76-60, D76-61, D76-62, and D76-63.

H. Res. 830. October 29, 1975. Post Office and Civil Service. Cites Bob Hope for distinguished and meritorious service to the United States.

H. Res. 831. October 29, 1975. Post Office and Civil Service. Cites Bob Hope for distinguished and meritorious service to the United States.

H. Res. 832. October 29, 1975. Post Office and Civil Service. Cites Bob Hope for distinguished and meritorious service to the United States.

H. Res. 833. October 29, 1975. Post Office and Civil Service. Cites Bob Hope for distinguished and meritorious service to the United States.

H. Res. 834. October 29, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 835. October 29, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 836. October 30, 1975. Rules. Sets forth the rule for consideration of H.R. 6346.

H. Res. 837. October 30, 1975. Rules. Sets forth the rule for consideration of H.R. 10230.

H. Res. 838. October 30, 1975. Post Office and Civil Service. Cites Bob Hope for distinguished and meritorious service to the United States.

H. Res. 839. October 31, 1975. Interstate and Foreign Commerce. Expresses the disapproval of the House of Representatives to the Final System Plan prepared by the United States Railway Association and submitted on July 26, 1975.

H. Res. 840. October 31, 1975. International Relations. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 841. October 31, 1975. Interstate and Foreign Commerce. Sets forth policies for the development of pay television.

H. Res. 842. October 31, 1975. Post Office and Civil Service. Declares it the sense of the House of Representatives that appreciation be expressed to Glenn Hampton for his work in the Forest Service.

H. Res. 843. November 4, 1975. International Relations. Declares it the sense of the House of Representatives that the United States support the efforts in Portugal to secure democracy.

Directs the Administration to submit to Congress recommendations for providing support to a democratic Portugal.

H. Res. 844. November 4, 1975. Education and Labor. Directs the House of Representatives Committees on Education and Labor and Armed Services to make certain inquiries into the acquisition by Societe Imetal of Copperweld Corporation.

Directs the House of Representatives (1) to intervene in litigation pending to enjoin the culmination of such acquisition, and (2) to seek an injunction barring such acquisition until the Committee on Education and Labor and Armed Services have completed the directed inquiries.

H. Res. 845. November 5, 1975. Post Office and Civil Service. Cites Bob Hope for distinguished and meritorious service to the United States.

H. Res. 846. November 5, 1975. Rules. Sets forth the rule for consideration of H.R. 9924.

H. Res. 847. November 6, 1975. Rules. Amends the Rules of the House of Representatives to require reports accompanying each bill or joint resolution of a public character (except revenue measures) reported by a committee to contain estimates of the costs, to both public and nonpublic sectors, of carrying out the measure reported.

H. Res. 848. November 6, 1975. Rules. Creates a House select committee to conduct an investigation and study of the circumstances surrounding the death of John F. Kennedy.

H. Res. 849. November 6, 1975. Rules. Creates a House select committee to conduct an investigation and study of the circumstances surrounding the death of John F. Kennedy.

H. Res. 850. November 6, 1975. Ways and Means; Interstate and Foreign Commerce. Declares it the sense of the House of Representatives (1) that any legislation for medical assistance programs include optometric services, and (2) that the States seek to continue such services whether or not they are included in any primary group of health care services.

H. Res. 851. November 6, 1975. International Relations. Declares it the sense of the House of Representatives that, upon visiting the People's Republic of China, the President should request Chinese officials to use their good offices to obtain an accounting of United States military personnel missing in action in Southeast Asia.

H. Res. 852. November 6, 1975. Rules. Sets forth the rule for consideration of H.R. 6461.

H. Res. 853. November 6, 1975. Rules. Sets forth the rule for consideration of H.R. 8529.

H. Res. 854. November 6, 1975. Rules. Sets forth the rule for consideration of S.J. Res. 121.

H. Res. 855. November 11, 1975. Expresses the condemnation by the House of Representatives of a certain resolution adopted by the Third Committee of the United Nations General Assembly with respect to Zionism.

H. Res. 856. November 11, 1975. Declares it the sense of the House of Representatives that, upon visiting the People's Republic of China, the President should request Chinese officials to use their good offices to obtain an accounting of United States military personnel missing in action in Southeast Asia.

H. Res. 857. November 11, 1975. International Relations. Declares it the sense of the House of Representatives that the President should seek to include the issue of arms sales on the agendas of the Economic Summit Conference and the Conference on International Economic Cooperation.

Declares it the sense of the Senate that the President offer to limit United States weapons sales during the next fiscal year if other weapons supplies seek multilateral limitations on international arms sales.

H. Res. 858. November 11, 1975. House Administration. Permits each Member of the House of Representatives to hire a Vietnam veteran as a congressional intern.

H. Res. 859. November 11, 1975. Rules. Sets forth the rule for consideration of H.R. 7863.

H. Res. 860. November 11, 1975. Rules. Sets forth the rule for consideration of H.R. 10031.

H. Res. 861. November 11, 1975. Rules. Sets forth the rule for consideration of H.R. 10585.

H. Res. 862. November 12, 1975. Rules. Directs the Committees on Appropriations and International Relations of the House of Representatives to each begin a study of the relationship between the United States and the United Nations and to recomment whether the manner and nature of such relationship should be changed.

H. Res. 863. November 13, 1975. Sets forth procedures for answering interrogatories addressed to the Clerk of the House of Representatives.

H. Res. 864. November 13, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Res. 865. November 14, 1975. Rules. Sets forth the rule for consideration of H.R. 10481.

H. Res. 866. November 14, 1975. Rules. Sets forth the rule for consideration of S. 2667.

H. Res. 867. November 14, 1975. International Relations. Declares it the sense of the Senate that, upon visiting the People's Republic of China, the President should request Chinese officials to use their good offices to obtain an accounting of United States military personnel missing in action in Southeast Asia.

H. Res. 868. November 14, 1975. Rules. Amends the Rules of the House of Representatives to require that copies of any bill, resolution, or committee report be available to Members on the floor for at least two hours before it is considered.

H. Res. 869. November 18, 1975. Rules. Sets forth the rule for consideration of H.R. 30.

H. Res. 870. November 18, 1975. Rules. Sets forth the rule for consideration of H.R. 8578.

H. Res. 871. November 18, 1975. Rules. Sets forth the rule for consideration of H.R. 8631.

H. Res. 872. November 19, 1975. Rules. Directs the Committee on International Relations of the House of Representatives to begin a study of the relationship between the United States and the United Nations and to recommend whether the manner and nature of such relationship should be changed.

H. Res. 873. November 19, 1975. Rules. Creates a House select committee to conduct an investigation and study of the circumstances surrounding the deaths of John F. Kennedy, Robert F. Kennedy, and Martin Luther King, Jr., and the attempted assassination of George Wallace.

H. Res. 874. November 19, 1975. International Relations. Declares it the sense of the Senate that, upon visiting the People's Republic of China, the President should request Chinese officials to use their good offices to obtain an accounting of U.S. military personnel missing in action in Southeast Asia.

H. Res. 875. November 19, 1975. Rules. Amends the Rules of the House of Representatives to assure and to regulate television and radio coverage of the House of Representatives.

H. Res. 876. November 19, 1975. Interstate and Foreign Commerce. Sets forth policies for the development of pay television.

H. Res. 877. November 19, 1975. Judiciary. Refers H.R. 9028 to the Chief Commissioner of the Court of Claims for further proceedings.

H. Res. 878. November 20, 1975. Rules. Sets forth the rule for consideration of H.R. 10612.

H. Res. 879. November 20, 1975. Rules. Establishes a House select committee to investigate and to study the circumstances surrounding the death of John F. Kennedy.

H. Res. 880. November 20, 1975. International Relations. Declares it the sense of the Senate that, upon visiting the People's Republic of China, the President should request Chinese officials to use their good offices to obtain an accounting of U.S. military personnel missing in action in Southeast Asia.

H. Res. 881. November 20, 1975. Judiciary. Impeaches Jonathan Goldstein, U.S. attorney for the District of New Jersey, and Bruce Goldstein, principal assistant U.S. attorney for the District of New Jersey.

H. Res. 882. November 20, 1975. House Administration. Declares it the sense of the House of Representatives that the people of America show their patriotism in 1976 by voting in the Presidential election.

H. Res. 883. November 20, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning April 4, 1976, as "National Rural Health Week".

H. Res. 884. November 20, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning April 4, 1976, as "National Rural Health Week".

H. Res. 885. November 20, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning April 4, 1976, as "National Rural Health Week".

H. Res. 886. November 20, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning April 4, 1976, as "National Rural Health Week".

H. Res. 887. November 20, 1975. House Administration. Revises the student congressional intern program to allow participation by students of vocational schools in addition to students of colleges, universities, and other institutions of higher learning.

H. Res. 888. November 20, 1975. Rules. Directs the Committees on Appropriations and International Relations of the House of Representatives to each begin a study of the relationship between the United States and the United Nations and to recommend whether the manner and nature of such relationship should be changed.

H. Res. 889. November 20, 1975. Rules. Directs the Committees on Appropriations and International Relations of the House of Representatives to each begin a study of the relationship between the United States and the United Nations and to recommend whether the manner and nature of such relationship should be changed.

H. Res. 890. November 20, 1975. House Administration. Applies the House Position Classification Act to all positions of the House Beauty Shop.

H. Res. 891. November 20, 1975. House Administration. Permits each Member of the House of Representatives to hire a Vietnam veteran as a congressional intern.

H. Res. 892. December 1, 1975. Authorizes Representative Jerry M. Patterson to appear in a certain judicial proceeding when the House is not sitting in session.

H. Res. 893. December 1, 1975. Rules. Directs the Committees on Appropriations and International Relations of the House of Representatives to each begin a study of the relationship between the United States and the United Nations and to recommend whether the manner and nature of such relationship should be changed.

H. Res. 894. December 2, 1975. House Administration. Dismisses a certain election contest in the 10th Congressional District of Illinois.

H. Res. 895. December 2, 1975. House Administration. Dismisses a certain election contest in the First Congressional District of Maine.

H. Res. 896. December 2, 1975. House Administration. Dismisses a certain election contest in the 40th Congressional District of California.

H. Res. 897. December 2, 1975. House Administration. Dismisses a certain election contest in the 21st Congressional District of Ohio.

H. Res. 898. December 2, 1975. House Administration. Dismisses a certain election contest in the Third Congressional District of Nebraska.

H. Res. 899. December 2, 1975. House Administration. Authorizes the chairman of the Subcommittee on Oversight and Investigations of the House of Representatives Committee on Interstate and Foreign Commerce to intervene and appear in a certain civil action.

H. Res. 900. December 2, 1975. House Administration. Increases the rate of pay of certain official reporters of debates and official reporters to committees.

H. Res. 901. December 3, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning April 4, 1976, as National Rural Health Week.

H. Res. 902. December 3, 1975. Sets forth the rule for consideration of S. 95.

H. Res. 903. December 4, 1975. Authorizes the Director of the Republican Research Committee to appear in a certain judicial proceeding.

H. Res. 904. December 4, 1975. International Relations. Expresses the concern of the House of Representatives over the 10 percent increase in oil prices by the Organization of Petroleum Exporting Countries.

Requests the President to assure a reciprocal price increase on American exports to member nations of such organizations.

H. Res. 905. December 4, 1975. Sets forth the rule for consideration of H.R. 10624.

H. Res. 906. December 8, 1975. House Administration. Authorizes funds for the continuing activities of the standing and select committees of the House of Representatives on the same basis and not to exceed the same rates utilized in 1975.

H. Res. 907. December 8, 1975. International Relations. Declares it the sense of the House of Representatives that the United States should retain sovereignty and jurisdiction over the Panama Canal Zone.

H. Res. 908. December 9, 1975. International Relations. Declares it the sense of the House of Representatives that the United States should retain sovereignty and jurisdiction over the Panama Canal Zone.

H. Res. 909. December 9, 1975. Appropriations. Disapproves the rescission of certain budget authority (R76–15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25) proposed by the President on November 29, 1975.

H. Res. 910. December 9, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D76–68 proposed by the President on November 29, 1975.

H. Res. 911. December 9, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D76–69 proposed by the President on November 29, 1975.

H. Res. 912. December 9, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D76–70 proposed by the President on November 29, 1975.

H. Res. 913. December 9, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D76–71 proposed by the President on November 29, 1975.

H. Res. 914. December 9, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D73–72 proposed by the President on November 29, 1975.

H. Res. 915. December 9, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D76–73 proposed by the President on November 29, 1975.

H. Res. 916. December 9, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D76–74 proposed by the President on November 29, 1975.

H. Res. 917. December 9, 1975. Post Office and Civil Service. Authorizes the President to designate the week beginning April 4, 1976, as "National Rural Health Week".

H. Res. 918. December 10, 1975. Rules. Authorizes the Speaker of the House of Representatives to appoint members to meet with representatives of the Government of the Arab Republic of Egypt.

H. Res. 919. December 10, 1975. Sets forth the rule for consideration of H.R. 3474.

H. Res. 920. December 11, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D76–79 proposed by the President on November 29, 1975.

H. Res. 921. December 11, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D76–80 proposed by the President on November 29, 1975.

H. Res. 922. December 11, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D76–81 proposed by the President on November 29, 1975.

H. Res. 923. December 11, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D76–82 proposed by the President on November 29, 1975.

H. Res. 924. December 11, 1975. Appropriations. Expresses the disapproval of the House of Representatives to the deferral D76–83 proposed by the President on November 29, 1975.

H. Res. 925. December 11, 1975. House Administration. Requires that any United States Government budget submitted to the Congress which on a unified or a Federal funds basis is in deficit be printed in red ink.

H. Res. 926. December 12, 1975. Judiciary. Declares the disapproval of the House of Representatives to the granting of permanent residence in the United States to certain aliens.

H. Res. 927. December 15, 1975. House Administration. Directs the reprinting of "Housing for the Elderly: The Federal Response".

H. Res. 928. December 15, 1975. Interstate and Foreign Commerce. Sets forth policies for the development of pay television.

H. Res. 929. December 15, 1975. Sets forth the rule for consideration of H.R. 8235.

H. Res. 930. December 15, 1975. Sets forth the rule for consideration of H.R. 9771.

H. Res. 931. December 15, 1975. Sets forth the rule for consideration of H.R. 10979.

H. Res. 932. December 16, 1975. Appropriations. Expresses the disapproval of the House of Representatives to deferral D76-72 proposed by the President November 29, 1975.

H. Res. 933. December 16, 1975. Sets forth the rule for amendment of H.R. 5559.

H. Res. 934. December 16, 1975. Sets forth the rule for consideration of H.R. 7897.

H. Res. 935. December 17, 1975. Elects certain Representatives to certain committees of the House of Representatives.

H. Res. 936. December 17, 1975. Designates Edmund L. Henshaw, Jr., Clerk of the House of Representatives.

H. Res. 937. December 17, 1975. Sets forth the rule for consideration of H.R. 9464.

H. Res. 938. December 17, 1975. Rules. Sets forth the rule for (1) consideration of certain committee reports, and (2) suspension of the rules by the Speaker of the House of Representatives, during the remainder of the first session of the 94th Congress.

H. Res. 939. December 18, 1975. Sets forth the rule for consideration of reports from the Committee on Rules for the remainder of the week of December 18, 1975.

H. Res. 940. December 18, 1975. Authorizes Representative Henry Helstoski to appear in a certain judicial proceeding in response to a subpena duces tecum.

H. Res. 941. December 18, 1975. Ways and Means. Directs the Special Representative for Trade Negotiations, the United States Representative to the United Nations, and appropriate officials of the Departments of State, Commerce, Treasury, Defense, Agriculture, and Justice to initiate negotiations in appropriate international forums to develop a code of conduct and specific trading obligations among governments.

H. Res. 942. December 18, 1975. House Administration. Permits each Member of the House of Representatives to hire a Vietnam veteran as a congressional intern.

H. Res. 943. December 19, 1975. Concurs in certain amendments made by the Senate with a House amendment to H.R. 10284.

H. Res. 944. December 19, 1975. Agrees to certain amendments and disagrees to certain amendments made by the Senate to H.R. 10727.

H. Res. 945. December 19, 1975. Sets forth procedures for certain business of the House of Representatives for the remainder of the first session of the 94th Congress.

H. Res. 946. December 19, 1975. Sets forth the rules for obtaining documents in the possession and under the control of the House of Representatives for a judicial proceeding.

H. Res. 947. December 19, 1975. Sets forth the rule for obtaining documents in the possession and under the control of the House of Representatives for a judicial proceeding.

H. Res. 948. December 19, 1975. Directs the appointment of a committee of the House of Representatives, to join a similar committee of the Senate to inform the President of the adjournment of Congress.

H. Res. 949. December 19, 1975. Rules. Establishes a House select committee to investigate and to study the circumstances surrounding the death of John F. Kennedy.

H. Res. 950. December 19, 1975. Post Office and Civil Service. Expresses the gratitude of the House of Representatives to Oliver Sipple.

H. Res. 951. December 19, 1975. Rules. Establishes a Select Committee on Nuclear Proliferation and Nuclear Export Policy to investigate the threat of nuclear proliferation and United States policies on the transfer of nuclear technology and materials.

H. Res. 952. December 19, 1975. Rules. Directs the Committees on Appropriations and International Relations of the House of Representatives to each begin a study of the relationship between the United States and the United Nations and to recommend whether the manner and nature of such relationship should be changed.

SENATE—*Tuesday, January 27, 1976*

The Senate met at 10 a.m. and was called to order by the Acting President pro tempore (Mr. Metcalf).

PRAYER

The Reverend Dr. A. Knighton Stanley, pastor, People's Congregational Church, Washington, D.C., and executive director, Office of Bicentennial Programs, District of Columbia, offered the following prayer:

Speak to our hearts, O God our Father, as spirit makes itself known to spirit; speak to us, and help our hearts to hear. Guide us, O Lord, that we may recognize Thy voice whenever conscience summons us to courage, whenever duty calls us to a higher dedication, whenever companionship brings comfort and friendship manifests Thy love. So lead us beyond the shining monuments of our precious heritage, that we may know a new awakening of the spirit, a new growth toward both that unity and that individuality which leads us on toward Thee in this Bicentennial Year and throughout the third century of our mighty Nation. Be Thou our guide, that we may go forward with minds enlightened by Thy wisdom, with hearts healed of doubt and cleansed of discouragement, and with souls warmed by Thy love and aflame with Thy will. In Thy holy name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, January 26, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. Yes.

ORDER FOR RECOGNITION OF SENATOR MORGAN ON THURSDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. Morgan today be vitiated, and that it be transferred to Thursday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from Maryland (Mr. Mathias) is recognized for not to exceed 15 minutes.

NOMINATION OF GEORGE BUSH TO BE DIRECTOR OF CENTRAL INTELLIGENCE

Mr. MATHIAS. Mr. President, this afternoon the Senate will consider the nomination of George Bush to be the Director of the Central Intelligence Agency.

I have to say, Mr. President, that I consider the nomination of George Bush as Director of the Central Intelligence Agency to be a regrettable nomination. I think it is an imposition on the Senate, I think it is an imposition on the Central Intelligence Agency, and not least of all, I think it is an imposition on George Bush. I have told the President personally that I feel that in sending this nomination to the Senate, he has posed for me one of the most difficult questions that I have confronted in 15 years of congressional service.

My concern is not that George Bush might become a candidate for Vice President. As a matter of fact, I would be glad to vote for him for Vice President. In 1968 I urged that he be considered for the Republican ticket, although at that time he was a freshman Member of the House of Representatives. In any event, he has publicly disqualified himself from political activity in the foreseeable future. Nor do I think that George Bush would use the powers of the Director of the CIA to manipulate domestic politics to foster such a candidacy to the advantage of the incumbent party. The mere suspicion that he would do so would be enough to disqualify him without further debate; but he is an honorable man, and I do not harbor any such suspicion.

It is not George Bush's future that concerns me about his nomination. It is his past that I worry about.

It seems to me that in his past George Bush has acquired an obstacle to his confirmation that is virtually insurmountable. It is all the more difficult for him, because, I suspect, that it was not a voluntary acquisition. I refer, of course, to his term as chairman of the Republican National Committee.

As a member of the Select Committee to Study Intelligence Operations I have learned more than a little about the intelligence business. It is highly subjective and very sensitive. Nuances matter. Appearances are important.

To place at the head of CIA any person who has previously been at the head of a partisan political organization is singularly inappropriate. It negates the concept that intelligence is something apart from ordinary political activity; that it requires unusual intellectual application and extraordinary discipline and restraint not found in ordinary governmental agencies. It raises the question within the agency as to whether common political practices such as log rolling, back slapping, and compromise are to be the order of the day at Langley. It raises the question outside the Agency as to whether we have altered our original view that intelligence operations, at least in theory, ought to be committed to a priesthood bound by vows of political chastity.

In short it makes the Agency suspect. And the CIA is one agency of Government which, like Caesar's wife Pompeia, cannot afford to be suspected. When viewing the Agency we can be a little more understanding of Julius Caesar's harsh judgment that "* * * I will not that my wife be so much as suspected."

This is the problem for George Bush, but it is by no means a personal problem. It is a disqualification which to my mind would apply to all chairmen of political parties, forever barring them from two specific offices of public trust: the directorships of the CIA and of the FBI. It is a disqualification that would operate impersonally to disqualify Lawrence O'Brien, Ray Bliss, Fred Harris, or Henry Jackson should any speculative President ever think of them as potential directors. I think if the rule were to be logically and consistently applied, it could disqualify George Bush.

This is a very hard conclusion for me to reach, because for me it is a personal problem. George and Barbara Bush are personal friends. They have been loyal when times were difficult and good company when there was a chance to relax and enjoy a few happy hours.

It is a decision of the sort that tears Senators apart; but to make the choice and cast a vote on a matter as critical as this on the basis of friendship and amiability would be to suggest that our Government can no longer make decisions grounded on hard facts. If this were the whole story, I would have to vote against George Bush's confirmation notwithstanding my affection for him.

But it is not the whole story. We are not acting under normal circumstances. My work on the select committee has given me some insight into the enormous and agonizing current problems of the intelligence community.

The CIA is in some degree in disarray. Its activities have been disrupted. The safety of its personnel is more than normally in jeopardy. The morale of the Agency must be restored. A reorganization and revitalization of the Agency is necessary at once if the Government is to obtain the information it requires to insure the security and welfare of the American people. The lessons learned from the cathartic experience through which the Agency has passed must be put into practice without delay. Any prolonged further agitation within and about the Agency could delay the process of reconstruction beyond the danger point. Eyebrows raised in both friendly and hostile foreign governments would become serious doubts and the essential element of confidence could slip away from us.

So this then is the real dilemma of the situation. The Senate must choose between taking a step that is generally conceded to be dubious or even wrong in principle, or the Senate must uphold principle at the very real risk of creating a serious chink in our national armor, and it is not an easy choice.

I think it should be noted that it is not a choice of George Bush's making either in its remote origin or in its immediate impact. He was reluctant to surrender his post as Ambassador at the United Nations to become chairman of the Republican National Committee. He did so because he was pressed by President Nixon, and very few Americans can withstand an urgent personal draft by the President of the United States.

I do not have a sense at this time that his appointment as Director of the CIA represents the fulfillment of any deep personal wish or cherished personal ambition. I believe that it also is the response to a Presidential draft.

The Senate ought to have a different choice, or better yet, ought not to be confronted with this one at all. If the President's advisers were more faithful to his real interests. I do not think that we would be faced with this issue. But such a wish cannot be entertained in the real world. We are faced with it and must deal with it.

The need for an effective intelligence service is both real and urgent. The months that would be required to recruit and investigate a new Director and to nominate and confirm him is time that we may not have. A continuing proper public debate over the conduct of our intelligence operations could become a very noisy and nasty political brawl if we add at this time a new controversy over the rejection of the President's nominee for Director.

The risk of further deterioration of our intelligence capacity is just too great.

The nomination of George Bush will have to be confirmed with all of the reservations that I have tried to express, because it seems to me that his confirmation represents the lesser of two evils.

At least we are aware of the existence of the taint of partisan politics. We have surfaced it, we have identified it, and we have raised the alarm about it. We know it is there and certainly George Bush knows it is there. It can be monitored, and it will be closely observed both within and without the Central Intelligence Agency.

On the other hand, the extent of the risk involved in a new confrontation cannot be estimated. Mr. Colby has delivered his valedictory, and he is ready to leave. His bags are packed.

The eruption of new factors and new issues, if this debate is continued, is predictable, but their form and shape and the time they would consume is not predictable. It is too hard to guess what might be involved, and the stakes are too high to permit us a guessing game.

I shall, therefore, with reservations, vote to confirm the nomination of George Bush to be the Director of the Central Intelligence Agency.

Mr. MANSFIELD. Mr. President, I have listened with interest to the well thought out conscientious remarks of the distinguished Senator from Maryland. When I use the word "conscientious" I use it in its best sense because if there is a conscientious Senator in this body, it is the Senator from Maryland (Mr. MATHIAS).

Recognizing all the questions which he has raised, it is my intention, nevertheless, to vote for the confirmation of George Bush to succeed Mr. William E. Colby, as Director of the CIA. I do so on the basis of his service in the House of Representatives, on the basis of his services as the U.S. Ambassador to the United Nations, and on the basis of his services as the chief of the U.S. Liaison Office to the People's Republic of China.

The question has been raised about his position as chairman of the Republican National Committee. I have given that consideration. To the best of my knowledge, while he was chairman of that committee, that committee was not involved in any way, shape, or form with the Watergate affair.

Perhaps a politician in that job might be a good thing, if he is a respected and honored member of that species. We have not had any politicians heading the CIA up to this time but rather nonpoliticians, and it is through some of them that some of the difficulties, now being investigated and inquired into, have arisen. I have an idea that what the select committee, the so-called Church-Tower committee, has been able to do will serve as a warning to the CIA, in general, and to the man, in particular, who heads it, and that there will be nothing more in the way of shenanigans in the years ahead.

I think that George Bush will go into that position, if he is confirmed by the Senate, with the knowledge that he is, in a certain sense, on the spot, and he will bend over backwards to perform, to the best of his ability, in line with what he considers to be the intent, not of a President, but of Congress.

Incidentally, may I say that I believe there has been too much emphasis on the CIA in the hearings conducted by the Church-Tower committee and not enough emphasis on the intelligence community, in general, where we will find most of the personnel and, I would not doubt, most of the expenditures as well, even though since 1969 all the intelligence agencies, with a few exceptions, have reduced their personnel by something on the order of 43 percent.

I do not approve of the names of CIA members being published in the newspapers. It is a horrendous thing to do because, in an underworld phrase, it, in effect, puts a "finger" on them and makes them more vulnerable. But I do anticipate that, if the Senate confirms Mr. Bush, he will perform with integrity and understanding, and that the lessons of the Church-Tower committee will not be lost on him, especially, to repeat, or on the agency, in general.

Speaking of the Church-Tower committee, I wish to compliment the members of that committee because that committee has not been responsible for any leaks—and I have inquired into this matter—during the whole tenure of its existence. By and large it has acted on a basis of unanimity. The only split was last week when there were divergent views between the chairman and the ranking Republican member as to what kind of an oversight committee should be created once the Church-Tower committee goes out of existence.

Mr. President, it would be my hope that such responsibilities would not revert back again to only the three subcommittees, because they have not done a very good job in exercising their responsibility of oversight, and that is a conservative statement.

I hope that a standing committee of the Senate will be selected and, if possible, the House agreeing, a joint committee, to the end that there can be a better rapport between Congress and the CIA and the other intelligence agencies; to the end that, where the facts support it, those agencies can be supported; to the end that unfair charges against them can be done away with or faced up to in instances where they are unable to speak for themselves.

So it is with no trepidation on my part that I support the President's nomination of George Bush to the office of Director of the Central Intelligence Agency. His will not be an easy job.

I am delighted that the Senator from Maryland has made the statement he has, because that, too, will serve as a warning and that, too, I believe, will strengthen George Bush in the position which he will assume if Congress sees fit to confirm the nomination of the President.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to exceed beyond 11 a.m., with statements therein limited to 5 minutes each.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. FORD. Mr. President, I ask unanimous consent that Bill Wester of my staff be allowed the privileges of the floor for the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. METCALF) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:18 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 11510) to provide for starling and blackbird control in Kentucky and Tennessee, in which it requests the concurrence of the Senate.

The message also announced that, pursuant to the provisions of section 1, Public Law 86–42, the Speaker has appointed as members on the part of the House of the U.S. Delegation of the Canada-United States Interparliamentary Group Mr. MORGAN, Chairman, Mr. JOHNSON of California, Mr. RANDALL, Mr. MEEDS, Mr. FASCELL, Mr. GIBBONS, Mr. LAFALCE, Mr. MCEWEN, Mr. RUPPE, Mr. WINN, Mr. DU PONT, and Mr. KEMP.

At 4:48 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House agrees to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 75 to the bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro temport (Mr. METCALF) laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE NATIONAL RAILROAD PASSENGER CORPORATION

A letter from the Vice President of the National Railroad Passenger Corporation transmitting, pursuant to law, a report on the operations of Amtrak for the month of October 1975 (with an accompanying report); to the Committee on Commerce.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Examination of the Rural Telephone Bank's Financial Statements for Fiscal Years Ended June 30, 1975 and 1974" (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE ATTORNEY GENERAL

A letter from the Assistant Attorney General transmitting, pursuant to law, the annual report of the Attorney General for the fiscal year 1974 (with an accompanying report); to the Committee on the Judiciary.

PROPOSED LEGISLATION OF THE NATIONAL SCIENCE FOUNDATION

A letter from the Director of the National Science Foundation transmitting a draft of proposed legislation to authorize appropriations for the National Science Foundation (with accompanying papers); to the Committee on Labor and Public Welfare.

PUBLISHED REGULATIONS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Executive Secretary of the Department of Health, Education, and Welfare transmitting, pursuant to law, published regulations relating to the General Education Provisions Act (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, a report relating to a study of the Grand Canyon National Park (with accompanying report): to the Committee on Interior and Insular Affairs.

ORDERS OF THE IMMIGRATION AND NATURALIZATION SERVICE

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders entered by the Service concerning visa petitions during the period June 2 through January 15, 1976 (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Public Works:

S. Res. 354. An original resolution authorizing additional expenditures by the Comtee on Public Works. Referred to the Committee on Rules and Administration.

By Mr. SPARKMAN, from the Committees on Armed Services and Foreign Relations, with an amendment:

H.J. Res. 549. A joint resolution to approve the Covenant to establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes (together with minority views) (Rept. No. 94–596).

By Mr. CANNON, from the Committee on Rules and Administration:

S. Res. 356. An original resolution relating to the Oklahoma Senatorial contested election (Rept. No. 94–597).

RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976—S. 2718—CONFERENCE REPORT (REPT. NO. 94–595)

Mr. HARTKE. Mr. President, from the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2718) to improve the quality of rail services in the United States through regulatory reform, coordination of rail services and facilities, and rehabilitation and improvement financing, and for other purposes, I submit a report; and I ask unanimous consent to have 1,000 copies printed for use of the Committee on Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered; and the report will be received and printed.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Anne Legendre Armstrong, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

Political Contributions

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Anne L. Armstrong.
Post: Ambassador to Great Britain.
Nominated: Jan. 14, 1976.

Contributions, amount, date, and donee

(If none, write none)

1. Self (See attachments).
2. Spouse: $25.00, 10/5/72, Rep. Party of Jim Hogg; $25.00, 6/2/75, Bob Price for Co. Congress Comm.
3. Children and spouses Names: None.
4. Parents Names: Mrs. Olive Legendre: My mother has not kept records but reports she has given no amount over $1000 for 4 year period, for probable total of $200 or less.
6. Brothers and Spouses Names: James M. Legendre & Wife, Marcia: None.
7. Sisters and Spouses Names: Mrs. Katharine King: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Anne L. Armstrong.

Subscribed and sworn (or affirmed) before me this 17th day of January A.D. 1976, at Kingsville, Texas.

Dorothy L. Hasty.

Commission expires June 1, 1977. Notary Public in and for Kleberg Co., Texas.

Amount, date, and donee

Contributions: 1. Self.

$1000.00; 1-8-72; Republican Party of Texas.

$25.00; 1-20-72; TARS.

$75.00; 1-4-72; Campaign Managerial Serv. (for Phil Brooks).

$13.50; 1-20-72; Republican Women's Club, Kleberg County.

$50.00; 2-2-72; Dave Treen (Treen for Gov.).

$25.00; 2-22-72; Dan Alem (Republican Nat'l Finance Operations Comm.).

$20.00; 3-1-72; Angly for Treasurer.

$1000.00; 3-7-72; Majority Senate House Dinner (for Tower).

$100.00; 3-13-72; Republican Party.

$200.00; 4-15-72; Polly Sowell.

$50.00; 4-15-72; Polly Sowell.

$10.00; 4-19-72; Betty Andujar (campaign Fd).

$1000.00; 3-31-72; Republican Nat. Finance Comm.

$5.00; 4-7-72; Ector Co. Republican Women's Club.

$200.00; 4-26-72; ERA Jubilee.

$10.00; 5-22-72; Grace Rohrer Campaign.

$200.00; 9-18-72; Grover for Governor.

$150.00; 8-1-72; Republican Housing Comm.

$100.00; 9-18-72; Maurice Angly Campaign.

$100.00; 11-19-72; Bob Price Campaign.

$10.00; 7-9-73; Kleberg Co. Republican Women's Club.

$25.00; 8-5-73; Angly for Senator.

$25.00; 10-2-73; Republican Congressional Boosters.

$25.00; 10-2-72; GOP 1974 Victory Fund.

$200.00; 9-25-73; RN Associates.

$6.00; 10-2-73; Republican Women's Club, Kleberg Co.

$25.00; 10-29-73; Republican Women's Club, Kleberg Co.

$25.00; 11-2-73; Combined Federal Campaign.

$15.00; 11-16-73; Repub. Women's Federal Forum.

$25.00; 5-2-74; Nat'l Rep. Congressional Comm.

$50.00; 9-5-74; Kansas for Dole.

$25.00; 10-9-74; Gore for Governor Finance Comm.

$25.00; 4-2-75; Reagan Radio Project.

$10.00; 4-15-75; ACU.

$100.00; 4-15-75; National Review.

$15.00; 2-18-75; Common Cause.

$50.00; 2-20-75; Republican Women's Clubs of Bexar Co.

$15.00; 3-10-75; Rep. Nat'l Finance Comm.

$15.00; 7-2-75; ACU.

$1000.00; 7-2-75; Republican Party of Texas.

$275.00; 7-21-75; Salute to John Connally.

$1000.00; 9-9-75; President Ford Reception.

$25.00; 10-29-75; Kika de la Garza Apprec. Day.

$200.00; 6-12-75; ERA Fund.

$25.00; 12-11-75; 1976 GOP Victory Fund.

$25.00; 12-11-75; Rep. Senate Campaign Fd.

$10.00; 12-11-75; Common Sense.

$10.00; 12-15-75; Fund for Black Political Awareness.

$200.00; 12-12-75; RNC.

$10.00; 12-12-75; Friends of Jim Buckley.

$500.00; 12-14-75; PRESIDENT Ford Comm.

$10.00; 12-12-75; United Texas Young Rep. Federation.

$50.00; 12-12-75; National Women's Political Caucus.

Robert Anderson, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco.

Political Contributions

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Robert Anderson.

Contributions, amount, date, and donee

(If none, write none)

1. Self: None.
2. Spouse: None.
3. Children and Spouses Names: Cynthia Anderson, None; Christina Anderson, None; Mark A. Anderson, None.
4. Parents Names: Mrs. Andrew Anderson (mother), None.

* * * * *

7. Sisters and Spouses Names: Mr. and Mrs. Howard Winn-Moon, None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Robert Anderson.

Deane R. Hinton, of Illinois, to be the representative of the United States of America to the European Communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Political Contributions

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Deane R. Hinton.

(If none, write none)

Contributions, amount, date, and donee

1. Self: $15.00, 1972, Abner Mikva; $1.00, 1972, Republican Party.

* * * * *

4. Parents' names: See attached list.

* * * * *

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Deane R. Hinton.

List of Political Donations, Joe A. and Doris R. Hinton

Feb. 14, 1972—Republican National Finance Comm.	$50.00
June 11, 1973—Republican National Finance Comm.	50.00
July 6, 1973—Republican Victory Fund	20.00
July 13, 1973—American Security Council	10.00
Nov. 19, 1973—Republican Central Comm. (Montgomery County)	5.00
Dec. 3, 1973—Fairness to the President	10.00
Dec. 17, 1973—American Security Council	10.00
Jan. 24, 1974—Republican National Finance Comm.	50.00
Feb. 18, 1974—Nat'l Republican Congressional Comm.	10.00
Feb. 23, 1974—Manor Park Women's Republican Fund	20.00
Oct. 31, 1974—Montgomery County Republican Club	5.00
Apr. 18, 1975—Republican National Finance Comm.	50.00
Sept. 10, 1975—Montgomery County Republican Club	10.00
Total	300.00

Joseph A. Greenwald, of Illinois, to be an Assistant Secretary of State.

(The foregoing nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUDDLESTON (for himself, Mr. Ford, Mr. Baker, and Mr. Brock):

S. 2873. A bill to provide for starling and blackbird control in Kentucky and Tennessee. Considered and passed.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 2874. A bill for the relief of Day's Sportswear, Incorporated. Referred to the Committee on the Judiciary.

By Mr. McGOVERN (for himself, Mr. GARY HART, Mr. ABOUREZK, Mr. LEAHY, Mr. MOSS, and Mr. STAFFORD):

S. 2875. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the State tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes. Referred to the Committee on Finance.

By Mr. HUGH SCOTT:

S. 2876. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of Federal surplus personal property to the States for public purposes, and for other purposes. Referred to the Committee on Government Operations.

By Mr. SPARKMAN (for himself and Mr. ALLEN):

S. 2877. A bill for the relief of Ashok Raghunath Kakade. Referred to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. MUSKIE, and Mr. STAFFORD):

S. 2878. A bill entitled "The Congressional Office of Regulatory Policy Oversight Act of 1975." Referred to the Committee on Government Operations.

By Mr. PEARSON:

S. 2879. A bill to amend the Internal Revenue Code of 1954 to provide that a spouse's services shall be taken into account in determining the consideration furnished to acquire jointly owned property for purposes of the Federal estate tax, to increase the exemption for estate tax purposes, and to allow an estate tax deduction with respect to certain family farms and small business interests held by a decedent. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McGOVERN (for himself, Mr. GARY HART, Mr. ABOUREZK, Mr. LEAHY, Mr. MOSS, and Mr. STAFFORD):

S. 2875. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the State tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes. Referred to the Committee on Finance.

THE FEDERAL ESTATE AND ALTERNATIVE LAND VALUATION ACT OF 1976

Mr. McGOVERN. Mr. President, the Congress of the United States has so occupied itself for the last 30 years in creating other tax loopholes to benefit special interests that it now must comfort its conscience by reconsidering some of the loopholes it was too willing to create in the first place. A generation of tax writers has caused so much havoc in the internal revenue system that I am reminded of Dante's famous line from the "Inferno" as he entered the inner circle of Hell and saw those who had violated the commonweal on Earth, "I had not thought that death had undone so many."

Yet in all this flirting with commas, colons, and subsections as they relate to the Internal Revenue Code, our taxwriters have allowed the basic exemption for decendents' estates which become subject to Federal estate taxes to remain at the same level since 1942.

In that year, Congress established that adjusted gross estates of $60,000 or more would be subject to this tax. The tax then became progressive as the estate became larger.

In that day and in that age this exemption was sufficient to exclude estates of most average working Americans.

Since 1942, however, land values have increased over 200 percent, stocks have increased tremendously in value, many homes have doubled and tripled in value. With today's inflated prices, we can all testify that $60,000 buys much less now than once it did.

In any event, the Federal estate tax, if only because of inflation, has changed from a tax on the estates of the rich to a tax on the estates of the middle class. In the meantime, the very rich have solved most of their estate problems through such devices as trusts, inter vivos gifts, or other sophisticated maneuvers devised by able lawyers to outwit able legislators.

The net effect is that the average farmer, small businessman, professional, or wage earner who has worked hard all his life, made reasonably prudent investments and educated his family, but who has not had the foresight, inclination, or means to employ the Nation's legal talent must now pay a disproportionate share of Federal estate tax revenue. The Federal estate tax system has led to a situation in which 1975 numbers are applied to 1942 dollars. I cannot believe that this Congress wishes these inequities to go on forever.

I therefore rise to join other members of this body to offer legislation to increase the exemption of decedent's adjusted gross estates to $200,000 and to place a floor on the marital deduction section at $100,000.

Let me say, Mr. President, that this $200,000 figure, while it may appear large at first glance, is quite modest in fact. In many sections of Iowa and Illinois, for example, it would equal the value of 160 acres of farm land. In Washington, D.C., it would be an upper-middle-class home and a modest savings account together with a small stock portfolio. In South Dakota, it would be a small rancher with a cow-calf operation, sufficient machinery to operate the unit, and enough money in the bank to cover his cash flow needs. In any of these cases, death would leave heirs with a Federal estate problem. Depending on probate circumstances, such estates still might well be subject to a long and protracted probate period, or, in many instances, to a sizable Federal tax.

The inequities in current Federal estate law have a particularly severe impact on families engaged in agriculture. When a farm owner dies, estates are often appraised at "market value." In many instances, because of strategic location or over-inflated land prices, this market value figure bears little resemblance to "real or productive value." When the farm land is close to expanding cities or medium sized towns, municipal growth can inflate valuations even further due to "developmental or speculative value." Land sales triggered by the necessity to pay Federal estate taxes are so common that a USDA study prepared in July of 1975, called "Alternative Futures for U.S. Agriculture," concludes that, "One-fourth of all farm real estate transfers are for the purpose of estate settlement." It is clear that excessive valuations for tax purposes discourage continued family farm operations.

I, therefore, propose in the legislation I send to the desk today to establish an "Alternative Valuation of Certain Real Property," including a formula for determining value according to established principles of agricultural economics. Although there are many proposals before the Congress in this area, I believe that this is the only legislation which provides a workable formula and defined guidelines for valuing agricultural property at its real or productive value as distinguished from its so-called market or speculative value.

There has been a long debate over the idea of the value of land versus the price of land.

Where farmland is concerned, basic productivity should establish real value, given the costs of other inputs. But prices paid for land are not always the same as value based on productivity. Perhaps the most frequent reason for this variance is that in many cases, land is purchased by existing farmers who are expanding their land base. The price such farmers are willing to pay often exceeds the basic productive capacity of the land. This is possible with larger land holdings because producers can make up for the high cost of additional land by taking advantage of economics of scale and size achieved with bigger and more efficient machinery. If a farmer has purchased the new machinery, and if he has excess capacity, he can afford to purchase additional land at a higher price than he would normally pay for land of given productivity.

In addition, many farmers buy additional land when their current holdings have no, or very small, encumbrances. Here again, the producer is able to pay a significantly higher price for additional land than would be possible if he were starting out an initial entry into farming.

Given these upward bias factors for land prices, how can real values be established?

A reasonable approximation of real value can be determined by looking at mortgage interest rates and cost rentals of farm land. Theoretically, the mortgage rate is a close approximation of the long-term rate of return to land that is needed to maintain viability.

Likewise, cash rents reflect the productive value of land because they are direct costs which must be paid in totality by the production derived from the land in 1 year, given other input costs. Rents, therefore, tend to be set in a much less speculative manner than land prices in general.

By dividing cash rent levels by the

normal rate of return approximated by mortgage rates, the real value of land can be closely estimated. This is the figure I would hope to make available to the executor of an estate should he choose to adapt the real or productive method of valuation as opposed to the market or speculative method now arbitrarily applied by treasury appraisers. In all cases, this will tend to more closely approximate the ongoing value of land than will spot prices that reflect highly unstable price fluctuations at any given point in time.

I propose further to use 3-year averages in both interest factors and cash rent factors. The advantage of using 3-year averages for interest rates and for cash rents is that this tends to remove unique variations that sometime occur in a given year. Further, mortgage rates tend to be subject to pressures from the general economy and from Government policies as well as from the farm real estate sector.

Cash rents are also subject to short-term fluctuations. The 3-year average minimizes the impact of short-term fluctuations that could be inequitable in making a specific estate evaluation.

Having discussed the problem and the theory of my solution, I now want to generally sketch how it would operate. To establish average interest payments, I have determined that the average interest rate of all new Federal Land Bank mortgages throughout the country for the last 3 years is 7.91 percent. Likewise, I have determined that average cash rent over the last 3 years for central corn belt land has been $52.90 per acre. Dividing the interest factor into the rent factor gives an average per acre valuation of $669. For the same central corn belt area, I have determined that as of March 1, 1975, average market value to be $845 per acre. Simple subtraction indicates that using my formula of real or productive value against market value results in a dollar reduction of $176 per acre or a percentage reduction about 21 percent.

Assuming basic figures to relate elsewhere in the United States, my bill would thus provide—at least for the time being—a constant interest factor of 7.9 percent used against the prevailing cash rent prices in general usage in the area where decedent's land was located. This should provide a real value reduction of something like 20 percent depending on local cash rental practices. To prevent windfall profits that might accrue to heirs of a decedent through quick sale of agricultural property appraised under this alternative formula, the legislation provides for a revocation of the election if the property is converted to a substantially different or nonagricultural use within the ensuing 5 years.

Mr. President, in summary, let me say that this legislation seeks to remedy a two-fold problem, that of increasing the basic minimum exemption to modern monetary standards and providing an equitable formula of valuation designed to keep our dwindling number of agricultural units intact. The family farm in America is currently under attack from a number of modern economic factors. High capitalization costs make it virtually impossible for a young farmer to enter agriculture as a lifetime profession. The production of food and fiber is one of the real problems we face in the remainder of this century.

Indeed, the combination of all these factors has led USDA analysts to conclude that by the year 2000 there will be fewer than a million independent units in existence unless trends turn. Let us take a step in the direction of reversing the trend of breaking up units solely for the purpose of meeting death taxes, but more than that, let us take a step in the direction of allowing farms to pass from one generation to the next and thus preserve the concept of the family farm unit.

I am pleased that the President addressed the problem in his speech to the American Farm Bureau Federation at its recent meeting in St. Louis. I do not subscribe to his solutions for a number of reasons, but I do endorse his willingness to start a national dialog on the issue.

I ask unanimous consent that the text of this legislation be printed in the Record, together with a New York Times article by Eileen Shanahan in the January 6, 1976, issue; a New York Times editorial dated January 8, 1975; and an article from the September 1975 issue of the Farm Journal entitled "Let's Get Rid of the Widow's Tax."

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2875

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2052 of the Internal Revenue Code of 1954 (relating to exemption for purposes of the Federal estate tax) is amended by striking out "$60,000" and inserting in lieu thereof "$200,000".

(b) Section 6018(a)(1) of such Code (relating to estate tax returns) is amended by striking out "$60,000" and inserting in lieu thereof "$200,000".

Sec. 2. The amendments made by the first section of this Act shall apply to the estates of decedents dying after the date of enactment of this Act.

INCREASE IN ESTATE TAX MARITAL DEDUCTION

Sec. 3. (a) Section 2056(c) of the Internal Revenue Code of 1954 (relating to limitation of aggregate marital deduction) is amended by inserting after "shall not exceed" in paragraph (1) "the sum of $100,000, plus".

(b) The amendment made by subsection (a) shall apply with respect to decedents dying after the date of enactment of this Act.

ALTERNATE VALUATION OF CERTAIN REAL PROPERTY

Sec. 4. (a) Section 2031 of the Internal Revenue Code of 1954 (relating to definition of gross estate) is amended by adding at the end thereof the following new subsection:

"(c) Alternative Valuation of Certain Real Property.—

(1) In general.—If the executor of an estate so elects, the value of any qualified real property included in the estate shall be determined by its value hereinafter defined for the use under which it qualifies, under paragraph (2), as qualified real property.

"(2) Definition of qualified real property.—For purposes of this subsection, the term 'qualified real property' means real property substantially all of which is, and, for the 60 months preceding the date of death of the decedent, has been, devoted to—

"(A) farming (including the production of agricultural commodities and the raising of livestock),

"(B) woodland (including land use for the commercial production of trees and land used for scenic and recreational purposes), or

"(C) scenic open space.

"(3) Election requirements.—An election under this subsection shall be filed with the Secretary or his delegate at such time and in such form and manner as he may prescribe and shall contain, in addition to any other matter, the name, address, and taxpayer identification number of the person to whom the property passes under the terms of the decedent's will or by operation of law.

"(4) In the event the executor of decedent's estate files the election referred to in Subsection "(13)" above, the Secretary shall then proceed to value the qualified real property according to the following formula:

The average gross cash rental less state and local real estate taxes for comparable land located in the locality of decedent's real estate for the three years immediately preceding date of death divided by the average interest rate of all new Federal Land Bank Loans for the same period.

"(5) For purposes of applicability of Subsection "(3)" above, farm partnerships and private farm corporations shall be defined as follows:

a. A farm partnership shall be a general partnership which derives not less than 90 percent of its gross income from the production and sale of agricultural products.

b. A private farm corporation is one which derives not less than 90 percent of its gross income from the production and sale of agricultural products. Corporate shares shall be valued proportionately to the formula set forth in Section 4.

"(6) Revocation of election.—If property valued under paragraph (1)—

"(A) is sold or transferred excepting involuntary transfers, by or on behalf of the person to whom the property passed, within 5 years after the date on which the return of the tax imposed under this chapter was filed, or

"(B) is converted substantially to a use not described in paragraph (2) within that 5 year period by that person, the election made under this subsection shall be revoked and the difference between the tax actually paid under this chapter on the transfer of the estate and the tax which would have been payable on that transfer had the property not been valued under paragraph (1) shall be a deficiency in the payment of the tax assessed under this chapter on that estate.

(b) Section 1014(a) of such Code (relating to basis of property acquired from a decedent) is amended by inserting before the period at the end thereof a comma and the following: "or, in the case of an election under section 2131(c) (relating to alternative valuation of certain real property), the value thereof as determined under such action for the applicable valuation date.".

Sec. 5. The amendments made by section 4 of this Act shall apply with respect to the estates of decedents dying after the date of enactment of this Act.

[From the New York Times, Jan. 6, 1976]

Ford Would Ease Estate Tax Rule—He Wants Congress to Help Family Owners of Small Farms and Businesses

(By Eileen Shanahan)

WASHINGTON, January 5.—President Ford said today that he would ask Congress to change the tax laws to make it easier to continue family ownership of small and middle-sized farms and businesses.

He disclosed the broad outlines of his plan for easing the payment of estate taxes on farms and businesses of moderate size in a speech to the American Farm Bureau Federation in St. Louis. Further details of the plan were supplied by officials here.

There have been demands from farm and small-business spokesmen for at least two decades for changes in the tax laws to reduce the number of cases in which the heirs of farms or small businesses have to sell them to pay the Federal estate taxes.

Mr. Ford is the first President during that time to come forth with a comprehensive proposal for dealing with the problem. However, his solution appeared likely to be attacked both by people who will find it too generous and by people who want farm owners in particular to receive even more generous treatment than Mr. Ford envisions.

In brief, what Mr. Ford will recommend is that no estate tax be required to be paid on farms and businesses below a certain size until five years' after the death of the owner. No interest would accrue during those five years.

Starting with the sixth year, the estate taxes would have to be paid over 20 years. Thus, under the Ford plan, the final payment on the estate tax would not have to be made until 25 years after the owner's death.

Interest on the unpaid amount of the estate tax would be set at a rate of 4 percent a year.

At present, payment of estate taxes on farms and small businesses that qualify for special treatment must begin nine months after the death of the owner, and the taxes must be paid in full within 10 years.

The interest rate now is the same as that for any other unpaid Federal taxes, which is nine percent at present, but scheduled to go down to seven percent on Feb. 1.

Mr. Ford's plan would impose a limit on the ownership standards for qualifying for the special treatment: The deceased owner must have had at least a 20 percent interest in the farm or business, and there must have been no more than 10 partners or shareholders.

Mr. Ford's plan would impose a limit on the value of a farm or business that could qualify for the stretched-out tax payments, however. There is no such limit in the law now.

The stretchout, under the Ford plan, would apply only to the tax due on $300,000 worth of farm or business property. The figure represents not the total value of the property, but rather the value of that portion of the property that was owned by the deceased individual whose estate taxes are affected.

Since the value of the average farm in the United States today is close to $300,000, the majority of family owned farms would be eligible for the estate-tax liberalization to be proposed by Mr. Ford.

FARMER STAND UNKNOWN

It was not immediately clear, however, whether the proposal would satisfy farmers and their spokesmen who have been supporting legislation that would reduce the total amount of estate taxes due on many farms, not merely make payment easier.

What these farmer advocates want is a system of valuation for farm land that is passed to heirs that is different from the system in use for any other type of inherited property.

Specifically, they want the land valued for estate-tax purposes, not at the "fair market value" that it might have if put to its most lucrative use, which would be for urban development in many cases. Among the many supporters of legislation valuing farms only as farms for estate-tax purposes is Senator Birch Bayh of Indiana, one of the Democratic Presidential aspirants.

Many other liberal Democrats can be expected to oppose Mr. Ford's proposal on other, essentially opposite, grounds, however. The postponement of any estate-tax payments for five years and the below-market interest rate of 4 percent that would be imposed thereafter has a real cash value to the heirs of the property, under standard concepts of economic analysis.

These two benefits would have the effect of reducing the estate taxes by about 45 percent, according to these standard calculations of the value of postponed payments and below-market interest charges.

Another liberal objection to Mr. Ford's plan is likely to be that no piecemeal changes should be made in the estate tax until Congress is ready to come to grips with the whole issue of how to tax the capital gains on property that is held until death and then passed on to heirs.

These capital gains completely escape tax now, although the current value of the property does provide the basis for the estate taxes.

In addition to its stretchout of estate-tax payments, Mr. Ford's plan would also repeal a present provision of law that all students of the estate tax agree creates serious problems. This is the provision that makes the executor of an estate liable for the estate taxes, when the stretched-out payment plan is being used.

This provision, and the financial dangers to which it exposes the executor, has kept most executors, especially non-family members, from opting for even the present 10-year payment stretchout for estate taxes.

Mr. Ford's proposal would permit some of the benefits of the proposed 25-year payment plan for farms and businesses where the deceased person's interest exceeds $300,000. But the amount of tax payment that could be postponed would be phased down step by step, until only the present 18-year stretchout would be available on properties in which the value of the deceased owner's interest exceeded $600,000.

[From the New York Times, Jan. 8, 1976]

The Family Farm

Since 1959, the number of family-owned and operated farms has fallen from more than 4 million to 2,820,000 and the precipitous decline continues. In part, this reflects the abandonment of marginal, inefficient farms but often the disappearance has been due simply to an inequitable tax situation.

Under Federal law, all land including farm land is valued for estate-tax purposes at the "fair market value" that it might have if put to its most lucrative use. Land used for growing potatoes, hay, or even soybeans may be worth much more if sold for development as a shopping center, housing tract, or factory site. On that basis, the estate tax on a farm may be crushing in terms of the income that the farm produces and thereby leave the farmer's heirs with no alternative but to sell to a developer in order to get the ready cash to pay the tax.

The disappearance of a family farm into the suburban sprawl can be more than a private disappointment. Tilled fields, pasturage, and wooded lands are essential to the balance between man and nature, particularly in a crowded, urban civilization. Dairy farms and vegetable farms that are close to major cities are also essential for maintaining a supply of fresh milk and vegetables at reasonable prices.

In a speech to the American Farm Bureau Federation, President Ford this week proposed a tax change that would ease the problem. The President suggests that the tax due on small farm or business properties should not be paid until five years after the death of the owner—and then the tax could be stretched out over a period of twenty years.

The Ford proposal if adopted by Congress would alleviate the problem but not really resolve it. What is needed is a system under which farm land would be valued for tax purposes only at its optimum agricultural value and not its "fair market value" if it were converted to industrial, commercial, or residential use. Only this kind of reform can remove the heavy hand of the tax-collector and, ultimately, the "developer," from the family farm.

[From the Farm Journal, September 1975]

Let's Get Rid of the Widow's Tax

(By Laura Lane)

"A farm wife doesn't know how the government discriminates against her until she is widowed or divorced. My husband and I worked hard these past 23 years to make land payments. One year ago he died at 45. Now I'm having to pay for the farm again—this time to IRS."—Nebraska.

Informed couples are eager for a change in estate tax laws, our mail shows. But is Congress? The House Ways and Means Committee has on its calendar at least 15 bills aimed at reform of tax structure, yet that doesn't guarante action. To get the job done we need more people like Mrs. Lloyd Royal of Sarpy County, Neb.

"One day I learned that if something happened to my husband, I'd probably have to mortgage the farm to pay the estate taxes," she told me. That was five years ago. Doris Royal waited for "someone to get up in arms about the injustices." Nobody did. Meanwhile, land values have climbed, making her more vulnerable and endangering the inheritance of the Royals' son and daughter.

Doris has never thought of herself as a leader or political crusader, but she has a high Indignation Quotient. So she began what later became a campaign by enlisting the help of Mrs. Jerry (Annie) Knapp, Mrs. Robert (Sylvia) Wulf, and Mrs. Bill (Evelyn) Clark. Among them they can do just about everything that needs doing on a Nebraska farm . . . spread manure, keep books, operate machinery, type letters. They have become a good team for arousing public sentiment and applying pressure. What they lobby for:

Let's get rid of The Widow's Tax! "That discrimination is enough to turn a farm wife into a libber," acknowledges Phillip A. Henderson, Nebraska Extension economist who fuels the reform movement with information. The situation:

If husband and wife hold property in joint tenancy and the husband dies first, the entire value of the property is assumed to belong to the husband and is subject to estate taxes—unless the wife can prove that she inherited part or held an off-farm job to meet payments or otherwise made a legally recognized contribution of money or "money's worth." Proof means cancelled checks, mortgage releases, etc. Didn't the wife contribute by driving the tractor, sorting cattle, doing bookwork? Not in the eyes of IRS.

"The wife renders all these services as a part of her marriage contract," an IRS attorney explained, when I asked him about this interpretation. I pressed him for an example of when a wife does contribute. "The classic case is a Mom and Pop grocery store where the wife draws a salary and pays Social Security tax."

Earlier Doris Royal had showed me sheaves of letters from widows burdened with this tax. . . . "If there is such a thing as 'his' and 'her' money, it is 'my' school teaching pay that we used to buy this farm in the first place, but I'm having trouble proving it." Another reason for your keeping good records!

Everywhere I travel—not just in Nebraska—I find farm wives hurt, dismayed and angered at the IRS interpretation. . . . We *are* contributing greatly to the acquisition of land and machinery with our labor," a woman wrote the Nebraska Commission on the Status of Women. "We, along with our husbands, increased our net worth over the years—the difference being that later we women are told we didn't earn half and when it is 'given' (willed) to us we have to pay tax on it." Convictions like this have led to changes in laws of a few states—Iowa, for instance. Wisconsin Women for Agriculture recently have sought legislative changes, too. In June their Senate voted to alter inheritance laws so the farm wife would not have to "prove her contribution."

"I know we can hire a lawyer to change our legal setup," Doris Royal says, "but I want what I've worked for and am entitled to. We women who have taken the place of hired men deserve fair treatment under the law." So this winter she spent over 40 hours a week working for justice she feels she is denied.

A second disadvantage of holding the farm in joint tenancy: "Upon the wife's subsequent death the same property will be taxed again to the heirs—usually the children—the rate depending on how long she outlives her husband. It's even higher is she survives him by 10 years. Also a widow or widower has no marital deduction. So it's not uncommon for two deaths to take as much as 25% to 50% of a farm estate," Dr. Henderson told me.

How common is it for farm couples to hold property in joint tenancy? One Nebraska attorney said 50% do; the IRS lawyer said 9 of 10 farm estate tax cases he handles. Why? This way of holding property originally meant a saving in probate expense—costs now usually much lower than estate taxes. Also, it's a great convenience to hold a car or bank account in joint tenancy when one partner dies.

A widow often has other problems. Dixon G. Adams, Nebraska attorney who is donating time to the reform movement, gave me this instance: "Some banks are reluctant to lend money to a widow—she hasn't proved she can manage. Just now I'm helping a woman mortgage a farm to pay off estate taxes."

IRS' interpretation of "contribution" isn't limited to farm wives—it applies to other businesses and professions where the wife is receptionist, bookkeeper, secretary and general flunky. For this reason, Doris Royal seeks and gets the support of diverse groups such as Chambers of Commerce, senior citizens' clubs, Shriners, altar societies, the Nebraska Commission on the Status of Women, dentists' wives, livestock feeders associations and Farm Bureaus.

The personal exemption needs a big boost because of inflation since 1942. IRS was ready to propose legislation raising the specific exemption for every estate from $60,000 to $100,000 or maybe $120,000 when Watergate and the enemies' list caused them to seek a low profile, an insider told me.

The increase from $60,000 is a reform everybody can support, believes William V. Brooks, Sarpy County commissioner and oil dealer. He is campaigning for new estate tax legislation through trade journals, business organizations, petitions, and one-to-one politicking. "Many small businesses like mine don't have liquidity to pay a big tax—we need to put everything back just like farmers do," he told me. "And of course the value of our property, too, has increased dramatically in 33 years."

It's time to change the way land is valued for estate tax purposes. As of now, estate taxes often are inflated because the farm or ranch is appraised at its anticipated market price—its "development" value—not on its ability to produce crops or livestock. This inflationary factor often means "when death comes along, land and equipment hit the auction block," writes George R. Baker, Spokane County, Wash.

We need more time to "settle" an estate and file estate tax returns. "The nine months allowed after a person's death aren't sufficient—especially if there has to be a distress sale of land or property," says Doris Royal. Attorney Adams agrees.

Farm people can get the needed legislation if they rally the support of other citizens who care enough to use political muscle. Nebraskans are supporting H.R. 1793 introduced in the House by Rep. Omar Burleson (D., Tex.) and its identical twin, S. 1173, introduced in the Senate by Senator Carl T. Curtis (R., Neb.). This bill has 60 sponsors, and has been endorsed by all the Nebraska delegation.

"It doesn't include everything we might like, but it comes close," Doris Royal says. What it provides:

An increase in the exemption allowed every estate from $60,000 to $200,000.

An increase in the marital deduction by a flat sum of $100,000 beyond the present one half. (Notice this means less financial burden on a surviving wife but does not alter the "discriminatory disregard for her contribution" whereby property is held jointly.)

A method for valuing real property—farms, woodland—on the basis of current use rather than on any potential use at higher value.

Your Congressman can get you a copy of this bill or some of the others which would change estate tax laws, including House Resolutions 2048, 3871, 3903, 3915, 2417, 3879, 3867, 1349 and Senate Bill 277.

Your state inheritance tax laws probably need updating, too. The Nebraska group supports Legislative Bill 585 which specifically provides that if husband and wife hold property in joint tenancy, "it shall be assumed that each spouse contributed equally to the acquisition of the property, unless the surviving spouse shall prove that his or her contribution was greater than one half the cost of such property."

How to lobby for your ideas about changes:

1. *Write your Representative and Senators*, sending copies to Al Ullman (D., Ore.), Chairman of the House Ways and Means Committee, Washington, D.C. 20515 and Russell B. Long (D., La.), Chairman of the Senate Finance Committee, Washington, D.C. 20510. Even if you get brush-offs, keep plugging.

"Thoughtful, convincing letters probably do the most good, but we know a lot of people won't go to that trouble, so we use petitions, too," Doris Royal says. Recently copies of petitions in behalf of H.R. 1793 with 3,365 signatures were delivered to key people in Congress—signatures Doris and her co-workers had collected. I saw people interrupt her lunch in a restaurant, eager for a chance to sign!

2. *Bone up—then speak out* on proposed legislation. That means speaking at legislative hearings, state conventions or to small informal groups, being interviewed by the press and TV. It's especially helpful to have a lawyer on your team. "I don't know where we'd be without the counsel of Dixon Adams," Doris says. Also you need people who type or mimeograph, stuff envelopes, do research, work on posters and other visual aids.

3. *Accept every offer of help*. "You can't expect to agree on every issue under the sun, but you can capitalize on your mutual dissatisfaction with present estate tax laws."

After an interview appeared in the *Omaha World-Herald*, Doris had such a voluminous correspondence she had to resort to duplicated form letters. She can't spare a lot more time from the livestock or the tractor, so if you want copies of her petition in support of H.R. 1793 and her covering letter, don't write her—write us. Send a stamped, self-addressed envelope to Estate Plan Changes, *Farm Journal*, 230 W. Washington Square, Philadelphia, Pa. 19105.

Here's how proposed changes in estate laws could affect tax arithmetic. Assume wife inherits 100% of estate as a surviving joint tenant. She is unsalaried and has not inherited any of the land:

As law now stands:

Value of estate	$350,000
Less material deduction	175,000
	175,000
Less exemption	60,000
Taxable estate	115,000
Estate tax	25,200
As proposed under H.R. 1793:	
Value of estate	$350,000
Less marital deduction	275,000
	75,000
Less exemption	200,000
Taxable estate	0
Estate tax	0

Mr. ABOUREZK. Mr. President, I appreciate this opportunity to join with my colleague and friend, Senator GEORGE McGOVERN, in introducing legislation to reform the archaic Federal estate tax laws

This legislation is comprehensive, and it speaks to the problem that has been expressed so many times by farmers and ranchers, small businessmen, wage earners, and professionals.

The $60,000 estate tax exemption that was created in 1942 has become obsolete, so obsolete that the Federal estate tax has become a confiscatory tax that greatly interferes with the orderly transfer of a family farm, a home, or a small business to a new generation.

I have received stacks and stacks of mail from farmers and ranchers who are very concerned about the estate tax problem. Our Nation's food producers want to keep their land in the hands of their families, if at all possible.

Everyone should know by now that it is tough for a young person to get started in agriculture at today's inflated costs of doing business. It is alarming to me that the outdated Federal estate tax laws make it difficult even for young people who are in a position to inherit all or part of a farm or ranch.

This is simply not right, and it is a contributing factor in the loss of family-size farms and ranches. Senator McGOVERN has pointed out a 1975 USDA study that concluded that one-fourth of all farm real estate transfers are for the purpose of settling estates. I would say that is clear evidence that archaic estate tax laws are confiscating America's farms and ranches.

I am pleased that we can offer legislation today that deals directly with the troublesome and unfair aspects of the Federal estate tax laws. This bill raises the exemption of a decedent's adjusted gross estate to $200,000, from that outdated $60,000 figure I mentioned earlier.

The bill recognizes the rights of farm and ranch wives. America's farm women work very hard. They do not fit the description of a housewife, even though the work of housewives is very important. Instead, they are genuine partners with their husbands—they drive tractors and combines, they help roundup and vaccinate the calves, they save the lives of thousands of lambs and calves every year, they fix fence, they pick rock, they fill silos, and the list goes on. They even wear bibbed overalls sometimes.

I think, in these times of new understanding of the role of women in our society, that it is only reasonable to start doing something about the discrimination against women we find in the estate tax laws.

This legislation attacks this problem by putting a floor of $100,000 under the marital deduction provided in the present Internal Revenue law.

Another difficult problem is dealt with in this bill, and I think it is a provision that is unique among the many estate tax bills that have been introduced in the 94th Congress.

Farmers and ranchers have a special problem when it comes to placing a value on their land. Most people agree, first of all, that today's agricultural land prices are inflated. The prices do not bear much relationship to the productivity of an acre of ground.

This is aggravated by the fact that mere location can place an artificially high-market value on agricultural land. As cities sprawl farther and farther out into the countryside, producers who own land near cities find that suddenly their property is worth a price calculated by the foot or lot instead of by the acre.

I find this to be very unfair to families who want to keep their land in agriculture. Food producers are very proud of their farms and ranches. They have nothing left to be proud of if the land is ravaged and turned into a shopping center or into Vulture Cliff Condominiums.

Other factors can inflate land values when the only determination used is the current market value. For example, if you are an established producer with the kind of equity you can build up after 20 years in business, you might choose to pay a relatively high price for land that adjoins your farm or ranch. It is worth more to you, because of the obvious efficiencies involved, than land in some other location to which you have to truck your machinery.

Speculators also drive up the price of land. So do "hobby" or "tax-loss" or "sidewalk" farmers—people who get into agriculture solely to exploit tax loopholes.

This bill provides a formula whereby land can be valued on its basic productivity instead of on an inflated market value. I think this is a big step forward in attacking a problem that has plagued agricultural producers for many, many years.

By effectively and decisively dealing with the market value problem, we can offer new hope for the future of family-sized farms and ranches.

Mr. President, I sincerely hope that Congress will act soon on this legislation. I believe I am right in saying that every major agricultural organization supports estate tax reform. With this kind of backing, plus the support of small businessmen, wage earners and professionals, I would think this concept should be treated with a reasonable priority.

President Ford has voiced his support of some changes in estate tax laws, although I do not feel his proposal effectively deals with the problem. I say that because I feel the basic problems are the exemption level, the marital deduction and the determination of land value. However, I certainly give Mr. Ford credit for commenting on the problem.

It is time to reform the Federal estate tax laws and to end what has unfortunately become a confiscatory and discriminatory tax policy.

I urge this body to move as quickly as possible on this important and much-needed legislation. Let us keep land in the hands of family farmers and ranchers and family-owned businesses under the control of sons and daughters instead of anonymous corporate giants.

By Mr. HUGH SCOTT:

S. 2876. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of Federal surplus personal property to the States for public purposes, and for other purposes. Referred to the Committee on Government Operations.

Mr. HUGH SCOTT. Mr. President, the legislation that I am introducing today would coordinate and consolidate the distribution of Federal surplus personal property to State and local governments and other organizations.

For the past several months, I have been receiving from local officials a growing number of complaints regarding the vast, complicated, and, at times, unfair Federal system of distributing surplus property. This bill would designate a single Federal agency—the General Services Administration—and a single State agency in each State to coordinate the program. Currently, a number of Federal and State agencies duplicate efforts and turn the system into a morass of redtape, delays, and inefficiency.

Another important aspect of this bill is that it expands the authority of the Federal Government to donate surplus property to local government agencies by defining education and health more broadly. The new definition includes public safety, parks and recreation, conservation and economic development. This action extends the donation program's ambit to several essential public functions that had been excluded in the past.

This measure is identical to H.R. 9152, a bill introduced by Congressman Jack Brooks. Hearings have concluded on Congressman Brook's bill and it is my hope that the Senate will move expeditiously to final passage.

By Mr. JAVITS (for himself, Mr. Muskie, and Mr. Stafford):

S. 2878. A bill entitled "The Congressional Office of Regulatory Policy Oversight Act of 1975." Referred to the Committee on Government Operations.

Mr. JAVITS. Mr. President, on the domestic front one of our most serious and growing problems has been the burgeoning and ill-coordinated growth of Federal regulatory activities. The costs are known to be enormous: from barriers to competition created by licensing requirements, to rates for all our transportation modes set in a noncompetitive framework, to requirements for cleaning up our environment and making our work places safer and healthier.

The President has called for regulatory reform. Indeed, no less than three separate legislative proposals have been sent up by the administration to reform the regulatory structure in the transportation field. I have no quarrel with these efforts; they should be considered on their individual merits as soon as possible.

But I believe we must give an equal priority to getting our own house in order. It is curious that we have arrived at a situation that almost all agree needs reform and yet years go by without any action. How is this so? It is because the structural mechanisms in the Congress to implement reform of our regulatory policies and procedures need reform as desperately as the regulatory process itself.

The bill I am introducing today deals with the inadequacy of this congressional response, and does so in a way that will yield tremendous benefits in terms of modernizing and planning regulatory policy. Congress has until now been incapable of coordinating, modernizing or planning regulation. Our response has been to add further regulation to meet new needs without harmonizing new policies with old. The bill I offer will give to the Congress a renewed capability to eliminate outdated regulation and modify the courses of regulation. We will regain control over regulatory policy and the regulatory agencies.

The legislation is in two titles:

Title I of the bill would create an Office of Regulatory Policy Oversight within the legislative branch. It is in some ways analogous to the Budget Office and in others to the Office of Technology Assessment. It would be run by a board of Congressmen and Senators, as is OTA, with executive authority vested in a Director appointed by the joint congressional leadership. The office will develop much needed objective, professional expertise in both regulatory procedure and regulatory policy. It will have no allegiance or ties to any agency or committee but will respond to the needs of all standing oversight committees. It will view agency procedures and proposed actions with a broad perspective of current national goals and priorities so that it can help to coordinate regulatory activities. It will assist congressional committees in their oversight functions and will recommend improvements in regulatory processes and agency structures to the Congress.

The office will perform a continuing review of each of the regulatory agencies to determine whether their authorities should be enhanced or cut back, whether deregulation experiments should be instituted, whether regulation is anticompetitive or even whether agencies or parts of them should be abolished.

The bill requires that each agency prepare long-term plans for regulations so as to justify its future and explain to the Congress where its current policies will lead. The office will review this planning and report on ways better to coordinate these plans.

As with each of its duties, all recommendations of the office would go to the appropriate committees which would retain full plenary oversight jurisdiction over the regulatory agencies.

Additionally, the office will prepare for standing committees, at their request, investigate reports concerning the qualifications of nominees to regulatory agencies and the balance or imbalance that any nominee would create on a collegial body agency.

Title II of the bill sets forth a systematic procedure whereby every regulatory agency of Government, when it proposes to promulgate a rule of general applicability pursuant to statutory authority that deals with economic regulatory or licensing matters, would have such rule subjected to review, and potential veto, by the Congress. This is an expeditious procedure which is very tightly constrained.

First, the agency must decide whether the rule is of legal policy importance. If it is, the agency in its discretion may certify the rule to the Congress for review and ultimate ratification or disapproval.

The rule will go into effect 15 days later unless the majority of the oversight committee of either House request the newly established office to conduct a thorough review of the proposed regulation. If it does so, the rule shall be delayed for an additional 45 days while the office reports with a detailed study of all policy implications of the rule along with its recommendation of whether the rule ought to be vetoed. If, during this 60 day period, after each of these prerequisites has been met, both Houses pass a concurrent resolution of disapproval of the proposed rule, it will be returned to the agency with reasons for disapproval and will not go into effect.

This procedure is the core of the bill. It will give to the Congress new powers to control regulatory policy actions and, at the same time, provide the expertise and the mechanism for using this power objectively, prudently and selectively.

The office will report on all economic effects of the proposed rule, its effects on other governmental policies, laws, or treaties, its conflicts with State or local regulatory efforts, any secondary or tertiary effects not fully anticipated by the agency, the rule's effect upon health, safety and the environment and finally, its long-term effects.

No agency or committee can look so broadly and clearly upon regulatory policy as can this office. It will provide the basis upon which we in the Congress can exercise our sound judgment over regulatory action, and it will also, by its watchdog function, compel each of the regulatory agencies to consider all ramifications and effects of major rulemakings. I believe this power will be the catalyst for continuing regulatory improvements.

This title finally provides a procedure for the office to try to speed agency action on matters of national importance. The board would recommend to the agency expedited or priority attention to the matter and if this fails it may recommend a joint resolution to decide an issue by a date certain.

Mr. President, we have here a situation analagous to that which existed in the budget area several years ago before needed reforms were enacted. That system which has now been fundamentally changed by enactment of the Budget Act and which has thus far been so ably implemented by the distinguished chairman of the Senate Budget Committee, Senator Muskie, was in urgent need of reform.

Just as the evolution of the Federal budget to such unmanageable proportions demanded a major structural reform of the congressional budget process, so has the expension and proliferation of Federal regulatory activities demanded the reform of our own internal mechanisms of dealing with regulatory affairs.

There have been many suggestions as to how to reform the regulatory agencies but few as to how to reform the system which perpetuates them. This legislation could fundamentally alter the congressional role in the regulatory process and for the first time in decades put the elected representatives of the Congress back in a position to control the direction of Federal regulatory policy.

But the benefits of this bill will not be limited to the improvement of the congressional oversight machinery. The very fact of an efficient and orderly congressional oversight system together with a mechanism for effective regulatory control, will compel the regulatory agencies to respond more vigorously to changing needs and to account more meaningfully for all of the important indirect effects of their regulatory policies. These effects may often cause a greater impact on society than the direct effects of the promulgated rules, especially upon competitive industries, consumers, and the general public; in other words, those not within the agencies' regulatory constituency.

Moreover, agencies will have to begin planning for the future, taking into account the long-term impacts of their regulation, coordinating those impacts with other policies of government and justifying the need for continuation.

It is remarkable that a consensus exists—it may even be near unanimity—that our regulatory process must be redirected, speeded up, made less costly to the economy, and made more responsive to the people's needs, and yet no significant regulatory reform has emerged from this Congress. I am convinced that this bill goes to the heart of that apparent paradox: The solution—or at least a large part of it—must be found in the reform of the congressional system which perpetuates outdated regulatory policies and constrains needed reform.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed in the Record directly following the conclusion of my remarks.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Congressional Office of Regulatory Policy Oversight Act

SECTION-BY-SECTION ANALYSIS

Findings—Findings include the substantial impact of federal regulatory policies upon all segments of our economy and society; the need to better anticipate and coordinate regulatory activities to meet current national goals; the inability of the Congressional organizational structure to currently perform the analysis and support needed by Congress to approve or disapprove of regulatory activities.

Sec. 101. *Establishment* of the Congressional Office of Regulatory Policy to be managed by a Board of Congressman and Senators with a Director to carry out the policies of the Office. It shall be within and responsible to the legislative branch.

Sec. 102. *Policy and Purpose*—To provide assistance and support to the committees and members of Congress in the area of implementing, coordinating, and planning federal regulatory policy.

Sec. 103. *Functions and Duties*—Principal function to analyze beneficial and adverse effects of major regulatory action and to develop specific recommendations regarding the effectiveness and coordination of activities. Also to assist committees in their oversight functions by providing information, evaluation and recommendations for legislation.

Sec. 104. *Regulatory Agency Oversight Board*—The Board, which shall set the policies of the Office, shall consist of six Congressmen and six Senators, plus a Director, who shall not vote. The Board may issue subpoenas and administer oaths.

Sec. 105. *Director*—The Director shall be appointed by the Board and shall serve for a term of four years, but may be removed by either House by resolution.

Sec. 106. *Overview of Regulatory Activities*—The Office will provide a general oversight capability over regulations and procedures, recommending changes in procedures or policies to the Congress. At least every two years, the Office shall provide a detailed report of each agency's impact with recommendations for how to achieve current national goals and coordinate agency actions with other governmental policies.

Sec. 107. *Long Term Plans*—Requires each agency to develop a long range plan explaining what will be achieved in the next decade by continuing regulation, and its effects upon the economy. Each agency shall develop its plan with the assistance of an advisory council with members from all interested groups.

The Office will review each plan and recommend legislation to better coordinate conflicting policies.

Sec. 108. *Nominations to Agencies*—At the request of the appropriate Senate committee the Office shall conduct an independent investigation of any regulatory nominee. Nominees to collegial bodies shall also be scrutinized as to the balance of views on the agency. The Office shall also promulgate standard conflict of interest disclosure forms for nominees and procedures for submitting written policy questions to nominees.

Sec. 109. *Public Disclosure*—All information shall be made available to the public on regulatory effects or impacts. The Freedom of Information Act shall apply.

Sec. 110. *Authorization*—Authority is limited to a maximum of 100 persons.

TITLE II

Sec. 201. *Definitions*—Agency is any regulatory or licensing authority in the federal government.

Sec. 202. *Transmittal of Rules to Congress*—Each agency shall decide which of its regulations presents a significant question of law or a substantial ground for difference of opinion, and shall transmit such regulations to Congress.

Ses. 203. *Review by Congressional Office*—The Office shall review each rule transmitted. When the Board believes the rule presents a substantial question of law or policy that may merit Congressional consideration, or when the appropriate committee requests, the Office will do a detailed review of the rule, evaluating all benefits and potential adverse effects, its coordination with current policy goals, and its long term impacts. The office will also recommend whether the Congress should veto the rule and how the rule should be modified.

Sec. 204. *Recommendations of President*—The President may submit his views on any rule transmitted to the Congress by an independent agency.

Sec. 205. *Disapproval Resolutions*—Provides for priority procedure for a disapproval resolution reported to the floor. If both Houses pass a disapproval resolution within 60 days, the rule is returned to the agency with any recommendations for modification; in all other cases the rule goes into effect.

Sec. 206. *Procedure to Compel Agency Action*—The Office shall review agency procedures with a view toward speeding up decisionmaking in areas of national importance. The Director may recommend priority action on certain issues and may recommend to the appropriate committees that a joint resolution be enacted to compel expedited action.

Sec. 207. The Office shall terminate eight years after enactment unless specifically renewed by statute.

Mr. MUSKIE. Mr. President, it is my privilege to join today with the distinguished senior Senator from New York in cosponsoring the Congressional Office of Regulatory Policy Oversight Act of 1975.

For several decades our Nation has looked to our Federal regulatory agencies to foster greater competition in the marketplace, to assure the financial integrity of our securities markets, to allocate and regulate the use of broadcast channels and to implement standards for improved environmental quality along with a variety of other functions.

When first conceived, the concept of the Federal regulatory process was to provide independent expert decisionmaking to assure that the public interest was fully represented in the regulation of private business.

The process still is essential to our system of government but the problems have become more complex. Regulation on behalf of the perceived public interest in one sector may fail to provide for equally important public interests in another.

We now recognize that problems of environmental quality cannot be viewed alone, but must be weighed against increasing shortages of energy producing materials.

Only recently the Congress determined that it was no longer in the public interest to house both research and regulatory efforts in atomic energy under the roof of one agency, and we have divided those functions.

Increasingly, we are finding that the regulatory process has other limitations—and those limitations stem basically from a failure to consider the effects of specific regulatory policies on our society as a whole.

While in most instances it is desirable to have an independent policymaking body sorting out the complexities of economic regulation, we must not take this process so far from our representative arm of Government that it is no longer responsive to the public will as a whole.

Decisions which have a potential impact on the national economy such as energy policy, or decisions which may chart the communications services available to our Nation for a decade should not be made in the vacuum of the administrative process, but should be brought into the arena of public debate.

That is what this legislation proposes to do. It would establish a Congressional Office of Regulatory Oversight. That office would be responsible to the Congress and would review rules proposed by agencies which the agencies certified as having particular economic or public policy significance.

This process would then allow the House and Senate acting concurrently to reject the proposed rules after consideration of issues which might not have been reviewed within the scope of the administrative agency processs.

Mr. President, the Committee on Government Operations, of which I am a member, has this year launched an important review of the Federal regulatory community in conjunction with the Commerce Committee. The product of that study could help shape our national regulatory processes for yet another generation.

I believe the proposal introduced today will be an integral part of any future reforms and support it in the hope that it may help focus the debate on this important issue.

By Mr. PEARSON:

S. 2879. A bill to amend the Internal Revenue Code of 1954 to provide that a spouse's services shall be taken into account in determining the consideration furnished to acquire jointly owned property for purposes of the Federal estate tax, to increase the exemption for estate tax purposes, and to allow an estate tax deduction with respect to certain family farms and small business interests held by a decedent. Referred to the Committee on Finance.

Mr. PEARSON. Mr. President, the Federal estate tax provisions of the Internal Revenue Code have long been in need of reform. Today, I am introducing legislation that would bring about this reform.

Briefly, my bill does four things. First, it increases the Federal estate tax exemption from $60,000 to $120,000. Second, it establishes a $130,000 deduction for family enterprises that are passed from one generation to the next. Third, it recognizes the contribution of services made by each spouse to the operation of a family enterprise as adequate consideration to prevent the inclusion of their joint interest in the estate of only one spouse for estate tax purposes. Fourth, it authorizes automatic increases in the estate tax exemption and family enterprise deduction to reflect rises in the cost of living.

Mr. President, the $60,000 estate tax exemption has not been increased since 1942. We are all aware of the effective reduction in the amount of this exemption caused by the intervening 34 years of inflation. My bill would increase that exemption to $120,000 in an effort to restore the original intent of the law: the protection of modest estates from undue depletion as a result of Federal estate taxes. Moreover, to maintain this original intent, the $120,000 exemption would be adjusted each year by reference to the Consumer Price Index. This would give permanent protection to the small estate against spiraling inflation and a Congress that might neglect to act for another 34 years.

Spiraling costs have placed an especially heavy burden on small family enterprises. Their number has been drastically reduced in recent years. There are less than 5 million small family businesses and fewer than 3 million family farms still in operation. These family enterprises find it more and more difficult to pass their assets intact from one generation to the next. It is not uncommon for families to have to sell part of the family enterprise in order to pay estate taxes. Over several generations, these family enterprises can be reduced to a size which is no longer economically viable as a result of efforts to comply with Federal estate tax laws.

Increasing the estate tax exemption to $120,000 is in itself a necessary step as I have already noted. But more help is needed for small family enterprises. My bill proposes a $130,000 deduction in addition to the estate tax exemption designed to help keep family enterprises intact and in the family. Under this bill, up to $250,000 in assets of a decedent's estate, that consisted in whole or in part of a family enterprise, could pass to a related individual, as that term is defined in the bill, without any estate tax burden.

In order to prevent abuses, the bill would require that the decedent must have owned the family enterprise for at least 5 years, and have exercised substantial management and control over it before he died. Those who inherit would also have to exercise substantial management and control over the enterprise for a period of 5 years in order to take advantage of the deduction. In the event that a farm or small business is willed to several children, all inheritors would be covered by the bill if one of them met the management qualifications set forth. Moreover, the $130,000 deduction provision includes an escalator clause that is tied to the gross national product deflator.

Mr. President, my bill also provides that services performed by a surviving spouse in connection with the operation of a family enterprise would constitute sufficient consideration to prevent the inclusion of their joint interest in the estate of only one spouse for estate tax purposes. Thus, a proportionate share of the family farm or small business, rather than the entire joint interest, would be includible in the decedent's estate. This provision is designed primarily for the surviving spouse who is not able to maintain management and control over the farm for 5 years. It provides an alternative to the $130,000 deduction for the spouse based on the proportionate share of services contributed to the operation of the family farm or small business.

It is my hope that the Senate will move expeditiously on this proposal. It would make the estate tax law more equitable and encourage the continued existence of small family enterprises.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

VALUE OF JOINT INTERESTS INCLUDIBLE IN GROSS ESTATE

SECTION 1. (a) IN GENERAL.—Section 2040 of the Internal Revenue Code of 1954 (relating to treatment of joint interests for purposes of the Federal estate tax) is amended by adding at the end thereof the following new sentence:

"For purposes of this section, services performed by a spouse in connection with the carrying on of a farming business or other trade or business shall be treated as adequate and full consideration in money or money's worth."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to decedents dying after August 16, 1954.

INCREASE AND ADJUSTMENT IN ESTATE TAX EXEMPTION

SEC. 2. (a) INCREASE IN EXEMPTION.—(1) Estates of Citizens or Residents.—

Section 2052 of the Internal Revenue Code of 1954 (relating to exemption for purposes of Federal estate tax) is amended to read as follows:

"EXEMPTION

"SEC. 2052. (a) EXEMPTION.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate an exemption equal to the greater of $120,000 or the applicable amount determined under subsection (b).

"(b) ANNUAL ADJUSTMENT.—For purposes of subsection (a), the applicable amount with respect to a decedent dying in a calendar year beginning after the date of enactment of this subsection shall be an amount which bears the same ratio to $120,000 as the Consumer Price Index (as determined by the Department of Labor) for the calendar year preceding the calendar year in which falls the date of the decedent's death bears to such index for calendar year 1975."

(2) Estates of nonresidents not citizens.—Section 2106(a)(3) of such Code (relating to exemption in case of estates of nonresidents not citizens) is amended by striking out "$30,000" each place it appears and inserting in lieu thereof "$60,000".

(b) TECHNICAL AMENDMENT.—(1) Section 6018(a)(1) of such Code (relating to estate tax returns) is amended by striking out "$60,000" and inserting in lieu thereof "the amount allowable as an exemption under section 2052".

(2) Section 6018(a)(2) of such Code is amended by striking out "$30,000" and inserting in lieu thereof "$60,000".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to the estates of decedents dying after the date of the enactment of this Act.

DEDUCTION FOR INTERESTS IN FAMILY FARMS AND SMALL BUSINESS

SEC. 3. (a) IN GENERAL.—Part IV of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to taxable estate) is amended by adding at the end thereof the following new section:

"INTERESTS IN FAMILY FARMS AND SMALL BUSINESS

"SEC. 2057. (a) IN GENERAL.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate the lesser of (1) the applicable amount determined under subsection (b) or (2) the value of the decedent's interest in a family farm or other small business continually owned by him or his spouse during the five years prior to the date of his death and which passes or has passed to an individual or individuals related to him or his spouse.

"(b) APPLICABLE AMOUNT.—For purposes of subsection (a), the applicable amount with respect to a decedent dying after the date of enactment of this subsection shall be an amount which bears the same ratio to $130,000 as the gross National Product Deflator (as determined by the Department of Commerce) for the calendar year preceding the calendar year in which falls the date of the decedent's death bears to such deflator for calendar year 1975.

"(c) SUBSEQUENT DISQUALIFICATION RESULTS IN DEFICIENCY.—The difference between the tax actually paid under this chapter on the transfer of the estate and the tax which would have been paid on that transfer had the interest in family farm or small business not given rise to the deduction allowed by subsection (a) shall be a deficiency in the payment of the tax assessed under this chapter on that estate unless, for at least 5 years after the decedent's death—

"(1) the interest which gave rise to the deduction is retained by the individual or individuals to whom such interest passed, and

"(2) such individual or individuals to whom such interest passed actively participate in the management and control of such business.

"(d) DEATH OF SUBESQUENT HOLDER.—In the case of the subsequent death of an individual to whom the interest in a family farm or other small business has passed, his successor shall be considered in his place for purposes of subsection (c).

"(e) DEFINITIONS.—"(1) Family Farm or Small Business.—A family farm or small business is any trade or business conducted by a self-employed individual, a partnership, or closely held business (within the meaning of section 6166(c)(3)(B)) if

"(A) the farming or other trade or business activity is not treated as an activity not engaged in for profit under section 183, and

"(B) before his death, the decedent was a proprietor, partner or shareholder with respect to such farm or other trade or business and he or an individual related to him exercised substantial personal control and supervision of the business.

"(2) RELATIONS.—An individual is 'related' to the decedent or his spouse if he is that person's father, mother, son, daughter, grandson, granddaughter, brother, sister, uncle, aunt, first consin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister."

(b) COORDINATION WITH MARITAL DEDUCTION.—Section 2056(c) of the Internal Revenue Code of 1954 (relating to limitation on estate tax marital deduction) is amended by striking out "and 2054" each place it appears and inserting in lieu thereof ", 2054, and 2057."

(c) SUSPENSION OF RUNNING OF PERIOD OF LIMITATION.—Section 6503 of the Internal Revenue Code of 1954 (relating to suspension of running of period of limitation) is amended by redesignating subsection (i) as subsection (j) and by inserting the following new subsection immediately after subsection (h).

"(i) DEFICIENCY ATTRIBUTABLE TO ESTATE TAX FAMILY FARM AND SMALL BUSINESS DEDUCTION.—The running of the period of limitations for collection of any deficiency which may arise under the provisions of section 2057(c) shall be suspended for the 5-year period following the date of death of the decedent with respect to whose estate a deduction is allowable under section 2057."

(d) CLERICAL AMENDMENTS.—The table of sections for Part IV of subchapter A of chapter 11 of the Internal Revenue Code of 1954 is amended by adding the following new item at the end thereof:

"SEC. 2057. Interests in family farms and small business."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to estates of decedents dying after the date of enactment of this Act.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2860

At the request of Mr. CHURCH, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 2860, a bill to amend title II of the Social Security Act to permit payment of benefits to divorced husbands and surviving divorced husbands in like manner as benefits thereunder presently are payable to divorced wives and surviving divorced wives, and to reduce from 20 to 15 years the number of years that a divorced spouse must have been married to an insured individual in order to be eligible for benefits on that individual's earnings record.

SENATE JOINT RESOLUTION 76

At the request of Mr. Dole, the Senator from New Hampshire (Mr. McIntyre), the Senator from New York (Mr. Buckley), the Senator from Ohio (Mr. Taft), and the Senator from Texas (Mr. Tower) were added as cosponsors of Senate Joint Resolution 76, to designate a National Beta Sigma Phi Week.

SENATE JOINT RESOLUTION 158

At the request of Mr. Randolph, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of Senate Joint Resolution 158, providing for the designation of the second full calendar week in March 1976 as National Employ the Older Worker Week.

SENATE CONCURRENT RESOLUTION 86

At the request of Mr. Church, the Senator from Pennsylvania (Mr. Schweiker) and the Senator from Nevada (Mr. Cannon) were added as cosponsors of Senate Concurrent Resolution 86, to express congressional opposition to proposals to increase out-of-pocket payments by medicare beneficiaries.

SENATE RESOLUTION 354—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON PUBLIC WORKS

(Referred to the Committee on Rules and Administration.)

Mr. RANDOLPH, from the Committee on Public Works, reported the following original resolution:

S. Res. 354

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under Rule XXV of the Standing Rules of the Senate, the Committee on Public Works, or any subcommittee thereof, is authorized from March 1, 1976 through February 28, 1977, in its discretion, (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis, the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $926,700.00, of which amount not to exceed $5,000.00 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $500.00 may be expended for the training of professional staff of such committee, or any subcommittee thereof (under procedures specified by section 202 (j) of such Act).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 355—SUBMISSION OF A RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES

(Referred to the Committee on Rules and Administration.)

Mr. CHURCH (for himself, Mr. Baker, Mr. Goldwater, Mr. Gary Hart, Mr. Philip A. Hart, Mr. Huddleston, Mr. Mathias, Mr. Mondale, Mr. Morgan, Mr. Schweiker, and Mr. Tower) submitted the following resolution:

Senate Resolution 355

Resolved, That section 6 of Senate Resolution 21, 94th Congress, as amended, is amended by striking out "$2,250,000" and inserting in lieu thereof "$2,400,000".

SENATE RESOLUTION 357—SUBMISSION OF A RESOLUTION RELATING TO PRICE DISCLOSURES OF PRESCRIPTION DRUGS

(Referred to the Committee on Commerce.)

Mr. CHURCH submitted the following resolution:

Senate Resolution 357

Whereas consumers have a right to vigorous price competition in the retail prescription drug industry;

Whereas the availability of retail price information for prescription drugs is inadequate to enable consumers to use price in a rational manner as a consideration in making purchase decisions;

Whereas the inadequate availability of retail price information prevents or hinders price competition among retail pharmacies;

Whereas the inadequate availability of retail price information for prescription drugs causes consumers to spend substantially more each year for prescription drugs than they would spend if adequate retail price information existed;

Whereas the inadequate availability of retail price information for prescription drugs is principally a result of or caused by various restrictive State and local laws and regulations, pharmacy association codes of ethics, and a variety of other restraints;

Whereas action is necessary to assist consumers to overcome the burdens associated with inadequate retail price information for prescription drugs throughout the United States; and

Whereas the alleged justifications for nondisclosure statutes and codes are far outweighed by the probable benefits resulting from free disclosure: Now, therefore, be it

Resolved, That the Senate declares that—

(1) laws and private restraints against accurate prescription drug price disclosure and price advertising are contrary to the public interest.

(2) there is a need for a system of adequate price disclosure of prescription drugs which is responsive to public needs.

Sec. 2. It is the sense of the Senate that the following acts and practices are unfair trade practices within the meaning of section 5 of the Federal Trade Commission Act:

(1) The actions of any person, partnership, or corporation directly or indirectly to prohibit, hinder, or restrict, or attempt to prohibit, hinder, or restrict, the disclosure by any retail seller of accurate price information regarding prescription drugs, whether such disclosure is made by means of advertisements or in any other way.

(2) The failure of any retail seller to disclose adequate retail price information when requested of him, including requests conveyed by telephone.

(3) Restricting or failing to make any disclosure of adequate price information by any means of public communication, including print media, broadcast media, and telephone or leaflets, because of the requirements of any law, rule, regulation, or code of any nonfederal legislative, executive, regulatory or licensing entity or any other entity or person, including, but not limited to, professional associations.

PRESCRIPTION DRUG PRICE DISCLOSURE

Mr. CHURCH. Mr. President, the Federal Trade Commission has been very active in recent months. They have been investigating trade practices in many areas of concern to the Senate Committee on Aging, including eyeglasses, hearing aids, medical advertising, and funeral practices.

While I am not fully supportive of all of the FTC's methods and recommendations in these and other areas, two trade regulation rules regarding prescription drugs have been proposed which would be of great benefit to our Nation's elderly.

Public comment on those rules has already been received. The FTC is now conducting followup hearings.

As chairman of the Senate Committee on Aging, I would like to make my views known as this time about the FTC proposals.

I favor them, and I am offering a resolution formally expressing congressional support for the FTC position.

The rules would allow for the accurate disclosure or advertising of prescription drug prices. The FTC is proposing preemption of State regulations or private codes that restrict disclosure or advertising.

A large dose of free competition in the pharmaceutical business could save older American millions of dollars annually. At present, 34 States regulate or prohibit advertising or disclosure of prescription drug prices. Often professional organization codes buttress the State restrictions. Individual pharmacists can be—and are—reprimanded for attempting to advertise drug prices.

The average older American paid $85 above what medicare covered for prescription drugs in 1973. Although the elderly number 10 percent of our Nation, they purchase 25 percent of prescription drugs sold. In fiscal 1974, people over 65 paid 2½ times the national average for drugs. Eighty-six percent of these drug expenditures came from private sources or were not covered by medicare. In total, drugs now account for almost 23 percent of all private health expenses for older Americans.

Clearly, consumers of so many drugs have a right to seek out the most reasonable costs possible. Cecil Andrus, Governor of Idaho, recognizes this is a letter to the FTC:

> The Idaho Office of Aging reports to me that the costs of prescription drugs present a major economic problem for the senior citizens.
>
> We strongly support the accurate disclosure of price information of prescription drug prices and feel that it is in the best interest of Idaho citizens that this information be made available to them.

One retired woman wrote the FTC:

> GENTLEMEN: Please, may my husband and I voice our support of the proposed trade regulation to permit free disclosure and advertising of prescription drug prices.
>
> We are retired persons and because of health problems we have to purchase a good many drugs.
>
> Since we have been retired several years, the cost of drugs actually hurt our food and rent budget.
>
> Very truly yours,
>
> Mrs. W. W. H.
>
> DUBLIN, VA.

Lack of effective disclosure hampers those who are trying to live on a fixed income. Prescription prices do vary greatly. One instance cited in Florida found a 1,475-percent difference in prices between two stores for the same drug. These variances have also been reported by various consumer groups, such as District of Columbia Public Interest Research Group. A San Francisco lady commented:

> I had a prescription from my Doctor for my hypertension condition. I asked the Pharmacist in the same building . . . the price of this Rx . . . for which the Pharmacist gave me the price of $9.00. I almost fainted.
>
> I further inquired at other Pharmaceutical Stores. One asked the price of $4.80. Another wanted $4.50, and the fourth, thank God, was honest. He had the honest price-list as required posted so people could see them, his charge was $3.30 for said Prescription. . . .
>
> I am an elderly patient in need of this kind of Medicine, how could I afford to pay $9.00 for only 25 tablets, God help me. I live on S.S. [Social Security] and a small amount of savings from a lifetime of hard work.
>
> Respectfully yours,
>
> Mrs. H. K. B.
>
> SAN FRANCISCO.

Despite the obvious benefits to be gained, price disclosure is very limited. Restricted by code or statute, many consumers have given up attempting to price shop and have made gross overpayments. Significant price differentials cannot be explained, but exist because consumers cannot get the facts they need.

Some consumer groups—Consumer Affairs Committee of Americans for Democratic Action, Public Citizen Health Research Group, Vermont Public Interest Research Group—have advocated a system of posting popular drug prices on poster cards in the individual pharmacy. The National Council of Senior Citizens and National Retired Teachers Association-American Association of Retired Persons—NRTA-AARP—have endorsed the posting idea. This would enable a consumer visually to compare prices without approaching the pharmacist.

However, many of the elderly have a difficult time getting around to check the posters in the individual stores. The FTC has received many comments on this point. For example:

> I have found wide differences in prices at various drug stores.
>
> I belong to AARP, live alone, and find it very difficult to get to different drug stores to find out the different prices. It would be a great help to me, physically and financially, to have the rule of free disclosure and advertising of prescription drugs go through.
>
> Sincerely,
>
> Mrs. H. E
>
> BIRMINGHAM, MICH.

> I personally saved over $4.00 on high blood pressure pills by doing a little shopping and as you probably know they will not normally give you a price on the phone so you must go there personally, which stops many people from shopping. . . .
>
> Very truly yours,
>
> C. T. H.
>
> DREXEL HILL, PA.

> I feel that it's high time the consumer be given the chance to comparison shop for prescription drugs, the same as food and other items.
>
> Please act to permit advertising of drugs as an aid to elderly folks who live on fixed incomes, and must make every penny count, not to mention the savings on gas that would result by going to only one drugstore instead of 2 or 3 for price checks.
>
> Sincerely,
>
> S. F.
>
> AVON LAKE, OHIO.

To deal with these problems, the FTC has proposed disclosure of drug prices over the telephone. This would include those confined in the group of consumers able to price shop and would be invaluable to the elderly.

In a particularly cogent reply to an FTC questionnaire, Mr. James Sullivan of NRTA-AARP outlined the case for free disclosure. On how the disclosure of drug prices can be improved, he replied:

> In our opinion, a proper climate for drug price disclosure will not prevail until the foregoing impediments are eliminated, changed or removed by federal preemption. In the interest of expediency and uniformity, our Associations favor federal preemption of inhibiting state pharmacy laws and regulations.
>
> A maximum federal effort, with the objectives of encouraging drug price competition and lowering prescription drug costs, should include the following:
>
> (1) Mandatory prescription price posting of at least the 75 most common prescription quantities, with brand name and generic equivalent listed together, a checklist of services provided by the pharmacy. In the case of mail-service pharmacies, they should be required to mail the posted list of prices to patients requesting it and be allowed to mail it to persons not requesting it, e.g., the members they serve. (2) Permissive prescription price advertising which shall include comparative brand name and generic name prices and quantities and shall allow such phrases as "10% discount for senior citizens," "10% off for persons over 60," etc., provided the discounts are from the seller's normal prices.

Mr. Sullivan also addressed the posting and phone disclosure question; he writes:

> In store posting of selected prescription drug prices is most helpful to consumers when: (a) it is uniform; (b) it provides easy price comparison, regardless of the quantity; (c) it lists separately the cost of the product and the professional fee for dispensing; (d) it is conspicuously posted, and (e) it is readily accessible without the aid of a pharmacist or clerk.
>
> We see only merit to telephone disclosure of drug prices, the chief advantage being, of course, that it does not necessitate a trip to the pharmacy, which is of particular importance to elderly, poor and immobile persons.

The National Council of Senior Citizens is in an especially good position to receive consumer feedback on drug problems from its membership, which has access to a drug-by-mail prescription program. Describing himself as the "prescription delivery arm" for NCSC, Mr. Edward Pastor of Philadelphia provides some insight into the problems faced by older Americans:

> In many instances, they [the elderly] are semi- or non-ambulatory patients who would have a serious problem shopping from Pharmacy to Pharmacy in order to check posted prices of a limited number of prescription drugs. . . .
>
> Semi-ambulatory and elderly patients, the great drug users, have problem enough moving about let alone going from one store to another looking for postings of "selected" prescription drug prices.

Mr. President, I can see great merit in the FTC staff proposal to require price disclosure over the phone. This, as the above comments indicate, would be invaluable to the aged in the United States. Several alternatives have been proposed to ease the burden of phone disclosure on the individual pharmacist. One proposal is to allow the pharmacist to return the disclosure request during slack hours.

In summary, the FTC has proposed eliminating barriers to free disclosure of prescription drug prices. I heartily endorse these proposals, including the posting and phone disclosure segments. It is time the elderly of our Nation had a system with which they could save money on needed drugs. These proposed changes would solve the problem in a manner equitable to all, and I hope that the Federal Trade Commission proposal will result in the issuance of a strong trade rule in the very near future.

I believe that it is also highly important for the Congress to go on record in support of a system of adequate price disclosure for prescription drugs, and I offer a Senate resolution for that purpose. It is critical to the senior citizens of our Nation that they get a fair shake in the purchase of prescription drugs, especially since medicare does not reimburse for out-of-hospital prescription drugs. I ask my colleagues to join with me in supporting all-out efforts promoting the fair advertisement of prescription drugs, and I hope that restrictive State laws will be struck down in the interest of justice for older Americans.

SENATE CONCURRENT RESOLUTION 88—SUBMISSION OF A CONCURRENT RESOLUTION AUTHORIZING ADDITIONAL COPIES OF CERTAIN HEARINGS

(Referred to the Committee on Rules and Administration.)

Mr. CHURCH (for himself and Mr.

TOWER) submitted the following concurrent resolution:

S. CON. RES. 88

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Select Committee To Study Governmental Operations With Respect to Intelligence Activities five thousand additional copies of all parts of its public hearings and of its final report to the Senate.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL EMPLOYEE INVOLVEMENT IN POLITICAL ACTIVITY—H.R. 8617

AMENDMENTS NOS. 1350, 1351, AND 1352

(Ordered to be printed and to lie on the table.)

Mr. DOLE. Mr. President, within a few days, the Senate will take under consideration H.R. 8617, a measure designed to significantly alter the Hatch Act regulations which currently govern and restrict Federal employee involvement in political activity. In anticipation of that debate, I am today submitting three amendments for consideration during discussion of H.R. 8617. Each of the amendments would, in my opinion, measurably improve upon the legislation, as it was reported from the Senate Post Office and Civil Service Committee last month.

PURPOSE OF AMENDMENTS

The first of these amendments would simply alter the definition of "employee" under section 7322, to exclude employees of the Internal Revenue Service, Federal Bureau of Investigation, and the U.S. Postal Service from the provisions of H.R. 8617. These Federal agencies, containing personal information or handling private correspondence of the citizens of this Nation, normally employ persons in what can be considered "sensitive" positions with regard to privileged personal information. As such, it is both practical and proper that employees of these particular agencies should be excluded from the provisions of any legislation permitting active participation by Federal employees in partisan political activity.

The second amendment I am offering today would stipulate the mandatory, permanent suspension from Federal Civil Service employment for any employee found guilty on two occasions of violating prohibitions against illegal forms of political activity described in H.R. 8617. As the measure now stands, much discretion is given to an independent board on political activities in assigning penalties for confirmed violations of the act. As such, it is entirely possible that one who violates the prohibitions against illegal political activity, even on a repeated basis, may be disciplined by nothing more than a simple reprimand. Because I am concerned that the penalty provisions of H.R. 8617 should act as a true deterrent to violations as described under the terms of this bill, I feel it is important to put some clearly defined "teeth" into the disciplinary provision. For this reason, I feel that my amendment would act as a genuine disincentive to chronic and habitual violation of illegal campaign activities by Federal employees, particularly by those in a supervisory or managerial position who would be capable of exercising undue influence over other Federal employees.

The third amendment would delay the effective date of the Hatch Act revisions contained in H.R. 8617 until January 1, 1977, rather than 90 days after enactment of the bill. This provision is important to insure that enactment of this legislation could not now or later be construed as having an inappropriate impact upon the November 1976 elections, which are so near at hand. It is far better that relaxation of limitations on campaign activity by Federal employees be implemented in a smooth and orderly fashion rather than in the heat of a charged political atmosphere which will certainly be in evidence within the next several weeks. It would be far better for these significant alterations of the Hatch Act to become effective in the nonpolitical environment immediately following the elections this fall.

Mr. President, I am hopeful that my colleagues will carefully consider the reasoning behind these suggestions, and I ask unanimous consent that the three amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1350

On page 2, line 18, following the words "uniformed services", strike the semicolon, insert a comma, and add the following: "nor does it include an employee of the Internal Revenue Service, Federal Bureau of Investigation, or the U.S. Postal Service;".

AMENDMENT NO. 1351

On page 20, line 3, insert the following:

"(b) Subject to and in accordance with section 7328 of this title, an employee who is found to have violated on two occasions any provisions of section 7323, 7324, or 7325 of this title shall, upon a final order of the Board, be permanently suspended from the Federal civilian service."

Redesignate subsection "(b)" as "(c)".

AMENDMENT NO. 1352

On page 24, line 21, strike all under subsection (f), lines 21 through line 2 on page 25, and insert in lieu thereof the following:

"(f) The amendments made by this section shall take effect on January 1, 1977."

ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 1331

At the request of Mr. CRANSTON, the Senator from Oklahoma (Mr. BARTLETT), the Senator from Tennessee (Mr. BROCK), the Senator from New Mexico (Mr. DOMENICI), the Senator from North Carolina (Mr. HELMS), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Illinois (Mr. PERCY), the Senator from California (Mr. TUNNEY), the Senator from Hawaii (Mr. FONG), and the Senator from Colorado (Mr. GARY HART) were added as cosponsors of amendment No. 1331, intended to be proposed to the bill (S. 961), the Fisheries Management and Conservation Act.

ANNOUNCEMENTS OF PUBLIC HEARINGS

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of public hearings before the Senate Interior and Insular Affairs Committee in Hawaii on February 9, 10, and 11. The subject of the hearings will be Senate Joint Resolution 155, pertaining to Hawaii native claims.

The hearing on the 9th will begin at 10 a.m. at the Hilton Hawaiian Village Hotel in Honolulu, Oahu. The February 10 hearing will be held from 9:30 a.m. to 12 noon at the Kauai Public Library in Lihue, Kauai. The last hearing, on February 11, will begin at 9:30 a.m. in the Kawanahakoa Hall, Keakaha, Hilo. This final session will end at approximately 12:30 p.m.

Public testimony is invited; however, because of time constraints each witness will be limited to 5 minutes of oral testimony. Those who wish to testify or submit a written statement for the hearing record should, by no later than February 4, contact Mr. Steven P. Quarles, Senate Interior Committee, 3106 Dirksen Senate Office Building, Washington, D.C. 20510 (202-224-9894); Ms. Barbara Sakamoto, Office of Senator DANIEL K. INOUYE, 1833 Kalakaua Avenue, Room 414, Honolulu, Hawaii, 96815 (808-946-1691); or Ms. Patsy Chun, Office of Senator HIRAM L. FONG, Finance Factors Building, Room 702, 195 S. King Street, Honolulu, Hawaii 96813 (808-538-7011).

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, I wish to give notice that the hearing originally scheduled for 9 a.m., Thursday, January 29, 1976, has been rescheduled for 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

Peter B. Bensinger, of Illinois, to be Administrator of Drug Enforcement, vice John R. Bartels, Jr., resigned.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee will consist of the Senator from Arkansas (Mr. MCCLELLAN); the Senator from Nebraska (Mr. HRUSKA) and myself as chairman.

NOTICE OF CANCELLATION

Mr. METCALF. Mr. President, I wish to announce for the information of the

Senate and the public, that the business meeting scheduled by the Minerals, Materials, and Fuels Subcommittee for Thursday, January 29, at 10 a.m. in room 3110, Dirksen Senate Office Building, to mark up S. 713, the seabed mining bill, has been canceled until further notice.

RESCHEDULED HEARING ON COAL LEASING

Mr. METCALF. Mr. President, the Subcommittee on Minerals, Materials, and Fuels has rescheduled the oversight hearing on the Department of Interior's Federal coal leasing program for February 16. We have made this change so that Secretary Kleppe can personally appear before the subcommittee.

Since many Senators are deeply interested in the Federal coal leasing program, I ask unanimous consent that the text of the Department's statement on new coal leasing policy, released yesterday, be printed in the Record at the close of my remarks.

The February 16 hearing will begin at 10 a.m. in room 3110, Dirksen Senate Office Building. For further information call D. Michael Harvey, deputy chief counsel of the committee, at 224–1076.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement on New Coal Leasing Policy, January 26, 1976, Denver, Colo.

The vast Federal coal resources of the American west constitute a vital source of energy for a Nation too heavily dependent on foreign sources of petroleum. Coal is our most abundant fossil fuel, yet it provides only 17% of the energy Americans consume each year. It is obvious that these Federal coal deposits must be developed, so that coal can take its rightful place in the Nation's energy matrix. It is also obvious that this resource must be developed in a sound, rational, and environmentally prudent manner. As manager of this public resource, the Department of the Interior must establish a firm and realistic coal policy. The elements of this policy are:

1. A proper balance between the national interest in the use of coal and the National interest in the protection of the environment.
2. A fair market return to the taxpayer on the sale of this public resource.
3. The leasing of the coal that is needed but only when it is needed.
4. The leasing of that coal whose value exceeds the total cost of production including environmental costs.
5. The elimination of excessive lease holdings.
6. Public participation in the Federal coal decision process.

We have therefore decided to adopt a new coal leasing policy based primarily on the proposed outlined in the Coal Programmatic Environmental Impact Statement, and to take other actions which combine to form a comprehensive National Coal Policy for the Federal lands. This policy must be firmly in place and thoroughly understood by the industry, the States, and the public at large before actual leasing can begin.

The single most important element of a more rational Federal coal policy is the implementation of a new coal leasing *process*. But to fully understand what the process is and why it is necessary, it must be viewed in context with other actions the Department has taken or intends to take. These include: new and more stringent standards for diligent development of Federal coal leases, an updated definition of the term "commercial quantities: in order to dispose of pending preference right lease applications, and realistic and effective surface mined land reclamation standards. Together these elements combine to form the foundation of a more rational and believable Federal coal policy incorporating a process in which all interested parties, the government, the industry, the affected States and the public itself have a role.

BACKGROUND

Early in 1971, coal leasing on the Federal lands was halted because large amounts of coal were already under lease, little coal was being produced, and there was widespread concern that the Department's leasing processes were not environmentally adequate. In February 1973, this moratorium was modified to permit leasing when coal was needed to maintain existing mining operations, or as a reserve against production in the near future. This limited leasing was allowed only when the environment could be protected and when the provisions of the National Environmental Policy Act had been complied with. Only ten leases have been issued under these criteria; all were for extensions of existing operations.

For the past four years, the Department has been working to devise a new policy and new procedures that will permit resumption of Federal coal leasing, as the need arises, and in a way that is responsible to the taxpayers who own the resource, to the energy consumers who will benefit by its use, to the environment, and to the public at large. In my view the early establishment of a firm and comprehensible coal leasing process is clearly in the best interests of all concerned.

A part of the process of developing a new coal policy was the creation in June of 1972 of the Northern Great Plains Resource Program, a cooperative effort of the Departments of Interior and Agriculture, the Environmental Protection Agency and the States of Montana, Wyoming, Nebraska, North Dakota and South Dakota. Seven interagency working groups spent two years gathering data on resource and environmental values in the five-State area, using these data to project the implications of various assumed rates of development of the coal resource. Their report was issued in August of 1975.

Simultaneously, the Bureau of Land Management designed EMARS, the Energy Minerals Activity Recommendation System, a procedure by which the various offices of the several Federal agencies involved in coal leasing, in cooperation with State agencies, will gather and combine resource and environmental information, regional and national policy considerations, and input from the general public to provide recommendations to the Secretary on where, when, and how much coal should be offered for lease.

A third element has been the ongoing revision of regulations under which Federal coal leasing and mining activities would take place. The Bureau of Land Management and the Geological Survey have developed proposed standards governing mining and reclamation practices on the Federal lands. These standards are designed to meet the highest justifiable environmental criteria. They have been published for comment, and after final revisions, will be promulgated before any new leasing takes place.

During this time, the Department prepared the Coal Programmatic Environmental Impact Statement, which was released in September of 1975. This statement is intended to be a general analysis of the environmental impacts of major leasing alternatives. It will not, however, satisfy the requirement for future site-specific or regional environmental analyses as individual coal-related actions are proposed.

A fifth element in the development of this program has been the process for consultation with the governors of the western States and their staffs. Several meetings have been held with the governors or their representatives. We intend to continue close consultation with the Western Governors' Regional Energy Policy Office on all aspects of Federal coal development in the west.

Finally, the development of a national energy policy announced by the President in February 1975 and the exhaustive study entitled "Project Independence Blueprint" gave us a truer picture of the Nation's future energy needs and the role coal must play in meeting those goals.

From these actions, and from detailed and spirited debate both within and outside the Department, have come the policies I am announcing today.

ANNOUNCEMENT DECISION

I have decided to take steps to implement a new policy for Federal coal leasing and to adopt a process based primarily on the proposal contained in the Coal Programmatic Environmental Impact Statement. These are the steps I intend to take:

1. The adoption of EMARS, the Energy Minerals Activity Recommendation System, the actual leasing process.
2. The adoption of a totally competitive leasing system, under which no new coal prospecting permits will be granted.
3. The development of final regulations governing conditions under which mining operations and post-mining reclamation must take place.
4. The preparation of regional environmental impact statements, where groups of coal and coal-related actions are proposed in a defined geographical area.
5. The continuation of the short-term criteria, under which leases can be granted for continuation of existing mining operations or where needed to fulfill short-term production needs until the new leasing is fully implemented. Such leases will be granted only when NEPA provisions have been met and where environmental conditions warrant.
6. The promulgation of diligent development standards to assure development or relinquishment of Federal coal resources in a timely manner.
7. The establishment of firm "commercial quantities" criteria with which existing preference right lease applications can be granted or denied.
8. The lifting of the moratorium on Federal coal leasing so that, as the need arises, we will be able to offer leases for sale.

THE ENERGY MINERALS ACTIVITY RECOMMENDATION SYSTEM (EMARS)

The adoption of EMARS is the touchstone of the new Federal coal policy. Its purpose is to tell us where coal will be needed, so we can consider whether it should be offered for lease. It will also tell where coal should not be leased and where the environmental consequences of coal development or where other uses of the land outweigh the need for the coal. It is designed to assure that the public receives a fair market return for the coal that is sold.

The first element of EMARS is the area by area Management Framework Plan (MFP) prepared by the Bureau of Land Management. This is a basic land use plan, prepared with local State and Federal participation which identifies and inventories not only the minerals, but other values, such as agriculture, grazing, wildlife, recreation and water resources. It also analyzes the compatibility and conflicts of these varying land uses. The information contained in the Management **Framework** Plans will be the basis against which proposals to lease coal will be judged.

The second major element of EMARS is a system of nominations through which industry, State and local governments, environmental groups and the public at large will periodically identify which tracts should or should not be leased. By comparing these nominations with the information contained in the Management Framework Plans, we will make initial judgments on what areas, if any, should be considered.

A third element is environmental analysis. When a leasing action is considered, we will undertake a thorough analysis to determine the effects of the proposed action on the environment. In accordance with the National Environmental Policy Act, when the proposed action is determined to be a major Federal action, an environmental impact statement will be prepared before any specific lease or group of leases is offered.

A fourth major planning element is a system for calculating the economic value of the individual coal deposits which are being considered for lease. The U.S. Geological Survey is developing improved methods for determining such values on coal tracts. The purpose of this valuation system is twofold: We must be certain that the value of the coal itself is great enough to warrant environmental risks inherent in the mining activity, and we must ascertain the value of the resource in order to determine the adequacy of competitive bids.

These four elements—Management Framework Plans, nominations, environmental analysis and tract valuations—combine to help us make a decision about where and when leasing should take place, and whether such leasing is in the public interest. No amount of planning is absolutely foolproof, but we believe that the system we have described will help us make a knowledgeable and a rational decision whether the value of the coal is sufficient to warrant the paying of costs, quantifiable and unquantifiable, monetary and environmental. These comparisons of cost and value will vary from time and from place to place, but it is essential that we make careful, case-by-case comparisons, using all the pertinent information available to us at the time.

The nub of the process, however, is the use of the marketplace itself, for the market will ultimately determine what coal, if any, will be leased and developed. After all the careful planning and analysis, the competitive lease system, with bonus bidding, will be the ultimate determining factor in the sale and development of Federal coal.

This EMARS process will be published in the Code of Federal Regulations, prior to its implementation.

COMPETITIVE LEASING SYSTEM

We have determined that all future leasing of Federal coal will be made under competitive leasing system. No new prospecting permits will be issued under our new policy. However, existing preference right lease applications will be processed in a timely fashion, giving priority to those applications which meet the short-term criteria described elsewhere in this document. In addition, I have directed the Department to study the feasibility of regulations which would enable small business concerns to compete more effectively in the new system.

SURFACE MINED LAND RECLAMATION REGULATIONS

Coal mining on Federal lands is subject to the Code of Federal Regulations. In September 1975, the Department published, along with a draft environmental impact statement, proposed new regulations governing both mine operations and post-mining reclamation for the mining of Federal coal. These new regulations, when implemented, will provide strict standards for all Federal coal mining activities, and they will be supplemented, where necessary, with site-specific stipulations for individual leases. The proposed regulations are patterned after legislation which is under consideration in the Congress, with specific changes to conform to Administration objectives. They are designed to minimize the adverse environmental effects of actual mining operations and require that the mined land be restored. We intend to allow application of State standards on Federal coal lands, where those standards are at least as stringent as the proposed Federal standards, and where State standards are not prohibitive to the development of the public resource. After further revision based on consultation with the States and other parties, and after completion of the Final Environmental Impact Statement, we intend to publish these regulations as final. I will not permit initiation of leasing until after these regulations have been promulgated.

REGIONAL ENVIRONMENTAL IMPACT STATEMENTS

In many cases, the significance of any proposed leasing goes beyond the issuance of an individual lease or the approval of a mining plan. Our leasing will frequently set the course of development for geographic areas encompassing both Federal and non-Federal lands. For this reason, as determined by the Secretary, several coal leases, or mining plans, may be covered in a single regional environmental impact statement, rather than by multiple environmental impact statements. In such cases, the region covered will be determined by basin boundaries, drainage areas, areas of economic interdependence, and other relevant factors.

In areas where a regional environmental impact statement if warranted, if an individual action meets the short-term criteria, and where approval is required before completion of the regional statement, an environmental assessment will be made. If, as a result of the assessment, the proposed action is determined to be major in scope, approval of that action will be withheld pending completion of the regional environmental impact statement.

In other cases, single coal leases or mining plans will be analyzed to determine whether or not the proposed action constitutes a major Federal action and an environmental impact statement is required under the National Environmental Policy Act.

SHORT-TERM OR EMERGENCY CRITERIA

Until the new coal leasing system is completely implemented, we will maintain a mechanism in which certain proposed leasing actions can be approved where they meet defined critical production needs. Individual leases may be granted only under the following conditions and terms:

1. The proposed lease must be necessary for continuation of an ongoing mining operation, or

2. The proposed lease must be necessary as a reserve for production in the near future, generally to fulfill production requirements within five years.

3. In all cases, these special actions will be approved only when the provisions of the National Environmental Policy Act have been met. An environmental assessment must be made to determine whether the proposed action is major in scope. If so, an environmental impact statement will be completed.

4. This limited leasing will be granted only when the environment can be adequately protected and the land can be adequately reclaimed.

DILIGENT DEVELOPMENT

This new coal program will contain requirements for assuming the timely development—or relinquishment—of the Federal coal resources. There are today some 16 billion tons of Federal coal already under lease. On the surface, it would appear that this amount is sufficient for years to come. However, in reality we do not know whether that amount is sufficient, or if the coal we have leased is suitable for mining. We do know that some of this coal, perhaps as much as one-third, is not suitable for mining for environmental and economic reasons. However, the enormity of this leased coal clouds the leasing issue. We have therefore promulgated standards which will require diligent development—or relinquishment—of new or existing coal leases. Under these standards, a lessee must have mined at least one-fortieth of the reserves of his lease (2½%) within ten years. However, an added major impetus to diligent development will be an economic incentive: the lessee must pay advance royalties beginning in the sixth year of the lease, based on a production schedule that would exhaust the deposit in forty years. In addition, the production royalty rates have been substantially increased so that the normal charge will be eight percent of the value of the coal at the mine-mouth. This rate may be varied, up or down, for good causes in particular circumstances, but in no case can the royalty rate be less than five percent. These new standards will assure that the coal most likely to be produced will be produced in a timely fashion and that coal under lease which is not readily producible will be returned to the Federal estate.

PREFERENCE RIGHT LEASE APPLICATIONS

In addition to the coal already under lease there are some ten billion tons of Federal coal for which preference right lease applications have been made. In order to dispose of these pending applications, a realistic definition of the term "commercial quantities" must be made under the Mineral Leasing Act of 1920. Heretofore, the standard we have applied has been simply whether the mineral existed in the proposed lease area and whether it was mineable under present technology. That standard is out of date in today's business atmosphere.

In undertaking the development of a coal mine, any prudent businessman would have to consider the costs of actual mining, the cost of transporting his coal to market and the cost of meeting environmental protection requirements. These cost considerations would be weighed against the value of the coal itself. Therefore, we have published a proposed definition of the term "commercial quantities" which considers those factors which a prudent businessman must take into account. With the final promulgation of this definition, we will be able to determine which preference right lease applications should or should not be granted under the terms of the Mineral Leasing Act from a practical and prudent business standpoint. Moreover, with these final definitions, we can begin to process the preference right lease applications now pending. Our first priority will be to process those applications which meet the short-term criteria described above.

COAL LEASING POLICY ON INDIAN LANDS

Indian coal resources represent a significant portion of western coal reserves. However, our estimates clearly indicate that the public lands contain adequate reserves to meet national needs. There is no reason for Indian tribes to fear that their resources will be developed without their full concurrence.

As trustee for the various tribes, our responsibility is to see that their desires with respect to coal development are met.

Should a tribe decide to lease coal, it will be the Department's responsibility to support that decision, providing it is determined to be in the tribe's best interests.

The Department will therefore approve coal leasing on Indian lands where:

1. the tribal or individual Indian landowner desires to dispose of the coal;
2. the terms and conditions of the lease are in the best interest of the Indian landowner; and
3. appropriate environmental protection and reclamation safeguards are imposed on the lessee.

LIFTING THE MORATORIUM

With the implementation of the policy we have set forth, and with the coal leasing process firmly in place and understood by all those concerned, there is no need to continue the moratorium on new coal leasing which was established nearly four years ago. We want to emphasize, however, that the lifting of the moratorium does not automatically mean that leasing will resume in the immediate future. The process, EMARS, once fully implemented, will tell us whether new leasing is necessary. The policies and procedures are designed to lease only those deposits that are needed for production. The control points which we have built into the process, including Management Framework Plans, nominations, environmental analysis, resource valuations, competitive leasing and diligent development are all designed to assure only the coal which is necessary is leased. We are not in the business of leasing coal for speculative purposes. We are in the business of seeing that the Federal resources are produced for the Nation's benefit.

NOTICE OF HEARINGS ON BILLS TO AMEND THE CRIME CONTROL AND SAFE STREETS ACT OF 1968

Mr. McCLELLAN. Mr. President, for the information of the Members and the public, I wish to announce that the Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary will resume hearings on bills to amend the Omnibus Crime Control and Safe Streets Act of 1968 on February 20, 1976. Testimony will be received on bills S. 460, S. 1297, S. 1598, S. 1601, S. 1875, S. 2212, and S. 2245, with testimony directed principally to the subject of court congestion.

ADDITIONAL STATEMENTS

UNITED STATES VETOES SECURITY COUNCIL RESOLUTION

Mr. DOMENICI. Mr. President, Americans are aware that on January 26 the United States vetoed a United Nations Security Council resolution calling for the establishment of an independent Palestinian State and for the withdrawal by Israel from all the Arab territories occupied in the 1967 war. More specifically, the resolution, in addition to specifying the principles of total Israeli withdrawal and the "inalienable national right of self-determination" of the Palestinian people, also stated that any talks should include arrangements to guarantee "the sovereignty, territorial integrity, and political independence of all States in the area and their right to live in peace within secure and recognized boundaries."

Mr. President, I am convinced that the United States was correct in casting its vote against the resolution, not out of any preconceived policies against the aspirations of the Palestinian peoples, but rather primarily in an effort to avoid changing the rules of the negotiating game according to which the parties directly interested in the problem have agreed to conduct negotiations aimed at bringing peace to the Middle East. There is no doubt that the adoption of the United Nations resolution would have changed these negotiating rules in such a way that a solution to the Middle East problem would have become more difficult and more elusive than ever.

In a more general sense, the proposed United Nations resolution represented still another effort by those in the United Nations who would seek to isolate the United States from its Western supporters who have openly endorsed the principle of Palestinian national rights and, if adopted, would have negatively effected the position of Israel in the present negotiations. Adoption of the resolution would have undercut, if not destroyed, the patient efforts which already have been made in the direction of seeking peace in the Middle East. In casting its veto, the United States once again has stood up to what already has been described as the "tyranny of the majority" in the United Nations.

There seems to be little doubt that the eventual role of the Palestinian people will have to be determined by negotiations among the parties directly concerned with this issue and within the context of negotiations, already underway or about to resume, aimed at defining Palestinian interests. I believe that these negotiations will continue in this direction and, indeed, may offer the only hope of reconciling the deeply felt differences which exist over this issue. We should persevere in these efforts and should, together with our friends and allies in the United Nations, continue to be on guard against those who would seek to isolate the United States and Israel from their friends or who would so tamper with the difficult and arduous negotiations already in progress so as to render them meaningless.

MARKET RULES MAY NOT WORK, EITHER

Mr. HARTKE. Mr. President, the following article appeared in the business section of the Washington Star, and I feel it is worthy of the attention of our colleagues. It is by the well-known economist Eliot Janeway.

I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star, Jan. 25, 1976]

Market Rules May Not Work, Either

(By Eliot Janeway)

Chairman Arthur Burns of the Federal Reserve Board has made a deep impression on serious students of economic behavior with his warning that the old rules of economics do not work any more, as he believes they once did.

The sensational resurgence of stock market speculation that greeted 1976 suggests that the old rules of stock market behavior qualify for inclusion in Burns' caveat, too. His own diagnosis of this fever flush, however, reveals a time lag in recognizing that the old ties which connect the stock market with the business cycle have been cut.

Conventional economic wisdom still treats the stock market as a leading indicator of business-cycle activity. It gives the statistics of stock market performance equal weight with half a dozen other standard statistics put together.

The assumption is that the ups and downs in stock prices provide as good a clue to the business trend as do fluctuation in scrap prices, freight car loadings, car sales, buying patterns of corporate purchasing agents, and all the rest of the statistical arsenal that analysts use.

Burns is recognized as the most learned and authoritative student of business-cycle phenomena. Years ago, he outdid his pioneering menter, W. C. Mitchell, by supplementing the insights of a painstaking student with the wisdom of a responsible practitioner. And in the last year, not even our caretaker President has borne a heavier burden of responsibility than Burns has.

His record is bound to be controversial. He has invited attacks from mutually antogonistic bands of critics for being soft-headed about inflation and hard-hearted about unemployment.

Burns' critics, though deeply hostile to one another, are united by one common bond: they have exaggerated the power of the Federal Reserve Board and its chairman. The board may be independent, but it is not omnipotent. It certainly lacks the wherewithal to make arbitrary decisions, as if the rest of the federal power structure did not have the power to present it with faits accompli.

Granting that the off-the-cuff grilling on nationwide television is not the most appropriate milieu for considered formulation of policy, nevertheless he took too much for granted by attributing the resurgence of the stock market to a recovery of consumer confidence. Burns' premise that the stock market is still the reliable leading indicator of the business cycle takes Wall Street for granted as a rational area roamed by systematic economic man. But the stock market has always had a special affinity for animals. What could be more appropriate for a zoo? Bulls and bears are its prime exhibits; wolves are its native-born predators; lambs come there for fleecing, and mad dogs—some of them pedigreed—are running wild in the options market.

As I explained in last week's being diverted from the economic exempt market and rebuilding over. Early in this century Pavlov demonstrated that dogs can be conditioned to salivate even after the stimulus of food has been removed. The current goings-on in the options market provide a parallel. Salivation over the prospect of quick tricks in the options market has replaced feeding on the solid nutritional values offered by sound stocks.

The standard disclaimer in the frontispiece of detective stories says that any resemblance between the characters and real people is purely coincidental. This goes double for the presumed resemblance between the present performance of the stock market and the behavior of the consuming public. In fact, the consuming public is moving in one direction and the stock market is running in the other.

The most striking development in the consumer economy today is the divergence between two ways of life. The section of the consuming public which has been saving all along continues to save. Another substantial segment—one which has been in debt—is now demonstrating a desire to discipline itself back into a liquid position. For at least five years the fast-sign, slow-pay class of consumers has been breaking more retailers and venders than a 20 percent money market could ever do. Activity supported by credit accomodations to consumers floundering in debt is now on the wane.

But an increase in consumer spending has been registered by retail sales in hard cash—most conspicuously, in the upper brackets. Consumers able to spend more have bought bargains; the improvement has been concentrated in quality products. Cadillac and Buick sales broke a record in January. But all four auto manufacturers have overloaded their dealers with popular-priced models; and all four of them are celebrating the 1976 recovery by retreats into cutbacks. The cutbacks in auto production are coming after months of buoying sales with low down payments and extended credit terms. Borrowers have shown themselves increasingly unwilling and unable to give a lead to the recovery trend; their holdback is an important reason why recovery has been so sluggish.

In the stock market, however, putting stocks away with hard cash has scarcely been the criterion for entry into the stock market. The frenzy infecting it from the options market recalls the consumer excesses of 1973, when representative blue-collar families were borrowing to buy three and four cars simultaneously.

Main street consumers are not supplying the stock market with their hard cash; denizens of the options dog track have been quickening the market's pace by borrowing. Indeed, borrowing is the only way to operate in the options market, even for institutions that would never contract loans to carry portfolio positions. They are in the Options Exchange, and what they are ding there is contributing to the inflation of the borrowing bubble.

Examples of speculative excess are proliferating by the day. The latest form taken by the options trading craze has been improvised by investors who only yesterday were habitual users of the tax-exempt market. The investment devastation spread by the New York City crisis turned them into bond market refugees. The suspicions stirred up by the revelation that "moral obligation bonds"—made fashionable by former Governor Rockefeller and made legal by former Attorney General Mitchell—are neither moral nor bonds have traumatized this conservative class of investors.

Markets always find a way to provide alternative pockets for frustrated and frightened money. The options market for stock trading has just done this for the conservative refugees from 5 percent tax-exempt yields. It has invited them to play this radical game: Buy stocks, and generate overnight taxable yields of 15 percent on them by selling options the minute they finish buying shares. For a taxpayer in the 70 percent bracket, a 15 percent taxable windfall is the equivalent of a 5 percent investment return—and it can be pocketed in a day instead of taking a four-year period. If the stock goes up, and the buyer of the option calls for delivery, the deal can become habit-forming. The more it does, the more volume is churned through the market mechanism of options and shares. Doesn't this beat working?

For the moment, it's a wonderful new world of instant profit. Each turn of the market wheel is generating new energy. But at least part of this energy represents a diversion from the municipal market.

Sooner or later, this spectacle and its consequences are bound to provoke second thoughts by Burns. Certainly he is the first to insist that no recovery has the slightest chance to stabilize unless the tax-exempt bond market does so first. He has invited brickbats by giving a priority to incentives for long-term investment in bonds. Until they are restored, the American economy's most vigorous source of employment expansion of recent years—state and local employment—is fated to shrink. The blowoff in the stock market is feeding on the deepening crisis in the municipals market. Burns' own priorities call for identifying it as the symptom of inflationary excess that it is.

Meanwhile, an overnight doubling in stock market volume—from 15 million shares a day to 35 million shares a day—does not measure a recovery. It marks a spree; and its pace is quickening. No comparable stepup in consumer spending is confirming anything like this hysteria in the market. On the contrary, the contrast between exuberance on the speculative fringes of the economy, and squeeze on its main functional arteries, is creating more suspicion than confidence throughout the workaday world.

Even more troublesome at home base, where Burns tracks the monetary cross-currents, is the impact of the speculative spree on the money supply. A trading pace of 35 million shares a day, at an average price of $30 a share, is accounting for a billion dollars a day of money tied up in the stock market, and $5 billion a week. The momentum of the spree is expanding volume and inflating prices; on both counts, more cash is being diverted from the economic mainstream to this new credit pyramid. This is bound to tighten the money supply, and to exert an upward tug on interest rates.

This stock options gambling orgy is an entirely different phenomenon from an old-fashioned, healthy investment uptrend portending business expansion. Acceptance at face value of its excesses, which are wrecking the remnants of the tax-exempt market and rebuilding overnight the pyramid of flimsy credit that toppled in 1929, doesn't go with Burns' well-known policy of priorities. It will not, once the reporting and regulatory processes have caught up with the new wrinkles in the rinky-dink period. To mistake the speculative boom for an investment recovery is to ignore the refusal of the investing public to join in the fun and games, and to forget the main lesson of the last bust: A market runup by professional operators is as prone to instant collapse as to instant skyrocketing.

MORE ON THE "GOLDEN COVERUP" AWARD

Mr. GOLDWATER. Mr. President, on Wednesday, I proposed establishing the Golden Coverup Award and suggested that it might be temporarily awarded to the Senator from Wisconsin (Mr. Proxmire) due to a vote of his in 1973 regarding the use and reporting of counterpart funds for foreign travel by Members of Congress and their employees.

In response to my suggestions, the Senator from Wisconsin indicated to the Senate Thursday that he can find no basis for my remarks about his vote. The Senator states that—

> There was no vote in 1973 on either raising the daily counterpart fund allowance from $50 to $75 or on the issue of not reporting them. There is just no roll call record on this issue whatsoever.

In his statement the Senator further remarks that he has never "voted against their disclosure at any time."

Let the record stand for itself. On June 14, 1973, the Senate voted on H.R. 7645, authorizing appropriations for the Department of State. The vote actually was on the text of S. 1248, the provisions of the Senate bill having been substituted for the House bill. The Senator from Wisconsin voted for the legislation, and I voted against it.

Mr. President, I ask unanimous consent that the proceedings of the Senate on this vote be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Department of State Appropriations Authorization Act of 1973

Mr. Church. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 190, H.R. 7645, to authorize appropriations for the Department of State, and for other purposes.

The Presiding Officer. The clerk will read the bill by title.

The legislative clerk read the bill by title, as follows:

A bill (H.R. 7645) to authorize appropriations for the Department of State, and for other purposes.

The Presiding Officer. Is there objection to the present consideration of the bill?

There being no objection the Senate proceeded to consider the bill.

Mr. Church. Mr. President, I ask unanimous consent that all after the enacting clause of H.R. 7645 be stricken, and that the provisions of S. 1248, as amended by the Senate, be substituted therefor.

The Presiding Officer. Without objection, it is so ordered.

Mr. Church. Mr. President, I ask unanimous consent that the order for the yeas and nays on S. 1248 may now be vacated and applied instead to H.R. 7645.

The Presiding Officer. Without objection, it is so ordered.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 7645) was read the third time.

The Presiding Officer. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. Robert C. Byrd. I announce that the Senator from Florida (Mr. Chiles), the Senator from Arkansas (Mr. Fulbright), the Senator from Indiana (Mr. Hartke), the Senator from Louisiana (Mr. Johnston), the Senator from New Hampshire (Mr. McIntyre), the Senator from Alabama (Mr. Sparkman), the Senator from South Dakota (Mr. Abourezk), the Senator from California (Mr. Tunney), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that the Senator from Wyoming (Mr. McGee) is absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from South Dakota (Mr. Abourezk), the Senator from Florida (Mr. Chiles), the Senator from Arkansas (Mr. Fulbright), the Senator from Rhode Island (Mr.

Pastore), the Senator from New Hampshire (Mr. McIntyre), and the Senator from California (Mr. Tunney) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Kentucky (Mr. Cook), the Senators from Oregon (Mr. Hatfield and Mr. Packard), and the Senator from Ohio (Mr. Saxbe) are necessarily absent.

The Senator from New Hampshire (Mr. Cotton) is absent because of illness in his family.

The Senator from Ohio (Mr. TAFT) is absent on official committee business.

If present and voting, the Senator from Kentucky (Mr. COOK) and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The result was announced—yeas 67, nays 15, as follows:

[No. 199 Leg.]

YEAS—67

Aiken, Allen, Baker, Bayh, Beall, Bentsen, Bible, Biden, Brooke, Burdick, Byrd, Harry F., Jr., Byrd, Robert C., Cannon, Case, Church, Clark, Cranston, Domenici, Eagleton, Eastland, Ervin, Fong, Gravel, Griffin, Gurney, Hart, Haskell, Hathaway, Hollings, Huddleston, Hughes, Humphrey, Inouye, Jackson, Javits, Kennedy, Long, Magnuson, Mansfield, Mathias, McClellan, McGovern, Metcalf, Mondale, Montoya, Moss, Muskie, Nelson, Nunn, Pearson, Pell, Percy, Proxmire, Randolph, Ribicoff, Roth, Schweiker, Scott, Pa., Scott, Va., Stafford, Stevens, Stevenson, Symington, Talmadge, Weicker, Williams, Young.

NAYS—15

Bartlett, Bennett, Brock, Buckley, Curtis, Dole, Dominick, Fannin, Goldwater, Hansen, Helms, Hruska, McClure, Thurmond, Tower.

NOT VOTING—18

Abourezk, Bellmon, Chiles, Cook, Cotton, Fulbright, Hartke, Hatfield, Johnston, McGee., McIntyre, Packwood, Pastore, Saxbe, Sparkman, Stennis, Taft, Tunney.

So the bill (H.R. 7645) was passed.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Now, there is an interesting provision in the bill which the Senator from Wisconsin voted for. This provision was section 17 of the bill, clearly flagged by the heading, "Congressional Travel Abroad."

What section 17 did was to provide for an increase from $50 to $75 per day in foreign currencies—what we often call counterpart funds—which Members of Congress and staff employees of congressional committees are authorized to draw for their travel outside the United States. Also, the Senate language provided for a per diem allowance of $75 per day of direct appropriated funds which members and employees of congressional committees could use for their overseas travel. Thus, whether Members of Congress used counterpart funds or appropriated moneys for their overseas travel, they would be given an increase in the amount they could spend.

The Senator from Wisconsin voted for the bill which included the provision raising the daily counterpart fund allowance, and I voted against it.

Another curious thing about section 17 is that it provided for removing from law the requirement that members and staff of committees make an itemized report of their foreign travel showing the amounts of foreign currencies and appropriated funds spent for their foreign travel. In addition, section 17 would have removed from the law the requirement that these reports shall be published in the CONGRESSIONAL RECORD. It made these changes by striking out the existing law on the subject and replacing it with a new provision that would omit the earlier reporting requirements.

Again, the Senator from Wisconsin voted for the bill which included a provision removing the requirement that Congress make and publish records of counterpart funds used for its foreign travel and I voted against the bill.

Mr. President, I ask unanimous consent that the pertinent part of the bill which was passed by the Senate and which the Senator from Wisconsin voted for be printed in the RECORD at this point, together with the text of the then-existing law which the Senate bill proposed to amend.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A. EXISTING LAW AS OF JUNE 14, 1973

Vote on H.R. 7645, section 502 of the Mutual Security Act of 1954, as amended:

Sec. 502. Use of Foreign Currency.

[(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, local currencies owned by the United States, which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961, as amended, and of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, (and any other local currencies owned by the United States in amounts not to exceed the equivalent of $50 per day per person exclusive of the actual cost of transportation) shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, as amended, and to the Joint Committee on Atomic Energy and the Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives for their local currency expenses: *Provided*, That each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member and employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate Committee or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such report submitted by each committee shall be published in the Congressional Record within ten legislative days after receipt by the Committee on House Administration of the House or the Committee on Appropriations of the Senate.

B. Section 17 of H.R. 7645, as voted on by Senate on June 14, 1973, and as it appears at pages 11 to 12 of the Senate engrossed amendment to H.R. 7645:

CONGRESSIONAL TRAVEL ABROAD

SEC. 18. (a) Section 502(b) of the Mutual Security Act of 1954 is amended to read as follows:

"(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, local currencies owned by the United States, which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961, and which are determined by the Secretary of the Treasury to be excess to the normal requirements of the United States, shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, and to the Joint Committee on Atomic Energy and the Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives for their local currency expenses. Any such excess local currencies shall not be made available (1) to defray subsistence expenses or fees of witnesses appearing before any such committee in the United States, or (2) in amounts greater than the equivalent of $75 a day for each person, exclusive of the actual cost of transportation."

(b) Appropriations made available to committees of Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, and to the Joint Committee on Atomic Energy, the Joint Economic Committee, and the Select Committees on Small Business of the Senate and House of Representatives are hereby made available to reimburse members and employees of each such committee a per diem allowance, in lieu of actual subsistence expenses incurred, for travel outside the continental United States, Alaska, and Hawaii, in amounts not exceeding $75 a day for each member or employee, exclusive of the actual cost of transportation.

Mr. GOLDWATER. Although the version finally adopted into law is not identical to the Senate language, the vote in the Senate gave an opportunity to register one's position on the issues presented.

In conclusion, Mr. President, if voting for a bill that would have dropped from existing law the requirement that records be kept and published in the CONGRESSIONAL RECORD of counterpart funds used by Members of Congress for their foreign travel, is not the same thing as voting against their disclosure, at least in a way the ordinary citizen could easily have access to and know of such data, I would welcome knowing what other interpretation should be put upon that vote.

MONOPOLISTIC ACTIVITIES IN THE FOOD INDUSTRY

Mr. ABOUREZK. Mr. President, I feel very strongly that monopolistic activities in the food industry are responsible for the wide spread between the prices paid to farmers and ranchers and the retail prices paid by consumers at the corporate supermarkets.

The January 1967 issue of the Dakota Farmer, a well-respected publication serving the agricultural producers of South Dakota and North Dakota, contains an excellent article by T. J. Gilles. Mr. Gilles interviewed antitrust lawyer Joseph L. Alioto following a speech in Billings, Mont., and I believe the interview backs up my contention about the food monopoly.

It is also strong evidence in support of the Family Farm Antitrust Act, S. 1458, legislation now pending in the Senate that would drive the conglomerates out of the farming and ranching business.

Mr. President, I ask unanimous consent that the news story from the Dakota Farmer be printed in the Record.

There being no objection, the news story was ordered to be printed in the Record, as follows:

[From the Dakota Farmer, January 1976]

STOCKMEN MUST TAKE INITIATIVE IN ANTI-TRUST SUITS

(By T. J. Gilles)

"If cattlemen want to keep the market open they'll have to do it themselves," says anti-trust lawyer Joseph L. Alioto. "No one else is going to do it for them. The government isn't going to get involved in a big price-fixing case—they haven't for 40 years."

Alioto, who won a ranchers' suit against A & P in 1974 in a price-fixing case reportedly involving 25 percent of the nation's slaughter cattle, said "Even after we won the case, the Anti-Trust Division of the government said it wasn't worth pursuing." Plaintiffs received $9 million (tripled under anti-trust law) while non-plaintiff backers were awarded $1 million.

The jury said A & P had depressed cattle prices by 20 cents per pound from 1965–1968.

"All it does is prove what cattlemen have been saying for 40 years," said the son and law partner of San Francisco Mayor Joseph M. Alioto.

Alioto said ranchers have to patrol the markets and file occasional lawsuits to keep the industry honest. He said former Montana Cattlemen's Association President Swede Schlesinger has proposed that the $1 million due the MCA and other suit supporters be established as a trust fund for future legal actions.

Such a watchdog group, Alioto said, "would be the strongest cattlemen's association there is."

In an interview following a speech at the Northern International Livestock Exposition in Billings, Mont., Alioto revealed that he is investigating the grain trade on behalf of a group of grain growers.

Asked if he believes there are price-fixing activities in the grain trade, Alioto replied, "Yes, I do."

Illegal price-fixing exists elsewhere in the meat industry, he added. Although the government is responsible for enforcing anti-trust laws, Alioto remains pessimistic that action will be taken against major illegalities. "They'll take action against price-fixing in dishwashers—small-time stuff—but they're not about to tackle the food industry," he said.

If grain growers file anti-trust suits against the grain trade, Alioto said, the action would be much speedier than the six years required to settle the A & P suit after it was filed in 1968.

"The cattle industry is a very complex industry. The cattle industry has peculiarities you don't have in grains, or even other livestock."

The suit originally was brought against Safeway and Kroger food chains as well as A & P, but those two corporations settled out of court in 1973 for $90,000 and a consent decree. (A legal settlement which in effect says, "We didn't do it and we promise not to do it again.") Ten A & P co-conspirators—including such supermarket names as Jewell Tea Food Fair and Winn-Dixie—remain to be settled with.

Alioto said packers operated a combine which depressed livestock prices while increasing retail prices. The combine had nationwide effect but only those involved in the lawsuit (or subsequent suits) will receive a portion of money they lost as a result of the conspiracy. Rancher groups from Montana, Wyoming and South Dakota joined with the plaintiffs, large ranchers in California and Colorado.

"We proved in a court of law that for a substantial period of time—perhaps as far back as 1952—the large retailers, by meetings and agreements, fixed beef prices," Alioto said. "At least it's a signal that the market should be free, unfettered—not established by some big executives somewhere who don't even know what power they have, making peace treaties with each other."

Ranchers often blamed consumers—or themselves—for poor cattle prices. "A lot of ranchers blamed themselves because they thought they weren't good producers, or weren't good businessmen," Alioto said. "In the meantime, producers and consumers fought."

Ironically, he concluded, producer and consumer cooperation was needed to pass the legislation which was a basis for the price-fixing suit—the 1890 Sherman Anti-Trust Act and the later Packers and Stockyards Act.

A BOOST FOR ANTITRUST ACTIVITIES

Mr. PHILIP A. HART. Mr. President, S. 1136, the Antitrust Enforcement Authorization Act, passed the Senate on December 12, 1975. This legislation authorizes an increase in appropriations for the Antitrust Division of the Department of Justice and for the antitrust responsibilities of the Federal Trade Commission. In addition, it authorizes a 3-year program of assistance and grants to States to improve their antitrust capabilities.

The assistant attorney general of the State of Wisconsin, Michael Zaleski, recently provided me with an excellent summary of the antitrust enforcement efforts by the State of Wisconsin, and a perspective against which to measure the potential public benefits from the State "seed money" provision. As my colleagues in the Senate know, it is not often that we receive complimentary letters on a particular piece of legislation; and it occurs even less frequently after such legislation has passed.

Mr. President, I ask unanimous consent that Assistant Attorney General Zaleski's letter be printed in the Record at the conclusion of my remarks, and I hope that my colleagues in the House of Representatives will note Mr. Zaleski's plea:

> The movement (to enforce antitrust laws) is starting to take place, but it is a slow tedious process, and I am sure it is only through "good government" bills such as the bill that you are sponsoring which will allow the states to receive federal funds for these programs will state antitrust enforcement ever become a reality.

There being no objection, the letter was ordered to be printed in the Record, as follows:

DECEMBER 29, 1975.

Hon. PHILIP A. HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HART: I have recently read with a great deal of interest your comments regarding Senate Bill 1136 which deals with budgetary matters concerning the United States Department of Justice, Antitrust Division. Part of this budgetary allotment of funds will go to states to serve as "seed money" to commence antitrust programs. You were quoted as saying that the states "represent an untapped source of substantial potential in the antitrust area." I could not agree with you more. I am in charge of the Antitrust Unit at the Wisconsin Department of Justice, and would like to explain how our program got started and the results which it has had.

Up until 1972, antitrust enforcement by the State of Wisconsin was done on a disorganized basis without any formal structure to antitrust enforcement. One assistant attorney general was assigned to the enforcement of the state antitrust laws and most of his time was spent on multidistrict actions. Commencing in 1972, this department received an LEAA grant for organized crime. Part of these funds were designated for antitrust enforcement. An antitrust unit was established which is staffed by four attorneys, two secretaries and two investigators. Our budget is less than $200,000 a year. As you know, LEAA funds were "seed money" and I don't think that there is a program in the United States which can better illustrate the importance of such "seed money" grants than our program can.

To date our program has been so effective that even though the LEAA funding has run out, the State has picked up total funding for our program. Until our program was initiated in 1972, there had not been more than three or four criminal convictions in this state for antitrust violations. This is true even though our law has been on the books since 1894. Since 1972, we have compiled the following statistics:

(1) We have convicted 20 individuals and 67 business entities of felonies for violating the state antitrust laws.

(2) We have collected one civil forfeiture.

(3) We have entered into 46 consent decrees.

(4) We have received five unfair trade practice orders from our Department of Agriculture which has powers fairly commensurate with the Federal Trade Commission; these orders covered industry-wide practices within the State of Wisconsin.

(5) We have collected fines totaling $412,700; the maximum fine under our statute is $5,000. However, we are attempting to get that raised considerably.

(6) We have recovered a total of $1,570,000 as a result of civil antitrust actions; this does not include recoveries from multidistrict litigation.

(7) We have recovered $2,644,529 from multidistrict cases.

(8) Various municipalities within the State of Wisconsin have recovered $618,000 as a re-

sult of civil suits which they have commenced as a result of our criminal antitrust convictions.

(9) The total recoveries from all sources, including state criminal and civil cases as well as federal cases is $5,245,229.

We have taken a different approach to antitrust enforcement in the State of Wisconsin in that we are doing very little in the multidistrict area. That is not to say that we are not parties to these suits. However, we feel that it is far cheaper to hire private counsel on a contingency fee basis to litigate these actions for us. This has allowed us much more time to enforce the antitrust laws on a state basis.

I am sure that an individual unfamiliar with state antitrust enforcement would seem to think that these statistics reflect that Wisconsin must be a corrupt state with a prodigious quantity of antitrust violators. I personally feel that this is far from fact. I think Wisconsin is an extremely clean state, and the only reason that the number of convictions and civil recoveries described above have been made is because we have made an effort to enforce our antitrust laws. I have given a number of speeches throughout the United States on behalf of the National Association of Attorneys General in an effort to get the states moving towards setting up antitrust enforcement programs. The movement is starting to take place, but it is a slow tedious process, and I am sure it is only through "good government" bills such as the bill that you are sponsoring which will allow the states to receive federal funds for these programs will state antitrust enforcement ever become a reality.

If at any time I can be of any assistance to you or your staff in this area, I would be more than happy to do whatever I can. I hope that the contents of this letter can serve to dispel any doubts any members of Congress might have over the effectiveness of "seed money" programs for state antitrust enforcement.

Very truly yours,

Michael L. Zaleski,
Assistant Attorney General.

GEN. JACKSON GRAHAM

Mr. MATHIAS. Mr. President, at a meeting of the Federal City Council today, Gen. Jackson Graham was honored for his contribution to the Nation's Capital through the planning and construction of Metro.

The Honorable Stephen Ailes gave us an interesting and perceptive account of General Graham's career. It reflects not only his recent work for the Washington metropolitan area, but also his earlier effective service as an officer of the Army Corps of Engineers. We in the Congress owe General Graham our thanks for his total career. As he leaves Metro he leaves behind a substantial monument to his professional skill and his forceful leadership.

I ask unanimous consent that Secretary Ailes' remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks by Stephen Ailes

Thank you Bud. I like the word remarkable, because Jack Graham is a remarkable man. He's a builder. A man who gets things done. I am not going to say anything about falling off the Golden Gate Bridge.

Starting with little more than some blueprints in 1967, he recruited, organized and inspired a talented group of people and transformed a dream into reality. He will leave us at the end of this month with almost 50 miles of subway under construction. The first 5 miles have been in operation since last May and will be opening for the general public in just 60 days, as Bud just said.

To build anything in Washington with all its political and economic complexities is difficult. But to have the responsibility for the largest public works project in history, here in this environment, is an assignment that defies description.

There is a story they tell in the Pentagon about General Maxwell Taylor. He was reviewing a fitness report on a senior officer. The report said, "This officer is confused by conflicting instructions." General Taylor scrawled on the bottom of the report, "Not fit for duty in the Pentagon." Well, Jack Graham has had the conflicting instructions, but he has never been confused by them and he has kept his eye on the object of this exercise. He was told to build a subway and a subway he has built. He was told to take over three bus companies, two of them bankrupt, and build one integrated public company. And that he has done. Despite a Board with rotating membership—and often sharply split—Jack Graham built a mass transit system of which we will all be proud.

Of course we should have known all along that he would do it, and I can guarantee you that everybody in the Army knew that if anyone could, Jack could. I guess you all know that Jack was a career officer in the regular Army, serving to the rank of Major General in the Army, assigned to the Corps of Engineers.

His genuinely distinguished career began as a Second Lieutenant after graduation from Oregon State College in 1936. After two years of troop duty in the Philippines, he did a year of postgraduate work at MIT and then went to England and then Europe for World War II.

Jack earned the Legion of Merit commanding a Combat Engineer Battalion in World War II and was present at the crossing of the Rhine at Remagen, where his units included three heavy pontoon battalions. His postwar career included a number of engineer assignments in this country and abroad and included service as Assistant Chief of Engineers for Personnel and Administration, several years in command of an engineer aviation group in Korea building and maintaining air fields, and District Engineer in Portland, Ore.

He attended the National War College and was Engineer for the Fifth Corps in Germany in the late fifties. I knew Jack well and favorably as Director of Civil Works of the Corps an assignment he held from 1963–1966.

A few days ago, I exercised what prerogatives I have left, to take a look at the record the Corps of Engineers has about him. It is replete with comments by rating officers which go far beyond what these files normally contain.

"An exceptionally outstanding officer, eminently suited for his assignment. I consider him without peer in his ability to handle personnel and administrative matters."

"He has the highest character I have known among many illustrious officers."

"This officer is the finest officer that I have ever been called upon to rate—he is the number one soldier of his command, setting a superior example for those below him."

"He is well informed on world and professional affairs, thinks clearly and objectively, makes clear and well considered decisions and takes prompt and decisive action. He is an alert, vigorous, dynamic, forceful leader and yet unfailingly fair and considerate of others."

"One of the truly outstanding officers I know." (Chief of Engineers)

You can see why I say without hesitation that everyone who knew Jack in the Army knew that he could do the METRO job.

In the history of our City, four people stand out as men whose contributions placed a special stamp on the physical character of this City—Pierre L'Enfant, Benjamin Banneker, Alexander Shepherd and James MacMillan. To that list, it may very well be that we must now add the name of General Jackson Graham.

Jack, if you would step up here a moment, I have three things for you as tokens of our appreciation:

1. This little memento is symbolic of how we feel about you. This is a piece of quartz taken from the earth some 200 feet below Tenley Circle. On either side is a segment from the teeth of a "cookie cutter"—that gigantic drill that carves tunnels out of rock.

Inscribed are these words:

"To Jack Graham—One helluva man—From his friends and admirers in the Nation's Capital—Federal City Council—1976"

2. Here also is a record I bought for you some months ago. It's the Kingston Trio singing M.T.A. about the fellow who got on the subway in Boston and couldn't get off. I had hoped you would listen to it and get the message.

3. Is a pledge—Jack, we can never repay you for the time, effort and magnificent achievement you have given us. But as you depart, rest assured that you leave behind a grateful City. And also be assured that your friends here at the Federal City Council will do their best to see to it that the goal you have pursued night and day for about a decade is achieved. To keep our trust with you we commit ourselves once again to stay with this project until the Nation's Capital has the finest mass transit system in the world.

We wish you and Mabel Lee all the best of everything.

U.S. PROPOSES TO ESTABLISH A NEW COMMONWEALTH

Mr. HARRY F. BYRD, JR. Mr. President, as chairman of the General Legislation Subcommittee of the Senate Armed Services Committee, I presided over two subcommittee meetings in November and December of last year to consider House Joint Resolution 549.

This legislation proposes approval of the covenant to establish a Commonwealth of the Northern Mariana Islands in political union with the United States of America.

This resolution has passed the House and has been reported favorably by the Senate Interior Committee. It is presently under joint referral to the Foreign Relations and Armed Services Committees of the Senate.

The Senate Foreign Relations and Armed Services Committees are to submit a report to the full Senate on the Marianas issue by January 27, 1976.

By way of background, the Mariana Islands are part of the U.S. Strategic Trust Territory of the Pacific Islands, popularly called Micronesia.

The Micronesian Islands lie on the

threshold of East Asia, almost 6,000 miles west of the continental United States, and they comprise approximately 2,100 islands, with a population of some 115,000 people, covering roughly 3 million square miles of ocean. The territory's total land mass is about 700 square miles, and only 96 of the 2,100 islands are inhabited.

This territory falls within three major archipelagoes, the Carolines, the Marshalls, and the Marianas.

Guam, which is an unincorporated territory of the United States, is situated in the southernmost point of the Marianas archipelago.

The United States, under agreement with the United Nations, has administered the strategic Trust Territory since the defeat of the Japanese in World War II.

It has been the responsibility of the United States, in accordance with the basic objectives of the trusteeship system, to preserve peace and security, and to promote the development of self-government in Micronesia.

In keeping with the intent of the trusteeship system—to assist the trusteeship to achieve self-government or independence—the Executive understood negotiations with representatives of Micronesia to determine how the trusteeship should be terminated.

A partial solution to the question is this proposal now before the Congress.

The northern Marianas consist of 14 small islands which contain approximately 14,000 people and 184 square miles in land.

The covenant which the Congress is being asked to approve in House Joint Resolution 549 would provide, among other things, for the creation of a Commonwealth of the northern Marianas under U.S. sovereignty and the granting of citizenship to the resident of the Commonwealth. In addition, the covenant would make various property in the Northern Marianas available by lease to the U.S. Government.

Still underway are negotiations between the United States, the Marshalls, and the Carolinas for a possible compact of free association.

The reason given by the administration for these two approaches to the settlement of the trusteeship question is that the Marianas, in a plebiscite, opted for a Commonwealth arrangement, while the Marshalls and the Carolines did not choose this arrangement.

Until the United States entered into the separate negotiations with the Marianas, it had been the policy of the United States to consider any new status for Micronesia on a territorywide basis.

The implications of a territorial acquisition by the United States are far-reaching. The Senate Armed Services subcommittee hearings were particularly concerned with questions relating to U.S. national security and defense policies.

But more importantly, as the United Senate considers the proposed Covenant for Commonwealth with the Northern Marianas, the fundamental consideration must be whether this Covenant is in the best overall interest of the United States.

After carefully listening to the presentations of the many distinguished witnesses, I feel there is no compelling reason for the United States to enter into a Commonwealth arrangement with the Northern Marianas at the present time, and many reasons why we should not.

Proponents of the proposed Covenant for Commonwealth, who testified before the Senate Armed Services General Legislation Subcommittee, stated that alleged U.S. defense interests argued for the United States entering into a Commonwealth arrangement with the Northern Marianas.

These defense interests were defined as denying foreign powers access to Micronesia for military purposes; a need to improve the U.S. military capability in the Pacific and Asia; a means to provide an additional flexibility to the already existing U.S. presence in Pacific Asia; and a way to contribute to U.S. force readiness.

After reviewing the testimony before the Senate Armed Services Committee in support of these arguments, I feel that the witnesses cannot justify the proposed Covenant for Commonwealth for defense reasons.

The construction of U.S. military bases in the Northern Marianas would not significantly enhance American military credibility in the Pacific. Such installations could not be used as a base for strategic forces, nor could they be used as major operating bases for conventional forces.

In fact, as the Department of Defense witnesses testified, the primary role of any future military installations—should they ever be constructed—would be for training and logistical support.

The United States is a Pacific power, with Pacific interests, but the proposed arrangement with the Marianas, as Defense Department officials conceded, could not significantly offset any possible base losses in other area of the Pacific, nor would it significantly contribute to our existing ability to protect other U.S. possessions in the Pacific.

Indeed, rather than add to U.S. defense capabilities in the Pacific, any American installation in the Marianas would itself be vulnerable to attack, and thus would create new U.S. defense responsibilities.

The Defense Department's claim that bases in the Marianas would improve U.S. combat readiness, by providing an appropriate environment for military training exercises, cannot be considered an essential defense need. Such facilities might be convenient, but they are not crucial, and clearly a variety of alternative sites could provide adequate training facilities.

The most important U.S. defense interest in the Marianas, and indeed in all of Micronesia, according to Defense Department officials, is denying third powers access to that area for military purposes. But, as these officials themselves testified, denial of the area to other military powers can be accomplished satisfactorily through a variety of means, such as a direct defense treaty, or specific agreements on U.S. basing rights.

It deserves to be emphasized that the U.S. defense interest of denying foreign military powers access applies to all of Micronesia, not just the Marianas.

The Covenant for Commonwealth that the United States is now considering, however, applies only to the Marianas.

To the extent, then, that the United States has interests in the Marianas, these interests are common to all of Micronesia. Indeed, if in fact some areas in Micronesia are more important militarily for the United States than others, I would think that the Kwajalein Missile Range in the Marshall Islands—where the United States has already invested over $700 million—is one of the more important U.S. defense assets.

United States defense interests, then, provide no justification for granting Commonwealth status to the Northern Marianas.

Such an agreement would not provide the U.S. with strategic or tactical advantages that could not be met in other ways; nor does it provide any additional benefits for military installations and conventional forces that could not otherwise be met.

The Marianas, according to administration witnesses, could not serve as an area for major strategic or conventional operating bases. In particular, the islands could not provide an alternative to other existing U.S. bases in the Pacific and Asia.

The primary U.S. defense interest in Micronesia, according to proponents, is denying third powers access to the area, and this can be accomplished in many ways, as the administration witnesses themselves testified.

In contrast, by concluding a separate agreement with the Marianas, before a decision has been made on the rest of the trust territory, the United States could promote the sentiment for further fragmentation in Micronesia. This could lead to an erosion of stability and make the area more sensitive to foreign intrusion.

I reiterate, then, alleged U.S. defense interests in the Marianas do not provide justification for establishing a new American commonwealth.

To the extent that the United States has interests in the Marianas, these interests apply to all of Micronesia. The dissolution of the trust territory must, therefore, be considered in its entirety, and not on an individual basis.

Similarly, there is no persuasive economic argument to justify granting the Mariana Islands Commonwealth status.

On the contrary, economic reasoning would argue against it.

Micronesia is not self-sufficient. It has no industries, and few natural resources.

Micronesia's biggest industry is the government, generating over 60 percent of all economic activity.

The administration has no detailed proposals to reverse this situation, if in fact, it can be reversed.

The cost to the United States of granting Commonwealth status to the Marianas will be high, and the proponents, in my opinion, have failed to make an adequate case to justify the cost.

Under the Commonwealth proposal, the Northern Marianas will get $19.5 million for a 50-year lease for land on Tinian, Saipan, Rota, and Farallon de Medinilla, and the U.S. Coast Guard will incur one-time construction costs of $13.9 million.

The United States will also pay the Northern Marianas an annual grant of $14 million, in constant 1974 dollars.

This grant will run for at least 7 years, after which time a new level of aid is to be negotiated. Should there be difficulty in negotiating a new level of grant assistance at that time, the proposed grant of 14 million constant 1974 dollars would be continued until such time as a new agreement is reached.

The U.S. Senate by approving this Covenant would be inulating the Marianas from inflation, and it would deny Congress the option of cutting off aid, should it so desire at some point in the future.

The annual grant provided to the Marianas by the United States will furthermore be considered local funds for the purpose of making up the local share to obtain Federal matching funds, thus increasing the cost further.

In addition to these costs, three Federal departments—the Departments of Transportation, Agriculture, Health, Education, and Welfare—estimate a yearly cost of $12 million to provide the full range of assistance program to the people of the Marianas.

The Senate Armed Services General Legislation Subcommittee requested a detailed cost estimate to the United States resulting from the proposed Commonwealth, but without success.

The best estimate that the subcommittee has available is that as a result of passage of this bill the United States will provide the Marianas with a total aid package that amounts to a per capita contribution of $1,923 a year for every man, woman, and child.

This figure is incomplete, and conservatively estimated. It is based on a population figure of 14,000, an annual grant of $14,000,000—which is based on July 1974 constant dollars at an already inflated 11 percent, and the cost estimates of the three Federal departments—have just cited.

By comparison, per capita spending for American Samoa in fiscal year 1975 was $730 per capita; for Guam it was $334 in fiscal year 1974; and for the entire Trust Territory in fiscal year 1975 it was $719.

On a per capita basis, the annual contribution of almost $2,000 for every resident of the Marianas represents approximately 10 times more the average annual per capita Federal payments to the States of the Union.

The cost to the United States, then, will indeed be high, and no information has been presented to the Congress which would indicate that the economic dependence of the Marianas on the United States will decrease.

To illustrate my point, of the roughly 2,500 families in the Northern Marianas, 1,700 individuals are employed by government—500 by the U.S. Government and 1,200 by local government.

These employment figures reveal to what extent the Marianas are dependent on government for generating economic activities.

The cost of this proposal to the United States is, then, a significant one. And the cost could multiply even further should the Marshalls and Carolines decide to seek commonwealth status.

Ambassador Haydn William, the U.S. senior representative in the strategic trusteeship negotiations, revealed in testimony that he would recommend that the United States accept the Marshalls and Carolines in commonwealth, should they seek such status.

If we accept the alleged defense interests as a justification for the proposed commonwealth with the Marianas Islands, then that same reasoning could be applied to the Carolines and the Marshalls.

There are other aspects of this proposal which concern me, such as the political, legal, and constitutional questions surrounding the proposed covenant for commonwealth.

Members of the Senate Armed Services General Legislation Subcommittee also expressed concern over the high level of Federal payments, particularly in light of the tax provisions contained in the covenant. No taxes will be paid the United States, and indeed, under the proposed covenant for commonwealth, the government of the Northern Marianas will have the authority to return all tax revenues derived from sources within the Marianas Islands.

Should Congress approve this covenant, it would not have the authority to exercise its constitutional power under article IV, section 3, clause 2 of the U.S. Constitution. This provision in the Constitution gives Congress the power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

Mr. President, as I said earlier, proponents of this proposal have given no adequate economic or defense justification for creating a new U.S. commonwealth.

But beyond the concerns I have already expressed with respect to this proposed Commonwealth, there is an even more fundamental consideration.

On the eve of our country's Bicentennial we should consider very carefully the aspirations, role, and purpose the United States has sought historically, and will seek, as we enter the last quarter of the 20th century.

Proponents of the proposed Commonwealth have consistently stated that the United States should accept this proposal because the people of the Marianas themselves desire it.

We should certainly be flattered by this interest. But I do not believe such a permanent commitment, at such tremendous expense, with a territory so far away that has no shared historical or cultural experiences with the United States, is in the U.S. interest.

While it is true that the United States is already tied to Micronesia, the relationship is a temporary one not a permanent one, as proposed in the Covenant for Commonwealth.

It is also true that the United States is committed to terminating the strategic trusteeship arrangement, and promoting Micronesian self-government.

But the Micronesians themselves have indicated that they are not ready for total independence at the present time, and there is no termination date for the trustreeship arrangemennt.

Additionally, the United States has stated publicly that our Government will submit the proposal to terminate the strategic trusteeship before the United Nations as an entire package, at one time, rather than in piecemeal fashion, and it is not expected that the United States will be ready to submit this proposal to the U.N. before 1981.

There is, therefore, no need for the United States to rush into an agreement that could represent a blunder of historic proportions.

I, consequently, submit that it would be in the best interest of the United States and the islands of the Northern Marianas to delay consideration of this proposal until an agreement—or agreements—has been submitted to Congress resolving the political status of all of the Trust Territory of the Pacific Islands, rather than on an individual basis.

I think such an approach would be consistent with the interests of both the United States, the Marianas, and the rest of the strategic trust territory. It would also be consistent with out international obligations.

Such an approach would also give the administration the opportunity to respond to some of the many questions that still need to be addressed, and it would give Congress and the American people the opportunity to devote the attention to this proposal that it merits.

Should the Senate decide that the covenant for commonwealth should be approved at this time, then I think careful consideration should be given to some of the questions that the Senate Armed Services Committee's General Legislation Subcommittee has raised with respect to specific aspects of the covenant.

In brief, then, Mr. President, I see no advantage to the United States in granting commonwealth status to the Marianas, and many disadvantages.

Additionally, I feel that the dissolution of the trust territory should be considered as a whole, rather than on an individual basis.

Such an approach would give the United States, and the representative of the Marianas, the opportunity to reexamine this particular covenant for commonwealth with regard to the concerns raised by Members of the Senate, and I feel such action would be in the best overall interests of the United States, the Marianas, and the rest of the strategic trust territory.

At this time, Mr. President, I request unanimous consent to have printed in the Record editorials from the Washington Post and the New York Times on this question, and articles from the New Republic, and the Los Angeles Times.

There being no objection, the editorials and articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 15, 1975]

Focus on Micronesia

Fourteen islands of the Marianas, one of six districts in the American-administered trust territory of Pacific Micronesia, wish to join the United States as a separate commonwealth. Their petition is flattering but somewhat discomforting. For it seems odd, at this moment when the United States is supposedly retreating from "empire," to fasten a new and permanent grip—essentially for strategic considerations—on a sparsely peopled foreign territory which is likely to be an economic drag. Why should we do it?

The answer lies less in the merits of the commonwealth proposal than in the historical process by which the United States acquired and managed its vast and remote Pacific island domain. Micronesia was taken from the Japanese by force and given to the United States by United Nations decree. Guam, part of the Marianas group, had already been taken (in 1898) from Spain. In retrospect, it is apparent that the United States should have tried harder to encourage common links among the dispersed and disparate districts of Micronesia—at the least, links between the Marianas and Guam. Instead, separatist tendencies grew. In the case of the Marianas, this was encouraged by the Pentagon, which has long held plans for a multi-million dollar "fallback" base on Tinian. And so it is that the Marianas, asserting the American taught right of self-determination, are asking for a commonwealth status of their own. The other five districts of Micronesia, also under U.S. trusteeship, have yet to make up their minds how to leave it.

In the Congress, as in the executive branch, only a few people have followed the Micronesia issue. But the time for broader inspection has arrived. It should extend well beyond the particular terms of the proposed Marianas commonwealth agreement.

First, is it not necessary and possible to consider the future status of Micronesia as a whole, not district by district? Such a comprehensive approach would mean delay and even some unfairness to the Marianas, which have been negotiating in good faith on their own, but a fragmented approach is bound to produce inconsistent results. Second, the Congress must satisfy itself that there is no way to discharge the United States' responsibility to Micronesia other than by negotiating status arrangements short of independence. Perhaps independence is neither feasible nor desired by the people there. But that option must be thoroughly canvassed. Finally, Pentagon plans for bases in Micronesia must be put in the deep freeze. There is simply no good reason further to militarize those islands or their economies or their politics. On the contrary, there is very good reason to push and lead the islands toward civilian usages which are as little as possible dependent on American subsidies. A declaration of self-neutralization, appropriately channeled through the United Nations, might serve everyone's interests well.

Micronesia poses not so much a great political issue as a tough bureaucratic test. The problem is to get the various interested elements of the United States government properly focused. This has never been done. But the President, consulting fully with Congress, should now come up with an overview to guide Micronesia policy. If the United States acquired the islands by historical accident, then it must henceforth manage them—perhaps dispose of them—by design.

[From the New York Times, Dec. 8, 1975]

Mariana Slowdown

Two Senate committees have fortunately applied the brakes to the Administration's drive to extend United States sovereignty and citizenship to the Northern Mariana island chain, far across the Pacific Ocean. Skeptical members of the Foreign Relations and Armed Services committees were successful last week in delaying further consideration of this little-understood measure until late in January.

There is good reason for going slow on this issue. Committee hearings last month raised doubts about the ultimate financial cost of this territorial annexation—the first by the United States in half a century. More significantly, it is becoming increasingly apparent that this country would be heading into a morass of international legal and political complications by unilaterally altering the conditions of a strategic trusteeship mandate conveyed by the United Nations in 1947.

And to what end? Weightier than the reservations is the lack of convincing affirmative arguments that it is in American interest to expand the territorial domain of the United States so close to the Asian continent. Much has been made of the plebiscite last June in which 78 percent of the registered voters approved union with the United States; in actual numbers, of the 15,000 residents, 3,945 persons voted for the covenant, 1,060 voted against.

As one prominent international lawyer, José A. Cabranes of Yale, testified: "If a part of the Philippines or a part of Honduras or a province of Sierra Leone or a province of Greece voted overwhelmingly to become a territory of the United States, we should certainly be flattered—but we should not necessarily conclude that the proposal to expand the territory of the United States makes sense."

We reiterate the argument we made back in July, when the House of Representatives approved the Mariana Islands accord after only the most perfunctory consideration. The burden of proof falls upon the advocates of annexation to explain why the United States should take on these new responsibilities.

[From the New Republic]

New Colony in the Pacific

(By José A. Cabranes)

The Ford Administration is quietly attempting a major political and diplomatic coup; the dismemberment of the United Nations trusteeship in the western Pacific (Micronesia) and the annexation of its most compliant archipelago, the Northern Mariana Islands. The move to convert the Northern Marianas into an "unincorporated territory" of the US (the euphemism for what others call a colony) has been timed and executed to avoid serious congressional opposition. Liberals in both houses (most notably, the chairman of the Democratic Caucus, Phillip Burton of California) have been among the loudest supporters of this effort to expand the territory of the US for the first time since 1917. (Liberal complicity in winning for the Pentagon unimpeded access to lands for future base-building will come as no surprise to historians of American expansionism. Woodrow Wilson's interventions in Latin America made Theodore Roosevelt seem timid.)

The first rule of the expansionist game is simple enough: if there is no domestic constituency to question or oppose the interests of a major bureaucratic force, the bureaucracy will have its way with Congress, *The New York Times, The Washington Post* and a few academic ankle-biters notwithstanding. That is especially true when the island-grabbing is packaged in a way that appeals to the liberal passion for extension of the benefits of American civilization to less-favored races. A proposal (H.J. Res. 549) to enter into a "Covenant" with the people of the Northern Marianas—to create a "Commonwealth" of the Northern Mariana Islands and extend US citizenship to its people does not sound horrifying, especially when added to it are pledges of federal subventions amounting to well over $1,000 per year for every man, woman and child, for a period of at least seven years. The final flourish was a solemn plebiscite in June in the Northern Marianas, in which "78 percent of the electorate" proclaimed eternal fealty to the United States.

Need one say more about why Burton (who is also the chairman of the House Subcommittee on Territorial and Insular Affairs) managed to move the administration proposal through the House in less than three weeks in July (culminating in a voice vote on the floor of the House)? The now pending Senate bill, managed by Sen. Jackson, would also have sailed through unchallenged but for the alertness of Senators Gary Hart (D. Colo.), Harry F. Byrd, Jr. (Ind., Va.) and Claiborne Pell (D, RI), who demanded that the Senate Armed Services and Foreign Relations Committees review the matter independently of Jackson's Interior Committee. These are strange bedfellows united in the simple belief that this is no time to establish a new colony in the western Pacific, even if the arrangement has the endorsement of the colonial people concerned.

Critics of the proposal to annex the Northehrn Marianas note that:

The U.S. began status negotiations with the Northern Marianas only after a Micronesia-wide status commission proved too demanding in its search for self-government, and asked for too much political freedom in exchange for the coveted bases.

The administration ignored repeated urgings of the U.N. that the U.S. maintain the territorial integrity of the Trust Territory and give no encouragement to secessionist sentiment in the Marianas; limited its plebiscite to the 5,000 voters of the Marianas, thereby ignoring the overriding right to self-determination of the remaining 100,000 Micronesians; invited the U.N. merely to "observe" the plebiscite (rather than to conduct it and frame the question); and now plans to ignore the U.N. Charter requirements that political changes in Micronesia be approved by the Security Council.

The grant of a second-class form of U.S. citizenship is designed permanently to unite the Marianas to the U.S. foreclose other political status options in the future and establish unalterable (and highly dubious) U.S. security commitments in the western Pacific.

The U.S. should look to its own long-range interests before making irrevocable and unnecessary commitments for the government of a distant and dependent people, notwithstanding liberal pieties about the supposed right of self-determination of the Northern Marianas' 12,000 people.

Finally and most simply, territorial annexation as a policy that should hardly be favored by the American people in the year of their bicentenary.

The issue should go to the Senate floor before the recess.

[From the Los Angeles Times, Sept. 3, 1972]

ISLANDS' FUTURE

During the past three years, the United States' administration of the Trust Territory of Pacific Islands has entered its final stages. Meetings between United States and Micronesia representatives, though beset by numerous problems, have established the basis on which to end the U.N. Trusteeship Agreement, to establish a new Micronesian government, and to negotiate a new definition of the American role in our part of the Pacific.

When American military forces swept ashore in Micronesia, near or at the end of World War II, they came as both liberators and conquerors. They ended a Japanese domination which, had it been permitted to continue its complete control of almost all aspects of Micronesian life, would have all but obliterated Micronesian races and cultures within one more generation.

During the past 25 years of American control in Micronesia, many Micronesians have fashioned nostalgic histories of the Japanese rules, the colonial cities it built, the roads it cut through jungles, its initiative in fishing, mining, and agriculture. They remember Japan for its discipline, its industry, its sense of purpose—qualities which have frequently been lacking in the American trusteeship.

Whatever its usefulness for rhetorical purposes this is not a nostalgia in which I, or most other Micronesian leaders, choose to participate.

Japan's assimilation of Micronesia would have resulted in the permanent loss of our cultures, and our ethnic identities. Since our whole purpose in recently negotiating with the Americans has been to resist such an assimilation—by American—I will not pretend that we would have welcomed it—or would welcome it today—at the hands of the Japanese.

Whatever criticisms are registered against America, I will not fault it for having broken—if only by accident—the Japanization of Micronesia.

If the Americans came as liberators, they were surely also conquerors. As numerous administrators, visiting congressmen, task forces from Washington have rarely failed to remind us, control of Micronesia was "purchased" at a high cost in American blood.

Of course this argument overlooks certain crucial Micronesian claims: that the basic ownership of Micronesia's islands is a right of the Micronesian people; that the islands were not and are not for sale for blood or for money; that the blood which was spilled "coming over the reef"—another favorite phrase—was not spilled at the request, or for the benefit, of the Micronesian people.

Still, we realize that the conquest of Micronesia and the control that resulted from that conquest remains a paramount factor in America's thinking about Micronesia.

Americans came as liberators and conquerors and, as such, they have remained. Both these roles figured importantly in the U.N. Trusteeship Agreement which, since 1947, has provided the basic terms of America's control of Micronesia.

The role of liberator was reflected in the economic and social goals of the agreement, in its provision for the education and well-being of the people of Micronesia and, most importantly, in its specification that Micronesia be brought to the point where our people would themselves determine an appropriate new political status: "self-government or independence."

The role of conqueror, however, was reflected in the designation of Micronesia as a strategic trusteeship, in the proviso that enabled the United States to alienate and to fortify our islands and to veto any change in our political status which challenged the control it won during the war.

America's roles as a conqueror and liberator have often clashed and, when this has happened—at Kwajalein, at Enewetok and Bikini, in the year-to-year freedom of the trusteeship agreement, and even in our recent status negotiations with American representatives—the role of conqueror has always prevailed.

Whether America will ever be able to sort out and reconcile such a diversity of interests, such cross-purposes, remains to be seen, although I am sure they have my best wishes, and the best wishes of Micronesia, in this undertaking.

Meanwhile, however, we Micronesians who have lived under the trusteeship and who now are witnesses to its finale have our own diversity of interests, our own cross-purposes, to sort and to reconcile.

Like most Micronesian legislators who now find themselves across a negotiating table from U.S. representatives, I am a product of the American period in Micronesia. In my generation and in myself I can find evidence of the various aspects of the United States trusteeship—and of the tension and turmoil that result from the conflict between the best and the worst that America has accomplished in our islands and in ourselves.

I suspect that the best aspect of the American period was the administering authority's willingness to educate Micronesians.

To be sure, the educational system they brought to our islands was often ill-suited to Micronesia. Many early textbooks and programs and teachers came no closer to the reality of Pacific life than California. But there was never any question about America's basic willingness to fully educate Micronesians.

Unlike the Japanese, who generally offered nothing more than a grade-school education and some highly circumscribed vocational training, the United States determined to educate at least some Micronesians as far as it was possible for them to go. They sent us to regional high schools, to colleges abroad, and kept us there.

And there—in the Trust Territory dormitories in Guam and Hawaii—Micronesia's battle for a new political status was begun.

It was there that we learned the familiar lessons of unity, democracy, sovereignty, and self-government, the lessons which generations of American students have absorbed and taken for granted, the lessons which—upon our return to our home islands, to the crowded district centers, in the equally crowded government offices—we found could not be satisfied in Micronesia

Our expectations could not be fulfilled; not in a strategic trusteeship, and in a U.S. territory, not by an administrator who uneasily alternated between his role as conqueror and his role as liberator.

Now, I come, as all of us who returned home came, to the worst aspects of the American trusteeship. We quickly found that the options we had believed were open to us were actually foreclosed.

They were foreclosed not only by the terms of the trusteeship. They were also foreclosed by the economy that was then developing in Micronesia, an economy which already was racing away from the self-sufficient, subsistence economy of our fathers to a system in which imported goods, some of them necessary, many of them trivial, were making inroads on Micronesian life.

We were witnessing the birth of an economy which would soon be—and today now is—thoroughly dependent on imported goods, contracted skills, and annual outside aid. It was not a pleasant process to contemplate and the most troublesome thing about it was we were its products, we were its educated imports. In Micronesia, the life of our fathers was being lost and the ideals of their sons could not be realized.

There may be a way out of the predicament I have described. I believe that we are beginning to discover it.

I am not sure that, at first, I would have believed that the Congress of Micronesia was to be the instrument of our escape. When it began in 1965, the Congress was more an advisory council than a true legislature; its laws were subject to vetoes which could not be overridden, it had almost no power of the purse, and practically all of its members—myself included—were also employes, middle-level and white collar, of the executive branch of the Trust Territory government.

We were a Congress of amphibian creatures, half-government executive, half-elected congressmen, and we were almost equally powerless in both our chosen elements.

One thing of true value did result from the Congress, however, the slow definite growth of unity among the various Micronesian leaders who converged on the congressional chambers on Saipan. It was a unity which any previous foreign adminstration in Micronesia would have taken pains to discourage, an unprecedented unity with incalculable implications for the future of the islands.

There are two other points to remember about the Micronesian unity that developed in our Congress, however. First, it was a unity sponsored—financed—by our administration. Second—and paradoxically—it was a unity that derived, in large part, from our common opposition to that administration.

Over the past three years, we have endeavored to persuade the United States that Micronesia ought to become a self-governing state in free association with the United States. This relationship of free association involves four basic principles and legal rights. These are Micronesia's right to self-determination, to make its own laws, to control its lands and to end unilaterally any future relationship with the United States.

We particularly insisted on the right of unilateral termination as an indispensible safeguard for a small island state in a relationship with a global superpower. Unilateral termination is a final insurance not only against our being abused or ignored but also against our being embraced to death.

After some initially discouraging responses, the United States has acceded, or substantially acceded, on all four of these crucial matters.

The United States, in turn, has demanded sweeping powers over Micronesian foreign affairs and defense and has already requested certain continuing military base rights and options in Micronesia. These are troublesome requests, but we are now more confident than we have ever been that there exists a basis for self-government in Micronesia and for an honorable future partnership with the United States.

And there is some hope that, with Micronesian control of government, we may find our way out of the economic as well as political difficulties that confront us, that we might yet strike a decent, stable non-exploitative balance between the freedom and expectations of the 20th century life and the Micronesian values we will always cherish.

There remains one great, nagging footnote to this story, however, and I would be giving a false report if I did not record it.

We all have heard how scattered are the

islands of Micronesia, a mere 700 square miles of land in 3 million square miles of sea; how divided are its peoples, by distance, by religion, by their six major ethnic groups, by nine mutually unintelligible languages. This, all of this, is true.

Under American administration however, we have been unified; our support from our liberator and opposition to our conqueror united us.

We were united first by his very presence here; we were united by the trusteeship which bound us together; we were united in the schools, we were sent to and in our reaction to the society we returned to; we were united in the Congress our administrator sponsored and we were united in our Congressional criticism of the programs our administrator proposed.

We were united in seeking a change of status and now—as we approach agreement on status—we are beginning to lose our unity.

Separatist tendencies flare up again in Micronesia. Already one district long-oriented towards close membership to the American territorial system has sought its own negotiations with the United States, and others consider separate negotiations for their own purposes.

We must concede that thus far in our history, it has always been the threatening presence of foreigners, of conqueror-liberators which has united us. Fear of what others might do to our islands has united us. And yet, perhaps Micronesians would do well to remember that no matter what status we achieve, our islands will always be small, our numbers will always be limited.

Micronesia will always be threatened and, for this reason, we must always remain united. The interests of the great powers swing back and forth like a pendulum over our islands; the pendulum swings from one side to another, moving away and returning, but never ceasing to hang above us, never forgetting our presence down below.

In the days and years to come there will be ample reason for our islands to remain together and there is hope, only hope, that in time we may find something more than fear to unite us.

POSTAL SERVICE

Mr. ABOUREZK. Mr. President, in a recent column in the Washington Post, Nicholas von Hoffman has written about the Postal Service with his usual incisive and irreverent style.

The closing of small post offices and other cutbacks in service are not the solution to the financial problems of the U.S. Postal Service. Nick von Hoffman correctly points out that with the semipublic postal corporation, we have bought the worst of both worlds. Neither service to the public nor efficiency seems to have improved in the past 5 years.

I commend Nick von Hoffman's witty article to the Senate, and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Jan. 23, 1976]

Delivering the Mail, But Not the Promises

(By Nicholas von Hoffman)

Another small battle between the forces of largeness and the forces of smallness has ended. The village of Rockport, Maine, has lost the long fight to keep its post office where it has been since pilgrim times. The post office had always been the center of the hot-stove social life during the long winters of short daylight.

Some official in the reformed, semipublic U.S. Postal Service determined that the old post office lacked the required number of square feet or some such, and after the protests of the inhabitants and the posturing of the elected officials, this decision to close the post office was carried out. The episode in the tiny Maine coastal hamlet won't surprise many who will take it as superfluous confirmation that government is a worthless, dirty rag.

What is surprising is that the people who run the country run the postal service as they do. Since Year 1 of the Constitution, we have been a tribe who loved the nation and hated the government that stands for it. The mail is the one activity carried out by the Federal Leviathan that everyone from age 10 onward comes in contact with. People who don't pay taxes, people who otherwise manage to escape the eagle's talons, get mail and send it. There has been more talk about the recent postage increase than the income tax.

But knowing that mail service may influence more people's opinion about the quality of government than any other single federal function, the honchos go ahead, raise the price of a first-class letter 33 per cent and then start talking about cutting out Saturday deliveries, special delivery and lengthening the mail's arrival time.

When the old Post Office Department was abolished six years ago in favor of the present semipublic corporation the country was told that "politics" had wrecked the mails and that the introduction of businessmen and businesslike efficiency would restore them. The reasons advanced weren't new. Businessmen would be better able to resist extortionate demands of unions and other businessmen for high salaries, subsidies and construction and equipment contracts.

It hasn't worked out that way, but then does it ever? Semipublic corporations, those much praised partnerships between government and business, have seldom delivered on their promise. Freed of the need to come up with a profit for the stockholders, businessmen can be unconscionably worse than politicians. Some of the politicians' palaver about honesty and public service does, after all, rub off on their insides, but the business ethic is anything goes as long as you don't go to jail.

The semipublic corporation, be it at the municipal or the federal level, is the least responsive organizational form our society has yet devised. Politically controlled institutions are in some vague sense disciplined by voters; business used to be, at any rate, disciplined by having to show a profit; semipublic corporations are disciplined by neither, nor by anything else.

Maybe that's why the House of Representatives has twice voted to abolish postal reform and return to the older, unsatisfactory arrangements. There is another sentiment—still a decided minority—to let the postal service destroy itself, just abolish its monopoly so that somebody else can get into the business and compete by providing better service at low prices.

One of the objections to allowing private business a whack at the job has been that the mails are sacrosanct. We know that's so much malarkey. The government reads our mail and there isn't anything we can do about it. A private carrier who permitted such intrusions on his customers could be successfully sued.

The other objection is that private companies wouldn't service sparsely populated rural areas or less pleasant ones like the ghettoes. If that turns out to be so, it would be cheaper to subsidize mail to those areas than what we do now, which is to subsidize Time, Newsweek and the junk mail industry.

Despite some admirable lurches in the direction of deregulation, President Ford still appears in favor of using the semipublic corporation device in such huge fields as energy, health insurance and transportation. His myriad opponents agree. None of them recognize that as ye deliver the mail, so shall ye be judged.

TRANSMISSION OF NATURAL GAS FROM PRUDHOE BAY

Mr. STEVENS. Mr. President, recent disclosures by Canadian Arctic Gas Co. present a new perspective on the question of the transportation of Alaska's 26 trillion cubic feet of natural gas at Prudhoe Bay to the rest of the Nation. This issue is of tremendous importance to the Nation, and the information reported in a recent edition of the Toronto Globe and Mail may aid my colleagues in considering the question of how Alaska's natural gas will be transported to the continental United States.

The Globe and Mail article reported that Arctic Gas president, Vernon Horte, has made new cost estimates for his company's proposed pipeline route through Canada. Because of a delay in the proposed completion date and, most importantly, inflation, Horte expects Arctic pipeline costs to increase $500 million to $1 billion beyond the earlier estimate of $7 billion.

The present rate of inflation in Canada has created possibly fatal problems for Arctic Gas. In fact, Horte has expressed deep concern that increased costs due to inflation could terminate the entire Arctic proposal.

According to Horte, the fact that Canadian inflation is making the proposed project much more expensive will require Arctic to solicit funds from the Canadian Government. In any case, Mr. Horte admits that unless the Canadian Government comes to Arctic's aid, or inflation is checked, the pipeline project will become simply too expensive to build.

Mr. President, it is clear from this article and from other sources that private industry in Canada does not have the financial capabilities to build this gas pipeline independent of government aid. By comparison, private industry in the United States has already demonstrated its ability to finance such pipelines as in the case of the trans-Alaska oil pipeline. In the case of an all-Alaska gas pipeline, Government financing may become necessary, but private industry's reliance on the Federal Government in this country will be much less in comparison to that in Canada. An all-American pipeline in Alaska utilizing the already existing oil pipeline corridor, which is maintained by a service road already in place, and built by American labor is, I believe, a much more feasible project and one that would better serve U.S. interests. Such factors as economic and environmental impact, and most importantly the essential element of timing, clearly demonstrates the superiority of an all-American gas pipeline plan.

Because of the importance of this issue to the Nation and the severity of the current natural gas shortage which creates economic uncertainty throughout the Nation, I urge my colleagues to give careful consideration to the matter of the transmission of natural gas from

Prudhoe Bay. If there is no objection, I ask that the article, "Arctic Gas Estimates Pipeline Cost To Rise at Least $500 Million," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Toronto Globe and Mail, Dec. 3, 1975]

ARCTIC GAS ESTIMATES PIPELINE COST TO RISE AT LEAST $500-MILLION

(By Jeff Carruthers)

OTTAWA.—The Canadian portion of the Mackenzie River valley natural gas pipeline proposed by Canadian Arctic Gas Pipeline Ltd. of Toronto will cost $500-million to $1-billion more than the previous $7-billion estimate, according to Canadian Arctic Gas president Vernon Horte.

In an interview, Mr. Horte attributed this latest expected cost increase to inflation and an expected one-year slippage in the completion date to at least 1980.

He warned that if inflation continues at its present rate of 10 to 15 per cent in Canada through the construction period, the pipeline will never be built. It would be just too expensive.

He added that no other northern gas transportation project would be built either, referring to the all-Canadian rival Foothills Pipe Lines Ltd. of Calgary and the U.S. rival, El Paso Alaska Co.

The latest estimated cost increase will be reflected more accurately when Canadian Arctic Gas updates its cost estimates for the National Energy Board northern pipeline hearings.

Converting from the 1974-dollars basis used in the original $7-billion estimate, recognizing the completion date has been pushed back at least a year and broadening the limits of anticipated inflation on the project in the future should add between $500-million and $1-billion to the cost, Mr. Horte said.

The cost of the over-all Canadian Arctic Gas system, including the supply line from Alaska and related pipeline expansions in the United States, is expected to increase to $11-billion or more.

Foothills, with its $4-billion estimate in 1975 dollars, is also expected to have to increase its cost estimates.

Mr. Horte noted that even the $8-billion figure for the Canadian portion assumes that inflation will decline to almost nil toward the end of the project—possibly a faint hope.

If Canada does not bring inflation under control quickly, then Canadian Arctic Gas will face severe troubles with its project, Mr. Horte said. He noted that the project already has had to face 15 to 25 per cent increases in certain equipment items and in manpower costs.

Mr. Horte added that potential investors in the project would likely demand a completion guarantee, especially if inflation continues to be a problem.

If Canadian Arctic Gas does get government approval for the pipeline project and if its actual costs "exceed all our best expectations, someone will have to backstop us"—meaning governments, Mr. Horte said.

One obvious method for government to ensure the pipeline is completed would be an insurance scheme, whereby money is only obtained from government if the pipeline goes over cost.

"It's a reasonable expectation under today's conditions," Mr. Horte said. And unless inflation is brought under control, "it's inevitable that government will have to be involved" if the Mackenzie valley pipeline is to be built, he said.

Mr. Horte said that the worsening balance of oil payments situation is one of the stronger arguments in favor of proceeding with the Canadian Arctic Sea scheme rather than waiting for the Foothills or a High Arctic island pipeline.

NEW POLITICS AND OLD VALUES

Mr. KENNEDY. Mr. President, last week in Boston, where so much of our history began, our colleague Senator McGOVERN eloquently expressed his views of how we can best renew the American spirit as we begin our third century as a Nation. The challenges at home and abroad which Senator McGOVERN outlined in his address to the New England Life Forum are ones which we as individuals and as a body must act upon in our coming deliberations.

In the interest of permitting the Members of the Senate to have the benefit of Senator McGOVERN's views on these important issues, I ask unanimous consent to have printed in the RECORD the full text of Senator McGOVERN's address, "New Politics and Old Values."

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

NEW POLITICS AND OLD VALUES

(By Senator GEORGE McGOVERN)

In this Bicentennial time, we celebrate not just the date of the Nation's becoming, but the reason of our national being. Now we must bind America anew to the revolutionary meaning of its birth and the best moments of its history.

Our forebears achieved progress because they conceived of this country as a process to be perfected, not a piece of property to be used and abused for the span of each passing generation. What was declared in 1776 was not the fullness of American freedom, but the common privilege of laboring for its fulfillment—and that task will never finally be finished.

Each generation has its own summons to the cause of life, liberty and the pursuit of happiness.

In the first century after independence, our forebears made a constitution and tamed a continent. They engaged each other in civil war to secure the union of all and the emancipation of another race.

In the second century, Americans shaped a further revolution of industry, invention and abundance, shared its wonders with the rest of the world. Woodrow Wilson and Franklin Roosevelt dreamed of peace without victory—of a world secured by international organization strong enough to discipline the excesses of national rivalry and greed.

Any fair chronicle of American deeds must, of course, record violations of the American creed—the oppression of women and children, the bitter lash of racial and ethnic prejudice, the ravaging of resources and environment, ill-conceived ventures abroad, and other regrets of our past.

Yet, invariably Americans themselves have called their country to account. My own generation struggled out of a great depression and then fought a valiant and victorious battle against global fascism. In more recent years, blacks and whites together have marched for civil rights. And finally we broke out of the mire of Vietnam—more because of the force of free dissent among us than the firepower of the forces against us.

The sustaining basis of our democracy is that when we have become lost in the wilds of injustice and deceit, our first ideals have ultimately beckoned us home. That call is harder for America to discern at this Bicentennial, when we are uncertain of our duty and of what we can do.

After the waste of a war which was as wrong as it was long, after a leadership of lying and law-breaking, in the midst of economic disarray, we can hear again the words of Thomas Paine: "These are the times that try men's souls."

To this present crisis of national spirit our response must reassert his answer: To redeclare the American Revolution—not as the rote or routine phrase of an anniversary year, not as another political slogan without substance, but as a commitment to change so that we may continue, to specify and apply in these times the principles of those earlier trying times.

We must in Lincoln's phrase "think anew, and act anew." Nor can those who would lead a struggle to build a new politics based on the renewal of old values wait for easy public acceptance. The work of leadership is the willingness to stand and fight for what is decent and just even before it is perceived by a majority. That is what many tried to do in 1968 and 1972, and that is what we must do again and again in both victory and defeat.

We won a Presidential nomination in 1972 and then lost a Presidential election—but our course was right in both phases of the struggle. We introduced the practice and have now gained acceptance in law that our politics should be financed and directed by the many—not controlled and managed by the few. We offered an alternative to an economy distorted and inflated by excessive arms, and that alternative must be accepted if we are to break free from the wastes, the inflation and the unemployment of an economy guided by war.

We offered a reconstruction of taxes and the maintenance of income for the poor and the weak based on justice and compassion. That reconstruction must one day soon replace a tax structure geared to privilege and a welfare system that fails us all.

Above all, we forced an end to a terrible war in Indochina that represents the darkest chapter in two hundred years of nationhood.

Much remains to be done. The works of peace and justice are never finished. But I have no doubt that the essential goals of 1972 will be achieved at some future time in the American experience.

We must declare again the liberty of the American economy.

Our ancestors rebelled against a foreign dominion over their earnings and commerce. We commemorate them best and serve ourselves better by resisting a domination no less alien because it comes from within.

They proclaimed: No taxation without representation. We must demand: No taxation without tax justice.

The Americans of 1776 defied the loyalists of tyranny; the Americans of 1976 must defeat the lobbyists of privilege.

The struggle may be a matter of many years, as it was in the begininng. But let it be a bicentennial resolve that we shall reach the point where no worker will pay a higher portion of income for taxes than any of the wealthy. This does not mean the division of society, class against class, but the unity of all Americans of every status, each in giving a fair amount to the support of self-government.

Only then can we resume the oldest of our national efforts: To increase the meaning and measure of liberty in the lives of our people.

In order to free millions of our families from a forced neglect of illess and unaffordable costs of treatment, we must have fair taxation to finance and deliver an assurance of health care.

In order to free a portion of our population, and the next generation of their children, from that other, deprived America, we must have fair taxation to guarantee employment for all who can work and minimal income for those unable to work.

Just as the colonists had to win their freedom from a king who scorned their petitions, so we must widen the writ of freedom in the face of entrenched interests.

We must dissolve or discipline the economic concentrations which raise the price and reduce the standard of our living. Persistent inflation robs the people of their earnings and undermines the economic foundation of a free society. We must undo a military-industrial complex which lavishes our resources on excessive weapons, weakens our prosperity by useless production, and wagers the peace on an arms race which leads only to greater danger and degradation.

The needs of a continuing American revolution are indivisible: We cannot meet some and set others aside because they may be more difficult. Our ancestors could not trade with all nations so long as they were the colonies of one empire. For us, the cost of military overkill or a capital gains deduction is that we deny work to the jobless, health for the sick, and an end to the pollution of our neighbors.

There are limits. It is true that this society cannot be, this Government cannot do, everything. But it is a deception to say, it is self-defeating to believe, that we cannot become anything very different or very much better than what we have been.

New priorities and more humane policies have been the hope of the past decade. They must become the pledge and proof of an authentic Bicentennial. They alone can lay the foundation of a revolution for further liberty—from the tyranny of militarism and monopoly—and from that more nearly ultimate tyranny—the early death of malnutrition, joblessness, and untreated disease.

And as we seek to enrich our freedom, we must prevent the erosion of first and fundamental rights. It is a sad but essential thing to have to declare again the bill of those rights.

In the end, liberty is sustained as it was secured at the start—by the votes and vigilance of citizens. Government will be no better than what we expect of it—and it often will be as bad as the worst we accept from it. Public officials may disdain conscience or disobey the Constitution, but politicians do follow the election returns.

So by our votes we must hold these principles to be evident now:

That it is the truth which makes us free—that in a democracy, no campaign, especially for the Presidency, and no foreign policy, especially the waging of war, can excuse the telling of lies to the people and their elected representatives.

That Government is supposed to listen to Americans, not to listen in on them—that the White House should not be a den of eavesdroppers, the FBI should not be an agent of blackmail, and law and order cannot be kept by committing crimes.

That tax returns should be a method of reporting income to the Government, not a means of punishing opposition—that public authority should regulate social order, not personal choices—that all of us have an unalienable right to do or be what we seek so long as we do not restrict the rights of one another.

Who among us would dare to deny these principles—which should be as obvious to Americans as they are ancient to America? Most of us revere them now, for we recently and painfully learned them anew. But will we remember them the next time it happens here?

And there will be a next time, when we will be tempted and taunted to distrust each other's patriotism, to suspect each other for the diversity of our color and our convictions, of our ages and accents, or even of our dress and music.

That time may come again as soon as this Bicentennial Year, for it is also an election year which could become an occasion to exploit racial fear, economic insecurity and international rivalry. Let us celebrate the revolution, not desecrate its most sacred values: let us reject easy deceptions, irrelevant issues and promises which are made to be broken—and which cannot and should not ever be kept.

The rights of Americans are a seamless web. The strand which is trampled underfoot by standing in schoolhouse doors or killing Asian and latin revolutionaries is the same invisible strand which secures the doors of an office in Watergate—or a home in South Boston. Any lock can be picked: and if the rule of law and the claims of decency are subordinate to convenience, then none of us will be safe in our possessions and our rights.

Thomas Jefferson wanted to be remembered, not for his presidency, but for his authorship of the Declaration of Independence, the Virginia statute on religious liberty, and the University of Virginia. Like Jefferson, we must value first principles above winning by expediency or the holding of any office of politics. There would not have been a Declaration of Independence without the wellspring of the judeo-christian ethic. And today we cannot renew the American spirit without reaffirming the moral underpinning of our society and our politics.

And as we seek to form a more perfect union among ourselves, we must assume a more appropriate place among the powers of the Earth. We have been taught in tragedy a truth which should have been self-evident: freedom is not something which is forced upon others.

They may choose their own definition of freedom, or a distinct vision of their future. That is their right—and it is not our responsibility.

"A decent respect for the opinions of mankind" requires recognition that for much of humanity the names of Marx and Lenin, Mao and Chou, Ho Chi Minh and Madame Binh, Castro and Che Guevera, Lumumba and Nyerere evoke the same images of patriotism and high purpose that come to us at the mention of Washington and Adams, Jefferson and Madison. The proper goal for us is not a world molded in the American image, but in President Kennedy's perceptive phrase, "A world made safe for diversity." And this requires both the strength of humility and a measure of restraint.

We cannot pay any price, no matter how much: we cannot reach every goal, no matter how minor.

America must be known no longer as a gunrunner to dictators, a bomber of villages, a plotter of coups. For the rest of humanity, the USA must no longer mean CIA.

For this great and good land has values to offer other than firepower and fear. The manipulators of power warn that a foreign policy of principle is not practical. But another decade of expediency over principle and we shall be undone.

Neither interventionist nor isolationist, let us be internationalists, protecting the legitimate interests of our security and pursuing the indispensable interests of the human community.

We have a vital stake in the security of Western Europe and the Pacific sea. We have an essential role in the making and maintaining of a settlement in the Middle East. We could flee these obligations if we would only at our peril.

We have the most basic interest in détente with both the Soviet Union and China, whatever their mutual hostility toward each other and our separate disputes with either of them. To link détente with lesser issues is to hazard Armageddon for the sake of an Angola.

And in that hemisphere which is our home, and toward that half of the planet which is ill-housed, ill-clad, and ill-fed, let us follow our own decent traditions instead of imitating the worst instincts of others.

When we are tempted to match the heavy foot of others in emerging Africa, let us recall that those who tread too roughly invite ultimate rejection and isolation.

America's strength lies in the infection of our ideals and in the sharing of our resources and techniques.

We have six percent of the earth's population. We hold thirty percent of the world's wealth. Yet, today we contribute less than a quarter of one percent of our national product to the development of the world's poor. We must be more than the least help of that earth, for which we once were the last, best hope.

We must reduce our foreign aid of weapons to control people and increase technical aid to control population. We must send plowshares for farming instead of spending resources for payoffs to corrupt regimes.

Coming to you with vivid images of a January tour through the villages of Pakistan and the bustees of Dacca and Calcutta, I am pained by the awesome gap of existence between them and us. There too many must live—and die—by bread alone because there are too many people and too little bread.

And their condition threatens our own. The world cannot permanently continue partly in prosperity and mostly in poverty. The cost of their despair will be international terror and instability.

Morality and prudence alike command the endeavors of development: having enough to spare, we have an obligation to share.

The true spirit of America is to be honest with ourselves and with our fellow humans. The admission of a mistake is the condition of its correction. One act above all else would signal a return to the ideals of our revolution: not a begrudging pardon of the war resisters, who were right, but their unconditional readmission to their country, which was wrong. We must assess and change mistaken policies: we need not belabor any person, least of all the young men who followed their conscience into exile or prison.

And the reconciliation between those who opposed the war and those who supported it must be joined by the reconciliation and reconstruction of Vietnam. This suffering little nation—bleeding from thirty years of war at the hands of Japanese, French and Americans—is eager for a rational relationship with us and the rest of the world. After the Second World War, we joined in the reconstruction of the vanquished. The question now is whether we can be as magnanimous in defeat as we were in victory. One fact is clear: we cannot wash away the guilt of our Vietnam tragedy except through the spirit of reconciliation and the works of reconstruction. This is not only in our self-interest—it is necessary for our souls and our standing in the human family. We need to pursue that unfinished agenda of Vietnam with the tenacity brought earlier to ending the war.

If a willingness to confront our errors is in the spirit of America, so is a capacity for imagination and innovation always rooted in those simple values of decency and common sense. Our economy is no more fated to decline now than it was to remain paralyzed in the depression of the 1930's. The return of prosperity and peace now requires a politics which does not claim a neat set of nostrums—which admits uncertainty and ventures innovation. George Washington lost more battles than he won, but in the end he found the way. So did Franklin Roosevelt. And so will we—if we reject disproven assumptions and the groundless fear of innovation—if we at least will suggest and test reforms such as public ownership of certain resources and the building of peace through law.

Half a century ago, Walter Lippman observed:

"We are trying to be too shrewd, too clever, too calculating, when what the anxious and suffering peoples cry out to us for is that we practice the elemental virtues and adhere to the eternal verities. They alone can guide us through the complications of our days . . ."

That is what I believe to be the message of the Bicentennial and that is what will give meaning and purpose to our lives.

MRS. J. WESLEY BEASLEY

Mr. THURMOND. Mr. President, each of us during our lives leaves a mark upon those around us and the hope is always that this bequest will be of lasting benefit. Such a life of beneficence toward all who knew her was that of Mrs. Lois Long Beasley of Lamar, S.C., who died January 16 at the age of 72.

She was an exemplary lady who knew and practiced the qualities of grace and gentleness. It can truly be said that the charity and kindness of her words, as well as her deeds, are a lasting legacy to her family, her friends and her community. No more could be asked of kith or kin than these attributes of compassion and high personal standards.

Mrs. Beasley was the wife of J. Wesley Beasley and, together, they have been so much a part of their community.. Her death is a great loss to the many people whose lives she touched. Yet the affection with which she is remembered is the measure of her standing and influence to succeeding generations.

Mr. President, in this world of haste and expedience, it is an inspiration to know a person of such quality and high purpose. Mrs. Beasley was a devoted church member and community leader. She had lived in Lamar most of her life although she grew up in nearby Darlington and had lived in Marion and Woodruff, S.C.

An alumna of Newberry College, she began a teaching career at Oates, near Lamar, where she devoted herself to education and youth until her marriage. It was a lasting interest she was to bring to her family in the years that were to come.

Mr. President, I extend my deepest sympathy to Mr. Beasley on the loss of his wife and to all members of her fine family. She is survived by her two sons, Lewis Edward Beasley, of Annandale, Va., and Richard "Dick" Beasley of Darlington; one daughter, Mrs. Belva B. Few, of Greenwood; five sisters, Mrs. Marvin (Virginia) Adams, of Bennettsville, S.C., Mrs. W. W. (Lucile) Wannamaker, of St. Matthews, S.C., and Saluda, N.C., Mrs. Roger (Dorothy) Council, of Orangeburg, S.C., Mrs. John S. (Jessie) Rice, of Danville, Va., and Mrs. Dean (Mildred) Parmelee, of Coconut Grove, Miami, Fla.; eight grandchildren; and one great grandson.

At the time of her death several articles and tributes were published in newspapers of the area. I ask unanimous consent that a representative article and an editorial which appeared in the News and Press of Darlington, S.C., be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Darlington (S.C.) News & Press, Jan. 22, 1976]

Mrs. J. Wesley Beasley of Lamar Dies

Mrs. Lois Long Beasley, 72, of Lamar, wife of J. Wesley Beasley, died Friday afternoon in a Darlington hospital after a long illness.

Funeral services were held Sunday afternoon at 3 o'clock in the Lamar United Methodist Church, conducted by the Reverend Royce Tyler. Interment was in the Wesley Chapel United Methodist Church Cemetery, directed by Kistler Funeral Home of Darlington.

Mrs. Beasley, daughter of the late James L. and Georgia Mae Anderson Long, was born in Woodruff but was reared in Darlington. She had also lived in Marion and had a summer home in Hendersonville, North Carolina. Mrs. Beasley attended Newberry College and taught school at Oates prior to her marriage. She was a member of the Lamar United Methodist Church and a member of the Ladies Bible Class of the church.

Surviving in addition to her husband are two sons, Lewis Edward Beasley, of Annandale, Virginia, and Richard (Dick) Beasley of Darlington; one daughter, Mrs. Belva B. Few, of Greenwood; five sisters Mrs. Marvin (Virginia) Adams, of Bennettsville, Mrs. W. W. (Lucile) Wannamaker, of St. Matthews and Saluda, N.C., Mrs. Roger (Dorothy) Council, of Orangeburg, Mrs. John S. (Jessie) Rice, of Danville, Virginia, and Mrs. Dean (Mildred) Parmelee, of Coconut Grove, Miami, Florida; eight grandchildren; and one great grandson.

The family suggests that friends may prefer to send memorials to the American Cancer Society or the Lamar United Methodist Church.

Active pallbearers were Dr. Sidney Griffin, Richard Reynolds, LaFoye Watford, Daily Harris, Jack Ham, Morrell Thomas, Harold Segars and Ronnie Oates.

[From the Darlington (S.C.) News & Press, Jan. 22, 1976]

In Our Opinion

MRS. BEASLEY

She was the kind of person for whom the word "lady" was intended.

As Mrs. J. Wesley Beasley was laid to final rest Sunday it occurred to some who gathered in the cold January wind at her graveside that her passing took from our midst one who had elevated womanhood to its finest station. A gentle lady, soft of voice with an elegant quiet dignity in her bearing which bespoke of her Southern heritage, she was always thoughtful, kind and considerate.

And all of these lovely attributes, sadly enough, are a gathering rarity in this generation of woman's battle to gain masculine equality.

CHILD AND FAMILY SERVICES: FALSE INFORMATION HURTS VALID DEBATE

Mr. ABOUREZK. Mr. President, there has been a great deal of recent controversy about S. 626, the child and family services bill. Unfortunately, an unsigned "smear sheet" containing completely false information about this proposal has received wide circulation.

Like many of my colleagues, I have received numerous letters from concerned constituents, alarmed at what they had read. Once lies and false attacks have received wide distribution, refutation and emphasis on the real issues becomes all the more difficult.

For that reason, the Rapid City, S. Dak., Journal has performed a valuable service in pointing out in a recent editorial that repeating the discredited information obscures the real debate which should be taking place about day care and services available to families.

I am a supporter of S. 626. But there are no doubt improvements that could improve the legislation and policy and economic questions which must be fully explored. That is the point made by this excellent, well-reasoned editorial, and I commend it to my colleagues.

Mr. President, I ask unanimous consent that the text of the editorial from the Rapid City, S. Dak., Journal, January 5, 1976, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

False Information Hurts Valid Debate

Things are not always what they seem.

That's the case with a widely-distributed leaflet which seeks to whip up opposition to child-care legislation now pending in Congress.

The leaflet cites nonexistent provisions in the bill and asserts the proposal would give the government, not the family, basic responsibility for bringing up children.

Some of the material in the leaflet is drawn from what opponents said during debate on a similar bill in 1971. Other material suggesting the bill would give children the right to disobey their parents is drawn from a proposal unsuccessfully promoted several years ago by a British group. It has nothing to do with the bill which has been introduced in Congress.

Primary sponsors of the bill have called the leaflet a deliberate attempt to spread false information.

Opponents of the child care bill say the scare campaign is hurting their cause because it affords the opportunity for proponents to label all opposition as being ultraconservative and coming from "kooks."

There seems to be enough reasons for solid debate on the child care bill without injecting false information into the discussions.

The proposed legislation would provide federal funding to support many types of comprehensive child-care programs. It carries a $1.85 billion price tag for the initial three years.

Sponsors have stressed participation in any child care program funded under the bill would be completely voluntary and parents would make up half of the membership of any group setting policies for these programs. The bill also states the family is the primary influence on child development and bans any interference with the "moral and legal rights" of parents.

Opposition to the bill centers around its stated cost and what it could escalate to; the belief the American people have not reached a consensus that the federal government should provide the kind of mass developmental day-care for pre-school children envisioned in the bill; that the federal government should not be in partnership with parents in the rearing of children and that regulations devised to implement the bill may go beyond the intent of the legislation.

The valid issues advanced by both proponents and opponents of the bill seem to furnish enough fuel for valid debate on the Child and Family Services Act. Persons who wish to express their opinions to their congressmen, should be sure they are based on solid information rather than an unfounded piece of propaganda circularized anonymously.

CONSTRUCTION OF A TRANS-ALASKA PIPELINE

Mr. STEVENS. Mr. President, recently former Secretary of the Interior Walter Hickel strongly endorsed the construction of an all-Alaska route to transport the estimated 26 trillion cubic feet of natural gas in Alaska to the continental United States.

In endorsing the all-Alaska route, former Secretary Hickel noted that not only would Alaska's gas get to U.S. markets quicker through the construction of an all-Alaskan route, but the United States would be better off by retaining control of its own resources.

Former Secretary Hickel, who has also served as Alaska's Governor, made an important point when he said that Alaska could use its royalty share of the gas coming through an Alaska line for the development of a petrochemical industry which would serve Alaska and indirectly the rest of the Nation well in years to come.

Mr. President, because the Senate will begin consideration of the question of the natural gas reserve situation, I commend Mr. Hickel's comments, which were reported by the Seattle Times, to my colleagues.

I ask unanimous consent that the article. "Hickel Backs Gas Pipeline" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HICKEL BACKS GAS PIPELINE

(By Stanton H. Patty)

Construction of a trans-Alaska pipeline for Prudhoe Bay's natural gas has been given a strong endorsement by former Interior Secretary Walter J. Hickel.

"An all-Alaska route for the pipeline would be in the best interest of Alaska, the Pacific Northwest and the nation," Hickel said.

Hickel was here last night to address the Northwest Forum, a group of 100 top Seattle-area business leaders.

The occasion was the kick-off of a fund drive for the new Alaska Resources Development Committee, a unit of the Alaska Committe of the Seattle Chamber of Commerce.

Two proposals have been advanced for transporting the huge reserves of natural gas from Prudhoe Bay.

El Paso Alaska proposes to pipe the gas in a corridor generally paralleling the trans-Alaska oil pipeline to a port in South Central Alaska. There it would be converted to liquefied natural gas and carried to California in a fleet of tankers.

An American-Canadian consortium called Arctic Gas wants to move the gas by pipeline across Canada to the American Midwest.

Hickel, a former governor of Alaska, said the trans-Alaska route "makes more sense."

"Just to pump the gas out of our state would be folly on our part . . . and a waste of its highest and best use," he said.

"In my opinion, the destiny of Alaska should be linked not so much with oil and gas, but with their by-products."

Hickel believes that a trans-Alaska gas line to tidewater would result in a major petrochemical industry for Alaska.

"We could take our (the State of Alaska's) royalty gas at tidewater and start a petrochemical business," he said. "This won't happen if that gas goes through Canada."

Hickel also is convinced that the United States would be "better off" by retaining control of its resources.

"Recent history has shown what even our friends will do when it comes down to an economic crunch," he said. "We can't blame them for looking out for their own best interests."

The competing proposals are before the Federal Power Commission.

The Northwest will benefit significantly from the trans-Alaska route for the gas pipeline, Hickel said.

"The gas will get here quicker (through existing pipeline networks from California) and a great amount of shipping for building the pipeline would go through the Port of Seattle," he said.

On another subject, Hickel was cool to suggestions in Alaska that the terminal for the Alaska state ferries be moved from Seattle to Bellingham.

"When I made the decision (as governor) to come into Seattle in 1967, it made the best economic sense," he said. "It still appears to be a good decision."

FINANCIAL STATEMENT

Mr. STEVENSON. Mr. President, in accordance with my longstanding practice of publicly disclosing all my economic interests, I have prepared the following consolidated financial statement for my wife and myself as of January 1, 1976. I update these statements periodically, and copies are available to the public in my Senate offices.

Mr. President, I ask unanimous consolidated statement be printed in the RECORD.

There being no objection, the financial statement ordered to be printed in the RECORD, as follows:

CONSOLIDATED FINANCIAL STATEMENT OF SENATOR AND MRS. ADLAI E. STEVENSON, JANUARY 1, 1976

REAL ESTATE	
Home, Washington, D.C. (cost)	$125,000
One-third interest, residence, Beverly, Mass	55,000
Interest in farms (including farm equipment and livestock), Jo-Daviess County, Ill	519,139
Fractional interest, Fisk Building, Amarillo, Tex	3,200
Fractional interest, 1776 Pennsylvania Ave., Washington, D.C.	20,000
Fractional interest, 633 Folsom Street, San Francisco, Calif	12,000
Real Estate—St. Maarten Island 10 percent undivided interest in real estate, Tiburon, Calif	66,195
STOCKS AND BONDS	
12,640 shares, Evergreen Communications, Inc. (publishes Bloomington, Ill. Daily Pantagraph, operates WROK, Rockford, Ill. & WJBC, Bloomington, Ill., owns 10 percent of Bloomington, Ill. CATV)	164,573
3 shares, Bloomington Broadcasting Corp., Class B, non-voting	1,500
533 shares, KBA Townbuilders Group Ltd., Tel Aviv	550
34.1 shares, R.R. Leaseholds, Inc	500
State of Israel Pond	500
(Market value as at 12/31/75)	
300 shares of General Electric	13,836
83 shares I.B.M	18,613
69 warrants Lin Broadcasting Corp	103
400 shares McGraw Edison	9,000
100 shares Union Carbide Corp	6,112
210 shares Xerox Corp	10,676
700 shares U.S. Reduction	13,384
500 shares Allis Chalmers Corp	6,000
LIFE INSURANCE POLICIES	
(Current cash surrender value)	
United Services Life Insurance Co	1,409
2 Northwestern Mutual Life Insurance Co	18,156
Continental Assurance Co	4,122
Civil Service Retirement System	17,458
CASH	
Less current obligations	1,000
MISCELLANEOUS	
Personal property, including securities of nominal value, furniture, cars, paintings and clothing	65,000
Total	1,161,026
DEBTS	
Mortgage on home—Perpetual Federal Savings & Loan Association, Washington, D.C	73,616
Mortgage on farm—Charles J. Calderini	66,000
Farm Purchase Contract—Ralph Virtue	190,000
Note payable to Elizabeth, Ill., State Bank	5,000
Note payable to Continental Assurance Co	4,041
Note payable to Brown Brothers Harriman	25,000
Total	363,657

THE POLITICAL CONDITION IN LEBANON

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the following article from the London Economist of January 24, 1976, be printed in the RECORD. It describes, to an extent, the political condition in Lebanon at one point in the tragic civil war.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FACELESS WRECKERS

Lebanon, as it once was, is gone. Even if the worst—the spread of the civil war to a full-scale Arab-Israeli war—is averted, the disintegration of this tiny country through savage communal brutality is a tragedy for all Arabs. Lebanon's contribution to the Arab world was freedom: Arabs arriving in Beirut from their own more tranquil, often more attractive, but far more restrictive capitals would gulp the breath of liberty. Lebanon offered freedom to speak, write, worship, politicise, conspire. It was also harshly competitive and inequitable. Its society called out for reform. Instead it is being smashed to pieces.

It is being smashed mainly because the Lebanese Christians, the country's dominant faction, have become a minority—their lower birth rate and higher emigration rate means that they now account for about 40% of Lebanon's estimated 2.5m people—and deeply fear the consequent erosion of their power. It is a pattern that in different guises could recur, and has recurred, in other countries. In Lebanon the Christian militants are not, according to all the evidence, supported by the majority of their own faith, who for years have lived peaceably alongside Moslem neighbours and would dearly like to do so again. But the militant leaders fear that any change, however slight, to the constitutional arrangements that some 30 years ago gave the Christians a permanent administrative edge over their Moslem fellow-countrymen would signal the start of a slide towards a Moslem state. In preference to this, the most militant would chop this small country into two even smaller parts. True, no single leader has yet said publicly that partition is his aim; on the contrary, they have all said that it is not. But the pattern of the fighting over the past three weeks is plainly directed at the consolidation and, within Beirut, the expansion of Christian-held territory. So far, it has been largely successful.

The fighting, with pauses for resuscitation, has been going on, mainly in Beirut, for nine months. To date there have been about 25 ceasefires: some have held for a few weeks, some for a few days, some, including the most recent, have gone unheeded. The new and more ominous stage began early this month when Maronite militiamen launched their attack on Palestinian refugee camps—Tal Zaatar, Jisr el Pasha and Dbayed—and later on Quarantina, a poor Moslem enclave near Beirut port. This consolidated the Christian area of Beirut and protected its approaches from the Christian hinterland. The response by the combined forces of Moslems, Druzes and, by attacking Christian enclaves, has played straight into the hands of those Maronites who secretly support partition. Some 250,000 Christians live in Moslem or Druze areas; their lives are at risk but their expulsion and resettlement is pivotal for any partition scheme.

PARTITION'S ROUGH FOR BOTH

Would partition work? Leaving aside, for the moment, the threat of outside intervention (first from Syria, then from Israel) the two rump states would be hard put to it to survive, let alone prosper. Lebanon's pre-civil war prosperity (or rather the prosperity of some Lebanese) was based on the services and the security that the state could offer. Those Maronite extremists whose target appears to be partition must believe that a minuscule Christian state perched between Mount Lebanon and the Mediterranean could manage on its own. But would the foreign banks, companies and tourists that have provided Lebanon's gold share this optimism? Many of them have, in any event, left for good. Those who might be enticed to stay or to return are even less likely to respond if they are invited to a Christian enclave surrounded by a growling Arab world. Israel was the consequence of a UN decision in 1947 to partition the Palestine mandate; its battle for survival has led to three major wars and the end is not in sight. A Christian mini-Lebanon would be less alien to the Arabs than the Jewish state. But what support could it get from outside to approach Israel's from America?

The Arab world threatens more than a growl. Syria's foreign minister has said that either partition, or a decisive threat to the 300,000 Palestinians whose only home is Lebanon, would be taken by Syria as cause for armed intervention. Israel's defence minister, Mr. Shimon Peres, has reiterated his government's stand that intervention by Syria would lead to defensive measures by Israel—which is generally understood to mean that Israel would annex southern Lebanon up to the Litani river. Both Israel and Syria have pulled surprises in the past, but both countries have reasons not to act in a way that makes war between them inevitable. Israel has long been tempted by the strategic advantages of annexing south Lebanon; these would, at one and the same time, destroy the Palestinian guerrilla bases in the region and offer a side route into Syria. Against this, Israel is held back by the knowledge of the fearsome casualties that Syria has the power to inflict—and by the uncertainties of its present relationship with the American government.

In fact both Israel and Syria are puffing cool air at the erupting volcano that lies between them. It was an Israeli spokesman who this week dismissed as "highly exaggerated" the claim by Lebanon's minster of the interior, Camile Chamoun, that there had been a massive invasion across the Syrian frontier by members of the Syrian-controlled Palestine Liberation Army. Mr. Chamoun, a powerful Maronite chieftain, is a master of deviousness. As Lebanon's president in 1958 he called for, and got, American troops whose presence, sunning themselves on the beaches, helped to bring a less savage civil war to an end—but peace was achieved only when Mr. Chamoun was replaced by the late General Chehab, a greatly respected commander-in-chief. Now, admittedly at a time when he was besieged in his seafront fortress at Saadiet, Mr. Chamoun winged a plea to the United Nations alleging invasion by Syria and calling once more for outside intervention. He spoke of a UN or friendly western force; his enemies allege that since Israel is the only outsider likely to intervene against Syria, his plea was directed to Jerusalem.

At the combined instigation of Mr. Chamoun and Lebanon's President Franjieh, the Lebanese army and air force at the end of last week intervened openly on the side of the Maronite militia. The intervention was a political gesture, without military significance. It has had major consequences. It contributed to the prime minister's decision at the weekend to throw in the sponge. Mr. Rashid Karameh is a tough character who has fought hard against the leftists in his own Moslem camp for one ceasefire after another, plus a very moderate reform in the power-sharing formula.

A more ominous consequence of the army's intervention was its effect on the PLA, the 6,000–10,000-strong force of regular Palestinian soldier who in practice, although not in theory, come under Syrian army command. Mr. Chamoun was wrong, or at worst premature, in claiming that thousands of PLA men had crossed the frontier. But a sizeable number have moved from their base in southern Lebanon to join up, in the Bekaa valley, with other units from Syria. As yet the Lebanese army and the PLA have prowled round each other in the Zahlé area. The danger would be when the PLA units cross the mountains and advance towards the coast.

The Syrians want such a battle, and its possible consequences, even less than the Israelis do. Syria's foreign minister and chief of staff have both been in Beirut this week pursuing a ceasefire that has a chance of sticking. One of the many problems is that the Palestinians now claim that there is no Lebanese authority sufficiently neutral to supervise a ceasefire and that they will obey only if it is personally supervised by Syrian army chiefs. On Thursday President Franjieh's spokesman announced the formation of a joint Lebanese-Syrian-Palestinian military committee to set the conditions for a ceasefire, and one was arranged for Thursday evening. This is the first time that the Syrians have been formally linked to a peacemaking effort. But, given the new level of hatred, it is doubtful whether the fighters will heed the call.

BRING IN THE PATRIARCH

The hope of saving what remains of Lebanon lies with those Christians who do not follow their co-religionists to the desperate point of partition. It could already be too late. But the first act, which can originate only from them, is still to get rid of President Franjieh, who has played a devious part second only to Mr. Chamoun's and an idle one second to none. There is now no man of Chehab's calibre to replace him. But there are a number of Christian leaders who have shown that they put their country's salvation, and its unity, before sectional interests. Chief among these is the Maronite Patriarch, Monsignor Antonios. The Lebanese are not suddenly going to stop killing one another. There has first to be a man at the top whom the moderates on both sides can trust. Then they can start the long slow process of hauling their extremists back from the business of killing.

TWO CHEERS FOR COMPETITION

Mr. HARTKE. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Two Cheers for Competition" by Mr. John D. deButts which appeared in the Bell Telephone magazine.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWO CHEERS FOR COMPETITION

(By John D. deButts)

I trust you will not think ill of me if I ask you to *think* with me. Thinking is an arduous and sometimes painful process. It requires that we beware of generalizations and distrust rhetoric. Above all it requires that we make discriminations among circumstances, recognizing that to the same question there may be more than one right answer and that what is sauce for the goose may not *always* be sauce for the gander.

Now what I invite you to think about is the governance of the U.S. economy and I do so because, unless we do think about it decisions may be made in our behalf over the months ahead that we may one day come to regret.

The President has committed his administration to a thorough-going review of the role of government regulation in our society. He wants to restore the discipline of the marketplace to those sectors of our economy where bureaucratic controls, whatever their original merit, have served to stifle competition, slow innovation, and protect inefficiency. He wants vigorous enforcement of the antitrust laws. He wants his administration to take a hard look at what he calls government-sanctioned monopolies and government-enforced cartels. And he wants to cut red tape.

Summing up his philosophy recently, the President told a business audience that it was his aim "to get the Federal government . . . out of your business, out of your lives, out of your pockets, and out of your hair."

As you might imagine, his audience came up cheering.

I cheered, too—and so I imagine did nearly every businessperson who heard or read the President's words. My cheers, however, stopped short of the traditional three we give for sentiments with which we unreservedly agree. For ready as I am to give two cheers for the competition the President so vigorously endorses, one cheer I must reserve for an institutional arrangement for which in all the President's speech I could not find one mention of support—regulated monopoly.

I am a monopolist. I head a business that for the better part of its near 100-year history has been recognized as a natural monopoly and therefore franchised to purvey its services within its assigned territory virtually without competition.

But I am not—and here comes one of those precise distinctions I urged upon you at the outset—I am not a monopolizer. Nor could I be one if I wanted. I could not because the Bell System—its prices, its profits and virtually every aspect of its performance—is pervasively regulated at both the state and Federal level and has been for more than 50 years. That's the way it should be.

At the same time, I am—as one of my

predecessors professed himself to be—a free enterpriser from my socks to my hat. I have in fact been something of an evangelist for enterprise of late. I have been marching up and down the land making speeches deploring the apparently inexorable growth of the public sector in our economy and the evermore pervasive influence of government in areas of decision that not long ago were acknowledged to be the province of the private sector. I am not an alarmist. Now I am not so fanatical in my commitment to our free enterprise system as to see its doom in every regulation government proposes. I recognize that the times are too dangerous and the world we live in too complex to entrust the future *entirely* to the random interplay of self-interest. What concerns me, however, is that, if present trends continue, they may very well carry us past that indefinable but nonetheless very real tipping point beyond which what hopes we have of restoring what I have come to call the crucial balance between the public and the private sector may be lost beyond recovery. If that happens, we shall have set our country on quite a different course than the one we've followed for the past 200 years.

Now there *are* those who profess to see a contradiction between my advocacy of regulation for some sectors of our economy, including the one in which I happen to reside, and the evangelizing I've been doing on behalf of business freedom. I could dismiss those allegations. I suppose, with the observation that "a foolish consistency is the hobgoblin of little minds." I could but I won't. What will, I trust, make me in your eyes an honest man is that I espouse competition where it will best serve the *public*. And I espouse monopoly on *precisely* the same grounds.

First of all, I have no quarrel with the long-standing national policy that establishes competition as the dominant mode of our economy. To my mind, competitive industry and the free market remain the best way of getting society's work done efficiently—most of it anyway.

Having said that, however, I must go on and say that competition for competition's sake seems to me an insufficient guide to public policy. It is not unreasonable, I think, to suggest that there are some sectors of our economy—most of it—when competition makes sense and somewhere it doesn't and we do ourselves a disservice if we let rhetoric—either the rhetoric of enterprise or the rhetoric of self-appointed guardians of the public interest—becloud the hard thinking it will take to decide which is which.

Therefore, I welcome the President's proposed reexamination of the role of regulation as an opportunity to set that hard thinking afoot. At the same time I am concerned that in this gathering wave of enthusiasm for restoring competition and curbing bureaucracy the possibility may be overlooked that in particular circumstances that may be wholly the wrong prescription.

It is the wrong prescription for the communications business.

In our industry, we believe competition—or, more precisely, regulated competition that is, in effect, a government-imposed allocation of the market—is adverse to the interest of the public. This development, should it continue, will impair service by fragmenting responsibility for service and adding to its costs.

Consequently, we have opposed this trend. We have opposed it because it contradicts our business' basic goal and that is the widest availability of high-quality communications service at the lowest cost to the entire public.

To promote that goal, our aim and the aim of most regulators throughout the long history of regulation has been to keep charges for residence exchange service as low as possible. To that end, we have looked to other services—long distance, private line services, extension phones, etc.—to produce revenues sufficiently above their costs to help meet the common costs of all our services. Deprived entirely of this contribution, the price of residence service would increase sharply, in some places nearly double. The consequences for those on low fixed incomes I do not need to spell out.

In any case, we in the telephone business do not propose to acquiesce in the retreat from universal service that current regulatory trends forebode.

I do not want to be misunderstood. We have no doubt about our own competitive capabilities. We have vigorously opposed a further extension of competition in our industry simply and only because it would hurt the public at large. At the same time, we have pleaded that, if after full consideration of the consequences, competition is mandated, we be allowed to compete with the same ground rules as everybody else.

Which brings me to my point. We need to distinguish, I submit, between the kind of Regulation—capital "R" if you will—that public policy has long ago decreed should rule in those sectors of industry where competition doesn't make economic sense and the host of regulations—small "r"—that increasingly over recent years have encumbered all of industry with excruciatingly detailed reporting requirements, unrealistic standards, and higher operating costs. It would be regrettable, it seems to me, if in our impatience to be rid of the latter we undermined the former and thereby risked having to learn all over again the lessons we learned the hard way almost 100 years ago.

What is needed is a touchstone that—sector by sector—will tell us what kind and degree of governance, including none at all, will work best in each. That touchstone is the consumer's interest.

And just what is the consumer's interest?

Margaret Thatcher, the forthright leader of Britain's Conservative Party, thinks she knows and I confess I am quite taken by her views and the succinctness with which she expresses them.

"Private enterprise," she says, "is by far the best method of harnessing the energy and ambition of the individual to increasing the wealth of the nation; for pioneering new products and technologies; for holding prices down through the mechanism of competition; above all for widening the range of choice of goods and services and jobs."

Innovation, economy, variety—these to my mind are the main essentials of the consumer's interest. And that we enjoy them to the extent we do in this country we owe in the main to the operation of our free enterprise system and the scope for incentives it provides.

But, is the "mechanism of competition" an essential prerequisite for innovation, economy, and variety in every sector of our economy?

Let's consider the telephone industry and its performance against these same three standards. Down through the years that performance has been spurred not by competition but by the clear and undivided responsibility for service that has been the industry's organizing principle.

In response to that principle, our industry has brought telephone service to virtually every American household and business. It has provided the nation with the most advanced telecommunications service in the world, one that is adaptable to a wider and wider variety of specialized applications. Its record of technological innovation is unmatched—for example, Telstar, the transistor, the solar battery, the laser, and electronic switching—and over the years since World War II has improved productivity at a pace nearly twice that of the national economy. While the rates of telephone service have risen somewhat in the past few years, that rise has been on the average less than half the rise in the consumer price index, and long distance rates are hardly more than they were 20 years ago.

In short, in the very attributes competition is supposed to enhance—in pricing performance, in innovation, in the availability and variety of its services—the telephone industry has far outpaced the general economy.

In this connection, it is interesting to note that the sponsors of the Justice Department's antitrust suit against AT&T profess not to know or care whether the price of telephone service would go up, down, or sidewise should they accomplish their aim of breaking up the Bell System. To them—apparently—competition for competition's sake is a sufficient aim.

But we should care—and so should those who in our behalf make the decisions as to how our economy will be governed.

In making those decisions, we—and they—need to be especially wary of the rhetoric of three classes of our fellow citizens—economists, consumerists, and even some business people.

I hope I will not be accused of treason to my trade if I tell you that most business spokesmen long ago learned that their audiences, usually fellow businessmen, reserve their loudest applause for the orator who in the course of the evening's program mounts the most muscular attacks on government encroachments on the freedom of business and its right to pursue profit as it pleases.

But most of them know better. Most of them know what I know—and that is that it would be an unhappy day for our country if business and government came to think of themselves as natural and irreconcilable antagonists. For most of them know, because they are pragmatic people, that our economy for a long time has been and will continue to be an overchanging mix of public and private enterprise. It is an imperfect mix. Improving it, however, requires—not antagonism—but rather an openness on the part of both parties—on the one hand to grant that more and more of what we used to call "our" business is the public's business and, on the other, that without a large measure of freedom, incentives die. Regulation and freedom are not opposites.

Now economists.

Economists exercise an uncommon influence in our affairs these days. We scan their prognostications for portents of things to come. We take their prescriptions for the development of our resources and the organization of our institutions with all the authority of science. Government and business alike look to economists to certify the merits of policy for vast sectors of industry.

It is with considerable temerity, then, that I venture to suggest that no more than any of the rest of us do economists have all the answers. I am emboldened to do so only because more an more of late that is precisely what economists themselves have been saying.

Maximum efficiency and optimum allocation of resources, the economists' "model" of reality holds, are the inexorable consequence of the interaction of competing entities, each seeking self-advantage regardless of the consequences to the others. It is by this model—the "free market"—that our laws judge the legitimacy of industry structure. This is the standard by which we appraise the performance of enterprise, applying it alike to sectors of the economy characterized by competition and to those that for one reason or another we exempt from it. What diverges from this model economists describe as "imperfections."

But does the model in fact describe reality? Does it work? To raise such questions is to risk scandal. But there may be greater risks in abandoning the economy to economists, among them the risk of impairing the potentialities of crucial sectors of industry that the economists' model doesn't fit and economic theory cannot satisfactorily explain.

For example:

Economic theory does not accommodate the prospect that there may be some "markets"—telecommunications to cite one—the development of which depends on the ability of customers to interconnect with one another. Were prices in such a market dictated by costs—as they would be in a "truly competitive" situation—those customers who can be served at least cost would be served first, while other customers, more remotely situated, might find the services forever beyond their economic reach. Price averaging, permissible only in a monopoly situation, brings the service within the reach of more customers and thereby creates economies of scale that yield a lower overall cost to all than would otherwise be the case.

In short, had the telephone industry remained fragmented in keeping with the competitive model dear to economists, the more remote, costlier-to-serve parts of the country might still to this day be waiting for service. And the value of service for those who have it would be curtailed for lack of the ability to reach— and be reached by—those who don't.

The economists have yet to explain how, if this situation prevailed, the aims of economy—the least cost for most—could ever be accomplished.

Over and beyond these considerations, economic theory does not take account of the fact that differentiating prices to customers in strict accord with the cost of serving them may not be appropriate to a social commodity—telephone service—that by its very nature requires that it be made available, to the limits of reason, to the entire public on equal terms.

One other consideration economic theory refuses to contemplate is the prospect that there may be some sectors of our economy so technologically complex and interrelated as to be quite simply unmanageable in the absence of unitary control. Constructing and operating and maintaining the United States telecommunications network is a precisely managed process requiring not only universally accepted technical standards and common operating and maintenance practices but highly refined calculation, instance by instance, of the interactions of each of its parts to all the others. Surely to leave the supply of telecommunications services to random interplay of "markets" for intercity circuits, for switchers, for terminal gear would be to invite chaos.

Consumerists are the third category of would-be shapers of the governance of our economy of whose rhetoric we need be wary. But first, let's make it plain that activism on behalf of the consumer is one of the healthier developments of our times—or can be. But blind activism doesn't help. Nor does the presumption, common to so many so-called consumer advocates, that any proposition forwarded by a corporation, particularly a big one, is just another rip-off of the innocent public and a manifestation of corporate greed.

Take, for example, the notion of charging for directory assistance that telephone companies here and there across the country have broached to their regulatory commissions and that regulatory commissions in seven jurisdictions have now approved.

In just about every jurisdiction where this proposal had been forewarned, it has been greeted by cries of outrage from consumerists. Our own protestations to the effect that the aim of this proposal was not and is not to increase revenues went very largely unheeded in the uproar. And so, too, did our rationale for making the proposal in the first place. All that came through was that the telephone company wanted to charge for a service heretofore free.

But directory assistance service isn't free. Except in those places where charging has been authorized everybody pays for it as part of his basic charge for service. But not everybody *uses* directory assistance. In fact, our studies show that a very small percentage of customers use a very large percentage of the service. The sole purpose of our plan, then, is to shift the burden of the rapidly rising cost of directory assistance from the general body of customers to the people who actually use the service or—in all too many cases—abuse it. Now that's a consumerist cause if I ever heard one—and why consumerists have not rallied to its support I'll never understand.

It is ironic, I think, that many of these same consumer advocates are among the most zealous advocates of government regulations—unrealistic environmental standards, for example—that impose costs on business and therefore on the public that the consumers themselves, were they represented, would make clear they are not ready to pay.

We in the Bell System can match our own credentials as consumer advocates against most of those who claim that role. And so, I believe, can most business people. Neither our business nor any other that I know of can prosper for very long by pursuing practices at odds with the interests of the public. Most of us in business want to do a good job—and most of us know that the ultimate measure of a good job is the quality of the products and services we provide the public.

It is a disservice, I think—not so much to business as to our country—to fall into the easy habit of dividing our economy into a public sector and a private sector, attributing to one the highest motives, to the other no other motive than self-interest. The private sector is bad because it is greedy and profit-seeking and the public sector is good because it provides for the welfare of the people. This simplistic distinction could lead us to some serious misjudgments. It ignores the fact that in the main it is the private sector that is the productive sector of our economy and that only as it prospers can the nation prosper and, in the long run, only as it profits can our social aspirations—the elimination of poverty, the improvement of the environment, and the enhancement of the quality of American life—be fulfilled.

I suggested that in thinking about the organization of our economy we distrust generalizations, be wary of rhetoric. Perhaps all I have accomplished is to make people wary of *my* generalizations and *my* rhetoric. I would count that as a small price, however, if at the same time I conveyed my conviction that the future governance of our economy—which sectors of it should be regulated and which should not, what chores we ought to assign to the public sector and which are best left to the marketplace—requires the most rigorous kind of thinking-through. This thinking-through is too important to be left to politicians, economists, consumerists—or even business people. It is a thinking-through in which every citizen should have a voice.

FEDERAL STUDENT LOAN PROGRAM: BRIGHT SPOT ON THE HORIZON

Mr. PERCY. Mr. President, at the close of the first session, the Senate Permanent Subcommittee on Investigations held hearings into the federally guaranteed student loan program. Testimony about the activities of some of the schools that have participated in the program was very discouraging. We learned that the Department of Health, Education and Welfare—specifically, the Office of Education—has not exercised due care in the administration of the program. Equally as distressing, some of the schools participating have had, as their first objective, an abiding interest in ripping off tens of thousands of dollars without providing students dependent on the loan program with a satisfactory education.

While our hearings focused on proprietary schools—those which are privately owned—it would be unfortunate to leave the impression that all proprietary schools are bad. I would not want to see some of the excellent proprietary schools tarred by the revelations associated with the schools on which our investigation centered.

Some of the better proprietary schools deliver a quality education which equips students with useable skills. An elightening magazine article to this effect appeared in the December 1975 edition of Fortune magazine. Entitled "Schools Where Students Pay To Learn Paying Jobs," it points out what can happen in good schools which, as the article says, "pay taxes rather than soak them up."

Mr. President, because this article is so timely, I ask that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Fortune Magazine, December, 1975]

SCHOOLS WHERE STUDENTS PAY TO LEARN PAYING JOBS

(By Charles G. Burck)

In view of the widespread dissatisfaction with the way education is preparing young people for jobs, the time has come to pay more attention to a kind of school that performs just this function exceedingly well. The country's most overlooked educational resource is its network of some 10,000 privately owned post-secondary vocational schools—let us call them, as the industry does, "proprietary schools," or "proprietaries." Because they are operated with exemplary efficiency, they earn a modest profit doing something that many public schools cannot do at all—sending graduates into the world with a marketable set of skills. And because they are private, proprietary schools *pay* taxes rather than soak them up.

Proprietaries have one fundamental common strength: they are market-responsive enterprises that must satisfy their consumers in order to stay in business. This may seem an obvious point, but education in the public sector does not labor under any such accountability. Richard A. Fulton, executive director of the Association of Independent Colleges and Schools, a business-school accrediting group, sums up the differences in two systems this way: "Public educators think of a school as a pile of bricks and mortar, a piece of real estate, professors and tenure, and, oh yeah—what about the students? The proprietaries start at the other end of the chain—what do the students want and how can I provide it for them?"

The proprietaries answer these two questions through pure and lean training programs that can typically get a student into a paying job within six months or a year. The cost per student-year is apt to be only about half as much as in public vocational schools, and students are willing to pay the full costs themselves. Tuition may run anywhere from a few hundred to several thousand dollars, but the successful students can recoup it from paychecks they would not be earning if enrolled in a free but dilatory public institution.

AND EVEN CHICK SEXING

This flourishing industry, growing in many different directions to meet the needs of the market, is so diverse by now as almost to baffle analysis. It includes everything from self-improvement courses, such as karate or transcendental meditation, to accredited four-year colleges offering a B.S. in business administration. The field with the most schools is cosmetology, which supports an estimated 3,000. The narrowest specialty must certainly be the one served by the American Chick Sexing School in Lansdale, Pennsylvania, which turns out virtually all the country's experts in the little-known craft of separating chicks into future hens and future roosters.

The nation's 300-odd correspondence schools constitute a field apart. They enroll some two million pupils, or two-thirds of all proprietary students, but that total is not as impressive as it sounds. Less than a third of the learning-at-home students complete their courses.

In a field as broad as proprietary education, there's obviously room for the best and worst that private enterprise can produce—including much that's frivolous or fraudulent. But when "Proprietary" is defined to encompass only the schools that compete with colleges for the high-school graduate, generalizations become more meaningful. The field thus narrowed includes some 1,300 schools teaching business skills, 5,000 trade and technical schools, and 400 of the so-called "allied health services" schools that train medical and dental assistants.

BRAND X IS FREE

Most of these schools are small "mom-and-pop" operations, run by individuals or couples who survive on slender profit margins by dint of hard work and ingenuity. A few years ago, when anything involving young people was considered a growth industry, a number of large corporations rushed into the business. Most of them rushed right out again after finding that they could not keep overhead low enough to turn a profit.

The proprietary entrepreneurs compete directly with junior colleges and community colleges that offer similar vocational education free of charge. That the proprietaries are able to survive against this kind of competition is the best possible evidence of their efficiency, the effectiveness of their training, and the skill with which they respond to changing student needs.

As new technologies and new job markets develop, the proprietaries hasten to prepare new courses and hire new teachers. Richard Fulton explains: "The schools in our group are gleaners. They deal with what falls through the cracks between the other institutions."

What falls through the cracks is not necessarily small. The proprietary-school industry came of age after the Civil War because higher public education, grounded in the classics, had failed to provide training for the country's growing commercial structure. More recently, as the use of computers mushroomed during the late 1950's, the demand for programmers, repairmen, and operators far outstripped the supply. As had happened in the nineteenth century, proprietaries sprang up to fill a need. Lately, pipeline welding has been a booming subject.

Quick to serve new markets, proprietaries are just as quick to shift resources when markets dry up. An axiom in this business is that no school can survive for long if it continues turning out students for whom there are no jobs. An irresponsible operator can keep students streaming in for a time with heavy advertising, but word from dissatisfied graduates sooner or later gets around—particularly in the smaller cities and towns where the majority of the successful proprietaries are located.

Sometimes, to be sure, the proprietaries do not so much deal with market shifts as succumb to them. Computer schools withered when the market for their graduates contracted. In 1966 and 1967 the proprietary-school system counted 700 computer-training institutes, many of them marginal enterprises trying to capitalize on the boom. Three years later, barely 200 were left.

But computer schools reflected an unusual boom-and-bust cycle. More typically, proprietaries face less drastic market changes, and they respond by spotting trends early enough to shift over gradually. When the aerospace business fell apart, northern California job markets were glutted with surplus electronics technicians. By 1971, most California proprietary schools that taught electronics had scaled their programs down or eliminated them. The state's junior colleges, by contrast, kept right on turning out a steady stream of electronics technicians for whom there were no jobs.

TEACHERS WHO LIKE TO TEACH

This supple adaptation to the market also governs payrolls (which expand or contract according to needs), plant (usually rented, often one flight), and schedules (classes starting every week or so). And just as the school is accountable to the market, so are the teachers in it. Many schools ask students to evaluate the teachers, and the paying customers aren't afraid to praise or blame.

Teachers generally work longer hours for less pay then in public schools, yet because of the candid interaction with the students, the quality of the instruction is high. "We're into applied rather than theoretical knowledge, and the strength of our classrooms is teaching," says Charles B. Giordano, dean of Strayer College, an accredited business college in Washington, D.C. "We don't reward people for publishing, and there's no tenure."

The very first step for teachers at a good many proprietaries is to get across the basic English and mathematics that the students never learned in twelve years of public education. At Strayer, Kathleen Proia, chairman of the English department, begins with this assignment: "Write a three-word sentence with subject, verb, and object." Her tutoring sessions, each shaped to the needs of a single student, have been so successful that she has lectured on the subject to the National Council on the Teaching of English.

Innovative teaching seems to blossom in the purposeful, nonbureaucratic atmosphere of the proprietaries. Courses are broken down into short segments, which give students a sense of steady accomplishment. Automated education, a disappointment in the public sector, is used with striking success. Schools ranging from Control Data Institutes to Oakland's tiny Polly Priest Business College put all their basic instruction on tape cassettes, freeing teachers to give individual help. Other proprietaries make use of team teaching and student teaching assistants to extend the range of their faculties.

Perhaps most important of all, teachers are grounded in the real world of work. Most are craftsmen or professionals, and they know the demands their students will face on the job. The teachers are expected to keep up with what's going on in their specialties, and one school, Bell & Howell's DeVry Institute in Chicago, regularly sends faculty members back to the factory on "industrial sabbaticals." At all the successful schools, proprietors and teachers make a determined effort to find out what the local employers are looking for in new graduates— and how well recent graduates are doing.

SUCCESS ITSELF IS GOOD TRAINING

For the student, of course, the bottom line is whether the training he paid for leads to a job. Ultimately, that determines the bottom line for the school as well. Yet oddly enough, while individual schools may keep close track of their job-placement record, the notion of relating education to results on a national basis is still a novel one. Follow-up studies on vocational-school graduates, public or private, are fragmentary and inconclusive.

One, by Wellford W. Wilms of Berkeley's Center for Research and Development in Higher Education, seems to cut two ways. Wilms found that many students from disadvantaged backgrounds did better in the proprietaries than they had in high school. They chose proprietaries over community colleges because they were fed up with conventional education. The short course units, with rapid-fire intervals of completion and success, gave many of them their first taste ever of accomplishment in a schoolroom. This success, in turn, may have done as much to prepare them for working at skilled jobs as the content of the courses.

But Wilms also concluded that only 20 percent of technical and business graduates—from proprietaries *or* public institutions—got the well-paid jobs for which they trained. The rest settled for lower-paying jobs. By contrast, 80 percent of those who trained for clerical or service work landed the jobs they wanted.

Wilms, however, counted among his successes only those students who got exactly the jobs they had prepared for—e.g., programmer, accountant. In the other major survey of this field, staff members from the American Institutes for Research in Palo Alto asked vocational-school graduates whether they had found "training-related" jobs, and 78 percent of them said they had, though often at a lower level than they had hoped for. In other words, by their own standards—though not perhaps by Wilms's—the students had succeeded.

The studies do seem to demonstrate the cost-effectiveness of proprietary schools. The graduates surveyed did just as well in the job market as graduates of public vocational schools and colleges—but had been trained much more quickly and cheaply. At a time when teenage unemployment rates are alarmingly high and the vocational-education lobby is pressing for more of those expensive, campus-like "skill centers" (see "Education for the World of Work," FORTUNE, October), there is obviously a case for making more use of the cut-rate alternative.

BOG, SOG, AND FIZZLE

The case has been undermined, however, by the scandals growing out of some loosely administered federal training programs begun during the War on Poverty and expanded under President Nixon. There have always been quick-buck artists in the proprietary field, and many more were attracted by the federal funds.

The programs hold out a number of inviting opportunities. Poor students can have their tuition paid for them by either a Basic Education Opportunity Grant (BEOG) or a Supplementary Education Opportunity Grant (SEOG). Students who don't qualify for grants can get a Federally Insured Student Loan (FISL) from a local bank. These programs, known affectionately in the proprietary field as "Bog," "Sog," and "Fizzle," set off a frantic search for warm bodies. Many of the students who were signed up through high-pressure salesmanship had no aptitude for the training and not much interest in it either. Naturally enough, many of them have defaulted on their loans, and the government has been stuck with the bill. In all, some $65 million of Fizzle loans for proprietary training are in default.

Bog, Sog, and Fizzle are now being more closely monitored by the department of Health, Education, and Welfare, and the Veterans Administration, which has traditionally funded a lot of proprietary education, is tightening its own accountability standards. The Federal Trade Commission has drawn up a set of proposed regulations that would require schools to give pro rata refunds to dropouts and to document any claims they make about how well graduates do in the job market.

Hurt by a lot of bad publicity, the reputable proprietaries say they are as anxious as the government is to clean up abuses. But the legitimate operators also point out that they could be swamped by too much additional red tape. Take, for example, the problems of Arthur Verenis, a typical, reputable proprietor, who owns the Tech-Age Business School near Boston. "I knew you were coming today, so I made up this list of all the bureaucrats I have to report to," he told a recent visitor. Verenis' list included nearly a dozen state and federal agencies, as well as the industry's accrediting organization. "It really gets hairy around here on Friday mornings when the reports are due," he says. Verenis, who holds an M.B.A. from Harvard, has built Tech-Age up from thirty students to 100. Last year he made a little over 20 percent before taxes—about twice the industry average—on gross revenues of $120,000. But he worries about all that paperwork. "If I get sick, I don't know what's going to happen," he says. "I wear all the hats around here."

Despite the scandals, the fact remains that the proprietaries deliver effective vocational education at a price the public sector cannot match. This capability should be made use of, with appropriate controls. For years now, some vocational high schools have been wise enough to farm out certain subjects—e.g., cosmetology—to proprietaries that can do the job for less. And California has begun a pilot program that amounts to a voucher system for vocational education. It offers scholarships to students who want to pursue job training and gives them the option of attending either public or proprietary schools. The agency that administers the program says that proprietary students have a considerably higher completion rate than the students in public schools.

POLLY PRIEST'S DARING WARRANTY

Even the federal government can get its money's worth when it shops carefully enough. In 1971 the city of Oakland spent an average of $12,400 per student to set up and run a skills center at a local community college for training hard-core unemployed. The money came from two more of those federally funded programs, the Manpower Development Training Act and the Comprehensive Employment Program. Then the city turned to a local proprietary, Polly Priest Business College, using yet another federal program, the Comprehensive Employment Training Act (CETA). Polly Priest brought the cost down to an average of $2,400 a head and provided, moreover, a daring warranty for its services.

The school guaranteed to place four out of five of its CETA graduates in jobs. For every student short of that mark, it promised to train another free. Last year, in the face of a regional unemployment rate of 12 percent, the school missed its goal for the first time, and this year it is training fourteen extra students at no charge. It expects to graduate around eighty-five CETA students, for which it will receive $119,000—that works out to a cost per graduate of only $1,400.

It is instructive to imagine what would have happened to all those federal training programs if every school involved had done as well as Polly Priest. The programs—which have cost $25 billion over the past decade and are running at a rate of $4 billion a year—would have been suspended in mid-1973. By then the country would have run out of unemployed.

MANPOWER PROGRAM IS HELPING THE ARTS

Mr. JAVITS. Mr. President, it was with great satisfaction that I read an article by Paul Delaney that appeared in the New York Times on Friday, January 16, 1976, "Manpower Program Is Helping the Arts." My longstanding involvement in the arts, in manpower training, and public service employment, made the article of particular interest to me. I am sure my colleagues will be gratified to see the positive returns on their investment in the CETA program.

The innovative use of funds under the Comprehensive Employment and Training Act has provided jobs for unemployed artists, actors, and dancers, a group which traditionally has a high unemployment rate, and is frequently overlooked and ignored. The benefits to the communities involved, by giving direct access to the arts to people who had had no previous contact, cannot be calculated in monetary terms, but has a far-reaching salutary effect. Some of the cities who have invested in the arts, such as New York, Chicago, and San Francisco, have set a worthwhile example that can and I hope will be followed by other prime sponsors across the country.

As the time nears when the Congress must reauthorize and expand the current public service employment program, under the Comprehensive Employment and Training Act—CETA, it is innovative approaches such as those cited, that can be pointed to with satisfaction.

While there is evidence that there is an upswing in the economy, the rate of unemployment remains at 8.3 percent. It is forecast to remain at the high level of 7.5 percent for the next year, even by the most optimistic reports. Our present CETA program has created 330,000 jobs in a short period of time, and it should be expanded further to provide additional employment. Congress first task, which will be addressed in the coming weeks, is to maintain those presently hired with CETA funds, beyond the present expiration date of June 30, 1976. The problem of some prime sponsors, who are experiencing a shortfall of funds before June 30, is a primary concern that will I hope be considered when the Subcommittee on Employment, Poverty and Migratory Labor takes up the reauthorization bill.

I ask unanimous consent that the article by Paul Delaney be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANPOWER PROGRAM IS HELPING THE ARTS

(By Paul Delaney)

CHICAGO, January 15.—Hundreds of artists and companies around the country are getting stipends under what may be the biggest unexpected infusion of Federal funds into the arts since the Works Progress Administration of the 1930's. The funding is made possible by the new manpower program, the Comprehensive Education and Training Act.

The funding of cultural projects under the program has been going on for only a short while, and is just beginning in some cities. The allotments are usually small in comparison to other projects, but the impact so far has been phenomenal injecting a measure of excitement in local art communities around the nation.

Similar to the Federal arts program in the New Deal, the program, some artists and officials said, is already changing the physical appearance of many communities, and they believe a new crop of artists will come out of the experience.

The funds have allowed the Chicago ballet to hire four more dancers for its company of 16, now in rehearsal for a schedule that over the next three months will see them perform here and in Jacksonville, Fla.

Money under the act provided an extra $211,000 to the Cell Block Theatre in New York City, an example of an innovative use of manpower funds. The theatre helps ex-convicts make the transition to life on the outside by allowing them to "understand themselves and their feelings" through drama, dance and writing in order "to change the attitude between themselves and the straight world," according to Vanessa Brown, of the theater's staff.

In Hollywood, the program is providing work for actors, actresses and others, including some stars, from the economically hard pressed film industry.

They include Gigi Perreau, former child star now 34 years old and the mother of four, who performs in one of three acting companies receiving funds in Los Angeles.

Grants go to professional and amateur performers as well as to support staff, from muralists in Mexican-American communities in San Francisco and Houston and African music socialists and puppeteers in Chicago, to carpenters at the Phoenix Art Museum and baton twirlers and yoga teachers in New Orleans.

THEATERS AND MUSEUMS

Additionally, artists are conducting citywide workshops in Albany, and street theatre in New Orleans, making a film that is to be played as a "moving painting" on a large canvas in Seattle; preparing an earthquake exhibit in Oakland, Calif., and teaching music in state prisons in Rhode Island. In Hartford, 12 employees, funded by C.E.T.A., have been added to the staff of the Wadsworth Atheneum, one of the oldest public museums in the country.

The comparison to the Federal arts program under the W.P.A. was made by officials across the nation. The comments of Jerry Yoshitomi, education coordinator of the Arizona Commission on the Arts and Humanities, were typical.

"Our artists are performing in nontraditional places, like parks and shopping malls. The basic goal is to bring the arts to the people. The commission's visual artists are involved in public works projects, like painting murals inside and outside public buildings similar to during the W.P.A., he remarked.

C.E.T.A., which became law in December 1973, decentralized Federal manpower training programs and allowed state and local governments to decide where the billions of dollars in Federal money would be spent.

A FEDERAL STRING

One of the few Federal strings attached to the program is that local handlers of the funds must attempt to find different and innovative uses for the money. While most sponsors funded almost intact many of the programs C.E.T.A. was to replace, some local governments decided to allot small portions of their funds to cultural projects.

Thus, a prime beneficiary has been community-based projects that are largely ignored by most private sponsors and patrons of the arts, foundations and traditional government funding sources, such as the National Endowment for the Arts, as well as newer sources, such as Bicentennial programs.

The idea of the law is to put the jobless to work or train them for jobs, and to improve the skills of those in low-skilled employment. There is debate over whether manpower funds should go to artists. But the artists contend that they are the ignored among the unemployed, and that their jobless rates are much higher proportionately than those in other fields.

For many of the local projects, the money from this law is minimal at best and probably temporary—cultural project directors in Atlanta were advised in a memorandum on Jan. 5 that funding could end June 30 and they would be given "appropriate time to seek job interviews."

Nevertheless, recipients said the effort was appreciated. For example, the funding of two administrative posts for the Kuumba Workshop in Chicago is major assistance for the struggling black troupe, as is the $211,000 for the Cell Block Theater in New York.

"The C.E.T.A. money allows us to have 20 instead of 16 dancers and we need all of them. That kind of help is great for us," commented William Leighton, who started Jan. 5 as new manager of the Chicago Ballet.

No one really knows exactly how much manpower money is going into cultural programs, since it is a local decision where to put it. However, Chicago and San Francisco are apparently providing by far the most funds for arts programs.

Samuel C. Bernstein, Chicago manpower director, said just over $1-million were set aside for 170 positions for artists and others connected with cultural programs. The city is getting $33.2 million in C.E.T.A. funds. San Francisco allocated nearly a million dollars for 123 cultural positions, 6 per cent of its funds provided by the law.

PROJECT IN NEW YORK

New York has also provided nearly a million dollars for four projects. Besides the Cell Block Theater, $325,000 goes to the Community Film Workshop Council to train young persons to enter broadcast journalism; $164,000 to the training program of WHET–TV to prepare students for jobs, and $286,000 to the Pioneer Marine School to train ex-offenders and hardcore unemployed for careers in the marine industry.

San Francisco was the first city in the country to set aside funds for arts projects. A few cities, such as Detroit, felt other priorities were higher than spending manpower money on the arts. Some programs, such as in Houston, Atlanta and New Orleans, are still having problems getting started.

Programs in a few cities, Boston and Philadelphia notably, are mired in controversy. Both cities have been investigated by the Department of Labor on allegations of misuse of funds and political interference. Officials of the Labor Department and the city of Philadelphia are negotiating to determine how much money the city has to return to the Government.

SOME ABUSES CITED

And, in just about every city receiving manpower funds there is evidence of at least some abuse, if nothing more than putting on people not really qualified for funds or training under the act. The cultural programs are no exception. Many of those persons added on were already connected with projects.

Nevertheless, the funding of community cultural projects does represent a milestone. Theresa Perez, president of the board of the Southwest Ensemble theater, said the C.E.T.A. funds permitted community access to the arts.

"The established arts organizations made no attempt whatever to reach large percentages of people. They were content to let only 2 percent of their audience enjoy their programs," she said.

"We try to reach the vast middle audience that nobody caters to. We are reaching people who had never even seen a live musician before or knew what a cello looked like."

In San Francisco, 13 muralists have painted throughout lower-income sections, such as the Mission District made up of Mexican Americans, and in redevelopment areas. There are 62 garden sites being developed, in some cases combined with murals and sculpture in area beautification projects. Peter Coyote, 34, teaches acting in black neighborhoods, and is working on a play on the city that will be staged by high school and junior high school students.

SUPER GRAPHICS

Rocco Louise, 34, a former teacher of design, has begun painting welfare offices in bright colors that he called "super graphics," consisting of large geometric shapes. Working alone at first, he now has five former welfare recipients working with him.

Projects in other cities are making similar community efforts. The Chicago C.E.T.A. funds went to a host of community and store front projects. These included the Free Street Theater, The Dinglefest Theater, The South Side Community Arts Center and the Public Arts Workshop.

But the funds went to traditional arts programs as well. For example, besides the Chicago Ballet, the Art Institute of Chicago, the Du Sable Museum of African American History, the Museum of Contemporary Art, the University of Chicago Gallery and the Association of Illinois Dance Companies received funds.

There is fear that the funds will eventually dry up, leaving the local art community more frustrated. Many of the projects were funded only to the end of the current fiscal year, which ends June 30. Some funds in Atlanta will cease at the end of February.

OPTIMISTIC ON SOLUTION

John Kreidler, who is credited with originating the idea of spending C.E.T.A. funds on the arts when he was in San Francisco said there would be a problem when the funds run out, but he was optimistic and offered a solution.

"What we hope is that we have created a demand for the services of these artists and that they will then be picked up by other agencies in the city, county or state," remarked Mr. Kreidler, who is now director of the Alameda County Neighborhood Arts Program in Oakland, Calif.

In other words, there is a chance for artists to prove that their work is needed, useful socially, and then, hopefully, with the demand will come the money. And with many of our artists this is the first time they've worked full eight-hour days on a regular, discipline basis. This will make them more employable later on.

Stephen Goldstine, who adiministers San Francisco's C.E.T.A. cultural products, said he was not worried about future funding.

"Every indication is there will be as much money available to artists next year, and maybe more. For one thing, the program has had a good press. Also, next year is an election year," he commented.

FARMLAND INDUSTRIES BICENTENNIAL GUESTS

Mr DOLE. Mr. President, during the Revolutionary Bicentennial celebration hundreds of thousands of our citizens are expected to visit our Nation's Capitol. They will come as individuals, as familiies, and in groups. One of the largest groups and the first to organize toward this effort is the group of over 5,000 people from the Midwest area served by Farmland Industries, Inc. of Kansas City.

Farmland Industries is a federated cooperative owned by 2,119 local cooperatives in 15 States from the Canadian border to the gulf coast and from Illinois to the Rocky Mountains. Farmland makes what the farmers use to produce their crops—everything from fertilizer and fuel to barbed wire and brushes—and then processes the farmers agricultural products into feed for livestock, into canned hams and beefsteaks and other products.

These farmers operate a big business with sales estimated at nearly $1.5 billion in 1975, with a net savings of about $150 to $200 million.

Mr. President, I know my colleagues from these 15 States represented by these Farmland Industries Bicentennial guests will be visiting with these important visitors in the coming weeks, and I call on all our other colleagues from all 50 States to make them most welcome during their 4-day stay in Washington. They are key members of their own organizations and they are key Americans to us.

NAVY CONGRESSIONAL TRAVEL

Mr. GOLDWATER. Mr. President, with the Navy's ship strength at its lowest ebb since before Pearl Harbor and with the rapid transit available by aircraft, one would not think that congressional staff members would use the Navy for travel. There must be a historic attraction to that wonderful arm of our military because in 1974, 67 Senate and House staff members and 50 members of the executive staff visited 73 countries at a cost of $464,851.53. That averaged $3,973 and like my friend from Wisconsin has said, commercial travel would have been cheaper.

This is the second of several reports I will be making relative to the Golden Coverup Award, an award made necessary because the Congress added a new limit to counterpart funds and then voted not to disclose any of these amounts, including travel, to the American people. At a proper time I will supply a list of the names of those who have enjoyed these privileges.

I ask unanimous consent to have a breakdown of the trips printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NAVY CONGRESSIONAL TRAVEL—Jan. 1, 1974 to Dec. 31, 1975

Date	Number of countries	Senate-House Staff	Executive Staff	Cost
Feb. 7-12, 1974	U.S.	1	1	$1,094.81
Feb 8-12, 1974	do	1	1	1,018.22
Feb. 12-16, 1974	do	2	1	1,664.00
Apr. 11-21, 1974	5	10	4	71,508.80
Oct. 3-13, 1974	U.S.	1	1	1,554.43
Nov. 6-17, 1974	9	6	3	73,503.80
Do	2	2	1	3,182.50
Dec. 2-17, 1974	U.S.	1	1	2,490.00
Dec. 28, 1974-Jan. 8, 1975.	5	1	0	590.00
Jan. 15-17, 1975	U.S.	1	1	478.39
Jan. 28-Feb. 15, 1975.		5	5	61,645.00
Apr. 1-5, 1975	U.S.	1	0	810.85
Mar. 26-Apr. 9, 1975.	6	7	5	64,775.50
Apr. 4-13, 1975	1	1	1	1,005.80
May 3-5, 1975	U.S.	1	0	488.73
May 28-29, 1975	do	3	0	225.00
July 27-31, 1975	do	2	1	1,867.00
Aug. 15-26, 1975	do	1	1	244.00
Aug. 17-20, 1975	do	1	0	488.00
Aug. 2-25, 1975	15	1	1	10,387.80
Aug. 2-10, 1975	2	2	1	16,979.90
Aug. 14-31, 1975	6	4	5	68,475.60
Aug. 17-Sept. 6, 1975.	6	1	1	1,582.40
Nov. 20-25, 1975.	3	4	1	2,500.00
Nov. 12-16, 1975	1	3	2	7,464.00
Nov. 21-Dec. 1, 1975.	6	4	12	68,827.00
Total	73	67	50	464,851.53

FEDERAL DAY-CARE STANDARDS

Mr. RIBICOFF. Mr. President, as you know, I have been deeply interested in day-care services standards. I strongly support the concept of assuring Federal minimum quality requirements for day-care services and on a number of occasions since 1971 have introduced legislation providing for such standards.

Frankly, I find this debate troubling. We are told that the States should have flexibility in setting standards. They have had that flexibility since 1968 under the previous regulations governing social services and chose to ignore the quality guidelines. We are told, at least in the Senate Finance Committee markup last week, that States should be free to "make mistakes." I think all these years of making mistakes by offering cheap, custodial day care that causes more welfare dependency, that constitutes nothing more than publicly subsidized child neglect should come to an end. HEW claims to be neutral on the matter of quality guidelines, but as a former HEW Secretary I know that the researchers that were funded during my service as Secretary have published findings that call for standards higher than what we are asking for in this legislation. In my own State, Dr. Sally Provence of the Yale Child Study Center, has called for such standards.

To be sure that things have not changed in the States in such a fashion that I should change my view on Federal requirements, I asked my staff to work with day care experts of the Child Welfare League of America and chart current staffing requirements. I have those tables here, and they tell a story of variations between the States that relate—I fear—more to local whim than to the findings of research and practice as to what children need.

I ask unanimous consent to insert these materials into the RECORD at the conclusion of my remarks, but for now let me share some of this information with you.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. Mr. President, for children under the age of 2, there is a variation between 13 States that limit or prohibit such care in centers to States where one adult is expected to care for as many as 10 little children under 2.

Dr. Provence says the ratio should be one adult for every two babies. Reasonable people can differ. But can a reasonable person expect a ration of one adult for 10 babies to work out to anything but the damage we have come to expect from children deprived of individualized attention.

There is a similar variance for school-age care. Eighteen States already have better State licensing for such care than would be required under this Federal minimum. Overall, the ratios vary from 1:10 to 1:25. Again, people can differ, but do the children in those States really differ that much? Dr. Provence and other experts tell us they do not.

I ask you to join me, for at least the fifth time in as many years, to insist that Federal funds not be used to buy day care unless it meets these Federal minimums. Of course, in so doing, we are expecting States that have higher ratios to keep them. In States such as Connecticut, New York and others which have higher standards than the Federal guidelines, it is most important that these States not soften or weaken their requirements in any way.

EXHIBIT 1

CHILD CARE CENTERS: MINIMUM STAFFING REQUIREMENTS,[1] BY AGE OF CHILDREN, UNDER STATE LICENSING REQUIREMENTS, AS OF OCT. 21, 1975

	Maximum number of children per staff member if age of children is—					
	Under 2	2 to 3	3 to 4	4 to 5	5 to 6	School age
Alabama	5	[2] 10.0	10	20	20	[3] 25
Alaska	5	5.0	10	10	10	10
Arizona	[4] 10	10.0	15	20	25	25
Arkansas	[5] 6	[6] 12.0	12	15	18	[7] NS
California	[8] 4	12.0	12	12	12	12
Colorado	[9] 5	[10] 8.0	10	12	15	15
Connecticut	4	4.0	[11] 5	[11] 7	[11] 7	[12] 20
Delaware [13]	[14] 8	[15] 15.0	15	20	20	25
District of Columbia	[16] 4	[17] 8.0	8	10	15	15
Florida [18]	[19] 8	12.0	15	20	25	25
Georgia	[20] 10	10.0	15	18	20	[21] 25
Hawaii	[22] XX	10.0	15	20	25	25
Idaho	[23] 8	[24] 10.0	10	10	10	NS
Illinois	6	8.0	10	[25] 20	25	25
Indiana	[26] 5	5.0	10	12	15	20
Iowa	4	6.0	8	12	15	15
Kansas	[27] 5	[28] 7.0	10	10	10	16
Kentucky	6	8.0	10	12	15	[29] 20
Louisiana [30]	[31] 8	12.0	14	16	20	25
Maine [32]	[33] XX	[34] XX	10	15	15	15
Maryland	[35] XX	6.0	10	10	13	NS
Massachusetts	[36] XX	[37] XX	[38] 10	[39] 10	15	[40] 15
Michigan	[41] XX	[42] XX	10	12	20	NS
Minnesota	[43] 7	[44] 10.0	10	10	10	15
Mississippi	NS	NS	NS	NS	NS	[45] XX
Missouri	[46] XX	5.0	10	10	15	15
Montana	NS	NS	NS	NS	NS	NS
Nebraska	4	5.0	7	7	7	12
Nevada	[47] 8	[48] 10.0	[49] 15	[49] 15	[49] 15	[50] XX
New Hampshire	4	[51] 4.8	10	15	18	20
New Jersey	[52] XX	(53)	(53)	(53)	(53)	[54] XX
New Mexico	10	10.0	15	[55] 15	[55] 15	15
New York	[56] 5	5.0	5	7	7	10
North Carolina	[57] 10	[58] 12.0	[59] 15	[59] 20	[59] 25	[59] 25
North Dakota	4	4.0	10	10	12	[60] XX
Ohio	[61] 10	10.0	15	15	20	20
Oklahoma [62]	[62] 6	[62] 8.0	[62] 12	[62] 15	[62] 15	[62] 20
Oregon	[63] XX	[64] 4.0	10	10	10	[65] 15
Pennsylvania	[66] XX	[66] XX	8	10	10	13
Rhode Island	[66] XX	[66] XX	10	15	25	NS

Footnotes at end of table.

EXHIBIT 1—Continued

CHILD CARE CENTERS: MINIMUM STAFFING REQUIREMENTS,[1] BY AGE OF CHILDREN, UNDER STATE LICENSING REQUIREMENTS, AS OF OCT. 21, 1975—Continued

	Maximum number of children per staff member if age of children is—					
	Under 2	2 to 3	3 to 4	4 to 5	5 to 6	School age
South Carolina	6	8.0	10	14	15	15
South Dakota	[67] 4	4.0	5	7	7	[68] 20
Tennessee	[69] 6	8.0	10	15	25	[70] XX
Texas	[71] 6	8.0	12	15	18	[72] 25
Utah	[73] XX	10.0	15	15	20	[74] 25
Vermont	4	5.0	10	10	12	12
Virginia	3	10.0	10	10	10	11
Washington	[75] 7	[76] 10.0	10	10	10	00
West Virginia	4	8.0	10	12	15	16
Wisconsin	[77] 4	[78] 8.0	10	12	16	[79] XX
Wyoming	5	8.0	10	15	20	25

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[1] Source: Department of HEW as cited in "Child Care Staffing Requirements," Senate Finance Committee Print, Oct. 31, 1975, pp. 11–14.

[2] 5, if 2 to 2½; 10 if 2½ to 3.

[3] 22 if 6 to 8; 25 if 8 and over.

[4] 8 if under 15 mo; 10 if 15 mo to 2 yr.

[5] In infant-toddler centers.

[6] 6 in infant-toddler centers; 12 if 2½ to 3 in other centers.

[7] NS means "Not Specified;" in practice an unspecified staffing requirement, or a recommended ratio has no force of law and because it is unenforceable is essentially meaningless. NS in practical terms means no protection at all for children or their parents.

[8] In infant centers.

[9] If 6 weeks to 8 mo in infant center; or if 12 mo to 3 yr in toddler center.

[10] 7 if all 2-yr-olds in toddler center; 8 if 2½ to 3 in large or small center.

[11] Recommended Federal Interagency Day Care. Requirements ratios have apparently been adopted for all children 3 and over for center care.

[12] 20 if 10 to 14 yr of age, 15, if 6 to 10 yr of age—if school age care is under title XX funding. HEW's data are unclear about other requirements under other funding.

[13] In Delaware, centers receiving Federal funds have the following mandated ratios: Under 2:5; 2 to 3:5; 3 to 4:5; 4 to 5, 7; 5 to 6, 7; school age: 10. Like Connecticut, Delaware meets 1968 Federal requirements for all children in centers that are 3 yr or older.

[14] 5 if 0 to 1; 8 if 1 to 2.

[15] 8 if 2 to 2½; 15 if 2½ to 3.

[16] Pending issue of new infant center rules.

[17] 4 if 2 to 2½; 8 if 2½ to 3.

[18] Mandated ratio for handicapped children: Under 2:4; 2 to 3:6; 3 to 4, 8; 4 to 5: 10; 5 to 6: 14; school age: 14.

[19] 6 if under 1 yr; 8 if 1 to 2.

[20] 7 if 0 to 18 mo; 10 if 18 mo to 2 yr.

[21] 25 if 7 and over; 6 to 7 not specified.

[22] Children in this age group generally are not accepted—centers are not allowed to care for children this young.

[23] 6 if 0 to 18 mo; 8 if 18 mo to 2 yr.

[24] 8 if 2 to 2½; 10 if 2½ to 3.

[25] 10 if full-day; 12 if part-day.

[26] 4 if 6 weeks-walking; 5 if walking 2.

[27] 3 if 2 weeks-nonwalking under 24 mo only; 5 if walking—2 yr.

[28] 5 if walking—2½; 7 if 2½–3.

[29] 15 if 6 to 8; 20 if 8 and over.

[30] Centers serving 10 children with no more than 2 children under 2 yr of age have mandated child/staff ratio of 10 to 1 in all age categories. This broad mixing of children across age lines is controversial because of the potential for inadvertent harm to come to very tender children in mixed-age groups.

[31] 6 if nonwalking; 8 if toddlers.

[32] In Maine, separate before and after school programs have 10 to 1 ratio in school age category.

[33] Children of this age not allowed.

[34] Children under 2½ not allowed in day care center but at 2½, allowed with a ratio of 8 children to each adult.

[35] Admitted only upon approval of local health officer.

[36] Admitted only upon prior approval. This is unclear as to whom gives approval. Since no ratios are stipulated, the implication is that no care may be provided, although technically such care is possible under the statute.

[37] Same as footnote 36.

[38] 10 in care over 3 hr; 12 in care 3 hr or less.

[39] 10 in care over 3 hr; 13 in care 3 hr or less.

[40] 15 if 6 to 7 in care over 3 hr; 25 if 6 to 7 in care 3 hr or less.

[41] Children of this age are not allowed.

[42] Children under 2½ not allowed in day care center but at 2½, ratio is 10 children to 1 adult.

[43] 4 if 6 weeks to 16 mo; 7 if 16 mo to 2 yr.

[44] 7 if 2 yr to 31 mo; 10 if 31 mo to 3 yr.

[45] While Mississippi apparently has no standards at all for children under school age, the HEW data suggest that day care is not allowed at all for children once they reach school age.

[46] Children of this age are not allowed.

[47] 4 if 6 weeks to 9 mo; 6 if 9 to 18 mo; 8 if 18 mo to 2 yr.

[48] 8 in infant-toddler center; 10 for 1st 20 children; 15 for excess over 20.

[49] 10 for 1st 20 children; 15 for excess over 20.

[50] Not clear from HEW data what requirements are.

[51] 4 if there are less than 24 children under 3 yr of age in care.

[52] Children of this age not allowed.

[53] No limit. The only requirement is 2 adults for any total group. Since some facilities are built to serve 100 or more children, ratios could legally be as high as 50:1, regardless of age.

[54] While younger children may be in centers with very high ratios, New Jersey does not allow older, school-age children in day care centers.

[55] 20 if in care 3 hr or less.

[56] 4 if under 18 mo; 5 if over 18 mo.

[57] If 30 or more in care, the ratio may be 8:1.

[58] If less than 30 in care, the ratio must be 10:1, if more than 30, 12:1.

[59] If less than 30 in care, the ratio must be 10:1.

[60] This State has a ratio of 12:1 specified for school-age children to 7 yr; the HEW data do not show what, if any, requirements exist for children 7 and older.

[61] 8 if 0 to 18 mo; 10 if 18 mo to 2 yr.

[62] All Oklahoma ratios are "recommended ratios" and legally unenforceable, given precedents in other States where licensing laws were not precisely drawn. Numbers are meaningless in such instances where they have no force of statute. Ratio recommended for babies under 10 mo in cribs is 4:1. Other recommendations are as listed.

[63] Children under 6 weeks may not be received; those 6 weeks to 2 yr, the ratio is 4:1.

[64] Children 2 to 2½, 4:1; children 2½ to 3, 10:1. (The chart compiled and published in "Child Care Staffing Requirements," by the Senate Finance Committee, is in error here because it shows all children 2 to 3 with the staff requirement for those 2½ to 3.

[65] 10:1 for children age 6 but not yet 7.

[66] Children of this age not allowed.

[67] If 18 mo to 2 yr, 3:1 if 6 to 18 mo, and 1:1 if under 6 mo.

[68] 15 if 6 to 10 yr; 20 if 10 to 14.

[69] 5 if 6 weeks to 1 yr; 6 if 1 to 2.

[70] If 6 to 7, 30:1 ratio; no other data given. Services to children older than 7 may be prohibited.

[71] 4 if children are under 18 mo.

[72] 20 if 6 to 8; 25 if older.

[73] Children of this age not allowed.

[74] 20 if 6, 25 for older children.

[75] If 1 to 2; 5 if 1 mo to 1 yr.

[76] If 2½ to 3; 7 if 2 to 2½.

[77] 3 if 0 to 1; 4 if 1 to 3.

[78] If 2½ to 3; 6 if 2 to 2½.

[79] For children 6 to 7, a ratio of 16:1 is required. There is no information for children over 7

MEDICAL TECHNOLOGY

Mr. JAVITS. Mr. President, our Federal health programs have struggled with various mechanisms to control the rising cost of medical care. Perhaps the most visible part of these increases is the rise in expenditures for hospital care, from $13.2 billion in 1965 to $40.9 billion in 1974. Recent evidence indicates that at least half of that increase in hospital expenditures is related to the cost of new medical technologies and the personnel to work them. Thus, there is an urgent need to examine current Federal policies and current medical practices to determine whether a reasonable amount of justification should be provided before costly new medical technologies and procedures are put into general use. While before new drugs can be used, proof of efficacy and safety must be provided, there is no such requirement relating to new technologies and procedures.

I am pleased that the brilliant, creative minds of the President's Biomedical Research Panel—established pursuant to legislation which I authored with Senator KENNEDY—has focused on the need for objective data on the costs and benefits of budget allocation within biomedical research.

In this regard, I commend to my colleagues' attention the recent testimony of Dr. Clifton Gaus of the Social Security Administration before the Panel. Dr. Gaus pointed out that costly new technologies are rapidly diffused in the health care system yet many years after introduction of many of these technologies, debate continues concerning their efficacy. He also points out that there are presently no incentives in the medical care system to use resource-saving technology, and the hospital-based nature of medical student and residency training encourages physicians to function in a way which demands much costly technology.

The evidence which Dr. Gaus cites concerning funding for biomedical research and the need for new technologies to be adequately assessed before they are diffused into medical care is provocative and deserves careful congressional consideration.

I ask unanimous consent that the text of Dr. Gaus' statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF THE SOCIAL SECURITY ADMINISTRATION BEFORE THE PRESIDENT'S BIOMEDICAL RESEARCH PANEL, SEPTEMBER 29, 1975

BIOMEDICAL RESEARCH AND HEALTH CARE COSTS

(By Clifton R. Gaus, Social Security Administration)

As an official with the Medicare program, my interest in biomedical research may puzzle you. Medicare does not finance or engage in biomedical research. It does, however, finance the *results* of this research. The diffusion and adoption of health care innovations often results in the utilization of far more resources than was initially expended in the research effort and the process plays a major role in the dramatic increases in the open-ended budget levels of the Medicare and Medicaid programs. For this reason, the Social Security Administration is intensely interested in research funding strategies adopted by the National Institutes of Health.

The long term cumulative effect of adopting new health care technology is a major cause of the large yearly increases in national health expenditures and in total Medicare and Medicaid benefit levels. Technology is defined here in the broadest sense to include new diagnostic and therapeutic techniques regardless of whether they use new medical hardware or instrumentation; e.g., the development of new drug therapies is considered technology.

As shown below, Federal Medicare and Medicaid benefit expneditures have been rising at tremendous rates. Their projected annual *increase*—$5.2 billion in FY 77—will probably exceed the rest of the HEW health budget (including the National Institutes of Health).

[Dollars in billions; fiscal years]

Program	Aggregate amount			Amount of increase	
	1975	[1] 1976	[1] 1977	1975–76	1976–77
Total	$21.0	$25.0	$30.2	$4.0	$5.2
Medicare	14.1	16.9	21.0	2.8	4.1
Medicaid	6.9	8.1	9.2	1.2	1.1

[1] Actuarial projections.

It is not just Federal programs whose costs have been expanding at a high rate. In the ten years ending fiscal 1975, all health expenditures increased from $38.9 billion to $104.2 billion, growing from 5.9 percent of the GNP to 7.7 percent.[1]

Fiscal year	Total		Per capita		
	Amount (billions)	Percentage increase	Per capita amount	Percentage increase	Percent of GNP
1965	$38.9		$197.75		5.9
1966	42.1	8.3	211.56	7.0	5.9
1967	47.9	13.7	237.98	12.5	6.2
1968	53.8	12.3		11.1	6.5
1969	60.6	12.7	295.20	11.7	6.7
1970	69.2	14.2	333.57	13.0	7.2
1971	77.2	11.5	368.25	10.4	7.6
1972	86.4	12.0	408.81	10.9	7.8
1973	94.2	9.1	441.94	8.2	7.7
1974	104.2	10.6	485.38	9.8	7.7

A large part of this enormous increase in health expenditures is due not to higher unit prices for health services but to more real resources being utilized in the health sector. Much of these added resources are related to new technology. This is particularly true of the hospital industry. Expenditures for hospital care rose from $13.2 billion in 1965 to $40.9 billion in 1974. It is estimated that at least half of the increase in hospital expenditures is related to more intensive use of real resources.[2] This intensity factor includes hospital payments to amortize new equipment and facilities and for the employees to provide higher levels of services. Thus, of the planned Federal Medicare and Medicaid hospital expenditures for FY 1977, approximately $7.9 billion will go for a level of service that was not in existence in 1967.

No one disputes the need for adopting new services that lead to improved health status or relief of pain and suffering. The problem is the magnitude of the increases, and when taken cumulatively, the extent of their value relative to the share they consume of the Federal budget. When these increases for intensity are computed over the ten-year history of Medicare, they mean that the intensity of service a patient now receives in a hospital day are twice those received in 1967; yet is the patient twice as healthy? Is there a better use for the billions of dollars that account for greater intensity of health services? I obviously do not intend to answer my own questions, but someone should.

Somewhere in the public policy arena responsibility must be taken for overseeing the process by which resources are added to the health care sector. NIH or for that matter, the Federal government, need not play the entire role, but some role is indeed warranted. Many NIH research funding decisions appear to be million-dollar decisions at the time they are made, but turn out to be billion-dollar decisions when the outcomes of the funded research reverberates through the health care system.

For example, the amount of Federal research support aimed at renal dialysis technology was quite small. With the extension of the Medicare program in 1972 to those under age 65 with end-stage renal disease, the results of this research effort will directly account for over $1 billion per year of the 1980 Federal expenditures.

Other innovations with a potentially similar impact on health care resources appear on the horizon. The artificial heart is still in the experimental stage. In 1973, the National Academy of Science estimated that the national resource cost of treating end-stage heart disease by implanting an artificial heart would range from slightly less than $600 million per year to somewhat more than $1.75 billion per year.[3] Obviously, economic input into research funding decisions related to the artificial heart should be made within a far larger context than simply the dollar funding level of the proposed research effort.

Biomedical research can impact on Federal and national health care expenditure levels in more indirect ways as well. The overall cumulative effect of health care technology in this country, in combination with hospital-oriented, cost-based health insurance, has been to encourage the shift in the health care system away from office-based, primary care medical practice and toward the more expensive hospital-based, specialty-oriented practice.

During the 1940's and early 1950's, technological changes in health care was synonomous with new drugs which could often be dispersed on an ambulatory basis, were highly effective against pneumonia, influenza, tuberculosis and other infectious diseases, and which had major impacts on morbidity and mortality related to these diseases. In recent years, the thrust of technological advance in health care has changed. New advances are usually resource intense, necessitate institutionalization of the patient, and have only a small impact on general health or even on the moribidity and mortality related to the specific disease at which the technology is directed.

These are typically "half-way technologies," attacking a disease after the fact and largely at a symptomatic level. Examples of this trend include chemotherapy and radiation therapy in cancer treatment, renal dialysis, coronary bypass surgery, organ transplants, and intensive care units for heart attack, burn, and traumatic shock. Since these technologies often require an institutionalized patient, the hospital becomes the focal point for amassing the needed machines and labor. Even those treatments that can be done at least part of the time on an ambulatory basis (e.g., radiation therapy, renal dialysis) are often concentrated in the hospital setting. Of course this is also the result of our public and private health insurance coverage which provide better coverage in the hospital.

Costly new technologies are rapidly diffused in the health care system. In a regime of full cost reimbursement there is little incentive in the part of the patient, the hospital administrator, or the physician to create a situation favorable to the adoption of resource-saving technology. Instead, perverse incentives toward the adoption of resource-using technology are present. This phenomena is reinforced by the strong technological imperative instilled in physicians via their medical training programs, particularly our hospital-based graduate training (internships and residencies) that focus on health care in an institutionalized setting and teach dependence on costly technology.

Even today, many years after their introduction, there is ongoing debate concerning the efficacy of many of these treatments. Unlike pharmaceuticals, which are not permitted on the market until after they have been extensively tested, new medical procedures remain on the market until they are found unsound or possibly irrelevant.

I do not have a hard fast cure for this complex problem, but will offer some thoughts on where we should be headed. Simply put, vigorous economic analysis and tests of efficacy and efficiency must increasingly enter the biomedical research domain in 3 separate areas: (1) assessing current medical practice; (2) evaluating new techniques not yet diffused; and (3) allocating medical research dollars. This would produce valuable information for very difficult societal decisions in the future concerning *who shall live* and *who shall die*. However, information alone will not solve the resource allocation problems of the future. A new mechanism must be created so that the public is heavily involved in these decisions and is educated to accept the fact that while science may be capable of saving lives, the economy may not be able to afford it. The remainder of my paper will deal with information needed for these allocation decisions. I will leave the problem of who makes the decisions up to others.

ASSESSING CURRENT MEDICAL PRACTICE

Many treatment modes are currently practiced as a matter of course with no hard evidence to support their efficacy or efficiency. Radical mastectomies are a case in point. The United States is the only developed country where physicians favor radical over simple mastectomies. Surgical fees run almost twice as high for the radical procedure, yet until recently, no tests were performed to determine if one procedure had higher survival rates than the other. In the last few years, randomized clinical tests of these procedures have been taking place. It will be some years before the results can be fully assessed, but indications are that the radical procedure does not have higher survival rates. If this is the case, much pain and dollars would have been saved had these procedures been tested sooner.

Many other procedures require similar testing. For example, physicians are still unsure of the value of tonsillectomies. One generation ago this procedure was undertaken as a matter of course. Gradually, people have become aware that it is not the panacea it was once considered and, as with all surgery, some danger exists as well. However, tonsillectomies still represent a major portion of some physicians' practices. In two similar communities in New England, tonsillectomy rates are ten times higher in one community than the other.[4] People are paying for these operations, either through taxes, insurance premiums, or directly out-of-pocket. It certainly would "pay" to determine if these operations were necessary.

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[1] Nancy L. Worthington. "National Health Expenditures, 1929–74," Social Security Bulletin, February 1975.

[2] Office of Research and Statistics, Social Security Administration. *Medical Care Expenditures, Prices, and Costs: Background Book* (in process).

[3] Institute of Medicine. *Disease by Disease Toward National Health Insurance*. National Academy of Sciences, June 1973.

Similarly, multi-phasic screening is fast becoming standard operating procedure, yet no one has proven conclusively that the number of diseases discovered is worth the cost of the screening, nor, for that matter, that discovering these diseases leads to any improvement in health status. Such a determination should be made before continuing on our current course.

With the implementation of PSRO's, the need for testing current practices is even more immediate. PSRO's are responsible for determining accepted modes of practice. Without supporting data, these determinations will be made in the dark, and current practice will automatically become approved practice. If, on the other hand, procedures are tested for efficacy and efficiency before PSRO's lend their stamp of approval, optimum medical care will become the standard and cost-savings will result; savings that could be plowed back into research and translated into improved health. Responsibility for this testing is not of issue here. Whether NIH undertakes this responsibility or it is located elsewhere in the Government, a systematic, concentrated effort must be made to examine current medical practice, and the biomedical research community should be involved.

EVALUATING NEW TECHNIQUES

Economics must also enter the picture when an innovation is first developed, prior to its diffusion in the health care system. Technology change does not necessarily mean improvement, nor does improvement necessarily mean economic feasibility. In this cost-conscious era of limited resources, the question "Is it worth it?" must be asked. Development of the heart transplant technique is an innovation with positive results—the prolongation of life. But at what cost? How many more lives could be saved with the same amount of resources spent elsewhere? These questions must be addressed before techniques reach the public. For a new drug to gain FDA approval today, the drug industry must not only prove that the drug will cause no harm, but also that it must do some good. This kind of test should be applied to all new medical procedures and even carried one step further. The additional step would require proof that an innovation is economically efficient as well as efficacious.

Once a technique is adopted by the medical community, it becomes difficult to conduct studies and even more difficult to institute change. For example, the Mather study in England suggests that persons with ischemic heart disease fare better at home than in coronary care units (CCU's). However, when the data were first presented to the scientific community, the figures were reversed, resulting in a strong reaction that such testing was unethical and should be stopped immediately. When the correct figures were displayed, no such reaction occurred—CCU's were not declared unethical and the testing was to continue.[5] True, the study was far from conclusive, but the story demonstrates the difficult psychology in changing techniques once they have a stronghold in the medical community.

Tests for efficacy and efficiency should be conducted on new procedures prior to adoption and diffusion. NIH acknowledges that clinical trials of new findings should be a part of their budget and their mission. They recently sponsored an issue paper on clinical trials and agree with the recommendations supporting such efforts. NIH has begun such activities in their Cancer Control Division. Part of this Division's functions is to initiate field tests and demonstrations of promising research results, evaluate these for effectiveness and efficiency, and then disseminate those findings which meet certain evaluation criteria. Why not extend these activities to all biomedical research developments?

ALLOCATING MEDICAL RESEARCH DOLLARS

Efficiency criteria also need to be applied prior to undertaking research activities—in the determination of where the money for research should be spent. Allocation of such funds in NIH is currently based on a variety of factors, primarily the chances of success and politics. Decisionmakers at top levels of the allocation process—among institutes and among programs within institutes—need to be armed with information on the costs and benefits resulting from major proposed endeavors.

When decisionmakers are looking at the "chance of success" as a criteria for allocating funds, they must also look at the outcome of that success as well. If the chances of success in one area of research are the same as in another, the resulting lives saved or treatment costs avoided must be looked at as well.

Similarly, when Congress is debating how much money to allocate each institute or which diseases should receive special attention, they need far more data than they currently receive in order to make rational decisions. Pressure from special interest groups and personal experiences of Congressmen and their constituents with certain diseases, should not be the only factors in policy decisions. Congress needs objective data on the costs and benefits of different budget allocations in biomedical research.

The Social Security Administration has made a small step in this direction. In a study soon to be published, SSA has examined the cost of each major diagnostic category and described the method of estimation. Costs are calculated for detection, prevention and treatment, as well as lost productivity due to illness, disability and premature deaths. The findings show that illness cost the Nation nearly $190 billion in 1972.[6] As the attached table demonstrates, cardiovascular diseases represented about one-fifth of the total costs, and neoplasms about one-tenth. Nevertheless, examination of the Federal Budget reveals that allocation of research funds is the reverse—cancer receives about one-fifth and cardiovascular diseases about one-tenth. Providing decisionmakers with such data but in more detail might help in future spending decisions. But more is needed.

All specific diseases of research interest must be costed out in a consistent manner. NIH has started to do this with several diseases but in a sporadic fashion. Furthermore, the cost of a disease alone is not enough justification for funding it. Benefits or outcomes such as lives saved, hospital and disability days saved, or treatment costs and earnings saved from possible prevention or treatment innovations must also be looked at. It is not enough to say stroke costs the Nation x dollars, so we must give substantial support to its research effort. We must consider that research into a drug that would decrease hospitalization of stroke victims 50 percent would save x dollars compared with development of another treatment which would save two times x dollars. At the same time, however, we must also consider that research into another disease striking fewer people may lead to a method of prevention that wipes out the disease entirely. The savings there may be even greater than that of a treatment for stroke and this possibility must enter in allocation decisions. In other words, the possible economic results of a research breakthrough should be considered before funding it. Economics should not become the sole criteria for research funding, but it should not be ignored either.

In summary, the health care cost increases experienced in the last decade cannot and will not continue forever. As the Medicare and Medicaid budgets grow by leaps and bounds, increases in the other HEW health programs, including biomedical research, become more limited. Since biomedical science is partly the cause of these large increases, it should play a role in assessing the value of current medical procedures and in preventing the premature adoption of uneconomical technology. Only through this intensive evaluation of medical practice is there any hope of nationally controlling health cost increases. It is the Social Security Administration's hope that your panel will highlight this need in its report.

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[4] John E. Wennberg and Alan Gittelsohn. "Health Care Delivery in Maine I: Patterns of Use of Common Surgical Procedures," *The Journal of the Maine Medical Association*, May 1975, Vol. 66, No. 5.

[5] A. L. Cochrane. *Effectiveness and Efficiency, Random Reflections on Health Services*, The Nuffield Provincial Hospital Trust, 1972.

[6] Barbara S. Cooper and Dorothy P. Rice. *The Economic Cost of Illness Revisited*. Social Security Administration, (in process).

TOTAL ECONOMIC COST—ESTIMATED DIRECT EXPENDITURES, INDIRECT COSTS OF MORBIDITY AND PRESENT VALUE OF LIFETIME EARNINGS DISCOUNTED AT 4 PERCENT, BY DIAGNOSIS, 1972

	Amount (in millions)				Percentage distribution			
			Indirect costs				Indirect costs	
Diagnosis	Total	Direct costs	Morbidity	Mortality	Total	Direct costs	Morbidity	Mortality
Total	$188,789	$75,231	$42,323	$71,235	100.0	100.0	100.0	100.0
Infective and parasitic diseases	3,443	1,412	1,200	831	1.8	1.9	2.8	1.2
Neoplasms	17,367	3,872	862	12,633	9.2	5.1	2.0	17.7
Endocrine, nutritional, and metabolic diseases	5,930	3,436	1,137	1,357	3.1	4.6	2.7	1.9
Diseases of the blood and blood-forming organs	921	491	220	210	.5	.7	.5	.3
Mental disorders	13,917	6,985	6,179	753	7.4	9.3	14.6	1.1
Diseases of the nervous system and sense organs	10,951	5,947	3,944	1,060	5.8	7.9	9.3	1.5
Diseases of the circulatory system	40,060	10,919	6,417	22,724	21.2	14.5	15.2	31.9
Diseases of the respiratory system	16,454	5,931	7,089	3,434	8.7	7.9	16.7	4.8
Diseases of the digestive system	17,487	11,100	2,606	3,781	9.3	14.8	6.2	5.3
Diseases of the genitourinary system	6,456	4,471	1,249	736	3.4	5.0	3.0	1.0

Diagnosis	(Amount in millions) Total	Direct costs	Indirect costs: Morbidity	Indirect costs: Mortality	Percentage distribution Total	Direct costs	Indirect costs: Morbidity	Indirect costs: Mortality
Complications of pregnancy, childbirth, and the puerperium	2,932	2,607	245	80	1.6	3.5	.6	.1
Diseases of the skin and subcutaneous tissue	2,052	1,525	460	67	1.1	2.0	1.1	.1
Diseases of the musculoskeletal system and connective tissue	8,948	3,636	5,103	209	4.7	4.8	12.1	.3
Congenital anomalies	1,903	381	238	1,284	1.0	.5	.6	1.3
Accidents, poisonings, and violence	26,678	5,121	3,883	17,674	14.1	6.8	9.2	24.8
Other	13,294	7,398	1,494	4,402	7.0	9.8	3.5	6.2

Source: Barbara S. Cooper and Dorothy P. Rice. "The Economic Cost of Illness Revisited." Office of Research and Statistics, Social Security Administration (in process)

A FOOD POLICY FOR MASSACHUSETTS

Mr. BROOKE. Mr. President, the Commonwealth of Massachusetts has taken a remarkably innovative direction in the design and implementation of a food and agriculture policy which may serve as a national model.

Massachusetts is a food-consuming State. We import fully 85 percent of all we eat. Therefore, our food costs are often 10 percent higher than the national average.

And our most critical agricultural problem is that we are rapidly losing precious farmlands to urban development or to the pressures of an agribusiness-based food economy.

In recognition of the serious food supply problems the State faces, former Gov. Francis W. Sargent formed the Governor's Commission on Food, which issued its excellent final report over a year ago. Based on the analysis and recommendations contained therein, the administration of Gov. Michael S. Dukakis has gone on to formulate a visionary food and agriculture policy. The directions Massachusetts will take, under the guidance of the able Commissioner of Agriculture Frederic Winthrop, Jr., together with Secretary of Environmental Affairs Evelyn Murphy, are set forth in a report issued last November.

Other food consuming States, particularly those which like Massachusetts are situated in the highly urbanized regions of the Nation, may wish to take similar action to increase and protect a moderate-cost food supply and to protect our precious vanishing farmlands. The papers speak for themselves, and I ask unanimous consent that "In Search of a Food Policy," and "A Policy for Food and Agriculture in Massachusetts," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FINAL REPORT OF THE GOVERNOR'S COMMISSION ON FOOD IN SEARCH OF A FOOD POLICY

FOREWARD

(By Ray A. Goldberg, Chairman)

In October 1973, Governor Francis W. Sargent appointed a Commission on Food for the purpose of recommending programs and policies that would assure Massachusetts residents an adequate supply of food both now and in the future. The Commission included citizens of the Commonwealth who represented agriculture, labor, the food industry, education, government and consumers.

In order to complete its task, the Commission looked at every aspect of the food system including production, labor, transportation and storage, distribution, government institutions and consumer issues. The approach of the Commission was based upon the realization that constructive changes could occur only if the food problem was viewed as an interrelated, interdependent system and not as separate, independent parts; and that the system must be responsive to the changing needs of all consumers.

Figures 1 and 2 show the components of the food system in Massachusetts in terms of economic importance. Figure 3 shows the organization of the Governor's Commission on Food.

[Charts not printed in RECORD.]

This report summarizes the major findings and recommendations of the Commission and reflects the broad perspective of all participants in the food system with special emphasis on consumer needs. Detailed information that supports the findings and recommendations along with all matters discussed by the Task Force are included in a separate publication.

In April, the Commission held four open forums throughout the State in order to obtain public response to the Preliminary Report. Most of the suggestions made at these hearings are included in the recommendations in this report. A summary of the suggestions made at the public forums is presented in the Appendix.

To our knowledge this represents the first attempt by a state to evaluate its food system as a total system and to recommend policies and programs that will improve the performance of that system in terms of meeting the food needs of all citizens. It is our hope that this effort will result in tangible benefits in Massachusetts and serve as a model for other states that wish to develop a food policy.

FIGURE 2.—*Food agribusiness employment in Massachusetts (1973 estimated)*

Type of business:	*Number of firms* [1]	*Number of workers* [1]
Food service	6,651	88.785
Retailing	3,068	62,528
Processing	716	33,721
Wholesaling	1,173	16,668
Farming	5,700	16,600
Fishing	2,996	7,900
Farm supply	255	1,254
Food total	20,559	227,456
State total	100,215	[2] 2,005,400
Food agribusiness, percent of total	21	11

[1] Underestimated as numbers of firms and workers do not include major food related operations such as transportation, food handling equipment, packaging materials, food brokers and manufacturer's representatives.

[2] Excludes government workers.

THE GOVERNOR'S COMMISSION ON FOOD

Gordon Cameron, Robert Cobb, Jr., Jonathan Davis, Robert Eisenmenger, Mrs. Sharon Francis, John M. Fox, Mrs. Diane Fulman, Edward Gelsthrope, Dr. Ray A. Goldberg, Chairman, Mrs. Eunice P. Howe, David Mann, Dr. George C. Matthiessen, Dr. Jean Mayer, Ms. Peg McConnell, Sidney R. Rabb, Ralph A. Roberts, Mrs. Conchita Rodriquez, Mrs. Barbara Skillin, Stephen Tavilla, William H. Tucker, Dean K. Webster.

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Nathan Chandler, Charles H. W. Foster, Dr. Arless A. Spielman, Mrs. Mary B. Newman, John Verani, Dr. John Naegele, Jack Delaney.

Miss Deborah Borda, Special Assistant to the Governor.

Dr. Theodore W. Leed, Executive Director.

Warren Shepard, Executive Assistant.

Mrs. Ruth E. Nelson, Executive Secretary.

THE FOOD PROBLEM

The world and United States situation

The year 1973 marked a fundamental change in the food situation in the United States. We moved from a problem of chronic surpluses to temporary shortages and rapidly escalating food prices brought about by a combination of factors. Poor weather and harvests in many parts of the world, inflation, the increased purchasing power of other nations and the policy decision of our government to export large quantities of grain all contributed to the world and U.S. food problem. (Figure 4).

As a result of world and domestic supply and demand conditions all food prices in the United States increased by 14.5 percent in 1973, about the same as the increase in Boston food prices (Figure 5). This was the largest annual increase in food prices in a quarter of a century. The prices of food purchases for home consumption increased by more than 15 percent while prices of food consumed away from home increased by about 8 percent.

The percentage of consumer income spent for food increased slightly from 15.7 percent in 1972 to 15.8 percent in 1973, reversing a 20 year downward trend. In addition, the actual quantity of food consumed per person declined slightly due mostly to a reduction in the amounts of red meat and poultry consumed. Thus, it cost the average family in the nation over $200 more for food in 1973 than in 1972, and both the quantity and quality of the family diet was lower in 1973.

Retail food prices in the Consumer Price Index—1967=100

Recent Changes

April 1972 (122.4) to December 1972 (126.0) + 2.94%.

December 1972 (126.0) to April 1973 (136.5) + 8.33%.

April 1973 (136.5) to December 1973 (151.3) + 10.8%.

December 1973 (153.7) to April 1974 (158.6) + 3.1%.

Early 1974 saw food prices continue to rise but at a slower rate than in 1973 due to optimism for new crop production in spite of higher marketing costs. As of June 1974, bumper crops in the United States have been projected and raw agricultural product prices have declined which resulted in a slight reduction in over-all food prices in early spring. The reduction did not reflect the total drop in farm commodity prices because of offsetting increases in fuel, transportation, credit, packaging and labor costs as well as margins in the handling and marketing of food. Concern over the Russian wheat crop, and late seeding of the U.S. corn crop and spring wheat crop could put pressure on commodity prices again.

The high cost of fuel has forced some nations to restrict food imports in order to purchase fuel and fertilizer which has temporarily reduced the international demand for food. At the same time farmers are demanding catch-up prices in 1974 for commodities that were contracted at agreed upon prices in 1973 before the prices of alternative commodities had risen. For example, contract prices for fruits and vegetables used for processing are much higher in 1974 than in 1973 because farmers and processors renegotiated contract prices at a much higher level in 1974 based upon the alternative of producing grain crops at a higher return for farmers. Higher contract prices will be reflected in higher retail prices for some processed fruits and vegetables in 1974.

In 1974 we can also expect higher transportation and packaging costs due to the effect of high petroleum prices on the energy-intensive food industry. Labor costs will also increase throughout the food industry in 1974 as workers attempt to offset the effects of inflation by demanding higher wages and benefits.

The net effect of these domestic and worldwide conditions will be higher average food prices in 1974 than in 1973 although the extent of the increase depends upon U.S. and world crop production coupled with commercial world demand. In addition, our limited resources and the unlimited needs of depressed areas such as India and Africa will place constant moral, if not economic, pressure on our food system.

The White House Conference on Food and Nutrition in June, and the World Food Conference in November will include discussion of many of these U.S. and international issues that relate to the supply of and demand for food as well as the political implications of our policies.

The food problem in Massachusetts

Although the availability and prices of food in Massachusetts are determined largely by national and world conditions, the Commission was primarily concerned with identifying problems and opportunities that were actionable at the state and regional levels. Secondly, the Commission identified problems and opportunities that may be common to all states and the region that are actionable through the initiative of Massachusetts in cooperation with others.

In order to recommend actions necessary to assure all Massachusetts consumers an adequate food supply the Commission addressed the following questions:

1. What is the role of state government in the food system and how effectively is this role performed?

State government plays an important role in the food system in Massachusetts since most of the executive offices have some responsibilities that relate to the production, distribution, or consumption of food in the Commonwealth.* However, there is no central focus in state government for the coordination and implementation of policies and programs necessary for the food system to operate efficiently and equitably in providing a wholesome and dependable supply of food to Massachusetts consumers.

Central coordination in government is needed not only to assure that consumers will receive the greatest benefit from the food system, but also to assure that the food system continues to be an important and viable part of the state's economy.

Without central coordination there is no provision for implementing and monitoring the recommendations of the Commission and it is likely that this report will be ineffective. We want this central coordination to be in the main stream of practical and political decision-making in both the executive and legislative branches of state government.

We recommend the establishment of an office of Food Policy in the Office of the Governor that will be responsible for planning, evaluating and coordinating and recommending policies and programs necessary for the food system to operate efficiently and equitably in providing a wholesome and dependable supply of food to Massachusetts consumers. The Office shall submit an annual report to the Governor and to the Clerk of the Senate and the Clerk of the House of Representatives. Currently (June 1974), Senate Bill 1740 has been passed by a Senate Committee placing this function in the Office of Consumer Affairs with the cooperation of other related government agencies. The establishment of the Office of Food Policy is critical to the carrying out of all the other recommendations in this report. We have purposely limited the life of this office to two years in order for the Legislature and the Governor to evaluate whether or not it has proven to be practical. We do not want to add another layer of government red tape; our intentions are to organize a focal and coordinating mechanism in the existing government structure with the addition of only one person. Obviously the person selected will be critical as to whether or not such coordination and monitoring of food policy in the State takes place. (See Solutions 1 and 37.)

2. Do Massachusetts consumers pay more for food?

It appears that food costs are higher in Massachusetts than in most other states. Budget data show that a low-cost food budget for a four person family in Boston is 6 percent above the U.S. average and a retired couple in Boston must pay 7 percent more for a low-cost food budget than the U.S. average (Figure 6). The cost of an intermediate or higher food budget for either a four-person family or retired couple in Boston is from 7 to 10 percent higher than the U.S. average. Boston is one of the four highest of 38 metropolitan areas in the U.S. with respect to food costs.

3. Who is hurt the most by higher food prices?

The burden of rapidly increasing food prices and relatively high food costs falls most heavily upon those with relatively fixed incomes or whose income is simply inadequate to provide for a decent level of living. In Massachusetts the burden of high food costs is especially serious among the young (under 25), the elderly (over 65), the Black and the Spanish speaking residents (Figure 7).

The Commission made recommendations that will help not only disadvantaged consumers, but all consumers obtain a wholesome and adequate diet in the face of rising food prices (See Solutions 6–16).

4. Why does food cost more in Massachusetts?

The cost of marketing services represents about 55% to 60% of the price that the consumer pays for food. Labor, packaging and transportation are the largest marketing cost components (Figure 8).

With the exception of transportation costs, marketing services do not appear to cost more in Massachusetts than elsewhere in the U.S. Transportation costs are higher in Massachusetts and New England for several reasons. First of all, we are highly dependent upon outside sources for about 84 percent of our food supply. Many of these sources are distant and require a relatively high cost of transportation because of distance alone (Figures 9–11).

NUMBER AND PERCENT OF MASSACHUSETTS RESIDENTS BELOW POVERTY LEVEL OF INCOME, BY RACE AND AGE, 1969

Race and age group	Total population	Number	Percent of total
White:			
Under 25	2, 264, 696	160, 739	7. 1
25 to 44	1, 148, 528	52, 217	4. 5
45 to 64	1, 038, 954	29, 393	2. 8
65 plus	405, 497	35, 928	8. 9
Total	4, 857, 675	278, 277	5. 7
Negro:			
Under 25	87, 965	26, 856	30. 5
25 to 44	36, 510	6, 694	18. 3
45 to 64	18, 200	1, 814	10. 0
65 plus	5, 218	685	13. 1
Total	147, 893	36, 049	24. 4
Spanish:			
Under 25	35, 994	9, 893	27. 5
25 to 44	15, 920	2, 429	15. 3
45 to 64	5, 548	706	12. 7
65 plus	1, 743	223	12. 8
Total	59, 205	13, 251	22. 4
Total:			
Under 25	2, 388, 655	197, 488	8. 3
25 to 44	1, 200, 958	61, 340	5. 1
45 to 64	1, 062, 702	31, 913	3. 0
65 plus	412, 458	36, 836	8. 9
Total	5, 064, 773	327, 577	6. 5

Source: Table No. 207: U.S. Census of Population, 1970.

An increasing proportion of our food imports from distant states is by truck which is more costly than rail transportation (Figures 12 and 13). In both cases higher fuel costs affect food prices in Massachusetts and New England more than in other states and regions.

The insufficient availability and use of special volume rail rates by receivers of feed and food in Massachusetts also contributes to higher transportation costs.

Higher transportation costs are reflected in food production costs as well as in the cost of finished food products. The discriminatory differential in the transportation rate for midwestern corn used for poultry feed amounts to an annual disadvantage to New England producers of $300,000, and $50,000 to Massachusetts producers compared with Southern broiler producers. The disadvantage on egg production is $2 million for New England producers and $335,000 for producers in Massachusetts.

The Commission believes that appropriate state and regional action can eliminate some of the competitive disadvantages in the transportation system that lead to higher food prices in Massachusetts and New England. In addition, recommendations are made that will help to alleviate marketing costs and, consequently, food prices even though the problems are not unique to Massachusetts or New England. (See Solutions 1, 2, and 17–24.)

FIGURE 12.—*Origins of major fruit and vegetable commodities received in Boston, 1972 (percent of total)*

Origin:	*Percent of fresh fruit and vegetable unloads in Boston*
Arizona	3. 3
California	28. 2
Florida	17. 1
Idaho	1. 7
Maine	10. 7
Massachusetts	5. 2
New Hampshire	1. 2
New Jersey	4. 0
New York	6. 0
North Carolina	1. 6
Oregon	1. 2

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* These responsibilities are given to a variety of government agencies such as the Milk Market Administrator, the State Department of Agriculture, Food and Drug Division, Department of Public Heatlh, Attorney General's Office, Cooperative Extension Service, Consumer Affairs Office, Weights and Measures Office, and the Interstate Commerce Commission. These agencies affect the packaging, transportation, quality, standards and prices of all the foods that are produced, imported, processed, packaged, and distributed in and from the State of Massachusets.

South Carolina	2.0
Texas	3.1
Virginia	1.1
Washington	1.9
Other States and territories	7.5
Foreign nations	4.7
Total	100.0
Percent received by truck	57.2
Percent received by rail	42.8

Source USDA, Market News Service.

5. In what other ways does our dependency upon distant sources for food affect the supply and price of food in Massachusetts?

The high degree of dependency makes us highly vulnerable to sudden changes in the supply-side or demandside of the national in international food economy. Our lack of feed and food inventories can result in food emergencies whenever the usual pattern of distribution is disurpted. The truck strike in 1973 and its effect upon the supply and price of fresh produce and meat is a typical example of our vulnerability. In addition, the very nature of our domestic and world food economy makes us more dependent on fewer large scale operations and vulnerable to any disruption in the interrelated world food system.

The Commission believes that steps can and should be taken at the state, regional and national levels that will make us less vulnerable to sudden changes in the national and international food economy. (See Solutions 1, 2, 3 and 17).

6. What are our food production resources in Massachusetts and how effectively are they being utilized?

Milk, eggs, fruits, vegetables and seafood represent the most important sources of income for Massachusetts food producers (Figure 14).

Although we are dependent upon outside sources for most of our food, the local production of some commodities constitutes an important proportion of our consumption, especially cranberries, sweet corn, strawberries, apples, eggs and fish and shellfish. The other New England states are also dependent upon outside sources for most of their food needs but the production of some commodities approaches or exceeds consumption. (Figure 15). In Massachusetts, the retail value of all food produced is about 16 percent of the retail value of all food consumed. In New England, the retail value of food produced is about 28 percent of the retail value of food consumed.

The number of farms and acreage in farms in Massachusetts has declined greatly since 1945 (Figure 16). There are presently 700,000 acres in farms in Massachusetts of which about one-fourth is in cropland. The average size of farms in Massachusetts is 123 acres compared with an average U.S. farm size of 378 acres.

The acres of cropland per person in Massachusetts is far less than in New England as a region or in the United States (Figure 17).

There were nearly one million acres of land suitable for food production in Massachusetts in 1967 and 29 percent of it was in cropland (Figure 18). However, agricultural and open land is being converted to other uses at a rapid rate as indicated by aerial surveys of Massachusetts in 1951 and 1971 (Figure 19).

PRODUCTION AS A PERCENTAGE OF CONSUMPTION OF MAJOR FOOD COMMODITIES IN NEW ENGLAND, 1972

[Production as a percent of consumption]

Food commodity	State		
	Connecticut	Maine	Massachusetts
Meat:			
Beef and veal	4.1	13.7	2.2
Lamb and mutton	1.3	12.2	.9
Pork	.9	2.4	3.6
Total	2.9	9.7	2.7
Poultry:			
Chicken	8.9	41.3	2.9
Turkey	3.9	11.0	5.1
Total	8.1	34.3	3.3
Fish and shellfish	3.3	298.5	88.1
Eggs	97.8	444.2	30.1
Dairy products: Fluid milk equivalent	35.8	106.8	19.4
Fruit (fresh):			
Apples	41.3	226.7	92.8
Peaches	12.6	1.5	8.1
Pears	23.2	NA	10.3
Strawberries	NA	NA	96.0
Cranberries			1,288.2
Vegetables (fresh):			
Tomatoes	5.1	1.3	20.3
Lettuce	4.7	.5	4.1
Sweet corn	81.1	35.0	127.9
Asparagus		4.9	41.5
Snap beans	42.1	354.2	25.4
Cabbage	11.0	153.3	32.9
Potatoes (fresh and processed)	21.6	2,332.2	8.6
Cereal grains	(*)	(*)	(*)

* Less than 0.1 percent.

Food commodity	State			New England
	New Hampshire	Rhode Island	Vermont	
Meat:				
Beef and veal	7.7	0.7	72.0	6.6
Lamb and mutton	.6	1.2	10.6	1.7
Pork	4.8	3.0	3.8	2.9
Total	5.9	1.5	46.6	5.2
Poultry:				
Chicken	13.1	3.0	7.2	8.1
Turkey	51.5	1.7	5.0	6.7
Total	19.8	2.8	6.8	7.9
Fish and shellfish	3.8	18.25		83.1
Eggs	128.9	19.1	80.0	89.9
Dairy products: Fluid milk equivalent	76.4	11.8	756.2	64.5
Fruit (fresh):				
Apples	235.7	17.4	255.7	79.7
Peaches	7.8	1.8	NA	NA
Pears	NA	NA	NA	NA
Strawberries	NA	NA	NA	NA
Cranberries				615.1
Vegetables (fresh):				
Tomatoes	6.1	NA	NA	NA
Lettuce	8.9	NA	NA	NA
Sweet corn	103.0	NA	NA	NA
Asparagus	5.0	NA	20.7	NA
Snap beans	26.0	NA	NA	NA
Cabbage	137.4	NA	NA	NA
Potatoes (fresh and processed)	13.9		26.9	209.4
Cereal grains	(*)	(*)	(*)	(*)

*Less than 0.1 percent.

Agriculture may continue to decline in Massachusetts as indicated by projections of the U.S. Department of Agriculture for the production of major commodities through 1985 (Figure 20).

Seafood is one of our most important food resources in Massachusetts. Because of overfishing and the inefficiency of our fishing fleet compared with those of foreign nations the annual catch of Atlantic groundfish is declining (Figure 21). Without more effective control and management of our offshore fishery, several important species of finfish face extinction.

Even though the land devoted to agriculture in Massachusetts has declined rapidly over the years, the Commission does not believe that this trend must continue. The Commission believes that the state and its citizens can find ways to stem the disappearance of good agricultural land and recommends actions to accomplish this task as well as to make more productive use of our land. Likewise the Commission believes that we need to protect our dwindling Atlantic offshore fishery and explore means for utilizing our water resources for greater food production. (See Solutions, 4, 5 and 25–36.)

CROP AND LIVESTOCK PRODUCTION, MASSACHUSETTS

Commodity	Units (thousands)	Actual			Projected	
		1970	1971	1972	1980	1985
Silage, corn	Ton	512	544	352	311.2	300.7
Noncitrus fruit and nuts	Ton	(1)	(1)	(1)	70.8	72.2
All vegetables	Hundredweight	(2)	(2)	(2)	1,696.1	1,650.5
All hay	Ton	239	241	205	155.5	139.0
Tobacco	Pounds	3,562	2,879	1,898	1,403.5	1,182.1
Irish potatoes	Hundredweight	1,046	987	592	965.1	894.8
Cattle and calves	Pound	22,430	23,175	25,480	20,204.0	19,267.0
Hogs	do	19,139	19,746	18,708	22,614.0	22,536.0
Sheep and lambs	do	356	365	345	191.2	170.9
Chickens	do				9,383.0	8,637.0
Broilers	do				4,952.0	4,164.0
Turkey	do	4,525	3,840	3,383		
Eggs	1,000 eggs	521	513	535	371.4	336.7
Milk	1,000 pounds	658	658	628	688.4	670.3

[1] 1968–70 average 91.6.

[2] 1968–70 average 1,524.8.

Source: Economic Research Service, USDA.

LANDINGS OF FRESH FISH AT MASSACHUSETTS PORTS, 1961 TO 1972

[Thousands of pounds]

Year	Port			
	Boston	Gloucester	New Bedford	Total
1961	117,029	163,059	100,465	380,553
1962	117,592	167,219	119,766	404,577
1963	107,155	139,476	135,149	381,780
1964	107,536	124,202	135,722	367,460
1965	103,630	121,365	147,316	372,311
1966	89,695	116,484	133,497	339,676
1967	77,926	83,342	117,842	279,110
1968	59,986	98,035	126,099	284,120
1969	46,144	69,544	108,215	223,903
1970	32,250	92,374	111,282	235,906
1971	31,956	111,179	73,694	216,829
1972	24,080	112,389	60,844	197,313

Source: Current fishery statistics, U.S. Department of Commerce.

RECOMMENDATIONS FOR IMMEDIATE ACTION BY THE GOVERNOR AND THE LEGISLATURE

Problem: How can we make government more responsive to the needs of all consumers and more effective in shaping the food system in order to meet consumer needs?

Solution 1.—Establish an office of Food Policy in the Office of the Government that will be responsible for planning, evaluating, and coordinating and recommending policies and programs necessary for the food system to operate efficiently and equitably in providing a wholesome and dependable supply of food to Massachusetts consumers. The Office shall submit an annual report to the Governor and to the Clerk of the Senate and the Clerk of the House of Representatives.

The Commission has submitted a bill (Senate 1740) that would establish a Food Policy Office in the Executive Office of the Governor. We are not concerned about the location of the Food Policy Office within state government but are concerned about meeting the need for the formulation and focus for a food policy for the state. As stated on Page 16 of this report, we purposely limited the life of this Food Policy Office to two years in order for the Legislature and Governor to evaluate its effectiveness. We also limited the budget of such an office to the hiring of one person to head it up. Such a person must be non-partisan and well qualified.

Problem: How can we reduce the cost of food for Massachusetts consumers?

Solution 2.—The construction of a grain and food receiving storage facility in Massachusetts under the auspices of a State Food Authority.

This solution would put pressure on the transportation system to provide rates that are more competitive with other regions, including special volume rates. Reductions in feed costs for locally produced products alone could result in combined savings of about $4 million on poultry, eggs, and milk for Massachusetts consumers.

The construction of such facilities may also encourage the development of processing such as soybean processing for the feed industry which, in turn, would provide a viable alternative crop for local farmers if new varieties are agronomically and economically competitive.

The facility would also provide additional storage capacity which would help to alleviate short-term pressures such as transportation strikes. In addition, its very presence would act as a countervailing power to competitors who might whiplash the market to the disadvantage of Massachusetts.

Solution 3.—The development of more local food processing through the encouragement of private action or the State Food Authority.

Flour milling is a specific example whereby the difference of fifty cents per CWT in transportation costs for wheat versus flour into Massachusetts makes it economically feasible for private or public flour milling in the state. The savings available to Massachusetts consumers in the cost of bread would be about $3 million annually.

Another example is the fabrication of retail cuts of meat from carcasses in local plants rather than cutting the carcass in the Midwest and then again in the food store. Pilot projects are already under way in New England on the central preparation of retail cuts of fresh meat.

A third possibility is the local canning, bottling or labeling of some fruit and vegetable products in distribution centers in Massachusetts. This facility would result in transportation savings when the final ingredients such as water and sugar could be added locally rather than at the distant points of production. Also, small processors could utilize a common facility for canning, bottling or labeling their products as compared with each one having their own facility and equipment.

Private industry should be encouraged to proceed with more local processing. The food Authority should assist private industry or take the initiative if necessary.

Solution 4.—The development of home and community gardens.

There is a substantial amount of good agricultural land owned by the state and towns and cities that is not being used for food production. If this land is made available to individuals and groups for gardens, it would help many consumers to supplement their food supply and reduce their cost of food. It would also provide an opportunity for old and young alike to engage in enjoyable and healthy activity.

The Department of Agriculture should be given the authority to issue permits for the use of state surplus land for home and community gardening.

Cities and towns should be encouraged to make idle land available to residents for gardening and to provide a pool of equipment, seeds, fertilizer and technical advice free of charge. The resources of the Cooperative Extension Service should be utilized in providing technical information on gardening to households and groups that become involved in garden projects.

Problem: What can be done to prevent the rapid conversion of our best agricultural land to other uses and to put more land into food production?

Solution 5.—The development of a comprehensive land use plan for Massachusetts that incorporates the agricultural preserve concept and provides tax benefits for maintaining land in agriculture and tax penalties for changing land from agricultural to urban use.

In order to accomplish the solution, a cabinet level land-use policy council should be created with the responsibility for developing a comprehensive land-use plan for the Commonwealth within three years. In the meantime, conservation district boards of supervisors should be requested to place top priority on the preparation of county agricultural land use capability maps so that we can consider the agricultural capability in any proposed change in land use, and so that we can devise programs for preserving a prescribed percentage of our best agricultural land in a way that will protect the equity of landowners.

Problem: How can we provide an opportunity for consumers with insufficient financial resources to obtain an adequate diet?

Solution 6.—Make certain that all eligible consumers are given the opportunity of participating in the Food Stamp Program as soon as possible.

The federal commodity distribution program terminates on June 30, 1974, and the Food Stamp Program will become the only major program that will enable many low-income consumers to obtain an adequate diet. The changeover from surplus food to food stamps will require outreach to inform those who are eligible and certification of non-public assistance recipients.

The Commission urges the appropriation of adequate funds required to implement the program, the establishment of a state and local advisory boards, and steps to assure that those who are not certified by June 30 will be provided with adequate diets until they can participate in the Food Stamp Program.

Problem: How can consumers in low-income areas be provided the opportunity to obtain the food they need at reasonable prices?

Solution 7.—Use the Food Stamp Program

or other sources of financial aid to subsidize private supermarkets and consumer food cooperatives that locate in these areas.

Consumers in low-income areas must often pay higher prices for food than consumers in other areas because they do not have the opportunity to buy in large supermarkets where prices are lower. Supermarkets experience higher operating expenses and much lower profits in low-income areas and, consequently, operate very few stores in these areas. By subsidizing supermarkets and consumer food buying cooperatives this problem can be alleviated.

Solution 8.—Develop secure shopping centers in low-income areas where adequate security can be provided.

Another serious problem that discourages the location of large food stores in low-income areas is that of crime including pilferage and burglary. Public and private cooperation is needed to find ways of grouping businesses in surroundings where security can be improved.

MAJOR RECOMMENDATIONS FOR ACTION BY THE GOVERNOR AND PUBLIC AND PRIVATE AGENCIES

Problem: How can all Massachusetts consumers make well-informed buying decisions and obtain an adequate, wholesome diet at reasonable cost?

Solution 9.—Develop and disseminate more timely and effective consumer information with respect to food prices and the use of food buying aids including nutritional labeling and unit pricing. Expand the role of the Cooperative Extension Service, the Consumers' Council and the Department of Agriculture in consumer education and make more effective use of radio and television public service time. Establish a "hot line" in the Department of Agriculture where consumers can obtain timely food price and quality information.

Solution 10.—Provide more extensive and effective nutritional education through designation of the Massachusetts Consumers' Council to collect and analyze data concerning the nutritional needs of consumers, coordinate nutritional education efforts and obtain the cooperation of public agencies, the food industry and advertisers in promoting better nutrition for the public.

Solution 11.—Increase the fines for deliberate short weights and sanitary code violations and require the publication of lists of violators. Provide for a judicial education program to stress the importance of maximum enforcement of weights and measures and public health regulations.

Solution 12.—Provide authority for the enforcement of unit pricing regulations to local sealers of weights and measures in addition to the Division of Standards. Chapter 254 of Acts of 1974 was submitted in November of 1973 and the Governor approved it on May 23, 1974 and will go into effect in 90 days.

Solution 13.—Reclassify or upgrade certain positions in state government where necessary to hire professionally qualified personnel for food-related programs.

Solution 14.—Regulations by the Department of Public Health to require retailers to use the Uniform Retail Identity Standards for cutting and labeling fresh meat.

Solution 15.—Develop and enforce more stringent quality specifications for the School Lunch Program meals and utilize central kitchens for meal preparation when practical.

Solution 16.—Request changes in federal guidelines for Title VII funds to supplement diets of the needy elderly through efforts of congressmen and state officials and request the Elder Affairs Department to establish eligibility requirements for the Meals on Wheels program.

Problem: How can we assure that the costs of marketing food in Massachusetts are competitive and equitable and that consumers are protected against food shortages and abnormally high prices

Solution 17.—Support of the New England governors and congressmen for a national export and contingency reserve policy to assure the maintenance of minimum feed grain and basic food reserves with strategic storage locations in each region. These reserves should be related to an international food reserve system.

Solution 18.—Efforts by the Governor and the appropriate state agencies to do everything within their power before the Interstate Commerce Commission and other federal bodies to insure the retention of competitive rail systems both in New England and in routes leading to New England. Also, a careful review of the economic impact of the abandonments proposed by the Department of Transportation in the reorganization of the Northeast rail system.

Solution 19.—Endorsement and support of a national rail car fleet by the New England governors and transportation officials. The state should maintain feeder lines even if the Federal Government does not.

Solution 20.—Request revision of volume rail rate requirements by carriers and the Interstate Commerce Commission and encourage the use of volume rates by Massachusetts receivers of feed and food.

Solution 21.—Support the efforts of the New England Feed Grain Council to obtain the approval of a more equitable rate structure from the Interstate Commerce Commission for feed grains shipped into New England.

Solution 22.—Adequate fuel allocation for all food haulers and strict enforcement of price controls for fuel.

Solution 23.—A comprehensive food service educational program to improve the skills of managers and employees, especially in public institutions.

Solution 24.—The construction of regional solid waste disposal plants already authorized by legislation in Massachusetts.

Problem: How can we preserve our food production capability and utilize our resources more fully in producing food with a minimum use of energy?

Solution 25.—Revision of state tax laws to permit an investment credit for individuals and partnerships engaged in agricultural production, to allow Sub-chapter "S" Agricultural Corporations to pass income through to shareholders without the income being subjected to a prior corporate tax; and, the option of income averaging for farmers and fishermen.

Solution 26.—Federal legislation to create a National Labor Relations Act for agriculture to provide machinery for orderly collective bargaining between farm workers and farmers.

Solution 27.—The use of Federal manpower training funds to train workers for employment in agriculture in Massachusetts.

Solution 28.—Request the Pesticide Board of the Department of Public Health to develop plans for registering certain pesticides for use in the State.

Solution 29.—Encourage public and private agencies to adopt the University of Massachusetts plan for fertilizer use based on priorities.

Solution 30.—Request the Massachusetts Agricultural Experiment Station to undertake research to develop food crops with a higher nutritional content.

Solution 31.—Regional support of the Studds-Magnuson bill to extend U.S. territorial jurisdiction of Atlantic fishing grounds to 200 miles.

Solution 32:—State programs that will increase the gross stock of Massachusetts fishing vessels.

Solution 33.—Establish a Marine Research Station on the South Shore to engage in research and development and pilot projects on the propagation and marketing of shellfish and other types of fish.

Solution 34.—Regulations by the Department of Public Health to establish definitions and standards for organically grown foods.

Solution 35.—Encourage the development of less energy-intensive forms of fertilizers including the greater use of organic waste.

Solution 36.—Encourage the development of less energy-intensive methods of agriculture.

Problem: How can we make government more effective in order to best meet consumer needs for food?

Solution 37.—We urge all of the food-oriented government agencies in the state to develop objectives and programs and coordinate with the Office of Food Policy.

APPENDIX

Summary of recommendations presented at public forums of the Governor's Commission on Food, Boston, Barnstable, Pittsfield, and West Springfield, Massachusetts, April 1974.

1. Establish standards of identity for organically grown foods to protect growers and consumers.
2. Provide interest free loans and seed money for the development of food buying cooperatives, especially in low-income areas.
3. Develop land use policies to control the use of land and stem the decline in farm land.
4. Develop methods for more effective utilization of organic wastes in view of the energy crisis.
5. Use state surplus and town lands for home and community gardens and encourage town support of home and community food production through pools of equipment and supplies.
6. Improve food quality, especially the nutrient content of grains.
7. Expand consumer education, especially in nutrition, and provide a toll free telephone number in order to provide current information on pricing, nutrition, etc. to the general public.
8. Include SSI people in the Food Stamp Program.
9. Provide retroactive food stamps for those denied commodity foods.
10. Develop steps to make certain that Western Massachusetts families are certified in time to participate in the Food Stamp Program by July 1, 1974.
11. Provide incentives to maintain a viable dairy industry in Massachusetts.
12. Eliminate the duplication of regulations and regulations that are so unreasonable that they force small farmers out of business.
13. Change the state inheritance tax structure in order to keep more land in farming.
14. Establish a vocational training school in Hampden County which will include vocational agriculture.
15. Establish a soft drink tax in Massachusetts to provide revenues for nutrition education and other food assistance programs.
16. Provide for better communications between consumers and other groups involved in the food system.
17. Stricter control by the state of pesticide use on fresh vegetables.
18. Control conglomerate and corporate agriculture in order to eliminate monopoly power and reduce food prices.
19. Develop less capital intensive forms of agriculture in order to reduce unemployment.
20. Balance population and food production in Massachusetts and New England.

A Minority Report on the Governor's Commission on Food

(By David B. Mann)

The Governor's Commission on Food was appointed for the purpose of suggesting policy needed to insure an adequate supply of food for Massachusetts' citizens.

Adequate food has been the goal of man since civilization's inception, and is the one problem that had to be solved before society could advance beyond the stage of everyone digging for edible roots. The accomplishments of a society must be a measure of the success of its food policy, because as the labor needed to produce food decreases, time and assets are made available for other purposes.

This Food Commission report appears to ignore the fact that our present policy of allowing competitive private enterprise to function has enabled our food system to become the most highly developed one in history. Instead, we assume our present policy is no policy, hence perceived the Commission's duty to go "In Search of a Food Policy." My participation in the search has just strengthened my confidence in our present policy of allowing private enterprise to function, and has pointed up the need of teaching how the private enterprise system operates to transmit it to the next generation before we do lose it.

If Massachusetts was a rural state the Commission could have confined most of its efforts to trying to increase agricultural production by listing problems caused farmers by public policy and then suggesting legislative solutions to correct them. This would hopefully then keep farmers in the business of producing more food.

However, Massachusetts is an urban state that imports most of its food. For this reason the major thrust of the report concerned itself with subjects such as transportation, labor, and national legislation that will affect food production. However, no matter what aspect of our food system we discuss the same basic economic principal of supply and demand will prevail. Our citizens are primarily consumers, not producers, for our citizens are concentrated in cities. Probably because of this they have come to look to the government for solutions to their problems, as evidenced by the abundance of consumer oriented social action governmental programs spawned in this urban environment.

The Commission's report places special emphasis on consumer needs. Who is the "consumer" everyone is trying to speak for, appeal to, represent, and protect? We are all consumers, so it would appear to me our elected officials are already representing the consumer.

Only recently with the word profit connotating evil, with the crusade being mounted against large corporations, with a proposed Consumer Protection Agency, with Nader's Raiders, etc., has the word consumer come to connotate an ignorant oppressed minority incapable of making a proper decision about even buying a box of cereal or a toy. The consumer is assumed to be incapable of spending her own money, hence needing the government to protect her from herself and profit making corporations. I think consumerism is a shield self serving groups are hiding behind to advance their own socialistic philosophies.

Some specific areas of disagreement with the report's recommendations are:

1. Promote an expanded food stamp program.

I think the average working man, paying taxes, wants to care for those truly in need; but he is feeling now that too much of his money is being used in one way or another for public support of many undeserving inviduals at a standard of living equalling his. I would not advocate actively working to expand this program.

2. Establish a Food Policy Office in the Department of Consumer Affairs to provide central accountability for the food system in Massachusetts.

I do not believe another governmental structure with limited power to act in the all encompassing food system could accomplish anything. Further, I do not believe one governmental agency should have the power to intervene in any area affecting the food system which this office might think necessary. There is adequate evidence in Cuba and other regimented societies that agricultural stagnation and failure occurs with centralized control. These societies end up looking to private enterprise agriculture to feed their people.

3. Establish food reserves and export policy to protect consumers against food shortages and abnormally high prices.

I believe high prices are the best protection against high prices, for they generate production, which in turn brings prices down. In a free economy there is a direct inverse relationship between price and supply. (See attached sheet). The beef crisis of last year, which was one of the motivators for the initiation of this commission, is still in a state of turmoil because of last years government intervention in the market system. Over time, the free market system works. The time required is a lot less than is required for governmental decisions and action, and the market solutions of economic problems are a lot sounder than political ones. Government held reserves cannot be insulated from the market. Consumers may like the price depressing effect these reserves may have short range; but if the producer cannot expect a profit there will be no production long range. I am sure that if the level of food prices was to be determined politically there would not be sufficient profit for the producer. Do you want low prices and empty shelves or slightly higher prices and abundant food supplies? The market will determine the right price if it is allowed to function.

4. An important area touched upon was our vulnerability to transportation strikes with no recommended action. Labor unions appear to be the one major segment that has escaped government regulation. Labor is the largest contributor to the retail price of food. While farm prices have dropped from 20% to 40% for various commodities from January 1974 to May 1974, retail prices have not shown a similar decline—primarily because of labor costs in food marketing. Labor accounted for 48.4% of the total food marketing bill in 1973. Labor unions are exempt from anti-trust legislation, their political clout has been reflected by favorable government policies on labor management relations, the proposed federal Consumer Protection Agency specifically exempts labor from their otherwise all inclusive meddling power. Legislation is needed to insure prompt settlement of transportation strikes. As long as the other productive segments of our society are operating under strict governmental controls, labor presently has an unfair advantage. This should be corrected by either curbing labor union power or giving other segments more freedom.

5. Inflation is the greatest threat facing this nation, especially for the poor and those on fixed incomes. It is caused primarily by governmental deficit spending. We should insist governments live within their budgets. If new programs are enacted, taxes should also be levied to support them. Our elected officials must do a better job of managing our state and national fiscal affairs. The governments monetary and fiscal policies have reduced employer resistance to union demands by creating inflationary expectations. We must stop expecting a free lunch from the government. It has been this attitude, plus the responsiveness of the politicians to do something for the people, that has contributed to fiscal difficulties. Political solutions to economic problems have ended up doing something to us not for us.

If the market system is allowed to operate it will continue to provide the best answers to our citizens needs. Our system needs a minimal amount of government control. Increased productivity from every segment of our society is the only way to lower or stabilize costs while supplying all the food needs and desires of our citizens at reasonable prices. The government's role should be to create an atmosphere which will stimulate individual productivity, not to assume responsibility for the infinite number of decisions necessary to make the food system operate.

Harvard University,
Boston, Mass., June 24, 1974.

Mr. David Mann,
President, Massachusetts Farm Bureau Federation, Inc., Waltham, Mass.

Dear David: Thank you so much for your letter of June 19 and your willingness to provide us a Minority Report on the Governor's Commission on Food so that we might include it in the report. I am taking the liberty of also including my letter in response to your Minority Report as I feel that statements that are made in the Minority Report are not really differences of opinion, but rather differences of language.

Your first comment is that the Food Commission Report ignores the value of competitive private enterprise. Quite the contrary—the report endorses our using the price mechanism as much as possible to provide the incentives for producers to produce and the signals from the consumer to the producer as to which items the consumer prefers and when the consumer can no longer afford to pay for certain items as well. What the Commission Report does say is that in times of extreme shortages we would like to have a stand-by shock absorber of a government reserve to ease the pressure on the consumer, both in this country and overseas. It also says that in times of extreme gluts we would like a shock absorber to soften the blow on the producer, so that he does not lose his incentive to produce or lose his ability to be a part of the commercial food system. We recommend that the spread between the safeguard to the producer and the safeguard to the consumer be as wide as possible to allow the free market system to work.

For the last postwar period in this country, we have had high price supports, government controls, subsidized storage, concessional export shipments, marketing orders and agreements which have covered practically every crop in this state and in this nation. We did this in order to provide a reasonable income to the producer. The byproducts of that policy turned out to be supplies that by chance we needed in times of emergencies. This report does not advocate going back to such policies, but rather establishing instead a reserve that is insulated from the market system and used only in times of emergency rather than use perpetually. Just as the cooperative that you belong to has acreage restrictions along with its marketing orders, in order to provide a mechanism to deal with responses and changes in demand and supply, so presumably the country as a whole is entitled to some mechanism for both its producers and its consumers. Last week in Washington the members of the Panel on Food Availability in the United States, including farmer members, agreed unanimously that we should have such a reserve and agreed unanimously that it should be insulated from the market system to allow the market system to work. Our report in Massachusetts does not disagree with it and, therefore, I felt it necessary in this letter to you, which will be attached to your Minority Report, to clarify what is free enterprise.

Secondly, I would like to remind you that there is no free market in the world today, that we have a combination of price support programs, export subsidies and import controls, all of which we have to respond to. I prefer the free market mechanism, but in a world that doesn't have it we cannot ignore the other trading nations in the world, especially when we supply 40% of the world grain.

The other point that I would like to respond to is the Office of Food Policy. Really this is nothing more than a coordinating mechanism and adds only one man to public life. In addition, this office is not an additional level of red tape, but rather must be part of a means of coordinating the existing offices that affect every aspect of our food production, distribution and consumption policy in the state. We purposely put a termination of this office after two years, so that both the legislature and the governor will have to see whether this is a practical measure and is accomplishing what we set out to have it accomplish or not. This, I think, is not like other government programs that work on a perpetual basis with no feedback whatsoever.

Finally, there is one thing about our report and the people who have been active in it that is not reflected in your minority statement and that is this: This group was made up of labor, farmers, processors, retailers, wholesalers and consumers. What we did recognize in preparing this report is that none of these groups are enemies of the other; that we need each other very much because we are part of an interdependent, interrelated food economy, both in this country and overseas. Because of this interrelated nature, we must make certain that our policies, too, are also coordinated. It is also important to realize that any interruption in the network of the food system penalizes everybody in that system.

We certainly do appreciate all of your constructive inputs into the report. I feel that on balance we attempted to cover the problems and opportunities facing each segment in the food system and in the process tried to find ways of enabling that system to work in a more effective, efficient and coordinated way, making maximum use of the traditional pricemaking mechanism, and at the same time providing the shock absorbers so that no one group, whether that group be producers or consumers, is adversely affected by any major change in the system. Fundamentally, I can't help but feel that you agree with this philosophy. I know that the overwhelming majority of the producers and consumers in this country do.

Thanks again for your Minority Report.

Sincerely,

RAY A. GOLDBERG.

A POLICY FOR FOOD AND AGRICULTURE IN MASSACHUSETTS—ISSUES AND PROGRAMS

FOREWORD

As a result of the food shortages and skyrocketing food prices occurring in 1973, then Governor Francis W. Sargent appointed a non-partisan body to investigate all aspects of the problem and to suggest methods for alleviating the rising pressures on the consumer's food dollars. This group known as the Governor's Commission on Food was composed of citizens of the Commonwealth representing agriculture, labor, the food industry, education, government and consumers. Dr. Ray A. Goldberg of the Harvard School of Business Administration was its chairman, and Dr. Theodore W. Leed of the College of Food and Natural Resources, University of Massachusetts, Amherst, its executive director.

As far as is known the commission's report represented the first attempt of a state to evaluate its food system as a totality and to recommend policies and programs to meet the food needs of its people. The commission was divided into six task forces to cover: (1) food supply and production, (2) labor and economic incentives, (3) transportation, distribution, storage and logistics, (4) marketing, (5) government institutions and structures, and (6) food prices and consumer policies.

The commission's final report was presented June 25, 1974, and has provided the basis for the following *Policy for Food and Agriculture* prepared at the direction of Governor Michael S. Dukakis, by Evelyn F. Murphy, Secretary of the Executive Office of Environmental Affairs and Frederic Winthrop, Jr., Commissioner of the Department of Food and Agriculture.

We wish here to acknowledge the assistance of the many people who have offered comments and criticisms on the preliminary drafts of this document. They are too numerous to name individually but their contributions have been immensely helpful.

It is hoped that this statement can be the first step in a dynamic program.

Further suggestions and assistance from the private sector and government agencies will be welcomed.

A POLICY FOR FOOD AND AGRICULTURE

The Secretary of Environmental Affairs and the Department of Food and Agriculture are proposing a policy designed to preserve our agricultural land, to increase production and processing of local products, to promote local purchase of Massachusetts-grown produce, and to improve our importing and marketing strategies with respect to our imports. The goal is to make Massachusetts more nearly self-sufficient in its requirements for foodstuffs as a means of holding prices in check, reducing the transportation factor in food costs, promoting local business and jobs in agricultural and related fields, and assuring our citizens of a steady supply of nutritious foods at reasonable prices.

PART ONE: POLICY

A. Introduction

1. Office of Environmental Affairs Responsibility

The Executive Office of Environmental Affairs under its statutory responsibilities as planner and guardian of the state's natural resources has begun examining a number of critical long-term environmental issues which will affect the quality of life in Massachusetts for decades to come. Among the most crucial of these issues is food and agriculture.

2. Rationale

Many variable factors enter into the economics of feeding Massachusetts citizens, and some of these have been subject to radical change in recent months. The costs of energy and serious questions regarding its future availability have drastically altered traditional balances between cost of producing locally and importing at rising transportation costs from richer agricultural areas.

Also changing are relationships between energy intensive and labor intensive production methods. These trends have serious implications for Massachusetts which was once largely self-sufficient, but now imports 85% of its foodstuffs. For all we import we must export something to pay for it, plus an additional amount for transportation if our economy is to remain healthy. As the rest of the country and the world becomes industrialized, it gets harder to find and sell exportable commodities to pay for our imports.

The more we produce of our food and fiber in-State, the more jobs stay here, the more favorable our import-export position becomes, and the less vulnerable we become to costs, stoppages, and similar actions and circumstances beyond our control.

This implies the need for a hard look at these ever changing variables in our economic picture and at the conventional wisdom of the past.

It also calls for conserving and harnessing our land and water resources from which all wealth is ultimately derived, particularly those areas of land and sea that provide us perpetually renewable bounties if properly harvested and carefully nurtured.

Likewise needed is a new look at the needs of our people, both psychological as well as gustatorial, and at their changing attitudes toward the land and its resources and toward modes of living less destructive of these resources.

It is hoped that this policy statement can provide a point of departure for an on-going process of discussion, analysis, and action which will meet the needs of the people in this rapidly changing situation.

B. Current situation

1. Loss of Farms, Land and Production

The number of farms in Massachusetts has declined since World War II from 35,000 to little more than 6,000; the number of farmland acres has plummeted from over 2,000,000 to about 700,000 in the same period. There is no indication now of any reversal in these alarming trends. In fact, Massachusetts can expect to lose roughly 20,000 acres of farmland or 200 farm businesses per year if no state-wide action is taken to preserve this vital resource.

2. Farm Profitability

There are many factors which in combination have been reducing the profitability of farming to a point where the farmer gives up and sells the farm. These include rising labor costs, shortage of labor, particularly at harvest, the lure of higher pay and shorter hours in industry, taxation, lack of services such as slaughtering, processing and marketing, cost and aggravation from licensing, inspection, and nuisance laws. All of these are of course piled on top of the normal uncertainties entailed in the weather and the vagaries of the market.

No entrepreneur has less control over his selling price than the farmer. Most businessmen have the ability to raise selling prices to reflect rising costs. With farm prices set in national or regional markets, however, a farmer's only recourse is to stop selling in order to affect price by creation of a shortage. While this works in the aggregate on a national or regional level over extended time periods, it nevertheless proves disastrous to individual producers in any one crop period. A dairy or poultry man whose costs are exceeding his income cannot close down the supply without suffering greater loss. Likewise, a fruit or vegetable grower who has his costs already invested in his crop must sell when the product is ready at a price already established by forces beyond his control.

Inflation has accentuated his problems not only by raising his costs, especially the segment attributable to fuel and labor inputs, faster than his income, but by adding another unstabilizing factor to his normal risks.

3. Food Imports

Today this state imports fully 85% of its food—97% of the meat and poultry its consumes, 70% of the eggs, 80% of the milk, and 90% of the potatoes. As population increases in states and nations from which Massachusetts imports food, the supply available for Massachusetts to import will become increasingly scarce and costly.

Excessive reliance on imported food not only reduces our bargaining power in food pricing, but leaves us vulnerable to many outside factors such as national or world production patterns or transportation stoppages.

4. High Cost of Food

Already Massachusetts residents pay from 6–10% more for their food than the national average. Food prices in Boston are the fourth most expensive in the 38 major American metropolitan areas. Much of the reason for the high cost of food in Massachusetts is rooted in the high cost of marketing, including transportation and out-of-state processing and packaging. The decline of rail freight service and the resulting reliance on trucking together with the lack of storage facilities in Massachusetts have also contributed to our high prices.

5. Fishing

The fishing industry, once a great source of employment and protein-rich fish, has been suffering a decline similar to that of agriculture. Pollution of estuarine-areas and over fishing on the seas by highly efficient foreign factory ship fleets have depleted stocks of several species to the danger point and are threatening others. The total Massachusetts catch has been reduced by half in the last 15 years.

6. Economic Loss

There are currently some 35,000 Massachusetts citizens employed in the farming and fishing industries which generates nearly $200 million of business annually. Naturally these are diminishing as more and more farmers and fishermen go out of business and enter the over crowded job market.

C. Goals of a State policy

1. Need

The forces of the last several decades have led this State to a critical reliance on imported food paid for by exported servicees. As a result, consumers have little choice but to pay high food prices, and farmers lack the means of reversing the decline in the agricultual production of the Commonwealth.

Massachusetts has been viewed as an "industrial state" and the erosion of farming as inevitable. What is needed is a climate of public opinion in which farming, fishing, and forestry are recognized as valuable home-based industries and receive due consideration as such from other interests.

2. Land and Water Base

If the land and water base is covered up, polluted or otherwise lost, none of the other cures will work—hence the priority on its preservation and enhancement.

3. Increased Production

Local production must be increased by all possible means to build our economy, reduce our dependence on imports, give us more clout in the market pricing structure, and assure consumers of high quality food.

4. Importing and Marketing Strategy

As Massachusetts is a highly urbanized state and will continue to be dependent on food imports, a food policy must contain elements of strategy as an importer and marketer as well as producer.

5. Regional Approach

Such strategies should be formulated on a regional basis in conjunction with our neighboring New England states. Such self-sufficiency as we may be able to achieve can best be accomplished cooperatively as a region.

6. Free Enterprise

A food policy must address certain social issues as well. Truly our greatest resource is the imagination and energy of our people themselves. A "back to the land" movement is strong, especially among the young. Our producers are anxious that solutions be found through small business/free enterprise—the common initiative of the people. The self-reliance and resourcefulnes traditionally associated with life close to the land is certainly to be encouraged. We reaffirm these fundamental concepts and view the role of government as to encourage and utilize these forces for the benefit of all.

7. Beneficial Collateral Effects

The implementation of such a policy will have important bearing on many other aspects of the quality of life in Massachusetts A healthy agriculture will:

A. Provide jobs and business opportunities within the Commonwealth.

B. Utilize our renewable resources.

C. Preserve much of our most useful and attractive open space for many compatible functions such as air purification, water absorption and retention, wildlife habitat and the prevention of crowding.

D. Conserve a part of our New England heritage which contributes so materially to the unique qualities that make Massachusetts and New England an attractive place in which to live and work. This uniqueness also attracts a billion dollar annual recreation and tourist business.

PART TWO: PROGRAMS

D. Priorities

In attempting to devise realistic programs toward meeting the above needs, one is faced with many "hen and egg" situations which make the assigning of priorities difficult. For example, increased production requires expanded markets and service facilities while the latter require an augmented and assured production to support them. Both require a healthy and profitable agriculture. A healthy agriculture requires that land be available at purchase or carrying costs related to its agricultural potential, and in sufficient quantity to support any desired level in production.

Protection of farmland from development pressures and resulting over-taxation should result in improvement in farm profitability. It has also been said that a more profitable agriculture would help protect agricultural land from encroachment for other more intensive uses. While this is probably at least partially true, it is undeniable that once farmland is built upon its capacity to produce food or fibre is gone forever. Its rapid disappearance requires immediate attention for if the good land is gone, no combination of production programs will succeed.

Of equal importance is the protection of the sea base for the fishing industry. Not only does this include the open seas to the limits of the continental shelf, but also the coastal and estuarine areas of our shores which generate the foodstuffs on which ocean life depends. The loss of these areas by pollution, filling, draining, and other tampering threatens a vast supply of human food and likewise jeopardizes any programs designed to enhance this important segment of our local food supply. Consequently, preservation of the land and sea base stands at the top of the priority list.

The remaining programs all aimed at various aspects of the problem are presented with no particular implication of priority, as they all need to be pursued more or less simultaneously in the hope that significant gains may be realized through cumulative effect.

E. Land and sea base

1. Farmland Assessment Act

In 1973 the legislature passed the landmark Farmland Assessment Act (Chapter 61A). This legislation permits local officials to assess farmland at a value which is based on its current use and yield, rather than the potential value of the land if it were sold for commercial development. Since the crushing burden of property taxes is one reason why so much farmland has been diverted to other uses, this act is potentially a major step forward.

Soaring land values have resulted in valuations far exceeding the value of the land for agriculture, and rising costs of municipal services unrelated to the farmers use of the land have resulted in property tax bills which eat up serious portions of farmers' meager profit margins. These trends have resulted in increasing insecurity among farmers who have hesitated to invest properly in their operation and in many cases have succumbed to the offers of developers for their land. Some communities, recognizing the merit of the new law, have actually gone out of their way to encourage farmers to take advantage of it. Others, recognizing only the short-term effect of lower property tax revenues, have been dragging their feet. The Commonwealth will put its full support behind this new law and behind Chapter 61, the Forestland Assessment Act. The Executive Office of Communities and Development and the Department of Corporations and Taxation should promote its use to local officials and make clear our commitment to its enforcement. This is particularly important in view of the recent court decision relative to 100% valuation.

2. Development Rights

It is recognized that the Farmland Assessment Act is a stop-gap at best and we must go further. Even if property tax relief is granted, many farmers are sorely tempted to sell by their low profit margin and the very high prices often offered for their land. The state will consider a program of purchasing development rights of land ownership. The dollar value of these rights is the difference between the value of the land for agriculture and its value on the market for more intensive use. Several states have enacted or are considering legislation providing for public purchase of these rights. The farm owner may then cash in this portion of his equity whenever he choses and use the proceeds for retirement, for investment in his farm or otherwise, or in any other manner. The owner suffers no financial loss and is able to remain on his farm. Furthermore, the land may henceforth be bought or sold at farm value as a farm and young people wishing to enter farming would be able to acquire the land at an investment which the farm operation would support. This is not possible under present circumstances. Various methods of financing have been proposed such as taxing real estate transactions with a bond issue for flexibility in the time frame. Also suggested is a system of transfer of development rights to other real estate. The Executive Office is studying the possibilities for such programs and will present recommendations to the Governor and the legislature in the near future.

3. Identification and Mapping of Farmland

Before any comprehensive job of land preservation can be undertaken, it is imperative that prime farmland be identified, mapped, and inventoried. To this end, this office will be working with the College of Food and Natural Resources at University of Massachusetts and with the Soil Conservation Service of the U.S.D.A. to produce maps suitable for use by municipalities and others in their planning efforts.

4. Role of Municipal and Regional Government

Cities and towns through their Planning Boards and Conservation Commission, and regional agencies such as counties, Regional Planning Districts, and Conservation Districts must be enlisted in the total effort to preserve agricultural land. Public and especially private agencies such as conservation groups and land trusts have traditionally acquired, by purchase or gift, land or easements thereon from willing individuals. These have usually been for forest, wetlands, or recreational land. The state should encourage the extension of these practices by such groups to productive agricultural land.

5. Death Taxes

Heavy inheritance taxes both state and federal often force heirs to sell part or all the farm to pay the tax. The administration should lobby in both Boston and Washington for elimination or reduction of those taxes by requiring valuation at "farm use" rather than "market" value with larger exemptions in keeping with today's values.

6. Ocean and Coastal Base

The Commonwealth's official support of a 200 mile or continental shelf off-shore fishing jurisdiction should be pursued, and in the meanwhile the 12 mile law must be strictly enforced by federal agencies. Likewise every effort must be exerted to protect our shorelines, tidelands, and estuaries from encroachment or pollution by enforcement of wetlands laws or by coastal zone management techniques of various sorts.

7. State Action

A program must be inaugurated to minimize the consequences of state actions on the depletion of agricultural land. Public agencies must recognize the full effects of their actions when they take or divide agricultural land or coastal areas by eminent domain for roads or other purposes. This Executive Office will strive to find alternatives to such takings. The Department of Food & Agriculture will work with public agencies such as D.P.W., D.C.A., etc., to see that necessary projects be designed not to divide farms or cause the loss of valuable farmland either through actual construction or subsequent consequential effects.

8. Utilization of Publicly Owned Agricultural Land

It is suggested that state owned farmland be consolidated under the jurisdiction of the Commissioner of Food & Agriculture so that we may maximize our own production and set an example in the use of this resource. The state owns significant amounts of land suitable for food production. Much of this land surrounds state institutions such as prisons, hospitals and colleges and could be cultivated by residents of those institutions or by others either for community gardening or for commercial farming. Many plots are currently being used for other purposes or not used at all. We intend to ask the cooperation of the Executive Office of Human Services and all other Executive Offices which have open space under their jurisdiction to assist in preparing an inventory of that land and to assist in working out plans for its most appropriate and productive use.

F. Increase local production

1. Soil Conservation

Every effort should be made through the Soil Conservation Service, Cooperative Extension, and farming organizations to encourage good farming and soil conservation practices in order constantly to improve the retention and productivity of our soils.

2. Research and Development

We will call on the University of Massachusetts through their various land grant programs and collateral agencies to bend all possible efforts toward the investigation of new products and methods adaptable to the Massachusetts scene.

a. New products and methods

We must consider the introduction of new kinds of food production suited to our land and climate. As an example, we currently import 97% of our beef, veal, pork and lamb, much of which has been grain fed in feed lots elsewhere; yet we have good land that will grow forage. Genetic research into better strains of forage plants and strains of livestock better suited to utilize them could well put to use much of our abandoned farmland, reduce dependency on grain, and increase our local meat supply. Other products and combinations must be looked into.

Research should be devoted to exploring the potentials of sea farming in our coastal waters, as well as investigating other currently unused sea products for their possibilities. This Executive Office will coordinate the efforts of the Department of Food and Agriculture, the Division of Water Pollution Control, and the Bureau of Solid Waste Disposal to explore possibilities for the utilization of organic wastes (such as sewage, manure, leaves, garbage) for agricultural purposes to reduce the cost of and our dependence on imported fertilizer, especially that which is petroleum derived.

3. Marketing and Service Strategies

In conjunction with university, business, and financial interests, we must investigate assorted means of servicing agriculture and marketing its products.

a. Slaughtering

There is an expressed need for live animal markets and slaughtering facilities for large animals and processing plants for poultry to support local production.

b. Processing

If more perishable produce is to be raised, markets must be able to absorb the increase without depressing prices to the farmer. This must be done either by increasing the demand or by spreading out the market season beyond the harvest period. This has been accomplished in the cranberry and apple business where, by canning, freezing, juicing, refrigeration and controlled atmosphere storage, these two products are marketed year round rather than being limited to a few weeks in the fall. New methods for storage and processing of a variety of products must be thoroughly researched with the goal of building up both production and processing segments of the industry.

c. Service

With the shrinking of the state's agriculture, it has become increasingly difficult for the farmer to obtain the services he requires. Farm service businesses are already few and far between and many items of supply or equipment are not stocked locally and must be ordered from a distance with attendant expensive delays. Further reduction in agriculture could be disastrous in this area.

d. Marketing: "Buy Massachusetts"

A campaign to encourage our consumers to "Buy Massachusetts" and our food wholesalers and retailers to feature home grown products is underway. Such support of local producers can be of inestimable help in supporting a growing and healthy agriculture which will in turn help the consumer to a fresher and more nutritious diet as well as in the long run protect him against higher prices due to transportation costs, freight stoppages, and other hazards related to distant factors beyond local control. Careful attention to quality must be a part of this program.

4. Labor, Health and Nuisance Laws, Permits, Inspections

Regulations to which the farmer is subjected are often promulgated without due reference to their effect on the farm operation. Many are the result of overlapping jurisdictions or are seemingly unrelated to safety or health. Many are instigated by "city people" who move to "the country" for its rural atmosphere and then make it difficult for the farmer by objecting or passing nuisance ordinances relating to the sounds and smells which are part and parcel of the farm operation. Certain provisions of labor laws designed for the industrial situation are passed without due regard to the peculiar and seasonal nature of farm labor problems.

This whole package of regulations which together so vitally affect the farm operation must be investigated, overlapping jurisdiction eliminated, and unnecessary requirements removed in order to lighten a farmer's burden in this regard.

5. Part Time Farming

Part time farming, largely overlooked in the past, should have considerable applicability to Massachusetts and could play a significant part in food production totals. Agricultural acreages are small in Massachusetts and except for a few areas such as the Connecticut Valley are not suitable for large operations. Part time farming and forest management can provide opportunities for land owners to augment the family income, produce food for their own consumption, and put to productive use small parcels of land in raising a few animals, in vegetable or fruit culture, or in forestry. More extensive part time farming could contribute much to a healthy agriculture and to the volume of related services such as machinery and supply, slaughtering, marketing and processing.

6. Education and Training

It is no secret that most Massachusetts farmers are older people and that an alarmingly small number of young people are choosing farming as a career although there are indications that the interest is there, and that the number will increase if land is available. We look forward to working with the Executive Office of Education Affairs and the Cooperative Extension Service to utilize their resources to encourage more people to enter the agricultural business. We further urge a strengthening of the agricultural programs at county agricultural schools, at regional vocational schools, and at the University of Massachusetts, possibly utilizing some of the public lands referred to above. A similar program of resource production could become a part of coastal zone management programs. Courses in horticulture or gardening should be encouraged to help people keep themselves and to gain an appreciation of the bounties which the land has to offer.

G. Production: Nonfood

1. Agriculture

While the current press is on food, of equal importance to agriculture as a whole is nursery and greenhouse business, including flowers, plants, shrubs and ornamental trees. This segment of agriculture represents 16% of the farm output, contributes $30 million to the economy, and helps dress up the environment. Tobacco, equines, and other non-food products represent 10% of the farm output or $10 million.

The horse business is the fastest growing segment of the state's agriculture. Estimates indicate that there are 32,000 horses in the state, the largest number in history, including privately owned saddle horses, those in riding stables, breeding farms, and those involved in racing at both commercial and country fair tracks. All added together these provide jobs and economic activity as well as bringing in $32 million in annual racing revenue to the state.

All these non-food segments of the state's agriculture share the need for farmland, contribute to human needs, provide jobs, and sustain markets for agriculture support services.

2. Forestry and Fiber Products

This whole category of resource production, while not a primary part of this food policy statement, is nevertheless part of agriculture in the broader sense and an integral part of the Massachusetts farm. As such, it constitutes a large part of the state's total resource picture and deserves further study. It includes lumber on which our building industry depends, cordwood, pulp, christmas trees, maple products, wood chips, bark mulch, and kindred by-products.

Fifty-nine percent of the area of the state is classed as productive forest land and thus has important implications to any land use planning. Some of it is or could be interchangeable with agriculture if and when the need arises for more cleared land.

This industry employs 34,500 people or 6% of the total employment representing a payroll of 44½ million dollars annually. An estimated 168 million in product value is created each year. Much of this forest land is in mixed natural regrowth, is untended, and not nearly as productive as it could be under good management. Much of this land is part of farms and contributes to farm income. A vast majority of these acres are in small privately owned parcels difficult to harvest commercially because of their small areas and mixed stands.

Research is underway on management of such areas and on uses for such products of less than saw-log size and type for prestwood, particle board, fuel, and the like. This work should be accelerated and methods adapted for utilization of this resource. Part time forestry by farmers and woodlot owners has a definite place in any such picture as does management of publicly owned park and conservation land on a multiple use basis.

The Forest Law (Chapter 61) permits the taxation of managed forest land at its "use value" in forestry. The Tax Department and other state agencies involved should encourage the use of this law and of better management practices. Every effort should likewise be made to accelerate research and development of new methods of utilizing this home based renewable resource which is not subject to permanent depletion, high transportation costs, or the volatile international political situation.

H. Importing and distributing strategy

As critical as it is to increase our own production and reduce our dependency on food imports, we must always depend on imports for much of our food. Such items as feed grains, tropical fruits and vegetables, and fresh produce out of season, require greater energy inputs to raise in Massachusetts than in those areas where larger acreages or warmer climates prevail. Consequently, the supply and cost of these foods will be largely dictated by outside forces. We must therefore develop strategies for their importation and distribution which will minimize the impact of those factors.

1. Storage Facilities

We must examine the feasibility of capital investment by the private sector in a grain and food receiving and storage facility in Massachusetts. Currently, without such a facility, we are vulnerable to short-term and uncontrollable economic factors such as transportation strikes, crop failures, international conditions, floods and ice storms. We cannot store more than a few days' worth of most varieties of food. We are at the mercy of the trucking industry for many items. With storage capacity, we would be able to take advantage of volume rail rates which are not now available to us. Reductions in feed costs alone could save Massachusetts consumers some $4 million annually on poultry, milk, and eggs.

2. Freight Rates

Massachusetts must continue its strong efforts to revitalize its rail freight network. Rail is the most economical means of transporting most bulk shipments. The high cost of transport is a key element in food prices. Of the $3.3 billion that Massachusetts spends for food each year, nearly $300 million (about 9%, compared to the national average of 6%) represents the cost of transporting food into the state.

Several factors account for these high transportation costs: discriminatory rail rates to the northeast; the long distances over which food must be shipped; and an imbalanced system that relies more on higher-cost trucking than on rail due in part to the poor condition of eastern railroads. The Executive Office of Transportation and Construction has been lobbying vigorously in Washington on behalf of a revitalized rail network; additionally, the New England governors are engaged in litigation to correct the regional discrepancy in freight rates. We support those efforts and offer our assistance toward achieving lower bulk rates on the basic items of grain, seed, fertilizer, and other products to our region.

3. Processing

The investigation of storage facilities and freight rates should include a close look at the possibility of processing certain items in Massachusetts or New England. While it is not believed likely that processing of imported fresh produce would prove economical except as an adjunct to the processing of locally grown products, there are certain items which must be examined. Notable among these are feed grains.

The Governor's Emergency Commission on Food reported in 1973 that Massachusetts imports large amounts of flour milled in Buffalo, instead of importing cheaper raw wheat directly from the midwest and processing it here and that local milling would provide jobs for our state while saving Massachusetts consumers an estimated $3 million annually on the cost of bread. This should be investigated.

It has been suggested that with equalized freight rates, that storage and processing of wheat and other feed grains could be coupled with our port facilities to develop an export business to achieve volume. If such is the case and investment capital can be attracted, the resulting facility would bring new business to the region as well as savings to the consumer.

We will ask the cooperation of industry and the Executive Office of Economic Development and Manpower Affairs in exploring the details of such an enterprise.

I. Consumer assistance

1. Community Gardening

In the summer of 1975, the Department of Food & Agriculture took its first step toward developing a community gardening program. This pilot effort was focused on both making available a number of state owned lands for community gardening groups and providing general information and referral service to the general public.

This program will be expanded in the future, and citizens will be encouraged in every way possible to get involved in this country-wide gardening movement whether on the farm, in the yard, or in community garden plots for the yardless. This is a practical do-it-yourself way that people can improve their own food quality and cost situation as well as gaining an awareness of what is involved in deriving sustenance from the soil.

This department will do all it can to see that information is available to the public not only in the gardening aspects, but also in canning, freezing, or other methods of preservation of the gardening produce. The Cooperative Extension Service, the Agricultural Experiment Stations and the State Agricultural Schools will be encouraged to take an active part in the educational aspects of the program. Park departments, conservation commissions and districts, as well as other public agencies are encouraged to take the lead in their areas and make their land available for this purpose.

2. Producer Consumer Cooperation

That most ancient of all marketing practices, the "Farmers Market", has been revived in several communities in the state and is succeeding in bringing the production of small producers direct to consumers, thus providing a market for part-time farmers and gardeners and fresh wholesome food to consumers, without the added costs and delays associated with our mass marketing practices.

Food Co-ops are growing and becoming increasingly successful in stretching the food dollars of low-income people by reducing the number of middle-men and the costs of packaging.

3. Buy Massachusetts

As pointed out above, the welfare of the food consumer depends on increased production of a healthy agriculture. Thus by "buying Massachusetts" the consumer will be promoting increased local production, business, and jobs while helping himself to better quality and freshness at more reasonable prices.

4. Food Stamps

Low and moderate income families are becoming increasingly disadvantaged through their inability to afford an adequate diet. The inadequacies in the present Food Stamp Program must be addressed in order to assure that its benefits are reaching those whose need is genuine.

5. Unit Pricing

Massachusetts was the first state to require unit pricing in all foodstores. The enforcement of these regulations has been recently improved with the addition of local weights and measures officials to the state inspectors of standards as enforcement officers. However, consumer education in the use and benefits of unit pricing needs considerable additional emphasis. Those who can benefit the most from comparison shopping are probably those who understand and use unit pricing the least. Consumers can best stretch their food budgets through the use of unit pricing.

6. Consumer Advisory Service

The Department of Food and Agriculture Consumer Advisory Service is becoming of increasing importance to the public as an assist in meeting the family food budget. This service which now includes a Food Consumers Hot Line will be continued and publicized as part of our consumer services.

J. Commitment of the administration

The revitalization of food production in Massachusetts is essential to our future, important to our consumers, and could be a very significant part of our economic plans. Under this administration, the Department of Food and Agriculture will not function solely as a regulatory agency for food and agricultural policy for Massachusetts.

While the Executive Office of Environmental Affairs will be responsible for overall supervision, the support of the entire administration will be essential as will the cooperation of other Secretariats in effecting these programs and solutions. But we are convinced that with a concerted effort, we can begin a process now which will reap benefits for all future generations in this state and the entire New England region.

CONCLUSION OF MORNING BUSINESS

The **ACTING PRESIDENT** pro tempore. Is there further morning business? If not, morning business is closed.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The **ACTING PRESIDENT** pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 961, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

The **ACTING PRESIDENT** pro tempore. Who yields time?

Mr. **MANSFIELD**. Mr. President, I suggest the absence of a quorum with no time being taken out of either side.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **HUDDLESTON**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

Mr. **MANSFIELD**. Mr. President, I yield the Senator from Kentucky 3 minutes.

The **ACTING PRESIDENT** pro tempore. The Senator from Kentucky is recognized.

STARLING AND BLACKBIRD CONTROL IN KENTUCKY AND TENNESSEE

Mr. **HUDDLESTON**. Mr. President, I send to the desk a bill and ask for its immediate consideration.

The **ACTING PRESIDENT** pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2873) to provide for starling and blackbird control in Kentucky and Tennessee.

The **ACTING PRESIDENT** pro tempore. Without objection, the bill will be considered as having been read the first and second time.

Mr. **HUDDLESTON**. Mr. President, it is a cliche that man's most precious possession is his health—but it is true nonetheless. Without good health nothing else matters.

The legislation we are presenting here today deals with the health of thousands of people in western Kentucky and western Tennessee. It concerns an urgent situation which can only be remedied this year by the emergency legislation we are presenting today.

Let me give a little background. Several years ago—for reasons not totally known—millions of starlings, grackles, cowbirds and red-winged blackbirds began roosting during the winter months in western Kentucky and western Tennessee.

At first the birds, which continually grew in number, were only a nuisance. But very soon the birds began causing serious economic problems, as they destroyed the crops of nearby farmers and ate the seeds when new crops were planted. Then they began posing a hazard to aircraft taking off and landing at Fort Campbell, which is on the border of Kentucky and Tennessee.

Finally, with the passage of time, the birds started contributing to a very dangerous health problem, histoplasmosis, a disease that affects humans, and transmissible gastroenteritis, which affects livestock. This was followed by an alarming increase in the incidence of histoplasmosis cases among the people of the vicinity.

At this point, area residents and officials at Fort Campbell decided something must be done. After an exhaustive study and trying alternative methods of control, it was determined that the most effective answer to the problem was a reduction in the sizes of the roosts, which were multiplying each year. At that time there were 20 million birds roosting on the base in a thicket of trees. There were numerous other roosts in surrounding counties, and today there are an estimated 77 million birds in a 100-mile radius.

The best and least objectionable method of reducing the bird population was determined to be use of the chemical Tergitol, which is a nonpoisonous biodegradable detergent which quickly dissolves and leaves no adverse environmental aftereffects. By applying the chemical to the birds at a time when the temperature is under 45 degrees and there is rainfall, the chemical removes protective oils from the birds' feathers and they subsequently lose consciousness. Observations made by U.S. Department of the Interior personnel indicate that treated blackbirds show no evidence of pain, alarm, or distress.

Under normal circumstances of course, no one would want to take action to kill a mass of birds. But we had an extremely serious health and economic problem, and this was the best method because Tergitol is not a poison and does not linger in the environment.

After the decision to use Tergitol was made the Department of Army began preparation of an environmental impact statement, a draft of which was completed on December 24, 1974. Following the required review by other agencies, a final environmental impact statement was made available to the Council on Environmental Quality on January 27, 1975.

On February 3, 1975, two New York organizations filed suit in U.S. district court here to prevent the use of Tergitol. The judge did issue a temporary restraining order. However, after completion of the environmental impact statement and oral arguments before the judge, he dissolved the restraining order and allowed the Tergitol application program to proceed.

Tergitol was applied in the Fort Campbell, Milan, Tenn., areas, and local officials made similar applications in Paducah, Ky. and Robertson County, Tenn. These applications had mixed results, mainly because it was so late in the season as a result of the legal delays and a resultant lack of optimum weather conditions. Nevertheless, the total blackbird population was reduced by several million.

This year, the plaintiffs in the previous case again went into court seeking to prohibit the use of Tergitol, which has been registered as a pesticide under the name PA-14, and placed under the exclusive control of the Department of Interior.

Then, without notification of the attorney for the local citizens in Kentucky and Tennessee, the Department of Justice entered into an agreement with the plaintiffs on November 14, 1975, stipulating that the Government would not allow use of PA-14 until such time as a national environmental impact statement was completed.

Included in that stipulation was a provision allowing the Secretary of Interior to declare an emergency in the event that a situation arises which poses "substantial, imminent, and demonstrable health or safety hazards to humans."

Because of this action by the Government, and because of the slowness with which the Interior Department has moved to complete the new environmental impact statement, the people of Kentucky and Tennessee are faced with an impossible situation.

The draft environmental impact statement will not be complete for another few weeks, afer which a period of at least 30 days must be provided for review of the draft environmental impact statement by the various Federal agencies. Then the final environmental impact statement must be written, plus another 30 days for the Council on Environmental Quality review. That means the optimum winter months in which cold weather and rain occur would have long since passed.

As for the emergency declaration, local residents are making every effort to accumulate evidence, some of which was presented to the Interior Secretary on Saturday, detailing the health emergency that exists. However, because of reasons I will explain later, there may be difficulty getting this declaration in time for use of PA-14 this winter.

Therefore, since the Government has

left our people no other alternative, we are offering this emergency legislation which is simple in its objective and extremely limited in its scope.

It would allow between the time of enactment and April 15, 1976, the use of PA-14 on those blackbird roosts in western Kentucky and Tennessee, but only after certification by the Governors of either of those States that a "significant hazard to human health, safety, or property" such as crops and livestock exists. It would exempt those very closely prescribed situations from provisions of the National Environmental Policy Act of 1969 and the Federal Environmental Pesticide Control Act and other provisions of law. Further, it would require the Secretary of Interior to allow the use of PA-14 and any other chemical registered for bird control notwithstanding any previous policy statements, agreements, or stipulations.

Under this bill, it is intended that the Secretary of the Interior should have discretionary power to prevent the treatment of a particular roost if he determines that it would pose a hazard to human health, safety, or property. It is anticipated that the Secretary would exercise this authority only where there is a clear showing from the facts available that the danger is imminent and substantial. The situations in which this authority would be exercised will be extremely rare; however, we are confident that the Secretary will use good judgment in each case. The purpose of this provision is to provide protection in those unique situations where a combination of unusual factors might combine to create a potential hazard if a roost is treated pursuant to the bill.

Mr. President, I submit that an emergency situation does indeed exist because of the rising incidence of histoplasmosis, a disease that affects mainly the lungs, but also the liver, spleen and the eyes. Just last week a local health officer in Christian County, Ky., Dr. Frank Pitzer, outlined the seriousness of the problem to U.S. Attorney General Edward Levi. Let me recite a few of the facts.

During the 6-month period between January 1 and July 1, 14 patients were admitted to Jenny Stuart Hospital in Hopkinsville and were diagnosed as suffering from histoplasmosis.

The incidence of histoplasmosis in Christian County has doubled in the last 2 years.

A survey was made among the schoolchildren in Christian County, followed by a check of medical records. This confirmed 367 cases in the county in which persons had been treated for the disease, most of them in the last 5 years.

Miraculously no one has died in that county, but Dr. Pitzer said there were several close calls. Senator BROCK informed the group that one child did die in Tennessee because her case was not diagnosed in time.

The question naturally arises: How do the birds contribute to this disease? Let me read from the environmental impact statement prepared last year by competent medical and environmental authorities:

> During the past ten years, starling-blackbird roosts have been found to be important sources of histoplasmosis. It has been shown that the feces of some birds, chickens and bats have been identified as contributing to the growth of the organism.
>
> While these birds do not become infected or carry the organism due to their body temperatures, it has been suggested that the droppings may condition the soil in such a manner that H. capsulatum (the disease-causing fungus) gains a differential advantage over the other soil micro-organisms and thus is able to grow vigorously and compete successfully.
>
> (A study by) T.D.Y. Chin, et al., has shown that the longer a roosting site is used by the birds, the higher the probability of recovering the organism. This increase occurs after three years. There appears to be a significant relationship with the number and size of roosting sites and the percentage of histoplasmin reactivity. This test identifies exposure and infection with the organism.

So it is the feces of the birds which creates the conditions under which the fungus causing histoplasmosis grows and multiplies. And Dr. Pitzer says that in one location in Christian County the bird feces are 18 inches high.

Some opponents of this bird control program charge that the fungus causing histoplasmosis is endemic to that geographical area, and that is entirely correct. We concede that. But it is the birds which create the conditions under which the fungus multiplies and becomes an extraordinary problem. The correlation between the growth of the bird roosts and increase in the incidence of histoplasmosis is, in my opinion, without question.

It is incomprehensible that we demand demonstrable proof—statistics—which means that peoples' health has already been jeopardized for life—before they can secure relief.

What about the environmental effects? What about the danger this poses to specific species of birds? Again, let me quote from last year's environmental impact statement:

> The proposed action will locally reduce the population of grackles, cowbirds, starlings and red-winged blackbirds. Based upon U.S. Department of Interior analysis of blackbirds populations, this local population reduction will not adversely affect the national population.
>
> The effect of the chemical application on surface and ground water, fish, nontarget birds and wildlife, plants and humans has been considered. Under present and anticipated conditions, no adverse impact is expected.

What, then, can we expect? The environmental impact statement again:

> It is expected that the action will reduce agricultural damage, feed-grain losses and the potential health hazard caused by histoplasmosis.

Mr. President, I submit that the time for action is now, or else we will have to wait until next year. And if that happens, we can expect the same old legal delays and dilatory tactics by organizations which are located hundreds of miles away and which apparently have no concern for the health and welfare of the residents of western Kentucky and Tennessee.

If we delay much longer we may end up with several deaths from histoplasmosis. Is that what it will take to get the Government to move? I think our Government is more humane than that, and I believe anyone who cares about the health of his fellow Americans will agree with the action we propose here today.

So let us pass this emergency legislation and proceed to bring these "blackbird" roosts under control so we can also bring histoplasmosis under control.

Mr. BAKER. Mr. President, I join today with my colleagues from Tennessee and Kentucky in introducing legislation which will permit those States to carry out measures designed to control the serious dangers resulting from large concentrations of blackbirds.

For a number of years now, huge flocks of blackbirds, starlings and grackles, attracted by the wheat, corn and soybean crops and by excellent roosting sites in pine and cedar forests, have congregated in Montgomery County, Tenn., and Christian and Logan Counties in Kentucky, between the months of November and April, causing annoyance to local residents and damage to crops and property. In recent winters, however, the problem has worsened steadily and is now at the point where the size of the bird population has created a severe danger to health, safety and property in the area.

There are now 77 million birds within a 100-mile radius in the affected counties. The Tennesseee Department of Agriculture has estimated that farmers in Tennessee are losing $1 million in crops daily; and, in Christian County, Ky., farmers have lost $2.5 million in crops and livestock over the last 9 months.

In addition to consuming wheat and corn crops, the blackbirds spread parasites which destroy soybeans, strip acres of pine forests, and spread diseases fatal to livestock.

The most serious result of the area's infestation of blackbirds, however, has been the rapidly increasing incidence of histoplasmosis, a disease spread through a fungus associated with bird droppings, which can cause irreparable damage to the lungs and which afflicts most severely children and the elderly. Montgomery County, Tenn., has reported 41 cases of histoplasmosis in the last 2 years, and an even larger number of cases has been reported in the affected counties in Kentucky. The Tennessee Department of Public Health has certified that the situation represents an emergency health threat, and the only way in which this threat can be removed is by controlling the bird population.

Unfortunately, all nonlethal means of ridding the area of blackbirds have proven ineffective. The best method of destroying the birds currently available involves use of the chemical Tergitol. After filing an environmental impact statement and receiving the approval of a Federal district court, the Department of the Army last year used Tergitol to help in controlling a large blackbird population at Fort Campbell, Ky.

This year, efforts by local authorities

to use Tergitol to control birds throughout the area have been stalled by a lawsuit filed by the Society for Animal Rights, an animal protective organization headquartered in New York. As a result of the suit, the Department of the Interior has agreed not to use the chemical until a national environmental impact statement has been completed or unless an emergency health threat is found to exist. While the Secretary of the Interior is expected to make an emergency determination on an area-by-area basis, that determination is also subject to challenge in the courts, creating further delays. The impact statement, which has been under preparation for several years, is not expected to be issued in final form until April of this year, too late for any action which will resolve the difficulties now facing the people of affected Tennessee and Kentucky.

The bill which we introduce today was drafted to meet a narrowly defined, emergency situation. It provides an exemption from the National Environmental Policy Act and the Federal Environmental Pesticide Control Act for blackbird control activities undertaken by the States of Tennessee and Kentucky until April 15 of this year. In order to qualify for the exemption, the Governors of the two States must certify to the Secretary of the Interior that the blackbird roosts are a significant hazard to human health, safety or property. If the Secretary determines that treating certain roosts with chemicals registered for bird control purposes would pose a hazard to human health, safety, or property, he may block use of the chemical in those areas.

Mr. President, I have been a staunch supporter of the National Environmental Policy Act and its provisions for some time; and I would oppose legislation which would weaken the intent of the law or provide broad exemptions from it for activities of a questionable environmental impact. The situation which confronts the States of Tennessee and Kentucky, however, is one in which an imminent health hazard exists. The chemical which would be used in controlling the birds has been used in the area before with no harmful environmental effects, and an environmental impact statement on that use was filed last year. The delay which has been caused already by litigation in this case has resulted in an increase in the number of victims of histoplasmosis, and every day those birds are permitted to roost in the area increases the danger to residents of all ages. I urge the Senate to act promptly on this emergency measure so that steps can be taken now to control the situation. The legislation will in no way affect the requirement that a national environmental impact statement be filed by the Department of the Interior as soon as possible, nor will the 3-month exemption from NEPA provided by this bill lessen the commitment which has been made by the Congress to insure an adequate review of the environmental effects of Federal actions.

Mr. **BROCK**. Mr. President, I rise in support of the bill and to express my gratitude to my colleagues from Kentucky and Tennessee for introducing this much-needed piece of emergency legislation.

We have children in the hospital today because the Government has not come to grips with a fundamental problem that affects life and property in our two States.

This bill will give us a very short period of time to deal with the problem in an environmentally safe and sound fashion.

I am hopeful that the House will accept the Senate bill and that we can proceed to the passage and enactment into law.

Mr. President, this is indeed an emergency piece of legislation devised to deal with a problem that has lingered unattended for years in Tennessee and Kentucky. I have seen the horrendous physical damage being wrought on the farmlands of Tennessee and Kentucky by severe concentration of millions and millions of birds. I have received shocking testimony from health and agricultural officials of both States attesting to the serious economic losses being incurred to the farmers, and documenting the severely increased health hazards being faced by the children who live in areas affected by the birds.

Mr. President, the shameful aspect of this situation is the foot dragging which has occurred over the past few years. It has come to the point that the people are crying out for help from their Government but are not confident that their Government can or will provide any help. Unfortunately, after trying to deal with this problem for many, many months now, I almost have to agree.

Incidence of the disease histoplasmosis is increasing greatly. There is no logical reason that it should, had the Government not delayed and delayed. Prior to 1974, in Montgomery County, Tenn., for example, the histoplasmosis was identified in two to four children per year. For the years 1974–75, the incidence increased to more than 25 cases per year. On the basis of such health findings, I can only lend my strongest support to this emergency bill.

Mr. President, it is incredible that we even have to come to Congress in this fashion. Our Government cannot have grown to the point of insensitivity, yet in the face of mounting evidence, we see no alternative to this legislation. This measure is necessary, and I hope that it will provide a short-term solution so that we may seriously look toward final and lasting solutions. The people of Tennessee and Kentucky have suffered long enough.

Mr. **FORD**. Mr. President, today I am joining with my distinguished colleagues from Kentucky and Tennessee in introducing legislation to provide relief to communities in the two-State area suffering from an infestation of blackbirds, starlings, and grackles.

We offer this legislation for one purpose—to protect the health and well-being of those who live there.

For more than 6 years, these people have patiently tolerated the serious health, agricultural and economic problems which have developed as a result of the presence of these birds. They have seen their feed and grain crops destroyed. They have borne the loss of livestock due to the disease carried by these birds. And they have watched helplessly as this disease spread to their family and friends.

I have worked with them, first in the statehouse and now in the Senate, to resolve this serious situation. As Governor of Kentucky, I acted twice in 1974 to declare that states of emergency existed in one of the affected counties and appealed for Federal assistance. Since that time, the roosts have multiplied manyfold. No longer are we dealing with one county, but an entire region encompassing two States, and now it is estimated that the population of the birds numbers more than 77 million.

Farm losses are estimated to total $1 million a day in the area. Confirmed cases of histoplasmosis are skyrocketing. In one community alone the number of diagnosed cases of this disease rose by 200 percent. In another city, 6 percent of all schoolage children tested out positive for this disease last year.

What we are dealing with here is more than people's livelihoods; rather it is people's lives and the lives of their children.

Alternate means of controlling the bird populations have been tried in recent years, all to no avail. Portions of some of the roosts have been relocated through the use of recorded distress calls and pyrotechnics. Forests were thinned to discourage roosting in critical areas. And Kentucky State government has invested thousands of dollars in efforts to set up bird-control programs. Nothing has worked, and today there are more birds than ever.

Within the past few months, local officials and members of the States' congressional delegation have met with the Secretary of the Interior and the Attorney General in an attempt to expedite the long-needed relief.

Progress on this count has been made, but time is of the essence if relief is to be forthcoming before next year. The means of relief which we are proposing can only be applied in wet and freezing weather, and in Kentucky such conditions rarely occur beyond March.

Let me reiterate what my colleagues have noted, that the relief we are seeking through this legislation is only temporary. Long-term solutions are being developed which could provide permanent answers.

I urge my colleagues to join in supporting this measure.

The **ACTING PRESIDENT** pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2873) was ordered to be

engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress finds that in Kentucky and Tennessee large concentrations of starlings, grackles, blackbirds and other birds found in "blackbird roosts" pose a hazard to human health and safety, livestock and agriculture, that the roosts are reestablished each winter, that dispersal techniques have been unsuccessful, that control is most effective when birds are concentrated in winter roosts, and that an emergency does exist which requires immediate action with insufficient time to comply with the National Environmental Policy Act.

SEC. 2. (a) Upon certification by the Governor of Kentucky and/or Tennessee to the Secretary of the Interior that "blackbird roosts" are a significant hazard to human health, safety or property in his state, the Secretary of the Interior shall provide for roosts determined through normal survey practices of the Department of the Interior to contain in excess of 500 thousand birds to be treated with chemicals registered for bird control purposes, unless the Secretary determines that treatment of a particular roost would pose a hazard to human health, safety or property.

(b) The provisions of the National Environmental Policy Act of 1969 (83 Stat. 852), the Federal Environmental Pesticide Control Act (86 Stat. 975), or any other provision of law shall not apply to any such blackbird control activities undertaken, on or before April 15, 1976, by the States of Kentucky or Tennessee or the Federal Government within the States of Kentucky or Tennessee.

Mr. HUDDLESTON. Mr. President, I move that the vote by which the preceding bill was passed be reconsidered.

Mr. FORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum, with no time to be charged.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield myself 1 minute.

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized for 1 minute.

S. 1—RECODIFICATION OF THE FEDERAL CRIMINAL LAWS

Mr. MANSFIELD. Mr. President, the Senate Judiciary Committee is presently considering S. 1—a most significant legislative reform that will recodify the Federal criminal laws. In its present form, I could not vote in favor of S. 1. I am confident, however, that the Judiciary Committee and ultimately the full Senate will perfect the recommendations contained in the present version of S. 1 so that I can enthusiastically support it.

In today's New York Times an excellent letter from former Gov. Pat Brown of California addresses this subject. I agree with the recommendations and conclusions of Governor Brown's letter. He chaired the Presidential Commission on the Reform of the Federal Criminal Laws whose recommendations have formed the bases of this major effort to update the Federal criminal laws. An excellent article appears as well in the current issue of Judicature dealing with the provisions of S. 1.

I ask unanimous consent that both articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

U.S. CRIMINAL CODE: THE IMPORTANCE OF S. 1

To the EDITOR:

As chairman of the National Commission for Reform of Federal Criminal Laws, I have watched with deep concern the efforts of some civil libertarians and representatives of the press to kill S.1, the pending bill to recodify Title 18 of the U.S. Code. That bill incorporates a very substantial portion of the recommendations of our commission, and 95 percent of its provisions constitute a major improvement over existing Federal criminal law. Those provisions have been found acceptable by all who have studied the legislation and they are really beyond the realm of serious controversy.

I, of course, agree with some of the bill's critics that there are a few sections of S.1 which may be characterized as repressive, but these are limited to a small number and in all likelihood will be taken care of in the Senate Judiciary Committee or by amendment on the Senate floor. The contention that the whole bill must be defeated because of these few sections is, in my opinion, without semblance of validity.

Recognizing the urgency of criminal code revision at this session of Congress, Senators McClellan and Hruska, the sponsors of S.1, have informed me of their willingness to accept some modifications which would meet the objections of the press and other critics. With a similar sense of responsibility, Senators Kennedy and Hart are working toward securing the amendments necessary to make this bill perfectly acceptable to their liberal constituencies.

There are some areas of the criminal law which presently pose serious problems for the sponsors of code revision. The most obvious examples are national security, wire tapping, gun control, traffic in drugs and capital punishment. While Congress must eventually resolve these issues, it is certainly unnecessary for the whole code to be held up until total agreement can be reached. They might more properly be left to separate legislation to be introduced, debated and enacted at a later date.

A great deal of misinformation has been spread about S.1. As the members of the Senate Judiciary Committee have studied this comprehensive and important legislation, the chances of its passage in somewhat modified form have been greatly enhanced. Defeat would be a severe blow to criminal law reform in this country.

EDMUND G. BROWN,

BEVERLY HILLS, CALIF., *January 20, 1976.*

P.S.—The writer is former Governor of California.

S. 1 seeks to restore capital punishment and make it mandatory in a narrow group of homicides. It is silent on any form of gun control but adds additional years of imprisonment to already heavy maxima when guns are used in connection with an offense or when organized crime is involved. It retains a prison penalty for non-commercial private possession of marijauna but reduces the present heavy punishment considerably. It provides severe penalties for traffic in hard drugs. It narrows the defense of insanity.

The foes of the Senate bill have concentrated much of their fire on provisions which have been interpreted as curtailing First Amendment rights. They foresee wiretapping on an expanded scale and protest the excuse of national security as its justification. The bill has met intensive opposition from the political left, to whom demonstration has become a right valued above almost all others. The liberal opponents of S. 1 have overlooked two factors of great importance. First, mere defeat of S. 1 would leave intact many of the provisions to which they are opposed since they are carry-overs from existing law. Second, and more important, the critics have been ignorant of, or have ignored, the fact that at least ninety percent of the provisions of the bill constitute law reform that is virtually beyond the realm of serious controversy. In consequence, while amendment may be essential, total rejection would be tragic. To vote S. 1 down would doom the country to a continuation of totally unsatisfactory criminal law at the federal level and a dearth of reform in many state and local jurisdictions.

It has taken a full decade from the launching of the effort to secure revision during the administration of President Johnson to bring the matter to a congressional vote. If a revised code goes down to defeat, it is highly unlikely that a new effort at revision can be consummated in less than another decade. Meanwhile, crime marches on, and civil liberties suffer as much under the present chaotic system as they would, in all likelihood, under the most extreme provision of S. 1.

THE KILLING OF S. 1

The Wall Street Journal editorialized on August 22, 1975, on the subject of S. 1 and condemned it roundly. In calling for the rejection of the bill, it stated, among other things, that "[t]he entire bill in its present form goes well beyond present law in restricting First Amendment rights, reducing public access to knowledge of the workings of government and revising civil rights precedents."

The following comment was offered in reply by Professor Louis B. Schwartz, Benjamin Franklin Professor of Law at the University of Pennsylvania and director of the National Commission on Reform of Federal Criminal Laws:

"On the other hand, 95 percent of S. 1 is a competent non-controversial ordering and modernizing of the antiquated arbitrary hodge-podge that is our present criminal justice system. If there ever was a counsel of despair, of throwing out the baby with the bath water, it is the suggestion in your editorial that S. 1 be abandoned rather than amended, as it easily can be to remedy its defects."

Is prison forever to be the only method of punishing crime?

He than gave a sampling of the numerous improvements incorporated in S. 1 which would be jettisoned if the Journal's counsel were followed:

"A rational scale of penalties under which like offenses are subject to like sentences;

"Systematic distinction between first offenders and multiple or professional criminals;

"Appellate review of abuse of discretion in sentencing;

"An improved basis for extraditing criminals who flee the country;

A system of compensation for victims of violent crime;

"The first democratically adopted statement of the aims of the criminal justice system for the guidance of courts, enforcement officials and correctional agencies."

Professor Schwartz concluded:

"In short, although there are a dozen specific amendments required to make S. 1 acceptable, the overall aim and substantial accomplishment of the bill is to promote respect for the law by making the law respectable. The reform of the federal criminal code should be rescued, not killed."

H.R. 10850

Belatedly, on November 20, 1975, Representatives Kastenmeier (D. Wisc.), Mikva (D. Ill.) and Edwards (D. Cal.) introduced H.R. 10850, a new bill to revise Title 18 which was prepared in large part by the American Civil Liberties Union. It tracks S. 1 closely, and departs materially from the bill only in the relatively few areas where major disagreement by the ACLU with the Senate bill was only to be expected. The provisions in question deal with: the insanity defense, treatment of classified material, marijuana, the sentencing structure, death sentence, obscenity and the like. It may be anticipated that the liberal view of the framers of H.R. 10850 may incite as violent opposition from conservative elements inside and outside of Congress as some of the repressive measures of S. 1 did from the liberals.

The introduction of the ACLU legislation is bound to increase the polarization among members of Congress and hurt the cause of revision, yet two points may be made in its favor. The bill follows the provision numbering of S. 1 and consequently makes easy an examination of the sections in which the sponsors of the two bills run at cross purposes. More importantly, a comparison should bring out forcefully how much agreement resides on each side with respect to the vast majority of the provisions of both bills. Only on a limited number of highly controversial issues does significant disagreement exist.

THE ABA CONTRIBUTION

At the 1975 annual meeting of the American Bar Association, the Section of Criminal Justice secured virtually unanimous approval by the House of Delegates of a resolution endorsing S. 1 in principle, subject to a series of thirty-eight suggested amendments. In a few instances the Section preferred the counterpart section of H.R. 333; in several it disapproved of the S. 1 provision in its entirety (treatment of the insanity defense, control of prostitution, crime in federal enclaves); but in most the S. 1 approach was approved, subject to amendments to make it conform to the Standards Relating to the Administration of Criminal Justice. Very few of the proposed amendments could be characterized as sweeping.

The Section of Criminal Justice studied the Brown Report and S. 1 over a period of four years. It is certainly to be commended for its recognition of the importance of pursuing federal criminal law revision, and unquestionably its proposed amendments would strengthen and improve the Senate bill. Yet its recommendations and the action of the House of Delegates are disappointing in several important respects.

The subject matter of S. 1 deserved something more than a mere legalistic analysis of the language of a complex bill. One may well wonder how helpful anyone could find the main paragraph of the long resolution of the House of Delegates. It reads in part as follows:

"Be it resolved . . . . that the American Bar Association endorses in principle the provisions of S. 1 and its counterpart H.R. 3907, now pending in the 94th Congress, 1st Session, as a desirable basis for the reform of the federal criminal laws; noting however that the Commission on Correctional Facilities and Services urges the particular importance of amendments to reflect the general principles set out in Recommendations 28, 31, 33 and 34 in Appendix A hereto and the relevant sections of the ABA Standards Relating to the Administration of Criminal Justice. . . ."

Furthemore, the most critized ommissions or inclusions of S. 1 are almost ignored. The ABA takes no position on the absence of provision for gun control; it has ducked the question of capital punishment, taking refuge in the fact that it is *sub judice* in the Supreme Court; it has withheld recommendations on the S. 1 handling of the drug problem, pending a study by the association "in depth." In addition, the Section report, and consequently the House of Delegates' action, fails to call attention to the important fact that the vast majority of the bill provisions constitute law reform that is virtually beyond controversy. The ABA criticism and simultaneous support of S. 1 cannot be dismissed as unhelpful, but the Association has done considerably less than sound a tocsin summoning Congress to get on with essential legislation without further delay.

THE BAR'S RESPONSIBILITY

In light of the wreckage that crime is causing throughout the country (one family out of every four victimized); of the financial burden that crime and its prevention imposes upon us annually (around $100 billion, or a tenth of the gross national product); and of the unique capability of lawyers to provide leadership in a field in which they have more expertise than almost all others, the apparent lack of concern of the profession is difficult to explain.

We are apparently ready to stand by and allow Congress to resolve some of the most important criminal law issues of our times with scarcely a word of advice, support, or even opposition, from the organized bar. Within the framework of revision of Title 18 as a whole, rest among others the following great questions of the day:

Are sentences of imprisonment to be left, as heretofore, to the whim of a judge who may be guided entirely by the theory that only severity of punishment will block crime, or should sentencing be placed on a more uniform, scientific basis conforming to modern principles of penology?

Should we continue to fight drug abuse only with the savagery of heavy punishment, or with up-to-date principles of crime prevention and control?

Do victimless crimes and minor infractions of law deserve the inordinate share of police time and effort now devoted to them at the cost of serious diminution of the protection of society from crimes of violence?

Must we continue to suffer the present annual slaughter by homicide rather than give up the absolute right of everyone to bear all kinds of arms for whatever purpose?

Is prison forever to be the only method of punishing crime, or might a modern scientific effort be made to utilize probation as a supplementary method?

Must we accept recidivism as unconquerable rather than try to arrest it by a wholehearted system of rehabilitation?

The mere delineation of those issues should make clear how hopeless it would be to expect a single piece of legislation to resolve every one of them satisfactorily. It seems obvious that several of the questions demand separate legislation carefully drafted and followed by time for what may be prolonged debate. To attempt to package all the solutions in an omnibus treatment, as have the framers of S. 1 and H.R. 10850, simply invites the possible rejection by Congress of any revision whatever.

It is here that one might have expected the leadership of the profession to offer guidance to the Congress. Instead of being content to stand by and witness the crushing to death of this important legislation between the extremists of the right and those of the left, the American Bar Association might well have called for the elimination of the controversial provisions and the enactment of the portions of S. 1 on which nearly everyone can agree.

That is not to say that the provisions of the code governing wiretapping, drug abuse, capital punishment, obscenity and gun control should be ignored. Obviously, they are in great need of reexamination and revision. The bar should call for new legislation in those areas without delay. There is no persuasive reason, however, why the other portions of Title 18 should be hung up until agreement on the controversial portions is reached.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum without the time being taken from either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Who yields time? We are under controlled time.

Under the previous consent agreement, debate on any amendment, except an amendment based on article VII of the Conservation Treaty of 1958, on which there shall be 3 hours of debate, with only 1½ hours of that time to be utilized today, shall be limited to 1 hour with 10 minutes on any debatable motion or appeal.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 12:45 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:45 p.m. today.

There being no objection, the Senate, at 11:18 a.m., recessed until 12:45 p.m.; whereupon the Senate reassembled, when called to order by the Presiding Officer (Mr. FORD).

QUORUM CALL

The PRESIDING OFFICER. The Chair suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING REPORT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Armed Services and the Committee on Foreign Relations may have until midnight tonight to file a report on House Joint Resolution 549, dealing with the covenant with the Northern Mariana Islands.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered.

EXECUTIVE SESSION—NOMINATION OF GEORGE BUSH TO BE DIRECTOR OF CENTRAL INTELLIGENCE

The PRESIDING OFFICER. Under the previous order, the hour of 1 o'clock having arrived, the Senate will now go into executive session to consider the nomination of Mr. George Bush to be Director of Central Intelligence.

The clerk will state the nomination.

The assistant legislative clerk read as follows:

> Nomination, Central Intelligence, George Bush of Texas, to be the Director.

The PRESIDING OFFICER. Debate on this nomination is limited to 2 hours to be equally divided and controlled by the Senator from South Carolina (Mr. THURMOND) and the Senator from New Hampshire (Mr. McINTYRE) with the vote thereon to occur at 3 p.m.

The Senator from New Hampshire.

Mr. McINTYRE. Mr. President, I ask unanimous consent that two members of my staff, Mrs. Elizabeth Webber and David LaRoche be granted the privileges of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, I yield myself 5 minutes.

Mr. President, yesterday in this Chamber I expressed my reasons for opposing the confirmation of Mr. George H. Bush as Director of the Central Intelligence Agency.

I said that the appointment of so clearly perceived a political figure to direct the rebuilding of this Agency would undercult two self-evident priorities:

First. The need to restore CIA probity by insuring the Agency's future adherence to its statutory purpose and by insulating the Agency from political corruption of that purpose.

Second. And, equally important, the need to convince the American people that the restoration effort is sincere and that the end result can be trusted.

We are about to vote on this matter, Mr. President, but I would like to take a few minutes to emphasize those fundamental considerations.

The majority report on the nomination makes two important points:

First. That whoever is named to this post must be insulated from political considerations if he or she is to be effective and objective in intelligence gathering, and that he or she must use the substantial and secret power of the office scrupulously within the law, even when political or personal interests may pressure otherwise.

Second. That the intelligence community, the Congress, and the American people must always have full confidence in the character of the Director of Central Intelligence.

Can anyone in this Chamber question those objectives? They are from the majority report on this nomination.

If the answer is "no," as it ought to be, then why, I ask, did the President choose this particular moment in the CIA history to nominate an individual so certain to inspire skepticism?

Why now, of all times, does he ask us to break the 27-year history precedent of nonpolitical Directors of the CIA?

This is not a routine Executive appointment wherein the President's desire for a "team player" has some legitimacy.

This is not a Cabinet appointment wherein the nominee is expected to serve his President as an instrument of Executive policy and power.

This is not even comparable to the nomination of a Supreme Court Justice, wherein the President's desire for an appointee who shares his court philosophy is understandable and precedented, and where the ultimate independence of the justice is carefully insulated by tradition and the Constitution.

No, my colleagues, this nomination is for the directorship of an agency whose functions are vital, yet difficult to reconcile with the values of a free people under the best of circumstances. And with all the evidence of abuses by and of the agency, these are surely not the best of circumstances.

To confirm any nominee to this post at any time requires an act of faith on the part of each Member of this body, acting in behalf of the public at large.

To confirm this nominee, at this time, under these circumstances demands more than an act of faith, it requires an insensitivity to public skepticism over the prudence and propriety of the nomination itself.

In short, Mr. President, the nomination of a clearly perceived political personage to insure the purpose and protect the integrity of an agency so recently vulnerable to political subornation does not inspire public confidence. It simply raises suspicion, doubts, and cynicism at a time when the CIA desperately needs trust, faith, and confidence.

One more point, Mr. President.

Should he be confirmed, Mr. Bush will be the fourth CIA Director in only 3 years.

When it considered the nomination, the committee addressed the important question of tenure, and properly stressed the need for continuity of leadership at this critical stage in the life of the agency.

The majority of the committee was satisfied on this point when the President took Mr. Bush off the list of Vice Presidential possibilities, ostensibly assuring us that the nominee would occupy the post at least through the upcoming campaign.

But if extended tenure is a real consideration, as I believe it is, how is that concept served by confirming a political person in that post during a Presidential election year?

Where is the guaranty of tenure beyond January 20, 1977, if anyone other than Mr. Ford is sworn in as President? Where is the guaranty of tenure there?

And where does this leave the CIA? Can the prospect of a political appointee as Director, and all that this portends, improve morale within a demoralized Agency any more than it can inspire public confidence outside the Agency?

I fear not, Mr. President. I fear not.

In conclusion, then, I urge my colleagues to weigh very carefully the precedent we are being asked to set today and to ask themselves whether this nomination is, in fact, in the best interests of the CIA or will in any way enhance public confidence in the Agency . . . or, for that matter, in the Senate of the United States.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, will the the Senator yield me 6 minutes? I understand the Senator from South Carolina has control of the time.

Mr. THURMOND. I yield 6 minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, this nomination before the Senate, for Director of Central Intelligence is, of course, one of overwhelming importance. The nominee is Mr. George Bush, as is well known.

After hearings in December last the Committee on Armed Services voted 12 to 4 to favorably report this nomination.

I judge, Mr. President, that probably there would have been a unanimous report had there not been this question about whether Mr. Bush could conceivably be a candidate for Vice President of the United States, along with Mr. Ford as President.

But before we get to that; I support this nomination on the basis of the character, the integrity, and the proven ability and judgment of this nominee.

I have seen a good many of them come and go.

I have not had a chance to know Mr. Bush personally in the past. I knew him on a kind of official basis, but not intimately at all.

I talked to him for an hour and a half in my office after this nomination came in and I ask all the questions I could think of. The responses not only satisfied me as to these qualifications that I have mentioned, but I was most favorably impressed with the man, as a man of candor, frankness, aptness, and ability.

His background is well known by now as a successful representative of the Government in various capacities where he served. He spent 4 years in the House of Representatives, which is a fine experience, indeed. I think that helped prepare him for other posts in the executive branch, and is certainly not anything that would disqualify a man.

He has had a business career in Texas which was exacting and demanding. He emerged from that in a successful way.

His services in diplomatic assignments impressed me very much. He was Ambassador to the United Nations in 1971. Those were trying and telling days for the United Nations. The war in Vietnam was still a very active and disturbing event for the United States and a worldwide event of the greatest concern.

He went from there to be chief of the liaison office in the People's Republic of China where he effectively performed his duties.

I did not hear one iota of real criticism of his services in all these positions, either on the record or off the record.

I am not here to praise anyone. He is no friend of mine. This is strictly an official function.

There was a question raised about this job—Director of the Central Intelligence Agency—as a stepping stone to the Vice Presidential candidacy. I told him, and later said in open hearings in the committee, that if I thought he did not have any more political and governmental judgment than to think that service as Director of Central Intelligence would be promoting him, recommending him in any way, for Vice President of the United States—if that was his judgment, or lack of it—I would vote against him for Director of Central Intelligence.

Because, politically, I do not think there is any doubt—there is no doubt in my mind—that it would be a great handicap, a great handicap to his becoming a candidate, much less being elected, as Vice President of the United States.

Anyone that wanted to had the right to ask the question, I am not critical of that. But I admired his answer when asked if he would promise not to be a candidate for Vice President. He respectfully declined to make any binding assertion of that kind.

Mr. President, may I have an additional 2 minutes?

Mr. THURMOND. Mr. President, I yield 2 additional minutes to the Senator.

Mr. STENNIS. I admired his attitude and openly approved it and I approve it now.

He said "no," that he would not make any such promise. He would not bargain away any part, or one iota of his citizenship in such a way, just to be approved for this appointment or any other appointment.

As I say, I am glad he answered that way. I would have thought less of him had he not. But as it worked out, the development came from the other direction. The President of the United States wrote to me as chairman of the committee and for the committee. I have a letter here dated the 18th of December 1975, which we put into the record of the hearings.

I ask unanimous consent that a copy of the same letter, Mr. President, be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STENNIS. So, Mr. President, we have a man here that I do not come to praise, but I come to state that from the record, the man—his attainments, his intelligence, his undoubted dedication and solid patriotic motives—fills the bill.

He is accepting this position, if it is finally reached by him, as a solemn obligation and because of his responsibilities as a citizen of the United States. He is coming in response to the call of the President of the United States.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STENNIS. Will the Senator yield me half a minute?

Mr. THURMOND. Yes.

Mr. STENNIS. I have said the Senate would be amply justified in approving this nomination. Moreover, I think the office is such that there ought to be as large a vote of confirmation here as the Senate could possibly give. I hope the Senate does that.

I thank the Senator for yielding to me.

Exhibit 1

The White House,
Washington, December 18, 1975.

Hon. John C. Stennis,
Chairman, Armed Services Committee, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: As we both know, the Nation must have a strong and effective foreign intelligence capability. Just over two weeks ago, on December 7th while in Pearl Harbor, I said that we must never drop our guard nor unilaterally dismantle our defenses. The Central Intelligence Agency is essential to maintaining our national security.

I nominated Ambassador George Bush to be CIA Director so we can now get on with appropriate decisions concerning the intelligence community. I need—and the Nation needs—his leadership at CIA as we rebuild and strengthen the foreign intelligence community in a manner which earns the confidence of the American people.

Ambassador Bush and I agree that the Nation's immediate foreign intelligence needs must take precedence over other considerations and there should be continuity in the CIA leadership. Therefore, if Ambassador Bush is confirmed by the Senate as Director of Central Intelligence, I will not consider him as my Vice Presidential running mate in 1976.

He and I have discussed this in detail. In fact, he urged that I make this decision. This says something about the man and about his desire to do this job for the Nation.

Thank you, Mr. Chairman, for your efforts on behalf of Ambassador Bush's nomination. I will deeply appreciate your efforts to expedite approval of this nominee by your Committee and the full Senate.

Sincerely,

Gerald R. Ford.

Mr. McINTYRE. Mr. President, I yield 10 minutes to the distinguished Senator from Vermont.

Mr. LEAHY. I thank the distinguished Senator from New Hampshire.

Mr. President, before I begin my remarks, I ask unanimous consent that, during the vote on the Bush nomination, Douglas Racine of my staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, for more than 1 year the Nation has been subjected to a seemingly endless litany of abuses of power by the Central Intelligence Agency. Assassination attempts, interference in the internal politics of friendly governments, and other covert activities in addition to illegal domestic activities which strike at the heart of our personal liberties have been reported ad nauseum. The fact is that the CIA is crippled, unable to perform the crucial tasks for which it was created.

I am firm in my conviction that the congressional investigations of the CIA that have exposed those abuses have been necessary. They were not meant to destroy the CIA. I do not believe that any Senator desires that. We all recognize that the CIA must be capable of continuing its intelligence-gathering activities. It would be naive to think that a country with the military power and global responsibilities of the United States could survive without an intelligence community. These investigations were meant to uncover the wrongdoings of the past and the weaknesses of the present so that such incidents can be prevented in the future; and more important, so that public confidence in the Agency can be restored.

Because of the past year's revelations, public confidence in the CIA has been virtually destroyed. The public has seen the legitimate functions of the CIA subverted by the political manipulations of Presidents, Republicans and Democrats. Improper activities against foreign governments and political groups have been undertaken at the whim of CIA officials or under Presidential directive. Accurate intelligence information has gone unheeded because it conflicted with the policy goals of various administrations, Republican and Democrat. The CIA has too often been a political tool of Presidents, rather than the intelligence-gathering tool it was intended to be when created by the Congress in 1947.

In fact, public confidence in most of our governmental institutions has suffered greatly in the last 10 years. Having been deceived by the official lies surrouding American involvement in Vietnam and the deceit and corruption of Watergate, the American people are justifiably cynical about their Government.

One of our first priorities must be the restoration of trust in our traditional institutions—a trust that is deserved. The CIA must be rebuilt, both as an effective agency of Government, and as an institution worthy of public support. One cannot be done without the other. The CIA must again be perceived as an efficient intelligence-gathering agency rather than an elite arm of the administration. Public support of American foreign policy objectives requires public support of the CIA, which is so intricately involved in the formulation of that policy. The success of arms limitations agreements requires accurate verification of information. The size of our defense budget is largely dependent on the magnitude of the Soviet military effort—an assessment that must be accurate and unbiased. The American people must feel confident that these decisions, and a host of others, are being based on efficient and honest intelligence-gathering, if we expect them to support our foreign and defense policies and goals.

The Director of the CIA, the most visible symbol of that agency, must be a person capable of successfully completing this rebuilding effort in an atmosphere that is perceived as free from any and all political considerations. Like Caesar's wife, he must be above suspicion. And that is the problem confronting us by this nomination. For the fact is that in the nomination of Ambassador Bush we are facing a problem of perception as much as of fact.

Mr. President, I have been greatly troubled by this nomination. In the course of the hearings in the Armed Services Committee or elsewhere, I have heard nothing that indicates that George Bush is anything but a highly professional and honest man. He has earned an excellent reputation in all of his previous public positions. He served with distinction in the House of Representatives. For almost any other position that the Senate must give its consent to, I would not oppose his confirmation. In ordinary times I might not oppose his confirmation as CIA Director. But these are not ordinary times.

The job of Director of the Central Intelligence Agency, along with that of FBI Director, demands more than an honest, capable, and professional person, even though it demands all of these attributes. It demands someone who will be perceived by the public as free from political pressures in rebuilding the Agency. In normal times this alone would not, in my opinion, disqualify someone with a political background from the job. But in these times, I must conclude that a highly partisan political background is an insurmountable obstacle for this post.

The distinguished chairman of the Armed Services Committee told Ambassador Bush at the hearing that if he was using the directorship of the CIA as a stepping stone to the vice presidency, he would question his judgment. Mr. President, if he or if anyone were using it as a stepping stone to the vice presidency, I would question his sanity. But that is really not the issue.

Obviously, the CIA needs a director who will be independent of the White House, a person who can resist pressures from all outside sources. The nature of the job, that of providing the President and his foreign policy advisors with objective analyses of events in areas of the world of interest to the United States, demands that high degree of independence.

Not only must the director of the CIA be independent in fact; he must also have the appearance of independence. The public must perceive him as a professional, not a political ally of the President. In my opinion this is a sine qua non for confirmation. George Bush obviously does not satisfy that essential requirement.

Mr. President, this should not necessarily rule out everybody who has been involved in politics. However, Ambassador Bush does not have an ordinary political background. We are not talking about a man who has simply served as an elected official; we are talking about a man who has served as national chairman of one of our two great political parties. We are considering the confirmation of a man who has been nominated by the President out of a desire, as the President himself put it, to have "one of his boys," a member of his team, as Director of the CIA.

The fact that the President has removed Ambassador Bush from consideration as his running mate this year does not diminish the fact that he has been and remains a leader of his party—and I might add a capable one.

Mr. President, I believe that this nomination, if confirmed, would reaffirm the cynicism already rampant among the American people. It will be perceived as yet another example of politics as usual. And politics as usual has resulted in Vietnam, Watergate, FBI abuses, and CIA abuses. It is time to begin putting an end to that prevailing attitude in this country.

As we consider this nomination, we must keep in mind that public opinion of the CIA has reached its nadir. This nomination does not begin to change that negative impression; in fact, from what I hear from my constituents, it only reinforces it. The rejection of this nomination should not and would not be viewed as an affront to Ambassador Bush, a fine public servant. It would be perceived as a concrete manifestation of the intent of Congress to rebuild the CIA and to restore to it the confidence and trust of the American people.

I thank my distinguished colleague from New Hampshire. I yield back whatever remaining time I have.

Mr. McINTYRE. May I ask the Senator to expand a little bit on the reaction he has had from some of his constituents to this nomination?

Mr. LEAHY. I have made it a point to let the people in Vermont know how I feel about this particular nomination in visits back home, in mailings, and on radio talk shows. As the Senator from New Hampshire knows, I do not come from a State which is noted for being heavily anti-Republican. In fact, I am the first member of my party ever to be elected to the Senate from that State.

Mr. McINTYRE. May I interrupt to add my congratulations. I hope that many more Senators who share the concern of the Senator from Vermont come to the Chamber.

Mr. LEAHY. I thank the Senator.

I will tell the Senator that the people in Vermont are very concerned about this nomination. I think the people in Vermont are strongly behind the idea that the CIA and FBI are necessary institutions of our Government, but they have been very, very concerned about the revelations they have heard. They feel that both of these agencies have been badly damaged by misconduct, by improper activities, and they want to see them restored to a position of trust.

I used the expression here of politics as usual. I heard that time and time again from Vermonters, including many people I would consider basically conservative Republican Vermonters. They are all very concerned. They feel that this nomination just masks some kind of a political reward. That is the way it is perceived.

Mr. McINTYRE. Mr. President, I want to thank the distinguished Senator from Vermont for his fine statement. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Will the Senator yield 7 minutes?

Mr. TOWER. I yield 7 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of the pending nomination of Mr. Bush as Director of Central Intelligence. It is my belief that he would fulfill well the difficult job of managing the CIA in the present environment promulgated by numerous events.

Mr. Bush has the individual traits necessary for such a high position. He is a man of integrity, extraordinary ability and intellect. He has already brought these substantial capabilities to bear in several positions of great responsibility: First, as the recent U.S. liaison chief with the Peoples Republic of China, and prior to that as U.S. Ambassador to the United Nations.

BROAD EXPERIENCE

These high appointments came following his service in the U.S. House of Representatives and as National Chairman of the Republican Party. Earlier he was a successful manager of a petroleum company. Further, contrary to some expressed viewpoints, I weigh his tenure as Chairman of the Republican National Committee as an asset in assuming the CIA directorship. Some of the difficulties which the CIA has encountered might have been avoided had more political judgment been brought to bear. Mr. Bush himself made it clear in his confirmation hearings that political partisanship has no place in the CIA post, but he felt that his political experience would be an asset once he assumes Directorship of the CIA.

IMPRESSED COMMITTEE

Frankly, when he appeared before our committee I have rarely seen a witness carry the day, so to speak, and was the impression of integrity and competence which he portrayed to the members. His frank handling of sensitive areas of questioning, and his sound views on gathering, management and use of intelligence obviously won him some votes after what appeared to be various reservations based upon his political background.

The high regard in which he was held by the committee obviously had something to do with the request from some of the members that the President state in writing that Ambassador Bush would not be offered the post of Vice President later in the year. While continuity was given as the reason for tenure, I doubt this would have been required of a man of lesser ability than the nominee now under consideration by this body.

POLITICAL RESERVATIONS

Frankly, I do not agree with stated viewpoints of some of my colleagues that the fact of past political activity on the part of the nominee has discredited him in the eyes of the public. I have not seen, certainly in my own mail, nor heard of any other Senators receiving significant public opposition to his appointment. The mail I have received on the CIA has deplored the public disclosure of highly sensitive CIA matters from congressional sources.

Further, earlier this week even the Washington Post published an article stating the public was shocked and dismayed by the placing on the public record in the Congress of highly sensitive matters. These revelations, often from unnamed sources, involved covert and other secret activities approved by Presidents elected from both major political parties. That is where the public concern lies, on disclosures which are tearing down the CIA, not upon the selection of this highly competent man to repair the damage of this overexposure.

At this point in my remarks, Mr. President, I ask unanimous consent to have printed in the Record an article in the January 23, 1976, issue of the Washington Post entitled "Climate Is Changing for 'Reform' of CIA."

There being no objection, the article was ordered to be printed in the Record, as follows:

Climate Is Changing for "Reform" of CIA

(By Laurence Stern)

A drastically altered political climate will greet outgoing Central Intelligence Agency Director William E. Colby when he appears on Capitol Hill today to offer his prescription for reorganizing the intelligence community.

Just a few months ago there were predictions of major legislative surgery for the CIA—talk of ending covert operations, splitting off the analytical and operational branches of the agency, relocating the director to put him in the White House.

Now the forces for maintenance of the status quo are emerging as the Senate Government Operations Committee moves into the law-drafting stage of the intelligence controversy, which has been liveliest subject of political interest in Washington since the Watergate scandals.

Traditional congressional intramural politics, for example, are now coming into play on the intelligence reform issue.

Some congressional observers saw this as the underlying reason for the announcement by Sen. John G. Tower (R-Tex.) Wednesday that he opposes formation of a new oversight committee to monitor the intelligence community.

Tower urged instead that the oversight function be left in the custody of the Armed Services committees, which have performed it for more than a quarter of a century in a spirit of clubby toleration. As the second-ranking Republican on the Senate Armed Services Committee, Tower enjoys a position of influence on that panel.

The White House and intelligence community would gladly settle for that arrangement in place of the present congery of six congressional committees that have a consultative role on CIA matters.

In the Senate there is a growing consensus for separate House and Senate oversight committees rather than a single joint panel. The fear among Senate advocates of tighter congressional control is that a joint committee bill might perish in the House or in conference.

The administration favors a joint committee approach to minimize the number of congressional staff personnel involved, since staffers are regarded by the intelligence professionals as potential leakers of national security secrets. It would also reduce the number of trips required between the CIA's Langley headquarters and Capitol Hill, where Colby has spent a larger portion of his tenure than any of his predecessors in the directorship.

The one issue upon which virtual unanimity has developed between administration officials and members of Congress is the demand for stronger punitive action against those in government and even in journalism who make public classified material.

It was in this spirit, perhaps, that Sen. Charles H. Percy (R-Ill.) asked one of yesterday's witnesses, former CIA official David Phillips, for a full explanation, of Britain's Official Secrets Act, which imposes far-ranging official censorship over a wide range of governmental action—not only of a national security nature—and makes disclosure punishable by criminal prosecution.

Colby is supporting a legislative proposal that would impose criminal punishment on government employees for divulging classified information during or after their active service.

There are also strong punitive provisions for disclosure of government secrets proposed in the bill known as S.1, which would recodify the U.S. Criminal Code and is awaiting action in the Senate.

One congressional participant in the intelligence "reform" process now under way prophesied that the net effect of the legislative labor on the intelligence issue will be to produce "an American official secrets act and no reform."

SOUND INTELLIGENCE VIEWS

Mr. THURMOND. Now turning away from the politics of this nomination, I would like to point out some of the more substantive issues which came out of the hearings. Mr. Bush made it clear he saw the need for a strong intelligence community, but one which would in no way abuse its power.

He maintained the CIA should stay strictly in the area of foreign intelligence and coordinate the activities of the other agencies so involved. Mr. Bush also noted the culmination of these efforts would be to provide the President and the National Security Council objective analysis, and in cases where strong differences in opinion may occur such differences would be footnoted.

He stated that he would take seriously the Director's responsibility to protect intelligence sources and unauthorized disclosure. Further, he pledged to work out a relationship with the Congress which would meet the legitimate and necessarily expanded oversight responsibilities of the Congress.

CAN WORK WITH CONGRESS

Mr. President, the position is one of great importance, and I do not wish to raise any personal point with any of my colleagues. Each is entitled to his own views and has an obligation to his constituents to represent them in that way. However, it is my feeling that a man with experience in the Congress, where most of the complaints are being heard, may well be able to deal more effectively with the serious problems now facing the CIA.

Further, his roles as Ambassador to the United Nations and Liaison Chief to the Peoples Republic of China certainly should have given him a realistic idea of the issues of other countries in which the United States has a national security concern.

Therefore, based upon the recognized integrity and competence of the nominee, I urge the Senate to view this nomination in the most objective light possible, as the new Director of this Agency needs strong congressional support if he is to meet the problems ahead.

The PRESIDING OFFICER. Who yields time?

Mr. McINTYRE. Mr. President, I yield 5 minutes to the distinguished Senator from Colorado.

Mr. GARY HART. I thank the Senator from New Hampshire.

Mr. President, on November 3, 1975, President Ford announced his intention to nominate George Bush to be Director of Central Intelligence. Despite my respect and admiration for the man, I must oppose his nomination. He is, simply, the wrong man for this job.

The CIA must stay out of politics. The appointment of a partisan politician to be Director of the CIA will create a bad precedent. Although I have no reason to believe that Mr. Bush would politicize the CIA or bend intelligence judgments to meet political needs, we might not be as fortunate with future political Directors of the CIA.

The CIA has had eight Directors since it was created in 1947. Three—Roscoe Hillenkoetter, Walter Bedell Smith, and William Raborn—have come from the military. Two—Richard Helms and William Colby—have come from within the CIA. Three—Allen Dulles, John McCone, and James Schlesinger—have come from distinguished private and government careers. None has come from political life. This tradition should be maintained.

The appointment of Mr. Bush is a disservice to the CIA. The Agency is at a critical period in its history. It has conducted illegal domestic activities in this country. It has been misused, and abused, by American Presidents. It has been the subject of investigations, by a Presidential commission and two congressional select committees, for almost a year. It has been in the headlines for a much longer period. Its future role and responsibilities are in doubt.

At this critical time, the CIA must have a noncontroversial, full-time Director. This Director must be able to restore morale to the Agency and guide it through the difficult months ahead. Despite President Ford's statement that Mr. Bush would not be his running mate in 1976, I have serious doubts whether Mr. Bush would be retained as Director of the CIA should a Democrat be inaugurated in January 1977. I fail to see how a Democratic President could keep a former chairman of the Republican Party on as Director of the CIA. I can see, and would expect to see, a Democrat retain a respected, nonpolitical CIA Director. Mr. Bush's confirmation as Director will, therefore, leave the Agency in a state of uncertainty about its future leadership. This is a mistake.

I oppose Mr. Bush's nomination for another reason. I simply do not agree with his views on CIA covert action. During his confirmation hearings Mr. Bush stated that, as Director of the CIA, he would not rule out attempts to overthrow constitutionally elected governments. In his words

> I think we should tread very carefully on governments that are constitutionally elected.

Mr. Bush believes our adversaries play rough, and they do. He appears to believe that we must, on occasion, play by their rules. I do not agree. During the Senate select committee's assassination inquiry, we uncovered a document written in 1954 by the Doolittle Commission. The Commission had been formed to advise the President on CIA covert activities. The introduction to the Commission's report stated that this country may have to adopt tactics "more ruthless than [those] employed by the enemy" in other to meet the threat from hostile nations. I reject this philosophy, but apparently Mr. Bush does not.

Mr. Bush's views on legislative involvement in covert action decisions also concern me. He appears to believe that covert action decisions are among the President's "inherent powers" and that Congress should be informed, but not consulted, about covert operations. During his confirmation hearings Mr. Bush stated as follows:

> I think it is the obligation of the President to determine the covert activities and I would say after plenty of adequate consultation with the NSC and representatives of the intelligence community, but I think he must make that decision and I do not think it ought to be a joint decision . . . I think that is what the Presidents are elected to do.

Mr. Bush does believe that Congress should be informed of covert operations. But when Congress should be informed is another matter. He does not believe that Congress should be informed simultaneously with the President's decision to go ahead with a covert operation. When I asked him during the confirmation hearings when Congress should be informed, he stated:

> I would say timely notification but I would not want to tell you that I thought that should be done simultaneous with the President making a decision. . . . I think there are some areas where the President has those inherent powers and he should be allowed to proceed.

I reject Mr. Bush's concept of the President's inherent powers to proceed in covert operations without prior consultation with Congress.

President Ford made a mistake in nominating George Bush to be Director of the CIA. Mr. Bush is not prepared for the job. During his 2 days of confirmation hearings Mr. Bush repeatedly stated that he could not answer specific questions because he had not been briefed. The President should have appointed a man who has some, although not necessarily extensive, background in intelligence so that he would not be starting on the ground floor.

In 1947 Allen Dulles stated:

> Appointment as Chief of Central Intelligence should be somewhat comparable to appointment to high judicial office, and should be equally free from interference due to political changes.

The appointment of Mr. Bush does not conform to this good advice.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. GARY HART. Mr. President, will the Senator yield another minute?

Mr. McINTYRE. I yield 1 additional minute.

Mr. GARY HART. The Rockefeller Commission made a number of comments concerning the Director of Central Intelligence. The Commission stated:

> The best assurance against misuse of the Agency lies in the appointment to that position [Director of the CIA] of persons with the judgment, courage, and independence to resist improper pressure and importuning, whether from the White House, within the Agency, or elsewhere.

The Commission recommended that:

> Persons appointed to the position of Director of Central Intelligence should be individuals of stature, independence, and integrity.

Mr. Bush's stature and integrity are not in question. His independence, due to his political past and possible future, is. It is this appearance of possible lack of independence which raises serious doubts about the President's judgment in appointing George Bush to be Director of the CIA. One of the reasons President Ford gave for firing William Colby was that he wanted his "own team." Mr. Colby was not a member of Mr. Ford's "team."

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. McINTYRE. I yield to the Senator 1 additional minute.

Mr. GARY HART. I thank the Senator.

Apparently, the President believes Mr. Bush will be a good "team" member. I do not believe this quality is appropriate for the Director of the CIA. Setting the precedent of having good "team" members in the CIA is a dangerous one. It is likely to be abused, if not now, then in the future.

I thank the Senator from New Hampshire.

The PRESIDING OFFICER. Who yields time?

Mr. McINTYRE. Mr. President, I yield myself 2 minutes.

Will the Senator from Colorado respond to a question or two that I have?

Mr. GARY HART. I am glad to respond.

Mr. McINTYRE. Mr. President, it is my understanding that the Senator from Colorado has served now for a year on the Select Committee to Study Governmental Operations with respect to intelligence activities. Is it permissible for the Senator to tell me in open forum how large is the CIA? How many individuals?

Mr. GARY HART. I think it is a matter of public record that the total employee rolls of the CIA are in the neighborhood of 15,000.

Mr. McINTYRE. Fifteen thousand.

I asked that question because they refused to tell us in a telephone call. Perhaps that was not the right way to go about it.

Let me ask the Senator another question. I, too, was struck by President Ford's desire to have his own team, as he expressed it, and I certainly could understand why a President, in the difficult job that he has, would want that. But is it the conception of the Senator from Colorado that the posts of Director of the CIA and the Director of the FBI are like Cabinet posts? Does the Senator conceive them to be like Cabinet posts?

Mr. GARY HART. The position of Director of Central Intelligence is unique. It was designed to be a position directly responsible to the President of the United States. During the past year in which the Select Committee on Intelligence has looked into the intelligence community, we have seen too many occasions under both parties and several administrations where that peculiar relationship between the President—the White House—and the CIA has been abused and misused.

Unfortunately, a lot of the abuse and criticism that the CIA has received has not been the responsibility or the fault of the CIA. It has been because of the direct pressure from the White House, as I say, under various administrations and both political parties.

It is because of that kind of pressure that I certainly feel that I must strongly oppose this nomination.

We should do everything we can to break that link, the kind of political pressure that the President can bring on that appointee.

Mr. McINTYRE. Mr. President, I yield myself as much time as I need.

I say to my good friend from Colorado that I never will be able to forget the incident in which Mr. Ehrlichman called the Deputy Director of the CIA, then, I believe, a Major General Cushman, and said, in effect, he was sending a man over and to take care of his needs. That man was Howard Hunt.

The questions that were asked by that assistant director were very minor. He did not question the authority because he testified that he knew that the call was from, in effect, the President. All Mr. Hunt wanted was a red wig, a device to put in his mouth to change his voice, and a false identification. He received it.

One of the things that bears so heavily on my mind is to think that some of our Presidents in the past have utilized this unique Central Intelligence Agency, as the Senator from Colorado points out, not for foreign intelligence purposes but to pursue domestic political ends.

That is something that this Congress has to stop, and I am sure that the Senator from Colorado agrees.

Mr. GARY HART. If the Senator will yield for a comment, the problem with this nomination is it runs cross grain to the findings of our committee that we have been involved in for the last year. If there is one central discovery that our committee has made throughout all of its investigations of attempted assassinations of foreign leaders, abuses of authority here at home, surveillance of American citizens, attempts to overthrow foreign governments, and everything else, it is that one cannot politicize the intelligence community. It is absolutely the worst possible thing that can happen.

I agree with every one of those who say that we have the highest kind of talent capability in our Central Intelligence Agency. These people are professionals. They believe in what they are doing. They are performing a tremendous service to their country.

The problem of morale at that Agency and the degree to which the investigations of that Agency have contributed to those problems are certainly unfortunate because of the degree to which they may have taken people's minds away from their jobs. Absolutely 99 percent, close to 100 percent, of the people at the CIA are dedicated nonpolitical people trying to do a professional job.

To link up the White House with the Central Intelligence Agency through political connections of this sort, that were certainly not intended when that Agency was created, would do more to continue that low morale than anything else we could do. It would be absolutely the worst step that we could take.

If this were a Democratic President nominating a Democratic politician for that position, I would be taking the very same position.

Mr. McINTYRE. I thank my good friend from Colorado and I shall take 2 minutes right now.

Mr. President, in my inquiry of other colleagues as to how they might vote on this issue, I have been met with the question why should politicians be disqualified automatically? Do they not have qualities which could be useful in this job?

Some of our colleagues have felt reluctant to oppose Mr. Bush simply because, as they say, he is a politician and simply for "appearances sake." It is, I suppose, the choice of words which bothers them, because no one wants to be accused of judging someone on the basis of "appearances" and not the facts.

But I challenge any of our colleagues to dispute the fact of the wide mistrust of the CIA, the fact of its internal demoralization, and the fact of the public's suspicion of politicians in general and Congress in particular. I challenge anyone to deny that a "team player," a custodial appointment, is precisely what the Agency cannot afford at this time.

In these circumstances, at this time in the life of the Agency, it is absolutely vital that there be no question about the need to insulate the Director from partisan political considerations. I stress the public perception of the Agency so much because we cannot have a rehabilitation of the Agency without a restoration of public confidence. The two are inseparable: You will not have one without the other.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield 3 minutes to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, I commend the distinguished majority leader, who, with his typical nonpartisan attitude at the right time, with his typical sense of fairness, carefully thinking through and researching a subject as important as the current subject, has come to a conclusion, has forthrightly stated his position, and has made unequivocally clear how he stands on this issue. His support of George Bush at this time is typical. It is typical of his long and distinguished career in public service.

So far as I know, none of my colleagues who are opposing the nomination of George Bush has questioned his character, intelligence, or ability. The thrust of the arguments against his nomination concerns his role as a politician. Not that his political activities or political record have been questioned, either. The only complaint is that he is a politician who has been a Member of the House, a candidate for the Senate, and a chairman of his party's national committee.

It is said that politics must be kept out of the CIA, and with this we can all agree.

But are all politicians, regardless of their character, intelligence, and ability and regardless of other experience in public service, to be considered ineligible to head an intelligence agency and to coordinate the work of the intelligence community?

George Bush has been more than a political man. In fact, he has had three careers in public service: One, as an elected public official; second, as a politician and party chairman; and, third, as a very distinguished diplomat. His diplomatic service, while briefer, has been more recent. To my knowledge, it was generally accepted that he had done an excellent job as Ambassador and Permanent U.N. Representative at the United Nations. Similarly, his service as Chief of the U.S. Liaison Office in Peking has been widely paised. Neither assignment was an easy one or blessed by favorable circumstances, yet George Bush performed with honor, with discretion, and with grace in both.

As I recall there were some rumblings when he was named to represent our country at the U.N. It was said then that George Bush was a politician and business man. But, in view of his success in two major diplomatic posts, it can no longer be said that he is only a political man. His ability to adjust rapidly and well to diplomatic service gives us ample reason to conclude that he is a man of talents who can apply those talents effectively in many fields of public service.

I have no doubt of George Bush's ability to undertake the new assignment for which he has been nominated, and to do it well. His understanding of, and sympathy with, the oversight role of Congress will be especially helpful to us as we seek to bring the intelligence apparatus under control. Moreover, in working with the White House and with Congress, his diplomatic experience will serve him well.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TOWER. I yield the Senator 2 additional minutes.

Mr. PERCY. Mr. President, I have been reaffirmed in this belief as over the past week I have been privileged, together with Senator RIBICOFF, our chairman, and other members of the Committee on Government Operations, to conduct hearings, now that the Church committee is winding up its affairs and will be making a final report on recommendations, to hear witnesses testify as to what they think we should do. I have probed with such men as Mr. Colby, John McCone, former heads of the Agency, have met with Mr. Kelley, head of the FBI, and this morning with Secretary Ellsworth, to determine what particular talents are needed at this time. I am reinforced in my belief that George Bush possesses many of those talents, if not all of them, that are now going to be required in this particular stage of history in this vital Agency.

The question of his availability for another political role this election year has been resolved, unfortunately, to the detriment of my party. But the larger national interest has been served by enabling George Bush to assume this great, new responsibility. I feel that we are very fortunate in having a man of his caliber to be Director of Central Intelligence at this crucial time in the life of this agency, so vital to the security of our Nation.

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. TOWER. Mr. President, I yield 5 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I have listened with interest to the arguments presented by the opponents of George Bush. I respect the reasoning behind those arguments, but I do not agree with them.

Yes, George Bush has had a political background. I knew him before he had a political background. I have known him all through the years that he was engaged in politics and then in business. The man has not changed a bit.

The question that comes to my mind is this: Does the term "politician" connote something evil that is going to follow throughout the rest of our lives? I do not agree with that, because I know many men and women who have served in politics, served well, and have gone on to serve their communities and their States and their businesses with equal success. I will not say that this holds across the board, but it does to a large extent.

"Politician" means a person skilled in the art of politics. A doctor is skilled in the art of medicine. An economist is skilled in the art of understanding the economy.

With his skill as a politician, George Bush also is skilled as a businessman, a very successful, more or less self-made businessman, in Texas. He is a family man and he is a religious man. But I think the most important thing to remember is that he is a successful man.

Mr. President, if there is one thing we need a lot of in politics and in Government, it is more people who have had success in life in something other than the mere profession of politics. This job—and I say this after having served on the Intelligence Committee for a year—needs the particular talents that Mr. Bush has: the ability to understand a new assignment, the ability to apply his integrity, and the ability to see that the job is run in a proper way.

I admit that, as a member of the committee and as a Senator, I might have preferred to have had George Bush bubble up from the bottom, through the whole chain of command of the CIA, but that is not possible. We do not see that happen. We do not see it happen in the Post Office. We do not see it happen in any other division of Government. The job always has been given to someone who it was thought could do the job.

There is one thing that these hearings have said to me. I may be in the minority in saying this. Everything that the CIA has done that has brought discredit on the CIA was done at the orders of the White House. I repeat that—done at the orders of the White House. We have spent months and months trying to hide that, but we cannot. In fact, I recall that several members of the CIA, when asked under oath, "Would you lie to protect the Office of President?" All said, "Yes." It means more to them to see the White House protected, evidently, than whether or not their own names come out of it all right.

So here is a case, I think, in which Mr. Bush's particular talents—yes, even including his experience in politics—will stand him well; because, knowing politics, he will be better able—when the President tries to talk the next CIA group into something that might be considered morally wrong by many Americans—to point out to the President, in a political sense, why it is wrong.

I do not want to see the charge stand any longer against the CIA that they and they alone have been responsible for everything that has gone on for which they have been discredited. I do not think we have a finer man serving the American people than Mr. William Colby.

I think the former heads of the CIA have all been exemplary men who have merely done their jobs. Their jobs are now catching the attention of the press, I guess mainly because the press has not much more to worry about right now. So, Mr. President, I hope that this body will approve Mr. Bush. If he has one thing against him, it is that he has been a successful American. For that reason, many of our colleagues—I hope not too many—seem to feel that he would not make a good head of the CIA, or the fact that he has been a politician might stand against him. Mr. President, if that is the case, none of us has a very bright future.

The PRESIDING OFFICER. Who yields time?

Mr. McINTYRE. Mr. President, I yield 5 minutes to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, I shall start by limiting my support to the words of the distinguished Senator from Colorado (Mr. GARY HART), whose statement was considerably more articulate and formalized than mine will be.

First of all, I have never heard anything from Mr. Bush's friends or his business associates except the very highest praise. I think it is regrettable that the President would send the nomination of a man who is so highly esteemed to this body for this position and cause me, in my own mind, to be forced to cast a vote against his nomination simply because I think the precedent is too devastating for the Senate to accept.

It was interesting to me that the President sent the name of John Paul Stevens to this body as his choice for the Supreme Court, and not one dissenting vote was cast against the appointment. I heard many of my colleagues say, "Why cannot the President send men of that caliber, whom everybody in the Senate can support wholeheartedly and be very happy about? Why is the Senate placed in the position of not being able to applaud the President in every instance for his discretion?" I regret, as I say, that the President now forces me to vote against a man whom I could support for almost any other position within the President's appointment power. But Mr. President, I think the precedent is simply too critical.

I think there is a degree of professionalism that this unique position as head of the CIA requires that would be missing. So far as politics are concerned, I have no doubt that if the next President happens to be a Democrat, one of the first orders of business will be to ask Mr. Bush for his resignation. I have known the past four Democratic Party chairpersons, all fine people. So far as I know, their thoughts and their ideals are no less noble than Mr. Bush's. But I want to go on record now as saying that I would not support any of them, should anyone of them be nominated, for such a unique position, which simply must be above all suspicion of political ties or influence.

I was interested in the Armed Services Committee, which, as you know, voted Mr. Bush's confirmation out by a vote of 9 to 4. I respect that committee. They asked him about his possible candidacy for the Vice Presidency. Apparently, it took some time to get both Mr. Bush and the President to agree that he would not be a candidate for Vice President. It occurs to me that this was a rather strange request, coming after the known fact of Mr. Bush's strong partisan party affiliation. The President's reply certainly was not the litmus test for me. But I notice that the majority of the committee said that after questioning Mr. Bush, they had concluded he would be able to rise above partisan politics. Mr. President, I think that is a burden which neither the President nor this body should ask him to bear.

I thank the distinguished Senator from New Hampshire for the time.

Mr. McINTYRE. I thank the Senator from Arkansas for his fine statement.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. I yield 3 minutes to the Senator from Tennessee.

Mr. BAKER. Mr. President, it is my privilege and pleasure to support the nomination of George Bush to be Director of the Central Intelligence Agency. A considerable part of my professional career the last few years has been devoted to matters of concern relating to the security and well-being of this country. The Presidency as an institution, the intelligence community as it now exists, law enforcement agencies as they relate to the fundamental welfare of the country and the rights of individual citizens are all significantly influenced by the Agency Mr. Bush will head. My concern in these respects has been the direct outgrowth and product of that unhappy—indeed, that dreadful—time in our national life that we refer to as Watergate. In that inquiry into the allegations of malfeasance and nonfeasance on the part of the President of the United States and his associates, and, later, of the CIA and other law enforcement agencies, I have had occasion more than once to turn my attention to what went wrong, and how to avoid such wrongs in the future. Mr. President, if I can make any general statement in that respect, it would be that the institution of the Presidency, the White House, Congress, and indeed, the executive departments of Government, including the intelligence community and particularly the CIA, could have been well served by the leavening influence, the common sense, and the judgment of those who have involved themselves in the political affairs of this Nation.

In a word, Mr. President, I do not view George Bush's engagement in partisan political activities in the least as a disability to serve as CIA Director. On the other hand, in those weeks and probably, in those years ahead, when we consider how to go about restructuring our intelligence and law enforcement agencies, to insure that they are amenable to our constitutional processes and dedicated to the protection of the freedom of this country and of individual rights, I, personally, will feel more comfortable if someone is CIA Director who does understand American politics.

This would not be so had the President chosen someone who was a professional politician, steeped in the ways and traditions of party organization and structure. But that is not the case of

George Bush. George Bush is, first and foremost, a patriot. He is a great citizen, a successful businessman, a distinguished legislator. He has been the servant of the President of the United States in many capacities, not the least of which has been his excellent representation of this country in the People's Republic of China.

I rather surmise that George Bush never wanted this job. I would guess further that he may not have wanted to be national Republican chairman when he was so chosen.

Mr. GOLDWATER. Will the Senator yield?

Mr. BAKER. But I rather suspect that in both cases, he responded to an urgent need and sincere request from the President.

Mr. GOLDWATER. If the Senator will yield, the Senator is absolutely correct on that point of his not wanting to be national chairman. I sat at the White House and phoned him at the request of President Nixon and had to twist his arm both ways to get him to say yes.

Mr. BAKER. I am happy for that confirmation. I suspected as much. I know Mr. Bush to be one of that handful of Americans in both parties whom Presidents have turned to repeatedly in times of stress—when they needed undoubted authority—to lead a Government department or agency out of its travail to higher ground. That is the character of which George Bush is made.

I have many views on this subject. I think, for instance, that the DCI ought not to be head of the CIA. That is too important a job. I think the Director of Central Intelligence ought to be a separate job to coordinate the Presidential responsibility for these functions to and from all of the 62 agencies of Government that have some intelligence or law enforcement-related activities. Even if we had already done that, I can think of no one I would pick before I would pick George Bush. It will be my pleasure to vote for his confirmation.

Mr. McINTYRE. Mr. President, I yield 5 minutes to the Senator from Delaware (Mr. BIDEN).

Mr. BIDEN. I rise to join Senator McINTYRE and others who oppose George Bush to be Director of the Central Intelligence Agency. In doing so, I do not question his ability, his experience, or his character, but I do criticize the appropriateness of the nomination.

I feel it is unfortunate in at least two practical aspects. In the first place—and I shall be brief—if there is any one thing that the Rockefeller Commission, the Senate select committee, and other investigative efforts of the past year or more have clearly demonstrated, it is that there must be a depoliticization of the CIA, and that that objective is a sorely needed one. As for the particular nomination before us, I think it does just the opposite. Given Mr. Bush's highly political career and identification he, in my opinion, is the wrong appointment, for the wrong job, at the wrong time.

Revelations of past misconduct on the part of the CIA and of past administrations have created at least a serious question in the minds of many people in the American public as to whether or not the CIA is anything from being worthwhile to useful.

I happen to believe it is both worthwhile and useful. I happen to believe there is a need for CIA to regain at least part of the lost confidence on the part of this body, Congress as a whole, but, most importantly, the American people. In this time of so-called confidence-building, it seems to me it is inappropriate that we, in fact, pick a man to head up that agency who may very well be able to completely disassociate himself from political activity, who may promise not to run for Vice President if chosen, who may do all these things and may actually be the best possible fellow we could, in the abstract, pick for the job, and completely take himself out of politics, but I think in these times it is going to be very difficult to convince the American people that this, in fact, is being done, almost whatever he does, no matter how well he extricates himself from his prior number of years of deep involvement with partisan politics.

The times call for confidence-building, not politics: the Congress and the American people must have confidence in the effective intelligence function our Nation needs.

To accomplish this, there must be confidence that the CIA will never again be used as a political instrument.

There must be confidence that the Director of Central Intelligence is a forcefully independent figure who can say no to any Presidential views of the world reality which do not accord at all with the hard, dispassionate facts of national intelligence: And who can say no to any remedial covert operations which—as has sadly occurred in the past—the President, or his chief foreign policy lieutenant, or the covert operators may be touting with more enthusiasm than far-sighted judgment.

The chances for forceful integrity will be infinitely greater if the Director of Central Intelligence is a highly respected nonpolitical figure out of national life, rather than one of the President's "guys."

The second reason why I think it is important that we not confirm Mr. Bush to head up the CIA is that it suggests a continuance, in my opinion, of virtually unaccountable executive action in the field of covert activities.

Mr. Bush has testified in committee that U.S. covert paramilitary operations abroad can be a good thing on occasion in helping to install governments we happen to like, and that timely notification of Congress will suffice, after the fact of the covert operation's initiation.

I happen to prefer, for example, the statement of our colleague, Senator MATHIAS, given earlier this month to the City Club of San Diego when he said:

> The unfortunate and ill-advised involvement of the United States in Angola would not have occurred if the issue had been fully and carefully considered, and if congressional advice had been sought before our recent involvement began.

In view of Mr. Bush's testimony, I fear that in confirming his appointment we, in the Congress, will simply be acquiescing in more bypassing of advice and consent, and more faits accomplis with respect to covert adventures, and more appropriations without representation.

We, in Congress, have had enough of this invisible government, I think, whether rogue elephant CIA's or administrations. It seems to me we need a man in that job or a woman in that job, who, in fact, has a different basic philosophy with regard to that issue. I do not think we can accept that continued conduct of that Agency in the manner in which we have come to learn that it has been conducted.

I would add, parenthetically, it seems also we are heaping a lot of blame on the CIA these days, and forgetting that a Democratic President was there for a considerable portion of the time and, apparently, knew a good deal about what was going on at the time. The more we learn, the more I become convinced that the CIA did less and less, in fact, without Presidents knowing what was occurring.

But, be that as it may, it is time that we, in fact, move that very, very important agency back to a position of prominence and confidence.

I, for example, in my limited experience here in the U.S. Senate have found, as a member of the Foreign Relations Committee, that whenever I asked for advice from the CIA I got a whole lot straighter scoop than I did when I went to the Defense Department to get anything, and I think the CIA is a very valuable outfit.

But, I think, by our turning around and having a Director who so clearly is identified with partisan politics and with being one of the President's "guys," we are making a real mistake. I think the American public is—and I know I am—looking for somebody in whom I would feel confident that if, in fact, the President suggested something in the covert field, for example, which the Director thought it was not in fact a very sensible thing, that he would just flat out tell the President, "No, I don't like it; I won't do that."

To sum it all up, I think it is important that we have a man of not only integrity which, I think, Mr. Bush is, but one with a nonpartisan record, and with a demonstrable capacity to tell the President that he thinks he is all wet, and stand up the President of the United States, when need be, to do that.

On those grounds, I am going to vote against Mr. Bush's confirmation to head up the CIA.

I thank the Senator from New Hampshire for yielding to me.

Mr. McINTYRE. I thank my good friend from Delaware for expressing his opinion on the matter at issue.

Mr. TOWER. Mr. President, I yield myself 2 minutes.

Mr. GOLDWATER. Mr. President, will the Senator yield 1 minute to me to answer the Senator from Delaware? Just one brief statement.

Mr. TOWER. I yield to the Senator.

Mr. GOLDWATER. I wanted to comment on one statement the Senator from Delaware made. One of the first and strongest suggestions that President Nixon step down came from George

Bush when he was chairman of the Republican Party, and I can tell you that takes a lot of what we call "guts."

Mr. TOWER. Mr. President, at least two speakers this afternoon have referred to Mr. Bush's views on covert action as the reason for rejecting his nomination.

Mr. President, the question of covert action and Mr. Bush's views on covert action is really only marginally relevant, because covert action is indeed an instrument of foreign policy and has been authorized by succeeding presidents of both parties as a matter of continuing American foreign policy conduct for the last 25 to 30 years.

Now, should Congress decide that there be no more covert action or should the President of the United States decide that covert action is not a proper tool of diplomacy, then it would not make any difference what the DCI's views on covert action were because he would be bound not to engage in any covert action. So this is a policy matter that could be widely debated on the floor.

I do not know whether the majority of this Senate believes in covert action or a majority opposes it, but that is a policy matter which could be resolved by debate in the Senate, and I think ought not to be considered in the context of the consideration of the qualifications of Mr. Bush to be DCI.

The PRESIDING OFFICER (Mr. CASE). Who yields time?

Mr. McINTYRE. Mr. President, I yield 5 minutes to the distinguished Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. JOHNSTON. Mr. President, I rise in opposition to the nomination and, in so doing, I would like to point out that this is the first nomination I have ever opposed, if there has been any other, and it has not been more than one nomination, and I do not recall which one that was.

I do so not out of any feeling of lack of ability or integrity or any of those qualities that are usually associated with a nominee. I have the utmost confidence from everything I have heard about Mr. Bush, but one thing I do know, Mr. President, that is very clear about Mr. Bush: He has been a politician and he either will be a politician or at least at this particular time he looks like one.

Now, Mr. President, as a full-time politician and a body among politicians, I do not want to denigrate the word "politician" or bring discredit upon our name. To the contrary, I think the word and the profession of politics is the highest calling there is. It is what makes democracy work.

But, Mr. President, the Director of the CIA is the most sensitive position we have perhaps in this Government in the sense that every item, every issue upon which this Director gives advice is right at the heart of the most delicate and greatly conflicting political issues we have in this country.

Defense spending. An annual and very strong debate we have every year on the floor of this Senate and the question is, What is the Russian threat?

Now, who is going to be giving us the advice on that but the Director of the Central Intelligence Agency? And if he is echoing the same line as the President is, he is going to be suspect if he is in politics.

Angola. This is an issue on which there are two very strong and conflicting views. We ought to have advice on Angola from the best nonpolitical man we can get.

Just the other day on the Israeli question, we had testimony from the Director of the Central Intelligence Agency, on the question of whether, in fact, Israel is threatened; whether they should, in fact, have a billion and a half dollars; what their relative standing and relative strength is with respect to the Arab world.

It is the strongest kind of political issue we can get with great overtones and great implications, all through the political spectrum.

Mr. Bush has been in politics, I dare say he may be again. But we should neither get a man who is today in politics, or one who is likely to be in politics in the future, or one who is concerned about proving that he is nonpolitical.

I think sometimes it is just as bad to have to lean over backwards, one way or the other, to prove or disprove something as it is to be guilty of it.

I well recall a very good friend of mine who is a judge, at all levels of the court, and I have never had a judge rule against me as many times as this particular judge. In my judgment, he was leaning way over backwards to try to prove he was being objective to his good friend.

Mr. President, we do not want that kind of a man as Director of the Central Intelligence Agency, someone who is trying to prove he is nonpolitical. We do not want a man who is political.

I just hope that the Senate will turn down this nomination and find any other position in Government for Mr. Bush for which he is admirably suited other than Director of the Central Intelligence Agency.

Let us get our advice from someone whose political future in no way hinges upon the decisions he makes as the Director of the CIA.

I thank my good friend from New Hampshire.

Mr. McINTYRE. Mr. President, I thank the Senator from Louisiana for his fine statement in support of what I think is a very important issue.

Mr. President. I reserve the remainder of my time.

Mr. TOWER. Mr. President, I yield 5 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I would not take any more time except that I know this is a highly important office.

With the greatest deference for everyone, I just do not see how the political charge can be raised here in view of the outstanding fact that everyone praises Mr. Bush for his integrity, his character, his honor, and his proven capability. But some raise some kind of a possibility here, because of the political offices he has held, that he would be a political man to the great detriment of the country.

I know that is a sincere belief, but does it stand up under the facts of life in the present instance, passing on both the man and his politics?

I told him in the beginning, "You are not going to ride through the Senate on the fine reputation of your father who served here, and many of us knew him."

He quickly said that he was not expecting that, and I was convinced he was not.

But talking about appointing a man because formerly he has been in political life, I have jotted down several of the recent Chief Justices of the United States—certainly an important office, the highest in the judicial branch of the Government.

I start with Mr. Taft, a former President of the United States, appointed Chief Justice of the United States, the highest office in the other pinnacle.

Chief Justice Hughes—I believe he followed Mr. Taft—a former Cabinet member, former Governor of New York, a former commissioner somewhere, I do not remember just where, outstanding in every office he held, outstanding as Chief Justice.

Chief Justice Stone, former Attorney General of the United States—I do not remember now what other offices he held. I think he had been attorney general of his home State.

Chief Justice Fred Vinson, former Member of the House of Representatives. I do not know if he was chairman of the party or not, but he was certainly active and vigorous in the party. A fine, outstanding Chief Justice of the United States.

I am referring here to men from both parties.

Chief Justice Warren, former Governor of California, former attorney general of California, served many years. He served many years and helped rewrite the law to a large extent.

And we have the present Chief Justice on the judicial branch.

Mr. President, I say with emphasis this charge, so-called, is not founded.

I ask my friend from New Hampshire, a very valuable Member of this body and of our Armed Services Committee, where is there in the record the slightest scintilla of evidence that this man, Mr. Bush, was not frank, and candid, truthful, and spontaneous with our committee in his answers?

There will not be anything in the record, except that he did have the fullest of frankness and candor.

I have not heard anything in the cloakrooms, or up and down the aisles, or anywhere else, that scores him on anything less than complete honesty, frankness, candor, and sincerity, with the firmest kind of promises, I think sincerely given, that he is going to try to do a hard, tough job in the very finest way that he possibly can.

I will say now, it is no idle thing, unless a man is convinced, strongly convinced that he should vote "no." It is no idle thing, although every Senator has the right to vote as he pleases, to cast a "no" vote here against a nominee, a man with a record like this, for this highly important, essential, and sensitive office.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. Mr. President, I will just use half a minute.

I was not harking on to the Senator from New Hampshire or anyone else.

If anyone else can point out in the record or off the record any kind of a charge that this man, Mr. Bush, has been anything less than frank and honest in answering these questions, let him bring it forth and let it be debated.

I thank the Senator for yielding to me and we will wait for the answers.

The PRESIDING OFFICER. The situation as to time is as follows: The Senator from New Hampshire has 13 minutes, the Senator from Texas has 18 minutes.

Mr. McINTYRE. Mr. President, I yield myself 1 minute to reply to my distinguished chairman in bringing up the example of the Supreme Court Justices. It does not gibe with the uniqueness of the CIA.

All of those distinguished Presidents who made appointments to the Supreme Court had a right to make appointments to project the judicial philosophy of the person who named them and the Senate which have approved them.

But remember, Mr. President, a Supreme Court Justice has life tenure in a separate branch of the Government. He is less vulnerable to the pressures that we have seen exerted on the CIA Director, and he operates under tradition and the Constitution and in the open.

The PRESIDING OFFICER. Who yields time?

Mr. McINTYRE. I yield back the remainder of my time.

Mr. TOWER. I yield 2 minutes to the distinguished Senator from New York.

Mr. BUCKLEY. I thank my friend from Texas.

I just want to say a couple of words, Mr. President. It seems to me we should stop putting people in automatic categories, drawing conclusions which may or may not have justification, and start thinking about personal qualifications that are well known, start thinking about a person's total career and what he has exhibited in that career.

It happens I have known George Bush for 20 or 30 years. I happen to have the highest respect for his intelligence. He has proven his ability as an administrator in the hardest kind, the most competitive kind, of business. He has been a public servant. I have never heard anyone suggesting that he would ever stoop to political deals and things of that sort at the expense of this country. I believe we have every reason to believe and have confidence in the kind of job he will do as the head of this extraordinarily important nonpolitical Agency.

If it is a disqualification to be involved in politics and then to be in the CIA, then we are going to have to exclude a lot of people. The fact that he may at one time have been national chairman of the Republican Party simply does not add up to a disqualification. What is far more important is to get somebody who is proven, whom we all know, whom we all have reason to have confidence in, than to play this kind of game.

I believe by the same token we can get anybody who has never been involved in politics directly in a line position and have that position far more pliable than George Bush is capable of being.

I urge his confirmation and I hope it will be a very, very substantial majority.

I thank my friend from Texas.

The PRESIDING OFFICER. Who yields time?

Mr. McINTYRE. Mr. President, I yield 10 minutes at this time to the distinguished Senator from Idaho, the chairman of the Special Committee on Intelligence.

Mr. CHURCH. Mr. President, after President Harry Truman retired from the White House, he was consulted and kept informed on the affairs of the Nation through briefings from time to time by various Government officials. At one such meeting held in the Truman Library during the Johnson administration, representatives of the Central Intelligence Agency were present. Among them was Enno Knoche, executive assistant to Gen. Marshall Carter, then Deputy Director of Central Intelligence. As Mr. Knoche recalls, the former President interrupted the briefing at one point to reminisce about the early days of his Presidency. He spoke of the reasons for the establishment of the CIA. When he first became President, he said he was often denied important intelligence held by the State Department and the Pentagon. The handling procedures and policy biases of these two institutional behemoths prevented him from receiving the steady flow of accurate and objective information he needed to guide the Nation.

Thus, in 1947, President Truman set up the Central Intelligence Agency to pull together basic and unbiased intelligence on foreign affairs required by the Presidency. The former President told his visitors:

> This was the major purpose for establishing the Agency.

Rather than rely upon the military and the State Department to provide his intelligence requirements, Mr. Truman wanted an independent agency capable of complete objectivity and able to resist all partisan and policy pressures which might be brought to bear by various groups inside and outside the Government. So, from its very birth, the Central Intelligence Agency was meant to support the ideal of providing the Presidency with totally disinterested information.

This original intention has been strongly reiterated by the various past Directors of the Agency. Allen Dulles, perhaps the most well known of the early Directors, stressed that the duty of the CIA was—

> To weigh facts, and to draw conclusions from those facts, without having either the facts or the conclusions warped by the inevitable and even proper prejudices of the men whose duty it is to determine policy and who, having once determined a policy, are too likely to be blind to any facts which might tend to prove the policy to be faulty.

Concluded Dulles:

> The Central Intelligence Agency should have nothing to do with policy.

A more recent reaffirmation of this tradition of independence came from Gen. Vernon Walters, second-in-command at the Agency now and during the Watergate crisis. During the impeachment inquiry, he testified about a meeting he had with John Dean in 1972. At the meeting, General Walters told Dean that—

> Any attempt to involve the Agency in the stifling of this (Watergate) affair would be a disaster. It would destroy the credibility of the Agency with the Congress, with the Nation. It would be a grave disservice to the President. I will not be a party to it, and I am quite prepared to resign before I do anything that will implicate the Agency in this matter.

And so, the CIA resisted the pressures from the White House to stifle the FBI investigation of the Watergate affair. The saving tradition of professionalism and independence for the CIA was wisely preserved in a most trying moment.

Today, the Senate faces a test of its own regarding the political neutrality and professionalism of the Central Intelligence Agency. How peculiar it is that we are even being asked to confirm as CIA Director an individual whose past record of political activism and partisan ties to the President contradict the very purpose of political impartiality and objectivity for which the Agency was created. Were Harry Truman once again at his desk in this Chamber, his voice would ring out in indignation against this ill-advised appointment.

Indeed, how can any of us vote "aye" on this nomination? We may be tempted to do so by the personal charm of George Bush and by his demonstrated competence in other Government jobs. But the personality of George Bush is not the question we face today. The central issue is whether he is the right individual to safeguard the tradition of intelligence objectivity espoused by President Truman in 1947 and carried forward since that time.

Is the appointment of one of the President's close political allies the proper way to perpetuate this ideal? I think not. We are not talking about an appointment to the Post Office Department. We are here to deliberate the future direction of our largest Civilian Intelligence agency—and at the very time when the Congress is in the throes of reforming all the intelligence services. If we approve this partisan appointment, what impression will our action make within the Government and throughout the country?

The answer is easily found in the chorus of voices from across the land expressing strong opposition to this perversion of CIA neutrality and independence. For example, Ernest Gellhorn, dean of the College of Law at Arizona State University and senior counsel on the Rockefeller Commission, wrote in the Washington Post last week that:

> Presidential abuse of the (CIA) can be avoided by taking note of the Rockefeller Commission's conclusions that persons appointed director possess, among other qualities, "The independence to resist improper pressure, whether from the White House, within the Agency or elsewhere."

Mr. Gellhorn concluded that:

> This recommendation would seem to preclude the appointment of one of the Presi-

dent's political associates, and, in particular, George W. Bush, the director-designate, who so recently served as a national party chairman.

President Ford chose to ignore this key recommendation from his own Commission on the CIA.

Journalists of various ideological persuasions have also expressed their emphatic disapproval of the Bush nomination. Tom Braden, himself a former CIA officer, wrote in a column entitled "George Bush Bad Choice for CIA Job" that:

> The appointment looks bad at a time when public confidence in the CIA is such that everything about it should look good.

Columnist George F. Will has raised a thought-provoking scenario in one of his recent columns. He wrote:

> It is possible to imagine situations in which the CIA would be pressured to suppress inconvenient information, or to report things convenient to the political purposes of an administration.
>
> Imagine an administration looking to the next election and determined to celebrate detente as its finest achievement. Imagine that the administration is excessively anxious to achieve another strategic arms agreement with the Soviet Union.
>
> Suppose the administration triumphantly signed an agreement limiting the number of strategic vehicles—missiles and bombers—on each side. Critics might say the limit is a false ceiling. Critics might charge that the limit is as high as the Soviet Union can or wants to go during the term of the agreement. Therefore, the agreement is an empty exercise, a limit that does not limit . . .
>
> Then the Administration would appreciate a CIA report arguing that the Soviet Union has the ability to surpass the limit in the near future, and would do so if there were no agreement.

What would be the response of a longstanding and deeply dedicated political ally of the President when asked to prepare reports which would help the fortunes of the White House and his party? George Will concluded that Ambassador Bush at the CIA would be "the wrong kind of guy at the wrong place at the wrong time."

The conservative journalists Rowland Evans and Robert Nowak, in their column entitled "Overlooked Political Realities," also noted that—

> The Bush nomination is regarded by some intelligence experts as another grave morale deflator. They reason that any identified politician, no matter how resolved to be politically pure, would aggravate the CIA's credibility gap. Instead of an identified politician like Bush . . . what is needed they feel, is a respected non-politician, perhaps from business or the academic world.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. McINTYRE. I yield the Senator 2 minutes.

Mr. CHURCH. Under pressure from the Congress, the President removed Mr. Bush from consideration as a Vice-Presidential running mate this year; but this gesture hardly resolved the basic problems with this nomination. Mr. Bush made it clear during his recent confirmation hearings before the Senate Armed Services Committee that his future political ambitions are anything, but extinct. They have merely entered a stage of dormancy. One must agree with the Washington Post editorial board, which spoke against the Bush nomination in a recent editorial, arguing persuasively that the directorship of the CIA should not be regarded as a political parking spot.

The most critical question we face is how to guarantee the indpendence of our foremost civilian intelligence service. Since the CIA will be no more impartial than its Director, we should be sure that the person selected has demonstrated the qualities of independence and nonpartisanship.

The new Director should be someone with the strength of resolution to tell the President: "I believe your premise to be wrong, for it is refuted by the unvarnished facts gathered by the CIA." This is the vital role that the Central Intelligence Agency can play in our Government, but it will work only if the Director is immune to political pressure. The President should not have been looking for a "team player." In this position, he needs someone with the sound and disinterested judgment of an experienced and highly professional referee.

This does not mean that individuals with political backgrounds must be automatically eliminated from consideration for this job. On the contrary, men like John Sherman Cooper and Elliot Richardson—with their keen judgment, established independence, and restrained partisanship—could serve well in such a post, I am sure. What it does mean is that we must avoid placing in charge of the CIA any individual too deeply embroiled in partisan politics, too intertwined with the political destiny of the President, himself.

The strongly partisan, political background of George Bush should eliminate his candidacy, in my view. We ought to consider carefully the harm this appointment will cause the whole effort to reform and strengthen the Central Intelligence Agency.

The PRESIDING OFFICER. The Senator's 2 minutes have expired, and all time of the opponents has expired.

Mr. TOWER. Mr. President, I will be delighted to yield an addition minute of my time to the Senator from Idaho.

Mr. CHURCH. I thank the Senator.

The prospects for starting afresh are good, and I have viewed the chances to restore public trust in the CIA with considerable optimism. But this is no way to begin the restoration. No new set of laws, no new guiding principles—regardless of how skillfully drawn—will restore this trust if the credentials of the new Director raise serious questions of propriety.

Today, the Senate can grievously weaken the independent stature of the CIA, or it can vote to continue the worthy tradition of political neutrality and professionalism espoused by Harry Truman and Allen Dulles.

I sincerely hope that we show good judgment, reject this nomination and demand from the President a more impartial candidate.

Mr. TOWER. Mr. President, I yield 2 minutes to the Senator from New Jersey.

Mr. CASE. Mr. President, I have only my own testimony to offer my colleagues, and I do it with some diffidence, and yet with a feeling that perhaps this is a viewpoint that ought to be expressed.

The conclusion I have reached is this: That we ought not to make any office in our land so exalted, so mystical, so esoteric as to require a person far above ordinary human beings. That is not good sense. The Senator from Texas has said the same thing in more cultivated and literate language.

But this is really the point: I will not, by refusing to vote for a first-rate man for this job, suggest that the job requires a super human being. If it does, there is something wrong with our country and our institutions. It requires competence, it requires integrity, it requires all those fine qualities which this nominee has in abundance, as everyone recognizes. It does not require a superman, and if it did, then that office ought to be abolished. There is no reason for this country to rely upon supermen, and its institutions ought not to be so constructed as to require them.

I think this nomination should be confirmed, and I shall vote with great pleasure and happiness in the affirmative.

Mr. GOLDWATER. Mr. President, will the Senator yield me 2 minutes?

Mr. TOWER. I yield 2 minutes to the Senator from Arizona.

Mr. GOLDWATER. Just to respond to a couple of points raised by my good friend from Idaho.

I might say I do not know the political affiliation, if they had any, of any of the past heads of the CIA. Yet all of the recent ones have succumbed to the pressure of the President to do things that they told me in their own minds they knew were wrong, but nevertheless the President wanted them done.

I think it is time we put a man in there who has and has shown the courage to stand up and tell a President exactly what he thinks is wrong with what the President is doing; and that is exactly what George Bush is going to do.

Another point my friend made was to list a long line of writers, including Mr. Tom Braden, whose wife has just gotten a rather lucrative political job. All of those columnists, writers, and newspapers that he has talked about as representing the people would be opposed to anything a Republican President ever did, even if he recited the Lord's Prayer every morning.

The biggest poll that I have seen, the biggest Gallup poll as to interest in this whole subject, is 7 percent. I have not received a piece of mail in my office—and I have not received much mail on this subject—that opposes George Bush. I would much rather listen to the people than listen to the biased opinions of persons who are opposed to anything Republicans do.

So again I hope this body will vote unanimously in favor of Mr. Bush.

Mr. TOWER. Mr. President, we have heard a great deal today to the effect that the position of DCI is too sensitive to be politicized, and I agree it should not be. But we cannot proceed on the assumption that it will be politicized if

Mr. Bush is appointed. He has proved to have a singular capability for dealing with issues and events in a bipartisan way and a nonpartisan way.

I think the most telling point that has been made here today was the point made by my distinguished colleague, the ranking Republican on the Committee on Foreign Relations (Senator CASE), when he said: Is there any job in this American democracy which requires a superman? Is there something wrong with our institutions because our institutions were devised to be governed, managed, and subjected to the decisionmaking process participated in by men of normal human foibles and weaknesses?

I cannot really get too excited about this business of politicizing a sensitive job when I recollect when he came to office in 1961 our late revered President John F. Kennedy appointed his brother as Attorney General. There was no great outcry about that. Robert Kennedy was a man of extraordinary ability, although of limited background in legal practice. He was enormously close to his brother. He presided over the Justice Department within which is included the FBI which does not gather external intelligence but gathers internal intelligence. There was no outcry about that or the overpoliticization of this sensitive position, and he was indeed, in many instances a contact point with the CIA and, according to testimony, not always with the DCI but sometimes with subordinate officers. There was no outcry, and I would be the last to be critical of that.

So what is the real fear that we raise here? I think it is certainly more imagined than real. It is that of partisanship because he is a former chairman of the Republican National Committee. I think that that is less subject to the charge of partisanship than the fact that partisans in Congress authorized themselves to investigate the activities of the intelligence-gathering community.

My distinguished friend from Idaho, the chairman of the select committee, has, I think, made every endeavor to prevent the committee from engaging in partisan exercises, and I know that he has been highly resentful that the committee has been charged with partisanship from time to time. He is concerned about perceptions. I certainly cannot conceive of the Bush appointment——

The PRESIDING OFFICER. Will the Senator suspend? May we have order in the Chamber, please?

Mr. TOWER. I cannot conceive of the Bush appointment being perceived as any more partisan than a congressional investigation of the intelligence-gathering community.

There have been accusations made from without to the effect that the Select Committee in the Senate engaged in some degree of cover-up. There have been suggestions that perhaps the committee was a little bit tougher on the Eisenhower and Nixon administrations than on the Kennedy and Johnson administrations. If that be true it is not wittingly that that was done. I have defended the committee and defended the committee's bipartisanship and its nonpartisanship. I have defended the committee against charges of cover-up for political reasons.

But what is it then, if we have indeed been bipartisan and nonpartisan, that gives the members of the select committee of the U.S. Senate some kind of superior morality in terms of ordering its conduct along lines of neutrality and nonpartisanship?

Everyone has said that George Bush is a man of superior character and ability. He has served in the Congress of the United States. As the distinguished Senator from Montana, our distinguished majority leader, has said, every Senator must be presumed to be equal with every other Senator in terms of good conscience and ability in the voice he raises in this Chamber. I think we would have to extend that further to say that the same qualifications that are necessary in a good Senator are necessary in a good Congressman.

The record of George Bush in the House of Representatives is clear. He was, in his first term in Congress, appointed to the Ways and Means Committee of the House, the first freshman Congressman in 50 years to be appointed to that important and sensitive committee. I happen to know that the Republican leadership in the House selected carefully the Members who went on the Ways and Means Committee. They could not be men who were mere partisan hellraisers. They had to be men who could weigh issues at times in a judicious manner, free of partisan considerations.

George Bush made a distinguished record there and was loved and admired by men of various political parties and political persuasions.

Mr. GARY HART. Mr. President, will the Senator yield for a question?

Mr. TOWER. I will yield in a moment. And no one has accused political considerations of entering into George Bush's conduct of the country's business in his capacity as our Ambassador to the United Nations and our special representative to the People's Republic of China.

If we are so concerned about politicization of sensitive matters, we should never undertake to investigate sensitive matters here in Congress because we are admittedly a body of partisanship.

We recognize partisanship by drawing a line down the middle of the Senate Chamber and putting the Republicans on one side and the Democrats on the other. It gets increasingly difficult to put all the Democrats on that side because of the increasing numbers of them. We hope to remedy that and ease their discomfort of being crowded this year. We recognize the majority and minority leadership.

Can we then presume to say that we are nonpolitical and nonpartisan, when we undertake to deal with the sensitive problems of the day?

The arguments of politicization of the Agency and the partisanship of the Director who would simply do his President's bidding, I think all fall of their own weight. We have had Presidents before who picked their intimates as DCIs. John McCone was certainly a close personal associate of President Kennedy. He was highly regarded by him and had to be regarded as a personal ally. Yet John McCone was a fine DCI, a good one. Admiral Rayburn was a personal pick of President Johnson. He was someone without intelligence background, but a man who the President felt he could trust. We have precedent for this kind of thing. That then becomes a nonargument.

I think in the final analysis we have to make the decision on the basis of the question: Is, indeed, Mr. Bush qualified? He is, because this is a job that requires superior managerial ability and that he has proven. Senator GOLDWATER has noted George Bush's experience in business. He is a man of considerable intelligence and erudition, one who is capable of marshaling masses of facts and reducing them to manageable proportions and drawing conclusions. George Bush is such a man of proven intelligence and ability.

Mr. GARY HART. Mr. President, will the Senator yield for a question?

Mr. TOWER. And further there is the question: Does he have the character? Indeed he has the character and has proven that, and no one has denied that he has.

I will yield to my friend from Colorado for a question providing he makes it short because we are about 30 seconds away from the time to vote.

ADDITIONAL STATEMENTS SUBMITTED ON NOMINATION OF GEORGE BUSH TO BE DIRECTOR OF CENTRAL INTELLIGENCE

Mr. KENNEDY. Mr. President, I would like to join my distinguished colleagues, Senators CULVER, JOHNSTON, LEAHY, McINTYRE and others in opposing confirmation of Ambassador George Bush as Director of Central Intelligence.

In general, I believe that a President should have a wide latitude in selecting officials to staff his administration. And I have no basic reservations about Ambassador Bush's competence and ability to discharge the official duties of this office.

But this is no ordinary time in the history of the U.S. Government, and particularly in the history of the Central Intelligence Agency and U.S. intelligence activities in general. For the past few years, we have seen a growing crisis of public credibility in government, especially in regard to the U.S. intelligence community. Two special committees of the Congress are currently engaged in sorting out the past performance and behavior of our intelligence agencies, and in helping to craft much-needed reforms so that abuses of power will come to an end, and so that our intelligence community will genuinely serve the needs and interests of our Nation.

In the recent past, the CIA was used for partisan political purposes. Those acts severely undercut the credibility, the morale, and the effectiveness of that agency to fulfill its legitimate purposes.

It is imperative that a new Director of Central Intelligence should be above question, above reproach. Most important, he or she must be someone who will inspire the confidence of the administration, the Congress, and the American people at this critical time. There must be no doubt that the person holding this office will remain aloof from partisan politics, and no question of his or her ability to act solely in the interests of reforming the intelligence process and restoring public confidence in the CIA.

While I recognize and acknowledge the accomplishments of Ambassador Bush in the Congress, at the United Nations, and as our representative to the People's Republic of China, I believe that his recent role as chairman of the national committee of a national political party, will make it difficult for him to fulfill the vital task of restoring public confidence in the probity and integrity of our intelligence community, following needed reforms.

Mr. President, in taking this position on Ambassador Bush's nomination, I do not question his integrity or ability to discharge the responsibilities of high Government office. But I concur with my distinguished colleagues that this is the wrong appointment for the Office of Director of Central Intelligence at this time. And I urge the Senate to reject this nomination.

Mr. MONDALE. Mr. President, the nomination of Mr. George Bush to be Director of the Central Intelligence Agency has become a major point of controversy because of the argument that building public confidence in our Government means that politicians must be excluded from such sensitive positions as CIA Director.

I do not share this view. To participate in politics is to exercise our freedom. It is one of our most fundamental rights. It must be encouraged, not maligned.

To be a practicing politican is to be sensitized to what is acceptable to the American people. It trains us to respect the governmental institutions for which we are responsible. It demands a measure of proportion and restraint. It imposes the discipline of public accountability. I believe these are the qualities we very much need in our Government and, in particular, the CIA.

I believe no post in our Government—including the CIA—should be placed off limits to those who may have held elective office. The investigation of the Select Committee into the abuses and the failings of the Central Intelligence Agency and the rest of the intelligence community does little to encourage confidence in the nonpoliticians who have held that post in the past.

Perhaps if past Directors of our intelligence and investigative agencies had stood for elective office, had gone through the political experience of trying to be responsive to the American people, they might have had the good sense and proportion to say "no" to the many abuses we have uncovered.

In short, Mr. Bush's past political activities should not disqualify him from holding this important post. But if Mr. Bush's political past presents few concerns regarding his fitness for this office, his possible political future presents a great many. Many speakers today have ably articulated these concerns and they are ones which I fully share.

The President first indicated that he regarded Mr. Bush as a serious possibility for the Republican Vice Presidential nomination in 1976, and Mr. Bush himself has indicated since his appointment that he maintains a continuing interest in elective public office. When this became an issue, the President backed away but Mr. Bush has not. He has said nothing about his ambitions for seeking further elective office—even in this election year.

It is precisely this possibility that troubles me deeply, and it is for this reason I will oppose Mr. Bush's confirmation.

I do not believe we should confirm as Director of the Central Intelligence Agency someone who may be off campaigning in a few short months. The necessary task of our investigations has subjected the Agency to turmoil enough. Now we are entering the most critical period as we seek to make changes to remedy the problems of the intelligence community. For this the CIA needs a fulltime Director, not one who may be gone a year from now either because he has a new office or a new boss.

And the first priority of a new Director must be the Nation's future not his own.

It is the traditional responsibility of the Senate, when viewing appointments made by the Executive, to assure there is no conflict of interest. This is what I think many speakers today have been driving at. The issue is not the integrity of politicians; it is the potential conflict of interest.

The CIA Director must be objective. He must be willing to give a President bad news. He must be willing to say "no" to things which would exceed CIA's authority or the authority granted the President. He must be prepared to level with the Congress, even when the intelligence informations does not square with the policies of the executive branch or the interest of his party.

If, indeed, Mr. Bush intends to go from service with the CIA to further national office, I believe that he could not fulfill those functions properly. There would be the inevitable suspicion that his actions and advice, however honorably motivated they might in fact be, were premised on or at least tempered by their possible effect on his own political future. Mr. Bush might even be unconscious of the tempering process, but if he maintained political ambition it would surely take place. And even if it did not, many people would never believe it. It would be a classic case of conflict of interest, and as with all such cases, appearance is as important as reality.

For that reason, I called upon Mr. Bush to renounce any candidacy for elective office at the national level for at least 2 years following his tenure as Director of CIA. In my view, 2 years was the minimum time for Mr. Bush to put his political career in trust.

Mr. Bush has not seen fit to take this step. So, in all conscience, Mr. President, I cannot support him.

Mr. DURKIN. Mr. President, much of the debate on the nomination of George Bush to be CIA Director has centered on his prospects for the Republican Vice Presidential nomination.

Many Members of this Senate announced reservations on the nomination based on that possibility. But when finally assured by the White House that Mr. Bush was somehow out of the running for the No. 2 spot, many of the reservations melted away.

That was an unfortunate turn in the debate, and one, I suspect, orchestrated by the supporters of the Bush nomination. The possibility of the Vice Presidential candidacy was a strawman set up for the Senate to knock down—to give the impression that the President was a compromising man most interested in taking politics out of the CIA.

Nothing could be further from the truth. I think the record shows quite clearly that Ambassador Bush is no more qualified to run the Central Intelligence Agency than I am.

One commentator put it succinctly:

> The only thing that Bush has in common with top CIA officials is his prep school and Ivy League education.

Or put another way, Mr. Bush appears to be a member of that powerful elite which has an amazing ability to keep itself in positions of influence in Washington irrespective of changes in administrations, public sentiment, or public policy. The Nation has said it is fed up with the "buddy system" which has grown up in Washington, Mr. President. But the Bush nomination will only increase the public distrust.

George Bush has a history of overweaning loyalty to the politically powerful. He was a member of the class of 1966, the first Republican ever to hold a congressional seat from Houston. But he willingly sacrificed his two-term seat to Richard Nixon's off year election campaign to eliminate his political enemies from the Senate in 1970. Failing his attempt to defeat the junior Senator from Texas (Mr. BENTSEN), Mr. Bush accepted the Richard Nixon consolation prize of 1971—the ambassadorship to the United Nations.

Taking his cues from the White House, Mr. Bush there argued vehemently against the United Nations admission of China, until the rug was again pulled out from under him by Henry Kissinger's announcement of the quasi-recognition of the People's Republic of China. Later, in a superbly ironic move, Bush was appointed diplomatic liaison to China.

Between these jobs, Mr. Bush spent 2 years presiding over the decline of the Republican Party at the hands of a beleaguered Richard Nixon, culminating in the 1974 congressional elections.

Despite these setbacks urged upon him by designing politicians, Mr. Bush has never become bitter. In fact, when asked by the New York Times if he was loathe to leave the U.N. position in 1972 to assume leadership of a floundering Republican National Committee, he replied that when asked to do something by the President, "In my kind of system of civics, you ought to do it."

That is it in a nutshell, Mr. President. Mr. Bush's self-avowed political devotion and self-promotion raises grave doubts about his ability to keep his head above the political waters.

What is equally disturbing, however, is the way the President perceives the problem in Langley. To him, it appears to be one of public relations—restoring public confidence in a worthwhile intelligence agency. If this were so, Mr. Bush would be the ideal person to handle the problem. But the revelations of the past year tell me that it is not appearances or perceptions which need mending at the CIA, so much as it is procedures, activities, and attitudes.

During the past 25 years, the CIA has overstepped its bounds at both ends of its jurisdiction, cutting a swath through foreign governments either with little or no executive oversight, or directly on Presidential orders without the knowledge of even concerned Members of the Cabinet. That is the Central Intelligence problem, and it necessitates total revision of the cold war stance of the CIA. It requires a director capable of guiding the Agency down that narrow path which lies between the roles of rogue elephant and Presidential pawn which the Agency has assumed from time to time. In light of the magnitude of this problem, I think Mr. Ford has seriously undershot the mark in his recall of Ambassador Bush to be CIA Director.

Yesterday, Mr. William Colby stepped down as CIA Director after a rocky 1975. Mr. Colby may not have enjoyed the most cordial relations with Congress or even mutual trust—he was tainted from the start by his leadership of Operation Phoenix in Vietnam, became impatient with Congress' resurgent interest in oversight, and just yesterday renewed charges that Congress could not keep a secret. But I point out that it was Mr. Colby who also brought most of the news of the CIA's bad deeds to the attention of the two congressional committees, and who attempted to implement regulations to prevent further impropriety. His suggestions on reform were forthright and based on unexcelled knowledge of the Agency. It was premature to dismiss him.

Mr. Bush's break-in period at the CIA would now, in my opinion, seriously if not irreversibly jog the continuity of the Agency's directorship. As Senator JOHN CULVER pointed out during the Armed Services Committee hearings, the change of horses will come directly in midstream with less than a year to go before the elections and a possible change of the administration. The next CIA Director ought to be someone who would be qualified to stay on under an administration of either party, Mr. CULVER said. I agree. Given the moral and organizational problems facing the CIA, further shakeups at the top of the Agency in the critical months ahead would greatly impede our intelligence operations, which have always been among the best in the world.

Mr. Ford said he wants one of "his guys" at the CIA, just as he wants one of "his guys" at Defense and Commerce. But the CIA is not just another Cabinet department, and the CIA directorship is not a political position to be rotated with Presidents and political ambitions. We do not need independent czars heading our most delicate agencies, as was the case at the FBI. But let us not go to the opposite extreme.

Finally, Mr. President, Mr. Bush's attitude toward foreign policy gives one pause. In his testimony, the nominee refused to foreswear the use of CIA funds for operations to destabilize or topple foreign governments—an act that would be considered tantamount to war if some nation did it to us. To qoute from Mr. Bush's testimony:

> I can't tell you there would never be support for a coup d'etat.

Senator GARY HART, taken somewhat aback by the response, followed with a question concerning the Ambassador's willingness to target a legitimately chosen government. Mr. HART asked:

> What if it is a constitutionally elected government?

Replied Mr. Bush evasively:

> I think we should tread very, very carefully on governments that are constitutionally elected. . . . After all, that is what we are trying to promote around the world.

Mr. President, I feel that Mr. Ford has betrayed the opportunity to reform our intelligence community with the appointment of a political crony. It is time, once and for all, to break the connection between the CIA and the Republican National Committee.

In its report to the President, the Rockefeller Commission emphasized that—

> The proper function of the Agency must depend in large part on the character of the Director of the Central Intelligence Agency. The best assurance against misuse of the Agency lies in the appointment to that position of persons with judgment, courage and independence to resist improper pressure and importuning, whether from the White House, within the Agency or elsewhere.

It seems to me Mr. Ford has ignored some good advice.

I ask my colleagues to vote down the nomination of George Bush to be Director of the Central Intelligence Agency.

Mr. DOLE. Mr. President, I am pleased to vote for confirmation today of George Bush as Director of the Central Intelligence Agency. Ambassador Bush and I have been good friends for a number of years, and our association has convinced me of his unquestionable qualification for the heavy responsibilities of this position.

George Bush is a planner—he is a coordinator—he is an administrator. These traits so necessary to capable leadership have been reflected throughout his many years of experience as a successful businessman, a Congressman from Texas, U.S. Ambassador to the United Nations, National Republican Committee Chairman, and—most recently—as U.S. Envoy to the Peoples Republic of China. Without question, the Director of the CIA in the months ahead must possess an extraordinary ability with all of these skills in order to fulfill the expectations of the Nation, the Congress, and the Agency itself.

ABOVE REPROACH

Of no lesser importance is the noteworthy fact that George Bush has, throughout his varied career, kept himself above reproach in domestic matters, and he has earned the respect of the many foreign governments with which he has come in contact. Perhaps at this time more than ever, it is vital that the Director of our intelligence network possess the esteem and high regard of both his countrymen and the rest of the world. In addition, his personal intelligence and affability, as well as his casual manner, should make him one of the more personable heads that this intelligence agency has had to date.

ASSET TO THE AGENCY

All of these characteristics can do no less than contribute to an improved image for the CIA, as well as to bolster the morale within the Agency at a time it is particularly needed. Furthermore, as a former Member of Congress himself, George Bush understands the role of this representative body and its need "to know," particularly in relation to certain nonpublic activities undertaken by the intelligence system. In this respect, I feel certain that the Ambassador will be a particular asset to the Agency, not only with regard to its administrative apparatus, but also with regard to its relationship with Congress and the public.

The Directorship of the Central Intelligence Agency can hardly be considered a "political springboard," or even a point of personal advancement for a man who has already had such a colorful career in so many fields of public service. Truly, Mr. Bush is to be commended for his willingness to accept what is sure to be, in many respects, a "thankless" job, but one that is so vital to the security of our Nation.

I am certain that George Bush will perform the duties of this position with the energy and dedication the job requires, that he will bring honor upon his Agency and his Nation, and that he will in all ways prove to be an outstanding choice for Director of the CIA. It is my hope that the Senate will act promptly in confirming the nomination of George Bush for this vital role in our national security.

Mr. HUDDLESTON. Mr. President, I have decided, after much thought and with some reluctance, that I must vote against the nomination of George Bush to be Director of Central Intelligence.

I have met Mr. Bush on several occasions and find him to be an affable, intelligent, and dedicated public servant. I believe that there are many positions of responsibility in Government that he might hold and hold with distinction, as he did his post in China.

But, as a member of the Select Committee to Study Government Operations with respect to intelligence activities, I have had the opportunity to examine in depth the various intelligence agencies and their activities, and I do not believe that the CIA should have as its head at this time a person whose prior offices have included among the most political in our Government and a person without experience in the intelligence community.

When Mr. Bush was first nominated, I expressed concern about the possibility of injecting any partisanship into intelligence gathering and analysis. As I noted then, the Central Intelligence Agency—

> By its nature, demands objectivity and non-partisanship as the price of performing well . . . Intelligence estimates and reports based on political policy and political aims make bad intelligence reports and estimates. And, they make bad policy. What we must strive for is objective intelligence, straightforward information which policymakers can evaluate and from which they can develop alternatives. It is in deciding the alternatives that political considerations, if they are to be brought in at all, should surface. But, in any event, they should result from intelligence, not form it.

I am confident that Mr. Bush would do his best to guarantee a nonpartisan approach, and in another time, in another atmosphere, that might work; but in today's time and today's atmosphere, I do not believe that is sufficient. The best of intentions, the best of approaches will not eradicate a political taint which derives not only from Mr. Bush's prior service in a very political position but also from the President's own words when he explained his reasons for removing Mr. Colby and Mr. Schlesinger.

I appreciate the President's desire to have on his staff persons he feels confortable with, those he believes will be members of his team. In terms of personal staff and Cabinet posts, these could be valid reasons for change, but I do not believe the same applies to the Central Intelligence Agency. Political influence has no place there. The idea of playing on the President's team should be totally foreign, especially at this time.

A strong and effective intelligence agency is imperative to our security. There is no conceivable way we could do without one. All our intelligence agencies, particularly the Central Intelligence Agency, are passing through a difficult time. Discussions of abuses, which must obviously be identified and prevented in the future, have nevertheless obscured appreciation of the very important role which the agency plays and which must, of necessity in many instances, be kept secret. In such a situation it is certainly understandable that morale might be low among the host of dedicated men and women in the intelligence agencies who must wonder exactly what they are supposed to do and whether or not they will be supported by their own government and people when they do it. Such a situation can persist only so long and not undermine our vital intelligence functions. The time has come to mend, to repair.

These are obviously considerations of time and place. But coupled with the very real need to maintain an independent agency, an agency without a political taint either in appearance or substance, they demand that special requirements be placed upon the type of person who should serve as head of the agency.

Intelligence work is sophisticated, complex, difficult. It requires someone with at least a working familiarity with the various aspects, and it requires, especially at this time in our history, a person without highly partisan connections, who can restore the confidence not only of the American people but also of the many dedicated professionals in the service.

Mr. HELMS. It gives me no pleasure to question the wisdom of the nomination of George Bush to be Director of Central Intelligence. Both the nominee and the President who nominated him are friends of mine.

But the advice-and-consent responsibility of Senators is a duty which I take very seriously. I do not feel that the Bush nomination is a suitable one, regardless of my affection for him personally. Therefore, I cannot in good conscience vote to approve it.

In doing so I do not deprecate Mr. Bush in any way. I simply feel that, under the prevailing circumstances, it would be far better for him to serve in another capacity. George Bush is a very pleasant and affable man. I assume that he will be confirmed regardless of my vote, and I wish him well. I have never considered myself impossible of error, and I hope that my doubts about this particular nomination will prove to have been unfounded.

Mr. McGEE. Mr. President, serious questions have arisen as to the political desirability of the Senate approving the nomination of George Bush to the Director of the Central Intelligence Agency.

The objections stem from the fact that George Bush once served as national chairman of the Republican Party. Somehow, this is supposed to make him less capable of directing our Nation's intelligence efforts in an effective and impartial manner.

Mr. President, I have to voice my strong disagreement with the critics, because I believe they have chosen to ignore the public service of George Bush and the invaluable contributions he has made to our Government on a broad front.

I recall, all too well, the reservations expressed when George Bush was nominated to be our Ambassador to the United Nations. At that time, the critics were pointing to the fact that he did not have the international experience to assume the responsibility commensurate with assuming that key position. Yet, as a delegate from the U.S. Senate to the 27th General Assembly of the United Nations, I can personally testify to his superb performance as our Ambassador to the U.N. George Bush demonstrated his exceptional talent and skill in establishing a close and effective rapport with all missions represented at the United Nations. Most important was his close working relationship with representatives of the less developed nations. It was a time when we were listening to the grievances of these nations, expressing our reservations when we believed their perceptions of our policy to be incorrect, but in the end, achieving an atmosphere of mutual respect and cooperation on issues important to our national concern.

George Bush recognized the need for the United States to be sensitive to the less-developed nations and to spend time, within the context of the United Nations system, in working with these nations—that they were much too important to shove on the back burner in the conduct of our policy.

When George Bush resigned as Ambassador to the United Nations, he left that position commanding the respect of U.N. supporters as being one of the most effective Ambassadors of our time, because of the special skill and sensitivity he had brought to bear on his responsibility. He assumed the chairmanship of the Republican Party at a most difficult time—Watergate. I believe few in either party—Republican or Democrat—would disagree that he filled that role in a very statesmanlike manner.

As chairman of the National Republican Party, we continued our relationship as two individuals who were vitally concerned over the effectiveness of our participation in the United Nations. In particular was our mutual concern over placing this Nation back into compliance with U.N. sanctions against Rhodesia. His assistance was invaluable in our successful effort in the Senate during December 1974 to repeal the so-called Byrd amendment. While it was not in the definition of his responsibilities as chairman of the Republican Party, George Bush, nevertheless, continued his active pursuit of policies aimed at strengthening the U.S. role in the United Nations. Not once during his service as chairman of the Republican Party did he lose his sense of urgency or commitment to the United Nations as an important aspect of our foreign policy considerations.

It was due to these attributes that he became our representative to the People's Republic of China. Once again, the nomination was criticized on the basis that it was too sensitive a post to be given to a man who had been chairman of the Republican Party. Yet once again, George Bush demonstrated to his critics that he was more than equal to the task. He was held in high regard by the Chinese and served with distinction.

In my estimation, what is needed in the Central Intelligence Agency is not a Director with a background deeply rooted in the intelligence service—Agent A, B, or C. For example, most of the career professionals are suspect anyway, because of various hearings conducted by congressional committees and the reports filed by these committees. What the CIA needs is a proven and skillful administrator with a sense of public responsibility. This means a man sensitive to both the public and political processes of our Government and one who understands the division of responsibility within these processes. George Bush is such a man and the type of individual the Service will require for the next several years if we are able to piece together again a responsible and necessary intelligence service.

I would urge my colleagues to judge George Bush on the basis of his public record and the effective manner in which he has risen to the challenges of public service in the past. This is the only criteria by which we should judge whether or not he is capable of assuming the responsibilities of this critical position. If the judgments are made on this basis, then I believe my colleagues will agree that the ledger book comes out strongly in favor of George Bush. His past service as chairman of the Republican Party is completely irrelevant to the issue.

Mr. PHILIP A. HART. Mr. President, I shall vote against the confirmation of George H. Bush to be Director of Central Intelligence.

While I usually have voted to confirm the person a President, Democrat or Republican, wanted in his administration, I have done so for those positions primarily concerned with carrying out the President's programs. I have argued that the President should have the people he wants to assist in such efforts, and that the caliber of the appointments and their effectiveness will be judged at the next election.

However, that view does not extend to nominees to Federal courts or to Federal regulatory agencies. Neither the courts nor regulatory agencies should be involved in promoting the political program of an administration. Just as their task is different from that of a Cabinet office, so too is the task of the Director of the CIA.

Certainly, recent revelations of wrongdoings and misjudgments by our intelligence agencies are proof of what happens when such an agency bends to the partisan concerns of the administration in power.

Because of those abuses, public confidence in the CIA is at low ebb. To restore that confidence, the CIA needs a Director who, in fact and appearance, has the background, temperament, and ambition to withstand political requests, suggestions, or concerns which could lead the Agency away from its proper and important task—the gathering and reporting of accurate information.

This need is important not only to rebuild the confidence that the CIA will no longer pursue paths which led to proven misdeeds, but also to build confidence that the information the Agency reports is free of partisan political concerns and consideration.

Certainly no one can predict how a person will handle the pressures swirling around such a post as CIA Director. However, we can determine the appearance a particular nominee will bring to a job.

Whatever qualifications Mr. Bush may have for handling the technical responsibilities of the job, his background as a highly placed political aid—who, understandably, perhaps, never expressed a critical judgment of President Nixon while chairman of the National Republican Party—with political ambitions for the future makes him the wrong person to do the job of restoring public confidence in the Agency.

There are, I am sure, other individuals who possess talents equal, or perhaps superior, to those of Mr. Bush who would bring to the office the experience and background which would help restore confidence that the Agency is pursuing its assigned task and only its assigned task in an effective way.

For that reason, I will vote against the confirmation of Mr. Bush.

The post requires a "superman or superwoman." There are occasions when certain posts should be filled by one who has not been the national chairman of one of our major political parties. The FBI is one. The CIA is another.

Mr. MUSKIE. Mr. President, in light of the debate surrounding the nomination of George Bush to be Director of Central Intelligence, I wish to set out for the RECORD my reasons for supporting Mr. Bush's nomination.

In the first place, I do not find in Mr. Bush's background or Government service any serious suggestion that he is other than a man of integrity, and I do not believe that opponents of his nomination suggest otherwise. Mr. Bush has served as a Member of Congress, as our Ambassador to the United Nations, and as U.S. representative in Peking. His effective discharge of these important official responsibilities has never been questioned.

It has been suggested, however, that Mr. Bush's political activities have somehow rendered him unfit to serve as Director of the Central Intelligence Agency at a time when the integrity of that institution itself is under attack.

Mr. President, I take the other view. It seems to me that the CIA should be managed by someone who has a sense of how the American system operates, by someone who has some respect for the role of Congress as overseer of the operation of the Federal Government, and as representative of the political values in which Americans believe.

Mr. President, I believe that the Senate, in confirming Mr. Bush's nomination, should go on record in imposing on him a special responsibility. Should he be confirmed, I hope he will understand that the Congress is confirming him not only because it believes in his integrity, but also because it believes in his commitment to Congress' role in the oversight and administration of our intelligence activities.

On that understanding and hope, I plan to vote for Mr. Bush.

Mr. HASKELL. Mr. President, today I would like to state why I oppose the nomination of George Bush as Director of the Central Intelligence Agency. It was a considered decision and was with some reluctance that I came to this conclusion.

Without question, Mr. Bush has rendered to this country dedicated and valuable public service in a number of very responsible Government posts. He is a conscientious citizen who has served two terms in the Congress of the United States and twice was a candidate for the office of Senator. For 2 years he filled the position of chairman of the Republican National Committee where he regularly participated in meetings of the President's Cabinet. Mostly recently, he handled the sensitive mission as chief of the U.S. Liaison Office for the People's Republic of China.

Mr. President, I do not call into question the qualifications of Mr. Bush to serve this country in high-level posts. I call into question the nomination of a man who has been deeply immersed in partisan politics for more than a decade to the most sensitive and nonpolitical Agency within our Government, the CIA.

This nominee who has been and will continue to be considered for the highest public offices in this country will be placed in a position beyond limitations of human nature. Mr. Bush will be required to present to high-level personnel, including the President and the National Security Council, the views and recommendations of the intelligence community with objectivity and without allowing the ever-present domestic political consequences to influence his judgment.

The select committee investigating our intelligence gathering agencies has revealed abuse after abuse over the past year which have shaken the confidence of the American people. They are not certain in their own minds that these agencies can obey the law, can limit their activities to foreign intelligence and most importantly, can refrain from involving themselves in partisan politics. Confirmation of Mr. Bush will not contribute to rekindling of confidence that the CIA is moving along the proper road to correct its mistakes of the past.

We all recognize the deep disenchantment of American people with institutions they feel have not served their interests. To place a politician in charge of an agency that needs insulation from politics and to expect the American people to trust our decision, will demonstrate profound insensitivity to the demands of our constituency and needs of our representative government.

Mr. CULVER. Mr. President, I will vote against the nomination of George Bush as CIA Director. I will do this without a shadow of prejudice against Mr. Bush or any doubts as to his integrity and ability. I simply do not believe that he is the proper nominee for the leadership of the Central Intelligence Agency at this sensitive point in that Agency's history and at this critical time in our national life.

I also have the utmost respect for the right of a President to staff his administration with qualified persons of his choice where there is no overriding reason in the public interest for opposition. In this case, in my judgment, there is such clear-cut reason. The qualifications called for in the CIA directorship at this time are unique and stand apart from credentials adequate for other high public offices.

The United States must have a strong, independent, and effective intelligence capability, free from policy bias and unmistakably deserving of public trust. Any nomination for Director which raises significant public doubt or disagreement only serves to delay the necessary process of rebuilding and reforming the CIA.

In his letter to the Armed Services Committee regarding the nomination, President Ford cited the importance of strengthening public confidence in the CIA and maintaining continuity in its leadership. Unfortunately, this particular nomination is likely to have a contrary result since it raises suspicions of political bias and the prospect of short tenure.

With regard to tenure, we have learned in the case of both the FBI and CIA that directors should not become so entrenched that they grow stronger than passing administrations. But we have also learned that constant turnover or easy susceptibility to political changes is likewise destructive of the office.

The CIA is awaiting its fourth Director in only 3 years. And there is a strong chance that the elections next November will lead to another nomination for the position. Such a rate of turnover hinders the development of effective leadership and the restoration of public confidence and policy continuity in the CIA.

We are in imperative need of a Director who can restore intelligence to its rightful and proper place in our national security system. Unfortunately, the way this nomination was made and the inevitable political overtones of the appointment at this time have not contributed to that objective. In many ways, the nomination and the circumstances in which it was made, are an injustice to Mr. Bush.

In my view, it was unfair to deprive Mr. Bush of his constitutional birthright to be a candidate for Vice President or any other office as a condition to assuming this post. For me, this obscures rather than clarifies the central point as to why this honest and able man is not the right person for this particular post at this particular time.

I believe that the nominee should be a man or woman whom the next administration would consider for its choice for Director—someone qualified, independent, and nonpartisan enough to be able to provide more than transitional service. The Director should be immune to improper influence from even the highest places in our Government. As the Rockefeller commission put it, the CIA Director should have "the independence to resist improper pressure, whether from the White House, or elsewhere."

I subscribe to no dogmas about what sort of person should hold this office. There may, for example, be real advantages at times in having a Director who has not been an intelligence professional.

But I do know that the intelligence community now requires leadership with the power to command public trust and with a background as far from the substance or even the appearance of political partisanship as it is possible to get. A competent caretaker is not enough. The next Director must be a builder, a strong leader completely dedicated to the compeling needs of this particular job. He must command the allegiance of those who work in intelligence and the complete confidence of a nation that depends on the Agency's clear devotion to high standards of performance and fidelity to constitutional principles.

Thus, despite my high personal regard for Mr. Bush, I believe that overriding considerations of public interest must prevail in the selection of the CIA Director at this critical juncture in the Agency's history.

Mr. DOMENICI. Mr. President, I have the highest regard for Mr. Bush's integrity and am very confident of his capability to handle this very difficult position. We need now to get on with the difficult job of straightening out our intelligence activities by giving it the direction it needs and must have quickly.

Nonetheless, I support this nomination reluctantly. The Central Intelligence Agency is in desperate need of new leadership that can restore and calm the public confidence so necessary to the CIA in fulfilling its critical role of protecting this great but vulnerable democracy in the harsh reality of the world today. My reluctance stems from my feeling that Mr. Bush may not be the wisest choice for this position. I am convinced that George Bush is a dedicated American with proven leadership qualities and the requisite degree of administrative abilities, but I also feel there were many equally well-qualified individuals with a less partisan background. In my opinion, the Nation would have been better served by removing any linkage between leadership of the CIA and partisan politics.

However, with the President's assurances, along with Mr. Bush's, that he will not be in contention for the Vice Presidency in 1976, I believe his proven record of successful accomplishment of difficult assignments shows he can do this job effectively. In addition, it may be that his congressional background and political sensitivity will prove to be an asset for this position. In fact, this background may well provide the necessary oversight link we have been searching for.

Mr. CRANSTON. Mr. President, I rise to oppose the nomination of George Bush to be the Director of the Central Intelligence Agency and the head of the entire intelligence community. I do so without making any judgments about Mr. Bush's character or his abilities. I do so without caring about his party affiliation. Indeed, I have supported almost all appointments to high office by the two recent Republican administrations since coming to the Senate in 1969. I have sometimes championed Republicans for major appointments, when I thought they were qualified for the position at issue.

There are two major reasons why I will vote against the Bush nomination:

My opposition to Mr. Bush was not personal and I sincerely hope he does a good job. I opposed his confirmation, because he is such a controversial figure that he is virtually certain to be replaced within a year if there is a change in administrations—if a Democrat is elected President in November or even if some Republican other than President Ford is elected. That means by this time next year the CIA will probably have its fifth change in leadership in 4 years. That is a terrible rate of turnover at a time when the CIA, more than ever before, needs steady, stable direction for a rebuilding process so it can properly perform its vital intelligence gathering functions.

At a time when the CIA will be undergoing constructive reforms it needs at the top someone who can impart an air of stability and continuity. If the employees of the Agency see George Bush as a temporary Director, his leadership is less likely to be effective. If the other intelligence agencies see Bush as not long for the job, they will not take him seriously and the product of the Agency will not count for what it should in the total scheme of things. If the public sees him as a short-term holder of a most sensitive job, then it will wonder about what he is doing to keep his job or where he will try to land next.

Finally, Mr. President, I oppose the nomination, because of the conviction in the arguments of the four members of the Armed Services Committee who voted against Bush after hearing his testimony. They are Senators McINTYRE, LEAHY, HART, and CULVER. Three of these Senators stated under "Minority Views":

> To confirm Mr. Bush would set an unwise precedent for future nominations to this most sensitive post. * * * George Bush is a man of integrity and ability. We intend no adverse reflection on his character. But he has been nominated to the wrong position at the wrong time . . .

I would have been pleased to have had the opportunity to vote for a noncontroversial nominee: a person with knowledge of foreign policy and the defense; someone who was so outstanding as to merit the enthusiastic support of all of us and who would be kept on by our next President, no matter who that President may be.

Mr. McINTYRE. Mr. President, my colleagues on this issue have presented their arguments so eloquently and effectively I see no need to summarize.

Instead, I would like to address directly three reservations most frequently cited or implied by those who hesitate to vote against confirmation of this nominee.

The first is the understandable reluctance to deny the President the appointee he wants. I share that reluctance. But I also share the Washington Star's conviction that the least desirable trait for a CIA Director at this time and under these circumstance is that he be identified as one of the President's "guys" with a disposition for "team play." What is needed is a man the public immediately perceives to be—again in the Star's words—"a hard-bitten naysayer who says the unsayable and bucks the trend of wishful thinking."

I would not presume to name that man. But surely this Nation has more than one James Schlesinger.

The second reservation cited by those who hesitate to vote "nay" on this nomination is an understandable reluctance to deny a sensitive post to a man because of his partisan political background.

Again, I share that same reluctance. And in another time, and under different circumstances, Mr. Bush's background would not inspire me to vote against his confirmation. But while there is admittedly some unfairness in discriminating against him for that reason at this time, there is, in my judgment, infinitely more unfairness in foisting his nomination upon an American public sick to death of suspect politics and richly deserving of a CIA Director in whom they can put their immediate trust and confidence.

The third reason offered or implied by those who are reluctant to vote for confirmation is closely tied to the second.

There is a hypersensitive fear that refusal to confirm will further denigrate politics and politicians at a time when restoration of esteem for both is so imperative.

But is it truly realistic to believe that a vote for confirmation will elevate the present dismal level of that esteem?

Let us be frank. We all know what can be read—rightly or wrongly—into this nomination: political cronyism and the desire of the White House to have a compatible custodian in charge of an agency under heavy fire. And we all know what could be read—rightly or wrongly—into confirmation of this nominee: clubby in-house loyalty, old school ties, and the image of politicians of every persuasion banding together to protect and advance one of "their own," regardless of the public interest.

An unfair reading? We can think so. But what really counts is how the public reads it.

So, I ask this of my colleagues. I ask them to imagine walking down the streets of their respective hometowns. I ask them to imagine seeking out town leaders whose character and integrity are unquestioned. I ask them to imagine asking those town leaders what they think of the prudence and the propriety of this nomination at this time and under these circumstances.

And then I ask my colleagues to ask themselves whether a yea vote or a nay vote will better serve the Nation, better serve the people, better serve the CIA, and better serve the cause of restoring respect and esteem to politics and politicians.

The PRESIDING OFFICER (Mr. Goldwater). All time has expired.

The question is, Will the Senate advise and consent to the nomination of George Bush, of Texas, to be Director of Central Intelligence? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WEICKER (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Florida (Mr. Chiles), the Senator from South Carolina (Mr. Hollings), the Senator from Rhode Island (Mr. Pell), and the Senator from California (Mr. Tunney) are necessarily absent.

I also announce that the Senator from Missouri (Mr. Symington) is absent because of illness.

I further announce that, if present and voting, the Senator from Missouri (Mr. Symington), the Senator from Rhode Island (Mr. Pell), and the Senator from Florida (Mr. Chiles) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Wyoming (Mr. Hansen) and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

The result was announced—yeas 64, nays 27, as follows:

[Rollcall Vote No. 10 Ex.]

YEAS—64

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Garn
Glenn
Goldwater
Gravel
Griffin
Hartke
Hatfield
Hathaway
Hruska
Humphrey
Jackson
Javits
Laxalt
Long
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
Montoya
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Percy
Randolph
Ribicoff
Roth
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Young

NAYS—27

Abourezk
Biden
Bumpers
Church
Clark
Cranston
Culver
Durkin
Ford
Hart, Gary
Hart, Philip A.
Haskell
Helms
Huddleston
Inouye
Johnston
Kennedy
Leahy
Magnuson
McIntyre
Metcalf
Mondale
Morgan
Nelson
Proxmire
Stone
Williams

ANSWERED "PRESENT"—1

Weicker

NOT VOTING—8

Bayh
Chiles
Hansen
Hollings
Pell
Schweiker
Symington
Tunney

So the nomination was confirmed.

Mr. TOWER. I move to reconsider the vote by which the nomination was agreed to.

Mr. HRUSKA and Mr. THURMOND moved to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. TOWER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. Baker). The Chair, on behalf of the Vice President, pursuant to Public Law 86-42, appoints the Senator from South Carolina (Mr. Hollings) to attend the Canada-United States Interparliamentary Conference, to be held in Key Biscayne, Fla., January 29–February 2, 1976.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the unfinished business, S. 961, which the clerk will state.

The second assistant legislative clerk read as follows:

A bill (S. 961), the Magnuson Fisheries Management and Conservation Act of 1976.

The Senate resumed the consideration of the bill.

MESSAGE FROM THE HOUSE—HEW APPROPRIATIONS

A message from the House of Representatives was communicated to the Senate by Mr. Berry, one of its reading clerks.

The PRESIDING OFFICER. Without objection, the Chair now directs that the message from the House, together with the President's veto message to the House, be printed in the Record and spread on the Journal.

January 27, 1976.

The House of Representatives having proceeded to reconsider the bill (H.R. 8069) entitled "An Act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes", returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

To the House of Representatives:

I return without my approval H.R. 8069, the Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1976.

As you know, I have just vetoed H.R. 5559, which would have extended for six months the temporary tax cut due to expire on New Year's Eve, because it was not accompanied by a limit on Federal spending for the next fiscal year. H.R. 8069 is a classic example of the unchecked spending which I referred to in my earlier veto message.

H.R. 8069 would provide nearly $1 billion more in spending authority than I had requested. Not only would the $45 billion total in this bill add significantly to the already burdensome Federal deficits expected this year and next, but the individual increases themselves are unjustified, unnecessary, and unwise. This bill is, therefore, inconsistent with fiscal discipline and with effective restraint on the growth of government.

I am not impressed by the argument that H.R. 8069 is in line with the Congress' second concurrent resolution on the budget and is, therefore, in some sense proper. What this argument does not say is that the resolution, which expresses the Congress' view of appropriate budget restraint, approves a $50 million, or 15 percent, increase in Federal spending in one year. Such an increase is not appropriate budget restraint.

Effective restraint on the growth of the Federal Government requires effective limits on the growth of Federal spending. This bill provides an opportunity for such limitation. By itself, this bill would add $382 million to this year's deficit and would make next year's deficit $372 million more than if my recommendations had been adopted. In addition, the increases provided for this year would raise expectations for next year's budget and make the job of restraining spending that much more difficult. Thus, this bill would contribute to excessive deficits and needless inflationary pressures.

Furthermore, if this bill became law, it would increase permanent Federal employment by 8,000 people. I find it most difficult to believe the majority of the American people favor increasing the number of employees on the Federal payroll, whether by Congressional direction or by other means. On the contrary, I believe the overwhelming majority agree with my view that there are already too many employees in the Federal Government.

I am returning this bill without my signature and renewing my request to the Congress to approve a ceiling on Federal spending as the best possible Christmas present for the American people.

GERALD R. FORD.

THE WHITE HOUSE, *December 19, 1975.*

TIME LIMITATION AGREEMENT—DEBATE ON OVERRIDE OF VETO OF HEW APPROPRIATIONS BILL

Mr. ROBERT C. BYRD. Mr. President, will the Senator from California yield to me?

Mr. CRANSTON. I do not have the floor yet.

Mr. ROBERT C. BYRD. The Senator has. I just yielded.

Mr. President, I ask unanimous consent, the request having been cleared on both sides of the aisle, that when the Senate returns to the Chamber tomorrow following the joint meeting in the House of Representatives, there be 1 hour of debate on the override of the Presidential veto of the HEW appropriations bill, the time to be equally divided between Mr. MAGNUSON and Mr. BROOKE, and that a vote then occur.

The PRESIDING OFFICER. Is there objection?

The Chair hears none. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I yield to the Senator from Kentucky without losing my right to the floor.

STARLING AND BLACKBIRD CONTROL IN KENTUCKY AND TENNESSEE

Mr. HUDDLESTON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 11510.

Mr. GRIFFIN. Mr. President, does this require unanimous consent?

The PRESIDING OFFICER. Unanimous consent is required.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill? If not, it is so ordered.

The PRESIDING OFFICER laid before the Senate H.R. 11510, an act to provide for starling and blackbird control in Kentucky and Tennessee.

Mr. HUDDLESTON. Mr. President, this is identical legislation to the legislation which the Senate passed by unanimous consent this morning. I ask unanimous consent that we proceed to its immediate consideration and passage.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice by its title, and the Senate will proceed to its consideration.

The bill is open to amendment. If there be no amendment to be proposed, the question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Senate action in passing S. 2873 be vacated and that S. 2873 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I move that the vote by which the House bill was passed be reconsidered.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. I thank the Senator from California.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Jonathan Fleming, Christine Cohagen, and William Jackson, of my staff, have the privilege of the floor during all phases of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1331

Mr. CRANSTON. Mr. President, I send to the desk an amendment No. 1331, cosponsored by Senator GRIFFIN, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, between lines 12 and 13, insert the following:

"(7) The Convention on Fishing and Conservation of the Living Resources of the High Seas and the decision of the International Court of Justice in the 1974 Fisheries Jurisdiction case affirm the special interest a coastal nation has in the conservation of the coastal and anadromous stocks of fish on the high seas adjacent to its territorial sea.

"(8) All nations engaged in a fishery have an obligation under international law to negotiate in good faith toward achieving necessary conservation measures for the stocks which they exploit.

"(9) There is a right in international law for a coastal nation to adopt emergency conservation measures appropriate to coastal and anadromous stocks of fish in any area of the high seas adjacent to its territorial sea if negotiations to that effect with other nations concerned have not led to agreement within 6 months, and if such conservation measures are based on appropriate scientific findings and do not discriminate against foreign fishermen.

"(10) The Convention on Fishing and Conservation of the Living Resources of the High Seas provides appropriate procedures for the establishment of emergency conservation measures.

"(11) Scientific findings indicate that certain coastal and anadromous stocks in areas of the high seas adjacent to the United States territorial sea are depleted and other such stocks are in danger of depletion unless proper conservation measures are applied.

"(12) Until an effective international agreement on fishery management and jurisdiction can be negotiated and either provisionally or finally implemented, the United States should take necessary measures consistent with international law that are urgently required for the conservation of fisheries stocks.".

On page 29, line 13, strike "(7)" and insert in lieu thereof "(13)".

On page 29, lines 14 and 15, strike "the fishery resources subject to the jurisdiction of the United States" and insert in lieu thereof "fishery resources".

On page 29, line 22, strike "by declaring" and insert in lieu thereof a semicolon.

On page 29, strike lines 23 through 25.

On page 30, strike lines 1 through 5.

On page 30, line 6, strike "(3)" and insert in lieu thereof "(2)".

On page 30, line 9, strike the period and insert in lieu thereof "; and".

On page 30, between lines 9 and 10, insert a new paragraph as follows:

"(3) to direct the Secretary of Commerce and the Secretary of State to proceed in accordance with article 7 of the Convention on Fishing and Conservation of the Living Resources of the High Seas, to put into effect such measures of conservation and management as are necessary to protect stocks of coastal and anadromous fish in areas off the coast of the United States until such time as an effective international agreement on fishery management and jurisdiction can be negotiated and put into provisional or final effect.".

On page 30, line 22, strike all after "fish" and insert in lieu thereof "; and".

On page 30, strike lines 23 and 24.

On page 35, strike lines 3 through 6 and insert in lieu thereof the following:

"(9) 'fisheries zone' means the zone established pursuant to the Act of October 14, 1966 (16 U.S.C. 1091–1094), contiguous to the territorial sea of the United States;".

On page 37, line 14, strike "and".

On page 37, line 22, strike the period and insert in lieu thereof "; and".

On page 37, after line 22, insert the following:

"(25) 'contracting party' means any government party to an international fishery agreement.".

Beginning on page 38, line 3, strike everything down through line 10 on page 45 and insert in lieu thereof the following:

"FISHERY CONSERVATION

"SEC. 101. (a) The Secretary is directed, in coordination with the Secretary of State and in accordance with the provisions of section 203 of this Act, to promulgate regulations necessary to conserve the productivity of the living resources of the sea in areas adjacent to the territorial sea of the United States which the Secretary determines will result in the optimum overall biological, economic, and social benefits. Such regulations shall apply simultaneously and equally to all vessels and fishermen taking, either intentionally or as an incidental catch, regulated fish stocks.

"(b) Any regulation promulgated pursuant to this section may designate zones

where, and establish periods when, no fishing shall be permitted; establish size and catch limits for any species of fish; prohibit the use of certain types of fishing gear; and prescribe such other measures as the Secretary deems necessary and appropriate. In making any determination with respect to appropriate conservation and management measures, the Secretary shall take into account relevant economic and social factors. The Secretary may provide by regulation for the issuance of permits to implement any such measures.

"(c) (1) Notwithstanding any other provision of this Act or of any other provision of law, any regulation promulgated by the Secretary pursuant to this Act which applies in any area of the high seas adjacent to the fisheries zone shall be deemed to be a unilateral measure of conservation of the United States within the meaning of article 7 of the Convention on Fishing and Conservation of the Living Resources of the High Seas. No such regulation shall be promulgated nor enter into force and effect until the close of the 6-month period immediately following the date on which the Secretary of State notifies any nation concerned that the United States proposes to adopt conservation measures in such area of the promulgation. During such 6-month period, the Secretary of State shall—

"(A) enter into negotiations pursuant to such article 7 with the other contracting parties to such convention in order to obtain their agreement to prohibit vessels documented under their respective laws from engaging in acts prohibited by such regulations; and

"(B) enter into such other bilateral or multilateral negotiations as may be appropriate in order to obtain the agreement of any foreign nation to prohibit vessels documented under its laws from engaging in acts prohibited by such regulations.

"(2) After the close of such 6-month period, the regulation concerned shall be promulgated and have force and effect within the area of the high seas to which it applies, and the Secretary of State shall notify all foreign nations of the effective date of the regulation. Any vessel not documented under the laws of the United States or otherwise registered under the laws of any State which thereafter engages in any act in the area concerned which is prohibited by such regulation shall be deemed to be unlawfully engaging in fisheries within waters to which the United States has the same rights in respect to fisheries as it has in its territorial waters and thereby to be in violation of section 301 of this Act, and such vessel and the master or other person in charge of such vessel shall be subject to the enforcement provisions of, and to the penalties (including seizure, forfeiture, and condemnation) imposed by, such Act.

"AGREEMENTS WITH FOREIGN COUNTRIES

"SEC. 102. (a) The Secretary of State, in consultation with the Secretary, and when appropriate, with the Secretary of the Department in which the Coast Guard is operating, shall engage in negotiations with any contracting party to the Convention on Fishing and Conservation of the Living Resources of the High Seas in regard to measures for the conservation of the living resources of the high seas, when such negotiations are necessary to carry out the purposes of articles 4, 6, 7, 8, and 12 of such convention and with any contracting party to any other international fishery agreement.

"(b) The Secretary of State shall notify the Secretary of receipt of any of the following pursuant to such convention:

"(1) Communications from the Director-General of the Food and Agriculture Organization of the United Nations, as provided in article 5(1) of the convention.

"(2) Notice of the adoption of conservation measures by any contracting party pursuant to article 7(1) of the convention.

"(3) Notice of findings of a special commission provided for by article 9 of the convention.

"(4) Notification of the withdrawal of a conservation measure by the contracting party initially adopting such measures.

"(5) All other communications related to the duties of the Secretary under the convention.

"(c) The Secretary of State, upon notification from the Secretary of the promulgation of any regulation pursuant to this Act governing fishing in waters of the high seas seaward of the fisheries zone, shall notify the Director-General of the Food and Agriculture Organization of the United Nations, and any contracting party to such convention whose nationals fish in the waters covered by such regulation, of its contents. The Secretary of State, in consultation with the Secretary, shall undertake to enter into agreements with any contracting party to such convention for the implementation of any regulation adopted by the United States, or by such contracting party pursuant to such convention, which is intended to apply in waters beyond the respective jurisdiction of any such contracting party. Such agreements may provide for authorization of designated personnel of a contracting party to act as enforcement officers in implementing any such regulation.

"(d) The Secretary of State, in consultation with the Secretary, may—

"(1) enter into an agreement with any contracting party for the establishment of any special commission pursuant to article 9 of such convention, and for the payment of costs and expenses of such special commission;

"(2) appoint the United States member to any such special commission; and

"(3) appoint, upon the request of any contracting party to the convention or upon the request of the Secretary-General of the United Nations, members to a special commission invoked to resolve a dispute between contracting parties to the convention and to which dispute the United States is not a party.

"(e) The Secretary of State shall, at the request of any nation affected by this Act that is not a party to the convention on Fshing and Conservation of the Living Resources of the High Seas, enter into an agreement mutually accepting the dispute settlement provisions of article 9 of that convention or any other appropriate compulsory dispute settlement procedure with respect to any dispute that may arise regarding measures taken pursuant to this section.".

On page 45, line 12, strike "104" and insert in lieu thereof "103".

On page 55, line 2, strike "surplus" and insert in lieu thereof "yield".

On page 55, line 3, strike "for foreign fishing".

On page 58, strike everything after "fishing" on line 10, down through the period on line 14 and insert in lieu thereof the following: "in accordance with the provisions of section 101 of this Act, pursuant to article 7 of the Convention on Fishing and Conservation of the Living Resources of the High Seas.".

On page 59, line 7, strike the period and insert in lieu thereof the following: "and in accordance with the provisions of section 101 of this Act in the case of regulations related to foreign fishing.".

On page 66, line 3, strike "fishery conservation" and insert in lieu thereof "fisheries".

On page 66, line 3, immediately after "zone" insert "or the territorial sea".

On page 66, strike everything after "Act" on line 7, down through line 9 and insert in lieu thereof a semicolon.

On page 68, after line 24, insert the following new paragraph:

"(b) Except as provided in section 101, in the case of any vessel not documented under the laws of the United States or otherwise registered under the laws of any State, any penalty or prohibition imposed by this Act with respect to fishing in the high seas seaward of the fisheries zone may only be applied to such vessel pursuant to, and under the terms of, any applicable international fishery agreement.".

On page 69, line 1, strike "(b)" and insert in lieu thereof "(c)".

On page 69, strike everything after "vessel" on line 4, down through line 6 and insert in lieu thereof the following: "documented under the laws of the United States or otherwise registered under the laws of any State or any other such vessel subject to the jurisdiction of the United States pursuant to section 101 of this Act or any other Act;".

On page 69, line 16, strike "(c)" and insert in lieu thereof "(d)".

On page 70, strike lines 4 through 9.

On page 70, line 11, strike "304" and insert in lieu thereof "303".

On page 71, strike the language in quotes relating to the title and insert in lieu thereof the following: "A bill to establish, pending international agreement, a United States fisheries management and conservation program in order to conserve and protect fishing resources from depletion, and for other purposes.".

The PRESIDING OFFICER. Is this an amendment on which there is a 3-hour limitation, 1½ hours to each side?

Mr. CRANSTON. Yes, an hour and a half today, an hour and a half tomorrow.

Mr. JACKSON. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. JACKSON. When does the vote occur?

The PRESIDING OFFICER. It is scheduled to occur not later than 11:30 a.m. tomorrow.

Mr. CRANSTON. Mr. President, I yield to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. NELSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair will state to the Senator that there is already an amendment pending. His amendment will have to wait.

Mr. MAGNUSON. Mr. President, will the Senator yield for me to make a query of the Chair?

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. As I understand it, the pending amendment is the amendment of the Senator from California.

The PRESIDING OFFICER. That is correct.

Mr. MAGNUSON. And that is subject to an amendment, of course.

The PRESIDING OFFICER. Not until the time on it has been used, which will be tomorrow, or the time is yielded back.

Mr. MAGNUSON. For the benefit of the Senate, what time limitation is there on this amendment?

The PRESIDING OFFICER. An hour and a half today, an hour and a half tomorrow, with a vote coming at 11:30, a total of 3 hours.

Mr. MAGNUSON. 11:30?

The PRESIDING OFFICER. Yes, no later than 11:30.

Mr. MAGNUSON. And final passage at 12, is that correct?

The PRESIDING OFFICER. Not later than 12 is the Chair's understanding.

Mr. MAGNUSON. I thank the Senator.

Mr. NELSON. This is a perfecting amendment to the amendment of the Senator from California.

The PRESIDING OFFICER. The Senator can have it considered by unanimous consent only. The Senator can ask unanimous consent that it be considered at this time.

Mr. NELSON. I ask unanimous consent to explain the amendment and, if there is then no objection, I will ask unanimous consent to have the amendment to Senator CRANSTON's amendment taken up at that time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NELSON. Mr. President, this amendment, and I will read it, simply would amend the Cranston amendment. It states:

> Insert after the word "act" on page 5, line 4, the following language: "To announce within 30 days of the enactment of this act his intention to promulgate regulations to conserve the seriously-depleted or endangered species in their specific areas; to notify immediately thereafter the foreign nations presently fishing for the species in these areas of his intention."

The sole purpose is to set a trigger date which will require negotiations to begin under the Cranston amendment within 30 days after the enactment of this act, if it becomes law. That will start the period of 6 months during which the Secretary may negotiate with other countries which are fishing or wish to fish in these waters. Without this provision negotiations may never start, so it is necessary to have a trigger date for the commencement of the 6-month period.

Mr. STEVENS. Has the Senator finished?

Mr. NELSON. Yes; I intend at some stage to ask unanimous consent for consideration of this amendment, but I have said all I wish to at this time.

Mr. STEVENS. There is no request. I ask the Senator from Washington to yield me some time to respond to this.

Mr. NELSON. May I interrupt one moment? Is the Senator prepared to let us dispose of this?

Mr. STEVENS. This Senator is going to oppose this and ask for a vote on it.

Mr. NELSON. That can all be avoided by the author. I have concluded.

The PRESIDING OFFICER. The Chair will rule it will take unanimous consent for the Senator to modify it or the Senator from California to accept the modification.

Mr. CRANSTON. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CRANSTON. Is that because there is a time agreement on the amendment?

The PRESIDING OFFICER. There is a specific agreement of time on the amendment in question.

Mr. STEVENS. Mr. President, will the Senator yield me some time?

Mr. MAGNUSON. Yes, I yield.

Mr. STEVENS. Let me put this in context and I am very sad to see my good friend has been led down the primrose path on this amendment.

Some people call this a compromise. It is no compromise. It comes from the people who have opposed our bill all along, and knowing that the Senator has sought the conservation objectives that we seek, I am sorry to see him in this position.

Mr. NELSON. Mr. President, will the Senator yield for a moment, just for clarification?

Mr. STEVENS. Let me just clarify for the Senator the problem. The problem is that article 7 requires 6 months for negotiation before a nation can adopt unilateral measures of conservation appropriate to stocks of fish or other marine resources in any area of the high seas adjacent to a territorial sea.

The impact of what the Senator suggests obliterates the 9-mile contiguous zone we already have, and I do not believe the Senator wants the President of the United States to announce within 30 days that he is going to take unilateral measures of a nondiscriminatory nature in the 9-mile contiguous zone that this Congress already protected by the Bartlett Act.

The impact of what he is suggesting is that the President is going to go out and make an announcement to the world that the existing U.S. 12-mile fisheries zone is no longer in effect. None of the nations that are currently heavily depleting our coastal fishing resources are parties to this convention, not Japan, not Russia, not Korea. You cannot take in the unilateral action you perceive without obliterating the preferential treatment accorded U.S. fishermen that already exists in the 12-mile zone.

We do exclude all foreign fishing from that zone. Article VII is absolutely nondiscriminatory in character. My friend is getting us into a position where we are taking a step backward as far as protection of our resources within the 12-mile zone are concerned.

Futher, you cannot do it under the very terms of the treaty.

Mr. NELSON. Mr. President, will the Senator allow me to save the Senator from Alaska some time?

Mr. STEVENS. Pardon?

Mr. NELSON. I would like to save some time.

Mr. STEVENS. I would be happy to do that.

Mr. NELSON. Although I have enjoyed his eloquence, I have not stated whether I was for or against the Cranston amendment. The Senator is arguing against the Cranston amendment. This perfecting amendment is neutral, as far as I am concerned, on the Cranston amendment. It simply sets the effective date that the negotiations shall start in the event the Cranston amendment becomes law. I may vote against the Cranston amendment. I may vote for it, but I am not arguing here the merits of the Cranston amendment one way or the other.

Mr. STEVENS. I am arguing the merits of my friend's amendment which, I take it, is designed to improve the Cranston amendment, because it is seriously defective. But this amendment the Senator has suggested will not improve it, because it is contrary to the treaty itself. The treaty itself requires 6 months before any conservation measures are effective against foreign nations provided negotiations to that effect with other States concerned have not led to an agreement.

I think if you are going to talk about taking this so-called compromise approach, at the very least we have to comply with the treaty if we ever intend to get to the International Court. I hope that the Senator would not put a timeframe in this action that is not contemplated by the treaty itself. The treaty says 6 months, you must attempt to reach agreement within 6 months. After that a State may adopt unilateral measures of a nondiscriminatory basis.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NELSON. Mr. President, in response to the Senator from Alaska, let me say this amendment that I have offered——

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. I *yield 2 minutes.*

Mr. NELSON. The amendment which the Senator from Wisconsin is offering does not touch the 6-month negotiating time at all. All the amendment says is that within 30 days after this becomes law the negotiations shall begin. With that stipulation the Secretary could conceivably wait for 10 years, for 50 years.

All this amendment says is the 6 months' negotiation period shall begin 30 days after this act becomes law, if it becomes law.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Will the Senator yield 1 more minute, if I may proceed?

Mr. CRANSTON. Certainly.

Mr. STEVENS. I hope my good friend stays with the great national environmental organizations that support the 200-mile bill. There is a compulsory, dispute settlement provision in that 1958 convention which must be taken into account in terms of any timeframe placed on the President's actions.

The President cannot take this unilateral position the Senator suggests within that timeframe until the provisions of the total treaty have been complied with. It would take longer than the time the Senator is specifying is my point.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. Mr. President, having now had this preliminary discussion, I would like to proceed to make the presentation for my amendment.

I yield to the Senator from West Virginia.

UNANIMOUS-CONSENT AGREEMENT—S. 961

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared on both sides of the aisle.

Mr. CRANSTON. I presume this is not taken out of my time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time not be charged against the Senator from California.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the agreement on S. 961, the fisheries bill, be modified as follows:

That immediately following the vote on the amendment of the Senator from South Carolina (Mr. THURMOND), if offered, the question be put on the Commerce Committee amendment in the nature of a substitute, as amended, without intervening motions, amendments, or appeals, or debate; that third reading of the bill then occur, and immediately thereafter, without intervening motions, or debate, the Committee on Commerce be discharged from the further consideration of H.R. 200; that the Senate proceed to its immediate consideration; that all after the enacting clause be stricken therefrom; that the text of S. 961, as amended by the Senate, be substituted therefor, to be followed immediately by third reading and the vote on final passage of the bill as amended, without any intervening action or debate.

The PRESIDING OFFICER (Mr. HATFIELD). Is there objection?

Mr. GOLDWATER. Reserving the right to object, which bill is that?

Mr. ROBERT C. BYRD. This is a House bill which corresponds with the pending Senate fisheries bill.

Tomorrow, the schedule is very closely clocked, and in view of that fact, the manager of the bill and the ranking member and Senators who are in opposition thereto are willing and, as a matter of fact, want to proceed with the consideration of the House bill.

This merely provides for that mechanism, so that without debate the House bill will be called up, the Senate language will be substituted therefor.

Mr. GOLDWATER. Today?

Mr. ROBERT C. BYRD. Tomorrow.

The PRESIDING OFFICER. Without objection——

Mr. GRIFFIN. Reserving the right to object——

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I will now outline my reasons for offering this amendment with Senator GRIFFIN and others.

I would like, first, to say that I had some reluctance in entering into this effort, in part because I know of the long years and the grave concerns of the Senator from Washington, whose bill this is. He has worked on this for many, many years.

I respect his concern and his work and I would only do this if I were deeply concerned myself about the issue and had very solid reasons for suggesting an alternative.

I share the objectives of the Senator from Washington. I believe that if this amendment prevails, we will achieve those objectives with less risk to the other interests, and, if the amendment by the Senator from Wisconsin is approved, with greater dispatch, than we would under the bill in its present form.

My interest, like that of the Senator from Washington, goes back many, many years in terms of my interest in world law and in the law of the seas.

The matter of California's fishermen is of secondary interest to me, and they are divided. Those in the South that fish for tuna would support what I am doing; those in the North, who fish for other fish, would not approve of what I am doing.

Perhaps the fishermen from the South in regard to tuna are more vocal, but of course, I represent both and would like to take into account the interests of both. I cannot. But I am far more concerned about the international implications of what we consider here.

Mr. President, Senator GRIFFIN and I, working with other Senators, have prepared an amendment to S. 961 in an attempt to establish a compromise between the proponents of the bill's purpose, which is to protect our fisheries from depletion, and opponents of unilateral action by the United States to establish exclusive control of fishing within a 200-mile economic zone.

I recognize, I repeat, the great expertise of the distinguished author of S. 961, Senator MAGNUSON, and the able advocacy of his bill by Senator STEVENS. Senator PELL, as an observer of the negotiations at the Law of the Sea Conference for many years, also has made substantial contributions toward our understanding of the issues involved in protecting our fisheries from excessive fishing by United States and foreign fishermen. Senator MCINTYRE also has argued convincingly that existing conservation mechanisms are not adequately protecting our fisheries. He has said we must act promptly to save our fishing resources.

There are many points of agreement, I believe, between the sponsors of S. 961 and the sponsors of the amendment now before us. I would like to touch on them briefly, as I see them.

We all agree on the absolute necessity of protecting fish stocks in our territorial waters and adjacent seas from overfishing. There are at least 14 overfished stocks and others may be in danger.

Fish and the living natural resources of the sea are a vital source of food for the United States and many nations. Even landlocked, developing nations are looking to the sea to supplement their peoples' meager protein diet. At the rate we are fishing our oceans, we may turn our seas into lifeless waters with unforeseen and disastrous effects on our world environment.

The following stocks are considered to be overfished: Yellowfin sole, Alaska pollock, Pacific Ocean perch, Pacific halibut, Atlantic halibut, Bering Sea herring, Bering Sea shrimp, haddock, yellowtail flounder, California sardine, Pacific mackerel, Atlantic sea scallop, northwest Atlantic shrimp, and Atlantic bluefin tuna.

Some of this is due to foreign fishing; some is due to U.S. fishing.

The National Oceanic and Atmospheric Administration reports that the following fish: California sardine, menhaden, Pacific halibut, Pacific mackerel, and Pacific barracuda have been depleted due to U.S. fishing; yellowfin sole, Alaska pollock, Pacific Ocean perch, Atlantic halibut, Bering Sea herring, haddock, Bering Sea shrimp, and Atlantic sea scallop have been depleted due to foreign fishing; and yellowtail flounder and Atlantic blue-fin tuna have been depleted due to both U.S. and foreign fishing.

We all agree that the Law of the Sea Conference has produced disappointing results so far.

I understand the impatience of the Senator from Washington and others with those disappointing results. I share that impatience.

Estimates on when a treaty will be forthcoming range from up to 6 or 7 years hence—or, pessimistically, never. Observers have said that the best that could be hoped for is 3 years. Three years may be too long to wait to establish conservation measures to protect fish stocks in U.S. waters and adjacent seas.

Should the Law of the Sea Conference produce a treaty which this body could ratify, there is consensus here that such an international agreement would be the best way to preserve fish stocks. Both approaches provide that if and when a treaty comes into force, the provisions of the proposed law under discussion today will terminate, to the extent that they are inconsistent with the treaty.

There is agreement that the United States must continue to press for affirmative action through bilateral and multilateral negotiations independently of the Law of the Sea Conference, if we are to regulate overfishing.

Before coming to the major point of difference, I would like to state for the Members of the Senate my understanding of the current negotiating position of the United States and our negotiating partners—the so-called Evensen Group which prepared an informal single negotiating text at the Geneva session last spring.

The negotiating draft provides for an exclusive economic zone to extend for 200 nautical miles. The pertinent parts of article 50 of the draft provides as follows:

> 1. The coastal State shall determine the allowable catch of the living resources in its exclusive economic zone.
>
> 2. The coastal State, taking into account the best evidence available to it, shall ensure through proper conservation and management measures that the maintenance of the living resources in the exclusive economic zone is not endangered by over-exploitation. As appropriate, the coastal State and relevant subregional, regional and global organizations shall co-operate to this end. * * *

Article 51 provides that the coastal States shall exercise management control in the following fashion:

> 1. The coastal State shall promote the objective of optimum utilization of the living

> resources in the exclusive economic zone without prejudice to the provisions of article 50.
>
> 2. The coastal State shall determine its capacity to harvest the living resources of the exclusive economic zone. Where the coastal State does not have the capacity to harvest the entire allowable catch, it shall, through agreements or other arrangements and pursuant to the term, conditions and regulations referred to in paragraph 4, give other States access to the surplus of the allowable catch.

Significantly, the working draft task force was unable to reach any agreement on protection of highly migratory species—mainly tuna. These species, particularly tuna, constitute one of our most valuable harvests from the sea. The actions of other nations to assert a 200-mile territorial sovereignty over the seas has caused extreme troubles for the tuna industry.

The bill—S. 961—in effect, unilaterally asserts the economic sovereignty provisions of the negotiating draft, as they apply to fishery management. It does this, I believe, without foundation in international law and without full consideration for the effect this one action will have on other issues still being negotiated at the Law of the Sea Conference. Finally, it takes an action which is opposed by the executive branch—the arm of the Federal Government changed with carrying out the laws and policies we propose.

I will detail my objections to this unilateral action later.

The amendment we are offering also differs in one other major respect from the bill. Our proposal calls for nondiscriminatory application of fishing management rules beyond our territorial waters. This position is consistent with existing international law on the subject.

The International Court of Justice in the fisheries jurisdiction case observed that:

> Although a coastal nation has preferential rights in adjacent seas to its territorial waters, a coastal nation entitled to preferential rights is not free, unilaterally and according to its own uncontrolled discretion, to determine the extent of those rights.

The court added, "It is implicit in the concept of preferential rights that negotiations are required." In fact, these are the principles we follow today in negotiating fishing treaties, including preferential rights.

Our amendment proposes a way to lawfully protect the preferential rights of the United States in fisheries on the high seas adjacent to our territorial waters. It does so by mandating the Secretaries of Commerce and State to initiate the promulgation of conservation regulations under the provisions of article 7 of the 1958 Convention on Fishing and Conservation of the Living Resources of the Sea. In doing so we are letting other nations know that we intend to conserve our fisheries resources within the framework of existing international law.

Under our amendment as modified by Senator NELSON's amendment—and I trust it will be so modified by adoption of the Nelson amendment—within 30 days after enactment of the bill, the Secretary of Commerce shall announce his intention to promulgate regulations to conserve seriously depleted species and to notify the foreign nations presently fishing for these species of this intention.

In his actions the Secretary is to follow the procedures set forth in article 7 of the 1958 Fishing Convention. Article 7 works in the following manner:

First. A coastal nation such as the United States makes a finding that certain of its fish stocks are in urgent need of conservation.

Second. The United States notifies other nations which fish for these stocks of its intent to adopt unilateral measures of conservation pursuant to article 7 of the Geneva Convention.

Third. The United States then enters into negotiations with the concerned nations.

Fourth. If, after 6 months, these negotiations have not resulted in agreement, the United States promulgates regulations to unilaterally enact appropriate measures.

Fifth. These conservation regulations will remain in effect unless challenged. If challenged, they will remain in force until a decision on their validity is reached by a special commission of five members to be appointed by agreement between the nations in dispute.

Sixth. The special commission arbitrating a dispute will award its judgment to a coastal nation which adopts conservation measures if the coastal nation has acted in a manner consistent with one, an urgent need for conservation, two, appropriate scientific findings, and three, the provisions of nondiscrimination against foreign fishermen.

Can these provisions be enforced against nonsignatory nations?

I believe there is support for an affirmative answer in the fisheries jurisdiction decision of the International Court of Justice. This position is supportable on two grounds:

First. The conservation measures promulgated will be achieved through negotiations as required by article 7.

Second. The regulations themselves must be applied evenhandedly to all, and hence will not constitute a unilateral assertion of preferential rights in violation of the principles enunciated by the world court.

Louis Henkin, Hamilton Fish Professor of International Law and Diplomacy, Columbia Law School, has been quoted as writing in a letter to Representative LEGGETT:

> Any unilateral action beyond the territorial sea is *prima facie* suspect. In my view, however, an impartial tribunal might well hold that, unlike assertions of exclusive fishing rights, bona-fide conservation measures applied to all (including fishing by the coastal state) is now within the authority of the coastal state under customary law.

The point is clear and until tested in the world court we must accept the best views available on what the law is and what the court is likely to decide.

Our amendment is drafted along the lines suggested by Professor Henkin's letter.

An example of the consequence of unilateral action is cited in the report of the Armed Services Committee.

I read from the report of the Armed Services Committee in rebuttal to the suggestion that our unilateral action is not likely to lead to unilateral action by others.

Mr. MAGNUSON. Mr. President, will the Senator yield briefly?

Mr. CRANSTON. Certainly.

Mr. MAGNUSON. When the Senator talks about the report of the Armed Services Committee, I think he ought to state further it is the minority report of that committee.

Mr. CRANSTON. The Senator is correct. The statement I am about to read is from the statement of minority views signed by JOHN C. STENNIS, STROM THURMOND, JOHN G. TOWER, and DEWEY F. BARTLETT.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. STEVENS. I am somewhat disturbed that the State Department seems to have taken another position on article 7. Will the Senator provide that also?

Mr. CRANSTON. Right now.

Mr. STEVENS. A position contrary to what they testified 3 years ago.

Mr. CRANSTON. It is on the way to the Senator right now.

The statement is as follows:

> If the United States acts unilaterally to protect a parochial ocean interest by imposing its will on the nations of the world, history and logic indicate that these same nations will retaliate by acting to protect their parochial ocean interests. The parochial ocean interests of other nations are not limited to fishing but include the full spectrum of ocean interests from military transit to seabed mining. Witness the proliferation of claims for larger territorial and hence navigational jurisdiction following the expansion of U.S. fishing jurisdiction in 1945 and 1960. Consistent with this historical pattern of escalating retaliation, Mexico, only six days after passage in the U.S. House of Representatives of legislation establishing a 200-mile fishing zone, declared a 200-mile economic zone. This economic zone included jurisdiction over ocean resources considerably beyond fisheries as well as jurisdiction over ship construction and operation.

Rather obviously, that is a precedent in history that relates directly to the subject we are now considering on the Senate floor. Also rather obviously, it does not matter much who in the Armed Services Committee cited this, since it is a historical fact that has to be noted and agreed to as a historical fact by anyone who is concerned with this matter.

To abandon existing structures of international law and to assert unilaterally, without negotiations, a position which still is being debated by the Law of the Sea Conference—as S. 961 does—is to take a backward step in the age-long struggle to solve mankind's problems through peaceful international negotiations and arrangements. The bill is a backward step that could haunt this Nation when we face other issues relating to control over natural resources, notably on questions of access.

The nations of the world will have to face the critical questions of pollution, population, and use of the world's resources. They will be making decisions and taking action with an eye to their national interest. The precedents established now will be applied in future years—for better or for worse. The consequences of what we do with respect to the bill before us extend beyond the issue of conservation and protection of our fisheries. It is in our national interest to base our actions in protecting fish upon the established international principles and procedures available to us today and to reject an invitation to take unilateral action without negotiations and consultations with other nations.

The warning of the State Department as printed in the adverse report of the Foreign Relations Committee on S. 961, is worth repeating—and in this case there was a majority decision by the committee, against that bill.

The authors of the report wrote:

> It is the concern of the State Department, that a unilateral claim would be a serious setback to the development of international legal institutions and the rule of law in the oceans—

Mr. President, I want to repeat those words for emphasis, "a serious setback to the development of international legal institutions and the rule of law in the oceans."

If we are to take action independently of the Law of the Sea Conference to preserve our fish—and it appears that we must—then we should do so in a manner consistent with the development of international legal institutions and the rule of law.

I do not think, for myself, that the supporters of S. 961 and I differ in our basic objective: to take prompt action to conserve our depleted fish stocks on an interim basis until the Law of the Sea Conference can produce a treaty which can be ratified by the Senate. I have heard nothing and read nothing in the debates to indicate otherwise.

The issue on which we differ is on how to proceed in a manner consistent with international law.

The amendment which Senator GRIFFIN and I— with Senator GRAVEL— have prepared adopts an approach which utilizes existing international institutions and law. It has the support of the Department of State.

And it is consistent with what we have learned from experts in international law.

I urge Senators to study our amendment very carefully keeping in mind that we share a common objective—to protect American fisheries from overfishing by all parties. Many of us have very strong objections to taking any unilateral action. This compromise is offered as a way to achieve our common purpose through actions which can be supported by a large majority and which have the support of the Department of State, the agency most deeply concerned with this matter.

I now ask unanimous consent, Mr. President, to have printed in the RECORD a letter from Monroe Leigh of the Department of State, who is its legal adviser, addressed to me, dated January 27, 1976.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
THE LEGAL ADVISER,
Washington, January 27, 1976.

Hon. ALAN CRANSTON,
U.S. Senate.

DEAR SENATOR CRANSTON: You have asked for a preliminary opinion on a matter of international law which is of interest to the Senate in its current debate of S. 961. Specifically, whether or not the United States would be justified under international law to adopt, pursuant to Article 7 of the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas, conservation measures which would be applied against non-Parties to the Convention.

Before a Party to the Convention takes action pursuant to Article 7 there must be a need for urgent application of conservation measures; international negotiations must be pursued for six months; the measures adopted must be based on appropriate scientific findings; the measures must not discriminate in form or fact against foreign fishermen; and the measures taken must be subject to the compulsory dispute settlement procedures of Article 9 if not accepted.

While a treaty may not be applied against non-Parties as such, and Article 7 did not represent a codification of international law at the time it was drafted, there is growing recognition in international law that coastal States may under certain circumstances take conservation measures of the kind prescribed in Article 7. In the 1974 Fisheries Jurisdiction Case the International Court of Justice recognized a broad duty on all States to take conservation measures with respect of high seas fisheries. The Court also recognized the special interest that coastal States have in the conservation and management of high seas fisheries adjacent to their coast. And, the Court held that States are under a mutual obligation to undertake negotiations in good faith for the equitable solution of their differences concerning their respective fishery rights. Thus, a strong case can be made that where, for instance, a coastal State has a substantial economic interest in a particular coastal fishery and that particular stock is being depleted by fishing in excess of the maximum sustainable yield, the coastal State may legally initiate negotiations and other measures as prescribed in Article 7 to protect that species pending agreement among the affected States.

It should be noted that the compulsory settlement of disputes requirement is essential to the overall structure of the procedures for implementing regulations pursuant to Article 7. At the least, for such measures to be applied to non-Parties to the 1958 Convention, the non-Parties must have access to reasonable dispute settlement procedures.

I hope these preliminary thoughts will be useful to you.

Sincerely,

MONROE LEIGH.

Mr. THURMOND. Mr. President, I rise in support of the pending amendment to S. 961 of which I am a cosponsor.

This amendment offers the Senate the best of both worlds, as it offers a multilateral approach to conserve our fisheries resources and enables us to accomplish this through current international law.

PAST U.S. POLICY

As a major power the United States has long refused to recognize unilateral fishing or territorial claims by various nations. As a signator of the 1958 Geneva Convention on Fishing and Conservation of the High Seas we have attempted to settle our fishing problems through negotiations as opposed to unilateral steps.

As I stated in my opening remarks on S. 961 on January 19, the Senate is unified in its interest in solving the fishery problem, but divided in the approach to its solution.

Based upon my understanding of this amendment, it substitutes the claims to a 200-mile fishery conservation zone for the procedures to achieve conservation set forth in article 7 of the Geneva Convention.

Article 7, plus the management sections of S. 961, will enable us to initiate the steps necessary to restore our fisheries to the desired levels without the unfavorable impact of the unilateral aspects in the bill before us.

ARTICLE 7 PROVISIONS

Here are some of the provisions of article 7, which are admittedly already available to us, but lack impact of adoption by the Congress. This article provides that—

First. If a coastal nation finds its fish stocks are being depleted;

Second. That nation may adopt the uniateral steps provided for in article 7;

Third. The first step is to enter into negotiation with those nations guilty of overfishing our waters;

Fourth. If no agreement is reached in 6 months, the offended nation can unilaterally place into effect conservation measures;

Fifth. Other states will have to respect these measures if: There is a need for urgent conservation steps; the steps taken are based on scientific findings; the measures do not deal unfairly with foreign fishermen;

Sixth. These steps will remain in force unless challenged, and if challenged, stay in force until a five-member commission acts; and

Seventh. Any such commission will find for the concerned coastal nation if the measures mentioned previously have been met.

OBJECTIONS REVIEWED

Mr. President, as stated in my "Dear Colleague" letter and in my floor speech January 19, my objections to this bill were based on three points: First, fishing rights can be protected through negotiations as demonstrated during the past 2 years; second, the unilateral action of S. 961 flies in the face of international law and past policy of this Nation, and third, serious national security problems would result if this bill passes as reported by the Commerce Committee.

Some might feel this procedure changes nothing, as article 7 has been available to us. However, it is my understanding the President has not used article 7, but would do so in view of the congressional expression represented by adoption of this amendment.

Mr. President, it is my hope the Senate will accept this amendment and give our leaders a chance to continue the tremendous progress made in recent months in meeting the legitimate problems of fish conservation.

NONSIGNATOR NATIONS

It is recognized the Soviets and Japan, two key nations involved in our fishing problems, are not signators to the Geneva Treaty. However, we expect the Law of the Sea Conferences to provide continued progress in dealing with these problems.

NEW STUDY NEEDED

It is unfortunate that only the 1973 fishing statistics were used in drawing up this bill. Much has happened since that time and recommittal to the Commerce Committee would be sound in view of those developments.

In September the ICNAF agreement resulted in a significant cut in fish taken by foreign nations off the Atlantic coast. Further, last December an important agreement was reached with Poland reference their fishing in Pacific waters.

Thus, Mr. President, it is my hope this amendment will be adopted and if not, the bill will be recommitted in order that current developments may be weighed in drawing more up-to-date legislation to deal with this problem.

Mr. STEVENS. Mr. President, will the Senator yield for a question, on our time?

Mr. CRANSTON. Certainly.

Mr. STEVENS. Did he state that the substitute we are discussing has the support of the administration?

Mr. CRANSTON. Yes, it is by belief that it has the support of the administration. When we see the Department of State and the Department of Defense supporting it, I assume that that is the administration's position.

Mr. STEVENS. Does the Senator have a letter from the Secretary of State or any qualified officer of the Department of State supporting this amendment?

Mr. CRANSTON. The legal adviser is the qualified representative of the Department of State. I have talked with officials at the Department of State; and I have noted they are in support of this amendment.

Mr. STEVENS. With due respect, I have just read the letter. I do not take it as an endorsement of the Senator's approach. Is this letter of January 27 a letter that the Senator relies upon, from the legal adviser, to indicate support for this article 7 procedure? It certainly does not say so. It does not have any evidence of being cleared by the Office of Management and Budget.

This Senator has been informed that the administration is staying out of this fight, that the President has stated he will sign this bill provided the extended time is inserted according to his request. That was reported by the New York Times. I have discussed the matter with State Department representatives only Saturday at the Law of the Sea Conference Advisory Group meeting, which my colleague attended, and there was no such statement that the administration supported this article 7 approach. This has been the child of those who supported this bill all along.

While the administration has not acted except in supporting the interim legislation, the President stated last week he would sign this bill. I would like to see anything from anyone which says the administration is in favor of this amendment.

Mr. CRANSTON. As the Senator knows, the President often signs bills that he has opposed, or that the administration has preferred may not be enacted in the form in which they are laid on the President's desk.

I do not have any document in my hand stating that the administration formally endorses this measure. If the Senator from Alaska has any document in his hand stating that the administration opposes this amendment, I wish to hear it. Then I ask in whose administration do the present State Department and DOD exist? I know what they are doing in regard to this amendment. They are telling Senators that they think it is a good amendment.

Mr. STEVENS. I think that the State Department is off trying to save its position which is in opposition to the basic bill. If they are saying that this amendment will kill the bill, they are absolutely right.

In 1974 when State Department Secretary Rusk was before our committee, we specifically asked him the question about the implementation of article VII. The chairman at that time was at the hearing and so was I. Later they submitted the answer to the question.

Let me read the question:

> What is the realistic likelihood that the Convention on Fishing and Conservation of the Living Resources of the High Seas could be employed as an "interim" protection mechanism for threatened stocks of fish? Has that Convention ever been resorted to by any nation with any tangible results? Does the State Department have any plans to utilize the procedures of this treaty?

The response was:

> The United States interest in coastal fisheries goes to both conservation and access by American fishermen to the supplies of fish they need to keep the fisheries economic. The Convention on Fishing and Conservation of the Living Resources of the High Seas provides only for conservation, on a nondiscriminatory basis. Thus it does not permit us to deal with the entire problem. Only a few of the major fishing nations other than the United States are parties to the Convention—

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. STEVENS. Just a second. Let me finish.

Mr. MAGNUSON. Excuse me.

Mr. STEVENS continued to read:

> and only a very few vessels from parties ever fish off the United States coast. We are not aware that the Convention has ever been resorted to with tangible results. We are constantly exploring actions that we can take to further protect our fisheries interests, and the Convention is often considered in this context, but we have no concrete plans to utilize it in any direct manner at this time.

That was the last comment we had from the State Department indicating that it was not utilizable, and I call the Senator's particular attention to their statement saying—and the Senator has in his normal, honest approach pointed out that this cannot be a discriminatory measure—that article 7 deals with areas beyond the territorial sea, which is 3 miles for this country.

In the Senator's State of California the action that he suggests would mean that they could not discriminate in favor of California fishermen within the 12-mile limit. Since 1966, we have discriminated in favor of American fishermen within the 12-mile limit. We entirely excluded all foreign vessels from the contiguous zone except when they are there by treaty that is duly recognized by this Senate.

My question is this: Does my friend believe that the 1958 treaty can be implemented by Executive action? It is not a self-implementing treaty. The witnesses before our committee, and I point to Mr. Samuel Levering, responsed to my question, and it appears on page 766 of the hearings that we held in 1974. I asked him this question:

> You agree with me that it does take legislation?

And he said:

> It does. It is not a self-implementing convention. The Congress has to pass a bill saying that it shall be enforced and by whom and in what way, and with what penalties, and so on. It cannot be put in operation by the President alone, in my judgment.

He is a gentleman who is being relied upon by my colleague today as a member of the Law of the Sea Advisory Committee, and the advice we received is that this cannot be put into effect by executive action. It must be implemented by this Congress, and we must set specific conservation goals, but if we did it we would have to give up the protection we already have.

Does the Senator think that our Alaskan fishermen want to give up the protection of the 9-mile contiguous zone? I assure the Senator that this would defeat the bill, and that is why the Department of Defense, in their usual manner of dealing with Congress, has come up here and said the administration supports this amendment. I say to the Senator that I have talked to members of the administration, and they tell me there is no official position on this amendment. They still take the position that they would not like to have the 200-mile bill but that, if the time frames are extended, the President has said he probably will sign the bill.

Again, my question to my colleague is: Is that what he wants? Does he want to lose the 9-mile continuous zone that my predecessor, Senator BARTLETT, with the effort of our good colleague from Washington, Senator MAGNUSON, achieved almost 9 years ago? Shall we take a step backward?

Mr. GRIFFIN. Mr. President, the Senator from California controls the time?

Mr. CRANSTON. I am glad to yield time to the Senator if he wishes to respond to the Senator from Alaska.

Mr. GRIFFIN. I wish to comment to this extent: It is asserted that we would be taking a step backward with respect to 9 miles, if we adopted this provision, and I challenge that. I do not think that is a sustainable position.

It may be true that the State Department has modified its position since 3 years ago. It has modified its position to the extent that 3 years ago it said it had no plan at that time to implement article 7 of this convention.

Then to the extent that it now would be willing to implement it, it has changed its position, I suppose, but I do not think that is anything necessarily subject to criticism. One of the main differences is that 3 years ago Congress was not ready to pass this bill, which would be in violation of our international obligations, and, unfortunately, today I am afraid that Congress would pass it unless we can get this substitute adopted.

So it is a rather practical matter. I think that as between the two positions, there is no question that the State Department would rather take the route outlined by the Senator from California, the Senator from Michigan, and others.

I wish to read briefly from the 1974 decision of the International Court of Justice on the Icelandic case, in which 10 of the justices concurred:

> Two concepts have crystallized as customary law in recent years arising out of the general consensus revealed at that conference. The first is the concept of the fisheries zone, the area in which a State may claim exclusive fishery jurisdiction independently of its territorial sea.
>
> The extension of that fishery zone up to a 12-mile limit from the base lines appears now to be generally accepted.

That is the conclusion of the scholars of international law, that as a matter of general acceptance around the world each nation or State can now assert up to 12 miles with respect to fishery jurisdiction.

Although the Senator from Alaska is asserting it, I do not know what his justification is for stating flatly that we would be giving up 9 miles of jurisdiction if we were to pass this amendment.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. GRIFFIN. Yes, I yield to the Senator from Alaska.

Mr. STEVENS. I answer in one simple statement: Article 7 specifically states that any State may take this action in an area of the high seas adjacent to its territorial sea.

The amendment specifically speaks to the area adjacent to our territorial sea. Our territorial sea is set at 3 miles.

Mr. GRIFFIN. It is interesting how technical and precise the Senator from Alaska is in enforcing our international covenants when it comes to this particular provision, but he does not wish to abide by our international obligations insofar as they concern a 200-mile zone, which would be in violation of international law.

Mr. STEVENS. On the contrary——

Mr. GRIFFIN. Then, second, I do not think that these are inconsistent. I think they can be read together. The assumption that they would be in conflict is not necessarily so. The argument is there, but I think there is an equally valid argument that they can be read together and both be given effect.

Mr. STEVENS. The Senator is absolutely wrong. It is clear that under this 1958 treaty any action that a nation takes, if it is to be enforceable, must be nondiscriminatory. That has been testified to before our committee by the State Department people. That is the statement of the experts in the area. Also, I have an article in the Journal of Maritime Law and Commerce which the Senator might be interested in reading.

The problem is that it is a very specific thing. The territorial sea is 3 miles, and if you implement article 7, you have to say that from the edge of the territorial sea on out, on the seas adjacent to that nation—in this instance, our Nation—you are going to take unilateral action to establish conservation measures, but they must be nondiscriminatory in terms of access. The State Department said that access is one thing; conservation is another.

When it comes to access, the Senator would require that we permit Russian fishing vessels to come within 3 miles of the shore of Kodiak. Today, they must stay 12 miles offshore.

Mr. GRIFFIN. I do not accept the argument or premise of the Senator from Alaska. Our assertion of a 12-mile fishing jurisdiction does not depend on article VII. That is asserted independently of that, and they both can be read together.

Mr. STEVENS. I do not disagree with that. But if we implement article VII, it must commence at the edge of the territorial sea. That is what the treaty says. With respect to taking this action, the experts have testified that it cannot be done by executive action. It is not a simple implementing treaty. It must be done by legislation. So what the Senator is saying to the President, the Secretary of Commerce, and the Secretary of the Treasury is, "Go take action that we know is illegal. When you take it, start at 12 miles, not 3, notwithstanding the fact that the treaty says that no action that is taken must start adjacent to the territorial sea."

I do not see how anyone can assert this as anything but an attempt to kill this bill. That is all there is to it.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. MUSKIE. Mr. President, the Senator has accurately described the pending amendment as an instrument of those who oppose the bill to kill it by indirection because they know they do not have the votes to kill it directly. How else can anyone describe a complicated, cumbersome mechanism of this kind, which has been on the books since 1958, which never has been signed by the major fishing nations, which never has been utilized by any nation to trigger the protective devices that the treaty presumes to offer? How else could anyone describe this kind of amendment? If this amendment were adopted, it would be a fraud on the fishermen of our country.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. MUSKIE. I should like to finish my thought. I have listened to the Senator at some length, and I will be happy to yield as soon as I finish my thought.

This is my considered opinion on this amendment. It offers nothing. As I understand it—I ask the Senator if I am correct—nonsignatory nations of the 1958 treaty take nearly 100 percent of the fish within our shores. Am I correct?

Mr. STEVENS. The Senator is absolutely right. Thirty-five or thirty-seven of the nations—the Senator from Washington has the exact number—that participated in that Law of the Sea Conference have ratified this convention of 1958. None is a major distant water fishing nation. Specifically, Russia, Japan, and Poland—the ones giving us the major trouble—are not parties.

Mr. MUSKIE. Exactly. Russia, Japan, West Germany, Poland—all these countries that are fishing off the New England coast, that are decimating the fixed gear of our fishermen, all these countries that have not yet yielded up a single penny for the reimbursement of the damage caused. We are asked to go to a 1958 treaty, which never has protected anybody, as the source of relief to those people and their injured rights.

Mr. STEVENS. The Senator is absolutely correct.

Mr. MUSKIE. This is not a proven instrument. It has been lying around for 18 years, and it never occurred to anybody to use it as a means of protecting American fishing resources and American fishermen. Now, on the floor of the Senate, after 18 years of idleness, without ever having given protection to anybody, it is offered as the panacea and the answer to their problems.

Mr. STEVENS. Only last summer, in July of 1975, a gentleman who is in the legislative division of the Coast Guard wrote an article for the Journal of Maritime Law and Commerce. With regard to this convention, he said:

> The Convention on Fishing and Conservation of the Living Resources of the High Seas, while it has been in force for the United States since March 1966, is a dead letter due to the lack of participation by major fishing nations.

Then he went on to say:

> No enforcement machinery is established, however, to give the Convention teeth, a defect shared by the other 1958 Law of the Sea Conventions with the exception of hot pursuit in Article 23 of the Convention on the High Seas, a concept useful in other enforcement actions on the high seas.

The reason why it takes legislation to implement this is that there is no enforcement machinery in the 1958 convention. In this amendment, we are telling the President, the Secretary of Commerce, and the Secretary of State to take this action, but, "By the way, boys, when you fail, come back, because we have to pass this legislation before it can be effective."

Mr. MUSKIE. The interesting thing is that we have been urged to suspend action on this legislation because there is a Law of the Sea Conference that is going to enact an international agreement. We have been asked to rely upon that in all good faith and upon the assurance that it is going to produce a result. Apparently, those who have urged that point of view have so little faith in its prospects for success that they are asking us to accept the result of negotiations that concluded in 1958 and have never produced any relief.

I gather that no country injured by the kinds of actions we are seeking to deal with has ever sought protection under that treaty, because they know it would be fruitless. Now we are asked to substitute that as a source of relief and as a greater assurance of relief, apparently, than the Law of the Sea Conference. I gather that the supporters of this amendment have been so impressed by our reluctance to rely on the Law of the Sea Conference that they are offering this as a better source of relief than the Law of the Sea Conference. If it is not, then what can it be other than an attempt to delay, to postpone relief, to complicate the process of seeking relief, and to obfuscate the result of what we do in the Senate and in Congress with respect to this problem?

I can see that Members might be tempted to go this route of international negotiations. Senator MAGNUSON has been around with international negotiations in this field longer than the rest of us. I can recall when I first came to the Senate 18 years ago watching his activities, meeting in international meetings in Japan, in the Far East, in Europe, in this country, producing agreements, treaties. I suspect that he had some oversight of or at least watched the proceedings that led to the 1958 agreement. None of them has worked.

Why else do Senators think this measure is before the Senate today? Because nothing else ever has worked, including the 1958 agreement. The sponsors now seek to persuade the Senate that by putting that agreement, which never has worked, into the pending legislation, somehow we give it new life and effectiveness. If it did not work outside the confines of this legislation, it is not going to work within its confines. It is as simple as that. It is offered for only one reason: To kill the whole effort, to kill the bill, to stop us in our tracks, to force American fishermen to wait another unspecified number of years pursuant one diplomatic route after another. Those who sponsor this proposal—or some other gimmick that may be devised by them—want to rely upon international agreements which have not produced, in all the years this problem has been growing, an iota of relief for our fishermen.

Mr. STEVENS. Mr. President, I ask unanimous consent to have printed in the RECORD the 1958 treaties that were entered into and the nations that ratified them, together with the footnotes that indicate why some of the nations did not ratify them. This certainly backs up what the Senator from Maine has said. The 1958 conventions failed so miserably that we are back at the Law of the Sea Conference again.

After negotiating for such a long period of time, it is interesting to note that many of the parties that negotiated in 1958—incidentally, including our own Nation—refused to ratify the Protocol on Compulsory Dispute Settlements. It is not unknown for nations to be involved for years in negotiations and refuse to sign. Japan, for instance, negotiated and refused to sign the particular treaty that we are talking about right now.

I ask unanimous consent to have these printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHAPTER XXI. LAW OF THE SEA

1. Convention on the Territorial Sea and the Contiguous Zone—Done at Geneva on Apr. 29, 1958[1]

[Entry into force: Sept. 10, 1964, in accordance with article 29. Registration: Nov. 22, 1964, No. 7477. Text: United Nations, "Treaty Series," vol. 516, p. 205]

State	Signature	Ratification, accession (a), notification of succession (d)
Afghanistan	Oct. 30, 1958	
Argentina	Apr. 29, 1958	
Australia	Oct. 30, 1958	May 14, 1963.
Austria	Oct. 27, 1958	
Belgium		Jan. 6, 1972a.
Bolivia	Oct. 17, 1958	
Bulgaria	Oct. 31, 1958	Aug. 31, 1962.
Byelorussian S.S.R	Oct. 30, 1958	Feb. 27, 1961.
Canada	Apr. 29, 1958	
China[2]		
Colombia	Apr. 29, 1958	
Costa Rica	Apr. 29, 1958	
Cuba	Apr. 29, 1958	
Czechoslovakia	Oct. 30, 1958	Aug. 31, 1961.
Denmark	Apr. 29, 1958	Sept. 26, 1968.
Dominican Republic	Apr. 29, 1958	Aug. 11, 1964.
Fiji		Mar. 25, 1971d.
Finland	Oct. 27, 1958	Feb. 16, 1965
German Democratic Republic.		Dec. 27, 1973a.
Ghana	Apr. 29, 1958	
Guatemala	Apr. 29, 1958	
Haiti	Apr. 29, 1958	Mar. 29, 1960.
Holy See	Apr. 30, 1958	
Hungary	Oct. 31, 1958	Dec. 6, 1961.
Iceland	Apr. 29, 1958	
Iran	May 28, 1958	
Ireland	Oct. 2, 1958	
Israel	Apr. 29, 1958	Sept. 6, 1961.
Italy		Dec. 17, 1964a.
Jamaica		Oct. 8, 1965d.
Japan		June 10, 1968a.
Kenya		June 20, 1969a.
Kilmer Republic		Mar. 18, 1960a.
Lesotho		Oct. 23, 1973d.
Liberia	May 27, 1958	
Madagascar		July 31, 1962a.
Malawi		Nov. 3, 1965a.
Malaysia		Dec. 21, 1960a.
Malta		May 19, 1966d.
Mauritius		Oct. 5, 1970d.
Mexico		Aug. 2, 1966a.
Nepal	Apr. 29, 1958	
Netherlands	Oct. 31, 1958	Feb. 18, 1966.
New Zealand	Oct. 29, 1958	
Nigeria		June 26, 1961d.
Pakistan	Oct. 31, 1958	
Panama	May 2, 1958	
Portugal	Oct. 28, 1958	Jan. 8, 1963.
Romania	Oct. 31, 1958	Dec. 12, 1961.
Senegal[3]		Apr. 25, 1961a.
Sierra Leone		Mar. 13, 1962d.
South Africa		Apr. 9, 1963a.
Spain		Feb. 25, 1971a.
Sri Lanka	Oct. 30, 1958	
Swaziland		Oct. 16, 1970a.
Switzerland	Oct. 22, 1958	May 18, 1966.
Thailand	Apr. 29, 1958	July 2, 1968.
Tonga		June 29, 1971d.
Trinidad and Tobago		Apr. 11, 1966d.
Tunisia	Oct. 30, 1958	
Uganda		Sept. 14, 1964a.
Ukranian S.S.R	Oct. 30, 1958	Jan. 12, 1961.
U.S.S.R	Oct. 30, 1958	Nov. 22, 1960.
United Kingdom	Sept. 9. 1958	Mar. 14, 1960.
United States of America	Sept. 15, 1958	Apr. 12, 1961.
Uruguay	Apr. 29, 1958	
Venezuela	Oct. 30, 1958	Aug. 15, 1961.
Yugoslavia	Apr. 29, 1958	Jan. 28, 1966.

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[1] The four Conventions and the Optional Protocol of Signature listed in this Chapter were prepared and opened for signature by the United Nations Conference on the Law of the Sea. The Conference was convened pursuant to resolution 1105 (XI), adopted by the General Assembly of the United Nations on Feb. 21, 1957, and met at the European Office of the United Nations at Geneva from Feb. 24, to Apr. 27, 1958. For the text of the said resolution, see "Official Records of the General Assembly, Eleventh Session, Supplement No. 17" (A/3572), p. 54. The Conference also adopted the Final Act and nine resolutions for the text of which, see United Nations, "Treaty Series," vol. 450, p. 11. For the preparatory documents and the proceeding of the Conference, see "Official Records of the United Nations Conference on the Law of the Sea," vols. I to VII, United Nations publication, Sales No.: 58.V.4, vols. I to VII.

[2] Signed on behalf of the Republic of China on Apr. 29, 1958. See Note concerning signatures, ratifications, accessions, etc. on behalf of China, Preface, p. iii.

[3] The Secretary-General received on June 9, 1971 a communication from the Government of Senegal denouncing this Convention as well as the Convention on the Living Resources of the High Seas, and specifying that the denunciation would take effect on the thirtieth day from its receipt. The said communication, as well as the related exchange of correspondence between the Secretariat and the Government of Senegal, was circulated by the Secretary-General to all States entitled to become parties to the Conventions concerned under their respective clauses.

The notification of denunciation was registered by the Government of Senegal as at June 9, 1971, under Nos. 7477 and 8164 (See United Nations, Treaty Series, vol. 781).

In this connexion, a communication from the Government of the United Kingdom was received by the Secretary-General on Jan. 2, 1973, stating inter alia:

". . . As regards the notification by the Government of Senegal purporting to denounce the two Conventions of 1958, the Government of the United Kingdom wish to place on record that in their view those Conventions are not susceptible to unilateral denunciation by a State which is a party to them and they therefore cannot accept the validity or effectiveness of the purported denunciation by the Government of Senegal. Accordingly, the Government of the United Kingdom regard the Government of Senegal as still bound by the obligations which they assumed when they became a party to those Conventions and the Government of the United Kindgom fully reserve all their rights under them as well as their rights and the rights of their nationals in respect of any action which the Government of Senegal have taken or may take as a consequence of the said purported denunciation. . . .

2. Convention on the High Seas—Done at Geneva on Apr. 29, 1958[1]

[Entry into force: Sept. 30, 1962, in accordance with article 34. Registration: Jan. 3, 1963, No. 6465. Text: United Nations, "Treaty Series," vol. 450, p. 11.]

State	Signature	Ratification, accession (a), notification of succession (d)
Afghanistan	Oct. 30, 1958	Apr. 28, 1959.
Albania		Dec. 7, 1964a.
Argentina	Apr. 29, 1958	
Australia	Oct. 30, 1958	May 14, 1963.
Austria	Oct. 27, 1958	Jan. 10, 1974.
Belgium		Jan. 6, 1972a.
Bolivia	Oct. 17, 1958	
Bulgaria	Oct. 31, 1958	Aug. 31, 1962.
Byelorussian S.S.R	Oct. 30, 1958	Feb. 27, 1961.
Canada	Apr. 29, 1958	
Central African Republic		Oct. 15, 1962a.
China[2]		
Colombia	Apr. 29, 1958	
Costa Rica	Apr. 29, 1958	Feb. 16, 1972.
Cuba	Apr. 29, 1958	
Czechoslovakia	Oct. 30, 1958	Aug. 31, 1961.
Denmark	Apr. 29, 1958	Sept. 26, 1968.
Dominican Republic	Apr. 29, 1958	Aug. 11, 1964.
Fiji		Mar. 25, 1971d.
Finland	Oct. 27, 1958	Feb. 16, 1965.
France	Oct. 30, 1958	
German Democratic Republic.		Dec. 27, 1973a.
Germany, Federal Republic of.[2a]	Oct. 30, 1958	July 26, 1973.
Ghana	Apr. 29, 1958	
Guatemala	Apr. 29, 1958	Nov. 27, 1961.
Haiti	Apr. 29, 1958	Mar. 29, 1960.
Holy See	Apr. 30, 1958	
Hungary	Oct. 31, 1958	Dec. 6, 1961.
Iceland	Apr. 29, 1958	
Indonesia	May 8, 1958	Aug. 10, 1961.
Iran	May 28, 1958	
Ireland	Oct. 2, 1958	
Israel	Apr. 29, 1958	Sept. 6, 1961.
Italy		Dec. 17, 1964a.
Jamaica		Oct. 8, 1965d.
Japan		June 10, 1968a.
Kenya		June 20, 1969a.
Khmer Republic		Mar. 18, 1960a.
Lebanon	May 29, 1958	
Lesotho		Oct. 23, 1973d.
Liberia	May 27, 1958	
Madagascar		July 31, 1962a.
Malawi		Nov. 3, 1965a.
Malaysia		Dec. 21, 1960a.
Mauritius		Oct. 5, 1970d.
Mexico		Aug. 2, 1966a.
Nepal	Apr. 29, 1958	Dec. 28, 1962.
Netherlands	Oct. 31, 1958	Feb. 18, 1966.
New Zealand	Oct. 29, 1958	
Nigeria		June 26, 1961d.
Pakistan	Oct. 31, 1958	
Panama	May 2, 1958	
Poland	Oct. 31, 1958	June 29, 1962.
Portugal	Oct. 28, 1958	Jan. 8, 1963.
Romania	Oct. 31, 1958	Dec. 12, 1961.
Senegal		Apr. 25, 1961a.
Sierra Leone		Mar. 13, 1962d.
South Africa		Apr. 9, 1963a.
Spain		Feb. 25, 1971a.
Sri Lanka	Oct. 30, 1958	
Swaziland		Oct. 16, 1970a.
Switzerland	May 24, 1958	May 18, 1966.
Thailand	Apr. 29, 1958	July 2, 1968a.
Tonga		June 29, 1971d.
Trinidad and Tobago		Apr. 11, 1966d.
Tunisia	Oct. 30, 1958	
Uganda		Sept. 14, 1964a.
Ukrainian S.S.R	Oct. 30, 1958	Jan. 12, 1961.
U.S.S.R	Oct. 30, 1958	Nov. 22, 1960.
United Kingdom	Sept. 9, 1958	Mar. 14, 1960.
United States of America	Sept. 15, 1958	Apr. 12, 1961.
Upper Volta		Oct. 4, 1965a.
Uruguay	Apr. 29, 1958	
Venezuela	Oct. 30, 1958	Aug. 15, 1961.
Yugoslavia	Apr. 29, 1958	Jan. 28, 1966.

[1] See footnote 1, p. 435.

[2] Signed on behalf of the Republic of China on Apr. 29, 1958. See Note concerning signatures, ratifications, accessions, etc. on behalf of China, Preface, p. iii.

[2a] With the following statement:

> ". . . The said Convention . . . shall also apply to Berlin (West) with effect from the date on which it enters into force for the Federal Rebpulic of Germany."

In this connexion, the Secretary-General received on Nov. 5, 1973, the following communication from the Government of the Union of Soviet Socialist Republics:

The Soviet Union can take note of the declaration by the Federal Republic of Germany concerning application to Berlin (West) of the Convention on the High Seas . . . only on the understanding that such application conforms to the Quadripartite Agreement of Sept. 3, 1971, and is subject to observance of the established procedures.

Communications identical in essence, mutatis mutandis, were received from the Government of Czechoslovakia (on Dec. 6, 1973) and from the Government of the Byelorussian S.S.R. (on Feb. 13, 1974). Furthermore, on Dec. 27, 1973, the following communication was received on the same subject from the Government of the German Democratic Republic:

In respect of the application of the Convention on the High Seas to Berlin (West), the German Democratic Republic takes note of the Declaration on this matter made by the Federal Republic of Germany, with the reservation that the provisions of this Convention are to be applied to Berlin (West) in accordance with the Quadripartite Agreement of Sept. 3, 1971, between the Governments of the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the French Republic according to which Berlin (West) is not a part of the Federal Republic of Germany and may not be governed by it.

3. Convention on Fishing and Conservation of the Living Resources of the High Seas—Done at Geneva on Aprl 29, 1958[1]

[Entry into force: Mar. 20, 1966, in accordance with article 18. Registration: Mar. 20, 1966, No. 8164. Text: United Nations, "Treaty Series," vol. 559, p. 285]

State	Signature	Ratification, accession (a), notification of succession (d)
Afghanistan	Oct. 30, 1958	
Argentina	Apr. 29, 1958	
Australia	Oct. 30, 1958	May 14, 1963.
Belgium		Jan. 6, 1972a.
Bolivia	Oct. 17, 1958	
Canada	Apr. 29, 1958	
China [2]		
Colombia	Apr. 29, 1958	Jan. 3, 1963.
Costa Rica	Apr. 29, 1958	
Cuba	Apr. 29, 1958	
Denmark	Apr. 29, 1958	Sept. 26, 1968.
Dominican Republic	Apr. 29, 1958	Aug. 11, 1964.
Fiji		Mar 25, 1971d.
Finland	Oct. 27, 1958	Feb. 16, 1965.
France	Oct. 30, 1958	Sept. 18, 1970.
Ghana	Apr. 29, 1958	
Haiti	Apr. 29, 1958	Mar. 29, 1960.
Iceland	Apr. 29, 1958	
Indonesia	May 8, 1958	
Iran	May 28, 1958	
Ireland	Oct. 2, 1958	
Israel	Apr. 29, 1958	
Jamaica		Apr. 16, 1964d.
Kenya		June 20, 1969a.
Khmer Republic		Mar. 18, 1960a.
Lebanon	May 29, 1958	
Lesotho		Oct. 23, 1973d.
Liberia	May 27, 1958	
Madagascar		July 31, 1962a.
Malawi		Nov. 3, 1965a.
Malaysia		Dec. 21, 1960a.
Mauritius		Oct. 5, 1970d.
Mexico		Aug. 2, 1966a.
Nepal	Apr. 29, 1958	
Netherlands	Oct. 31, 1958	Feb. 18, 1966.
New Zealand	Oct. 29, 1958	
Nigeria		June 26, 1961d.
Pakistan	Oct. 31, 1958	
Panama	May 2, 1958	
Portugal	Oct. 28, 1958	Jan. 8, 1963.
Senegal [3]		Apr. 25, 1961a.
Sierra Leone		Mar. 13, 1962d.
South Africa		Apr. 9, 1963a.
Spain		Feb. 25, 1971a.
Sri Lanka	Oct. 30, 1958	
Switzerland	Oct. 22, 1958	May 18, 1966.
Thailand	Apr. 29, 1958	July 2, 1968l
Tonga		June 29, 1971d.
Trinidad and Tobago		Apr. 11, 1966d.
Tunisia	Oct. 30, 1958	Sept. 14, 1964a.
Uganda		
United Kingdom	Sept. 9, 1958	Mar. 14, 1960.
United States of America	Sept. 15, 1958	Apr. 12, 1961.
Upper Volta		Oct. 4, 1965a.
Uruguay	Apr. 29, 1958	
Venezuela	Oct. 30, 1958	July 10, 1963.
Yugoslavia	Apr. 29, 1958	Jan. 28, 1966.

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[1] See footnote 1, p. 435.

[2] Signed on behalf of the Republic of China on Apr. 29, 1958. See Note concerning signatures, ratifications, accessions, etc. on befalf of China, Preface, p. iii.

[3] See footnote 3, p. 436.

4. Convention on the Continental Shelf—Done at Geneva on Apr. 29, 1958[1]

[Entry into force: June 10, 1964, in accordance with art. 11. Registration: June 10, 1964, No. 7302. Text: United Nations, "Treaty Series," vol. 499, p. 311]

State	Signature	Ratification accession (a), notification of succession (d)
Afghanistan	Oct. 30, 1958	
Albania		Dec. 7, 1964a.
Argentina	Apr. 29, 1958	
Australia	Oct. 30, 1958	May 14, 1963.
Bolivia	Oct. 17, 1958	
Bulgaria		Aug. 31, 1962a.
Byelorussian S.S.R	Oct. 31, 1958	Feb. 27, 1961.
Canada	Apr. 29, 1958	Feb. 6, 1970.
Chile	Oct. 31, 1958	
China [2]		
Colombia	Apr. 29, 1958	Jan. 8, 1962.
Costa Rica	Apr. 29, 1958	Feb. 16, 1972.
Cuba	Apr. 29, 1958	
Cyprus		Apr. 11, 1974a.
Czechoslovakia	Oct. 31, 1958	Aug. 31, 1961.
Denmark	Apr. 29, 1958	June 12, 1963.
Dominican Republic	Apr. 29, 1958	Aug. 11, 1964.
Ecuador	Oct. 31, 1958	
Fiji		Mar. 25, 1971d.
Finland	Oct. 27, 1958	Feb. 16, 1965.
France		June 14, 1965a.
German Democratic Republic		Dec. 27, 1973a.
Germany, Federal Republic of	Oct. 30, 1958	
Ghana	Apr. 29, 1958	
Greece		Nov. 6, 1972a.
Guatemala	Apr. 29, 1958	Nov. 27, 1961.
Haiti	Apr. 29, 1958	Mar. 29, 1960.
Iceland	Apr. 29, 1958	
Indonesia	May 8, 1958	
Iran	May 28, 1958	
Ireland	Oct. 2, 1958	
Israel	Apr. 29, 1958	Sept. 6, 1961.
Jamaica		Oct. 8, 1965a.
Kenya		June 20, 1969a.
Khmer Republic		Mar. 18, 1960a.
Lebanon	May 29, 1958	
Lesotho		Oct. 23, 1973d.
Liberia	May 27, 1958	
Madagascar		July 31, 1962a.
Malawi		Nov. 3, 1965a.
Malaysia		Dec. 21, 1960a.
Malta		May 19, 1966d.
Mauritius		Oct. 5 ,1970d.
Mexico		Aug. 2, 1966a.
Nepal	Apr. 29, 1958	
Netherlands	Oct. 31, 1958	Feb. 18, 1966.
New Zealand	Oct. 29, 1958	Jan. 18, 1965.
Nigeria		Apr. 28, 1971a.
Norway		Sept. 9, 1971a.
Pakistan	Oct. 31, 1958	
Panama	May 2, 1958	
Peru	Oct. 31, 1958	
Poland	Oct. 31, 1958	June 29, 1962.
Portugal	Oct. 28, 1958	Jan. 8, 1963.
Romania		Dec. 12, 1961a.
Senegal		Apr. 25, 1961a.
Sierra Leone		Nov. 25, 1966a.
South Africa		Apr. 9, 1963a.
Spain		Feb. 25, 1971a.
Sri Lanka	Oct. 30, 1958	
Swaziland		Oct. 16, 1970a.
Sweden		June 1, 1966a.
Switzerland	Oct. 22, 1958	May 18, 1966.
Thailand	Apr. 29, 1958	July 2, 1968.
Tonga		June 29, 1971d.
Trinidad and Tobago		July 11, 1968a.
Tunisia	Oct. 30, 1958	
Uganda		Sept. 14, 1964a.
Ukrainian S.S.R	Oct. 31, 1958	Jan. 12 ,1961.
U.S.S.R	Oct. 31, 1958	Nov. 22, 1960.
United Kingdom	Sept. 9, 1958	May 11, 1964.
United States of America	Sept. 15, 1958	Apr. 12, 1961.
Uruguay	Apr. 29, 1958	
Venezuela	Oct. 30, 1958	Aug. 15, 1961.
Yugoslavia	Apr. 29, 1958	Jan. 28, 1966.

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[1] See footnote 1, p. 435.

[2] Si ned and ratified on behalf of the Republic of China on Apr. 29, 1958, and Oct. 12, 1970, respectively. See Note concerning signatures, ratifications, accessions, etc. on behalf of China, Preface, p. iii.

In communications addressed to the Secretary-General with reference to the above-mentioned ratification, the Permanent Missions to the United Nations of Bulgaria, Poland, Romania, the Ukrainian S.S.R. and the Union of Soviet Socialist Republics stated that the said ratification was illegal since the so-called "Government of China" represented no one and did not have the right to speak on behalf of China, there being only one Chinese State in the world, the People's Republic of China, and one Government entitled to represent it, the Government of the People's Republic of China.

In letters addressed to the Secretary-General concerning the above-mentioned communications, the Permanent Representative of China to the United Nations stated the following:

> "The Republic of China, a sovereign state and member of the United Nations, attended the first United Nations Conference on the Law of the Sea in 1958, contributed to the formulation of the Convention on the Continental Shelf signed the said Convention on Apr. 29, 1958, and duly deposited its instrument of ratification with the Secretary-General of the United Nations on Oct. 12, 1970. Any statement relating to the said Convention that is incompatible with or derogatory to the legitimate position of the Government of the Republic of China shall in no way affect the rights and obligations of the Republic of China under the said Convention."

5. Optional Protocol of Signature Concerning the Compulsory Settlement of Disputes—Done at Geneva on Apr. 29, 1958[1]

[Entry into force: Sept. 30, 1962. Registration: Jan. 3, 1963, No 6466. Text: United Nations, "Treaty Series," vol. 450, p. 169]

State	Signatures affixed with reservation as to ratification[2]	Signature affixed without reservation as to ratification(s), ratification, notification of succession (d)
Australia		May 14, 1963s*.
Austria	Oct. 27, 1958	
Belgium		Jan. 6, 1972s*.
Bolivia		Oct. 17, 1958s.
Canada	Apr. 29, 1958	
China [2a]		
Colombia [3]		Apr. 29, 1958s*.
Costa Rica		Apr. 29, 1958s.
Cuba		Apr. 29, 1958s.
Denmark	Apr. 29, 1958	Sept. 26, 1968*.
Dominican Republic		Apr. 29, 1958s*.
Finland		Oct. 27, 1958s. Feb. 16, 1965*.
France		Oct. 30, 1958s*.
Germany, Federal Republic of [3a]		Oct. 30, 1958s. July 26, 1973*.
Ghana		Apr. 29, 1958s.
Haiti		Apr. 29, 1958s. Mar. 29, 1960*.
Holy See		Apr. 30, 1958s.
Indonesia	May 8, 1958 [4]	
Israel	Apr. 29, 1958	
Khmer Republic	Jan. 22, 1970	
Liberia		May 27, 1958s.
Madagascar		Aug. 10, 1962s*.
Malawi		Dec. 17, 1965s*.
Malaysia		May 1, 1961s*.
Malta		May 19, 1966d*.
Mauritius		Oct. 5, 1970d*.
Nepal		Apr. 29, 1958s*.
Netherlands	Oct. 31, 1958	Feb. 18, 1966*.
New Zealand		Oct. 29, 1958s*.
Pakistan		Nov. 6, 1958s.
Panama		May 2, 1958s.
Portugal	Oct. 28, 1958	Jan. 8, 1963*.
Sierra Leone		Feb. 14, 1963s*.
Sri Lanka		Oct. 30, 1958s.
Sweden	June 1, 1966	June 28, 1966*.
Switzerland	May 24, 1958	May 18, 1966*
Uganda		Sept. 15, 1964s.*
United Kingdom		Sept. 9, 1958s*.
United States of America [5]	Sept. 15, 1958	
Uruguay		Apr. 29, 1958s.
Yugoslavia	Apr. 29, 1958	Jan. 28, 1966*.

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[1] See footnote 1, p. 435.

[2] Article V of the Protocol provides that the latter "shall remain open for signature by all States who become Parties to any Convention on the Law of the Sea and is subject to ratification, where necessary, according to the constitutional requirements of the signatory States". Consequently, the signatures listed above appear in the second or the third column according to whether they have been affixed or not with an indication that they were subject to ratification. It will be noted, however, that certain signatures, although they were affixed without reservation as to ratification, were followed by the deposit of an instrument of ratification; in such cases, the two corresponding dates will be found in the third column.

Signatures affixed without reservation as to ratification, or ratifications, etc. by States which—being already, or having subsequently become, parties to one or more Conventions on the Law of the Sea—should be considered as parties to the Protocol, have been identified by an asterisk.

[2a] Signature affixed without reservation as to ratification on behalf of the Republic of China on Apr. 29, 1958. See Note concerning signatures, ratifications, accessions, etc. on behalf of China, Preface, p. iii.

[3] In signing the Optional Protocol, the delegation of Colombia reserves the obligations of Colombia arising out of conventions concerning the peaceful settlement of disputes which Colombia has ratified and out of any previous conventions concerning the same subject which Colombia may ratify.

[3a] With the following declaration:

> ". . . The . . . Optional Protocol shall also apply to Berlin (West) with effect from the date on which it enters into force for the Federal Republic of Germany."

In this connexion, the Secretary-General received on Nov. 5, 1973 the following communication from the Government of the Union of Soviet Socialist Republics:

The Soviet Union can take note of the declaration by the Federal Republic of Germany concerning application to Berlin

Footnotes continued on following page.

West) of . . . the Optional Protocol of signature concerning the Compulsory Settlement of Disputes only on the understanding that such application conforms to the Quadripartite Agreement of Sept. 3, 1971 and is subject to observance of the established procedures.

Communications identical in essence were received from the Governments of Czechoslovakia (on Dec. 6, 1973) and the Byelorussian SSR (on Feb. 13, 1974).

[4] In a communication received on Dec. 24, 1958, the Government of Indonesia informed the Secretary-General that according to the constitutional requirements of Indonesia, the signature affixed on its behalf to this Protocol is subject to ratification.

[5] In a communication received on June 10, 1963, the Government of the United States of America informed the Secretary-General that the Protocol "will not enter into force with respect to the United States until the Protocol has been ratified on the part of the United States and instrument of ratification has been deposited".

Mr. STEVENS. I thank the Senator from Maine for his cooperation. This appears to me to be, again—and I hope everybody will keep it in mind—a last-ditch effort to give some people who are on the fence a sort of safe vote to put this thing on ice. It will put it on ice for many years, because it is a procedure which is predestined to failure.

It does not even comply with the treaty itself. Were the President to carry out the authority of this amendment, we would be thrown out of the international court the minute we walked in, because it does not even comply with the procedures set forth in article VII itself.

Mr. CRANSTON. Mr. President, it is not my desire to scuttle the intent of the supporters of this bill. I share their intent. I desire to protect the resources, fish and otherwise, off the coast of our country. There is a convention on the Continental Shelf in regard to crab fishing that has been used. It has worked effectively. That sets a precedent for the use of the Geneva Treaty that we now would like to rely upon.

The Senator from Maine said that that has never worked. Unfortunately, this Nation has never tried to make it work. We have never had effective international law because nations have not paid enough attention to international law. We now propose to use a mechanism created for that purpose, to start us moving in the direction of effective law in the world.

I now yield to the Senator from Alaska, who has played such a courageous and effective part in this whole struggle on this measure.

Mr. GRAVEL. I thank my colleague from California.

Mr. MAGNUSON. Will the Senator yield to me for 30 seconds on my own time?

Mr. GRAVEL. I am happy to yield.

Mr. MAGNUSON. Things have been said here today about who supports the Senate bill and who does not support it. It was my understanding that the executive, the President himself, supported the 200-mile limit. He said so in Maine, he said so in Seattle, he said so in New Jersey. But he said, "But, I would like a little more time for the Law of the Sea Conference to do something."

In the bill, we have provided a year. I must assume—I have not talked to him lately about it—that that would suffice for him to sign the bill. He has never talked about this particular amendment. I do not know that they would understand it if they looked at it, it is so complicated.

There is just one thing I want to say: In the 1958 agreement, no matter what kind of agreement we might come to, if we can revive a dead horse after 18 years, it can only be enforced by the parties to the agreement. None of the people we are talking about that violate our shores are parties to this agreement, and they are not going to be parties to it. Japan is not going to sign this. Russia is not going to sign this, if we revive this whole dead horse. But the President of the United States has said emphatically, on three occasions that I know of, that he is for a 200-mile limit, but we ought to give the Law of the Sea more time to see if they can reach an agreement. I thought that is what this is all about—not a 1958 treaty.

The 1958 convention, of course, is only binding on ratifying nations, none of whom fish off our shores. Most of them do not even have a seacoast, or a lot of them.

I think we ought to get this clear: All the talk between the administration and even the State Department and some of the agencies of the State Department, who apparently speak for him around here, have directed their talk about, yes, the 200-mile limit is good, yes, we ought to protect our fisheries on our shores, but maybe we ought to have a little more time to see if we can reach an agreement, starting in New York on March 29.

This has been going on, as the Senator from California knows, a long time, has it not?

Mr. CRANSTON. Yes.

Mr. MAGNUSON. Eight different conferences now that I know of. The first one I attended—it was 11 years ago—the same people were down there arguing against the 12-mile limit, and that if we gave sufficient time, gave them one more chance—that is what the Senator from Alaska has talked with me about, privately: Let us have one more chance. He is convinced that maybe they might do something. So we said fine.

Now they are bringing in this old dead horse, the 1958 agreement, which no country will—I bet it will take 10 years before we get the right people to sign this, if we could revive it. I make that wager.

I have gone through it. I thought all we had to do here is, all of us, take our objective to see if we can protect our fishing and give the Law of the Sea Conference a chance, which everybody swears is the place it should be done. That is not what the people on that side have said, that it should be done in the Law of the Sea Conference.

Now they are gutting the Law of the Sea. What is the use of having the conference in March, if we are going to try to revive this?

Mr. STEVENS. Will the Senator yield to me?

Mr. GRAVEL. Will the Senator yield back the floor? I yielded originally on 30 seconds.

Mr. MAGNUSON. It is on my own time.

Mr. GRAVEL. I realize that, but I want to rebut the statements.

Mr. MAGNUSON. I am happy to yield on my time.

Mr. STEVENS. I want to be sure we know what we are talking about, so I just called the White House and again checked. The matter again went to the White House this morning, and the White House says the administration is not in favor of this position. I did not talk with the President, but with his assistant. This does not have the administration's support. The President still maintains his request for time, which would amount to a year after the bill becomes effective. That is still a matter we have to discuss with the Senator from Washington. But the problem of time is another matter.

This article 7 approach does not have the support of the administration, and anybody who so represents, I should like to have him answer to the fellow who occupies the Oval Office. We are trying to work out this other agreement to meet his approval.

Mr. GRAVEL. I yield to the Senator from California.

Mr. CRANSTON. It may be time to have another Saturday afternoon massacre, because there are two Cabinet members whose people are in support of this amendment. If this administration is, once again, in disarray, that is a problem more for the people on the other side of the aisle than for the people on this side of the aisle.

I ask unanimous consent, without taking more time from the Senator from Alaska, to have printed in the Record at this point a brief extract from the report of the Committee on Foreign Relations which indicates the following:

> The executive branch strongly opposes any unilateral extension of United States jurisdiction over fisheries on a interim or any other basis.

Then it goes on to quote the Secretary of State, Mr. Kissinger, in words that plainly indicate opposition to anything like the bill in its present form and seem to me to plainly indicate support for an approach like that in the amendment we have offered.

There being no objection, the extract was ordered to be printed in the Record, as follows:

Executive Branch Views

The executive branch strongly opposes any unilateral extension of U.S. jurisdiction over fisheries on an interim or any other basis. The Administration's basic position was set forth by Secretary Kissinger in a speech concerning the problems facing the United Nations Third Conference on the Law of the Sea, delivered to the American Bar Association's Annual Convention in Montreal on August 11, 1975:

The urgency of the problem is illustrated by disturbing developments which continue to crowd upon us. Most prominent is the problem of fisheries.

The United States cannot indefinitely accept unregulated and indiscriminate foreign fishing off its coasts. Many fish stocks have been brought close to extinction by foreign overfishing. We have recently concluded agreements with the Soviet Union, Japan, and Poland which will limit their catch and we have a long and successful history of conservation agreements with Canada. But much more needs to be done.

Many within Congress are urging us to solve this problem unilaterally. A bill to establish a 200-mile fishing zone passed the Senate last year; a new one is currently before the House.

The Administration shares the concern which has led to such proposals. But unilateral action is both extremely dangerous and incompatible with the thrust of the negotiations described here. The United States has consistently resisted the unilateral claims of other nations, and others will almost certainly resist ours. Unilateral legislation on our part would almost surely prompt others to assert extreme claims of their own. Our ability to negotiate an acceptable international consensus on the economic zone will be jeopardized. If every state proclaims its own rules of law and seeks to impose them on others, the very basis of international law will be shaken, ultimately to our own detriment.

Mr. MAGNUSON. It seems inconsistent with what I understand.

Mr. GRAVEL. If I may have the floor at this time, to give some kind of rebuttal to these claims. Let me state that there is no effort to gut the bill. All along, the proponents of the bill have said that this is a conservation measure. If it is a conservation measure, the Cranston-Griffin amendment makes it just that. It limits it to conservation. Therefore, it should not upset the proponents of the bill if that is what happens.

I do not understand the degree of concern that they have. They start with the rhetoric that this is not legal, is not going to work; it is a dead letter; it has never been used.

They have for weeks and months been saying that a unilateral taking by this country, by force, of 200 miles out to sea is legal. Now they say this action, which rests on a treaty signed by 34 nations, which applies equally to foreigners and domestic people alike, and only deals with conservation, is illegal.

Well, you cannot have it both ways. If this is illegal, yours is illegal because yours is more extreme, and yours does not have a treaty to back it up.

The question now revolves around whether or not you can enforce it on people who are not signatories to this Convention. And the answer to that is really very, very simple. If they do not want to abide by it, and they have not signed the Convention, you have got no choice but to enforce it exactly the way you enforce the 200 miles—with gunboats. That is all that is left to you.

But when you have a sanction of international law—and many feel if this case went to the International Court, their decision would be favorable. But we lose sight of one thing. They say this is going to be drawn out and it has no immediate impact. Under the treaty you place into motion immediately your conservation practices, and then you litigate; in other words, you have the immediate bentfit of conserving your fish stocks now, and then you go litigate. And if it takes 3 years in the International Court, if it takes 5 years in negotiation, it means you have laid down conservation rules, and the rest of the world has to abide by them until they seek succor in the courts. If they win in the courts, then we would obviously have to back away.

But the treaty is very specific. It says if you get the scientific proof to back up your cause, your cause is just. So if we are so secure in our view that these fish are being depleted, and we want to save them, all we have to do is lay out a plan and go do it, just plain go do it, and if Japan does not like it or the Soviet Union does not like it, they can take you to court. If they do not like that process then they will have to do exactly to you what you are doing to them under the 200-mile limit—they will have to look at you or invade with men-of-war. It is just that simple.

Mr. MAGNUSON. Mr. President, will the Senator yield half a minute on my time?

Mr. GRAVEL. The last half minute went into 5 minutes.

Mr. MAGNUSON. I just want to rebut.

Mr. GRAVEL. I will be happy to yield.

Mr. MAGNUSON. If the Senator from Alaska thinks they are going to take us to court because they cannot fish off our shores——

Mr. GRAVEL. Why not?

Mr. MAGNUSON. That is Alice-in-Wonderland.

Mr. GRAVEL. Is there something unusual about the Soviet Union wanting to go to the International Court?

Mr. MAGNUSON. There is a lot unusual about them. They would not take us to court about that.

Mr. GRAVEL. Why not? The Senator has made a statement. Why would not the Soviet Union go to the International Court?

Mr. MAGNUSON. Because they have not signed the treaty. They have no standing.

Mr. GRAVEL. Wait a minute, they do have standing. If you read this treaty very closely, you will see you do not have to be a party to the treaty to take the issue to court. I would beg my colleagues to reread the treaty very closely. If they cannot do that I will underline the section for them.

But, going back to the point I made, if anybody disagrees with what we lay down—understand this treaty is a vehicle under law for initiating a unilateral act. The unilateral act deals with conservation. What my colleagues are trying to do is to initiate by this country a unilateral act which most experts tell us is not legal.

When my colleagues tell us about the treaty, and we have very strong views—I would be happy to yield to my colleague.

SENATE RESOLUTION 356—ORIGINAL RESOLUTION REPORTED RELATING TO THE OKLAHOMA SENATORIAL CONTESTED ELECTION

Mr. CANNON, from the Committee on Rules and Administration, reported the following original resolution:

S. Res. 356

Whereas the Committee on Rules and Administration of the Senate of the United States hereby finds and declares—

(1) that article I, section 5, of the Constitution of the United States establishes the Senate of the United States as the Judge of Elections of its own Members;

(2) that the Committee on Rules and Administration, in the exercise of such constitutional responsibility, and pursuant to direction of the Senate of the United States, has reviewed the contested election of November 5, 1974, for the office of United States Senator from the State of Oklahoma, has received and reviewed results of an investigation by its staff, and has held hearings at which all interested parties were provided an opportunity to be heard;

(3) that the evidence before the Committee conclusively demonstrates that at the said election of November 5, 1974, the election machines of Tulsa County, Oklahoma, were not in conformance with the laws of the State of Oklahoma, in that the candidates for United States Senator were listed after the candidates for State office in violation of 26 O.S. section 277(c), the machines did not provide straightparty voting devices in violation of 26 O.S. section 274, and 545 of 640 machines had affixed prominent instructions as to use of straight-party voting devices, which devices were not available for use by the voters;

(4) that experts and other witnesses who appeared before the Committee offered testimony as to the effects of these violations of the laws of the State of Oklahoma upon the results of the election for United States Senator, and further data regarding such effects were received by the staff during its investigation and hearings;

(5) that the evidence offered on behalf of petitioner, Ed Edmondson, is that the results of the election were in fact affected by the violations of the laws of the State of Oklahoma, and that were it not for the violations of law, there is a high probability that Ed Edmondson would have received sufficient votes in Tulsa County to win in the statewide election; and

(6) that the testimony offered on behalf of Senator Henry Bellmon disputes the witnesses for Ed Edmondson as to the methodology and conclusions; and

Whereas in view of the foregoing findings and declarations, the Committee on Rules and Administration reports to the Senate of the United States its inability to determine the outcome of the contested November 5, 1974, election for the office of United States Senator from the State of Oklahoma: Now, therefore, be it

Resolved, That the Senate of the United States exercise its constitutional responsibility under article I, section 5, of the Constitution as the Judge of Elections of its own Members, to determine the outcome of the contested November 5, 1974, election for the office of United States Senator from the State of Oklahoma and, if unable to so determine, declare a vacancy exists in such office in order to enable a special election to be held in accordance with the laws of the State of Oklahoma governing special elections.

Mr. CANNON. Mr. President, on behalf of the Committee on Rules and Administration, I submit a report ordered to be made to the Senate on action taken at a meeting of the committee on December 15, 1975, together with an original resolution, the adoption of which the committee recommends.

Shortly, there may also be submitted possible supplemental views and minority views.

I ask unanimous consent that any member of the committee may have until Tuesday, February 3, to file supplemental or minority views, and that any such views shall be printed together with the majority report, which on its cover, contents, and first pages shall indicate the inclusion of such views.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I thank the Senator for yielding to me.

MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

The Senate continued with the consideration of the bill (S. 961) to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes.

Mr. GRAVEL. Mr. President, with respect to the statement made by the Senator from Washington concerning the Soviet Union, the Soviet Union at the Law of the Sea Conference has already accepted dispute settlement procedures. So there is no reason to expect that the Soviet Union, like any other nation, would not first seek recourse to the International Court. That is exactly what the Icelandic and the British people did with their dispute. They went to court. One lost, the Icelandic people lost, their case in the court. And now they have unilaterally, through force of arms, taken certain acts. But at least they tried to resolve it in a legal fashion.

The fact that the loser did not want to abide by the law is another matter, but that is exactly the situation that would exist with the Law of the Sea before the fact, that is, by moving unilaterally. Nobody is going to take us to the International Court because we have taken on the 200-mile jurisdiction. What they are going to do is either accept our laws as we have set them up or break them, and if they break them, they are going to move unilaterally. And that is the great tragedy—that Congress may well be prepared to extend jurisdiction to 200 miles, but the same Congress repeatedly has denied the President, the Executive, the wherewithal to go out and enforce this.

I think if we are to be honest and show some degree of integrity in this regard, we ought to make the legislation exempt from the War Powers Act. That is what Congress ought to do, because there is nobody on this floor or in this Congress who is going to back up one bit the 200-mile claim.

Let me go to the other facet on this. I have in front of me a telegram by the chief negotiator of the 1958 Convention, a person generally considered the father of the Law of the Sea. He is Arthur Dean. This is what it says:

JANUARY 22, 1976.

Senator Mike Gravel,
Senate Office Building,
Washington, D.C.

Believe implementation of article seven of Geneva Convention on Fishing and Conservation of Living Resources on High Seas as adopted April 29, 1958 would be consistent with the U.S.A.'s international legal obligations. While Japan and Russia did not sign this treaty, it is my understanding that they have agreed to it in practice, and in view of development in state practice it largely reflects customary international law. Proviso clause in paragraph one of article seven expressly contemplates such implementation or negotiations.

Regards,

Arthur H. Dean.

This means you can negotiate and work it out with parties not signatory to this Convention.

My colleagues stand up and say this would not be accepted in the House, and this is not a procedure to take, and they then put a letter on our desks which states a similar measure was considered and soundly rejected in the House Merchant Marine and Fisheries Committee and the Senate Commerce Committee. It may have been soundly rejected in committee, but in the House of Representatives of the United States of America and in the bill, H.R. 200, that was sent over here, in the bill dealing with this subject, what do you think they did? They used an article 7. When they got beyond the 200 miles—of course, the Senate bill states anadromous fish are protected everywhere they roam. I have repeatedly made the statement that this is nothing but cosmetic in order to entice some innocent, unknowing fishermen to support this legislation. But, in point of fact, we cannot do anything about the salmon beyond 200 miles, and the House was candid and straightforward enough to recognize this. So they did not use some platitude saying, "Well, this covers that area."

Do you know what they did on page 19 of their bill? They instituted an article 7.

The PRESIDING OFFICER (Mr. Taft). All of the time of the proponents of the amendment has expired.

Mr. GRAVEL. I think the case has been adequately made, Mr. President, and we will rest until tomorrow.

Mr. TAFT. The Senator from Alaska has 15 minutes remaining.

Mr. STEVENS. Mr. President, I think since the letter we have placed on the desks has been partially read, we ought to just read it into the Record. It is not very long, and it sums up our position on this.

Let me point out again the letter states:

> The United States has ratified but has never implemented this 1958 treaty. To our knowledge, none of its mechanisms have ever been utilized by any nation since it came into force in 1966. On May 3, 1974, Kenneth Rush, the Acting Secretary of the Department of State, stated before the Senate Commerce Committee that the Department had no plans whatever to utilize this treaty for protecting threatened stocks of fish. In fact, because the terms of the 1958 Convention require that management measures be implemented on an non-discriminatory basis, the United States would lose whatever preferential rights we have achieved under existing treaties and agreements.
>
> The amendnment also speaks in terms of adopting emergency conservation measures in areas of the ocean adjacent to the territorial sea in the manner provided for in the treaty. However, its drafters failed to note that we already have a 12-mile jurisdiction limit for fisheries. This amendment would be a quitclaim of existing management rights in this 12-mile limit. Such a result is absolutely unacceptable.

I again ask unanimous consent that the full text of our letter be printed in the Record. It is signed by our chairman, Senator Magnuson, by Senator Kennedy, Senator Muskie, Senator Packwood, Senator Pastore, and myself.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., January 27, 1976.

Dear Colleague: We urge you to vote against the Cranston-Gravel amendment to the Magnuson Fisheries Management and Conservation Act (S. 961). This amendment is totally unacceptable to the sponsors of this legislation because: (1) a similar measure was considered and soundly rejected in both the House Merchant Marine and Fisheries Committee and the Senate Commerce Committee during consideration of 200-mile limit legislation; (2) the Department of State has testified in opposition to this same approach to fisheries conservation; (3) the amendment would create an inordinately time-consuming process which could conceivably take as long to implement as it would to achieve a new Law of the Sea agreement; (4) as drafted, the amendment would subject domestic and foreign fishing within the existing U.S. 12-mile limit to an international treaty intended to cover fishing on the high seas; and (5) the basis of the amendment is a 1958 Convention which has failed to achieve consensus support in the world and which several major fishing nations, such as the U.S.S.R. and Japan, have refused to sign.

The "Article 7" approach is based upon the 1958 Geneva Convention on Fishing and Conservation of the living resources of the High Seas. Use of this unproven method of protecting our fisheries resources was suggested well over three years ago in hearings on the earlier version of S. 961 before the Senate Committee on Commerce. This approach gained negligible support. During House debate over the counterpart bill (H.R. 200), the House Merchant Marine and Fisheries Committee also soundly rejected a bill based on Article 7 of the Convention. In short, the substance of this amendment has already been considered in depth by both House and Senate committees of interest and has been rejected as being completely unworkable.

The United States has ratified but has never implemented this 1958 treaty. To our knowledge, none of its mechanisms have ever been utilized by any nation since it came into force in 1966. On May 3, 1974, Kenneth Rush, then Acting Secretary of the Department of State, stated before the Senate Commerce Committee that the Department had no plans whatever to utilize this treaty for protecting threatened stocks of fish. In fact, because the terms of the 1958 Convention require that management measures be implemented on a non-discriminatory basis, the United States would lose whatever preferential rights we have achieved under existing treaties and agreements.

The amendment also speaks in terms of adopting emergency conservation measures in areas of the ocean adjacent to the territorial sea in the manner provided for in the treaty. However, its drafters failed to note that we already have a 12-mile jurisdiction limit for fisheries. This amendment would be a quitclaim of existing management rights in this 12-mile limit. Such a result is absolutely unacceptable.

The process of adopting emergency management regulations under the 1958 Convention is totally out of touch with biological needs. It would take well over a year before a depleted stock could be protected by such emergency measures. The ultimate affect of this amendment would be to delay application of any "emergency" measures for years. This is why many nations refuse to utilize 1958 Geneva Convention for protecting fisheries resuorces.

Finally, this treaty has been ratified by few major fishing nations. Neither the Soviet Union nor Japan, the two nations with the largest fishing fleets operating off U.S. shores, have signed the Convention. To rely upon this Convention would mean a serious setback to fisheries conservation. In summary, the amendment would be totally ineffective.

For reasons cited above, we believe that the Cranston-Gravel amendment to S. 961 is ill-conceived, poorly drafted and would not achieve the results desired by its sponsors. We urge that the Senate vote against this measure.

Sincerely,

Warren G. Magnuson,
Edmund S. Muskie,
John O. Pastore,
Edward M. Kennedy,
Bob Packwood,
Ted Stevens,
U.S. Senators.

Mr. STEVENS. I want, again, to go back to the problem, Mr. President, and I hope that everybody who is interested in this subject will keep in mind that my colleague constantly raises the question of using enforcement procedures to enforce the unilateral 200-mile zone.

Under our bill we have directed the Secretary of State to negotiate immediately, and we set a time limit within which those negotiations have to start of January 1, 1977, if there is any treaty in conflict with this legislation.

I point out again that the 12-mile limit was, in fact, in conflict with our North Pacific Fisheries Treaty. That has never been renegotiated. And west of the 175th meridian, as specified in that treaty, there is only a 3-mile limit in my State because we never renegotiated that treaty.

This bill is not automatically going to abrogate any treaties. We are not going to have any show of force in our bill.

Under the 1958 Convention on the High Seas, though, with regard to a party that is not a signatory, there is immediate confrontation based upon unilateral conservation principles and the confrontation comes about between fishing fleets, because in my State if we were to adopt this amendment and the President would be foolish enough to try to carry it out, it would mean we would have to grant the Soviets and the Japanese and the Poles and the Koreans equal fishing rights within the 9-mile contiguous zone.

I know of nothing that would cause more havoc among the fishing fleets of this Nation than to be faced with that conclusion. I know of nothing that the fishermen of this Nation would oppose more vehemently than that.

Beyond that, it seems to me that one has to keep in mind that what we are seeking is protection for our fisheries first, and second, to assure access. We have amended this bill to make certain that it is so stated, access to the bottom fisheries off our coast so that our fishing fleets can improve and expand and reduce this ever-growing deficit in our balance of payments that results from the fact that we are importing more and more fish while our fishermen are catching less and less.

Mr. GRAVEL. Will the Senator yield for one moment to make one clarification?

Mr. STEVENS. I will be happy to yield, but I think the time has expired.

Mr. GRAVEL. Just a half a minute.

Mr. STEVENS. I am glad to yield to the Senator.

Mr. GRAVEL. The distinction I would like to draw with respect to the argument of the senior Senator from Alaska is that he is saying it is a question of access, and that is the reason why it will threaten our existing fisheries. That is not so. The treaty contemplates if we establish a conservation program that that program cannot be discriminatory.

It has nothing to do with what we are doing in our area. We are not talking about access because, obviously, we cannot stop access to the high seas.

But what we can do is tell them they cannot do certain things to certain species, and then we will be telling them and our own people on an equal plane.

That is what it is. So that it is application, not access.

My colleague, unfortunately—and I am sure he does not intend to do this on purpose, it is just an inadvertence—has confused those two and obscured the issues.

Mr. STEVENS. On the contrary, I am not confused and I am not inadvertent. I am stating again the response that was given by the State Department, where it specifically said, and I quoted it before and I quote it again:

> The Convention on Fishing and Conservation of the Living Resources of the High Seas provides only for conservation, on a nondiscriminatory basis. Thus it does not permit us to deal with the entire problem.

It is on this basis that we have stated the problem with regard to the article 7 implementation within our zone, be it 12 miles or 200 miles. And the Senator is right, the House did exert it beyond the 200 miles, which is an entirely different thing, and that is proposed by legislation which would, in effect, be another matter.

But this is not an inadvertent mistake. We are stating categorically, the implementation of article 7 under the context that this is attempted, would have to begin at the edge of the territorial sea in order to comply with article 7.

In closing, I wish to have printed in the Record, so that there is no misunderstanding about the importance of this to Alaska, an article which appeared on January 21 of this year in the Anchorage Times. It is a review of an interview with Mr. J. M. Branson. Jim Branson is the National Marine Fisheries Service resident agent at Kodiak.

He points out that foreign fishing vessels caught 5.5 billion pounds—so there is no mistake, that is billion pounds—of fish and crab worth $500 million to $600 million off the coast in 1 year.

In that same period of time, our total fishing effort of American fishermen off the State of Alaska was 463 million pounds of all fish.

That was caught by some 21,000 licensed fishermen as compared to 1,500 foreign fishing ships.

Now if those statistics do not tell us the problem, I really cannot explain it any better.

We are dealing with a situation where perhaps 10,000 Alaskans make their entire living from the sea. They are competing with 1,500 individual foreign fishing ships and in 1 year alone the foreigners caught 5.5 billion pounds of our fish and our crabs.

This is the thing we are trying to stop.

Mr. President, I ask unanimous consent to have printed in the Record at the close of my remarks the article entitled "Agent Reviews Foreign Catch."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. Mr. President, I ask unanimous consent that an editorial entitled "Fish Action Due" in the Anchorage News for January 27 of this year be printed following the last insert in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

[From the Anchorage Time, Jan. 21, 1976]

AGENT REVIEWS FOREIGN CATCH

(By Flip Todd)

Foreign fishing vessels caught 5.5 billion pounds of fish and crab worth an estimated $500 million to $600 million off the Alaska coast during 1974.

According to the National Marine Fisheries Service senior resident agent at Kodiak, Jim Branson, 463 million pounds of salmon, halibut, crab and other fish worth $145 million were caught during the same period by Alaska's 21,000 licensed fishermen. Perhaps 10,000 of them make their entire living from the sea.

"We've identified 1,500 individual foreign ships off the coast of Alaska," Branson told the Anchorage Chamber of Commerce, "and I've counted as many as 85 ships within a three-mile radius fishing for herring at the edge of the ice between the Pribilof Islands and St. Matthew Island."

Normally the foreign fleet may number from 150 vessels in the winter to as many as 700 during the height of the salmon season from May to July.

Branson's overview of the foreign fishing operation off the Alaska coast, which accounts for 56 per cent of the nation's coastline, was delivered Monday with the insight of more than 20 years in the fish and game field in Alaska.

He first went to Wrangell with the federal Fish and Wildlife Service in 1949. His first assignment on being transferred to Anchorage was to take a mother moose and her calf away from the street in front of the Post Office out to the wilderness, somewhere in the area of Turnagain.

Branson, whose job is to apprehend foreign vessels that violate U.S. laws and the treaties, spent six months earlier in his career learning Russian so he would be able to communicate with the commanders of the Soviet ships.

"The language thing is a real problem, there is no question of that," said Branson. "We depend on them to speak English but it doesn't work too well on the smaller ships."

The United States laws and regulations covering the North Pacific fishery include bilateral agreements with Canada, Japan, South Korea, Poland and Russia. Taiwan, the only other nation that fishes off the Alaska coast, began its operations this year.

The seven Kodiak agents and other agents based in Juneau rely on four HC130 Coast Guard airplanes and four H3 helicopters at Kodiak and four helicopters based on Annette Island to conduct reconnaissance of the foreign vessels. They also report violations of Japanese domestic law to the government in Tokyo via the United States fisheries attache there.

"We photograph and document everything we can see," Branson said. The agents photograph the ships' activity and what is on deck as the four-engine planes swoop over the fleets at about 200 feet at 180 knots.

Although pollock, a bottom fish, used to be the largest food source in the United States, according to Branson, "it is no longer because it's been horribly overfished," in large part due to pulse fishing—heavy concentration in one area until a fish stock is nearly depleted—rather than conducting fishing on a sustained-yield basis.

"They've taken as much as 4.2 billion pounds of pollock in a year," he said. "That's enough fish, if laid head to tail, to reach to the moon and back three times."

Large Russian freezer fishing trawlers are replacing smaller size trawlers.

"We've identified 200 in Alaska waters at one time or another," Branson said of the freezer trawlers.

Since 1967, when the first Soviet trawler was apprehended near Metrofinia Island and fined $5,000 for illegal fisheries activities, the fines have become increasingly severe against foreign ships, Branson said.

"The fines increased thanks to U.S. Attorney G. Kent Edwards," whom he said deserves a great deal of credit for defense of the U.S. coastal fisheries. In 1975 more than $1 million was collected for foreign fisheries violations and a Japanese ship is sitting in Lake Union near Seattle today because the owners would not pay the fine.

It has been more than three years since the United States has spotted a fisheries violator from an airplane and not been able to apprehend it with a cutter, Branson said.

The average fisheries patrol flight aboard an HC130 lasts about 8½ hours and covers 2,200 miles.

EXHIBIT 2

[From the Anchorage News, Jan. 27, 1976]

FISH ACTION DUE

Sen. Ted Stevens, R-Alaska, is to be congratulated on his efforts to win a respectable compromise on the 200-mile fisheries zone controversy. That should happen in the Senate this week.

With Mr. Stevens' amendment offered last week, the Senate agrees to hold off enforcement of legislation to extend the U.S. fisheries zone to 200 miles until Jan. 1, 1977. It is intended to allow diplomats at this year's Law of the Seas Conference to have one more opportunity to arrive at a broader settlement, one which will be respected internationally.

The State Department and the Pentagon both have lobbied strongly against unilateral action, fearing it would injure the international effort. But President Ford now indicates that with an effective date of January 1977, he will not veto the measure. (Senate approval of the legislation was assured, but a presidential veto had been feared.)

The fisheries zone will enable the United States to control its rich renewable resource more effectively, especially off Alaska where foreign fishing fleets have depleted many stocks while our fishermen have been handcuffed with a variety of prohibitions aimed at conservation.

Just as Mr. Stevens worked hard for the 200-mile compromise, Alaska's other senator, Democrat Mike Gravel has worked hard against it.

Mr. Gravel believes not only is unilateral action ineffective policy, it would be in violation of international law. Instead, he's proposed a fisheries conservation and management proposal which would set catch limits and equipment standards for all fishing nations when a fish stock is endangered. In addition, it would authorize nations to enforce the limits and standards.

We can appreciate Mr. Gravel's desire to see international law effected. But there's no certainty that either his latest proposal or the Law of the Sea work will become international law.

Meanwhile, the 200-mile bill before the Senate offers an appropriate compromise on behalf of the Law of the Seas and the Ford administration's diplomatic stance. And if the international conference fizzles, all is not lost—the United States has a ready-made action plan to begin protecting its fisheries.

Mr. STEVENS. Mr. President, it is my understanding we each have 45 minutes tomorrow following the vote on the Gravel amendment.

It is my understanding that at the close of this time now that we automatically go to the Gravel amendment which would be pending business to be voted on at 9:45; is that the parliamentary situation?

The PRESIDING OFFICER. There is no order to that effect, but it would be possible.

Mr. STEVENS. Is the Gravel amendment to become pending business now at the close of this agreed-to period so that there will be some period of debate on the Gravel amendment?

The PRESIDING OFFICER. There is no order to that effect.

Mr. STEVENS. May I ask what Gravel amendment we are talking about?

The PRESIDING OFFICER. No amendment was specified. In the agreement, any amendment by the Senator from Alaska would be eligible.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call——

Mr. STEVENS. The time has expired, before that commences, on both sides under the present agreement; is that correct?

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I wonder if I can ask the Senator from Alaska if it is agreeable with him, even though the time has expired, that I may proceed for a few moments on this subject.

Mr. STEVENS. My understanding is that there is no time limit now.

Mr. GRIFFIN. Mr. President, the assertion which has been made that invocation of article 7 would restrict our control of the 9-mile contiguous fishing zone, as I have said, is not a valid argument. I believe it is incumbent upon those who make such an argument to bring forth some authorities, such as statements of reputable experts in the field, to support such a claim.

As I see it, the requirement that article 7 measures be implemented in a nondiscriminatory way means just that. Any restrictions on the activities of foreign fishermen outside our territorial sea which would be based on article 7 would have to be nondiscriminatory. But this provision does not affect our jurisdiction based on other provisions, other treaties or statutes which do not depend upon article 7 for their authority.

My staff has been in telephone contact with Prof. Louis Sohn, of the Harvard Law School, a recognized expert in this field. With respect to this particular point, Professor Sohn has just stated the following:

> Action taken for conservation under Article 7 does in no way diminish the authority of the United States in the 12-mile fishing zone.

I realize and certainly recognize that my colleague from Alaska (Mr. STEVENS) is an excellent lawyer in his own right. If he so interprets article 7, he certainly has the right to do it. But I do not believe that his assertion is without challenge, and I see no reason to assume or to come to the conclusion that by adopting this amendment we would, therefore, be taking a step backward, as he has contended.

Mr. President, like many of my colleagues, I find myself in a dilemma on S. 961. On the one hand, I recognize and share the concern of the sponsors of the bill that continued overfishing off our coasts might lead to the depletion of some species of ocean resources before the third Law of the Sea Conference can complete its work and come up with permanent means of protection in the form of a new treaty.

On the other hand, I recognize that the measures proposed by S. 961 would require us to violate or abrogate important international treaty obligations, would encourage unilateral claims by other states, would endanger the success of the Law of the Sea Conference, and might well lead to a military confrontation with the Soviet Union.

As a member of the Oceans and International Environment Subcommittee of the Foreign Relations Committee, I have felt a special obligation to insure that my colleagues were aware of the serious international implications of S. 961. However, my very strong reservations about this aspect of the bill should not be misunderstood to imply my disinterest in its conservation aspects.

I believe that the amendment before us—the so-called Cranston-Griffin amendment—provides a workable solution to the dilemma. If enacted, it would allow the United States to take the necessary conservation measures to ensure the survival of all threatened species, and at the same time would be consistent with our international treaty obligations.

During consideration of S. 961 late last year by the Foreign Relations Committee, Senator MCGEE and I voted with the majority to report the bill unfavorably. In our supplemental views which accompanied the committee's report on the bill, however, we noted the existence of an alternative approach to the problem which would avoid most of the international problems we found in S. 961. That alternative was article 7 of the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas. The pending amendment is based on the principles set forth in that article.

Before examining article 7, a little background on the 1958 Geneva Conference and the Convention on Fishing is perhaps in order.

The purpose of the First United Nations Conference on the Law of the Sea was, as its name implies, to set forth the international law governing the conduct of States and their citizens over, on, and under the oceans and other international waters. The four Conventions produced by the Conference were described by the Senate Foreign Relations Committee in this way:

> The purpose of the four conventions . . . on the law of the sea is to codify existing international law and to establish additional international law in this field.

Unlike the Convention on the High Seas—which in its preamble claimed to be a codification of established principles of international law—the Convention on Fishing and Conservation of the Living Resources of the High Seas was an effort to establish new law in an area of increasing world concern. It was the culmination of nearly 30 years of hard work by jurists and scholars from all over the world. Clearly, it was much more than just another international agreement.

At the request of the United Nations, the Food and Agricultural Organization, FAO, called together fishery experts from around the world in the spring of 1955 to prepare a set of draft articles on fisheries. These articles, slightly modified by the U.N.'s International Law Committee, became the basis for the 1958 Convention on Fishing.

Although there were differences on specific provisions, when the final convention came up for final vote before the 86 nations represented at the Conference, only one nation—West Germany—voted "nay." It is true, however, that several other nations, including Japan and the Soviet Union, abstained and did not vote.

Two quotes serve to illustrate the importance of the convention, and emphasize the status of its provisions as newly established rules of international law.

In its report to the President urging the ratification of the convention, the State Department wrote:

> The convention on fisheries conservation lays down *rules of law* based on sound conservation principles which should do much to assure the preservation and increase of an important source of world food.

Prof. André Gros, legal adviser of the French Foreign Office and a delegate to the Conference, stated:

> The *prior international law* did not assure sufficient protection of marine fauna against abusive exploitation or extermination; the work accomplished at Geneva should be regarded favorably both by "progressive" spirits since it creates new rules and by "conservatives" since it works out an equilibrium wherein the fishing interests of each State are recognized.

Continuing, Professor Gros warned:

> In effect two ways still lie open to states for regulating the great problem of the best utilization of the living resources of the sea—cooperation organized according to the Convention, with the emphasis on the right of the coastal states—or insoluble disputes between states which claim over zones of the high seas an exclusive jurisdiction . . . It must be hoped that states will see clearly that the new provisions contained in the Convention . . . constitute the last change of international cooperation in the field of reasonable utilization of the living resources of the sea.

Just what are the provisions of article 7 of this convention—the provisions which form the basis for the pending amendment?

Article 7 provides that—

> Any coastal State may, with a view to the maintenance of the productivity of the living resources of the sea, adopt unilateral measures of conservation appropriate to any stock of fish or other marine resources in any area of the high seas adjacent to its territorial sea, provided that negotiations to that effect with the other States concerned have not led to an agreement within 6 months.

In order to be applicable as against other States, however, article 7 sets forth three requirements:

> (a) That there is a need for urgent application of conservation measures in the light of existing knowledge of the fishery;
>
> (b) That the measures adopted are based on appropriate scientific findings; and
>
> (c) That such measures do not discriminate in form or in fact against foreign fishermen.

In practice, this mechanism would require a scenario along these lines:

Immediately following passage of S. 961 as amended a thorough study would be made of the most up-to-date fishery information to identify all stocks that are in danger of depletion.

The United States would provide this information to the Director General of the Food and Agriculture Organization of the U.N., and to other concerned parties; and would call for negotiations to reduce the harvesting of these stocks sufficiently to prevent their continued depletion.

If, at the end of a 6-month period of negotiations, measures to achieve this objective have not been agreed upon, the United States would promulgate unilateral regulations—without discrimination between foreign and domestic fishermen—to provide for the conservation of the affected stock.

It is the intent of the sponsors of this amendment that these measures would be enforced against parties to the 1958 Convention on Fishing and nonparties alike.

If the measures were not accepted by another state, the convention provides for the settlement of disputes through a five-member commission, selected either by agreement between the states concerned, or—in the event that they are unable to reach agreement—appointed by the Secretary General of the United Nations.

Pending the decision of the special commission, which is to be based on the three requirements set forth in article 7—urgency, based on appropriate scientific findings, and nondiscriminatory—the measures adopted shall remain obligatory.

From my perspective, this is a far more attractive scenario than the confrontation which would likely follow enactment of S. 961 as it now stands—instead of Iceland and Great Britain, picture for a moment the United States and the Soviet Union.

Mr. President, the pending amendment has virtually all of the advantages and almost none of the drawbacks that have been raised about S. 961.

It would preserve, virtually intact, the important management provisions of S. 961.

It would become effective as soon, if not actually sooner, than S. 961.

Unlike the present provisions of S. 961—which are directly in violation of articles 2 and 22 of the Geneva Convention on the High Seas—this approach is not only consistent with, it is actually based on the 1958 Geneva conventions. The importance of this feature is highlighted by the fact that article 2 guarantees not only "freedom of fishing," but also our freedom of navigation, overflight, and other vital rights that might be jeopardized by our abrogation of that part of the Convention on the High Seas.

Rather than reinforcing the illegal territorial claims of states which attempt to deny U.S. fishermen the right to catch tuna and other stocks on the high seas, and encouraging other nations to make similar unilateral claims; this amendment would provide a responsible precedent for other states to limit their claims strictly to legitimate conservation measures.

Whereas S. 961 as presently written has been denounced as illegal by numerous respected scholars of international law—including former ICJ Judge Philip Jessup, the man largely responsible for making true conservation measures possible under article 7 of the convention on fishing—the approach taken in this amendment is almost universally considered much more acceptable.

The amendment does not run counter to the decision of the International Court of Justice in its 1974 Iceland fisheries case—a ruling contrary to the spirit of S. 961 as presently written.

The most serious objection to this amendment raised by its opponents is that since neither Japan nor the Soviet Union has ratified the Convention on Fishing they might be unwilling to accept measures taken thereunder. In rebuttal, I would note the following:

Japan and the U.S.S.R. are much less likely to accept the measures contemplated in S. 961, and thus, while their failure to become parties to the 1958 convention is a possible problem, it is certainly not as bad as the situation that would result from passage of S. 961 as it is.

As I have already shown, the 1958 convention on fishing was a U.N.-sponsored effort to establish international law of the sea. Because of this, several legal scholars—including Louis Sohn of Harvard Law School, and Myers McDougal of Yale—have argued that action pursuant to the principles set forth in article 7 is opposable without regard to another state's position on the convention.

Several U.S. negotiators have reported informal assurances from Soviet and Japanese diplomats that they would be receptive to conservation moves based on article 7.

Even if agreement were not reached and a dispute arose, since the Convention provides a mechanism for peaceful settlement of disputes, the likelihood of armed confrontation with the Soviet Union will be reduced.

Mr. President, over 13 years ago Prof.

William Bishop, of the University of Michigan Law School, wrote a perceptive analysis of the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas, in the Columbia Law Review of November 1972. He concluded that article by urging:

> In discussing and working out solutions for the various fishery conservation problems that arise, it is to be hoped that the United States will do all it can to press for specific solutions in accord with the principles embodied in the Convention.

I wish to echo that statement—and to strongly urge my colleagues to act favorably on this amendment as a major move in that direction.

Mr. **STEVENS.** Mr. President, I have great respect for Professor Sohn, having been a product of the school at which he is professor. I studied maritime law as my intended area of the law in which to concentrate. I know his reputation and I know that he has been very dedicated to this area. He is also under contract to the State Department, a member of the Advisory Committee on Law of the Sea and is directly and diametrically opposed to the basic bill.

I am very disturbed to hear that Professor Sohn is drawing a conclusion which is contrary to the precise words of the treaties which he is as familiar with as I. Those treaties are two treaties, both signed in 1958. One is the Convention on the Territorial Sea and the Contiguous Zone, which was entered into in Geneva on April 28, 1958, and ratified by this Senate on May 26, 1960. That defines what is the territorial sea. It is the area that is marked on charts on fishery recognized by the coastal state. In this instance, that means a nation such as our Nation.

The second is the Convention on Fishing and Conservation of the Living Resources of the High Seas, also entered into on the same date, April 28, 1958, and ratified on the same date by this Senate.

It specifically states—

> The measures appropriate to any stock of fish or other marine resources in any area of the high seas adjacent to its territorial seas.

Had the framers of this amendment used the proper approach, and said that the action should be taken in an area adjacent to our territorial seas and the contiguous zone adjacent thereto, it would be another matter. But they drafted this amendment, and the amendment says it applies to the area adjacent to our territorial sea; and our territorial sea is 3 miles, and so officially represented on the charts approved by the State Department.

I hasten to add that we have had some trouble with those charts, but there is no question in my mind that while Professor Sohn might be correct in the abstract, that we could take action in any area, which is what the article says, of the high seas adjacent to our territorial seas, this amendment takes place in the area adjacent to our territorial seas.

We are about ready to wind up, I assume. But the problem is that what this amendment is trying to do is tell the President of the United States—or specific executive officers, the President, the Secretary of State, and the Secretary of Commerce—to take action which witnesses that appeared before our committee stated could only be taken by Congress.

I have pointed out the article which says there is no enforcement mechanism in article 7. This is like saying "Go out and put up a bunch of purple stop signs along Constitution Avenue," when the law applies only to red stop signs. There is no enforcement mechanism in either the treaties or the amendment that has been presented, and I can only say again I am sorry to hear that Professor Sohn has made that statement. I disagree with him. I think the amendment before us is specific, and that the impact of it, if adopted, would be that we would proceed with this paragraph to our detriment within the 9-mile contiguous zone.

Mr. President, I again pose a parliamentary inquiry as to the status of the bill at this point, with regard to the amendment that I understand my colleague may offer in the morning. Is there any controlled time with regard to the amendment that is to be voted upon at 9:45?

The **PRESIDING OFFICER** (Mr. Culver). There is no provision for controlled time, only a provision for a vote at 9:45.

Mr. **STEVENS.** Does the Senator from California seek the floor?

Mr. **CRANSTON.** I wish to speak very briefly.

Mr. President, we have had a rapidly growing number of cosponsors of the Cranston-Griffin amendment. My present list is incomplete, because certain Senators are, I believe, about to join us but have not yet formally done so. But I would like to add two who joined up today: Senators Hart and Fong.

Also among those who have joined after the original sponsors, whose names appear in the printed amendment, are Senators Bartlett, Brock, Domenici, Helms, McGovern, Percy, and Tunney. I ask unanimous consent that the names of all those Senators be added as cosponsors.

The **PRESIDING OFFICER.** Is that Hart of Michigan?

Mr. **CRANSTON.** That is Hart of Colorado.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **GRIFFIN.** Does the Senator from California have anything further to say?

Mr. **CRANSTON.** I have finished.

Mr. **GRIFFIN.** Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **STEVENS.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **STEVENS.** I think it is very important that we get this in the Record so it is clear what we are talking about.

As I understand it, and as staff has just pointed out to me, if we have a stock of fish that is outside the contiguous zone and also comes within the contiguous zone, such as our albacore or our king crab, if article 7 were to be followed, it would mean there could be no discrimination granted in favor of U.S. fishermen beyond either the territorial sea or contiguous zone line; but within either line we would have regulation of our own fishermen and absence of foreign fishermen.

This is the precise problem that the Alaska Supreme Court faced in a decision announced this last week, where the court announced that with regard to king crab, where there were no regulations beyond the 3-mile limit, the State of Alaska could in fact regulate king crab beyond the 3-mile limit.

This amendment, in my opinion, would wipe out the effect of that supreme court decision, and would wipe out the protection that we now have, regardless of where we draw the line, in favor of American fishermen with regard to U.S. fisheries resources.

I think it is highly necessary that we defeat this amendment. I would rather lose the bill than lose the vote on this amendment, because I think it is so detrimental to what we have been working on for so long.

I again suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **CRANSTON.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **CRANSTON.** I ask unanimous consent that the Nelson amendment, offered earlier this afternoon to the Cranston-Griffin amendment, be eligible for consideration at this time.

The **PRESIDING OFFICER.** Is there objection? Without objection, it is so ordered.

Mr. **CRANSTON.** Mr. President, I ask unanimous consent now to modify my amendment to accept the amendment of the Senator from Wisconsin.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The modification is as follows:

> On page 5, line 4, after "Act", insert the following: "to announce, within thirty days of the enactment of this Act, his intention to promulgate regulations to conserve the seriously depleted or endangered species in their specific areas; to notify immediately thereafter the foreign nations presently fishing for these species in these areas of this intention; and".

Mr. **CRANSTON.** I applaud the initiative of the Senator from Wisconsin in offering this amendment. It straightens out a fundamental flaw in the original version of the Cranston-Griffin amendment: it requires the administration to immediately proceed to launch negotiations with other nations to establish proper controls over fish and other resource depletion. It thus assures that if agreements satisfactory to the United States are not reached in 6 months, we can proceed to establish just the sort of conservation measures Senator Magnuson calls for in S. 961.

I thank the Chair.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANNOUNCEMENT OF POSITION ON VOTE

Mr. STEVENSON. Mr. President, I was necessarily absent during the vote on amendment No. 1329 to S. 961. Had I been present I would have voted "nay."

Mr. BROOKE. Mr. President, I share with so many of my colleagues a sense of profound urgency about enactment of the 200-mile zone for fisheries management. I believe we can and should act without endangering progress toward a new international order governing use of the seas. But I also believe that we must act now so that our endangered fishing stocks can be protected by 1977. If we fail, fish life on our continental shelves may not survive the years of negotiation that will surely follow.

As the residents of Massachusetts and all the other coastal States know only too well, foreign fleets are turning our rich fishing grounds into wastelands. In just 10 years, the worldwide fishing catch tripled, as large and powerful modern vessels were added to the fishing fleets of several nations. In 1960, American fishermen took virtually all the fish caught from Georges Bank and off New Bedford and Rhode Island. By 1970, 90 percent of that catch went to the fishermen of other nations.

As a result, many of our most familiar fish species are now endangered, including haddock, menhaden, halibut, flounder, and my State's own historic symbol, the cod.

The United States must have the right to set catch limits in an area large enough to protect the natural habitat of many fish. Without the power to regulate and enforce fishing standards, our once-rich fisheries may become extinct. And our fishermen, who carry on a proud tradition, will be without work. The Nation cannot let this happen.

This is the real reason that the Congress must act now and the President should sign this important measure. Some counsel us to wait until the ongoing international negotiations achieve agreements of fisheries. We have waited for 5 long years while this bill was formulated and debated here. We have waited while the swarming fishing grounds that fed this Nation and others for more than 300 years became virtual wastelands.

There is yet some possibility that the fish can survive and reproduce in safety and eventually win their biological struggle against nature. But every week we delay here that chance becomes smaller. Mr. President, I to would like to take all the time in the world to achieve this end through international consensus. But for fish on the Continental Shelf, "all the time in the world" has run out. If we do not quickly establish control of these fishing grounds so that we can enforce an ecologically sound management program, there will be nothing to negotiate in any case.

I firmly believe we have acted with all deliberate speed to this point. I think our good-faith efforts in the international arena were justified. But the oceans themselves are now setting the pace for us. We must act definitively to save these precious fisheries or we will surely lose them.

Mr. President, one of the sad aspects to this debate is that opponents of the 200-mile zone for fishing have sometimes sought to characterize support for the bill as tantamount to opposition to the establishment of a new international legal order regulating our seas. Nothing could be further from the truth. I number myself among the ardent supporters of a new Law of the Sea Treaty which respect the rights of coastal and landlocked states and of rich and poor nations alike. Indeed, the future relationships among Third World nations and the technologicaly advanced economies may well follow patterns set up in the agreements that will someday be signed. Furthermore, the development of resources on the moon's surface and in outer space may be undertaken in relationships similar to those established in the international agreements on international ocean resources. Nothing could be more important.

However, after careful study, I am firmly convinced that fisheries management is far from the central issue at these talks. While risks exist that a unilateral declaration of a 200-mile fishing zone by the United States could encourage others to consider widening the focus to economic zones, the immediate and pressing needs of our fishing industries justify the taking of such risks.

Quite frankly, there has been a good deal of exaggeration and hyperbole on the part of opponents of this measure. For example, we are told that our unilateral declaration will touch off an epidemic of zone-making. To begin with, none of us should begrudge other nations' establishment of sound fisheries management rules. The foreign catch allowed will, as in our own zone, have to be established through negotiated agreements. The real fear is said to be that other nations will declare 200 mile general economic zones. Mr. President, this bill sets an example for restraint, not for wanton seizing of resources. It does not establish an economic zone or a territorial sea. It sets up a fisheries management zone.

I also believe U.S. action on fisheries is simply not the determining factor in the various unilateral decisions being considered around the globe. Seventeen coastal States have established fishing and economic zones wider than 100 miles from their shores. Three of those were established, without any preceding U.S. action, in the last 4 months.

I am especially troubled at what I consider to be distortions by some who oppose this act. We are told the Montreal ICNAF Conference rewrote our agreements with the Russians and the Japanese so as to solve the fish conservation problems through bilateral treaties. This is not the result. The catch limits are still set above maximum sustainable yield. And last year these nations did not catch as much as these new limits let them take now, simply because the fish stocks are gone.

Furthermore, it has been said that this action would abrogate existing bilateral treaties. This is false. All these fishing treaties contain provision for renegotiation after proper notice.

And, we are told that new bilateral treaties are the surest solution. But no one disputes that these will take 2 more years to get ready for signature. And treaty renegotiations clearly have not alleviated the problem this past year.

Finally, we have now been presented with the proposed substitute which would invoke application of the 1958 Geneva Convention to solve our fisheries problems. Mr. President, this approach should have been discredited 2 years ago It simply cannot provide the protection our fishing areas need, and I believe its sponsors know that full well.

For example, the 33 signatories to this treaty do not include the Soviet Union, Romania, Poland or Japan, who are among those nations fishing most intensively off our shores. Furthermore, as far as I can tell, it was drafted in such haste that it would effectively repeal the Bartlett Act, which established a 9-mile buffer zone beyond our 3-mile territorial sea. Thus, our coastal fisheries would essentially be reduced to one-quarter of their previous size. Finally, in the case of disputes or proven overfishing, American fishermen would have no preferential claims over the fish resources. They would have to cut back equally as much as the nations which are fielding such vast modern fishing fleets. The dispute over whether or not there should be any national preference in coastal waters is an honest one, but I strongly feel that we should have such preference. Our fishermen could take a catch that would fill the capacity of our commercial fisheries and leave plenty of fish for other nations once we have a well-managed coastal fishing area established.

Mr. President, we are dealing with a fragile natural resource. These fishing grounds will be a precious heritage of protein sources, minerals, and biochemical data for future generations, if we can keep them. But time and an intelligent management program are our only tools to meet this new challenge. Both will be available to us if we enact this measure promptly. Neither is likely to be within our grasp if we fail.

Mr. President, I hope my colleagues will send this measure to the President promptly and that, with his signature, we may get about the real task before us, that of developing and conserving our fisheries with all the art and skill available to marine experts in the 1980's.

TIME FOR VOTE ON CONRAIL CONFERENCE REPORT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at any time after the vote on the override of the Presidential veto tomorrow for the ConRail conference report to be called up.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. BARTLETT's order has been consummated on tomorrow, there be a period for the transaction of routine morning business, not to extend beyond 10 a.m., with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 961, MAGNUSON FISHERIES MANAGEMENT AND CONSERVATION ACT OF 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 10 a.m. tomorrow, the Senate resume consideration of the unfinished business, S. 961, Magnuson Fisheries Management and Conservation Act of 1976.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 10 a.m. tomorrow, the Senate resume consideration of the amendment by Mr. CRANSTON and others; that there be a time limitation remaining on that amendment of 1 hour, rather than 1½ hours, as was ordered previously; that a vote occur on that amendment no later than 11:15 a.m. tomorrow; provided, further, immediately upon the disposition of the vote on the Cranston amendment, Mr. THURMOND be recognized to call up an amendment; that there be a time limitation on the amendment by Mr. THURMOND of 10 minutes, the time to be equally divided between Mr. THURMOND and Mr. MAGNUSON; that upon the disposition of the Thurmond amendment, if such is offered, the Senate then proceed to vote on final passage of the House companion measure to S. 961, H.R. 200, and that paragraph 3 of rule 12 be waived; that, in any event, the vote on final passage of H.R. 200 occur no later than 12 o'clock meridian; that the agreement reached earlier today by unanimous consent with respect to taking up H.R. 200 on tomorrow remain in force.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the rollcall vote on the Thurmond amendment tomorrow be limited to 10 minutes, with the warning bells to be sounded after the first 2½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the rollcall vote tomorrow on final passage of H.R. 200, as amended, be limited to 10 minutes, with the warning bells to be sounded after the first 2½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 11:15 a.m. tomorrow, no further amendments be in order to the Cranston amendment, as modified and as amended, if amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:30 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, Mr. BARTLETT will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, with statements therein limited to 5 minutes each, such period not to extend beyond 10 a.m.

At 10 a.m., the Senate will resume consideration of the unfinished business, S. 961, at which time the question will be on the adoption of the amendment by Mr. CRANSTON and others, as amended. There will be a 1-hour time limitation on the Cranston amendment, with the vote to occur on that amendment no later than 11:15 a.m. tomorrow.

Upon the disposition of the Cranston, et al., amendment, Mr. THURMOND will be recognized to call up an amendment. If he offers such an amendment, there will be a time limitation on that amendment, of 10 minutes, with the rollcall vote to be limited to 10 minutes and the warning bells to be sounded after the first 2½ minutes.

In any event, the vote should occur on final passage of H.R. 200, as amended by the language of the Senate bill, S. 961, no later than 12 o'clock meridian; and such rollcall vote will consume only 10 minutes, with the warning bells to sound after the first 2½ minutes.

Upon the disposition of H.R. 200, the fisheries measure, the Senate will proceed to go to the Hall of the House of Representatives for a joint meeting.

Upon the termination of that joint meeting, Senators will return to the Senate Chamber and 1 hour of debate will immediately begin on the question of overriding the President's veto of the HEW appropriations bill.

Upon the expiration of that 1 hour, the rollcall vote will occur on the override of the Presidential veto.

Upon the disposition of that measure, the leadership is authorized at any time thereafter to call up the conference report on the ConRail bill.

Rollcall votes will occur during the afternoon following the joint meeting in the House of Representatives, and Senators are so alerted.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and at 5:29 p.m. the Senate adjourned until tomorrow, January 28, 1976, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate January 27, 1976:

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

Henry F. McQuade, of Idaho, to be Deputy Administrator for Policy Development of the Law Enforcement Assistance Administration, vice Richard W. Velde, resigned.

Paul K. Wormeli, of California, to be Deputy Administrator for Administration of the Law Enforcement Assistance Administration, vice Charles R. Work, resigned.

DEPARTMENT OF COMMERCE

Richard G. Darman, of Massachusetts, to be an Assistant Secretary of Commerce, vice James Leonard Pate, resigned.

Joseph E. Kasputys, of New York, to be an Assistant Secretary of Commerce, vice Henry B. Turner, resigned.

John Thomas Smith II, of the District of Columbia, to be General Counsel of the Department of Commerce, vice Karl E. Bakke.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Constance B. Newman, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development (new position).

NATIONAL COMMISSION ON ELECTRONIC FUND TRANSFERS

John Breen Benton, of California, to be Executive Director of the National Commission on Electronic Fund Transfers (new position).

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapters 35 and 837, title 10, United States Code.

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Abbott, George R., [redacted].
Borden, Ernest R., [redacted].
Carter, Thomas J., Jr., [redacted].
Chytraus, Ronald E., [redacted].
Cuddihee, James E., [redacted].
Ferrell, Donald F., [redacted].

Follis, Don E., [redacted]
Goodman, Robert A., [redacted]
Gourdin, Melvin E., [redacted]
Hall, James C., [redacted]
Haller, Robert W., [redacted]
Harsh, Lloyd E., Jr., [redacted]
Hendry, Dale J., [redacted]
Hughes, James H., [redacted]
Hutton, Lloyd A., [redacted]
Johnston, James M., [redacted]
Kehr, Robert, [redacted]
Long, James S., [redacted]
Marckesano, Patrick J., [redacted]
Millson, Richard A., [redacted]
Misevic, Martin V., [redacted]
Montzingo, John D., [redacted]
Plymale, James E., [redacted]
Skelly, Joseph W., [redacted]
Vogel, William A., [redacted]
Wilcox, Samuel E., Jr., [redacted]
Skinvik, Ronald J., [redacted]

DENTAL CORPS

Given, Arnold J., Jr., [redacted]
Stewart, Alan O., [redacted]

MEDICAL CORPS

Botticelli, James T., [redacted]
Flux, Marinus, [redacted]
Gerety, Edward J., [redacted]
Sexton, James K., [redacted]
Vincent, John R., [redacted]

LINE OF THE AIR FORCE

Major to lieutenant colonel

Upchurch, Donald E., [redacted]

The following officers for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

MEDICAL CORPS

To be captain

Diasio, Richard A., [redacted]
Sykes, James D., [redacted]

CONFIRMATION

Executive nominations confirmed by the Senate January 27, 1976:

CENTRAL INTELLIGENCE

George Bush, of Texas, to be Director of Central Intelligence.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

NATIONAL EMPLOY THE OLDER WORKER WEEK

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. BRADEMAS. Mr. Speaker, I have just introduced a resolution to designate the second full week in March as National Employ the Older Worker Week.

This action would help to encourage the private and public sectors of American society to observe this week with appropriate activities and programs to encourage employment opportunities for older workers.

Mr. Speaker, large numbers of Americans are discovering that advancing age is a serious barrier to job opportunities because of the many false stereotypes which are widely accepted about older workers.

With the unconscionably high level of unemployment, these problems are intensifying for persons aged 45 and above.

Too often, they are the first fired and the last hired.

Unemployment frequently produces a double barreled negative impact for older Americans—they lose their jobs at a time when their financial responsibilities are the greatest and losing their jobs, they too often lose their pension coverage as well.

Mr. Speaker, clearly, educational efforts are needed now to inform the public about the true work capabilities of persons in their forties, fifties and over.

Mr. Speaker, several studies have made it abundantly clear that older workers perform as well on the job as their younger counterparts and in some cases noticeably better.

Mature workers, for example, are less likely to change jobs than younger persons.

They are less likely to be absent from work for trivial reasons.

Their productivity compares very favorably with younger Americans.

Over the years the American Legion has designated a particular week each year as Employ the Older Worker Week.

The American Legion also presents awards to employers demonstrating outstanding leadership in hiring older Americans.

Efforts of this kind have helped to promote job opportunities for mature workers. I wish to commend the American Legion for its leadership in this vital area.

Mr. Speaker, this resolution now takes on added importance because nearly 1.6 million persons in the 45-plus age category are unemployed. During the past 2 years alone, joblessness for middle-aged and older workers has increased by 88 percent.

No nation can hope to achieve its full potential if some of its most experienced and productive citizens are forced to the sidelines.

Much more can be gained through a comprehensive effort to maximize job opportunities for all workers—the young as well as the old.

The resolution which I have introduced today would help to create a more favorable climate for the employment of mature workers. It would serve to complement our Nation's efforts to develop new job opportunities for younger workers.

Both goals are clearly obtainable. What is needed is a sense of commitment.

Mr. Speaker, I urge early approval of this resolution. In addition, I insert at this point that it be printed in the RECORD:

JOINT RESOLUTION

To provide for the designation of the second full calendar week in March 1976 as "National Employ the Older Worker Week"

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the second full calendar week in March of 1976 as "National Employ the Older Worker Week", and calling upon employer and employee organizations officially concerned with employment, and upon all the people of the United States to observe such week with appropriate ceremonies, activities, and programs designed to promote employment opportunities for older workers.

200 YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. WIGGINS. Mr. Speaker, on January 22, 1776, the Continental Congress appointed a three-man committee "to consider a proper method of paying a just tribute of gratitude to the memory of General Montgomery. Gen. Richard Montgomery, commander of the American army in Canada, was killed on December 31, 1775, during the assault on Quebec. His death was a particularly hard blow because he was a general of exceptional promise. General Montgomery had demonstrated real military ability in leading the offense into Canada despite the poor quality of the troops and subordinates under his command, and the logistical problems he encountered. On November 2, 1775, his army had forced the surrender of approximately 600 British and Canadian troops in the garrison at St. John's and 11 days later he captured Montreal.

Two hundred years ago, on January 23, 1776, the Continental Congress requested its secretary to prepare and present "an account of the late repulse our troops met with, and the loss we have sustained in the unsuccessful attempt on Quebec . . ." The initial success of the American forces in Canada had raised hopes for a quick victory in that area. These hopes were bitterly crushed when news arrived of the defeat of Quebec. During the snowfall on the evneing of December 31, 1775, an American assault on the city's well-fortified defenses ended in disaster. General Montgomery was killed; out of an American force of approximately 800 men, 100 were killed or wounded, and over 300 were taken prisoner. From the beginning the American colonies sought not only to prevent British military action from Canada against the colonies, but also to aline their northern neighbors with them in the struggle with their mother country. On January 24, 1776, the Continental Congress addressed a letter to, "The Inhabitants of the Province of Canada," seeking their support in the struggle with Great Britain. Stressing that the liberty, honor and happiness of all the colonies in North American were inextricably linked, the letter emphasized that, "nothing is so essential to guard our interests and liberty, as efficacious measures to combine our mutual forces, in order that by such an union of succour and councils, we may be able to baffle the endeavours of an enemy, who, to weaken may attempt to divide us."

SAKHAROV: WORLD SYMBOL FOR REDEMPTION

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. SCHEUER. Mr. Speaker, Western sociologists have long alleged that the restrictive environment of a totalitarian society can result in little else but the death of the intelligentsia of that society.

The Soviet Union's recent refusal to allow Andrei Sakharov, the Nobel Prize winner in physics, to journey to Stockholm to receive his prize coupled with the absence of any reaction by the Soviet intellectual community demonstrates the final passing of the Russian intelligentsia. The dangers of a powerful nation having at its disposal an intellectual community with no morals and guided by leaders with no scruples cannot be overemphasized.

Although the label of propaganda is placed on such statements when they are attributed to Westeners, their veracity must be reevaluated when they are spoken by a Russian. I trust that all my colleagues will find the letter reproduced below interesting and provocative. It appeared in the New York Times of January 24, 1976, and was written by I. A. Mel'cuk—a senior scientist on the staff of the famed Soviet Academy of Science. His courage in writing this letter in the face of sure imprisonment is particularly noteworthy:

SAKHAROV: WORLD SYMBOL OF REDEMPTION

To the Editor:

I am writing this letter to a Western newspaper because I am not allowed to express by opinions in the U.S.S.R. My subject is the great Soviet physicist and Nobel Prize winner Andrei Sakharov.

Except for party- or government-inspired press attacks on him, in my country the silence over Sakharov is complete. But the West should know that there are many people here—and I am one of them—who strongly disapprove of the dirty campaign waged against the man who is perhaps the only absolutely honest person among our eminent scientists.

The almost absolute lack of overt support for Sakharov among highly placed Soviet scientists and scholars clearly demonstrates that there is no such thing as the Russian intelligentsia any more. If Sakharov's colleagues and former friends, such as Khariton and Zee'dovic (not to speak of the sixty other academicians and professors) signed the "letter" denouncing Sakharov, it can mean only that moral considerations are fully excluded from the mentality of those who should base the whole of their activities and lives on moral principles.

It is difficult to compare different ordeals, but last month a tribunal in Vilnius sentenced to seven years' imprisonment plus three years of exile the biophysicist Sergei Kovalev, a member of Sakharov's Committee for Human Rights. For a scientist of more than forty years of age, this means death—spiritually and mentally, if not literally. Not one Soviet scientist protested. The members of the Soviet Academy of Sciences have become soulless puppets, devoid of convictions and conscience.

As for the West, I cannot understand the attitude of your scientists and scholars. Perhaps they do not fully realize that a powerful nation of 250 million, guided by the unscrupulous and having at its disposal first-class brains with no hearts and souls, may prove highly dangerous.

The examples of Cuba, Czechoslovakia, Vietnam, Laos, Cambodia, and Angola show the impotence of the West in the face of the Communist machine. And real freedom and human rights in the Soviet Union are as important (if not more important) to the world as they are to us.

Please do not forget that there are many here kept in jails, labor camps and prison psychiatric hospitals who are suffering also for your freedom. Sakharov is for us—and should be for the world—a symbol of redemption.

I. A. MEL'CUK.

THE 58TH ANNIVERSARY OF INDEPENDENT UKRAINE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. MOAKLEY. Mr. Speaker, the year 1976 is very significant for many reasons to all Americans. As we all know, 1976 is America's Bicentennial—200 years of great achievements and progress. But 1976 is also doubly significant for a portion of the American people—those Americans of Ukrainian descent.

This year 1976 marks the 100th anniversary of Ukrainian settlement in America. One day in particular, January 22, 1976, marks the 58th anniversary of the Ukraine's Independence.

Mr. Speaker, I believe that all Americans owe a great measure of gratitude and thanks to their Ukrainian neighbors and friends. The Ukrainian-American is intensely loyal, proud and brings a culture rich in history and tradition to our shores. We should all join in making January 22 as a day of remembrance and observance of the cultural and historical significance of Ukraine and its people.

REMARKS PERTAINING TO GUN CONTROL

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. PRESSLER. Mr. Speaker, I am basically opposed to gun control. The reason is that gun control legislation tends to take guns out of the hands of responsible citizens who might want to protect their families but such gun control legislation does not take guns out of the hands of criminals and wrongdoers. When one closely analyzes the issues surrounding gun control, it becomes apparent that gun control plans look good on paper but as a practical matter gun control is not working very well in those States where it has been implemented.

The question whether or not to control guns has been an extremely controversial one for a number of years, and there are many factors to consider when attempting to find an answer to this problem.

As a congressional adviser to the Citizens Committee for the Right to Keep and Bear Arms, I believe that any individual who is responsible, and who purchases and uses a gun legally, is entitled the right of ownership. In my constituency, the First District of South Dakota, many persons own guns and use them with great care. Hunting is undertaken not only for sport, but for food.

During the past few years, I have become increasingly concerned about the violent crimes committed with so-called Saturday night specials. The definition of "Saturday night specials" used by the Judiciary Committee does not include handguns like a Smith & Wesson, or a Colt, but the cheap untrademarked handguns. Most law-abiding citizens who purchase handguns would not consider purchasing cheap, untrademarked guns.

A few statistics regarding the relationship between handguns and violent crime should be assessed in order to determine the need for stringent gun control legislation. In 1973, 53 percent of all criminal homicides were committed with handguns. This 53 percent translates into a figure of 10,340 crimes. It is estimated that 40 million Americans own handguns. I question whether taking the handguns away from 40 million Americans will keep a would-be criminal from committing violent crime with a knife, switchblade, or any other potentially dangerous instrument.

Another interesting set of statistics involves those States which have restrictive handgun control laws. The national homicide rate is 9.3 persons per 100,000 while the rate in States with restrictive laws averages 10.5. The criminal statistics from States with restrictive gun laws leads one to believe that restrictive Federal laws might not lessen the number of criminal homicides.

Support for a measure aimed at restricting the availability of cheap handguns, or parts, might be in the national interest. Careful, unemotional assessment must also be given to proposals mandating sentences for any individual perpetrating crimes with firearms. In addition, I suggest we enforce present criminal laws pertaining to firearms and their criminal use before legislating further measures which might be rendered useless due to nonenforcement.

Gun control is an emotional issue. I urge my colleagues to proceed with cautious deliberation. The legislative process is a world full of great ideas on paper which often, when translated into everyday life, create more problems than solutions.

SOLZHENITSYN ASKS AMERICA TO WAKE UP

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. McDONALD of Georgia. Mr. Speaker, Aleksandr Solzhenitsyn, in his second major address in New York on July 9 of last year, gave the United States a somber warning if we do not look to our defenses and stop building up our enemy. Here in condensed version, as it appeared in The Reader's Digest for December 1975 is his speech, which I commend to the attention of my colleagues, as we watch Angola go under:

WAKE UP! WAKE UP!

The most famous living Russian author issues a warning to the people—and the government—of the United States.

(NOTE.—In two extraordinary speeches delivered last summer—the first in Washington on June 30, the second in New York on July 9—Nobel Prize-winner Aleksandr Solzhenitsyn challenged the United States to reconsider the wisdom of the policy of détente. Delivered under the auspices of the AFL–CIO, the addresses were noteworthy not only because of their somber and uncompromising clarity, but because of the commanding credentials of the speaker: Solzhenitsyn is both the greatest Russian novelist of this century ("One Day in the Life of Ivan Denisovich," "The First Circle," "August 1914") and the world's most eloquent former political prisoner ("The Gulag Archipelago" is his searing account of the Soviet penal system).

In October, The Reader's Digest published a condensation of Solzhenitsyn's first speech ("No More Concessions!"). Here is the second, an outspoken warning to the West that is as disturbing as it is persuasive.)

(By Aleksandr Solzhenitsyn)

Is it possible to transmit the experience of those who have suffered to those who have yet to suffer? Can one part of humanity learn from the bitter experience of another? Is it possible to warn someone of danger?

How many witnesses have been sent to the West in the last 60 years? How many millions of persons? You know who they are: if not by their spiritual disorientation, their grief, then by their accents, by their external appearance. Waves of immigrants, coming from different countries, have warned you of what is happening. But your proud skyscrapers point to the sky and say: It will never happen here. It's not possible here.

It can happen. It is possible. As a Russian proverb says: "When it happens to you, you'll know it's true."

Do we have to wait until the knife is at our throats? Isn't it possible to assess the menace that threatens to swallow the whole world? I was swallowed myself. I have been in the red burning belly of the dragon. He wasn't able to digest me. He threw me up. I came to you as a witness to what it's like there.

Communism has been writing about itself in the most open way for 125 years. It is perfectly amazing. The whole world can read but somehow no one wants to understand what communism is. Communism is as crude an attempt to explain society and the individual as if a surgeon were to perform his delicate operations with a meat-ax. All that is subtle in human psychology and the structure of society (which is even more delicate) is reduced to crude economic processes. This whole created being—man—is reduced to matter.

Communism has never concealed the fact that it rejects all absolute concepts of morality. It scoffs at "good" and "evil" as indisputable categories. Communism considers morality to be relative. Depending upon circumstances, any act, including the killing of thousands, could be good or bad. It all depends upon class ideology, defined by a handful of people. In this respect, communism has been most successful. Many people are carried away by this idea today. It is considered rather awkward to use seriously such words as "good" and "evil." But if we are to be deprived of these concepts, what will be left? We will decline to the status of animals.

FREEDOM'S TAX

But what is amazing is that, apart from all the books, communism has offered a multitude of examples for modern man to see. The tanks have rumbled through Budapest and into Czechoslovakia. Communists have erected the Berlin Wall. For 14 years people have been machine-gunned there. Has the wall convinced anyone? No. We'll never have a wall like that. And the tanks in Budapest and Prague, they won't come here either. In the communist countries they have a system of forced treatment in insane asylums. Three times a day the doctors make rounds and inject substances into people's arms and that destroy their brains. Pay no attention. We'll continue to live in peace and quiet here.

What's worst in the communist system is its unity, its cohesion. All the seeming differences among the communist parties of the world are imaginary. All are united on one point: *your social order must be destroyed.*

All of the communist parties, upon achieving power, have become completely merciless. But at the stage before they achieve power, they adopt disguises. Sometimes we hear words such as "popular front" or "dialogue with Christianity." *Communists* have a dialogue with Christianity? In the Soviet Union this dialogue was a simple matter: they used machine guns. And last August, in Portugal, unarmed Catholics were fired upon by the communists. This is dialogue? And when the French and the Italian communists say that they are going to have a dialogue, let them only achieve power and we shall see what this dialogue will look like.

As long as in the Soviet Union, in China and in other communist countries there is no limit to the use of violence, how can you consider yourselves secure or at peace? I understand that you love freedom, but in our crowded world you have to pay a tax for freedom. You cannot love freedom just for yourselves and quietly agree to a situation where the majority of humanity is being subjected to violence and oppression.

The communist ideology is to destroy your society. This has been their aim for 125 years and has never changed; only the methods have changed. When there is détente, peaceful coexistence and trade, they will still insist: The ideological war must continue! And what is ideological war? It is a focus of hatred, a continued repetition of the oath to destroy the Western world.

I understand, it's only human that persons living in prosperity have difficulty understanding the necessity of taking steps—here and now—to defend themselves. When your statesmen sign a treaty with the Soviet Union or China, you want to believe that it will be carried out. But the Poles who signed a treaty in Riga in 1921 with the communists also wanted to believe that the treaty would be carried out; they were stabbed in the back. Estonia, Latvia and Lithuania signed treaties of friendship with the Soviet Union and wanted to believe that they would be carried out; these countries were swallowed.

And those who sign treaties with you now, at the same time give orders for sane and innocent people to be confined in mental hospitals and prisons. Why should they be different? Do they have any love for you? Why should they act honorably toward you while they crush their own people? The advocates of détente have never explained this.

You want to believe, and you cut down on your armies. You cut down on your research. You eliminated the Institute for the Study of the Soviet Union—the last genuine institute which actually could study Soviet society—because there wasn't enough money to support it. But the Soviet Union is studying you. They follow what's going on in your institutions. They visit Congressional committees; they study everything.

NUCLEAR CHECKMATE

The principal argument of the advocates of détente is that détente is necessary to avoid nuclear war. But I think I can set your minds at ease: there will not be any nuclear war. Why should there be a nuclear war if for the last 30 years the communists have been breaking off as much of the West as they wanted, piece after piece? In 1975 alone, three countries in Indochina were broken off.

You have theoreticians who say: "The United States has enough nuclear weapons to destroy the other half of the world. Why should we need more?" Let the American nuclear specialists reason this way if they want, but the leaders of the Soviet Union think differently. In the SALT talks your opponent is continually deceiving you. Either he is testing radar in a way which is forbidden by the agreement; or he is violating the limitations on the dimensions of missiles; or he is violating the conditions on multiple warheads.

Once there was no comparison between the strength of the U.S.S.R. and yours. Now theirs is becoming superior to yours. Soon the ratio will be 2 to 1. Then 5 to 1. With such a nuclear superiority it will be possible to block the use of your weapons, and on some unlucky morning they will declare: "Attention. We're marching our troops to Europe and, if you make a move, we will annihilate you." And this ratio of 2 to 1 or 5 to 1 will have its effect. You will not make a move.

A WORLD OF CRISIS

In addition to the grave political situation in the world today, we are approaching a major turning point in history. I can compare it only with the turning point from the Middle Ages to the modern era, a shift of civilizations. It is the sort of turning point at which the hierarchy of values to which we have been dedicated all our lives is starting to waver, and may collapse.

These two crises—the political and spiritual—are occurring simultaneously. It is our generation that will have to confront them. The leadership of your country will have to bear a burden greater than ever before. Your leaders will need profound intuition, spiritual foresight, high qualities of mind and soul. May God grant that you will have at the helm personalities as great as those who created your country.

Those men never lost sight of their moral bearings. They did not laugh at the absolute nature of the concepts of "good" and "evil." Their policies were checked against a moral compass. They never said, "Let slavery reign next door, and we will enter into détente with this slavery so long as it doesn't come over to us."

I have traveled enough through your country to have become convinced that the American heartland is healthy, strong, and bored in its outlook. And when one sees your free and independent life, all the dangers which I talk about indeed seem imaginary; in your wide-open spaces, even I get infected. But this carefree life cannot continue in your country or in ours. A concentration of world evil, of hatred for humanity is taking place, and it is fully determined to destroy your society. Must you wait until it comes with a crowbar to break through your borders?

NO MORE SHOVELS!

We in the Soviet Union are born slaves. You were born free. Why then do you help our slaveowners? When they bury us in the ground alive, please do not send them shovels. Please do not send them the most modern earth-moving equipment.

The existence of our slaveowners from beginning to end depends upon Western economic assistance. What they need from you is absolutely indispensable. The Soviet economy has an extremely low level of efficiency. What is done here by a few people, by a few machines, in our country takes tremendous crowds of workers and enormous masses of materials. Therefore, the Soviet economy cannot deal with every problem at once: war, space, heavy industry, light industry, and at the same time feed and clothe its people. The forces of the entire Soviet economy are concentrated on war, where you won't be helping them. But everything that is necessary to feed the people, or for other types of industry, they get from you. You are helping the Soviet police state.

Our country is taking your assistance, but in the schools they teach and in the newspapers they write, "Look at the Western world, it's beginning to rot. Capitalism is breathing its last. It's already dead. And our socialist economy has demonstrated once and for all the triumph of communism." I think that we should at last permit this socialist economy to prove its superiority. Let's allow it to show that it is advanced, that it is omnipotent, that it has overtaken you. Let us not interfere with it. Let us stop selling to it and giving it loans. Let it stand on its own feet for 10 or 15 years. Then we will see what it looks like.

I can tell you what it will look like. It will have to reduce its military preparations. It will have to abandon the useless space effort, and it will have to feed and clothe its own people. And the system will be forced to relax.

The Cold War—the war of hatred—is still going on, but only on the communist side. What is the Cold War? It's a war of abuse. They trade with you, they sign agreements and treaties, but they still abuse you, they still curse you. In the depths of the Soviet Union, the Cold War has never stopped for one second. They never call you anything but "American imperialists." Do I call upon you to return to the Cold War? By no means, Lord forbid! What for? The only thing I'm asking you to do is to stop helping the Soviet economy.

In ancient times, trade began with the meeting of two persons who would show each other that they were unarmed. As a sign of this each extended an open hand. This was the beginning of the handclasp. Today's word "détente" means a relaxation of tension. But I would say that what we need is rather this image of the open hand.

Relations between the Soviet Union and the United States should be such that there would be no deceit in the question of armaments, that there would be no concentration camps, no psychiatric wards for healthy people. Relations should be such that there would be an end to the incessant ideological warfare waged against you and that an address such as mine today would in no way be an exception. People would be able to come to you from the Soviet Union and from other communist countries and tell you the truth about what is going on. This would be, I say, a period in which we would truly be able to present "open hands" to each other.

WHAT ALTERNATIVE TO ECONOMIC PLANNING?

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. HARRINGTON. Mr. Speaker, in an article which appeared in the New York Times Magazine on Sunday, January 25, Robert Heilbroner discusses economic planning at the national level. Part one of that article which is included in my remarks yesterday focused on the mechanics of a national planning effort. In part two, Mr. Heilbroner contends that social inertia could carry the economy onwards as usual, that the drift into planning is not inevitable despite population increases, wasteful production, and depletion of resources. A sensible long-range plan for the American economy will only be adopted through an all-out effort by the Congress to establish a mechanism for setting goals and realizing them. The second part of Heilbroner's article on economic planning is an encouraging argument for such a congressional effort.

The balance of Mr. Heilbroner's article is included here for my colleagues' attention:

IS THERE NO ALTERNATIVE TO PLANNING?

I began by saying that America was drifting into planning. But is this drift inevitable? Is it not possible to go on as we are, or even to dismantle some of the planning that is already embedded in our system?

Whether they say it explicitly or not, the opponents of planning maintain that things can go on as they are. This is not an irresponsible position. Social inertia is always a powerful force. Inertia may hold together cities that have lost their fiscal soundness. It may permit 10 percent unemployment and 10 percent inflation to persist for years with little more than grumbling.

I might myself incline to the view that we could go on without national planning—even though I think that planning could greatly improve economic conditions—were it not for the fact that there are forces at work that will probably make things worse. To begin with the mildest of these, our population is still increasing, bringing strains that are particularly felt in the underfinanced cities: the pressure in the ghetto is building. Meanwhile, technology is relentlessly invading the social order with products whose destructive potential continues to take us by surprise and to fill us with alarm: nuclear wastes, chemical wastes, thermal wastes all press on the life-carrying capacity of the environment, and threaten to overwhelm it in the foreseeable future. At the same time, the process of economic growth continues its ravenous progress, reaching further and further into the earth's crust for the materials essential for its continuance. Many of the easily reached pockets of resources will be exhausted within a generation or so, requiring much larger applications of energy to maintain the snowball of mounting production. And the underdeveloped areas, now coming into possession of nuclear arms, and hence in a better position to make their views count, no longer regard the export of their mineral wealth to the rich industrial nations with the indifference or unalloyed pleasure that was once the case. The clear necessity, in a word, is for an ever more vigilant monitoring of the pace and pattern of economic growth—a monitoring that cannot be attained without economic planning.

And, not least, there is the change in the scale of private enterprise. The reach of business enterprise continues to grow. Big corporations now extend their operations around the world. As the scope of enterprise grows, business becomes ever more enmeshed in social problems. The cry for regulation grows, as much engendered by the increasing prominence of big business as by the growing acuity of the problems themselves.

Thus, I doubt very much that things can go on as they are. The present situation is unstable, and the forces of technology, environment, and sheer growth in size and complexity make a return to a simpler—or at any rate, less planned—economy impossible. When we are told by Thomas Murphy of General Motors, and by others, that "the solution is not for more government direction, but less," we are hearing a prescription for a world that does not exist.

That is why there is no capitalist economy in the world today that does not have a growing core of economic planning. In some countries, such as our own, that planning is piecemeal, cross-purposed, inadequate. In others it is institutionally elaborate. France, for example, has a Planning Commission that regularly draws up national plans of roughly five years' duration specifying many objectives for the French economy. The plans are drawn only after lengthy consultations with industry, and the guiding idea behind the scheme is that the consultative process itself will bring about a voluntary adoption by industry of the very actions needed to make the national plan come true.

This "indicative planning" effort leans heavily on the French organization of industry and its long tradition of *dirigiste* policies. But every nation's planning mechanism adapts to prevailing traditions. Japan has a high-level, largely "unofficial" coordination of national and private policies that has been popularly dubbed Japan Inc., Norway and the Netherlands have small planning apparatuses that put to good use the traditions of consensus prominent in both countries. Sweden works through its employers and union federations; Germany through its banks.

Probably none of these techniques of planning could be imported directly into this country. We are larger and more diversified than our European or Japanese counterparts; perhaps more important, we are less accustomed to authority, less respectful of government. Planning in America will have to make its peace with regional differences, political realities, national temperament. Thus the Humphrey-Javits bill, the most likely measure to be passed, is careful to include provisions for regional consultation and for Congressional involvement, and tactfully omits any mention of enforcement mechanisms.

The Humphrey-Javits bill proposes a number of institutional departures. It would establish a small Economic Planning Board in the Executive Office of the President. The board would be charged with a number of technical functions, including the preparation of a proposed "economic-growth plan." This proposed plan would then be reviewed by a Council on Economic Planning comprised of the Cabinet and other chief economic officials, and also by an Advisory Committee made up of representatives of business, labor and the public, appointed in part by the President and in part by Congress. The plan that emerged from the executive branch would then be referred to the Joint Economic Committee of Congress. Here, further hearings would be held, and the plan would be revised or amended as Congress wished. Ultimately, the plan would be passed by a concurrent resolution of the Congress and sent back to the President.

Of course the actual advent of planning will depend on political events. If the Democrats win the next election, some form of national economic planning is likely to become a reality in the next President's first term. If the Republicans win, planning will be postponed. But only postponed, not permanently shelved. As Leontief has said, planning will come not when the radicals want it, but when businessmen demand it. And demand it they will, for without more planning it is difficult to believe that capitalism can last out the century.

WILL PLANNING SAVE U.S. CAPITALISM?

It may not. We do not know if the best-drawn plans can iron out the sheerly economic problems of a business system—its tendencies to instability, inflation, economic waste. We do not know if planning can overcome political and social rigidities that have locked us into a tradition of malign neglect of minorities, or if it can reverse a corrosive commercialization of life. Not least, we do not know if planning can be made to work effectively. We cannot plan better than we can govern. Planning will force us to discover how well that is.

Certainly, then, planning is no panacea. It is an option, an alternative, an opportunity—the only opportunity, I think, to arrest the course of slow self-destruction on which we now seem to be embarked. It would be foolish to deny that planning carries great risks, including that of a grave constriction of freedom as the consequence of a reckless proliferation of controls. But it would be even more foolish to ignore the risks associated with a refusal to move into national planning, including the danger of a rush to political extremism as a consequence of economic frustration or failure.

In the end, I believe that planning offers hope. In part it is the hope that a restored economic society can regenerate a high sense of social and political morale. In still greater part it is the hope that we can once again experience a sense of mastery over events. We will need such an assertion of purpose to prepare for a future full of disquieting portents.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on January 27, 1776, the colonies and the mother country each sought the support of the Indian nations and in an effort to preserve the friendship and confidence of the Indians the Continental Congress authorized the expenditure of 40,000 pounds sterling to purchase and import goods needed by the Indians. Congress stipulated that Indian commissioners fix reasonable prices for the goods, and that they be sold by licensed traders at specified posts and places. Moreover, the traders had to, "allow the Indians a reasonable price for their skins and furs, and take no unjust advantage of their distress".

AMERICANS SUPPORT RIGHT TO KEEP AND BEAR ARMS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. ASHBROOK. Mr. Speaker, Decision Making Information, a firm based in Santa Ana, Calif., recently completed a comprehensive public opinion survey on the issue of gun control. This poll, which was conducted during September and October of 1975, is based on interviews with more than 1,500 registered voters from all regions of the country.

The DMI poll refutes the conclusions of pollster Louis Harris that Americans favor strict new Federal gun control laws. It shows that Americans overwhelmingly support the right to keep and bear arms.

According to the DMI survey, fully 82 percent believe they have a right to own firearms. A ban on private ownership of handguns is rejected by a margin of 76 percent to 24 percent.

Almost 3 out of every 4 Americans feel that crime would not be reduced even if Congress forced the people to turn in their guns. Instead, they recommend harsher punishment of criminals as the best way of cutting back on crime.

The American public recognizes the real issue involved in proposed gun registration laws. More than half of those interviewed believe national gun registration would eventually lead to Government confiscation of guns.

The DMI poll confirms what I have always believed. The vast majority of the American people want to preserve the right of the individual citizen to keep and bear arms.

For the information of my colleagues, following is a summary of the major findings of the DMI poll:

Summary of Major Findings of DMI National Public Opinion Survey

82% of the American people believe that they, as citizens, have a right to own firearms.

By a margin of 76% against 24%, Americans decisively reject a ban on private ownership of handguns.

Fully half the public thinks a national gun registration program would lead eventually to confiscation of guns by the government.

78% believe that the U.S. Constitution gives them "the right to keep and bear arms," and 73% reject the notion that this right pertains only to the national guard.

Americans overwhelmingly reject (71%) any law which would give police authority to decide who may or may not own a gun.

Of those surveyed, 46% had at least one firearm in the home. In 62% of the firearms-owning households, the firearm was owned by the person actually interviewed; thus, the overall percentage of firearms *owners* in the adult population was about 29%.

78% of the public feel that neither of the two recent attempts to assassinate President Ford could have been prevented by a national handgun registration law, and 71% reject the idea that assassination attempts on public officials could be avoided by banning altogether the private ownership of handguns.

55% of those in firearms-owning households cited self-defense as one of the reasons they owned a gun.

73% of the public does not believe that a federal law requiring all guns to be turned in would be effective in reducing crime.

When asked to indicate what it felt was the most important national problem, and the most important community problem, the public gave gun control practically no attention—less than ½% mentioned it.

When asked to suggest ways to reduce crime, only 11% volunteered gun control as a solution. In contrast, by far the most popular suggestion was more severe punishment of criminals (33%). Only 1% mentioned registration of firearms, and less than ½% suggested a ban on so-called "Saturday Night Specials."

The public foresees immense difficulties in enforcing on a national scale either a gun registration or a confiscation law, if such were to be passed. Only 23% of the public believe most gun owners would register their guns; only 9% of the public believe that more than half of the gun owners would turn in their guns.

Public knowledge of existing federal firearms laws is exceedingly poor. Asked five basic questions about buying guns (by mail-order, in another state, etc.) 71% could not answer more than three questions correctly. More than one-fourth (28%) could answer none, or only one, question correctly.

50% of firearms-owning households contain at least one handgun. Among blacks, the percentage rises to 62%.

84% believe that gun registration will not prevent criminals from acquiring or using handguns for illegal purposes.

If a gun registration law were to be passed, only 30% believe it should be administered by the federal government. 63% would prefer it closer to home, run by state or local authorities.

Only 36% agree that firearms registration would help solve crimes through tracing; the remaining 64% think crimes will not be solved by registration because criminals would not register their guns.

Only 30% agree that a ban on private handgun ownership would reduce crime; 70% accept the view that if criminals couldn't get handguns, they'd simply use rifles and shotguns instead.

Only 30% believe that firearms registration would make it more difficult for the potential criminal to get a gun; fully 70% think that potential criminals determined to get guns would get them anyway.

INFLATION—AN OVERLOOKED ISSUE

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. PRESSLER. Mr. Speaker, there is much talk in Washington about fighting inflation, but I think the biggest issue is overlooked—that is, a better example by the top level officials in Washington.

For example, I do not think Congress should have its automatic pay raise every year. I believe the number of limousines on the streets of Washington should be reduced. I think our high level Government officials should reduce travel abroad. And spending on entertainment in our embassies and in official Washington should be cut back. It is not the amount of money, it is the example that I am concerned with. How can we ask middle level bureaucrats to cut back if top people do not? And more importantly, how can we ask our taxpayers to make sacrifices if the top levels of our Government are not doing so?

POLITICS AND HUNGER: MYTHS ABOUT THE FOOD STAMP PROGRAM

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. RICHMOND. Mr. Speaker, last October I inserted into the Record a series of remarks seeking to correct some of the misinformation being used to discredit the food stamp program.

Another article, prepared by Ron Pollack of the Food Research and Action Center, appeared in the New York Times on November 20, 1975. It shows that well-publicized attacks on the program, and its participants, turn out to be only sensationalized fiction, and not true fact.

This article corrects three widely circulated myths about the food stamp program. First, those who participate in the program are mainly the extremely needy, and not the middle class. Second, the program is growing, but it is not out of control. Mr. Pollack documents that growth has been caused by normal expansion of the program, and by the Nation's economic situation, especially unemployment, which has caused many people to turn to food stamps. Third, regarding fraudulently obtained stamps, the article shows that only 8 out of every 10,000 families using food stamps have obtained them fraudulently, as the USDA itself admits.

These myths circulated by opponents of the food stamp program and rebutted by USDA studies, are hurting a program vitally important to many of the people of this Nation. Legislative solutions to the current administrative problems in the program must deal instead with ways to improve and expand the program to insure that all those who need supplemental food assistance can receive it.

The article follows:

[From the New York Times, Nov. 20, 1975]

POLITICS AND HUNGER

(By Ronald F. Pollack)

Many misleading myths have been propagated to distort the debate over the Agriculture Department's foodstamp program. Though thoroughly rebutted by facts contained in official Agriculture Department reports, these half-truths and untruths are still being disseminated by ultraconservative associates of Ronald Reagan and by several Cabinet members in the Ford Administration.

Myth 1. Many middle-class families are participating in the food-stamp program.

This myth originated in a full-page magazine advertisement last June that asserted that households with $16,000 in annual income were receiving food stamps. This misinformation has been seized upon and cited as fact on numerous occasions, particularly by Treasury Secretary William E. Simon and proponents of Senator James L. Buckley's drastic food-stamp-cutback bill. This ad—which was referred by the Agriculture Department to the Federal Trade Commission as allegedly misleading, and is now being reviewed by a Federal District Court for the same reason—seriously distorts reality.

In the department's food-program report to the Congress this summer, the department said that 45 percent of all families receiving aid had after-tax incomes of less than $3,000 a year; 65 percent had incomes below $4,000; and 9 percent had incomes under $7,000. The report also showed that, for statistical purposes, 100 percent of all the families in the program lived on less than $10,000. The department concluded then that food-stamp recipients "tend to be the poorest of the poor."

The department also provided statistics on all four-person households in the country to determine the percentage of families, in each income class, who were aided by the program. The department's report said that whereas 58 percent of all such households with incomes under $3,000 a year received food-stamp relief, only 1.3 percent of the households in the $7,000-$7,999 range, and 0.2 percent in the $9,000-$9,999 range, participated.

Zero percent in the $10,000 and higher category get food stamps.

Therefore, it is evident that "the highest rates of participation are shown by the extremely needy," and middle-class families are not receiving food stamps.

Myth 2: The food-stamp program is "out of control."

Secretary Simon made this assertion in a speech last summer, citing program growth of 47,000 percent since 1962. A widely circulated booklet prepared by Mr. Reagan's former Social Welfare Department director, David B. Swoap, in support of Senator Buckley's food-stamp bill, professes shock at the "incredible increase of 4,227 percent" in the number of program participants since March 1965.

These charges are very misleading. At the end of fiscal year 1962, the program was operated on a pilot basis in only eight counties and was not enacted by Congress until Aug. 31, 1964.

Thus, it is not surprising that only seventy counties offered food stamps as of March 1965. At that time, almost 1,900 counties operated the commodity distribution program, but over 1,100 counties provided no Federal food assistance at all.

Program growth in the late 1960's occurred as counties started one of the two Federal food programs, and subsequently as counties switched from the commodity-distribution to the food-stamp program. From the end of 1971—when almost every county provided food aid—to August 1974, participation rates in the two programs remained stable at 15 million persons.

Between mid-1974 and May 1975, however, unemployment rates jumped from 5.4 to 9.2 percent. That factor—and the addition, during that period, of 1.5 million food-stamp recipients in Puerto Rico, Guam and the Virgin Islands—brought the program to its all-time participation peak of 19.3 million persons.

Thereafter, as unemployment rates began to recede, participation fell to 18.5 million. Thus, the only thing "out of control" were charges by the program's adversaries. The number of people participating in the program merely reflected the unfortunate conditions of the nation's economy.

Myth 3: There is a rampant fraud in the program.

Secretary Simon, in his speech, declared that the program "is a well-known haven for the chiselers and rip-off artists." Senator Buckley also branded the program "a public ripoff."

Agriculture Department statistics demonstrate that these charges are grossly exaggerated. During a June 1973 hearing before the Senate Nutrition Committee, former Assistant Secretary of Agriculture Clayton K. Yeutter testified that the program was "remarkably free of fraud." He cited department data demonstrating that "the percentage of fraudulently participating households, as related to total participating households, equaled 24 thousandths of 1 percent."

A more recent report concludes that in 1974 only eight out of 10,000 families receiving food stamps obtained them fraudulently. Consequently, the well-publicized attacks on the integrity of needy people amount to little more than empty rhetoric. They reflect a change in the politics of hunger, from a commitment to help the poor to a campaign to exploit them.

MAYOR WILLIAM G. GLANG

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. RYAN. Mr. Speaker, on February 20, the City Council of Millbrae, Calif., in my congressional district, will be honoring Mayor William G. Glang for 18 years of devoted public service to the city of Millbrae.

Mayor Glang's service to Millbrae began in 1958 when he won a seat on the Millbrae Elementary School Board. During his 10 years with the board he served as president twice. After resigning from the board in 1968, Mayor Glang ran for and won a seat with the Millbrae City Council. He has served as mayor of the city of Millbrae for 8 years. Also, since joining the State Farm Insurance Co. in 1953, Mayor Glang has remained active with the firm.

In addition to Mayor Glang's efforts with the school board and city council, his 18 years of service to Millbrae have included working with the San Mateo County Convention Bureau, serving as treasurer and vice president of the San Mateo County School Board Association, president of the Millbrae Chamber of Commerce, director of the San Mateo County Red Cross, chairman of the United Bay Area Crusade, and membership chairman of the Millbrae County Methodist Church.

Even though his present position with the Millbrae City Council is a busy and challenging one, Mayor Glang will not be seeking reelection when his term of office is up in 1976 in order to spend more time with his wife, Grace, and their three children. I am sure, however, that Bill Glang will continue to have a very real effect upon the city of Millbrae.

I would like to congratulate Mayor Glang for more than living up to his own precept. He has gained much happiness over the years, because of his residence in Millbrae. I am certain that he has more than paid back his obligation for that peace of mind by his dedicated service to his city and his fellow citizens.

DWANE L. WALLACE TO RECEIVE GUGGENHEIM MEDAL

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. SHRIVER. Mr. Speaker, Mr. Dwane L. Wallace, a nationally known pioneer and leader in the field of general aviation, will receive the 1975 Daniel Guggenheim Medal for great achievement in aeronautics on Thursday evening, January 29, here in Washington. This high honor will be accorded Mr. Wallace during the honors night banquet at the American Institute of Aeronautics and Astronautics 12th annual meeting.

This is a most deserved recognition for Dwane Wallace, who is a constituent and friend of mine from Wichita, Kans. He is the recently retired board chairman of Cessna Aircraft Co. but he has written a record of accomplishment which will continue to benefit our Nation and our national transportation system for many years to come.

He joins an impressive array of aviation leaders such as Orville Wright, Glenn Martin, Bill Boeing, Jimmy Doolittle, Charles Lindbergh, Sir Frank Whittle, Theodore von Karman and Dutch Kindelberger. Dwane Wallace is the first recipient of the award from the field of general aviation.

He was selected by the Guggenheim Board of Award for his many engineering, management and leadership contributions in the development of general aviation from a novelty 40 years ago to a key part of the world's transportation system today.

Mr. Wallace is one of the world's leading pioneers in general aviation and aircraft manufacturing. He served as chief executive officer of Cessna Aircraft Co. in Wichita from 1936 until 1975. During that time he led the company to world leadership in general aviation aircraft.

He has long been concerned with promoting the growth, prestige and recognition of general aviation around the world. He was instrumental in establishing the General Aviation Manufacturers Association and served a 2-year term as that organization's first chairman.

Dwane Wallace's interests are diverse and not confined to aviation alone. He is a leader in community and State affairs. He is dedicated to quality education and has been active in the Wichita State University Endowment Association.

In the years that I have been acquainted with Mr. Wallace, I have found him to be concerned and active in working for good government and the preservation of free enterprise in this country.

His interests and dedication to general aviation and to his community, State, and Nation have touched the lives of millions of people throughout the world.

I congratulate Dwane Wallace on this important and deserved award.

THE IMPACTS OF NATIONAL BEVERAGE CONTAINER LEGISLATION

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. KASTEN. Mr. Speaker, there are several bills pending before the 94th Congress which are designed to curb or eliminate the use of nonreturnable beverage containers. The purposes of such bills are energy conservation, litter control, and solid waste reduction.

I have opposed these shortsighted measures because they fail to provide a basis for developing a complete solid waste recovery system and they ignore the economic consequences and job dislocations involved.

A recent staff study prepared by the Bureau of Domestic Commerce of the U.S. Department of Commerce—A-01-75, October 1975—evaluates and attempts to quantify the economic impact on industry of S. 613, introduced by Senator HATFIELD.

The study demonstrates the benefits and disadvantages of banning nonreturnable beverage containers. It merits our careful consideration.

I support the objectives of these proposals—energy conservation, litter control, and solid waste reduction—but I believe that these goals can be realized without job losses, job dislocations, and large investments of nonproductive capital.

Mr. Speaker, I would like to share the executive summary of this report with my colleagues and insert it at this point in the RECORD:

THE IMPACTS OF NATIONAL BEVERAGE CONTAINER LEGISLATION

EXECUTIVE SUMMARY

I. Purpose

The reasons generally given for proposed Federal, state and local bills designed to curb or eliminate the use of nonreturnable beverage containers are: energy conservation, litter control, solid waste reduction.

S. 613, introduced by Senator Hatfield would: eliminate detachable openings on cans one year after enactment and require a deposit on all containers three years after enactment.

National legislation would probably:

Not result in an all-refillable glass system;

Result in different but unpredictable market shares of refillable glass, non-returnable bottles and cans; and

Depress sales of soft drinks and malt beverages.

This report was prepared to assist these considerations and to quantify the factors involved in order to quantify the economic impact on the industry.

II. Conclusions

A. Energy Conservation: Based on the premise that a 100% refillable beverage container system replaces disposable glass containers and cans and a 90% return rate is achieved:

Full energy savings will not be obtained until at least two to three years following initiation of conversion due to the requirement to build an inventory of at least 22 billion refillable bottles.

Current energy consumption in beverage container manufacture, filling and transportation is 79,000,000 barrels of oil equivalent (BOE) annually.

This will be reduced to 51,000,000 to 55,000,000 BOE annually by 1980 even without legislation if changes in manufacturing processes continue to be implemented and new container designs enter the market place quickly.

An all-refillable glass system would require 31,000,000 BOE annually, after conversion, assuming a 90% return rate.

Given that conversion would be initiated three years from now and that it would be accomplished over three years, an optimistic estimate of energy savings is 24,000,000 BOE *annually* compared with 43,000,000 BOE national *daily* energy consumption six years from now.

There will be no energy savings with the all glass returnable system at return rates of 70% or less.

B. Job Losses: Converting to an all glass refillable system and assuming a 90% return rate, the following reduction in employment is estimated.[1]

Functions:	*Job Losses*[1]
Bottle manufacturing	22,000
Can manufacturing	35,000
Metals and fabrication	25,000
Total	82,000

At lower return rates, such as 80% or below, job losses in bottle manufacturing are not as severe and job gains in this industry might actually be realized at the expense of can manufacturing.

C. Job Gains: Estimates of additional requirements for labor are not precise. This is due to limited information on the distribution of labor across functions and uncertainty regarding the amount of additional workload that will be absorbed without an increase to the work force in distributing and retailing beverages. Nevertheless the following estimates are representative of the range of potential job gains.

Functions:	*Number of jobs*
Retailing	35,000- 40,000
Malt beverage distribution	25,000- 30,000
Soft drink distribution	20,000- 25,000
Beverage production and filling	15,000- 20,000
Total	95,000-115,000

The current system is largely one way and labor efficient. It follows that an all refillable system would result in increased labor requirements.

Jobs gained are generally lower paying to the extent that the average hourly wage rate of each individual added in processing, distribution and sales is only 80% of that of each individual displaced in metals, glass and container fabrication.

Lower rates of container return will result in fewer job gains in all labor categories where increases are contemplated.

D. Capital Requirements: Expenditures

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[1] The estimating method used produces an expected value within a range of likely employment losses for each function analyzed. For example, losses in bottle manufacturing could range between 18,000 and 26,000; however, 22,000 is the most likely estimate using this analysis procedure.

ranging from $2.0 to $3.0 billion will be required for plant and equipment conversion.

Cost of the required inventory of refillable containers based on a 90% return rate is about $700 million for the soft drink manufacturers and will be in excess of $1 billion for the total beverage industry.

At 80% return rates, the required inventory would be about 10% greater than for a 90% return rate.

E. Beverage Prices: Currently, 26% of malt beverages and soft drinks are sold in refillable containers and these beverages are, on the average, sold at lower prices than those in nonreturnables. Conversion to an all-refillable system will result in higher prices to those consumers who now prefer refillable containers.

The extensive capital investment required on the part of the beverage industry, adoption of more labor intensive packaging practices, probable loss of beverage sales volume (at least initially) and elimination of some competitive aspects of the market would all contribute to higher consumer prices for beverages.

F. Litter Reduction: An all refillable system, assuming 90% return rates could result in a 70 to 85 percent reduction in beverage container litter which would mean a 10–12 percent reduction in total highway litter.

Programs which address the total litter problem have much greater impact on litter reduction than can be achieved through container legislation alone. Examples of such programs include:

Recent experience in Washington State indicates that a coordinated program employing public education, strengthened law enforcement practices and a nominal annual litter assessment upon manufacturers, wholesalers and retailers can result in reductions of 60–70 percent in all forms of roadside litter.

The Action Research Model (ARM) approach in Macon, Georgia, Charlotte, N.C., and Tampa, Florida have resulted in short term litter reductions of 58–65 percent in these cities.

Other programs are underway in Florida and Reno-Sparks, Nevada area, which concentrate on attitude change rather than physical pickup effort are expected to produce comparable results.

G. Solid Waste Reduction: If a 90% return rate is achieved, potential cost savings for waste disposal in the range of $35–$48 million annually could result. These savings are attributable to waste disposal and not waste collection.

If return rates are less than 80%, a net increase in solid waste costs occurs.

III. Recommendations

Energy conservation in the beverage industry should be pursued through improved container manufacturing technology. This is being done by industry now.

Litter control should be pursued by state and local agencies through programs such as the Action Research Model.

The solid waste problem should be managed through improved methods of collection, disposal and recycling.

National legislation specific to beverage containers, while not incompatible with the above approaches, should not be enacted. Results in terms of final market shares of container types, beverage prices and nature of conservation objectives cannot be predicted. Benefits could be much smaller while adverse economic impacts could be much more severe with conversion to a 100% refillable glass system particularly if high container return rates are not achieved. Although the approaches recommended above have costs, adverse economic impacts such as job losses and nonproductive capital costs will not result.

A BICENTENNIAL SALUTE TO BISHOP SMALLWOOD E. WILLIAMS

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. FAUNTROY. Mr. Speaker, as this great Republic celebrates its Bicentennial and we reflect upon the virtues of the Founding Fathers of our Nation, I think it most appropriate that we pay tribute also to those who today carry on in the best tradition of the faith and works of the fathers of our country. Here in our Nation's Capital we are privileged to have one such man whose life and works are the very embodiment of the faith, the sense of conscience, and the response to duty that have so endeared the Founding Fathers to us all. I speak of Bishop Smallwood E. Williams, presiding bishop of the Bible Way Church of Our Lord Jesus Christ World Wide.

History, Mr. Speaker, is nourished by instructive example. The instructive example of the life of Bishop Smallwood E. Williams has indeed enriched the public service, exalted the public life, and added lustre to the work of the church in America. Ordained the youngest minister ever in the Apostolic Faith, in 1925, and consecrated to the Bishopric in 1957, Bishop Smallwood E. Williams, has achieved in the ministry, and in civic and political life a standing of greatness that ranks him in the highest order of national and international religious leaders.

A graduate of American Bible College, and recipient of the Honorary Doctor of Divinity Degree from Virginia Theological Seminary and College and the American Bible College, Bishop Williams is a man of intellect, vision, and unparalleled courage. He came to our Nation's Capital in 1927 at the request of the late Bishop R. C. Lawson of the Church of Our Lord Jesus Christ of the Apostolic Faith who had 2 years earlier ordained him to the ministry. His assignment was to establish a church for the denomination. Preaching at first on the streets of the District of Columbia, then in storefronts, Bishop Williams has left an indelible imprint on the social and economic life of Washington, D.C. From his beginning as a minister with only a storefront church, he is today pastor of a magnificent edifice of worship, president of the Golden Rule Apartments and Supermarket, and a primary force in the economic revitalization of innercity Washington. A tireless fighter for civil rights and human dignity, Bishop Williams led the first sit-in demonstration in Washington, D.C., and throughout the long years of the civil rights struggle, his bold voice was heard over nationally syndicated radio constantly challenging this society to rid itself of the blight of racial discrimination.

Washingtonians celebrating our Nation's Bicentennial see reflected in Bishop Smallwood E. Williams the sterling qualities that endear the Founding Fathers to all Americans.

As the patriots recognized the outstanding leadership qualities of the Father of our Country, George Washington, so in 1957 did the members of the Bibleway Churches World Wide, Inc., consecrate him to the bishopric of their churches here and across the seas.

His leadership on the Board of the District's NAACP, as first president of the Washington Chapter of the Southern Christian Leadership Conference, and as a founder and cochairman of the Interreligious Committee on Race Relations in the decade of the sixties, all remind us of the courage of a Patrick Henry.

In the 35 years of his radio ministry he has preached the kind of "Common Sense" of a Thomas Paine that has won many converts to a deep religious faith. The practical wisdom of a Benjamin Franklin is seen in his prudent application of religion to life in the 150 units of 221(D)(3) housing Bible Way Church has built within a stone's throw of the Capitol, called "The Golden Rule Apartments," in the 18,000 square foot supermarket and town house complex that the church has built and called the "Golden Rule Supermarket International," and in a school for African children in West Liberia in Africa.

The political sagacity of a Thomas Jefferson is reflected in the fact that the Democrats of the Nation's Capital has consisently chosen him as a delegate to the party's Presidential nominating convention in 1964, chairman of the party's Central Committee in 1968, and a delegation to the Democratic National Convention again in 1972.

Bishop Smallwood E. Williams is first and foremost a man of God and a man of peace. His undeterred faith in his fellow man has taken him around the globe on missions of peace. He has prayed for peace in Moscow's Red Square, and at the Berlin Wall in Germany.

I consider it a privilege to submit this testimonial in recognition of Bishop Smallwood E. Williams, a great American, who has earned, by his deeds, the respect and admiration of the citizens of our Nation's Capital as a Founding Father of religious leadership.

ARMAGEDDON REVISITED?

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. SCHEUER. Mr. Speaker, the specter of war always haunts us. Sometimes, however, an event occurs which convinces me that all is not lost.

We are indebted to the Peruvian Government for their public demonstration that mankind may yet survive its vaunted military technology:

PERU MEETS MATCH IN SHOW OF FORCE

LIMA, PERU, July 21.—Thirty Peruvian air force fighter-bombers, in full view of tens of thousands of spectators, attacked 14 decoy fishing boats yesterday in an exercise celebrating Air Force Week. None of the boats sank.

Peru's French-built Mirage fighters, U.S.-built F-86 Sabre jets and British-built Canberras carried out more than 60 bombing runs on the target vessels. Ten of the boats were hit and burned but remained afloat. Peruvian-made surface-to-surface missiles also failed to sink the boats.

Air Force Gen. Arturo Calle Pomar said last week that the objective of the exercises, the first ever held publicly, was to show that the air force was ready to defend the country under any circumstances.

TELEVISION AND STREET CRIME

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. JAMES V. STANTON. Mr. Speaker, because violent crime continues to be one of the most serious problems confronting our citizens, and because so much of this crime is committed by young people, I am inserting in the Record an article from the Journal of the American Medical Association which suggests that at least some of this violence might be traced to television programing.

I think all Members of the House would find this report of great interest, and I think it should be given the widest possible circulation. The article, entitled "Effect of Television Violence on Children and Youth," from the December 8, 1975, issue follows:

Effect of Television Violence on Children and Youth

(By Michael B. Rothenberg, M.D.)

As a people, we Americans are not unaccustomed to violence. Its thread is woven into the entire fabric of our history, from frontier lawlessness through Chicago gangsterism to presidential assassination. Consider the following statistics, printed on the editorial page of the Oct. 2, 1974, issue of the San Francisco Chronicle.

There are an estimated 200,000,000 guns in the United States, which averages out to one for almost every man, woman and child in the country. A new hand gun is sold every 13 seconds and used ones are traded at the rate of one every 30 seconds. Five million new ones come off assembly lines every year for civilian purchase.

Every four minutes someone is killed or wounded by gunfire. Every three minutes someone is robbed at gunpoint.

On the basis of Nielsen Index figures, the average American child will have viewed some 15,000 hours of television by the time he has been graduated from high school, as compared with his having been exposed to some 11,000 hours of formal classroom instruction. He will have witnessed some 18,000 murders and countless highly detailed incidents of robbery, arson, bombing, forgery, smuggling, beating, and torture—averaging approximately one per minute in the standard television cartoon for children under the age of ten. There is an average of six times more violence during one hour of children's television than there is in one hour of adult television.

Twenty-five percent of the television industry's profit comes from the 7% of its programming directed at children. While the Code of Hammurabi in 2250 BC made selling something to a child or buying something from a child without power of attorney a crime punishable by death, in 1975 AD our children are exposed to some 350,000 television commercials by the time they reach age 18, promising super-power, sugar-power, toy-power, and kid-power.

Finally, against this backdrop, consider these words of Walt Whitman:

There was a child went forth every day,
and the first object he look'd upon, that object he became,
and that object became part of him for the day or a certain part of the day
or for many years or stretching cycles of years.

THE ISSUES

The literature describing research on the effects of television violence on children has been growing steadily in quantity and quality for the past 25 years. Almost all of it has appeared in social and behavioral science publications, with remarkably little representation in medical journals. Because so much of the research done in this area uses Bandura's social learning theory as at least part of its conceptual framework, we should remind ourselves that this theory states that role models act as stimuli to produce similar behavior in the observer of the role model. This behavior is learned by being imitated, rewarded, and reinforced in a variety of ways. Responses produced often enough and over a long enough period of time maintain the behavior. Bandura outlines three steps necessary for this process: exposure to the stimulus, acquisition of the "message" being transmitted by the role model, and acceptance of that "message."

For practical purposes, I have listed in the references to this article only nine recent reviews of the literature on this subject. Because it outlines so succinctly what the vast majority of these well-designed and statistically significant studies conclude, I would like to concentrate on Richard Goranson's "A Review of Recent Literature on Psychological Effects of Media Portrayals of Violence." Goranson identifies four major issues:

1. Effects on Learning.—Are children likely to learn and remember new forms of aggressive behavior by watching the kind of violence presented in the mass media? What are the conditions, if any, that encourage the actual performance of aggressive acts learned through the media?

2. Emotional Effects.—Does the repetition of violence in the mass media result in a decreased emotional sensitivity to media violence? Is a decreased emotional sensitivity likely to have any implications for the probability of actual aggressive behavior in real-life situations?

3. The Question of Catharsis.—Does watching the kind of aggression shown in the media result in "aggression catharsis"—a "draining off of aggressive energy"? Does the observation of pain, horror, and suffering result in catharsis?

4. Effects of Aggressive Behavior.—Are there any conditions of observed violence that can serve either to inhibit or to facilitate aggression?

Here is a summary of the research findings regarding each of these issues:

1. Novel, aggressive behavior sequences are learned by children through exposure to aggressive actions shown on television or in films. A large proportion of the aggressive behaviors learned by observation are retained over long periods of time if the responses have been practiced at least once. The following conditions encourage the actual performance of aggression: a similarity between the observed setting and the viewer's real setting; when the observed aggression "worked"; when it wasn't punished; and when it was the favored and most frequent method used to attain goals.

2. There is a decreased emotional sensitivity to media violence, as a result of the repetition of violence in the mass media. Classical desensitization takes place, as practiced in modern behavior therapy. There is a decreased aggression anxiety and an increased ability to be violent with others.

3. The original studies of Fesbach, which purported to demonstrate "aggression catharsis," have never been replicated and have been disproved by a number of other studies. These other studies have shown the opposite of catharsis, ie, an increase in the viewer's subsequent aggressiveness. There has been no evidence that the observation of pain, horror, and suffering results in catharsis. Goranson speculates that the persistence of a belief in the aggression catharsis notion may stem from a misapplication of Aristotle's original concept of catharsis, which applied only to the "tragic" feelings of grief and fear that could be discharged through active expression by the audience during the performance.

4. Aggression can be inhibited by (1) reminders that the aggression was morally wrong in terms of the viewer's own ethical principles and (2) an awareness of the bloody, painful aftermath of aggression.

Aggression can be facilitated by (1) the cue properties of available targets, ie, stimuli in the postobservation period that have some association with previously observed violence—an association between the victim of the observed violence and the target of the viewer's aggression—and (2) the general state of arousal of the aggressor, eg, when, in experimental settings, the subject is verbally attacked and then exposed to film violence, he later is more aggressive than one who wasn't attacked before being exposed to film violence.

SURGEON GENERAL'S REPORT

Television and Social Behavior—A Technical Report to the Surgeon General's Scientific Advisory Committee on Television and Social Behavior was published in 1972. This five-volume report, summarizing the results of 23 separate research projects, comes to the same conclusions as Goranson did in 1969—and as researchers did as far back as 1950. Why, then, does so much controversy persist about this Surgeon General's Report?

The controversy arises from the sixth volume of this report, a summary volume written by the Scientific Advisory Committee. It is important to note that when this 12-person committee was being formed, a list of 40 social and behavioral scientists who had been recommended to the Surgeon General's office by the academic community for membership on this committee was presented to representatives of the television industry. The television industry representatives "blackballed" the seven of the 40 listed scientists who had the most outstanding reputations and work in the field of violence research. These seven were replaced by five television network executives. In addition, there was enormous political pressure on the Scientific Advisory Committee to produce a unanimously signed document. As a result, the summary, while it concludes that a causal relationship between violence viewing and aggression by the young was found, is worded so as to lead to misunderstanding. And the summary of the summary is flatly misleading, repeatedly using words such as "preliminary," "tentative," and "however" as qualifiers for statements concerning this causal relationship.

Liebert et al, who did some of the research for the Surgeon General's Report, published a book in 1973 in which they offer a painstaking and brilliant review of this entire subject and of the Surgeon General's Report itself. They point out that 146 published papers representing 50 studies—laboratory studies, correlational field studies, and naturalistic experiments—involving 10,000 children and adolescents from every conceivable background all show that violence viewing produces increased aggressive behavior in the young and that immediate remedial action in terms of television programming is warranted.

OTHER ISSUES

There are a number of other issues involved that are not central to our concern here with the effects of television violence on children and youth. They deserve at least to be listed: the relationship of child development issues to the content of current television programs (in a word, *none*); the racial, sexual, child, and adult stereotypes portrayed on television; and the effect of television commercials on children's eating habits (an average of 23 commercials an hour, some 60% of which advertise sugar-coated cereals, cookies, snacks, and candy).

THE FCC AND THE NAB

The National Association of Broadcasters (NAB) has a television code that states in part:

Television is seen and heard in every type of American home. These homes include children and adults of all ages, embrace all races and all varieties of religious faith, and reach those of every educational background. It is the responsibility of television to bear constantly in mind that the audience is primarily a home audience, and consequently that television's relationship to the viewers is that between guest and host. . . . By law the television broadcaster is responsible for the programming of his station. He, however, is obligated to bring his positive responsibility for excellence and good taste in programming to bear upon all who have a hand in the production of programs, including networks, sponsors, producers of film and of live programs, advertising agencies, and talent agencies. . . .

Television and all who participate in it are jointly accountable to the American public for respect for the special needs of children, for community responsibility, for the advancement of education and culture, for the acceptability of the program materials chosen, for decency and decorum in production, and for propriety in advertising. This responsibility cannot be discharged by any given group of programs, but can be discharged only through the highest standards of respect for the American home, applied to every moment of every program presented by television.

In order that television programming may best serve the public interest, viewers should be encouraged to make their criticisms and positive suggestions known to the television broadcasters. Parents in particular should be urged to see to it that out of the richness of television fare, the best programs are brought to the attention of their children.

The presentation of techniques of crime in such detail as to invite imitation shall be avoided. . . . Violence and illicit sex shall not be presented in an attractive manner, nor to an extent such as will lead a child to believe that they play a greater part in life than they do.

Racial or nationality types shall not be shown on television in such a manner as to ridicule the race or nationality.

Television broadcasters should exercise the utmost care and discrimination with regard to advertising material, including content, placement and presentation, near or adjacent to programs designed for children. No considerations of expediency should be permitted to impinge upon the vital responsibility toward children and adolescents, which is inherent in television and which must be recognized and accepted by all advertisers employing television.

On the basis of the evidence presented, one can only conclude, as did Liebert and colleagues, that the NAB code "appears to be just a public relations document never intended to guide actual practices." Indeed, on at least one documented occassion in 1963, when the Federal Communications Commission (FCC) attempted to control excessive commercialism in television by suggesting that the NAB's own code be used to set the guidelines, the NAB opposed the plan of using its own code and actually organized committees in each state to lobby against it!

In 1968 a consumer organization, Action for Children's Television (46 Austin St., Newtonville, MA 02160), was formed. It was largely through the efforts of this organization and other consumer groups that the FCC developed some new guidelines for children's television in November 1974. All broadcasters are supposed to be in full compliance with these new guidelines by Jan. 1, 1976, but there is no evidence from current programming or from announcements of fall 1975 programming that any substantive move toward such compliance has been made.

SOME RECOMMENDATIONS AND COMMENTS

It is important to remind ourselves that *prosocial* behaviors can also be produced and encouraged by television. The best known example of this is "Misterogers' Neighborhood." There are a number of others, such as "Call It Macaroni," produced by Westinghouse in New York, which takes a group of children to a different part of the country from the one in which they live and teaches them something they have never known or done before; "Big Blue Marble"; "Rainbow Over Seven"; and "Fat Albert and the Cosby Kids."

It would seem to me that the time is long past due for a major, organized cry of protest from the medical profession in relation to what, in political terms, is a national scandal. Such an outcry can and should be accompanied by specific recommendations, based on sound child development principles and the hard data already available to us from 25 years of investigation of the relationship of television violence and aggressive behavior in children, for new kinds of television programming for children and youth.

San Francisco's Committee on Children's Television, Inc. (1511 Masonic Ave., San Francisco, CA 94117), a nonprofit organization established by a racially diverse group of parents and professionals dedicated to improving children's television programs through research and an affirmative, active plan for community participation in broadcasting, has developed a set of General Guidelines for Selecting Television Programming for Children. These guidelines should be available in every doctor's office, hospital clinic, and child health station. They are as follows:

1. Does the program appeal to the audience for whom intended? (A program for 12-year-olds should be different from a program for 6-year-olds.)

2. Does the program present racial groups positively and does it show them in situations that enhance the Third World child's self-image? (Who has the lead roles? Who is the professional or leader and who is the villain?)

3. Does the program present gender roles and adult roles positively? (Are the men either super-heroes or incompetents? Are the women flighty and disposed to chicanery? Are teenagers portrayed with adult characteristics?)

4. Does the program present social issues that are appropriate for the child viewer and perhaps are something a child can act on at a child's level? (Litter versus atomic fallout, or pet care versus saving wolves.)

5. Does the program encourage worthwhile ideals, values and beliefs?

6. Does the program present conflict that a child can understand and does it demonstrate positive techniques for resolving the conflict?

7. Does the program stimulate constructive activities and does it enhance the quality of a child's play?

8. Does the program separate fact from fantasy? Does it separate advertisements from program content?

9. Does the program present humor at a child's level? (Or is it adult sarcasm, ridicule or an adult remembering what he though was funny from his childhood?)

10. Does the program have a pace that allows the child to absorb and contemplate the material presented?

11. Does the program have artistic qualities?

12. Has your child seen an appropriate amount of television for the day? (Or is it time to turn off the set?)

Children have neither money nor the vote. We, as parents and as professionals, must be their advocates or they shall have none, for they are certainly no politician's constituency.

As Williams and Crane have said, "To be silent is to acquiesce, and it is clear that, if we truly care about our children, we cannot be silent."

CONGRESSIONAL BLACK CAUCUS RESPONSE TO THE PRESIDENT'S STATE OF THE UNION MESSAGE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. RANGEL. Mr. Speaker, last week, the Congressional Black Caucus issued a response to the President's state of the Union message. The members of the caucus were deeply disappointed that the President presented a negative, pessimistic message which told the people of the Nation that we cannot do better, that we cannot make a significant dent in the serious problems which face us. We believe that it is all the more incumbent upon the Congress to take the leadership in creating sound and effective means for solving those problems. I am inserting the text of the caucus state of the Union response to encourage a dialog within the Congress and outside on these issues:

CONGRESSIONAL BLACK CAUCUS RESPONSE TO STATE OF THE UNION ADDRESS

On Monday, the President presented the State of the Union. His theme to take us into the nation's third century was "we can't do it". America can't provide jobs for all of its people. America can't provide decent health care. America can't reform its demeaning and demoralizing welfare system. America can't provide income tax benefits to aid those who need relief the most. About the only thing America can do is continue to spend more money for the military.

That is our President's "New Realism". A "New Realism" by which he can proclaim that he is "proud to be an American", but apparently is blind to the great inequities endured by many of his fellow Americans; a "New Realism" which compels him to naively proclaim that "Life will be better here for my children than for me", but fails to provide operable means by which the quality of life can be bettered for all.

Mr. Ford alludes to Tom Paine's Common Sense, but fails to take note of some of its more compelling thought: "It is the good fortune of many to live distant from the scene of sorrow; the evil is not sufficiently brought to their doors to make them feel the precariousness with which all American property is possessed". Perhaps Ford's address to the nation was less a State of the Union and more a reflection of Mr. Ford's "State of the Mind".

Members of the Congressional Black Caucus strongly believe that in this Bicentennial year, this nation can do it. We can follow the spirit and match the will and the skill of our Founding Fathers to create that type of society—that type of democracy—which proves first and foremost responsive to the most basic needs of all of the people.

The Caucus believes that we as a nation can and must do it, for we know all too well that Ford's "New Realism" means "a Bitter Realism" for most of the citizens. The "Bitter Realism" is that the President has chosen to interpret the nation's economic priorities almost exclusively in terms of the military rather than in terms of human needs. Feeding the military's every demand without question, while questioning every human need program as frivolous is destructive of our social fabric.

The "Bitter Realism" in this Bicentennial year is that our nation's unemployment remains an alarming 8.5 percent with black unemployment at 14.2 percent and minority teenage unemployment is at an astonishing 37.0 percent; The "Bitter Realism" is that vast numbers of the aged currently subsist at a marginal poverty level; the "Bitter Realism" is the lack of effective gun control laws; the "Bitter Realism" is the crime in communities which impact most heavily on blacks and other minorities; the "Bitter Realism" is that while half our nation's families earn less than $13,000 per year, Mr. Ford tells us ". . . that for a family of four making $15,000 a year there will be $227 more in take home pay annually. Hardworking Americans caught in the middle can really use that kind of extra cash". There is the "Bitter Realism" that again this Administration has decided that the ultimate solution to America's ills is an increase in Defense Appropriations.

The people know the issues and know the proper priorities. They know we need and can attain jobs and health care for all, a decent system of social insurance and a foreign policy which will again make us the respected world leader.

America can begin with the stark recognition that once again the President has failed to demonstrate the willingness to support a program of full employment for all Americans. This short-sightedness ignores the social havoc and personal pain of joblessness, ignores the benefits of full employment for the economy and must be replaced with vision and leadership. The means to reduce high unemployment and put people back to work is before the Congress. H.R. 50, the Equal Opportunity and Full Employment Act provides that the President must prepare a national purposes budget which will result in an unemployment rate of less than 3 percent in 18 months. This rate is to be reduced in 3 years to the point that every person willing and able to work is guaranteed a job. Government policies would encourage the private sector to hire the unemployed. The Federal Government would serve as employer of last resort, maintaining a Job Guarantee Office and establishing a U.S. Full Employment Service.

Outrageous unemployment figures cited earlier pose the threat that a permanent workless class is being created. That alone should compel us to move quickly on H.R. 50.

The President and the Congress must reccognize that the issue this year is *jobs*, and that the American people demand action and progress to create full employment. The most-used argument against full employment legislation is that it would be both inflationary and costly. The inflation argument has been a sacred cow which is now being challenged by increasing numbers of economists. The cost argument itself fails to recognize the immense cost of high *un*employment. The costs of crimes committed by the idle add to the cost of unemployment. The Hawkins-Humphrey bill is a key legislative priority which must be enacted very early on in this session.

It was no surprise that President Ford attacked the Food Stamp program in his address, for the Administration has tried to make that nutrition program a scapegoat for its policy of domestic fiscal conservatism for the past 12 months. The President attempted to leave the American people with misconceptions about the program and its participants by inferring that it and other welfare programs are "inequitable and invite abuse". President Ford also labeled the program "scandal-ridden".

According to the Department of Agriculture the rate of recipient fraud—that is, the percentage of persons who have falsified records in order to receive food stamps—is less than one percent. While there has been considerably more error attributed to clerical mistakes on the part of the administrators of the program, in contrast, that rate is less than half of the rate of error on the part of the Internal Revenue Service.

The Food Stamp program is, for many Americans, the only source of additional income they have and is the only program keeping their families fed. Although the President announced that he would support efforts to add a cost-of-living increase to the recipients of Social Security, he and his Administration have fought attempts to raise the benefit levels of the Food Stamp program despite great increases in the cost of food during the past fifteen months. Tax breaks for middle-income families do nothing for the 40 million Americans who are impoverished and malnourished in the Land of Plenty. Despite attempts of the Administration, we cannot let the Food Stamp program be "reformed" out of existence.

In his address, the President proposed "catastrophic health insurance for everybody covered by Medicare", and further stated "We cannot realistically afford Federally dictated national health insurance providing full coverage for all 215 million Americans".

In August, 1974, President Ford told the Nation that he favored a comprehensive health insurance plan, and polls taken since indicate that the majority of Americans need such a plan.

Catastrophic health insurance addresses only the smallest part of the nation's health care needs. Even this narrow concept was constricted further when the President offered to apply it only to the aged.

The President must understand that the constituency for national health care legislation is broad and strong and extends to persons of all races with moderate incomes.

We believe that there are six essentials which must be included in any legislation passed:

a. It must set forth a positive health concept, which include *preventive* services, health maintenance and community education for personal and community health.

b. *Health care* must be recognized as a *right*, not merely as a privilege.

c. Health coverage must be *comprehensive* and include a full range of health care, preventive, diagnosis, treatment and rehabilitation regardless of one's ability to pay.

d. There must be *progressive trust fund* financing so that health care is insured of continuation as a permanent program.

e. *Consumers*, that is, the community residents, must be permitted and encouraged to *participate* in health care program operations.

f. The health care program must be reinforced with *adequate financing* for *research, planning and administration.*

There are simply too many loopholes found within the framework of the President's proposal for a catastrophic health insurance plan. For example: (1) the proposed budget for FY '77 establishes a ten percent coinsurance provision for Medicare hospital insurance benefits. This places an additional burden on beneficiaries; (2) the proposal for a $500 maximum liability for hospital insurance would mean that once a beneficiary incurred the cost-sharing expenses equal to $500 during any calendar year, he/she would not be required to pay any more co-insurance. The catch however, is that this maximum liability applies only to the one hundred-fifty days or 6 months in the benefit period. Finally, President Ford's proposal limits increases under Medicare per diem reimbursement to providers under hospital insurance coverage to seven percent over 1976 and increases in physicians' fees to four percent.

It becomes clear, that the President's promise to have the government cover catastrophic illnesses for those on Medicare is not at all the plan that the people think they are receiving.

The President resurrected the tax package he first introduced in October, 1975, proposing a $28 billion tax reduction tied to a $28 billion spending cut.

While a more liberal tax reduction would stimulate our sagging economy, Ford's proposed reduction would not benefit those who most need a reduction—the low-income families, which includes a large percentage of minority families. Although Ford claims that his plan will not raise the taxes of low-income working families above their 1975 levels, the facts are that the Ford plan will cost those families with annual incomes of less than $5,000 between $200 million and $300 million in new tax breaks.

Proposing a $28 billion cut, restricting the budget to $395 billion—most of which goes to the defense budget—without investigating whether a cut of that magnitude is possible, and investigating where spending cuts should be made, is most irresponsible. Major economists have criticized Ford's proposed spending cut as an arbitrary, untimely measure that would abort any recovery in our economy.

Mr. Ford offers tax "reform" and job creation in the time-honored conservative manner—give to the rich and hope that they pass some on to the poor. The proposed tax incentives to business to create new jobs is the "trickle-down" theory at its worst. Significant tax reform would seriously attack tax loopholes which benefit the wealthy and the corporations first and foremost.

A tax reduction should not be contingent upon an arbitrary dollar-for-dollar budget cut, and any tax reduction should benefit those who need it most.

The plight and condition of housing in the U.S. is dramatically placed into an uncommon sense perspective in Mr. Ford's State of the Union address.

Given the Administration's admittedly disappointing year, the President nevertheless stated that he ". . . will recommend for the coming year . . . additional housing assistance for 500,000 families."

An analysis of this budget message does indicate that this assistance will take the form of the implementation of the section 8 housing program, but we must bear in mind that when James Lynn was Secretary of the Department of Housing and Urban Development, he promised the Congress that if we adopted the program, we would be able to house 400,000 people in 1975.

The fact is however, that when 1975 arrived, the Administration changed that figure downward to 200,000; made Section 8 building commitments of 98,000 units and actually housed only about 600 families. In view of this, we are hopeful but doubtful that the President can deliver on his commitment.

We must further point out that the original Emergency Housing Act was vetoed by the President because that bill mandated an expenditure of $12 billion for housing programs that would have stimulated the construction industry and protected the investment of unemployed Americans. The bill which was finally passed was two billion dollars less in discretional expenditure authority; five billion dollars was committed to GNMA and three billion dollars just recently committed went for multi-family units.

The President's record for support of housing programs is extremely poor and his meager promises for the coming year unconvincing.

An overwhelmingly disproportionate number of victims of the criminal justice system spring from the black, poor, exploited, and alienated sectors of American society. With this in mind, the Congressional Black Caucus believes that it is incredulous for Mr. Ford to propose an increase of prosecuting attorneys, an increase in the number of federal prisons, an increase of "500 additional Federal agents in the 11 largest metropolitan high crime areas to help local authorities stop criminals from selling and using handguns", and mandatory fixed sentences, without also proposing programs of rehabilitation for offenders, without proposing programs for crime prevention, and real crime reduction.

This again is indicative of the gross insensitivity that this Administration has toward our minority and disadvantaged Americans. The failure of this Administration to deal in any substantive way with criminal justice cannot and will not be tolerated. America must again refuse to go along with Mr. Ford's theme: "America can't do it". America *MUST* do it. We must begin curing the cause and stop treating the symptoms. The Congressional Black Caucus strongly believes that these ineffective proposals for crime control set out in Mr. Ford's State of the Union address fall far short at offering viable solutions for protecting the American public from violent crimes.

President Ford in his position on foreign policy does not seem to have taken the time to assess what our foreign policy needs really are. He does not seem to have grasped the fact that this is our 200th year and not our first and that we are not currently at war.

If it is the case, as the President has stated, that the U.S. has found detente with Russia, that the U.S. has improved relations with China; that the U.S. has created basic conditions for establishing peace in the Middle East, and stabilizing the world, then he cannot justify a call for an "essential increase over last year" in defense appropriations. What the President is proposing is a war budget in a time of peace.

In our foreign policy posture toward the developing world, we have followed the road toward confrontation and have found ourselves increasingly isolated in the United Nations and in world opinion as the representative of the overprivileged.

Our efforts to use food and development aid to influence leaders of poor nations into granting the U.S. political favors is at the least reprehensible. Until recently, the U.S. has had no African policy short of supporting repressive colonial regimes. Now we are allied with South Africa in intervening into the Civil War in Angola. This type of action could lead the nation into another tragic Southeast Asia experience.

The Congressional Black Caucus does share with the President his concern for America's degenerating intelligence communities, and strongly urge his consideration of the proposals for reform that are forthcoming from the Select House and Senate Committees which have investigated the intelligence community.

The law of change must prove to be the most powerful and effective law of all. When a vast majority of the American people are bearing the brunt of social and economic strife then change becomes inevitable. We must remind ourselves that complacency permits decadence and decadence prohibits growth.

Now is the time to change and challenge that which has too long been considered the impossible. The Government's incessant unresponsiveness to the broader public can be eradicated, and this can begin by confronting America's "realities" now however bitter they may be.

Change must be America's "New Realism", and the we can do it philosophy must be its theme for the Bicentennial year. We can change this State of the Mind to a good State of the Union. We can change this Social Insecurity to an acceptable system of Social Security. We can change "Change" itself because we are incapable of ever believing that we can't.

JOSEPH A. LEFANTE ELECTED SPEAKER OF THE NEW JERSEY GENERAL ASSEMBLY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. FLORIO. Mr. Speaker, prior to my election to the U.S. House of Representatives I was a member of the New Jersey State Legislature where I had the honor and privilege of serving with my good friend and associate, the Honorable Joseph A. LeFante, assemblyman from Hudson County.

Recently, Joe LeFante was given the singular honor of being elected Speaker of the General Assembly of New Jersey. I commend my former colleagues and members of the general assembly on their wise choice and I am confident that Assemblyman LeFante will serve most nobly and notably as Speaker.

I include in the Record the remarks offered by Joe LeFante upon his inauguration as speaker:

Reverend Clergy, Chief Justice Hughes, honorable members of the supreme court, my fellow assemblymen, and honored guests: This is a day of great honor for me. I wish to thank you for your vote of confidence. I deeply appreciate the trust you have placed in me by electing me your speaker of this general assembly. I am humbled. I am awed. I am overwhelmed with excitement, with expectation. You do me great honor. You make my family very proud. I accept this mandate of authority, not for myself, but on behalf of all those who believe in the American dream, that hard work and perseverance are still worthwhile, and that service to one's country, to one's state or to one's community is still a noble profession to which to aspire. I pledge to carry out this assignment with firmness and fairness, and always with the integrity of this house paramount in my mind. I pledge to you, ladies and gentlemen, as I pledge to all the people of New Jersey, that I shall strive to uphold the trust you have placed in me. To conduct myself, to conduct the business of this house, mindful of the dynamic leadership of those who served before me. Reverend Woodson stands tall among these and I would like to personally thank Speaker Woodson for many of the sacrifices he has made on our behalf. For at a time when he experienced health problems, he still served with pride and dignity. He best exemplifies the integrity of this house.

We can look back with pride on the major legislative achievements of the past session. However, we cannot rest on these laurels. Our pride in these achievements must be tempered by our failure to reform a property tax which has grown to confiscatory rates in our urban centers. Our State cannot move forward until we act to alleviate the burdens which strangle our cities.

This great dual challenge has plagued previous legislatures and Governors. The enormity of the task before us is both a cause for alarm and an opportunity to hope. Massive problems call for sweeping solutions. In searching for these sweeping solutions, we can hope for a better tomorrow for all our citizens. I trust you share and hope with me and that this hope will sustain you during the difficult days ahead.

Although the last two years have been most difficult ones they have been progressive. You know, and I know, that the next two may be as exacting. I will call upon all members on both sides of the aisle in the two difficult years ahead to place partisan considerations aside and join together in meeting the State's most urgent needs. For we do not govern in a period of prosperity where the steady flow of revenues exceed our needs. Nor do we share the luxury of good times when the operations of Government flow smoothly, where many a vote is cast as measured by its relative popularity. No longer can we afford to be a Government of all things to all people without concern for our fiscal tomorrow. We assume office amidst the hard, cold reality of recession; and we are battered and caught in a patch-work, bubble gum, horse and buggy web of regressive taxation, with our cities, our counties, our many institutions and services looking—urging—begging for relief for fair treatment.

Yes, these are the realities in New Jersey 1976. These realities mandate a serious examination of our priorities, require a personal commitment from us all to re-evaluate our past thinking, to maintain open receptive minds, minds willing to react to "what is"—not what we would prefer these realities to be.

The general assembly is the house of the people. The Governor and senate serve four year terms. But we stand before the electorate every two years. In many ways, we are the citizen's closest, most direct link to his State government. It is our duty to serve as the citizen's ambassador to State government. We must make State government simple, understandable and amenable to the needs of its citizens. We cannot expect people to have confidence in or trust a government they can't comprehend. Never in our history have our citizens been more attentive, more attuned to what is happening. Expanded press, T.V., and radio coverage have brought the operations of the State house into their living rooms. And these people who read, who watch, who listen, will expect you—will expect me—to stand up and to be counted—to tell them "what we are for" as as well as what we are against. This will take courage. It is written "courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen." They will look to each of us to participate in the process, share the responsibilities, and stop shifting the blame for inaction onto the other guy. Because of them, platitudes and slogans will not relieve the burdens of inequitable or over-taxation, nor provide aid for our senior citizens or disadvantaged, or bring industry into our State, or put our workers back into meaningful employment. The citizens of New Jersey have long since tired of political rhetoric, of political gamesmanship. Great speeches will not put bread on their tables, clothe their children, or pay their mortgages.

We have been elected to be more than just an echo of regional concerns—of special points of view—as important as these may be. We have not been sent to Trenton as fragmented individuals with fragmented local or partisan goals. We cannot function as just a representative of our individual districts, or as just a Democrat, or as just a Republican without regard for all the needs of all the people of New Jersey.

We have been sent to Trenton—to act as a group, as a team, as a unified body to initiate, to lead, to govern, to make those thorny, gutty, and sometimes sticky decisions—popular and unpopular—to preserve the public trust. These times—that trust—demand no less. If this State is to survive, if our people are to prosper, then you and I will have to persevere as never before. If we are to establish a record of achievement, of lasting consequence, then let it be recorded that this assembly—by deed—by action—preserved those institutions, and met those needs, without concern for political consequence—and we did right because it was right.

We must set an example in the conduct of our own affairs in the assembly. The measure of a legislature is not quantitative. It is not how many days we meet, how many hours we stay in session, or how many bills we pass. We will be judged by the quality of what we do. Against this standard of quality, we did very well in the last session; but, we must do better in the next session because the challenges confronting our nation continue to escalate.

In order to build on previous reform and to strengthen the committee system even further, I will assign the members to one committee only with few exceptions. The change to one man-one committee will permit each member to develop expertise in a specific area and help the house as an institution to better discharge its obligation to oversee the operations of the executive branch. I call upon each member to approach his committee assignment in this spirit.

To increase the efficiency and effectiveness of the assembly, access to the floor will be strictly limited. Decorum will be maintained. Sessions will begin and end on time. I look forward to fewer, shorter but more productive sessions in the next two years.

We have things to do—ladies and gentlemen—important programs to initiate.

In this day and age it is bitter irony, an evil contradiction, that we, who have developed the resources to land a man on the moon, cannot muster sufficient resources to land each who wants to work a place to work.

We have an urgent priority in this state: to get our people off the unemployment lines and into the payroll lines.

Although this state cannot solve double-digit unemployment all by itself, there are initiatives that we can take—must take—to alleviate this burden. For instance, we must try to improve and expand the operation of the highly successful economic development authority to accelerate the coming of job producing industry. We must take steps to lessen the spiralling "day to day" cost of doing business in New Jersey. We must actively engage in those legislative programs which will say "New Jersey wants commerce and industry to come, New Jersey wants commerce and industry to stay."

It can be done—it must be done. And so we must mobilize the power and muscle of government to do those things which will expand private and not public employment. For fewer and fewer people cannot continue to support more and more if the business of government is to remain solvent and intact.

Let us likewise remember that the business of government is the business of people. It's efficient operation the people's concern.

Here too, we need reform, continuous attention, to create by legislation a non-partisan watch dog to evaluate the use of state funds: a permanent commission on economy and efficiency, made up of legislators, administrators, business and community leaders to guarantee the effective operation of state government. For if lessons be learned during this era of fast, fiscal crunch, these are—as many of us had already suspected—that economies in government can be accomplished without disrupting vital state services; and that in the long run, a government that's spending less may be a government that governs best.

For we cannot continue to spend our way out of every crisis; more funds without direction, without supervision, for those in need will not eliminate the welfare cheat; more money for courts and prosecutors will not overcome an antiquated penal system; nor will the flow of added dollars without defined, accomplishable goals serve any purpose other than to invite more persons to dine at our public table.

We should take a lesson from each housewife throughout the State and sensibly balance our priorities, and spend and distribute our limited dollars well. We must fairly and equitably raise the needed tax dollars without fear—but we must, at the same time, restore the concept of thrift in government. We must pay those public employees who are needed and do a fine job a decent wage, but, look to economize, to consolidate, where economies and consolidations can be made. We must honor our commitments to our counties, cities, communities, and schools; but, we must eliminate the frills—the unnecessary programs, the mandated extra costs of administration.

If we are to succeed as a State, as citizens of a functioning viable community, we must reach out for these realities. For if we do not solve the problems of today, there will be no future to challenge for tomorrow.

We have much to do. There are many problems for which a solution must be offered. There is no time to equivocate; there is no time for apologies. The time for action is now.

Ladies and gentlemen, if the blessings of liberty and prosperity are to be preserved in this State if the very precepts upon which this great Nation were founded are to be furthered—in this our bicentennial year—then these fundamental, economic truths must be reasserted: that good government, concerned government is government that seeks to provide for us all an opportunity to obtain a useful job, adequate food, shelter and medical care, protection of our elderly, as well as the right to seek a decent education or trade.

We can do that in New Jersey—in this assembly—if we try. We have in this State a great reservoir of human talent, concern, and compassion. Let us use it with discerning precision to restore a focus, a balance, a direction.

Our system can work—it will work. Let us be about our business. Let us offer to the Governor, to the senate, these initiatives, our hands in a spirit of cooperation. But let us perform those needed tasks before us, without conjecture or worry as to whether everything we do and everything we say will receive the unanimous blessing of our partners in government. If we do our job, a concensus will be forged and the people of this State will benefit.

Many people who fail to appreciate the complexities of the issues before us will criticize our efforts. But in the words of President Theodore Roosevelt: "It is not the critic who counts, nor the one who points out how the strong man stumbled or how the doer of deeds might have done them better. The credit belongs to the man who is actually in the arena, whose face is marred with sweat and dust and blood; who strives valiantly; who errs and comes short again and again; who knows the great enthusiasms, the great devotions, and spends himself in a worthy cause; who, if he wins, knows the triumph of high achievement; and who, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory or defeat."

So I ask you—ladies and gentlemen—my colleagues, to help me in my coming term. You have given me much authority. Together let us work to use it wisely so that common sense and justice will prevail.

In return, I pledge to you in the administration of my duties, with the help of Almighty God, that this general assembly shall remain the house of the people of the State on whose behalf I accept this responsibility, and on whose behalf I shall exercise the prerogatives of my office.

Therefore, let us mutually resolve—each to each other—to carry this message forward. Together let us build a better State—a better Nation. Let us pledge to that end, as our founding fathers before us, "Our lives, our fortune, and our sacred honor."

GOOD NEWS—1976

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. COLLINS of Texas. Mr. Speaker, good news in the newspapers would make 1976 a more progressive year for all of us. Reading during the recess was mostly the same old stuff, but I saw an interesting report by Sydney J. Harris of the Field Syndicate. Harris points out how newspaper writers find it more exciting to write about bad situations.

Let us hope that in 1976 America will discover some creative writers who can write good news and make it enjoyable reading. Here is the thought provoking article by Sydney J. Harris:

History Tends to Ignore Good Guys

It's dull to write about good things, and exciting to write about bad ones. If you want a sentence that explains why so much writing, in newspapers and elsewhere, is what it is, this may be it.

This is a human flaw, not a literary or journalistic one. I thought of it when I wrote a recent column on public broadcasting and reflected that it was essentially a dull piece. But there was nothing I could do about it.

Everybody is interested in a famous divorce; nobody cares to learn that the same couple had been living together peacefully for 50 years. Moreover, the divorce story lends itself to brisk writing; the tale of a harmonious marriage contains nothing to titillate us.

The most memorable characters in fiction, as in history, are the evil ones. A thoroughgoing villain is far more convincing than a simon-pure hero. Even so great a writer as Dostoyevsky failed in his one portrayal of a saint; his sinners are the ones who live in the mind.

Someone, perhaps Voltaire, remarked that a peaceful and happy nation would have no place in the history books; there would be nothing to write about it, and whatever was written would be dull. And, in truth, what we call "history" is 90 percent the record of battles, conquests, rebellions, tyrannies, treacheries, murdering and looting.

People often complain about the lack of "good news." But, to turn the old maxim around, good news is no news. Health makes no headlines, only illness; harmony is muted, conflict makes a noise; if I have five tractable children, the sixth who is delinquent gets the attention.

We thrill to evil because it is finite, we can identify with it; virtue is boring in contemplation, because it shares in the infinite, it is larger and remoter from life, it lacks the "thrill" that is the principle of evil.

Until the human race finds some way to utilize the dynamics of evil in the service of good, the writer's pen and the reader's eye will inevitably continue to concentrate on the negative.

SYNTHETIC FUELS IN OUR ECONOMY

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. EMERY. Mr. Speaker, today I am introducing legislation which will effectively demonstrate the practical application for synthetic fuels in our economy. Entitled "The Synthetic Fuels Demonstration Act of 1976," this bill consists of two separate and distinct programs: the first introduces synthetic fuels into daily use in a controlled fleet environment. The second part encourages extensive experimentation with synthetic fuels in high performance peak turbine electric generators.

PART I—MOTOR VEHICLE DEMONSTRATION PROJECT

This program is administered by ERDA in cooperation with the selected agency in which the program is to be conducted. The ERDA Administrator first selects a synthetic fuel to be used, based on blending qualities with gasoline, compatibility to vehicles, availability, and cost. Also, the synthetic fuel must be produced domestically.

Concurrent with the selection of the fuel is the selection of a demonstration agency for the program, based on the agency's facilities for testing and evaluating the effectiveness of the synthetic fuel-gasoline blend. The other criteria requires that the agency under consideration be a large purchaser of motor vehicles and also have common fueling and maintenance facilities.

A demonstration plan is also established under the auspices of the ERDA Administrator, which includes consideration of a variety of motor vehicles to be used in the program, the necessity for modifications, and the system for data collection and evaluation.

The demonstration program runs for 2 years with annual interim reports and a final evaluation being submitted to Congress.

The authorization for the entire program is $10 million.

PART II—ELECTRICAL GENERATION SYNTHETIC FUEL DEMONSTRATION PROJECT

This program is basically designed to demonstrate the feasibility of synthetic fuel substitution for fossil fuel distillates in peak-power turbines.

Under this program, interested utilities submit plans for implementation of synthetic fuels in their turbines to the Energy Research and Development Administration. If accepted, the difference between the cost of the synthetic fuel and the cost of the conventional fuel is paid to the utilities. There is a maximum limit of $0.05/gallon, with a maximum project funding limit of $1,000,000.

Authorized for appropriation for the entire 3-year duration of the program is $3,000,000. Reports are also annually submitted to Congress with a final evaluation due at the end of fiscal year 1979.

Mr. Speaker, if we are ever going to lessen our dependence on imported petroleum, we must be willing to make the small sacrifices necessary in promoting the everyday use of alternative sources of energy.

Synthetic fuels come from infinitely renewable resources and can easily be substituted for petroleum in many situations. My program will demonstrate once and for all the potential for the immediate development of alternative fuels, a positive solution to our energy crisis.

NADER PLAN FOR FEDERAL CHARTERING SHOULD BE DEBATED

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. PATMAN. Mr. Speaker, this weekend, Ralph Nader released a significant study on a plan to require Federal chartering of the 700 largest corporations in our economy.

Mr. Nader's proposal is a recognition of growing power of corporate America—power which touches virtually every aspect of our lives. While undoubtedly there are many details to be worked out. Ralph Nader's Federal chartering plan is worthy of full consideration.

At a minimum, the Nader plan should help open a long postponed dialog over the concentration of economic power which, in my opinion, is stifling progress and is contributing greatly to our current unemployment and inflationary problems. Once again, I urge that the appropriate committees in the Congress take up this entire question of concentration of power in the economy and, in that context, the Nader plan could be considered along with other ideas.

Mr. Speaker, I am particularly interested in the Nader plan references to the so-called Delaware Corporation. I have long been concerned about the corporate chartering in the State of Delaware and as my colleagues remember, the Banking and Currency Committee called attention to this problem as it related to bank holding companies in 1969.

In fact, Mr. Speaker, Ralph Nader appeared as a witness on the one-bank holding company legislation on April 21, 1969, and much of the colloquy between Mr. Nader and myself went to the problems created by the chartering in the State of Delaware. So it is obvious that Mr. Nader has had this problem in mind for a number of years and I think he is to be commended for raising this question about Federal chartering for the fat cats of corporate America.

Mr. Speaker, I place in the Record at this point an article from the Washington Post for Sunday, January 25, 1976, entitled, "Nader Calls for Federal Charter of Business":

Nader Calls for Federal Charter of Business

(By William H. Jones)

Concluding a five-year study of America's largest business enterprises, consumer advocate Ralph Nader yesterday said they have become the dominant institutions in daily life and should be subjected to new chartering by the federal government.

Charging that the average citizen's control over government has been "out-flanked" by the rise of huge organizations "never dreamed of by the Founding Fathers," Nader called for sweeping reforms to prevent big companies from escaping the sort of accountability that a democracy imposes on its power centers.

Under Nader's plan, the nation's 700 largest companies—whether owned by the public or privately—would have to be incorporated under a new Federal Chartering Act, rather than, as at present, under laws of the various states.

Specifically, the proposed law would require of these firms:

A full-time board of directors, made up of nine persons who are not officers of the companies, to monitor management performance with the aid of a paid staff. The board would establish executive salaries and have veto power over key decisions.

"Community impact statements" when plants are to be relocated, providing an input from cities whose economic fortunes are linked closely to local businesses.

Control by actual shareholders and not by large institutions—such as pension funds or insurance companies—who today vote their stock in a bloc. Any shareholder or group of stockholders with one-tenth of 1 per cent of stock could nominate three persons for director and each director would be responsible for one particular constituency (such as workers, local community, marketing or environmental problems).

More disclosure to the general public, such as each instance where there is a toxic substance in a working establishment: plant-by-plant minority hiring date; substantiation for advertising claims; expenditures for lobbying; investments in joint ventures with other firms; sales contracts with federal agencies; and the largest 100 stockholders.

An "employee bill of rights," prohibiting retaliation against workers who speak out about bad company practices, preventing the use of such devices as hidden microphones that invade individual privacy; and allowing workers to see their personnel files—a practice already followed at International Business Machines Corp.

Agreement not to acquire any firm among the eight largest in any industry where four or fewer firms control 50 per cent or more of the market—and to the extent that acquisitions could take place in other industries, federally chartered firms would have to divest within three months other operations with comparable assets.

Most of these provisions would be enforced by the Securities and Exchange Commission, although the Federal Trade Commission could handle disclosure and the Justice Department's antitrust division could deal with the antimonopoly sections, Nader said.

Covered by the proposed law would be any industrial, retail or transportation firms with annual sales of $250 million or more, or which employed more than 10,000 persons, or which are listed on national stock exchanges.

Of the 1.8 million industrial, retail and transportation corporations in the U.S., about 700 would be required to switch to federal registry. Regardless of future sales volumes, these firms would remain under federal charters, Nader said.

Excluded from the charters would be banking companies, utility firms and insurance businesses, which already are under more strict federal or state supervision and regulation.

Nader's proposal, detailed in a study called "Constitutionalizing the Corporation: The Case for the Federal Chartering of Giant Corporations," would bring under federal charters such diverse firms as IBM, Exxon, General Motors, U.S. Steel Corp. and Lockheed Aircraft.

Among companies in the Washington area that would have to seek federal charters would be Marriott Corp., Fairchild Industries, Martin Marietta Corp., Southern Railway, Allegheny Airlines, Garfinckel, Brooks Brothers, Miller & Rhoads, Giant Food, and The Washington Post Co.

The federal chartering idea, authored by Nader and his associates Mark Green and Joel Seligman, will be the subject of Senate Commerce Committee hearings this spring and some key members of Congress are known to support at least the broad concept.

In an interview yesterday, Nader said his plan will be circulated to all candidates for the presidency. To date, Oklahoma Democrat Fred Harris has endorsed the program and Sen. Henry M. Jackson (D-Wash.) favors chartering for petroleum companies.

Nader also said the chartering idea will be taken to the business community and to lawyers. "They're not enthralled by all the specific proposals," he said, "but many of them think something should be done... that current corporate chartering by the State of Delaware, for example, is a mockery."

According to the Nader study, 76,000 U.S. corporations were chartered under Delaware law in 1974, including 52 of the largest 100 corporations and 251 of the largest 500, which he called "the successful result of a law for sale."

In 1971, the study said, corporation franchise fees and related income to Delaware totaled $55.5 million, or 23 per cent of all state revenues. In return, Nader charged, big companies are incorporated under laws that sharply curtailed shareholders' rights, enhanced management prerogatives "and allowed a corporation to conduct business in any way it chose as long as the state did not explicitly forbid it—and Delaware forbids very little."

Federal chartering of businesses is not a new idea, as Nader and his team readily admit. James Madison proposed it twice during the Constitutional Convention but it never was voted upon. At one time or another, Presidents Theodore Roosevelt, Taft and Wilson supported the general concept but decided instead to support a greater federal antitrust role—as embodied in the Sherman and Clayton Acts.

As a consequence, according to Nader, the Constitution remains silent on "the giant corporations that govern our economy."

This may have been acceptable, he said, when the U.S. was largely agrarian in 1789, "but it is anomalous in 1976 for our largest national and multinational companies."

In reality, Nader charged, the biggest companies today "are more comparable to private governments in their pervasive influence . . . We breathe General Motors' polluted air even if we don't buy its cars; the 19-year-old girl who contracts cancer because her mother consumed DES while bearing her can hardly be described as . . . a consensual economic relationship."

According to the Nader report, the need for a new mechanism "to restrain" big corporations' power is "clear" because of several key developments—their impact on workers, communities, small businesses and future generations; the development of a state chartering system that is a "farce"; a "corporate crime wave" greater now than at any time since the 1930s or the 19th century "robber baron era" and by admission of bribes, payoffs and price-fixing; and the absence of benefits the free enterprise system is supposed to create.

"The structure of industry and of management authority have either allowed or exacerbated the worst combination of inflation and unemployment since the Depression," the Nader team stated. "To put it simply, why are things so bad?"

Under current practices, the Nader report concluded, corporations appear on paper as democratic, with stockholders electing directors and directors appointing and overseeing management.

"In reality, this legal image is a near complete myth," the report stated. "In nearly every large business corporation, there exists a management autocracy . . . Far from being chosen by the directors to run the corporation, (the) chief executive or executive clique chooses the board of directors . . ."

As a result, the study found, 99.7 per cent of all directors' elections in large corporations are uncontested.

Answering expected criticism that federal chartering amounts to just more regulation, the Nader report said the current drive toward de-regulation "cannot obscure" the existing goals of more competition, more democracy and less crime.

When existing agencies fail to take corrective action, the report concludes, more controls are needed.

UKRAINIAN INDEPENDENCE DAY

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. COUGHLIN. Mr. Speaker, I am, indeed, proud to salute the greater Philadelphia Ukrainian-Americans who Sunday commemorated the establishment of the independent Ukrainian National Republic on January 22, 1918.

Inspired by our Nation's Revolution and the writings of our Founding Fathers, the valiant Ukrainians exerted their right to national self-determination and courageously declared their independence from Soviet oppression 58 years ago. While the brutal Communists forces succeeded in subjugating the Ukrainians after a bitter 3-year war, the spirit of freedom flourishes in both the Ukraine and the hearts of all Ukrainian-Americans. Their commitment to liberty is shared by all Americans who cherish individual rights and freedoms.

The recognition of the Ukrainian National Revolution has special significance this year because all Americans are contemplating the arduous struggle for freedom our forebears endured 200 years ago. Just as our spirit survived the hardships of deprivation and aggression, the spirit for Ukrainian freedom survives undaunted.

As a nation which forged its freeedom with the lives and sacrifices of its citizens, we must continue as an inspiration for the world's oppressed. The Ukrainian-Americans' daily efforts attest to our firm resolve.

The millions of today's citizens of the Ukraine cannot raise their voices for their basic rights—those who have tried became the victims of the Soviets' cruel regime. The Ukrainians look to America to defend their dignity. They look to a nation whose benchmark is the preservation of liberty.

The observance of the Ukrainian National Revolution gives cause for reflection—reflection on the tasks required of our Nation to preserve its freedom, and reflection on the fate of the millions whose freedom is denied. More important, however, the tragedy of the Ukraine brings forth a challenge to a people whose liberties are a reality. It is a challenge to support those whose liberties are unfulfilled hopes. The greater Philadelphia Ukrainian-Americans exemplify how this challenge must be met.

A NUTRITIONALLY ADEQUATE DIET FOR ALL?

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. KINDNESS. Mr. Speaker, I have received several letters from constituents who are concerned about House Concurrent Resolution 393 which suggests that it be the sense of the Congress that every person in this country and throughout the world has the right to a nutritionally adequate diet.

Although I personally believe that each individual should have adequate food, there are serious ramifications to the Federal Government making such a formalized assertion. This assertion would state, in effect, that it is the responsibility of Government to provide the nutritional assistance necessary to raise the quality of everyone's diet to an acceptable level. We have all witnessed the tremendous ballooning of the current food stamp program from a small supplemental dietary program costing $31 million to a massive food program costing over $6 billion annually.

The resolution also mentions full employment as a goal our Nation should seek to attain. Everyone could support such a goal; but here again, by stating it in the form of a concurrent resolution, we would seem to be directing the Congress and the bureaucracy to meet this goal. What type of legislation would we have to pass to implement 100-percent employment? To insure full employment would the Federal Government assign all unemployed persons to Government created positions?

The path to more employment and more adequate diets can be reached by decreasing governmental activity and the size of our Federal bureaucracy, thereby freeing more dollars for the development of jobs in the private sector, and in freeing our farmers to produce the largest possible crop yields, not through directing the Federal Government to accumulate more and more of the available capital, thereby curtailing expansion and jobs in the private sector, and through overregulation of our Nation's agriculture.

The language of House Concurrent Resolution 393 can only lead to the expansion of the Federal Government to meet those promises. Not only would this lead us closer to a socialistic state; it would be financially impossible to carry out. Can those who are working really afford to feed those who would simply opt not to work, knowing that they will be fed and cared for any way?

I am concerned not only for the nutritional needs of our people, but also for the general safety, liberty, and welfare of the people of our Nation. I do support assistance for those individuals who are not able to help themselves, to the extent that the Federal Government is able to finance such aid. I do not support legislation which would make people even more dependent upon the Government, or which would increase the Federal Government's control over the daily lives of the citizens. The ultimate result of such a policy could be, at best, well-fed slavery.

THE FUTURE HOMEMAKERS OF AMERICA—THEY CARE AND THEY SHARE

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. NATCHER. Mr. Speaker, February 8 through February 14 has this year been set aside as the National Week of the Future Homemakers of America and it is with certain sure pride that I speak to you today of this exceptional group of young women and men.

The history of the Future Homemakers is not a long one. Founded in 1945, it spans a mere 31 years. Those 31 years, however, have been exciting ones, for each year has been a year of growth, of impact, and increased stature. The Future Homemakers of America stands today as the largest organization for youth in our secondary schools. FHA/HERO Chapters, 12,000 of them, can be found in every State, in every territory, and in each American school overseas. National membership, which is open to any student who is taking or has ever taken a course in home economics or related occupations, has reached half a million.

Something is very right about this program, Mr. Speaker, for although these statistics are impressive, they are the more so when we realize that the figures represent the best type of American youth. They represent in fact the young men and women who appreciate the heritage of our great land, the high school students who grasp the needs of their home community and seek by positive action to meet them. In all, they represent the well-balanced, well-directed, and caring citizen.

Improving the quality of family, individual, and community life has always been the major thrust of the FHA/HERO program. Consider the projects that FHA members have carried out in your community and mine. There is their work with children—children of all ages, all races, all statuses. In day care centers, schools, and hospitals, with projects as varied as supervising playgrounds, to tutoring the hard of hearing, to assisting with a countrywide immunization program, the Future Homemakers have given willingly of their time and service.

On the community level Future Homemakers have participated in civic functions, served as council representatives, initiated antilitter campaigns, and cleanup parades.

Then there is their work with the elderly. And from what I hear in our part of Kentucky it would be hard to say who enjoys these projects the most for they are warm, wonderful experiences for all concerned.

One statement, by one Future Homemaker, stays in my mind. The statement was:

> Actually, I hate to use the word "project" when referring to people. Human beings are not projects.

Simple words, eloquent words, yet no words to me more clearly reveal the substance of the FHA program.

There are two reasons, Mr. Speaker, for my interest in the Future Homemakers—two very good reasons which may explain my pride in this organization. One is that the Commonwealth of Kentucky is the original charter association in the National Future Homemakers of America. The second and much more personal one is that I am an honorary member. As I have in the past, I thank those who chose me for this honor.

I wish and can foresee nothing but continued success for the Future Homemakers. Their past years have been fine ones—the years ahead can only be better.

FARMERS LIKE PRESIDENT FORD

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. FINDLEY. Mr. Speaker, a recent survey taken by the highly respected magazine, Prairie Farmer, as reported in the January 17 issue, shows that President Ford retains popularity among farmers of the Midwest despite farmer objection to certain administration policies affecting agriculture. Here are the results of the recent survey:

IN SPITE OF FORD'S EXPORT POLICIES, FARMERS LIKE HIM BY SMALL MARGIN

In spite of grain embargoes and general farmer irritation with administration policies affecting agriculture, most Illinois farmers still approve of the job being done by President Ford.

Here is how Illinois farmers answered the question "On the whole, do you approve or disapprove of the job being done by Gerald Ford as President of the United States?" We have added Indiana results for comparison

	Men	Women	Total Illinois	Total Indiana
Strongly approve	7.8	11.2	9.5	5.7
Mildly approve	44.1	42.8	43.4	37.5
Undecided	17.7	20.0	18.9	23.4
Mildly disapprove	18.9	14.8	16.8	17.9
Strongely disapprove	11.5	11.2	11.4	15.5

Here is a comparison of the 1975 and 1976 polls to show the trend of both Illinois and Indiana opinion.

	Illinois		Indiana	
	1976	1975	1976	1975
Strongly approve	9.5	15.2	5.7	15.4
Mildly approve	43.4	44.5	37.5	37.7
Undecided	18.9	16.4	23.4	18.6
Mildly disapprove	16.8	13.4	17.9	14.9
Strongly disapprove	11.4	10.5	15.5	13.4

Support for President Ford is evenly distributed thruout all age groups of Illinois farmers. His strongest support comes naturally from Republicans who give him a hearty 66.8% approval.

	Republican	Democrat	Independent
Strongly approve	13.8	1.7	9.1
Mildly approve	53.0	31.7	39.7
Undecided	16.0	16.6	22.3
Mildly disapprove	12.5	20.8	22.3
Strongly disapprove	4.7	29.2	6.6

SAGINAW STUDENT CON-CON UNDERWAY

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. TRAXLER. Mr. Speaker, I have been sharing with you and all of my colleagues for the last several months the history of the development of the Saginaw County Student Constitutional Convention. This morning that convention began in order to write the final draft of a new view of the U.S. Constitution as a Bicentennial experience.

Today, as in previous times, I would like to provide my colleagues with the opportunity to read three additional articles from the Saginaw News.

The first article by Mr. John Puravs, continues on the theme of recognizing those involved. My last presentation to you gave you the names of the 148 students involved in the convention. This article recognizes the faculty members who have given of themselves unselfishly. Without their dedication and spirit, it would not have been possible for the students to have this marvelous learning experience. The early hours, the burdens of preparations for convention sessions in addition to normal class loads and the long-term operations of this project are a fantastic chore for all the faculty involved. I would also like to point out that the Saginaw County Bar Association is assisting at this convention by drafting accepted proposals in legal form. These students now even have their own office of legislative counsel.

The second article by Mr. Puravs states one very simple point: The students involved are not the only ones who benefit from this Constitutional Convention. Students from all of the Saginaw County High Schools will all have opportunities to attend the proceedings. Over the last several months they have received reports from their classmates actively participating in the convention, so that all students have had a good chance to learn the functions of a body of the type assembled in Saginaw. Some schools have even gone as far as offering special Government courses to help students understand the meaning and history of the U.S. Constitution. With all of the knowledge that has been gained by these high school students, the convention is already a fantastic success.

The final article is an editorial presented in the Saginaw News. The editorial provides a capsule history of the work put into this convention, and recognizes as a miracle the task that has been accomplished by these students in rewriting the Constitution.

Mr. Speaker, within a few short days I will be able to provide all of us in the U.S. House of Representatives with the final version of the Saginaw student new constitution. I am certain that all of us will pay close attention to this document. Some may consider it to be simply a large classroom exercise, but I believe and I know that you agree that this document will give us a clear focus on new America. It will remind us of the conditions that many of our youth find in this country. And this document must be reckoned with, for those who have written it today will be those who will write our laws and policies tomorrow.

This effort is a most significant method of celebrating our Bicentennial, and will not go without the recognition that an event of such importance deserves.

The material follows:

And, You Would Not Find it in Their Contracts—Teachers Dig in on Con-Con Project

(By John A. Puravs)

The right to be roused from sleep at 7 a.m. will be found in no Saginaw County teacher's contract.

But for a select group of 19 of those teachers, such messages—and the added work they inevitably entailed—have been a normal part of life for nine months now.

Without their willingness to endure early-morning interruptions and doubled workloads, this week's Saginaw County Student Constitutional Convention might not take place, event organizers said.

Certainly it wouldn't take place at the Saginaw Civic Center, complete with band music, colorful decorations, efficient transportation, typing help, and lunches.

Nearly all arrangements and organization for the Student Con-Con were the product of cooperation among faculty representatives from the 19 county high schools taking part.

"It would be hard to say enough thanks for their efforts," declared Robert A. Fitzgerald of Douglas MacArthur High School, chairman of the panel.

"It wasn't unusual for me to call somebody at 7 a.m. and say I need something done. You get people like Tim Newman at Arthur Hill, there's no hesitation. He says it will get done, and he does it."

Among obstacles encountered by the faculty planners just in the last several days, said Fitzgerald, were snow postponements of two scheduled preparation meetings and the burglarizing of a key member's home.

Weary teachers, he reported, came up with a somewhat cynical refrain last week: "Between God and his snow, and the crook and his crime, it's been an awful week."

So student delegates could devote themselves to the actual drafting of a new Constitution, Fitzgerald explained, the teacher committee agreed to do the work to make possible a smooth, trouble-free convention.

His list of typical achievements included a paperwork setup with the capability of taking a student's draft proposal, typing a clean copy, duplicating it and distributing it to other delegates—all within five minutes.

And if the proposal is adopted, the faculty arranged with the Saginaw County Bar Association for volunteer help in putting the idea into language fit for a Constitution.

The teacher work was most visible when they met along with, but separate from, students during four preliminary meetings.

But Fitzgerald reported committee members devoted an average two days a month to Con-Con duties.

"We take someone out of a classroom for these meetings," he noted, "and most people think it's a day off. That's just not so. It means twice as much work. Whenever they take a day, it's two days' work for them."

The joint effort is believed the first time all 19 county high schools, public and parochial, have united on a single project.

"The overall cooperation has been fantastic," Fitzgerald asserted.

Among those he credited for volunteer assistance, but not listed on any official Con-Con directory, are Saginaw County Intermediate Supt. Edwin Kilbourn and Mrs. Ruth Webber, secretary for the Intermediate board.

"It seems like when I tell her I need something typed up, and I need it yesterday, she has it done just about that quick," Fitzgerald said.

Faculty committee members have included:

Arthur Hill, Tim Fullerton (formerly Tim Newman) and Hugh Shackelford; Birch Run, James Kavanagh; Bridgeport, Everett Woods; Buena Vista, Ronald Schury; Carrollton, Marvin Kozara; Chesaning, Tracy Johnston; Eisenhower, Thelvius Winieckie; Frankenmuth, Harry Weston; Freeland, Dave Franz; Hemlock, Tom Freeland; Merrill, Tom Oakley; Michigan Lutheran Seminary, Gerald Cudworth; Saginaw High, Tony Martinez; St. Charles, Robert Scherzer; St. Mary's, Dennis Poirier, SS. Peter and Paul's Nate Ellis; St. Stephen's, Dennis Haut; and Swan Valley, Duane Wartenberg.

"It has been a lot of work," sighed Fitzgerald. "But the nicest thing has been the people we've had to work with."

Its Impact Reaches All County High Schools—Con-Con Produces Spinoffs Galore

Only 148 student delegates will rewrite the United States Constitution this week.

But the Bicentennial project, reaching into all 19 Saginaw County high schools, will leave an impact on many times that number of students, according to a check by The News.

Most, if not all, schools plan to send observers to watch the assembly at work in the Civic Center during the convention Tuesday through Thursday. Some intend to send the entire senior class, other just government and history students.

Whether they attend the convention or not, however, many other students will gain by participating with their delegates in the historical research necessary to draft a new Constitution.

Some schools, too, have reorganized course content for a critical review of the Constitution.

As a result, the Student Con-Con stands to improve the political and historic perspective of many hundreds of students, as organizers of the event had hoped.

Co-sponsors of the Con-Con are The News and the Saginaw County Bicentennial Commission.

At Arthur Hill, Assistant Principal Keith Birdsall declared he has "no reservations that students learned more about the federal government with this approach than any other way."

Arthur Hill set up a first semester special class called Government 1776 which studied the Constitution's historic context and relation to current needs, with proposed changes where appropriate.

Birdsall said students, also invited speakers and consulted with delegates—"an invaluable part of their education."

At St. Mary's High, the government class similarly rewrote the Constitution together with official delegates. And once a month, the entire school has been meeting for one class period to discuss a topic of Bicentennial nature, said teacher Dennis R. Poirer.

Chesaning Area High School, too, organized a Bicentennial Government class whose members examined the current Constitution and instructed delegates to the Con-Con.

Chesaning seniors will attend Con-Con sessions. The band is scheduled to participate during Tuesday's assembly.

St. Charles High School expanded the duties of its five delegates to include rewriting the Constitution on their own, said teacher Robert Scherzer. The delegates also prepared biographies of each of the original signers of the document.

"I think they have a better idea of what kind of people wrote the Constitution," Scherzer remarked.

At SS. Peter and Paul's Area High School, the five delegates deliver regular reports to government classes on progress toward Con-Con preparation, said Sister Alan Thomas, principal.

Scheduling of the Con-Con also had an effect at Michigan Lutheran Seminary, where government and history classes concentrated on studies of the Constitution reported Prof. Gerald Cudworth.

The entire senior class will attend Con-Con debate Wednesday afternoon, he said.

Buena Vista High School also will send the entire senior class to observe deliberations. An assembly before the Con-Con with a follow-up assembly a possibility.

In addition, some Buena Vista sophomores are taking part in an informal group called the Bicentennial Club.

As in many other schools, Birch Run's Con-Con delegates have been delivering reports on their activities. Courses have been expanded to include all seniors in classes teaching 200 years of governmental history.

Similarly, Hemlock's government classes include reviews of Con-Con preparations and discussion of the objectives of a rewriting of the Constitution. Class members are scheduled to attend some Con-Con sessions.

At Swan Valley High School, classes have included a special slide presentation on the beginnings of the nation. All seniors will attend the Con-Con itself—a third of the class each day.

Many schools, including Frankenmuth, Swan Valley and Eisenhower, are helping prepare for the Con-Con by making decorations or contributing student time.

But in Carrollton, teacher Marvin Kozara reported, the effort has drawn in not only other schools, but adults as well.

"We've been lucky," he said. "The Carrollton Community Education program has donated banners and flags. Other schools are helping obtain flags and making posters."

On the "academic side, Carrollton students have extended Con-Con work into an independent study course to discuss the framework of national government.

Besides helping with decorations and sending observers to the Con-Con, Eisenhower students are involved in a variety of projects with a Bicentennial theme, said teacher Thelvius (Bo) Winieckie.

To make sure its delegates are prepared for the rigors of writing a new Constitution, Bridgeport High has conducted tutoring by faculty members.

Bridgeport's special project for the Con-Con, however, is preparing a comprehensive directory of all delegates, faculty advisers and others involved in the convention. The Bridgeport band will provide music during Thursday's assembly.

Like Arthur Hill, Saginaw High's delegates comprise a special Bicentennial government class, said teacher Anthony C. Martinez. For that class, the Con-Con itself is the required "outside project." Another government class has several independent study projects.

Both government classes at St. Stephen's Area High School will attend Con-Con sessions, said teacher Dennis Haut. Attendance by other students also is possible, he added.

Douglas MacArthur will make a shuttle bus available to take interested students to the assemblies, said government teacher Robert A. Fitzgerald.

Merrill High School will join the roster of schools sending all members of the senior class to observe Con-Con activities, said Principal Thomas Oakley.

Merrill's delegates, he added, have been reporting back to government classes for discussion of proposed constitutional revisions, with other students having a chance to make suggestions.

STUDENTS OF CONSTITUTION EARN COUNTY'S GRATITUDE

One of the truly meaningful and certainly one of the most inspiring projects of the national Bicentennial year opens Tuesday in the Civic Center with the convening of Saginaw County's student Constitutional Convention.

By Thursday night one of the most ambitious undertakings ever accepted by a group of American high school students will have become part of Bicentennial history. By then, the 148 young delegates from all 19 of the county's high schools will have ratified a new U.S. Constitution.

Those three days will mark the culmination of a project believed to be unique in the country.

They will represent more than that. They will represent the combined labors of young minds put to the test over months of preconvention organization and planning meetings and committee draft reports.

We do not know what the fruits of those labors will have brought forth by the time a new student Constitution for the United States has been ratified.

What we do know is that already a minor miracle has occurred. These 148 young people have accepted a most difficult challenge. They have taken on the basic law of the land—considered one of the most perfect documents ever written—with one simple directive: Reshape it by your own lights where you perceive it to be in need of change or modification.

The project was advanced a year ago with the Saginaw County Bicentennial Commission and The Saginaw News agreeing to cosponsor. The actual work was placed in the hands of the students late last summer with the promise of absolutely no outside orchestration.

The meetings have been many. The debates frequently intense. The days and weeks not without their frustrations and delays. Through it all, 148 high school students of diverse backgrounds and diverse philosophies have stayed with it. It has been hard work, not a cosmetic glamour project. An intense lesson in government—an intellectual exercise.

This is the minor miracle. But as much as that, it is a testament to their ambition and high-mindedness.

It is the kind of thing that reassures us of this nation's future which passes soon to the hands of these young people. The entire county community owes them and their their teacher advisers a debt of gratitude.

They are tomorrow's leaders. We are proud to welcome them to our midst beginning Tuesday at the Civic Center.

There is now a challenge to the public—which so frequently wonders about our youth. We suggest it show up in large numbers at the Constitutional Convention. And then walk away, as we are, reassured.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. WIGGINS. Mr. Speaker, on January 25, 1776, as the fighting intensified, the Continental Congress felt that special provisions should be made for captured military doctors and sick and wounded soldiers. One of its committees recommended that a recently captured British military doctor deliver to Gen. Guy Carleton, British Governor of Canada, a proposal that both sides agree, "not only to release all surgeons; but that if by fortune of war, the hospital of either Army should fall into power of the other, the same care should be taken of the sick and wounded as of friends, and that neither they nor the attendants of the hospital should be considered as prisoners."

Two hundred years ago, on January 26, 1776, Congress appointed a three-man committee with ultimate command over the troops, and instructed it to visit New York City, "to consult and advise the council of safety of New York and General Lee respecting the immediate defence of the said city . . .". Aware of the strategic and political importance of New York City, and concerned about its military vulnerability, General Washington ordered troops under Gen. Charles Lee to proceed from Cambridge, Mass., to New York City. However, the New York Committee of Safety objected to the introduction of soldiers into New York City without an order from the Continental Congress. Moreover, since the soldiers were to arrive before General Lee, the committee feared that disciplinary problems would arise. Therefore, the Committee of Safety felt that not only the dignity of the colony but the safety of its citizens necessitated placing the soldiers under its command before they be allowed into the city. The committee appointed this day, 200 years ago, was to resolve the problem and to gain the cooperation of the New Yorkers.

RETIREMENT OF LT. GEN. JAMES HOLLINGSWORTH

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. BROOMFIELD. Mr. Speaker, I have learned with deep personal regret of the retirement of Lt. Gen. James Hollingsworth who for the past several years has commanded American and Korean military forces along the Demilitarized Zone in Korea. I am sure my colleagues who have visited Korea and been exposed to the mind and talents of Jim Hollingsworth join me in expressing thanks and appreciation to a remarkable, dedicated individual who has served his country with distinction for over three generations.

I have no intention of entering the lists of those debating the reasons behind General Hollingsworth's retirement; such speculation, in my opinion, detracts from a career of selfless dedication and singular accomplishment. I would prefer to let General Hollingsworth speak for himself on his retirement—"After 35 years of proud service to my country, it is time to make room for someone else," and to wish his able successor, Maj. Gen. John Cushman, every success in this important mission.

I do not, however, want to let General Hollingsworth step aside without expressing my admiration for the magnificent job he has done on the frontlines in Korea. Anyone familiar with the situation in that country must be impressed with the spirit and sense of mission he has instilled in his command.

In reflecting on the career and contribution of General Hollingsworth, I could not help recall the words of John Randolph of Virginia, spoken over 150 years ago: "The best way to prevent war is not to fear it."

General Hollingsworth has sought to prevent war by being prepared for it. When war became inevitable, he fought with bravery and distinction. It is my honest belief that the policies and tactics he has implemented along the DMZ will help prevent the outbreak of future war, and the Nation owes him a debt of gratitude.

RHODESIA IS THRIVING

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. ASHBROOK. Mr. Speaker, ever since Rhodesia declared its independence from England over a decade ago there have been dire predictions about its future. British Prime Minister Harold Wilson stated in 1965 that Rhodesian independence would last "not months but weeks." In September of 1975, Congressman DON FRASER told us the "Ian Smith government in Rhodesia is facing the end."

Despite such doomsday proclamations, Rhodesia is doing very well. According to an article in the February 16, 1976, Wall Street Journal, Rhodesia is thriving.

Its 10-year growth has averaged about 10 percent a year, among the highest on the African continent. This has been achieved without foreign aid but with a boycott wall that is being scaled both by Rhodesia and those nations that want its products. And although there has been considerable violence and killings the guerrillas have generally made a pathetic showing.

For the information of my colleagues, following is the full text of the Wall Street Journal article:

GOING IT ALONE—RHODESIA IS THRIVING DESPITE U.S. SANCTIONS AND BLACK OPPOSITION

(By Ray Vicker)

SALISBURY, RHODESIA.—This peaceful capital of high-rise buildings and wide avenues bustles with a prosperity rarely seen in Africa. The streets are busy with traffic, new buildings are going up and affluent shoppers abound in the well-stocked stores.

Away from the city's commercial life, government negotiators are sitting down with representatives of the nation's six million blacks in an attempt to find a way to legitimize Rhodesia's 10-year-old independence. Above all, both sides are looking for ways to continue the fragile peace that has settled over the country's race relations and to avoid the outbreak of a full-scale guerrilla war.

Both the prosperity of Salisbury and the discussions between blacks and whites wouldn't have seemed possible to Rhodesia's 275,000 whites a decade ago when the nation unilaterally declared its independence from Britain. The British opposed cutting the umbilical cord to their one-time colony because blacks had barely any say in the running of the country.

The United Nations, with prodding from black African nations, agreed to impose economic sanctions that prohibited member states from trading with Rhodesia. On the heels of this, guerrillas from Rhodesia's restive black population began launching attacks.

"DEFINITELY ON TOP"

Yet the country has thrived: Its 10-year growth has averaged about 10% a year, among the highest on the African continent. This has been achieved without foreign aid but with a boycott wall that is being scaled both by Rhodesia and those nations that want its products. And although there has been considerable violence and killing, the guerrillas have generally made a pathetic showing. "We're definitely on top of the guerrilla situation now," says one government source.

It was in 1965 that British Prime Minister Harold Wilson declared that Rhodesian independence would last "not months but weeks." Indeed, when a mountain of tobacco began backing up in Rhodesian warehouses, his prophecy seemed accurate.

But then Rhodesia began finding clandestine markets for its tobacco and minerals in Taiwan, Japan, Western Europe and even the Soviet Union. Neighboring South Africa refused to cooperate with the UN boycott. And Rhodesia began to take off economically. In a decade the nation's industrial output has doubled and its mining output has increased by 69%.

"The boycott forced us to manufacture many things which we had been importing," says B. Blake, a consultant to the 1,200-company Association of Rhodesian Industries. He estimates that 1,250 new projects have been launched over the past decade to make products ranging from carpets and home freezers to chinaware and television sets. Now Rhodesia produces its own steel ingots and even has a fully integrated textile industry, producing its own clothing from homegrown cotton.

At the University of Rhodesia in Salisbury, Anthony Hawkins, a senior lecturer in economics, agrees that the nation would never have been able to grow so quickly without the declaration of independence. "The business sector would never have agreed to the straitjacket that has been necessary to secure so marked a change in economic structure had it not been a matter of political and economic survival," he says.

FUNDS FROM SOUTH AFRICA

Foreign investments have undoubtedly played a large part in this survival, despite the UN sanctions. In 1974 a record $104 million entered Rhodesia, compared with an outflow of $7.6 million in the first year after independence.

Rhodesian government officials are secretive about the sources of these funds, but a substantial amount of South African money is going into mining, industry and hotels. Salisbury's new 19-story, $12 million Monomatapa Hotel was built by the South African Southern Sun Group. "You don't build a hotel like this if you think the country is falling apart," says general manager Peter Costeloe.

The nation's exports are flourishing. The U.S. Congress has allowed the importation of Rhodesian chrome (in fact Union Carbide Corp. still has chrome operations in Rhodesia), Rhodesian gold is finding its way into Swiss banks, other metals go to Germany and tobacco goes to a number of countries.

All this produced exports of about $625 million for Rhodesia in 1974 compared to $513 million before the UN sanctions. (However, this year exports are likely to be down somewhat in view of the international slump in raw materials prices.)

Although many nations pay only lip service to the UN sanctions, Rhodesia must still go to extraordinary lengths to make some deals. A few years ago, for example, Air Rhodesia wanted to buy three Boeing 720 jets to replace its aging Viscounts. But since a direct deal with the U.S. wasn't legal, the Rhodesians formed a dummy air charter company in Switzerland and began negotiations with Boeing. A Rhodesian crew was trained in the U.S. (ostensibly for the charter company) and the planes were delivered to Lisbon. They are now in service in southern Africa.

"We've done well despite the boycott," agrees a government officials. But, he says, "we would be better off without it. Now we sell our exports at lower than world prices to keep them moving. And the boycott adds to import costs."

J. W. Pithey, president of the Rhodesian Senate, points out another problem. "It is the African, not the European, who is suffering the most because of sanctions," he says. He claims that the government is spending funds on defense and on beating the sanctions that otherwise might have gone to African development. He notes that since independence the number of black children enrolled in primary schools has increased by a third to 812,000. If more funds were available, he says, an even larger increase would have been possible.

The buildup of Rhodesia's defense forces has been going on ever since the outbreak of guerrilla warfare caught the government by surprise. Over the past few years, according to government figures, 650 guerrillas have died and another 1,000 of them (including sympathizers) have been captured. In turn, says the government, 75 members of Rhodesia's security forces, 20 Europeans and 200 black civilians have been killed.

The black guerrillas have no permanent camps in Rhodesia and have been making raids across the border with Mozambique. The Mozambique government harbors the rebels but gives them little support since it is occupied with its own deep economic problems. The Rhodesian government insists that the guerrillas have been unable to advance more than a few miles into Rhodesia before being slaughtered. And, it says, more and more blacks are prepared to cooperate with local authorities as the guerrillas' power wanes.

The reason for this cooperation is that the standard of living for black Rhodesians is gradually improving. For example, there are now 952,000 blacks holding jobs in Rhodesia compared with 656,000 in 1965 (although at the same time there has been a large increase in the labor force).

More importantly, perhaps, the black African in Rhodesia has civil liberties that are denied blacks in South Africa under the stern rule of apartheid, or separate development of the races. Although living areas are segregated and blacks are clearly on the bottom half of the economic scale, Rhodesian blacks and whites do work, eat and play together. Blacks who meet certain educational and property-owning qualifications are allowed to vote. And there are no bars to blacks rising to the middle classes.

But black Africans say this is not enough. The leading black party in Rhodesia, the African National Council, is demanding a new constitution that would give blacks easier access to the ballot box. This would mean majority rule, which the government has no intention of permitting (even though it would satisfy the British, thus giving legitimacy to independence).

A FEAR OF ANGOLA

Again and again the whites cite Angola as an example of what happens when whites surrender power to blacks precipitately. "We don't want an Angola situation here," says Sir Cornelius Greenfield, a prominent industrialist. Instead, the whites want a transitional constitution that will leave them in power for several more decades.

Since December, Prime Minister Ian Smith and Joshua Nkomo, the burly former welfare worker who heads the ANC's moderate wing, have been meeting in Salisbury to try to reach some agreement. Mr. Nkomo warns that "we are trying to discover whether it is possible to get majority rule for us by negotiation. But if that fails, it is inevitable the people of this country will have to resort to other means."

These other means, or guerrilla warfare, have been on the wane since Mr. Nkomo's moderates agreed to a cease-fire in December 1974. But violence continues to be advocated by the ANC's left-leaning, radical wing led by Bishop Abel Muzorewa and the Rev. Ndabaningi Sithole, both of whom are thought to be in Tanzania. Last year the U.S.-educated Mr. Sithole escaped from Rhodesia where he had been under arrest on charges of plotting to assassinate his political opponents. Only months before his arrest, Mr. Sithole had been released after being held by the government for 10 years and, it's thought, the government "stage managed" his escape to avoid further embarrassment from the gathering international protest.

The difference between the radicals and the moderates in the ANC have exploded and, the government says, nearly 200 have died so far in fighting between the two factions. This violence is particularly worrying to Rhodesia's small black middle class. "This is a day when only the radical thinks he has a right to be heard," comments one black businessman sadly.

Guerrilla violence also continues to be a concern to the white farmers in remote areas of the country, where houses have become fortresses. In recent years in just one area, Centenary, a lush, tobacco-growing area 130 miles northeast of Salisbury, a grenade thrown through a farmhouse window killed a woman, a mine blew up an army patrol car, killing one soldier, and a store burned down in a rocket attack. But tobacco farmer Ian Stacey declares, "I built this farm, it is my home. I'm staying."

Every farm in Centenary is surrounded by a protective fence with a gate that closes at sunset. The farms in the area are linked by radio to the police station and it's common to see houses with warning rockets fastened to the chimney. Mr. Stacey's house has grenade-proof screens on the windows and he sleeps with an automatic rifle beside the bed.

But, says Mrs. Bunty Stacey as she serves tea and scones in the living room, "you can get used to anything in life." Adds Mr. Stacey, "Things have been quiet lately. We're on top of them now."

THE PRESIDENT'S HEALTH CARE PROPOSALS HURT THE AGED

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. FORD of Tennessee. Mr. Speaker, as a member of the Select Committee on Aging and a person long concerned about the needs of this Nation's older citizens, I feel it is my duty to call to the attention of my colleagues major flaws in the President's proposed modifications in Federal health care programs. I have with me a copy of a statement made by Nelson H. Cruikshank of the National Council of Senior Citizens which eloquently addresses the adverse implications of the President's medical care recommendations for older Americans. I offer it now for the use and information of my fellow Members of Congress:

FORD'S MEDICARE PROPOSALS BLASTED BY SENIOR CITIZEN HEAD

President Ford's proposal to insure elderly Americans against "catastrophic illness" was termed "a clear example of an insurance policy you shouldn't 'buy' without reading the fine print." The charge was made in a statement by Nelson H. Cruikshank, President of the National Council of Senior Citizens, an organization made up of over 3,000 older people's clubs throughout America.

Cruikshank said that President Ford, "like his predecessor, Mr. Nixon, is trying to repeal an essential part of Medicare. He wants to cut back on the already limited protection we have gained through Medicare. We must never let this happen."

The senior citizens' leader noted that, in making his announcement concerning care for long-term patients under Medicare, the President had added, that ". . . fees for short-term care will go up somewhat. . . ."

"Let us take a closer look at this 'somewhat' the President is talking about," said Cruikshank, "and see how much it will actually cost."

"Under present legislation," he said, "in 1977 a hospital stay of 11 days—the average for a Medicare beneficiary—would cost the patient $124. That amount, the deductible, is all that a patient is required to pay for the first 60 days of hospital care."

"But, under the President's proposal, that same patient would be required to pay ten per cent on all hospital insurance charges above the deductible. This means that for his 11-day stay, at a hospital charging $125 per day, his total fee would be $249; where the charge is $150 per day, he would have to pay $277; and with a hospital charge of $200 per day, he would be charged a total of $332.

"Were the law left unchange," Cruikshank said, "in 1977 the patient's fee could be no more than the deductible of $124."

"Under present Medicare provisions," he continued, "a patient would not incur $500 in hospital charges until about the 76 day of his stay. Less than one-half of one per cent of Medicare patients had hospital stays of 76 days or longer in 1974. If the President were truly concerned about the elderly, he would not be trying to boost health care costs for those patients who make up more than 99 per cent of the older men and women covered by Medicare."

He noted that under Ford's Medicare plan, not only will hospital costs be increased, but that the present deductible under Supplementary Medical Insurance would go from $60 to $77 in 1977, and ten per cent of the cost of a number of other Mediare covered services would be borne by the patient, after all deductibles have been met.

"The net result of Ford's proposals," said the senior citizens' leader, "is to make health care costs so prohibitive that necessary visits to the doctor will be postponed, resulting in more serious illnesses among the elderly."

"Should they try to turn to Medicaid," for assistance, he added, "they may find that Ford has also tampered with that very valuable source of financial aid for the poor and the sick. In his recommendation to combine the Medicaid program with a number of other health programs for which states would receive one block grant, Ford would seal the doom of this essential program. Older people have always fared poorly in any program of general revenue sharing, and there is no reason to believe that the pattern would be any different under this proposal."

NOAA USING ADVANCED TECHNOLOGY IN AGRICULTURAL WEATHER INFORMATION SYSTEMS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. TEAGUE. Mr. Speaker, recently, Dr. Robert M. White, Administrator, National Oceanic and Atmospheric Administration of the U.S. Department of Commerce submitted a report dealing with the use of advanced technology in Agricultural Weather Information Systems to the Technology Assessment Board of the Office of Technology Assessment.

Dr. White states that this advanced technology must continue to be improved so as to continue to play a key role in agricultural weather summaries and forecasts.

I urge my colleagues to take a minute and read this report and to continue their support to programs such as this:

U.S. DEPARTMENT OF COMMERCE,
NATIONAL OCEANIC AND ATMOSPHERIC
ADMINISTRATION, ROCKVILLE, MD.
December 10, 1975.

Mr. OLIN E. TEAGUE,
Chairman, Technology Assessment Board, Office of Technology Assessment, Congress of the United States, Washington, D.C.

DEAR CHAIRMAN TEAGUE: In response to your letter of November 18, 1975, I am enclosing a report entitled "Advanced Technology in Agricultural Weather Information Systems". A short executive summary is included.

The enclosure supplements a September 25 report to you entitled "Weather Information for Assessing Crop Progress" by Dr. Edward S. Epstein, Associate Administrator for Environmental Monitoring and Prediction. I appreciate both opportunities for input.

Sincerely,

ROBERT M. WHITE,
Administrator.

Enclosure.

ADVANCED TECHNOLOGY IN AGRICULTURAL WEATHER INFORMATION SYSTEMS

EXECUTIVE SUMMARY

Automatic data processing and satellites are now and must continue playing key roles in agricultural weather summaries and forecasts. Both technologies are used in preparing daily advisories and forecasts for U.S. farmers, in agrometeorological studies, in monitoring and analyzing growing season weather over major world grain producing areas, and in the Large Area Crop Inventory Experiment (LACIE). Automatic data processing also is an essential tool in developing a capability to interpret long-term impacts of growing season weather in terms of variability of future yields.

The National Oceanic and Atmospheric Administration (NOAA) is applying these technologies as rapidly as resources and the state of the art permit. Basic to future progress, however, will be the need for computers of sufficient capacity and speed to handle the large volume of data required to develop adequate global climatic models. Such modeling research has begun at NOAA's Geophysical Fluid Dynamics Laboratory at Princeton, New Jersey.

The National Oceanic and Atmospheric Administration (NOAA) uses automatic data processing and meteorological satellite imagery for its weather forecasting services for agriculture, for agrometeorological studies in support of more effective agricultural practices, and for developing global weather-yield estimation models.

NOAA National Weather Service (NWS) forecasts, including agricultural weather forecasts, are based on activities at an extensively computerized National Meteorological Center (NMC). NMC routinely acquires large amounts of cloud and temperature data from weather satellites as well as over 20,000 land-station, ship, balloon, and aircraft observations daily. NMC computers process the raw data and produce weather map analyses, prognostic charts, and other guidance material such as quantitative precipitation forecasts for dissemination to NWS field offices and other subscribers. The NMC guidance is disseminated through more than 600 facsimile and 800 teletypewriter transmissions daily. The centralized preparation of data, maps and forecasts is designed to eliminate most requirements for hand charting and independent meteorological analysis at field offices. The NWS, through combined use of its large computer facility, numerical forecast methods, and its field forecast offices and service centers, provides agricultural and other users with daily forecasts and outlooks out to five days in advance.

Specialized agricultural weather advisories and studies at the state level also use weather satellite data as well as nearby university computer systems. As an example, the Environmental Studies Service Center at Auburn, Alabama has begun a study to use weather satellite data in its real-time agricultural weather service program. It centers on development of techniques and methods providing the absolute radiation temperature at the earth's surface and then incorporating the thermal data into models for prediction of soil temperature and moisture. In addition, the thermal data will have great utility in improving service in areas where freeze hazards exst. The thermal data will pictorially portray the realtime development of a freeze allowing growers to sharpen decisions in management of cold protection practices. In addition, a "cold night" climatology can be produced which will be valuable in land use planning and in improving "spot" temperature forecasts.

NOAA progress in more timely acquisition of global precipitation and temperature data for cumulative growing-season assessments was described in the fourth and fifth paragraphs of Dr. Edward Epstein's report of September 25, 1975 to the Technology Assessment Board. For completeness I should add that the Air Force Global Weather Central at Offut Air Force Base is working with us to extend and improve the precipitation estimating procedure that systematically integrates conventional meteorological observations and satellite observations of clouds over selected areas of the Northern Hemisphere.

NOAA development of weather-yield estimation models is a part of the NASA/NOAA/USDA Large Area Crop Experiment (LACIE). The goal of LACIE is to provide prompt (within 14 days of data acquisition) objective estimates of wheat production. NASA and the USDA are concerned with developing experimental demonstration systems, using LANDSAT multispectral data,[1] to determine acreages of wheat planted in eight nations. NOAA's Environmental Data Service and the USDA are concerned with defining and quantifying the relationship between meteorological conditions and crop yield in the same eight nations.

NOAA weather-yield estimation is accomplished by use of meteorological data routinely available through the World Meteorological Organization communications links images from the NOAA polar orbiting and geostationary satellites. It is not now possible to obtain quantitative data from satellites on most of the important environmental parameters most affecting crop yields, e.g. soil moisture and solar radiation. Satellite images are useful, however, in detecting areas which remain cloud free (hence without precipitation) for long periods of time resulting in drought conditions. Satellites are also of considerable use in tracking large storm systems over crop producing areas to improve estimates of rainfall or call attention to potential flood conditions. It is our intention to incorporate quantitative data derived from satellites when the data acquisition and processing techniques have been developed.

In our opinion, LACIE has tremendous potential for providing prompt, objective, world-wide information on critical crops. The first year of the program focused on the Great Plains areas of North America. Preliminary results are encouraging. Technical problems in acreage estimation have been identified and, we believe, solved to the point that the three agencies are proceeding with phase two—an 18 month test of techniques for the Great Plains plus selected areas in other nations. Preliminary analysis of the yield estimation system used in phase one is quite encouraging. Phase three will consist of a full scale test on a global scale and is scheduled to start in about a year.

The continued availability of satellite data is critical to the long term applicability of LACIE-derived technology for operational estimating of global production of wheat and other major crops. This assumes that LACIE proves successful and cost effective. LANDSAT 2 is performing well, with an expected lifetime through 1977 or 1978, and the follow-on satellite (LANDSAT-C), has been authorized. Continued availability of digital multispectral data beyond the early 1980's is not certain. Since the central concept of LACIE acreage determinations is semi-automatic computer processing of multispectral data used in multitemporal analyses,[2] no other known satellite systems can be used.

The weather-yield estimating system, as discussed above, does not depend on quantitative data from satellites. It is believed, however, that instruments proposed for future experimental or operational environmental satellites will provide quantitative data useful for this purpose. Continued research and development is necessary in NASA and NOAA to develop these instruments and the technology to derive meaningful geophysical data. Likewise, additional efforts are needed to develop and improve mathematical models which relate meteorological conditions to crop yields. LACIE focuses on wheat acreage, yield and production. Other NOAA efforts are devoted to modeling yield of corn, soybeans, and other important crops utilitizing computer facilities at the University of Missouri in Columbia.

Advanced computer technology is especially needed in NOAA's basic meteorological research efforts. Basic understanding and skillful prediction of seasonal weather and climate will be achieved only with the aid of computers of very large capacity and speed. Immense volumes of data must be processed to develop adequate global climate models which incorporate at least the most significant of the many complex feedbacks between ocean and atmosphere. Development of models to simulate possible impact of man's activities on climate and to study the dynamics of trace contaminants in the stratosphere similarly require giant computers. NOAA's Geophysical Fluid Dynamics Laboratory (GFDL) already is using an Advanced Scientific Computer (ASC) to conduct fundamental investigations in the dynamics of atmospheric processes over a wide range of time and space scales. These investigations include studies on many scales of motion and a host of interrelated physical processes.

Of particular interest to agricultural meteorology, GFDL mathematical models have achieved reasonably accurate simulations of typical seasonal distributions of wind, temperature, and precipitation. Testing the ability of these models to predict seasonal weather variations using real atmospheric and oceanic observations has not been done and requires very extensive computer power. Progress will be relatively slow as governed by the availability of computing power, and complementary resources, unless new approaches to this difficult problem are found.

In conclusion, I am pleased to have been able to report here on the application of advanced technology to several agricultural weather research and service activities. Further progress in understanding weather for agricultural and other types of weather services requires that we continue to use the latest satellite and computer technology states-of-the-art. NOAA intends to continue its innovative efforts in this area.

UKRAINIAN INDEPENDENCE DAY

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. MINISH. Mr. Speaker, January 22, 1976 marked the 58th anniversary of Ukrainian Independence Day. As Americans begin their Bicentennial celebration, I urge them to reflect upon the Ukrainian experience.

Russian domination of Ukraine dates

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[1] Data on spectral reflectance of the target of competing crops.

[2] Examination of data during two or more critical biological development states (growth stages) of the crop.

back to 1654 with the Treaty of Pereyaslav. A free and sovereign nation, the Ukrainian National Republic, was proclaimed on January 22, 1918. One year later, all territories of the Austro-Hungarian empire inhabited by Ukrainians united with the National Republic into one independent Ukrainian state. For 3½ years, the gallant freedom-loving Ukrainians struggled to defend their country. Independence was short-lived for, in 1923, Ukraine became and remains a constituent member of the Soviet Union.

The Ukrainian story exemplifies the cost of freedom. Despite attempts to destroy Ukrainian traditions and ideals, these people continue to preserve their national identity. Courage and patience have and will withstand political oppression, economic exploitation, religious persecution, Russification, and the destruction of human rights.

Enough tribute cannot be paid to the spirit of freedom and everlasting faith possessed by the Ukrainian people. As we call to mind the glorious American Revolution, let us not forget the sacrifice and suffering still endured by those 54 million Ukrainians who persistently refuse Soviet-Russian domination.

A CALL FOR INVESTIGATION OF CONGRESSIONAL LEAKS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. KEMP. Mr. Speaker, the Congress has complained that it does not get enough briefing from the administration and that it is kept in the dark about foreign policy and the activities and budget of the CIA. But if Congress is provided with sensitive information in confidence and that information is then leaked to the press, security precautions result in the administration withholding sensitive information from the Congress.

Mr. Speaker, an editorial in the Dallas Morning News makes this point in regard to the recent leak, centered on information recently given to some Members of Congress in confidence, that the CIA has provided financial support to non-Communist political parties in Italy. I quote from the editorial:

> Congress has said it wants to be kept in the picture on all foreign policy operations of the government. We believe that it should be, indeed must be, kept informed, if the legislative is to regain its proper constitutional status as an equal partner in national leadership.
>
> But so long as chief executives expect that every bit of sensitive or confidential information provided Congress will shortly thereafter be published around the world, that's not likely. What is likely is that presidents, Democratic or Republican, will return to the former policy of keeping Congress as much in the dark as possible.
>
> You may not think that is a healthy policy—we do not—but considering the record, it is easy to see why it was adopted.

Mr. Speaker, in order to protect Congress access to information, I call for a congressional investigation of this leak and a congressional censure of the guilty party.

TAX LOOPHOLES: THE LEGEND AND THE REALITY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. McDONALD of Georgia. Mr. Speaker, what is the purpose of the clamor for tax reform? Is the elimination of "tax loopholes" merely to restore equity to our tax code? Or is the goal to retard economic growth by rewarding consumption and punishing investment?

Since the House has recently passed the Tax Reform Act of 1975, which selectively eliminates or restricts certain "tax loopholes" which encourage investment, it is important to answer these questions. The means to do so is provided by Dr. Roger A. Freeman in "Tax Loopholes: The Legend and the Reality". The essay, published in the November 1975 issue of Imprimis, the journal from Hillsdale College's Center for Constructive Alternatives, follows:

TAX LOOPHOLES: THE LEGEND AND THE REALITY

(By Roger A. Freeman)

For close to twenty years so-called loopholes in the federal income tax have been the subject of a lively public controversy. They were investigated in several extensive hearings by the two tax writing committees of Congress—the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. A large majority of Congress as well as the Executive Branch, not to mention the nation's press, television networks and some of the largest organizations supported tax reform, a term that has come to be virtually synonymous with the drive to close loopholes.

It is thus not surprising that the Congress took repeated action to close loopholes in the income tax—in 1969, 1971, and again in 1975. What may be surprising is the fact that every time Congress enacted a tax reform bill, the amount of untaxed income was larger afterwards than it had been before and the percentage of total personal income exempted from the federal income tax as well as the number of Americans paying no income tax had substantially increased. In other words, whenever Congress tightened or closed some loopholes—or acted as if it had—it always opened or widened others more extensively. That strongly suggests that the real aim of the "close the loopholes" drive is not so much to subject more tax free personal income to the tax as to shift the burden of taxation from some economic groups to others—to tax some more lightly and others more heavily. To be specific, the real goal and purpose of the campaign to close loopholes is to redistribute income from some less favored groups—presumably from groups with less voting power—to some with more votes and therefore greater political appeal to office holders and office seekers.

The amounts we are talking about here are huge. All personal income in the United States totalled $945 billion in 1972 (according to the national income and products accounts) of which only $445 billion showed up as taxable on federal income tax returns. In other words, $500 billion—or 53 percent of all personal income—went tax free in 1972, up from $363 billion or 48 percent in 1969. Counting offsetting items—amounts which are taxed although they are not personal income under prevailing economic definitions—untaxed income totalled $563 billion in 1972, up from $414 billion in 1969.

That increase in tax free income is easily explained by the fact that several "tax reform" measures went into effect between 1969 and 1972, especially the Tax Reform Act of 1969, which has since become more affectionately known as the Lawyers and Accountants Full Employment Act of 1969. About $70 billion in personal income escaped federal income taxation in 1972 as a direct consequence of the Tax Reform Act of 1969.

You are probably acquainted with complaints that the property tax and the sales tax permit many exemptions which have eroded the tax base and thereby not only cut the revenues of schools, cities and states but also given advantages to certain favored groups of taxpayers over others. But exemptions in the property and sales taxes equal only between one-fourth and one-third of their respective tax bases. In the federal income tax they total more than half the base—and it has become the leakiest tax known.

Yet the income tax is by far the most important revenue producer in our fiscal system. While the United States imposed a personal income tax later than most other industrial nations, in 1913, after the adoption of the XVI Amendment to the U.S. Constitution, it now leans more heavily on income taxes—graduated personal income tax and corporate profits tax—than any other major country. Other industrial countries use a general consumption tax as a producer of revenue for their national government. The United States is the only country not to do so.

Yet it has restricted the personal income tax base to less than half of the personal income. If all exclusions, exemptions, deductions and credits were repealed and all personal income were subjected to the tax, the tax rates could be halved—from the present 14 percent to 70 percent range to a 7 percent to 35 percent range. Alternatively, a flat 10 percent tax on all personal income would yield about as much revenue as the present rate scale on half the income. Some would favor such a system. But there is not a chance in a million that such a plan could ever be adopted. The simple facts of political arithmetic—of counting where the votes are—rule it out.

Let me quote to you from a recent article by a leading spokesman of the tax reform movement, Stanley S. Surrey of the Harvard Law School, who served as Assistant Secretary of the Treasury for Tax Policy from 1961 to 1969. It appeared in the New York Times Magazine for April 13, 1975, under the title "The Sheltered Life":

"To most people, the Federal income tax is a complex system designed to extract large sums from their pocketbooks—about $150-billion, or more than half the Government's total income. Few realize, however, that while collecting these taxes from individuals and corporations, the Government is simultaneously paying between $80- and $90-million to some of them. It does this by simply not collecting any or all the taxes it might on certain types of activities—those that, because of their claimed value to society, are permitted special tax benefits. If the Government were first to collect this $80-to $90-billion in the regular income tax sweep and then to disburse it again for these benefited activities, we would refer to the process as a subsidy . . . since the special tax benefits a person may claim generally increase as his income rises, the poor gain little from them, while the wealthy may utilize them as a major way to supplement their incomes at Government expense."

As ordered by the Budget Reform Act of 1974, the budget volume sent by the President to the Congress with his recommendations for the forthcoming fiscal year now contains a chapter and a table on so-called tax expenditures. (*Special Analyses, Part I F*) But the biggest tax concessions are not classified tax expenditures, only certain selected ones. No total is given and the budget states "Tax expenditure estimates cannot be simply added together to form totals for functional areas or a grand total."

Despite this warning, Surrey and some congressional enthusiasts have added the tax expenditures shown in the budget and came up with a total of $78 billion for FY 1975, a completely unrealistic and meaningless figure.

In his mentioned article in the NYTM for April 13, 1975, Surrey refers to the tax expenditure table in the U.S. budget which he says "explains why some of our wealthiest individuals pay little or no income tax."

Which are the largest items of "tax expenditure" listed by Surrey? The biggest is the deduction allowed homeowners for the property taxes and mortgage interest they pay—$10 billion—which Surrey calls a housing assistance program for homeowners. But homeownership is not concentrated in the top brackets. About two-thirds of American families live in their own homes and the great majority of them are in the middle income brackets.

The next biggest items listed by Surrey are long-term capital gains, which are usually taxed at half the rate of ordinary income and which he estimates at between $7 and $10 billion. Then there is interest on municipal bonds which Surrey places at $4 billion, of which $3 billion is refunded to states, cities and schools in the form of lower interest rates. This leaves $1 billion for investors. Other tax expenditures listed by Surrey are small—$1 billion each or less.

This leaves the big question: where are the items that composed the $563 billion of untaxed income in 1972, or the bulk of the $78 billion tax expenditures claimed for 1975? Mr. Surrey never says. The plain fact is that most of the $563 billion in untaxed income is in the middle and lower income brackets and is broadly distributed through all sections of the American public with only a tiny percentage accruing to high-income persons. The truth is that most high income persons pay very high income taxes.

What then are the big "loopholes," the provisions which account for most of the $563 billion of untaxed income in 1972? By far the largest loophole is personal exemptions—at $750 a head—which total $155 billion. Many feel that $750 is not enough, that it costs more to support a child. That may well be true. But then, why should the U.S. Government pay a tax bonus for every child at a time when we are trying to reduce population growth and reach ZPG? Should there not be a penalty rather than a premium?

Tax free income from social benefits—social security, unemployment compensation, public assistance, veterans benefits, employer contributions to pension and welfare funds and other transfer payments account for another $93 billion. Those remedial provisions largely benefit low-income and low-to-middle-income persons. Little of it goes to wealthy families.

The other big item is itemized deductions. They totalled in 1972 $97 billion. But those itemized deductions equalled 55 percent of reported income on returns itemizing deductions in the adjusted gross income (AGI) bracket under $5000, 20 percent in the $15,000 to $25,000 income bracket, and 22 percent in the income class from $100,000 on up. In other words, itemized deductions free a much larger share of the income from taxation in the low brackets than in the high. More importantly, most persons in the lower income brackets use the standard deduction instead of itemizing. Under the liberalized provisions of the Tax Reform Act of 1969, standard deductions went up 218 percent between 1969 and 1972—from $22 billion to $70 billion—while income increased only 26 percent and itemized deductions 21 percent.

Of the $301 billion difference between adjusted gross income (AGI) and taxable income (TI) on 1972 income tax returns only $13 billion was in brackets from $50,000 income on up. That still leaves the possibility open that many rich people pay little or no income taxes. I'll discuss that in detail a little later.

However, the conspiracy theory of tax law—that loopholes are the result of sinister machinations of lobbyists for moneyed interests who either bribed lawmakers or pulled the wool over the eyes of unsuspecting congressmen and the public—won't stand up under examination. No public laws are subjected to more painstaking and detailed congressional study, to more open hearings, to more thorough debates, year after year, than the tax laws.

It may be helpful to say a few words about the history of the income tax and the tax reform movement. When first imposed in 1913, the federal income tax was levied at rates from 1 percent to 7 percent and was a minor factor in the fiscal picture. That changed sharply during World War I when rates were lifted to between 6 percent and 77 percent. After the war they were cut to a range from ½ percent to 24 percent.

In World War II the income tax turned into a mass tax, the number of taxpayers multiplied tenfold, and the rate scale was pushed to its highest level—23 percent to 94 percent. Not until 1964 was the scale reduced to between 14 percent and 70 percent, where it now stands.

The huge amounts of untaxed income were first called to broad public attention in 1955. The subject soon caught attention and has been on the public agenda ever since. When in 1961 the most articulate spokesman for loophole closing, Stanley Surrey, became Assistant Secretary of the Treasury for Tax Policy—and thus the highest tax policy official in the land—energetic action on tax reform might have been expected. But neither President Kennedy nor President Johnson would send Mr. Surrey's major recommendation to Congress. On balance, they recommended a widening of tax loopholes. Before leaving office after eight years, Surrey submitted a comprehensive report on tax reform, especially on loopholes, which he called tax expenditures. It soon began gathering dust because President Johnson was no more anxious to open that pandora's box than was his successor.

But then an event occurred that made tax reform the hottest subject in Congress. In the interim period between the resignation of Henry Fowler, President Johnson's Secretary of the Treasury, and the appointment of David Kennedy by President Nixon, Joseph Barr served as Secretary of the Treasury for 31 days. On January 17, 1969, two days before leaving office, Mr. Barr testified before the House Ways and Means Committee with a statement that reverberated throughout the nation's media and stirred the country:

"We face now the possibility of a taxpayer revolt if we do not soon make major reforms in our income taxes. The revolt will come not from the poor but from the tens of millions of middleclass families and individuals with incomes of $7,000 to $20,000, whose tax payments now generally are based on the full ordinary rates and who pay over half of our individual income taxes.

"The middle classes are likely to revolt against income taxes not because of the level or amount of the taxes they must pay but because certain provisions of the tax laws unfairly lighten the burdens of others who can afford to pay. People are concerned and indeed angered about the high-income recipients who pay little or no Federal income taxes. For example, the extreme cases are 155 tax returns in 1967 with adjusted gross incomes above $200,000 on which no Federal income taxes were paid, including 21 with incomes above $1,000,000."

It is understandable that such a sensational story—that the very rich escape paying income taxes—emanating from the Secretary of the Treasury would cause a national stir. There was no taxpayers' revolt brewing *before* Mr. Barr exploded his bomb. But there was one in the making soon afterwards. It prodded Congress into frantic action which, within a few months, produced probably the worst piece of tax legislation ever—the Tax Reform Act of 1969.

For reasons of his own Mr. Barr did not discuss the methods or specific code provisions which enabled some high-income recipients to avoid paying taxes, though he must have known what they were or could easily have found out. Thus it was widely interpreted as an accusation against all rich people as tax evaders and against Congress for permitting such a scandal. It was not until much later that the Treasury made all of the relevant facts public, though some of them had been available right along, especially on the comparative tax burden of the middle class. Recipients of an AGI between $7,000 and below $20,000 accounted in 1972 for 57 percent of the reported income and paid 49 percent of the tax. So, clearly they were not overburdened relative to the rest of the population.

The real shift is between the groups at the top and at the bottom of the scale: those under $7,000 income received 16 percent of AGI and paid 6.5 percent of the tax; those at $20,000 and up received 27 percent of AGI and paid 44 percent of the tax.

For 1972, 22,929 individual income tax returns were filed with an AGI of $200,000 or more; 22,821 of those returns or 99.5 percent were taxable. They reported an average AGI of $414,640, an average taxable income of $302,015 on which they paid a tax of $177,640, or an average rate of 59 percent. There were 108 returns (0.5 percent) with an adjusted *gross* income of $200,000 or more which reported no *taxable* income.

There were 1030 returns with an AGI of $1 million or more of which 1024 (99.4 percent) were taxable. Each individual involved paid on the average $1,019,577 in income tax, equal to 46 percent of his AGI and 65 percent of his taxable income.

What this means is that well over 99 percent of all high-income returns for 1972 paid high income taxes. Between 0.5 percent and 0.6 percent of the earners of a high *gross* income reported no taxable *net* income because losses, deductions, credits, or other offsetting items exceeded their *gross* income. Obviously it is only under very unusual circumstances that recipients of a high *gross* income have no taxable *net* income.

The most frequent case of this type is this: a person borrows money to invest at a higher rate of return than the interest he is paying. For example an individual borrows $10 million and earns on it 10 percent, or $1 million. He must report that $1 million as AGI and is classified as a man with a million dollar income. He is of course entitled to an itemized deduction of the interest he paid, e.g., $800,000. That leaves him with a taxable income of $200,000. If the taxpayer has big losses that year or pays high state and local taxes because of a non-recurring high income in a preceding year he may wind up with no federal tax liability for a particular year. There was one case out of every 172 recipients with a *gross* income of $1 million or more in 1972 which showed no *taxable* income.

There were altogether 16.7 million individual income tax returns in 1972 which reported no taxable income—21.5 percent of all 77.6 million returns. Ninety-two percent of the nontaxable returns were in the under $5,000 AGI bracket. At $10,000 and above AGI only 0.4 percent of the returns were not taxable.

Many additional Americans have been freed of any tax liability by various "tax reform" laws of recent years and many of them have also been made the recipients of governmental largesse. That division of the American people into two groups—those who support the government and those who are supported by it—has created a dangerously high incidence of "representation without taxation" which in recorded history has more often destroyed free goverment than "taxation without representation," which the founders of this country fought.

Those who aim at an even stronger redistribution of income by repealing some types of remedial tax provisions while widening those that benefit persons in the low brackets appear to believe that government has a prior claim to all income and that a person is really not entitled to the earnings resulting from his individual effort. There can of course be—and there are—wide differences of opinion of how a fair tax load should be allocated, and whose hardships should be recognized in the income tax. Most of the current provisions that shield some income from the full impact of the rate schedule—or from any tax—were put there not by inadvertence but to meet one or both of these objectives:

(1) to provide greater equity, horizontal or vertical among taxpayers and different types and magnitudes of income by taking into account differing circumstances and offering relief for hardships;

(2) to provide incentives to taxpayers to engage in or enlarge activities which are held to be desirable as a matter of public policy. This is done by offering rewards to some and imposing penalties on others.

These two objectives often produce conflicting results when translated into tax policy.

One of the most frequently attacked "loopholes" is the provision to tax long-term capital gains at half the normal tax rate. Some ask: why should money made from money be taxed more lightly than money made from working? That sounds persuasive but is misleading. Suppose you bought a house ten years ago for $20,000 and now sell it for $30,000. Should you have to pay income tax on the $10,000 you gained?

Obviously, that gain is fictitious, a mere paper gain. If you wanted to buy another home of equivalent value you would have to pay at least $30,000. That is why the law exempts such "gains" on the sale of residences under certain circumstances. But the same situation exists with other types of investment, except that the owner has to pay an income tax on half the paper gain even if it is fictitious. When you change from one investment to another you may only roll over your money but may have little or no real gain. Capital gains are not included in personal income in the national income and products accounts and the advocates of taxing capital gain as if it were ordinary income must engage in elaborate mathematical gymnastics to adjust their statistics.

The United States once tried taxing capital gains as ordinary income, from 1918 to 1921. What happened was that investments with gains were not sold, only those with losses, so that the Treasury had a net revenue loss. That would happen again if normal tax rates were applied to long-term capital gains. Investments would be effectively "frozen" which could well be the most effective way to assure stagnation in the national economy. This is why most industrial countries either do not tax capital gains at all or tax them at lower rates than ordinary income, usually at lower rates than the United States. Claims that federal revenues would increase $7 to $10 billion a year by taxing long-term capital gains as ordinary rates are sheer demagoguery. The chances are there would be a net loss.

Much of the controversy over loopholes focuses on itemized deductions which in 1972 totalled $96.7 billion:

	Billions
Deductions for state and local taxes paid	$36.2
Deductions for interest paid	27.3
Deductions for charitable contributions	13.2
Deductions for medical and dental expenses	10.1
Deductions for casualty losses, child care expenses and other	9.9
	96.7

As I mentioned earlier, itemized deductions free a larger percentage of the income in the lower income groups than in the higher. Still, Mr. Surrey has a point when, in the earlier cited article, he charges that a $1000 deduction may mean a net $140 benefit to a person in the low brackets and up to $700 to a person in the high brackets. That is simply the result of our progressive rate scale—from 14 percent to 70 percent. As long as it is regarded to be equitable to tax one person's income at 70 percent and another's at a mere 14 percent, it seems natural that a deduction is more valuable in the higher brackets. Those who want it otherwise appear to believe in the principle: Heads I win, tails you lose.

A correction of the unequal benefits of deductions could be achieved by converting from deductions from the tax base to credits against tax liability. This would be desirable in some cases, such as education.

But to abolish deductions and shift to direct governmental subsidies, as Surrey suggests, would be about the worst that could be done. It would sound the death knell to most voluntary activities and private education, concentrate all power in the federal government, and extinguish much of the freedom that is still left to Americans after the vast expansion of governmental authority in recent decades.

The largest deduction is for state and local taxes paid, with the heaviest concentration in the center of the income scale. Not to allow this deduction would be to levy a tax on a tax or on mere phantom income, not on real and available income. We already impose too much double taxation, as it is. If, for example, a person earns a monthly salary of $2000, about $400 may be withheld for federal income tax, aside from $117 for social security tax, so that he gets less than $1500 in take-home pay (minus possible other deductions). But he is federally taxed on $2000, that is on $500 more than he actually receives. About 30 states do the same: they impose their income tax on the gross income, making no allowance for the fact that in the above cited case the recipient gets only $1500 and not $2000. To curtail the existing—and inadequate—federal deduction for state and local taxes would be a move in the wrong direction and make our tax system even more capricious and unfair than it already is.

The deductibility of interest paid was originally allowed mostly with the thought in mind of borrowing for business purposes, i.e., with the intent of earning income. But interest on home mortgages and for consumer financing now accounts for three-fourths of the interest-paid deduction. Home ownership has tremendously expanded, to a point where now nearly two-thirds of all American families live in their own homes, helped and deliberately encouraged by the deductibility of mortgage interest and real estate taxes. Consumer financing also has sharply grown. To disallow those deductions without an equivalent would deal a severe blow to residential construction and the major retailing and manufacturing activities and to the entire economy. It is inconceivable that Congress would do this. Politically it would be suicidal. Millions of families could not afford to own and furnish their homes were it not for such tax advantages. An extension or carrythrough for renters may at some time be considered. Meanwhile the popularity of condominiums is growing by leaps and bounds, to a large extent because of the tax advantages they confer.

It was particularly the deductibility of charitable contributions which caused Mr. Surrey and others to call deductions "tax expenditures." Instead of allowing a deduction of donations, government could provide direct subsidies to private schools, colleges and thousands of other institutions, as has been suggested. That would, within a short time, bring the end of private education and most other voluntary activities in the United States. That may be the real goal of those who advocate repeal or curtailment of the deduction for contributions. Of course it would be enormously expensive to the taxpayers to educate at governmental institutions the millions of young people who presently attend private schools and colleges.

Disallowance of the charitable deduction would hit churches and all religious activities especially hard. They could not be granted direct governmental subsidies because of the U.S. Supreme Court's interpretation of the "no establishment" clause of the First Amendment to the U.S. Constitution. Could it be regarded as good policy and in the public interest to deal a devastating blow to religious activities in the United States, contrary to a well founded tradition that antedates even the Constitution?

Some regard the joint income tax return—or split-income provision—to be a loophole. Undoubtedly it saves many married couples sizeable amounts in taxes. Between 1948 and 1969 a single person had to pay up to 42 percent more in income taxes than a married couple with the same income. Organizations of single people continued to complain about this inequity and demanded redress. They succeeded in 1969 in having Congress reduce the tax disadvantage of single persons to a maximum of 20 percent. That created another, unexpected and unintended inequity. A man and a woman in the upper-middle income brackets who earn about equal incomes now pay up to 19 percent more in income taxes than if they were not married. They could of course, live together, but they could not get married without getting a sizeable boost in their tax bill. This has been called a "tax on marriage" and a bonus for divorce or "living in sin."

There is a way out of this dilemma that could do justice both to married and single persons. But in the strife of contesting forces, Congress has not seen fit to provide a fair method of taxing single and married persons on a more equitable basis.

IN CONCLUSION

In its allocation of mitigative features—or "loopholes" if you please—the federal income tax shows the same bias which characterizes the entire American tax structure: in favor of consumption and against capital formation and investment, in favor of the low (or no) producer and against the high producer and earner.

That is politically understandable. Four out of every five personal income tax returns in 1972 reported an AGI under $15,000 and 95 percent were under $25,000. On the other hand, only 3 percent of all returns showed AGI of $30,000 or more and a mere 0.8 percent of $50,000 or over. With whom is the vote-hungry member of Congress or candidate going to place his bet—and vote: with the 51 percent who report an income under $8000 or with the 0.8 percent with an income of $50,000 or more?

But the American people are paying a high price for this bias—in a much lower rate of investment than is enjoyed by other industrial countries, in a smaller rate of economic growth, and in higher unemployment.

Even more ominous is the creation of a growing mass of people who clamor for even greater benefits from the government to whose support they do not have to contribute. The growing irresponsibility of voting—of representation without taxation—poses a grave threat to the preservation of free government in the United States. History issues a stern warning which we can neglect at our dire peril.

H.R. 6721, FEDERAL COAL LEASING AMENDMENTS ACT

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. RUPPE. Mr. Speaker, the House passed H.R. 6721, the Federal Coal Leasing Amendments Act of 1975, on Wednesday, January 21. As the minority floor manager of the bill, I voted against final passage of the coal leasing amendments. I wish to state for the record the reasons for my opposition to the bill in its present form.

Secretary of the Interior Kleppe, in a recent letter to the chairman of the House Interior Committee, outlined a number of provisions in H.R. 6721, as reported, which he felt would have a serious adverse impact on our Nation's coal program. I offered six amendments on the floor which addressed the provisions of greatest concern to the administration. All of these amendments were rejected.

I believe there are many positive aspects to the coal leasing bill. It provides for the definition and development of logical mining units. It limits the number of acres that any one company can lease in a single State to 46,080 acres. It sets a nationwide limitation of 100,000 acres. It provides for the first time a minimum percentage royalty on the value of the coal mined from the lease. It abolishes preference right leasing. It requires the Secretary to award leases only under a system of competitive bidding. These are good sensible reforms to the Mineral Lands Leasing Act of 1920. I believe all of us agree that a law which is over a half century old is no longer adequate to provide the statutory framework for the development of western coal resources. However, there are a number of provisions in H.R. 6721 which should be changed. Unfortunately, the amendments which I offered and which would have made this legislation acceptable to the administration were not adopted. I wish to review again with my colleagues the concerns addressed by these amendments.

H.R. 6721, as passed by the House, requires that a minimum royalty of not less than 12½ percent be charged on Federal coal leases. The Department of the Interior reports that 12½ percent is the current ceiling on coal leases. It is not realistic to set as a minimum the highest rate presently charged by the Department. Such a rate could very well have the effect of making large acreages of Federal coal lands uneconomical to mine. My amendment would give the Secretary authority to set the minimum royalty at the more realistic rate of 5 percent, such as is presently in the Senate companion bill. Most of the western coal is going to go to utilities or the private consumer, directly or indirectly. A 12½-percent minimum royalty will mean that the American consumer will have to pay an even higher price for energy.

H.R. 6721 provides for a public hearing or gives opportunity for public comment at four different stages in the leasing process. I offered a floor amendment which would have consolidated these opportunities for public hearings and comments into two proceedings: a hearing on the land use plan and a hearing on the lease sale. The lease sale hearing would have considered the environmental and social impacts of mining in the area, the maximum economic recovery of the coal, the effects of different recovery methods on the area, the effects of consolidation of leases to form logical mining units, and the fair market value of the coal to be leased. I believe my amendment would have permitted public participation at the important decisionmaking points while at the same time making the leasing process less expensive and administratively more workable.

Under the logical mining unit section adopted by the Interior Committee, no LMU may exceed 25,000 acres, (including both Federal and non-Federal lands. I believe that the restriction is arbitrary and unnecessary in the face of the limitation of 46,080 Federal acres that any one company can hold in a State and the total limitation of 100,000 Federal acres nationwide provided in the bill. The Subcommittee on Mines and Mining has heard testimony from officials of the Geological Survey who indicated that tracts of coal lands in excess of 25,000 acres are already being planned. Restricting the size of logical mining units to 25,000 acres will limit the efficiency of the mine and will result in leaving behind much of the coal in the peripheral areas that otherwise would be mined.

H.R. 6721 increases the States' share of the total Federal revenues derived from mineral leasing from 37½ to 50 percent. Current law restricts the use of the 37½ percent share to construction and maintenance of public roads or for support of public schools. H.R. 6721 leaves these restrictions unchanged. While I am strongly sympathetic with the problems faced by the State and local governments in meeting increased demands for public services because of expansion of the Federal mineral leasing program, I have seen no evidence that the existing level of revenue sharing, which will increase dramatically in the coming years due to renewed and expanded leasing, is insufficient to meet the adverse impacts. Until further need is demonstrated, I am opposed to increasing the States' percentage share of the formula at this time. I also believe that the States should not be unnecessarily restricted in their use of mineral leasing receipts.

H.R. 6721 contains a section that directs the Secretary of the Interior to conduct a comprehensive exploration program within the Federal coal resource lands. I offered an amendment which would have deleted that section of the bill. The Congressional Budget Office estimates that the program would cost $1.2 billion over the next 5 years. It does not seem to be worth that dollar amount when most of the information that would be garnered is otherwise now being made available to the Government by the companies themselves.

H.R. 6721 further contains an antitrust section that requires the Secretary of the Interior to consult with and obtain the advice of the Attorney General at each stage in the issuance, renewal, and readjustment of every coal lease to determine whether such lease would create or maintain a situation inconsistent with the antitrust laws. The Secretary presently and continually examines antitrust questions in coordination with the Federal Trade Commission. These added requirements amount to regulatory overkill. I cannot see how the little producer is going to get a major share of the coal leasing on Federal lands if every time there is an issuance, a renewal, or a readjustment of his lease, the whole thing has to go back to the Attorney General for his consideration.

This provision, while it is aimed at preventing monopoly control of the coal industry, is really going to squeeze out the small operator in the long run. The small firm is not going to have the finesse, the expertise, the expensive Washington lawyer, to make his case before the Justice Department. In addition, let us not forget that the Justice Department is no expert when it comes to mineral leasing. The individuals who are going to have to pass on every lease, every change, every comment will be attorneys, not geologists or mining engineers. They do not have the necessary expertise. Most likely, they are going to say, "We do not know, let us hold it in abeyance." These antitrust provisions are going to make it more and more difficult, burdensome, and expensive for the small operator to get any piece of the action of Federal coal leasing.

In addition to the above six concerns that I have with the bill as reported by the Interior Committee, I am very disturbed by a change made on the floor with respect to the period of time permitted for development of the lease.

The committee, after extensive debate, decided to require production in commercial quantities from the lease in 15 years or the lease would be automatically terminated. A floor amendment further restricted this time period to 10 years with no provision for an extension in special circumstances. I firmly believe that this period of time is too short and too inflexible. We must remember that after a coal lease is granted on Federal lands, there are still a number of problems to be resolved. The operator must define his reserves. He must develop a mining and reclamation plan. He must arrange financing. He must order equipment the nature of which has lead times of up to 5 years. Transportation must be taken into consideration. A railroad spur line might have to be built. The operator must find a market for the coal. In the case of fossil fuel utility plants or synthetic fuel plants, there will be a myriad of Federal, State, and local permits to be obtained. The plant itself must be financed and built before there is any need for the coal. To accomplish all these things in a matter of 10 years is to expect far too much of our regulatory laws. I believe that there must be a provision added to the bill whereby the Secretary may grant a time extension to the lessee.

I am hopeful that the concerns discussed above can be adequately addressed by a conference committee, if there is one, so that I might support the enactment of this bill.

I wish to place Secretary Kleppe's letter on the Federal Coal Leasing Amendments Act in the RECORD:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., January 19, 1976.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to inform you of this Department's views concerning H.R. 6721, proposed coal mining legislation, which has recently been reported out of the Interior and Insular Affairs Committee.

The Department has taken a very active interest in this legislation in its progress through the Mines and Mining Subcommittee and the full House Interior and Insular Affairs Committee. We have worked very closely with the members and staff and with the Subcommittee Chairperson, Ms. Mink. Her attention to and consideration of our views and her cooperation in presenting the issues fairly has been greately appreciated.

As you may be aware, we believe the Department presently has adequate authority to fully implement our coal development program, however, we are in general agreement with the basic thrust of H.R. 6721 to provide policy direction in coal leasing. In assessing the impact of the bill as reported, we are concerned that there are a number of provisions in H.R. 6721, as amended, which we feel would have a seriously adverse effect on our coal program. We urge that appropriate amendments be accepted during consideration of H.R. 6721 on the House floor so that we might fully support enactment of this legislation. Without these amendments, however, the Administration opposes enactment of the bill.

The provisions of greatest concern are:

1. PAYMENT TO STATES

H.R. 6721, as amended, would provide an additional 12½ per centum of the revenues to the States. We strongly object to increasing the States' share of mineral leasing receipts and dealing substantively with the Geothermal Steam Act of 1970 in this bill. This change represents a 33⅓ percent increase in payments to States. In fiscal year 1976 this would amount to an increase from $126 million to $168 million. Payments determined by an arbitrary formula will likely bear no relationship either in amount or timing to problems of social and economic impacts generated by energy development of Federal lands.

In addition, we view the restrictions in section 35 of the Act as no longer necessary. The Department has strongly endorsed the repeal of the restrictions on State use of its share of funds from all mineral leasing activities and has objected to previous proposals which were unnecessarily restrictive. We therefore recommend that they be repealed from section 35 of the Act. This amendment would give States complete discretion as to their expenditure of coal and other mineral leasing receipts from Federal lands.

2. TWELVE AND ONE-HALF PERCENT ROYALTY

H.R. 6721, as amended, would require that a royalty of not less than 12½% be charged to Federal coal lessees.

We strongly object to this provision. We do not believe that royalties should be set by legislation which are at or near the historic highs. The current ceiling should not become the floor. Twelve and a half percentum royalty could prevent production from vast acreages of Federal coal lands. We recommend a more realistic rate, such as the 5 per centum presently specified in S. 391. This would allow us the flexibility to set royalties at or above that level as circumstances warrant.

We are also opposed to providing lower royalties for underground mining which would tend to distort production toward that mining method with its lower recovery factors and greater safety hazards.

3. FEDERAL EXPLORATION PROGRAM

H.R. 6721, as amended, would direct the Secretary to conduct a comprehensive exploratory program to obtain sufficient data and information of the extent, location, and potential for developing the known recoverable coal resources within the coal lands subject to this Act.

The Department is strongly opposed to such a program.

We do not believe the Federal Government should be involved in the exploratory phase of coal development. The Department has carefully considered this issue, and we have concluded that the claimed benefits are either small, as in the case of better information, or they may be obtained without resorting to Government exploration, as in the case of increased public control over development. We believe Government exploration would entail large costs with little benefit in terms of federal revenues and the probability of significant delays in discovering coal and in developing coal.

4. PUBLIC HEARINGS

H.R. 6721, as amended, could require at least four separate public hearings: one on a land use plan; another either before a lease is issued or before approval; another on the formation of a logical mining unit (hereafter referred to as an LMU) and, finally, one prior to determining the fair market value of coal.

The Department agrees with the objective of providing adequate opportunity for public participation in the significant phases of the leasing program. We object strongly, however, to provisions which serve only to retard implementation of a coal leasing program and which may invite endless litigation. We believe four potential hearings on one coal lease are excessive.

We believe that one public hearing before approval of a land use plan would be appropriate. Such a hearing would not lead to unwarranted delays and would provide a thorough public review of the most important issues.

Particularly objectionable, however, are requirements for a hearing before the approval of the lease (it is unclear what time or point of the process is meant by "approval" of the lease, a matter which could result in much unnecessary court cost and delay) and before a determination of fair market value of the coal (regardless of great administrative difficulty inherent in such a process, we are not sure that the public generally is in a position to evaluate fair market value of coal). No useful purpose appears to be served by these provisions in the bill.

The Department (particularly BLM) manuals require a series of public meetings during various stages of the land use planning process, and before a land use plan is adopted public hearings would have been held.

Also, in preparing an Environmental Analysis Report, BLM instructions (Manual 1791) call for consultations with the public and public hearings may be held.

And additionally, we note that an environmental analysis is done on all leases. If the conclusion of that analysis is that major Federal action is involved an EIS pursuant to subsection 102(c) of the National Environmental Policy Act of 1969 is prepared. The EIS process requires public hearings under subsection 101(a).

5. ANTI-TRUST PROVISION

We strongly object to the provision in H.R. 6721, as amended, which would require the Secretary to submit all decisions on the issuance, renewal, readjustment, or modification of coal leases to the Attorney General for his assessment of possible violation of the antitrust laws. This is administratively cumbersome and the Department of Justice is extremely reluctant to offer conclusions on antitrust questions in advance of a particular activity. This would only serve as an additional impediment to coal leasing.

It should be noted that acreage limitations, both statewide and National were added to the bill to accomplish antitrust purposes.

6. ACREAGE LIMITATION FOR LOGICAL MINING UNITS

H.R. 6721, as amended, would, as we read it, limit the size of any one logical mining unit to 25,000 acres.

We oppose this restriction.

A logical mining unit of 25,000 acres would in some cases arbitrarily restrict the size of an LMU by acreage, rather than by the configuration of the coal deposit. As a result, in some instances it would raise the cost of coal production and lead to non-development of economically valuable coal.

The 25,000 acres is an artificial restriction which will require, in some cases, multiple discrete mines where one large mine is most economic. Surface mining is highly capital intensive and subject to major economies of scale. Restricting mines to 25,000 acres will prevent the full economies of scale from being realized, and in some instances, prevent realization of the full value of equipment utilized. It will thus lead to unnecessarily high costs of production for coal. The higher costs of production will mean that coal which would, without the restriction, be economic to mine will not be economic to mine. This will lead to nondevelopment of some socially valuable deposits and early abandonment of others.

Additionally, it should be pointed out that H.R. 6721, as amended already contains provisions for both State and National acreage limitations. These general limitations appear to have been placed in the bill to accomplish the same purpose as the logical mining unit restrictions. Because of such duplication and apparent inconsistency, confusion in interpretation, administration, and record keeping could result.

7. TRACTS RESERVED TO PUBLIC BODIES

We object to the provision in H.R. 6721, as amended, which would reserve a "reasonable number" of leases for public bodies, including Federal agencies. We recommend against this provision because it discriminates in favor of public bodies which can, under existing authority, receive a license from the Secretary to mine coal (30 U.S.C. 208). Considerable difficulty will be encountered in defining "a reasonable number."

Also, we see no basis for issuing leases to other Federal agencies or their entities.

8. DEFERRED BONUS PAYMENTS

H.R. 6721 as amended, would require that no less than 50 per centum of the total acreage offered for lease by the Secretary in any one year shall be leased under a system of deferred bonus payment. The Secretary presently has the authority to lease under a deferred bonus scheme. We object to legislative specification of how he should exercise that discretion and we find no basis for concluding that it is in the public interest to offer 50 percent of the total acreage under a deferred bonus payment.

9. MINING AND RECLAMATION PLAN

After careful analysis, we have concluded that the requirement in H.R. 6721, as amended, that a lessee submit an "operation and reclamation" plan by the third lease year is impractical. This schedule will not allow a lessee, in many cases, sufficient time to market the coal. We believe that there is no need for this provision since the lessee must begin producing coal by the 15th lease year and such production cannot begin until a mining plan is approved. Therefore, we recommend deletion of the phrase "and not later than 3 years after the lease is issued."

10. DEPARTMENTAL REPORT

We believe this provision is unnecessary and duplicative. Information which is to be included in the annual report required by H.R. 6721, as amended, is already contained and publicly available in two annual Departmental publications: *Public Lands Statistics*, and *Federal and Indian Lands, Coal, Phosphate, Potash, Sodium, and Other Mineral Production, Royalty Income, and Related Statistics*.

11. PRODUCTION REQUIREMENTS

H.R. 6721, as amended, would require production on a lease within 15 years or the Secretary would be prevented from issuing additional leases to the leaseholder. However, the bill also would require termination at the end of 15 years of any lease which is not in production. We believe these approaches to be inconsistent. Once a lease is terminated for failure to produce within the 15-year period presumably a former lessee could make a valid bid on a new lease offering. We believe that the correct approach should be to require that nonproducing leases be subject to cancellation after 15 years. This would also give the Secretary the authority to cancel leases that become inactive after 15 years.

12. STUDY OF RECOVERY METHODS

We believe a study of recovery methods is unnecessary and we would like this provision deleted. There are only two methods currently used to mine coal: surface and underground mining. Since the method used is largely a function of economic decision making on the part of the developer and since there is already authority to evaluate the operation and reclamation plans to insure environmental and personal safety, we believe such studies would be unnecessary.

13. STATEWIDE LICENSE

The sentence in section 4 which would amend section 2(b) of the Mineral Leasing Act to read, *inter alia*, "A separate exploration license will be required for exploration in each State.", should be deleted and replaced by "No exploration license shall cover land in more than one State."

As presently drafted this section is unclear as to the geographical parameters of the exploration licenses. We believe the proposed language will clarify this problem and be a more practical solution. I would welcome the opportunity to discuss this further with you, and, look forward to working with you and the other members of the Interior and Insular Affairs Committee in discharging our responsibilities regarding the Nation's lands and natural resources, a key task among this Nation's priorities and one which will be increasingly important as we develop more of our domestic energy resources.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

TOM KLEPPE,
Secretary of the Interior.

UKRAINIAN NATIONAL REPUBLIC 58TH ANNIVERSARY

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. NOWAK. Mr. Speaker, this year our Nation observes its 200th anniversary of independence. Today the former Ukrainian National Republic observes the 58th anniversary of the proclamation of the independence of Ukraine, and the 57th anniversary of the Act of Union. The U.S. anniversary is memorable; the Ukraine's a mockery.

As we move along the very desirable path of détente with the Soviet Union, let us not overlook the stumbling stone of the Captive Nations.

The U.S.S.R. has just announced a relaxed emigration policy, but it remains to be seen how well it is implemented. The Ukrainian intellectual dissident, Leonid Plyushch, has finally been released from prison, and although apparently broken in health, has rejoined his family in Western Europe. But what of the numerous other Ukrainians still languishing in Soviet detention facilities?

As part of the quest for peace among nations, we must always insist on respect for human rights, individual dignity, and nationalistic integrity. Perhaps, with persistence, we will once again see these goals realized in Ukraine.

NEW HOPE FOR THE AIRSHIP

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. BROWN of California. Mr. Speaker, since I have introduced House Concurrent Resolution 445, which seeks to put the Congress on record in support of the return of lighter than air aircraft, I have been surprised at the attention that has been focused on this subject. The December/January issue of the Kiwanis magazine, for example, carried a cover story on the renewed interest in LTA's. Because of this interest, I am going to reintroduce House Concurrent Resolution 445 with cosponsors, and I also intend to raise the merits of this legislation with the appropriate agencies and committees.

I have inserted background information on this subject in the past, most recently on December 4 on pages 38766 to 38768 of the CONGRESSIONAL RECORD, and also on pages 33290 to 33292 of the October 21, 1975, issue of the RECORD. At this time I would like to insert the article from the Kiwanis magazine for the benefit of those Members who may not be a Kiwanian.

The article follows:

[From the Kiwanis magazine, December 1975, January 1976]

NEW HOPE FOR THE AIRSHIP

(By Richard Gosswiller)

Item: Nuclear power plants used to be built on lakes and rivers, but not anymore. Public concern for ecology and safety is forcing utilities to move them inland. But this poses a problem. Nuclear components too bulky for rail or truck formerly were hauled to construction sites by barge. Now, with water routes unavailable, how will they get there?

Item: Supplies of natural gas around the world are diminishing. Though unexploited gas fields are plentiful, most are small and inaccessible to existing transportation systems. The cost of laying pipe to transport gas from such fields is prohibitive. Is there any way to get the gas out economically?

Item: People complain that they spend more time in the cab or limousine going to and from the airports than it takes to fly the hundreds of miles to their destination. Helicopter service is fast but too expensive. Any other ideas?

If current engineering studies prove out, the answer to all of these questions will be the same: an airship. Or, to be more precise, three airships. For lifting nuclear components an inflated envelope will be attached to four helicopters. The helium-filled envelope will lift the helicopters, and the helicopters, freed of the task of lifting themselves, will apply all their energy to hoisting the machinery. A rigid airship has been designed for transporting gas. It will look very much like the zeppelines of old but will be far heavier and faster. And for airport feeder use an eighty-passenger airship is contemplated. Its engines would tilt vertically to help lift and lower the craft.

These three airships differ from others widely trumpeted in recent years in one important respect. They are more than gleams in the eyes of dirigophiles. All are in advanced stages of design of structural testing. If the tests are encouraging, small prototypes will be built. If the prototypes work, the next step will be production models. And that could mean a second coming for lighter than air transport after a pause of forty years. Conceivably, within a decade quiet, low-flying airships both large and small could once again become a common sight in the sky.

Rebirth of the airship—if that indeed is what we are seeing—has been no easy task. Since the 1930s two formidable barriers have stood in the way. One is the high cost of airships. The *Hindenberg*, toast of the zeppelin era, was built for $5 million. Now it would cost about $35 million. The other problem is safety. When the *Hindenberg* burst into flames over Lakehurst, New Jersey, in 1937, it was merely the last of a series of dirigible catastrophes that had plagued airships. One by one the nations that built them ceased production: Italy in 1928 after the loss of the *Italia* during a flight across the North Pole, England in 1930 after the crash of the R101 in Normandy during a storm, the United States after the Navy's *Akron* plunged into the Atlantic during a severe storm in 1933 and the *Macon* fell into the Pacific in 1935, and Germany (despite the success of the *Graf Zeppelin*, which flew more than a million miles without accident) after the loss of the *Hindenberg*.

Appraising the airships of those times, John Wood, director of Aerospace Developments in London, the company that is developing an airship to transport natural gas, said recently: "Unfortunately, the safety record of dirigibles was appalling by modern standards. If you consider the average utilization a 747 gets in a year, then there is not one rigid airship that ever got that utilization in its entire lifetime with the exception of the *Graf Zeppelin*. Everything else has come to grief or been put away long before it reached 3500 hours."

Little wonder then that proposals for new airships have generated very little financial support over the years. The dirigible has been widely regarded as an idea whose time is past, a relic of aviation antiquity. And yet, throughout these lean years airships have had a devoted group of supporters—most of them old enough to fondly remember the great airships of yore. And some of these supporters, believing that airships have a role to play in the future, have exerted important influence in their behalf.

Probably no one has done more to promote airships in the United States than Gordon Vaeth, director of systems engineering for the National Environmental Satellite Service, an arm of the Department of Commerce. Vaeth grew up in lower New York and recalls seeing the *Hindenburg* and the US Navy's *Shenandoah* and *Los Angeles* making for their mooring mast. "Anything three city blocks long, flying five hundred feet overhead, is going to make an impression on you," he says. During World War II he managed to get even closer to airships as a ground officer at Lakehurst.

Today airships are Vaeth's hobby, and like many hobbyists, he is passionately devoted. He writes letters about airships to businessmen, government officials, the press—to anyone he thinks might advance the cause. Last summer he advocated airships at a hearing by the Senate Committee on Aeronautical and Space Sciences. Vaeth argues, as do other lighter-than-air advocates, that today's airship would be very different from the accident-prone monsters of the past. He points out that modern builders can take advantage of structural materials and techniques that didn't exist thirty years ago. A hull, for example, could be rigid, perhaps made of a fiber-metal combination, thereby minimizing the need for girders. And instead of the huge gas cells used in the old zeppelins, a large number of plastic balloons might hold the helium. With regard to weather, Vaeth observes that today's airships would be faster—100 to 130 miles per hour—and would be equipped with sophisticated radar, thus enabling them to avoid sudden summer thunderstorms.

But the principal question confronting anyone who proposes an airship relates to money: Will it be economical? Will it pay? Vaeth admits that airships cannot compete with jumbo jets in developed countries. But he points to some decidedly economic characteristics that might make it useful in other ways. Engines, for example, are required only to push the airship, not to hold it up. As a result, airships burn far less fuel than heavier-than-air craft of similar weight, an asset that increases in importance as the price of fuel continues to rise.

Airships also get more economical as they get bigger, because large ships can carry more weight per cubic foot than small ones. And airships can stay in the air for several days at a time. The *Graf Zeppelin* on a voyage to Brazil waited offshore for three days while a minirevolution ran its course. Moreover, an airship equipped with thrust vector control will be able to hover and winch shipments up and down without landing, permitting it to operate where no other large aircraft—or any other type of transportation, for that matter—can.

"I think that the best use for a new airship would be in underdeveloped countries," says Vaeth. "They could bring men and equipment into the jungle and bring out natural resources, including agricultural products. We talk about world food problems, but there are fertile areas, particularly in the jungles, that are unused because no one can get in or get out. And to build roads in some of these areas would cost $300,000 a mile, to say nothing of the problem of maintaining them in tropical climates."

When Vaeth talks about airships, he generally has in mind the rigid, bullet-shaped dirigible of the past. But today's designs come in a variety of styles and shapes, including nonrigid, three-hulled, ellipsoid, and dolphin-shaped. There is also Goodyear's twin-tailed VTOL, which looks like a lopsided football with the ends cut off, and the triangle-shaped Aereon. A small prototype of the Aereon was actually built by an independent designer, but except for a few brief flights, the only significant thing that came of it was a bestseller called "The Deltoid Pumpkin Seed."

One widely publicized design in recent years look conventional but would be nuclear powered. This airship, the brainchild of engineers at Boston University, would hold twelve million cubic feet of gas (the *Hindenburg* carried 7.2 million) and would haul 300,000 pounds of cargo or, in a passenger version, four hundred tourists at speeds up to one hundred miles per hour. Despite a four-page spread in Esquire some years ago, there have been no backers, and today Vaeth himself says, "The nuclear engine approach is extremely attractive, but I don't think the public would accept it. I can't see Ralph Nader sitting tight for a nuclear-powered airship with a reactor flying overhead. No matter how safe you might make it, psychologically it's just not in the cards."

Goodyear, the US company with the longest history in airships (it built the *Akron* and the *Macon*), may have a better chance with a nonrigid dirigible it has designed. The ship would be smaller than the Boston University model (eight million cubic feet), yet would carry up to one hundred tons of cargo and fly faster (at about 120 miles an hour). One use of such a ship would be to transport produce to market.

"We looked at a variety of routes—Arizona to midwestern and east coast cities, for example," says Fred Nebiker, who is in charge of airship marketing at Goodyear Aerospace, "and we determined that you could carry produce for twelve to thirteen cents per ton mile if you didn't have to pay for the development of the airship. Trucking costs for produce are twelve to fifteen cents per ton mile. Airships would have the advantage of speed and natural refrigeration that comes with flying several thousand feet above the earth."

But who will develop and build the first one? "Transportation companies couldn't afford it," says Nebiker. "After all, their competitors are already subsidized. Airlines are subsidized, railroads are subsidized, even trucks use highways built and subsidized by the federal government."

The answer, then, for the Goodyear ship or one like it, would be to have government, probably the military, pay for research and development. And of course, Nebiker can point to several potential military missions for such an airship: reconnaissance by the Coast Guard over US waters if and when the territorial limits are expanded from twelve to two hundred miles; submarine detection by the Navy; and use by NASA in its space shuttle program to transport the expensive orbiter after it lands in California or Nevada to its launching site in Florida.

And the cost of such a ship? Nebiker says, "We could deliver two of those for $93 million," a figure that so far has kept government agencies away. The Navy is talking about contributing $60,000 for a study, but that talk has gone on for at least two years.

Nevertheless, interest in airships is growing and tangible results of that interest have been seen. In 1974 a lighter than air vehicle conference held by NASA at Monterey, California, attracted two hundred people, twice the number expected. Last July a similar conference sponsored by the American Institute of Aeronautics at Aspen, Colorado, drew 125. One of the people fascinated by lighter than air talk is Senator Barry Goldwater, member of the Senate Committee on Aeronautical and Space Sciences. In 1973 he wrote a letter to NASA director James Fletcher, urging him to explore the airship question. He mentioned, in particular, the space shuttle problem.

It came as no great surprise to Washington observers, then, that in 1974 NASA launched the first phase of a program to investigate possible future uses of airships. NASA commissioned Goodyear and the Boeing-Vertol Company to determine possible missions for airships. These reports (Goodyear's was eight hundred pages long) were completed last spring and in July the second phase began. Selecting from a long list of proposals, NASA asked Goodyear to design two ships—a cargo carrier consisting of four helicopters fastened together by metal bars in the form of an H suspended from an inflated bag, and a conventional blimp for use as an airport feeder ship. It also asked Boeing-Vertol to produce a comprehensive design for their suggested feeder ship—an ellipsoid-shaped craft that looks like a curling stone without the handle. Both feeder ships would carry eighty passengers.

NASA's Mark Ardema, head of the airship program, says that his agency's primary interest is in the cargo ship. Of the two feeder craft, only one—if any—will get past the design phase. If NASA decides to continue with either ship, the next step will be construction of a small prototype. But that is not likely to begin, says Ardema, before 1978. In the meantime, both market evaluation and design testing must be done.

As tentative as all this may seem and as slow as the program seems to be going, airship advocates are pleased that progress is being made. Moreover, Ardema is the first government official to say publicly that NASA itself will build the prototypes. Through phase two, NASA will have spent $500,000 on the airship program; building prototypes, however small, would put expenditures well into the millions. No arm of the federal government has spent that much on airships since the Navy stopped building blimps in the 1950s.

But if the U.S. has at last entered the airship derby, a company in Europe is already rounding the first turn, and its finish line is an airship larger than anything contemplated by the most imaginative American designers. In 1972 Shell International began a twelve-year program with the intention of constructing by 1984 ten airships of one hundred million cubic feet, to be used to transport natural gas. Each of these ships will be the length of six football fields, the size of fourteen *Hindenburgs*. Passing overhead at low altitudes, their shadows will rival those of small clouds.

The Shell airship will be a rigid dirigible of conventional shape powered by four turbine engines located on the tail surface. It will employ aluminum and nylon honeycombs just inside the outer skin of the airship to prevent the hull from buckling. Structure is of primary importance, says John Wood, whose company, Aerospace Developments, has designed the craft. Wood maintains that poor structure, not weather or fire, was the principal cause of dirigible accidents earlier in the century. "Most of the fires that destroyed airships resulted from structural failure," says Wood. "It's the same as if you crash a 747 into the ground. Fire is a pretty inevitable result."

So far the Shell program is on schedule. If all goes well, Aerospace Developments will begin building a two million cubic foot prototype next summer. "We're involved now in large-scale structural testing," said Wood last summer, "and presently it looks as if the thing will hold together as we've designed it." If it does, and if the twelve-year program is completed, Shell's total bill is expected to be $12.5 billion at 1973 prices.

It's possible, of course, that none of these airships will ever get off the ground—that the NASA designs will prove unfeasible, that the Shell dirigible will be structurally unsound. But one thing seems certain: chances are better today for a lighter than air comeback than at any time in the past forty years.

ARIZONA BREAKFAST CLUB RESOLUTION

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. STEIGER of Arizona. Mr. Speaker, the Arizona Breakfast Club, an organizaion dedicated to a strong national defense and the preservation of our personal freedoms, has brought to my attention their resolution calling for the United States withdrawal from the United Nations.

I insert this resolution in the Record so that my colleagues can have the benefit of the Arizona Breakfast Club's views on this issue:

The Arizona Breakfast Club Resolution

Whereas: None of the people in the United Nations are elected from their respective countries and;

Whereas: The United Nations headquarters in New York City are known to be also headquarters for Communist espionage and;

Whereas: A two-thirds voting majority of the General Assembly can be formed out of Nations which all together, pay only 5% of the United Nations Budget and;

Whereas: Only two dozen Nations out of the total United Nations can be called Democratic Countries and;

Whereas: Over 100 of these so-called Nations have a population of less than New York City and 21 have a population of less than Maricopa County, each with voting power equal to the United States.

Therefore Be It Resolved: That the Arizona Breakfast Club instruct the Arizona Congressional Delegation to work for immediate United States withdrawal from the United Nations Organization.

STATEMENT BY OCEAN COUNTY, N.J., ON SLUDGE DISPOSAL

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. FORSYTHE. Mr. Speaker, the Environmental Protection Agency's Region II headquarters in New York recently announced a proposal to designate a second site for the ocean dumping of 6 million cubic yards of sewerage sludge, escalating to 16 million cubic yards—more than 2.5 billion tons—by 1983. The second site might very well be located off the coast of New Jersey, an area which I represent. Little logic appears to support this relocation and it could have disastrous consequences for the water quality off the New Jersey coast. The Merchant Marine and Fisheries Subcommittee on Oceanography and Subcommittee on Fisheries and Wildlife Conservation and the Environment have joint oversight on the conduct of the ocean dumping program under the Marine Protection, Research, and Sanctuaries Act of 1972, and are currently holding hearings on this subject. In order to bring the problem to the attention of my colleagues in the Congress, I include in the Record the statement submitted to the subcommittees by the county government of Ocean County, N.J.:

Statement by Ocean County Board of Chosen Freeholders, Ocean County, N.J., on Sludge Disposal

After careful study and evaluation, the Ocean County Board of Chosen Freeholders has taken an official position in opposition to the proposal by the Environment Protection Agency to relocate the existing approved ocean dumping area for sewerage sludge. Since one of the general areas under consideration is centered off the coast of Ocean County, we have a vital interest in this proposal and the implications and impact it could have on the health, welfare, and economy of Ocean County and its citizens.

The Federal Water Pollution Control Act Amendments of 1972 established a new framework for water pollution control with lofty goals accompanied by deadlines for their attainment. The proposal by the Environmental Protection Agency to relocate the sludge disposal area violates the concepts and principles incorporated in that far reaching legislation. A whole series of solutions to pollution problems were ruled out if they incorporated relocating points of discharge where more water was available for dispersion and assimilation of waste loads. This legislation clearly and firmly established the principle of eliminating pollution at the point it was occurring and not transferring it to another location where it would be less noticeable or objectionable.

The critical problem with sludge disposal arises because of industrial wastes which enter the large regional sewerage systems in Northeast New Jersey and the New York Metropolitan Area. A variety of studies have indicated that the environmental problems associated with sludge disposal relate almost exclusively to heavy metals and toxic substances which enter sewerage systems from industries. These substances which are environmental hazardous are not removed during the treatment process and are contained in sewage sludge generated by sewerage systems in heavily industrialized areas. The reason cited for relocating the existing disposal area is the increased volume of sludge which will be generated as municipal treatment plants are upgraded from primary to secondary treatment in response to the mandates of the 1972 Federal Water Pollution Control Act Amendments. This legislation and the rules and regulations promulgated to implement the legislation clearly requires pre-treatment by industries of their waste to eliminate the substances which are the sources of the environmental damage associated with sludge disposal. There are many areas which utilize the sludge from their treatment plants as a soil conditioner or fertilizer where the wastes entering the system are primarily of domestic origin which do not contain concentrations of industrial wastes. Since the environmentally destructive substances in the sludge will be eliminated through pre-treatment requirements, there is no necessity for relocating the area which is presently utilized, located twelve miles off Sandy Hook.

An important factor which should be taken into consideration in connection with the proposed relocation is the present pattern of water quality which exists in the area under the influence of New York Harbor. Massive amounts of pollution enter the Hudson River, Newark Bay, Arthur Kill, and Raritan Bay from the disposal of inadequately treated wastes. Sewage generated in a large section of Manhattan flows as raw sewage into New York Harbor without the benefit of any treatment. The problem is further aggravated by large systems with inadequate treatment in Northeast New Jersey and extenisve combined sewers throughout the metropolitan area.

Combined sewers constructed in another era and designed to carry both storm water and sanitary sewage flows result in wet weather peak discharges which bypass treatment plants. Added to the cumulative pollution load noted above is the non-point source pollution from storm water derived from the area tributary to New York Harbor containing one of the largest concentrations of population and economic activity in the world. A significant and continual degradation of water quality occurs in ocean waters off New York Harbor as a result of this monumental pollution load. This pollution is more significant in terms of degradation of water quality along New Jersey beaches than the sludge disposal area is or will become in the future. At the present time, there is a closure of an extensive ocean area to the harvest of shellfish related to the existing approved sludge disposal area. When a new disposal area is created, the cumulative affect of the existing area will necessitate the continuation of the prohibition of the harvest of shellfish, in addition to a new area which will be required to be closed surrounding the relocated sludge disposal area.

The target date for eliminating ocean sludge disposal has been set for 1981. We see no logic or justification for relocating the disposal area when it will only be operational for five years. We feel strongly that the resources and talent of the Federal Environmental Agency should be redirected to finding a permanent environmentally sound solution to the problem of sludge recycling rather than transferring an existing problem to a virgin area of our marine environment.

The Ocean County Board of Chosen Freeholders are unalterably opposed to the relocation of the existing approved ocean disposal area for sewerage sludge which has been in existence for the past fifty years.

INCREASING CONCERN OF CRIMINALS IN OUR PRISON SYSTEM

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. SCHULZE. Mr. Speaker, we are all concerned that the individual rights of every citizen be safeguarded. In recent years our judicial system has been reviewed with an eye toward insuring that no one is denied due process and justice under the law and many reforms have been suggested.

Increasing concern has been expressed over the treatment of criminals in our prison system. Our criminal justice and prison systems have come under careful observation.

In our preoccupation with crime, its causes, and its treatment under the law, we have often overlooked a vital element in the story of crime. It is the victim who is most often ignored in an attempt to deal with a rapidly increasing crime rate.

Earlier this month, I received a letter on this subject from one of my constituents, Mr. Victor Alin. His comments are well thought out, and I commend them to the attention of my colleagues in the House of Representatives. I insert Mr. Alin's letter in the Record at this point:

Victor Alin,
International Business Consultant,
Wayne, Pa., January 9, 1976.

Hon. Richard T. Schulze,
1009 Longworth House Office Building,
Washington, D.C.

Dear Mr. Schulze: Nearly three hundred years ago in the Great Law of Pennsylvania, enacted in 1682, William Penn introduced prisons as a form of punishment. This institution has spread throughout the world as a substitute for exile, mutilation and execution. Penn's reforms reflected compassion for the criminal in the light of the often unspeakable brutalities of an inhumane age when the death penalty was imposed for scores of major crimes and very minor offenses. Penn's thought was that punishment should fit the crime more closely. In 1776, exactly 200 years ago, the Philadelphia Society for Assisting Distressed Prisoners was formed. As its name implies, it was based on compassion for the criminal. Its successor, the Pennsylvania Prison Society, which was established in 1787, still carries on the spirit and the work.

Times have changed. Yet compassion for the criminal still seems supreme, while compassion for the victim has become an urgent need. Like three hundred years ago, today punishment does not fit the crime. Indeed, the concept of punishment, which is a moral imperative deep in human conscience, is being questioned. Today's attitudes, laws and court interpretations too often mock justice, insult the victim and let the criminal commit additional crimes. By historical coincidence of time and place it seems appropriate that in this bicentennial year and from the city of Philadelphia a call go out proclaiming compassion, this time for the victim. The need is evident everywhere.

The New York Times published the pictures of an agonizing woman being carried on a stretcher from the subway after having been held for an hour with a knife at her throat by a 17-year-old youth. He was on parole after two robberies. The accompanying article quotes the social worker who persuaded him to drop the knife as saying: "He is not dangerous. He is just a very frightened child." In Philadelphia a TV program reported on a man who had committed 12 serious crimes, including three murders and one rape, in 11 years. He served a total of three months in jail.

Murder is the supreme crime and death is the supreme penalty. There are some 25 organizations in the United States which are actively working for the abolishment of capital punishment. There is not a single one working in favor of it. Is the sanctity of a criminal's life greater than that of the victim's? Without entering into the merits of capital punishment, the disproportion of those working against it compared with those working for it is an indication that compassion for the criminal rather than for the victim is still supreme. There are a number of reasons for this.

The criminal is highly visible. Conditions in Attica are easily observed, reported and denounced. The tens of thousands of victims of the Attica inmates are unreported, unseen, in loneliness suffering the consequences of the crimes, frequently throughout life and often into the next generation. Judge Garrity of Boston is reported to have reached the conclusion that Charles Street Prison conditions violated inmates' rights after having spent a night in a cell. Has he spent a night with a bereaved victim, who perhaps suffers long after the criminal has been freed?

There is the development of science-psychology, sociology, economics, penology. These sciences seek and find explanations and thereby excuses for every criminal action. They suggest various, often diametrically opposed solutions. Frequently the explanations and suggested solutions are theoretically wrong or prove deficient in practice. In the meantime the slaughter and victimization of the innocents continue. The causes of crime are complex—poverty, education, ghettos, family instability, morality, permissiveness, age mix, exaggerated expectations. Some solution will require decades or centuries and some are utopian. Some ten years ago, when crime was far less than at present, Walter Lippman, perhaps the greatest American journalist and political thinker of this century, wrote:

"To deal with the causes which produce criminals, we have to make all efforts to improve the worst conditions of our society. . . . This is a long, hard business and we must not allow it to blind us to the urgency of a practical defense aaginst the criminal in action."

The media are frequently irresponsible in their quest for catchy headlines and high audience ratings. The criminal is interesting. His motives, emotions, background are reported and explored indefinitely. Fromme and Moore are recent examples. The criminal is always publicized and too frequently glorified. Bonnie and Clyde make an exciting movie; their victims are quiet in their graves. The victim has become a necessary but only incidental object needed for the story of the crime and the criminal.

The churches preach compassion, but it is compassion for the criminal. A booklet published by a major Christian domination approvingly quotes from Sykes' "The Society of Captives"; "inmates find that imprisonment means punishment". Disapprovingly it quotes from a description of a prison riot that "up to ten inmates were locked in a cell". Where was the indignation when a newspaper reported recently that in a kidnapping four persons were forced at gunpoint into the trunk compartment of a car? The "Boston Affirmation" issued on January 6, 1976, by Catholic and Protestant theologians calls for mercy and fairness for prisoners and wrongdoers. Where is the call for compassion and fairness for victims?

The liberals have lost their sense of perspective in an obsession with political crime, white collar crime, consumer fraud. These are bad and must be combatted. However, the fight against violent, predatory crime must take precedence since it disrupts the very basis of civilized community living. It is a fallacy that elimination of white collar or political crime will create a morality that will stop violent crime. The people involved and the motives are completely different. Obsession with the 238 admitted FBI burglaries, which were wrong, will not stop the hundreds of thousands of predatory burglaries committed annually. Denouncing Vietnam immorality is not constructive when during the war years three times as many people were murdered in the United States than were killed on the battlefield. In a highly significant article in Commonweal of February 1974, Professor Michael Novak, a liberal himself, chides the liberals for making violent crime a conservative issue while it is an issue for all, and more so for the underprivileged whose interests they claim to defend.

The Bill of Rights is one of the great documents of mankind. A criminal's legitimate rights must be protected. However, a good, when carried to its ultimate logical conclusion without common sense can become nonsense or actually evil. Current interpretation of the Bill of Rights has reached this point. Over-zealous defenders of civil rights claim that loosening adherence to its aims, as they interpret them, will debase society to the level of the criminal. In the meantime and in reality this country has been debased to the level of the middle ages, of the highway robber, of every citizen responsible for his own safety, of being armed, of retreating behind actual moats and walls in some wealthy communities, or for the less affluent and poor, retreating in a siege atmosphere to inadequate fortress living behind locked doors and fearing the public streets.

Surveys show that only one fifth of the crimes committed in Philadelphia are reported. The reason is not indifference. In part it is frustration at the uselessness of reporting and the inadequacy of protection. Much worse, very frequently it is a fear of reprisals and threats from criminals against victims and witnesses. Today's interpretation of civil liberties too often protects the few law-breakers while contributing to the suffering and terror of the many law abiding citizens.

The media, the churches, the judges, the scientists, the liberals—is it possible that so many are wrong, that so many opinions are misguided? It is. The many are actually very few. However, they are the educated, the influential, the opinion makers. They are wrong because in the words of Professor James Wilson of Harvard, they teach what ought to work, not what works. They preach from the intellectual ivory towers which also happen to be safe towers. The opinion makers are mostly affluent. They do not live and work in high crime areas. While they propound their theories, in the real world it is the weak, the old, the poor, the black, the underprivileged who bear the brunt of crime, from grisly murder to the loss of a television set which might be the only source of pleasure and contact with the world for an old and poor person.

Crime, its causes, law enforcement are complex problems and there are no easy solutions. But nothing will be solved until there is a basic change in attitude, a fundamental understanding that primarily the innocent victim, not the criminal, is in need of compassion. In this bicentennial year and from Philadelphia, the message must be proclaimed that it is no longer the 1776 "Distressed Prisoner" of the Philadelphia Society, but the distressed victim of 1976 who must be placed center stage.

Respectfully,

VICTOR ALIN.

LEIB KHNOKH—SOVIET PRISONER OF CONSCIENCE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. SOLARZ. Mr. Speaker, many of our colleagues are already familiar with the plight of many Jewish citizens of the Soviet Union who have been sentenced to lengthy terms in labor camps because they attempted to freely exercise their religion and sought to emigrate to Israel. These men and women are barely existing under conditions which frequently defy description. These "prisoners of conscience" are confined, in many instances, in cells in which they can barely stand upright; are forced to perform hard labor but are poorly fed and clothed; and normally allowed no visitors; and have their mail tightly censored and restricted.

These courageous people must not be forgotten and the free world must be continually made aware of their condition and their desire to be free. In order to focus attention to the status of prisoners of conscience the Greater New York Conference on Soviet Jewry established a program under which a prisoner is "adopted" by a Member of Congress and other public officials. It has been my honor to adobt Leib Khnokh.

I have recently received a letter from Mr. Khnokh's brother who resides in Israel. His comments are very revealing of the conditions he is being forced to endure and I would like to share them with our colleagues in order that they may be aware of the actual status of these hapless but valiant men and women.

Mr. Speaker, I insert herewith, for inclusion in the RECORD, letters from Mr. Khnokh's prison cell:

The first letter by Arie (Leib) Chnoch from the Vladimir prison to his brother Pinchas in Israel.

Shalom my Dear Brother, I haven't written for a long time. My last letter in July was sent to mother. It happened so because of my moving to a new place and there were other reasons too.

Now I'm allowed to write one letter every two months, that is until the end of this year. Later it will be a letter a month. I'm afraid I'll have to limit my replies.

Lately I've been subjected to quite a few changes—but first let me tell you about the letters I've received. At the beginning of August I received the last mail in my previous dwelling; three letters from you, Liba and Simeon Grillos, Levi Kornblut's letter has been confiscated. From Levi Jagman I have had four letters while he was still here.

Since my address has been changed there hadn't been any letters for a long time. A fortnight ago I had one from the whole family and one from Ephraim Livne from Kfar Blum (from August the 1st.). I had one letter and a postcard from Naomi Eliav from Tirat-Tzvi. Our relatives from the Soviet Union write regularly.

Not long ago I had a letter from mother and the card you wrote for her. I understand that her health is deteriorating. What is the situation?

I find it hard, as usual, to write about myself. About my recent past you must have heard. I'm glad you found a common language with Levi Jagman; to us here he was more than a friend; the group called him "Mother", you couldn't ask for more. Now I'm waiting for his detailed letter about his trip abroad.

Now a few words about myself. The "transition" has been tough but I shall try to endure it for another five years, there is really no choice.

As always along a hard way one loses friends. They forget. They stop writing. They, unlike ourselves, have many choices. Happy are those who do not bother too much about others. .. Well, I won't weep any more. It's not that bad. I'm in a bad mood but I shall overcome that too.

I'm grateful to those who write to me. First of all to Liba and Ephraim Livne and Naomi Eliav. I have answered Liba and Ephraim but not Naomi. The restriction prevented me from doing so. Her letters are good and help me to endure. Let her know about it.

As always, I try to take part in every thing that happens at home. Two months ago the interim agreement in the South was signed and it seems to me as the right thing to do. It has its shortcomings, of course, but at least there a reasonable possibility to neutralize the dangerous enemy for a longer period. This might also promote chances for peace with them and maybe with the others too. This is how the situation seems to me from the limited information I got. From your letter I learn about your own negative attitude to the agreement. I'm sure that from where you are things look different and it is hard for me to judge.

Please write to me as many details as possible about the territorial changes, other changes and mutual agreements of both parties as well as those of the third party.

What did the agreement cause such a general displeasure among you and the country as a whole? I would like to learn more about the attitudes of the various political parties towards the agreement. I'm interested not only in the emotional side of it.

It amazes me that Eli Wallach has joined a book publishing company belonging to the establishment. I would have thought the opposition suited him better. Who else of our friends publishes in the press or appears in other fields of public life?

Now as to the suggestion to settle in Katzavim. I have already written to you that I was interested in this town. I agree in principle but I would not like to make the final decision now—I'll make it on the spot.

Please write to me about Ben Shahars new tax reform. What is the "Gush Emunim" movement?

Have Yair Stern's poems (in Russian) been published? I would like to read some of them, could you copy them for me?

Let Sara give my best wishes to Rimona for the near birth of her daughter. Everybody seems so sure of their prediction. . . .

You write about a drastic drop in the Aliya. Others say even worse—that people are leaving. Could you send me last year's statistics? I would also like to be up to date in the debate about the occupied areas.

I liked the cards you sent me. Those of the pretty girls are especially lovely.

Please send on by behalf to Riga a Parker ball-point pen with some spare refills and to write to Tulik Altman—he is all alone.

Thanks for the Children's photos—they grow so fast.

Love to the whole family and to Mary and Yigal. Regards to all the friends.

Au Revoir, Kisses

ARIE.

LATIN AMERICAN TEACHING FELLOWSHIPS

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. KETCHUM. Mr. Speaker, I wish to call to the attention of my colleagues in the House of Representatives an example of the positive contributions being made by many multinational corporations to the improvement of life in developing countries. In light of so much adverse publicity regarding "big business," I think it is well worth our while to take note of some of the fine and humane achievements of these corporations.

For the past 10 years, more than 80 corporations have been helping to support a very worthwhile educational program, the Latin American Teaching Fellowships. This program is completely nonpolitical and nonsectarian, and exists only to assist educational institutions in Latin America to improve the quality of their education. The LATF program currently has 155 outstanding young American professors, teaching in fields such as agriculture, dairy science, biology, engineering, business administration and medicine, in 16 different Latin American countries.

The LATF program's philosophy is that the host universities in Latin America should provide as much of the cost for their visiting professor as possible. Since many of the schools in poorer countries are unable to provide enough funds to support a professor and his family, the difference is frequently made up by grants from multinational corporations. In this way, the participating companies contribute directly and effectively to the improvement of life and to equipping these countries to more effectively help themselves.

I am pleased to note that the cofounder and current executive director of the Latin American Teaching Fellowship program, Mr. Gary Glenn, is from a rural area near Littlerock, in California's 18th Congressional District, which I have the privilege to represent.

Believing that the positive and altruistic activities of American corporations doing business abroad should be given full recognition, I take pleasure in providing the following list of corporations which have supported the educational activities of the Latin American Teaching Fellowships program:

U.S. CORPORATE CONTRIBUTORS TO THE LATF PROGRAM

Alcan Aluminum, American Airlines, American Can Company, Armco Steel Corporation, Arthur D. Little, Cargill.

Clark Equipment, Coca Cola, CPC International, Exxon, First National Bank of Boston.

Ford Motor Company, General Electric, Goodyear, Gulf Oil Corporation, IBM, Imperial Oil.

Lone Star Cement, Martin Marietta, Mobil, Monsanto, National Distillers & Chemical Corporation.

Olin, Pepsico, Philip Morris, Ralstin Purina, St. Joe Minerals, Sears, Sherwin-Williams.

Southern Peru Copper Company, Standard Oil of New Jersey, 3M Company, Time-Life International, United States Steel Corporation, W. R. Grace, Xerox.

LATIN AMERICAN CORPORATE CONTRIBUTORS TO THE LATF PROGRAM

Adela, Admiral, Alba, Alcan, Alcominas, Allied Chemicals, Anderson Clayton, Andes Consultores, Armco, Arthur Andersen, Arthur Young & Company, Atlantic Petroleum.

Backus & Johnson, Baker McKenzie, Banco Metropolitana (Brazil), Banco Nacional de Mexico, Bank of America, Baxter.

Cafe Soluval, Carton y Papel, Celanese, CIADEC, Champion Celulose, Chicle Adams, Chrysler.

Cimento Aratu, Cimento Portland, Cities Service, Coca Cola, Colgate Palmolive, COPEBRAS, Corn Products, Creole Foundation, Cyanamid.

Daniel Brand, Darex, Diablitos Venezolanos, Dixie, Dow, Ducilo, Dupont.

Editora Abril, ELEA, Envases, Equipmento Clark, Eriez Metalurgica, Ernst & Ernst, Esso.

Financera Metropolitana, First National Bank of Boston, First National City Bank, Ford Motor, Frutera Colombiana, Fundacao Carlos Chagas.

General Electric, General Foods, General Motors, Gillette, Goodrich, Goodyear.

Hewlett-Packard, IBEC, IBM, IEM Westinghouse, INCASA, INTAL, IPC, Ideal Standard, Inds. Gemmer, Inds. Matarazo, Inds. Penoles, Inds. Resistol.

J. I. Case, J. Walter Thompson, Johnson & Higgins.

Kibon, Kimberley Clark, Kodak.

Lion, Liquid Carbonic.

Maizena, McFadden, Mene Grande, Metal Leve, Metropolitana, Mexicana de Aviacion, Microlite, Miles, Mobil, Monsanto.

National Cash Register, Negromex, Nestle, Niro Atomizer, Occidental Petroleum.

Pepsico, Peruvian *Times*, Pfizer, Piazza & Valdez, Price Waterhouse, Procter & Gamble, Propal.

Ref. de Milho, Rohm & Haas.

Sanbra, Sears, Sherwin-Williams, Silvensa, Southern Peru Copper, Squibb, Standard Electrica, Sylvania.

Texaco, 3M, Time-Life International, Travieso, Evans, Tudor-Marsh.

Union Carbide, Uniroyal, U. O. P. Fragrances, V. A. S. P., Vera & Moreno, Xerox.

DAVID AND GOLIATH IN NORTH CAROLINA

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. STARK. Mr. Speaker, I feel the case of the Wilmington 10 must be brought to the attention of my colleagues, for this case raises serious questions concerning the rights of all Americans to fair and equal treatment under the law as provided for in the U.S. Constitution. The circumstances surrounding this case have previously been enumerated in this Chamber by Congressmen CONYERS, DELLUMS, and RANGEL; I applaud their involvement, and wish only to add my voice of protest to this apparent travesty of justice.

The case involves the indictment of the Reverend Ben Chavis, a black minister; a white 34-year-old community worker and mother of two; and eight black teenagers for alleged arson with an incendiary device and conspiracy to assault emergency personnel. The indictments resulted from a situation of extreme racial tension in Wilmington, N.C., in 1971. Recently integrated into the white school system, black students in January 1971 submitted proposals for a black studies program, black teachers and athletic coaches, and a school holiday to commemorate the birthday of Dr. Martin Luther King. The school board rejected the students' demands and refused to meet with them, resulting in a black student boycott. Rallies were held at the Gregory Congregational Church, and the Reverend Ben Chavis, long active in the North Carolina civil rights movement and a member of the United Church of Christ's Commission on Racial Justice, was sent to Wilmington to help coordinate boycott activities. A native of nearby Oxford, N.C., Reverend Chavis has firsthand knowledge of police harassment in North Carolina.

As news of the boycott spread, local Ku Klux Klan and other vigilante groups, such as the Rights of White People—ROWP—flocked into Wilmington from the countryside, and literally imposed a siege on the Gregory Congregational Church. Sporadic shooting occurred for 4 days. A nearby grocery store burned down and a black youth was killed as he left the church. Despite requests from those in the church, city officials refused to declare a curfew. But, when a white man was killed and three others wounded, an immediate curfew was imposed and the National Guard was called in. One year later Reverend Chavis and nine others who had occupied the church during this period were indicted.

The circumstances surrounding the court proceedings deserve particular attention. The original jury in the predominantly black area was composed of 10 blacks and 2 whites, but when the chief prosecutor became ill, the judge declared a mistrial. The second trial, however, began with a jury of 10 whites and two blacks. During the jury selection, the judge would not agree that Ku Klux Klan membership was cause for rejecting prospective jurors. The chief prosecution witness was a former mental patient who at one point attempted to physically attack the chief defense counsel when he became trapped in contradiction during the cross-examination. The judge ruled that the latter provoked the former. The defense counsel was denied access to an "amended" statement by the chief prosecution witness. The prosection called 14 witnesses, but the defense counsel was not informed until the day they appeared. The jury found the 10 guilty on both counts. Sentences totaled 282 years, and appeals bail was set at $400,000.

This trial seems to bring into question rights guaranteed to each and every citizen by the Constitution—specifically the sixth amendment right to an impartial jury, eighth amendment protection against excessive bail, and the 14th amendment right to due process under the law.

I have brought these events to the attention of my colleagues because I believe an injustice may have been committed against these 10 citizens. In light of the Supreme Court denial to review a petition for writ of certorari, announced Monday, January 19, I would hope that my colleagues will examine the circumstances of this case for themselves. As we enter this Bicentennial Year, let us prove to the people of this country that there is indeed equal justice for all.

TRIBUTE TO FRANK HORNY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. WAXMAN. Mr. Speaker, on Thursday evening, February 12, 1976, at the Beverly Hilton Hotel in Beverly Hills, Calif., Frank Horny will be presented with the Humanities Award of the Yeshiva University West Coast Teachers College.

Since his youth, Frank Horny has had a dedication and passion for Jewish education and Zionism.

He is the founder of the West Coast Teachers College and is its newly elected chairman. He is also the founder of the Yavneh Hebrew Academy Day School. He was president of Congregation Shaarie Tefila for 6 years, and is presently honorary president.

Mr. Horny has devoted tremendous zeal and energy in the cause of Zionism. He was regional president of the Zionist Organization of America from 1968 to 1974, and honorary president of the Western region. He is national vice president and member of the executive committee of the Zionist Organization of America.

His devotion and dedication to the Jewish day school movement and to the Zionist Organization of America have linked the youth of America to Israel.

It is my pleasure and honor to join in paying tribute to Frank Horny.

WE WANT TO COMPETE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. GAYDOS. Mr. Speaker, R. Heath Larry, vice chairman of the board of directors of United States Steel Corp., wrote a letter to the editor of my home newspaper, the McKeesport Daily News, which I feel should be read by every Member of Congress.

The letter was in reply to one from a reader who claimed a paradox in United States Steel's concern about "foreign competition" while selling expertise to steelmakers abroad and welcoming tours of foreign representatives at its plants here.

Mr. Larry gives the reasons for this seeming conflict and I believe they are satisfactory. His explanation, moreover, of the tough position in which U.S. companies find themselves in seeking overseas markets is a matter of deep interest to this Government.

Here is what Mr. Larry wrote:

> At issue . . . is not foreign competition—on the contrary, U.S. Steel welcomes it. We want to compete in the free marketplace, but when a foreign government owns a company and gets operating subsidies from its taxpayers or when it rebates taxes, that kind of practice is objectionable. It puts competition on an unfair plane, and we are specifically arguing for countervailing duties to offset this inequity.
>
> The practice is a simple one, particularly with European Economic Community countries. They rebate value added taxes on steel products produced in their countries and shipped to the United States which at the same time placing these taxes on United States products shipped to their countries. Contrary to what might be generally believed, we think we can produce and ship steel of unmatched or equal quality to domestic customers at a better price than foreign producers charge. But we cannot compete in price with them when they get tax rebates or other kinds of foreign governmental subsidization.
>
> We don't want subsidization or trace advantages, and we are not afraid of competing with anybody, but we do want all parties to play by the same rules.
>
> The question is asked: "Why are we complaining about imports but sell our technology to other countries to boost and improve their steel production, and why do we welcome foreign producers into our mills?" On the surface, it seems contradictory and we appreciate the opportunity to explain.
>
> We still like to think that the United States and United States Steel, in particular, are leaders in steel technology. But they don't have it all—and that in which we do occupy a leadership position has a way of soon becoming known to producers elsewhere in the world. If we don't license its use when there is an opportunity and thereby help to pay for some of the research, we can later find that our competitors achieved a similarly high technology position—either without our help or without compensating license. The fact that we are willing to grant licenses and know-how when we find items of particular interest which may have been first pioneered abroad.
>
> Nothing stays secret very long in this world. It is a hard fact of life, but one that has to be acknowledged. We do at U.S. Steel and take advantage of it by selling this wealth of accumulated know-how when we get it and while it is timely.
>
> Ultimately, this is important to our employees whose livelihood depends on steel production being kept healthy in this country. This technology is going to be sold by somebody, probably by our competitors, so we think it's wise to take advantage of this profitable opportunity. This makes more money available for the remodeling, upgrading, rebuilding, replacing, and expanding of our own facilities. And that eventually means more jobs in America.
>
> Our selling of technology and assistance in building steel mills in other countries has another advantage for the American worker. These efforts can open the way for more American machinery manufacturers, for example, who get their products accepted and specified for installation in foreign countries. And that means more production for United States workers in these industries which are also facing competition in the world market place for sale of the heavy machinery needed for these facilities.
>
> To clear up any confusion and to put it succinctly: U.S. Steel is "for" free competition in the world market place and is "against" unfair advantages that take the "compete" out of competition.

I am grateful for Mr. Larry for his explanation and I am certain, after reading it, many will agree that United States Steel has reasons for what it does and, most certainly, a just complaint against the trade advantages which are given its competitors by their governments abroad. His letter is in keeping with a policy of candor and openness which is becoming more and more a part of American business. I commend it:

> THE READERS EXPRESS THEIR VIEWS
>
> STEEL EXPLANATION
>
> This is in response to Mr. Ronald J. Funk's letter about an apparently paradoxical position at U.S. Steel: A concern about "foreign competition" while selling expertise to foreign steelmakers and accommodating their representatives on tours at Homestead Works.
>
> At issue, however, is not foreign competition—on the contrary, U.S. Steel welcomes it. We want to compete in the free marketplace, but when a foreign government owns a company and gets operating subsidies from its taxpayers or when it rebates taxes, that kind of practice is objectionable. It puts competition on an unfair plane, and we are specifically arguing for countervailing duties to offset this inequity.
>
> The practice is a simple one, particularly with the European Economic Community countries. They rebate value added taxes on steel products produced in their countries and shipped to the United States while at the same time placing these taxes on United States products shipped to their countries. Contrary to what might be generally believed, we think we can produce and ship steel of unmatched or equal quality to domestic customer at a better price than foreign producers charge. But we cannot compete in price with them when they get tax rebates or other kinds of foreign governmental subsidization. We don't want subsidization or trade advantages, and we are not afraid of competing with anybody, but we do want all parties to play by the same rules.
>
> The question is asked. "Why are we complaining about imports but sell our technology to other countries to boost and improve their steel production, and why do we welcome foreign producers into our mills?" On the surface, it seems contradictory and we appreciate the opportunity to explain.
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> We still like to think that the United States and United States Steel, in particular, are leaders in steel technology. But they don't have it all—and in which we do occupy a leadership position has a way of soon becoming known to producers elsewhere in the world. If we don't license its use when there is an opportunity and thereby help to pay for some of the research, we can later find that our competitors achieved a similarly high technology position—either without our help or without a compensating license. The fact that we are willing to grant licenses and sell know-how gives us a reciprocal opportunity to acquire licenses and know-how when we find items of particular interest which may have been first pioneered abroad.
>
> Nothing stays secret very long in this world. It is a hard fact of life, but one that has to be acknowledged. We do at U.S. Steel and take advantage of it by selling this wealth of accumulated know-how when we get it and while it is timely.
>
> Ultimately, this is important to our employes whose livelihood depends on steel production being kept healthy in this country. This technology is going to be sold by somebody, probably by our competitors, so we think it's wise to take advantage of this profitable opportunity. This makes more money available for the remodeling, upgrading, rebuilding, replacing, and expanding of our own facilities. And that eventually means more jobs in America.
>
> Our selling of technology and assistance in building steel mills in other countries has another advantage for the American worker. These efforts can open the way for more American machinery manufacturers, for example, who get their products accepted and specified for installation in foreign countries. And that means more production for United States workers in these industries which are also facing competition in the world marketplace for sale of the heavy machinery needed for these facilities.
>
> To clear up any confusion and to put it succinctly; U.S. Steel is "for" free competition in the world marketplace and is "against" unfair advantages that take the "compete" out of competition.
>
> R. HEATH LARRY,
> *Vice Chairman, Board of Directors, U.S. Steel Corp.*

DIRECTION FINDER FOR RALPH NADER

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. HUNGATE. Mr. Speaker, those who recall the Nader "Congress Project" of 1972 will find the following excerpt from a recent New York Times article on Ralph Nader particularly interesting:

> DIRECTION FINDER FOR RALPH NADER
>
> (By David Ignatius)
>
> On Dec. 1, 1970, after months of lobbying for the Consumer Protection Agency Nader watched from the Senate gallery while key provisions of his bill were deleted. Rather than accept the compromise bill, he withdrew his support. The next year, a House version was weakened in similar ways. Again Nader refused compromise. Instead, he swore revenge on Congress.

He took it in a predictable way, by organizing the supreme raid: the "Congress Project." Each member of Congress running for re-election in 1972 was to be given the "sunlight" test, to determine if his record coincided with the public interest. It was an audacious plan, and it had scores of Congress members frightened for their political lives. At least for a while.

Everyone who had anything to do with it—Ralph Nader included—now concedes that the Congress Project was something of a boondoggle. The sheer size of the undertaking was staggering: 450 individual profiles, plus book-length studies of most committees. Political maneuvering within the Congress Project staff, which eventually numbered in the hundreds, rivaled that of the Congress itself.

The Congress Project was such a headache that it dampened Nader's enthusiasm for what he once called "advocacy scholarship."

TIPS ON EDUCATIONAL TESTING: WHAT TEACHERS AND PARENTS SHOULD KNOW

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. YOUNG of Georgia. Mr. Speaker, the validity of standardized IQ, aptitude, and achievement tests is examined in this article by Dr. Robert L. Green. Dr. Green, dean of the College of Urban Development and professor of educational psychology at Michigan State University, points out in this article how the tests discriminate against children of minority groups and lower classes. The tests, according to Dr. Green, do not accurately measure intelligence; instead "Tests usually mirror the bias of the school and curriculum, which do not take into account the experiences of many poor and minority children." Dr. Green also states that the test can be harmful, especially for children who rate poorly in test results. "These children, in a sense, are taught to be consistently inferior to those who are considered early to be superior." The following article merits the careful consideration of my colleagues:

[Reprinted From the October 1975 Kappan]

TIPS ON EDUCATIONAL TESTING: WHAT TEACHERS AND PARENTS SHOULD KNOW

(By Robert L. Green)

The use of standardized IQ, aptitude, and achievement tests has mushroomed so that it has vast political and economic implications for minorities and the poor in the U.S. The scores young schoolchildren achieve on standardized tests greatly affect their educational careers, future employment chances, and their adult lives in general. Psychologist Robert Williams says:

". . . [T]he testing industry has become this country's political and economic gatekeeper. Directly or indirectly, it particpates in *controlling* who goes to college, who gets the better jobs, and in short who gets the power. Without a doubt, for blacks, tests have meant exclusion rather than inclusion into the mainstream." [1]

It is time to separate fact and fiction surrounding IQ, aptitude, and achievement tests so that teachers and parents know exactly what these tests can and can not do. The vast number of individuals who are harmed by tests can no longer afford to be naive about standardized educational testing.

DEMYSTIFYING THE IQ

First of all, IQ is not a synonym for intelligence. The IQ, or intelligence quotient, simply represents a numerical score earned on a test. That test does not measure the broad range of experience encompassed by all intellectual functions.[2] IQ test questions sample a very narrow range of human behavior. The test is often no more than a measure of some of one's past experiences at the time it is taken. The score reflects the opportunities and the disadvantages that have been a part of a person's past. Tests usually mirror the bias of the school and curriculum, which do not take into account the experiences of many poor and minority children. Wendall Rivers, Horace Mitchell, and Willie Williams explain clearly the limitations of IQ testing:

The kinds of abilities developed early in black populations may not be those which a) are assessed on traditional ability tests and b) are required in the academic setting. Black children tend to be prepared early for independence and survival rather than for classroom activities. This preparation equips the child with certain learning sets, cognitive sets, and a kind of readiness necessary for survival in his environment. These differences do not mean that the black child is deficient or that he lacks the capacity to develop other abilities. The truth of the matter is that his background has prepared him for coping with his reality.[3]

In addition, tests tend to be very value-biased. For example, a typical question on an IQ test for a seven- or eight-year-old child might read as follows:

"You are inside a large airport when you find a letter, already sealed and addressed with a stamp on it. You a) put the letter in a nearby mialbox; b) give the letter to a man in a uniform standing behind a desk; or c) open the envelope to see if there is money inside."

The child answering this question would get three points for answer "a," two points for answer "b," and no points for answer "c." Obviously, the child is rewarded for showing that he subscribes to middle-class standards—answer "a"—and penalized for choosing an answer—"b" or "c"—which in some communities would be considered very intelligent or appropriate behavior. Such a question is not measuring "intelligence" but assessing how a child has been prepared to respond to a situation with a definite class bias.

INCOME BIAS

IQ tests sometimes systematically underpredict for lower-income children. This is largely because it is middle- and upper-income Ph.D.s who make up tests. These men (and very infrequently, women) often have culturally narrow life experience and tend to write tests which reflect the life-style of middle-and upper-income people. Most tests do not sample the experiences of black, native American, and Spanish-speaking urban and rural youngsters. Neither do they reflect the experience of the poor white child in urban or rural America. Needless to say, poor people do not write tests or typically have a voice in deciding what constitutes an appropriate sample of the human experience. Examples of this income bias can be found in some school districts where yet today children are assigned to special education classes largely on the basis of their test scores. A Michigan State University Ph.D. candidate discovered that 85% of children in Type A special education classes in the state were from black, Spanish-speaking, Appalachian white, or low-income families.[4] White children placed in these special education classes were not white children from middle- or upper-middle-income families, but white children from families of the poor.

Chuck Stone, former director of minority affairs for the Educational Testing Service, further attests to the income bias of standardized tests. Stone says that an ETS study shows that test scores are positively correlated to income; i.e., children from upper and middle-income families generally make higher scores on tests than children from low-income families because the test taps the unique, specific culture experience of these children.[5]

IQ IS NOT INHERITED

Some scholars have taken the low test scores of poor and minority children as proof that these people are genetically inferior. Nothing could be further from the truth. The IQ is only a test score—and scores cannot be inherited. Test performance, however, can be shaped by test bias and the sampling of experiences that certain children have or have not had.

Let's look at some of the fallacies in the well-known pro-genetics argument of Arthur Jensen. Jensen came to the conclusion that black children were genetically inferior, intellectually, by an average of 15 IQ points, when he compared test scores of white children with those of black children.[6] However, Jensen failed to give adequate consideration to SES differences in environmental complexity and sufficiency. It is predictable that when social class is controlled, environmental variables will be more similar for blacks and whites, as will IQ scores. Jensen himself cites evidence apparently consistent with this expectation. In considering the percentage of black and white children with IQs below 75, he demonstrates that at the lowest SES level 42.9% of blacks and only 7.8% of whites are estimated to fall below an IQ of 75. But at the highest SES level, percentages below an IQ of 75 are only 3.1% for blacks and .5% for whites. This enormous reduction in percentage for blacks suggests that environmental variables affect test scores much more significantly than does race.

Jensen also presents data on the relationship of IQ to prenatal environmental influences such as nutrition, multiple birth, and low birthrate, which he concedes have a higher incidence among black, Mexican-American, and American Indian children.[7] But Jensen cites evidence that black children and low SES whites are developmentally precocious on motoric behavior, thus suggesting a negative correlation with environmental advantage. However, this information should not be considered conclusive evidence of such a relationship, nor should the effects of early and sustained environmental insult be underestimated.

As early as 1862, William J. Little discussed the negative effects which prematurity and problems during pregnancy can have on the physical and cognitive development of children.[8] Recently, it has been demonstrated that complications during pregnancy and delivery are more common among the poor [9] and nonwhite.[10]

In poor and minority areas, infant and maternal mortality rates are abnormally high. According to Herbert G. Birch and Joan D. Gussow:

"A high rate of infant death, in any population, indirectly suggests survival with increased risk of damage in the survivor. . . . Those children who have come through birth and infancy alive have not necessarily come through unscathed, and it is reasonable to anticipate that the condition of the survivors will surely reflect the relative hostility of the environments to which they have been exposed." [11]

Footnotes at end of article.

HARSH ENVIRONMENT

The child's environment, both in utero and during childhood, has a significant impact on his test performance. It has been demonstrated repeatedly that changing the environment can result in marked changes in test scores.

For example, in Prince Edward County, Virginia, a research team under my direction tested black children who had been denied schooling for four years when the public schools were closed to defy court-ordered desegregation.[12] A year after these children had returned to school and received the benefit of understanding, dedicated, and competent teachers, we again tested them and found that some had increased their scores by as much as 20 points in one year.

Benjamin Bloom further documents the impact of environment on IQ, citing various studies of identical twins, comparing some who were reared in the same environment with others who were reared apart.[13] Bloom concludes that if identical twins are raised together, or separated but raised in similar environments, they will very likely have similar intelligence test scores. If the twins are placed in very different environments, their test scores will be quite different.

A recent and successful project utilized family environmental intervention with cultural-familial or sociocultural retardation, including mothers with IQs lower than 80. In the total program of family rehabilitation, one strategy was maternal rehabilitation. This involved instruction in child-rearing skills, family hygiene, and homemaking. In addition, mothers took adult education classes and occupational training, along with group counseling.

Another strategy involved direct infant intervention, which commenced at three months and proceeded until age 6 or school age. In a preschool setting, children received instruction in language, cognitive skills, reading, mathematics, and problem solving.

Relative to a predicted decline in intellectual functioning of the children from the involved families, there was a direct and remarkable improvement of scores on the Weschler PreSchool and Primary Scale of Intelligence, the Illinois Test of Psycholinguistic Ability, and on such cognitive tasks as digit span and oddity problems. And this improvement was sustained up to age 6. The study demonstrates the efficacy of intensive environmental intervention.[14]

I would also point out that test scores can change from day to day because test performance depends a great deal on the physical and mental well-being of the test taker at the time he is taking the test. If a child has a cold on the test day or if he has skipped breakfast and is hungry, he probably won't score as high as the child who is healthy and well fed.

It is quite probable that mental stress, such as many poor urban youngsters live with daily, can also affect test scores. As just one case in point, I recently read in the Detroit Free Press about a 9-year-old girl who was left every morning by her working parents to get up on her own, dress herself, make her own breakfast, and get to school on time.[15] On one particular morning, she was also left to cope with a fire in her home. The fire had gone unnoticed by her mother, who had left earlier for work, and this youngster came to school in a daze, not knowing how the fire started or what to do about it. We cannot expect a child from a frightening or persistently chaotic milieu to perform as well as a child who does not have to cope with such stress and responsibility. Perhaps experiences of this sort explain part of the difference between the test scores of children in wealthy Grosse Pointe and inner-city Detroit, or between children in Beverly Hills and those in Watts.

DO TESTS PREDICT THE FUTURE?

Test scores can change from year to year or, to some extent, from day to day as the environment changes. Due to this changeability and to the cultural biases built into tests, tests are not perfect predictors of a child's learning ability or future academic success. Bloom says, "The introduction of the environment as a variable makes a major difference in our ability to predict the mature status of a human characteristic."[16] A low test score in elementary school or high school does not mean that a child cannot perform well at a higher academic level. While most errors in prediction are not necessarily large for groups, for a single individual it is possible that use of an IQ test score alone for prediction may result in a relatively large error of prediction.

For example, when Robert Williams was 15 years old, he earned an IQ test score of 82. Three points less would have placed him automatically in the special education track. Although his high school counselor suggested he take up bricklaying, Williams went on to earn a B.A. at Philander Smith College, an M.A. at Wayne State University, and a Ph.D. at Washington University in St. Louis.[17] Today Williams is a well-known psychologist—and a crusader against the misuse of IQ tests.

Just as test scores are poor indicators of learning capacity, they are also limited measures of educational retardation. A major reason is that IQ test performance is very often directly related to a child's reading ability. If a child has a reading difficulty or lacks reading comprehension in English, as do many Spanish-speaking youngsters, he will have difficulty answering questions on standardized tests. Even if a test is given orally, a nonreader has not had a chance to expand his or her structure of knowledge through the reading process.

Ruth Love Holloway, director of the national Right-To-Read Program, announced last year that in a selected group of youngsters only 3.2% of white children were nonreaders while 15% of black children had reading difficulty.[18] Thus more black children than white make poor showings on reading-based aptitude or IQ tests. Their low scores do not necessarily reflect retardation or inability to learn but, often, reading or other educational difficulties which educators can and must overcome.

Although abundant evidence is available to show the limitations of aptitude as well as achievement testing, many educators still base important educational decisions on scores alone. In one Midwest city where I testified in desegregation litigation, we discovered that second-grade children were divided into 12 different ability groups or tracks on the basis of reading test scores. Once placed in a low-level track, a child remained there until he finished school. Low-level tracks, which incidentally contained a majority of poor, black, and Spanish-speaking youngsters, offered a "watered-down" curriculum which automatically disqualified the students for matriculation in college or professional schools. In many instances, students were not even qualified for trade school.

In cases like this, children become victims of what Robert Rosenthal calls the "self-fulfilling prophecy." Put into classes for "nonachievers," they soon become nonachievers in reality, whether or not they have the ability to learn. These children, in a sense, are taught to be consistently inferior to those who are considered early to be superior.

With encouragement from their teacher, low IQ students have been known to outshine their "brighter" classmates. Experiments by Rosenthal, Lenore Jacobson, Michael Palardy, and others have proven children do as well in school as their teachers and parents—and they themselves—believe they will do.[19] In many cases, test scores may contribute to erosion of that all-important belief in one's ability to succeed.

ECONOMICS OF TESTING

This brings us back to my opening remarks on the political and economic aspects of testing. First of all, educational testing is big business. Last year the testing industry reported an income of more than $100 million. The industry makes this money by selling tests, too often without caveats regarding limitations of the tests or their proper uses.

Unfortunately, many educators have used tests unfairly and indeed unwisely to sentence children to life without opportunity. When a child is placed in a "ne'er-do-well" track in the early grades and is forced to stay in that track, important educational opportunities are denied him. For example, he may never learn appropriate reading skills.

Such discrimination in education means disadvantage in the job market, and a low-paying job means low-income status, thus making it likely that a test victims's children may become test victims themselves. It is up to parents, teachers, and responsible administrators to monitor the use of tests so children will not be robbed of the chance to do well in life.

THE ACTION THAT IS NECESSARY

Thomas D. Oakland suggests that tests should 1) improve one's chances for intellectual and personal development rather than lead one to stagnate at one particular level of development; 2) help foster the development of various talents, abilities, and values rather than restrict development; and 3) help people make wise decisions about their futures, rather than have decisions imposed on them.[20]

What can we do to help achieve these goals for testing? First of all, parents must not allow their children to be judged on the basis of aptitude and achievement test scores alone. They must insist that other factors be taken into consideration when planning a child's educational future. These factors include a child's interests and subjects which will challenge him intellectually and academically.

Also, parents must insist that test scores remain confidential. Frequently, children and their parents never see test results, yet these data are available to teachers, counselors, social workers, and almost anyone else who wants to see them.[21] Since most of these people are not trained to interpret test scores, the scores may be used erroneously to reinforce racial and cultural prejudices and stereotypes.

Along this same line, parents and teachers must push for required inservice training—perhaps sponsored by the state or the federal government—for all personnel who will be evaluating and placing poor and minority students in specific educational curricula. In addition to proper techniques for administering tests and interpreting results, the training experience should include courses designed to foster an understanding of the life experiences of minority and poor children.

Parents can strive persistently to place limits on the unfair and inequitable use of tests in the public schools at all levels, including colleges and professional schools, where they are often used to limit educational opportunity for all economically and educationally disadvantaged children.

San Francisco psychologists went to court to obtain a restraining order to temporarily halt the use of tests for classifying schoolchildren. Parents, teachers, and others who see tests being used in a harmful way should take similar action.

Testing corporations should be urged to set

Footnotes at end of article.

up testing boards which include members of minority communities to help monitor the actions of the corporations. Only constant vigilance against test abuse and insistence upon the elimination of discrimination based on test results will enable testing reform to take place.

FOOTNOTES

[1] Robert L. Williams, "The Politics of I.Q., Racism, and Power: An Editorial," *The Journal of Afro-American Issues*, Winter, 1975, p. 1.

[2] Robert L. Williams, "The Silent Mugging of the Black Community," *Psychology Today*, May, 1974, p. 34.

[3] L. Wendell Rivers, Horace Mitchell, and Willie S. Williams, "I.Q. Labels and Liability: Effects on the Black Child," *The Journal of Afro-American Issues*, Winter, 1975, p. 67.

[4] Jonas Chenault, "Mental Retardation as a Function of Race, Sex, and Socio-Economic Status," Ph.D. diss., Michigan State University, 1970.

[5] Robert L. Green, "The Awesome Danger of Intelligence Tests," *Ebony*, August, 1974, p. 70.

[6] Arthur Jensen, "How Much Can We Boost I.Q. and Scholastic Achievement?" *Harvard Educatinoal Review*, Winter, 1969, entire issue (123 pp.).

[7] Ibid.

[8] William J. Little, "On the Influence of Abnormal Parturition, Difficult Labor, Premature Birth, and Asphyxia Neonaturum on the Mental and Physical Conditions of the Child, Especially in Relation to Deformities," *Transactions of the Obstetrical Society*, Summer, 1962, pp. 29–344.

[9] Raymond Illsley, "The Sociological Study of Reproduction and Its Outcome," in Stephen A. Richardson and Alan F. Guttmacher, eds., *Childbearing: Its Social and Psychological Aspects* (Baltimore: Williams and Wilkins, 1967), pp. 75–135.

[10] Benjamin Pasamanick, Hilda Knobloch, and Abraham M. Lilienfeld, "Socioeconomic Status and Some Precursors of Neuropsychiatric Disorders," *American Journal of Orthopsychiatry*, July, 1956, pp. 594–601.

[11] Herbert G. Birch and Joan D. Gussow, *Disadvantaged Children* (New York: Harcourt, Brace, Jovanovich, 1970), p. 13.

[12] Robert L. Green, Louis J. Hoffman, Richard L. Morse, Marilyn E. Hayes, and Robert F. Morgan, *The Educational Status of Children in a District Without Public Schools*, Cooperative Research Project No. 2321, U.S. Office of Education, Department of Health, Education, and Welfare, 1964; Robert L. Green, Louis J. Hofmann, Richard L. Morse, and Robert F. Morgan, *The Educational Status of Children During the First School Year Following Four Years of Little or No Schooling*, Cooperative Research Project No. 2498, U.S. Office of Education, Department of Health, Education, and Welfare, October, 1966.

[13] Benjamin S. Bloom, *Stability and Change in Human Characteristics* (New York: John Wiley & Sons, 1964), pp. 68–70.

[14] Rick Heber, Howard Gasber, Susan Harrington, Caroline Hoffman, and Carol Falender, *Rehabilitation of Families at Risk for Mental Retardation, Progress Report* (Madison, Wis.: University of Wisconsin, 1972), p. 106.

[15] Julie Morris, "Tots Saved as Teacher Smells Smoke on Their Sister's Dress," *Detroit Free Press*, March 6, 1975, pp. 1A, 6A.

[16] Bloom, op. cit., p. 184.

[17] Robert L. Williams, "The Silent Mugging of the Black Community," op. cit., pp. 33, 34.

[18] Green, "The Awesome Danger of Intelligence Tests," op. cit., p. 70.

[19] * * * fect Lives," *Psychology Today*, September, 1973, pp. 56–63.

[20] Thomas D. Oakland, "Assessment of Minorities: Issues Presented to the Preconvention Institute XIII, Language, Reading, and Mental Assessment for Linguistically/Culturally Different Populations: Literacy and Biliteracy," paper presented to the Annual Convention of the International Reading Association, New Orleans, April, 1974, p. 7.

[21] Marian Wright Edelman, "Effective Advocacy and the Rights of Children," presented at Urban Forum Lecture Series, Michigan State University, East Lansing, April 23, 1975.

FREE ENTERPRISE—GETTING BACK TO BASICS

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. KASTEN. Mr. Speaker, John C. Koss, founder, chairman of the board, and chief executive officer of Koss Corp., is one of the outstanding civic leaders of Milwaukee. He is active on the boards of directors of many charitable and civic organizations in and around the Milwaukee area.

His primary interest, however, is to support and promote the free enterprise system. He does this through his activities as a member of the junior achievement board of southeastern Wisconsin and the national board of junior achievement in New York.

In 1972 he received the Marketing Man of the Year Award from the American Marketing Association in Milwaukee and also the Entrepreneur of the Year Award from the Research Directors' Association of Chicago.

Mr. Koss recently prepared a statement that accompanied the Koss Corp.'s 1975 annual report. Besides shareholders, it has been distributed to employees and industry leaders.

I found the statement to be a concise and compelling defense of the free enterprise system. In order to share it with my colleagues, I place it in the RECORD at this point:

GETTING BACK TO BASICS—FREE ENTERPRISE

After 200 years, America may be going out of business. At least the kind of economic structure that the country was founded upon faces uncertainty.

What is happening is that we're taking the "free" out of free enterprise. Because of general consumer misunderstanding of the system and resultant government regulations aimed at pleasing the misguided, but vocal minority, we slowly are strangling the process that helped build out great nation.

Recent public opinion polls indicate a dramatic shift in consumer attitudes toward business. Earlier this year, a Gallup Poll taken at 57 colleges found that nearly nine out of 10 students interviewed felt that business was too concerned with profits and not concerned enough with social responsibility. They did not realize, however, that business' prime social responsibility is staying in business and providing jobs and opportunity for people to grow. More than 60 percent of the students, in the poll believed that stricter government controls were necessary.

Twenty years ago, a high school senior survey revealed that only one in 25 thought the business system should be completely overhauled. Today, one in five feels that way.

Unfortunately, these opinions are abstract and show us no better way to develop commerce. But it does indicate that people are unhappy with the system.

We believe most of the distrust stems from simple confusion of how business works and the frustration of inflation, caused by government spending more than it takes in; unemployment; and Watergate. As a result, we, as consumers, slowly are strangling the system through methods such as unnecessary government regulation.

Free enterprise is the process that permits companies to operate in a competitive, free market system. Government intervention should be called upon only for protection of the public interest.

Freedom and free enterprise allow an individual with a "good idea" and willingness to work hard to succeed or fail solely on the merit of his product or service.

It makes the consumer king, because he has the ultimate choice through his purchase to decide what will be manufactured and how much it will cost. Through competition, prices are held down and a constant new stream of products and services are made available to the public.

Yet, pollster Peter D. Hunt found that 60 percent of the public believes "there is a conspiracy among big corporations to set prices as high as possible." A free market system makes this impossible.

Prices and profits erroneously have become synonymous. Consequently, profit has become a dirty word.

However, if consumers would realize that profits generated by business really pay for everything, including raw materials, machinery, plants, wages, union dues, interest, pensions, dividends, and all other farm and industrial operating costs, the word profit soon would be king.

Operating profits also pay corporate and individual income taxes, which make it possible to operate all government activities such as schools, health care programs, and Social Security.

We at Koss believe profits to be the answer for the well-being of all Americans. We believe that people should stop damning profit and start understanding it and defending it.

Profits will bring about better wages, provides, the capital investment to employ more people, and maintain our high standard of living. Capital investment is the most potent weapon for eliminating unemployment.

What do you think the average profit for business is? In 1972, a Gallup Poll of college students thought the typical U.S. company made a 45 percent profit, after taxes, or 45 cents net on every dollar of sales, Asked what would be a reasonable return for a company's risk, those questioned responded 25 percent, or 25 cents on each dollar of sales.

Yet, the average profit at the time was (and still is) around 3 cents on each dollar of sales.[*] Koss Corporation's return, after taxes, was seven percent in 1975.

When profits tend to rise, the free market system responds with new entrepreneurs entering the market as competitors. This creates new products and services at better values and gives the consumer greater freedom to choose what he will buy. This assures him of the best value for his dollar.

However, new and established companies are finding it harder to keep costs down because of increased government regulation. Rather than letting the consumer determine the market, much of the authority has been usurped by the government.

What results frequently are shortages and even higher prices. Federal officials recently admitted that unnecessary regulation costs $130 billion annually, or $2,000 a year for each family. Think of that for a moment, $2,000 per year per family in the U.S. wasted.

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[*] GALLUP POLL.—Published in Nation's Business, July 1975.

It is encouraging to hear the President of the United States recently admit that "government regulation is not an effective substitute for vigorous American competition in the marketplace."

We need more than rhetoric, however. We must get back to the basics of free enterprise for us to move our economy forward.

Several organizations are making commendable efforts to explain the situation. The U.S. Chamber of Commerce, the National Association of Manufacturers, and the Young President's Organization have taken positive action.

Junior Achievement, a non-profit organization sponsored solely by business, is the most practical. It shows young people how to start a company and experience the problems and successes of running a business and the satisfactions of making a profit—if they're successful. Our company has been active in the program for four years. Our people found the idea exchange and learning experience gratifying and fulfilling, and it goes a long way toward helping the cause.

But there should be much more effort of this type. Through a better appreciation of our counrty's basic economic underpinnings we can return the consumer to his rightful place as the king and prime beneficiary of the free enterprise system.

When he is allowed the freedom of choice to decide what he needs, we can continue to fuel the locomotive that has pulled our standard of living to the highest in the world.

What better time to start than on the eve of our nation's 200th anniversary?

If you believe in America, make a personal commitment to tell at least one other person about the benefits of the free enterprise system in the next six months.

Sincerely,

John C. Koss.

FIRING LINES

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. HARRINGTON. Mr. Speaker, as I have already indicated, I will be offering an amendment to the upcoming military aid bill that would confine future operations of the Central Intelligence Agency to the gathering and analysis of foreign intelligence, outlawing the current "covert action" functions of the Agency. As background for this effort, I want to draw the attention of my colleagues to an excellent article by Garry Wills that appeared recently in the New York Review of Books.

Because of its length, the article will appear in the Record in three installments. In part I, which follows below, Mr. Wills traces the origins of the elitist mentality that typifies the CIA's clandestine operators and their most ardent defenders:

The CIA From Beginning to End

(By Garry Wills)

I.

In 1966, Bill Buckley went back to Yale to defend our war in Vietnam against the university chaplain, Bill Coffin. There were fights at the door of the Law School to get in. The president of the Political Union lingered, in his introduction, over comparison of the two men—Coffin '49, Buckley '50; both Skull and Bones, and members of the Elizabethan Club; both veterans when they entered Yale—Buckley as a second lieutenant after two years, Coffin a captain after four (the students cheered). Both had contentious later lives, and in unexpected ways—it was *Coffin* who served in the CIA.

The young man did not know, yet, that Buckley also joined the CIA. That well-guarded secret was one of many little things exposed around the edges of the Watergate affair. Buckley had gone in at the top—or bottom. He was recruited as a "deep cover" agent—the meaning of that is spelled out in Buckley's semi-autobiographical novel, *Saving the Queen*.[1] His sister Priscilla also worked for the CIA; but when she looked through every office file she could, searching for her brother's name, she did not find it. He was the secretest kind of spook. He can speak with some authority—and, indirectly, does—in his novel.

Buckley was recruited right out of college. He intended to enroll in Yale's graduate school, to study under the fierce but stylish anticommunist ogre, Willmoore Kendall. But Kendall was going back into government intelligence, and he persuaded Buckley that the Korean conflict would shortly become World War III, so the two of them might as well make a place for themselves, ahead of time, in the *civilized* branch of the service. It was, in 1950, like being tapped for Bones. Gentlemen songsters off on a spree. Kendall introduced Buckley to CIA man James Burnham (whose books the hero in Buckley's novel must read as an assignment from the Agency). Later, when these three men launched the journal *National Review*, Burnham called his regular column for the magazine "The Third World War." When Buckley calls for a war, he does not let it decline the invitation.

Kendall, brilliant, melodramatic, self-destructive, was an improbable secret-keeper. (He is the loosely fictionalized subject of Saul Bellow's tale, "Mosby's Memoirs.") But it was the genius of the CIA to create a discipline for free spirits. This was its heritage from the Office of Strategic Services, that permanent floating faculty meeting where the boys were also the masters. It is fitting that Buckley's quite skillful spy tale draws a long implicit comparison between the Agency and a British public school. In both, the rebellious are admired, within bounds—Steerforth, were he alive in America during the 1950s, would infallibly have drifted toward the CIA. Buckley's protagonist, who becomes a boyish hero to his peers by cool insult to "the system" at his school, remains a hero amid spooks by defying Congress at the novel's end, refusing to break his binding higher oath to the secret society. Once Bones, always Bones.

The English school tie is what makes Buckley's story so appropriate and revealing. His hero is qualified for service in England because his school connection makes that a good "cover" for him—yet he resents the country where his 1941 "America First" attitude led to persecution and a Swinburnian scene under the master's rod. Buckley indulges the sadistic conventions of the Howard Hunt spy tale when he makes his hero "punish" the Queen of England (no less) with nine counted-out coital strokes, evening the score for nine lashes from the headmaster. "Bang," types Mickey Spillane, as he dribbles white "bullets."

The CIA was born, by way of OSS, from England's MI–6. General William Donovan put his new organization to school with British intelligence service. And that service had grown up in a matrix that left three principal marks upon it, of social ties, colonialism, and a sense of peerage with the foe. Each mark would be imprinted, in faint but definit ways, on the American pupil, deep as lashes delivered at one's school.

(1) MI–6 was always a very good club. The necessary secrecy was imposed on a previously developed exclusivity. It was the last refuge for bright Blimps. While Msgr. Ronnie Knox, closest friend-tutor of Harold Macmillan was trying quioxotically to "decipher" the Old Testament without training in Semitic cultures, his brother Alfred cracked enemy codes with the family genius for tossing off *Times* crossword puzzles. The rare Bertie Wooster with a brain could only serve his sovereign (if at all) in military intelligence. Waught caught the mood exactly in *Put Out More Flags*, where Basil Seale uses MI gobbledygook to awe air wardens and headwaiters. Seale's real pitch to MI–9 was intended to be silly in the novel, but it sounds like a state paper in the age of Angola. It is a plan for annexing Liberia:

> The German planters there outnumber the British by about fourteen to one. They're organized as a Nazi unit; they've been importing arms through Japan and they are simply waiting for the signal from Berlin to take over the government of the state. With Monrovia in enemy hands, with submarines based there, our West Coast trade route is cut. Then all the Germans have to do is to shut the Suez Canal, which they can do from Massawa whenever they like, and the Mediterranean is lost. Liberia is our one weak spot in West Africa. We've got to get in first. Don't you see?

The official does not understand why Seale has come to him—it is, he answers, so the man can explain it to America after Liberia is taken.

It was natural for Basil Seale's friends to think his one chance at making something of himself was as a gentleman warrior off on a spy. They were not far wrong. Near-Basils, and even odder types *did* perform important services for the Empire in its last hour: Alan Turing, who listened every day to the favorite BBC radio show of his childhood, about Larry the Lamb, and who called his mother immediately after each show to compare diagnoses of its incidents, reproduced the German "Enigma" machine to read Hitler's most carefully guarded cipher. (The Germans were reluctant admirers of British intelligence, too—their machine was named for Elgar's variations.)

At times, reading Anthony Cave Brown's flawed and too admiring history of MI–6 in World War II (*Bodyguard of Lies*),[2] we seem to step back through Waugh's world to Wodehouse's: Sir Hughe Montgomery Knatchbull-Hugessen, Knight Commander of the Most Distinguished Order of St. Michael and St. George, MI–6's man in Ankara, was known to his friends as "Snatch," and kept his spy-servant (known as "Cicero") dressed in Turkish costume with turned-up toes. Cicero sang lieder while Snatch played the piano. It was Waugh out-Waughed by reality.

MI–6 likes to trace its ancestry to Walsingham's spying on the Spanish Armada. In the twentieth century, Captain Mansfield Smith-Cumming, who had commanded His Majesty's fleet in the China Sea, became the first head of intelligence to call himself "C" and insist on total secrecy for the organization. Smith-Cumming was a bit like Ritchie-Hook; he stabbed a knife into his peg leg for emphasis instead of pounding on the desk. He extended the despotic Official Secrets Act into the twentieth century.

When Stewart Menzies became "C" in 1939, the Admiralty resented this "upstart" from the Life Guards taking over the Navy's post—even if Menzies *had* been president of "Pop" at Eton, a super-Bones position. King George overcame these objections by presenting Menzies with the Ivory, a pledge of instant access to the king, given only to a handful of men. The Menzies crew had people with genuine flare in it. The first chief of deception for European landings was Colonel the Honorable Oliver Stanley, son of the seventeenth Earl of Derby, grandson of the seventh Duke of Manchester, son-in-law of the seventh Marquess of Londondeery, known as "The Fox." He had blackballed the Aga Khan at the Turf. He resigned in protest when he felt his men had not been properly used in the Dieppe landing. A friend interpreted his objection to this feint (meant to draw troops from the Russian front): "A man whose ancestors had put the Tudors on the throne saw no reason to bow low to foreign potentates." Stanley left military intelligence to become minister of colonies.

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[1] Doubleday, 1976.

[2] Harper & Row, 1975.

The controller of deception, minister to what is now known as "disinformation," was bound to be well connected in World War II. John Bevan, of Eton and Christ Church, married to a descendant of Lord Lucan, commander of the Light Brigade at Balaklava, had been preceded in this office by a son of the Earl of Derby and a brother of the Earl of Scarborough. It is not suprising that when German intelligence meant to make contact with Menzies in the 1930s it dispatched Germans like Robert Treeck, who could ride to hounds with Menzies in the blue and buff livery of the Beaufort Hunt (instead of ordinary pink and black) and move through the country-house circuit around the Menzies seat, Bridges Court. One had to join the club in order to spy on its members.

(2) English military intelligence was tempered throughout by the imperial mentality. Administering the colonies demanded a world-wide information system. Beyond that, it called for an intelligence operation within each colony, not only to know what was going on among rival native factions but to play them off against each other. That is why a controller of deception was already a traditional part of English intelligence by the time of World War II. The skills involved came from the fact that England had two distinct sorts of government, one for the Home Country and another for the colonies. Things were possible for the colonial governments that could not be undertaken in the motherland things, in fact, it were better for the ordinary Englishman not to know about. Whenever you have two such governments not entirly recognizing each other's norms, a coordinating mechanism is needed, which tends to think of itself as the "real" government. In England, the natural home of such a force was the Establishment, the ruling families still politically active, who had all along thought of themselves as the protectors of King and Country.

Out of this complex of circumstances arose the paradox of MI-6. It was a unit whose binding force was honor; yet it dealt naturally in the violence and deception of "special operations" (dirty tricks). The very top of society could stoop below the very bottom because the Empire had to manipulate "lesser breeds without the law" for the Empire's good, and for the good of the lesser breeds themselves—if the ingrates could only recognize that fact.

It was a point of great pride, in this atmosphere, to understand the native mind, to enter into all its labyrinthine schemes and ruthless internal wars—without ever going native or losing one's honor toward one's own. One had to touch pitch constantly yet remain undefiled. James Bond's elaborately choreographed meals, his connoisseur's tastes, are the modern equivalent of dressing for High Tea in India or South Africa. Assassination is a necessity, after all, when one is dealing with assassins, or thugs, or whatever. But that is no reason to be blackballed at White's.

Of course the MI branches had in World War II fresh blood and a higher mission than before. They included, now, a rich mix of leftist dons, brilliant scholars, and serious writers. But much of MI-6's tone was still set at the top by a Churchillian relish for grandiose skulduggery. There was a schoolboy love of "pranks" that made Churchill spend hours with MI-6 inventing new ruses to try out on the Germans. Once the prey becomes fair game, inventing ever dirtier tricks takes on the charm and challenge of a *Times* puzzle. Brown, in *Bodyguard of Lies*, aptly compares the British attitude to that of the wizard in *Lord of the Rings:* "It is difficult with these evil folk to know when they are in league, and when they are cheating one another." The shrewd MI agent had to do more than just know such things: he had to *make* them cheat each other, even when they *were* in league.

3) If the Empire situation gave MI types a license to kill "wogs" in the colonies, it demanded honorable warfare with one's peers on the other side, men like Treeck who rode well. Wilhelm Canaris, Menzies's opposite number in World War II, had entered the German military when it was still heavily aristocratic in its bearing. A graduate of the naval academy at Kiel, he commanded the *Dresden* in World War I and was taken from command of a Baltic naval post in 1933 to become head of the Abwehr, the intelligence service of the General Staff. This post had traditionally been given to the Navy, and Hitler rather liked having a bit of the old guard on his side—he mistakenly believed the freewheeling spies would be less Junker-like in their view of life than other officers. In fact, the Abwehr became the rallying point for that class of soldiers who never did like Hitler.

Plot after plot was spawned by the Abwehr. Canaris and Menzies played an odd brotherly game of bluff and overture with each other. Canaris had to mislead Hitler and let Menzies see he was doing it—a doubly risky proposition—in his effort to strike a deal, to coordinate the Reich's overthrow with a relaxation of Roosevelt's demand for unconditional surrender. Canaris did not succeed, but that was not for lack of sympathy on Menzies's part—or on the part of Allen Dulles, the OSS man for contacts with the *Schwarze Kapelle* faction in German intelligence. After the war Dulles would, according to reports accepted by Brown, give Canaris's widow a Spanish villa and annual pension out of CIA funds.

For a tense period in 1944, M1-6 thought it might win the battle against unconditional surrender. It had even persuaded the American command staff—initially too casual about the dangers of a Normandy landing—to take steps encouraging the Germans to rebel against their leader. The Joint Chiefs petitioned Roosevelt for a softening of surrender terms; but he replied, on April 1, that "the German Philosophy" had to be expunged entirely. Eisenhower tried again, working through the State Department's contact man at SHAEF, Edward Stettinius. When that did not work, he wrote a speech to be delivered after the Normandy landing, trying to make surrender more palatable to the foe. Churchill blocked delivery of that speech (despite his own earlier misgivings about unconditional surrender) because of his resentment of the American general's ability to set policy.

The Normandy invasion takes on a tragic futility in Brown's long account of it, since Eisenhower was a convert by then to softened peace terms, and he was faced by Erwin Rommel, a late convert to *Schwarze Kapelle* plots against Hitler. Both generals had to fight with the knowledge that fighting might well be unnecessary. Brown's account reflects the intelligence services' mentality, and tells us a great deal about any elite corps serving a government it thinks fundamentally mistaken. Both Menzies and Canaris had reached the point, in 1941, of opposing their own governments in an attempt to cooperate with the declared enemy. In both cases, the motive was patriotic, not treacherous—though in either case it could easily have been mistaken for treason. (Churchill all but said Eisenhower was betraying his men by talking softly to the enemy: "I never heard anything less suitable for the troops.")

One of the many evil side effects of Roosevelt's total surrender policy was that it put the Allied intelligence agencies in so morally ambiguous a position: they *had* to work with dissidents on the other side, proffering the hope of mutually agreeable terms, yet their own government kept removing such terms from their grasp. The intelligence service, in this situation, becomes *hors de combat* because it sees the "real' battle engaged above the blunders of political leaders on either side. Fear and respect for the enemy become near-identification with him when the circumstances of both sides are so similar. Cassandra calls out to Cassandra—or, more properly, Coriolanus to Aufidius:

> *I sin in envying his nobility,*
> *And were I anything but what I am,*
> *I would wish me only he.*

MINORITY BUSINESS OPPORTUNITIES

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. RICHMOND. Mr. Speaker, a recent article in New York's Amsterdam News by Carlos Ortiz describes a successful venture by a Government organization to increase the sales receipts of minority businesses.

The National Minority Purchasing Council—NMPC—which is under the jurisdiction of the Department of Commerce, reports that despite our recent economic difficulties, sales of goods by minority firms to the Government total $3 billion for the period since 1969. At the same time, through the efforts of the NMPC, the private sector has purchased about one-half billion dollars worth of goods from minority business firms. These statistics are indeed commendable when one considers that the fledgling minority firms have for the most part had to bear the burden of the national recession.

Hopefully, the NMPC can continue to increase minority business contributions. The purchase of goods by the Federal Government is essential since it serves as a model to stimulate the private sector into increasing their dealings with minority firms. Aggressive action by both the public and private sector will do a great deal toward bringing minority firms into the mainstream of the economy. And, eventually, these firms will be able to operate without the assistance of Government intervention.

Following is a copy of the article by Mr. Ortiz:

MINORITY BUSINESS SALES TO U.S. UP SINCE 1969

(By Carlos V. Ortiz)

Although the 1970's have seen the American economy stagger through a period of economic uncertainty, recessions, and recoveries, the government has attempted to remind the public that the worst is over and that prosperity, while perhaps not around the corner, is at least within sight.

And, while the situation has been rough for American businesses on the whole, the brunt of the economy's hard times have tended to fall upon minority-owned corporations.

SPECIAL

Yet, for some minority-owned enterprises, the governmental promise of better times has already been realized with the help of the Federal government itself. In fact, minority firms have sold almost $3-billion worth of goods and services directly to federal agencies since 1969.

And, according to the National Minority Purchasing Council—NMPC—almost two-thirds of these sales were made, not as a result of special governmental considerations, but rather on the basis of hard-nosed, competitive bidding.

The NMPC, a three-year-old Federal Agency operated under the aegis of the Department of Commerce, attempts to stimulate business between minority firms and both the public and private business sectors.

VOLUME

Initiated by the Nixon administration in 1972, the NMPC was originally envisioned as a means of attaining a voluntary partnership between government and private business, with the latter assuming the dominant role in actual business volume with minority entrepreneurs.

Yet, while all NMPC programs are guided by the principle that "business is properly the business of a private sector," minority sales to the government have exceeded those to private industry on a ratio of nearly six-to-one since the agency's inception.

"The private sector has purchased about one-half billion dollars worth of goods and services from minority-owned corporations in the past six years, while the government has done close to $3-billion worth of business with, more or less, the same firms," NMPC Associate Director David Knott told CNS recently.

THE TRUTH

"There are a number of reasons for this vast difference," Knott suggested. "To begin with, measuring minority business in financial terms is not easy. Our figures are based on the records of the nation's major companies. But the truth is that a lot of the big corporations are just not concerned about the problems of minority enterprises. One of the NMPC's perpetually on-going projects is to attract those big companies into becoming involved.

"Secondly, while most of the NMPC's 8,000 identified minority vendors are Black or Hispanic, the government figure of $3-billion in transactions includes deals with other minority groups—for example, Native Americans, Orientals, and Eskimos.

COMPETITION

"And, also, many corporations have programs to improve relations with minority businesses but fail to follow through with actual business deals. While many minority-owned firms do well in active, competitive bidding with government agencies, few can compete on the same level with the major companies in 'Fortune 500', all of which I believe, are majority-owned."

Among the major corporations which do have effective affirmative action programs, Knott listed aircraft manufacturer McDonald-Douglas, Western Electric, Exxon, Mobil Oil, Avon Products, and Standard Oil of Indiana as some of the firms doing the most business in the minority market.

ANNUAL SALES

As for the minority companies with the most prosperous sales outlook, Motown Records, Parks Sausages, and Johnson Cosmetics lead the field, according to Knott, who estimated the annual sales for these firms as ranging from $15-million for Motown to $10-million for Johnson and $2-million for Parks.

Knott cited the NMPC's immediate goals as involving more major corporations in such programs as sales training for minority vendors, buyer training to sensitize major company buyers to the minority market, and regular meetings between major company representatives and minority businessmen.

INDICATOR

Meanwhile, the NMPC, which has 26 regional branches scattered throughout the country's major commercial centers, hopes to raise the one-half billion dollars sales figure between minority vendors and the private sector to $1-billion by mid-1977.

An indication that the figure may well be within reach came from Commerce Secretary Rogers C. B. Morton, in a speech given before an NMPC luncheon recently. The Secretary disclosed that the NASA Space Shuttle to be launched in 1980, will be carrying "millions of dollars worth of high-precision, high technology hardware produced by minority subcontractors."

Morton asserted that "these subcontracts awarded to minority producers have not increased the cost of the space program, have not caused the delivery schedule to slip, and have in no respect downgraded the structural integrity of the space craft.

"I believe this to be a tribute to the efficacy of minority enterprise efforts."

LAW ENFORCEMENT OFFICERS POLL SHOWS OPPOSITION TO REGISTRATION OF FIREARMS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. ASHBROOK. Mr. Speaker, I recently conducted a poll of the law enforcement officers in the 17th Ohio District in order to get their input regarding the current laws to register or confiscate firearms. I sent questionnaires to the sheriff's departments and the local police forces of the cities and villages. Several hundred replies were sent to my office and, without exception, they contained additional comments some of which are included with these remarks.

The results clearly show that law enforcement officers favor stricter penalties and less coddling of the criminal instead of laws which would impinge on the rights of the gun owner who is not violating any law. The results of the poll are as follows:

OPINION SURVEY OF LAW ENFORCEMENT OFFICERS OF 17TH DISTRICT

1. Do you favor federal registration of *all* firearms?

Yes	5
No	98

2. Do you favor federal registration of all *handguns*?

Yes	16
No	83

3. Do you favor a federal ban on private ownership of all handguns except for licensed clubs?

Yes	1
No	98

4. Do you favor confiscation of all handguns?

Yes	1
No	92

5. Attorney General Levi has suggested selected registration in the U.S., that is in areas of high crime density like Cleveland, Detroit, etc. Do you favor that approach?

Yes	9
No	80

6. If there is to be any additional legislation on so-called gun control, it should be at the state or local level *rather* than at the federal level.

Yes	68
No	23

7. Answer only one of these two questions:

In addition to federal registration of handguns, I favor mandatory prison sentences for anyone convicted of a felony in which a gun was used, yes, 6.

Instead of more federal gun control legislation, I favor mandatory prison sentences for anyone convicted of a felony in which a gun was used, yes, 88.

On the subject of law enforcement, please indicate your views on this question:

As a law enforcement officer, my job would be made easier (a) if all firearms were registered, (a), 3; (b) if all firearms were confiscated, (b), 1; (c) if prosecutors, judges and juries were more firm in convicting and meting out sentences, (c), 93.

In addition, I asked the following questions:

What do you view as the greatest problem of law enforcement today?

Please give me any additional comments on the general subject of gun control or law enforcement which you might want to make:

Here are some of the answers I received. Also, more than 35 letters were written and attached to the poll. The letter of the chief of police of Bellville, Ohio, is a typical letter and I include it with these remarks:

"The Courts" from the Supreme right on down to and including municipal judges have too much leeway on sentencing.

As you state Mr. Ashbrook, murders will be committed by other means, if guns are removed. Sentencing, parole, and shock release is a farce. Habitual criminals are being freed thru these programs. Laws are being made by lawyers for lawyers.

In my scale of values, gun control is the litmus test for politicians. Those who are interested in gaining votes favor gun control; making it a false panacea.

The good guys are losing. While crime leaps by quantum jumps, we cops are constantly playing "catch up ball". We are continually short of manpower and technology.

Plea bargaining and piggy back probation for multiple offenders—especially juveniles. Also, Sunday Schools instead of prisons and interference from unqualified people such as parole boards.

No gun control of any kind will stop crime or criminals from having guns even if they have to make them. Any weapon used in a crime should be considered deadly and the crime "aggravated," "not just guns."

Lack of support: from the public, courts, and politicians. Law enforcement must have the backing of the law abiding society to function. The people don't know what to do, the judges either don't have the courage or are set on destroying the system, and most politicos fall into one of those three categories.

1. Make mandatory sentences, no probation, no bargains. 2. Prison's overcrowded,

make road gangs. Put them to work to pay for their keep. Example case; sentence first offense 1 year; second offense, 5 years, etc. No probation. This would cut crime and the amount of offenders.

The irresponsibility of our judges and courts to properly prosecute and convict felons, due to some minor technicality in the arresting officers statement or report. Failure of our prosecutors to properly prepare their case in court with sufficient evidence to obtain a conviction.

About the Saturday night specials -I feel that many so called cheap guns or Saturday night specials may be the only protection an older couple or a poorer family may be able to afford. Why take their protection away because they are unable to afford an expensive firearm.

BELLVILLE POLICE DEPARTMENT,
Bellville, Ohio, December 1, 1975.

Hon. JOHN M. ASHBROOK,
Representative to the Congress, 1436 Longworth House Office Building, Washington, D.C.

SIR: In answer to your survey on gun control, I am enclosing a copy of "Communist Rules for Revolution" and would like to draw your attention to "C". This paragraph pretty well sums up my feelings on gun control. It appears to me that the registration of firearms is the first step in the final part of the doctrine for Communist takeover in this country. I would strongly oppose any measure that would make a list available pinpointing the privately owned weapons in this country. I am aware of your feelings and position on gun control and support you in this measure to the fullest.

The greatest problem facing law enforcement today is the general lack of punishment to convicted criminals. This problem is also very instrumental in what I consider to be the deterioration of our country and our democratic system. When Congress lowered the speed limit to 55 MPH, this single act of legislation did more to reduce the death rate on our highways than anything that had been enacted previously. If criminals in this country "knew" they were going to be punished, this would do more to lower the crime rate and prevent future crimes than any other factor or enactment of more legislation. The blame for this situation must be assumed by all people; but, in my opinion, most directly by those in the legal profession, Judges, Congressmen, Senators, Attorneys, and the institutions that train and educate them. It is also these same people that can do the most to eradicate this problem. First of all, the law schools by giving the legal profession some insight towards the patriotic stability of the well-being of our country. The attorneys by fairly carrying out their duties, not only to their clients, but to our society as a whole; the Judges by the fair interpretation of the laws and dispatching fair and reasonable punishment; Congressmen and Senators by passing laws for the betterment and well being of our country and then making sure they are laws for the betterment and well-being of some individuals in the legal profession indicates that they are interested in themselves and what they can accomplish for their own benefit rather than for the betterment of society, which should be their primary responsibility.

If this conduct is allowed to continue and accelerate as it has in the past, then, I believe that it will be a significant factor in the demise of our country and our system as we know it.

Just as many radical groups would like to see a revolution to overthrow our country. Perhaps the citizens of these United States who are not satisfied with the law enforcement in its entirety, should make their beliefs known to those who have the power to legally bring about a change. I would also challenge those who are in the legal profession and the judicial positions who are aware of the "wrongs" in our precent system, to come forth and work towards the improvement of their profession, for the betterment of society. I strongly urge all people of this country who want the legal process set right to openly support those who are striving to achieve this.

Sincerely,

STEVEN D. FRANCIS,
Chief of Police.

WRIGHT BROTHERS AWARD SPEECH OR HOW NOT TO USE AMERICAN TECHNOLOGY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. McDONALD of Georgia. Mr. Speaker, the above title is not what the author titled it, but my summary after hearing him. "Kelley" Johnson, a long-time member of the Lockheed team, now a member of the board and a senior adviser, made a very short but important speech in Washington, D.C. on December 12, 1975, on the occasion of the "Wright Brothers Memorial Award Dinner." His main points, it seemed to me, were: First. We are still too slow in accepting new ideas; Second. We are still too prone to give away our best technology to others; and Third. Why we are not going ahead with production of our best new weapons we have developed? His speech is of vital importance to those who care about the future of this country and I commend it to the attention of my colleagues:

C. L. JOHNSON SPEECH, AT THE WRIGHT BROTHERS MEMORIAL AWARD DINNER

WRIGHT BROTHERS AWARD SPEECH

I never have much of a problem on making a speech on engineering or technical matters. But I've been at a considerable loss about what to say on this occasion which would be appropriate, meaningful and accurate. Finally I scribbled down a three sentence outline of what to do and here they are.

First—be brief and specific.

Second—express your lifetime admiration and understanding of the Wright Brothers genius which has been such a guide in your own career.

Third—with such a knowledgeable audience many of whom are daily and hourly facing the most important problems of national defense, be more than careful not to berate the obvious and therefore express your personal thoughts constructively and carefully.

With these rules to guide me, I first made a list of what not to say and it was impressive! For instance, I would not say that if we had followed the policies of an important gentleman at this table, we would not have made such a shambles of the Viet Nam war as we did! Nor would I say how stupid we were in the same war to take the guns out of our fighter aircraft and then send our pilots into combat with such a cost saving training program that few of them had fired even a handful of air-to-air missiles before facing the enemy. And for gosh sakes don't say that the Israeli Air Force using the same kind of U.S. aircraft against the same kind of MIGs scored about four times the victory ratios that we did, using better pilot training and tactics!

But enough of what I shouldn't say. Let's get back to the basic speech outline. On the first point, a reasonable time for my speech at this hour of night, shouldn't exceed eight minutes—that I can do.

Next, let me admit how hard it was throughout my career as an aircraft designer, to invent something really new that the Wright Brothers hadn't applied or made use of many years ago. Their early airplanes had tricycle landing gears, catapult launching devices, opposite rotating propellers, thin high lift wings, dual vertical tails, canard control surfaces, variable wing camber and many other features. The Wright Brothers made good use of the wind tunnel as a powerful design tool and built their own engines and propellers with most commendable design skill—it is therefore with great humility, pride and admiration of them that I accept the award made in their name tonight.

The third part of my comments has to do with my increasing fear of what is happening again to our national defense posture. In World War I, the U.S., which had invented the airplane, was forced to use French Nieuports and Spads to engage in combat while our aircraft industry was assigned to the development of trainers.

To the best of my knowledge, not one American airplane design ever got into the first air war in history. In fact, it took the Wright brothers six years to interest our Government in their airplane—a period which hasn't changed a great deal for new ideas in over seventy years.

In World War II, I recall the remarks of an experienced British air commodore who came to the U.S. to fly our fighter aircraft for combat evaluation. He said to me one day: "Kelly, your American fighters are a delight to fly but what are they for?" He was referring to our lack of firepower, bullet-proof fuel tanks, gun sights, armor plating and power. We had quickly to redesign our service aircraft to correct these deficiences at a great cost and delay while the British Hurricanes and Spitfires gave us time to arm.

Today, we as a Nation and an industry take great pride in the state of our technology, but I think too often we believe our own advertisements too much. After all, the only technology that really counts is what is in our service hardware ready and able to fight. We don't gain much giving away the technology of our computers, submarine drive gear cutters, jet engines and aircraft—the technology flow is all in one direction—away.

I just don't understand why the Russians can have a modern bomber like the Backfire "E", which I think we consistently underrate, while some people in this country think we should give up the B–1s (which we don't yet have any of). An even more ridiculous case, in my view, is our agonizing over cruise missiles of which the Soviets have many and we none of anything like modern design. If the Trade Press is right, and I have little reason to doubt this, we are considering limiting the range of our cruise missiles to about 350 miles, less than half to a third that of our potential competitors. In fact, if we put some of our latest air-to-ground missiles on aircraft having the performance of our SR–71, their range would be far more than the number I've mentioned, if they were launched at the cruising speed and altitude of our Black Birds.

Are we to go through again a period similar to the post World War I time when we sunk battleships and the Japanese sunk blue-prints?

I believe with this thought, I've expended my eight minutes so I'll close with this admonition—

"Let's be a lot more careful of what we do to this country—it's the only one we will ever have."

Thank you.

WHAT IS THE PLO REALLY TRYING TO LIBERATE?

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. SCHEUER. Mr. Speaker, Abba Eban has written an eloquent article on the bizarre meaning of the word "liberation" in the PLO lexicon.

I believe that every one of my colleagues will be stirred by Mr. Eban's words which appears in the London Times on December 29, 1975:

What Is the PLO Really Trying to 'Liberate?'

(By Abba Eban)

Mr. Said Hammami's article in *The Times* (November 28) purports to "reply" to me, but ends up without replying to anything. I wrote on this page on November 17 that the resolution of the United Nations General Assembly equating Zionism with racism was an outrage so extreme that it would strengthen Zionism and bring further discredit to the United Nations.

This is exactly what has happened. Can anyone recall another resolution by an international body that has evoked such an immense revulsion among parliaments, free governments, religious leaders, the intellectual community and the world press? There is, at last, a backlash against the arrogant compulsion that leads Muslim and communist states to go around scribbling their anti-Israeli expletives on the walls of international organizations. Even those like Mexico who supported the odious text are seeking to cleanse themselves of its contagion.

A bizarre climax has now been enacted at Unesco. At a conference called to discuss the duties of mass-media, 32 states, which do not possess a single free newspaper among them, instructed the world press to depict Zionism as racism. Once again the theocratic tyrannies which finance the PLO—Saudi Arabia, Libya and Yemen—were in the forefront of this battle for diversity and tolerance. Kafka in his most imaginative moments could not have crowded a greater aggregate of absurdities into a single action.

This time the countries that founded Unesco, and without which it could never survive, felt themselves to be intellectually and morally expelled. The old League of Nations, with all its weaknesses, created an atmosphere in which totalitarianism found it hard to live; and Nazi Germany, fascist Italy and communist Russia all resigned at various times. The United Nations, under Arab pressure, now generates a climate in which free parliamentary democracies have to walk out in search of clean air.

Mr. Hammami should face the truth that the denunciation of Zionism as racist carries as much conviction as the medieval assertion that Jews drank Christian blood at Passover. It belongs to the same lineage of calumny. When Mr. Hammami's colleague, Mr. Farouk Kaddumi, contemptuously and snubbishly calls the sovereign state of Israel a "Zionist ghetto" that ought to be "destroyed", he sinks to the semantic level of yid or kike. It was Eichmann after all who destroyed "ghettos" in Warsaw and elsewhere.

Mr. Hammami's complaint about Zionism and Israel is that they aspire to create and maintain a "predominantly Jewish state" in a small part of the total Palestine area as defined in the original Palestine mandate which extended to both sides of the Jordan. Israel and most of non-Arab mankind believe that there must be two states with agreed boundaries in historic Palestine, for the simple reason that there are two very distinct nations—not one. Mr. Hammami believes that national independence is "For Arabs Only". It is here that he displays his typically anti-semitic shape of thought.

To maintain a "predominantly Jewish state" in a part of Palestine is of course exactly what Israel is resolved to do. This is, in fact, what the United Nations exhorted us to accomplish in the forgotten days when it was free to say something that Mr. Hammami dislikes. The ideas was that the world community should be redeemed from the heinous reproach of containing every thread in the universal tapestry—except the Jewish thread. Israel's Jewish dimension and its immigrant character, which Mr. Hammami derides, are elements in the universal purpose underlying Israel's sovereignty.

Mr. Hammami and Mr. Kaddumi, with their diabolical stereotypes of "ghettoes" worthy of "destruction", seem unable to digest this—for the tragic reason that their movement can only think of Jews—as antisemites do—as subject minorities, sometimes "tolerated", more often not—but never to be worthy of a sovereign destiny equal to Oman and Qattar.

It is this discrimination which has led the non-Moslem world overwhelmingly to reject the anti-Zionist policy of Arab nationalism ever since the First World War.

A careful reading of his article leads to the conclusion that Mr. Hammami, in this context, at least, regards nationhood and racism as the same thing! This moves him to speak of a "predominantly Jewish state" in a shocked tone of indignation, as if the normal thing was for states not to have a "predominant" national colour at all. I have always found Holland predominantly Dutch, America distinctly American and France recognizable French.

Why in heavens name does Mr. Hammami expect his readers to recoil at the axiom that Israel should be predominantly Jewish? After all, the Arab states are predominantly (nay, exclusively) Arab; and all of them, except Lebanon, have clauses in their constitutions that make them emphatically Islamic as well. Antisemitism comes into existence at the precise point where something is denied to Jews that is accorded to all others.

For the rest, Mr Hammami seeks to make our flesh creep by portraying Israel as an inferno of hardship and torment for Arabs. I do not believe that any society, including our own, has achieved perfection. But if Israel is such a hell for Arabs, would Mr. Hammami care to explain why 75,000 Arab workers from outside come to work here every day, while another 150,000 visitors from all parts of the Arab world enter Israel's "clutches" each year. The real inferno in the Middle East is that which the PLO is creating for the Lebanese people—for the crime of not being "predominantly or exclusively" Moslem.

It all comes down to an understanding of what the "L" in PLO stands for. Whom and what do they wish to "liberate"? The PLO, after all, was founded in 1964 when the West Bank, Gaza. Golan and Sinai were firmly, and without challenge, under Arab rule.

The "L" cannot therefore have anything to do with those territories. The plain fact is that the PLO was born and exists to "liberate" Israel from its Jewish destiny.

Against this ignoble parody I suggested a vision of a Benelux relationship between Israel, a Jordan-Palestine Federation and Lebanon: that is to say, an order of relations that combines separate sovereignty with social and economic integration and human accessibility. National identity must be both respected and transcended within a Middle Eastern community of states, based on modern community examples in Europe.

One thing is certain: "It is only as a nation in its own land that the Jewish people can hear what it has to hear; say what is has to say." The quotation is from Martin Buber; but then I expect that Mr Hammami could now get Saudi Arabia, Yemen, Libya and Uganda to have Unesco and the UN condemn Martin Buber as a "racist", together with Malraux, Sarte, Solzhenitsyn, the United States Congress, the European governments and parliaments, the Nobel laureates and all the institutions and individuals that condemned the resolution which the Muslim and communist despotisms embrace in growing solitude.

STAFF AND VOLUNTEER COORDINATION

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1976

Mr. PRESSLER. Mr. Speaker, Jerry and Betty Simmons are among the leading group of citizens in South Dakota. They are among that group of our people who bear the burden of doing the work in our local communities. This group of people—of which Jerry and Betty Simmons are prime examples—carry on local work in local volunteer organizations. They probably accomplish more than all levels of government—and they do it without collecting any taxes.

Mr. Speaker, I especially appreciated a tax seminar which Jerry Simmons chaired in Sioux Falls last summer. My friend Congressman Guy Vander Jagt of Michigan was our guest speaker. It was a useful and meaningful experience and an example of the sort of local citizen input that is so needed.

Mr. Speaker, I am sure that Jerry and Betty Simmons will remain active in local affairs. I hope one of them will some day be willing to seek elective office to bring their talents to government.

I would like to insert into the Record the following excerpt of a speech delivered by Jerry Simmons, then president of the Sioux Falls Chamber of Commerce, to the Institute of Organizational Management, University of Colorado, on July 10, 1975. Mr. Simmon's speech relays a very special message to all of us—the importance of volunteer work and the efficiency that volunteers can lend to any organization with effective leadership. Businessmen and others can learn much from Mr. Simmons remarks:

Ten False Assumptions About Chamber of Commerce Volunteers

(By Jerry Simmons)

"The primary purpose of a Chamber Executive is to train and motive the volunteer leadership," said Jerry Simmons, President of the Sioux Falls, South Dakota Chamber of Commerce to the evening session of the Colorado Institute on July 10, 1975. The topic was "How We Look At You".

The ten assumptions about Chamber of Commerce volunteers are:

1. Because the *Volunteer* manages a successful business or business function he can manage a Chamber function successfully.

2. The *Volunteer* is interested in learning how this Chamber of Commerce works.

3. The *Volunteer* understands how his Chamber works and why it works.

4. The motivated and qualified *Volunteer* will naturally gravitate to the Chamber of Commerce to make his contribution to the community.

5. The *Volunteer* understands the role of the paid staff and how to utilize it to meet objectives.

6. The *Volunteer* is interested in a wide range of community problems.

7. The *Volunteer* will be a leader rather than an implementer in Chamber activities.

8. The *Volunteer* can discover and locate community needs and priorities and has the ability to meet the priorities.

9. The *Volunteer* does not need training to become effective in Chamber work because he has expertise when he comes aboard.

10. The *Volunteer* and the paid staff speak the same organizational language so management communication flows meaningfully between them.

There are other ideas that staff people should understand about volunteers. The businessman is generally a follower rather than a leader and an implementer rather than an innovator and will generally react to the initiative of the staff or other volunteers. Too often when he gets up from his desk he leaves most of his business skills at his office.

There is also a lack of communication between the businessman and the staff members. Chamber people are trained to talk in terms of program of work, bylaws, divisions, committees, task forces, councils, and many other "in house" terms. Lack of understanding causes lack of motivation. Staff should be certain that the business leadership understands what they are talking about.

At least half of all volunteers for any organization feel that their skills and abilities are greatly underutilized and that their full potential is not being tapped.

Even more serious, only fifteen percent of volunteers who participate receive training or briefings to prepare them for the tasks they are asked to identify and perform. This is why out-of-town planning retreats are mandatory for Chamber of Commerce work in 1975. Chamber executives should do whatever is necessary to get planning retreats started in their Chambers. The Sioux Falls Chamber has conducted four of them and we are willing to assist other Chambers accomplish this goal. Contact Bart Bailey, Executive Vice President, Sioux Falls Chamber of Commerce.

In summation, volunteers need a great deal of training, information, education, and motivation from the staff. The staff must give the volunteer many alternatives to choose from in a given area. I know from experience that this really helps. Given the proper environment volunteers can accomplish anything. The staff creates the environment."